

AUDA-NEPAD - JICA

Integrated Corridor Approach for Infrastructure Development Knowledge Sharing Webinar

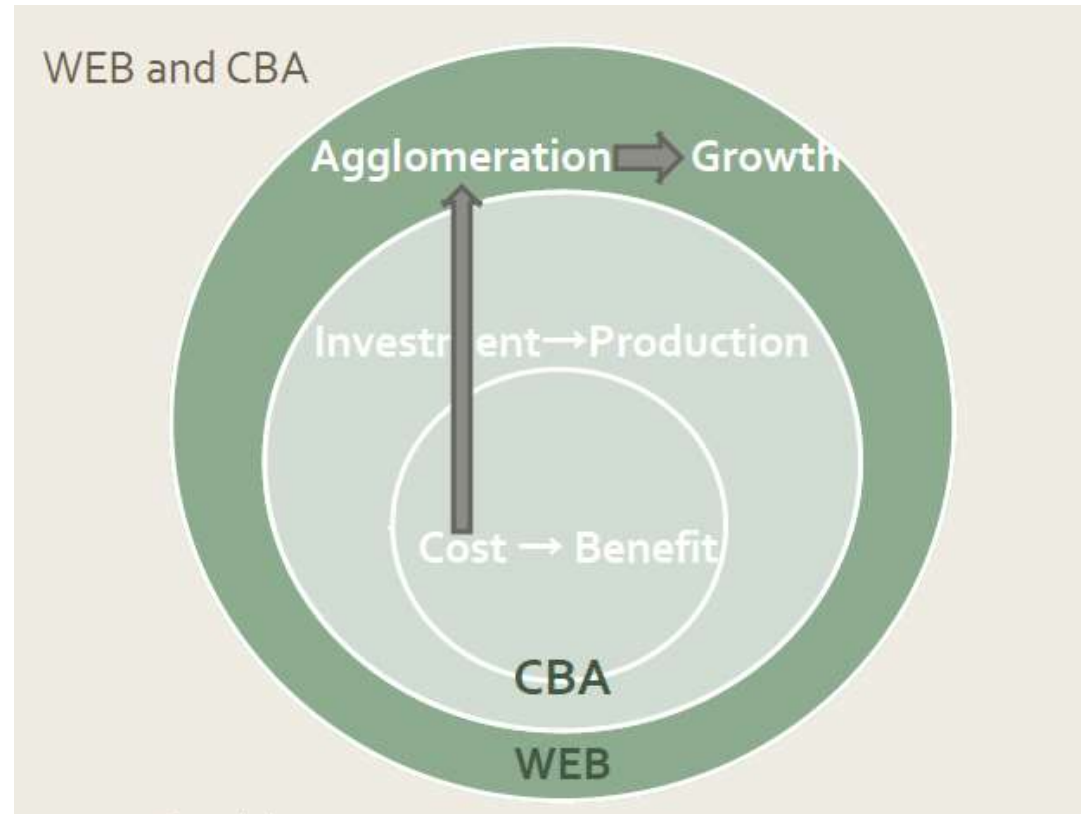
19th May 2020

- Purpose
 - To share the lessons learnt from recently developed JICA Corridor Master Plans in Africa
 - To promote dialogue to understand strengths and opportunities that NEPAD and JICA have then facilitate the collaborations
- Contents
 - What is the development of “Economic Corridor”? through understanding some examples in South East Asia
 - Lessons Learnt from JICA’s corridor development projects in Africa

Benefit of Economic Corridors

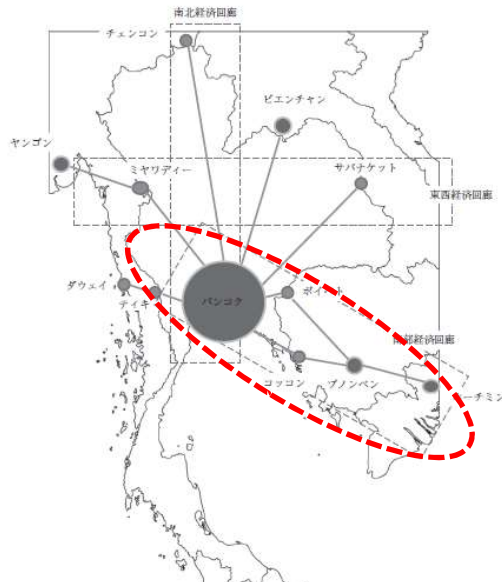
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Connecting economic activities in separate regions ,it can aim for wider economic benefits mainly through investment promotion and agglomeration, beyond mere direct benefits (such as transport time/cost reduction) brought by Transport Infrastructure

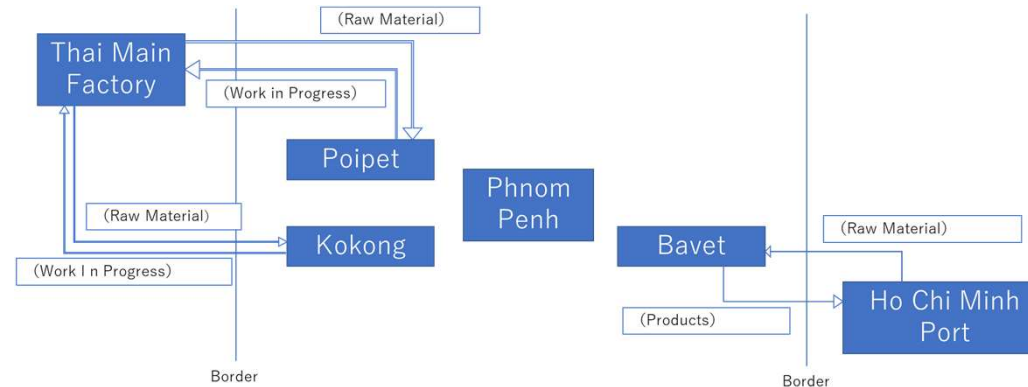


Koki Hirota (Visiting Fellow, JICA Research Institute)

- Thai plus One — Restructuring Supply Chain with neighborhood countries



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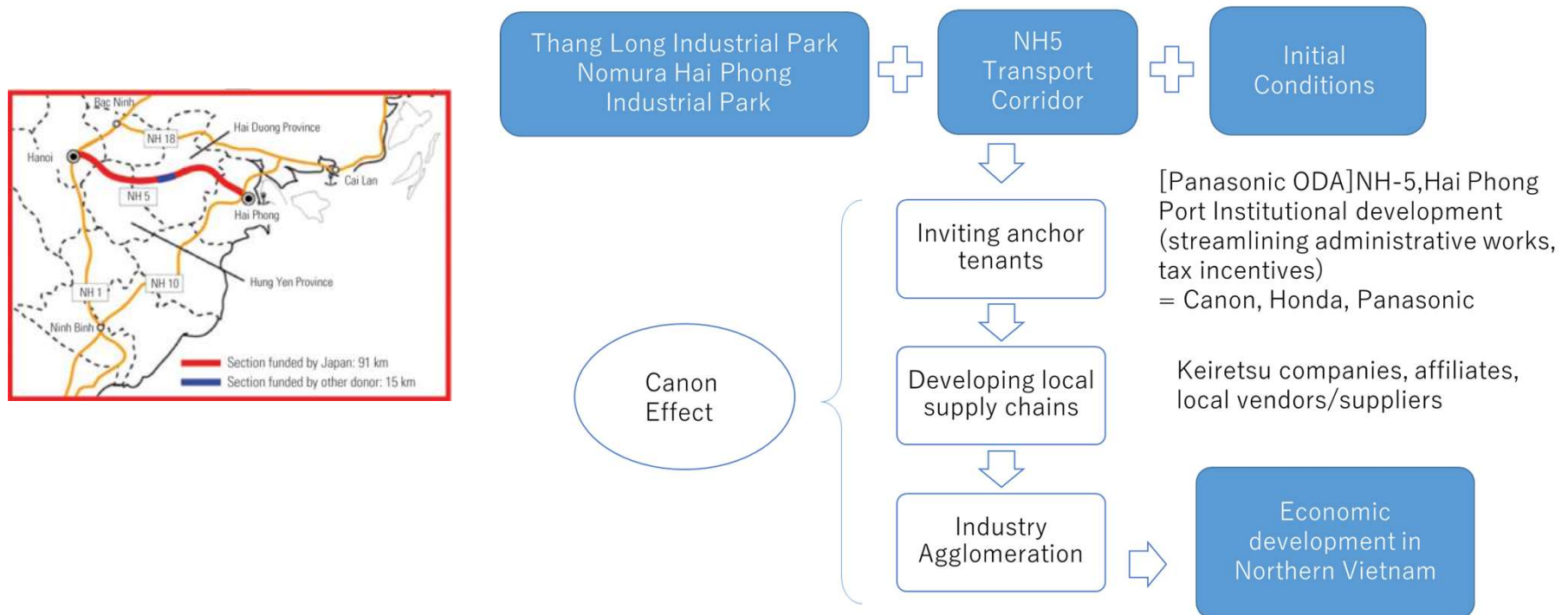


Value Chain Model of Japanese Manufacturers along the South Economic Corridor of Great Mekong Subregion

Nobuo Hirohara (University of Yamaguchi)

With the South Economic Corridor, it reduced transportation time and cost significantly between Bangkok and Cambodia border. Investment has been promoted in Cambodia through supply chain restructure around Bangkok and the corridor ⁵

• Vietnam No.5 National Highway

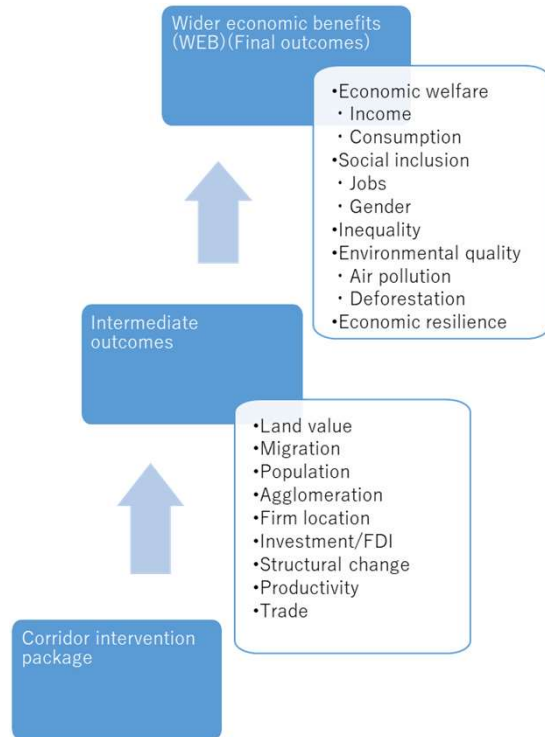


With quality labor force and other policy package, the new transport corridor had attracted the anchor projects which triggered agglomeration of industries and industrial structural transformation

Wider Economic Benefit(WEB)

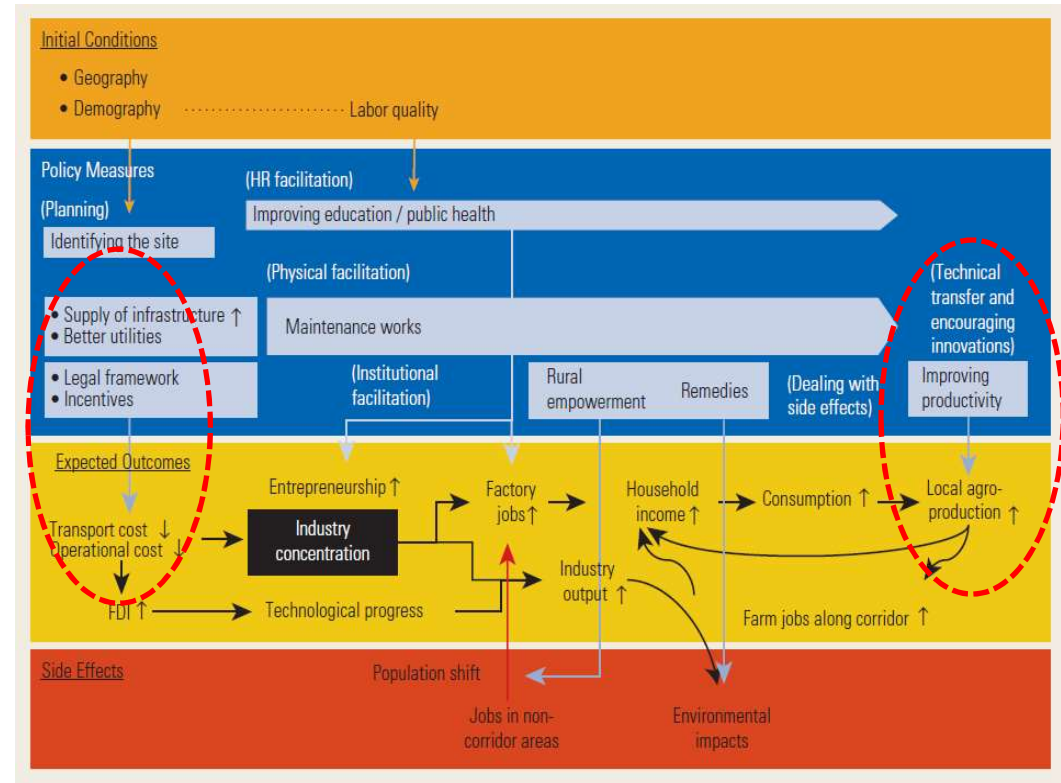
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WEB are achieved through various transmission channels and intermediate outcomes



Source : World Bank 「Transport corridors and their wider economic benefits : a critical review of the literature, January 2018」

NH5 Corridor Generated many expected and unexpected wider economic impacts



JICA WB, ADB, The Web of Transport Corridors in South Asia

Managing the package of interventions, the corridors generate Wider Economic Benefit through agglomeration and investment promotion

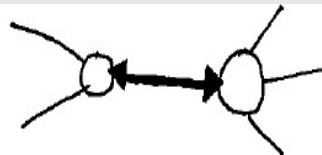
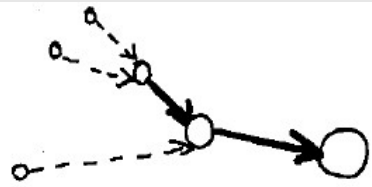
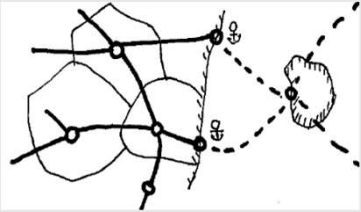
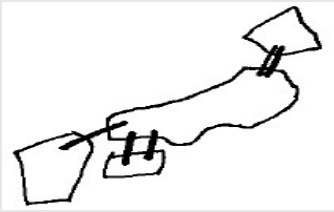
- Beyond mere physical and economic connectivity
- Agenda63 - *Aspiration 2: An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's Renaissance*
- Mekong/Japan Initiative for enhanced *institutional and human-centric connectivity*



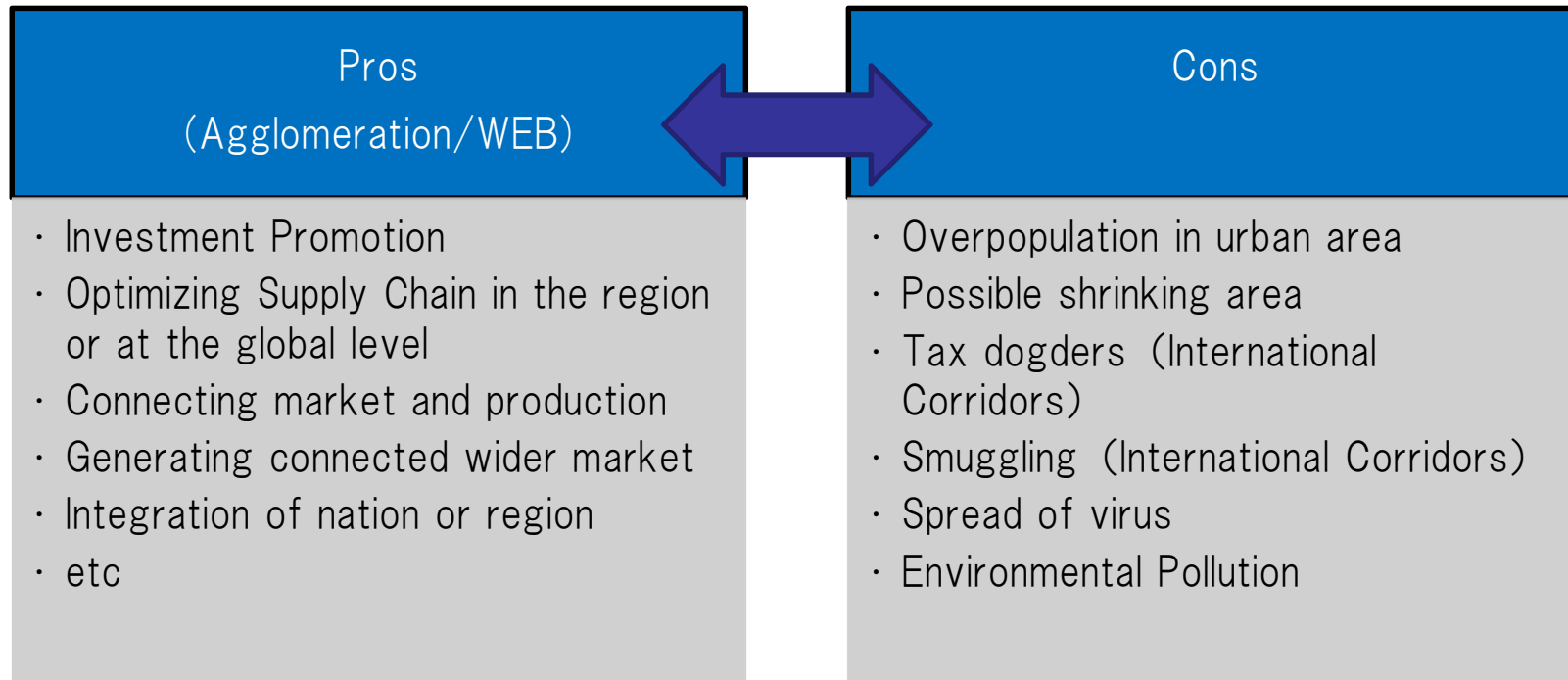
Source :AUDA-NEPAD

Corridor Typology

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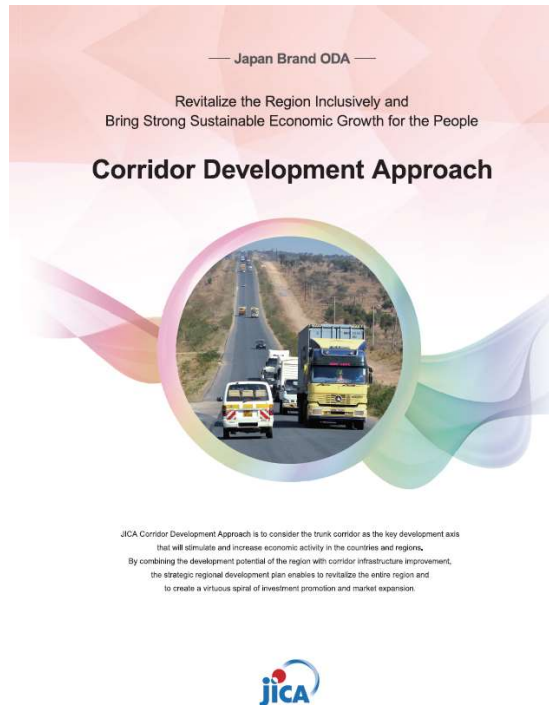
	Urban-Urban	Rural-Urban	Wide Network	National Integration
Shape				
Description	Connecting cities in a efficient trunk road	Connecting rural areas to a hub city	Network of corridors	Connecting rural areas and island areas
Aim	<ul style="list-style-type: none"> · Market connectivity · Promote business and industrial investment · Supply Chain Sharing 	<ul style="list-style-type: none"> - Connect demand and supply for agriculture - Formulate agglomeration around the hubs promoting investment 	<ul style="list-style-type: none"> · Economically Integrate regions and countries · Provide structure of sub-regions 	Formulate national landscape
Cases	Abijan Lagos Corridor	some Africa Corridors	Great Mekong Sub-region One belt one road	Connection of the islands in Japan

※Can be categorized as Subnational, National, Regional, International depending on the size and covering area



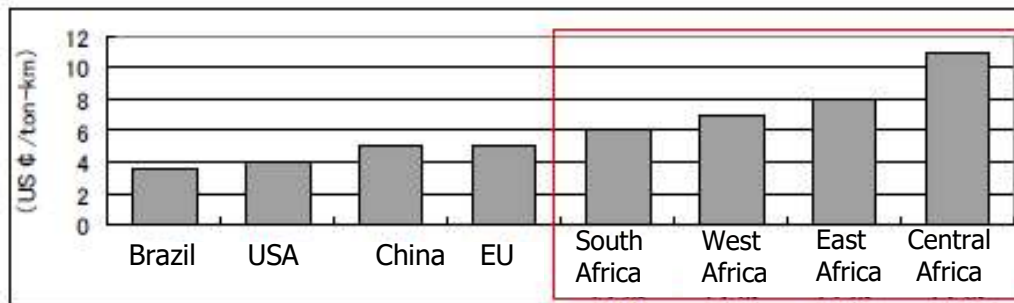
Corridor intervention package should contain a policy measure to minimize the side effect of the corridor development

- Identifying economic and geographic characteristic and potential, to maximize economic and non-economic effect which the transport infrastructure could bring out by optimizing the mixture of hard and soft interventions, while connecting and agglomerating economic activities



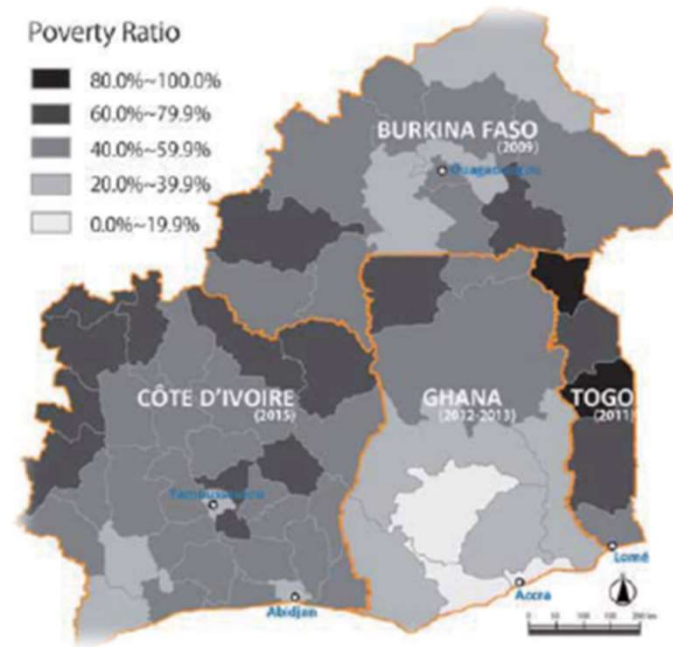
- Customized to seek inclusive and sustainable corridor. Industrial Development and social sector development are emphasized
- Variety of services from the preparation to the implementation, Hard and Soft policy interventions

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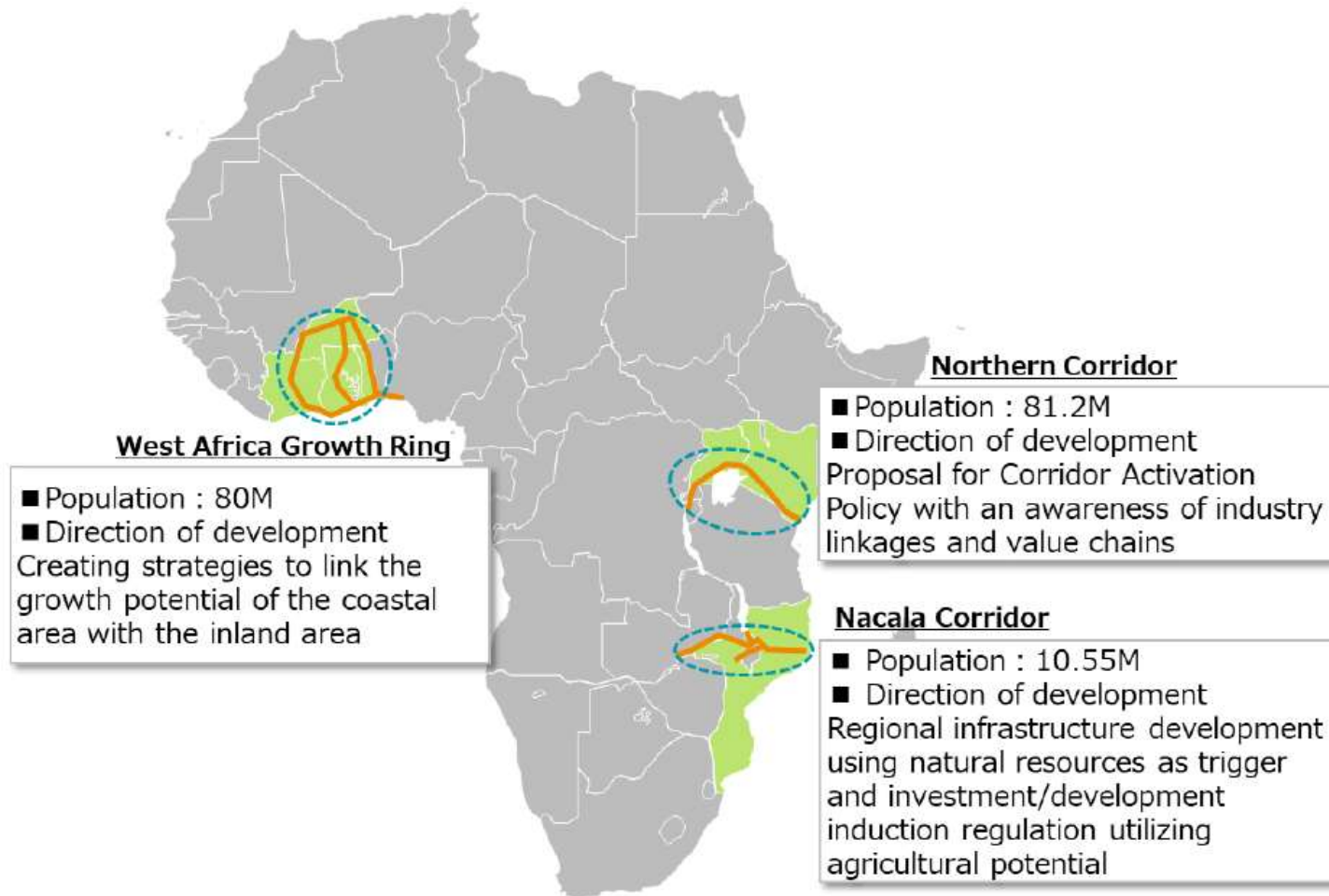
出典：Teravaninthorn and Raballand, Transport Prices and Costs in Africa, 2008 より作成

Average Transportation Costs Comparison



Source: West Africa Growth Ring (WAGRIC) Final Report

- The most critical issue in the target corridor areas is the weak physical and economic connectivity between land locking areas and coastal areas.
- The bottleneck reason of this weak connectivity is due to low industrial and economic development of inland area.



Three Corridors' Development Master Plans committed in TICAD VI(2016) have successfully formulate

PEDEC-NACALA (Nacala Corridor)



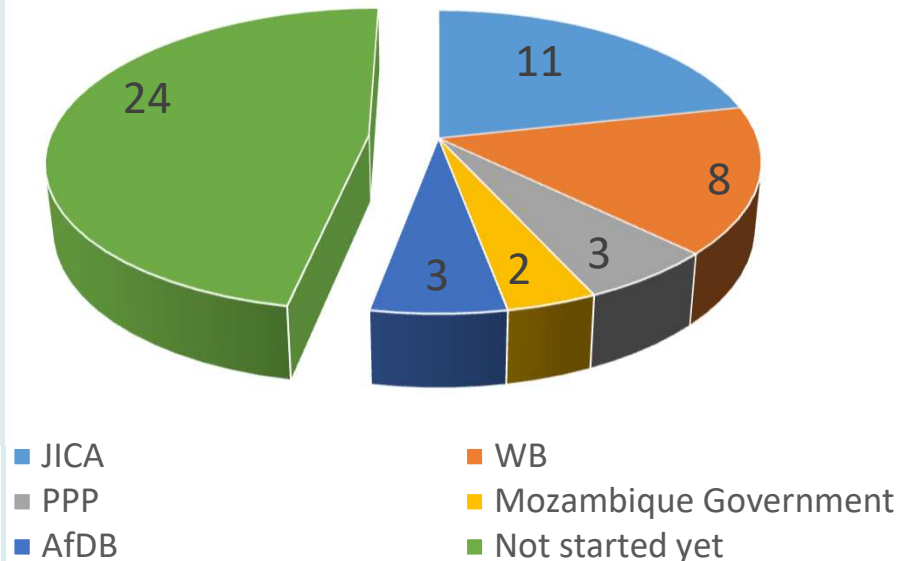
- Intended a strategic integration between infrastructure and social development in the Master Plan to make it more inclusive
- JICA's oldest Master Plan formulated in 2015

- **Series of Steering Committees and Stakeholder Meetings across the multi sectors**



- **Thorough integration approach amongst related sectors projects and in consultation with other Development Partners**
- **High commitment of JICA and WB in the region**

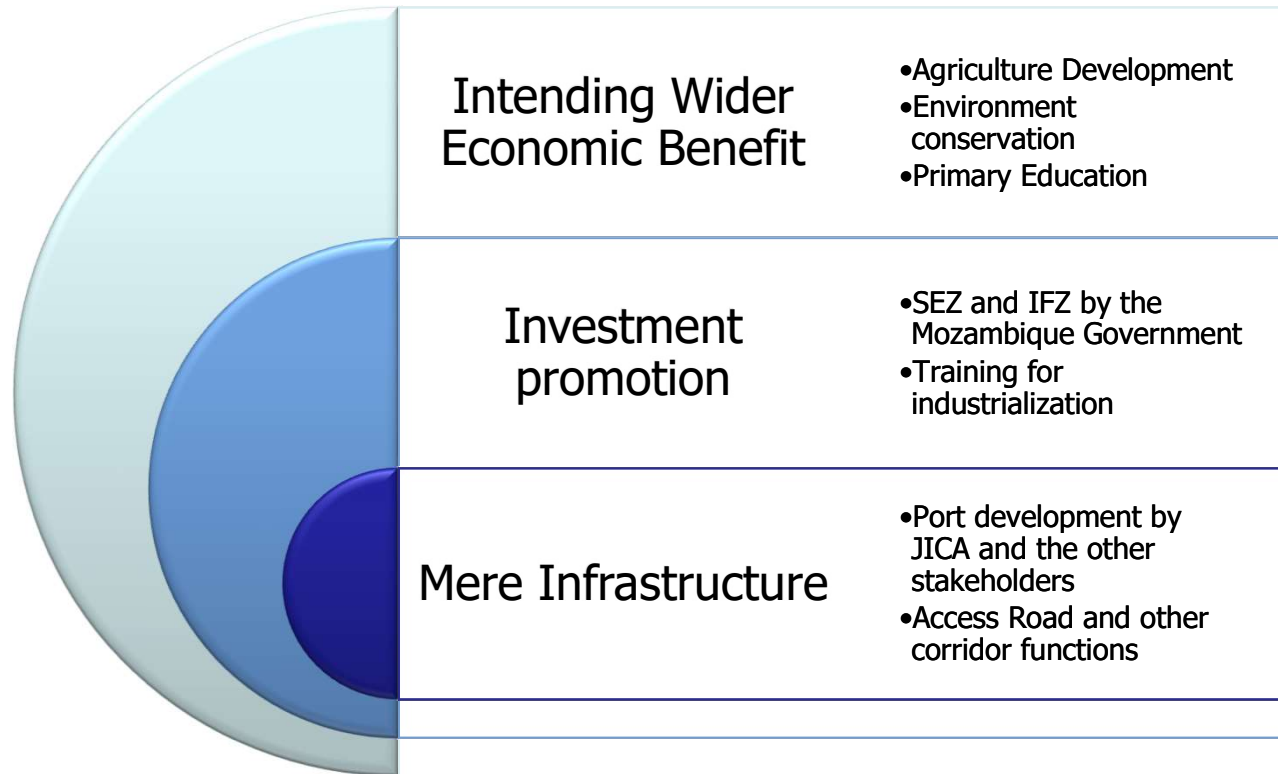
Priority Projects already started (conducting F/S and Implementation)



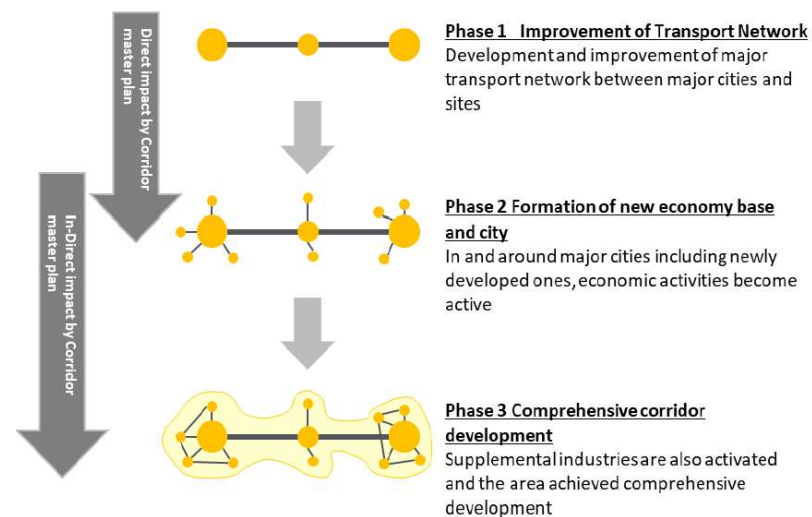
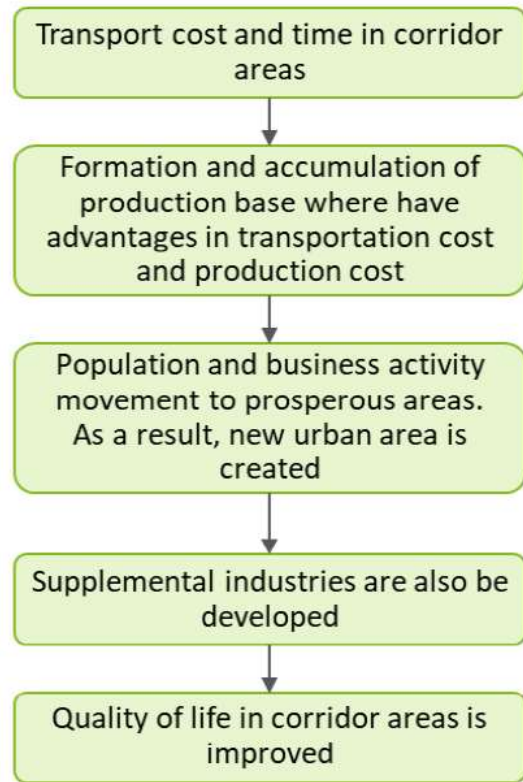
56% of the priority project under the MP have been started (conducted F/S or already implemented) by the key planning tips

Nacala Corridor : Policy Package

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Strategically deploying a variety of interventions in Nacala area and Nampula state to generate the wider economic benefits



Examples of Indicators

- Container traffic
- Dwelling time
- Travel time
- Travel cost
- Traffic accidents

Examples of Indicators

- Location of business establishment
- Population
- Labor force population
- Structure of economy
- Production quantity of primary crops
- Trade

Examples of Indicators

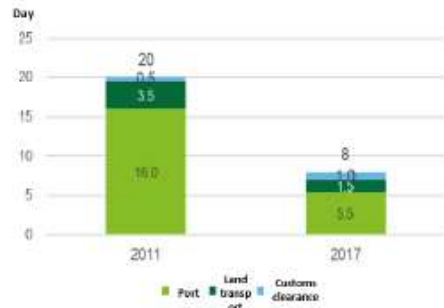
- GDP・GRDP
- Revenue and wage
- Poverty rate

Data Collection Survey on Impact Measurement of Corridors - Northern Corridor, Nacala Corridor and West Africa Growth Ring in Africa

The theory and indicators were established based on the series of studies conducted by several institutes in south east Asia for measuring the impact

New Business

Transportation Time

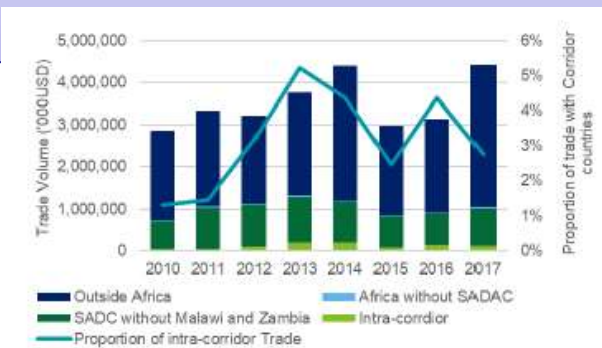


Transportation Cost

	2011		2017	
	Truck	Rail	Truck	Rail
Port	230	265	230	265
Shipping Line	250	300	250	300
Land Transportation Charge	2,600-4,600	2,300	2,300	2,500
Terminal Charge	-	-	200	260
Border Charge	100	80	100	80
Total (USD)	3,180-5,180	2,945	2,980	3,325

Data Collection Survey on Impact Measurement of Corridors - Northern Corridor, Nacala Corridor and West Africa Growth Ring in Africa

Inter Regional Trade Volume



The direct effect of the infrastructure investment (such as transportation cost and time) have been clearly observed but need to wait to see wider economic benefit

Conclusion and Next Steps

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- **JICA Corridor Master Plans were designed to synthesize the direct effects of infrastructure development and other policy packages to generate wider economic benefit**
- **Although the significant direct effects have been observed, indirect effects and wider economic benefits (e.g agglomeration of industries, bigger commodity market around cities, improved economic welfare in rural area and so on) should be realized by following up these Master Plans**
- **JICA has launched a new technical cooperation project to support the Mozambique Government and further monitor such wider economic benefit (the commencement has been postponed due to COVID 19)**

Corridors Portfolio

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	Northern Corridors	Nacala Corridors	West Africa Growth Ring
Countries	Kenya, Uganda	Mozambique	Cote d'ivoire, Ghana, Togo, Burkina Faso
Population	81.2Mil. (2015)	10.55Mil. (2007)	80Mil. (2015)
Current Status	<ul style="list-style-type: none"> - Industries are growing along with the Corridors - Formulation of Core Cities in local areas 	<ul style="list-style-type: none"> - Low development areas left behind due to the conflict in the past - Abundant natural resource (Coal, Natural Gas) and Fertile Land 	<ul style="list-style-type: none"> - Rapid Urbanization and Steady economic growth in coastal area such as Abidjan and offshore oil development in Ghana. Low development in inland arid area

Corridors Portfolio

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	Northern Corridors	Nacala Corridors	West Africa Growth Ring
Main Development Challenges	<ul style="list-style-type: none"> - Logistic Infrastructure for Natural Resource - Infrastructure to absorb Inflow of population and investment 	<ul style="list-style-type: none"> - Establishment of Logistic network has yet to be done - Expensive transportation cost 	<ul style="list-style-type: none"> - General matters in relation to low development - Disparity between inland area and coastal area
Key Strategies in M/P	<ul style="list-style-type: none"> - Synergies among the industries and value chain 	<ul style="list-style-type: none"> - Infrastructure development triggered by Natural Resource - Sustainable growth strategy for Agriculture Potential 	<ul style="list-style-type: none"> - Connectivity between rapid growing coastal area and inland area



Contact

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- ❑ Project for master plan on logistics in northern economic corridor : final report
 - http://open_jicareport.jica.go.jp/pdf/12291779_01.pdf
 - http://open_jicareport.jica.go.jp/pdf/12291779_02.pdf

- ❑ The project for Nacala corridor economic development strategies in the Republic of Mozambique : PEDEC-Nacala : final study report
 - <http://libopac.jica.go.jp/images/report/P1000028981.html>
 - <http://libopac.jica.go.jp/images/report/P1000028982.html>

- ❑ The project on the corridor development for West Africa growth ring master plan : final report
 - http://open_jicareport.jica.go.jp/pdf/12308821.pdf
 - http://open_jicareport.jica.go.jp/340/340/340_500_12308839.html
 - http://open_jicareport.jica.go.jp/pdf/12308847.pdf

- ❑ Data collection survey on impact measurement of corridors - Northern corridor, Nacala corridor and West Africa growth ring in Africa : final report
 - <https://libopac.jica.go.jp/images/report/P1000041438.html>