



Green Trade Corridors

Trade corridors are transportation routes that connect major centres of economic activity, such as cities, ports, and industrial areas, to facilitate the movement of goods and services. These corridors can include a range of transportation modes, including highways, railways, waterways, and air transport, as well as the soft infrastructure and logistics services necessary to support these modes. The imperative of [transformation Africa's trade corridors](#) and the current continental drive towards infrastructure development (notably by the Programme for Infrastructure Development in Africa (PIDA)), presents an opportunity to develop trade corridors to promote sustainable freight transportation and reduce the environmental and social impacts of traditional transport modes. This could include efforts to prioritise the use of low-emissions transport modes, encourage modal shift (often from road to rail or water modes), support the development of clean energy infrastructure, minimize the impact of transport infrastructure on biodiversity, and promote energy efficiency. A growing number of initiatives globally are geared towards the development of these 'Green corridors'. This is in part due to a heightened awareness of the emissions intensity of the freight transport sector. At the global level, freight transportation makes up 40% of GHG emissions in the transport sector and 8% of total global GHG emissions. This share amounts to 11% if warehouses and ports are included¹.

Green corridors have been identified as offering a host of economic benefits. The use of energy-efficient technologies and infrastructure can be cost-saving, as can the implementation of green logistics planning through measures like transport route optimization and reducing packaging waste. Green corridors also have the potential for attracting finance for cross-border infrastructure development, a task that has been historically proven challenging

¹ International Energy Agency. (2022). *Fuel share of CO2 emissions from fuel combustion, 2018 – Charts – Data & Statistics*. <https://www.iea.org/data-and-statistics/charts/fuel-share-of-co2-emissions-from-fuel-combustion-201>

on the continent. Despite some progress in infrastructure development, Africa still faces a significant annual financing shortfall in the range of \$68–\$108 billion, with the lack of adequate transportation infrastructure adding an estimated 30-40% to the costs of goods traded in Africa². The global drive towards a low-carbon transition is shaping the way that infrastructure is financed and built. In the last decade, there has been a surge of sustainable infrastructure financing methods and investors are increasingly requiring that projects demonstrate a positive environmental impact. African cross-border transport infrastructure projects stand to benefit from this trend if they can effectively integrate, monitor, and report environmental costs and benefits.

A number of regional initiatives in Africa are taking steps towards the green corridor model including [the Northern Corridor Green Freight Strategy](#), which was launched in 2013 by the governments of the Northern Corridor Integration Projects (NCIP) member countries, namely, Kenya, Uganda, Rwanda, and Burundi. The programme is coordinated by the Northern Corridor Transit and Transport Coordination Authority (NCTCA) in collaboration with development partners and the private sector. Its primary focus, detailed in the [2017 strategy document](#) is on reducing emissions from road transport by promoting the use of fuel-efficient vehicles, the adoption of low-emission technologies, and the implementation of best practices in logistics management. Another more recent initiative is [the Green Infrastructure Corridors for Intra-African Trade Programme](#), launched by AUDA-NEPAD under PIDA. It is being implemented from 2021 to 2024 with support from the German government (Federal Ministry for Economic Cooperation and Development/Deutsche Gesellschaft für Internationale Zusammenarbeit). This initiative aims to provide advisory services to African countries to develop climate-resilient, low-emissions infrastructure and attract green finance to promote regional trade under the AfCFTA. The Central Corridor, including Rwanda, Burundi, Tanzania, the DRC, and Uganda, has been chosen as the pilot corridor for the project³. Other notable projects include the Alliance for Green Infrastructure in Africa and the AfCFTA's [green corridor portal](#) which is still under development.

For initiatives like these to succeed, they will have to overcome the immense challenges associated with cross-border transport projects on the continent. The AfCFTA could be instrumental in curbing these challenges through the establishment and implementation of the Regulatory Cooperation Framework for

² Infrastructure Africa. (2021). *Africa's Growing Infrastructure Needs and Ensuing Business Opportunities - Infrastructure Africa*. <https://www.infrastructure-africa.com/africas-growing-infrastructure-needs-and-ensuing-business-opportunities/> & AfDB. (2018). *Africa's Infrastructure: Great Potential but Little Impact on Inclusive Growth*. [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African Economic Outlook 2018 - EN Chapter3.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African_Economic_Outlook_2018_-_EN_Chapter3.pdf)

³ Markowitz, C. (2022). *Catalysing Sustainable Finance for the African Regional Infrastructure Agenda*. *SAIIA Policy Insights No 136*. <https://saiia.org.za/research/catalysing-sustainable-finance-for-the-african-regional-infrastructure-agenda/>

Trade in Services, the implementation of the Protocol on Digital Trade, and progress on the trade facilitation agenda (see [tralac blog](#) for more).

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