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**TRANSIT PROBLEMS OF
LAND-LOCKED AFRICAN COUNTRIES**

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TRANSIT PROBLEMS OF LAND-LOCKED AFRICAN COUNTRIES

I. INTRODUCTION

The problems of land-locked countries are clearly recognized in the UNTACDA II programme as illustrated in the global objective of the programme the item:

OBJECTIVE I: Implementation of phased and balanced programme of development and management of transport and communications infrastructure, taking particularly into account the needs and requirements of island and land-locked countries.

The UNTACDA II is a co-operation programme designed to co-ordinate activities for the development of transport and communications in Africa at national, sub-regional, regional and international levels. Accordingly, The implementation, monitoring and evaluation of the programme is being carried out at each of the above levels. The fifteen land-locked countries in Africa namely: Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Uganda, Zambia, and Zimbabwe are participating in the implementation of the programme with ECA as the lead agency.

ECA actively participates in major meetings on land-locked countries. This is because particular needs and problems of land-locked and transit countries have been a subject of discussion in various international fora for many years now. In spite of several invitations by these countries, both at the national and the international level and by the international community to overcome these particular problems, the challenges that these countries still face continue to be formidable. The UN family has taken special interest and supported an innovative approach to promote more effective co-operative arrangements between land-locked and transit developing countries and their neighbours to encourage a more active supportive role on the part of the community.

Below are some of the issues and recommendations which have been discussed and agreed upon by Governmental Experts from land-locked and transit developing countries and representatives of Donor Countries and Financial and Development Institutions.

II. LAND-LOCKED COUNTRIES AND THEIR TRANSIT TRANSPORT PROBLEMS

Land-locked countries of Eastern and Southern Africa have a general transport handicap imposed on their development by their geographic locations. This handicap stems from effects of both exports and imports, and thus on the economy as a whole, arising out of additional distance over which goods need to travel and from dependence of transit of these goods through another, coastal country.

Given the disadvantage associated with landlockedness, though many of the countries have other handicaps also, they are likely to have difficulty in attracting foreign investment, since potential investment has the choice of alternative locations in the corresponding transit countries. In some cases even the remotest interior areas of coastal states are likely to be much less distant from the sea than the principal cities of the of the land-locked state i.e. Addis Ababa.

Table 1. Shortest distance to a seaport from capital or city

Country	Distance (km)
<u>East- Central Africa:</u>	
Burundi	1455
Ethiopia	700
Rwanda	1530
Uganda	1150
<u>West-Central Africa:</u>	
Burkina Faso	990
Central African Republic	1710
Chad	1735
Mali	1250
Niger	1060
<u>Southern Africa:</u>	
Botswana	1100
Lesotho	740
Malawi	815
Swaziland	220
Zambia	950
Zimbabwe	590

Box 1: Costs associated with landlockedness

Natural geographic cost burden:

- High cost of overland transport over long distances
- Payment of transit transport services, in hard currency
- Increase cost of imports
- Worsened terms of trade
- Reduced export competitiveness and export range/volume and reduced payments to factors for actual export.

Additional cost elements:

Potential regular cost:

- Costs resulting from under investment in transit country infrastructure, rolling stock, etc, hence wear and tear on transport equipment delays
- High or discriminatory charges for transport or port services in transit country
- Costs of additional transshipment loading/unloading
- Restrictions placed on routing of good in transit
- Pilferage or damage to goods en route, raising insurance costs
- Delays associated with inadequate management of goods traffic in transit:
 - inadequate communication between ports and LLDCs absence of information on movement of goods and proper tracking system
 - imposition of bureaucratic procedures and unnecessary or complicated documentation
 - preferential treatment of coastal country goods at port or else where resulting in:
 - loss of potential orders requiring reliable delivery to market
 - disruption of production due to unreliable delivery of inputs. requiring raised level of inventories
 - tying up of capital in stocks and goods in transit

Potential exceptional costs associated with civil wars etc. in transit country or hostile or disruptive policies deliberately pursued, including border closures:

- major and expanded supply and export disruptions
- political and social costs of food insecurity
- costs of maintaining additional 'insurance' transport corridors and of use of higher cost routes

The transport costs handicap of land-locked countries in relation to coastal neighbors is exacerbated by the fact that the extra distance moves which their goods travel, whether exports or imports, is over land, rather than ocean, overland travel being very much expensive than ocean. Estimates made by UNCTAD of shipping of container of export cargo between selected African cities within land-locked countries to North Western Europe in 1995 showed that the inland portion of costs were generally more than half of the total, and in one case as high as 70 per cent, despite of course, very much longer distances by sea (see Table 2). This indicates that any attempt to increase the competitiveness of exports of land-locked countries and, for that matter, to reduce cost burdens of imports, needs focus on the level and structure of costs accruing in the transit operation.

Table 2 Relative costs in land and sea portions of transport between selected African cities and NW Europe, 1995
(Costs in US\$ of 20-foot equivalent unit)

Inland town (country)	Inland mode of transport	Inland transport cost US\$/TEU	Associated port	Ocean Transport Cost US\$/TEU	Shared inland cost as % of total
Bamako (Mali)	Rail	800	Dakar	1100	42
Bangui (CAR)	Rail	2560	Douala	1500	63
Kigali (Rwanda)	Road	2500	Dar Sal.	1300	66
Bujumbura (Burundi)	Road	3100	Dar Sal.	1300	70
Lusaka (Zambia)	Road	1900	Dar Sal.	1300	59
Lilongwe (Malawi)	Road	1600	Dar Sal.	1300	55
Lilongwe (Malawi)	Road	1600	Durban	1000	62
Lilongwe (Malawi)	Road	1050	Nacala	1100	49

Source: UNCTAD Secretariat and UNCTAD Review of Maritime Transport 1995.

III. FUNDAMENTAL TRANSIT TRANSPORT POLICY ISSUES

Both land-locked and transit countries often have recourse to interventionist policies in pursuit of non-economic objectives such as immediate employment creation in the road haulage industry or the protection of railways. In the long run, it is important to take into account the commercial viability of the transit transport sector; the quality of services and the cost to the customer. Accordingly, **it is recommended:**

- That Governments support the development of a market-oriented commercial environment by liberalizing the trade in transit services; and
- The main transit transport considered as serving land -locked countries in Eastern and Southern Africa.

The current generation of transit corridor agreements in Eastern and Southern Africa encompasses no more than a negotiated package of rights and duties under which land-locked countries are permitted to use the transit facilities owned and operated by their respective neighbors. Corridors for which agreements exist are:

- Northern Corridor which comprise Kenya (transit country) Rwanda, Burundi, and Eastern Zaire (land-locked countries) - Northern Corridor Agreement);
- The Central Corridor which comprise Tanzania (transit country), Rwanda, Burundi and Zambia- Belbase Agreement

Other corridors in the subregion are:

- The Malawi Northern Corridor
- The Eastern Corridor (Nacala)
- The Southern Corridor I (Beira)
- The Southern Corridor II from Southern Africa via Harrare (Zimbabwe)

A recent study conducted by ECA indicate that those corridors are served by all modes of transport (ports, road, rail, inland waterways, pipeline and air transport). However the study identified various transport issues which require solutions in various assisting corridors namely:

- Transit security arrangements
- Rail transport liability
- Co-ordination of road transport service
- Safety relating to lake service
- Third party motor vehicle insurance arrangements
- Updating of institutional arrangements
- Resolution of policy issues affecting agreements

The next chapter highlights some of these problems and recommends remedial action to be taken for solving transit transport problems of land-locked and transit countries in general.

In order to improve transit security which may be impaired by disruptions in the main transit corridor, land-locked countries strive to develop alternative routes. This policy also opens up the possibility of commercializing the transit issue by fostering competition between ports and transit corridors. There are, however, two latent problems that continue to emerge in this regard. Making alternative routes operational may require extensive government intervention in markets to redirect importers and exporters away from the traditional routes. Such interventions have adverse cost implications that may not be beneficial to the users of transit services. Furthermore, there is inevitably a conflict of interest, as a coastal state is concerned to ensure that investment in transit facilities are efficient and profitable and that transport capacity is not excessive. **It is therefore recommended:**

- That bilateral and subregional co-operative arrangements, wherever appropriate, address these issues in order to ensure transparency of mutual advantages that are inherent in establishing, managing and maintaining a transit system that assures coastal states of the reliability of transit traffic, which is often an important source of foreign exchange revenues, and future access to transit corridors by land-locked states, which is an important security consideration for these States;
- That development of transit routes should be based on a full analysis of the costs and benefits involved, and the proliferation of costly

alternative routes which may not be justified on the basis of such analysis should be avoided.

Land-locked and transit states have taken a number of initiatives to co-ordinate transit transport operations as an integral part of formal bilateral and subregional transit agreements or ad hoc consultative arrangements. The implementation of these co-ordination arrangements, however, remains generally weak because of the lack of effective monitoring and enforcement mechanisms. In this connection, **it is recommended:**

- That the existing institutional mechanisms at the policy and operational levels to monitor and promote the implementation of agreements and arrangements be further strengthened, and where they do not exist they be established urgently, and that the involvement of such institutions as shippers' councils and trade facilitation committees, which include representatives from the private sector, be strongly encouraged.

The use of international agreements has long been a successful instrument in promoting efficient and reliable transit transport systems. Many of these agreements have, however, not been adhered to by a number of land-locked and transit developing countries, partly as a result of the lack of knowledge about the benefits which accrue from such agreements, as well as the lack of the necessary institutional arrangements to initiate and follow up the necessary actions for the ratification process. **It is accordingly recommended:**

- That land-locked and transit developing countries should consider further enhancing efforts to adhere to these conventions and that the donor community and international organization should provide the necessary technical assistance to these countries as appropriate.

There are clear advantages which accrue from the well balanced and managed use of both rail and road. **It is accordingly recommended:**

- That policies be developed which enable both modes to compete fairly in a commercial environment for transit traffic.

The high transit transport costs which land-locked countries have to incur because of transport distance, procedural bottlenecks, poor transit and communications facilities, time delays, storage costs and high transit tariffs

are a matter which will continue to be of prime concern to these countries. These costs can, however, be reduced, not only by addressing these transit-specific problems but also by deliberate efforts to reduce the dependence on overseas markets. Accordingly it is recommended:

- That land-locked countries consider, in appropriate situations, measures to restructure their production and trade patterns through the promotion of projects geared towards importation substitution programmes and greater regional and subregional trade;
- That land-locked countries and their transit neighbours exploit their development potentials in such areas as tourism, industry, energy and agriculture through joint ventures, and also work towards the reduction of transit tariffs.

The lack of adequate skilled manpower in the transit transport sector continues to be acute: and a source of serious inefficiencies in transit operations. It is therefore recommended

- That deliberate efforts be made to promote integrated training programmes encompassing all levels, from the top management to low-level operators, in both public and private sectors and that such training programmes include training of trainers and provision of training materials and local counterparts in cases where foreign experts are involved;
- That efforts should be made to improve the institutional capacities in the transit transport sector.

Environmental degradation continues to be a serious world wide problem, but the developing countries are least equipped to meet this challenge effectively. The development and management of the transit transport infrastructure may give rise to environmental damage. Accordingly, it is recommended:

- That co-operative measures by land-locked and transit countries be agreed upon to facilitate adherence to appropriate environmental standard;
- That promotion and development of transport sectors should be based on environmentally sound management of traffic and transport systems and effective design accordance with agreed environmental standards.

The development of transit transport infrastructure and its adequate maintenance continue to be a major concern of the land-lock and transit countries concerned and the donor institution which such support. **It is therefore recommended:**

- That governments in the land-locked and transit developing countries, as well as their development partners and the private sector, give high priority to the development and effective maintenance of transit transport infrastructure programmes, including the mobilization of adequate resources for this activity.

III. SECTORAL ISSUES

(a) Railways

Railways have an important role to play in the transit transport corridor system linking ocean ports with most of the land-locked countries. Policy and operational problems have, however, reduced their efficiency and profitability and the quality of services to the customer. Where regulatory protection of railways is loose, this has led to a gradual shift to road transit traffic.

(i) Policy aspects

The policy environment of the railway administration has generally not been conducive to market-oriented management. Some of the prevalent specific characteristics of railway management patterns which negatively affect the performance of rail traffic include the following: application of civil service regulations which reduce the flexibility of railway administrations to respond effectively and in a timely manner to customers' demands; undue protection of railways against other competing modes; the funding of non-commercial operations by some Governments; limited autonomy of railways to approve plans and capital expenditure and monitor performance on a regular basis; poor coordination of railway management of a subregional basis; and little regard to the environmental impact of railway operations. Accordingly, **it is recommended:**

- That governments consider providing greater operational autonomy to railway managements by carrying out appropriate restructuring plans;

- That commercial criteria should also be considered in the operation of railways, and competition with other modes should be promoted and their complementary roles enhanced. Privatization of some railway services should be encouraged, where feasible;
- That, where railways must operate on a commercial basis but at the same time fulfil a 'public service obligation', Governments meet the cost of such a service;
- Those institutional arrangements are put in place to monitor the safety, pollution and environmental implications of carriage by rail, particularly with regard to dangerous goods.

(ii) Rail transit infrastructure

Important projects and programmes to rehabilitate and develop railway infrastructure involving the main transit corridors have been initiated in all regions and subregions. Some of the leading examples include the following:

- The SATCC programme in Southern Africa to rehabilitate the rail transit corridors to the ports in Mozambique, Angola, the United Republic of Tanzania and Namibia;
- The rehabilitation programmes along rail transit corridors to the land-locked countries of the East/Central and West/Central African subregions to the ports on the Indian and Atlantic Oceans respectively;

Problems of great concern relate to the persistent problem of the limited availability of equipment, including locomotives and wagons, and poor maintenance standards. Accordingly, **it is recommended:**

- That measures be undertaken to mobilize more resources to meet current and future equipment and maintenance requirements;
- That Governments establish more effective mechanisms to implement bilateral and subregional inter-railway agreements related to such key areas as payments procedures for equipment hired and services provided in exchange; conditions for using and returning wagons; maintenance of wagons; standardization of railway equipment, methods of dealing with damage and repairs to wagons; and consultations and arbitration procedures;

- That, where necessary, new railway connections at the subregional level be established and also that the rehabilitation programmes for railways move in tandem with new technological improvements and innovations.

(iii) Operational issues

The smooth movement of transit cargo by rail is still hampered by a series of operational constraints, which must also be addressed within the framework of bilateral and subregional arrangements and consultations. **It is accordingly recommended:**

- That cross-border facilitation of trains be further improved by simplified and harmonized documentation procedures, as well as coordinated working hours;
- That adequate equipment, personnel and facilities for railway inspection be provided and that standardized inspection systems at borders be established;
- That Governments take the necessary initiative to adhere to relevant international conventions related to rail transport, such as the International Convention Concerning the Carriage of Goods by Rail (CIM) which provides internationally accepted rules that guarantee an efficient and safe environment for inter-country rail operations;
- That efficient systems for cargo monitoring along the transit corridors be established;
- That training programmes both at the national and subregional level be expanded and maintained and inter-railway staff exchange programmes be encouraged;
- That a more simplified scheme which is responsive to customer needs in terms of liability claims and compensation be introduced where cumbersome procedures are still prevalent.

(a) Roads

Although road haulage may not be the most cost-effective arrangement on long transit transport corridors linking the land-locked

countries with ocean port, there is a growing shift of traffic from railways to road traffic because of the possibility of achieving better service standards in terms of speed and security in transit. This trend, however, remains under challenge as a result of both policy and operational constraints which need to be addressed aggressively if the road haulage industry is to maintain its competitive edge over other modes of transit transport.

(i) **Policy issues**

The main policy issues include road traffic legislation's transit transport charges, road financing arrangements, road transit transport management and coordination of road traffic activities. In order to redress the current inefficiencies still very prevalent in these areas, **it is recommend:**

- That common standards and certification in such areas as road safety, vehicle and driver testing, road permits, driver licensing and vehicle standards should be adopted at the bilateral and subregional levels;
- That Governments should adopt a deliberate policy of liberalizing road transit services by encouraging competition in the road transit haulage industry;
- That Governments should make efforts to harmonize transit charges at the bilateral, subregional and regional levels and that effective enforcement mechanisms be introduced;
- That serious consideration be given to the establishment of a simplified payment system for effecting transit charges in order to facilitate the payment procedures for inter-country movement of vehicles;
- That, where applicable, Governments accord road transport boards greater autonomy to implement corporate decisions;
- That the involvement also of private sector organizations in the formulation of road transit transport policies be encouraged;
- That the prevalence of environmental hazards in the road transport industry be addressed by establishing policy guidelines for pollution control and the carriage of dangerous goods by road.

(iii) Road transit infrastructure

Investment in the expansion of the road transit infrastructure is increasing. Yet considering the magnitude of the required investments, further sizeable resource allocations are required from all sources for road development projects, particularly with assistance from the development partners of the land-locked and transit developing countries. The key problem area, particularly with regard to international practice of overloading vehicles. National and subregional initiatives have been taken to set axle-load limits and to harmonize axle-load regulations, but these efforts have led to little progress because of poor coordination of mechanisms to enforce the recommended uniform axle-load regulations, including the use of weigh bridges. **It is accordingly recommended:**

- That investment from all sources be substantially enhanced to develop road transit infrastructure in land-locked and transit developing countries;
- That effective harmonized axle-load regulations and road maintenance procedures be introduced at the bilateral and subregional levels;
- That existing institutions to monitor the implementation of agreed regulations and procedures be strengthened and that sanctions for non-compliance be agreed on and enforced;
- That road transit charges be exclusively used for maintaining and improving highway links so as to minimize vehicle operating costs.

(ii) Operational issues

Road transit traffic in many land-locked and transit countries continues to be constrained by a range of non-physical barriers and other operational difficulties which should be addressed at the national, bilateral and subregional levels. **It is therefore recommended:**

- That more effective measures be undertaken to harmonize and simplify customs documentation and procedures, immigration formalities, cargo inspections, border working hours and other practices that lead to delays in the movement of cargo;
- That Governments consider taking the necessary initiatives to accede to and implement relevant international conventions related

to road transport, such as the Convention on the Contract for the International Carriage of Goods by Road (CMR), which provide internationally accepted rules that guarantee an efficient and safe environment for inter-country road operations;

- That regional data bases on road transit be expanded in order to facilitate road transit management and operational planning;
- That the question of a quota system for distributing transit cargo to domestic and foreign truckers and the practice of differential transit charges be reviewed in bilateral and subregional contexts as part of the broader policy to deregulate the road transit haulage industry;
- That a common integrated third party insurance scheme at the bilateral, subregional and regional levels be adopted;
- That national and regional training programmes be expanded and maintained and that the training material should also relate to inter-country road transit transport practices and regulations.

(c) Port facilities and services

(i) Policy issues

Although some progress has been achieved, the land-locked countries and their coastal neighbors are equally concerned by the persistent inefficiencies of the ports in their regions. This is partly linked to the inadequacies of government's policy framework affecting ports. **It is accordingly recommended:**

- That Governments should seek innovative and cooperative arrangements to improve port facilities and services for land-locked developing countries;
- That Governments encourage more commercially oriented management practices and that, if Governments require some traffic in port to move at sub-economic rates, they should pay for such services;
- That steps be considered to give greater autonomy to port management authorities to effect changes.

(ii) Operational and physical issues

Notwithstanding the progress made, sea ports continue to be a critical bottleneck in the transit system because of a range of physical inadequacies and operational constraints. These are related, inter alia, to the poor quality of handling and storage facilities for transit cargo, which may lead to loss, damage and deterioration of cargo and to higher charges for such facilities, cumbersome procedures for clearing and release of cargo, and shortage of skilled manpower. **It is accordingly recommended.**

- That storage charges be competitive and be based on what the market can bear;
- That if storage facilities are provided outside the port area, the location be commercially viable for users;
- That documentation procedures for releasing transit cargo be further simplified and harmonized;
- That joint consultations between land-locked and transit countries address the issue of the level of the bond guarantee for transit cargo, the verification of containers and the representation of operators from the land-locked countries in the port in order to ensure that the users of transit services are not unduly burdened financially and that the security of their goods is safeguarded;
- That banking and insurance institutions make further efforts to promote warehouse insurance arrangements for transit cargo;
- That the establishment of dry ports in the land-locked countries be vigorously promoted in order to ensure speedy and cost-effective movement of cargo;
- That management in collaboration with donors agree on reducing the multiplicity of port equipment in order to simplify maintenance and the cost of spare parts;
- That training programmes for port workers be expanded and maintained to enable them to adapt to new technologies and procedures;

- That the freight-forwarding and clearing industry, particularly at the small and medium-scale level, be bolstered through comprehensive training programmes;

(d) Inland waterways

Inland waterways provide transit services to some land-locked countries such as Burundi, Central African Republic, Malawi, Mali, Niger, Tanzania, Kenya and Uganda. The key problems in improving the efficiency of transit services along these waterways are poor infrastructure (vessel capacity, navigational aids, radio communications, etc.), the lack of an appropriate legal frame work to govern river/lake operations, ineffective measures to prevent pollution and promote safety, and operational bottlenecks related to the interface with other modes in the transit transport chain. **It is accordingly recommended:**

- That further efforts be undertaken to rehabilitate and expand the lake/river infrastructure facilities along the corridors linking the land locked countries to ocean ports;
- That Governments establish a legal framework that creates a basis for collaborative actions at a subregional level and ensures an efficient river/lake transit system, including control measures to promote navigational safety and pollution control;
- That efficient interface arrangements with inland transport networks be established;
- That development of new waterways, where possible, should be explored

(e) Air freight

Air freighting continues to be an important alternative to surface transit, particularly with regard to the importation of high-value manufactured goods and export of perishable goods (flowers, fruits, vegetables, meat, etc.) and high-value foods. There are, however, persistent infrastructure and operational problems that limit the expansion of the air freighting industry in most of the land-locked countries. **It is recommended:**

- That physical infrastructure facilities (aircraft, airport handling and storage facilities) have to be expanded;
- That Governments and airlines cooperate in the development of adequate freight collection and distribution systems around the major airports in the land-locked countries;
- That Governments liberalize their policies regarding the granting of traffic rights for freight on scheduled services and lift and restrictions on cargo charter flights; such action would make it possible to use the existing freight capacity more effectively;
- That continuous efforts be made to identify and take advantage of opportunities for stimulating traffic development by lowering of traffic for commodities, sectors, directions, or periods of time; such reductions may be aimed at developing new types of traffic and especially at correcting easing imbalances in flows;
- That pooling of air transport arrangements at the regional, subregional and bilateral levels be further promoted to permit economies of scale;
- That training programmes at the national and subregional level be expanded and maintained.

(f) **Communications**

The remoteness of land-locked developing countries from seaports and overseas markets, compounded by inadequate communication links with various ports and commercial centres in these countries and between ports and overseas markets, continues to be a major handicap inhibiting the speedy movement of transit cargo. This often leads to enormous delays in getting cargo in and out of ports, since there is irregular information on the time schedules for the arrival and departure of cargo. The costs caused by such delays can be considerable. **It is therefore recommended:**

- That telecommunications facilities be expanded, including through liberalization; and that private sector participation be encouraged and the management of such facilities be streamlined.

(g) The role of external assistance

Specific action at the national, bilateral, subregional, regional and international levels, as appropriate, should be taken to address the special development problems and needs of land-locked developing countries. To that end, greater international support, through technical cooperation with and financial assistance by developed countries and multilateral financial and development institutions, is needed to enhance the capacity of the land-locked developing countries to participate effectively in the rapidly globalizing world economy, including global trading, investment and technology transfer processes.

The cost implications of meeting the requirements to establish and maintain an efficient transit transport system are often of such magnitude that the land-locked and transit countries left on their own cannot accomplish this formidable task. Many of the land-locked developing countries are among the poorest countries and suffer from all the extreme handicaps of least developed countries. It is to be borne in mind that improved practices and maintenance of existing facilities and new investments in the transit system, with necessary external support, will have to be introduced to a significant extent in the transit countries with a view to facilitating the transit traffic of the land-locked countries. Since most of the transit countries are themselves developing countries with limited resources, the development partners of land-locked and transit developing countries are expected to play an important role in supporting transit transport development programmes. International support and assistance should therefore take fully into account the special vulnerabilities and developmental needs of land-locked and transit developing countries. **It is accordingly recommended:**

- That consideration be given to a substantial increase in the flow of financial and technical assistance from all sources and existing mechanisms, including the private sector;
- That external financial assistance be made available in the form of grants and/or on the most concessional terms possible;
- That the criteria and procedures used for evaluating the viability of transit transport infrastructure projects and programmes, as well as for approving the funds for them, be flexible tailored to take into account the particular economic and institutional weaknesses of these countries;

- That other aid modalities, such as local cost and recurrent cost financing and non-tied aid, be given serious consideration;
- That foreign direct investments in the transport and communication sectors be encouraged;
- That efforts of land-locked and transit developing countries to introduce environmentally sound management to traffic and transport systems and effective design should be supported thorough financial assistance and transfer of environmentally sound technology, according to chapters 33 and 34 of Agenda 21;
- That expanded financial assistance be considered for:
 - Maintenance of existing physical transit transport infrastructures along the surface corridors (road, rail, inland waterways, ports and border points), and of the aviation infrastructure when cost effective;
 - New investments designed to establish missing linkages in the transit transport chain, to improve aviation infrastructure and to extend railroads to land-locked developing countries;
 - Development of alternative cost-effective routes;
 - The development of dry port projects in land-locked developing countries, designed to reduce transit transport costs;
 - Projects to establish weighbridges at border points;
 - Equipment to provide transit services (vehicles, rolling stock, spare parts, trans-shipment, port handling equipment customs equipment, etc.)
 - Joint projects in trade and production to help bolster subregional and regional trade;
 - Rehabilitation of the transport infrastructure of countries afflicted by war and domestic strife and natural and man-made disasters.

A major factor determining the external trade performance of land-locked developing countries concerns the high additional transit transport costs that

these countries have to bear, which makes their exports less competitive and imports more expensive. **It is therefore recommended:**

- That the current market access facilitation programmes consider giving facilitation programmes consider giving particular attention to products of export interest to land-locked developing countries, including GSP schemes for LDCs among them, and exploring ways and means to provide support to these countries in reducing import costs.

United Nations agencies and concerned technical assistance institutions need to further expand their programmes to support the land-locked and transit countries in their efforts to improve their transit transport systems, and their development partners should consider providing the requisite financial support in this regard. It is recommended that they assist, when requested by the governments concerned, in:

- Promoting the implementation of agreed bilateral and subregional transit agreements and working arrangements related to the following issues: inter-railway management systems; transit documentation; road engineering standards and maintenance procedures; standardization of road transit regulations; air freighting operations; international conventions related to transit; transit bond guarantee schemes; verification of containers; and simplification of transit insurance schemes;
- Promoting market-oriented transit transport policies;
- Encouraging exchange of experiences related to the development and management of transit transport systems in different regions;
- Maintaining internationally accepted standards of environmental protection in the transit transport sector;
- Promoting and implementing privatization programmes within the transport sector where appropriate;
- Carrying out the required technical studies to help Governments in their policy decisions;
- Supporting training programmes in the following fields:

- Negotiations on transit agreements
- Customs documentation and transit procedures
- Freight forwarding and clearing of transit cargo
- Road safety
- Environmental protection in the transit transport sector
- Air freighting
- River/lake transport
- Transit insurance
- Transit cargo handling and storage
- Dry port development and management
- Expanding regional data bases on road transport
- Assisting Governments in elaborating the implications of acceding to relevant international conventions.

V. CONCLUSION

In order to facilitate smooth implementation of recommendation sconnecting transport problems of land-linked countries, it is important that:

- Specific consultative groups be organized when requested by countries concerned for each subregion which will identify priority areas for action at the national and subregional level, draw up action programmes and their time-frame, and promote the implementation of already agreed measures;
- Land-locked and transit countries strengthen their existing institutional arrangements for monitoring the implementation of transit transport regulations and practices and that these arrangements should be given the full political support that is required.

ANNEX

REFERENCE DOCUMENTATION

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