

## Updates on Regional Projects



# Outline

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1. Road corridors in Africa
  2. Key issues in regional road development
  3. ICA's activities
  4. Way forward
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# 1. Road Corridors in Africa



Source: AfDB, 2006

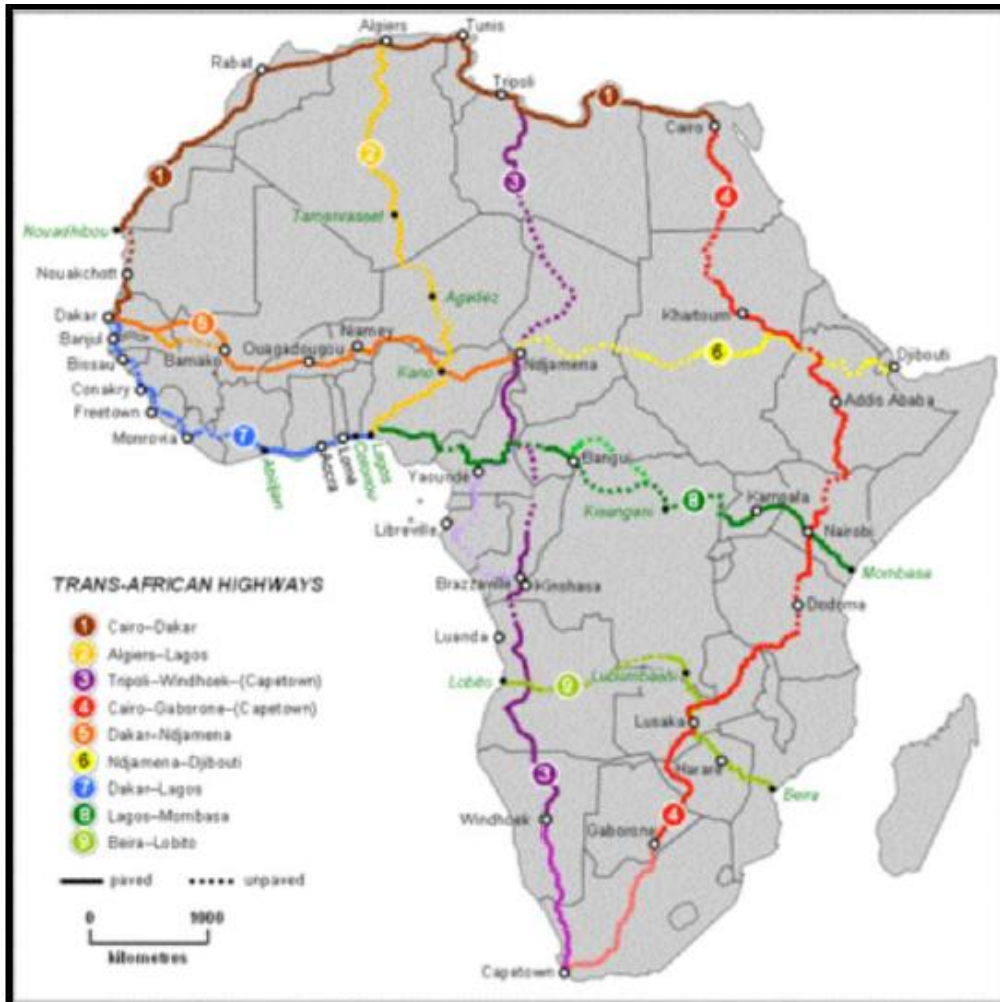
- Africa Infrastructure Country Diagnostics (AICD) surveyed Africa's regional corridors carrying international traffic. (13,000 km). About 80% of these routes are in good condition but regional imbalances are clear.

Table 1. Africa's key transport corridors for international trade

region	length km	Road in good condition %
West	2,050	72
Central	3,280	49
East	2,845	82
South	5,000	100
<b>Total</b>	<b>13,175</b>	<b>79</b>

Source: AICD preliminary result (2008)

# Trans-African Highways



- **Trans-African Highways:** almost half of the official 50,000 km is in poor condition.
- Most of **the missing links** are concentrated in Central Africa.
- Need to prioritize regional projects.

# 2. Key Issues

## (1) Huge financing needs

- Total investment need for roads in Africa over the next 10 years is about 14.8 billion US dollars - equivalent to 2.3 percent of GDP
- About 60 % of this investment should go to rural roads; and about 50 % should be dedicated to road maintenance.
- Investment in road safety is often neglected. Its negative impact is 5% of GDP in Kenya, 2.3% in Zambia and Botswana. 2.8 % of people die from traffic accident, more serious than malaria 1.6%.

Table 2. Sub-Saharan Africa's road investment needs US\$ billion pa

Road category	Total	Improve condition	Upgrade category	Add capacity	Maintain
Regional roads	1.1	0.4	0.0	0.0	0.7
National roads	2.4	0.4	1.0	0.1	0.9
Rural roads	9.2	1.3	1.2	1.6	5.1
Urban roads	2.1	0.3	0.7	0.6	0.5
Total	14.8	2.4	2.9	2.3	7.2

Source: AICD preliminary results

## (2) Non physical Barriers

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- **Port handling:** Cargos tend to be kept at a port for many days. (eg. unloading at Douala port: 28 days, road transport to Bangui: 10 days)
  - **Crossing borders:** delays and uncertainties → **One Stop Border Posts (OSBP)**, harmonization of trade arrangements between countries
  - **Roadblocks:** illegal payments, long delays, multiple barriers are especially an issue in Western Africa
  - **Trucking cartels:** AICD estimates profit margins captured by trucking companies at 70 – 160 % in Africa.
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## (3) Road maintenance and spending

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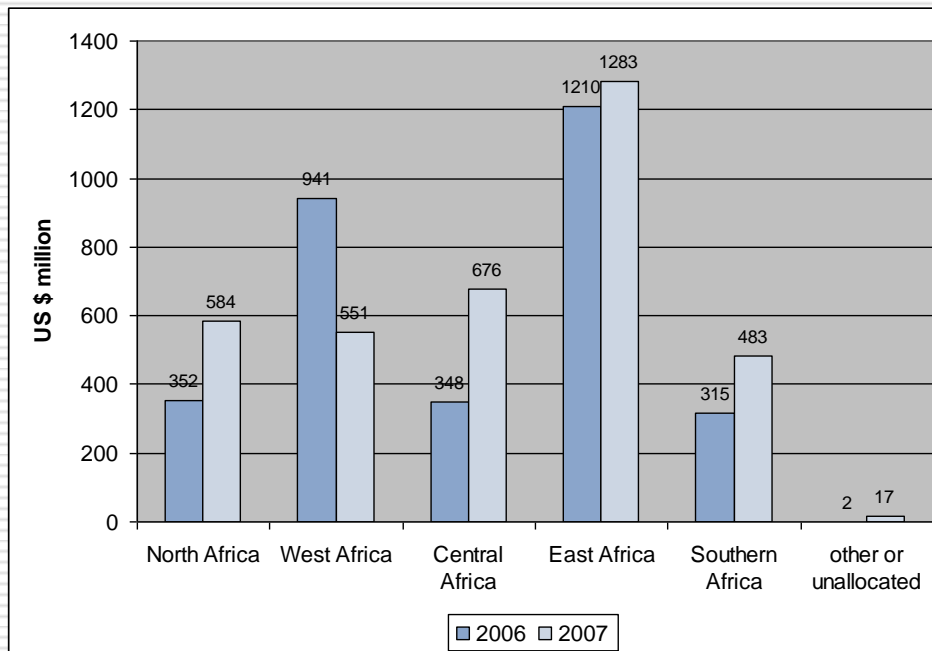
- So far 27 African countries have established **road funds**.
- The countries with **road fund** and **road agencies** fare better in road maintenance (AICD). → User-pay-principle and autonomy work
- But funding gaps remain: levels of **fuel levy** are too low and under collected



# 3. ICA members' activities for the sector

## □ 2007 ICA commitments to the transport sector

Chart 2. ICA commitments to the transport sector by region 2006 to 2007 (US\$ million)



Source: ICA, 2008

- ICA members' total commitment to the transport sector was **US\$3.6 bn** in 2007 (about 30% of total commitment to infrastructure: US\$12.4 bn).
- Non-ICA: (example) China and Arab funds committed to the transport sector in 2007 US\$ 900 mn and US\$1,578 mn respectively.



## □ Collaborating on regional transport projects

Examples of collaboration between ICA members that is happening or foreseen in the transport sector:

#	Project title	Geographical area / countries	Type of collaboration
1	Kinshasa-Brazzaville bridge	RDC, Congo Brazzaville	studies
2	Nigeria-Cameroon Highway transport facilitation program (Lagos-Mombasa Trans-African road corridor)	Nigeria, Cameroon	investment
3	Port of Pointe Noire	Central Africa (Bas Congo corridor)	studies and investment
4	Nacala Corridor	Mozambique, Malawi, Zambia	studies and investment
5	Lagos-Mombasa Trans-African road corridor the Bangui-Douala section, Garoua Boulai-Bouar road	Central Africa	investment
6	Trans-African Highway No. 5 (Dakar to N'Djamena)	West/Central Africa	studies and investment
7	Trans-African Highway No. 6 (N'Djamena to Djibouti)	Central/East Africa	studies

## 4. Way forward

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(Regional infrastructure)

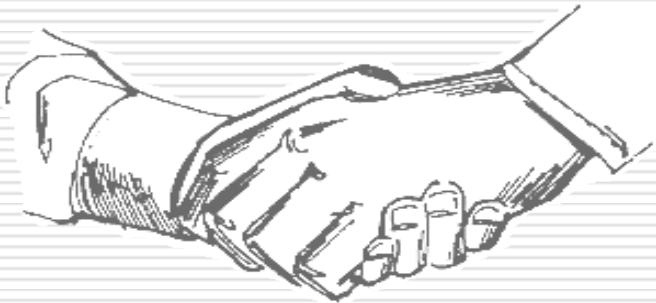
- Prioritize key regional infrastructure projects in national development plans
- Safeguard funding for key regional infrastructure in national budgets

(Road sector)

- Road sector reforms: Road Funds and Road Agencies, adequate level of fuel levies to finance road maintenance
  - Efficiency of ports and land border crossings
  - Deregulation and liberalization of the trucking industry as a means of reducing freight tariffs.
  - multi-modal issues need to be looked at
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# Thank you

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