

Economic and transport corridor development and coordination

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Transport and Economic 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) along the corridor.
- Enabling coordination and collaboration among corridors stakeholders, public and private.



Important role of corridor management and institutional framework

It is important to create a **single point of coordination** for corridor effective and efficient performance - to facilitate collaboration among stakeholders and to address a wide range of impediments and problems associated with infrastructure and investment, regulations of transport and trade, logistics services and operations, and harmonization procedures.

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

Examples of corridor management and legal instruments/entity:

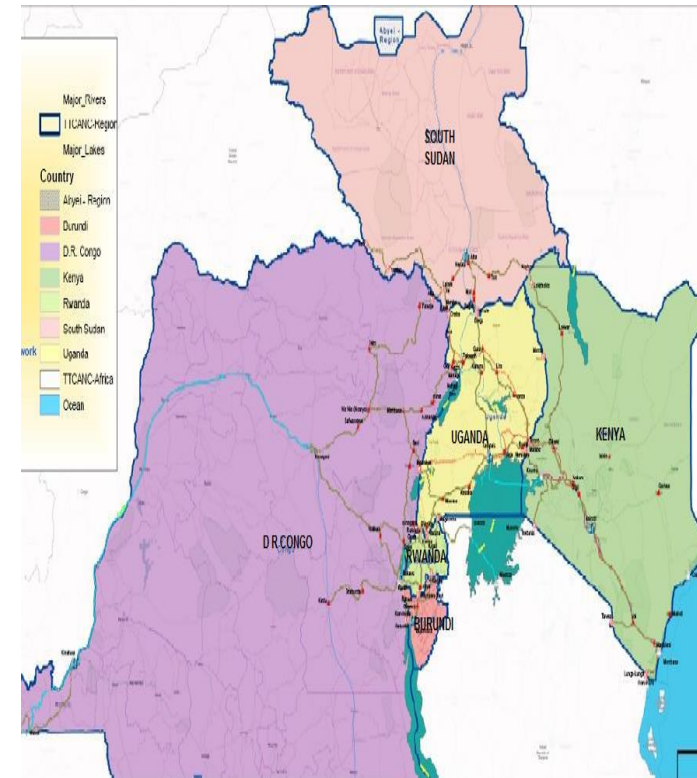
- Treaties and Multilateral agreements (Northern Corridor and Central Corridor / East Africa)
- Memoranda of Understanding (Trans-Kalahari Corridor / Southern Africa)
- Company registration (Maputo Corridor / Southern Africa)

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 will stimulate investments, encourage sustainable development and poverty reduction, in addition to offering safe and competitive transport and transit services that secure regional trade.





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, introducing cargo tracking systems, building one-stop border posts; the development of the 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%.

UNCTAD Work on Corridors

UNCTAD has a long-standing experience in promoting sustainable transit and transport corridors. Some of the achievements :

- a) In the 80s, the adoption of the Northern Corridor **Transit Agreement** was the result of 6-year development of a subregional corridor approach. Today the NCCTTA remains a reference model for the formalization of transit agreements around the world.
- b) In 2003, UNCTAD developed a supply chain approach applied to transit transport corridors and also developed the **cluster institutional collaborative arrangements** solution to identify and tackle bottlenecks along the corridor.
- c) UNESCAP/UNCTAD introduced the **Toolkit for cross border and corridor management** for LLDCs and transit countries. The toolkit combines the **cluster development approach** and the corridor performance measurement methodology of ESCAP **Time/Cost distance Model**.

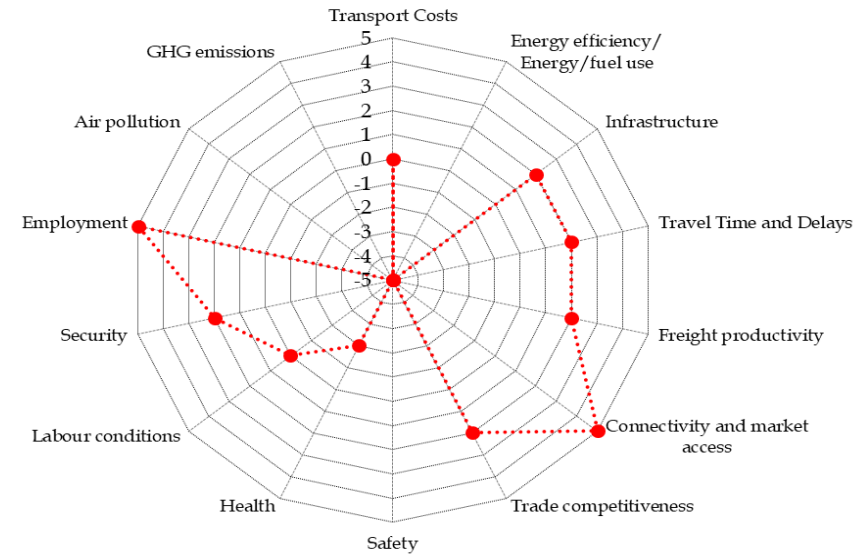
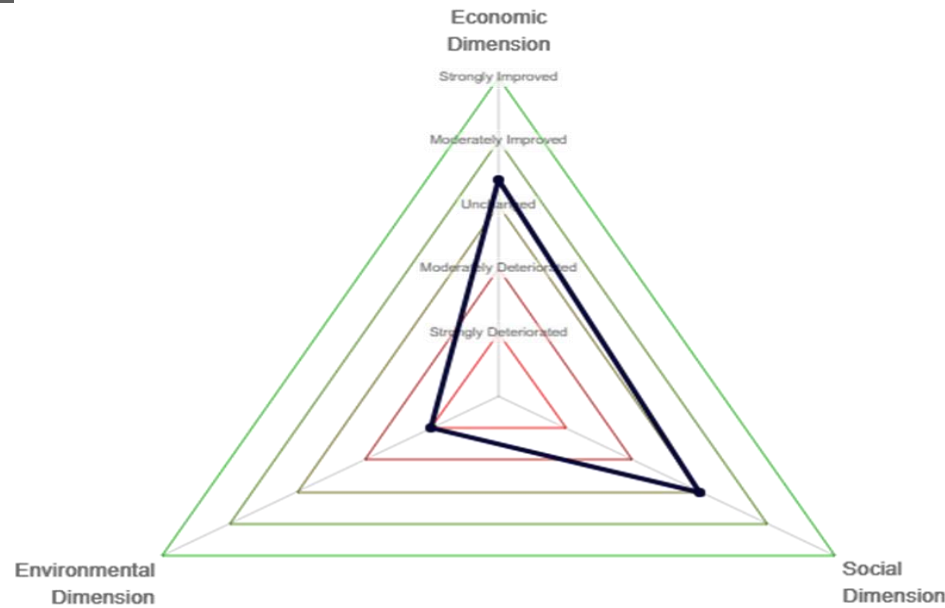
UNCTAD corridor-related activities

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 to define//implement/monitor sustainable freight transport Strategy (SFT) strategy. Relevant principles include *economic efficiency* (i.e., seamless transport and trade movements, cost-effective, competitive, reliable, run smoothly and effectively, 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).

EXAMPLE 1: UNCTAD SFT Strategy – 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**”

EXAMPLE 2: Northern Corridor Sustainability 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"



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:

FREIGHT TRANSPORT AND LOGISTICS FOR SUSTAINABLE DEVELOPMENT

Priority action areas

- Sustainable freight transport**
Enable economically efficient, environmentally sound and socially inclusive freight transport and logistics
- Corridor performance**
Promote efficient transport corridors to support market and value chain integration
- Maritime transport**
Leverage shipping and ports to support economic growth and trade-led development

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National/subregional sustainable freight transport and logistics strategies and finance (including maritime & corridors)

UNCTAD SFT TOOLKIT

- 1) UNCTAD SFT Portal <https://unctad.sftportal.org/>
- 2) Training Programme
- 3) UNCTAD SFT Quick Assessment Framework <https://sft-framework.org/>

Tools

- i. A Self-Assessment Questionnaire allows for a qualitative evaluation of the current status and performance of freight transport along the three dimensions of sustainable transport (economic, environmental and social).
- ii. A Reliable Key Performance Indicators (KPI) List: Features more than 250 indicators related to sustainable freight transport. These can be used to measure performance and progress against the objectives set in the sustainable freight transport strategy.
- iii. A Sustainable Freight Transport Measures Catalogue: includes more than 300 measures that can support the design and implementation of a sustainable freight transport strategy.

[Transport infrastructure and services | UNCTAD](https://unctad.org/topic/transport-and-trade-logistics/infrastructure-and-services)

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

Thank you

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