COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 06.07.2000
COM(2000) 422 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

promoting sustainable transport in development cooperation

(presented by the Commission)
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EXECUTIVE SUMMARY

This Communication guides the Community and Member States support to transport in the developing countries for achieving the main development goals laid down in the Treaty establishing the European Community. The Communication therefore outlines a comprehensive sectoral approach that is valid for all transport modes – roads, railways, air, maritime and waterway transport as well as the services to facilitate movement of goods and people. This approach builds on a framework of principles to achieve the wider development goals, and provides a strategy that will deliver sustainable transport which is safe, economically, financially and institutionally sustainable as well as environmentally sound and socially aware.

The Community’s approach draws on the European Commission’s experience in working with the EU Member States, recipient countries and other donors. Since 1963, support to transport has largely focused on the Africa, Caribbean, and Pacific (ACP) region. In the 1990s transport was included in the development cooperation with the countries of the Mediterranean region, Asia and Latin America, and the New Independent States. The ACP region remains the main recipient of financial support in the transport sector, with allocations currently up to almost 40% of the agreed national and regional indicative programmes. This makes the Community one of the leading donors in the ACP region, the World Bank is the other.

The sectoral approach for reaching development goals is based on principles that transport meets stakeholder needs, is safe, affordable, and efficient, and has minimal negative impact on the environment. To contribute to economic and social development, transport must receive a proper share of national budgets, which give priority to maintenance. Greater transport efficiency relies on public-private partnerships with government taking a more supervisory and regulatory role. The free flow of transit traffic will contribute to integrating the developing countries into the world economy. And, transport must be safe for all and provide mobility, equitable services and opportunities for men and women, particularly the poor.

The strategy for sustainable transport integrates sectoral and cross-cutting issues. Economic sustainability requires balanced public expenditure, fair competition and rational pricing of services. Financial sustainability relies on increasing private sector participation in railways, maritime and inland ports, and airports. But, for roads, it depends on securing sufficient revenue for maintenance. Institutional sustainability calls for more autonomous railways, ports and airports to allow commercialisation and eventual privatisation of operations. But, roads management has to adopt commercial practices. Specific measures are needed to mitigate environmental risks and promote non-motorized transport. And, by providing effective and appropriate means, transport should meet the different needs of people in rural and urban areas.

The way forward to creating sustainable transport in the developing countries for the European Commission and the Member States relies on political commitment and stakeholder ownership in developing countries. This is vital to the co-management of Community development cooperation. It also depends on the adoption of the sectoral approach, commercialisation and privatisation, and requires the mainstreaming of the environment, safety and social awareness. Thus, for the first time at Community level, the priority actions are for developing sound policies and affordable strategies; measures to restructure private
and public transport agencies; and optimising existing transport systems before upgrading and expansion. These actions together with a widening of the Commission’s coordinating role with Member States and other donors will help developing countries build a common approach for sustainable transport to effectively contribute to development.
1. **INTRODUCTION**

Transport is key to development. Affordable physical access to jobs, health, education and other social amenities is vital to the well-being of people in rural and urban areas. Appropriate access is essential for economic growth and trade, and fosters integration. The state of transport, however, still constrains development in many developing countries, particularly in the less developed. As these countries experience higher rates of population growth, accelerating urbanisation and congestion the demand for transport is rising rapidly. Support to transport features prominently in development cooperation with Africa, the Caribbean and Pacific countries (ACP) and to a lesser extent in the cooperation agreements with the countries of Asia and Latin America (ALA), the Mediterranean region and the New Independent States (NIS). Promoting sustainable transport thus contributes to meeting the development objectives of these countries and the Treaty establishing the European Community (the EC Treaty).

1.1. **Transport’s role in Community development cooperation**

Article 177 of the EC Treaty describes the broad development objectives of the Community and the role transport plays in contributing to these goals is:

- by providing access for trade, commerce and mobility for all people in society, transport contributes to “fostering sustainable economic and social development”;
- by facilitating integration between and within countries, and linking landlocked countries to regional and international trading routes, transport plays a key role in “the integration of the developing countries into the world economy”;
- by enabling greater mobility of the poor and by creating employment opportunities, transport contributes to “the campaign against poverty.”

Community development goals are mirrored in the objectives of the Community’s cooperation agreements with the developing countries and transport’s role in achieving these goals is set out in each country’s national and regional indicative programmes. These programmes result from an intensive dialogue between the European Commission, the beneficiary country and the Member States. There is thus general consensus among key stakeholders on coherent goals for transport in the wider development context.

1.2. **Scope of the Communication**

Transport system as used in this Communication is an all-embracing term to include infrastructure, services and regulatory framework for all modes - road, rail, air, maritime and waterway transport. Infrastructure is the physical links between cities and regions, and between and within cities, towns and villages, as well as transport corridors between countries. Services include all means of transport provided by public and private sectors for the mobility of people and movement of goods. Regulatory frameworks include the legislation and regulations governing the safe operation of all transport at national and regional level.

The Communication is relevant to the developing countries, which have development cooperation agreements with the Community. This includes the countries of Africa, Caribbean
and the Pacific, Asia, and Latin America, the Mediterranean, and the New Independent States excluding the Phare countries, OBNOVA, Russia, Ukraine, Belorussia and Moldova.

This Communication builds on the lessons learned from the Community’s experience of the transport sector. This experience, gained mainly in the ACP countries, reflects the higher demand for transport and scarcity of resources in these countries compared to other developing regions. Complementary experience is emerging from support to urban development in Asia, Latin America and the Mediterranean. Our transport experience from the Mediterranean is adding to our knowledge of regional integration; and technical assistance to the NIS countries consolidates our transport knowledge. Such world-wide demand by all transport modes stimulated the creation of a transport sectoral approach.

The Communication is coherent with Communications on “Liberalization of shipping in West and Central Africa and the goals of Community Development policy” and “The Euro-Mediterranean Partnership in the Transport Sector” and “The Common Transport Policy: Sustainable Mobility – Prospectives for the Future”. The strategy for implementing this Communication will involve key stakeholders in many countries. Thus, the way forward, strengthens coherence and complementarity between the Community and the Member States and other donors.

2. COMMISSION AND MEMBER STATES SUPPORT TO TRANSPORT

Community support to transport in developing countries is dominated by the ACP region, compared to the other developing regions. Since 1963 ACP country road and railway networks developed to meet economic and social demands; and at a regional level, transport corridor development facilitated intra and international trade. Support to transport in Asia and Latin America is a minor aspect of Community development cooperation. Although fostering maritime cooperation and improving aviation safety recently became key to transport support in Asia. The Mediterranean region initiative launched in 1998 aims at an integrated air-sea transport system linked to efficient land networks. While transport support in NIS launched in 1991 aims at efficient usage of existing transport networks and transformation of transport to meet the demands of a market-led economy.

2.1. Managing Community funds in the ACP region

Community support to transport has expanded from activities in 18 to 71 ACP countries. It started with the Yaoundé I agreement in 1963, widening to 46 countries under the Lomé I Convention of 1975, and totals 71 countries under the present Lomé IV Convention of 1995. Financial support to transport has reached close to 40 % of the national and regional indicative programmes, under the 8th European Development Fund (EDF), a total of more than €2 billion. This level of financing makes the Community one of the leading donors in the ACP region; the World Bank is the other major financier.

The Commission has gained sector-wide experience over an extensive geographical area. This involvement covers roads, railways and ports as well as support to airports and air safety, in projects and programmes implemented in almost all 71 ACP countries. At a country level, the Commission’s Delegations have forged good working relations at the sectoral level. The success of Community aid was recognised in a recent independent review, which accorded the highest rating to transport projects managed by the Commission.

The Commission’s activity in the transport sector is continuing to increase with more than 30 countries including transport in their national indicative programmes for the 8th EDF. This
deeper involvement has enabled the Commission to gain a sound understanding of transport problems faced by these countries and thus clearer insights into the direction in which sustainable solutions should and must be sought.

Financing of transport (see Table and appendix 1) is increasing and the Community continues to be a leading donor in the ACP region. Management of this multitude of transport programmes has led to the Commission establishing comprehensive planning and project management and financial systems at headquarters, backed by professional expertise in Commission Delegations exercising decentralised management responsibilities.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Financing (000s €) of transport in the developing regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td></td>
</tr>
<tr>
<td>ACP</td>
<td>426,700</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>5,300</td>
</tr>
<tr>
<td>MED</td>
<td></td>
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<tr>
<td>NIS</td>
<td></td>
</tr>
<tr>
<td>Railways</td>
<td></td>
</tr>
<tr>
<td>ACP</td>
<td>151,400</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
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<td>MED</td>
<td></td>
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<tr>
<td>NIS</td>
<td></td>
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<tr>
<td>Maritime</td>
<td></td>
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<tr>
<td>ACP</td>
<td>201,500</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>300</td>
</tr>
<tr>
<td>MED</td>
<td></td>
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<td>NIS</td>
<td></td>
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<tr>
<td>Air</td>
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<td>ACP</td>
<td>157,200</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
</tr>
<tr>
<td>MED</td>
<td></td>
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<tr>
<td>NIS</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Figures up to 1995 are disbursement, from 1995 figures are allocations from financing sources.
2. 1995-2000 allocations to transport in ACP region so far total ± € 2.25 billion almost all to roads.
3. 1985-1995 disbursements to roads in Asia were marginal, a “pour-memoire” is indicated.
4. 1995-2000 allocations to non-road modes in ACP region are marginal, a “pour-memoire” is indicated.

2.2. Managing Community funds in the ALA, Mediterranean and NIS regions

The Commission’s transport activities in Asia are modest compared to the 1 billion Euro spent since the 1970s on rural development and the environment. Maritime cooperation and aviation security issues gained recognition in the 1990s and financial support of approximately €2 million. Urban transport receives support under the Urbs-Asia programme, currently benefiting from a three year programme of €26.2 million (1996-1999). Urbs-Asia creates sustainable partnerships of European and Asian cities working at a decentralised level for achieving a better quality of life in cities and towns.

Support to transport is a minor aspect of the Community’s development cooperation in Latin America. Support to roads has fluctuated since the early 1980s with maritime activities recently receiving marginal support. Key transport issues of the management of urbanisation
and mobility are supported by the Urb-LA programme, which has a budget of €21 million (1996-200). Urb-LA brings together European and Latin American cities, which fosters decentralised decision making, encourages civil society participation for achieving an overall improvement in living standards.

The Euro-Mediterranean Transport Forum set up under the Barcelona Process, for facilitating regional transport cooperation aims at creating a modern multi-modal air-sea transport system. This involves improving ports and airport operations, removing restrictive practices, simplifying procedures, strengthening air and maritime safety, achieving international environmental standards and using traffic management systems. It also calls for developing East-West land connections and making links to the Trans-European networks.

The Forum gives priority to improving port efficiency, optimising the interconnection or road and rail systems and modernising air traffic. Achieving this regional transport system relies upon reforming transport sector strategies, improving the multi-modal logistics of the transport chains and encouraging pro-competitive regulation.

Liberalising transport and involving the private sector in transport operations is the thrust of TACIS programme support to transport. Financing of these goals amounts to €153.6 million or approximately 5% of the overall funds distributed across all modes as shown in Table 1. Activities financed aim at improving the efficiency of oversized infrastructure networks and changing the role of government from a transport operator to a regulatory role.

2.3. Commission policy coordination role

The Commission’s substantial transport role means it is well positioned to build a consistent and coherent approach for Community support to this sector. The Commission is, therefore, active in policy coordination as foreseen in article 180 of the EC Treaty. Examples of major coordination initiatives include:

- In 1991, the Commission and World Bank co-hosted a Donor Conference on Road Maintenance in Sub Saharan Africa, from which a Donor Code of Conduct emerged. This Code underlines donor commitment to the principles of the Road Maintenance (now Management) Initiative, RMI, and reinforces the process of consultation and coordination between donors and recipients.

- To raise the efficiency and effectiveness of its transport support, the European Commission developed a sectoral approach, which is set out in the transport sector guidelines - “Towards sustainable infrastructure: a sectoral approach in practice”. The guidelines were developed in consultation with the Member States and published by the European Commission in 1996.

- The Commission acts as the Secretariat of the Transport Forum, created in 1998, of the Euro-Mediterranean Partnership. The Forum facilitates the sharing and dissemination of knowledge and assists the development and implementation of transport action plans.

- The Commission leads transport coordination meetings in many developing countries and periodic sectoral meetings with Member States at headquarters level.

These major events are complemented by active participation in RMI and other components of the Sub Saharan Africa Transport Policy Programme, which brings together the Commission, World Bank, several Member States and other donors.
2.4. Member States bilateral support

Most Member States support transport as a means of contributing to poverty alleviation as well as economic and social development. Those more active in the developing countries are Austria, Denmark, France, Germany, Netherlands, Italy, Sweden and the United Kingdom. Netherlands has a niche market with its focus on non-motorized transport in rural and urban areas and inland water transport. Germany has probably the widest geographic support, with France and the United Kingdom focusing on their former colonies. This results in the highest involvement of the Member States in the ACP countries.

Their approaches highlight the need for sustainable transport systems, which meet economic demands and give basic access for social development, especially for the poor. Such approaches call for greater participation of society in decision making and an increased role of the private sector in management and delivery of efficient transport infrastructure and services. The call for increased efficiency is reflected in demands for decentralisation, restructuring of transport agencies and, consequently, a new role for government. It also involves securing sufficient finance from transport users and beneficiaries to maintain and sustain environmentally sound operations.

With many Member States, the European Commission, the World Bank and other donors working together in several countries the demand for coordination among donors and with government increases. The Member States fully support this process and are keen to see the recipient agencies taking the lead role in the coordination process. This coordination process is assisting the Member States develop their strategy to transport in the developing countries, which are summarised in Appendix 2.

2.5. Lessons of experience

Evaluations of experience gained from working in cooperation with the Member States, recipient countries and other donors, give valuable insights into a kaleidoscope of problems that hamper many countries in operating and maintaining efficient transport systems. These problems range from policy, economics and finance to management, operations and regulation. All these issues, the Commission examined during an extensive evaluation of its transport activities it launched in 1993. Although the evaluation focused on the ACP region its finding are equally applicable to other regions, which have experienced similar political and economic conditions. The major problems and lessons learned for improving the sustainability of our Community activities are briefly:

2.5.1. Avoid supply-led polices that produce oversized transport systems

This happens when roads are upgraded to inappropriately high standards without due consideration of economic and social priorities. Similarly, railway services have been continued without adequate attention to the commercial implications. Ports have been modernised in anticipation of unrealistic trade growth and airports have been oversized to satisfy a national gateway image. Such standards have often not allowed operators to raise sufficient revenue to maintain oversized transport networks. Consequently, roads have deteriorated rapidly, railways share of freight traffic declined and port service efficiency reduced, triggering shipping lines to impose surcharges. Substantially reduced services coupled to traffic losses have brought airports and airlines to the verge of commercial bankruptcy.
2.5.2. Prevent financial stringency leading to a low priority for maintenance

A fiscal environment of high debt levels often consuming 30% of export earnings and low economic growth has repercussions for transport. Too often in these financially stringent circumstances, decision makers give priority to upgrading and expansion and equipment replacement over maintenance of infrastructure and services. Moreover, finance that is made available for operation and maintenance is generally inadequate with the consequences of deferred maintenance insufficiently reflected in future management decisions. For example, road users bear higher operating costs estimated at three euro for every euro not spent on maintenance. Without sufficient maintenance, national transport assets and services rapidly deteriorate to a point where the only option is to rebuild or replace.

2.5.3. Reduce public sector dominance for more efficient transport systems

Ownership and management of transport systems by a multiplicity of public agencies has resulted in numerous administrative inefficiencies. It has often led to politically determined prices and tariffs, indirect subsidies on services and regulatory protection of domestic operators. Public transport agencies are often plagued by overlapping responsibilities, restrictions on salaries, demotivated staff, poor customer relations, corruption and militant unionism. Even in the regulatory field, a clear government responsibility, public agencies insufficiently administer and enforce regulations, for example, vehicle licensing, testing and loading; railways and civil aviation safety standards. Moreover, these agencies are lax in regulation concerning licensing of services and ensuring transport public agencies submit annual audits. These factors combine to distort allocations between transport modes, inhibit competition, and increase costs for users and customers.

2.5.4. Pursue regional transport integration to facilitate trade

Inconsistencies in, and poor application of, the regulatory framework for intra-regional and international trade, transit traffic and procedures at border posts hampers trade. Time consuming customs formalities, multiplicity of documents, poor management and corrupt practices result in unnecessary cost increases. The overall result is higher consumer prices and diminished export margins and incentives. These price and cost differentials are much higher in Sub Saharan Africa than in other developing regions. Commerce, therefore, remains less competitive and fails to expand largely due to insufficient collaboration between regional organisations with a mandate for economic integration and associated national bodies.

2.5.5. Reduce costly transport services to improve trade competitiveness

Freight cost, particularly maritime rates, are three times higher in Sub Saharan African (SSA) countries than in other developing regions. These costs result from fostering national shipping companies, often non-existent, and attempts to save on foreign exchange, which were not realised as freight and insurance costs rose from 11-15% over the period 1970-1990. Individual country statistics vary widely, with average nominal freight rates 60% higher in West Africa than East and Southern Africa. Overall, freight and insurance charges absorbed about 25% of the value of exports from one-third of SSA countries. Similarly, inland transport costs are twice as high, due to time-consuming port procedures and services, a complexity of documentation masking corrupt practices, and in some countries, insufficient competition between hauliers and transport service providers. Such problems make price predictability difficult, increase cost and hinder competition. Yet, where liberalization and competition is pursued transport costs quickly reduce.
2.5.6. **Integrate environmental issues into transport policy**

Despite lower vehicle ownership, pollution levels in some cities of developing countries exceed those in developed countries. Motorized traffic, a major polluter, accounts for up to 90% of carbon monoxide and lead emissions, two-thirds of nitrous and hydrocarbon oxides and most of the particulate material in urban areas. Pollution is further fuelled by inadequate enforcement of regulations covering vehicle maintenance, low quality fuels, poorly maintained engines, particular two-stroke, land-use planning and traffic management. Similarly, operation and maintenance of transport systems insufficiently mitigate the emission levels, noise and dust hindrance, significant in rural areas but much worse in urban areas.

2.5.7. **Reduce high accident levels to ease the toll on society and environment**

Road accidents are the second highest cause of death in the 5 to 44 age group in developing countries. In addition to the human misery, the poor are three times more likely to die in a road accident than those are in the middle-income group. The resulting economic cost is about 1% of GDP. These appalling statistics arise directly from inadequate enforcement of road safety and vehicle standard regulations, and poor driver standards and behaviour.

Railway accidents are more frequent than in developed countries, resulting in greater damage to rail, rolling stock and freight. Accidents involving passenger trains result in injuries on a more disastrous scale. Reporting of maritime accidents is erratic, except when loss of life is high, and the extent of environmental damage remains largely unknown. These incidents arise from insufficient enforcement of navigation safety and international maritime agreements. Air transport safety in many countries does not meet international standards, consequently the accident rate is very high, for example, in Sub Saharan Africa it is 33 times higher than in the Community.

2.5.8. **Encourage the use of labour-based methods**

The trend towards equipment-intensive methods in construction and maintenance is reducing employment opportunities for unskilled and semi-skilled labourers in countries with an abundant labour supply. Moreover, present practices do not support equal employment opportunities for men and women, when women head about 22% of households in Africa, rising to 60% in areas of high male emigration. Construction and particularly maintenance practices are failing to create sufficient long-term jobs.

2.5.9. **Reduce transport congestion to expand urban economies**

Even with lower rates of vehicle ownership, congestion is growing faster in the cities of developing countries than elsewhere. Congestion is creating inefficiencies in the transport system, contributing to higher costs and reducing the competitiveness of goods and services. Thus it is becoming more difficult to expand manufacturing and service industries in cities, which generate more than half of the GDP. Without changes in urban policies these problems are also likely to emerge in other, thus exacerbating employment opportunities and increasing social tensions.

3. **Principles guiding sustainable transport**

Transport responds to the wider development goals by adopting a sectoral approach. This approach is valid for all networks – roads, railways, ports and airports – as well as the services facilitating movement of goods and people. A framework of principles is therefore proposed,
which includes common development principles for transport, as well as principles for fostering economic and social development, integrating the developing countries into the world economy and the fight against poverty.

3.1. Common development principles for transport

The principles guiding transport’s contribution to development are:

3.1.1. Transport must involve all stakeholders.

Transport policies and plans must fully provide solutions to stakeholders’ transport needs. However simple or complex the solution, identification and delivery requires consultation with the stakeholders. Bringing together stakeholders at country level covers key government departments, representatives of transport users, chambers of commerce, farmers associations and local communities. Financiers and donors should also be included in this dialogue. Continuous dialogue builds confidence and trust and creates vital ownership in transport systems.

Tackling the regional transport needs demands regular meetings within established cooperation frameworks as well as through regional transport forums. Extending the dialogue to the region tackles the problems of landlocked country dependency on transit countries, and smaller islands reliance on larger island groups or with continental countries. Such forums help optimise investment in transport corridors.

3.1.2. Efficient transport provision depends on commercialisation and privatisation

Governments should move towards the commercialisation and eventual privatisation of transport’s “private goods” or with strong private goods characteristics, and take a commercial approach to provision of transport’s “public goods” or with stronger public goods characteristics. Private goods cover transport services such as urban public transport, toll roads, rail, port and airport services to which user access is controlled. Rail, port and airport infrastructure, where network access is controlled and where some level of scarcity is present, may also have strong private good characteristics. Operating these facilities professionally and efficiently through credible management and with respect for the reality of the market conditions is the essential point. Ownership is not the important issue. Roads can be generally considered public goods, because user access cannot be controlled and where there are no significant levels of congestion. Transport services, therefore, are best provided by the private sector. This is also the case for the more commercial infrastructure, including operation and maintenance, of rail, port and airports.

Roads, the principal inland transport mode in developing countries and as public goods, attract considerable government involvement. Governments operating, working within the limits of constrained public resources must use commercial practices in using these funds and any additional revenue from user charges. This calls for policy and decision-makers to rigorously examine the demands for transport investments and question the assumptions on which they are based, as these assumptions shape sectoral strategies and plans. Governments adopting commercial practices and working with the private sector, providing infrastructure and services, will make the best use of limited resources.

3.1.3. Transport’s impact on the environment must be minimised

Addressing the environmental impact of transport starts by ensuring national regulations are in line with targets agreed in international conventions. National regulations will also require
updating to reflect the motorized vehicles, marine vessels and aircraft in use. Non-motorized transport also merits promotion, for example, bicycles, a mode under-utilised in many African countries. These fundamental steps, which aim to minimise environmental impact, will then pave the way for a strategy to monitor and enforce compliance with national standards.

3.1.4. Transport and travel must be safe and reflect different gender needs

Political recognition must be given to the enormous cost to society of accidents and greater emphasis given to the different transport needs of women and men. Updating regulations is naturally a start, with proper enforcement as a follow-up. However, for effectively improving safety a greater awareness is necessary between transport operators and passengers and pedestrians. Therefore, this requires increased dialogue between government, transport service providers and society, which also identifies ways of responding to the different gender needs.

3.1.5. Transport decisions demand relevant and reliable data backed by research

Monitoring the evolution of the transport sector and its impact on beneficiaries is vital for evaluating past decisions and improving decision-making. This involves regular surveys and evaluations covering technical, economic and social aspects, as well as countries adapting to experience gained elsewhere. It also means building research capability for ensuring modifications of the latest international research findings provide the right solution in all countries. Acquiring this practical knowledge is not expensive and returns can far outweigh the cost when it leads to improved decisions.

3.2. Principles for fostering sustainable economic and social development

Transport systems are one of the key factors in economic and social development. Without appropriate access to jobs, health, education and other social amenities, the quality of life suffers and without access to resources and markets, growth stagnates. These challenges call for the following measures:

3.2.1. Transport must have a right and proper share of national budgets

This calls for striking a fiscal balance between transport and other competing sectors, depending on overall financial resources and the trade-off between sectors. In planning the allocation of resources account must be taken of the medium-term viability of the macro-economic framework and adequate distribution between recurrent and capital expenditure. The overriding criteria for investment must be the recurrent cost implications of capital expenditure.

3.2.2. Finance for maintenance must come first

Because resources are limited, maintenance must come before investment in upgrading, new infrastructure or equipment. This means selecting realistic construction and equipment standards to satisfy demand while giving priority to maintenance. It may require different parts of the networks operating at lower service levels and, in extreme circumstances, reducing the size of the network. And limiting networks to their strategic size optimises finance for maintenance. Thus, the basic rule remains true – build to standards that can be maintained.
3.2.3. Transport efficiency depends on optimising and integrating existing facilities

Optimising the use of existing infrastructure and services will avoid building overcapacity in individual transport modes. This means considering the role and efficiency of the individual transport modes, for example, road versus rail or maritime. It might also involve creation of links between transport modes to improve cost effectiveness. Undoubtedly, it requires harmonising the regulations and procedures for carrying goods between modes to avoid transshipment delays. Integrating transport modes along principal transit routes will capture potential operational savings, leading to more efficient transport services.

3.2.4. Transport delivery must optimise public-private partnerships

The public sector must build partnerships with the private sector that taps its expertise in mobilising finance and managing commercial operations. Such partnerships open a range of options for private participation, for example, management contracts, concessions, leases, and build-operate-transfer (BOT) contracts. Similar commercial approaches can be applied to the management and operation of roads and where market conditions permit, privatising certain support services. The same approach also extends to transport systems used predominantly by non-motorized transport. At this level, public-private partnerships foster ownership in appropriate infrastructure and better satisfy the needs for low-cost transport services. Building public-private partnerships harnesses the complete range of skills and resources for more effective and efficient transport.

3.2.5. Transport regulation demands a new role for the public sector

Increasing private sector involvement means strengthening government skills as it focuses on policy, planning, regulation, supervision and monitoring for continuous feedback. This calls for skills in updating the regulatory framework that allows options for private sector financing of transport; ensures equitable access to the transport market; permits free competition within and between individual transport modes, as well as improving vehicle licensing methods, vehicle loading control and testing. Updating will also call for skills to accommodate different degrees of commercialisation from simple contracting out, concessionaire agreements to full-scale privatisation. This changing role will occur at central and local government levels leading to transport improving social developments and supporting trade growth at all levels.

3.3. Principles for integrating the developing countries into the world economy

Landlocked countries and some island states face greater difficulties of economic integration than coastal continental countries. These difficulties range from longer haul distances to ports, a dependency on transport policies and procedures of the transit countries. And isolated islands rely more heavily on maritime and air transport, over which they have little influence. In addition to the principles for economic and social development, account must be taken of the following perspectives:

3.3.1. Transit traffic must move freely to improve trade competitiveness

For products from a developing country to be competitive, national regulations and documentation will need simplification with regard to road, rail and air transit traffic, customs, health and immigration procedures. This will require greater regional cooperation for harmonisation of procedures. These measures will also be enhanced by developing transport and trade policies that complement each other - a key feature for trade liberalization agreements the Community signs with developing countries.
3.3.2. Transport journey times must reduce to increase trade competitiveness

This can be accomplished by effectively implementing international transit agreements and simplifying procedures for handling of imports and exports through ports and airports, in all countries. Smaller islands more dependent on maritime transport can take advantage of increasing liberalisation in this mode. Countries dependent on lengthy inland journeys must push for better linkages between ports and inland transport, including the elimination of non-physical barriers. Improving documentary procedures and physical linkages in the transport chain will contribute to shorter journey times.

3.3.3. Transport must take advantage of the most efficient technologies

Using efficient technologies will help improve the developing countries competitive position in keeping pace with the rapid changes in the world economy arising from the globalisation of trade. Advanced technologies are also necessary for compliance with international standards in selected areas, such as, the management of air transport and information technologies applied to the management of transport networks. New space-based technologies, such as, the deployment of satellite-based navigation and positioning systems can provide significant benefits to wide and/or remote regions where conventional terrestrial aids to navigation are costly to maintain. Taking advantage of the new technology means extending local public private partnerships to include linkages with European organisations working in these fields.

3.4. Principles for contributing to the fight against poverty

The poor in rural and urban communities are insufficiently served by transport. With little political influence on transport provision, the poor incur higher costs in time and money in gaining physical access to jobs, education and health, and in marketing products and acquiring goods. Such constraints, thus perpetuate poverty. Unless low cost ways of improving their mobility can be found the fight against poverty cannot be sustained. In addition to the principles for economic and social development, account must be taken of the following factors:

3.4.1. Rural areas must have appropriate transport infrastructure and services

Rural transport systems are dominated by roads, but also include inland waterways, and maritime services for some island archipelagos. These systems must meet the needs of the poor living and working in the communities they serve. Appropriate infrastructure and services has thus to be identified in consultation with the communities themselves, who will often have to maintain it. These principal users, mainly non-motorized and intermediate transport users, must determine design standards closely related to their maintenance capacity. For example, paving roads is rarely economically viable for the occasional motorized vehicle and the emphasis must be on providing minimum access requirements.

3.4.2. Urban areas need different levels of public transport

Public transport needs to provide different levels of service that are affordable for the lower paid and urban poor. It also must respond to the different transport needs of women and men, which are often accentuated in urban areas. For example, providing transport beyond the peak hours of commuting, dominated by men, will allow women equitable access to employment and other social services. And for those unable to pay, safe and adequate footpaths and cycleways are essential. Offering a choice of public transport services and travel increases mobility, particularly of the poor.
3.4.3. Non-motorized and intermediate means of transport needs more support

In some areas, often remote rural areas, the only means of transport the poor have to enable them to participate in the domestic economy is to walk or to use animal-drawn sledges and carts, bicycles, motorcycles and tractors. In urban areas, 80% of journeys are made by non-motorized transport. Infrastructure to support these types of transport is less expensive and much can be done at relatively low cost to improve safety.

3.4.4. Transport must employ small local contractors and favour labour-based methods

Transport must increase long-term employment by supporting government policies for developing the domestic construction industry. With simple equipment manufactured and maintained locally, labour-based methods can be used in constructing and maintaining gravel and earth roads, as well as certain activities for maintaining paved roads. These methods not only create long-term employment, but when correctly applied, can also lower costs. Moreover, capacity building in the local construction industry will, in the long-term, increase competitiveness in maintenance and provision of transport infrastructure.

4. A STRATEGY FOR REACHING SUSTAINABILITY

Transport principles that foster economic growth, increase people’s access to education and health, integrate countries into the world economy and improve the well-being of the poor, require a comprehensive implementation strategy. This strategy must deliver sustainable transport, which is economically, financially and institutionally sustainable, as well as environmentally sound, safe and socially aware.

4.1. Economically balanced

Economic sustainability relies on reflecting the financial needs of transport in the national budget. Increasing the transparency of decision-making depends on prioritising the financing of infrastructure and transport services that give the highest returns, where standard economic analysis is appropriate. Should social obligations deem subsidies necessary, they must be well targeted at the beneficiaries. The priority actions necessary are:

4.1.1. Prioritise finance for transport modes correctly in public expenditure

This enables transport decision-makers to take account of overall fiscal constraints and to influence intersectoral trade-offs. Such reviews trigger regular appraisals of transport development, coordination between and use of individual modes, and maintenance planning. These exercises must ensure that maintenance has priority and investment is correctly prioritised to meet the needs of the economy and society, thus defining a medium-term strategy for financing transport.

4.1.2. Support fair competition for rational pricing of services

With public and private operators often involved in offering transport services it is vital that fair competition exists for pricing of freight tariffs, passenger fares and road user prices. Promoting fair competition between transport modes becomes difficult where incumbent operators have a high degree of monopoly power or where concessions can lead to temporary monopolies. This is particularly the case between rail and road, where under-pricing roads distorts demand, while unrealistic charges may accelerate the decline of the railways. With
transport operators rightly increasing their demands for a level playing field, regular review of the pricing of tariffs and fares are necessary to ensure fair competition.

4.1.3. Target subsidies, where necessary, at beneficiaries

Governments must tackle the issue of subsidies so the target group reaps the desired benefits. While long distance passenger trains, for example, may not be commercially viable if passengers cannot afford to pay the fares needed for full cost-recovery, the service may have to be continued to meet a social need. Similar problems are faced by small ports and airports, and smaller islands with low trade flows. In all cases, subsidies must be well targeted to avoid inefficiency and waste that can often occur when subsidies abandon commercial principles.

4.2. Financially sufficient

Financial sustainability depends on having secure and sufficient finance, and on using the funds efficiently. Adopting a more commercial approach and introducing more privatised services will raise the operating efficiency of transport, support better maintenance and deliver benefits to stakeholders. The principal actions necessary are:

4.2.1. Railways must focus on core rail-business and contract out to the private sector

Railways must become financially viable to offer secure and reliable services to customers. This should start with railway companies divesting non-railway operations, for example, hotels and hospitals, and contracting more services out to private enterprise, such as ballast supply, catering, track repair and maintenance. The next stage is long-term concessioning agreements, generally to a single company, covering the contracting out of core rail services, rolling stock and infrastructure maintenance as now happening, for example, in Burkina Faso and Côte d’Ivoire, Cameroun, Jordan, Mozambique and Malawi.

4.2.2. Maritime and inland ports, airports and air traffic services must use private operators

The private sector is increasingly involved in cargo handling, especially containers, and berth leasing is being introduced and must be further encouraged. Airport authorities are privatising a growing number of services, such as baggage handling, catering and maintenance, and some are even offering short-term management contracts. Revenue from privatisation and charges levied on users and applicants, accruing to airport and air traffic management authorities must finance the relevant services as well as raising adequate finance for infrastructure maintenance.

4.2.3. Secure sufficient revenue for road maintenance

As road concessionaire arrangements are only viable in a few developing countries, where traffic volumes are high enough, it is difficult to make charging for road use commercially successful. Road agencies, therefore, must be encouraged to raise revenue on a fee-for-service basis, such as a road maintenance levy on fuel. Raising revenue is just the beginning. Firm and transparent management is crucial to ensure road conditions are improved. One way forward is the establishment of a dedicated road fund, governed by a management board that includes significant private sector representation as is happening in many ACP countries. Some of the countries operating road funds include, Cameroun, Ethiopia, Ghana, Jordan, Malawi, Sierra Leone, Zambia, Yemen, etc.
4.3. **Institutionally commercially minded**

Institutional sustainability requires that, as a general principle, policy and regulation must remain in the government domain, with steady commercialisation and privatisation of management, operations and maintenance of infrastructure and services. The major actions necessary are:

4.3.1. **Reform the public sector**

The first stage must be to clarify the responsibilities and tasks of different and often overlapping agencies involved in transport. Sharing responsibility for transport operations with autonomous agencies or the private sector will enhance institutional integrity and enable government to focus on policy, planning and regulatory functions. Consequently, skill in these areas will have to be strengthened and staff motivated to work in this new public-private environment. Such areas include options for privatising infrastructure construction and maintenance, competition policy of haulier licensing, vehicle testing and loading control. Although some of these areas would be contracted out they will remain subject to government regulation. Thus, adopting more commercial management attitudes and increasing accountability will raise the standard of services to the public.

4.3.2. **Commercialise the management of railways**

Railways corporations must adopt a more commercial approach to become more competitive, particularly with roads. If customers needs are not met, the railways share of traffic will decline leaving no option but to close. Thus, commercial practices must be introduced to improve the quality of services. A viable route may well be public-private partnerships.

4.3.3. **Grant autonomy to ports and airports authorities**

To survive and prosper in an increasingly competitive trade environment, ports and airports authorities need to become fully autonomous. The first step in this direction must be to cut loose from the multitude of government agencies controlling charges and tariffs, labour levels and the supply of operational services. These actions, however, need supporting with sound commercial management and an increasing private sector participation in operations. Authorities working more with the private sector can make ports and airports pay and improve customer services, for example in, Mozambique, Kenya, Namibia, etc.

4.3.4. **Adopt commercial practices for managing roads**

Commercial management practices entail radical reforms. Many bodies are responsible for roads and the first step is to clarify “who does what.” In effect, this will mean designating authority for rural roads to the districts, urban roads to local authorities and main roads to the central roads agency. The next step is to match resources and authority to enable managers to perform effectively. Whether managed by the public sector or autonomous agencies, the responsible agency must adopt commercial attitudes and systems particularly in management, accounting and auditing. Many countries are studying alternative management arrangements but insufficient political commitment is stifling formation of new agencies capable of good asset management, which is vital for efficient road networks and transport services.

4.3.5. **Privatise road management and maintenance**

Contracting out services and works to the private sector is proving, in most cases, to be more cost-effective and to produce better quality results than when using government-employed
and supervised labour. Furthermore, contracting out design and supervision services would give road agencies the flexibility to call on expertise which is too costly to maintain at public expense. The additional gain from contracting out is capacity building in the local consulting and contracting industry, which is a prerequisite for institutional sustainability.

4.4. Environmentally sound

Moving towards environmentally sustainable transport depends on reducing the present causes of environmental impact and mitigating the impact of future development. Tackling air and noise pollution from road, rail and air traffic must be combined with the use of intermediate and non-motorized transport. While the impact of transport networks as well as maritime transport must not threaten ecosystems. Therefore, priority steps are:

4.4.1. Update regulations and improve monitoring

Addressing many of the fundamental problems is likely to start with integrating national and international environmental standards in transport policy. This means updating existing traffic regulations covering all transport modes and strengthening transport planning to take account of environmental impact. Assessing compliance with standards goes beyond the project level environmental impact assessment (EIA) and includes the analysis of the cumulative impact of all transport modes. Assessment must also take account of the impact on land resources, changes in land-use patterns, caused by the migration of people and economic expansion, benefiting from improved transport infrastructure and services. Such an approach involves transport bodies working with other environmental agencies for operating effective monitoring systems, which continually assess progress in tackling environmental impact.

4.4.2. Reduce vehicle emissions and use non-motorized transport

A willingness to set and enforce minimum standards is often the crux to reducing vehicle emissions. This means, for example, backing regular vehicle and aircraft testing as well as more direct measures such as the use of lead-free petrol. In urban areas, where pollution levels are rising fast, the provision for non-motorized transport must assume greater importance in urban transport.

4.4.3. Reduce pollution by easing congestion in urban areas

In most urban areas, the first stage is more efficient traffic circulation combined with travel demand management. Simple measures can be taken, for example, better traffic management giving priority to bus and cycle lanes, one-way streets and synchronised traffic lights. Controlling travel demand will involve parking restrictions in certain areas, measures to limit private car circulation, and curtailing the access of goods vehicles to congested areas during peak periods. Achieving the environmental benefits of these measures requires adequate enforcement of traffic regulations and effective improvements to public transport.

4.4.4. Make the polluter pay

Introducing emission charges should always remain a medium-term goal. But until simple and effective systems work, most countries will use fuel taxation as a surrogate. With the cost of fuel in developing countries, on average, half that of the industrialised nations, there is a considerable margin for controlling the environmental impact of motorization. Therefore, the most practical option is still to charge vehicle operators through differential licence and higher fuel prices.
4.4.5. Modernise aircraft fleets

Reducing aircraft emission and noise levels means all operators making a firm commitment to meet international environmental standards. For operators in developing countries to retain rights on key routes and access to airports world-wide it involves modernising older aircraft. In many countries, this will require careful planning of modernisation and replacement programmes if their airline companies are to compete in this global market, which is rapidly expanding.

4.5. Safety conscious and socially aware

Making transport more socially acceptable depends on safer transport and travel, promoting intermediate transport and improving employment opportunities.

Several options are available:

4.5.1. Improve road and rail safety

Greater public awareness is needed as well as by effective enforcement of rules. Improving driver behaviour and pedestrian awareness can be achieved by higher standards in driving schools, public safety campaigns and more safety education in schools. These measures need backing with mandatory enforcement of vehicle maintenance standards and vehicle loading limits. Railway companies must carry out regular track inspection and maintenance, and loading regulations must be respected. Improving safety in all these areas will reduce costs as well as the extra family hardships those accidents cause, especially for the poor.

4.5.2. Meet international standards for safety at sea and in the air

Accidents in coastal waters can be prevented by implementing simple measures to improve the availability and reliability of the aids to navigation. Furthermore, ports authorities need to live up to the standards set by the International Maritime Organisation. Similarly, air safety hinges upon adhering to international standards, ranging from air traffic control and communications to aids for navigation, laid down by the International Civil Aviation Organisation. Meeting international safety standards will create greater public and commercial confidence in air and maritime travel, thus enhancing the competitive nature of these transport modes.

4.5.3. Create job opportunities and tackle redundancy

Increasing private sector involvement in transport management and operations needs to create more jobs as the public sector withdraws. Jobs are required at all levels, but the greatest need is among the semi-skilled and unskilled labour force. Small and medium sized contractors, therefore, need support and training in the use of labour-based methods. Such training must include knowledge of national labour practices and standards laid down by the International Labour Office for providing equal opportunities for men and women and avoiding misuse of labour, particularly children. Dealing with public sector downsizing, particularly where overmanning has been extensive will require careful social management to ameliorate social hardship.

4.5.4. Improve intermediate transport

Improving the availability of intermediate transport would benefit men and women. Its use would reduce the time for moving agricultural inputs and produce, facilitate access to local
markets and reduce the burden of water and firewood collection. Governments should provide the enabling environment that encourages use and stimulates a competitive market producing affordable transport, particularly bicycles. Owners of animal drawn transport will require training in husbandry skills and access to livestock services. Reaping the full benefits of intermediate transport means promoting its greater use by women and adoption by government officials.

5. **THE WAY FORWARD**

The Community and the Member States, share with the developing countries a co-responsibility for reaching a common goal of sustainable transport with safer travel for all. This is evident from the increasing number of countries associated with forums such as the Sub Saharan Africa Transport Policy Programme (SSATP), SADC’s Transport and Communications Commission, the Global Road Safety Partnership, and the Euro-Mediterranean Transport Forum. However, achieving this common goal demands political commitment to reform and ownership of affordable transport strategies. If these prerequisites are met then the Community and the Member States, can help developing countries create sustainable transport by supporting sector development programmes.

5.1. **Political commitment and stakeholder ownership is a prerequisite**

Government commitment at the political level and a determination to push for good governance of the sector is a prerequisite, if attempts at reform and sustainability are not to be short-lived. Therefore, politicians and the administration must open discussions on policy and management of the sector to key stakeholders. Not only will this gain ownership with those who largely will pay for reform, it will also allow the administration to forge partnerships with the private sector, for example, by contract management and co-management of road funds. If recipient governments are not prepared to enter into dialogue with key stakeholders and demonstrate political commitment on a continuous basis, then the Community in coordination with the Member States should stop support to transport.

5.2. **Pursue a sectoral approach for transport sustainability**

Taking a sectoral approach is vital for integrating transport modes and their services for ensuring transport beneficiaries enjoy better infrastructure, and affordable and safer transport. This must be done by strengthening the capacity of transport agencies and operators in the public and private sectors. It also means providing these bodies with the resources, financial and human, to fulfil their responsibilities. In terms of infrastructure and services support it requires a focus on strategic networks and regional transport corridors. For the Community and Member States, it means moving away from individual projects and financing sector development programmes that ensure transport adequately responds to society’s demands.

5.3. **Stimulate intermodality for cost effective use of transport facilities**

Before making major new investments, the use of existing facilities needs to be optimised through stimulating intermodal transport and removing inefficiencies at modal interchanges, which increase transport costs and hamper trade competitiveness. Optimising such usage demands means, rational pricing of transport modes to encourage competition. However, transport pricing must not only reflect provision, operation and maintenance costs, but also externalities such as environmental costs. Omission of such costs can unfairly favour one mode against another. The Community and the Member States would encourage the
development of intermodal efficiency that stimulates competition without crowding out complementarity, thus providing users a greater choice of transport services.

5.4. Commercialise and privatise for affordable transport

Provision of transport is no longer solely in the public domain, it is being shared with the private sector through commercialisation, privatisation and public-private partnerships. Railways, ports and airports are already providing opportunities for commercialisation of certain operations and services. Continuing this trend of commercialisation, and where the right environment exists moving to privatisation, are goals the Community and the Member States would support.

Roads as “public goods” will remain more in the public sector in most developing countries where traffic flows remain moderate. Road transport, however, at all levels remains largely a private sector service. But commercialisation of road management is a necessary prerequisite for the roads sector sustainability. Community and Member States support would be closely linked to the pursuit of such commercialisation.

5.5. Mainstream the environment, safety and social awareness

Although these cross-cutting themes form an integral part of the sectoral approach they need a special focus as past attention has insufficiently met the public’s concern. This must be done by taking a proactive attitude to developing environmental mitigation measures for minimising the direct impact of transport as well as measures to enhance environmental benefits, for example, phasing out the use of leaded fuels, improving vehicle maintenance, traffic management schemes, city by-passes. And, in any indirect environmental consequences in the economic and social sectors, demanding transport must be correctly managed within those sectors. Therefore, the Community and Member States support would encourage a proactive attitude that considers transport and environment at sectoral, national and regional levels as well as in the wider debate on climate change.

It also is vital that safety is a priority for reducing the appalling high social and economic costs of road accidents. Similarly, air and maritime safety can no longer be neglected. Transport also provides opportunities for men and women by meeting their specific transport needs and increasing job opportunities. Therefore, these aspects will have a greater emphasis in Community and Member States support to transport, for society to benefit, especially the poor.

5.6. Priority actions for the Community and Member States

Community actions are largely shaped by the national and regional indicative programmes. These programmes respond to transport priorities mutually agreed between the Commission and beneficiary country or region. Identification of these priorities should incorporate Community experience in transport liberalization and privatization, cross-border integration etc. This dialogue will, therefore, ensure that Community actions and its financing instruments are more attuned to developing sustainable internal and external transport systems. These actions are increasingly complementary to Member States actions as a result of coordination efforts with each other and recipient countries. Whether working at a national or regional level these complementary actions adopt the sectoral approach, which is outlined in the European Commission transport sector guidelines – “Towards sustainable transport infrastructure – a sectoral approach in practice” published in 1996.
5.6.1. **At a national level**

Implementing a transport sector development programme must put the issues of sustainability first, with the progress in sectoral reform matching the progress of physical works. This involves agreeing the focus and extent of sectoral reform required to build sustainability in both the public and private sectors, thereby providing a balance to the financing of physical investments. This balance will be shaped by the degree to which the transport sector and the particular transport mode being supported is moving towards sustainability. This would involve the Community and Member States, at central and decentralised levels supporting, for example:

- transport agencies formulate policies and strategies based on viable economic planning, secure sectoral financing, particularly for operation and maintenance, minimal environmental impact, and increased safety;
- central and local planning departments, with stakeholder involvement, to formulate appropriate and affordable transport strategies and plans;
- measures that integrate environmental mitigation in transport strategies and plans,
- actions that respond to transport needs of the different genders, particularly in urban areas,
- the updating and enforcement of the legal, institutional and regulatory frameworks, for transport services, for building public-private partnerships, and for increasing opportunities of access to the transport infrastructure and services market;
- measures that ensure the enforcement of international transport agreements signed by the developing countries;
- safety strategies for all transport users, motorized and non-motorized, including campaigns for traffic regulation enforcement;
- measures that increase opportunities for greater commercialisation and privatisation of the transport sector;
- measures for encouraging the public and private sector forge new partnerships in the management of transport and the delivery of services;
- the restructuring of transport agencies for adopting a more regulatory and supervisory role in the climate of increased private sector involvement;
- the development of private sector consultants and contractors in the management and maintenance of transport networks,
- measures that maximise employment opportunities, particularly associated with rural travel and transport infrastructure;
- the adoption of research findings and appropriate and efficient technologies, as well as the use of existing satellite-based navigation and positioning infrastructure;
- the inclusion in university curricula of sustainable transport courses, twinning with European institutions and the development of centres of excellence;
- the establishment of simple systems for performance monitoring that enable rapid feedback for change into strategies and activities within and outwith the sector;

While support for physical actions, with appropriate sectoral actions above could cover:

- transport services that improve the mobility of people living in rural and urban communities; as well as the movement of goods;
• infrastructure networks where the priority must be to put maintenance and rehabilitation before upgrading and new equipment.

5.6.2. At a regional level

The Community and the Member States have the opportunity to play an unique role in developing regional initiatives, supporting regional transport corridors thus bringing added value to, and complementing, trade and transport activities at a national level. This would involve working with regional bodies and transport organisations to:

• formulate, with stakeholder involvement, appropriate and affordable regional transport strategies and plans;
• integrate environmental mitigation measures in transport operations and regional transport development,
• optimise the use of the different transport modes and improve intermodal efficiency along the transport corridors;
• harmonise and enforce transport regulations, standards and procedures;
• encourage the wider adoption of international transport recommendations and conventions promoted by, for example, the United Nations – Economic Commission for Europe, and the United Nations – Economic and Social Commission for Asia and the Pacific;
• facilitate transit traffic and cross-border operations.

While support for physical actions, with appropriate sectoral actions above could cover:

• regional transport networks for facilitating regional integration and trade;
• support for improving the reliability of maritime and air safety, as well as contributing to a global navigation satellite system interoperable with the European Geostationary Navigation Overlay Service.

5.7. Coordinating with Member States and other donors

Coordination at country level, between the Commission, the Member States and other donors, and the government will intensify at a sectoral level thus enhancing a consistent approach in financing of sectoral development programmes.

Similarly, coordination, fostered by the Commission, at headquarters level with Member States through regular expert group meetings will:

• widen its coverage of sectoral issues, to include, for example, coordination of strategies at a regional level;
• explore more efficient use of financing instruments;
• improve its monitoring of the sector, for example, through identification of good practice and joint evaluations.

At an international level, the Commission will continue its coordination activities with Member States, other donors and international financing institutions in forums such as OECD, SSATP, etc. These forums include many donors and recipient countries and the practical results achieved clearly show the added value of working together. Lessons learnt from SSATP are being applied and are found equally applicable for other regions of the developing
world. Thus, coordination within the Community and with other donors and partner countries must develop for building greater coherence among these key financiers of transport.

5.8. The Communication’s role in linking policy and practice

The Communication presents an overall framework enabling transport in developing countries to contribute effectively to the development goals of the Treaty on European Union. The framework gives the principles and strategy of a sectoral approach for setting out the role of transport in country and regional development strategies. It also provides the basis of identifying Community support to these strategies. The Communication together with the Commission’s transport sector guidelines “Towards sustainable transport infrastructure: a sectoral approach in practice” provide practical support in appraising and implementing sustainable transport programmes. Moreover, applying the Communication’s sectoral approach will ensure coherence and complementarity between Community and Member States policy approaches and financial support to transport.
### Appendix 1
Disbursement Of Funds In The ACP Countries

#### Regional Breakdown for 4th, 5th, 6th and 7th EDFs in Thousand EURO

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<tr>
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<th>Caribbean</th>
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<th>Eastern Africa</th>
<th>Central Africa</th>
<th>Southern Africa</th>
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<tr>
<td><strong>4th EDF</strong></td>
<td>17,467.000</td>
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<td>13,153.000</td>
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<tr>
<td><strong>7th EDF</strong></td>
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Note: For 4th and 5th EDF only Road Transport figures available

#### Breakdown by Region

![Bar chart showing regional breakdown of funds in Thousand EURO](chart.png)

- **Southern Africa**: 7th EDF: 100,000, 6th EDF: 120,000, 5th EDF: 90,000, 4th EDF: 70,000
- **Central Africa**: 7th EDF: 150,000, 6th EDF: 180,000, 5th EDF: 130,000, 4th EDF: 100,000
- **Eastern Africa**: 7th EDF: 200,000, 6th EDF: 250,000, 5th EDF: 200,000, 4th EDF: 150,000
- **Western Africa**: 7th EDF: 300,000, 6th EDF: 350,000, 5th EDF: 300,000, 4th EDF: 250,000
- **Pacific+Indian Ocean**: 7th EDF: 50,000, 6th EDF: 50,000, 5th EDF: 50,000, 4th EDF: 50,000
- **Caribbean**: 7th EDF: 40,000, 6th EDF: 40,000, 5th EDF: 40,000, 4th EDF: 40,000

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27
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Note: For 4th and 5th EDF only Road Transport figures available.

![Breakdown by Sector Chart]
## TRANSPORT SECTOR ALLOCATIONS

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<td>TOTAL</td>
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<table>
<thead>
<tr>
<th>TOTAL NIP/RIP (mEURO)</th>
<th>Total TRANSPORT (mEURO)</th>
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<tbody>
<tr>
<td>NIP+RIP TOTAL</td>
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## Transport Sector - 8th EDF NIP and RIP

### WESTERN AFRICA

<table>
<thead>
<tr>
<th>Sahelian Africa</th>
<th>Coastal West Africa</th>
<th>Gulf of Guinea</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Cape Verde</td>
<td>Guinea Bissau</td>
<td>Guinea Conakry</td>
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### CENTRAL AFRICA

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<th>Centra- frique</th>
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<th>Gabon</th>
<th>Equa- torial G.</th>
<th>Tchad</th>
<th>Congo (DR)</th>
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<tbody>
<tr>
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### EASTERN AFRICA

#### Horn of Africa

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<th>Somalia</th>
<th>Sudan</th>
<th>Burundi</th>
<th>Kenya</th>
<th>Uganda</th>
<th>Rwanda</th>
<th>Tanzania</th>
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#### East Africa

<table>
<thead>
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<th>Ethiopia</th>
<th>Somalia</th>
<th>Sudan</th>
<th>Burundi</th>
<th>Kenya</th>
<th>Uganda</th>
<th>Rwanda</th>
<th>Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIP total mEURO</td>
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</tr>
<tr>
<td>Transport % of NIP</td>
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</tr>
<tr>
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<td>-</td>
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<td>-</td>
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**Total**: 928

### SOUTHERN AFRICA

#### Southern Africa

<table>
<thead>
<tr>
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<th>Malawi</th>
<th>Mozambique</th>
<th>Sao Tomé &amp; Prin.</th>
<th>Zambia</th>
<th>Zimbabw</th>
<th>Botswana</th>
<th>Lesotho</th>
<th>Namibia</th>
<th>Swaziland</th>
</tr>
</thead>
<tbody>
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<td>NIP total mEURO</td>
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<td>174</td>
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<td>110</td>
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<td>40</td>
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<td>75</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>19</td>
<td>2.54</td>
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#### South Africa (SACU)

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<th>Sao Tomé &amp; Prin.</th>
<th>Zambia</th>
<th>Zimbabw</th>
<th>Botswana</th>
<th>Lesotho</th>
<th>Namibia</th>
<th>Swaziland</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIP total mEURO</td>
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<td>-</td>
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</tr>
<tr>
<td>Transport % of NIP</td>
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<td>-</td>
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<td>-</td>
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<td>-</td>
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</tr>
<tr>
<td>Transport mEURO</td>
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<td>-</td>
<td>-</td>
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**Total**: 299.24
## CARIBBEAN

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<td></td>
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<tr>
<td>NIP total mEURO</td>
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<td>9.5</td>
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<tr>
<td>Transport % of NIP</td>
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<td>53</td>
</tr>
<tr>
<td>Transport mEURO</td>
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<td>5</td>
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</table>

## PACIFIC

<table>
<thead>
<tr>
<th>Fidji</th>
<th>Kiribati</th>
<th>Papua New G.</th>
<th>Solom. Isles</th>
<th>West. Samoa</th>
<th>Tonga</th>
<th>Tuvalu</th>
<th>Vanuatu</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIP total mEURO</td>
<td>25.5</td>
<td>8.5</td>
<td>50</td>
<td>19</td>
<td>11.5</td>
<td>7</td>
<td>1.9</td>
<td>9.5</td>
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<tr>
<td>Transport % of NIP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55</td>
<td>95</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transport mEURO</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10.45</td>
<td>11</td>
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## INDIAN OCEAN

<table>
<thead>
<tr>
<th>Comores</th>
<th>Madagas-car</th>
<th>Mauri-tius</th>
<th>Seychelles</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIP total mEURO</td>
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<td>188.5</td>
<td>39.5</td>
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<td>Transport % of NIP</td>
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<td>50</td>
<td>10</td>
<td>-</td>
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<tr>
<td>Transport mEURO</td>
<td>13.7</td>
<td>94.2</td>
<td>4</td>
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Appendix 2

Member States support to transport

This appendix summarises the support of several Member States to the transport sector. It is based on a variety of documents and it should not be viewed as an official statement of the individual Member State.

Austria, Denmark, France, Germany, Italy, Sweden and the United Kingdom, through their bilateral programmes, are the major financiers of the transport sector. The Netherlands, although not a major financial player, focuses on sectoral policy support particularly for non-motorized transport in urban and rural areas as well as inland water transport.

Austria

Austria’s transport strategy focuses on the mobility of goods and people in response to the social and economic demands of society. In meeting these demands the strategy gives priority to actions that contribute to poverty alleviation. Austrian support to transport, therefore, covers motorized and non-motorized transport systems.

Austria’s activities in the transport sector are guided by:

- a demand led approach determined by a participatory approach of society,
- a broader social and environmental assessment of transport’s impact on communities, and
- an emphasis for partner countries to adopt the “beneficiary pays principle” in the maintenance of transport systems.

Denmark

Denmark’s assistance to transport is changing to respond to development objectives formulated in its 1994 paper “A Developing World, Strategy for Danish Development Assistance towards the Year 2000 (Strategy 2000).” Transport’s main goal is, therefore, to contribute to poverty reduction by increasing access of poor men and women for participation in social and economic development of their society. Meeting the transport needs of society will integrate environmental impact analysis, ensure equitable gender benefits and enhance society’s participation in decision making.

Denmark’s support to transport has been selected as a priority sector in several of its partner country programmes. Although, Denmark is developing its strategy for supporting all transport modes there is a particular focus on road infrastructure from primary roads to village tracks. Financial and technical support, thus, endeavours to ensure:

- improving transport systems respond to economic and social demands,
- representative participation of society in decision making for identifying transport solutions as well as in the transparent management of financial revenues,
- adoption of a network approach to infrastructure planning and optimisation of return on financial investments,
- integration of environmental and socio-cultural issues in transport planning and implementation,
- transport infrastructure development and maintenance takes account of budget constraints.
• adoption of a business-like approach to the reform and strengthening of the transport agencies.

France

France’s support to transport aims to contribute effectively to economic and social development. In supporting this broad objective, France emphasises sound management that creates efficient transport operations, protects the investments in infrastructure and equipment and ensures transport fits within a framework of sustainable development. Developing such a framework involves France supporting many reforms, principally:

• ensuring transport responds efficiently to the needs of the economic and social sectors,

• promoting a meaningful dialogue with partner governments, society and other donor organisations, for optimising support and coordination of resources,

• adapting the regulatory framework for transforming transport monopolies into commercial entities that foster rather than hinder development, and

• responding to environmental and social issues of sustainable development.

This framework focuses France’s support to urban, air, roads, railways and maritime transport in the following way:

• creating affordable transport for all levels of society in urban areas for facilitating the efficient economic development of cities and towns,

• improving the security and safety of air transport,

• optimising the usage of road transport systems, facilitating the flow of traffic, increasing revenue for maintenance from specific charges,

• promoting and supporting the commercialisation of railway corporations through concessionaire arrangements, and

• restructuring monopolistic port authorities to improve port services for users.

France actively supports the coordination among donors and with recipient governments in the transport sector as an essential requirement for producing sustainable transport systems that will contribute to economic and social development.

Germany

German development cooperation strives for structural changes in their partner countries in order to improve political, social, environmental and economic conditions. This also applies to support to the transport sector. The main objectives in supporting transport are to improve access to goods, to services and among people, while mitigating adverse effects on society as a whole, such as pollutant emissions or accidents. Achieving these objectives contributes towards the development of regions and cities, towards lowering the economic costs of transport and thus, towards raising overall production and the welfare of society.

The challenge of all measures in the transport sector is sustainability. Namely, meeting, the mobility needs of society while taking into account the economic viability, the social balance and the environmental soundness. Thus, guiding principles for the transport assistance are:

• an integrated transport sector policy and planning that covers all modes and all means of transportation and their interaction, and which involves coordinating with other fields of
sectoral policies, such as economic, fiscal, social and environmental policy as well as urban development, land use planning etc.,

- a focus on the effective maintenance and optimal use of existing transport systems,
- the user pays principle: - users have to pay in the long run, the full costs of their transport-related resource consumption,
- the provision of specific mobility needs of the poor and of women, e.g. non-motorised and public transport, labour-based construction and maintenance etc.,
- the greater involvement of users and other people affected by transport related measures in decision making,
- the application of commercial rules wherever the “public goods” character of transport systems dominates and maximum mobilisation of the potential of the private sector in financing, provision and management of transport infrastructure (planning, construction and maintenance),
- ensuring competition on the market for transport services with a minimum of regulation to uphold public interest; and, where appropriate, privatisation of transport services,
- providing unequivocal specification of responsibilities and, wherever possible, the decentralisation of tasks and decision making including the corresponding budgetary allocations, i.e. the central administration is active only when subordinated local entities or private companies are not (yet) in a position to cope (subsidiarity principle),
- minimising the risk of traffic accidents, and
- mitigating the negative environmental effects of transport, namely local effects (smog, noise, flora and fauna etc.) and global effects (climatic change).

Support to transport by region (000s DM)

<table>
<thead>
<tr>
<th></th>
<th>Africa</th>
<th>Asia*</th>
<th>Latin America</th>
<th>Europe**</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975-79</td>
<td>1,175,000</td>
<td>373,000</td>
<td>92,000</td>
<td>6,500</td>
<td>1,646,500</td>
</tr>
<tr>
<td>1980-84</td>
<td>2,135,000</td>
<td>713,000</td>
<td>140,000</td>
<td>16,000</td>
<td>3,004,000</td>
</tr>
<tr>
<td>1985-89</td>
<td>1,468,000</td>
<td>385,000</td>
<td>61,000</td>
<td>102,000</td>
<td>2,016,000</td>
</tr>
<tr>
<td>1990-94</td>
<td>1,265,000</td>
<td>1,260,000</td>
<td>101,000</td>
<td>60,000</td>
<td>2,686,000</td>
</tr>
<tr>
<td>1995-99</td>
<td>875,000</td>
<td>1,065,000</td>
<td>211,000</td>
<td>112,000</td>
<td>2,263,000</td>
</tr>
</tbody>
</table>

Notes:
Figures comprise financial as well as technical cooperation; figures for 1999 are not yet complete.
*Central Asia and Pacific
**Former USSR, Turkey, Balkan and Ex-Jugoslavian Countries
Support to transport by mode

<table>
<thead>
<tr>
<th>Sectoral Breakdown</th>
<th>Financial Cooperation</th>
<th>Technical Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Policy and Administration</td>
<td>505,000</td>
<td>122,500</td>
</tr>
<tr>
<td>Roads</td>
<td>1,857,000</td>
<td>186,500</td>
</tr>
<tr>
<td>Railways</td>
<td>1,636,000</td>
<td>58,250</td>
</tr>
<tr>
<td>Ports/Ships</td>
<td>382,500</td>
<td>16,250</td>
</tr>
<tr>
<td>Air transport</td>
<td>162,500</td>
<td>21,000</td>
</tr>
</tbody>
</table>

Notes: Figures comprise projects from 1990 up to date; figures for 1999 are not yet complete.

Italy

Italy active support to transport infrastructure aims to contribute to economic and social development in all developing. In contributing to this wide objective, Italy gives priority to the least developed countries focusing on road and railway infrastructure in Sub-Saharan Africa.

Support to transport by region (000s Lire)

<table>
<thead>
<tr>
<th>Period</th>
<th>Africa</th>
<th>Asia</th>
<th>Latin America</th>
<th>Mediterranean</th>
<th>Europe**</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>1980-85</td>
<td>220,859,000</td>
<td>1,995,000</td>
<td>4,783,000*</td>
<td>24,232,000</td>
<td>-</td>
<td>251,869,000</td>
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<tr>
<td>1986-90</td>
<td>494,314,000</td>
<td>120,876,000</td>
<td>174,409,000*</td>
<td>14,886,000</td>
<td>-</td>
<td>804,485,000</td>
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<td>1991-95</td>
<td>176,362,000</td>
<td>-</td>
<td>37,103,000</td>
<td>60,419,00</td>
<td>35,800,00</td>
<td>309,684,000</td>
</tr>
<tr>
<td>1996-99</td>
<td>73,360,000</td>
<td>-</td>
<td>31,627,000</td>
<td>-</td>
<td>-</td>
<td>104,987,000</td>
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</table>

Notes:
*Latin America including Costa Rica
**Albania and former Yugoslavia

Support to transport by mode (000s Lire)

<table>
<thead>
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<th>Mode</th>
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<th>Asia</th>
<th>Latin America</th>
<th>Mediterranean</th>
<th>Total</th>
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</thead>
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<td>469,284,000</td>
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<td>1,403,000</td>
<td>60,627,000</td>
<td>598,218,00</td>
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<tr>
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<td>309,396,000</td>
<td>27,644,000</td>
<td>169,950,000</td>
<td>13,872,000</td>
<td>520,862,00</td>
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<tr>
<td>Ports/Ship</td>
<td>136,218,000</td>
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<td>156,000</td>
<td>13,800,00</td>
<td>150,174,00</td>
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<td>49,997,000</td>
<td>28,323,000</td>
<td>76,413,000</td>
<td>11,238,00</td>
<td>165,971,00</td>
</tr>
<tr>
<td>Total</td>
<td>964,895,000</td>
<td>122,871,000</td>
<td>247,922,000</td>
<td>99,537,00</td>
<td>1,435,225,00</td>
</tr>
</tbody>
</table>

Sweden

Sweden’s approach to transport addresses the needs of the poor in the rural and urban areas. Such an approach complements their overall development objective, which is the improvement of living conditions for the poor in the poorest countries. In meeting this objective Sweden considers one of the prerequisites to be functioning transport systems. For creating sustainable transport systems Sweden emphasises the importance of two major cross-cutting themes, gender equality and the mitigation of environmental impact.
Sweden’s financial support to transport focuses primarily in the countries of Eastern and Southern Africa and a few countries of Southern Asia. In these countries, the priority activities of Swedish transport cooperation are:

- facilitating the decentralisation of decision making and increasing the role of society in government decision, and moving government to a regulatory role,
- capacity building of transport agencies in their restructuring process for improving the management of road and railway systems,
- revising the regulatory framework to simplify the provision of transport services and open up competition,
- ensuring a secure and sufficient finance for maintenance and operation of transport systems,
- focusing on rural road rehabilitation and maintenance and in some cases primary roads,
- encouraging the use of appropriate technology, particularly labour based methods in road construction and maintenance as well as non-motorized transport and low technology infrastructure for the provision of rural transport,
- developing methodology for improving road safety and reducing accidents, as well as measures that mitigate the environmental impact of transport, and
- supporting regional transport integration through the intermodal transport corridors linking landlocked countries to intra-regional and international markets.

In all these activities Sweden gives high priority to coordination between partner countries, the European Commission, World Bank and other donors.

**Support to transport by region (000s SEK)**

<table>
<thead>
<tr>
<th></th>
<th>Africa</th>
<th>Asia</th>
<th>Mediterranean</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975-79</td>
<td>162,700</td>
<td>-</td>
<td>-</td>
<td>162,700</td>
</tr>
<tr>
<td>1980-84</td>
<td>351,100</td>
<td>98,700</td>
<td>59,600</td>
<td>509,400</td>
</tr>
<tr>
<td>1985-89</td>
<td>583,200</td>
<td>180,100</td>
<td>-</td>
<td>763,300</td>
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<td>1990-94</td>
<td>976,700</td>
<td>241,200</td>
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<td>1,217,900</td>
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<td>1995-99</td>
<td>513,000</td>
<td>461,000</td>
<td>-</td>
<td>974,000</td>
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</table>

**Support to transport by mode (000s SEK)**

<table>
<thead>
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<th>Mode</th>
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<th>Asia</th>
<th>Mediterranean</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional support</td>
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<td>108,200</td>
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<td>571,400</td>
</tr>
<tr>
<td>Roads</td>
<td>1,104,500</td>
<td>752,700</td>
<td>-</td>
<td>1,857,200</td>
</tr>
<tr>
<td>Railways</td>
<td>569,900</td>
<td>80,000</td>
<td>-</td>
<td>649,900</td>
</tr>
<tr>
<td>Ports/Ships</td>
<td>363,000</td>
<td>40,100</td>
<td>59,600</td>
<td>462,700</td>
</tr>
<tr>
<td>Air transport</td>
<td>86,100</td>
<td>-</td>
<td>-</td>
<td>86,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,586,700</strong></td>
<td><strong>981,000</strong></td>
<td><strong>59,600</strong></td>
<td><strong>3,627,300</strong></td>
</tr>
</tbody>
</table>
The United Kingdom’s assistance to transport is strengthening its response to the attack on poverty as outlined in the White Paper on International Development “Eliminating World Poverty: A Challenge for the 21st Century.” The main purpose of transport assistance will therefore be to improve the livelihoods of the poor people by enabling them to meet their physical access and transport needs in a sustainable manner. Meeting these needs involves supporting pro-poor economic growth by assisting efficient operation of the transport sector at national and the local levels. Other cross-sectoral initiatives, particularly “Sustainable Livelihoods” and “Private Investment in Infrastructure” will enhance the issues of physical access and transport in the framework of other rural and urban investments.

Meeting basic access and transport needs means increased focus at the household and community level in the context of improving the livelihoods of the poor. This will involve a cross-sectoral approach undertaken in a participatory manner, coordination with other donors and developing countries to identify good practices for adoption in bilateral programmes.

Supporting pro-poor growth targets the efficiency of management of the transport sector emphasising improved maintenance of infrastructure and operation of associated services. This means focusing on the effective maintenance of road networks, supporting institutional arrangements, which secure the systems and a steady flow of resources for sustainability.

UK bilateral assistance will build capacity at local and national level through technical cooperation, where possible, alongside assistance from the European Commission, World Bank and other agencies. In addition, UK will continue their Engineering Knowledge and Research programme, which contributes to international understanding in the sector and supports the thrust of its bilateral programmes.
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