Enabling conducive legal framework for transit transport

High Level Meeting on Sustainable Transport of Landlocked Developing Countries
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International Road Transport Union (IRU)
The IRU – 130 Member Associations in 100 countries – bus, coach, taxi, truck operators
The IRU & its mission

- Founded in 1948 in Geneva To support the reconstruction of Europe

- The TIR system has been operational since 1959


- The Convention is administered by the UNECE

- TIR governs freight movements by road, also extends to intermodal transit (if one leg of transit is by road).
More than 100 UN facilitation instruments to allow goods to cross borders
TIR: A tried and tested Public Private transport Partnership to implement the TIR Convention (1975)

Managed by the IRU since 1949
The TIR “system”

TIR: The first and only existing public-private “guarantee chain” for goods in transit operating under a global custom convention

The actors:

- IRU associations
- Customs authorities
- Insurance companies

The TIR system has helped to boost trade by expediting transit across borders
The TIR system in operation

- 70 Contracting Parties
- Operational in 69 countries
- Up to 3 million TIR Carnets issued each year
- 35,000+ operators authorized worldwide
- Provides USD 1 billion in Customs guarantees every day
- New TIR-EPD (Electronic pre-declaration) operates through a TIR Customs Portal
Daily telecommunications activities: TIR can fill in the gaps

*Telecommunications gap corresponds to the regions that have not been interconnected to global trade*

Source: Centre for Strategic International Studies (CSIS), Washington, DC
TIR strengthens supply chains

- Connects regions and continents
- Saves time and money
- Provides Customs guarantee
- Boosts exports
- Uses real-time data exchange
- Optimises intermodal transport
TIR is not yet operational in Latin America – despite its potential

Expert analyses of the potential of TIR in Argentina, Brazil & Mexico suggest that the implementation of TIR would boost exports in the three countries in question by $1-$5 billion for a total of $9 billion per year.

Investigated the role of time as a trade barrier. Findings that each day in transit is equivalent to an ad valorem tariff of 0.6 to 2.1 per cent.
The TIR in Latin America: Prospects & Potential to help deepen integration

- Europe produces 80% of goods consumed – only 20% imported
- Latin America produces only 15% of goods consumed, imports 85%

Historical perspective
- Re-building post-war Europe required regional cooperation to increase trade
- Needed customs harmonisation, trade facilitation

Prospects for Latin America
- Connect markets through deeper regional cooperation
- Produce and trade goods at regional level = demand / growth
- Win-win proposition for larger LA economies and for smaller ones - integrate them in regional trade – first step toward becoming competitive at global level
Second LDCs Conference in Vienna in 2014: New initiative presented

IRU Objectives

- Contribute to further integration of LDCs in regional, global trade
- Accelerate LDC accession to TF Conventions
- Promote PPPs

United Nations Global Compact Objectives

- Promote 10 Principles for Sustainability
- Mobilise business around a sector approach – transport
- Promote best practices
- Engage LDCs

The Solution: The creation of the Global Partnership for Sustainable Transport (GPST)
The Global Partnership for Sustainable Transport

“A global, business and industry-led, multi-modal, strategic, action-oriented, multi-stakeholder platform that promotes international cooperation, notably public private partnerships on sustainable transport. “

- Promote sustainable transport for 2030 Agenda – 3 Pillars
- Promote multi-modal cooperation
- Support technology & innovations for greener transport
- Support for transport safety, greater social equity and social inclusion
- Promoting 10 Principles of the UN Global Compact
- Advocacy for greater business and industry participation in multi-lateral and universal intergovernmental agreements on transport, trade, travel and tourism
GPST promotes VPoA priorities

- Address fundamental transit policy issues (GTrD)
- Infrastructure development and maintenance (SRI)
- International trade and trade facilitation (TIR, infrastructure, innovative financing)
- Regional integration and cooperation (harmonization)
- Structural economic transformation (increase trade, increase growth = meet SDGs)
- Means of Implementation (ideal multistakeholder platform with business providing actionable options and solutions)
Main GPST achievements (2014 – 2016)

- Enhanced business engagement in UN processes (GBA, participation in major conferences) & dialogue between public and private sector

- Contribute to major global initiatives (WB-WEF, EBA, HLAG, FIA-HLP on RS)

- Promote PPPs: UN GA Resolutions, GTrD, SRI
The first United Nations Global Sustainable Transport Conference, Ashgabat, Turkmenistan, 26 – 27 November 2016

The Ashgabat Transport Business Summit, 27 November, 2016