



Permanent Technical Committee

PC0740Ea

-
243rd/244th Sessions

-
23 – 26 April 2024

Brussels, 4 March 2024.

TRANSIT

(Item VI on the Agenda)

SUMMARY

Purpose of document

The purpose of this document is to report on recent WCO activities aimed at supporting Landlocked Developing Countries (LLDCs) and transit developing countries, and addressing their special needs and complex challenges.

Action required of the Permanent Technical Committee

The Permanent Technical Committee is invited to:

- take note of the progress achieved in the area of transit and in particular the support to LLDCs; and
- provide guidance, as appropriate.

*

*

*

I. Introduction

1. The establishment by Members of efficient and effective transit regimes in their territories is a major trade facilitation measure. The Revised Kyoto Convention (RKC) and the Agreement on Trade Facilitation of the World Trade Organization (WTO TFA) frame the nature of transit by prohibiting the application of any duties and taxes for goods in transit and ensuring their free flow. Efficient transit regimes are of particular importance for the economic development of landlocked developing countries (LLDCs), as well as transit developing countries. The WCO contributes to improving the transit systems of LLDCs and transit developing countries by setting standards for simplified and harmonized border procedures, delivering capacity building projects and enhancing cooperation and coordination with other development partners. A progress report on WCO activities in the area of transit and in support of the implementation of

the Vienna Programme of Action (VPoA) for LLDCs for the Decade 2014 – 2024 was last provided to the PTC in October 2023.

II. Intersessional progress

• **Preparatory process for the Third United Nations Conference on LLDCs**

2. On 15 November 2023, the WCO Secretariat participated in an expert-level meeting of the United Nations Inter-Agency Consultative Group (IACG) on LLDCs. During the meeting, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) provided details on the preparations for the Third UN Conference on LLDCs that will be held from 18 to 21 June 2024 in Kigali, Rwanda, and on the drafting of the conference outcome document, which will constitute the next Programme of Action (PoA) for LLDCs. As per the information provided, the zero draft of the new PoA would be submitted by the Group of LLDCs chaired by Botswana and would contain a robust component on climate change. It was clarified that the inputs provided during the meeting by the IACG members would be submitted to the LLDC Group. After the briefing provided by OHRLLS, the participating organizations presented their proposals for priorities of the next PoA for LLDCs. Along the WCO, the United Nations Conference on Trade and Development (UNCTAD), the International Think Tank for LLDCs, the United Nations Economic Commission for Europe (UNECE), and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) made proposals related to transit, transport and trade facilitation.
3. The WCO Secretary General participated in a Ministerial Meeting of LLDCs that was held on 14 and 15 December 2023 in Yerevan, Armenia under the theme “Enhancing equitable, affordable and inclusive transport connectivity as a driver for sustainable and resilient economies”. In his video address, the Secretary General re-emphasized the critical importance of efficient, harmonized, automated, and paperless Customs procedures for facilitating trade in LLDCs and transit developing countries, thereby enhancing economic competitiveness.
4. On 1 and 2 February 2024, the WCO participated in a consultative meeting (retreat) on the Third United Nations Conference on LLDCs that was held in Tarrytown House Estate, the United States and delivered a presentation in a session titled “Deepening resilient connectivity and promoting unfettered transit systems to improve LLDCs’ competitiveness in regional and global trading system”.

• **Capacity building in the area of transit**

5. The WCO Secretariat contributed to a seminar on Customs Transit under the auspices of the Community of Portuguese Speaking Countries (CPLP) that was held from 11 to 13 October 2023 in Lobito, Angola with the participation of experts from the Customs administrations of Angola, Guinea-Bissau, Mozambique and Portugal, and private sector representatives. The seminar was aimed at sharing best practices, identifying challenges and solutions for improved transit operations in the CPLP community. The WCO provided a presentation on best practices focusing on various aspects of the Customs transit procedure, such as efficient information management, simplification of formalities, guarantee system (use of a variety of forms of guarantee and use of comprehensive guarantees), and border agency cooperation, among others.
 6. From 26 to 29 February 2024 the WCO delivered a Regional Workshop on transit interconnectivity and the use of regional transit guarantees for the West and Central Africa region. The event was organised in Douala, Cameroon with the financial support of the Customs Cooperation Fund of Japan (CCF Japan) and gathered 35 participants
- 2.

from Member Customs administrations, partner international organizations, regional economic communities and development partners. The workshop was organized as a WCO pre-conference event to the Third United Nations Conference on LLDCs.

7. The workshop kicked-off with discussions on the principle of freedom of transit and the provisions of the relevant international and regional framework including the WTO TFA, the RKC, the WCO Transit Guidelines, and the Agreement establishing the African Continental Free Trade Area (AfCFTA) among others. In a dedicated session, OHRLLS provided an overview of the VPoA and the preparatory process for the Third United Nations Conference on LLDCs. The session explained the possible areas of action for the decade 2024 – 2034 that are currently under consideration by the LLDC3 Preparatory Committee, among which trade, trade facilitation and regional integration, and transit, transport and connectivity.
8. Another topic of extensive discussions was transit interconnectivity in West Africa. Seven Members of the sub-region (Benin, Burkina Faso, Ghana, Mali, Niger, Nigeria and Togo) presented the status of implementation of the Interconnected System for the Management of Goods in Transit widely known as SIGMAT from the French title *Système Interconnecté pour la Gestion des Marchandises en Transit*. The presentations covered the benefits of SIGMAT implementation, as well as the associated challenges and lessons learnt. The Members' presentations were supplemented by the perspective of the Commission of the Economic Community of West African States (ECOWAS), the World Bank and the United Nations Conference on Trade and Development (UNCTAD).
9. The main objective of these sessions was to showcase good practices implemented by Members of the West Africa sub-region, with a view to enabling other Members to benefit from the lessons learnt and to replicate those good practices throughout the region. The discussions demonstrated a shared understanding of the benefits of SIGMAT implementation, which include having a system based on the WCO Data Model that facilitates transit, reduces fraud by providing certainty on the movement of trucks and real-time cargo information, and leads to enhanced revenue collection. This in turn facilitates access to the sea by the three LLDCs of the sub-region (Burkina Faso, Mali and Niger), as well as intensifies intra-regional trade.
10. In terms of future perspectives, information was shared on the plans for interconnecting the transit systems of additional Members of the sub-region, including plans for tripartite interconnectivity, the prospective deployment of a mobile version of SIGMAT and the potential integration in SIGMAT of regional transit guarantees functionality. The sessions also highlighted various aspects that needed to be considered by Members of the Central Africa sub-region in the future process of SIGMAT deployment, such as the need for a legal text at regional level to enable the exchange of data, the need for establishing stable multi-disciplinary teams in the respective administrations, as well as the need for training of Customs staff and stakeholders.
11. Following the discussions on SIGMAT implementation in West Africa, the workshop delved into the status of transit systems in Central Africa based on presentations provided by the AFRITAC Centre of the International Monetary Fund (IMF) and the Customs administrations of Cameroon and of the two LLDCs in the sub-region - the Central African Republic and Chad. The session took stock of the developments so far, which included a commitment to implement SIGMAT in Central Africa made by the Directors General of Customs administrations of the sub-region, the appointment of national transit managers in all Members of the Central Africa sub-region, and the establishment of a Transit Committee at the level of the Economic and Monetary Community of Central Africa (CEMAC - Communauté Economique et

Monétaire des Etats de l'Afrique Centrale), which had held its first meeting in August 2023.

12. During the last day of the workshop, participants engaged in interactive discussions on the guiding principles for the establishment of efficient transit guarantee schemes supplemented by information on relevant work undertaken at the regional level by the ECOWAS Commission, as well as by the Afreximbank. The last substantive workshop session considered the application of Customs seals and other security measures in transit, based on presentations by the WCO and the Customs administration of Cameroon, the latter underscoring the importance of securing transit movements with a view to safeguarding revenue concerns.
13. The workshop served as the final stage in the accreditation process of two pre-accredited experts from the Customs administrations of Benin and Togo.

III. Action required

14. The PTC is invited to :
 - take note of the progress achieved in the area of transit and in particular the support to LLDCs; and
 - provide guidance, as appropriate.
-