



DEVELOPMENT OF TRANSPORT CORRIDORS IN LANDLOCKED DEVELOPING COUNTRIES

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**Strengthening Security and Inter-operability along
Euro-Asian Inland Transport Corridors
Tbilisi, Georgia, 12 December 2019**

CONTENT OF THE PRESENTATION

- I. Challenges arising from being landlocked**
- II. Challenges of establishing transit corridors**
- III. Best practices of transit corridors in LLDCs,**
- IV. Solutions for efficient corridors**
- v. Role of ITLLDC**

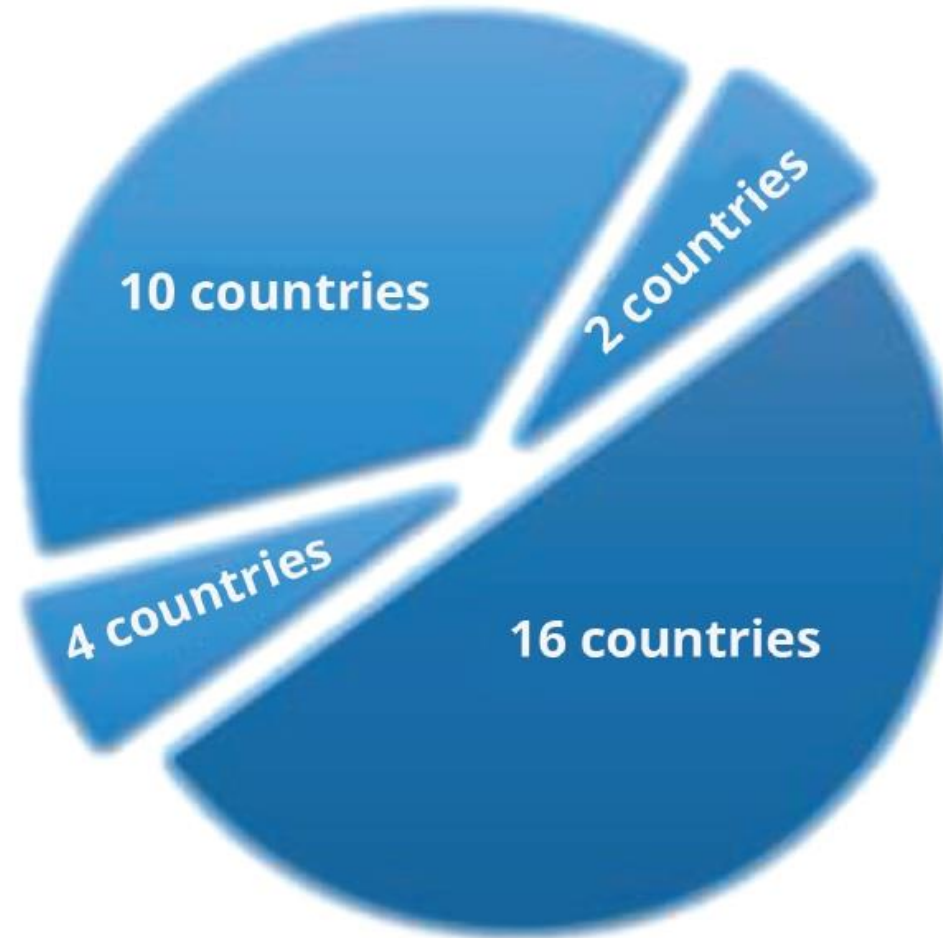
I. INTRODUCTION OF LLDC

Asia

Afghanistan
 Mongolia
 Bhutan
 Nepal
 Kazakhstan
 Tajikistan
 Kyrgystan
 Turkmenistan
 Lao People's Democratic
 Republic
 Uzbekistan

Europe

Armenia
 Republic of Moldova
 Azerbaijan
 The Former Yugoslav
 Republic of Macedonia



Latin America

Bolivia
 Paraguay

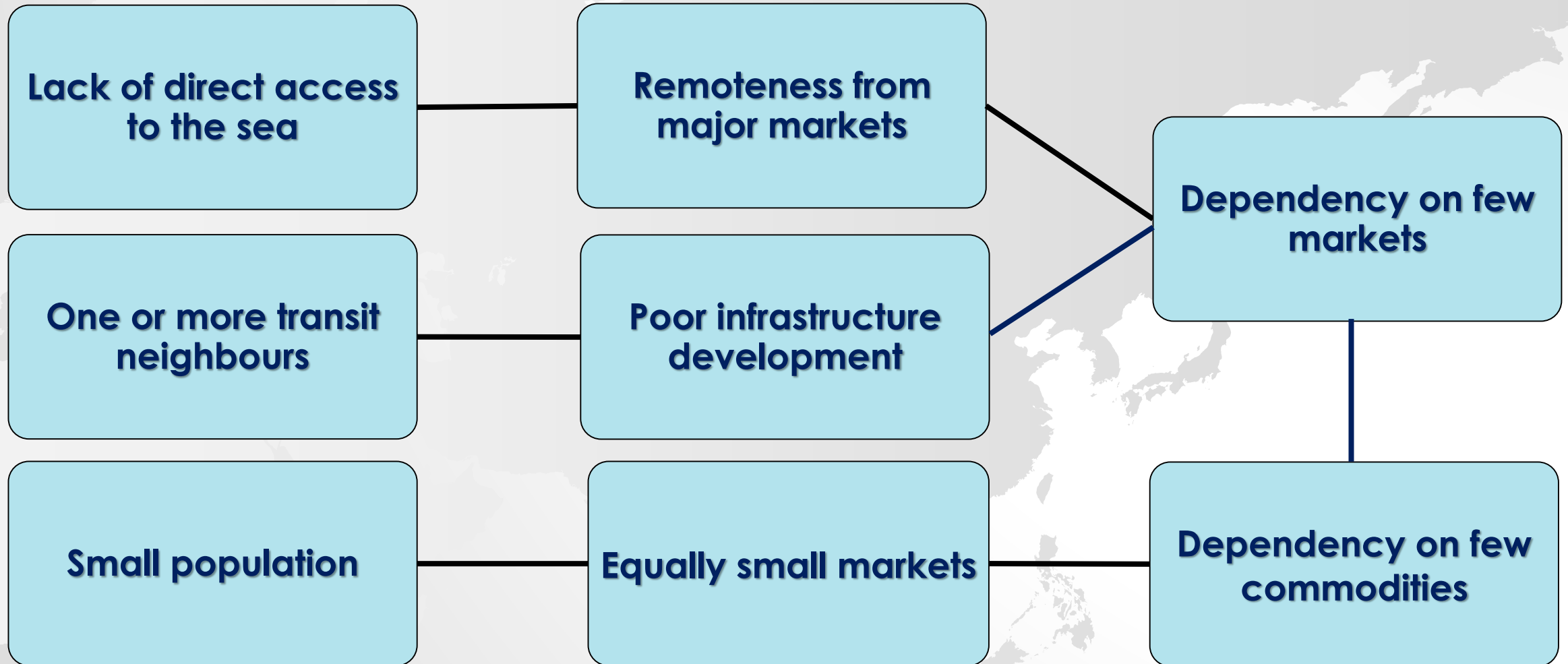
Africa

Botswana
 Mal
 Burkina Faso
 Niger
 Burundi
 Rwanda
 Central African Republic
 Swaziland
 Chad
 Uganda
 Ethiopia
 Zambia
 Lesotho
 Zimbabwe
 Malawi
 South Sudan

I. INTRODUCTION OF LLDC

- ❖ 509 million population (7 percent of the World population),
- ❖ 22 percent of global land area,
- ❖ Less than 1 percent of global trade,
- ❖ Level of development that is 20% lower compared to coastal countries
- ❖ Double time and cost for exporting and importing compared to transit countries/ coastal economies
 - LLDCs per container
 - US\$3.203 – export
 - US\$3.884 – import
 - Transit countries
 - US\$ 1.287 – export
 - US\$ 1.602 - import

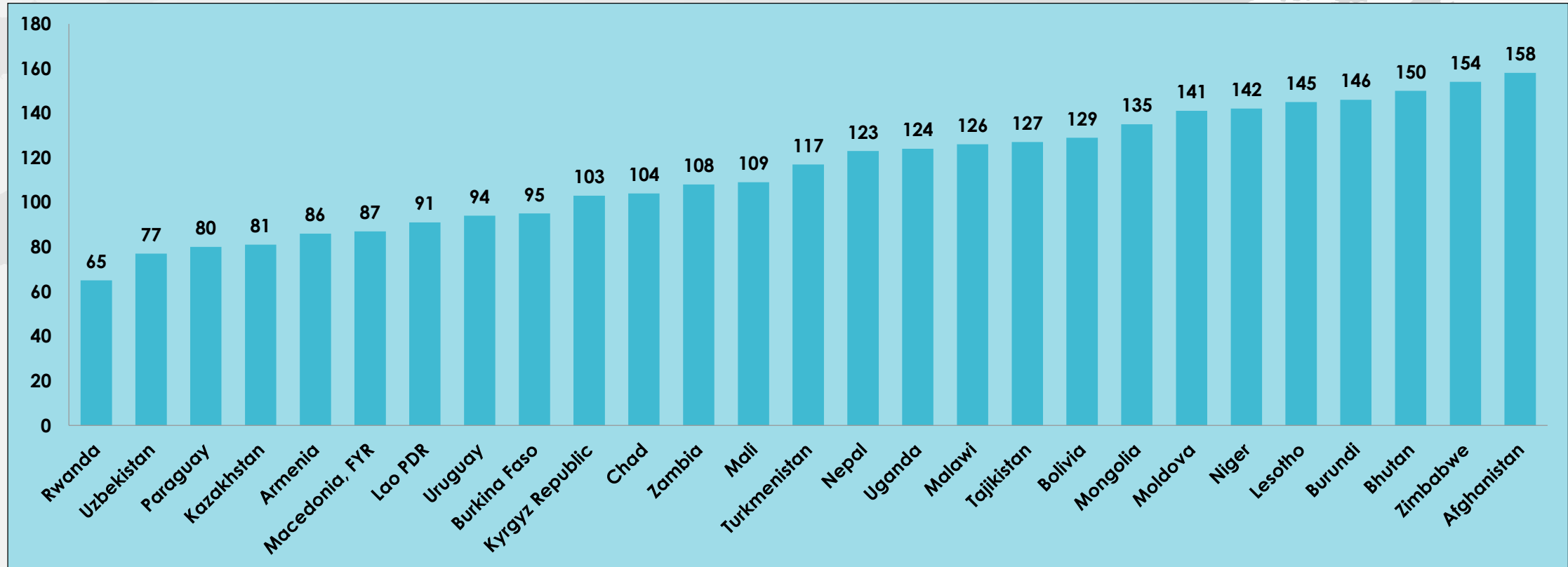
I. INTRODUCTION OF LLDC



I. INFRASTRUCTURE DEVELOPMENT

Logistic Performance Index Ranking - 2018

Quality of trade and transport related infrastructure



Source: World bank

I. INTRODUCTION OF LLDC

- ❖ **Connectivity and transit transport is a key issue for the LLDCs.**
- ❖ **LLDCs remain outlying to major transportation networks.**
- ❖ **Dependent on transit routes across their neighboring country territories.**
- ❖ **LLDCs becoming transit countries themselves.**
- ❖ **Corridors accelerate the development of infrastructure and the harmonization of procedures, the development of soft infrastructure and the implementation of trade facilitation measures.**



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LLDC

II. CHALLENGES OF ESTABLISHING TRANSIT CORRIDORS

II. Challenges

- ❖ **Inadequate physical/hard infrastructure:**
 - **Poor quality,**
 - **Different standards (railway gauges)**
- ❖ **Additional border crossings,**
- ❖ **Logistical and institutional bottlenecks,**
- ❖ **No matching and balancing in laws, policies, transport regulations for bilateral/international road transport,**
- ❖ **Deficient Transport and Transit Rights (Euro-Asian LLDCs: required road transport permit)**
- ❖ **Insufficient Border crossing management/operation,**

II. Challenges

Insufficient utilization of International legal framework and agreements as a legal instruments:

- ❖ **WTO member,**
- ❖ **WTO - Trade Facilitation Agreement,**
- ❖ **TIR Convention,**
- ❖ **Intergovernmental agreement on Dry ports etc.,**
- ❖ **International Convention on the Harmonization of Frontier Controls of Goods,**
- ❖ **WCO Revised Kyoto Convention,**



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III. BEST PRACTICES OF TRANSIT CORRIDORS IN LANDLOCKED DEVELOPING COUNTRIES

BEST PRACTICES OF CORRIDORS

- ❖ Achievements of **Corridors in Northern Africa** (Burundi, Congo, Kenya, Rwanda, Uganda and South Sudan) – could be indicators of successful corridor:
 - Multi-modal corridor (road, rail, inland waterways)
 - Harmonization of law, regulations and standards,
 - Simplified cross-border transactions and custom operations,
 - Supporting infrastructure, logistic service,
 - Successfully reduced transit times and inefficiency,
 - Establishing Corridor Management Institute,
 - Appropriate management procedures and structure (charter, planning, financing, demand driven, result-oriented, monitoring),



IV. SOLUTIONS

SOLUTIONS FOR EFFECTIVE TRANSIT TRANSPORT

- ❖ **Development of Infrastructure: transport corridors and hubs, special economic zones,**
- ❖ **Diversification of Modes of Transport,**
- ❖ **Enhance the role of logistics services sector with the creation of a Logistics Services Industry Policy,**
- ❖ **Custom and administrative: Single window clearance, harmonizing documentary requirements, modernizing trade procedures,**
- ❖ **Regional Cooperation on Trade and Transit,**
- ❖ **Role of Private Sector,**
- ❖ **Customized Research on LLDC's Trade and Transit issues,**
- ❖ **Sharing best practices,**

SOLUTIONS FOR EFFECTIVE TRANSIT TRANSPORT

3 policies LLDCs can consider to better capture the gains from trade facilitation

❖ Advocate for the ratification of the TFA

- As part of this, complete the needs assessments
- Countries need to agree on so-called transit protocols for specific food and agricultural products (SPS-lite), taking into account the provisions in the new WTO TFA.

❖ Support the launch of a Work Program for LLDCs

- WTO has considered special recognition of the LLDCs Group in the WTO

❖ Consider the global marketplace

- LLDCs need to work with their neighbors to access export infrastructure
- Increasingly there are ways LLDCs can think beyond borders (regional integration)

SOLUTIONS FOR EFFECTIVE TRANSIT TRANSPORT

Outcome of the meeting on **BEST PRACTICES IN CORRIDOR DEVELOPMENT AND MANAGEMENT FOR THE BENEFIT OF LLDCS AND TRANSIT COUNTRIES**, held in Ulaanbaatar, on 29 October, 2019,

- ❖ Transform transit transport corridors into **economic corridors** to have the potential investment opportunities and enhance regional connectivity;
- ❖ Harmonize and improve **transport, sea-ports, inland ports, logistics centers and border-crossing infrastructure** and facilities and services along the international transit transport corridors for LLDCs and transit countries;
- ❖ Harmonize **domestic policies, laws, standards and procedures and regulations** for transit;
- ❖ Design and implement **effective rules and regulations** within a supportive, stable and predictable policy framework;
- ❖ Establish and strengthen corridor coordination platforms, management mechanisms and frameworks, such as **corridor management organizations and committees**;
- ❖ Enter into **TRANSIT TRANSPORT AND CORRIDOR AGREEMENTS** at bilateral and regional and international level;
- ❖ Establish **institutions** to facilitate the process of corridor development (Mongolia Investment Research Center);
- ❖ Mobilize additional **financial resources** for rehabilitation or development of resilient corridor transport infrastructure;
- ❖ UN system and other relevant international and regional organizations to **provide policy, analytical and technical support** towards the development, functioning and management of corridors and to facilitate greater sharing of experiences.

SOLUTIONS FOR EFFECTIVE TRANSIT TRANSPORT

Key elements for corridor agreements (UN-OHRLLS):

- ❖ Corridor Institutional Framework and Governance Structure
- ❖ Responsibilities of Different Stakeholders
- ❖ Coordinated Planning and Development of Transport Infrastructure
- ❖ Corridor Budgetary Resources
- ❖ Trade and Transport Facilitation Issues
- ❖ Transport Logistics Monitoring
- ❖ Stakeholder Coordination
- ❖ Consultation and Resolution of Bottlenecks
- ❖ Capacity Building of stakeholders



V. THE ROLE OF INTERNATIONAL THINK TANK FOR LLDC

Importance of research and evidence based analysis for ITLLDC

- ❖ Definition of right policy,
- ❖ Define problems and find solutions,
- ❖ High quality research = Good solution,
- ❖ Capacity building,
- ❖ Define high quality tools for research, and share (e.g. IDE-GSM-geographical simulation model),
- ❖ Cost and Benefit analysis,
- ❖ Evidence based problem solving vs. populist approach,

ITTTLLDC: research papers

- ❖ **“WTO Agreement on Trade Facilitation and the implications for LLDCs”,**
- ❖ **Bilateral Transit and Transportation Agreements of LLDCs: Benefits and Bottlenecks - Case India and Nepal,**
- ❖ **Rethinking regional integration for LLDCs,**
- ❖ **Economic impacts of economic corridors in Mongolia**

THANK YOU FOR YOUR ATTENTION



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