

# THE TRANSIT MONITOR

UNLOCKING THE NORTHERN CORRIDOR POTENTIAL

February 2019

## Mombasa-Voi-Taveta/Holili-Arusha-Siginda Road: a potential to reduce Transit Time and Costs of doing business in the region

- The Government of Tanzania and the Government of Kenya, with the AfDB support upgraded to bitumen standards the road network linking Northern Corridor to Central Corridor through Voi-Taveta/Holili-Arusha-Siginda.
- The distance from Mombasa to Kigali & Bujumbura via Voi-Taveta/Holili-Arusha-Siginda Road, provides a much shorter alternative than the existing Northern route which is 1,650Km to Kigali & 1,957 Km to Bujumbura.
- This route has great potential to change the trend with regard to the transit traffic business.







*A Multi-Agency Survey Team and Private Sector Stakeholders during a Validation Session of the Trade and Transport Logistics Survey recommendations from the Transit trade issues at the Taveta/Holili OSBP; Green Park Hotel, 19<sup>th</sup> January 2019.*

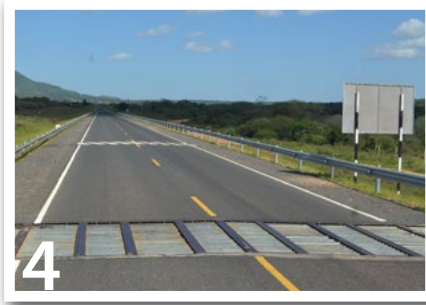


*Trade and Transport Logistics Survey Team led by NCTTCA Secretariat Staff at Taveta/Holili OSBP, 18<sup>th</sup> January 2019*





**Northern Corridor  
Transit and Transport  
Co-ordination Authority**



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## NORTHERN CORRIDOR

# GREEN FREIGHT PROGRAMME

### EFFORTS TOWARDS A GREEN CORRIDOR

The ultimate goal of Northern Corridor Green Freight Program is to reduce fuel consumption and emissions by:

1. Raising awareness on pollutant impacts and mitigation strategies: improved quality of fuel, vehicles and infrastructure.
2. Advocating for a shift of traffic to more sustainable freight transport systems and modes.
3. Streamlining transport activities: optimizing routes, consolidating loads and reducing empty runs.
4. Identifying areas of action and overcoming barriers by enhancing capacity and mobilizing support.
5. Improving scientific understanding of climate pollutant impacts and mitigation strategies and promoting best practices and showcasing successful efforts.
6. Awareness on Road Safety and accidents mitigation.

### SHORT - TERM TARGETS

1. Improved fuel economy litres per ton-km for trucks by at least 5% by 2021.
2. Reduction in Particulate Matter (PM), black carbon emissions and Oxides of Nitrogen (NOX) grams per ton-km by at least 10% by 2021.
3. Reduction of CO2 emission intensity grams per ton-km by 10% by 2021.
4. Reduction of road accidents by 10% per million truck-kilometer.



**OMAE J. NYARANDI**  
NCTTCA Executive Secretary

## Time to review the 2007 Northern Corridor Agreement

Twelve (12) years after the signing of the 2007 Northern Corridor Transit and Transport Agreement (NCTTA), there is a strong need for the Member States to identify areas that require amendments, align the Agreement with the Regional laws and recent developments under the tripartite (EAC, COMESA and SADC) relating to trade and transport facilitation, and provide a roadmap for ratification of the updated and revised Agreement.

With the achievements of the 2007 Northern Corridor Agreement, many positive changes happened and some of them require alignment with the provisions of the World Trade Organisation (WTO) Trade Facilitation Agreement; WTO-TFA.

During the recent years, the region has embarked on the Single Customs Territory (SCT) and Standard Gauge Railway (SGR) developments, protocols on transit routes and railway as well as the documentation and procedures that will need updates to support efficient utilisation of the SCT and SGR as well as a seamless intermodal transport exchange along the Northern Corridor region.

The Northern Corridor region with a total combined population of over 200 million provides a substantial market potential for the region, distributed amongst its member countries as follows; Democratic Republic of Congo with a population of 84 million, Kenya 50.9 million, Uganda 44.2 million, South Sudan 12.9 million, Rwanda 12.5 million and Burundi 11.2 million. The region is projected to have combined population of over 220 Million by the year 2050.


The Northern Corridor Member Countries possess enormous economic potential, which is yet to be fully exploited. The potential is in several sectors including agriculture, fisheries, tourism, mining, manufacturing and service sector, whose full exploitation is linked to the development of transportation infrastructure and facilities. Efficient management of these resources will not only result into sustained economic growth and employment opportunities, but also contribute towards increasing revenue and improving the living conditions of the populations of the sub-region.

The benefits of transforming the Northern Corridor into an economic corridor are many. They include, facilitating closer economic integration; improving transit transport efficiency; harnessing latent economic potential; enhancing economic competitiveness; promoting regional trade and investment; promoting and strengthening Public-Private partnerships; and improving quality of life.

For the Northern Corridor Member Countries to achieve these goals, it would require that transport logistics and facilitation constraints on the corridor are not viewed merely in the context of transport, but in the broader context of trade, investment and economic development. The expected cross-border investments should provide additional impetus for the improvement of corridor efficiency by removing the remaining Non- Tariff barriers to the free flow of trade and traffic.

With the updated Northern Corridor Agreement, Member States expect to harness their regional potential through: a joint approach to mobilizing investment, proper identification and packaging of investment opportunities, coordinated marketing of the sub-region, establishment of a macro-economic and investment environment that is fully supportive of private sector participation and improved transport infrastructure, facilities and services.





## Mombasa-Voi-Taveta/Holili-Arusha-Singida Road: a potential to reduce transit time and costs of doing business in the region

The new inter-corridor link from Mombasa to Bujumbura via Voi-Taveta/Holili-Arusha-Singida-Kobero-Bujumbura covers a distance of 1,586 Kilometres. It provides a much shorter alternative than the existing Northern and Central corridor routes with distances of 1,957 Km and 1,650 Km from Mombasa and Dar-es-Salam respectively to Bujumbura. The new route can also be used to cater for customers based in Northern Tanzania, Rwanda and Eastern DRC.

*Mombasa-Voi-Taveta/  
Holili-Arusha-Singida  
route has great potential  
to change the trend with  
regard to the transit  
traffic business*

The Government of Tanzania and the Government of Kenya, with the African Development Bank (AfDB) support, upgraded to bitumen standards the road network linking Northern Corridor to Central Corridor through Voi-Taveta/Holili-Arusha-Singida.

The new inter-corridor link from Mombasa to Bujumbura via Voi-Taveta-Holili-Arusha-Singida-Kobero-Bujumbura covers a distance of 1,586 Kilometres. It provides a much shorter alternative than the existing Northern and Central corridor routes with distances of 1,957

Km and 1,650 Km from Mombasa and Dar-es-Salam respectively to Bujumbura. The new route can also be used to cater for customers based in Northern Tanzania, Rwanda and Eastern DRC thus reducing their time and cost of doing business for goods traded overseas.

From 14<sup>th</sup> to 19<sup>th</sup> January 2019, a multi-agency Stakeholders Survey Team led by the Northern Corridor Secretariat carried out a Trade and Transport Logistics Survey of Mombasa-Voi-Taveta Transit section to assess the logistics conditions along the transit route and the progress of implementation of the different trade facilitation instruments and policies adopted in the region. The survey was also meant to sensitize stakeholders on the recent trade facilitation initiatives being implemented along the Northern Corridor.

The survey involved making observations on the physical infrastructure and facilities in place, holding discussions and interviews with key players in the logistics chain along the sections surveyed, as well as mutual updates on implementation of recent trade facilitation initiatives. The Survey Team held a meeting with the private sector stakeholders at the Taveta/Holili OSBP the field survey was concluded with a plenary workshop for sensitization of stakeholders on the new developments in the trade facilitation area, wrap up of the survey findings and adoption of recommendations to be advanced in order to solve identified challenges.

At Taveta-Holili One Stop Border Post, the Customs officers informed the Survey Team that after the upgrade of the Voi-Taveta-Holili Road to butimen standard, Volumes of cargo through the OSBP have increased tremendously. The OSBP used to clear 1 truck in a day but currently some days the OSBP clears over 20 trucks in transit in addition to inter-state freight.

The survey Team observed that there are some challenges to the smooth use of the alternative route of Mombasa-Voi-Taveta-Holili-Arusha-Singida. The identified areas include: gaps in exchange of data across the Northern and Central Corridor and poor business systems interconnectivity, challenges surrounding Form C2 (transit authorisation for SCT cleared goods) issued by KRA used in transiting and clearance of goods at Border Stations, Transit Goods License validity, trade and transport facilitation agents constrained to carry out their activities in territories of the other Member States, the EAC Single Administrative Document form (SAD) used in the declaration of goods; which does not provide for declaration of entry and exit stations for intermediary transit countries through which goods traverse before reaching their final destinations, as well as speed limits and use of road humps.

The multi-agency Survey Team and stakeholders at the Taveta/Holili OSBP including Private Sector representatives, in their final plenary session at Green Park Hotel, validated some recommendations to solve





the raised issues and improve services at the Taveta/Holili OSBP in order to increase the utilization of the Mombasa-Voi-Taveta-Holili-Arusha-Singida transit route:

1. Revenue Authorities should put in place a mechanism to share information used in the clearance of cargo under the Single Customs Territory with the Revenue Authorities of countries through which the cargo transits such as ship manifests and customs declarations. Furthermore, upgrade their systems to improve connectivity and exchange of information/data used in the clearance of cargo.
2. Revenue Authorities should configure their systems such that the border station of exit declared by the clearing agent is the one which appears on Form C2 generated by the Revenue Authorities (e.g. KRA at Mombasa). Furthermore, the Revenue Authorities should use information available in their systems at the border station to rectify errors made by their staff and clear the cargo other than referring the driver or his clearing agent back to Mombasa to rectify the error.
3. A single expiry date is a constraint to transporters to obtain Transit Goods License renewal since all licenses expire at the same time irrespective of the time of the year a license is issued, it is also unfair to those who obtain the license towards the end of the year. Over ten trucks were found held at the Taveta/Holili OSBP for more than two weeks; could not be cleared for onward transit as a result of their Transit Goods Licenses (TGLs) having expired on 31<sup>st</sup> December 2018. It was recommended that the EAC reviews the expiry date of the TGL so that the validity of the TGL runs for a year from the date of issue.
4. There is a need to put in place a mechanism to facilitate trade facilitation agents carry out their operations in all the Member States territories pertaining to facilitation of interstate and transit traffic. Furthermore, put in place a mechanism to facilitate service crews to import spare parts in the other Member States territories for repair of trucks which breakdown during their transit journeys.
5. In the same framework, the Member States should minimize the requirements for trade facilitation agents opening up liaison offices in their territories and ease the process of obtaining work permits for their staff.



*Trade and Transport Logistics Survey Team led by NCTTCA Secretariat Staff during a Stakeholders' consultation meeting with the Customs Officers at Holili OSBP (Tanzanian Side), on 18<sup>th</sup> January 2019*





*A Multi-Agency Survey Team and Private Sector Stakeholders during a Validation Session of the Trade and Transport Logistics Survey recommendations from the Transit trade issues at the Taveta/Holili OSBP; Green Park Hotel, 19<sup>th</sup> January 2019.*

6. The EAC Single Administrative Document form (SAD) , in its current form it is appropriate for declaration of goods moving from one country to the next, not as a regional document where goods traverse more than one transit country. The SAD should be amended to include provision for declaration of entry and exit border stations for intermediary transit countries through which cargo traverses before reaching the destination country, furthermore, the SAD should enable capture of sufficient information required by the exporting countries; currently under the SCT exports are declared in the country of destination and exporting countries are missing out on a lot of information needed for their domestic purposes.
7. Additionally, Member States should implement a Regional Unique Consignment Reference (R-UCR) to support tracking of cargo from origin to destination and ease clearance of goods across all the border stations and other places in the region where the truck/cargo passes. A prototype of Regional UCR which can be used both at National and Regional level was agreed by the NCTTCA Member States but its implementation pends.
8. There is need to rationalize the number of road humps built along the different sections of the Northern Corridor particularly along the Mombasa-Voi-Taita-Taveta/Holili road section and to standardize the size of the humps with the aim of minimizing the damage they cause to vehicles when they pass over them.
9. It was also recommended to explore use of other speed calming measures other than emphasizing on use of road humps such as use of speed cameras complimented with heavy penalties for offenders.

Owing to the importance of the Mombasa-Voi-Taveta/Holili-Singida Road network to the region, the Multi-agency Stakeholders reiterated their commitment to sensitize the trade and transport business community to use that inter-Corridor route. They tasked the Northern Corridor Secretariat to follow up on recommendations from the survey report and organize sensitization workshops aimed at promoting the use of that new and shorter alternative road network.

# NCTTCA Secretariat urged to sensitise stakeholders to use shorter alternative routes to reduce the costs of doing business

During its 46<sup>th</sup> Northern Corridor Executive Committee session held in Mombasa, Kenya, from 04<sup>th</sup> to 06<sup>th</sup> February 2019, Principal Secretaries and their equivalents in the Ministries of Transport from the six Northern Corridor Member States of Burundi, Democratic Republic of Congo, Kenya, Rwanda, South Sudan and Uganda, urged the Secretariat to continue fast tracking programmes and initiatives that promotes the interests of the region.

After taking note and approving the recommendations from the Multi-agency Stakeholders' Trade and Transport Logistics Survey report of Mombasa-Voi-Taveta/Holili Transit section, the Executive Committee directed the Secretariat to engage the EAC Secretariat for possible coordination of similar Trade and Transport Logistics Survey of the remaining section from Taveta-Holili via Rusumo/Kabanga to Bujumbura to be jointly carried out by the EAC

Secretariat, the NCTTCA and the Central Corridor secretariats.

The new inter-corridor Road Network from Mombasa to Bujumbura via Taveta/Holili-Arusha-Singida-Rusumo-Kobero-Bujumbura covers a distance of 1,586 Kilometres.

The new alternative transit route provides a much shorter distance

than the existing Northern and Central Corridor routes with distances of 1,957 Km and 1,650 Km from Mombasa and Dar-es-Salam respectively to Bujumbura. The new route can also be used to cater for customers based in Northern Tanzania, Rwanda and Eastern DRC thus reducing the transit time and cost of doing business for stakeholders at the far end of the Corridor.



*Members of the Northern Corridor Executive Committee during their 46<sup>th</sup> Meeting at Sarova Whitesands, Mombasa, Kenya, 4<sup>th</sup> February 2019.*





The Voi-Taveta/Holili-Arusha-Singida road network forms part of the trunk road which links with Corridor No.5 of the East African Community Regional Road Network Programme which spans from Tunduma in southern Tanzania to Moyale in northern Kenya. In Kenya, the road links with Corridor No.1 which commences at the Port of Mombasa to the border town of Malaba and on to Kigali in Rwanda and Bujumbura in Burundi. The regional road is the most important link between Tanzania and Kenya, with most of import and export traffic to and from Northern Tanzania passing through the port of Mombasa.

Regarding awareness and sensitization campaigns for the use of this alternative route and removal of the existing NTBs, the Executive Committee directed the Secretariat to continue the sensitization on trade facilitation



agreements and instruments, COMESA Simplified Trade Regime and other trade facilitation initiatives being implemented along the Northern Corridor.

The Executive Committee also directed the Secretariat to carry out

the SGR Logistics Survey as a Priority activity to identify the challenges of the SGR logistics chain and make recommendations to be addressed by end of June 2019.

# Northern Corridor Member States committed to the implementation of Single Customs Territory and the African CFTA



*We look to gain more industrial and value-added jobs in Africa because of intra-African trade*

After South Africa's and Togo's parliaments ratified the agreement establishing the African Continental Free Trade Area (AfCFTA) in December 2018, the total number of countries committing to the deal has now grown to 49.

The creation of the free trade area requires at least 22 countries submitting instruments of ratification. So far, the agreement has 15 ratifications, with seven more remaining.

The AfCFTA proposal was approved in 2012 and the members started working on a draft in 2015. In March 2018, the leaders of 44 African countries endorsed the agreement in Rwanda, with more countries joining in since then.

Once the agreement comes into effect, it will create a tariff-free continent, covering a single market of 1.2 billion people in 55 nations with a combined gross domestic product of about \$3 trillion.



The agreement is expected to reduce export tariffs which currently average 6.1 percent, and boost intra- African trade by more than 52 percent after import duties are eliminated. It is focused on diversifying trade exports away from just extractives and enhancing the chances of small and medium enterprises to tap into more regional destinations.

According to Mukhisa Kituyi; Secretary-General of the UN Conference on Trade and Development, the tariff-free access to a huge and unified market will encourage manufacturers and service providers to leverage economies of scale.

*"We look to gain more industrial and value-added jobs in Africa because of intra-African trade," Mukhisa said.*

It is in this context that the 30<sup>th</sup> meeting of Council of Ministers of the Northern Corridor Transit and Transport Coordination Authority (NCTTCA), commending the current trade facilitation and integration initiatives, again urged all Member States of the Corridor to commit to the implementation of the Single Customs Territory and work towards implementing the African Continental Free Trade Area (AfCFTA).

The Council of Ministers also emphasised the importance of the Northern Corridor Transport route and the role it plays in promoting international trade and regional integration.

The NCTTCA Policy Organs meetings also lauded the efforts and the progress made by Member



States in developing and improving regional transport infrastructure such as One Stop Border Posts, the Standard Gauge Railway and the Oil pipeline.

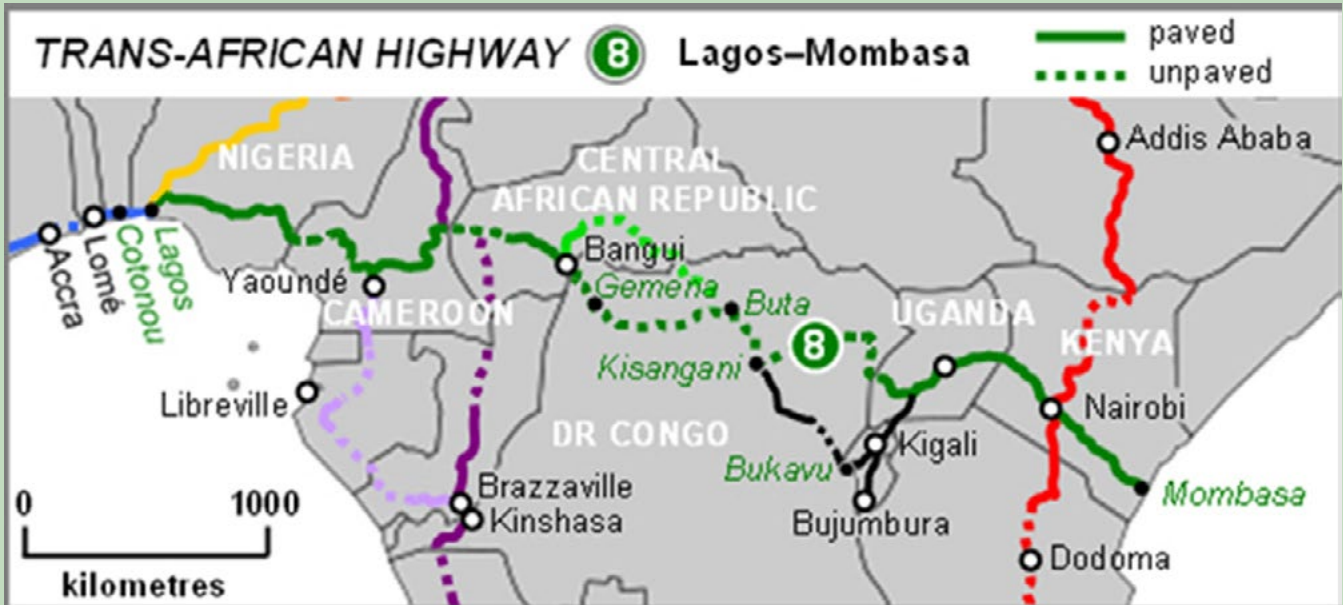
They commended the Democratic Republic of Congo's political will to join the Northern Corridor Integration Projects (NCIP) Initiatives championed by the Heads of States and its commitment to promote the Standard Gauge Railway as part of its transport infrastructure programs.

The Northern Corridor Policy Organs members re-affirmed the commitment of their respective countries towards integrating the Road Side Stations Program in Transport Infrastructure Development along the Northern Corridor highways and further directed the Northern Corridor

Secretariat to Promote Road Safety along the Northern Corridor Region in collaboration with Member States and Safe Way Right Way, a non-governmental organization based in Kenya.

The NCTTCA Policy Organs further directed its Secretariat to expeditiously roll out the Road Side Stations program and set up National Multi-Sectoral Task Forces in collaboration with all the Member States and tasked the Secretariat to fast track the signing of the Bilateral Agreements on development of One Stop Border Posts (OSBP) along the Northern Corridor whose feasibility studies and engineering designs have been completed.

# Mbarara-Kisangani Road Network, part of Lagos-Mombasa Trans-African Highway will no longer be a dream



Map of the Trans-African Highway, Lagos-Mombasa (TAH 8)

There is a new-found Political will and High-level Commitments by the Democratic Republic of Congo (DRC) and the Republic of Uganda to develop and upgrade the Northern Corridor Road Sections of Mbarara-Bushenyi-Kikorongo-Mpondwe- Kasindi-Beni-Komanda-Kisangani (940Km). This is part of the Trans-African Highway (TAH) Network NO. 8 from Lagos, in the Federal Republic of Nigeria to Mombasa, in the Republic of Kenya that is expected to open the whole of Africa to interstate trade.

In July 1971, the UN Economic Commission for Africa (UNECA) launched the Trans-African Highway Project between Lagos, Nigeria and Mombasa, Kenya, as a pilot project to make it possible to draft principles and methods for effective intra-African co-operation in the construction of international highways.

Bottlenecks to the completing of the planned TAH include but not limited to difficult terrain and climate conditions, inadequate funding for Road maintenance and upgrades as well as insecurity due to civil conflicts that have damaged roads that now require reconstruction. However, with the

current high political will between partner states, this project seems to be a reality.

The huge shortage of African transport infrastructure and logistics services poses a major challenge to the continent's development. As populations grow and investment



NCTTCA Delegation led by Mr. OMAE NYARANDI, Executive Secretary, accompanied by CEPCOR high ranking officials in working discussions with Hon. Rex KUFULULA MAKILA, Director of Cabinet, office of the Deputy Prime Minister and Minister of Transport and Communication, Kinshasa, 29<sup>th</sup> October 2018.





*NCTCA Delegation led by Mr. OMAE NYARANDI, Executive Secretary, in working discussions with Hon. Monica AZUBA NTEGE, Minister of Works and Transport, Kampala, Uganda, 13<sup>th</sup> November 2018.*

increases, the pressure exerted on the current infrastructure is increasing. African road networks carry hundreds of billions of dollars of goods every year, but tend to link cities to ports rather than connecting the continent's many hinterlands.

The African Union (AU), through the New Partnership for Africa's Development (NEPAD), an AU economic development programme, is responsible for coordinating the development and realisation of the ten (10) planned Trans-African Highways Networks. Its broader Programme for Infrastructure Development in Africa (PIDA) has absorbed the project.

The Trans-African Highway NO. 8 which is contiguous to TAH NO. 7 in Lagos, was expected to cover a total 6,259 km shared among 6 countries as follow; 737 km in Nigeria, 1,044 km in Cameroon, 1,319 km in the Central African Republic (CAR), 1,561 km in DR Congo, 740 km in Uganda and 1,100 km in Kenya. TAH 8 is complete in Nigeria, Cameroon Uganda and Kenya. However, there

are missing links in the Central African Republic and DR Congo thus preventing its complete use. Together TAH 7 and TAH 8 form the east to West African highway of 10,819 kilometres.







Members of the Ugandan Parliamentary Standing Committee on Budget and the NCTTCA Staff during their Fact Finding Visit in Mombasa, on 23<sup>rd</sup> October 2018.

## Northern Corridor National Parliaments: a major pillar of regional efforts to reduce Imports-Exports deficit

In its endeavour to fast track the implementation of the Single Customs Territory program, the Ugandan Parliamentary Committee on Budget undertook the visit in Mombasa to familiarise itself with what was going on at the Port with regard to the implementation of the Single Customs Territory programme and to get more details on the Achievements and Performance of the Corridor.

*“National parliaments in the Northern Corridor region should be engaged and consequently involved in all efforts to promote trade and regional integration; especially committees on Trade, Infrastructure, Finance, Planning,*

*legal and foreign affairs”,* urged Hon. Amos LUGOLOOBI, Chairman of the Ugandan Parliamentary Standing Committee on Budget, whose delegation was on a fact finding and spot assessment of the Single Customs Territory operations at the Port of Mombasa, Kenya.

The delegation of the Ugandan Parliamentary committee on Budget, on Tuesday 23<sup>rd</sup> October 2018, paid a working visit to the Northern Corridor Secretariat to get a glimpse of the Northern Corridor achievements and performance in general; and share more insights on how regional National Parliaments can contribute to a quicker integration process and promote

a two way trade that may reduce significantly the existing imports-exports deficit in the East and Central African region.

*“It is a privilege to have you visiting us”,* said Omae Nyarandi, Executive Secretary of the Northern Corridor Transit and Transport Coordination Authority (NCTTCA), *“It is more encouraging. We are sure parliaments will continue to play a crucial role not only in oversight of the integration process but also in understanding the need to open up the regional markets and business opportunities and adequately allocate sufficient budgets on priority integration projects”.*



The Ugandan delegation commended the success stories on the performance of the Northern Corridor and positive results of the Single Customs Territory.

The Members of Parliament assured to closely make a follow up on some outstanding challenges such as high Transport Costs, empty return trips by trucks after offloading imports, high visa costs for citizens from the region, underdeveloped growth centres, non-harmonized road user charges, challenges of regional trade and transit facilitation agents to obtain work permits, inadequate infrastructure development hampering intra-regional trade. In this regard, NCTTCA' hosts have shown their interest and support to the 940 km road project between Mbarara, Uganda and Kisangani, DRC via Mpondwe which is a key road that is part of the 6,000 kilometres Trans-African Highway from Lagos to Mombasa, at the same time it connects one of the endowed resource areas.

The Trans-African Highway, the ambitious grand project launched in 1971 is supposed to comprise of

ten (10) interconnected highways that would cover 60,000 kilometres across the continent. So far, the Trans-Sahelian Highway, which runs 4,500 kilometres between Dakar in Senegal and N'Djamena in Chad, is the only highway out of the nine that has been completed.

The Port of Mombasa is very strategic to the Ugandan economy with more than 90% of Ugandan imports and exports transiting through the Kenyan Port.

According to the *13<sup>th</sup> Report of the Northern Corridor Transport Observatory*, the total cargo throughput at the Port of Mombasa for the period January to September 2018 increased to 23,234,781 DWT from 22,750,634 DWT over the same period in 2017. This is an increase by 2.1% when compared to same period in 2017.

Growth in volumes shows expansion of trade in all transit Countries except Rwanda which witnessed a decreased of 8 % in volume. Burundi volume grew fifth fold when compared to 2017. Uganda remains the top destination for transit

imports accounting for over 80 % of all transit traffic through the Port of Mombasa.

Another notable trend is the rise in the number of TEUs handled as Transshipment cargo that rose by 40.1%. Kenya remained the largest destination for all imports at 293,740 TEUs and origin for exports at 74,149 TEUs. This trend indicates the increasing importance of the port of Mombasa in the region.

In terms of the Mombasa Port Performance in the recent years, Container Traffic grew from 894,000 TEUs in 2013 to 1,189,957 TEUs in 2017 while total Throughput grew from 22.3 million DWTs in 2013 to 30.3 million DWTs in 2017 representing compounded annual growth of 7.4% and 8% respectively.

Mombasa Port capacity grew from 1.1 million TEUs in 2013 to 1.65 million TEUs in 2017 furthermore, with the expansion of Nairobi Inland Container Depot (NICD) capacity to 450,000 TEUs together with the Container Freight Stations further beefs up the capacity to handle goods through Mombasa Port.



# The Northern Corridor Transport Coordination Authority steps up its efforts to advocate for the missing infrastructure links

The Democratic Republic of Congo (DRC) and the Republic of Uganda are committed to prioritise the development of the Mbarara-Mpondwe-Kisangani Road section of the Northern Corridor Road Network and tasked the Northern Corridor Secretariat to take the lead in fast-tracking bilateral discussions and Funds Mobilisation. They pledged to undertake bilateral consultations to work together on joint project preparation efforts and feasibility studies.

In this framework, two delegations from the Northern Corridor Secretariat led by Mr. OMAE NYARANDI, the Executive Secretary, undertook consultations with high level Government officials in DRC and Uganda in October and November 2018, respectively, to get updates on all the Transport Infrastructure projects and trade facilitation initiatives in both countries, and most importantly, promote joint bilateral efforts between the two Northern Corridor Member States to develop the Mbarara-Mpondwe-Kisangani Highway.

The political will and commitment by the two Northern Corridor Member States after the consultations were also a result of a strong and unanimous directive by the 30<sup>th</sup> sitting of the Northern Corridor Council of Ministers held in Mombasa, Kenya, on 3<sup>rd</sup> August 2018, tasking the Northern Corridor Secretariat to work closely with the Member States of

the Republic of Uganda and the Democratic Republic of Congo to jointly mobilise funds in order to promote cross-border transport infrastructure development, especially the upgrading of the Mbarara-Kisangani Road Network.

The Northern Corridor Transit and Transport Agreement (NCTTA), a treaty between the Member States of the Northern Corridor countries of Burundi, Democratic Republic of Congo, Kenya, Rwanda, South Sudan and Uganda, provides a regional framework for cooperation on transport infrastructure development, interstate and transit trade facilitation and further related issues between the Member States. The main objective of the Northern Corridor Agreement signed in 1985 and later assented to by South Sudan in 2012, is to guarantee Member States free passage of transit traffic through their respective territories.

Under Article 4 (I, III and IV) of the Agreement, the contracting parties undertake to establish and manage transport and communication systems that are viable, reliable and efficient; cooperate in investment planning, develop development of transport and transit facilities and jointly seek financing for project execution; and harmonise their standards and procedures for designs, construction, operation and maintenance of transport and transit facilities and equipment.

The Northern Corridor Treaty established the Northern Corridor

Transit and Transport Coordination Authority (NCTTCA) to oversee the implementation of the Agreement. The NCTTCA was therefore mandated by its Member States to transform the Northern corridor into an economic development corridor through Spatial Development Programme and making the corridor a seamless, efficient and smart Corridor.

It is in this context that the Authority has identified the Mbarara-Kisangani as one of the missing links. Once constructed, it can spur economics as well as promote intra-regional trade by exploiting the massive untapped economic potential in the region.

The first formal bilateral Meeting between DRC and Uganda's top Senior Government officials, at Ministerial level, with selected Development Partners will be organized in the first half of 2019.





## Quality infrastructure vital in facilitating trade and regional economic integration

Roads are the main mode of transport for cargo inland from the Port, accounting for over three quarters of all transfers.

Congestion has been a menace towards efficient evacuation of cargo from the port of Mombasa and infringes on the movement of goods along the Northern Corridor roads.

A host of factors including level of tariffs and restrictions on the amount of items or service in the Northern Corridor countries have been cited as barriers to intraregional trade among the Northern corridor Member States and the effective participation of countries in the global economy. In essence, provision of adequate quality infrastructure is vital in reducing trade costs, enhancing competitiveness and facilitating regional economic integration.

As observed in the Mombasa Port Community Charter, Kenya National Highways Authority (KeNHA) plays an essential role in decongesting the port and corridor route in Kenyan territory. Kenyan roads serve as inevitable link as it is the main pathway route linking the landlocked countries to the port of Mombasa who lack direct access to the sea.

Kenyan roads are classified in three categories: Super Highways (Class S); International Trunk Roads (Class A) and National Trunk Roads (Class B).

Since the launch of the charter, KeNHA, has made progress in the implementation of the proposed interventions. Foremost the installation of High-Speed-Weighin-Motion (HSWIM) systems at Mariakani, Athi River, Gilgil and Webuye weighbridges has greatly improved compliance and reduced the time taken at the weighbridges. In addition, construction of a second weighing point at Mariakani and Athi River HSWIM is complete and in use and is expected to bolster the capacity and efficiency of the weigh bridges.

Secondly, the Moi Airport access road and Port Reitz road in Mombasa have been upgraded to dual carriage and are in use. The 11-kilometer (Miritini-Mwache Kipevu Link Road) linking the Kipevu Container Terminal to Mwache and Miritini Interchanges; Mombasa-Kwa Jomvu project with interchanges at Makupa, Changamwe, Mikindani and Kwa Jomvu is also complete.

There are ongoing works to complete a weighbridge at Miritini. These developments have eased congestion and facilitate the logistics from the new container terminal.

The Dongo Kundu bypass is designed with several interchanges with provisions to integrate seamlessly with the port of Mombasa, the Moi International Airport, the Standard Gauge Railway, the Nairobi-Mombasa Highway and the upcoming Mombasa Northern

Bypass. Phase one of the KSh39 billion Dongo Kundu Bypass in Mombasa is complete and in use. The road runs from Mombasa Port's second container terminal and joins the Mombasa-Nairobi highway at Bonje, near Mazaras.

The Kipevu Link Road (5.7km) from the new container terminal to Mwache is complete. Phase two will see an 8.9 km road built between Mwache Junction and Mteza while the third phase will see the construction of a 6.9km road between Mteza and Kibundani. This will link the highway to the Likoni-Lunga Lunga Road to develop the traffic route to Mombasa South Coast towards Tanzania, linking Mombasa to Kwale. The Dualling of Magongo Road will ease congestion on the main highway by providing an alternative route for trucks and other motorist to Kwa Jomvu.

### **Northern Corridor Transport Improvement Project**

The northern corridor transport improvement project started in 2004 and was estimated at a cost of \$440 million (KSh.44billion) seeks to increase efficiency of road transport along the Northern Corridor for trade facilitation and regional integration. Among the project components is the rehabilitation of priority road sections along the Northern Corridor to withstand traffic projections and provide reliable road transport services. The other key component is the Socioeconomic Enhancement Roadside Amenities

which involves the construction of bus stops/terminals at key selected locations, to include parking areas, and utilities infrastructure. The project was financed by the World Bank and Government of Kenya.

Other improvements projects on the Northern Corridor include; Mau Summit – Kericho, Kericho – Nyamasaria, Nyamasaria – Kisian (A1, B1), Kisumu Airport – Kisian (Busia Road Part 2) Obote Otieno Oyoo and Port Roads (B1/C27).

The improvements along the Mombasa – Busia and Mombasa – Malaba stretches are expected to minimize restrictions to movement of cargo and as a result lead to reduced transit time. KeNHA has completed the interchanges at Nakuru, Njoro and Mau Summit which are now in use. Work is still ongoing on the Interchanges at Jua Kali, Kaburengu and Webuye. These interchanges are expected to minimize traffic disruptions. In addition, the completion of the Nairobi eastern and southern and Kisumu by-passes has succeeded in diverting traffic from congestion in the major urban areas along the Corridor.

### **Mombasa – Voi – Taveta-Holili road**

Construction of the 1,545 km road linking the port of Mombasa and Burundi which commenced in 2014 is complete. Kenya constructed the section between Mombasa -Voi and Taveta border while Tanzania and Burundi worked on their respective segments.

*Southern Bypass linking Mombasa to Kwale (Dongo Kundu) will link to Kwale upon completion*





The road which is part of the Trans-African Highway, links the port through Holili, Singida-Kobero border and finally to Bujumbura, reducing the distance between Mombasa and Bujumbura by over 300Km when compared to the traditional Northern Corridor transit route.

In June 2018, the 14<sup>th</sup> Heads of States Summit of the Northern Corridor Integration Projects (NCIP) resolved to implement the road network formation of the Trans-Africa transit traffic and transshipment infrastructure to reach out beyond the EAC region.

### **East Africa Trade and Transport Facilitation Project**

One Stop Border Post at Taveta, Malaba, Busia, Lunga, Isebania, Construction of Axle Load Stations at Athi River and Construction of Axle Load Stations at Mariakani.



*A section of Voi- Holili road*



# Infrastructure expansion and upgrade: alchemy behind the corridor positive improvements

The Northern Corridor consistent positive improvements are mainly attributed to infrastructure expansion and upgrade at the Port of Mombasa and beyond. Under the Port Community Charter, some of the commitments were aimed at improving ship turnaround time which include; vessel scheduling, availability of quality equipment and provision of additional berthing space. Other initiatives were the construction of Kipevu oil terminal 2, investing in additional petroleum oil storage tanks, construction of an offshore Single Buoy Mooring and establishment of modern dry bulk facilities which are at different levels of implementation.

The Quarterly Port Community Charter Report indicates that during the period October-December 2018, **Vessel Waiting Time before berth** recorded an average time of 24 hours with a low of 21 hours in October and a high of 27 hours in December 2018 for the quarter. The median performance for the quarter was 11 hours.

Some of the factors for this positive performance include; introduction of Fixed Berthing Window, crane productivity and adequate terminal capacity. Under the Port Charter, one of the initiatives for reducing waiting time was the conversion of berths 11-14 into container handling terminals.

Vessel Waiting Time before berth is an indicator which is measured from the time the vessel arrives at the fairway buoy to the time at its first berth, including waiting at their own convenience. The target for this indicator is 24 hours.

The recorded average quarterly **Ship Turnaround Time** at the Port of Mombasa for the period October-December 2018 was 3.8 days. Each of the total 72 ships that called at the port took averagely 3.4 days to dock and leave the port area. The port Charter target for ship turnaround time is set at 3 days. The ultimate goal is to attain the 24 hours (1 day) ship turnaround global benchmark time.

Ship turnaround time is measured from the time the ship arrives at the port area (Fairway Buoy) to the time it leaves the port area demarcated by the fairway buoy. **On Vessel Productivity (Gross Moves per Hour)**, the number of ships which docked during the period

October-December 2018 was 144, with the monthly call at 52 ships in October, 44 ships in November and 48 ships in December 2018. The most frequent shipping lines was MAERSK and MSC recording 34% and 24% respectively. This trend indicates a two-fold increase in number of ships from 73 in 2013 to 144 in 2018 during the same period October-December. Maersk is a Danish business conglomerate with activities in the transport, logistics and energy sectors. It has been the largest container ship and supply vessel operator in the world since 1996.

The average gross moves per hour for container vessels handled increased significantly from 29.16 Gross Moves per Hour in October 2018 to 38.81 in December 2018. Target was 30 Moves per hour.

The performance indicates improved productivity compared to the Port Charter baseline of 16.7 Gross Moves per hour in 2013. The positive performance indicates that improved investment and utilization of ship yard equipment by the Kenya Ports Authority (KPA) is yielding desired results an indication of infrastructure expansion and upgrade.

The average Containerised Cargo Dwell Time at the Port of Mombasa was 109 hours in October 2018 and 100 hours in December 2018. As observed from the data the indicator is still above the Port Charter target of three days and 2 days international benchmarking standards. Port Charter proposes 70% pre-arrival clearance, 24 hours before docking of any vessel; Conducting joint verification; Expanding the scope of services rendered by the CFSs; Outsourcing of conventional cargo operators and Moving Customs warehouse cargo to the G section. The implementation of a modernization programmes at Mombasa port has seen improvement in productivity and efficiency of the port.

Containerised Cargo Dwell Time refers to the total time spent by Cargo at the Port from when the Cargo is discharged from the vessel until it exits the Port (average number of days the container stays in the yard).

The Average **Time Taken at the Document Processing** Centre (DPC) which is the time taken by customs to pass an entry lodged by a clearing agent



increased from 3 hours in October 2018 to 3.2 hours in December 2018. The target of one hour has not yet been met. This target heavily relies on the stability of SIMBA system, integrity of clearing agents, quality of declaration by the relevant agents and document volumes waiting processing.

The Port Community Charter established commitments for Kenya Revenue Authority (KRA) towards faster clearance of documents by developing a system of pre-arrival clearance to clear 70% of the cargo within a span of 48 hours before docking of vessels, within 3 months after the charter signing.

For the period October-December 2018, the average time of **Delay after Customs Release** which refers to the period it takes to evacuate the cargo from the port after it is officially released by Customs was 40 hours in October, 31 hours in November and 38 hours in December. Target for this indicator is 36 hours.

The time after customs release has a significant bearing on the port dwell time. Data shows time taken after customs release improved significantly over the years. Automating gate clearance procedures and ensuring 24 hour operations, road infrastructure improvements around the Port and the SGR Cargo train are some of the commitments aimed at improving performance for this target.

**Transit time** which measures the time taken by transporters from the port to deliver cargo to the point's destination, is key indicator of efficiency of the transport logistics system where reduction in time taken is desirable. However transit time is affected by numerous factors that occasion delays and stoppages along the corridor. Some of the main stoppage reasons include weighbridges, police checks, road conditions, company checks, custom checks and obstruction due to road accidents among other reasons that are tracked under the section on road survey in this report. Some of the measures that have been put in place to minimize stoppages and improve transit time include the implementation high speed motion weigh bridges, one stop border points, establishment of the Northern Corridor Transit Patrol Unit among others.

Transit time in Kenya is an estimate of the period from the time cargo is removed from the port of Mombasa to the time the export certificate is issued after crossing the border at Malaba or Busia.

The performance on transit time from Mombasa to Malaba has improved greatly since the launch of the Port Community Charter and it was recorded at 144 hours in December 2018 compared to 178 hours in the same month in 2014. Despite the improvement the performance is still far from the 72 hours target.

Similarly, there was a significant improvement in transit time from Mombasa to Busia with the month of December 2018 setting the best record of transit time of 80 hours. The performance can be attributed to the completed interchanges at Nakuru, Njoro and Mau Summit and the completion of by-passes at Dongo Kundu, Nairobi and Kisumu.

**Average Daily Traffic at Weighbridges** on both inbound and outbound trucks at Mariakani and AthiRiver weighbridges was for instance 5,692 trucks at Mariakani and 10,407 trucks at Athi-River in October 2018. Athi-River weighbridge recorded the highest traffic almost doubling traffic of Mariakani. The high traffic at Athi-River included traffic originating from the Port of Mombasa both local and transit cargo as well as traffic originating from Namanga Border Point.

Compliance with Vehicle Load limits, which measures the percentage of trucks that comply with the vehicle load limits before and after re-distribution of the weights, shows that Mariakani and Athi-River weighbridges recorded a steady performance in terms of compliance levels of over 90 percent during the period October-December 2018.

Since the launch of Standard Gauge Railway (SGR) Cargo train on 1st January 2018, the Northern Corridor Transport Observatory also captures SGR data to measure **SGR Cargo Service Performance** from Mombasa to Inland Container Depot Nairobi (ICDN). From January to April 2018, the number of trains increased from 14 to 120 and the total volume increased from 16,581 to 184,486 Tons.

According to the 13th report of the Northern Corridor Transport Observatory, the overall total volume by SGR was approximately 1,662,824 Tons for the period April-September 2018, out of which exports constituted 10 % and imports about 90 %. Total Railway throughput was recorded as 1,875,953 with Standard Gauge Railway carrying around 89 % and Meter Gauge Railway carrying 11%.



## TRANSIT TIMES & DELAYS

02

### SHIP TURNAROUND TIME

**Description:** The average time spent by the ship in the port area. It is measured from the time the vessel arrives  
**Formula:** Time at Exit minus Time at Entry in the Port Area.



01

### VESSEL WAITING TIME BEFORE BERTH

**Description:** The average time taken by the ship before Berthing. It is measured from the time the vessel arrives at the fairway buoy to the time at its first berth.  
**Formula:** Time at Berthing minus Time of Arrival at Port Area.



03

### TIME FOR CUSTOMS CLEARANCE AT THE DOCUMENT PROCESSING CENTER DPC

**Description:** This is the time it takes to have an entry lodged by a clearing agent passed by customs.  
**Formula:** Time of Passing of Entry Minus Time of Registration of Entry.



04

### TIME TAKEN AT MOMBASA ONE STOP CENTER

**Description:** Average time of document processing at One Stop Center.  
**Formula:** Time at Entry Release Order generation minus Time at Passing Entry.



09

### WEIGHBRIDGE CROSSING TIME

**Formula:** Departure Time from the weighbridge minus Arrival Time at the weighbridge.



10

### BORDER POST CROSSING TIME

**Description:** Time taken by transit cargo to cross the Border  
**Formula:** Departure Time from the border minus Arrival Time at the border.



11

### TIME FOR CUSTOM PROCEDURE AT DESTINATION

**Description:** It's the average time taken to complete custom process at the destination after cargo arrival.  
**Formula:** End Time of the last process minus start Time of the first process.



12

### TRANSIT TIME

**Description:** Time taken by transit cargo to move from origin (Port) to destination country e.g. Uganda, Rwanda etc.  
**Formula:** Time of arrival minus time of departure (Based on Road/GPS based Surveys data)



05

### AVERAGE CARGO DWELL TIME AT THE PORT

**Description:** It is the measure of time that elapse from the time cargo is offloaded from the vessel at the port to the time it leaves the port premises after all permits and clearances have been obtained.  
**Formula:** Exit Time from the port Minus Arrival Time from the port.



06

### TRANSIT TIME WITHIN THE INLAND CONTAINER DEPOT ICD / INLAND PORT

**Formula:** Departure Time from the ICD minus Arrival Time at the ICD.

07

### TRANSIT TIME PER ROUTE PER MODE OF TRANSPORT

**Description:** Time taken by transit cargo to move from one node to another e.g. from Mombasa to Malaba Nodes are points along the corridors like weigh-bridges, border-posts, ports.  
**Formula:** Time of arrival (Destination Node) minus time of departure (Node of Origin).



08

### DELAY AFTER CUSTOMS RELEASE AT THE PORT OF MOMBASA

**Description:** Refers to the period it takes to evacuate cargo from the port after it is officially released.  
**Formula:** Time at exit of cargo at the Port gate minus Time of Entry Release Order generation.

## RATES & COSTS



01

### TRANSPORT COST PER ROUTE AND PER MODE

**Description:** Summation of charge by transporter and other cargo handling charges incidental to transportation per Route and/or per section.

03

### ROAD FREIGHT CHARGE

**Description:** The indicator captures the different tariff charges by transporters per road and/or per section.

04

### RETURN OF EMPTY CONTAINERS GRACE PERIOD, PENALTIES, AND DEPOSIT

**Description:** Published tariffs by Stakeholders.

02

### PORT TRANSIT CHARGES

**Description:** Published tariffs by Stakeholders.

05

### RAIL FREIGHT CHARGE

**Description:** Tariff charged by railway operator per section and/or per route.





## VOLUME & CAPACITY



01

### MOMBASA PORT TOTAL CARGO THROUGHPUT VS TRANSIT TRAFFIC

Description: Mombasa Port Total Cargo throughput = Summation of weight of all cargo transported through the Port; Transit Traffic = Summation of weight all cargo transported through the Port destined to other countries. (It includes imports to and exports from other countries). Transit Traffic is part of the total Cargo throughput of the Mombasa port

02

### VOLUME PER COUNTRY OF DESTINATION

Description: Summation of weight of all cargo (imports/exports) handled by the Port per country of destination/origin.



03

### RATE OF CONTAINERIZATION OF TRANSIT TRAFFIC AT THE PORT OF MOMBASA

Description: Total weight of containerized transit cargo divided by Total weight of all transit cargo.

04

### EVOLUTION OF LICENSED FLEET OF TRUCKS PER COUNTRY

Description: Summation of registered (Licensed) vehicles used for international/ transit cargo transportation per year and per country.



05

### AVERAGE ANNUAL DISTANCE PER TRUCK IN KM PER YEAR

Description: Average distance traveled per truck per year.

06

### TRANSPORT CAPACITY BY RAIL LOCOMOTIVE AND WAGONS

Description: Total number of operational locomotives and wagons Proportion of total cargo carried by railway.

## PRODUCTIVITY AND EFFICIENCY

01

### NUMBER OF CHECK POINTS PER COUNTRY PER ROUTE

Description: Summation of checkpoints (weighbridge, police, customs, Road Toll), by country, by route.



02

### VOLUME OF CONTAINERIZED AND GENERAL CARGO HANDLED PER DAY/MONTH/ QUARTERLY AT THE PORT OF MOMBASA

Description: Summation of volume of Containerized Cargo Handled per day/month/year; Summation of volume of General Cargo Handled per day/month/year.

03

### RATE OF FRAUD OR DECLARED DAMAGE FOR GOODS IN TRANSIT

Description: Number of Fraud or Declared Damage cases divide by total Fraud or Declared Damage cases at a node.

Formula:  

$$\left\{ \frac{\text{Number of Fraud or Declared Damage cases}}{\text{Total of Fraud or Declared Damage cases at a node}} \right\}$$



04

### WEIGHT COMPLIANCE

Description: The percentage of trucks that comply with the axle load limits before and after re-distribution.

Formula:  

$$\left\{ \frac{\text{Total compliant trucks in a weighbridge} \times 100}{\text{Total trucks tra c in a weighbridge}} \right\}$$

05

### NUMBER OF ACCIDENTS PER ROUTE

Description: Summation of the number of Accidents, Injuries and Fatalities by Category and Sub Category.

06

### WEIGHBRIDGE TRAFFIC

Description: Average number of trucks passing a weighbridge in a day

07

### GROSS MOVES PER SHIP PER HOUR AT THE PORT OF MOMBASA



## INTRAREGIONAL TRADE

01

### VALUE AND VOLUME OF TRADE BETWEEN THE NORTHERN CORRIDOR MEMBER STATES

Description:  
 - Formal trade between the northern corridor member states  
 - Informal trade between the northern corridor member states



## EMISSIONS INDICATORS

01

### CORRIDOR EMISSIONS

Description: Considers only road transport emissions along the corridor such as Particulate Matter (PM), black carbon emissions and Oxides of nitrogen (NOX) and CO2 emission in grams per ton-km.

Provides emissions levels for CO, VOC, NOX, PM, black carbon and CO2 along the northern corridor with the objective to undertake measures geared towards cutting down emissions levels

02

### PORT EMISSIONS

Description: Total emissions at the port as summation of:  
 a) Emissions from the ship on maneuvering  
 b) Emission by the ship at the port and on anchorage  
 c) Emissions by equipment at the port of Mombasa  
 d) Vehicles and trucks accessing the port of Mombasa  
 e) Rail locomotives accessing the port of Mombasa  
 f) Electricity usage at the port of Mombasa

# Volumes of Cargo haulage by SGR and Meter Gauge Railway (MGR) at 89 and 11 per cent respectively

Among the key transport modes for cargo evacuation from the Port of Mombasa is through road, rail, pipeline and inland waterways. The railway line connects the Port of Mombasa to Nairobi- Nakuru-Kenya/Uganda border at Malaba. A branch route leaves the main railway line at Nakuru and extends to Kisumu on Lake Victoria. The rail track from Mombasa to Kampala via Malaba (1,330 km) is currently the principal route for rail transit.

The Mombasa-Nairobi SGR is the first step in the grand plan to build an East Africa railway network that will eventually link Kenya with Uganda, Rwanda, Burundi and South Sudan. An extension of the SGR line to Naivasha from Nairobi is ongoing.

There are 56 locomotives operating on a 485 km-long standard gauge rail from the port of Mombasa to

ICD Nairobi at Embakasi out of which 8 are used for shunting, 43 locomotives are used for freight services and 5 are used for passenger services.

Since the launch of cargo haulage on the Standard Gauge Railway from Mombasa to the NICD, the volume of cargo received has been increasing steadily. For the period April to September 2018, overall total volume tonnage by SGR was approximately 1,662,824 million tons out of which exports constituted 169,513 tonnes (10 percent) and imports recorded a share of 90 percent (1,493,310 tons).

Analysis of Mombasa Port monthly outbound cargo by SGR shows a significant increase of 60% from 184,486 tonnes in April 2018 to 295,788 tonnes in September







2018 as shown in Table 9 below. Total import volume during the period April-September 2018 was around 1.5 million tons an equivalent of 90 percent of total volume haulage by SGR. Similarly the number of trains leaving Mombasa Port for Nairobi also increased to a high of 192 trains in August 2018 carrying a total of 20,254 TEUs (291,941 volume tonnage).

Volume of exports including empty containers from Nairobi to Mombasa port by SGR increased by 18 percent, from 24,090 tons to 28,437 tons in April and September 2018 respectively. However, it is noted that volume of exports over this period were fluctuating. A number of initiatives have been put in place to ensure fast and efficient rail bound cargo evacuation which include; establishment of a one-stop centre and 24-hour working schedule at the ICD Nairobi, extension of the SGR line at the port to the conventional and bulk cargo section among others. The number of

export trains also increased totalling to 419 trains with a high of 90 in July 2018 with 29,469 tonnes for export. The highest volume was recorded in the Month of May 2018 with 32,749 tonnes moved from Nairobi to the port of Mombasa.

Total volume haulage in tonnage (net) by MGR for the period April 2018 to September 2018 was recorded as 213,129 net tones out of which 71 percent was destined to Kenya and 29 percent was destined to Uganda. It can be noted that volume of cargo over the months was inconsistent. July 2018 had the highest volume of about 41,000 net tones and June 2018 registered the lowest volume nearly 29,000 net tons.

Combining both SGR and MGR volume from April 2018 to September 2018 for both imports and exports, railway throughput was recorded as 1,875,953 tonnes with SGR taking the largest share (89 percent) whereas MGR had 11 percent share of the total railway throughput.







## The Government of Kenya to pay \$1.8 billion for a pipeline and oil processing facility in Turkana

*The group's 2019 capital expenditure is expected to total approximately \$570 million (Sh57.5 billion), comprising ... Kenya pre-development expenditure of \$70 million (Sh7 billion)*

The Government of the Republic of Kenya is expected to shell out billions to more than 516 landowners for parcels in the oil-rich South Lokichar Basin in Turkana County.

This will pave the way for the planned development of a pipeline and oil processing facility in the basin that includes a \$1.8 billion (Sh180 billion) investment for upstream activities.

Tullow Oil is developing the Lokichar-Lamu crude oil pipeline project in partnership with Africa Oil, French energy firm Total and the Kenyan Government.





Tullow Oil has already awarded contracts to Australia's Worley Parsons and UK-based energy services company Wood in connection with the South Lokichar onshore oil field project in Kenya.

As part of the project, Tullow plans to develop the Ngamia and Amosing fields to produce an estimated 60,000 barrels a day of oil, which will be carried to the Lamu port on the Kenyan coast through a 900km export pipeline.

The South Lokichar basin comprises the 10BB and 13T blocks located in Turkana in the north-western part of Kenya.

Both blocks comprise multiple oilfields located throughout the basin, which represents one of the last Great Rift basins.

The London-based Tullow Oil Plc also plans to invest Sh7 billion in its Kenyan operations in 2019 as the multinational steps up preparations for commercial production starting 2022.

The additional capital, Tullow said in a trading update, will be spent on developing wells in Turkana County where the multinational discovered an estimated 1.2 billion barrels of oil reserves.

*"The group's 2019 capital expenditure is expected to total approximately \$570 million (Sh57.5 billion), comprising ... Kenya pre-development expenditure of \$70 million (Sh7 billion)," Tullow said.*

The company continues to transport crude oil, an estimated 600 barrels per day, by road to Mombasa ahead of the planned small-scale (early oil) exports in the coming months.

*"This is expected to increase to 2,000 barrels of oil per day from April 2019. Currently, there are 60,000 barrels of oil stored in Mombasa with a maiden lifting expected in the first half of 2019."*

The government has said Kenya's oil production is profitable from \$34 (Sh3, 400) per barrel, indicating a potential windfall from the current international crude oil price of \$58.

Crude oil prices rallied from lows of \$27.1 in January 2016 to peak at \$85 in October 2018 from where they have dropped 31.7 percent to the current levels.

Tullow's massive capital expenditure is a signal of the oil revenues that will be eaten up by the capital-intensive business since the company is entitled to recover its expenses over the years.

The company has spent more than \$1 billion (Sh100 billion) to prospect for oil and develop wells.

Tullow earlier said oil production could range between 60,000 and 80,000 barrels per day, with a possibility of rising to 100,000 barrels per day from development of more wells.

The 750km-long export pipeline will run from the South Lokichar basin to the Coast.

In a gazette notice dated 8 February 2019, former National Land Commission (NLC) chairman Muhammad Swazuri said the planned acquisition would affect more than 516 landowners in the Amosing, Ngamia and Twiga oil fields.

*"In pursuance of section 107 (5) and 162 (2) of the Land Act, 2012 the National Land Commission on behalf of the Ministry of Petroleum and Mining, State Department of Petroleum gives notice that the Government intends to acquire the land depicted by and falling within the following co-ordinates in Turkana County for upstream development, South Lokichar Oil Project," said Dr Swazuri.*

# Let Road Safety be a priority for all of us

Road accidents appear to be on the rise again on the Northern Corridor Road Network in Kenya. Indeed, images of the wreckage of public service vehicles that have claimed tens of lives are increasingly becoming common although the National Transport and Safety Authority (NTSA) reported, as at January, a marginal drop in the number of injuries and fatalities compared to a similar period a year ago.

On January 27, 2018, the number of road crash survivors was 818 against last month's 768 while fatalities from these accidents were 184 against 212 in 2017, according to the NTSA.

Perhaps the drop is attributable to the recent crackdown described as the return of the commonly known as the Michuki Rules. However, the February crashes should warn the police and the NTSA that there is a need to focus more on the roads to ensure that the deaths from crashes do not become the order of the day and that they are not considered normal occurrences.

The economic, social and emotional costs are immense when a country loses children, bread winners, professionals and workers who support a diverse array of dependants.

The World Health Organization (WHO), back in 2014, estimated that Kenya loses about five percent of its GDP or Sh387.5 billion to traffic crashes. The figure was expected to rise and currently is most likely to be above the global average of three percent.

In the first 10 months of 2018, 2,585 people had lost their lives on Kenyan roads, according to the National Transport and Safety Authority. This was an 11 percent increase from 2,331, in the same period in 2017.

The nation's wealth is eaten away through ways such as medical bills, property damage, and injury to or death of economically productive citizens.

The analysis of NTSA data shows that the average age of people killed in road crashes is 33 years, confirming that indeed Kenyan roads have taken away many young and productive citizens. Many more have been disabled.

NTSA data indicates that it is not the much-publicised mass motor-vehicle deaths known to inspire action by traffic police officers that pump up the annual totals of traffic crash casualties in Kenya. Though a case of a pedestrian being killed by a speeding vehicle rarely gets significant public attention, all such cases put together make pedestrian deaths the leading category, with two in five (38 percent) of traffic deaths.

With a system that responds quicker to prominent and highly publicised tragedies, it is therefore unlikely that the authorities would put in place mechanisms to protect this silent majority, as should be the case.





Pedestrians are followed by passengers (24 percent), motorcyclists (18 percent), drivers (10 percent) and pillion passengers (eight percent).

Globally, more than 270,000 pedestrians lose their lives on the roads, and they account for more than a fifth (22 percent) of the world's road deaths, according to the World Health Organisation. The chances of a pedestrian getting knocked down to death by a moving vehicle increases with increase in speed. An adult pedestrian has a less than 20 percent chance of dying if struck by a car moving slower than 50kph, but almost a 60 per cent risk of dying if hit by a car moving at 80kph, according to WHO.

The WHO estimates that just a reduction in the average speed by five percent would reduce the number of pedestrians killed by a third.

There is also a huge increase in the number of deaths that involved motorcyclists, with an 18 percent increase from 401 in 2017 to 472 in 2018. This is the largest increase of any category, raising more questions about the safety precautions put in place by motorcyclists, especially those in the less-regulated boda-boda subsector. Still, motorcyclists are the majority on Kenyan roads, accounting for two in five of the 2.8 million motor vehicles in 2016, according to the Kenya National Bureau of Statistics.

The peak time for road crashes in Kenya is between 4:00pm and 9:00pm, according to analysis of NTSA data.



*The wreckage of the Green Line Bus which collided with a truck at Kamara along Nakuru-Eldoret Highway, leaving nine people dead, on February 17, 2019.*



*A black spot sign in the Sachangwan area on the Nakuru-Eldoret highway*

# Deadly black spots prone to accidents in Kenya

**According to the NTSA, there are more than 60 black spots prone to accidents on Kenyan roads. Rift Valley has 12 black spots, the greatest number, while North Eastern has the least at five. It is important to always drive cautiously irrespective of whether the road is prone to accidents or not.**

## **1. Rift Valley region deadly black spots**

- The Naivasha-Nakuru highway at Kinungi,
- Gilgil junction,
- Njoro Road junction,
- Ngata bridge-Sobeia and Maili Mbili in Naivasha.
- Salgaa-Kibunja stretch on the Nakuru-Eldoret highway
- Nakuru-Timboroa-Burnt Forest especially on Timboroa-Danger
- Salgaa-GSU camp,
- Makutano Junction-Eldama Ravine,
- Kahoya-Timboroa,
- Equator-King'ero.



## 2. Nairobi region deadly black spots

- Pangani area on Thika Road,
- Kasarani-GSU stretch on Thika Road,
- Westlands-Kabete Road,
- Waiyaki Way near Kangemi flyover,
- Jogoo Road near Maziwa Stage,
- Mombasa Road stretch between Bellevue and City Cabanas,
- Ruai Bypass,
- Langata near Carnivore junction

## 3. Central Kenya Region deadly black spots

- Kiganjo-Naru Moru Road,
- Kibirigwi-Sagana,
- Limuru-Uplands,
- Thika Blue Post – Sagana Bridge Road and Kiriaini-Murang'a Road.

## 4. Nyanza Region deadly black spots

- Awasi-Ahero Road,
- Kiboswa-Kisumu Road,
- Daraja Mbili-Bondo Junction,
- Oyugis-Katitu Road and Migori-Kakrao Road,
- Gucha Bridge,
- Migori Township,
- Ogembo Nyangusu Road,
- Kisii Township Main Road,
- Mwembe Area Kisii Town and
- Kisii Daraja Mbili.

## 5. Western Kenya deadly black spots

- Mbale-Vihiga Road section,
- Kakamega-Chavakali Road,
- Kakamega-Mumias-Makunga,
- Kakamega-Lubao-Webuye,
- Kambi Ya Mwanza Ejinya Corner and
- Matayos.

## 6. North Eastern region deadly black spots

- Garissa Madogo-KBC Station,
- Modogashe-Habaswein,
- Ukasi-Bangale,
- Bangale-Hola Road Junction and
- Buna-Gurar.

## 7. Eastern region deadly black spots

- Nkubu – Embu road especially at Nithi Bridge,
- Konza Junction to Salama, Mombasa Road at Chumvi area,
- Salama – Sultan Hamud road when descending or ascending on Mlima Kiu,
- Emali Simba Market to Kibwezi,
- Mtito Andei to Tsavo River stretch,
- Nanyuki to Isiolo junction at Subuiga, Kithangathini at Machakos – Wamunyu road

## 8. Coast region deadly black spots

- Tsavo-Maungu-Voi section,
- Wundanyi-Mwatate,
- Maungu-Tsavo East Gate Road,
- Maktau-Taveta Road,
- Mazeras-Miritini Road,
- Kilifi-Vipingo Road,
- Kibarani-Changamwe-Makande.



**Road Safety**









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