

# Challenges in Infrastructures of Transit Transport Corridors within East Africa Region

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If one does not know to which port one is sailing, no wind is favorable.

Lucius Annaeus Seneca



| PMAESA

# Agenda

- Introduction of PMAESA
- African Context
- Importance of Corridors
- Corridors in East and Southern Africa
- Challenges
- Solutions
- Solas
- PMAESA Conference



# About PMAESA

- Established in 1973 under the auspices of the United Nations Economic Commission for Africa (ECA),
- A non-profit, inter-governmental organization made up of Port Operators, Government Line Ministries, Logistics and Maritime Service Providers and other port and shipping stakeholders from the Eastern, Western and Southern African and Indian Ocean regions,
- Has 25 countries under its jurisdiction, including Lesotho,
- Governed by the council and the board of directors





# Pan-African Association for Port Cooperation (PAPC)

## UAPNA Members

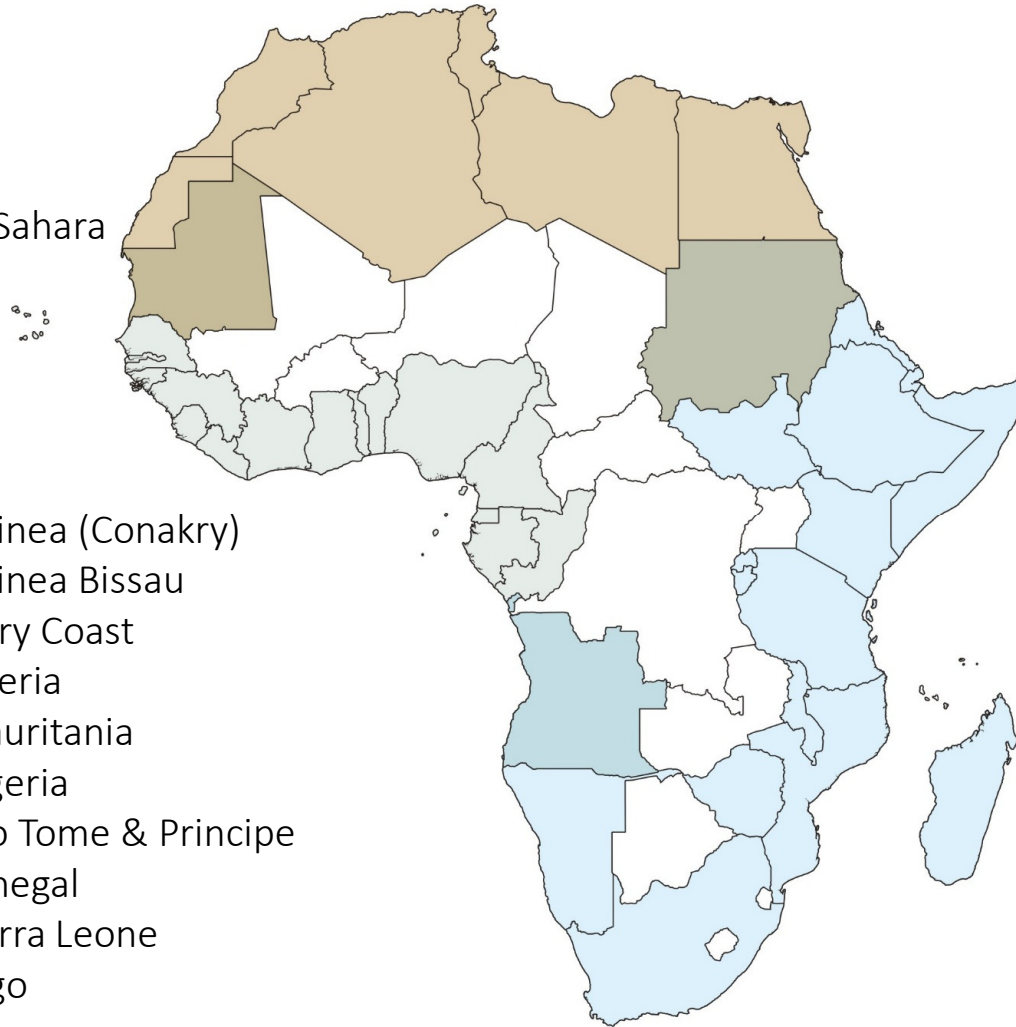
- |            |                |
|------------|----------------|
| Algeria    | Morocco        |
| Egypt      | Sudan          |
| Libya      | Tunisia        |
| Mauritania | Western Sahara |

## PMAWCA Members

- |                   |                     |
|-------------------|---------------------|
| Angola            | Guinea (Conakry)    |
| Benin             | Guinea Bissau       |
| Cameroon          | Ivory Coast         |
| Cape Verde        | Liberia             |
| Congo             | Mauritania          |
| Equatorial Guinea | Nigeria             |
| Gabon             | Sao Tome & Principe |
| Gambia            | Senegal             |
| Ghana             | Sierra Leone        |
|                   | Togo                |

## PMAESA Members

- |                 |              |
|-----------------|--------------|
| Angola          | Rwanda       |
| <b>Botswana</b> | Seychelles   |
| Burundi         | Somalia      |
| Djibouti        | South Africa |
| Eritrea         | South Sudan  |
| Ethiopia        | Sudan        |
| Kenya           | Swaziland    |
| Madagascar      | Tanzania     |
| Malawi          | Uganda       |
| Mauritius       | Zambia       |
| Mozambique      | Zanzibar     |
| Namibia         | Zimbabwe     |



### Legend:

- PMAESA Region
- PMAWCA Region
- UAPNA Region

Darkened areas imply membership to 2 associations



# PMAESA Objectives

1. Strengthen relations among stakeholders
2. Promote regional cooperation and integration
3. Promote trade facilitation
4. Influence policy framework
5. Platform for exchange of information, ideas and benchmark
6. Works towards improving conditions of operation and management of ports in its region of coverage with a view to enhance their productivity
7. Maintain relations with other port authorities or associations, regional and international organizations and governments of the region to hold discussions on matters of common interest
8. Co-ordination and facilitation of activities
9. Create knowledge and awareness





- Developed by the UNECA, ADB, AU in conjunction with Regional International Communities.
- Infrastructure development
- Promotion of efficient road-based trade corridors
- Promote Intercontinental Trade
- Alleviate Poverty
- Total network of 56,683 km



Source: NEPAD Business Foundation

# Importance of Corridors to Ports

- Corridors are vital parts of the supply chain
- Influence off take of cargo from port
- Influence cost of doing business in an economy (cost of finished product includes transportation charges, import levies, etc)
- Developed corridors can facilitate creation of Industrial Development Zones – thus reducing need for investing in container storage yards in the port.
- Port can focus on the core business
- Capitalize on Blue Economy for Economic Growth





# Developing trade transit corridors

- Corridors are Regional and Sub-Regional multimodal transportation systems
- Routes linking several economic hubs, countries & ports - sea and dry ports.
- Networks of transport facilities & infrastructure
- Established either through existing routes accepted by customs authorities, RECs protocols or protocols involving concerned landlocked and transit countries.
- Promote internal & external trade using efficient transport and logistics services.
- Aimed at improving not only routes but also the quality of transport & other logistic services therein.
- A corridor's reliability is measured in terms of transit time & flexibility which influences overall cost of logistics



# Main Corridors in East & South Africa

| Corridor  | Distances                                   | Mode or Transport |
|---|---|-------------------|
| <b>North South Corridor</b><br>(Botswana – DRC – Malawi – Mozambique – South Africa – Tanzania – Zambia – Zimbabwe) | 8599 km in seven countries                  | Multimodal        |
| <b>Trans-Caprivi</b><br>(Walvis Bay – Zambia – DRC)   | 2500 km                                     | Road              |
| <b>Trans-Kalahari</b><br>(Walvis Bay – Botswana – South Africa)   | 1800 km                                     | Road              |
| <b>Central Corridor</b><br>(DSM – Rwanda – Burundi – Uganda – DRC)  | 1400 km to Kigali and 1600 km to Kampala    | Multimodal        |
| <b>Northern Corridor</b><br>(Mombasa – Uganda - Rwanda – Burundi - DRC)   | 1200 km to Kampala and 2000 km to Bujumbura | Multimodal        |
| Djibouti – Ethiopia   | 900 km                                      | Multimodal        |
| <b>Maputo Corridor</b><br>South Africa - Mozambique   | 600 km                                      | Multimodal        |
| Port of Richards Bay - Swaziland  | 330 km                                      | Multimodal        |

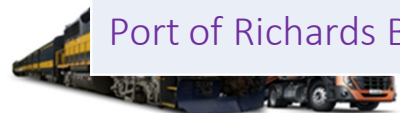
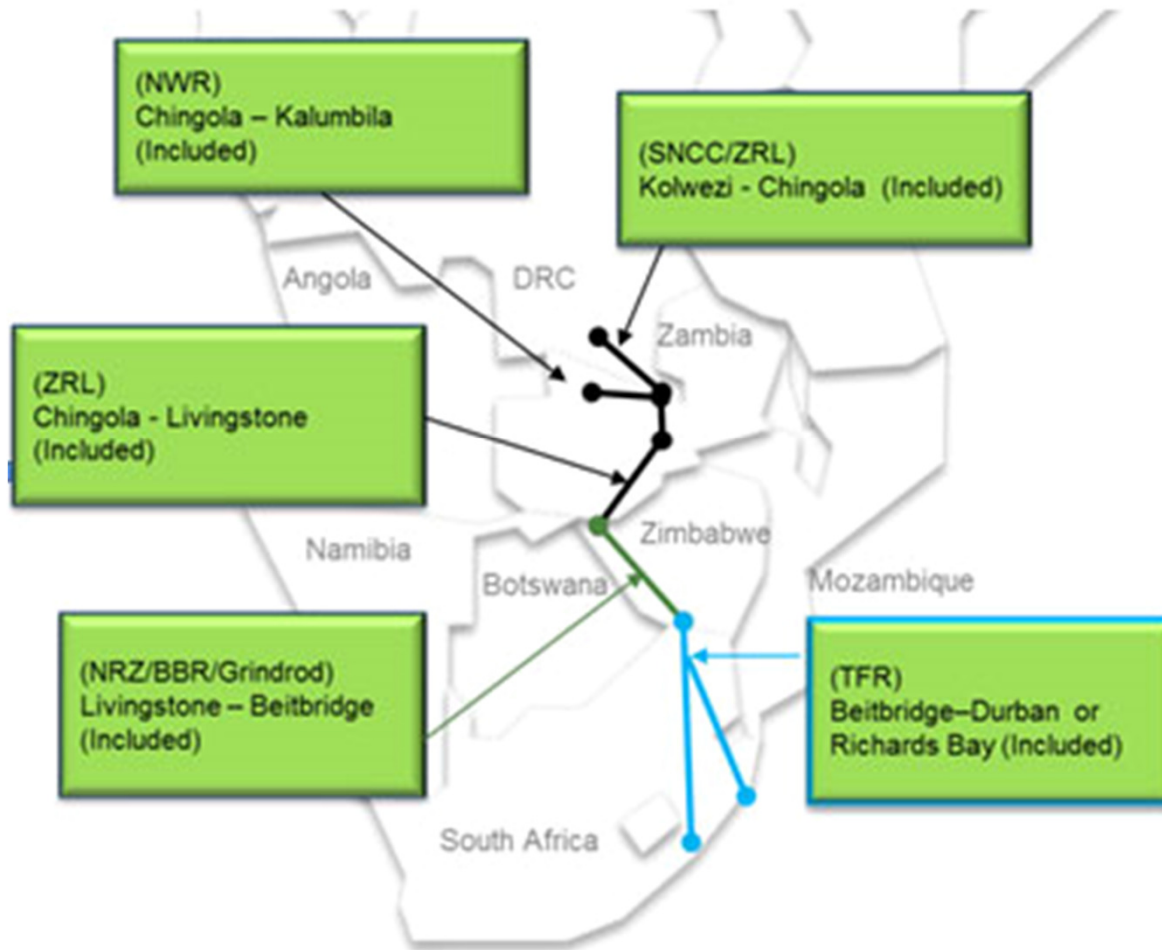


Figure 1: NSC Study Rail Corridor Scope



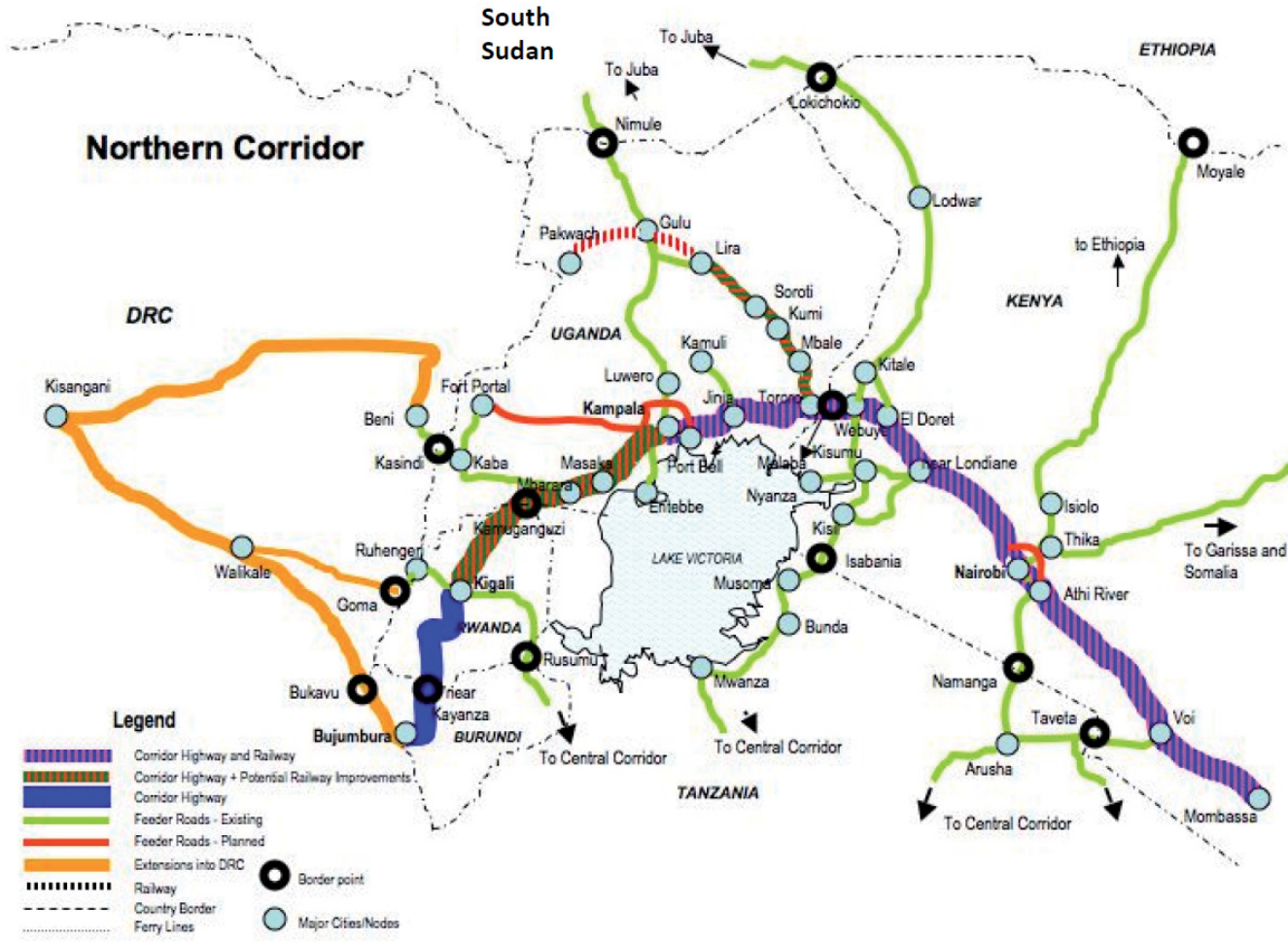
Source: NEPAD Business Foundation

## North South Corridor Characteristics

- Flagship program of the Tripartite Free Trade Agreement (FTA) – SADC, COMESA and EAC
- Access to eight markets of East and Southern Africa: Botswana, DR Congo, Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe.
- Road, Rail and Port Infrastructure Development
- Efficient Process and Procedures
- Technological Enablers



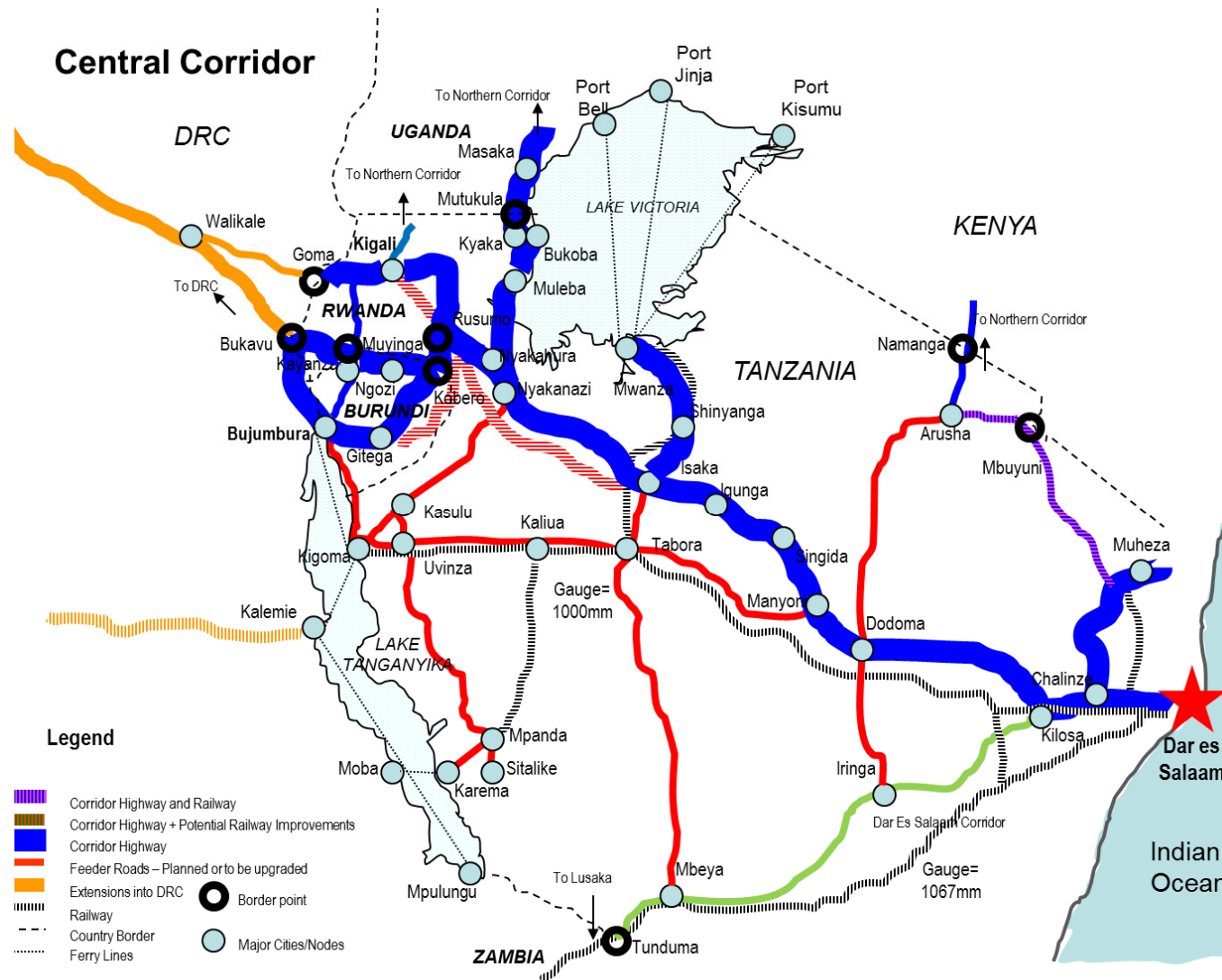
# Northern Corridor Characteristics



- It links the 8 countries of which 5 are EAC and 5 are landlock countries
- Created to link landlocked countries of Burundi, DR Congo, Rwanda and Uganda to Kenyan seaport of Mombasa. Also serves northern Tanzania, southern Sudan and Ethiopia.
- Governed by multilateral agreement, the Northern Corridor Transit Agreement (NCTA), signed by Burundi, Kenya, Rwanda and Uganda (1985) and by DR Congo (1987)
- Managed by the Northern Corridor Transit Transport Coordination Authority (NCTTCA) based in Mombasa. It is headed by a council of ministers responsible for transportation in the member



## Central Corridor



## Central Corridor Characteristics

- Links Port of DSM by road, rail and inland waterways to Burundi, Rwanda, Uganda and Eastern part of the DRC and central and northern-western Tanzania
- Governed by the Central Corridor Transit Transport Facilitation Agency (TTFA) a multilateral Agency established Sep 2006, formed by an Agreement by of Burundi, DRC, Rwanda, Tanzania and Uganda.





# Availability of Dry Ports

- Purpose

Dry ports were introduced as a way of accessing the hinterland and reduce pressure on the bottle necked, congested and inefficient sea ports.

- Volume of trade, cargo transported by sea, and number of shipping vessels has increased. Pressure on existing sea ports. Main reasons behind creation of dry ports in East Africa were to; reduce congestion at the main seaports, increase trade between the hinterland and the coast, as well as creating efficiency in services related to shipping.
- Northern Corridor: Mombasa and Malaba dry ports
- Central Corridor: Isaka dry port



## Import/Export Split – Port of Mombasa (000s tons)

|          |         | 2010  | 2011  | 2012  | 2013  | 2014  |
|----------|---------|-------|-------|-------|-------|-------|
| Uganda   | Imports | 3,942 | 4,028 | 4,499 | 4,508 | 5,132 |
|          | Exports | 290   | 347   | 346   | 404   | 389   |
| Rwanda   | Imports | 275   | 216   | 247   | 223   | 221   |
|          | Exports | 12    | 9     | 12    | 16    | 14    |
| Burundi  | Imports | 5     | 1     | 38    | 66    | 78    |
|          | Exports | 1     | <1    | <1    | <1    | <1    |
| DR Congo | Imports | 401   | 339   | 464   | 491   | 383   |
|          | Exports | 28    | 16    | 17    | 20    | 24    |



## Import/Export Split – Port of Dar Es Salaam (000s tons)

|          |         | 2009-<br>2010 | 2010-<br>2011 | 2011-<br>2012 | 2012-<br>2013 | 2013-<br>2014 |
|----------|---------|---------------|---------------|---------------|---------------|---------------|
| Uganda   | Imports | 25            | 51            | 67            | 10,418        | 11,860        |
|          | Exports | 2             | <1            | <1            | 2,025         | 2125          |
| Rwanda   | Imports | 221           | 332           | 383           | 609           | 645           |
|          | Exports | 7             | 23            | 25            | 27            | 25            |
| Burundi  | Imports | 239           | 416           | 365           | 287           | 333           |
|          | Exports | 7             | 31            | 14            | 21            | 12            |
| DR Congo | Imports | 490           | 705           | 738           | 701           | 963           |
|          | Exports | 84            | 308           | 237           | 263           | 388           |



# Challenges Facing Development Corridors

- Border posts are poorly managed thereby creating bottle necks along the corridor.
- Disjointed capacity created by disintegrated investment by Gov't – e.g. huge investment in port infrastructure but poor investment in roads
- ICT Challenges – there is infrastructure rollout currently however penetration of ICT is not fully utilized.
- Economic growth – whereas there is double digit growth in one economy – adjacent countries register weak growth – this shifts priority for future development projects along the corridor and hampers regional integration.
- Skills challenges – corridor management is not seen attractive to upwardly mobile white-collars therefore this sector is shunned by professionals.
- Disparities in the member States policies, laws, regulations and standards
- Different interests of development partners sometimes leads to conflicting priorities and programming .



# Institutional Challenges

- Poor involvement of Private Sector in Corridor management
- Sustainable funding mechanism from stakeholders
- Value chain approach – the silo mentality
- Capacity alignment – Infrastructure and Human Capital
- Resources Integration





# Operational Challenges

- **TRADE FACILITATION MIND SET** Poor awareness by public authorities of the wider impact their actions have upon international supply chains and its consequences for the wider economy,
- **ISOLATED CORRIDOR APPROACH** Lack of integration by various corridors
- **CONFLICT BETWEEN PUBLIC AND PRIVATE SECTOR** Poor understanding between public and private sectors,
- **DISCONNECT WITH HQ** Poor vertical communication between borders and headquarters,
- **EXCESSIVE CONTROL AND REGULATION** Challenge in striking the right balance between trade facilitation vs. revenue collection , border controls and security
- OSBP
- Customs integration
- Transit transport facilitation instruments



# Other Challenges

- **INCOMPETENCE AND CORRUPT PRACTICES** Poor compliance Private sectors low compliance and understanding of trade laws and regulations,
- **POOR INFRASTRUCTURE AND MANPOWER** border post lack office space, regular unreliable power and internet connectivity, low staffing and poor parking areas
- **TURF WARS** lack of horizontal inter-agency collaboration
- **UNPROFESSIONALISM** Lack of a professional knowledge based service culture at the borders



# Other Challenges

- Congestion at the port, on roads leading to high dwell time.
- Multiple stops for weighbridges,
- Numerous customs and police checks,
- Outdated procedures and limited application of information and communications technology
- Slow border crossings with disjointed customs and border procedures
- Inadequate equipment and infrastructure at Dar es Salaam Port and on Lakes Tanganyika and Victoria,
- The poor condition of the railway along the Central Corridor from Dar es Salaam,
- Additional delays and barriers en-route originating from various causes
- Unofficial payments along the Corridor
- Official payments for delays and demurrage caused by corridor delays



# Proposed Solutions

- Stakeholders Consultative Forum; provides opportunity for private sector participation
- Political will to reduce the cost of doing business (improvement of infrastructure, removal of NTBs)
- Value chain approach
- Integrated development of corridors to dry ports
- Trade facilitation to increase export throughput
- Creation of industrial zones along the corridors will reduce pressure on existing infrastructure and foster export processing zones and balance the trade flow.



# PMAESA Activities

- Regional Trade Facilitation Workshop
- Establishment and development of inland freight consolidation and distribution centres, dry ports
- Harmonisation of information
- Mainstreaming Intelligent Transport Systems in Corridor Infrastructure
- Regional Integration
- Collaboration with learning Institutions
- Mobility of skills and qualification





# What is being done

- Preparing for a buoyant future, many ports in the region are ramping up both their marine facilities and inland connections, which constitute a lifeline for eleven landlocked countries.
- Mombasa in Kenya, which expects its current 1m teu throughput to double by 2020, is building a new 1.2m teu container terminal, after recently expanding its existing one.
- Dar-es-Salaam in Tanzania, has longstanding plans and a long shortlist of no less than ten companies to build a new, 600,000 teu box facility, doubling present capacity.

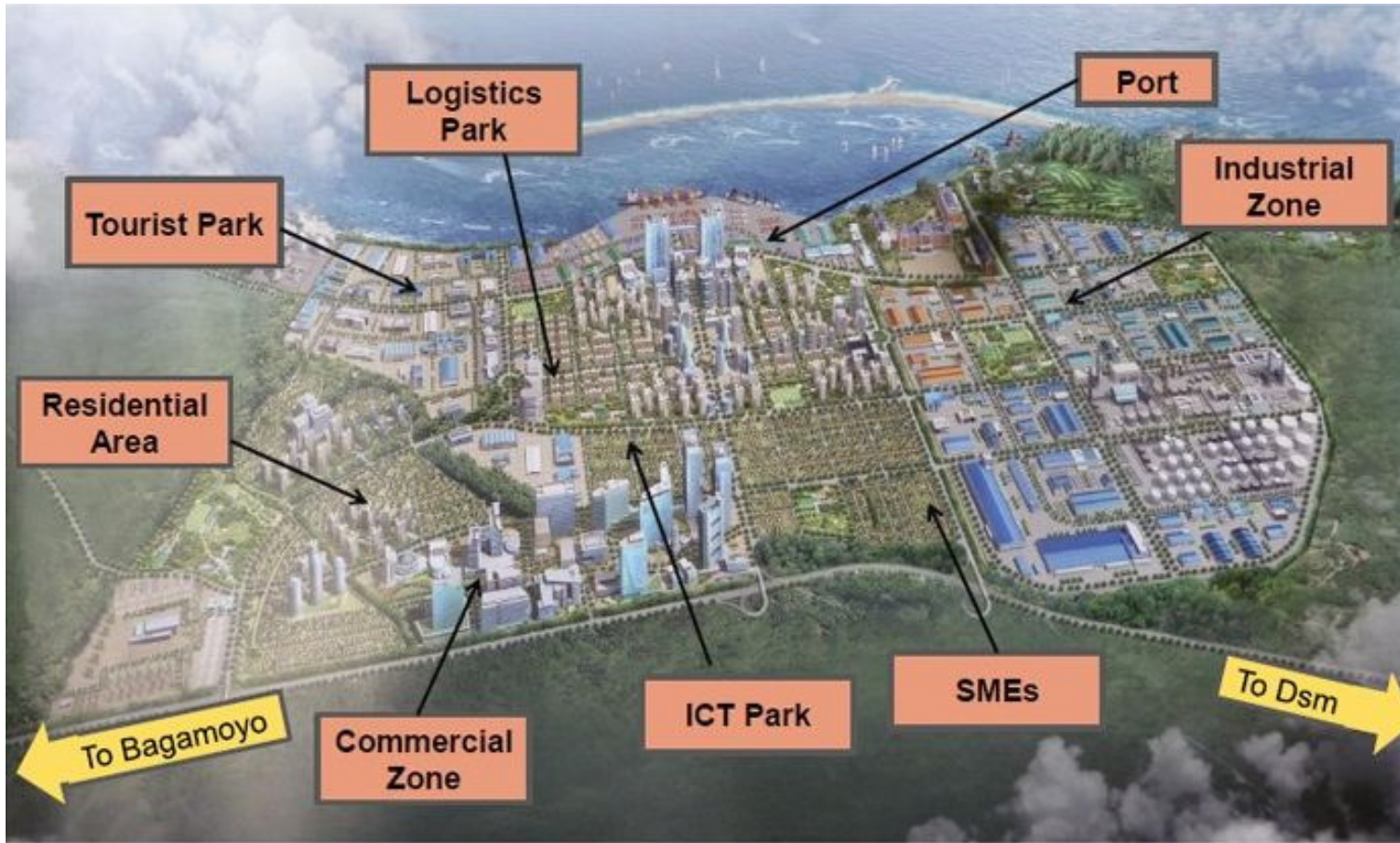




## Port of Mombasa

- Construction of the 2<sup>nd</sup> Container Terminal and Berth No 19
- Supported by SGR





## Port of Bagamoyo (Tanzania)

Development of  
Port and  
Special Economic  
Zone





# Maritime Accidents



Caused by improperly secured cargo, as well as cargo with excess weight or wrongly positioned centre of gravity



# IMO SOLAS Amendment

- Condition for loading a packed container to have its weight verified before loading onto a ship for export.
- Shipper is responsible for the verification
- Requirement will become legally effective on 1 July 2016. After which it would be a violation of SOLAS to load packed container onto a vessel if vessel operator & marine terminal operator do not have verified container weight.





# Benefits

- Amendment will facilitate better container stowing/lashing plans
- Will reduce accidents which are costly to shipping lines and cargo owners.

# Way forward

Sensitize cargo owners, operators and shippers on the need to have containers weighed before it commences any leg of its journey (truck or train)



# African Ports & Maritime Conference

Date: November 2016

Venue: Port Sudan

Theme: Port Strategies for Harnessing the African  
Blue Economy and Investment Options

*Host: Sea Ports Corporation & Organizer: PMAESA*



**PMAESA**