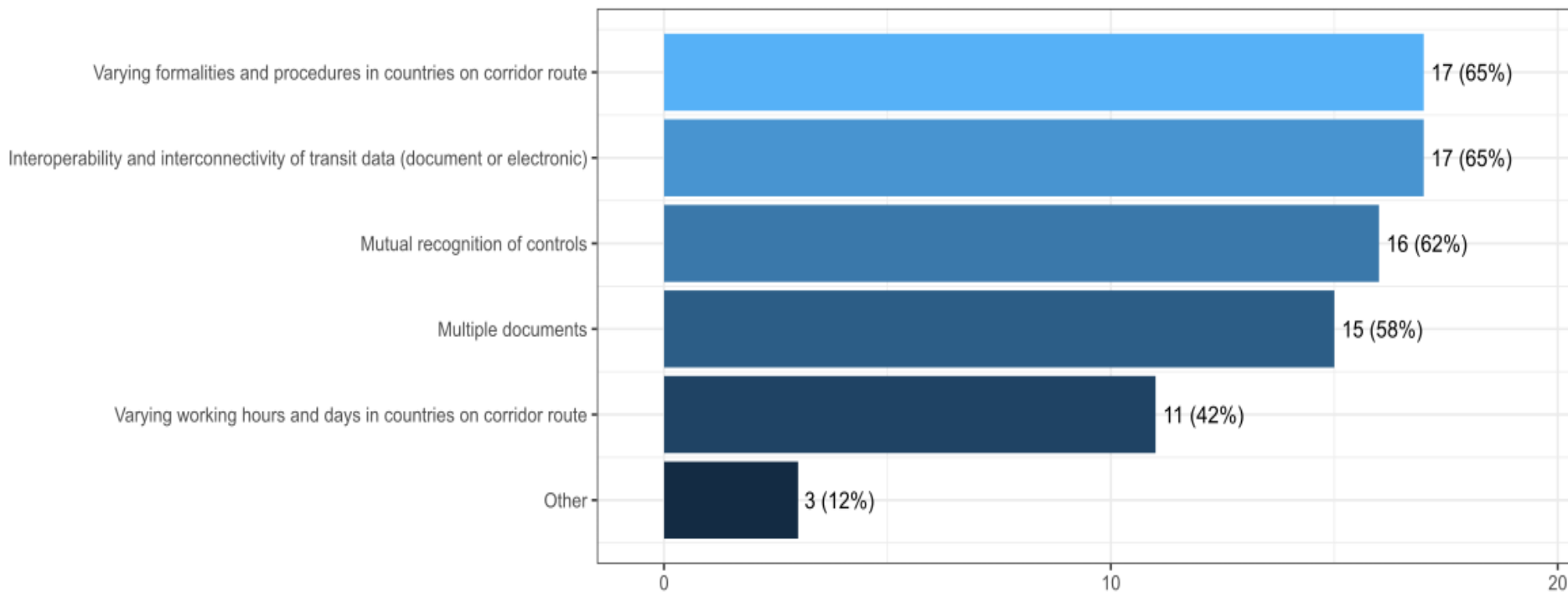


Transit Corridors

Bill Gain
June 16, 2023
Dedicated Session on Transit Issues for LLDCs



“Transit Workshop survey results of the workshop

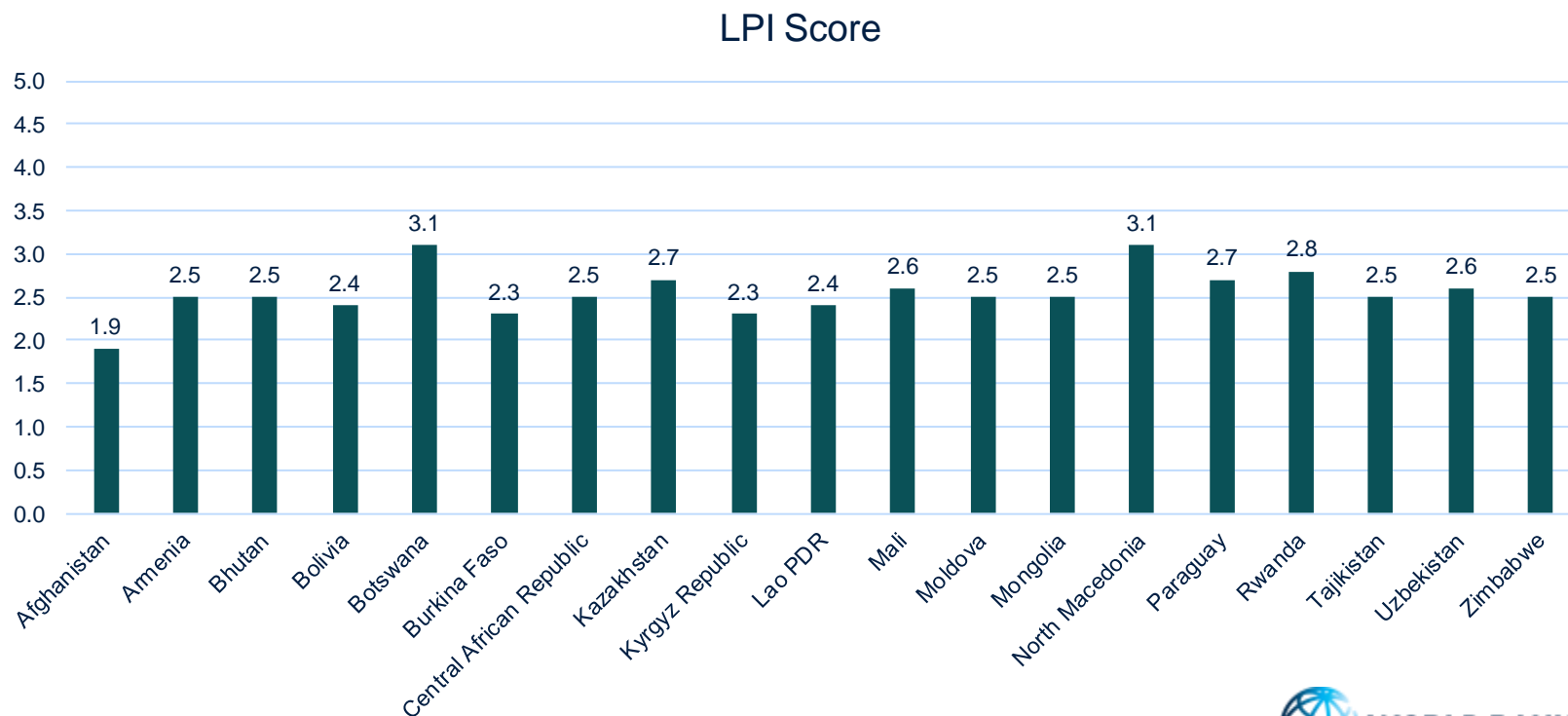


The number shown is out of 26 participants that completed the survey

Main Challenges to Trade for LLDCs: LPI 2023

Evidence shows that the LLDCs have generally faced greater difficulties than coastal countries in expanding to international trade.

The 2023 Logistics Performance Index (LPI) provides an international benchmark for comparing logistics performance and effectiveness in facilitating trade across 140 countries. *Across 19 LLDCs with LPI data, the average score is 2.5; compared to the World average of 3.0.*



This is the data for 19 of the 32 UN-listed LLDCs). Scores range from 1 to 5, with 1 being “very low” and 5 being “very high”.

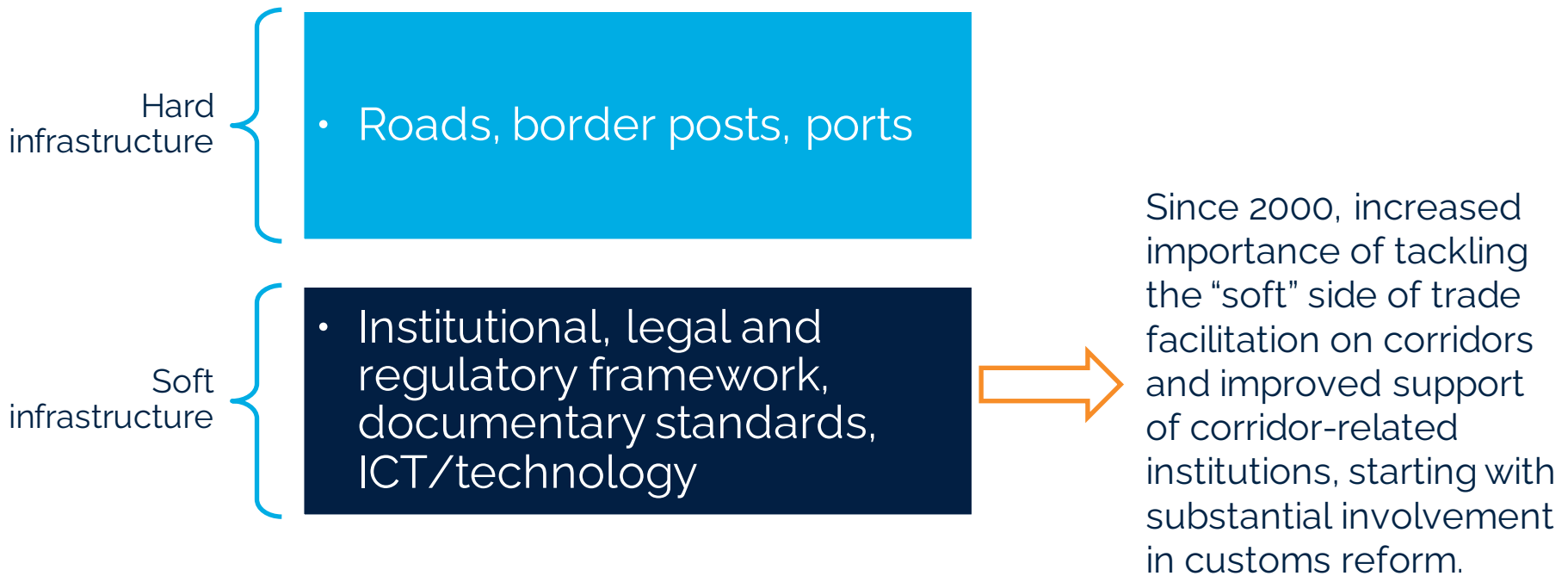
Transit Corridors Cross Cutting Category

Most landlocked countries depend on one or two overland routes through “transit corridors,” - neighboring countries that have agreed to provide access to carry their international trade to and from ports

*A corridor approach can be an effective way to target infrastructure investments and implement policy reforms to **reduce trade costs in a strategic location**. Successful corridor development can lead to **improved access to the global market** through the main seaport, a virtuous cycle of **expanding regional markets, increased regional integration** and **greater attractiveness to FDI**, resulting in job creation, small and medium size enterprise development and more rapid economic growth.*

Transit Corridors

Corridors link hard and soft infrastructure to promote regional integration and economic cooperation between neighboring states.



Facilitating Activities

- **Build trust through public-private partnerships: Particularly the NTFC**
- **Harmonize and implement regional solutions**: insurance recognitions, quotas, charges, mutually recognized AEO accreditations
- **Streamline border processing and control**: fast-track processing of carnet-based traffic meaning that all the relevant information can travel with the transport operator (truck driver) across the border preferably in an electronic form that can be read and transmitted by information technology.
- **Optimize use of ICT and automation across borders**
- **Monitor the performance of trade corridors**: time, cost of the movement, flexibility, reliability, and safety and security

Example of WBG project: Nacala corridor

The Nacala Corridor is a trading route for which the point of entry and exit is the Nacala port in Mozambique. It connects the central part of Mozambique with landlocked Malawi and Zambia.

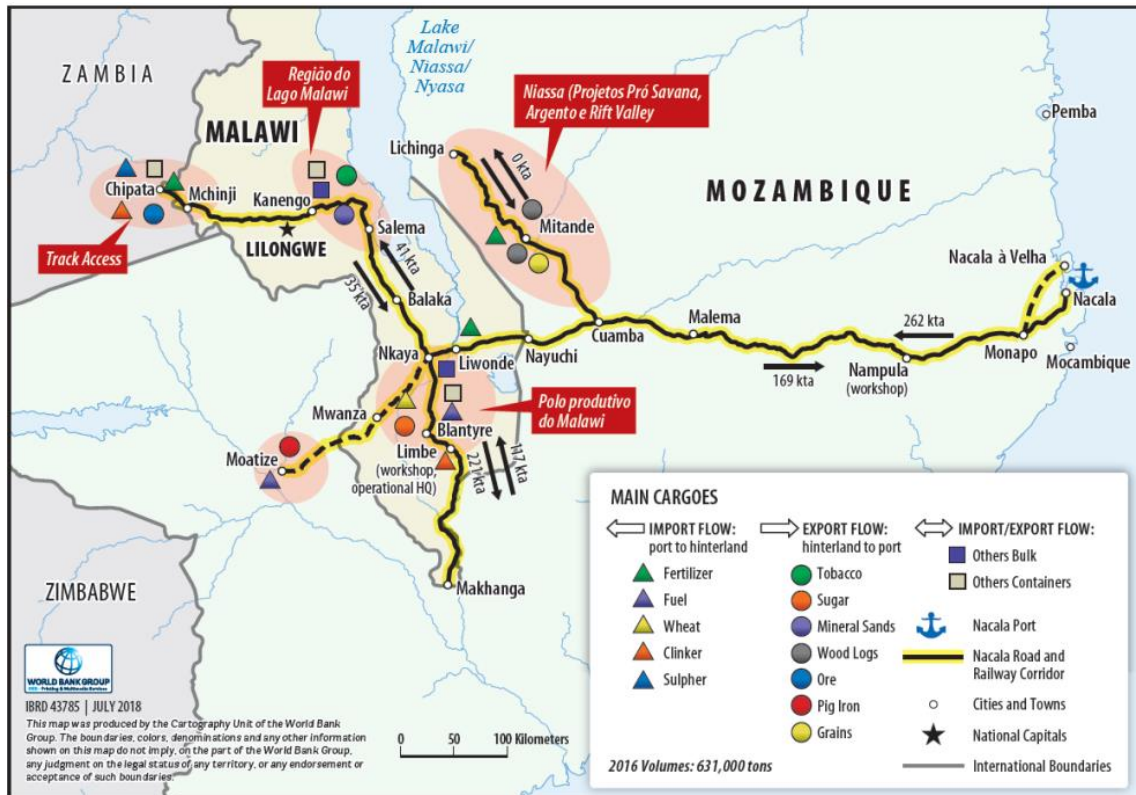


Figure 1: Map of the Railway Line in the Nacala Corridor

Main focus areas of the Nacala project

1.

Reduce trade logistics time & costs:

Improve trade facilitation and regulatory capacity along the corridor. (TFA)

2.

Strengthen regional coordination and Support Project Implementation.

3.

Increase investment in value chains:

Increase productivity, reliability, and quality through an integrated value chain approach, working jointly with producers who will utilize the corridor.

4.

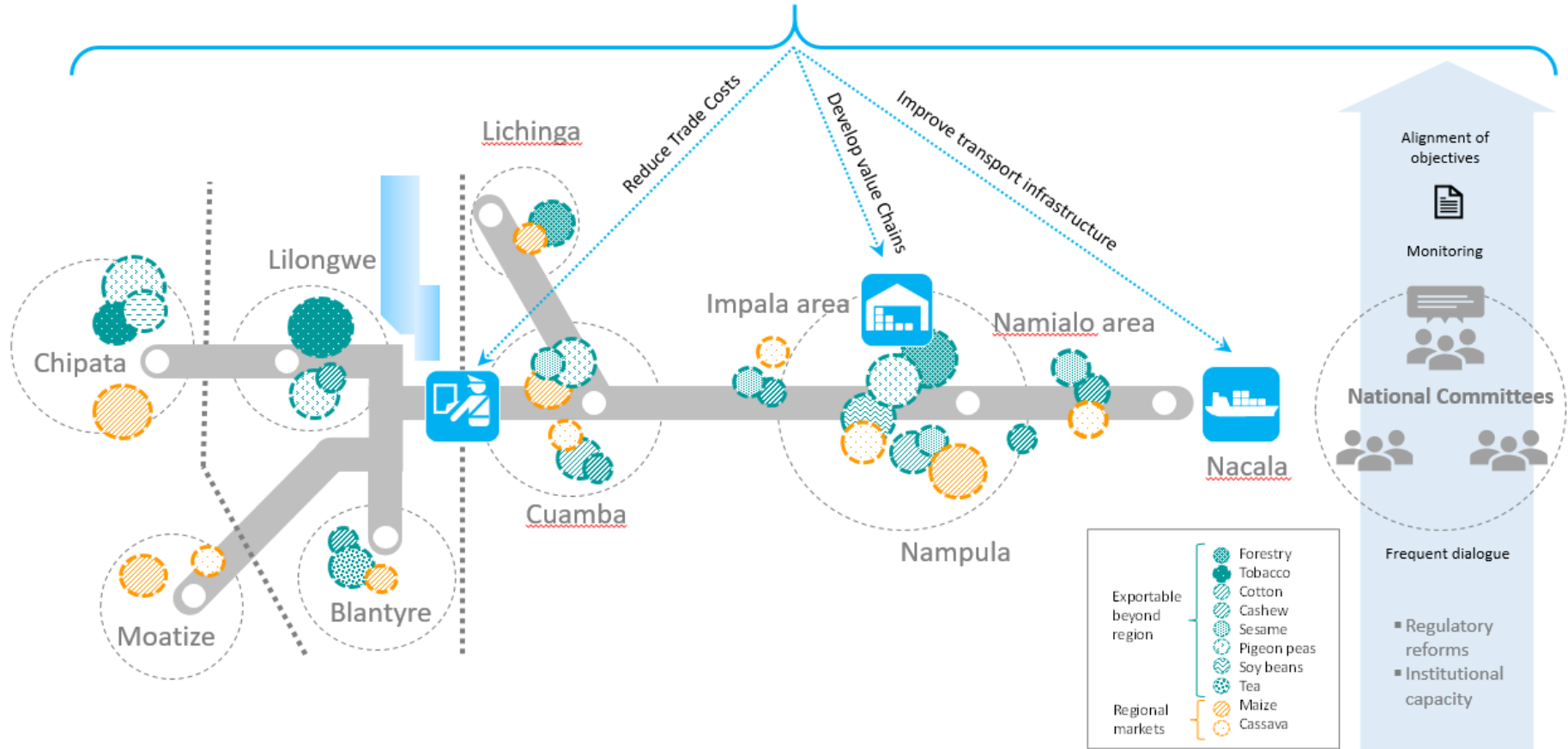
Improve Transport Infrastructure:

Fill gaps in key corridor roads or connectors to economic centers.

The project uses an *infrastructure-plus* approach in design, combining trade facilitation (the upgrade of border posts, ICT investments) and targeted trade reforms, roads rehabilitation, as well as value chain development to advance regional integration.**

Investment Priorities

Regional Coordination and Investment Priorities



Developing the corridor will bring economic benefits in all three countries, including large potential impacts on poverty.

Thank you

wgain@worldbank.org