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Second Meeting of Governmental Experts from
Land-locked and Transit Developing Countries and
Representatives of Donor Countries and Financial
and Development Institutions
New York, 22 June 1995

Draft Report of the Second Meeting of
Governmental Experts from Land-locked and
Transit Developing Countries and Representatives of
Donor Countries and Financial and Development Institutions

Held at United Nations Headquarters, New York,
from 19 to 22 June 1995

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Chapter I

REVIEW OF PROGRESS IN THE DEVELOPMENT OF TRANSIT SYSTEMS IN THE LAND-LOCKED AND TRANSIT DEVELOPING COUNTRIES

(Agenda item 3)

and

PROPOSALS FOR APPROPRIATE FUTURE ACTION

(Agenda item 4)

1. The representative of Benin recalled the approval of the five-year development plan in 1993 in which particular attention was given to the development of transport sector, in particular road, railways and port infrastructure. Specific objective assigned to the transport sector included strengthening of Benin's transit corridor, reducing the effect of land-lockedness of neighbouring land-locked countries, creating an environment for a fair competition between rail and road, and modernizing and improving maintenance of transport infrastructure. Provisions were also made in the development plan with regard to development and improvement of rail and water transportation. The activities being contemplated to be undertaken between 1993-1997 to respond to the above objectives included development of road and rail networks and port sector. Like many other transit developing countries, Benin faced a number of problems in ensuring the smooth flow of transit of goods to and from land-locked countries. Support of donor countries and financing institutions were necessary to improve physical bottlenecks.

2. The representative of India expressed support of specific actions and facilities to enable the land-locked developing countries to participate effectively in trade. He highlighted the need for tackling various aspects of transit problems, and noted that improvement of the transit environment required cooperative arrangements between land-locked and transit developing countries based on equality and mutual benefit. He said that India was working towards effecting improvements in roads and railways, including bringing about consistency in the railway tracks of India and Nepal. Other actions to improve the transit environment included promotion of regional and sub-regional trade.

3. He mentioned that his delegation approached with some circumspection the question of additional legal instruments in the area of transit. Instead it was important to generate the necessary political momentum to improve the transit environment. As regards monitoring and follow-up arrangements, he underlined that the existing multilateral and bilateral arrangements represented the most appropriate monitoring mechanism, while exchanges of views can take place at the international level.

4. The representative of Togo said that while the world economy was showing signs of improvement, land-locked developing countries, in particular those in Africa, were facing formidable problems in their economic development efforts. Poor implementation of bilateral and multilateral agreements and international conventions, compounded by weak physical infrastructure, constituted the major

constraint for economic development of land-locked countries. Togo provided transit facilities for Burkina Faso, Mali and Niger. The Government had taken a number of measures to simplify the administrative and customs procedures for transit of goods. Periodic meetings were also organized with transport authorities of land-locked countries using the port of Lomé, with a view to enhancing the transit transport system in the subregion. Togo was committed to subregional solidarity and cooperation. Support of the donor community was, however, necessary for improved transit transport infrastructure. In that context, the representative of Togo sought support from bilateral and multilateral financing institutions for improvement of the Lomé-Ouagadougou-Niamey-Bamako road.

5. The representative of Malawi stated that although his country had four alternative transit routes, high transit charges was a major constraint. He stated that transit issues in his sub-region were discussed within the framework of the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Customs Union (SACU). He stated that although these subregional organizations had been able to establish common norms and standards on a range of transit issues, lack of implementation of agreed standards on certain transit routes implied the persistence of a number of problems. These included: high transit charges, cumbersome customs and administrative formalities, enforcement of more restrictive axle load standards and poor security of transit cargo.

6. Technical assistance made available under UNDP/UNCTAD and bilateral sources, such as USAID, assisted countries in the sub-region to introduce new systems, such as the coupon system for payment of transit charges, harmonized and simplified cross border procedures, and establishment of national trade facilitation committees. He hoped that the international community would continue to support the Southern African sub-region in its endeavour to facilitate transit transport.

7. Malawi wished to extend its gratitude to international donors, in particular the World Bank and USAID which provided project financing. Ongoing projects included: rehabilitation of the Cuamba-Entre Lagos-Nacala railway line; rehabilitation of the apron of Lilongwe International Airport; a new road link between northern Malawi and Tanzania; and rehabilitation of the Beira railway line.

8. The representative of Mali explained that his country is a large, sparsely-populated country. It depended on limited natural resources and faces considerable transit transport constraints. Mali, under its current economic strategy, accorded high priority to providing autonomy to the national railways and in general providing an enabling macro- and micro-economic environment for efficient transit transport operations. Mali wished to take the opportunity offered by this meeting to appeal to the international community for stronger support in the transit transport sector.

9. The representative of Ethiopia explained that his country became a land-locked in the wake of Eritrea's independence in 1991. The port of Asab in Eritrea handles 85 per cent of Ethiopian external trade, but transit was slow. The balance of 15 per cent was handled by Djibouti. The Eritrean Port of Massawa was potentially an important transit port for Ethiopia, but at present its infrastructure was inadequate for this purpose. To enhance the Djibouti corridor, the rail route had been supplemented by a road which could be used in emergencies. Ethiopia had entered into bilateral arrangements with both Eritrea and Djibouti for the use of their transit routes. Ethiopia was grateful to the European Union for assisting it to evaluate its transit transport options. It also required assistance in establishing a dry port.

10. The representative of Eritrea said that in 1992 his Government declared the Port of Assab a free port, making all its facilities available to Ethiopia. The Port of Massawa also provided transit services to the northern part of Ethiopia. These services should be intensified in future when the road corridor connecting northern Ethiopia to the port was improved. The efforts of his Government in solving internal problems as well as lessening those of the subregion had been in line with its principles and policies for modernization through cooperation. Hence, it was in the interest of his Government to provide the Ethiopian Government with proper and efficient transit and transport services and, to that effect, concrete measures had been taken, of which the following can be cited: rehabilitation of the Port of Massawa, reconstruction of a number of roads linking the centres of production in Ethiopia to roads in Eritrea and improvement of the communications system. Efforts were also being made for the liberalization of transport and transit services. The above improvements were made possible by financial support from the donor community. Further support from donor countries, international financial institutions and international organizations was needed to support Eritrea in its development efforts.

11. The representative of Pakistan stated that his country fully recognized the problems being faced by land-locked countries and it was in the spirit of that recognition that Pakistan extended, on a bilateral basis, all facilities for land-locked countries using Pakistan as a transit country. Pakistan also dealt with the subject at the regional level. A quadripartite agreement among Kazakhstan, Kyrgyzstan, China and Pakistan provides reciprocal transit facilities for all four signatory countries. An agreement had also been concluded for extension of a railway between Uzbekistan and Pakistan via Afghanistan. The representative of Pakistan sought donor assistance in order to enable transit countries to improve and maintain their transit routes and develop new routes.

12. The representative of TTCA stated that his intergovernmental organization was composed of Kenya, Uganda, Rwanda, Burundi and Zaire. It assisted member governments to monitor and review progress in the implementation of the Northern Corridor Transit Agreement. The regular monitoring work carried out by the secretariat with strong support from the UNCTAD secretariat enabled member States to resolve many problems relating to transit facilitation. The Northern Corridor secretariat and its member States needed strong support from the international community to strengthen their cooperation. He expressed gratitude to donors, in particular the European Union, for extending financial assistance for road construction and infrastructure-related investments.

13. The representative of Paraguay said that the development of the immense potential of her country was compromised by its land-locked position. With the signing of a treaty between Paraguay and Argentina in 1967, free reciprocal navigation on the Paraná, Paraguay and Plata rivers started. That process was further strengthened through the machinery of MERCOSUR and Hidrovía. The former is the mechanism for removal of obstacles and trade facilitation while the second one, in which Argentina, Brazil, Bolivia and Paraguay participate, clearly revitalized the river transport which had practically disappeared. She expressed the wish of her government to reach, in a short time, an understanding with its partners in Hidrovía, with regard to the extension of facilities under the prevailing conditions on the Río de la Plata so that both Bolivia and Paraguay could have direct access to and from the sea.

14. The representative of Burundi said that his country was served by three alternative routes: the Northern Corridor to and from the Port of Mombasa, the Central Corridor via the port of Dar-es-Salaam and a third corridor via Southern Africa. The Northern Corridor suffered from cumbersome customs and administrative procedures. He stated that his country had an interest in the development and operation of the Isaka terminal in Tanzania and in that context

urged that donors support that project. He also appealed for donor support in the purchase of rail wagons, which he considered inadequate in the Central Corridor, as well as support for the development of lake transport on Lake Tanganyika.

15. Burundi's transit transport strategy was based on bilateral and subregional cooperation. In this context, Burundi strongly supported subregional instruments, such as the RCTD document, the subregional third party motor vehicle insurance and the agreed axle-load standards.

16. The representative of Afghanistan said that the land-locked and transit developing countries could benefit immensely from the analyses contained in the documentation of UNCTAD. He underlined that the monitoring and follow-up of transit arrangements could be more effective if they were carried out by international bodies. He recounted the many difficulties faced by land-locked developing countries, particularly the least developed among them, and urged the donor community to provide them with required financial assistance and technical co-operation.

17. Afghanistan, besides being land-locked and least developed, had been ravaged by war, which took an immense toll on the physical infrastructure in particular, and on its development in general. He expressed the hope that the international community will fully take into account the emergency requirements as well as the development needs of Afghanistan.