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REPORT OF THE ECONOMIC AND SOCIAL
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ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1983
Item 7 of the provisional
agenda**
REGIONAL CO-OPERATION

Particular problems facing Zaire with regard to transport,
transit and access to foreign markets

Report of the Secretary-General

Addendum

1. The round-table meeting on the financing of projects for opening up the land-locked southern and eastern regions of Zaire was held at Kinshasa, Zaire, on 28 and 29 June 1983. Representatives of the following countries and organizations participated in the meeting: Belgium, Canada, France, Germany, Federal Republic of, Israel, Italy, Japan, United Kingdom of Great Britain and Northern Ireland, United States of America, United Nations Development Programme (UNDP), World Bank, African Development Bank (ADB), Caisse centrale de coopération économique (CCCE), European Development Fund (EDF). Brazil, the United Republic of Tanzania and the International Labour Organisation (ILO) were represented by observers.
2. The round-table meeting was chaired by the Executive Secretary of the Economic Commission for Africa (ECA).
3. The Executive Secretary and the following personalities delivered speeches at the opening ceremony: Citizen Namwusi, State Commissioner for Planning; Citizen Inonga, State Commissioner for Transport and the Secretary of State for Public Works.

* A/38/150.

** E/1983/100.

4. The representatives of the following countries and organizations also made statements: Germany, Federal Republic of, Belgium, Brazil, Italy, France, UNDP, World Bank, African Development Bank, European Development Fund.

I. Analysis of the proposals before the round-table meeting

5. The programme submitted to the meeting for its consideration was prepared by ECA in collaboration with the Executive Council of Zaire. The programme can be looked at from the point of view of the priority assigned to projects or of the importance of each transport subsector.

6. Projects essential to maintaining the potential of existing transport were assigned top priority, with the largest investment being made in railways.

7. Technical assistance and training was assigned second priority, together with projects needed to maintain the operations potential of the Zairian agencies responsible for administering transport and infrastructure. Investments in this category were focused on the roads subsector and, to a lesser extent, on the river transport subsector.

8. Of third priority were projects designed to expand the transport capacity of existing infrastructure, that is, fleet modernization, replacement of ferry boats by semi-permanent bridges, port enlargement, railway electrification etc. Investments under this heading were mainly concerned with roads, although railways were also well represented.

9. New infrastructure projects were classified as the fourth and last priority. There were four such projects (two studies and two construction projects) dealing with: the railway from Ilébo to Kinshasa; the port of Banana; the western portion of the Lagos-Mombasa-Trans-African Highway; and the Businga/Mobaye road.

10. ECA has just completed a prefeasibility study on the first of those projects (the Ilébo-Kinshasa railway), which will be available once the document had been brought to the attention of the experts of the Zairian Executive Council.

11. Obviously, some of the projects submitted involved two or more priorities. For example, fleet renewal might very well be considered as both maintenance of existing transport potential (priority I) and modernization entailing expansion of such potential (priority III). It had been decided, somewhat arbitrarily, to reassign any project involving several priorities to its most typical priority classification.

12. The total cost of the programme submitted to the round-table meeting was \$US 1.984 billion. Of that sum, \$677 million, or 34 per cent, had already been secured. Of the financing already available, 83 per cent had been provided by the Government of Zaire and 17 per cent by external sources. It should be emphasized at this point that the Government of Zaire has made a most significant effort, since it is financing more than 28 per cent of the overall programme.

13. When the programme was broken down in order of priority, the following picture emerged (see the list of selected projects in annex I below):

- (a) There were 17 priority I projects estimated at \$783.03 million;
- (b) There were 10 priority II projects at a total cost of \$101.45 million;
- (c) The 23 projects classified as priority III amounted to \$1.175.7 million;
- (d) Assigned priority IV were the four projects mentioned above, amounting to \$179 million.

14. Only for priority I and III projects had external assistance been received before the beginning of the round-table meeting. Despite the essential role of priority II projects in the development of the Zairian economy, they had up to that time received no financing from external sources. Priority II projects, as noted, involved technical assistance and training, as well as maintenance of the operating capacity of the transport services and of the governmental administrative agencies.

15. The programme before the meeting can be classified by transport subsector as follows:

- (a) Under the rail transport subsector, there were 11 projects at a total cost of \$754 million, or 38 per cent of the programme;
- (b) The road transport subsector comprised 22 projects costing \$929 million, or 46.8 per cent;
- (c) The river transport subsector (including ports and Zaire river estuary projects) covered 17 projects at a cost of \$275 million, or 13.9 per cent of the total;
- (d) Four projects estimated to cost \$26 million, or 1.3 per cent of the cost of the entire programme, comprised the air transport subsector, the fourth priority.

II. Preliminary assessment of the outcome of the round-table meeting

Priority I projects

16. This category comprised 17 projects. During the discussion, the cost of one of the projects was amended from \$13.6 million to \$111.693 million and the external financing required was accordingly amended from \$10.8 million to \$94 million.

17. Although in the majority of cases the representatives of donors did not make a firm commitment, they did, however, declare that they would seriously consider financing 10 projects. During the discussion of two projects for river transport, some donors informed the meeting that they would rather await the findings of an ongoing study financed by the World Bank before deciding whether or not to provide assistance for those projects. The external component of the cost of the

10 projects in which donor interest was declared was \$275.2 million. After the cost of one of the projects was amended, the cost of all first priority projects became \$783.03, of which the external financing required was \$519.2 million. Thus, it can be seen that the \$275 million represented approximately 53 per cent of the total external financing required, a fairly encouraging result. It is expected that after the ongoing World Bank-financed study of Zaire's transport system is completed, donors will be able to respond positively to more projects in the priority I category.

Priority II projects

18. During the discussion of projects in this category, a new project costing \$1.45 million was introduced, bringing the total number of projects to 11. The total cost of the projects rose to \$101.45 million, of which the external financing required was \$83.45 million.

19. In spite of the acknowledgement by all the donors present of the utmost importance of training and the provision of technical assistance to improve management and operations, interest was expressed in only two projects of the 11. However, the external cost component of these two projects is \$56.65 of a total of \$83.45 million; thus, these two projects represent about 68 per cent of the cost of all priority II projects.

Priority III projects

20. During the consideration of projects in this group, four new projects, at a cost of \$155.7 million, were introduced. That brought the total number of projects to 27; the revised cost was put at \$1175.7 million, while the external financing required was set at \$833.4 million.

21. Donors expressed interest in four projects for which the external cost component was \$48.1 million, or only 5.7 per cent of the external financing required.

Priority IV projects

22. This was the smallest category, with only four projects for which the external cost component was \$179 million. No interest was declared in any of these projects.

III. Overall assessment

23. The meeting considered, in all, a total of 59 projects estimated to cost \$2.239 billion, with the foreign cost component being \$1.555 billion. Of this large amount, the foreign cost component of the projects in which some interest was expressed was only \$380 million, or 24.43 per cent.

24. The results, when viewed in this way, may seem disappointing; however, when it is considered that the probability of priority I projects receiving external assistance is 53 per cent and that of priority II projects 68 per cent, the result

is not all that bad. It is encouraging, also, that a number of donors indicated that they were awaiting the results of ongoing studies before they could make firm commitments as regards some of the projects (see the list of projects in which donors have expressed interest, in annex II below).

IV. Follow-up action necessary

25. Some donors have shown interest in some of the projects. The Executive Council of Zaire has the responsibility of following up those expressions of interest through bilateral consultations in order to bring them to fruition. Also, the Executive Council must immediately start preparations for action that may be recommended by the studies presently under way. For their part, the representatives of donor countries are expected to reconsider seriously all of the projects for which they had received no instructions and to make firm recommendations to their Governments for action thereon. The round-table meeting could be considered as the beginning of a process that must be sustained until a satisfactory solution is found to the problem of Zaire as a semi-land-locked country.

26. In order to permit a follow-up to the round-table meeting, it was suggested that a second meeting should be organized in 1985 or 1986 to consider the progress made with respect to financing and implementation.

27. There is no doubt that the full implementation of these projects and the resolution of the attendant problems pertaining to the semi-land-locked nature of Zaire will take several years. What is required is for a movement in that direction to begin in earnest; for the international community to continue to commit themselves in practical terms to this endeavour; and, finally, for the Executive Council of Zaire to take all measures within the limits of its resources towards this end.

28. ECA, which has been charged with sole responsibility in this matter, will continue to count on the full co-operation of the entire international community. It will also continue to take every measure within its power to mobilize the international community and the Executive Council of Zaire until such time as a breakthrough is achieved.

ANNEX I

List of selected projects

I. Priority I: upholding existing potential

	<u>Cost in millions of United States dollars</u>	<u>External financing required</u>	<u>Desirable starting date</u>
<u>Rail transport sector</u>			
1. Rehabilitation of the Lubumbashi- Ilébo track (first phase)	200	130	1983
2. Rehabilitation of the Lubumbashi- Ilébo track (second phase)	142	85	1985
3. Rehabilitation of the Lubumbashi- Ilébo track (third phase)	136	82	1980
4. Provision of equipment to SNCZ (second phase)	42	37	1985
<u>River transport sector</u>			
5. Overhaul of RVF equipment	7.3	5.6	1983
6. Procurement of beacon-laying boats	4.9	3.6	
<u>Maritime transport sector</u>			
7. Material and equipment for the authority responsible for dredging operations	0.25	0.25	1983
8. Material and equipment for the buoyage unit	0.96	0.96	1983
9. Material and equipment for the piloting unit	0.25	0.25	1983
<u>Road transport sector</u>			
10. Procurement of SNCZ equipment	9	8.6	1983
11. Repair of Kinshasa-Matadi road	42	21	1983
12. Road repairs in the Shaba	30.5	17	1983

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	<u>Cost in millions of United States dollars</u>	<u>External financing required</u>	<u>Desirable starting date</u>
13. Mbuji-Mayi-Mwene-Ditu repair	16	6.8	1983
14. RN.1 (National Highway) repair in the Bandundu region	30	19.5	1983
15. Repair of one section of the Kisangani-Bukavu road	8.5	5.5	1983
<u>Air transport sector</u>			
16. Renovation of Lubumbashi airport	111.693	94	1983
<u>River transport sector (oil)</u>			
17. Equipment procurement	2.1	2.1	1988
Priority I total (rounded)	783.03	519.2	

II. Priority II: assistance and training

Assistance to uphold the performance potential of
Zairian organizations

Assistance and training

18. Vocational training of SNCZ staff	2.6	1.6	1984
19. Technical assistance and training of RVM staff	0.125	0.125	1983
20. Training of staff of Office des routes	7.45	1.335	1983
21. Assistance to CMZ	0.18	0.18	1983
Subtotal (rounded), training and assistance	10.36	3.2	

Road transport sector

22. Procurement of transport equipment	57.8	50.3	1983
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	<u>Cost in millions of United States dollars</u>	<u>External financing required</u>	<u>Desirable starting date</u>
<u>River transport sector (RVF)</u>			
23. Replenishment of stock of spare parts and modernization of the shipyard	1.9	1.9	1983
24. Procurement of maritime transport sector dredger	6.35	6.35	1983
25. (a) Equipment and installation of shipyard	95	95	1983
25. (b) Acquisition of a hook dredger	1.45	1.45	1983
<u>River transport sector (Office national des transports (ONATRA))</u>			
26. River transport logistics	19.06	17.55	1983
27. Equipment, installation and modernization of shipyards	3.65	2.16	1983
Priority II total (rounded)	101.45	83.45	
III. <u>Priority III: improvement of existing transport facilities</u>			
<u>Road transport sector</u>			
28. Establishment of 15 ferries	1.9	0.3	1984
29. Construction of 39 semi-permanent bridges	7.2	2.5	1983
30. (a) Construction of roads to open up the Bandundu region	114	68.5	1983
30. (b) Improvement of the Bandundu link to RN.1	35	21	1983
31. Construction of one section of the Kisangani-Bukavu road	131	79	1983
32. Construction of one section of the Trans-African Highway	300	300	1984

	<u>Cost in millions of United States dollars</u>	<u>External financing required</u>	<u>Desirable starting date</u>
33. Construction of a road to open up the Equator region	49	29.5	1983
34. (a) Construction of a road to open up the Kivu region	48	29	1983
34. (b) Construction of the Bukavu link to Ruzizi II	5	5	1983
<u>River transport sector</u>			
35. Improvement of rocky channels on the Kasai river	5.9	4.8	1983
36. Study on the improvement of sandy channels	0.3	0.2	1983
37. Modernization of the fleet	77.4	48.8	1983
<u>Rail transport and ports sector (ONATRA)</u>			
38. Matadi-Kinshasa electrification	81.9	64.7	1983
39. Replacement of Matadi-Kinshasa track	8	5.3	1985
40. Extension of the port of Matadi	5	1.3	1983
41. (a) Expansion of the port of Kinshasa	15.4	4.9	1983
41. (b) Acquisition of port handling equipment	5	1.323	1983
42. Construction of a cereal jetty	9.6	7.5	1984
43. Kisangani river terminal	1.5	0.8	1984
44. Expansion and modernization of rolling stock	11.4	10.3	1983
<u>River port sector</u>			
45. Ilébo port extension	11.8	8.2	1984

	<u>Cost in millions of United States dollars</u>	<u>External financing required</u>	<u>Desirable starting date</u>
<u>Air transport sector</u>			
46. Study of master plan for the Lubumbashi airport	0.4	0.4	1984
47. Study of N'Djili airport master plan	0.6	0.6	1984
48. (a) Extension and resurfacing of the Bukavu runway	11.8	11.8	1983
48. (b) Extension of the runway at Bunia airport	97	38.8	

Rail transport sector

49. Equipment supply (third phase)	32.7	31	1985
50. Rail lines electrification in the Shaba	95	65.6	1983
Priority III total (rounded)	1 175.7	883.4	

IV. Priority IV: new projects

51. Construction of the Businga-Mobaye road	75.5 <u>a/</u>	45.5 <u>a/</u>	1984
52. Construction of the West Trans-African Highway	1.5	1.5	1984
53. Construction of the port of Banana	100	70	
54. Kinshasa-Ilébo railway	2	2	
Priority IV total (rounded)	179	119	

Notes

a/ Order of magnitude. The preliminary technical study is necessary in order to have an accurate evaluation.

ANNEX II

List of projects in which donors have expressed interest

Priority I

Rail transport sector

1. Rehabilitation of the Lubumbashi-Ilébo track (first phase)
2. Rehabilitation of the Lubumbashi-Ilébo track (second phase)
3. Provision of equipment to SNCZ (second phase)

River transport sector

4. Procurement of beacon-laying boats

Road transport sector

5. Procurement of SNCZ equipment
6. Repair of Kinshasa-Matadi road
7. Road repairs in the Shaba
8. Mbuji-Mayi-Mwene-Ditu repair
9. RN.1 (National Highway) repair, in the Bandundu region
10. Repair of one section of the Kisangani-Bukavu road

Priority II

Road transport sector

1. Procurement of transport equipment

Priority III

River transport sector (RVF)

1. Procurement of maritime transport sector dredger

Road transport sector

1. Construction of 39 semi-permanent bridges
2. Construction of one section of the Kisangani-Bukavu road

Rail transport and ports sector (ONATRA)

1. Matadi-Kinshasa electrification
2. Replacement of Matadi-Kinshasa track
