Opening Statement by

by K. Y. Amoako,
Executive Secretary of ECA,
Addis Ababa, 06 March 2002

Honourable Ministers,
Distinguished Participants,

I am once again privileged to welcome you to Addis Ababa, Ethiopia on the occasion of the 12th Session of the Conference of African Ministers of Transport and Communications, which is being organized within the context of United Nations Transport and Communications Decade in Africa (UNTACDA).

I am grateful that, through your Conference, you are keeping and building your solidarity and collective force to help Africa progress. I am also grateful that you have graciously given the African Development Forum the benefit of your participation. I sincerely hope that it will be possible for you to stay through the completion of the Forum on Friday.

Your substantive contributions to the Forum are an important addition, as authoritative advice on how best to foster Africa’s infrastructure, which is critical to an effective African Union. In addition, as you well know, with the initiative of NEPAD, with which we have been very closely associated, there should be a very useful boost in creating necessary sub-regional and regional infrastructure. So, both on the policy front with the Union, and on the project front with NEPAD, we are in a time when your special leadership is and will be in demand, as rarely seen before on this continent.

It would be a useless task, akin to shipping coal to Newcastle, if I were to tell you why infrastructure is essential to Africa’s development. It is essential to our development and to making our African economy and society a vibrant, interconnected whole. That is why this Commission has worked with you and your predecessors for decades, and we will continue to do so.

Now, after two UN transport and communications Decades in Africa, 1978-88 and 1991-2000, you have on your agenda an evaluation of the results of collaboration between your governments with your international partners, to foster policies and structures of linkage and cooperation.

Previous mid-course evaluations of the most recent Decade took place in 1994 and 1997. Having participated with you in your Cairo meeting in 1997, I recall your adopting a Plan of Action to accelerate implementation of the Decade, in its remaining years.

Over the past weekend, your experts have reviewed the final evaluation and have recommended to you successor arrangements to UNCTADA II as part of what is proposed as "The Way Forward."

These documents tell us about the excellent actions of collaboration that you can rightly celebrate. They also show the very long distance we have to go to obtain the networked Africa we all desire.
So, if this is not more coals to Newcastle, let me briefly add my own views on these matters.

As an economist, permit me to play with numbers, hopefully not as they did at Enron. In terms of the investments planned under UNCTADA One, some $12.85 Billion was mobilized. Under UNCTADA Two, some $9 billion was mobilized, a drop of 30% in nominal terms and an extremely serious drop in real terms.

The estimated needs in transport, energy and communications infrastructure for regional linkages in the next decade is $250 Billion, or a 25-fold annual increase from present levels. I realize NEPAD will propose expenditures somewhere in the middle of the total need and where we are now.

To me, this means that we need to look at two issues:

First, if $25 Billion a year in new money is out of reach, what are the most useful, top priority and affordable parts of the integration agenda that should be done soon?

But Second, while the affordable parts of our joint agenda is being carried out, how can we position ourselves to more likely receive finance for the big ticket infrastructure items in our Plans?

I would like to spend a few minutes on each question. I have only suggestions on these issues, but I raise them confident that individually and collectively you have much to offer on these questions.

First, what is affordable and important which we can do together? In terms of efficiency and impact, effectively implemented policy changes are probably hands down the investments in transport and communications that are the least expensive and the most rewarding.

Your reports outline a number of policy issues that are low cost and high reward. Let me illustrate this by mentioning one policy area which is of real concern, that of road safety. To me, there are two aspects of road safety: we don’t want to get hurt by accidents and we don’t want to be robbed. We have the highest accident rate of any continent and we have the most delays due to illegal roadblocks and outright road piracy.

We frequently complain that our transportation costs are among the highest in the world. Part of the reason is inadequate infrastructure, but part of the reason is because our transport fleets are subject to very high extra costs because of accidents, shakedowns and extraordinary delays at checkpoints.

If you own a fleet you have to charge for these costs by hiring extra drivers and buying more trucks than you really need. These problems are not unique to Africa. Research of the 3500 kilometer transport route from Sao Paulo, Brazil, to Valparaiso, Chile found that on average the trip took 200 hours. More than 100 hours of that time was spent at the two border crossings on that route. To haul the same tonnage, truckers in that part of the world require a fleet about twice the size of what would be required if there were efficient border processing.

Examination of the best cases in Africa to reduce these problems would be useful. Explorations of new kinds of cooperation, for example working with the private sector to jointly share the costs of highway safety campaigns, also might be worthwhile.
This is but one example where investment in policy and improved practices turn out to be far more doable and far more affordable than the big ticket construction items.

But can we cannot ignore the big ticket items which will weave our continent together. Most of the proposed transport and communications linkages put into past UNCTADA plans, were put there with good reason. And we can see many of these same plans emerge in NEPAD. Can we hope to finance them?

The key point I wish to offer is that such investments can be made to be more attractive for financing. For example, a much more efficiently used transport system would be one that would attract investment more easily.

Carrying the road transport example a bit further, one could say that by doing the doable policy reforms… safety on the road, eliminating as many of the delays as possible, harmonizing procedures… then we make investments in the infrastructure that much more attractive.

We can also take the same kind of actions to attract private sector investment in other realms of transport and communications, such airlines, electricity, pipelines and communications.

I want to underline a point that I mentioned in my opening statement on Monday. Regional integration has to bring equitable benefits. The international donor community is in the midst of taking increasingly concerted actions to reduce poverty in a much more focused way than in the past. By linking transport and communications investments with the poverty reduction goals of donors, we add to their marketability. Of course, this is more than a marketing exercise, for there are difficult problems to efficiently reach out to parts of the country where the poor are concentrated. But I think you will find interest in helping you do so.

It is with all these considerations in mind that I salute your Experts Group for proposing to you a Plan of Action for 2003-2007, titled "The Way Forward." That Plan incorporates the kinds of approach I have discussed with you today. It is shorter term and has annual more monitoring in it, thereby increasing our mutual accountability, each to the other, to act on what we agree. I am confident that as you review it, you will find even more ways to strengthen its practicality and the mechanisms to assure that it will be fully successful.

Let me end these few remarks with a few words of encouragement. As I have said to similar august groupings, we in Africa work in a tough neighborhood. It is not easy to work on inadequate budgets with inadequately trained staffs and where corruption can often infect well-intentioned efforts like a virus.

The encouraging thing is what the evaluation of UNCTADA shows as the real accomplishments of working together over the last two decades:

- A number of missing links of the Trans-African Highway network were bridged.
- The planned railway interconnections in the West and Eastern African sub-regions were completed.
- Better road management initiatives and appropriate institutions were established, with autonomous authorities set up in most modes.
- A decision to liberalize the African air transport was adopted through the Yamoussoukro Decision.
Transit corridors to many of the land-locked countries became more effective.
ECA launched the African Information Society and work with a number of countries on their policies and programs is often ahead of schedule.
The African Telecommunications Union launched its African Connection Initiative.
COMESA launched its COMTEL and ECOWAS its INTELCOM.
And there are new grid systems, linkages and regional networks which have been established.

Honourable Ministers,

Yes, there is a lot of unfinished business of UNCTADA II and growing global challenges call us to move faster or we will be left behind. But we have accomplished enough together to give us confidence. We have a far better political climate for cooperation than in anyone’s memory. And many of our tasks are doable.

So I hope you are optimistic about your agenda and about moving ahead as brothers and sisters.

Mr. Chairman,

I want to thank you and your colleagues for agreeing to dovetail your conference with the African Development Forum on regional integration. Effective Transport and Communications networks are an absolutely integral part of successful regional integration, so your work is at the heart of this Forum’s considerations. And your being here is helping the Forum immeasurably.

Honourable Ministers,
Ladies and Gentlemen,

Thank you for the opportunity of addressing this timely and important conference. You are always welcome to this Conference Center and I hope I will have the opportunity of seeing you here often.