



## Economic Commission for Africa

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### MISSION REPORT

STAFF MEMBER ON MISSION:	Paul A. Were, Economic Affairs Officer Regional Co-operation and Integration Division
PURPOSE OF MISSION	(i) To present paper "Africa Rail – The Future" to Participants on Africa Rail 2000 Conference  (ii) To participate in meeting of Organizers of Transit Transport Seminar for Eastern and Southern Africa Sub-region
VENUE OF THE MISSION	(i) Johannesburg, South Africa (ii) Mombasa, Kenya
DATES OF THE MISSION:	(i) 20-23 June 2000 (ii) 26 June 2000
CITATION OR ACTIVITY:	International Cooperation with Subregional Organizations

**REPORT ON A MISSION UNDERTAKEN TO  
JOHANNESBURG, SOUTH AFRICA AND MOMBASA, KENYA  
(20 to 26 June, 2000)**

**I. Objectives of the mission**

The objective of the mission was twofold as follows:

- ◆ The mission to Johannesburg was undertaken to represent ECA and present a document on **Rail in Africa: the Future** to the third conference of Africa Rail 2000. The Conference was organized by AIC Worldwide Ltd., in collaboration with the South African Railways, the Southern African Railways Association, the Union of African Railways and various organizations dealing with railway development in Africa.
- ◆ To participate in the meeting of the Organizers of the Transit Transport Seminar for Eastern and southern Africa hosted by PMAESA and organized by ECA in collaboration with PMAESA, Northern transit Corridor Secretariat (TTCA). The meeting was to discuss and agree on modalities for the organization of the seminar including identification of speakers and venue for the seminar.

**II. Participation in the Rail Africa 2000 Conference  
(20 to 23 June, 2000 Johannesburg, South Africa)**

The Conference was opened by Mr. Remmy Makumbe , General Secretary, Southern African Railways Association. Honorable Minister Dullah Omar, Minister of Transport, South Africa, also made a brief opening statement. About 170 participants attended the Conference.

The ECA representative made the first presentation on a paper titled **Rail in Africa: The Future**. The paper attracted discussions regarding the

implementation of the UNTACDA II and SSATP programmes in the field of railways with special reference to how countries were sensitized about the implementation of the two programmes. Many delegates were keen to know how the evaluation of the two programmes would be carried out and the role of countries in the formulation of recommendations for improvement of railways in future. Responses to these issues were made within the context of the terms of reference already prepared by the ECA representative for the evaluation of UNTACDA II. Regarding privatization of railways, some participants were keen to know ECA experience on relationships between privatization of railways and ports which serve the same hinterland. The ECA representative gave an example of Maputo Railways and Ports as an illustration of dangers of having ports privatized if railways serving them are not. This answer was based on a recent case study prepared by ECA on privatization of Maputo Railways and Ports and on another case study prepared by ECA on privatization of Uganda Railways Corporation. Both case studies have proved that it is better to privatize both at the same time to avoid congestion. Where concessions are applicable the ECA representative explained the advantage of having the same concessionaire for both railways and ports which are interconnected.

Many speakers made positive references to some aspects of the ECA paper during subsequent presentations and discussions. The paper was well received, in general, and some participants who read it later have expressed their satisfaction by sending e-mail messages to me on wide range of useful information contained the document

The programme for the Conference is attached as Annex I to this mission report. A list of speakers is Annex II and a summary of the document presented is Annex III.

The conference organizers do not usually prepare a formal report on its deliberations, but a compendium of all documents presented is always given to all participants.

**III. Participation in the meeting of co-organizers of Transit Transport Seminar for Eastern and Southern Africa (26 June, 2000, Mombasa, Kenya)**

PMAESA in collaboration with ECA and the Northern Corridor Secretariat (TTCA) organized the meeting. Representatives of Burundi, Kenya, Mauritius, Seychelles, and Tanzania attended it. Organizing the seminar is important for ECA because RCID has, under section (d) of 2000/2001 work programme on technical co-operation output (ii) on Seminar on Transit Transport for Eastern African Sub-region. Instead of organizing another seminar in the year 2001 on the same subject ECA has joined hands with PMAESA and TTCA to organize and conduct the seminar this year. PMAESA is to receive from the French Government \$80,000 for organizing the seminar.

The outcome of the meeting of organizers is attached as Annex IV to this mission report.

**IV. Conclusions**

- ◆ The Africa Rail Conference is an annual event and is the biggest and the best forum for discussing railway problems in Africa. ECA should give support to the conference by participating in the next one to be held in 2001. The organizers recognize ECA leadership in the development of transport in Africa, therefore ECA should prepare early enough for participation in Rail Africa 2001 Conference if availability of resources will permit.
- ◆ The planned seminar is a golden opportunity for RCID to fully implement an output on a seminar on transport facilitation for eastern Africa sub-region as given in 200-2001 work programme.

**ANNEX I**

**PROGRAMME  
AFRICARAIL 2000 CONFERENCE**

**20-23 JUNE 2000  
HALL 9, EXPO CENTRE,  
NASREC, JOHANNESBURG, SOUTH AFRICA**

## **DAY ONE: Tuesday 20 June 2000**

- 08:00 Registration and coffee
- 08:30 **Opening remarks by the chair**  
Remmy Makumbe, General Secretary, Southern African Railway Association
- 08:40 **Rail in Africa: the future**  
Paul Were, Senior Representative, Economic Commission for Africa
- 09:20 **Making rail the preferred transport mode in Africa in the 21st century**  
Honorable Minister David Ntsimele Magang, Minister of Works, Transport and Communications (Botswana)
- All delegates will proceed to the exhibition area
- 10:00 **Official Exhibition Opening: Honorable Minister Dullah Omar, Minister of Transport (South Africa)**
- 11:00 **Case Study: Strategies to encourage more passengers and freight onto rail – and how rail operators can become more involved in this process**  
Robert Crawford, Managing Director, Zambia Railways
- 11:40 **Strategies to expand rail's market share: a case study on Central East African Railways**  
Bradley Knapp, General Manager, Central Eastern African Railways
- 12:20 **Networking luncheon and exhibition viewing**  
Short profile presentation by our sponsor - Protekon
- 14:20 **Integrating and promoting regional cooperation**  
Etian Dvir, Chief Executive Officer, Beitbridge-Bulawayo Railway
- 14:55 **Evaluating the performance of SARA corridors to date**  
Evans Marowa, Chairperson, SARA Business Strategies/ Technical Committee
- 15:30 Afternoon tea and exhibition viewing
- 16:10 **Overcoming the challenges in establishing and running rail services in foreign countries**  
Henry Posner III, Chairman, Railroad Development Corporation
- 16:45 **Developing African rail networks**  
Dr Bernard Zoba, Secretary General, Union of African Railways
- 17:20 **Close of Day One**

**Exhibition viewing until 18:00**

- 18:00 **Cocktail party sponsored by METRORAIL**

## **DAY TWO: Wednesday 21 June 2000**

- 08:30    Opening remarks by the chair**  
**Andre Hedenrych, Department of Transport**
- 08:40    Spoornet's restructuring for improved performance**  
**Zandile Jakavula, CEO, Spoornet**
- 09:20    The SADC railways guideline for railway**  
**Godwin Punungwe, Railway Specialist, SADC/SATCC-TU**
- 10:00    Morning Tea and exhibition viewing**
- 11:00    Railway concessioning/Joint venture partnerships in Africa - Transforming**  
**Zambia-Tanzania Railways into a profitable organisation**  
**Charles Phiri, Managing Director, ZATRA Railways**
- 11:40    Case Study: National Railways of Zimbabwe: plans and strategies for**  
**privatisation**  
**Sam Zumbika, Acting General Manager, National Railways of Zimbabwe**
- 12:00    Structuring the relevant functions for Southern African Railways Association**  
**- a North American railway Association perspective**  
**Britto Rajkumar, Director marketing and Business Development, Association of**  
**American Railroads**
- 12:40    Lunch and Exhibiton viewing**
- 14:20    Regulatory regimes covering newly privatized railways**  
**Mary Bonar, Partner, Nabarro Nathanson (UK)**
- 15:00    Towards the most economical distribution of the land-freight transport workload**  
**in South Africa**  
**Charles Lewis, Managing Director, Alfred County Railway**
- 15:40    Afternoon tea and exhibition viewing**
- 16:00    Urban railways – Are they the future for African cities?**  
**Brian Green, Senior Technical Director, Gibb Rail**
- 16:40    Intermodal transport options for international and domestic freight**  
**requirements in Southern Africa**  
**Allen Jorgensen, Managing Director, African Transport Information and Logistics**  
**Marketing**
- 17:15    Close of Day Two**
- 18:00    Exhibition Closes**

### **DAY THREE: Thursday 22 June 2000**

- 08:30 Opening remarks by the chairperson**  
**Mmapula Modise, Permanent Secretary, Ministry of Works Transport and Communications and Chairperson, Botswana Railways**
- 08:40 A new approach to restructuring railwaus in Africa: a financial perspective**  
**Yash Pal Kedia, Principal Railway Specialist, World Bank (USA)**
- 09:20 Sourcing capital for government's restructuring agenda**  
**Henry Sakala, Zambia Privatisation Agency (Zambia)**
- 10:00 Morning tea and exhibition viewing**
- 11:00 Using Public-Private Partnerships to attract private sector funding for rail projects, and managing the expectations of private financiers**  
**Matthew Vickerstaff, Managing Director Infrastructure Project Finance, Societe Generale (UK)**
- 11:00 Assessing the regulation of tender procedures in Spoornet**  
**Martin Smith, Chairman, Spoornet Procurement Board and Executive Manager Inbound Logistics**
- 12:20 Lunch and exhibition viewing**
- 14:20 New technologies for electric heavy haul locomotives**  
**Dr Janis Vitins, Head Product Management, Adtranz (Zurich)**
- 14:55 Track maintenance innovations to cut costs and improve quality and safety**  
**Steve Huxley, Managing Director, Balfour Beatty Rail Maintenance (BBRM) (UK)**
- 15:30 Afternoon tea and exhibition viewing**
- 16:00 Examining the advancements in new technology**  
**Carsten Vogel, Senior Representative, Siemens VAG**
- 16:35 Reliability and Maintenance improvements for rolling stock**  
**Peter Green, Mechanical Engineer, Interfleet Technologies (UK)**
- 17:10 Close of conference**



**ANNEX II**

**SUMMARY OF DOCUMENT**  
**PRESENTED BY**  
**ECA REPRESENTATIVE TO THE CONFERENCE**

**COVERAGE OF THE PRESENTATION**

- I. BACKGROUND
- II. AFRICAN RAILWAYS AT CROSSROADS
- III. CREATING POLICY CONDUCTIVE TO GROWING AFRICAN RAIL BUSINESS
- IV. REGULATORY INSTITUTIONS FOR THE RAIL INDUSTRY
- V. THE FUTURE FINANCE OF RAIL BUSINESS AND THE ROLE OF THE PRIVATE SECTOR FINANCE
- VI. INFRASTRUCTURE PLANNING
- VII. THE AFRICAN RAILWAYS UNDER THE UN TRANSPORT DECADE PROGRAMME
- VIII. CONCLUSIONS AND RECOMMENDATIONS

## **I BACKGROUND**

THE UNITED NATIONS TRANSPORT AND COMMUNICATIONS DECADE IN AFRICA

SUB SAHARAN-AFRICA TRANSPORT PROGRAMME (SSATP)

THE 1988 BRAZZAVILLE RAILWAYS CONFERENCE- ORGANIZED BY WORLD BANK, UAR AND ECA

BUILDING CONSENSUS ON THE NEED TO RESTRUCTURE INTO MARKET-ORIENTED TRANSPORT ENTERPRISES OPERATING ON BUSINESS PRINCIPLES IN A COMPETITIVE ENVIRONMENT

ATTENDED BY RAILWAY MANAGEMENT TEAMS, GOVERNMENT REPRESENTATIVES, RAILWAY TRAINING INSTITUTIONS, CONSULTING ORGANIZATIONS AND DONOR ORGANIZATIONS

## **II AFRICAN RAILWAYS AT CROSSROADS**

**SINGLE TRACKS FROM THE OCEAN TO HINTERLAND**—SENEGAL- MALI, CONGO- OCEAN COTE D'IVOIRE-BURKINA FASO (SITARAIL)

**INTERNAL NETWORKS**---NIGERIA, GHANA, SUDAN

**LINKS WITH NEIGHBOURS**—KENYA SOUTH AFRICA AND ZAIRE

**TRAFFIC**—ZIMBABWE RAILWAYS CARRIES TWICE ZAMBIA, TEN TIMES CONGO-OCEAN, TWENTY TIMES SITARAIL

**DIFFERENT SIZES**---SUDAN ABOUT 5,000KMS, BENIN ABOUT 700 KMS, LESOTHO 16 KMS.

**DIFFERENT LEGAL SYSTEMS**---COMMON LAW IN ANGLOPHONE COUNTRIES ETABLISSEMENTS PUBLICS IN FRANCOPHONE COUNTRIES

**OVERSTAFFING IS COMMON**

**MONOPOLISTIC POSITION WHICH HAS DISAPPEARED**

**GOVERNMENT INTERVENTION—TARIFF, FINANCIAL POLICIES,  
INVESTMENT AND PERSONEL ADMINISTRATION**

**BOX I—NEED FOR CHANGES**

- ◆ IMPROVE OPERATING EFFICIENCY AND REDUCE COSTS AS THIS IS THE ONLY WAY TO DETERMINE THEIR CONTINUED EXISTENCE
- ◆ THE NEED TO CREATE MODERN, DYNAMIC AND RELIABLE RAILWAYS SYSTEMS OPERATING ON ACCEPTED BUSINESS PRINCIPLES IN COMPETITIVE TRANSPORT ENVIRONMENT
- ◆ THEY MUST BECOME SERVICE AND PRODUCT ORIENTED
- ◆ CORPORATE POLICIES THAT SATISFY CUSTOMER NEEDS IN A COST-EFFECTIVE WAY
- ◆ EQUIPMENT REQUIREMENTS SHOULD BE TRANSLATED INTO CHANGES IN TECHNOLOGY AND MAINTENANCE PLANS.

**III POLICY OPTIONS TO MEET GROWING BUSINESS**

GOVERNMENT AND RAILWAYS PLANNERS MUST LEAD POLICY REFORMS BY DISPLAYING QUALITIES OF FLEXIBILITY, CLARITY, PRUDENCE AND DECISIVENESS IF REFORMED RAILWAYS ARE TO SUCCEED IN COMPETITIVE COMMERCIAL TRANSPORT/LOGISTICS ENVIRONMENT

FOUR OPTIONS EXIST;

**STRATEGIC PLANS—DRC, KENYA, AND NIGERIA**

**CONTRACT PLANS—SENEGAL, MALI, CAMEROON AND KENYA**

## **MANAGEMENT PLANS—DRC AND KENYA**

### **“ENABLING ACTIONS” PLAN, FOR LISTING THE NECESSARY LEGISLATIVE, LEGAL, AND FORMAL ADMINISTRATIVE CHANGES**

#### **A. ESTABLISH THE MISSION AND OBJECTIVES OF THE RAILWAYS ENTERPRISE**

THE RAILWAYS APPROACH TO PROVIDING SERVICES MUST BE DEMAND-DRIVEN, CUSTOMER ORIENTED, MARKET- DETERMINED AND RESULTS-LED

UNECONOMIC SERVICES FOR THE GOVERNMENT OR OTHER PARTIES MUST BE PAID FOR IN FULL TO COVER THE COSTS-RAILWAYS MUST SERVE AS A CONTRACTOR IN PROVIDING SERVICES.

#### **B. IDENTIFICATION OF MAJOR MARKET /SERVICE SECTORS**

IDENTIFY MARKET /SERVICE SECTORS WHICH ARE TO BE CONTINUED, EXPANDED, DROPPED, OR INTRODUCED.

#### **C. POSING OF THE CRUCIAL POLICY OPTIONS.**

IDENTIFY NATIONAL TRANSPORT POLICIES WHICH ARE RELEVANT, CHANGES IN TECHNOLOGY, GLOBALIZATION OF DOMESTIC AND SUBREGIONAL/REGIONAL ECONOMIES

#### **D. ASSESSMENT OF THE STRENGTHS AND WEAKNESSES OF THE RAILWAYS**

MANY RAILWAYS BEING RESTRUCTURED ARE NOT IN TOP OPERATING POSITIONS. THEY NEED TO BE STRENGTHENED TO THE POINT WHERE THEY MAY FAIRLY TEST THEIR ABILITY TO SUCCEED AS COMMERCIAL ENTITIES.

#### **E. DEVELOPMENT OF ENTERPRISE FORECAST**

THE NEED TO PROVIDE AN OVERVIEW OF THE RESULTS LIKELY TO FLOW FROM THE MIX OF DECISIONS, ASSUMPTIONS, AND AVAILABLE POLICY OPTIONS.

## **F. PREPARATION OF CAPITAL PLAN**

THIS IS THE A STATEMENT OF CAPITAL RESOURCES REQUIRED TO CARRY OUT THE LEVELS OF ACTIVITY FORESEEN IN THE FORECAST IF SEEN THAT THE RAILWAYS WILL NOT BE EXPECTED INITIALLY TO FINANCE ALL ITS CAPITAL REQUIREMENTS FROM ITS SCUSTOMERSREVENUES THEN SOME GOVERNMENT SUBVENSIONS MAY BE NECESSARY.

## **G. REVIEW OF THE SAFETY AND ENVIRONMENTAL ASPECTS OF THE RAILWAYS**

ECONOMIC DEREGULATION OF RAILWAYS ACTIVITIES FOR THE SUCCESS OF ITS OPERATIONS SHOULD NOT MEAN THAT SAFETY AND ENVIRONMENTAL ISSUES SHOULD BE RELAXED

## **H. DELINEATION OF RAILWAY'S AUTHORITY**

FREEDOM TO SET AND CHANGE PRICES ON ITS COMMERCIAL SERVICES

FREEDOM TO HIRE, FIRE, TRAIN, CLASSIFY, PROMOTE AND ORGANIZE ITS LABOUR FORCE

FREEEDOM TO BORROW FUNDS WHEN NECESSARY.

## **I. ESTABLISHMENT OF RAILWAYS STANDARDS**

EITHER IT ACHIEVES ADEQUATE RETURNS ON INVESTMENT OR IT DOES NOT. TO ACHIEVE THIS OBJECTIVE MUST OPERATE EFFICIENTLY, INVEST CAPITAL WISELY, PROVIDE QUALITY SERVICES, MARKET AND PRICE AGRESSIVELY

# **IV REGULATORY INSTITUTIONS FOR THE RAIL INDUSTRY**

## **A. THE DEGREE OF INDEPENDENCE OF THE REGULATORY AGENCY**

THE TERM "INDEPENDENCE" PERTAINS TO THE RELATIONSHIP AMONG THE REGULATOR AND POLITICAL AUTHORITIES, REGULATED FIRMS, CONNSUMER AND OTHER PRIVATE INTERESTS.

THE REGULATOR DOES NOT HAVE TO GET APPROVAL OF ANY POLITICAL BODY IN ITS ACTIVITY. RECORDS SHOW THAT ONLY A FEW COUNTRIES HAVE THE INDEPENDENCE -AS RAILWAYS IS CONSIDERED A STRATEGIC SECTOR IN MANY COUNTRIES

## **B. RELATIONSHIP BETWEEN THE REGULATOR Y AGENCY AND THE GOVERNMENT**

AN IMPORTANT ASPECT TO CONSIDER IS SOCIAL STABILITY OF TE COUNTRY, RESPECT TO PRIVATE PROPERTY RIGHTS AS A FUNCTION OF THE DEVELOPMENT OF THE LEGAL SYSTEM

## **C. THE SCOPE OF JURISDICTION OF THE REGULATOR**

WHEN FRONTIERS OF REGULATORY ACTIVITY ARE NOT WELL SPECIFIED IT IS FORESEEABLE THAT DISPUTES WILL ARISE. THE RULES OF THE REGULATION GAME MUST BE CLEAR FROM THE BEGINNING NOT ONLY FOR THE EGULATORY INSTITUTION BUT ALSO FOR THE REGULATED FIRMS.

## **D THE NUMBER OF REGULATORS AND THEIR APPOINTMENT**

INDIVIDUALS SCORE BETTER IN SPEED OF DECISION MAKING, ACCOUNTABILITY AND PREDICTABILITY.

COMMISSIONS ARE PREFEREABLE FOR INVULNERABILITY TO EXTERNAL INFLUENCES, PORTENTIAL TO REFLECT BROADER PERSPECTIVES  
RAIL REGULATORS SHOULD HAVE AUTONOMY IN STAFFING AND BUDGETING

## **V. THE FOTURE FINANCE OF RAIL BUSINESS AND THE ROLE OF THE PRIVATE SECTOR FINANCE**

### **A. RAILWAY INVESTMENT POLICY**

THE RAIWAY RESTRUCTURING PROGRAMME MUST BE ACCOMPANIED BY AN INVESTMENT POLICYTO ENABLE THE RAILWAY TO SATISFY DEMAND AND ENHANCE ITS COMPETITIVENESS.

### **B. THE ROLE OF FINANCING INSTITUTIONS**

DONOR POLICIE HAVE NOT ALWAYS HAD LONG- TERM EFFECTS

- ◆ MORE LOCOS RATHER THAN REFORMED MAINTENANCE
- ◆ EXPERTS RATHER THAN ADEQUATE MOTIVATIONAND TRAINING OF LOCAL STAFF,
- ◆ EQUIPMENT ILL ADAPTED TO NEEDS AND MAINTENANCE CAPABILITY
- ◆ PROMOTION OF DOMESTIC EQUIPMENT MANUFACTURE AND SUPPLY

### **C. DONOR COMMITMENT**

LONG-TERM ONES BETTER FOR RAILWAYS BUT DIFFICULT FOR DONORS

**CLEAR TARGETS AND REALISTIC MONITORING;** TARGETS HAVE MORE OFTEN BEEN UNDULY OPTIMISTIC AND RESULTS GET AFFECTED BY CHANGES EXOGENOUS TO THE INSTITUTION.

**IMPROVE AID IDENTIFICATION AND DESIGN:** DEPENDS ON MANAGEMENT EXPERTISE AND CORRECT ASSESSMENT OF THE SOCIO-POLITICAL ENVIRONMENT WITHIN WHICH THE RAILWAY OPERATES

#### **REDUCTION IN AID DEPENDENCY COSTS:**

- ◆ PROVISION OF APPROPRIATE EQUIPMENT; HOMOGENEITY OF FLEETS AND EQUIPMENTS
- ◆ FLEXIBILITY OF ASSISTANCE; ELIMINATION OF RIGIDITIES IN REGIONAL FUNDING OF PROJECTS

**AID TARGETED AT COMMITMENT:** ASSISTANCE MAY NOT HAVE SUCCEEDED BECAUSE THERE WAS LITTLE COMMITMENT TO CHANGE, WEIGH THE LEVELS OF COMMITMENT VERSUS RAIL POTENTIAL

**AID CONDITIONALITIES:** CAREFUL TARGETING OF CONDITIONALITIES IS NECESSARY

**CO-ORDINATION OF AID:** ROUND TABLE CONFERENCES NECESSARY. AT RAILWAYS LEVELS DO NOT MANAGE AID RATHER THAN RAILWAYS

## **VI INFRASTRUCTURE PLANNING**

MAIN REASON: TO PROVIDE AFRICA COUNTRIES WITH CO-ORDINATED AND INTEGRATED CONTINENTAL RAIL PLAN THAT SHALL FORM THE BASIS FOR REGIONAL RAILWAYS DEVELOPMENT

THIS ENTAILS ANALYSIS OF GROWTH TRENDS IN RAILWAY TRANSPORTATION DEMANDS OVER A PERIOD; ASSESSMENT OF RELATIVE ECONOMICS OF RAILWAYS SERVICES; AND SUGGEST NETWORKS TO BE CONSTRUCTED, OR IMPROVED.

### **A. IMPLEMENTATION OF THE PLAN**

- ◆ DETERMINE CURRENT STATUS OF RAIL LINKS



- ◆ IDENTIFY IMPROVEMENT WORKS REQUIRED
- ◆ IDENTIFY NEW LINKS
- ◆ DEFINE THE TECHNICAL AND FINANCIAL RESOURCES REQUIRED
- ◆ MAKE AN ECONOMIC EVALUATION OF NEW LINKS
- ◆ DETERMINE THE PRIORITIES OF PHASED INVESTMENT PROGRAMMES
- ◆ ATTEMPTS MUST BE MADE TO HARMONIZE AND CO-ORDINATE THE PLANNING PROCESSES AT NATIONAL AND SUB-REGIONAL LEVELS

#### **B. SPECIAL CONSIDERATIONS:**

MULTIMODAL AND INTERMODAL ARTICULATION OF THE TRANSPORT SECTOR IN THE DEVELOPMENT PROCESS.

IT MUST BE PART OF INTEGRATED TRANSPORT SYSTEM IN WHICH EACH MODE IS ASSIGNED A ROLE KEEPING IN VIEW ECONOMIC, SOCIAL AND CULTURAL NEEDS.

#### **C. OUTPUTS**

SHORT-TERM (1-5 YEARS, MEDIUM-TERM (5-10 YEARS) AND LONG-TERM (11-20 YEARS) PROGRAMMES AS FOLLOWS:

- ◆ PROGRAMME FOR IMPROVEMENT OF POLICIES MANAGEMENT AND ADMINISTRATION OF NETWORKS
- ◆ PROGRAMME FOR MODERNIZATION OF MAINTENANCE, INFRASTRUCTURE AND EQUIPMENT, INCLUDING STANDARDIZATION OF SUPERSTRUCTURE
- ◆ PROGRAMME FOR ESTABLISHMENT OF SUB-REGIONAL RAILWAYS ROLLING STOCK INDUSTRY
- ◆ PROGRAMME TO PROMOTE THE UNIFICATION, CO-ORDINATION AND IMPROVEMENT OF SERVICES, PRACTICES AND TRAFFIC FACILITIES.
- ◆ PROGRAMME FOR CLOSING MISSING LINKS AND OPENING UP LAND-LOCKED AFRICAN COUNTRIES.

- ◆ PROGRAMME FOR ABSORBING REQUIREMENTS OF NEW TECHNOLOGIES SUCH AS CONTAINERIZATION.

#### **D. PPROACH TO INFRASTRUCTURE PLANNING**

##### **SUB-REGIONAL ECONOMIC GROUPINGS**

##### **THE RAILWAY GAUGE SYSTEMS**

- ◆ STANDARD: NORTHERN AFRICA INCLUDING MAURITANIA
- ◆ CAPE GAUGE: SOUTHERN AFRICA
- ◆ METER GAUGE: EASTERN, WESTERN, AND CENTRAL AFRICA

#### **VII AFRICAN RAILWAYS UNDER THE UN TRANSPORT DECADE PROGRAMME**

RAILWAYS SUBSECTORAL WORKING GROUP COMPOSED OF UNDP, UAR, ECA, UNCTAD, AND ADB MADE THE FOLLOWING PROPOSALS FOR DEVELOPMENT OF AFRICAN RAILWAYS FROM 1991 TO 2000:

- ◆ RESTRUCTURE RAILWAYS THROUGH APPROPRIATE TIME-PHASED PROGRAMMES
- ◆ REVIEW STATUS OF IMPLEMENTATION OF PREVIOUS UAR TECHNICAL, OPERATIONAL AND COMMERCIAL STUDIES TO DETERMINE THEIR VALIDTY AND RELEVANCE TO AFRICA'S DEVELOPMENT.
- ◆ STRENGTHEN EXISTING NATIONAL AND SUB-REGIONAL RAILWAY INSTITUTIONS.
- ◆ EXPERIMENTON VARIOUS RAILWAY COSTING MODELS
- ◆ ESTABLISH MANAGEMENT INFORMATION SYSTEMS
- ◆ REVISION OF EXISTING RAILWAYS LEGISTLATION
- ◆ PROMOTION OF RAILWAYS WORKING AGREEMENTS
- ◆ SURVEY OF RAILWAY EQUIPMENT MANUFACTURE AND ESTABLISHMENT OF REGIONAL WORKHOPS
- ◆ STRENGTHENING OF UAR

**PARAMETERS AND TARGETS PROPOSED BY THE WORKING GROUP FOR THE YEAR 2000**

- ◆ INCREASE OF TRAFFIC BY 3% FOR FREIGHT AND 2% FOR PASSENGERS
- ◆ LOCO AVAILABILITY OF AT LEAST 70%
- ◆ ROLLING STOCK PRODUCTIVITY INCREASE BY 30%
- ◆ REDUCTION OF COST OF UNIT/KM BY 30%
- ◆ STAFF PRODUCTIVITY PER UNIT/KM TO BE RAISED TO 40%
- ◆ FORMAL RELATIONSHIPS TO BE ESTABLISHED WITH GOVERNMENTS BY ALL RAILWAYS INCREASE OF RAILWAY SAFETY BY 10%

**RECOMMENDATIONS ON RAILWAYS MADE BY THE AFRICAN MINISTERS OF TRANSPORT AND COMMUNICATIONS IN NOVEMBER 1997 BASED ON OUTCOME OF THE SECOND MID-TERM EVALUATION OF THE PROGRAMME WERE AS FOLLOWS:**

- ◆ COMPLETE RAILWAY ALL RAILWAYS PROJECTS SUBMITTED FOR IMPLEMENTATION UNDER THE DECADE PROGRAMME BY 2000
- ◆ REDEFINE THE ROLE OF AFRICAN RAILWAYS
- ◆ CO-ORDINATE STUDIES ALREADY CARRIED OUT AT SUB-REGIONAL LEVELS WITH THE UAR MASTER PLAN
- ◆ SEEK FUNDS FOR CONSTRUCTION OF MISSING LINKS
- ◆ SET UP A UAR DATA BANK
- ◆ DEVELOP RESEARCH PROGRAMMES IN THE FIELD OF RAILWAYS IN AFRICA IN COOPERATION WITH RESEARCH INSTITUTIONS ALREADY ESTABLISHED IN EUROPE AND AMERICA
- ◆ STRENGTHEN CO-OPERATION WITH UAR IN THE HARMONIZATION AND STANDARDISATION OF RAILWAY EQUIPMENT FOR USE BY AFRICAN RAILWAYS

**AANNEX III**

**REPORT OF THE MEETING OF  
ORGANIZERS OF TRANSIT TRANSPORT SEMINAR FOR  
EASTERN AND SOUTHERN AFRICA SUBREGION**

**Mombasa, Kenya,  
26 June 2000**

# **PORT MANAGEMENT ASSOCIATION OF EASTERN AND SOUTHERN AFRICA**

## **MEETING OF THE CO-ORGANISERS OF THE TRANSIT TRANSPORT SEMINAR FOR EASTERN AND SOUTHERN AFRICA**

**MOMBASA – JUNE 26<sup>TH</sup> 2000**

### **DRAFT REPORT OF THE MEETING**

#### **I. ATTENDANCE**

The meeting was attended by:

<b>Name</b>	<b>Institution – organisation</b>	<b>Country</b>
WERE Paul	ECA	
NTAHONSIGAYE Venant	TTCA	
ELIOMBO Lisumbu	TTCA	
KANAMUGIRE Silas	TTCA	
HARTMANN Olivier	PMAESA	
YOFANI Leonard	Port of Bujumbura	BURUNDI
KAHOME Jacqueline	KPA – Bandari College	KENYA
IMATHIU	KPA	KENYA
NOEL Hubert	Cargo Handling Corp.	MAURITIUS
KALLEE Hariwan	Mauritius Ports Authority	MAURITIUS
MOUTON Jerome	NAMPORT	NAMIBIA
ANDRADE Sam	Ministry of Env. & Transport	SEYCHELLES
MPIRI Werner	THA	TANZANIA

#### **II. AGENDA**

The proposed agenda was adopted with some minor additions. The adopted agenda is the following:

1. Adoption of the agenda
2. Election of Bureau
3. Presentation of the project
4. Organisers of the Seminar
5. Review of the Objectives of the Seminar
6. Identification of delegates
7. Finalisation of the Programme
8. Definition of the responsibilities of the co-organisers
9. Budget of the Seminar

#### **III. ELECTION OF THE BUREAU (agenda item 2)**

The meeting elected Hariwan KALLEE, from Mauritius Ports Authority, as Chairman, and Olivier HARTMANN, PMAESA Secretariat, as Rapporteur.

#### **IV. PRESENTATION OF THE PROJECT (agenda item 3)**

Some of the PMAESA members are land-locked, and most port authorities of the region have a significant part of transit traffic in their throughput. Thus the importance of dealing with this issue as PMAESA.

There is a strong need, from the land-locked countries, to see their specific problems addressed, and the regional organisations have designed instruments to facilitate trade. However, implementation of these instruments is still not complete, and efforts should be made to redress this situation.

The Djibouti Council meeting (December 97) resolved that a specific workshop on transit traffic be organised by PMAESA, and the decision to join forces with the other regional organisations was adopted during the Namibia Council meeting (November 99).

The region, for the purpose of the seminar, is the area covered by PMAESA, i.e. all countries served by the ports of the Association, from Namibia to Sudan, with the possibility to include also Angola.

#### **V. ORGANISERS OF THE SEMINAR (agenda item 4)**

According to the necessity to avoid to duplicate efforts with other regional organisations, it was proposed to ECA, COMESA, SATCC and TTCA to join PMAESA as co-organisers of the Seminar. Out of these organisations, only SATCC has not yet confirmed its agreement.

It was recommended during the present meeting that PMAESA and TTCA be the leading institutions for this seminar.

#### **VI. OBJECTIVES OF THE SEMINAR (agenda item 5)**

It was resolved to stress the importance of mutual strengthening of the regional organisations in the objectives of the seminar. Including this addition, the objectives are as follow:

- Update all participants with the latest developments of transit traffic issues
- Provide transit and landlocked countries with the available instruments to facilitate trade
- Exchange information between countries and corridor authorities about successful implementation of facilitating measures
- Foster Regional co-operation
- Provide a forum where all stakeholders can express their views and explain their problems to the decision-makers
- Strengthen the co-operation between regional institutions involved in transit transport.

#### **VII. IDENTIFICATION OF DELEGATES (agenda item 6)**

All the stakeholders should be involved and invited to attend the seminar.

##### **a. Senior Government official**

- Ministries of Transport
- Ministries of Finance
- Ministries of Trade

**b. Customs authorities****c. Regional organisations**

- Co-organisers and others (East African Co-operation, IGAD, EATI...)

**d. Clearing and forwarding agents**

- National associations
- Regional association(s), FCFASA and the regional association for Kenya, Uganda and Tanzania

**e. Carriers Associations and their regional organisations**

- Railways
- Road carriers
- Lake transport companies

**f. Shippers councils or equivalent**

- Shippers councils
- Chambers of Commerce

**g. Port communities**

- Port authorities, including private operators
- Port users councils

**h. Corridor authorities or co-ordinating committees**

- Walvis Bay corridor (Namibia – Botswana – Zimbabwe – Zambia), Walvis Bay Corridor Group
- Special Development Initiatives in South Africa, DTI South Africa
- Maputo corridor, Maputo Development Corridor Group
- Beira corridor, focal point to be identified (Cornelder?)
- Nacala corridor, Central East African Railways
- Mtwara corridor, focal point is Ministry of Works of Tanzania
- "Northern corridor" or Tazara corridor, focal point to be identified
- Central corridor, focal point is a joint committee under the Ministries of Transport of Burundi, Tanzania and DRC. Suggestion to approach the Waterways Dept of the Ministry of Transport of Burundi
- Northern Corridor (Kenya – Uganda – Rwanda – Burundi – DRC), TTCA
- Djibouto-Ethiopian corridor, focal point to be identified, suggestion of IGAD

The denomination and identification of corridors necessitate a great care, and widely accepted names, such as they appear in the ECA documents or the SATCC integration study, should be used.

### **i. Other stakeholders**

Though less directly involved, other stakeholders have been identified, and should be involved in the seminar:

- Shipping lines
- Maritime training institutions
- Banks and insurance companies (not only because of their involvement in trade but also as a part of the Customs bond system).

## **VIII. FINALISATION OF THE PROGRAMME**

### **a. Time frame for the Seminar**

The proposed schedule for the seminar was discussed and adopted as follows:

MONDAY	Plenary session
TUESDAY	Plenary session
WEDNESDAY	Morning, plenary session, afternoon, visit of the port of Mombasa
THURSDAY	Sub-regional workshops
FRIDAY	Morning, drafting of the reports, afternoon plenary session

### **b. Programme of the plenary sessions**

The proposed programme for the seminar was discussed and adopted as follows:

#### *(i) Introduction*

Overview of transit transport issues, presentation by ECA

Development corridors – transport corridors, presentation by the Department of Trade and Industry of South Africa

#### *(ii) Overview of Corridors in Eastern and Southern Africa*

Presentations of the various corridors identified above, according a standard layout to be defined later.

#### *(iii) Port issues*

- Methodology for the monitoring of the transport costs, and possible follow-up by the port authorities, based on a paper prepared by the World Bank
- Specific measures implemented by ports to facilitate transit traffic (tariffs, documentation, bonded areas, ...), presentation by PMAESA, based on survey of the member ports
- Dry ports, presentation by SpoorNet. A panel of speakers may be necessary to present the various issues not covered by SpoorNet, such as documentation issues.

#### *(iv) Institutional issues*

- A model for corridor agreement, presentation by TTCA and Walvis Bay Corridor Group



- Facilitation committees, the Mombasa facilitation committee, and possibly the example of the Port Users Council of Mauritius (though not dealing with transit issues, could be used as a model of facilitation committee). Strengthening of the SATCC co-ordinating committees existing at national level.

(v) *Documentary issues*

- Customs issues, presentation by COMESA
- Border posts, presentation of the one stop shop border post by SATCC
- The facilitation programme of the regional organisations, presentation by SATCC and COMESA

(vi) *Carriers and operators*

- Issues affecting the activity of the road carriers, presentation by the FRRFA
- Issues affecting the activity of the rail carriers, including lake transport, presentation by the UAR or SARA
- Issues affecting the activity of the clearing and forwarding agents, presentation by the FCFASA
- The TARC experience, presentation of the Johannesburg – Kampala block train managed by TARC.
- Privatisation of railways in West Africa, presentation by Bolloré group

**c. Workshops**

It was resolved to hold four workshops dedicated to specific sub-regions:

- Northern part of the region (the “northern tier” countries)
- Eastern Africa
- Southern Africa Indian Ocean seashore (Durban – Mozambique)
- Southern Africa (Rest of South Africa – Namibia)

Each workshop would begin with a summary of the main issues specific to this sub-region, and then address these issues in three separate parts:

- Institutional aspects, mainly the establishment where they are lacking of a proper corridor authority, with several options (governmental treaty, private public partnership, ...)
- Operational aspects
- Documentation issues

The need to prepare detailed discussion papers for each sub-region was stressed, focussing on the main issues to be addressed by the sub-regional workshops. For the first two regions, EATI should be approached for the preparation of the discussion documents, while for Southern Africa, the World Bank should be approached, as they are conducting a survey in co-operation with SATCC for this area.

At the end of each workshop, the ideal output would be a list of recommendations, detailing who is the responsible authority to implement it, who will be in charge of the lobbying for the actual implementation, and a realistic time-frame.

## **IX. RESPONSIBILITIES OF THE CO-ORGANISERS**

The co-organisers can not provide funding. However, resource persons from the various organisations will be necessary in the preparation of the seminar, for the preparation and presentation of papers and also to assist in identifying and approaching donors for the project.

## **X. BUDGET OF THE SEMINAR**

The only commitment is the French co-operation funding, for an amount of 80 000\$. Negative answer by USAID at a regional level, but opportunities at national level to fund travel and accommodation of two or three delegates per country.

Same kind of arrangement to be sought from national representations of UNDP and European Union.

As stated earlier, no funding requested from the co-organisers, though agreement to co-organise has an impact in terms of budget.

## **XI. CONCLUSIONS AND DECISIONS**

The main conclusion is that this event should be marketed to the potential delegates as a commercial event, in order to maximise participation, as total funding will not be available.

As such, a brochure explaining the event is necessary, and should be prepared as soon as possible, to be available before the end of July 2000. Support from the co-organisers should be mentioned in the brochure, and PMAESA (possibly with TTCA) should distribute the brochure to all stakeholders.

Co-organisers should send to the PMAESA Secretariat lists of contacts for the purposes of:

- Circulating the information
- Identifying potential speakers
- Identifying donors and assistance at a national level.

It was also recommended to join the seminar with a regular PMAESA Council, in order to maximise participation. KPA will be requested to host the coming Council, instead of Tanzania, as was proposed. In that case, the new tentative date would be November.