

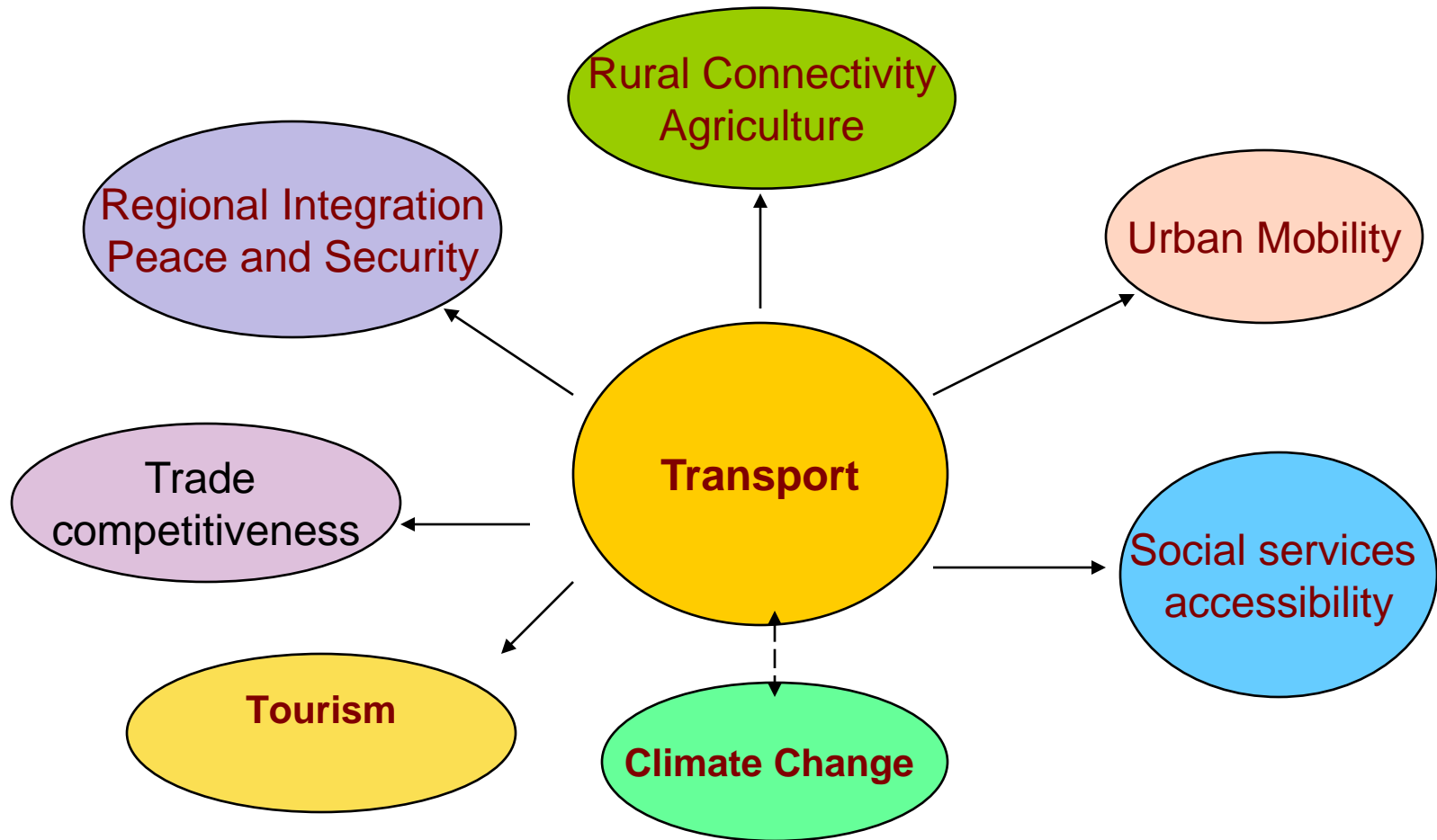
Transport for Africa Growth and Integration

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Transport: Prerequisite for economic and social development



Transport in Africa - the silent crisis

- Transport tariffs in SSA are the highest in the world
- Transport service reliability and predictability is extremely weak
- Rural road access index is the lowest in the world
- Capital cities in SSA are the fastest growing in the world, due to high population growth and rural exodus
- Infrastructure public financing gap is increasing as demand for transport services is outpacing investment capital supply

(1) How much higher are land transport costs in Sub-Saharan Africa ?

Approximately, they are:

- 4-6 times higher than in Pakistan
- 3-4 times higher than in Indonesia and Vietnam
- 2-3 times higher than in Costa Rica

US\$2,500

to move 20ft container from Baltimore port to Durban Port, and

US\$2,400 from Durban to Gaborone

US\$2,800

to move a 20ft container from Europe to Douala and

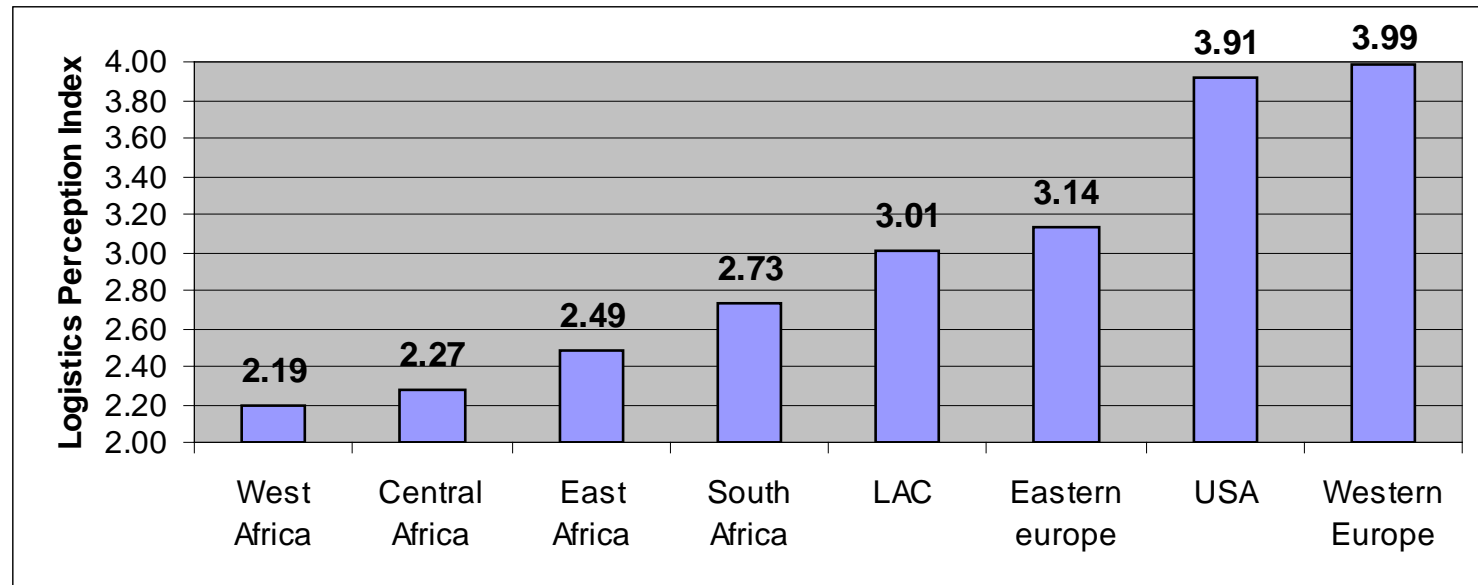
US\$4,000 from Douala to N'djaména

(2) How inefficient movement of freight impede trade and regional integration ?

- Cargo dwell time may account for up to 2/3 of total transport time to landlocked countries
- Borders may cause:
 - Expensive delays: 2 days (up to 5 days) at the Zimbabwe/RSA border or more than 1/3 of total transport time Durban-Lusaka
 - Expensive bribes and widespread corruption
 - High incidence of HIV/AIDS transmission
- Transporters may be stopped up to 30 times for a 100 kilometer-drive in West Africa

(3) Benchmarking transport quality

Transport quality is uniformly low in Africa because of unreliable and unpredictable transport services and poor infrastructure



Without high quality and cheaper land transport, regional integration will not happen

(4) Connectivity index in SSA is the lowest in the world

Figure 1: Rural Access Index

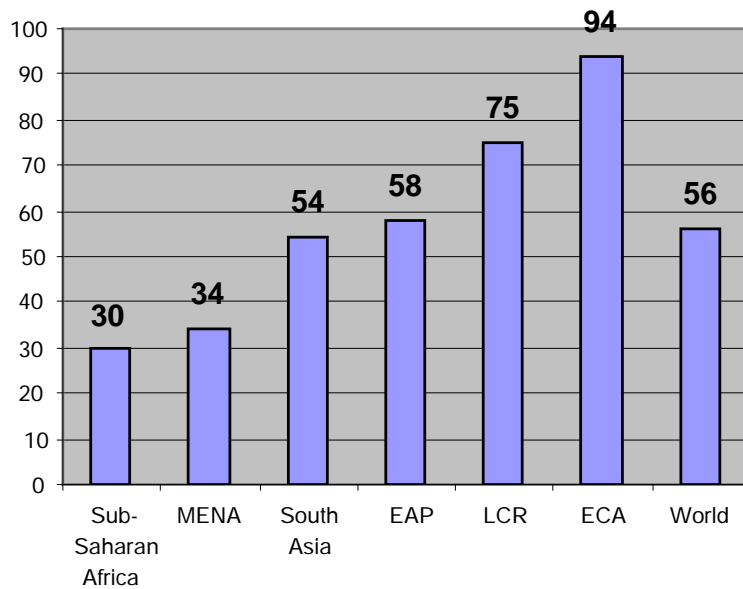
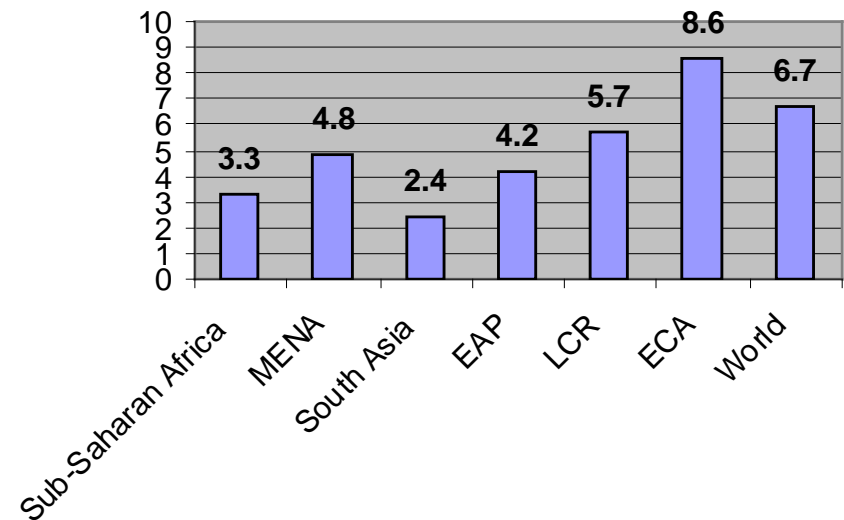


Figure 2: Road Density in terms of Population (in road kms per 1000 people)



(5) Can urban poor afford motorized urban transport ?

- **Rapid urbanization:** urban population sustained a 5% growth rate p.a in the last three decades, resulting in an additional 170-180 million urban dwellers,
- **BUT** weak development of urban transport networks and services partly offset the anticipated economic benefits of urbanization.
- **Congestion** is growing rapidly in many cities; e.g. Lagos, Accra, Nairobi, Kampala, Dakar, Dar-es-Salaam , etc.

Public urban transport services: an issue of availability, reliability, acceptability, and affordability

City	Transport expense as share of disposable income
Accra	16%
Addis	9%
Dakar	16-30%
Kampala	25%
Nairobi	10-15%

Reliable services on good urban networks are urgently needed

Africa Transport Challenges

Connectivity Challenge:

At Regional Level:

- Landlocked countries isolated from trade opportunities
- High transport cost + inefficiency = trade competitiveness compromised

At National Level:

- High rate of urbanization means high demand for urban transport and urban-rural connectivity

At Rural Level:

- Poor rural accessibility = poor food distribution, although adequate food production

Capacity Challenge:

- Weak regulatory body leads to market distortion and high transport tariffs
- Weak technical control leads to frequent cost overrun and high construction cost

Africa Transport Challenges (Cont.)

Financing Challenge:

- Private sector funding is critically needed. However,
 - is the investment environment attractive to private sector?
 - is the public sector sufficiently equip itself with good knowledge and legal framework for PPP to benefit from a fair share of PPP?

Social Externality Challenge:

- Road safety is a major and growing problem
- Transport services are a vector in the spread of HIV/ AIDS

Sustainability Challenge:

- Political instability leads to lacking continuity and long term planning

Strategic Approach

PROMOTE GROWTH AND INTEGRATION:

- Develop trade facilitation corridors to enlarge market and promote regional integration
- Improve connectivity between growth centers in urban and rural areas

Cross cutting themes –
• Climate change
• Transport Safety

ENSURE SUSTAINABILITY:

- Enhance road assets management, maintenance planning and execution in core road systems in the region
- Promote result based project design – including the use of Output and Performance-based contract
- Strengthen Governance, accountability and transparency to prevent misuse of funds

Strategic Approach (Cont.)

IMPROVE KNOWLEDGE AND INSTITUTIONAL CAPACITY:

- Provide top-notch evidence-based advice through solid analytical work [Development partners & SSATP]
- Increase policy engagement to develop effective transport markets and services [Government authorities & SSATP]
- Building institutional capacity for effective regulation [Government authority & SSATP]

MAINTAIN STRONG PARTNERSHIP:

- Partnership among donors → promote donor coordination and leverage resources [SSATP + DP]
- Promote private-public partnerships, particularly ports, railways, and airports [Gov't authorities + DP + SSATP]

Cross cutting themes –
• HIV/AIDS Mitigation
• Gender in Transport

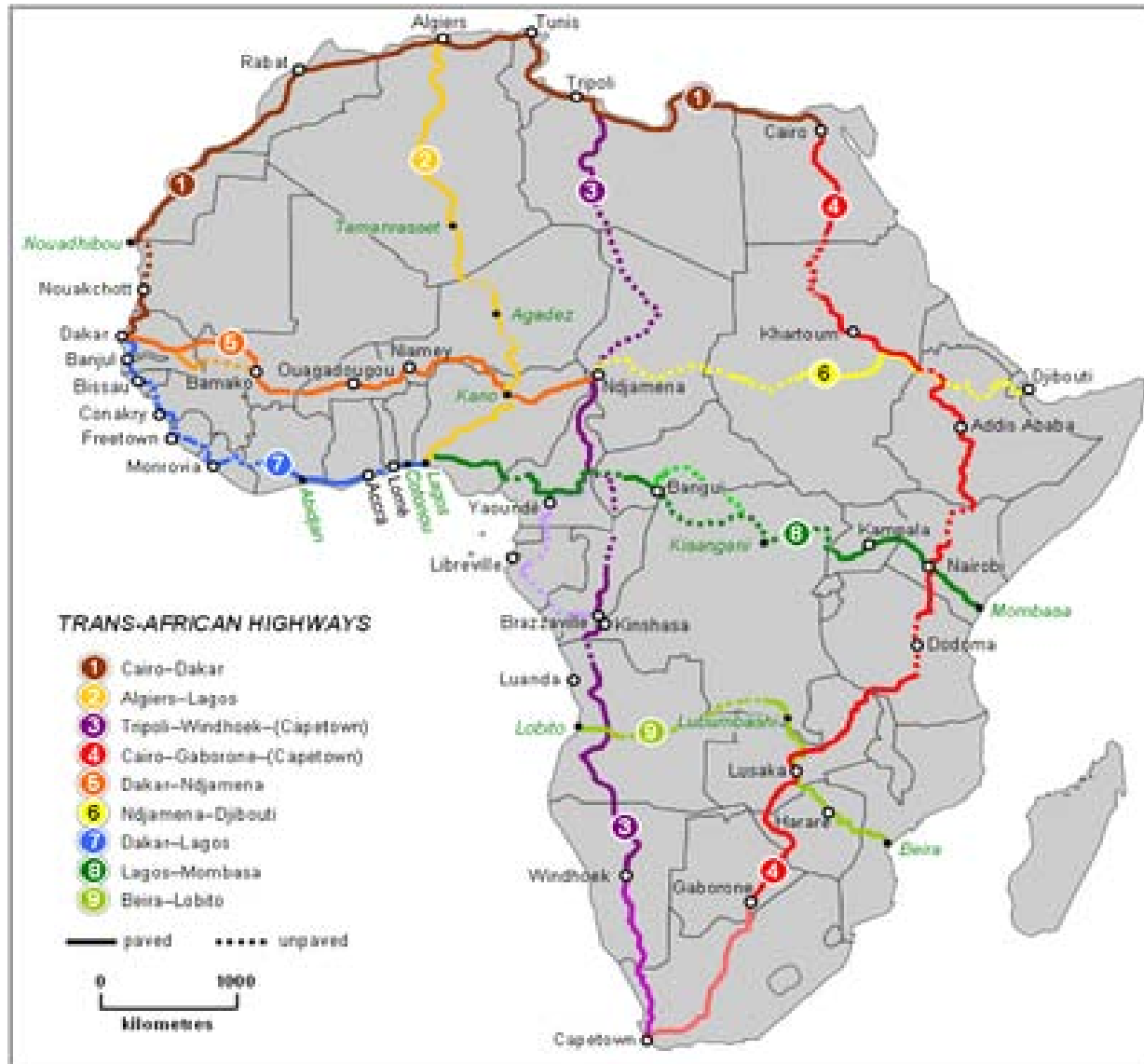
Some Key Factors Shaping our Agenda

- **Governance and Institutional Capacity Building**
 - Lasting sector improvements will depend on good governance and sound institutions
- **Results Framework for Measuring Impact**
 - Country level outcomes
 - Progress on shared growth and service delivery
 - Monitoring progress at project and program level
- **Cross-Cutting Issues**
 - HIV-AIDS
 - Road Safety
 - Environmental issues and links to rural and urban development
 - Internalizing health and gender issues in transport projects
- **Involvement of the Private Sector**
 - Concessions in Ports, Railways, Buses, Airports, Roads, etc.
 - Performance based maintenance arrangements

OUR TRANSPORT DREAM:

From Cairo to Durban... From Djibouti to Dakar.... in three weeks!!

-- Transport for Economic Growth and Integration Achieved--



*Are we ready to continue our
journey together now?*

Go Local... Think Regional !!