



Workshop on International Freight Logistics Best Practices **19th-20th September 2018** **Protea, Courtyard Hotel, Dar es Salaam**

Initiatives to Improve seamless flow of cargo along the Central Corridor: Successes and Challenges

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PART I: INTRODUCTION

- ❑ The **Central Corridor (CC)** is a multi-modal corridor that combines Ports, railways, roads, and waterways transport systems connecting Burundi, the DR Congo, Rwanda and Uganda from the Port of Dar es Salaam, Tanzania;
- ❑ The **main infrastructure** in Central Corridor is the Port of Dar es Salaam, which is the gateway for all CC countries;
- ❑ **Other infrastructures** include the Central Railway line, Roads from the Dar Port to Member States, Weighbridges and OSBPs etc.
- ❑ **Central Corridor Transit Transport Facilitation Agency (CCTTFA)**, is an Intergovernmental Organization established on 2nd September, 2006 by an Agreement of the five Governments of Burundi, Democratic Republic of Congo, Rwanda, Tanzania and Uganda.

Vision and Mission - TTFA

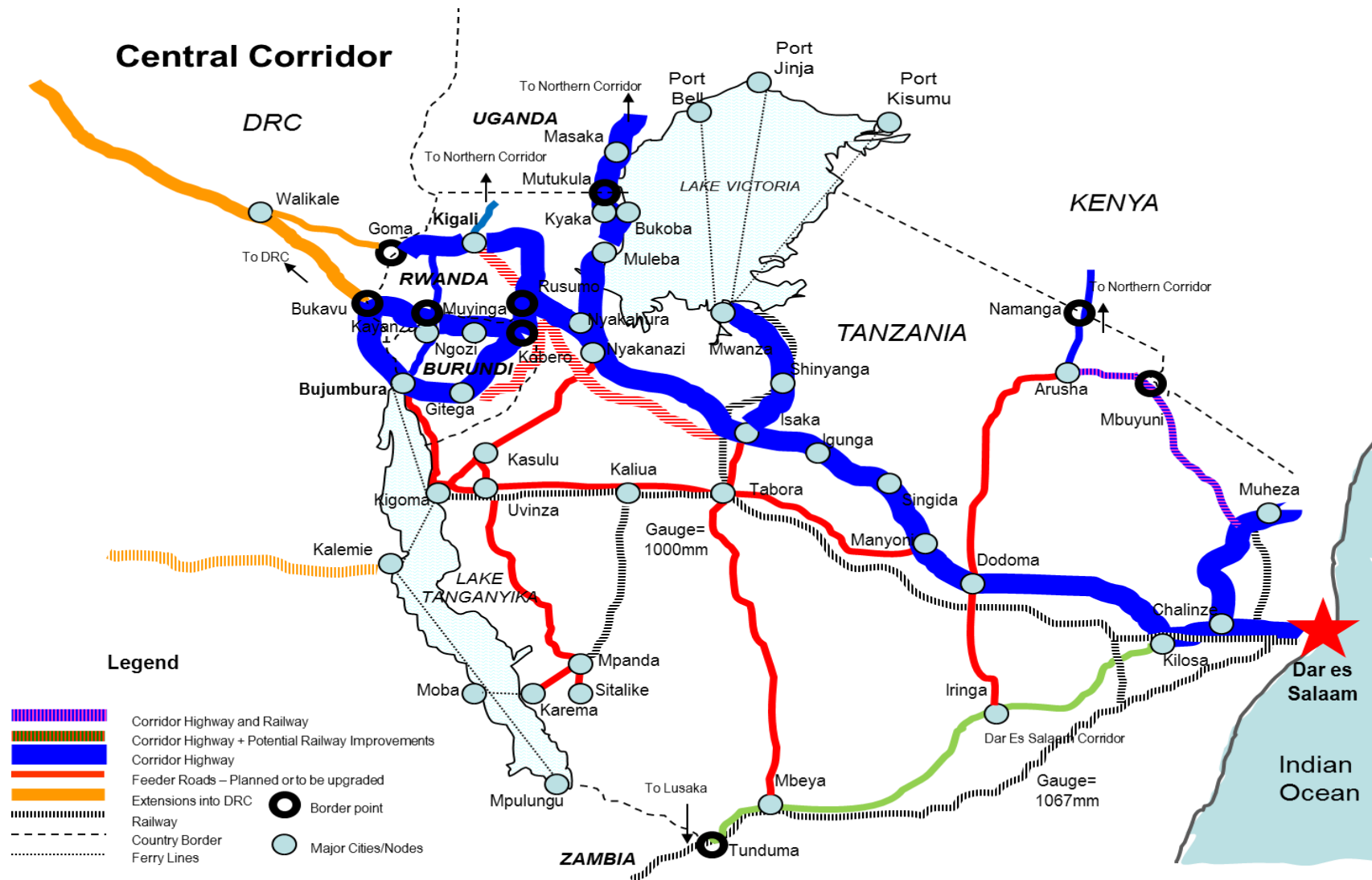
The Vision:

“Central Corridor - trade route of choice”

Mission Statement:

“To facilitate provision of efficient corridor infrastructure and services.”

Scope of the Central Corridor



Summary of the distances from the port to the main inland destinations- Source: CCTTFA.

Destination		Road (Km)	Rail (Km)	Rail/Lake (Km)	Rail/Lake/ Road
Landlocked Member States					
Bukavu	via Kigali	1,761			
	via Kalundu				1488
Bujumbura	Via Kobero	1,613			
	Via Kigoma			1,394	
Goma		1,657			
Kalemie				1,374	
Kalundu				1,394	
Kampala		1,753		1,550	
Kigali		1,487			
Tanzanian Inland Destinations					
Tabora			840		
Kigoma		1253	1251		
Isaka		950	970		
Mwanza		1170	1219		
Kabanga border		1383			
Rusumo border		1335			
Mutukula border		1530			

Central Corridor Performance Monitoring

- ❑ **Its main objective:** Monitor the Performance of the Corridor by ensuring cost effectiveness and efficiency in an effort to make Central Corridor the ***Best Route of Choice***.
- ❑ **CCTTFA** with the support from **TradeMark East Africa (TMEA)** developed and maintains a ***Transport Observatory*** that acts as a monitoring tool for the corridor performance along the Corridor.
- ❑ **Transport Observatory portal** is a Web based system that holds information from Stakeholders and highlights the status and trends of the performance of the corridor so as to identify areas that requires improvements.
- ❑ **Annual Performance Monitoring Reports published.**

Central Corridor Transport Observatory

- ❑ Central Corridor Transport Observatory is managed by CCTTFA and financially supported by TMEA since July 2013;
- ❑ CCTO was set up to enable CCTTFA achieve its vision of making the ***Central Corridor the most competitive corridor in East and Central Africa*** by monitoring a number of Corridor key performance indicators (KPIs);
- ❑ It is an instrument that is being used to monitor the behavior and performance of the users and infrastructure of the Corridor;
- ❑ CCTO has two (2) main sources of data collection:
 - a) Computerized data collection
 - GPS also used
 - Data exchange agreements signed
 - b) Road/surveys data collection

Central Corridor Transport Observatory

- ❑ **CCTO Indicators** have been grouped into **four (4) categories** which provide a set of tools for the diagnosis of problems relating to;
 - ✓ High Transport costs,
 - ✓ Contributing to the identification of areas requiring improvements with regard to the reduction of those costs,
 - ✓ Expedite Effectiveness of various Programmes along the Corridor
 - ✓ Improve competitiveness of the Corridor.

Central Corridor Transport Observatory

Categories of Indicators monitored by the CCTO

CAT 1

- Indicators on Transit Time

CAT 2

- Transaction Volumes

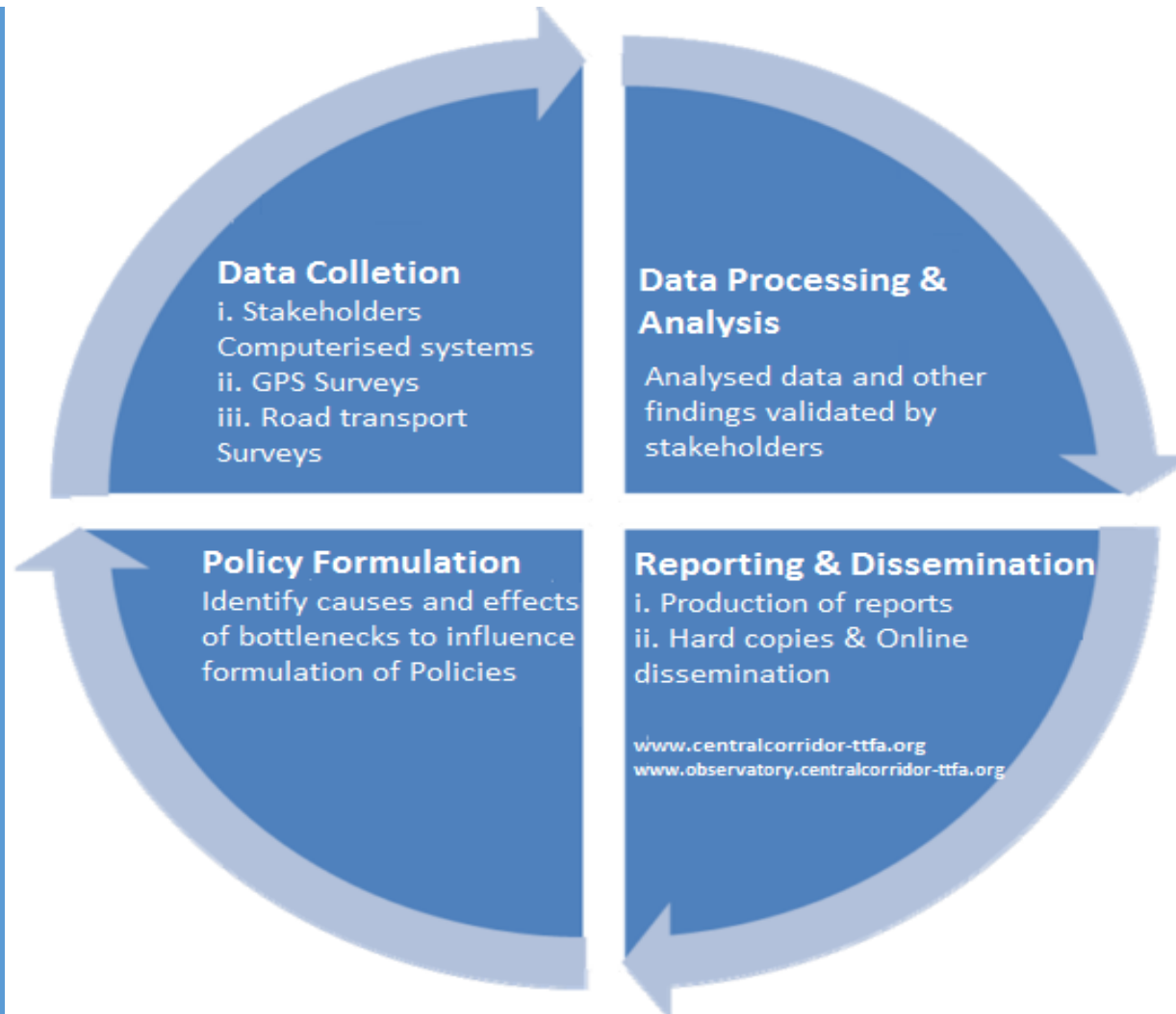
CAT 3

- Costs of Services and Transport

CAT 4

- Efficiency and Productivity

Central Corridor Transport Observatory Results



Summary of Selected KPIs

Overall container dwell time at Dar es Salaam Port

- The Port targets 5 days on average

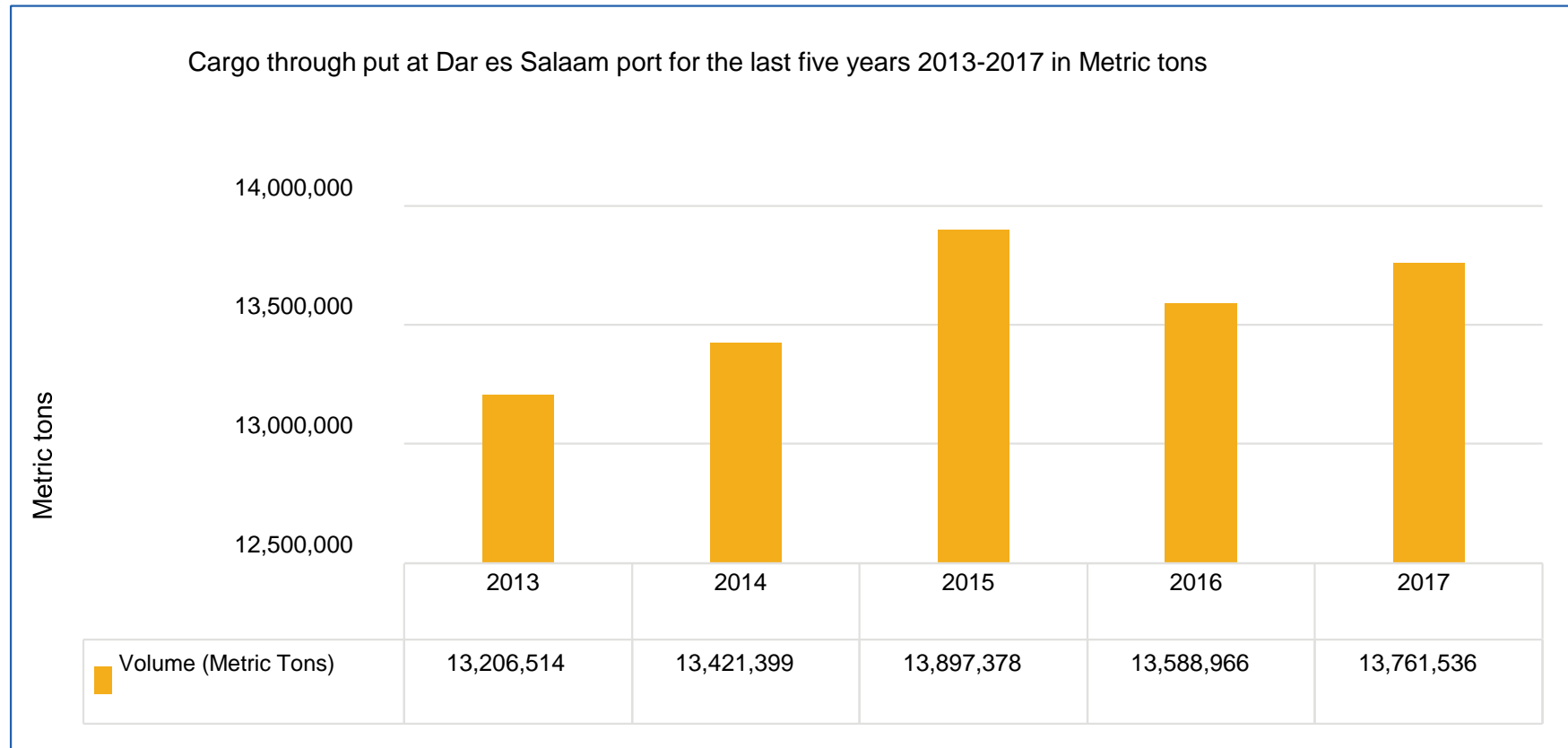
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	AVG
2013	14.9	12.9	17.9	10.6	9.2	8.9	8.3	9.4	13.2	11.9	9.4	8.6	11.27
2014	14.2	13.8	16	10.6	14.1	9.3	7.1	11.2	9.4	9.6	6.9	8	10.85
2015	7.1	7.1	5.6	5.7	5.2	6.7	5.8	6.8	5	10.8	10.9	9.9	7.21
2016	7.6	6.3	5.2	4	5.1	5.3	5.6	8	8.2	8.8	11.3	8	6.95
2017	8.1	8.1	9.2	7.8	6.9	8.4	7.3	8.9	12.1				8.53

TREND OF THROUGHPUT - 2016 Vs 2017

COUNTRY	2017	2016
Tanzania	6,703,864	7,190,337
D.R.Congo	785,307	789,046
Burundi	403,801	301,000
Rwanda	1,040,322	840,291
Uganda	270,379	165,123
others	2,154,619	1,807,906
Total imports	11,358,292	11,093,702
Of which Transit	4,644,135	3,894,461
Transshipments 9/25/2018	255,618	289,173

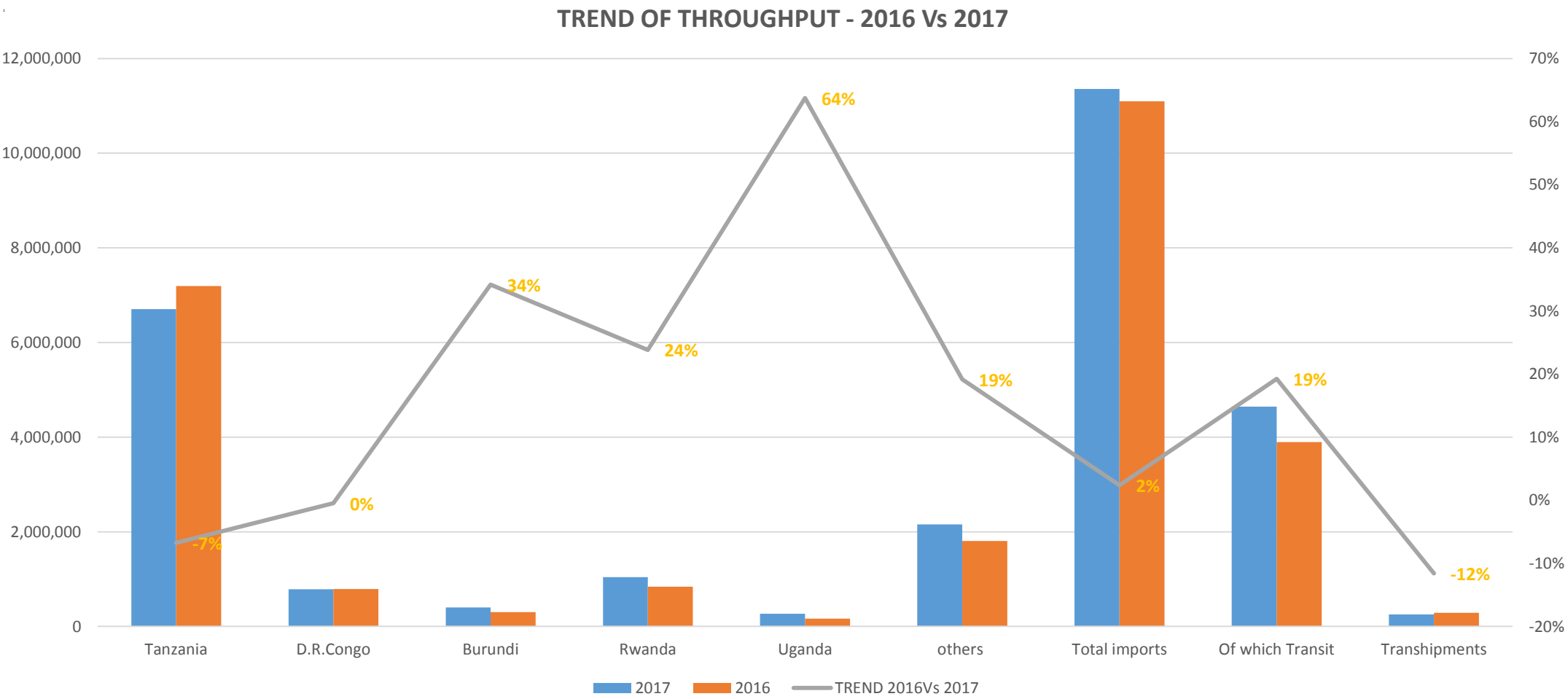
Summary of Selected KPIs

Cargo through put at Dar es Salaam port for the last five years in Metric tons

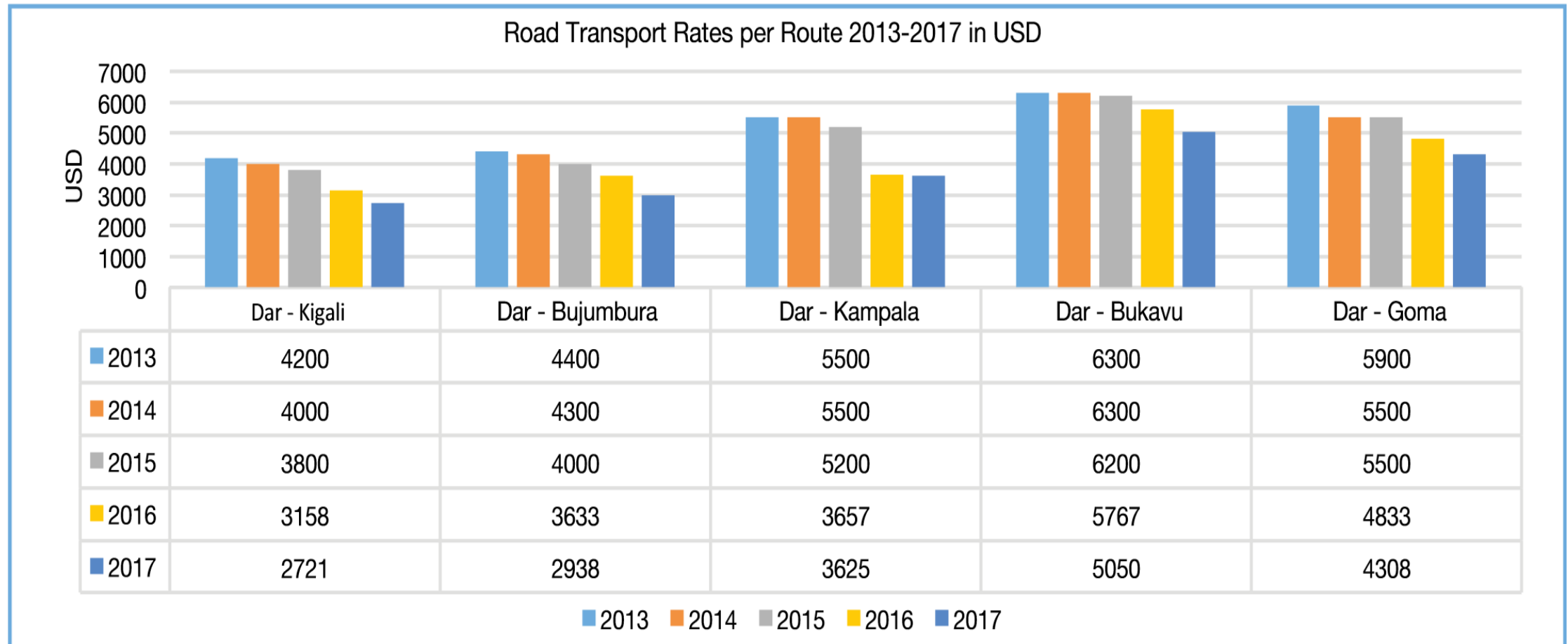


Source: TPA 2013-2017

TREND OF THROUGHPUT - 2016 Vs 2017



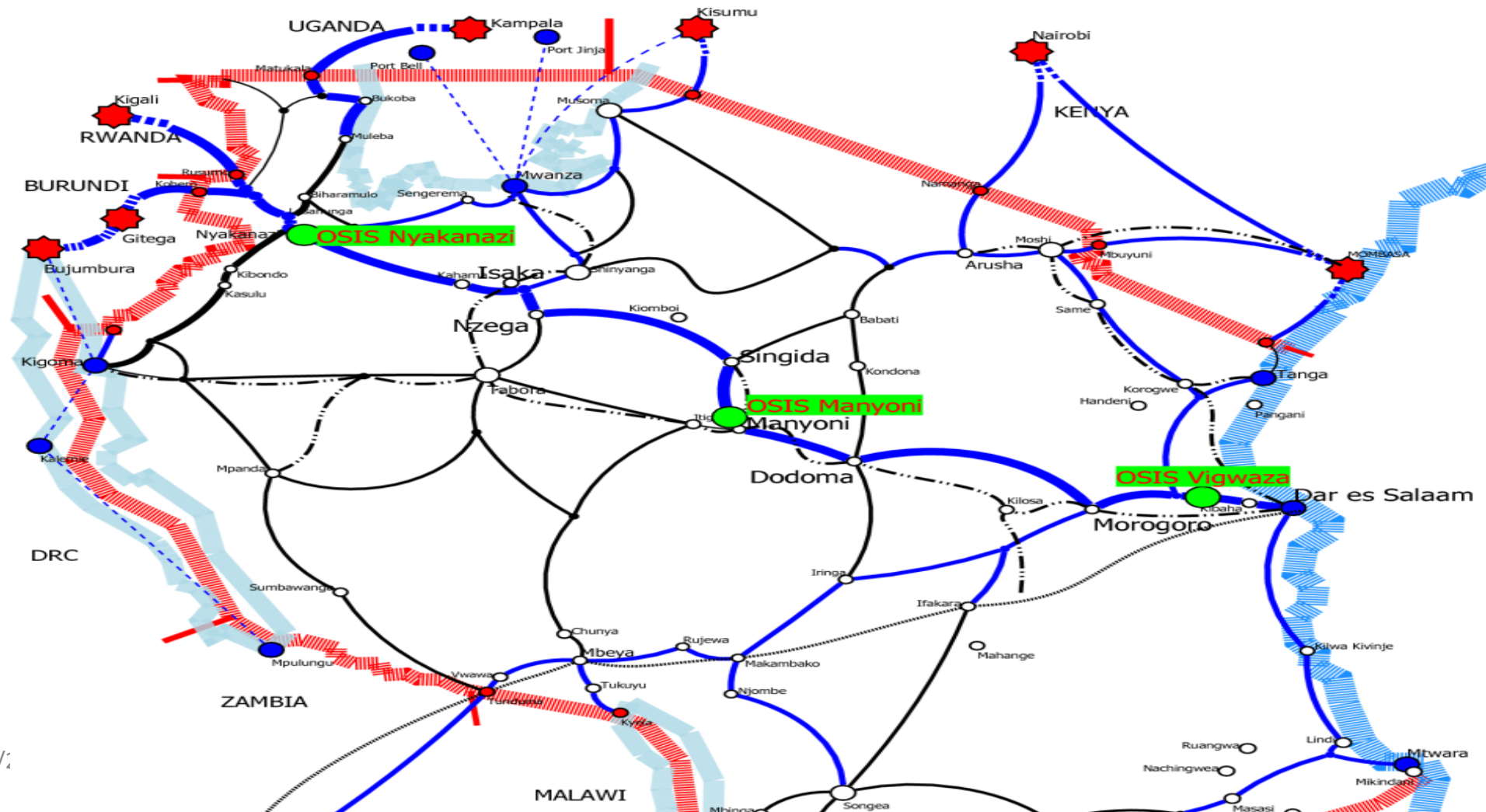
Road Transport Rates per Route 2013-2017 in USD



Successes recorded in the last 10 years

- Massive improvement on the Port cargo dwell time from 22days in 2008 to less than 9 days in 2017.
- Reduction of weighbridges/checkpoints from 55 in 2012 to just 3 for transit trucks effective from April 2016, saving over 70% of weighbridge crossing time;
- Customs systems have improved. Most of the systems are now automated. With ECTS, no more Customs Check points.
- Security at the Port of Dar and along the Corridor is now very good – no more theft and loss of cargo.
- We mobilized more than 25 million Euros, and now started construction of 3 One Stop Inspection Stations (OSIS) at Vigwaza, Manyoni & Nyakanazi.

Map of the Planned One Stop Inspection Stations along the Central Corridor

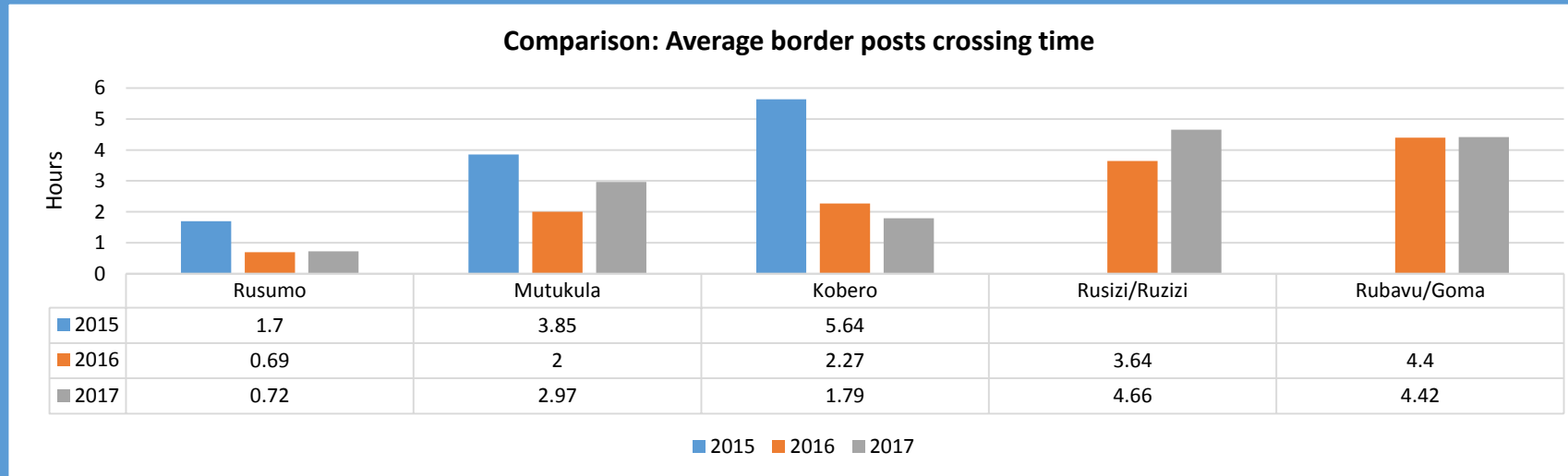


Successes recorded in the last 10 years

- Transit time to Tanzania exit borders dropped from 7days to 3days, but the target is 2.5days
- Significant reduction in cost of transport from Dar Port to all Central Corridor destinations;
- Around 95% of road networks along the central corridor are tarmacked
- Full operationalization of OSBPs at the borders of Rusumo, Kabanga/Kobero and Mutukula under TMEA/JICA funding, has also impacted the reduction of transit time and costs of doing business along the corridor also reduces unnecessary delays along the Corridor.

Border Posts Crossing Time

Source: CCTTFA Transport Observatory Report, 2017



- **Operationalization of the OSBPs and the Single Customs Territory (SCT), Rusumo, Kabanga/Kobero and Mutukula OSBPs**: Border crossing time has reduced significantly as trucks are now stopping only on one side of the border for all crossing procedures and operations
- At Rusumo **59.4%** reduction of the border crossing time comparing to 2015 where OSBP weren't operational. Same reduction of about **48.1%** for Mutukula in 2016 where on average it took 2.97 hours to cross Mutukula border. At Kobero a reduction of **about 68.3%** were observed for border crossing in 2017. (Comparing with borders without OSBPs).

Supporting Multi-modal Transport System along the Central Corridor

- CCTTFA is coordinating Development of Lake Tanganyika Integrated Transport System.
- Lake Tanganyika Integrated Transport Programme (\$600m), of which **\$2,700,000** million is already secured for preparatory Feasibility Studies
- Lake Kivu safety of navigation supported by CCTTFA for initial scoping, the project gained momentum and attracted funding from TMEA amounting to 266,000 USD;
- Now the Consultant is onboard mapping the navigation routes and maps as well as installing navigation aides on Lake Kivu

Supporting Multi-modal Transport System along the Central Corridor

- **Lake Victoria Integrated Transport Programme** – CCTTFA is honored to have supported an Initial memorandum of understanding in an effort to re-open **Dar-Mwanza-Port Bell-Kampala route** and later on the **signing of Articles of Common Understanding** between Ugandan and Tanzanian key stakeholders on serving the Uganda market segment by re-opening of the Central Corridor (Dar-es-salaam- Mwanza – Port Bell-Kampala)
- The first shipment of cargo in 10 years via Railway-water transport through Mwanza was made end of June 2018 thanks to these efforts.
- Since then, every week 2 block Trains destined to Uganda leave Dar es Salaam
- Joint Operations and Joint Marketing Teams (Uganda & Tanzania) set up and CCTTFA supports their regular engagements in **Stakeholder Quarterly Meetings**

Capacity Building in Maritime Sector in Central Corridor Member States

- The training of future Officers of navigation is underway at DMI and this programme (when boosted and beefed up) is expected to sort out the shortage of qualified and able personnel in the maritime sector (*For example, the average age in this category is 57 years in DRC and 60 years in Burundi*); hence enabling to drive the industry forward.
- 10 students from 5 Member States are undertaking their courses at DMI with CCTTFA support.

Support to Railway Infrastructure Development:

- Construction of the SGR commenced thanks to the commitment of the Government of the URT

Laying the rail begun this week and its now at 24% of phase 1



9/25/201



Support to SGR Development

- **Dar es Salaam – Isaka – Kigali Railway-** joint support by the Republic of Rwanda and the United Republic of Tanzania (while CCTTFA supports the Joint Task Force engagements for fast-tracking of the project);
- **Uvinza-Musongati Railway** jointly financed by the Republic of Burundi and the United Republic of Tanzania (while CCTTFA supports the Joint Task Force engagements for fast-tracking of the project);

Key Challenges

- **Non-harmonized policies**, legal, standards and non-implementation of bilateral and regional agreements
- 95% of cargo still uses **roads Vs Railway**
- **Intermodal facilities still inadequate.** Need for more and bigger vessels on Lake Tanganyika and Lake Victoria. On Lake Victoria, average capacity of current ships is 2000 tns. Imagine 2 trips a week = 8 trips a month and 96 trips a year. Annually, 1 vessel hauls 192,000 tons and we are targeting 2 million tons/annually, this would require 10 ships.
- **The region is a net importer** – limited back-haul traffic making transport cost very expensive
- Regional Electronic Cargo Tracking system yet to be operational. ECTS terminates at border points

THANK YOU