

#### PRESENTATION OUTLINE

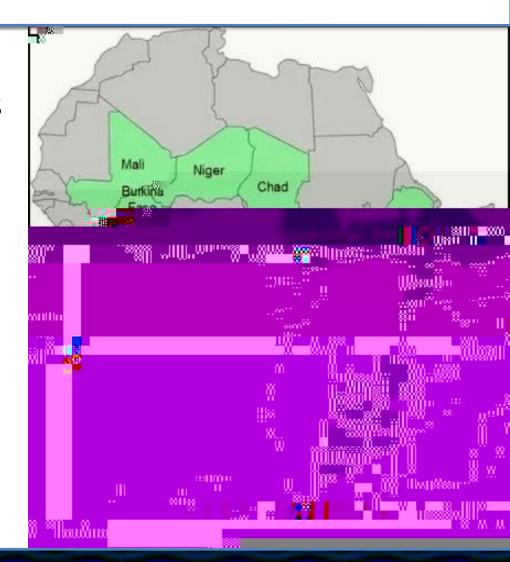
Challenges faced by the LLDCs in the African Context

Why Transit Corridors?

Best Practices in Corridor Development & Management

Key Northern Corridor Achievements & Challenges

Conclusions



## COMMON CHALLENGES FACED BY THE LLDCs









### WHY TRANSIT CORRIDORS?

Corridors enhance smooth transportation of goods.

Corridors promote both economic and social development

Corridors foster trade by improving efficiency in the supply chain

Corridors minimizes diversion of goods through monitoring mechanisms

Corridors instituBTs2









### CORRIDOR BEST PRACTICES









# KEY NORTHERN CORRIDOR ACHIEVEMENTS

Elimination of multiple security bonds and customs declarations

Establishment of an efficient Corridor Management Institution with clear functioning structures

Other areas of achievement include:

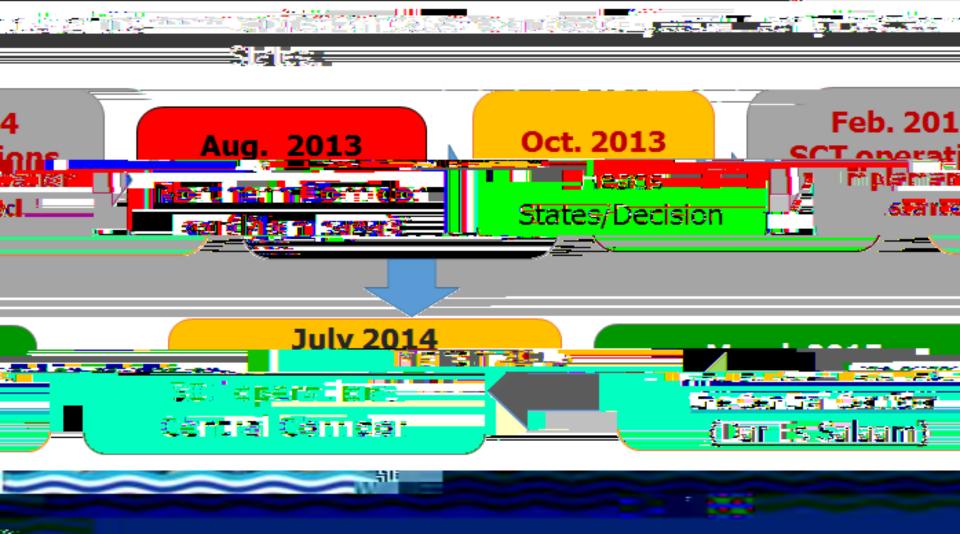
- The Northern Corridor Transport Observatory
- Self-regulatory Charters
- One Stop Border Posts (OSBPs) are operational
- Regular Road and Logistics Surveys
- Mandatory meetings of the Policy Organs and Committees

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# THE CASE OF THE SINGLE CUSTOMS TERRITORY IN EAST AFRICA

- It is a step towards full attainment of the Customs Union.
- It aims at the removal of restrictive regulations and minimization.



## SOME BENEFITS FROM THE SINGLE CUSTOMS TERRITORY

- 1. Revenue Collection/Volumes have increased in all involved Partner States both: Volumes by 9.5-10.8% & Taxes (21-22%).
- 2. Reduced Transit Times & Cost (Elimination of duplicated processes/procedures + Improved turnaround times for transporters).
- 3. Reduced risks associated with non-compliance on the transit of goods.
- 4. Improved accountability and monitoring of Goods- RECTS.
- 5. Improved Working Relations between Revenues + Port Authorities + other Regional Agencies for faster decision making); and Synergies created through shared resource utilization.
- 6. ICT interconnectivity Real time data exchange.

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#### **CHALLANGES**

Inadequate infrastructure Low levels of automation and interconnectivity Comparatively high transport costs Unimplemented trade facilitation protocols Persistent Non-Tariff Barriers NTBs Low productive capacities to attract markets Slow regional market integration process Contrasting focus and priorities in Partner States Inadequate resources and funding options Resistance to change and change management

