



## IMPROVING TRADE AND TRANSPORT IN LANDLOCKED COUNTRIES



**What works and why**  
Global review of transit systems

# What good transit systems do

- Support the trade of landlocked countries and long-distance trade more generally
- Delayed clearance based on universal and robust principles (= transport under customs bonds)
- Provide seamless movements across borders
- Foster private-public arrangements for procedures, guarantees, and professional competence

# What it takes to build them

Implementation

Transit regimes  
and procedures

Services:  
Truckers, FF...

Regional Framework:

Institutions:  
⇒ National: CC customs  
⇒ Cross-border

- ⇒ Transport & transit agreements
- ⇒ Physical infrastructure

Framework

WHAT WORKS AND WHY

# Start with the basics of regional integration and infrastructure

- Transit/transport agreement on cross-border movement of vehicles, drivers and goods.
- Road infrastructure
- Other regional integration: e.g. Insurance
- Border infrastructure
- National institutions (transport, customs, CC)
- *Multinational institutions (Corridor body)*

# Implement transit regime according to simple and universal principles

- = Private-public partnerships to back the right of transit with professional competence and fiscal security
  - Transit manifests
  - Bonds and seals by transit operators
  - Good information systems and customs reconciliation
  - Simple border processes
  - Regulated entry of transit operators

# Unify systems across borders

Transit regime and procedures implemented at the national level in the countries of transit and destination, but major gains also possible from

- Portable and interoperable manifests and bonds
- Consistent regulation of entry for regional transit operators
- Green transit lines at the border (not local clearance)

# Benchmarks for a seamless transit regime

TIR, a robust regimes which supported trade expansion in Europe and eastward for 60 years

- Carnets and attached guarantees from start to finish
- Strict regulation of entry by transit operators
- Oversight and capacity building to deal with local weaknesses

Common transit (UE-AELE) and NCTS

=>high degree of integration and governance.

# Agreements essential but carrying them out is the big problem

- Transit regime implementation departing in essential way from core principles
- Poor quality service
- Weak national institutions
- Mentality of control and rent-seeking
- Cross-cutting requirements difficult to meet
- Perceived incompatibility with security or (wrongly) with fiscal needs

# So, what should be simple is complex

- Inadequate customs documentation and processing (confusion with clearance)
- Duplicated procedures
- Excessive controls and No risk management based on qualification.
- Improper tracing of manifest, inadequate use of IT
- No interoperability between countries
- Inadequate guarantees and securization
- Fragmentation of services eventually induced by policies

# What the global review shows

	NAFTA	Latin America	East Asia
Regional Framework	Limitations (US-Mex)	Ad hoc per corridor	Very restrictive
Institutions	***	Depends	Depends
Transit regime & implementation	Purely national	Ad hoc national missing components	National ad hoc, very weak
Regulation Services	***	depends	fair
Market structure	***	depends	Weak exc Th

WHAT WORKS AND WHY

# What the global review shows (continued)

	South Asia	Africa (E-S)	Africa (W-C)
Regional Framework	Very restrictive	Open	Very Open
Institutions	depends	weak	weak (very)
Transit regime & implementation	None	National systems, no chain	Essentially nominal
Regulation Services	poor	depends	Very poor
Market structure	weak	good	Very weak

WHAT WORKS AND WHY

# Re-engineer transit regimes

Implement the core features of working regimes

- Documentation
- Information system and manifest tracing
- Regulation of transit operator entry
- Financial guarantees

=> Expand the trade facilitation agenda to logistics and transit regimes

=> Leverage regional infrastructure projects to rebuild transit regimes

WHAT WORKS AND WHY

# Set priorities

- Transit manifests (compatible with TIR)
- IT guidelines for operators and for customs
- Entry regulations for authorized operators
- Risk management and controls

A case for global standards?