



WALVIS BAY
CORRIDOR
G R O U P

2013/2014

ANNUAL REVIEW

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WBCG'S CORPORATE PHILOSOPHY

4 'EMERGING INTO A NEW ERA'

The Walvis Bay Corridor Group (WBCG) has reached a new phase in its growth. Our business is thriving and has an established presence in the industry. The WBCG is now recognised as a facilitator for business and infrastructure development in the logistics sector. This newfound status has generated interest from regional and international stakeholders, opening the door to new business opportunities for Namibia and the Southern African Development Community (SADC) as a whole. As we are fast approaching our 15th year, the WBCG has reached the stage at which expansion is necessary, with the team ever increasing in size. We will continue engaging far afield, increasing our global footprint and striving towards our vision to become the

leading trade route into the SADC market. Our theme, *'Emerging into a new era'*, means that we are not only a recognised industry player, but a respected one as well. Our emergence into this phase of business enables us to reach higher and achieve more. Our team continues in its commitment to connect the region through the Port of Walvis Bay, by sharing information and industry knowledge, updating our stakeholders on developments in business and infrastructure, and providing the link between businesses. We believe in the significant potential that the Namibian logistics industry holds and are privileged to play a pivotal role in its consolidation, growth and development. We will continue to seek strategic opportunities that provide a platform for enhanced growth and value creation for our stakeholders, and strive to reach our country's developmental

goals, thereby increasing Namibia's prominence in the African market.

“ Vigilance in watching opportunity; tact and daring in seizing upon opportunity; force and persistence in crowding opportunity to its utmost of possible achievement — these are the martial virtues which must command success. ”
Austin Phelps

OUR VISION

We shall be the leading trade route for southern Africa.

OUR MISSION

We are committed to:

Facilitating and promoting transport and trade along our secure and reliable corridors.

Providing innovative service offerings to our customers.

Consistently exceeding our customers' expectations

Adding value through our unique public-private partnerships.

Applying principles of good corporate governance.

OUR VALUES

We are committed to:

Co-operation;

Professional service delivery; and

Integrity.



CHAIRMAN'S REPORT

DEAR STAKEHOLDER,

It is most gratifying to have been closely involved in the evolution of the WBCG from a regional player, with unique attributes, to an international, integrated transport and logistics corridor company. Today, the WBCG continues to leverage its competitive advantages to expand both in southern Africa and abroad, and to deliver superior returns to all its stakeholders over time and across geographies.

The role of the board in this evolution has been to ensure that the strategy of the company creates value not only for our members, but for all our stakeholders in the region and beyond. This has called for co-ordinated thinking to ensure that the trade-offs that are inevitable in managing the competing interests of stakeholders ultimately result in the ethical and responsible creation of shared value.

It is a source of pride that the WBCG is a successful company that continues to break performance records year after year, thanks to its sound short-to-medium-term strategies, world-class management teams and unique technologies. To sustain this impressive track

record, the board is mindful that the business cannot only show achievement on our current performance measures. We also need to focus on identifying, influencing and harnessing opportunities that are likely to arise in the medium-to-long term.

My call to the leadership of all the members of the WBCG is for us to become even more responsive and accountable to our stakeholders, which is pivotal for ensuring responsible growth and sustainable profitability. This ideal is being instilled throughout various stakeholder events, communication platforms and closer communication with the captains of the logistics industry.

Another focus area for the WBCG as a cohesive unit for the transport and logistics sector is the imperative to balance our present objectives as a group with the interests of future generations. We must continue to increase our investment in people, and the youth in particular, to promote inclusive and empowered future societies. The broader contribution we seek to make to society is critical to our licence to operate. As such, in our home country, Namibia, we continue to play a constructive role in taking the transport and logistics

sector to the next level of development.

We are an active partner with Government in service of the socio-economic transformation in this sector and building a logistics nation. As we develop Namibia as the gateway for the Southern African Development Community (SADC), we strive to be an agent of change in the region.

Taking into account our current portfolio of projects, specifically the Logistics Hub Project, over the next five years the WBCG is poised to grow significantly.

We will continue to look for growth and investment opportunities in southern Africa, the rest of Africa and globally to improve the transport and logistics sector in Namibia.

It is appropriate at this point to acknowledge the work of all our stakeholders in the evolution of the WBCG.

I also extend my thanks to all the employees of the WBCG for contributing to the excellent results for the year under review through their dedication and ingenuity. Finally, I thank my fellow board members for their wisdom, insight and energy in guiding the WBCG to yet another record-breaking performance.

Looking further ahead, we are anticipating new challenges and opportunities that are

emerging, specifically around the future of trade and transport. Currently there are a billion vehicles on the road worldwide, a number that is expected to double by 2020 and double again by mid-century. As the number of vehicles on the road continues to grow, mobility issues are expected to emerge in many major urban areas, potentially presenting a serious challenge to economic, social and environmental progress.

To help address this issue, we require the commitment of all members to ensure that we continue to develop all modes of transport – road, rail, port and air – to provide more alternatives and capacity for corridor users.

As we move forward, as stakeholders we need to continue to work together as a transport and logistics team. We have a great plan, outstanding leadership and positive momentum. We are determined to keep going further so that we can continue rewarding our shareholders and all of our stakeholders.



CHIEF EXECUTIVE REPORT

OUR VISION

A vision of continued growth and transformation forms an important part of the mission of the WBCG to inform, engage and help transform the transport and logistics sector in Namibia.

While we are making progress, there is still a great deal of work to do. However, the group is well positioned for future success. The actions we took during 2012/13 are delivering results, and we have a clear strategy to build long-term member and stakeholder value.

LISTEN

The pace of change in the industry is accelerating, and the WBCG informs companies that they should be prepared to make major changes as the scope changes. As the number and type of customers for the Walvis Bay Corridors changes and grows, we must assess the benefits of the Port of Walvis Bay and how we can better address our customers' needs.

In reflecting on the all-encompassing changes we have introduced in the last three years, we are confident that the WBCG is positioned as a more efficient, effective and competitive organisation to

execute our strategy. The benefits of the detailed work we have done to improve, streamline and re-energise the group are already evident in our performance, and in the commitment of our people.

At the WBCG, the one true overarching measure of our success is the ability to achieve our definition of victory: to grow member value sustainably, which, in turn, benefits all our stakeholders.

Over the last three years, from 2011 to 2014, our volumes increased by 35% from 442,488 tonnes to 752,837 tonnes. While it is true that favourable macro-economic conditions have supported our volume growth, our overall achievements in recent years are largely attributable to the execution of our marketing strategy. These factors included lifting volume growth, meeting our strategic milestones and embedding new organisational changes. Moreover, we have consistently managed to outperform our previous best efforts, as a result of ongoing operational improvements and strengthened stakeholder relations.

To ensure that we become the best corridor development company we can be, we continuously position the WBCG at the forefront of corridor development programmes in Africa and various other

international platforms.

OVERHAULING OUR OPERATING MODEL

We are continuously looking at how our operating model can transform customer, partner, Government and broader stakeholder and shareholder needs into long-term value creation..

DEFINING OUR SHORT-TO MEDIUM-TERM STRATEGIES

By and large, in the sector and market in which we operate we compete against formidable factors such as historical trade routes, personal preferences, economies of scale and supply chain packages. In parallel, we face considerable economic, social, environmental and regulatory challenges in the countries in which we do business. To be a sustainably profitable organisation in this operating context, we need to be absolutely clear about our strategic aspirations and how they translate into an achievable near-to-medium-term strategy.

Our strategic objectives have continued referencing our “nurture and grow” strategy in respect of our existing businesses, and our “expand and deliver” strategy in respect of

our growing opportunities within the SADC region and around the world.

In tandem, our “expand and deliver” strategy positions us to deliver on our growth projects. Here, our key focus in the near-to-medium-term is South America, where we are actively looking to take advantage of the south-south continental linkage between Brazil and southern Africa. These newly accessed and increasingly abundant trade and logistics opportunities have radically altered the region’s landscape and economic prospects.

Our unique value proposition, which underpins our dual regional approach, through our PPP remains our ability to convert opportunities of transport and logistics to new trade links and horizons. .

ENSURING CONSISTENT AND FOCUSED TOP PRIORITIES

Having multiple and sometimes competing priorities not only weighs us down, but diverts our attention from what is important and urgent. Also, many priorities cannot be achieved in a single year, but require ongoing attention over a number of years. Starting in 2012, the WBCG began to drive a more consistent set of priorities, reviewed

annually and updated only as specific imperatives became successfully embedded in day-to-day business. We then focused the entire organisation on a single set of priorities, to move us progressively towards our longer-term strategic deliverables. Core to our priorities is our unwavering focus on safe, reliable and efficient corridors.

10 DEVELOPING A LONGER-TERM STRATEGIC DIRECTION

At the beginning of 2011, we began the process of re-evaluating our longer-term strategy. We considered a number of scenarios, including the possibility of broadening our project base, and potential adjacent businesses, to enable a more consistent growth path.

As part of the evaluation, and taking into account our existing capital project commitments, we reconfirmed our near-to-medium-term strategy. With a sustainable and robust strategy, we confirmed our long-term drive to be an integrated monetiser of natural resources. Certainly, with more efficient systems and processes, and more effective decision-making frameworks and structures, all anchored by a healthy balance sheet, we are well placed to take advantage of the opportunities that our longer-term

strategic direction presents.

LOOKING TO THE NEW ERA FOR THE WBCG

It is undeniable that the co-ordinated changes we have made in the last three years have culminated in a WBCG that looks and feels very different. The work we have done, and are still doing, is about organising ourselves for a new era. It is about a new way of working; it is about being less bureaucratic, more specialised and flexible; it is about moving forward as a more effective, efficient and competitive organisation. It is all these things, which ultimately will enable the WBCG to excel and endure long into the future.

Looking at our operational and financial performance, specifically in the last year, I believe our stakeholders will share our sense of achievement given that these results were delivered in the midst of the most significant change programme in our organisation's history. Our resilient performance has only been made possible by the solid platform our predecessors left us with, and through the tireless efforts of our colleagues. Here, I would also like to extend my appreciation to our leadership teams and the Board for their unflinching support.

As we move forward into the 2015 financial year, which marks the beginning of a new era for the WBCG, we do so with complete conviction and confidence.

MARKETING & COMMUNICATIONS

We continued during the past year to create more awareness within regional and international markets. We delivered speeches and testimonials during various conferences in southern Africa, covering topics such as intermodal transport, infrastructure development, business forums, mining conferences, logistics networks, ports conferences, trade missions and trade facilitation. The WBCG entered into memoranda of understanding (MoUs) with top conference organisers in various SADC countries to strengthen our brand through visibility on the various platforms used to promote their event. Our team also lent their experience and expertise to aid infrastructure and growth projects impacting trade and logistics.

Specific conferences and missions covered in southern Africa included:

- Intermodal Africa, Durban, South Africa
- Infrastructure Conference, Johannesburg, South Africa
- Namibian German Centre for Logistics (NGCL) Annual Logistics Workshop, Windhoek, Namibia
- Infrastructure Partnerships for African Development (iPAD) Mining Conference in Lubumbashi, Democratic Republic of Congo
- Ports Evolution, Cape Town, South Africa
- Brazilian delegation to Namibia
- Africa Seaports Summit, Durban, South Africa
- Indian Ocean Ports & Logistics, Beira, Mozambique
- Mining Indaba, Cape Town, South Africa
- Maputo Infrastructure Conference, Mozambique
- Botswana delegation, Windhoek, Namibia
- Team Finland, Windhoek, Namibia
- Zimbabwe Trade Fair, Bulawayo, Zimbabwe
- Ports & Harbours, Johannesburg, South Africa
- Ongwediva Trade Fair, Ongwediva, Namibia

- Pan African Parliament Workshop, Walvis Bay, Namibia
- Zambia Information session, Lusaka, Zambia
- Copperbelt Expo, Kitwe, Zambia

Other conferences, exhibitions and missions in which the WBCG participated with international markets included:

- Africa/Singapore Investment Forum, Singapore
- Africa Trade Facilitation Workshop, Addis Ababa, Ethiopia
- French delegation to Windhoek, Namibia
- Global Logistics Network, Bangkok, Thailand
- German Federation of Business Associations, Windhoek, Namibia
- Intermodal Expo, Sao Paulo, Brazil
- Visegrad Group Business Seminar (Poland, Hungary, Czech Republic and Slovakia), Windhoek, Namibia
- Portugal Mission, Windhoek, Namibia
- Study Tour to Finland, Helsinki
- Nigerian delegation, Windhoek, Namibia

BOARD OF DIRECTORS

as at 31 August 2014



Nico Oberholzer



Mr. W.C. Dempsey
Treasurer



Mr H.H. Schmidt



Mr. H.I. //Garob



Mr A.T. Victor



Mr N.M. Daniel



Mr. G.A. Uirab
Chairman



Mr. T.N. Shaanika



Mr. N. Nghishekwa



Mr C. Lutombi



Mr P. Mwatile



Ms S. Naanda



Mr W. Prosser

WBCG

MEMBERS AND PARTNERS

as at 31 August 2014

THE WBCG MEMBERS FROM THE PRIVATE SECTOR ARE REPRESENTED BY:



Namibian Ports Authority (NamPort) manages and promotes the Ports of Walvis Bay and Luderitz as the preferred links for sea-borne trade with Namibia and the SADC countries.



Container Liners Operations Forum (CLOF) represents all entities associated with shipping activities.



The Namibia Logistics Association (NLA) represents the Namibian logistics industry. This includes small and large companies operating in road transport, freight forwarding, courier services and customs clearing.



Walvis Bay Port Users' Association (WBP UA) represents all entities associated with cargo, freight and shipping activities in the Port of Walvis Bay.



TransNamib Holdings Ltd is the only rail service provider in Namibia and specializes in the transportation of bulk and containerised freight, utilising a combination of rail and road transport to deliver its services.



Namibia Chamber of Commerce and Industry (NCCI) is the country's business chamber and therefore serves as a convenient central point of enquiry for any potential Corridor user who wishes to gain insight into Namibia's business community.



Walvis Bay Municipality represents the social-economic interests of the town of Walvis Bay, which is a tax haven for manufacturers, importers and exporters as it harbours both the Port of Walvis Bay and Export Processing Zone.



Roads Authority focuses on managing the national road network and on improving the standard of Namibian roads with a view to a safe and efficient road sector.

THE WBCG MEMBERS FROM THE PUBLIC SECTOR ARE REPRESENTED BY:



The Ministry of Home Affairs and Immigration, represented by the Department of Immigration. Their focus is on the activities and schedules of the immigration entry/exit points.

The Ministry of Works and Transport, represented by the Department of Transport, focuses on the maintenance of the existing road infrastructure (to avoid deterioration), upgrading road links to neighbouring countries and further development of port infrastructure (amongst others).

The Ministry of Finance, represented by the Department of Customs and Excise, deals with all Namibian customs and excise issues. Namibia is a member of the Southern African Customs Union (SACU), as are Botswana, Lesotho, South Africa and Swaziland.

The Ministry of Trade and Industry, represented by the Namibia Investment Centre, is Namibia's official investment promotion agency and first point of contact for investors. Its role is to attract, encourage and facilitate investment in Namibia. It offers a wide variety of services and investor incentives, and works closely with key ministries as well as service and regulatory bodies.

The WBCG also offers Associated Membership to individual companies who believe that the Walvis Bay Corridor Development initiative could add value to their business offering. During the year under review, the following associated members of the WBCG include:

Vanguard Rigging (Pty) Ltd (South Africa)
Africa Route Clearance Consultants (Pty) Ltd (South Africa)

Paccon Logistics (Pty) Ltd (South Africa)

Africa Union Cargo (Pty) Ltd (Namibia)

WBCG MANAGEMENT

as at 31 August 2014



Johny M. Smith
Chief Executive Officer



Ricardo Latkani
WBCG Brazil Business
Development Representative



Kabash Munung
WBCG DRC Business
Development Manager



Sophia van Wyk
Manager: Finance &
Administration



Immanuel Shipanga
Manager: Projects and Funding



Clive Smith
Project Manager: Logistics Hub



Siobhan Fox
WBCG South Africa Business
Development Manager



Andrew Sinyangwe Jr.
WBCG Zambia Business
Development Manager



Cindy-Lu Hasheela
Manager: Marketing &
Communications



Edward Shivute
Programme Manager
Wellness Service



Gilbert Boois
Manager: Spatial Development
Initiative



Samuel Sandi
Consultant: Cluster
Secretariat WBNLDC



REGIONAL & INTERNATIONAL BUSINESS DEVELOPMENT

BRAZIL GOVERNMENT

The Brazilian Government continues to consider the needs of international co-operation with developing countries, focusing on specific negotiations in different areas to improve trade volumes between the two markets. In the past, Brazil focused on technology development and redirected a huge amount of investment to technology, infrastructure and productivity projects. Today, Brazil's productivity is 20% higher than that of the USA, which is the historical champion in this market.

OPPORTUNITIES

As the shortest international trade route, the opportunity for co-operation between Namibia and Brazil continues to be worth exploring. A strategic partnership between these two nations has the potential to realign the trade route between South America and the SADC region. About 50% of all products already imported by the SADC market could come from Brazil via the Walvis Bay trade route and vice versa. Africa can definitely take advantage of these opportunities.

A video targeting Brazilian international exporters and highlighting the potential for trade with Namibia was developed in collaboration with Globo TV. The video showcased the WBCG, as well as the efficiency of the Port of Walvis Bay and its

corridors. An interview with Namibia's then prime minister Hage Geingob reinforced the Logistics Hub concept. Namibia's people, history, tradition, culture, infrastructure, products and potential was broadcast to the Brazilian viewership of more than 100 million people.

We continue to focus our efforts for trade facilitation on viable commodities and products, as well as funding for infrastructure projects along the Corridor.

CHALLENGES

Our challenge remains the lack of increased cargo volumes. The volumes on our trade route decreased by 0.81% compared to 2012/13. This was partly due to the fact that Brazil hosted the 2014 Soccer World Cup,



and during the months of June and July specifically, all trade-related business slowed down in terms of exports, while imports were high. As such, we maintained almost the same results of the past year, with two months fewer opportunities to develop and create awareness.

As such, we need to make the Namibia Logistic Hub concept a reality. For that we need to participate in more awareness events aimed at Brazilian exporters, and support business trade missions to Namibia.

DRC **MARKET OVERVIEW**

The DRC market is predominated by mining, which is the main activity and source of income for the Government. The export of copper from the DRC exceeded 1 million tonnes during the period under review, which put the country at the number one position in Africa for the export of copper.

The mining sector in the DRC has created several direct and indirect employment opportunities for the population of about 60 million people.

With new mining foreign investment in the market, the purchasing power of the Congolese market has increased and, as such, there is need for more foreign commodities from international businesses to satisfy the needs of the population. About 80% of commodities are imported from overseas, although the Government is making an effort to promote the agricultural sector to resolve the issue of local food consumption.

As a result, the DRC's importers and exporters are always challenged by international logistics to import reagent cargo for mining operations and general cargo for local consumption at a cheaper cost. Although they use their traditional

ports (Dar es Salam and Durban), they are keen to make use of the Port of Walvis Bay as a faster corridor for imports.

The DRC market considers the Port of Walvis Bay to be the faster corridor for imports and exports in the DRC. Most of the mining companies are keen to use Walvis Bay for project cargo especially. However, transport capacity and the costs of importing via

Walvis Bay still remain the main barrier to development.

The DRC market imports reagent commodities (such as sulphur, lime and sodium hydrosulfide), machinery and spare parts for mining, malt, frozen and general cargo. Commodities exported from this market include copper, cobalt, zinc, coltan and gold.



SOUTH AFRICA MARKET OVERVIEW

South Africa's growth slowed from 3.5% in 2011 to 2.5% in 2012 (with the annualised fourth quarter growth coming in at only 1.2%), primarily reflecting the sluggish external environment and domestic labour strife. Eight out of the 10 major sub-sectors (agriculture and construction being the two exceptions) saw a decline in growth, with a decline of 4.3% in mining value added being the most damaging. The decline in mining also adversely affected manufacturing activity (especially metal products) where output growth was contained to a modest 2.2%, down from 3.6% in the previous year. On the demand side, the global economic

slowdown kept exports growth to 1.1%, while household consumption growth slowed down considerably (from 4.8% in 2011 to 3.4% in 2012) as consumer confidence weakened on account of heightened unemployment, global economic uncertainties and a weakened rand. Growth in fixed capital formation picked up by almost two percentage points, as accelerated investment spending by state-owned enterprises and the Government overcame continued mild increases in private investment. Growth was projected to pick up only slightly to 2.7% in 2013. Despite the decline in the various sectors, the WBCG continued to increase volumes on the Trans-Kalahari Corridor (TKC). In terms of imports and exports through the Port

of Walvis Bay, the volumes have remained much the same but, in light of the various projects that are on the table, these volumes should increase slowly over the next year.

OPPORTUNITIES

With the expansion of the Port of Walvis Bay, many opportunities have arisen for the planned SADC gateway terminal. In terms of the coal terminal, those volumes will only be realised once the Trans-Kalahari Rail has been completed.

Turn key projects currently being developed over the next 18 months, as strategic solutions, are a timeous exercise that will ultimately result in an increase in volumes through the Port of Walvis Bay, as well as the corridors connecting to it.

The focus areas in the South African market are agriculture, mining, fast moving consumer goods (FMCG), transporters and logistics companies, and freight forwarders. All sectors have shown keen interest in the WBCG and meetings have been held with most top companies within these sectors. Projects have also been established within the FMCG and logistics sectors.

CHALLENGES

In terms of market segmentation, we are

still seeing many of the sectors using the preferred and historical ports and corridors. In saying that, much awareness has been created pertaining to the WBCG using platforms created at conferences, panel discussions, presentations, one-on-one meetings and through the media. Interest in the WBCG has grown phenomenally over the past two months in particular and top companies in the above-mentioned sectors have shown an interest in making use of alternative trade routes on road, rail and shipping.

The largest challenge faced in the South African market is changing the mindset of roleplayers in the various sectors. A large number of key decision-makers are unaware of alternative trade routes, which is why educating these clients is of vital importance in growing the WBCG. Open



forums and public events involving key stakeholders are important for the WBCG to attend because we are able to reach many stakeholders at once by exposing the WBCG and informing them about our goals, values and key performance areas. Historically, the Port of Walvis Bay has been seen as a trans-shipment hub and a fishing port. This perception is slowly changing and blue chip companies are now considering the Port of Walvis Bay as an alternative port to the SADC region.

The WBCG has successfully grown volumes on the TKC over the past year as well as volumes through the Port of Walvis Bay. These volumes have not grown substantially but, due to the projects we have secured in the South African market, these volumes will grow indefinitely over the next year. The awareness that has been created within the South African market through the various marketing tools has shown a vast increase in interest in the WBCG.

As a result, we are being invited to more South Africa events, conferences and media interviews to introduce the WBCG to the market. Historically, the Maputo Corridor has been the only alternative route to the Far East from a South African perspective. Blue chip companies have invested in Mozambique

and continue to do so, but the difference now is that they have an alternative port and are showing interest in this and the connecting corridors. Due to the reduced transit time on the corridors connected to the Port of Walvis Bay and the efficiency of the port, key stakeholders are now realising that the WBCG has a competitive edge and an alternative route to offer, which has become a definite consideration.

Even though regional port developments are underway, this has not posed a threat to developing the WBCG as we are establishing ourselves in the market in terms of best practice and preferred trade routes, as well as a leading Logistics Hub.

The fact that we have successfully formed a PPP is of great interest to the South African market, which is still in the mindset of investing in only the private or the public sector. There is no collaboration between the two, which represents a weakness for the South African market.

There is a growing realisation of the benefits of using an alternative port and trade routes and this is where our key focus as WBCG in South Africa is. The WBCG "sells" a viable option to key stakeholders, which is beneficial to the South African market as regional integration is a "hot" topic.





ZAMBIA

Coming from a successful 2013 performance, it is anticipated that the Zambian market will grow to see an increase in cargo volumes and diversification from traditional copper exports and fish imports to more balanced cargoes in terms of non-traditional exports (NTEs), which have increased due to up-scaled Zambian production. There has been a 40% increase in NTEs to Europe and 64% to Zambia's SADC neighbours. Zambia has also increased copper production to 1,000,000 tonnes in 2014, presenting an opportunity for

cargo increases on our corridor. This comes as a result of increased production from First Quantum Minerals Limited at Lumwana and Kalumbila Mines. Chambishi Copper Smelter and Mopani Copper Mine have also increased production, while there has been a slump in production and potential volumes at Konkola Copper Mine. Maize, wheat and sugar production has increased with Government recently lifting the ban on maize and wheat exports, which can offer massive opportunities seeing the potential for export of these products to Angola, West Africa and the Americas. The

potential for out of gauge (OoG) cargo also remains high as Walvis Bay is seen as the best route.

POLITICAL ENVIRONMENT

The Zambian political climate has been very stable, with the Government supporting initiatives aimed at reducing the cost of doing business; small and medium enterprise (SME) development through the private sector development reform programme; trade mainstreaming and export production. Serious infrastructure development and

industrialisation, especially in the transport and trade facilitation sectors, is taking place.

ECONOMIC ENVIRONMENT

The local economy continues to grow with the gross domestic product (GDP) expected to grow at 7.2% this year. Of importance is the revocation of Statutory Instrument (SI) # 55 and 33. SI 55 was for monitoring balance of payments but proved to be a bottleneck to trade and capital cash inflows, which were heavily checked. The removal assures more cash inflows into the country, which will ensure increased infrastructure development and trade.

SI 33, which disallowed the quoting of goods and services in US dollars, was also revoked as it increased the cost of doing business, especially with regard to exchange rate fluctuations. Government's drive is towards industrialisation and value addition and this should directly impact on the export of NTEs as clusters have been set up across the country. This is definitely an opportunity for future cargo volumes.

Zambia's exports by major product categories were from the intermediate goods category mainly comprising copper cathodes and sections of refined copper

accounting for 83.9%, consumer goods 6.5%, raw materials 6.9% and capital goods 2.7%. Zambia's revenue earnings in terms of metals and NTEs in the last quarter averaged 75.4% and 24.6% respectively, showing an increase from last year. Zambia's major export destination was Switzerland, accounting for 45.9% with the products being cathodes and sections of cathodes. China followed with 18.2% (copper blister), DRC was third at 8.1% for sulphuric acid and petroleum in bulk, United Arab Emirates was fourth at 6.2% for copper and its sections, and South Africa was fifth at 5.6% for semi-manufactured gold and non-monetary exports. The rest of the world shared the remaining percentage.

SOCIAL ENVIRONMENT

The social and cultural environments remain a great playing field for us, as there is a change in buying and personal preferences. The Zambian market is predominantly Asian-oriented as 99% of consumer goods in any form have been imported from China, Taiwan, Thailand etc., with very small volumes from the Trans-Atlantic markets. These trends are changing, however, as more consumer goods are being imported from the United States and the United Kingdom

in the form of vehicles, clothing, furniture and FMCGs. This trend is likely to continue increasing, giving more expectations of growth on the WBNLDC. It also reflects on exports, as more volumes seem to be headed for Zambians in the diaspora..

TECHNICAL ENVIRONMENT

Zambia is improving its technical capacity in terms of soft and hard infrastructure necessary for trade facilitation and the ease of doing business in general. This includes roads, toll gates, border posts, the rail network and communications. This aims to allow Zambia to participate fully in trade across the region and internationally.

MARKET PERFORMANCE

During this period, the Zambian market grew by more than 6.8%, trading up to over 6 million tons of general cargo in containerised, bulk and break bulk form for final destination and transit cargo volumes. The WBNLDC only managed 5-6% out of this with 397,012 tonnes for 2013/14 as compared to 406,590 tonnes for 2012/13, signalling a reduction in volumes of 2.4%. In terms of figures for Zambia/Malawi, the volumes stood at 212,918 tonnes and 9,110

tonnes respectively. Our aim is to breach the 300,000 tonnes mark for the Zambian section in 2014/15. We have the potential to do much better at Walvis Bay.

TRENDS AND GAPS STRENGTHS

The advantage of our value proposition is that we have an excellent geographic location on the west coast of Africa pertinent to achieving the “Best Trade Route between the Americas, Europe and the SADC hinterland”.

Our business development and marketing initiatives enhance the committed team comprising WBCG, NAMPORT, Government and our select knowledgeable members,

who work towards attaining our set goals. Our competitive advantage lies in the fact that we offer the shortest transit times to the west-east in terms of shipping times, inland transport and border facilitation. Transit times into the hinterland are very fast compared to the rest. We also have an excellent and safe road network.

OPPORTUNITIES

Market developments indicate a strong paradigm shift in the way people are doing business. Those who have become aware of the Walvis Bay link have shown willingness to use a shorter and more opportune route through this Namibian port.

Global influences such as transit times

to market make Walvis Bay ideal for a distribution hub. It is easily accessible to the entire SADC region and has well-managed corridors, which provide shipping to the Middle and Far East as well as competitive rates due to ships returning empty after calling on West African Ports.

Due to our *West Coast positioning*, we have niche target markets: those importing and exporting between the Americas, Europe and SADC. Major contracts and projects must be our strategy, as we shall continue to target specific high-volume industries. Partnerships are going to be the mainstay of the WBCG if significant traffic volumes are to be realised.

Strategic partners can increase cargo volumes (imports/exports) and increase truck numbers on the corridors, which will eventually lead to lower charges on this route, making it competitive.

CHALLENGES

Political effects. The Governments of the competing corridors are seeking new ways to improve the situations along their corridors through high-level meetings. These actions, although slow-moving, seems to be working.



CROSS BORDER FACILITATION

TRANS-KALAHARI CORRIDOR SECRETARIAT (TKCS)

The Trans-Kalahari Corridor was jointly built by the Governments of Namibia and Botswana in the 1990s with an initial investment of approximately N\$850 million. It was officially opened in 1998. This corridor comprises a tarred road of over 1,900km linking the Port of Walvis Bay with the Namibian capital, Windhoek; the Botswana capital, Gaborone; and South Africa. The Governments of Botswana, Namibia and South Africa have committed to attain, individually and collectively, sustainable growth and development and to implement the integrated and seamless movement of goods and persons on the Trans-Kalahari Corridor with a view to reducing transport costs and transit times, while increasing competitiveness.

The TKCS is a Government organisation, concluded through an MoU and the development of the Trans-Kalahari Corridor

Management Committee. Political decisions and influences are crucial to the organisation. The Trans-Kalahari Management Committee, which is the Board of Directors, comprises Namibia, Botswana and South Africa. The MoU, signed by the three countries in November 2003, guides the Trans-Kalahari Management Committee on what they need to achieve. This makes the decision-making process easier and quicker when policy and regulation needs to be changed for harmonisation, with a subsequent positive impact on the market.

ACHIEVEMENTS

Due to the diversity of cargo movement and the long distance of the Trans-Kalahari Corridor, a cost determination would be done through scales of economy where cost versus time equals savings. With new ICT developments and innovation, there are now more ways to work smart and paperless with customs and immigration. About seven years ago, documentation was a tedious process at the Trans-Kalahari Border. The shareholders then jointly developed the SAD500, which is a single document that allows for less administration and quicker processing. In future, the use of “cloud” technology will allow the two

border agencies to communicate through a common ICT platform. This will assist in making the One Stop Border Post Initiative a reality.

OPPORTUNITIES

The recession in 2008 had a negative economic impact on all sectors of business, including transport. However, during 2013/14, market growth increased steadily across all segments – import, exports and transit cargo moving along the Trans-Kalahari Corridor. Volumes have increased by more than 200,000 tonnes year-on-year between 2007 and 2013. Many investment opportunities still exist to make the route more economical. The focus at the TKCS is to continue improving the efficiency and trade facilitation of the route for our users, ranging from logistics and transport companies to other commercial traffic, including tourism. It remains a key import and export route for Namibia, Botswana and South Africa, and a key transit route for Angola originating from Gauteng, as well as the importation of vehicles and general cargo into Zimbabwe.

CHALLENGES

The TKC also faces many challenges relating to various non-tariff barriers within our



borders, such as the smuggling of various commodities, and policies and regulation that are still not harmonised. During the year under review, the TKCS completed a feasibility study of truck stops along the Trans-Kalahari, Trans-Kunene, and Trans-Caprivi Corridors. Primary areas along these corridors have been identified to develop truck stops. Through this study, we have also identified potential investors for the primary sites that were identified. Fencing along the TKC was also completed during the period under review.

The TKCS will continue with its programmes in transport, customs and trade facilitation, which will allow for better regional and economic integration within the region.

WALVIS BAY-NDOLA-LUBUMBASHI DEVELOPMENT CORRIDOR (WBNLDC)

The Walvis Bay-Ndola-Lubumbashi Development Corridor (WBNLDC) was established in March 2010 in Livingstone, Zambia by the Ministers responsible for transport for the Democratic Republic of Congo (DRC), the Republic of Namibia and the Republic of Zambia. This was after a Tripartite Agreement on Trade Facilitation was signed with support from the Swedish International Development Co-operation Agency (SIDA). In June 2014, the WBCG signed a new agreement with the African Development Bank (ADB) to continue supporting the programme, with a view to facilitating the smooth movement of cargo among the member states.

The project covers trade facilitation processes along the route from the Port of Walvis Bay in Namibia, through Zambia and to the DRC. Since the signing of the agreement, significant progress has been made to address bottlenecks hindering trade among the member states.

ACHIEVEMENTS

The project has facilitated information sharing at customs stations, which led to the stations in Zambia and the DRC exchanging physical data in terms of intelligence, information and transaction verifications. The member states have fully computerised and upgraded their customs systems from ASYCUDA Plus to ASYCUDA World. The Zambian and DRC Immigration Departments are issuing Transit Permits to commercial drivers and their crew. Zambia issues one-year visas while the DRC's Transit Permit is 90 days.

The planned upgrade of road infrastructure in all three countries along the route is gaining momentum. Plans to construct new weighbridges in the northern region of Namibia, as well as the construction of a new bypass road from the Sesheke border with Namibia, through the western, north-western and Copperbelt provinces into the DRC continues. The works are underway and are at different stages. In the DRC, a new bridge was constructed across Kolwezi River replacing the pontoon, thereby reducing the transit time for transporters.

The railway line from Tsumeb to Katima Mulilo will now traverse towards Katwitwi

border with Angola to Nkurenkuru via Rundu and then to Katima Mulilo. The change of route was prompted by the trade of goods in areas such as agriculture. The new railway line will connect Kolwezi in the DRC to the north-western and western provinces of Zambia through Katima Mulilo to link up with the Namibian rail network. Feasibility studies have been completed and the investors will soon embark on a design and thereafter construction.

CHALLENGES

The Secretariat continues its efforts to alleviate obstacles experienced on the corridor and at the border posts. The various challenges hindering efficiency at border posts include frequent power failures, delays in clearing cargo and limited operating hours at the two borders serving the corridor. The One Stop Border Post is yet to be enacted for Kasumbalesa and Wenela/Katima Mulilo borders. Namibia's Department of Immigration has yet to start issuing commercial drivers' visas at its borders and missions abroad. This would further reduce the complications that DRC and Zambian transporters experience at the border. Congestion and delays in clearance on the DRC and Zambian borders



are other matters needing resolution. Safety and security, as well as numerous fees charged along the route, are a perpetual obstacle affecting transporters using the WBNLDC. With regard to rail infrastructure, 50% of the rail network needs urgent rehabilitation, including the railway line from Tsumeb to Walvis Bay. Drivers and transporters have continued using unauthorised clearing agents at Kasumbalesa in the DRC and apparently the same unauthorised clearing agents are

being recognised by DRC officials.

THE WAY FORWARD

The formation of a permanent secretariat of the WBNLDC is underway, at which time the development of the strategic plan for the corridor can be realised. In the meantime we aim to establish working groups at the border post of the member states to oust the immediate problems being faced by transporters and other stakeholders. Plans are additionally under way to initiate a

Spatial Development Initiative (SDI) for Zambia and the DRC.

The first WBNLDC tripartite meeting under the AfDB is scheduled to be held in Ndola, Zambia early in 2015 and is expected to resolve most of the outstanding problems along the route.

SPECIAL PROJECTS



LOGISTICS HUB

Namibia has a clear vision to become a leader in logistics and distribution in southern Africa. Our current fourth National Development Plan (NDP4) has identified logistics as one of the economic priorities, an area in which Namibia has a clear comparative advantage. It is against this background that Namibia has embarked on a transformation process to become the “Logistics Hub for southern Africa”.

The Logistics Hub Concept entails an intervention process that strives to unleash the latent growth and development potential of specific Namibian geographical locations through the identification, packaging/ formulation and marketing of the Logistics Hub for the SADC region and beyond. To achieve this objective, the Logistics Hub Project was established under the umbrella of the WBCG.

This institutional arrangement seems to be the most appropriate option for the utilisation and enhancement of the existing institutional capacities, expertise and resources. Optimisation of the institutional, systemic and operational synergies for the benefit of an integrated and sustainable Logistics Hub for Namibia.

The WBCG’s regional footprint will also

strengthen our role as the marketing and developing agency to grow the development of the Logistics Hub.

IMPLEMENTATION

A fully functional Logistics Hub unit was established at the WBCG offices in Windhoek and has been in operation since September 2013. It is tasked with the responsibility of developing a framework for the Logistics Hub Concept, co-ordinating and leading the development of a National Logistics Master Plan, developing investment marketing strategies, and conducting consultative workshops and investors’ conferences.

The key focus currently centres on the development of the National Logistics Master Plan study.

LOGISTICS MASTER PLAN STUDY

The Namibian Government, with technical support from the Government of Japan, has commissioned ‘The Project on Master Plan for Development of an International Logistics Hub for SADC Countries in the Republic of Namibia’.

The National Logistics Master Plan study aims to establish a development framework and strategies to make Namibia one of

the regional logistics centres in SADC. The overall objective is to identify and scope the location and capacity of required infrastructure and identify trade facilitation policies, procedures and projects. The project also aims to point out the locations of strategic logistics hubs and provide essential inputs towards concrete actions for the development of the Logistics Hub. It should develop a plan for the Logistics Hub and distribution parks.

With these specific objectives in mind, various activities and scoping studies have been undertaken by JICA Consultants under the supervision of the project manager for the Logistics Hub, in co-operation with the National Planning Commission, the Ministry of Works and Transport, and supported by the Ministry of Trade and Industry. In addition to various stakeholder engagements and information sessions, we also conducted desktop studies, visited various locations in Namibia, South Africa and Zambia and engaged in direct consultations with the state-owned enterprises in the transport sector.

Key activities since the inception of the Master Plan study have included regional stakeholder information sessions, ongoing interaction with Government Ministries and



Mr Hamada presenting at Logistics Hub Information Sessions, April 2014



Logistics Hub Information Sessions, April 2014



Logistics Hub Information Sessions, April 2014

agencies, and a workshop to engage key stakeholders.

The Logistics Hub Initiative has the potential to be the catalyst for rapid economic growth for Namibia and the region as a whole. A unified approach is needed to ensure timeous implementation of the required infrastructure development supported by business-friendly policies to attract international investors and multinational logistics companies. The Logistics Hub focused approach, under the WBCG, will allow Namibia to build on the success of its transport corridor development and convert these corridors into fully fledged distribution and economic corridors for the SADC region.

SPATIAL DEVELOPMENT INITIATIVES (SDI)

BACKGROUND AND INTRODUCTION

The Spatial Development Initiatives (SDI) are regional development programmes intended to generate sustainable economic growth through the mobilisation of private investment capital. The SDI, which commenced operation in July 2010, emanated from a Bilateral Economic

Agreement signed between the Namibian and South African Governments in November 2006. Namibia's Ministry of Trade and Industry, as the SDI national custodian, mandated the WBCG to spearhead these programmes on its behalf.

The initiatives entail an intervention process that strives to unleash the latent growth and development of inherent economic potential of specific geographic locations in Namibia through the identification, packaging/formulation and marketing of investment projects in a cross-sectoral and multi-dimensional approach.

Prior to the appointment of the preferred bidder to conduct the diagnostic and scoping study for Namibia's SDI Programme, the SDI project manager conducted an extensive baseline survey and consultations with key SDI stakeholders. These stakeholders formed the basis for stakeholder engagement throughout the course of the diagnostic and scoping study. During the stakeholder consultations, awareness was created on the inherent and tangible benefits Namibia stands to gain from the successful roll-out of the SDI programme.

Following the signing of the Technical Assistance Agreement between the Development Bank of Southern Africa

(DBSA) and the WBCG, the DBSA, acting on behalf of the Regional Spatial Development Initiative Programme (RSDIP), financed the diagnostic and scoping study for Namibia's SDI programme with funding provided by South Africa's Department of Trade and Industry. Through a competitive bidding process, Aurecon Namibia was appointed in May 2013 as the preferred bidder.

The diagnostic and scoping study was concluded on 31 March 2014, culminating in an SDI Corridor Master Plan, where five anchor investment projects were shortlisted. The WBCG and DBSA co-hosted a stakeholder validation workshop in Windhoek in May 2014, where the consultants presented the SDI Corridor Master Plan and shortlisted anchor projects to key SDI stakeholders, including Namibia's Ministry of Trade and Industry and South Africa's Department of Trade and Industry, for ratification.

Guided by the Bilateral Agreement on Economic Co-operation between Namibia and South Africa, and the mandate by the Ministry of Trade of Industry, Namibia's SDI programme considered all ongoing and planned programmes, projects and initiatives along designated development corridors. Initiatives developed along the Trans-Caprivi Corridor, Trans-Cunene Corridor and Trans-

Kalahari Corridor, with regards to agriculture and agro-industries, mining and beneficiation, industrial and manufacturing projects, tourism, logistics and warehousing..

OPPORTUNITIES

- Linkage of Namibia SDI programme to value chains strategy and industrial development underpinned by "growth at home" strategy.
- Approval by Ministry of Trade and Industry management to extend current MoU and avail additional resources to develop 20 additional projects to bankable stage.

CHALLENGES

From active stakeholder engagement and discussions with project promoters we observed the following key challenges:

- Lack of credible projects beyond concept level;
- Lack of access to finance to develop projects;
- Lack of proper project preparation facilities in SADC;
- Lack of credible project promoters; and
- Availability and access to serviced industrial land.

SUCCESSSES

The following are considered to be successes of Namibia's SDI programme:

- Appointment of Aurecon Namibia as preferred bidder for scoping study;
- Profiling of SDI project long list and eventual short-listing of flagship anchor projects;
- Stakeholder Validation Workshop to solicit comments, review and ratify the programme; and
- Ratification of Namibia's SDI programme by the Minister of Trade and Industry and management.

SUMMARY

The SDI programme has the potential to stimulate and accelerate economic development and growth for Namibia and the SADC region. A critical factor of success underpinning economic and industrial development is an adequate public support package through public infrastructure (transport, energy, water, ICT and land) supported by a conducive legislative and regulatory environment. The successful implementation of Namibia's SDI programme would effectively convert the existing transport corridors into economic corridors.



WELLNESS SERVICE

REPORT

INTRODUCTION/ BACKGROUND

In line with the WBCG Wellness Service's strategic initiative to develop sustainable models (WBCG Strategic Plan 2011-2016), the project is well on course to achieve this deliverable. Strategic consultations have been held with various stakeholders to discuss potential areas of collaboration beyond the current respective agreements with the WBCG. These stakeholders include development partners - the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Society for Family Health (USAID) and the SADC/Global Fund - as well as the Namibian Ministry of Health and Social Services, Ministry of Works and Transport and the Corridor Empowerment Project (CEP). Meanwhile, the WBCG Wellness project has initiated a sustainable funding generation portfolio, which allows

the project to generate income in order to bridge possible future funding gaps. Key resources used to achieve this goal are the two mobile wellness clinics and three roadside wellness clinics, the latter which are based in Katima Mulilo, Walvis Bay and Oshikango. The operational costs of these resources are currently supported through the PPP model involving the Ministry of Health and Social Services, the private sector as well as the development partners. Our current response in terms of employee wellness interventions continues to demonstrate significant results and over the past year (2013) a WBCG transport sector testing assessment/study revealed that a total of 5,340 transport workers, excluding long-distance truck drivers, were reached with HIV counselling and testing services at their respective workplaces and at the roadside wellness clinics. Of this figure, a

total of 229 general transport employees, or 4,2%, tested HIV positive and were referred for care, support and treatment services. An additional 1,879 long-distance truck drivers were also tested for HIV during the same period and 129 were found to be HIV positive. This represents an infection rate of about 15% among long-distance truck drivers, which is slightly higher than the 13.3% overall national positivity rate in Namibia for 2013. Only 15 truck companies participated in the testing campaign in 2013. This assessment report serves as a baseline on which future interventions can be benchmarked. The WBCG further believes in the principle of smart partnerships and will continue to improve and optimise relationships with all the key stakeholders in order to realise the goal of mitigating and reducing the impact of HIV and AIDS within the transport sector to below 7% by 2017.



Official opening of Oshikango roadside wellness clinic, July 2014



Oshikango roadside wellness clinic team, July 2014

STAKEHOLDER ENGAGEMENT

WBCG Wellness Service sustainability model

Progress to mobilise and leverage domestic resources from both the private and public sectors is gaining significant momentum. The Ministry of Health and Social Services recently completed the mid-term review of the national HIV and AIDS response (2011–2016) where the WBCG features prominently, increasing the chances for

the implementation of the public-private partnership model. The private sector is now also contributing to the operational costs of the WBCG’s Wellness Service through our fee-for-service initiative. The model enables the Wellness Service to increase its own resources and depend less on donor funding.

German Government support

On 13 August 2014, the Acting Director of the Ministry of Health and Social Services (MoHSS) Special Programmes, Julieth Karirao, together with the Ambassador of the Federal Republic of Germany to the Republic of Namibia, Onno Hückmann, handed over a fully equipped mobile clinic and four PIMA CD4 count measurement machines to the Wellness Service of the WBCG.



Mobile Clinic Handover from GIZ

The Society for Family Health (USAID) approves two clinic facilities.

The SFH (USAID) also donated a mobile clinic van and a wellness container for the Oshikango site. The two clinics are fully funded and fully equipped and will be used to provide health services to the transport industry. Funding was also approved to cover the project’s operational expenses until September 2014, after which funding negotiations for a further two years will be discussed.

AWARENESS

PIMA CD4 count measurements at all WBCG sites

The WBCG Wellness Project became the first institution in Namibia after the Ministry of Health and Social Services to implement CD4 count measurements at all its operational sites, including Windhoek. Employees who now test HIV positive will no longer need to queue at local hospitals to check the strength of their immune systems before they are registered on antiretroviral (ARV) treatment programmes but can obtain their results at the WBCG point of care. This initiative will reduce “downtime” dramatically and increase productivity levels

as employees will be able to receive the service at their workplace or at the WBCG’s roadside clinics.

Workplace peer educator programme

An industry-specific peer educator’s programme was developed to build the capacity of employees to respond more effectively to the impact of HIV and AIDS. The programme is available to companies within the road freight industry. In order to sustain this initiative, companies are sharing the costs of training expenses with the WBCG.



Wellness Education

Development of the sectoral HIV and AIDS policy

The WBCG remains a key stakeholder in the development of a sectoral HIV and AIDS policy. The document has been completed and is yet to be launched.

‘Moonlight HIV testing’ in the transport Industry

The WBCG Wellness Project has initiated a “moonlight HIV testing” campaign targeting various hot spots and truck stops through outreach services by using mobile wellness clinics and tents between the hours of 17h00 and 23h00 or “moonlight hours” three times a week targeting key populations, such as long-distance trucker drivers and sex workers. The mobile clinics are parked at these hot spots and the clients are invited to participate in the testing campaign, while tents are erected at these spots with tables, chairs and cooler boxes to keep the test kits cool. The initiative started in Windhoek with the two mobile wellness clinics and at the two WBCG roadside wellness clinics in Oshikango and Katima Mulilo from January 2013. It has since expanded to the Walvis Bay centre. The testing is being conducted by existing WBCG staff.

In order for the project to enjoy full commu-

nity participation, extensive consultations are being conducted with various stakeholders such as Ministry of Health and Social Services, community leaders, traditional leaders (Indunas), political counsellors and non-Governmental organisations operating in the same community in order to raise awareness about HIV testing, care and treatment programmes.

OPPORTUNITIES

Engagement with various non-member transport companies in Namibia will be explored with the aim of recruiting them and thereby increasing our annual membership fee contributions. Full support for the public component of our PPP model has been secured, however the private sector component still needs additional consultations and engagement.

Consultations with the SADC Secretariat through the Global Fund initiative continue as we await the approval of the Phase 2 funding proposal submitted in September 2014. The joint funding proposal between the WBCG and the Corridor Empowerment Project was submitted to the Bill Gates (3i) institution.

The Ministry of Health and Social Services agreed to support all the WBCG operations



Wellness Screening, November 2013

by supplying free medical supplies to all our wellness centres and mobile clinics. The opportunity to engage this ministry in providing further support of domestic health programmes through increased funding is an avenue worth pursuing.

The WBCG is consulting with the Ministry of Works and Transport and other relevant stakeholders to develop a wellness fund to assist employees of the transport sector.

Results from the Service Delivery Analysis Study will be explored and implemented in order to increase the footprint of the WBCG Wellness Project in Namibia.

SUCCESSSES

The WBCG's Wellness initiative received special recognition during the National AIDS Executive Committee meeting held in March 2014 in Windhoek. The Namibian National Strategic Framework on HIV/AIDS Response was recently reviewed and the WBCG was hailed as an emerging organisation that is playing a critical and significant role in the fight against HIV and AIDS in Namibia, with a special focus on the transport industry.

Support for the services provided has grown in the 2013/14 period. Extreme Customs Clearing Services joined the WBCG

Wellness Service initiative as a member in June 2014. WBCG conducted wellness activities for the employees of the Ministry of Health and Social Services, as a result of the recognition the Government has in the quality of our work. To further improve the quality assurance component of the WBCG wellness service, we signed an agreement with Pharmaccess Netherlands.

The team worked with Zambia's Corridors of Hope HIV project, conducting joint HIV services at the Wenela Border Post. It was a successful venture, the first of many collaborations to come.

The SADC/Global Fund has extended its cross-border HIV initiative agreement to December 2014. The Global Fund is currently reviewing the Phase 2 proposal, which, if approved, will ensure activities at the wellness centres continue until June 2016. A new funding agreement is under discussion with GIZ to cover the period September 2014-June 2016, and it comprises the procurement, donation and official launch of a mobile wellness clinic.

CHALLENGES

Support. The challenges experienced are true to any small, donor-funded entity. We require more support and commitment from not only the donors, but also from the companies that make use of the wellness screening services. The lack of consistent donor support leads to ad-hoc activities. Strategic support is also needed from the sectoral steering committee and buy-in is required to implement the sectoral wellness fund.

Need for proper monitoring system. The monitoring and evaluation system and current database has a few limitations, including the inability to cross-reference wellness screening reports. As with the bi-directional referral system, which is not fully functional as Ministry of Health systems needs strengthening, the systematic problems result in the production of inaccurate data.

Industry commitment. The lack of full or consistent private sector commitment plays a vital role in the sustainability of the project. Companies take a long time to confirm wellness screening services and are reluctant to pay.

Capacity. Capacity is needed to implement all strategic initiatives and the marketing and

promotion of the WBCG Wellness Services. Appropriate and target-specific behaviour change communication (BCC) materials are also needed for transport workers.

CONCLUSION

The WBCG recognises the importance of building smart partnerships and the facilitation and implementation of high-impact HIV interventions in the transport sector. Hence, in line with the above-mentioned background and work packages, the WBCG seeks to advance collaborations with transport companies in Namibia. It is equally of vital importance to recognise that, although the WBCG has shown significant capacity to sustain its HIV and AIDS and Wellness initiatives, there is still scope for further engagements and structured approaches with the transport sector operators towards efficient services. The implementation of these activities will in the long term ensure project sustainability and commitment from the transport sector.



Donors GIZ visit wellness testing, 20 November 2013



Wellness screening, 20 November 2013



Wellness screening, 20 November 2013



FINANCE & ADMINISTRATION REPORT

PROPERTY, PLANT AND EQUIPMENT

After 13 years of renting offices, the WBCG acquired its own property in Eros, Windhoek on 26 February 2013. This exciting achievement increased our non-current assets portfolio with 588% on our Statement of Financial Position as at 01 September 2013 compared to the previous financial year.

INTERNET TECHNOLOGY

During the acquisition and occupation of our new office building, we have also installed a state of the art networking system with a speed link fixed broadband of 4096k and a modernized switchboard operating system.

HUMAN RESOURCES

The staff turnover at the WBCG remains low compared to previous years. Which is evident that staff is happy with working for such a dynamic and trend setting company.

HOSTING OF THE TRANS KALAHARI CORRIDOR SECRETARIAT

Since the signing of the Memorandum of Understanding (MoU) between Botswana, Namibia and South Africa in 2003 and the Hosting Agreement signed between

the Ministry of Works and Transport, representing the Namibian Government, the WBCG has been hosting the TKCS.

OPPORTUNITIES

Opportunities have been coming at a astonishing rate. New and continuous projects funding from donors. This was unmistakably due to the WBCG's reputation of transparency and accountability.

CHALLENGES

We are operating in the international arena, which makes us vulnerable to the forces of market supply and demand. The depreciation of the South African Rand during the past financial year, to which the Namibia Dollar is pegged, had unfortunate results on our cash flow position.

SUCCESSSES

The continuation of our projects and operations is a clear testimony of our success and the confidence, which our donors, members and stakeholders have in the WBCG.



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