The key role of transit transport corridors in fostering development in Landlocked Developing Countries
Landlocked Developing Countries
Development Challenges faced by LLDCs

**CHALLENGES**
- Long distances to sea ports
- Remoteness from markets
- Inadequate physical/hard infrastructure
- Additional border crossings
- Logistical and institutional bottlenecks
- High trade costs

**IMPACT**
- Limited physical and digital connectivity
- Limited capacity to embrace technology, maintenance & resilience
- Low competitiveness, trade potential, economic growth
- Poor productive capacities
- Lack of diversification/commodity dependence
- Limited investment
- Vulnerability to shocks
- Limited integration GVCs
Transit Transport Corridors

HARDWARE

SOFTWARE
Evolution of Corridors

- Transit Transport Corridor
- Economic Corridor
- Logistics Corridor
- Multi-modal Transit Transport corridor
Key areas of Corridor Intervention

- Legal Instruments
- Institutions
- Infrastructure
Benefits of Transit Corridors LLDCs

- Improve efficiency
- Lower trade costs
- Reduce carbon footprint

- Increased trade
- Integration into regional-global value chains
- Increased investment

- Spur economic and social development / wider economic benefits
Highlights of Empirical work

- 2017 study by Ramasamy, Yeung, Utoktham and Duval on Trade Facilitation along the Belt and Road Initiative Corridors

- Potential trade gains from incremental trade facilitation (efficiency and transparency in border management), improved physical connectivity and improvements in ICT along the BRI corridors resulted in higher returns.

- LLDCs (Mongolia, Tajikistan, Uzbekistan and Kazakhstan) will benefit most

- Ensure corridor efforts in BRI should address trade facilitation, infrastructure investment and ICT.
Experience of Northern Corridor

- Multi-modal Corridor: Road, Rail, Pipeline and Inland Waterways
- The Northern corridor has been able to successfully reduce the transit times for LLDCs by more than 65% between 2010 and 2016
- Achieved by reducing inefficiencies
Experience of Trans Kalahari Corridor

- Jointly developed by the Botswana, Namibia and South Africa through MOU 2003
- Corridor with tarred road and rail - Walvis Bay Port, Windhoek-Gaborone-Johannesburg/Pretoria.
- Aim - Simplify cross-border transactions and customs operations along the Corridor.
- Achievements: Reduction of border clearance; Harmonization of axle load limits; Adoption of border operating hours; adoption of common transit procedures.
Experiences of other African corridors

- Walvis Bay – Ndola – Lubumbashi Corridor,
- Dar es Salaam Corridor,
- Port Sudan
- Central Corridor
- Are advanced, have Secretariats; good infrastructure and are implementing fairly efficient trade facilitation measures.
Information Gaps

- **Literature review by Quium 2019 reveals that:**
  - Improvement in cross-border corridor transport infrastructure and trade facilitation along the corridor substantially increases international trade.
  - There is a gap in literature on the performance of corridors that have countries that have streamlined border clearance processes including OSBPs, single windows.
  - There is also a gap on which corridor governance structure is important/best for efficient corridor operations.
Challenges

• In Establishment of Corridors
• In Corridor Operationalization
• In Corridor Management
• Need for Regular collection of key performance indicators for monitoring purposes
• Poor infrastructure
• Coordination of all stakeholders
Way forward

- Corridor approach has tangible trade and transit facilitation benefits for LLDCs’ integration into global trade and sustainable development.
- Capacity needs towards corridor establishment, management, supporting legal framework is critical
- Funding needs are high for corridor infrastructure development including need to address resiliency
- Best practice guidelines?
- Greater sharing of experiences between regions.
- Comprehensive studies on benefits of corridors to LLDCs to fill the knowledge gap.
- Corridor performance and observatories critical
Thank You

Find out more on the midterm review of the Vienna Programme of Action at

www.lldc2conference.org/mtr