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 carnets 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.
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.
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)
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