The Regional Integration Component in the SSATP DP2

SSATP Annual Meeting
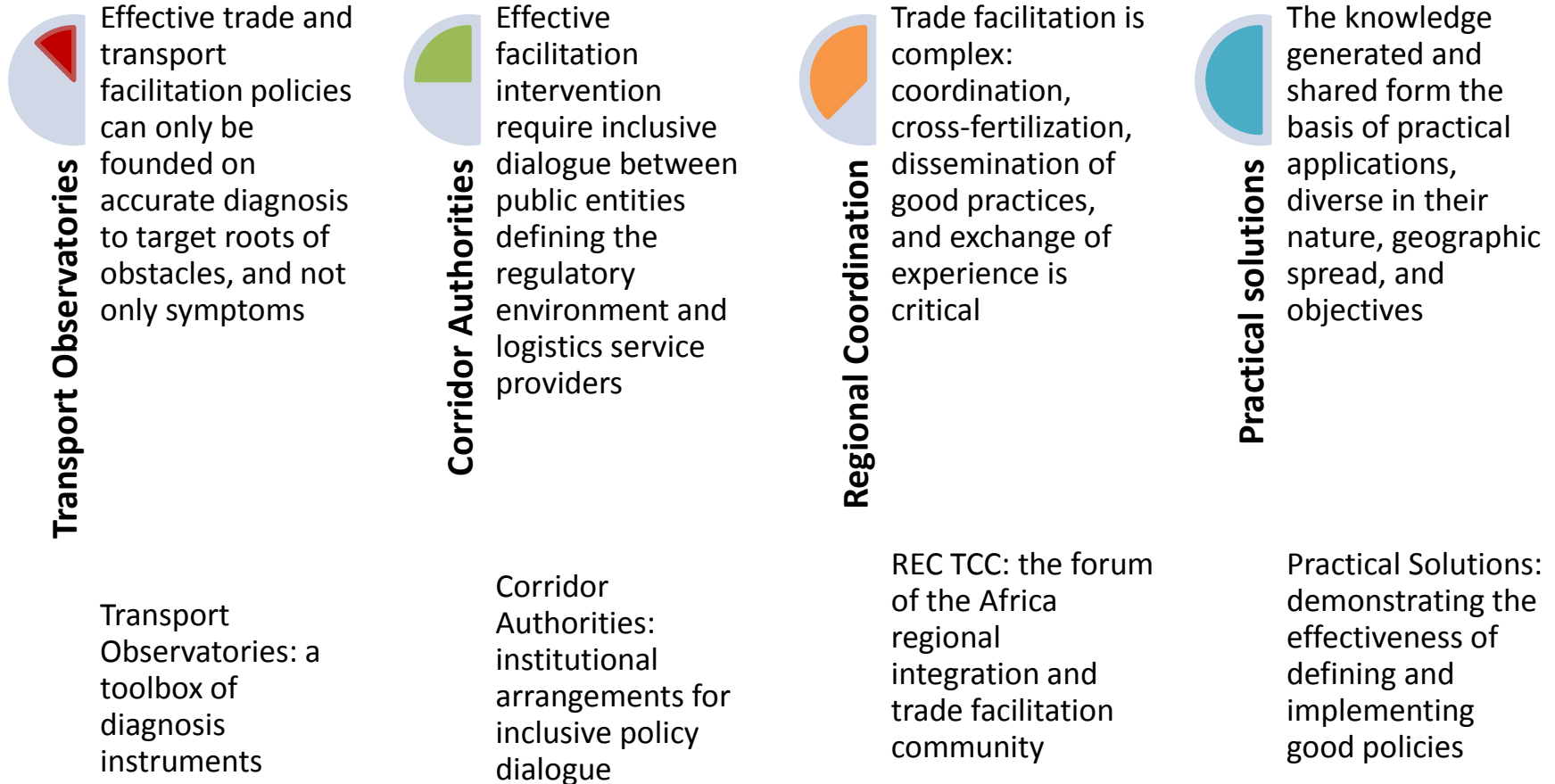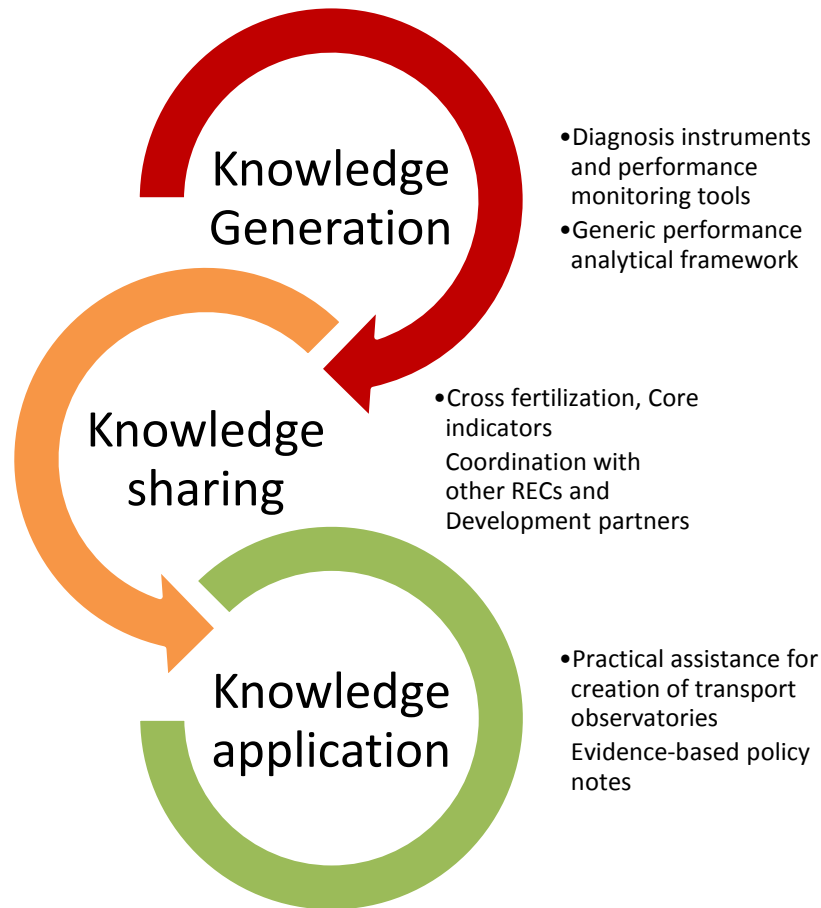
Addis Ababa – Ethiopia

December 2012

The SSATP Regional Integration focus

- SSATP is supporting RECs and countries in strengthening policy setting organizations for regional integration through two main instruments:
  - An institutional framework promoting an inclusive policy dialogue (corridor management authority)
  - and monitoring tools (transport observatories)
- Applied at two scales:
  - At regional level, a forum of the trade facilitation community ensures coherence of trade facilitation programs across corridors and RECs
  - At corridor level, SSATP is accompanying countries and REC one step further towards the implementation of facilitation policies

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The SSATP Regional Integration component four pillars

Transport Observatories

Effective trade and transport facilitation policies can only be founded on accurate diagnosis to target roots of obstacles, and not only symptoms

Transport Observatories: a toolbox of diagnosis instruments

Corridor Authorities

Effective facilitation intervention require inclusive dialogue between public entities defining the regulatory environment and logistics service providers

Corridor Authorities: institutional arrangements for inclusive policy dialogue

Regional Coordination

Trade facilitation is complex: coordination, cross-fertilization, dissemination of good practices, and exchange of experience is critical

REC TCC: the forum of the Africa regional integration and trade facilitation community

Practical solutions

The knowledge generated and shared form the basis of practical applications, diverse in their nature, geographic spread, and objectives

Practical Solutions: demonstrating the effectiveness of defining and implementing good policies

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SSATP Corridor Facilitation Program

Knowledge Generation
- Diagnosis instruments and performance monitoring tools
- Generic performance analytical framework

Knowledge sharing
- Cross fertilization, Core indicators
- Coordination with other RECs and Development partners

Knowledge application
- Practical assistance for creation of transport observatories
- Evidence-based policy notes

- Obstacles to trade in Sub-Sahara Africa manifest through well-known symptoms – high costs, long delays, and unreliability

- Numerous snapshot studies not fully embedded into policy making mechanisms

- Corridor Authorities and REC requested SSATP support for creating sustainable monitoring tools anchored in policy setting institutions

The building blocks of the SSATP Transport Observatories Program

Volumes and Time indicators

- Six countries in West Africa (Côte d'Ivoire, Ghana, Togo, Benin, Burkina Faso, Niger)
- Eight countries in Eastern and Southern Africa (Namibia, Zambia, Tanzania, Kenya, Uganda, Rwanda, Burundi, DRC)
- Border crossing surveys (Kenya, Uganda, Rwanda, Benin, Nigeria, Niger, Togo, Ghana)
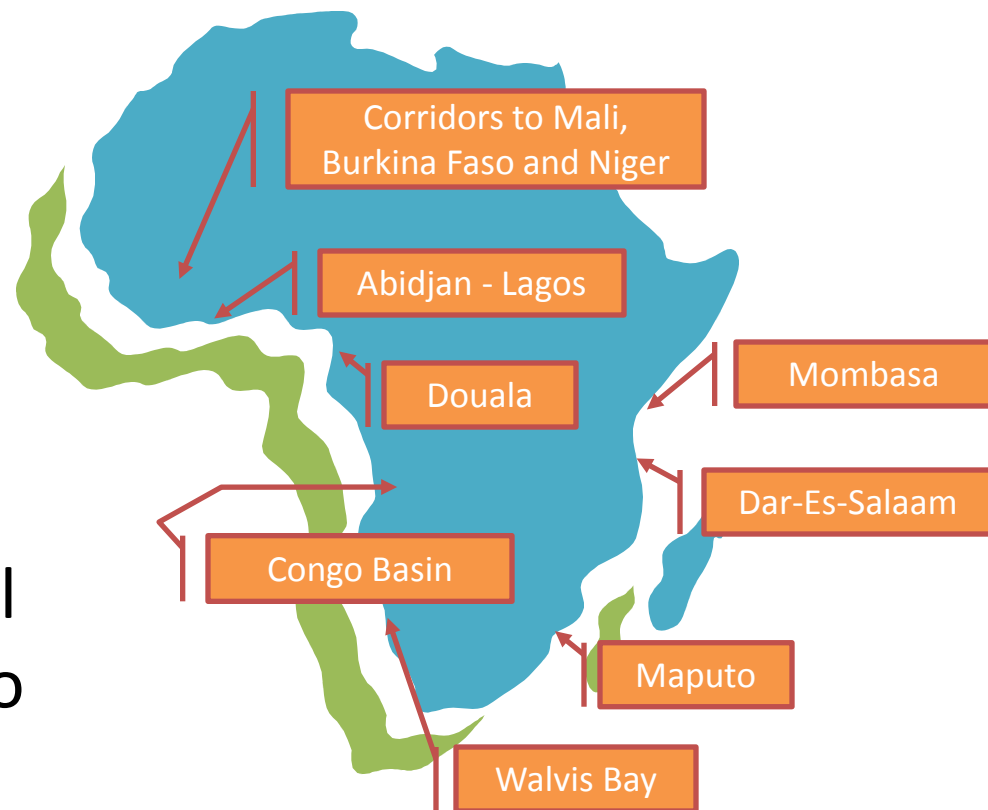
Prices and costs indicators

- Logistics costs in West and Central Africa (Côte d'Ivoire, Ghana, Togo, Benin, Burkina Faso, Niger, Cameroun, Chad, CAR)
- Road transport costs and prices in East Africa (Kenya, Tanzania, Rwanda)

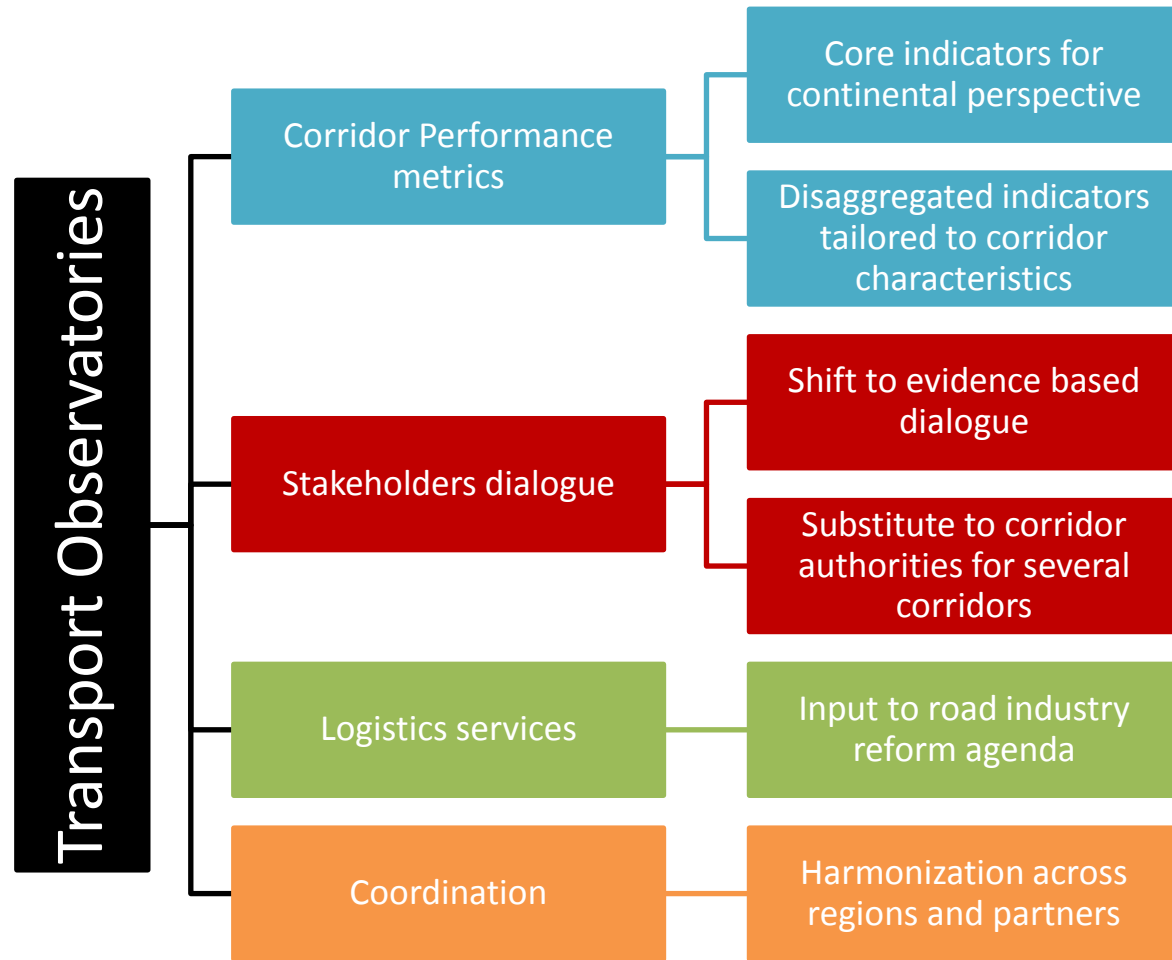## Infrastructure and Logistics services

- Road industry surveys in East Africa (Kenya, Rwanda, Tanzania)
- Industry surveys in West and Central Africa (Côte d'Ivoire, Ghana, Togo, Benin, Burkina Faso, Niger, Cameroun, Chad, CAR)

Geographic scope and partners

- Regional Economic Communities (RECs)
- Corridor authorities
- Development partners
- Logistics operators and public agencies contributing operational data and participating to surveys

Corridors to Mali, Burkina Faso and Niger

Abidjan - Lagos

Douala

Mombasa

Dar-Es-Salaam

Congo Basin

Maputo

Walvis Bay

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Entry point for a wider perspective

Transport Observatories

- **Corridor Performance metrics**
  - Core indicators for continental perspective
  - Disaggregated indicators tailored to corridor characteristics
- **Stakeholders dialogue**
  - Shift to evidence based dialogue
  - Substitute to corridor authorities for several corridors
- **Logistics services**
  - Input to road industry reform agenda
- **Coordination**
  - Harmonization across regions and partners

How the transport observatories will serve policy formulation?

Trade volumes indicators

- Shifting routing patterns in West Africa linked to context and policies on the gateway corridors

Time and uncertainties

- Joint border posts in East Africa and reduction of border crossing time
- Railways versus road inland transport time on Abidjan – Burkina Faso corridor

Prices and costs

- Linking policy interventions to road transport cost factors in West and Central Africa

Logistics services

- Focusing dialogue on the challenges faced by the East Africa road transport industry

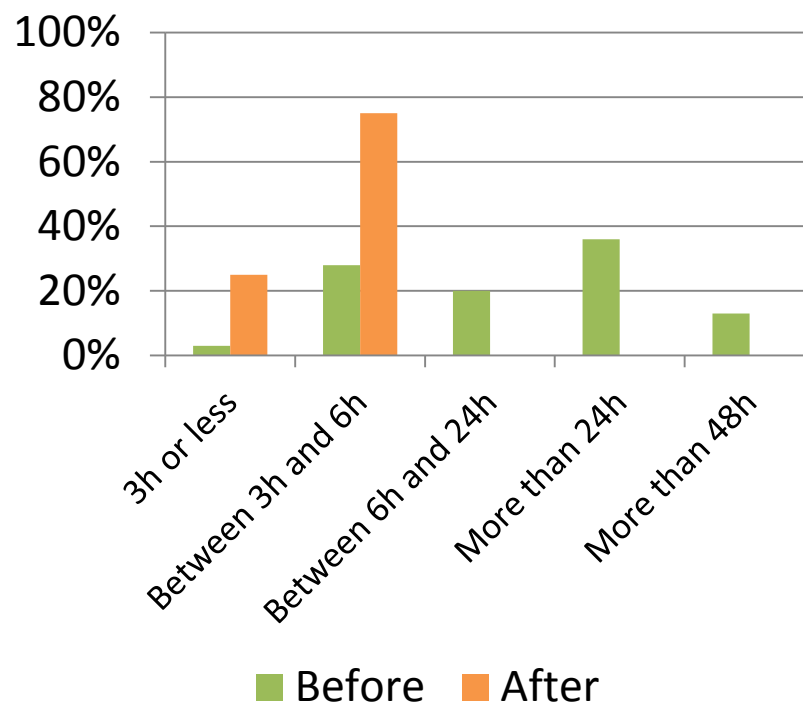# Volumes: Shifting patterns across corridors reflect context and policies

- Burkina Faso has the choice between several corridors radiating from the West Africa maritime gateways
- The evolution of corridor volumes mirror the political and economic changes affecting the region
- Combining information enables the measure of the impact of changes in the comparative efficiency of the corridors

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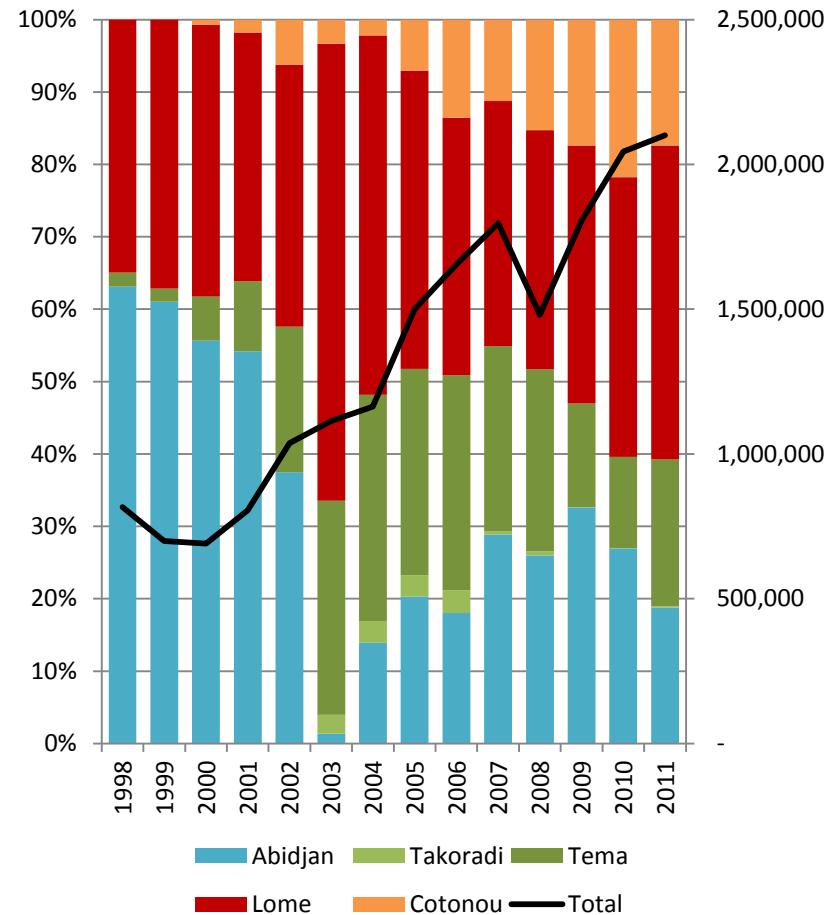
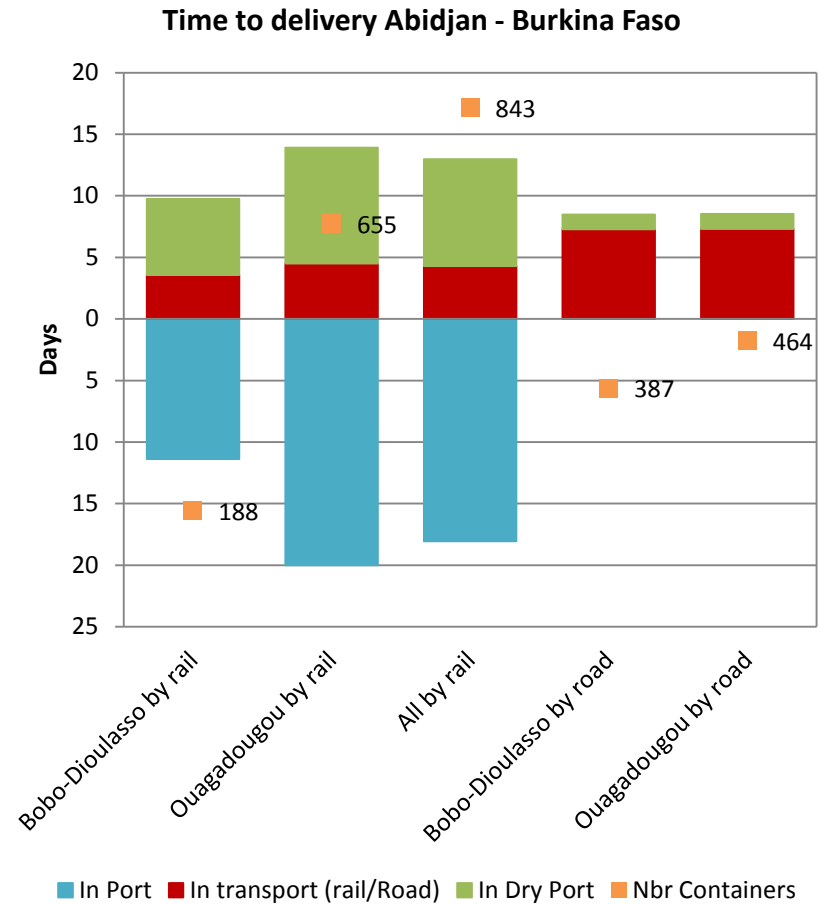# Time: Making joint border posts effective in East Africa

- Border crossings are often considered as obstacles, and a variety of remedies experimented, notably joint border posts schemes
- At the end of 2011, Revenue Authorities from Kenya and Uganda resolved to reduce crossing times at Malaba border, which is gradually transformed into a One-Stop Border Post:
  - Promoting advance submission of declaration
  - Traffic and parking rules for trucks
  - Coordination with C&F agents
- A survey organized before and after implementation shows a dramatic decrease of border crossing time:
  - 50% of trucks staying over 24 hours before
  - All trucks passed the border in less than 6h after

Proportion of containerized trucks crossing the border within time range, from survey sample

Legend: ■ Before ■ After

X-axis categories: 3h or less, Between 3h and 6h, Between 6h and 24h, More than 24h, More than 48h

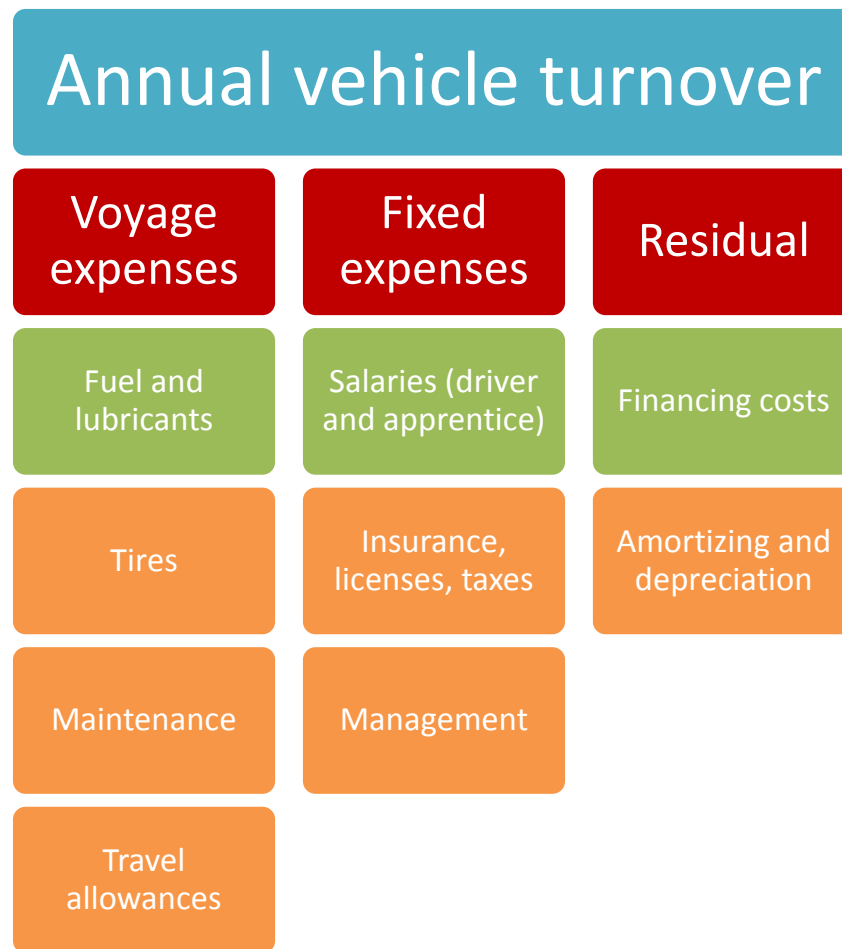SSATP
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Time: Inland Deliveries in Burkina Faso

- Evidence points that reducing delivery time requires coordination of terminal delivery for multimodal transport
- Rail deliveries include terminal time in port and inland up to final delivery, with significant idle time inland, despite shorter transport time
- By comparison, for road deliveries, transport plus inland terminal time to final delivery is 8 days ½, with just over a day at the terminal
- Data from Pilot Transport Observatory:
  - Railway data for Jan-Feb 2012 with Container Terminal, Abidjan – Ouagadougou railway, inland terminals
  - Road transport data for Jan-October 2012 from Burkina Faso Shippers' Council database

Time to delivery Abidjan - Burkina Faso

Chart data labels: 843, 655, 188, 387, 464

Y-axis: Days (25, 20, 15, 10, 5, 0, 5, 10, 15, 20)

X-axis categories: Bobo-Dioulasso by rail, Ouagadougou by rail, All by rail, Bobo-Dioulasso by road, Ouagadougou by road

Legend: In Port | In transport (rail/Road) | In Dry Port | Nbr Containers

Policy interventions and impact on road transport cost factors

- For West and Central Africa corridors, road transport prices is itemized according to cost factors that can be influenced through a range of policy measures
- That analysis will help measuring the potential impact of the policies considered, notably for the reform of the industry in West Africa

Annual vehicle turnover

Voyage expenses	Fixed expenses	Residual
Fuel and lubricants	Salaries (driver and apprentice)	Financing costs
Tires	Insurance, licenses, taxes	Amortizing and depreciation
Maintenance	Management	
Travel allowances		

Focusing policy dialogue on East Africa road transport industry challenges

Areas of concern expressed by road transport companies in East Africa	Tanzania	Kenya	Rwanda
Fuel costs	1	1	1
Costs of maintenance & spare parts	2	3	3
Vehicle costs	3	4	9
Missing road links	4	13	4
Corruption & road blocks	5	5	7
Lack of back loads	6	7	8
Regulations and licenses	7	14	11
Border crossing	8	8	15
Poor road condition	9	2	10
Crime and security	10	6	12
Road accidents	11	9	2
Practice of competitors in informal sector	12	12	6
Transit regime	12	11	16
Labor costs	14	10	5
Freight allocation	15	15	12
Rail competion	16	16	16

- Transport companies in East Africa have indicated their main areas of concern
- The ranking provide entry points for dialogue
- Industry surveys substantiate and qualify the areas of concern for the road transport industry and promote dialogue between logistics operators and the public regulatory entities

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Next steps: the Roadmap

Monitoring framework:

- Agreement from REC TCC partners on a set of Core Indicators at Continental level:
  - Trade Volumes (maritime transit and intra-regional)
  - Service levels (total delivery prices)
  - Time and delays (measure of idle time of goods and vehicles)
- At corridor level, further layers of disaggregation
- Consolidation of experience through preparation of guidelines for Transport Observatories

Proof of concept:

- Dissemination of preliminary analysis from pilots as proof of concept to gather commitment and support for a fully functional Transport Observatory

Input in the policy dialogue:

- Policy notes based on findings and analysis

Sustainability:

- Host institution (corridor authority, or if not existing, establish transport observatory as specialized institution)
- Data donation agreements

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Thank you for your attention

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