Statement

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High-Level Meeting on Sustainable Transport of Landlocked Developing Countries

Lessons learned and best practices in the development and maintenance of efficient transit transport systems for increased connectivity of LLDCs:

Rwanda Case study

Santa Cruz, Bolivia, 13-14 October 2016
Excellencies, Distinguished Guests, Ladies and Gentlemen,

1. It is for me a great honour and also a privilege to be here representing Rwanda at this High-Level Meeting on Sustainable Transport of Landlocked Developing Countries. I wish to take this opportunity therefore to thank the organizers namely, the Government of the Plurinational State of Bolivia for their warm hospitality since our arrival and for enabling an atmosphere conducive to fruitful discussions. I wish to thank also the Department of the UN Economic and Social Affairs and the Office of the UN High Representative of the Least Developed Countries, Landlocked Developing Countries and Small Islands Developing States for their leading role in monitoring and raising awareness on issues related to our common challenges with a view to fostering lesson-learning and good practices sharing. Finally, let me commend the Republic of Zambia, Chair of the LLDCs, for their leadership.

2. This meeting is indeed crucially timely if we are to realize the implementation of the 2030 Agenda for Sustainable Development with a strong and sure economic footing. Rwanda’s presence here today at this august gathering and at discussions that will ensue is therefore driven by expectations to catch a glimpse on what our countries should be mindful of as a vulnerable group in our efforts to ensure that sustainable development becomes a reality for all of us. Indeed we are in this venture together and in this respect, solidarity should be encouraged to address our common challenges.
3. Rwanda sees our challenges likely to roll back years of progress as an opportunity for robust policy making calling for shifting gears as we implement Agenda 2030 with a strong emphasis on economic structural transformation and diversification to overcome the burden linked to our landlocked nature.

**Excellencies, Distinguished Guests, Ladies and Gentlemen,**

4. Due to time constraints, I will simply highlight the progress made in addressing transport challenges as well as in the development and maintenance of efficient transport systems along the Northern and Central Corridors in the EAC; share ideas, lessons learned on measures taken to improve transit transport infrastructure and sustainable transport systems for increased connectivity of the LLDCs and I will finally point out measures and recommendations on how to further improve transport and how to strengthen cooperation on transport for the benefit of LLDCs;

**Mr. Chair,**

5. Although Rwanda has registered the greatest improvements in the Doing Business reforms in accordance with the latest World Bank report, we remain however one of the countries where trading across borders is still a challenge largely due to the high transaction costs resulting from being landlocked.

6. We are indeed located far away from the global trade hubs and the sea, being 1,670 Km far from Mombasa port in Kenya and 1,495 km from Dar es Salaam port in Tanzania. Therefore, most of the actors affecting our international trade and transport are beyond our control. However, both ports are vitally important to Rwanda and will remain so for the foreseeable future.
7. Due to those impediments, the Current Status of trade and transport along the Northern Corridor (Kigali-Mombasa) in transit time from Mombasa to Kigali is in the range of 105.42 hours or 4.39 days now, down from 15.6 days in 2014. Therefore, under normal circumstances, trucks can make the trip Mombasa-Kigali between 4 to 5 days.

8. The overall cost to transport containerized products from Mombasa to Kigali is 4,800 US$ for a 40 feet container and 2,800$ for a 20 feet container. The Impact assessment study of the Northern Corridor concluded that the cost to move a 40 feet container from Mombasa to Kigali is 4,833$. In 2014, the transit cost was fixed at 5,000$ but has gone down to 4,800$. This is due to the disappearance of some clearance charges and to the establishment of Single Customs Territory.

9. As for the cost to export goods from Kigali to Mombasa, it is estimated at 2,000$ for a 20 feet container and 3,000$ for a 40 feet container. The cost of transport for exports is lower in comparison with imports because most of export companies expect to get goods from Mombasa on the return trip; which is not the case for imports.

10. With regards to Kigali-Dar es Salaam, the Central Corridor, transit time from Dar es Salaam to Kigali is estimated at 83.92 hours or 3.49 days which, in normal circumstances, takes between 3 and 4 days while the total cost for containerized cargo from Dar es Salaam to Kigali is 2,700$ for a 20 feet container and 4,700$ for a 40 feet container.
11. It would be relevant to note that the trading across borders study, conducted by our Ministry of trade and Industry (MINICOM), currently referred to as the Ministry of Trade, Industry and EAC affairs, in 2015 indicated that the cost to move a 40 feet container from Dar es Salaam to Kigali is 4,740$ while the cost to export goods from Kigali to Dar es Salaam is estimated at 4,200$ for a 20 feet container and 3,000$ for a 40 feet container.

12. Also worth mentioning is that **Trade and Transport facilitation initiatives in the EAC have improved transport efficiency along the Northern and Central Corridors** as the turnaround time for trucks is now 2 to 3 trips to both Dar es Salaam and Mombasa ports.

13. Over time, the average dwell time for transit cargo in Tanzania kept decreasing in 2013, 2014 and 2015 as a result of the Single Customs Territory and the Northern Corridor Integration Projects Initiative (NCIP) that has significantly reduced delays in clearance of goods where goods are cleared at the first of point of entry (Mombasa or Dar es Salaam) and RRA and Rwandan clearing agents have been deployed to the ports to implement this initiative.

14. Other positive initiatives include the construction of One Stop Border Posts to reduce procedures and delays at the border posts, the Extension of customs and ports working hours and the Introduction of Electronic Single Windows that have facilitated sharing of information with stakeholders involved in clearance of goods (RRA, MAGERWA, RSB, RDB, clearing agents, etc.).
15. In addition, the construction of double lanes for weighbridges, One Stop Inspection Center and the weighing in motion as well as of cargo scanners have addressed the issue of customs physical verification of goods. Furthermore, the improvement in infrastructure development and upgrading for roads and ports (new port terminals/berths) and a Simplified Trade Regime for small traders who are exempted from normal clearance procedures to reduce delays in clearance of goods for small scale cross border traders carrying goods not exceeding 2000 US$ have contributed in easing the whole process.

16. Also worth mentioning are the benefits derived from the launch of the port of Mombasa community charter whose key performance indicators (KPI) have been obtained through an all-inclusive process focused at developing a measurable and enforceable charter with performance dashboard, an implementation mechanism, management and reward and sanctions. For accountability measures, National Monitoring Committees (NMCs) have been established in each of the 5 Partner States to coordinate the monitoring and removal of non-tariff barriers (NTBs).

17. Allow me to flag at this point some challenges that still persist along transit Corridors ranging from, inter alia, multiple weighbridges in transit countries, non-harmonized road user charges (Rwanda; 152$, Uganda 160$ and Kenya 200$), lack of interface between Electronic Cargo Tracking System between URA (Uganda Revenue Authority) and KRA (Kenya Revenue Authority) and between customs management systems, limited working hours at some border posts and several police checks.
points as well as the application of different vehicle load limit measures on the Northern Corridor, to name a few.

18. The following recommendations have been addressed to transit countries in order to facilitate LLDCs doing business and boost regional integration;

- It is imperative to further reduce red tape at the Ports to ease cumbersome procedures, improve IT systems, speed up customs clearance, and tackle inefficiencies that lead to delays and theft of goods.
- Equally important is Fast tracking the construction of planned OSBPs and those under construction and Moving to 24/7 operations at key border posts and Reducing the transit check points including police and weighbridges.

**Excellencies, Distinguished Guests, Ladies and Gentlemen,**

19. Given all the persisting bottlenecks, conjugated efforts are still needed to overcome our multiple exceptionalities and to access adequate means of implementation to curb the risks of external shocks on our fragile economies so as to enable LLDCs to consolidate gains and strengthen their resilience.

19. We consequently welcome initiatives deriving from our discussions today, especially those geared towards strengthening an enhanced international cooperation based on a renewed global partnership and at catalyzing public-private platforms to mobilize domestic funds so as to
meet the cost of the burden incurred on LLDCs due to their special situation. We remain confident that a much more involvement and assertiveness from the private sector to influence policy reforms will be the game changer.

20. Let me reiterate, in closing, Rwanda’s commitment to the collective efforts to make our economies globally competitive.

I thank you for your kind attention.