

Multi-year Expert Meeting
on Transport, Trade Logistics and
Trade Facilitation
10th Session

**Coordination and digitalization as a
means to accelerated and climate-smart
trade facilitation**

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Trade Facilitation and Corridors

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Trade Facilitation and Corridors

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Transport Transit Corridors a useful concept for integrated solutions



Corridors are strategic mechanisms that allow for a **coordinated and integrated** approach to transport, transit, trade facilitation and interrelated issues at the regional/subregional/national level.



Linking **hard infrastructure** (e.g. roads, rails, waterways, ports, warehouses, border posts, and other facilities) and **soft infrastructure** (institutions, procedures, operational, and ICT/technology). They may also evolve to promote the development of supply chain or particular sector of the economy (e.g. agriculture, tourism).



Enabling **coordination and collaboration** among various stakeholders, public and private.

Transport
Corridor

Trade and
Transit
Corridor

Sector
specific
corridor

Economic
Corridor

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Important role of **institutional framework** and **corridor management**



It is important to create a **single point of coordination** to address wide range of issues associated with corridor development and performance



This requires the **establishment and implementation of an adequate institutional framework and management structure** to support effective and efficient corridor performance and to foster **proactive coordination and collaboration** among the various stakeholders both from the public and private sectors.

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Examples of corridor management and legal instruments/entity:

Treaties and Multilateral agreements (Northern Corridor and Central Corridor - East Africa)

Memoranda of Understanding (Trans-Kalahari Corridor / Walvis Bay Group - Southern Africa)

Company registration/Public-private partnership management (Maputo Corridor - Southern Africa)

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An example of a Corridor : Transport, Transit and Trade Facilitation (1)

Northern Corridor is a multimodal corridor encompassing: road, rail, pipeline and inland waterways transport, linking the Great Lakes LLDCs of Burundi, DRC, Rwanda, South Sudan and Uganda to Kenyan seaport of Mombasa. It serves also Northern Tanzania, Ethiopia and Somalia. One of the busiest corridor in East & Central Africa handling over 30 million tonnes of cargo per annum.

Which legal framework for Sustainable Transport in NC?

- ❖ The Northern Corridor Transit and Transport Coordination Authority (NC-TTCA) was established in 1985 to coordinate and oversee the implementation of **the Northern Corridor Transit and Transport Agreement + 11 Protocols**, ratified in 1986.
- ❖ The Agreement was revised in 2007 to take in account new vision of Partners States aiming at transforming the Corridor into an **economic development corridor** that stimulates investments, encourage sustainable development and poverty reduction, in addition to offering safe and competitive transport and transit services that secure regional trade.



Source: Northern Corridor Initiatives on Sustainable Freight Transport, UNCTAD MYEM , Geneva, 14/10/2015

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An example of a Corridor : Transport, Transit and Trade Facilitation (2)

NC reforms and measures applied (e.g. Single Customs Territory, a regional customs transit system, real-time sharing of customs information, digital tracking systems, cargo tracking systems, building one-stop border posts; NC Transport Observatory and the NC Performance Dashboard – web-based systems to monitor the corridor performance) have resulted in:

- Dwell time in Mombasa port reduced from **an average of 13 days in 2006 to 2–3 days** in 2016.
- Time to move cargo from **Mombasa to Kampala** down from **18 days to 3 days** and from **Mombasa to Kigali** from **21 days to 6 days**.
- **Border clearance times** down from **24 hours to 6 hours** at Malaba border (crossing point between Kenya and Uganda).
- Cost of transport from **Mombasa** to: **Nairobi -56%**; Uganda (**Kampala**)- **26%**; Rwanda (**Kigali**) -**28%**; DRC (**GOMA**): **-38%**; South Sudan (**Juba**) -**37%**; Burundi (**Bujumbura**) - **23%**.

NCTTCA , Impact Assessment of the Northern Corridor Performance Improvement Activities

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UNCTAD corridor-related activities

- Building institutional capacity through corridor management arrangements and regulatory framework - Commercialization of the Trans-Saharan Road Corridor (TSR), its Management and its Evolution towards an Economic Corridor (IsDB/UNCTAD).
- Building capacity of corridors to promote sustainability principles and define a sustainable freight transport Strategy (SFT) strategy. Relevant principles include *economic efficiency* (i.e., seamless transport and trade movements, cost-effective, competitive, reliability, energy efficient, safe, etc.), *environmental sustainability* (i.e., environmentally-friendly, low-carbon, clean energy use, climate resilient, etc.), and *social inclusiveness* (i.e., affordable, accessible, supports rural areas and key sectoral development, etc.). E.g., Northern and Central Corridors in East Africa.
- Promoting PPPs for corridor infrastructure and logistics hubs development (Angola).

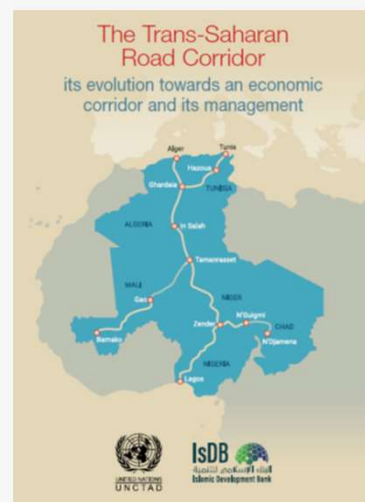
Further information: <https://unctad.org/topic/transport-and-trade-logistics/infrastructure-and-services>

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EXAMPLE 1: UNCTAD / ISDB Study - The TSR Corridor: its evolution towards an economic corridor and its management (1)

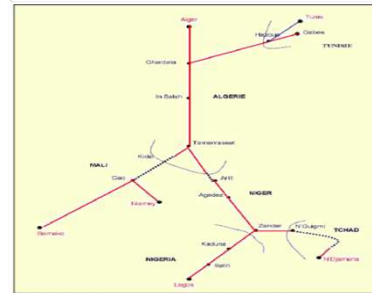
- The TSR constitutes a major **collaborative initiative** for the development of commercial and economic activities between Northern and West Africa, contributing to improving regional and global connectivity, reducing transport costs and boosting intra-African trade.
- In this context, UNCTAD in collaboration the Islamic Development Bank (IsDB) implemented a joint-[project](#) aimed at supporting economic and social development and regional integration through Africa's Trans-Saharan corridor:
 - A study entitled "[Towards an economic corridor: Commercializing and managing the Trans-Saharan Road Corridor](#)", provides recommendations that countries along the corridor can implement with the [Trans-Saharan Road Liaison Committee](#) (CLRT) and the support of development partners to transform the TSR from a road transport corridor to an economic one.



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The Trans Saharan Road Corridor (TSR)

- The TSR Corridor is one of the nine main Trans African Highway corridors (TAH).
- It is one of the oldest transnational road corridors in Africa (being proposed in 1962) and one of the most complete.
- It links Algeria, Chad, Mali, Niger, Nigeria, and Tunisia (three port countries and three landlocked ones).
- The 4,500 km long North-South backbone (main road) of the corridor connects the ports of Algiers and Lagos through Algeria, Niger, and Nigeria. An additional 4,600 km of linked highways (feeders) to Tunisia, Mali, and Chad are considered an integral part of the TSR Corridor.
- Led by a coordination committee, the Trans-Saharan Road Liaison Committee (CLRT), of representatives from the six countries.



Source: CLRT

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The TSR Corridor: its evolution towards an economic corridor and its management



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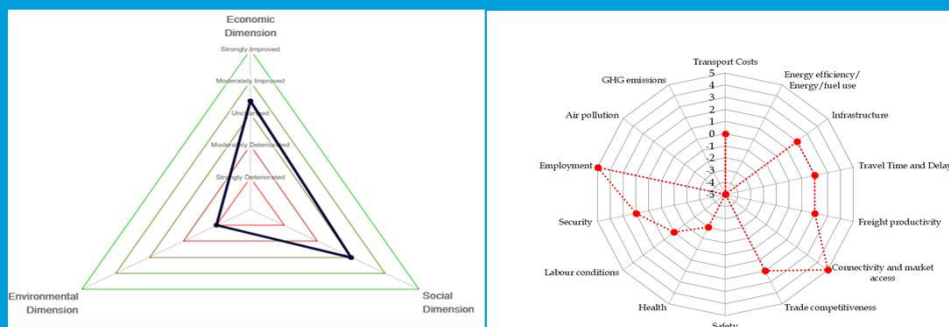


Main findings and diagnosis of the study

- The low level of importance given to the soft aspects regarding **transport, transit and trade facilitation**, which results in poor performance of the corridor.
- The analysis shows that much is still to be done to address issues related to: (i) customs processes, exchange of information, risk management, ICT use; (ii) lack of trade promotion and facilitation; (iii) lack of logistics services and capacity building in these services; (iv) weak trucking industry and transport services; (v) high cost and lengthy time of transport and transit through the supply chain, and ports congestion; (vi) uneven use of national single window platform and processes, and unoptimized and ineffective when they exist;
- All the above leading to high costs and delays in the transport of goods :
 - four to six weeks of transit time;
 - about \$5,000 per 20-foot container from the port of entry (e.g. Lagos).
 - The costs of internal logistics are also too high, ranging from a minimum of \$0.11 (11 cent) to \$0.32 (32 cents) per ton kilometer on the paved network.

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EXAMPLE 2: UNCTAD Sustainable Freight Transport– East Africa Central Corridor



Sustainable Economic Value Corridor

Reduced Emissions

1. Reduce Air pollution
2. Reduce GHG Emissions

Improved Health

1. Reduce freight transport accident fatalities
2. Improve labour conditions


Improved Trade Competitiveness


1. Reduce Freight Costs
2. Improve Energy Efficiency
3. Reduce Travel Time and Delays
4. Improve Infrastructure
5. Improve freight productivity
6. Improve accessibility and connectivity
7. Improve security for freight movement
8. High employment generation

- By 2030, Central Corridor is a “**Sustainable Economic Value Corridor**”


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EXAMPLE 3: East Africa Northern Corridor Sustainability (SFT) Assessment






High growth in Port traffic
Steady progress in improving overall logistics performance
Improved efficiency of the clearance process by border control agencies
Single Gauge Railway (SGR)
Gradual Improvement in road and port infrastructure
Increased ability to track and trace consignments
Reduction in corridor physical checks
Roadside Stations
Newer Trucks
Low Sulphur Fuel
Improved Monitoring (police/data/technology)



Unidirectional port cargo traffic with about 90 percent of the traffic import-oriented
High logistics cost
Predominant modal shift towards the road network
Increased Accident fatalities
Lack of Emission Standards
High increase in transport emissions
Lack of fleet management
High average age of the trucks
Fragmented industry and institutions
Low awareness and capacity
Lack of harmonisation of infrastructure standards

Northern Corridor Strategic Plan 2017-2021
"To be a Smart, Sustainable, Economic and most Competitive Trade and Transport Corridor in Africa"



Project for Master Plan on Logistics in Northern Economic Corridor - "To be the Leading Economic Corridor with Integrated Transport and Logistics Systems in Africa"

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UNCTAD work in Transport, Logistics and Finance



UNCTAD through its three pillars of work, is dedicating particular attention in supporting effective integration of developing countries into the global/regional trade and value chains through, efficient, cost-effective, environmentally- and climate-resilient and socially inclusive freight transport systems (infrastructure, services and logistics). Areas of intervention include among other:



Transport infrastructure and services | UNCTAD

- <https://unctad.org/topic/transport-and-trade-logistics/infrastructure-and-services>
- <https://sft-framework.org/>

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Thank you

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