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MISSION REPORT

**ON THE MEETINGS OF THE EXECUTIVE
BOARD AND THE HIGH AUTHORITY OF THE
TRANSIT TRANSPORT COORDINATION
AUTHORITY OF THE NORTHERN CORRIDOR**

**MOMBASA, KENYA
22-26 JUNE 1999**

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AND THE HIGH AUTHORITY OF THE TRANSIT TRANSPORT
COORDINATION AUTHORITY OF THE NORTHERN CORRIDOR,
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Introduction:

At the invitation of the Acting Executive Secretary of the Northern Corridor Secretariat, I represented ECA at the joint sessions of the 16th Session of the Executive Board and the 11th Session of the Authority of that Organization from 22-26 June 1999.

The meeting of the Executive Board took place on 22-24 June 1999 and was attended by delegates from Burundi, Kenya, Rwanda and Uganda. Also present, as observers were representatives of the East African Cooperation, ECA, COMESA, PMAESA and USAID.

In his opening remarks, the representative of Kenya recalled that since its inception in 1989, the Authority had gone through several hard times but because of the commitment of the member states those times were now of the past. He underlined the unique nature of the Northern Corridor and underlined the fact that it served countries in both Eastern and Central Africa.

His remarks were followed by those of the Acting Executive Secretary in which he gave a brief account of the activities of the Corridor since their last meeting, and outlined the activities envisaged for the rest of the year. These activities included meetings of the consultative committees on roads, railways and customs. He also hinted that a Symposium on issues related to transit traffic was being contemplated. Furthermore, he informed the meeting that he had initiated discussions with the private sector as well as other inter-governmental organizations with the view to establish working relationships in order to rationalize the secretariat's work programmes.

Organizational matters:

The meeting unanimously agreed to a proposal from the delegation of Rwanda that in future the Chairpersons of the Authority should hold office for a minimum of two years in order to have a more effective coordination of the activities of the TTCA.

Following this, the meeting elected the following Bureau:

Chair: Kenya
Vice-Chair: Burundi
1st Rapporteur: Rwanda
2nd Rapporteur: Uganda.

Substantive Discussions:

Transport Infrastructure and Control of Axle load Limits

The discussions on this item were preceded by a report by the Ag. Executive Secretary. In the ensuing discussions almost all the delegations stressed the importance of the transport system in the economic development and sub-regional integration of the region, and emphasized the need to respect their commitments regarding the implementation of the agreements they had reached on the control of axle load limits in view especially of the enforcement measures which had been instituted by the Kenyan authorities. The general debate was followed by a series of recommendations for further action by governments.

- ◆ Completion of on-going rehabilitation works on the Bachuma Gate-Mtito Andei road
- ◆ Start the rehabilitation work on the Mtito Andei-Sultan Hamud and Mai Mahiu-Navisha Lanet road
- ◆ Increase the pace of the rehabilitation work on the Mombasa-Bachuma Gate and Mau Summit-Timbora sections which are in very bad condition, while awaiting financing for long-term rehabilitation work
- ◆ Constructing by-pass roads for Nairobi, Kampala and Mbarara
- ◆ Relaunching of the study for the improvement of the roads in Eastern DRC, Western Uganda and Rwanda.

There was also an extensive discussion on policy reforms in view of the fact that this has been a condition for donor support in the infrastructure sector. In particular, the meeting decided that member states should pay attention to the following:

- (a) working out and instituting a stable and regular financing system for the road sector
- (b) setting up appropriate bodies for the proper and efficient management of the road sector; in this regard, it was stressed that road sector organs with members drawn from both the public and private sectors could contribute to the improvement of the management of the road sector; it was strongly

recommended that economic operators involved in the transport sector should be represented on any such organs

(c) Creation of road safety organizations.

On axle load limits, a strong recommendation was issued to the competent authorities to vigorously enforce the limits agreed upon.

In order to achieve this, it was emphasized

- ◆ that there was the need to install weighbridges at all border posts of the Corridor;
- ◆ It was also suggested that sensitization seminars had to be organized to emphasize the importance of axle load controls. The secretariat was charged to initiate the relevant action in this regard;
- ◆ it was suggested that measures should be put in place for facilitating transporters in the prior control of vehicle weights by installing weighbridges at the loading/departure points and by issuing vehicles with compliance certificates at the start of their journey;
- ◆ to discourage overloading, it was recommended that heavy penalties should be imposed on offenders at every level;
- ◆ member states to ensure that the importation and assembling of trucks are in conformity with the provisions of the Northern Corridor Transit and COMESA agreements;
- ◆ cargo inspection companies to be entrusted with the responsibility of respecting container weights before the cargo is dispatched;
- ◆ use of mobile weighbridges for spot checks.

□ Railway Infrastructure, Ports, Inland Container Depots and the Pipeline project:

-Rail transport:

Given the poor state of the inter-connecting roads between the transit countries and their landlocked neighbours, rail transport has assumed a considerable importance in the TTCA countries in recent years. Kenya Railways and Uganda Railways, the two railway networks are therefore under pressure to improve on their performance.

It is for this reason that the meeting took a lot of time to examine the reports submitted by the management of those two networks. Both networks reported on their efforts at modernisation, especially the measures they were taking in

the area of maintenance and the acquisition of new equipment, including rolling stock and locomotives.

The meeting commended both networks for improving the block-train services between Mombasa and Kampala and urged them to further strengthen the logistics of the rail-borne cargo in the northern corridor. It was also noted that the two Corporations were discussing the possibility of creating joint maintenance facilities, joint purchasing of spares, joint marketing services, single invoicing, and joint use of training facilities. They were encouraged to finalise those discussions in the interest of operational efficiency.

As a counterpart to the efforts of the two networks, the Executive Board recommended that member states should allow for free cross-border movement of locomotives.

It was also the view of the meeting that there was a need for member states to streamline rail transit transport procedures and documentation. This of course would imply further improving the capacity of border stations through better organisation and more adequate equipment and manpower.

It was also noted that the two networks were in the process of reforming their operations by commercializing, and in some instances privatizing some of their operations as a means of enhancing their efficiency.

-Ports:

Being the only port that serves the land-locked countries, the Port of Mombasa is expected to render a variety of services, and efficiently if it is to retain its hold on cargo destined for Uganda, Rwanda, Burundi and Eastern DRC.

Conscious of this fact and in order to be competitive vis-à-vis the Port of Dar Es Salaam, KPA indicated that it had embarked on a number of activities, such as the conversion of its 13th and 14th berths into container handling berths, the acquisition of new and more modern equipment to assist it to cope with the new and emerging demands on its services.

On their part, members of the Executive Board impressed upon the management of the Port of Mombasa to effect an overhaul of the procedures involved in clearing transit cargo at the port in line with previous negotiations that had been carried out between on the one hand the authorities in Kenya and on the other those in Uganda, Burundi and Rwanda and in accordance with previous recommendations of the TTCA. At the same time the Board

took note of the progress made by KPA in the marketing/commercialisation of its port services and the involvement of the private sector in the provision of certain strategic services. The overall effect had been the net improvement in those services. KPA was urged to deepen the reforms it had initiated.

They also expressed concern that certain consignors overseas were not releasing shipping documents promptly to Mombasa, thus delaying port clearance and hence pile-ups of undocumented transit cargo in the port. This concern resulted from the explanation given by KPA for the causes of the congestion at the port of Mombasa.

One solution that was suggested by ECA for the consideration of KPA was the full implementation of the UN-developed cargo tracking system, the Advance Cargo Information System (ACIS). In their reaction to this proposal, KPA indicated that it was already using some of the modules of the system and hoped that if fully installed, ACIS would meet some of their management concerns as far as the movement of cargo was concerned.

- Containers:

Recognising the role of importers and exporters, the Executive Board requested the secretariat to assist importers and exporters, the chambers of Commerce in the various member states, export promotion institutions to establish forums for group negotiations with shipping companies for better terms and conditions for the use of the carriers' containers on inland routes.

In parallel, the Board also recommended that the TTCA establish an ad hoc Consultative Committee on containerised transit traffic whose mandate would be to come up with proposals on uniform terms and conditions governing the use of carriers' containers and to advise on the appropriate measure to be taken that would result in:

- ◆ Changes in the current practice of transferring every vessel delay surcharge to the cargo owner; the relevant stakeholders would in this case seek a common understanding on how to share responsibility; the shipping industry on its side would consult the other interested parties before imposing such charges;
- ◆ Changes in the way free periods offered by the shipping lines for turning in their containers, as well as the demurrage charged in case of delay and the container guarantee deposits and other related requirements are applied; they should be applied after consultations with the other parties and not imposed unilaterally by the shipping industry.

- **Pipeline project/dry ports:**

One of the biggest projects being carried out in the region is the construction of an oil pipeline from Eldoret (Kenya) to Kampala (Uganda) with financial support from various sources. Depending on its success, it is envisaged that the project would be extended to the other land-locked countries (Burundi, Rwanda and DRC).

It was not surprising that a lot of time was devoted to discussing this matter. After extensive briefings by Kenya, the Board noted with satisfaction that the project had advanced considerably and hoped that it could be completed on schedule so that it could be extended to the other potential beneficiaries.

Given the importance of **dry ports**, the previous sessions of the Board had encouraged member states to give serious consideration to the construction of at least one in each country. Of the several that had been started, it was clear from the reports that were made that the ones under construction in Eldoret and Kampala had advanced considerably. The delay experienced by the other countries' efforts was traced to lack of resources. For that reason, the Board appealed to the donor community to assist member states in the construction of such internal container depots.

ECA Statement:

In my intervention to the session, I stressed the obvious important role that transport plays in the economic development of all countries and outlined in brief the work that the Commission had undertaken in the area transport efficiency and facilitation, which in any event was the main mandate of the Northern Corridor and invited the secretariat of the Corridor to call on us for advice whenever they felt the need to do so. I acknowledged the very excellent work that the Northern Corridor secretariat had undertaken since its creation in 1989, particularly in light of its limited resources, both material and human. I also indicated that the Commission would be willing to associate the Corridor with our field activities so that they could pick and choose from any best practices that they would detect in other parts of Africa.

In light of the fact that resources constituted a major obstacle in the implementation of the Corridor's several programmes, I proposed to them to avail themselves of the considerable technical base of the Commission. I drew their attention to the fact, because of budgetary reasons, the agencies of the United Nations system were required by both the Secretary General and indeed by the governing bodies of the agencies to pool resources together and

collaborate in the field. For that reason, I advised them to make effective use of any UN programme even if such a programme had not been developed by ECA, since ECA would be prepared to assist them to draw maximum benefit from any UN project. I cited the case of ASYCUDA and ACIS, two transit traffic instruments, from which they could benefit considerably with the advice of ECA. I stressed the urgent need for the secretariat to desist from any temptation to engage in activities in which it had neither the expertise nor an obvious comparative advantage. I opined that it was in their interest to develop complementary activities with other institutions, such as COMESA, the East African Transport Initiative, the East African Cooperation and needless to say ECA so that they could maximise their returns.

In reply the Ag. Executive Secretary reiterated the desire of his secretariat to work closely with ECA, and indeed confirmed that the Commission would be invited to all their future meetings in order to benefit from the benefit of our experience in the transport sector.

Overall, these suggestions were received with appreciation.

11. MEETING OF THE HIGH AUTHORITY

As in the past, the meeting of the Executive Board was followed immediately by the session of the High Authority, which is composed of the Ministers responsible for transport of the member states of the Northern Corridor Authority.

Burundi and Rwanda were represented by their Ministers of Transport, Kenya by the Assistant Minister of Transport and Uganda by the Uganda High Commissioner to Kenya.

The Ministers retained the same Bureau as the one that ran the meeting of the Executive Board in order to maintain uniformity.

The report of the session of the Executive Board was presented to the ministers for their consideration.

After some perfunctory discussions, the report was adopted by consensus.

It then dealt with the administrative questions of the Secretariat and since this was considered an internal matter ECA and all the other Observer delegations were not allowed to participate in the deliberations.

However, it was learnt in the corridors that an innovative way of financing the activities of the secretariat was a decision by the member states to impose TTCA levies on the cargo going through their territories. This concept which is fast gaining ground in many IGOs in Africa is designed to fill the chronic

shortfalls experience in the collection of subscriptions based on certain economic indices. It was also learnt that in order to boost staff morale, the Authority authorised salary increases to the staff by about 20% of their current earnings, with effect from January 1, 2000.

Conclusion:

On the whole the two meetings were extremely well prepared. The background documentation was very professionally done. The issues were very relevant to the everyday needs of the member states especially the land-locked members.

Wherever there were disagreements over certain policies that Kenya (the main transit country) had initiated, these were discussed very frankly and possible solutions explored. It was clearly for this reason that all the decisions that were taken by the ministers were by consensus, making it possible for Kenya in particular to pledge to abide by those decisions. The interdependence of the economies of the Corridor was fully stressed and recognised by all the participants. The land-locked countries also appreciated the economic, political and financial limitations imposed on the Kenyans and therefore did not in several instances invoke their legal rights under the Northern Corridor Agreement.

As for the involvement of ECA in the future activities of the TTCA, everyone agreed that this was essential. Almost all the other IGOs which attended the meeting referred to ECA as the lead agency in the transport sector in Africa, obviously, and pre-eminently because of the Commission's role in the UNTACDA programme. This show of confidence of course goes with a corresponding responsibility on the Commission to extend whatever request for assistance, within the limits of its own resources that might be made of it. Technically, the Commission can meet any such request. In addition it can also serve as a bridge between TTCA and their potential partners.

The meeting decided to hold its next joint session in Rwanda. The dates will be settled through discussions. The Ag. Secretary General of the organisation promised to invite ECA to participate in that session as well.