

Multiyear Expert Meeting on

**Transport, Trade Logistics and Trade
Facilitation, Seventh session:
Trade facilitation and transit in support
of the 2030 Agenda for Sustainable
Development**

7 to 9 May 2019

**Sustainable Transit and Transport Corridors
in Support of LLDCs Trade and Regional
Integration and Cooperation**

Presentation by

Frida Youssef
Chief
Transport Section
UNCTAD



Sustainable Transit and Transport Corridors in Support of LLDCs Trade and Regional Integration and Cooperation

Frida Youssef
Chief, Transport Section
Trade Logistics Branch
Division on Technology and Logistics

Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation:
“Trade facilitation and transit in support of the 2030 Agenda for Sustainable Development”
Seventh session, 7 to 9 May 2019.
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Transport and trade facilitation are critical for LLDCs trade

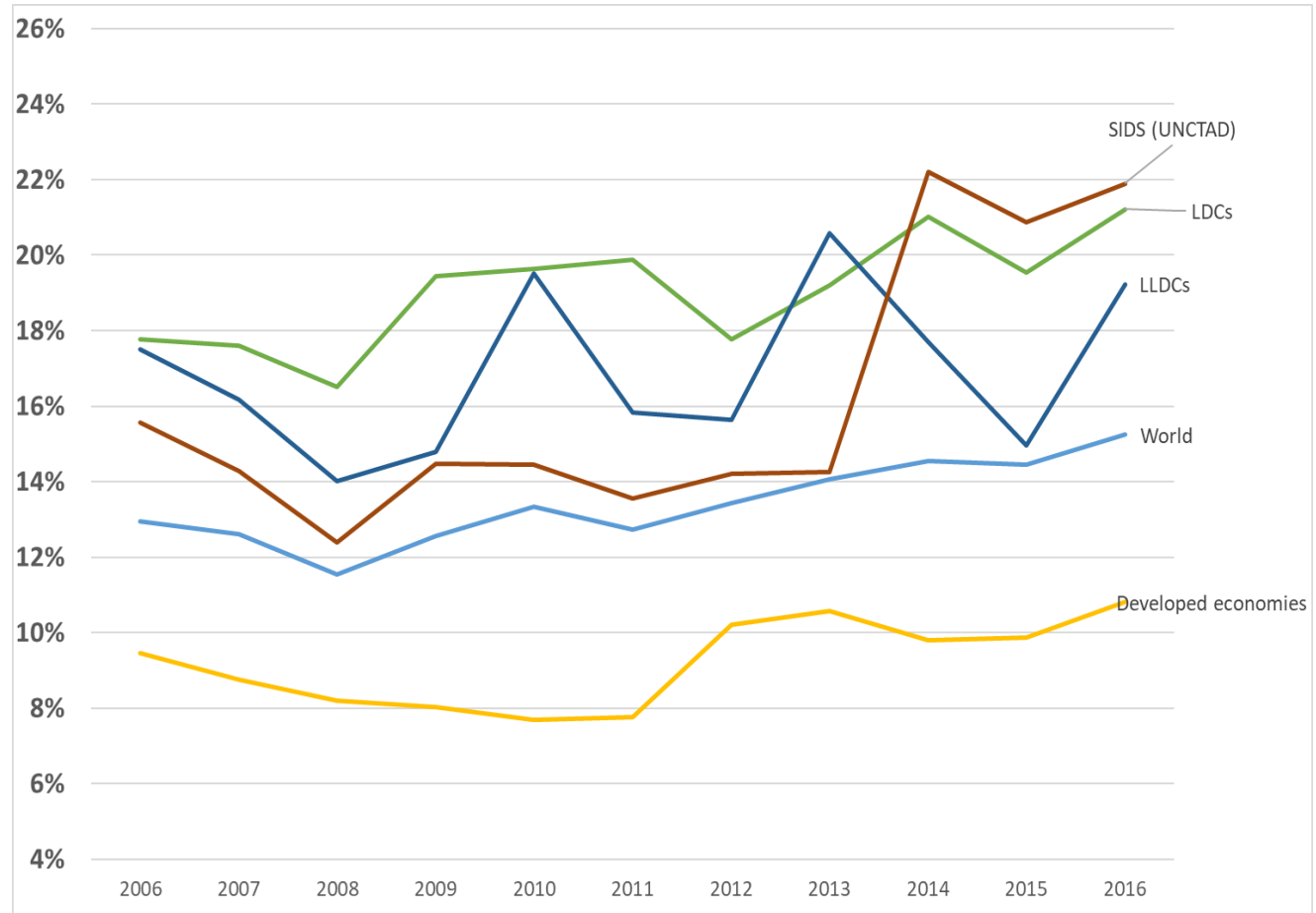
- LLDCs face special trade and transport challenges, arising from their lack of territorial access to the sea. Exports and imports of LLDCs have to transit through at least one neighboring country, and often use more than one mode of transport. Hence, they also depend on their transit countries' transport infrastructure and administrative procedures for moving their exports and imports.
- The geographical challenges of LLDCs compounded by weak/inadequate transit-transport infrastructure, inefficient administrative and customs operations have an impact on the cost of trade, where LLDCs pay more than the transit countries incur in transport costs and take longer time to export and import merchandise from overseas markets.



How much do LLDCs pay for the transport of their imports?

Transport and insurance costs of international trade (as % of the value of imports)

In 2016, average transport costs represented about 19% of the value of imports for LLDCs compared with a world average of 15%.



Source: UNCTAD RMT 2017.

The LDCs grouping includes 48 countries for all periods up to 2016.



Sustainable Transit and Transport Corridors to support LLDCs Trade

During recent years a complementary approach to transit agreements that has been developed is **transit transport corridor and cluster arrangements**.

Transit transport corridors can be described as designated routes (unimodal, multimodal/intermodal) between two or more countries along which the corridor partners have agreed to cooperate, to apply and facilitate procedures and to provide support services, and promote regional integration and economic cooperation between neighbouring states.

Transit transport corridors link hard infrastructure (e.g. roads, rails, waterways, ports, border posts, and other facilities) and soft infrastructure (institutional, legal and regulatory framework, documents, standards, operational and logistics services, and ICT/technology) which **allow for the development of a good physical infrastructure and harmonized and simple procedures along a corridor between LLDCs and transit countries, and promote coordination and cooperation among all relevant stakeholders, public and private.**



Types of Corridors

There is no universal definition to corridors.

They may evolve to facilitate movement of goods and people, or support trade/transit, or the development of particular sector of the economy, or of a wider social and economic growth along the corridor; at regional/subregional/national levels.

Transport
Corridor

Trade and
Transit
Corridor

Sector
specific
corridor

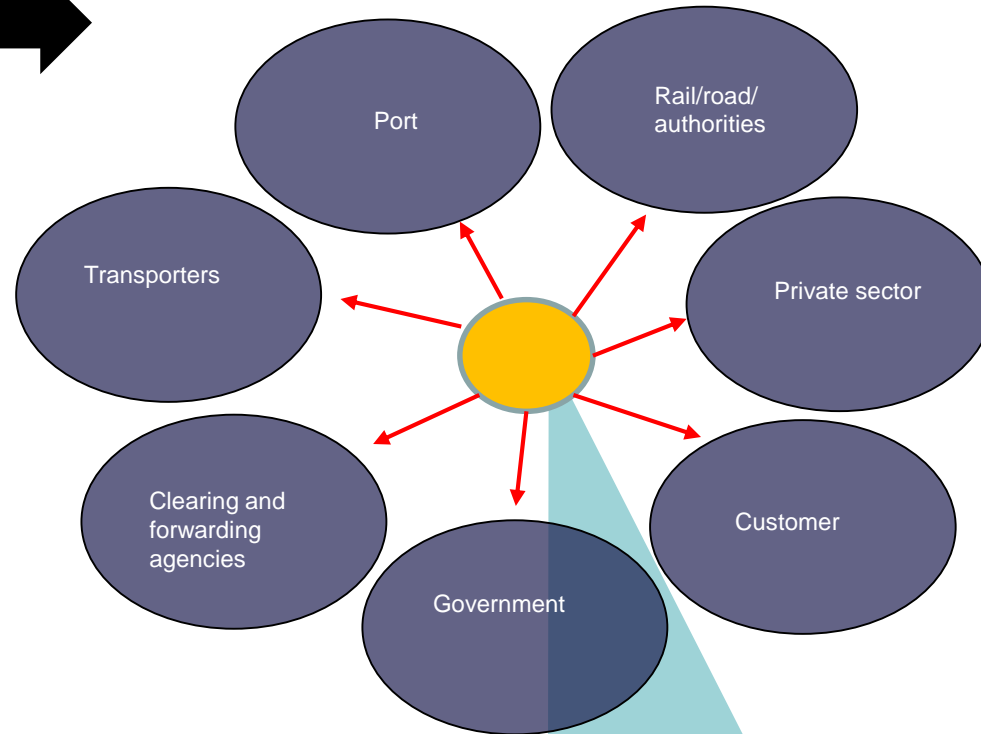
Economic
Corridor



Institutional arrangements for corridor management (Public, Private, or PPP) and cooperation is key

From.....To

- Shippers
- Transporters
- Clearing and forwarding agencies
- Rail/ road/ waterways authorities
- Customs authorities
- Health/ security/ agriculture/ authorities
- Port
- Customers



Formalized corridor management is about getting the various parties (public and private) to coordinate, cooperate, produce plans and policies and implement targeted/focused interventions that complement efforts, in a collaborative approach.

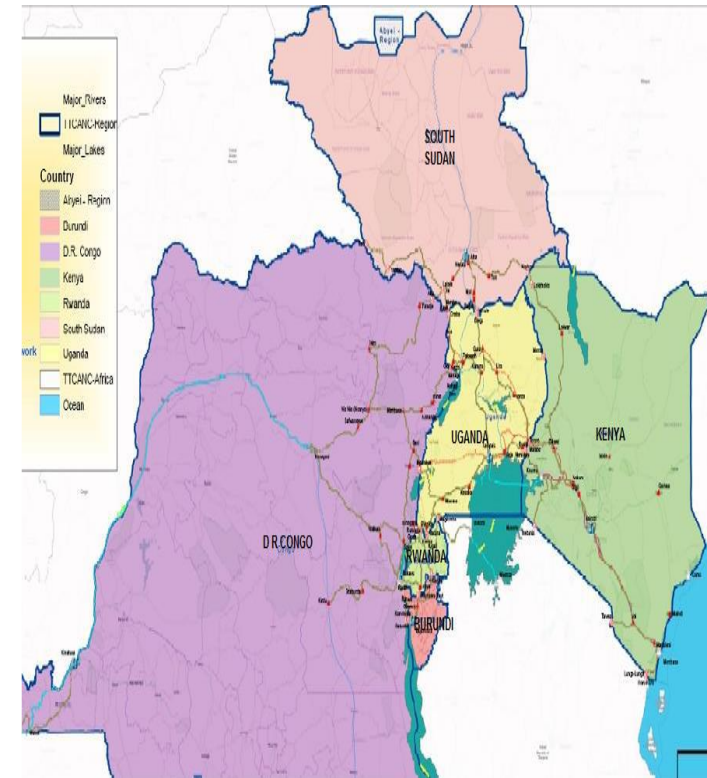


An example of a Corridor : Transport, Transit and Trade Facilitation (1)

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 a **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) In collaboration with 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 named **Time/Cost distance Model**.



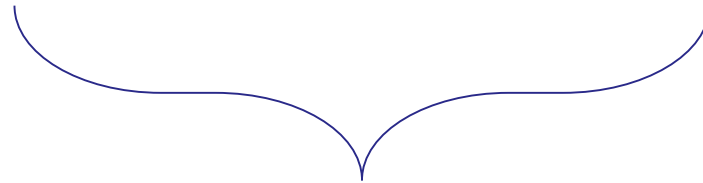
UNCTAD ongoing activities to develop and improve the overall sustainable performance of corridors includes:

- a) **Building institutional capacity through corridor management arrangements and regulatory framework**, to strengthen the operational performance and management of corridors; promote coordination and collaboration among corridors stakeholders, public regulators, private operators, etc... **E.g. IsDB and ADB cooperation**

- a) **Promoting sustainability principles along corridors**. 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**

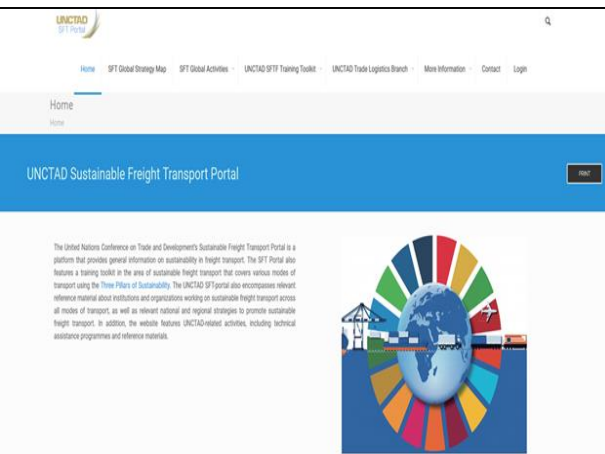


UNCTAD SFT TOOLKIT



1) UNCTAD SFT Portal

<https://unctadsftportal.org/>



2) Training Programme



3) UNCTAD SFT Framework

<https://sft-framework.org/>



3) UNCTAD SFT Framework (continue)

Tools



Self-Assessment

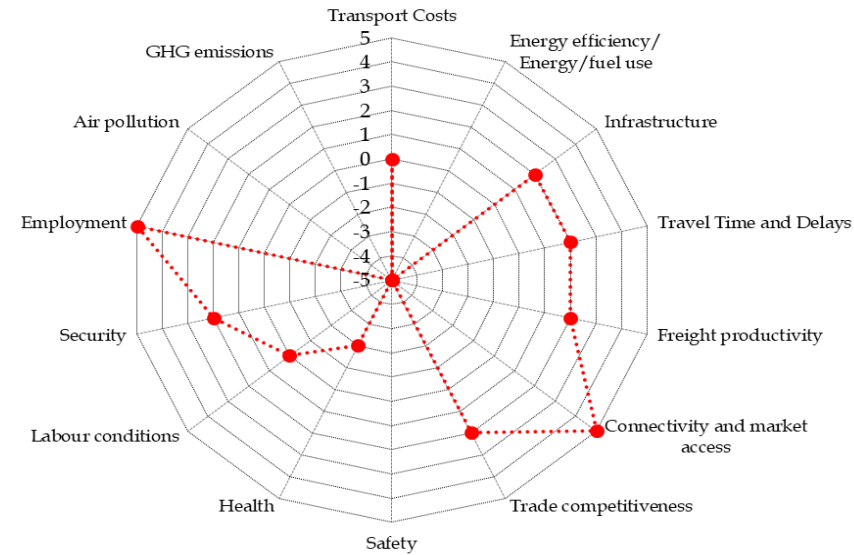
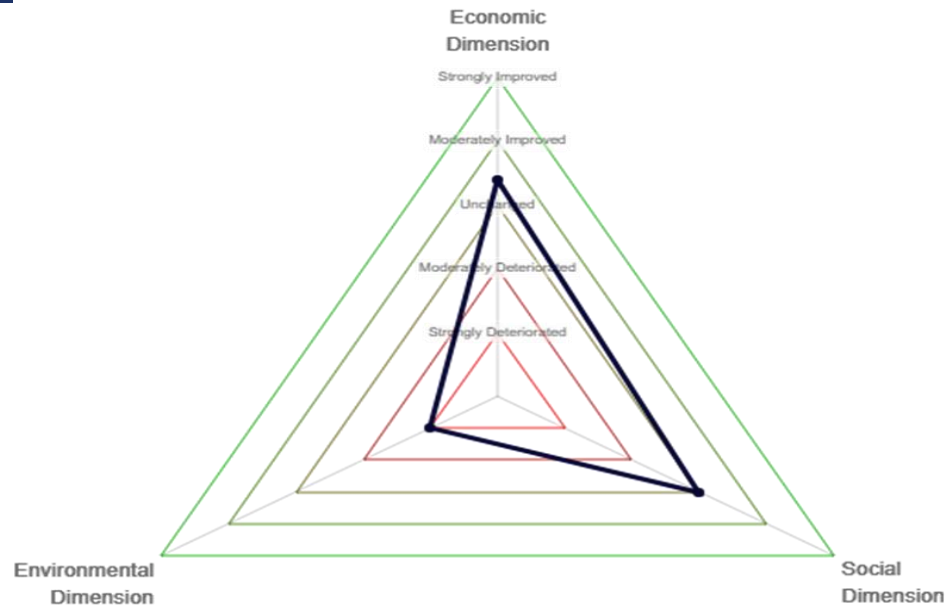
Key Performance Indicators

Sustainable Freight Transport Measures

- 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 filterable Key Performance Indicators (KPIs) 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.
- iv. **Tool to measure CO2 emissions of corridors.**
- v. **Tool to measure logistics performance of corridor and linkage with key economic sector/value chain** (currently being developed).

EXAMPLE 1: UNCTAD SFT Strategy – Central Corridor

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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**”
- **Draft Strategy - 2018-2023**
- **~ 5 targets , 18 Strategies**

EXAMPLE 2: Northern Corridor Sustainability Assessment

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UNCTAD



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**”

Thank you

Email: transport.section@unctad.org