



UGANDA

Permanent Mission of Uganda
to the United Nations
New York

Tel: (212) 949-0110
Fax: (212) 687-4517

**“Regional Dimension for Transit Transport Cooperation”
as part of the
High-Level plenary meeting of the UN General Assembly
devoted to the
Mid Term Review of the Almaty Programme of Action**

Keynote Address

By

**Hon. Simon Ejua,
Minister of State for Works and Transport**

New York, 3 October 2008

Please Check against delivery

Hon. Ministers,

Mr. Cheik Sidi Diara, Under-Secretary-General, Special Adviser on Africa and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States,

Mr. Abdoulie Janneh, Executive-Secretary of the United Nations Economic Commission for Africa,

Mr. Marek Belka, Executive-Secretary of the United Nations Economic Commission for Europe,

Mr. Barry Cable, Director, Transport Division, Economic and Social Commission for Asia and Pacific,

Mr. Rustan Jenalinov, Secretary General, Intergovernmental Commission TRACECA,

Excellencies,

Distinguished Participants,

Ladies and Gentlemen,

It is a great pleasure to be with you here at this round table discussion on “Regional Dimension for Transit Transport Cooperation” as part of the High-Level plenary meeting of the UN General Assembly devoted to the Midterm review of the Almaty Program of Action.

Over the years, UN has been a key partner in advancing the cause of development in Africa. On this occasion, we are here to assess progress in the implementation of the Almaty Program of Action for landlocked developing countries, transit and small islands. Once again UN has done tremendous work in not only organizing the meeting but also providing substantive support.

I would like to acknowledge the dedication of Mr. Cheick Sidi Diarra, Under-Secretary-General, Special Adviser on Africa and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, for his leadership in organizing the High-level meeting and his longstanding support to Africa.

Developing infrastructure is a sure way of establishing efficient transit transport systems which in themselves are a vital requirement for our integration in to the global market and subsequent development. But as we already know it, building TT infrastructure is a formidable challenge that is mostly beyond the scope of LLDCs individually. Again most of infrastructure projects, especially cross-border ones, are quite expensive and requires long-term integrated planning. The investments in most cases require stronger and more financially viable multi-state institutions. More important is the fact that Landlocked and Transit Developing Countries LLDCs on their own cannot successfully pursue infrastructure development without substantial financial and technical assistance from their development partners.

The Almaty PoA, after all, was founded on the understanding that effective partnership would be forged among all stakeholders. In that arrangement, regional cooperation was considered a crucial factor for success. We should therefore continue to call upon the international community, especially our development partners, to increase support to projects that embrace a

regional approach to infrastructure development and aimed at developing reliable, affordable and interconnected regional infrastructure. Again because regional integration has a high positive impact on the establishment of efficient transit transport system, South-South cooperation should be accorded high priority and given strong support in the implementation of the APoA.

Regional cooperation and integration is critical for landlocked developing countries and their transit neighbors for the effective and integrated solution to cross-border trade and transit transport problems. The accelerated development of regional infrastructure is an important prerequisite for regional integration and development. Investment in transit transport infrastructure, especially the missing links to complete regional networks, and the improvement and maintenance of existing facilities play a key role in the process to achieve the internationally agreed goals, including the Millennium Development Goals.

Let me now turn to my own sub-region of Eastern Africa. In the regional context, most efforts are being undertaken under the framework of the EAC Treaty and the NCTT Agreement. The Cooperation Treaty and the NC Agreement provide the basic policy and institutional framework for Transit Transport cooperation and the APoA is being implemented within this framework.

Uganda for instance depends heavily on road transport through the Northern Corridor which runs from the border with Kenya to Kampala; and from Kampala to Gulu in the North of the country and Kabale in the south West of the country. These two routes provide connections to Southern Sudan, Eastern DRC and to Rwanda and Burundi. The major challenge that Uganda is facing relates to: (1) the inadequacy of the infrastructure network in covering and linking the different parts of the country to the main transit corridor and (2) lack of capacity for maintenance of the existing infrastructure which has led to continued deterioration due to tear-and-wear from heavy usage and also weather factors.

With regard to the rail network which also follows the road Transit Corridor, very little major upgrading work has been undertaken due to delays in structural reform and low level of local private capital available for effective partnerships with foreign investors. Another step that was taken by the Government of Uganda was to diversify trade routes and investing in building transport capacity, including developing an alternative transit route using Lake Victoria to link up with the rail network in the Central Transit Transport Corridor running from the Port of Mwanza on Lake Victoria to Dar-es-Salam Port in Tanzania. Major investments, however, remain to be undertaken to upgrade the Wagon Ferry Platforms infrastructure. The overall progress that we have made individually so far has been limited in scope and extent, although some benefits are already being realized.

One of the challenges facing the development of infrastructure in the region is to recognize the need for joint development of facilities. The meager resources that the individual countries like Uganda have, or could source from the development partners could be more cost effective under a joint regional development plan for infrastructure. There are greater gains where modern technology is applied to take advantage of economies of scale, and services are provided to wider geographic areas.

The EAC region, like many others classified as developing, suffer from problems arising from inefficient transport systems. Both physical and non physical barriers to trade are the main causes of high transport and transaction costs. Physical barriers include congestion at ports, poor rail infrastructure, poorly maintained roads, traffic jams, weighbridge stations and border infrastructure. Non physical barriers include trade transactions, customs clearance, licenses, visas and immigration restrictions.

Any one of these or a combination of any one of them, contribute to transportation bottlenecks which have multiplier effects in the economies of the region. The solution is, therefore the systematic removal of barriers to trade through trade and transport facilitation measures. To this end, the EAC together with the Partner States are implementing the East African Trade and Transport Facilitation Project (EATTF). The Partner States are implementing the national components while the regional components are being implemented by the EAC and the Northern Corridor Transit Transport Coordinating Authority (NCTTCA).

The expected benefits include;

1. Harmonized legal and regulatory customs framework established and enforced;
2. Corridor management institutions strengthened and adequate transit transport facilitation is provided;
3. Total transit time through the two main transport Corridors is significantly reduced; and
4. Predictability of total transit and travel time along the region's main corridors is improved.

But effective regional integration and development requires the mobilization of vast resources, both within and outside the region. Admittedly, despite its enormous potential, the various regions are endowed with they on their own cannot raise the effective levels of resources to meet the very huge and highly capital-intensive investments required.

The other challenge regards capacity to guarantee efficient infrastructure project delivery, utilization and maintenance – a factor that has impacted heavily on the mobilization of funds for infrastructure development.

The need for expanded involvement of the private sector in the ownership and management of economic infrastructure is another area of challenge that is faced vi-a-vis the historical public sector dominance of the infrastructure programmes, development, management; and the weak private sector. Private sector participation through co-financing can play a catalytic role in this regard. We recall that notwithstanding the increase of FDI flows, private sector involvement in infrastructure development still has a considerable potential

The magnitude of investment required to develop reliable transit transport infrastructure makes it imperative to explore innovative financing mechanisms including the use of Public-Private Partnerships (PPPs). It also requires forging sub-regional and regional cooperation on infrastructure projects. To that end, efforts need to be intensified to enhance collaboration between countries on cross border projects.

Our regions' require predictable, reliable Investment facility that would provide long-term capital for infrastructure development. The East African Development Bank for example is playing a relatively minimal role in this direction and would require heavy capitalization to play the role that say the European Investment Bank plays in boosting capital for infrastructure development for the poorer nations of Europe.

The multilateral, regional, financial and development institutions should provide landlocked and transit developing countries with better coordinated technical and financial assistance in the form of grants or concessionary loans for the implementation of the Almaty Programme of Action in particular for the construction, maintenance and improvement of their transport, storage and other

transit-related facilities, including alternative routes and improved communications, to promote sub-regional, regional and interregional projects and programmes.

Therefore, shifting from bilateral to regional arrangements for transit transport cooperation undoubtedly results in efficiency gains. In that regard, regional cooperation arrangements such as the East African Community have an indispensable role to play in achieving the objectives of the Almaty Programme of Action, given that Regional Economic Communities are at the forefront of trade and transport facilitation in Africa.

Finally, I wish once again to express satisfaction with the active role being played by the Office of the Under-Secretary-General, Special Adviser on Africa and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and appeal for increased support to the Office by all member states.

I Thank You for your attention