

**UNDP/ECA PROJECT RAF/89/016
PREPARATION OF UNTACDA II PROGRAMME**

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UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA

Second United Nations Transport and
Communications Decade in Africa
(UNTACDA II, 1991 - 2000)

**Report of the Meeting of Financing
Institutions and Agencies**

29 November 1991, Brussels - Belgium

**First Meeting of Financing Institutions and Agencies
on the Programme of UNTACDA II**

A. ORGANISATION

1. The first meeting of Financing Institutions and Agencies on the programme of the Second United Nations Transport and Communications Decade in Africa was held on 29 November 1991 at the secretariat of the African, Caribbean and Pacific Group of States (ACP), Brussels, Belgium. The main objective of the meeting was to explain in detail to the participating financing institutions, agencies and donors, the UNTACDA II Programme and discuss with them the framework of cooperation with the Resource Mobilization Committee (RMC) which had been set up by the African countries to assist them in mobilizing the necessary financial and technical resources for implementing the programme.

B. PARTICIPATION

2. The following institutions, agencies and donor organizations took part in the meeting:

- The African Development Bank (ADB);
- The World Bank (IBRD);
- United Nations Development Programme (UNDP);
- Commission of European Economic Community (EEC);
- European Investment Bank, (EIB);
- African, Caribbean and Pacific Group of States (ACP);
- The Eastern and Southern African Trade and Development Bank (PTA Bank);
- East African Development Bank (EADB);
- Banque de Développement des Etats des Grands Lacs (BDEGL);
- Banque Ouest Africaine de Développement (BOAD);

- The Saudi Fund for Development;
- The Islamic Development Bank, (IDB);
- Kuwait Fund for Arab Economic Development;
- The Canadian International Development Agency (CIDA);
- Germany - Ministry of Economic Cooperation (BMZ);
- Belgium - AGCD, Cooperation Belge;
- Netherlands - DGIS, Ministry of Foreign Affairs;
- Swedish International Development Agency (SIDA);
- Direction de la Cooperation au Développement et de l'Aide Humanitaire (DDA). Switzerland;
- Norwegian Agency for Development (NORAD) Infrastructure Division;
- KFW, Germany;
- GTZ, Germany;
- The Economic Community of West African States (ECOWAS);
- France, Ministry of Cooperation (FAC -INRA Division);
- Caisse Centrale de Cooperation Economique (CCCE), France;
- Italy, Direction General pour le Développement;
- Economic Commission for Africa (ECA);
- The RASCOM Interim Office;
- INTELSAT.

3. The list of participants is included as Annex I to this report.

C. OPENING OF THE MEETING (agenda item 1)

4. In the opening address, Mr. K. Apetey of the African Development Bank, in his capacity as Chairman of the Resource

Mobilization Committee of UNTACDA II, gave a broad account of the programme. He stated that despite the programme of the first United Nations Transport and Communications Decade for Africa which ran from 1978 to 1988, the fundamental problems of these Sectors still remained unsolved. He further stated that the present state of transport and communications in Africa is far from sufficient and continues to constitute major obstacles to the development of the Continent.

5. He then raised the expectation that following a long decline in the African economies during the 1980's, the political and economic reforms which are now underway in many African countries portend better public management, efficient administrative services and better utilization of the limited available resources in the future.

6. The Chairman of the RMC then stated that it was necessary to develop and improve the efficiency of transport and communications as a means for economic development and social progress, and it was in that context that UNTACDA II must be viewed.

7. He explained that the Decade was a general framework for cooperation which groups several partners such as African States, the subregional and regional economic organizations, specialized African institutions, United Nations Agencies and the financing institutions and agencies. He outlined the institutions established for implementing the programme as follows:

- National Coordinating Committees (NCC) in each member State;
- Subregional Working Groups, one in each subregion of North, Central, West and Eastern and Southern Africa;
- Subsectoral Working Groups of which there are eight.

8. He presented UNTACDA II as a flexible pan-African, multisectoral, integrated and coherent programme for which the resources required for implementation were estimated at about US\$ 75 billion over the ten years. Out of this amount, over 70% would be devoted to maintenance and rehabilitation of infrastructure and equipment as well to institutional reforms.

9. In conclusion, the Chairman of the RMC stated that the objectives of the Meeting was to provide a forum for the RMC and the financing institutions and agencies to:

- review in detail the concepts, objectives, strategies and programme of UNTACDA II;

- establish a dialogue on the best methods for implementing the programme, notably, collaboration between RMC and the financing institutions and agencies, mechanisms of UNTACDA II as the priority programme for developing transport and communications in Africa.

D. ACCOUNT OF PROCEEDINGS

Adoption of the agenda (agenda item 2)

10. The following agenda was adopted:

1. Introduction by Mr. K. Apety, Chairman of the Resource Mobilization Committee.
2. Adoption of the agenda.
3. Presentation of the concepts and Programme of UNTACDA II.
4. Presentation of the RASCOM Project.
5. Open debate.
6. Conclusion.
7. Closing.

Presentation of the concept and Programme of UNTACDA II
(agenda item 3)

11. The programme of UNTACDA II was presented in detail by a representative of ECA. He recalled that the Symposium of the previous two days had provided the participants with extensive details on the strategies of the programme which had been developed on both the subregional and subsectoral level. The purpose of the meeting, he explained, was to present the resultant programme which had been developed from the above strategies, and to discuss with the financing institutions and agencies, the modus operandi for its implementation. He then highlighted the following aspects:

- (i) Global objective, the ten thrust areas and the logical sequence of their derivation;
- (ii) The "Bottom-up" approach adopted for the preparation and implementation of the programme;
- (iii) The established criteria for project selection;

- (iv) The project selection process and the results of the first list of projects;
- (v) Thematic distribution of projects, i.e. among the eight themes of the programmes;
- (vi) Regional and subsectoral distribution of projects;
- (vii) Characteristic of the programme, i.e. flexibility, continuous process, periodic evaluations, cooperative nature and the interactive relationship among the major actors including the donor community.

12. Regarding the intervention of the financing institutions and agencies, he pointed out that UNTACDA II was the programme of Africa for Africa and, as such, the primary responsibility for its implementation fell squarely on the African States who, in the first place, conceived, developed and approved it. However, in view of the limited resources available in Africa, outside assistance was being sought to supplement, and more importantly, complement the efforts of Africa. In conclusion he appealed for frankness and transparency of all the partners involved in the programme.

Presentation of RASCOM Project (agenda item 4)

13. A representative of ADB, in its capacity as Chairman of RMC, made a brief presentation on the project of Regional African Satellite Communication System (RASCOM). Recalling that the main purpose of the meeting with the financial community was to inform and sensitize them on the problems of transport and communications in Africa in order to establish a mechanism of consultation with them regarding UNTACDA II programme, it was nevertheless essential to introduce the RASCOM project to them. This was due to the fact that RASCOM is the largest single regional project in UNTACDA II and had reached the stage where the intervention of external financiers was necessary.

14. He then briefly recalled the background to the RASCOM project, its objectives and the progress attained so far. In conclusion, he informed the meeting that a special meeting of financing institutions on the RASCOM project would be organized in the near future as soon as the transitional phase is completed and the organization in charge of the space segment is created.

Open debate (agenda item 5)

15. Following the presentations of the programme of UNTACDA II and the RASCOM project, the donors and financial institutions there

present were given the opportunity to express their views on the programme preparation as presented and state the views of their institutions on the implementation of UNTACDA II.

16. Representatives of the following countries and organizations made statements which are summarized below in the order in which they spoke.

I. NETHERLANDS - DIRECTORATE GENERAL FOR INTERNATIONAL COOPERATION:

- Supported the view that transport and communications should be viewed as an economic (as opposed to public) sector, with emphasis on the revenue generation side.
- With regards to UNTACDA II, the Dutch government would in particular support the following aspects:
 - human resource development and institutional support;
 - urban and rural accessibility to transport and communications;
 - forum on African transport and Communications should also include senior policy makers from Africa;
 - merger of SSATP into UNTACDA II;
 - more participation of African experts in development by sponsoring fellowships for African participation in activities to increase capacity;
 - inclusion of transport and communications sectors as part of support to countries for balance of payments.
- He expressed concern about the preponderance of investment projects in the first list of projects as published in Volume II of UNTACDA II Programme.

II. COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY (EEC):

- Through the European Development Fund (EDF), EEC would continue to support transport and communications development in Africa. In particular, the sectoral programme of Lome IV would be implemented within the context of UNTACDA II.
- EEC has in the past supported SSATP and would adhere to coordination and harmonization which had been achieved through SSATP.

- He expressed the view that African countries must mobilize as much resources as possible from their domestic resources in order to achieve the goals of sustainable development.

III. CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA):

- Canada had supported particularly roads, railways and communications projects in the past and would support UNTACDA II programme as presented, with special interest in:
 - human resource and institutional development.
 - Studies.
- Supported the integration of SSATP and UNTACDA II and favoured continued consultation.
- Expressed the concern of the government with respect of basic human rights and need to encourage popular participation in development.
- Canadian strategy for Africa is geared to supporting regional integration.

IV. BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD):

- Expressed support for UNTACDA II programme with emphasis on:
 - investment projects;
 - RASCOM project;
 - participation of private sector in maintenance.
- BOAD is ready to work jointly with other financial institutions and agencies to finance projects especially those in support of economic integration.
- Past interventions within framework of structural adjustment programmes:
 - maintenance;
 - rural roads;
 - equipments enterprises;

- environment.

V. EUROPEAN INVESTMENT BANK (EIB):

- Indicated that EIB would pursue profitable activities especially in:
 - telecommunications, air transport and ports;
 - investment projects for expansion and rehabilitation.
- EIB is complementary to EDF which is oriented more towards non-investment projects.
- Emphasized that its programming for support responds to the priorities of the Countries as defined under Lome IV.
- The conditions for financing are that the projects must be of high quality, in particular:
 - projects must be market-oriented;
 - rehabilitation projects;
 - management quality of the enterprise must be demonstrated;
 - project must demonstrate economic and technical feasibility;
 - any external factors which might affect implementation of project must be demonstrated.

VI. CAISSE CENTRALE DE COOPERATION ECONOMIQUE (CCCE):

- CCCE has earmarked for transport and communications sector about 15% of the total FFr 8 billion (approx US\$ 1.5 billion) budget for development Cooperation in African Countries;
- Supported UNTACDA II programme;
- Encourages participation of the private sector;
- Emphasis on projects of regional integration, including the Yamoussoukro Declaration on the New African Air Transport industry.

VII. NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION (NORAD):

- Supported UNTACDA II programme since it conforms to the policy of assistance.
- Concerned about too much orientation towards new investment projects. Priority should be on:
 - maintenance;
 - human resource development.
- Encourages coordination of UNTACDA II with subregional (eg. SATCC) and national programmes;
- Supported the idea of the forum on African Transport and Communications, however would wish to analyze its implications on future support.

VIII. ISLAMIC DEVELOPMENT BANK (IDB):

- Expressed need for linkage between UNTACDA II and the sectoral adjustment programmes which might be on course in the countries.

IX. PTA BANK:

- Fully supports UNTACDA II;
- Transport and communications are priority sectors for the Bank;
- Emphasis on projects for regional integration.

X. UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP):

- Would continue its support to UNTACDA II during 5th Cycle Programming with emphasis on:
 - increased support to the 29 LDC's in Africa;
 - national execution with resultant reduction in regional programmes (down 20% from 4th Cycle);
 - higher priority to poverty alleviation and human resource development (HRD);
 - 5th Cycle programme changed towards longer term programming;
 - more involvement of member States and subregional IGO's.

- Areas of concentration during 5th Cycle Programme:
- regional integration;
- rationalization of IGO's;
- establishment of African Economic Community;
- key sectors which support integration (including transport and communications);
- Ready for co-financing arrangements and cost sharing to implement UNTACDA II.

XI. SAUDI FUND:

- Current priorities are:
- rehabilitation (especially roads, airports);
- integration;
- Wants cooperation with other donors especially in support of projects for regional integration.

XII. KUWAIT FUND

The representative of Kuwait Fund outlined their institutional policy of support during the Symposium on Transport and Communications in Africa which was organized in conjunction with the donors Meeting on UNTACDA II. He stated that his institution:

- Has supported transport and communications in Africa since 1961, financing a total of 212 projects;
- Supports UNTACDA II with special focus on:
 - Human Resource Development;
 - Maintenance and Rehabilitation;
 - Management information systems and data bases;
 - Safety.

XIII. GTZ, GERMANY

- Advocates rational approach to development of the sector in which transport and communications is regarded as an economic sector with revenue generating capacity;
- Priorities should be assigned to projects according to economic criteria such as the Internal Rates of Return (IRR). As such, supports the following order of priorities;
- Maintenance (average IRR = 40%);
- Rehabilitation (average IRR = 20%);
- New Construction (average IRR = 10%).

Conclusion (agenda item 6)

17. In general, all the participants supported UNTACDA II as now prepared, especially the fact that it is presented as an African programme with Africa assuming the responsibility for its implementation. The financing community expressed its readiness to assist Africa implement the programme since transport and communications is a very important component of Africa's efforts towards economic integration and development. In this regard, it was recommended that all efforts of African States and their inter-governmental organizations should be coordinated with those of both bilateral donor agencies and multi-lateral lending institutions so as to focus only on the priority programme. UNTACDA II could be the vehicle for this harmonization.

18. It was generally agreed that maintenance and rehabilitation of African transport and communications infrastructure and equipment as well as human resource development deserved to be accorded the highest priority in the programme of the Second United Nations Transport and Communication Decade in Africa. However, it was also recognized that judicious expansion of infrastructure was necessary for achieving subregional and regional integration and enhancing efficiency of the sectors.

19. New ideas were introduced regarding the need to view transport and communications as viable economic sectors which should not only pay for themselves, but should also contribute to the national treasury. To do this, users of transport and communications services should pay for the use of the associated infrastructure. This approach would reduce the financial constraints which often result from the current dependence of these sectors on the national treasury for resources required for investment in new infrastructures and its maintenance.

20. There was also strong support from the donors for the proposed merger of the Sub-Saharan African Transport Programme (SSATP) into UNTACDA II Programme. This merger was deemed necessary in order to rationalize external support to transport and communications development in Africa as well as to avoid confusing both the African Countries themselves as well as the international community at large. In this regard, it was recommended that a forum on African transport and communications should be organized every two years where progress of development in African transport and communications would be reviewed. Senior policy advisers of African countries would have the opportunity to discuss with the financial community policy issues affecting African transport and communications.

21. Many donor agencies expressed satisfaction with the UNTACDA II programme in general and have indicated their intention to support the programme as well as to collaborate among themselves and with the Resources Mobilization Committee in the financing of the projects and programme.

Closing (Agenda item 7)

22. In closing the meeting, the Chairman of RMC thanked all the participants and expressed the hope that the Decade programme would benefit from their cooperation.

UNTACDA II

REUNION IFD BRUXELLES (27-29/11/91)

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