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Programme of Action
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IMPROVING TRANSIT TRANSPORT IN EAST AFRICA:
CHALLENGES AND OPPORTUNITIES¹

Report by Ernest Vitta Mbuli, UNCTAD consultant

Contribution to the Mid-term Review of the Almaty Programme of Action

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**INTRODUCTION**

1. Significant progress has been registered in East Africa, in terms of shorter transit times due to improved road development. However, the shift to road from railway transport, due to poor infrastructure and lack of adequate locomotive and wagon availability, has kept transit costs high.

2. The Almaty Programme of Action\(^2\) recognizes that the key to improving transit systems is cooperation between landlocked developing countries (LLDCs) and transit developing countries. It also recognizes that financial and technical support from development partners is critical, as most of the countries are poor and lack adequate resources for the development and maintenance of their transport infrastructures.

3. This report examines recent developments in East Africa designed to improve transit transport systems. It covers five landlocked developing countries: Burundi, Ethiopia, Malawi, Rwanda and Zambia; and four coastal or transit countries: the Democratic Republic of the Congo, Kenya, Sudan and the United Republic of Tanzania. In practical terms, the Democratic Republic of the Congo is regarded as a landlocked country because almost all overseas trade must pass through the ports of neighbouring countries.

4. Chapter I focuses on major events affecting transport and related infrastructure development. This chapter underscores the challenges and opportunities in resource mobilization efforts, and takes note of the emerging public and private sector cooperation and collaboration. Chapter II dwells on issues and problems that have a direct impact on the development and maintenance of infrastructure, such as inadequate local resources, difficulties in securing funds for regional projects, accelerated damage to roads due to vehicle overload, and the impact of weather, in particular flooding.

5. Chapter III examines government policies and programmes designed to improve transit transport systems. In this context, transit transport cooperation between LLDCs and transit developing countries is underlined. Policies to promote public and private sector collaboration and investment, the liberalization of transport services, and institutional reform are equally highlighted.

6. Chapter IV looks towards the future and considers measures and actions necessary for increasing the efficiency of transit systems. Not surprisingly, the enhancement of transport infrastructure and related facilities is accorded high priority. Improving intermodal coordination, increased use of information technologies, effective implementation of agreed regulatory frameworks and the strengthening of institutional support systems are also critical.

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I. RECENT DEVELOPMENTS AFFECTING TRANSPORT AND RELATED INFRASTRUCTURE

A. Availability of alternative transit transport corridors and routes

7. LLDCs in East Africa have two distinct advantages vis-à-vis other regions in Africa: (a) excellent transit transport cooperation with their transit neighbours; and (b) corridor and route choices. Burundi, Rwanda and Uganda use both the Northern and Central Corridors; each Corridor offers road and intermodal transport options. Malawi and Zambia have access to the port of Dar es Salaam, as well as to ports in Mozambique and South Africa. Ethiopia uses the port of Mombasa, in addition to Djibouti, while southern Sudan uses Mombasa and Port Sudan.

8. The ports of Dar es Salaam and Mombasa compete for transit trade, but their main constraint is weak off-take capacities, notably railway transport services, which have continued to underperform. In this regard, Mombasa is better served than Dar es Salaam, mainly because the Mombasa–Kampala–Kigali road is paved, while the Dar es Salaam–Kigali road has gravel sections that are difficult to pass during the rains. However, the road is expected to be completely paved in 2007.

9. Despite its weaker transport infrastructure in comparison with the Northern Corridor, the Central Corridor is quite competitive and likely to become more so once the pavement is completed. Its competitiveness rests on (a) direct access to the sea (with no need to transit other countries) for six developing countries (Burundi, Democratic Republic of the Congo, Malawi, Rwanda, Uganda and Zambia); (b) shorter distances to the sea for Burundi, the Democratic Republic of the Congo and Rwanda; (c) lower transit tariffs; (d) shorter transit times; and (e) streamlined customs and administrative procedures (see table 1 below).

Table 1. Comparison of transit and ocean freight costs of imports to a select number of landlocked countries from north-west Europe or Japan in 2007

<table>
<thead>
<tr>
<th>LLDCs</th>
<th>Transit Corridor</th>
<th>Approximate land transit distance, time and rate</th>
<th>Approximate ocean rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lusaka (Zambia)</td>
<td>Southern</td>
<td>Distance (km) 2 400</td>
<td>Time (days) 8</td>
</tr>
<tr>
<td>Lilongwe (Malawi)</td>
<td></td>
<td>Distance (km) 2 100</td>
<td>Time (days) 8</td>
</tr>
<tr>
<td>Kigali (Rwanda)</td>
<td>Central</td>
<td>Distance (km) 1 530</td>
<td>Time (days) 5</td>
</tr>
<tr>
<td>Kampala (Uganda)</td>
<td>Northern</td>
<td>Distance (km) 1 588</td>
<td>Time (days) 4</td>
</tr>
<tr>
<td>Kigali (Rwanda)</td>
<td></td>
<td>Distance (km) 1 300</td>
<td>Time (days) 6</td>
</tr>
</tbody>
</table>

Source: field research by consultant, 2007.
B. Northern Corridor

Mombasa port

10. The port of Mombasa is the gateway to the Northern Corridor. In addition to local goods, it handles transit trade to several countries, namely Burundi, the Democratic Republic of the Congo, Ethiopia, Rwanda, Sudan, Uganda and the United Republic of Tanzania (see map in the Annex).

<table>
<thead>
<tr>
<th>Table 2. The Northern Corridor</th>
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<tr>
<td>From</td>
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<td>Mombasa</td>
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11. The port of Mombasa is managed by a government company, the Kenya Ports Authority (KPA). It is the largest port on the east coast of Africa, with 21 berths and extensive facilities that include cold storage, warehousing and container terminals.

12. In recent years, the KPA has had to grapple with a number of problems, many of which were outside its control: (a) the last 10 years coincided with a slowdown in Kenya’s economy, affecting local imports and exports; (b) the computerization of customs in Kenya was delayed until 2005; (c) the port itself lacked funds to undertake essential investments; and (d) underinvestment in the railway and road infrastructure weakened the off-take capacity. These combined negative influences seriously constrained KPA operations and efficiency.

13. Despite these problems, however, port throughput continued to rise, though at a slow pace (see table 3 below). Since 2005, the momentum has accelerated, aided by Kenya’s improved economic growth rate; faster customs clearance due to the introduction of computerization; and the completion of important projects at the port, notably the extension of the container terminal, made possible by the new franchise granted to KPA, allowing it to borrow money from local financial institutions.

<table>
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<tr>
<th>Table 3. Mombasa port: Local and transit cargo throughout 2001–2005</th>
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<tbody>
<tr>
<td>Year</td>
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<td>2001</td>
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<td>2003</td>
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<td>2004</td>
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<td>2005</td>
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</table>

Source: KPA.

Railway transport

14. The port of Mombasa is linked to the hinterland by rail. The 1,300-km main Mombasa–Nairobi–Malaba–Kampala line was once operated by a single operator, the East African Railways Corporation (EARC). During the 1960s, railway transport was the principal means of transport for Kenya, Uganda, the Democratic Republic of the Congo, Burundi and Rwanda. Both the collapse of the EARC in the 1980s and the split of the railways into separate national
companies triggered a downward spiral for the railways, characterized by inadequate inter-railway coordination, underinvestment and poor service.

15. In their efforts to revive railway transport services along the Northern Corridor, in 2006 the Governments of Kenya and Uganda granted a concession to a single operator, the Rift Valley Railways (RVR), to manage the Mombasa–Kampala railway network for a period of 25 years. RVR is committed to acquiring substantial investments of about US$ 300 million in order to meet specified performance targets.

**Road transport**

16. Road transport has grown substantially from its subsidiary position as the provider of feeder services in the 1960s to become the main carrier of freight and passengers along the Northern Corridor. Available figures for transit trade indicate that by the late 1990s, the freight market was equally split between rail and road transport. However, by 2003, the share of road transport had jumped to 74 per cent.

17. The dramatic growth of road transport is not attributed to the changing structure of trade in East Africa, but rather to the underperformance of railway transport. Indeed, trade in the subregion, characterized by low-value, high-bulk export commodities, should augur well for railway transportation.

18. The technological advances that have led to the production of larger and faster heavy goods vehicles (HGVs) and the liberalization of road transport services have been major factors that contributed to the strengthening of the sector. Transport operators registered in any Northern Corridor country can operate freely along the Corridor. This business environment has encouraged private sector investment, leading to the establishment of large companies, some of which own 300 or more trucks. Operators such as BAYUSUF, SDV Transani, Interfering, Mkuwano and Panalpina offer a wide range of vehicle options and combinations.

19. Transport service providers have powerful lobbies using professional bodies, which include the Kenya Transporters’ Association (KTA), Uganda Commercial Truck Association (UCTA) and the Association des Transporteurs et Transitaires Rwandais (ATRAR).

20. The rapid expansion of road transport has increased the demand for road construction and maintenance. All countries along the Northern Corridor are committed to improving transit roads, but their ability to do so largely depends on securing external assistance. In the case of Kenya, roads deteriorated badly during the 1990s, due to a lack of external funding. However, in April 2004, the World Bank finally approved the sum of US$ 207 million to support the Northern Corridor Transport Improvement (NCTI) project, 80 per cent of which is being spent on roads. The roads in Rwanda and Uganda are in good to fair condition, but substantial funds are required in the Democratic Republic of the Congo for the rehabilitation of its road network.

21. Governments are also addressing the issue of vehicle overloading with renewed vigour. In this regard, more weighbridges are being installed along the Corridor, as well as modalities to ensure their effective use.

22. Another important development relates to the construction of bypass roads, which will enable transit traffic to avoid going through the centre of major cities. In this connection, work is underway in Nairobi and Kampala.
Air transport

23. Countries in East Africa accord great importance to air transport. All of them make considerable use of airfreight in terms of ton/kilometre. Each has at least one international airport which is used by international and/or regional carriers. The airports of Addis Ababa and Nairobi have established themselves as regional hubs. Kenya has three international airports: Nairobi’s Jomo Kenyata International Airport (JKIA), Mombasa Moi International Airport (MIA) and Eldoret International Airport.

24. In 2004, in order to maintain its status as a regional hub, Kenya, as part of its NCTI project, allocated US$ 41 million to upgrade its aviation facilities. The main objective was to win “Category One” status from the US Federal Aviation Administration (FAA), which would allow direct flights between JKIA and US airports. To this end, the JKIA runway was extended and domestic flights were moved to the old Embakasi Airport.

Telecommunications

25. Fixed-line telephone systems in East Africa are small and inefficient. There are only three telephone landlines for every 1,000 people, compared with 11 for other developing countries.

26. Telecommunication services have been a target for privatization in the subregion. Rwanda and Uganda have sold their fixed-line networks, while Burundi and Kenya are in the process of doing so. All the countries have opened up the mobile telephone services to the private sector, and the development of that market has been exponential.

27. The mobile telephone and the Internet are two technologies that have had huge impacts on transit transport. They have reduced the economic distance to the market by providing easy access to market information and facilitating business contact. In the absence of credible cargo tracking systems, mobile telephones enable transit operators to keep in contact with their drivers during their passage along the Corridors. The Kenyan, Ugandan and Tanzanian mobile phone companies launched a new service in February 2007 that would enable users in East Africa to travel with their network's SIM card and remain connected with their respective national networks.

Pipelines

28. Kenya has built a pipeline from a refinery in Mombasa to the main centres of economic activity in Nairobi, Eldoret and Kisumu. The pipeline currently meets 60 per cent of the local demand for petroleum products. An extension of the pipeline to Kampala (Uganda) is under discussion with potential investors from the private sector. Transportation of petroleum products by pipeline is not only cost-effective, but also improves road safety by taking fuel transporters off the road network.

Energy provision

29. Electricity consumption in East Africa is growing rapidly, but generation that relies heavily on hydropower is struggling to keep pace. Affected by prolonged droughts that led to power shedding, all countries in East Africa are searching for alternative sources of energy (geothermal, gas, oil).
30. The energy sector has attracted considerable private sector participation and investment. The Kenya Electricity Generating Company (KenGen) is expanding geothermal power in partnership with the private sector. It buys oil-fired electricity from a private company, Aggreko. The Rwanda parastatal Electrogaz is managed by Lahmeyer of Germany. The State-owned Uganda Electricity Board was privatized and divided into three companies responsible for electricity generation, transmission and distribution.

C. Central Corridor

Dar es Salaam port

31. The port of Dar es Salaam is the warehouse of the Central Corridor. In addition to handling local exports and imports, it serves the transit trade of Burundi, the Democratic Republic of the Congo, Rwanda and Uganda (see map in the Annex).

<table>
<thead>
<tr>
<th>Table 4. The Central Corridor</th>
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<tbody>
<tr>
<td>From</td>
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<td>Dar es Salaam</td>
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32. The Tanzania Harbours Authority (THA) operates the general cargo terminal. The container terminal has been leased to the Tanzania International Container Terminal Services (TICTS), a private operator. The port has eight deep water berths for general cargo and three berths for container vessels, as well as eight anchorages, a grain terminal, an oil jetty and offshore moorings for supertankers.

33. Until 1997, the port entrance was narrow and shallow, with many bends. It was accessible only to ships less than 192 metres in length, and only during the daytime. A US$ 24 million project to widen, deepen and straighten the channel was completed in 1998. As a result, the width of the channel increased to 140 metres and the depth to 10.5 metres at chart datum, and the bends were straightened to allow access for vessels up to 234 metres in length. Navigational aids make 24-hour access possible, and since 2000, a growing number of larger vessels have included Dar es Salaam in their East African itineraries.3

34. Port throughput increased from 3.8 million tons in 2000 to 6.3 million tons in 2005. The share of transit cargo in 2005 decreased to 22 per cent from its peak of 32 per cent in 1995, because of increased competition from other ports and the poor economic performance of the LLDCs that are served by the Dar es Salaam port (see table 5).

<table>
<thead>
<tr>
<th>Table 5. Dar es Salaam port, local and transit cargo, 2001–2005 (In metric tons)</th>
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<tbody>
<tr>
<td>Year</td>
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<tr>
<td>2001</td>
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<td>2004</td>
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<td>2005</td>
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</tbody>
</table>

Source: Tanzania Ports Authority.

3 Brief on Dar es Salaam port, Tanzania Ports Authority, January 2006.
Railway transport

35. The Tanzania Railway Corporation (TRC) provides railway services for the Central Corridor. The 2,600-km main line links the port of Dar es Salaam with the inland lake ports of Kigoma and Mwanza, which in turn serve Burundi, the Democratic Republic of the Congo, Rwanda and Uganda. However, the railway is in poor condition and its carrying capacity has decreased to about 45 per cent, because of lack of motive power and wagon availability. The Tanzanian press reported in 2006 that the TRC had been leased to an Indian firm, Rites Consortium. However, the report proved to be premature. As of March 2007, all necessary processes for the lease had not yet been fully finalized.

Road transport

36. The road from Dar es Salaam to Isaka and onwards to the border with Burundi and Rwanda is being paved as part of the United Republic of Tanzania’s integrated road programme. When completed in 2007, it will be 270 km shorter than the alternative road from Mombasa to Kigali. The road also offers Burundi and Rwanda the convenience of a single border crossing.

Air transport

37. The United Republic of Tanzania has three international airports, Dar es Salaam, Kilimanjaro and Zanzibar. The country’s ambition to become a regional hub faces intense competition from the better-established regional hubs of Nairobi and Addis Ababa. However, the country’s liberal policies towards competition and fast-growing tourism have attracted a number of big airline carriers. Daily flight connections to regional airports from Dar es Salaam facilitate freight and passenger transports in East Africa.

Telecommunications

38. The telecommunications sector has attracted considerable private sector interest. The United Republic of Tanzania sold 35 per cent of the Tanzania Telecommunications Company (TTCL) to a private operator, Celtel. Under private sector management, mobile telephony and the Internet have also spread to the countryside, where modern information and communication technology (ICT) is subject to rapidly increasing demand by the local population, and continues to make substantial progress.

D. Southern Corridor

Dar es Salaam port

39. In addition to handling local cargo and transit trade destined for Burundi, the Democratic Republic of the Congo, Rwanda and Uganda, the port serves Malawi and Zambia. The Southern Corridor is linked to the port of Dar es Salaam by both rail and road. The Malawi Cargo Centre (MCC), a dedicated container depot close to the port, handles Malawi’s transit trade.

<table>
<thead>
<tr>
<th>Table 6. The Southern Corridor</th>
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<tbody>
<tr>
<td>From, Destination and distance (in km)</td>
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<tr>
<td>Dar es Salaam</td>
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9
Railways transport

40. The Tanzania Zambia Railway Authority (Tazara), a joint Tanzanian–Zambian company, operates a 1,860-km Chinese-built track linking Dar es Salaam with Kapiri Mposhi in Zambia. The railway has a design capacity of 2.5 million tons, but currently achieves only 15 per cent of its capacity, because of lack of motive power and wagon availability.

41. Malawi's transit trade is also carried by Tazara up to Mbeya. The MCC also has dedicated facilities in Mbeya to handle containers, general cargo and petroleum products. The MCC handles about 44 per cent of Malawi’s fuel imports.

42. Discussions are under way to restructure Tazara. The outright privatization of Tazara and the formation of a joint venture between the private sector and Government are among the options recommended. A decision on this matter is expected to be slow, as it involves consensus building among three Governments.

Road transport

43. The main road from the port of Dar es Salaam to Mbeya and onward to the border with Malawi and Zambia is paved. The road is in good condition, except for sporadic short patches, notably along the Iringa escarpment, which requires urgent repairs. The road in Malawi and Zambia is also paved, but sections of the road also require repairs and maintenance.

Inland water transport

44. Malawi-bound cargo from Mbeya has an option for road transport only or for combined road and inland water transport using Lake Malawi. However, the all-road option is preferred by many shippers, as it avoids additional delays associated with trans-shipment.

Air transport

45. Malawi has two international airports, Lilongwe and Chileka (near Blantyre). Foreign airlines operating from Malawi include Royal Dutch Air Lines (KLM), South African Airways (SAA) and British Airways (BA). Air Malawi operates on regional routes.


Pipelines

47. The 1,065-mile Tazama pipeline, jointly owned by Zambia (66.7 per cent) and the United Republic of Tanzania (33.3 per cent) since 1968, supplies Zambia with crude oil and finished products. The crude oil is refined by Indeni refinery in Ndola, Zambia, which the Zambian Government and the French oil company Total own in equal shares. The design capacity is 1.1 million tons a year, but the actual output does not exceed 600,000 tons. The Government has approved a three-year US$ 65 million rehabilitation programme to carry out urgent repairs and upgrades.
Telecommunications

48. The telecommunications markets in Malawi and Zambia follow trends manifested in other East African countries: the rapid expansion of the mobile phone and Internet sectors, and slow progress for fixed-line telephones. On both fronts, there is greater achievement in Zambia than in Malawi; this is because of Zambia’s better economic development.

Energy provision

49. Malawi's electricity supply depends on hydroelectric generation. Four new hydroelectric stations were opened in 1989 on the Shire River, but drought and silting have severely curtailed output capacities. The country’s strategy now focuses on linking the national grid to the Cabora Bassa power station in neighbouring Mozambique.

50. Zambia meets most of its electricity needs from its own hydroelectric station, and is a regional electric exporter. However, in November 2005, the country was forced to suspend exports as generation capacity fell. It is estimated that the rehabilitation work will cost US$ 260 million. The Zambia electricity grid is linked to the Democratic Republic of the Congo to the north and Zimbabwe to the south. A proposed project to link Zambia with the United Republic of Tanzania will accomplish the long-standing objective of establishing a unified Southern African Development Community (SADC) electricity grid system.

II. ISSUES AND PROBLEMS AFFECTING DEVELOPMENT AND MAINTENANCE OF INFRASTRUCTURE

A. Low-income countries

51. East African countries are poor, with an average per capita GDP in 2004 of US$ 300. They are ranked as low-income countries by the World Bank, and the United Nations classifies them (with the exception of Kenya) as least developed countries (LDCs). These countries depend heavily on external financial support for the development and maintenance of their transport infrastructure.

52. The decline of external financial assistance allocated to infrastructure development in the 1990s affected the ability of countries in East Africa to undertake major construction and maintenance work of transport infrastructure projects. The decline of official development assistance (ODA) for transport infrastructure development was not offset by private sector investment.4

B. Lack of regional project funding

53. Another problem affecting the development and maintenance of regional transport networks relates to aid procurement. Ideally, funds should be made available to regional networks or projects. However, in reality, aid is country-based. This enables aid recipient countries to maintain the sections of the regional network located in their territories, while infrastructure in non-aid-receiving countries deteriorates. Poor maintenance of infrastructure in

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one country along the Corridor affects the others. For example, the deterioration of rail and road infrastructure in Kenya during the 1990s affected all countries using the port of Mombasa.

**C. Permissible axle-loads and vehicle gross weights**

54. Accelerated road damage is a major concern in East Africa. Axle-load and vehicle gross weight regulations have been approved by the Common Market for Eastern and Southern Africa (COMESA) and accepted by many countries, but regulations differ from those established by SADC. Talks are under way to harmonize the two regimes as an important step towards effective control of excessive gross vehicle weights and overloading.

55. Reports from Governments indicate that the installation of weighbridges has produced positive results. Fixed weighbridges have been supported by the deployment of mobile weighbridges. At the same time, corrupt practices by control agents at the weighbridge stations are being fought through close administrative oversights and computerization.

**D. Maintenance schedules and procedures**

56. The construction of roads requires the outlay of large amounts of funds. Therefore, there is a need to protect all the improved roads in order to realize their useful lifespan. This requires enhanced maintenance profiles, improved road use and road wear surveillance mechanisms.

57. The establishment of dedicated road funds was intended to strengthen local resource mobilization and provide authorities responsible for the maintenance of infrastructure with a measure of flexibility in the planning and implementation of maintenance schedules. The Kenya Road Board (KRB), established in 1999, had (by March 2003) collected US$ 279 million. The Tanzania Road Fund Board (also established in 1999) collected US$ 213 million, while the Uganda Agency Formation Unit (RAFU) collected US$ 59.2 million.5

58. The revenue collected by dedicated road funds from road users is substantial, but not sufficient. Budgetary allocations and project funds from external sources are therefore still needed.

**E. Impact of weather on infrastructure**

59. The region has experienced severe weather changes in recent years, characterized by spells of droughts, followed by heavy rains and flooding. The drought of 2005–2006 caused water in the great lakes to recede, disrupting port operations. The heavy rains that came later in 2006 washed away bridges, weakened rails embankments and destroyed entire road sections.

60. Governments appear to have been ill-prepared for dealing with such weather-induced damage. As this weather pattern may persist, they need to be better prepared in the future, in terms of formulating contingency plans and setting aside adequate resources to undertake emergency repairs and rehabilitation.

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III. GOVERNMENT POLICIES AND PROGRAMMES DESIGNED TO IMPROVE TRANSIT TRANSPORT SYSTEMS

A. Transit transport cooperation

61. East African countries have a long tradition of promoting transit transport cooperation. They belong to global, regional and subregional organizations such as the United Nations, the World Bank, the African Union, the East African Community (EAC), COMESA and the Northern Corridor Transit Transport Coordination Authority (TTCA). These organizations play an important role in promoting transit transport cooperation.

62. The following COMESA trade and transport facilitation instruments find broad application in the subregions:

- Single Goods Declaration Document, which is being replaced by the Road Customs Transit Document (RCTD);
- Customs Bond Guarantee Scheme;
- Third Party Motor Vehicle Insurance Scheme;
- Harmonized Vehicle Weights and Dimensions; and
- Harmonized Road Transit Charges.

63. The TTCA monitors the implementation of the COMESA trade and transport instruments along the Northern Corridor. It also advances other goals, such as the simplification of customs and administrative procedures and the harmonization of working hours at border posts, and promotes consensus on the priority projects for infrastructure development and maintenance.

64. The EAC has a strong mandate on trade and transport matters. It has made the construction and maintenance of roads a high priority. To this end, it has made significant progress in coordinating external support for the development of the East African Road Network.


B. Regional project funding

66. Countries in East Africa regard the Northern, Central and Southern Transport Corridors, as well as the additional corridors identified in the East African Community Road network, as regional projects. Development partners have rallied to support the development of these Corridors, but funding is still largely country-based and inadequate.

67. While the total financial requirement for implementing the East African Road Network Project is US$ 3,786,000,000, the World Bank confirmed, at the pledging Conference in Arusha in November 2003, the availability of US$ 400 million to US$500 million for the East Africa
Road Network project for three years. Funds will be provided under the Partner States’ National Road Sector Programmes. The European Union pledged €375 million over a five-year period, but the funds form part of the National Indicative Programmes of the eighth and ninth European Development Funds (EDFs) already agreed between the European Union and the three partner States. Moreover, only the African Development Bank indicated financial support for regional and cross-border projects.6

C. Public and private sector collaboration and investment

68. The provision of transport services in East Africa was once dominated by both State-owned companies and state protectionism. Today, transport service is not only in private hands, but also national borders have been opened for free and fair competition. National transit transport licences have been abolished. Instead, the transit transport market is regulated by the COMESA Transit Carrier Licence System. This liberalization of transport services has led to the demise of State-owned transport companies and the emergence of large, privately-owned companies with fleets of vehicles that provide a range of transport services, including flat-bed trucks for movement of containers, refrigerated trucks, warehouses and handling equipment.

D. Institutional reforms

69. Both the public and private sectors have undertaken institutional reforms deemed necessary for accomplishing their changing roles and responsibilities. Government departments, such as the ministries of transport, have established autonomous regulatory bodies and dedicated road funds designed to more effectively provide services to transport operators. The private sector, in turn, has established professional bodies, such as road transporters’ associations, to provide platforms for representation and dialogue with Governments. The national professional bodies are affiliated with regional and subregional bodies that represent and promote the interests of their members. These reform changes help the public and private sectors cope with their newly acquired roles in society. They also promote an environment for closer public and private sector cooperation and collaboration.

IV. MEASURES AND ACTIONS REQUIRED TO INCREASE THE EFFICIENT USE OF TRANSIT TRANSPORT SYSTEMS

A. Promoting peace and security

70. Several countries in the region have suffered from civil strife. But the peaceful election in the Democratic Republic of the Congo in 2006 and the earlier successful peace initiative in Burundi have ushered in a new era of peace and security in the subregion. Those countries that were ravaged by civil wars have now turned their attention to economic development, while others such as Kenya, which were caught up in a decade-long economic slump, are back on track.

71. Political stability provides an enabling environment for rapid economic growth, which will in turn increase Governments' revenues and their ability to undertake infrastructure development programmes, while encouraging more financial support from development partners, as well as private sector investment.

6 Ibid.
B. Increased investment to improve transport infrastructure and related facilities

East Africa has in place the basic transport and related infrastructure in terms of maritime and inland ports, railways, roads, inland water transport, air transport and pipelines. However, the services rendered must improve in order to satisfy current and future trade and transport requirements. Yet efficient service delivery poses considerable challenges. The development and maintenance of infrastructure require large-scale investments. Both the Governments and their development partners are aware of this, but also know that Governments have very limited resources. Under these circumstances, the way forward calls for (a) improved project management by Governments in order to maximize the use of resources; (b) increased budgetary allocation for development and maintenance of infrastructure; (c) substantially increased ODA; and (d) the mobilization of private financing and management.

C. Improved intermodal coordination

East Africa has a chain of logistic facilities, namely ports, railways, roads and container depots, but intermodal coordination is weak. Now that the Uganda and Kenya railway networks have been leased to a single operator, opportunities have been created for greater intermodal coordination along the Northern Corridor. Faster and more reliable train services from the port of Mombasa to a container depot in Kampala would not only cut down the cost of transport, but also may well convince shipping lines to issue through bills of lading.

D. Establishment and improvement of information technologies

The introduction in 2005 of Simba, a customs information system in Kenya, closed the gap in a decade-long effort to computerize customs procedures in East Africa. The application of Simba at the port of Mombasa was so successful that the port has been encouraged to handle the development of two new systems — a waterfront management system, and a port community information system. The former is being designed to assist port operations, while the latter is intended to provide a platform for information gathering and sharing among port users (port, shipping lines, stevedores, customs, transport operators and forwarders).

E. Effective implementation of regulatory frameworks

It is common knowledge that international conventions and regional and bilateral agreements are applicable to countries that have taken action to sign, ratify or accede to them. But it is not equally appreciated that the effective application of such legal instruments requires more action in terms of internalizing them in national legal frameworks and ensuring that the national control agents, such as customs officers or the police, understand and apply the new regulations, documentation and formalities.

The introduction of regional instruments, such as common customs declaration documents, often results in difficulties in implementation. For example, serial numbering is important for customs control. However, computerization has been of great help in solving these and other problems.

Efforts in East Africa so far to find solutions to technical problems related to the introduction of new regional instruments are commendable, but there is more work to be done. A future challenge is to implement both the COMESA Single Goods Declaration Document, which would replace the RCTD, and the Customs Bond Guarantee Scheme.
F. Strengthening institutional support systems

78. Governments, as part of their reform programmes, have delegated to regulatory bodies and dedicated road fund authorities some of the functions formerly performed in the ministries of transport. It is believed that functions such as road maintenance, licensing and revenue collection would be better performed by the specialized autonomous bodies. However, if this objective is to be attained, the ministries of transport need to respect the autonomy of their subsidiary and regulatory bodies, which, in turn, need to carry out their functions with diligence and confidence.

79. The private sector has also established professional bodies, such as transporters’ associations and associations of clearing and forwarding agents, which facilitate public and private sector dialogue, cooperation and collaboration. However, many of the associations’ activities are limited to the big cities. To justify their claim that they represent their members, professional bodies must extend their membership beyond the big cities. They must hold regular meetings with their members and provide them with outreach services, for example business information and training opportunities (workshops and seminars).

G. Manpower development

80. The education sectors in East Africa have made important strides in recent years. Primary education is essentially universal, while tertiary and higher education have also made substantial gains. Even so, there are wide gaps concerning the formation of professional skilled labour at both the managerial and operational levels. Thus, there is a need for better collaboration between the education sector and industry in order to make the necessary adjustments in school curricula aimed at satisfying the requirements of the business community.

H. Cumulative impact of measures and actions designed to improve transit transport systems and their sustainability

81. Each of the measures and actions outlined earlier in this chapter plays a major role in increasing the efficient use of the transit system in East Africa. Peace and security are fundamental, but the development of transport infrastructure also requires investments — indeed, not just large-scale investments, but trade and transport facilitation measures. Furthermore, efforts to increase the efficient use of transit transport systems should be sustainable. For instance, adequate resources should be allocated for rail and road maintenance in order to realize their useful lifespan. Similarly, installed information systems must be continuously upgraded to satisfy changing trade and transport requirements, while manpower development strategies must remain under constant review and change to ensure the formation of high-calibre and skilled labour.
Annex

Map: Location map of the Northern, Central and Southern Corridors in Eastern and Central Africa

KEY:

- Paved roads
- Unpaved roads
- Railways