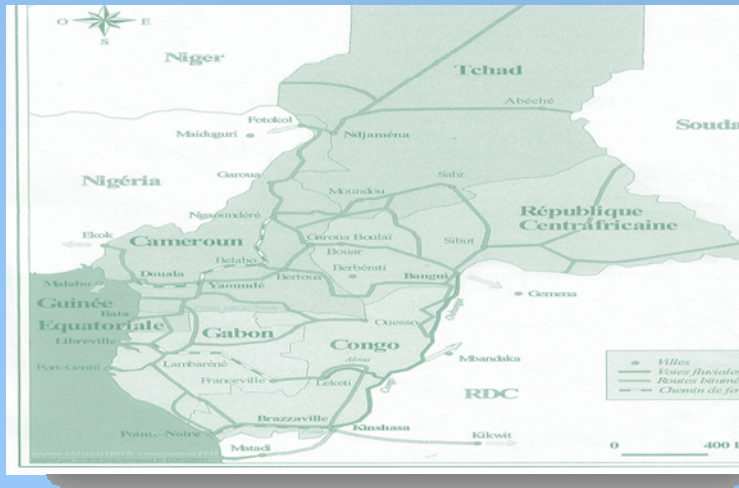




IMPROVING TRADE AND TRANSPORT IN LANDLOCKED COUNTRIES



An existing legal framework

The Case of Central Africa (CEMAC)

CEMAC is a customs union based on a customs code, which includes provision for national and international transit

- An international convention for road transit was signed in 1991 (TIPAC Convention)
- This convention, based on the TIR system (physical carnet guaranteed by an association) was never applied by lack of funding mechanism and no selection of guaranteeing association
- Instead, CAR and Chad have signed bilateral conventions with Cameroon, managed by freight bureaux enforcing mandatory freight allocation and queuing systems, transit guarantees being provided separately by Banks.

AN EXISTING LEGAL FRAMEWORK

Current transit situation: main constraints

- A. Heavy Documentation and on the road harassment
 - Inefficient transit initiation in Douala (very long delays, attributable to all players)
 - 7 documents are needed
 - 3 structures to release documents (customs on both sides, freight bureaux, and the single window for CAR)
 - Multiple check point and controls, including 5 weighbridges and two formal checkpoint (and many informal)

- B. Financial impact:
 - Ad hoc guarantees, release difficult to obtain (no document return)
 - Double taxation (for CAR cargo)
 - Expensive Bank guarantees
 - Expensive transport cost, partly due to service organization/quotas

AN EXISTING LEGAL FRAMEWORK

Proposed revised transit system

- Proposal made After several failures to revive the legal carnet system, leading to internal fighting on system management
- Adaptation of the Free Trade European Convention on Transit
- Basic processes:
 - One transit document, based on the Simplified Administrative Document (SAD)
 - Removal of all check-points
 - Use of IT Solutions through interfacing of UNCTAD's ASYCUDA and use of its transit module.
 - Bar code and optical reading at start, destination and borders

AN EXISTING LEGAL FRAMEWORK

Set up of a new transit regime

A challenging process

- Transit group established with Customs and transport, but possible only because of political will in Cameroon, and more specifically in Customs
- Some steps forward: agreement on use of IT and on a leadership by Customs
- Many reluctance outside the customs sector due to multiple existing rents
- Impacts all stakeholders of the supply chain.

Major possible impact all along the chain

- Port (to cut long dwell time for transit goods)
- En route (removal of check points)
- Financially (reduction in the amount of the guarantee)

AN EXISTING LEGAL FRAMEWORK

New transit procedure

Two procedures for two types of operators

- Normal procedure: similar to the existing one
 - Operation opened at the office of departure (entry point)
 - Release of the transit document at destination to release guarantee
 - Isolated guarantee based on the existing operators
- Simplified procedure or at home
 - Authorized consignees and consignors with specific status
 - Operations opened and ended at home, without presenting the goods at the office of departure or at destination
 - Global guarantee, with some financial facilities
 - A system based on the banking/insurance system trust
- But everybody benefits from the improvement in transit procedures

AN EXISTING LEGAL FRAMEWORK