



SUCCESS STORY

SATH Grant Mobilizes US\$10 million

Additional funding will strengthen the Dar Corridor Committee to help remove costly barriers to trade

Dar es Salaam Corridor



Graphic: Southern Africa Trade Hub

Transport costs along the Dar es Salaam Corridor are more than double the global average due to poor infrastructure, lengthy border crossing times, too many roadblocks and congestion at the Port of Dar es Salaam. An empowered Dar Corridor Committee will form the private and public sector apex for designing and implementing cross-border and multi-country programs to eliminate these expensive barriers to intra-regional and international trade.

SATH grant funding has mobilized project funding and capacity building for the Dar Corridor Committee (DCC), supporting interventions to reduce transport costs.

The Dar es Salaam Corridor connects the Zambian Copperbelt to the Port of Dar es Salaam in Tanzania. It also carries significant cargo to and from the Democratic Republic of the Congo (DRC), Malawi and southern Tanzania. It forms part of the North-South Corridor which stretches all the way from Cape Town to Dar es Salaam and is a major artery in terms of USAID's Feed the Future initiative.

Transport costs for both rail and road along the corridor remain high due to factors including the poor quality of transport infrastructure, lengthy and cumbersome border crossing procedures, delays at the port and too many road blocks and checks along the route.

The DCC assists stakeholders along the corridor to identify and address impediments to transport along the corridor. It plays a pivotal role advocating for and enabling change to facilitate more efficient transportation for Tanzania, Malawi, Zambia and the DRC.

For the last two years, the DCC has been negotiating with the World Bank to support activities to improve performance along the corridor and build the capacity of the DCC as part of the Southern Africa Trade and Transport Facilitation Project in Tanzania.

With funding from a SATH grant award in 2011, the DCC undertook pre-assessment reports for three project areas: bilateral agreements and road transport facilitation; rationalization of rail freight movement; and port-city interface – detailing specific project interventions, potential benefits and human/financial resources required to implement each project area.

In 2012, the World Bank accepted the assessments and project proposals, and agreed to provide US\$5 million for capacity building at the DCC Secretariat as well as a further US\$5 million for DCC program implementation for the next three to five years.

Implementation of activities with these funds will improve the quality of logistics and support services along the corridor thereby reducing the costs of trade.