



Brussels, 7 October 2019.

TRANSIT

(Item XI on the Agenda)

I. Background

1. The economic development of many countries “locked in” by those around them is often hindered by their lack of access to the sea. These countries face an array of challenges, one of those being their dependence on other countries for international trade via transit.
2. At the United Nations (UN), there has been an increased recognition of the specific needs of landlocked developing countries (LLDCs). Following the Almaty Programme of Action and the Almaty Ministerial Declaration of 2003, the Vienna Programme of Action for the LLDCs for the Decade 2014 - 2024 (VPoA) was launched at the Second UN Conference on LLDCs held in Vienna, Austria in November 2014. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLLS) is the UN body that coordinates the implementation of the VPoA in an efficient and coherent manner.
3. The VPoA puts a particular focus on the development and expansion of efficient transit systems and transport development, enhancement of competitiveness, expansion of trade, structural transformation, regional cooperation, and the promotion of inclusive economic growth and sustainable development. A high-level mid-term review of the VPoA is scheduled to take place in December 2019 at the UN Headquarters in New York.
4. The World Customs Organization (WCO) is fully aware of the challenges faced by LLDCs and contributes to the efforts aimed at unlocking the potential of those countries, in particular in the area of Customs transit. More specifically, the WCO contributes to improving transit systems for LLDCs by setting standards for simplified and harmonized border procedures, delivering capacity building projects and enhancing cooperation and coordination with other development partners.
5. The Secretariat periodically prepares reports on the WCO activities in the area of transit and presents updates at sessions of the Permanent Technical Committee (PTC),

the Working Group on the World Trade Organization Agreement on Trade Facilitation (TFAWG) and other occasions. The purpose of this document is to present the work done by the WCO in support of the establishment by Members of efficient transit regimes for the five years since the adoption of the VPoA. Part of this work is the development of a draft Compendium of best practices in the area of transit, which is annexed herewith for examination and for providing any further suggestions from the PTC for final improvements.

II. WCO activities in support to the implementation of the VPoA in the period 2014-2019

- **Development of tools**

6. The WCO launched the Transit Handbook during the Second UN Conference on LLDCs that was held in Vienna on 3 November 2014. The Handbook deals with various aspects of the operation of Customs transit procedures, and is accordingly intended to serve as a practical guide to assist WCO Members to develop functional and effective transit systems which may contribute to the enhancement of economic competitiveness and secure their revenue. In particular, the Transit Handbook helps developing and least-developed Members to assess the effectiveness of their transit schemes and identify any further improvements needed.
7. In the period 2016-2017, the WCO developed a new tool in the area of transit – the Transit Guidelines. In order to develop practical and up-to-date guidelines, the WCO collected transit regimes operational experiences through the organization and delivery of several regional workshops. During these workshops, more than 100 transit experts from Customs administrations and international and regional organizations contributed to the development of the Transit Guidelines. The WCO Transit Guidelines were launched at the Global Transit Conference held on 10-11 July 2017 at the WCO Headquarters in Brussels.
8. The development of the WCO Transit Guidelines, containing 150 guiding principles for efficient transit regimes, is an important milestone, not only for LLDCs but also for other Members, in particular transit countries. Given that there are countless regional and national initiatives on transit, the WCO Transit Guidelines contribute to the harmonization of different regional transit projects, support the economic growth of LLDCs, and promote regional economic integration. The Transit Guidelines are not legally binding. However, they are designed to assist Members in implementing the relevant international legal framework (the Revised Kyoto Convention (RKC), the World Trade Organization Agreement on Trade Facilitation (WTO TFA), etc.).
9. To supplement the guiding principles outlined in the Transit Guidelines, the WCO compiled a Compendium of best practices in the area of transit to support Members with practical examples of enhancing the transit regimes efficiency and effectiveness. The good practices were collected through a series of regional workshops delivered for all six WCO regions in the period November 2017 – April 2019 and as a result of a call for submission of best practices by Members. The Compendium includes a separate section for each WCO region. The best practices per region cover the various aspects of transit as outlined in the Transit Guidelines - legal framework, ICT and efficient information management, guarantee system, simplification of formalities, etc. The first draft of the Compendium is included as Annex to the present document. The Secretariat will continue adding best practices to the draft Compendium and will submit a final draft to the April 2020 PTC sessions.

10. Responding to the accelerated development of railway transport corridors, the WCO also launched in-depth discussions on harmonization of Customs procedures in railway transportation, including the possibility of developing data sets and business processes for Customs transit procedures by rail, based on the WCO Data Model (e.g. data element name, definition, common code) and the possible introduction of passenger controls in rail travel, utilizing advance passenger data.
- **Delivery of technical assistance and capacity building**
11. With a view to expanding its network of accredited experts, the WCO organised two accreditation workshops for transit experts – in March 2016 and in March 2019 for English and French speaking experts respectively. Following those workshops and in-field activities, the WCO now has a pool of more than 15 accredited and pre-accredited transit experts from Member Customs administrations.
12. Prior to the launch of the WCO Transit Guidelines in July 2017, the WCO delivered a number of regional and sub-regional workshops on transit, as well as national activities for requesting Members. Following the launch of the Transit Guidelines, the WCO put the focus on promoting the implementation of the Transit Guidelines and collecting regional and national good practices in the area of transit. For this purpose regional workshops on transit were organized for the six regions of the WCO. The following paragraphs provide more information on these workshops.
13. The workshop for the WCO East and Southern Africa region was held from 22 to 24 November 2017 in Johannesburg, South Africa. The regional event was delivered by experts from the WCO, the Africa Transport Policy Programme (SSATP) hosted by the World Bank and the International Road Transport Union (IRU), and was attended by more than 70 participants from over 50 entities – Member Customs administrations, Regional Economic Communities, Corridor Management Institutions, Industry associations, private sector entities and development partners.
14. From 11 to 13 April 2018, Benin hosted the regional workshop on transit for the WCO West and Central Africa region. More than 80 experts from Member Customs administrations, industry associations, national guarantors and shippers' councils, other private sector entities, Regional Economic Communities and development partners attended the workshop. The event was co-organized with the SSATP, the IRU and the Abidjan-Lagos Corridor Organisation (ALCO).
15. The regional workshop on transit for the WCO South America, North America, Central America and the Caribbean region was held in Asuncion, Paraguay, from 21 to 23 May 2018. The event benefitted from the participation of more than 30 experts from Member Customs administrations, regional and international organizations.
16. From 13 to 15 November 2018, the WCO delivered a regional workshop on transit in Baku, Azerbaijan, for Members from East and South-East Europe, Central Asia and four Members of the Asia-Pacific region. The European Commission and the Asian Development Bank in its capacity as the Secretariat of the Central Asia Regional Economic Cooperation (CAREC) Program also contributed to the workshop discussions.
17. The transit workshop for selected Members of the WCO Asia-Pacific region was held from 8 to 10 January 2019 in Faridabad, India and benefitted from the active engagement of around 20 experts from Member Customs Administrations and the Asian Development Bank.

18. The regional workshop on transit for the WCO North of Africa, Near and Middle East region was held from 23 to 25 April 2019 in Amman, Jordan with over 30 participants from Members Customs administrations, regional and international organizations.
19. The support being provided by the WCO, along with other development partners, to the West and Central Africa Members to establish interconnectivity of Customs IT systems is another good example under the capacity building heading.
20. The WCO provides technical assistance and capacity building support to the Member Customs administrations of LLDCs in a broad range of Customs-related areas, other than transit. The “tailor-made” track of the WCO Mercator Programme focuses on meeting Members’ needs, including those of LLDCs, in their efforts to implement the WTO TFA in a uniform and efficient manner. In addition, the WCO has implemented numerous programmes and projects that have involved, inter alia, capacity building support to LLDCs. A non-exhaustive list would include the UNODC-WCO Container Control Programme, the HMRC-WCO-UNCTAD TFA Implementation Partnership Programme, the WCO/JICA Joint Project on Trade Facilitation, the WCO Customs for Relief of Epidemic Diseases (C-RED) project, funded by the Netherlands and three projects funded by Sweden - the WCO-EAC CREATE project, the WCO-SACU Connect project, and the WCO-WACAM project.
21. In addition to the support provided through the delivery of workshops and implementation of projects and programmes, the WCO promotes e-learning as an effective way to provide LLDCs with technical knowledge on transit and other trade facilitation measures. In March 2016, the WCO added on its e-learning platform - CLiKCI!, a new e-learning module on transit, which introduces the principle of freedom of transit, the VPoA, as well as various international standards and WCO tools for the establishment of efficient transit regimes.
 - **Cooperation and coordination with other international organizations and development partners**
22. As indicated earlier, in its work in the area of transit, the WCO maintains close coordination and cooperation with a number of international organizations and development partners such as UN-OHRLLS, WTO, the World Bank, the United Nations Economic Commission for Europe (UNECE), the IRU, the United Nations Conference on Trade and Development (UNCTAD), Japan International Cooperation Agency (JICA), the Asian Development Bank (ADB), the African Development Bank (AfDB), etc.
23. The WCO attends and contributes to the meetings of the Interagency Consultative Group on the Follow-up and Implementation of the VPoA that are organised by UN-OHRLLS twice a year.
24. The WCO partnered with UN-OHRLLS in organizing the High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit, Trade Facilitation and the 2030 Agenda for Sustainable Development that was held from 7 to 9 March 2017 in Ha Noi, Vietnam.
25. The UN High Representative for the Least Developed Countries, as well as high-level speakers from other partner organizations participated actively in the first WCO Global Conference on Transit that was held on 10-11 July 2017 at the WCO Headquarters in Brussels. Over 200 delegates from more than 80 countries attended the event. During

the Conference, a wide range of subjects was discussed focusing on transit as an enabler for bridging Asia and Europe, accelerating regional economic development in Africa, and overcoming the challenges of landlocked countries. The session on challenges and solutions for efficient transit benefited from lively discussions and exchanges between panellists and participants from Customs, international organisations, development partners and the private sector.

26. As indicated above the high-level mid-term review of the VPoA is scheduled to take place in December 2019 at the UN Headquarters in New York, during the UN General Assembly session. The midterm review will analyze the status of implementation of the VPoA and will be a forum to share best practices and lessons learnt, identify remaining obstacles and constraints encountered and the actions needed to accelerate the implementation of the Programme. The Secretariat plans to organise a pre-conference or a side event to the high-level mid-term review of the VPoA with the objective of raising the awareness on the role of Customs and the WCO in establishing efficient and effective transit regimes and supporting the implementation of the WTO TFA and the VPoA.

III. Action required

27. The PTC is invited to:
- take note of the information on the activities undertaken by the WCO in the period 2014 – 2019 in support to the implementation of the VPoA; and
 - examine the draft Compendium of best practices in the area of transit included as Annex hereto and provide suggestions and inputs in view of finalizing the Compendium and submitting it for endorsement at the April 2020 PTC sessions..
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