

Sustainable Transit and Transport Corridors for Mongolia

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How you are connected matters

Trade and transport bottlenecks

- = high transport costs + poor reliability of supply chains
- = high cost of doing business
 - ✓ Diversion of potential investment and jobs
 - ✓ Impact on regional trade

Influence between:

- (Design of) transport systems and
- Spatial structures at the local, regional and global levels
 - ✓ Potential to influence social dynamics and economic inclusiveness



Stages of corridor development

Stage	Type of corridor	Definition	Instruments
1	Transport	A route that physically links an area or region	Physical infrastructure that serves to integrate economic activities in the region
2	Multimodal	A route that physically links an area or region with more than 1 mode of transport	Several modes of physical infrastructure that serve to integrate economic activities in the region
3	Logistics	A corridor that has harmonized its institutional framework to enable the efficient flow of goods and services	Measures to harmonize a corridor's policies, regulations and institutional frameworks
4	Economic	A corridor that attracts investment and generates economic activity and benefits to surrounding regions	Infrastructure and various measures to foster economic, social and special development

Source: Asian Development Bank



UNCTAD Corridor development approach

- Quantifying and assessing corridor performance
 - **UNCTAD/ESCAP cross-border and transit management toolkit**
 - Measuring time and costs spent during transport
 - Quantifying transport bottlenecks
- Regional institutional capacity building to develop and manage economic corridors
 - **UNCTAD Cluster-based approach**
 - Bringing together stakeholders to identify challenges and agree on a coordinated approach to develop the corridor
 - Improving regulatory, and institutional mechanisms to support corridor management



Framework to analyse corridors

- Prioritizing corridors
 - Corridor potential
 - Nature of supply chain served by corridor
 - Understanding corridor user needs
- Measuring corridor performance
 - Physical capacity (links, nodes and their utilization)
 - Quality of services provided by the corridor
 - Corridor-length (cargo) travel time
 - Identification of bottlenecks
 - Variations in travel time
 - Time performance at border crossings
 - Estimating the costs of these bottlenecks
 - Practical difficulties in the measurement



Rwanda → the Central Corridor → Tanzania

Assessing key routes linking 1 LLDC with one port

- Rwanda (Kigali-Dar es Salaam)

	Bulk	Container	Liquid
Total cost (USD)	1774	1607	1737
Total time (days)	5.1	3.1	3.4
Distance per day (KM)	290	477	435

- Fuel (92-93%), welfare of crew (3-6%), “unofficial payments” (2%), extra truck security (1%)
- Operational bottlenecks bad road conditions, non-operational weighbridges,
- Tanzania (transit Burundi and Rwanda)
 - Transit containers in DeS port: 14.4 days (vs 7.3 for domestic) + additional days at ICD
 - Trucks to collect containers spent 4.5 hours in port
 - Multiple costs: light container freight charges (2200-2700 USD/TEU) + port charges+ freight forwarders fees + shipping line charges
 - Operational bottlenecks: inefficient and lengthy procedures Customs/port authorities

Improving corridor performance – some hints

- The importance of regional cooperation
 - Hard infrastructure: construction, maintenance, rehabilitation
 - Soft infrastructure: Harmonizing management systems, procedures (customs, trade, banking, insurance)
- Sectoral policies:
 - Planning transport in conjunction to trade strategies
 - ICT-technology
 - Energy
- Transit arrangements
- Capacity building



Promoting and commercializing the trans-Saharan road (project in progress)

- Findings and conclusions:
 - i. Transport infrastructure deficits
 - ii. Services and facilities deficiencies of government agencies
 - iii. Deficiencies in services of the private sector operators at the port
 - Road safety remains a major challenge
- Recommendations:
 - Institutional mechanism (public-private)
 - Harmonization of procedures, processes and regulational (national+regional)
 - Capacity building