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REPUBLIC OF CHAD

Unity - Work - Progress

**Ministry of Economic Affairs, Planning and
International Cooperation**

**NATIONAL EVALUATION REPORT ON THE ALMATY
PROGRAMME OF ACTION**

**PROGRAMME FOR LANDLOCKED LEAST DEVELOPED COUNTRIES,
2003-2013**

N'Djamena, November 2013

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ACRONYMS AND ABBREVIATIONS

ADF	Central African Economic and Monetary Community
AFD	French Agency for Development
ASYCUDA	Automated System for Customs Data
BADEA	Arab Bank for Economic Development in Africa
BGFT	Inland Freight Management Office
BID	Islamic Development Bank
BNF	National Freight Office
CEEAC	Economic Community of Central African States
CEMAC	Central African Economic and Monetary Community
EU	European Union
FASTRAC	Transport facilitation programme for Central Africa
FER	Road Maintenance Fund
GDP	Gross domestic product
GPS	Global Positioning System
GUCE	External Trade One-Stop Shop
HIPC	Heavily indebted poor countries
ICTs	Information and communication technologies
IMF	International Monetary Fund
INSEED	National Institute of Statistics for Economic and Demographic Studies
KFAED	Kuwait Fund For Arab Economic Development
LDCs	Least developed countries
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
NPRS	National Poverty Reduction Strategy
ODA	Official Development Assistance
OHADA	Organization for the Harmonization of Business Law in Africa
SNE	National Power Corporation
STEE	National Water and Power Corporation
WTO	World Trade Organization

I. Introduction

1. Chad, recognized as one of the poorest countries of the world, belongs to the group of least developed countries (LDCs). For approximately a decade, the country has been developing at satisfactory GDP growth rates (14.2 per cent in 2002 and 8.9 per cent in 2012) that largely exceed the population growth rate (3.6 per cent). The main export products are cattle, cotton and gum arabic. The subsoil of Chad contains considerable mineral reserves, including oil, exploited since late 2003. With a particularly low human development index (HDI) (0.341 in 2003 and 0.340 in 2012¹), Chad ranks 184th among 187 countries according to the 2013 Human Development World Report.

2. Located at the heart of Africa, Chad has a surface area of 1,284,000 km². By area, it ranks twentieth in the world, fifth in Africa, after Algeria, the Democratic Republic of the Congo, Sudan and Libya, and first among the countries of the Central African Economic and Monetary Community (CEMAC), accounting for more than a third of the Community's area (3,020,144 km²).

3. Chad is largely landlocked and has no direct access to the sea. The port nearest to N'Djamena, the capital, is Douala, Cameroon, 1,700 km away. Other sea access points used by Chad are Port Harcourt, Nigeria (at 1,900 km), Cotonou, Benin (at 2,000 km), Lomé, Togo (at 2,100 km), Pointe-Noire, Republic of the Congo (at 2,700 km) and Port Sudan, Sudan (at 3,350 km). That outward handicap is compounded by internal communication difficulties, which render access to certain regions unreliable.

4. Transport costs in Chad and on the international routes linking the country to its main outlets to the sea are among the highest in the world. The main reasons for that situation are the underdevelopment of the country's transport infrastructure, long distance to the main markets, ineffective logistic systems, oldness of vehicles, lack of professionalism among transporters, insecurity and the legal and illegal levies imposed along the main transport corridor. Against that backdrop, Chad has taken certain steps, including the allocation of considerable resources and the adoption in 1999 of a sectoral strategy, which was updated in 2005.

5. This strategy provides a basis for effective coordination of the donor activities. In that connection, significant strides have been made since 2000. In particular, the reform of the Road Maintenance Fund (FER) has allowed for a substantial increase in the funds allocated to the maintenance in question (from CFAF 4 billion in 2000 to CFAF 5 billion in 2005)², the extension of the network of roads maintained (from 823 km in 2000 to 1,790 km in 2005) and improved road quality. The network of paved roads - quite small compared to other African countries - nearly doubled in five years (increasing from 346 km in 2000 to 559 km in 2003 and 669 km in 2005).

¹ Country Programme Action Plan (CPAP), 2012-2015.

² Ministry of Finance and Data Processing, Outcome of the National Transport Strategy (SNT)review, 2012.

6. Despite that progress, the road network remains underdeveloped compared to the country's surface area and needs. Therefore, six major priorities will dominate the Government's road programme, including ongoing paving of the main highways and improvement of the management of international corridors vital to the development of the country's foreign trade. In particular, this will involve the amelioration of operating conditions on the Cameroonian corridor, on which most of the country's imports and exports are transported, through (i) more flexible procedures for reloading goods between trucks and the railroad at N'Gaoundéré, (ii) abandonment of the rotation system and (iii) reducing the number of controls and informal payments that considerably increase transport costs.

7. The implementation of the above priorities happily coincides with the Almaty Programme of Action, adopted in 2003 by the United Nations in response to the needs and particular problems faced by landlocked developing countries in pursuing their development objectives. That programme aims to create a new global framework for the establishment of effective transit systems reflecting the interests of the above countries and helping them to overcome their geographical disadvantage, eliminate poverty and achieve economic growth.

8. The Programme of Action aims to:

- Secure access to and from the sea by all means of transport according to applicable rules of international law;
- Reduce costs and improve services so as to increase the competitiveness of their exports;
- Reduce the delivery costs of imports;
- Address problems of delays and uncertainties in trade routes;
- Develop adequate national networks;
- Reduce loss, damage and deterioration en route;
- Open the way for export expansion;
- Improve road transport safety and the security of persons on the corridors.

9. The above aims are defined in the framework of following five priority areas for specific action:

- **Priority 1:** Fundamental issues related to transit policies;
- **Priority 2:** Infrastructure development and maintenance;
- **Priority 3:** Facilitation of trade (foreign trade in particular);
- **Priority 4:** International support measures;
- **Priority 5:** Implementation and evaluation of the programme of action.

10. Since the adoption of the Almaty Programme of Action, Chad has undertaken certain development activities in order to eliminate poverty and support economic growth. Ten years after launching the implementation of the programme, it is

appropriate to evaluate the progress made and difficulties encountered by Chad in the period 2003-2013 and assess the related prospects.

II. Evaluation of key economic-, social- and environmental-development trends in Chad

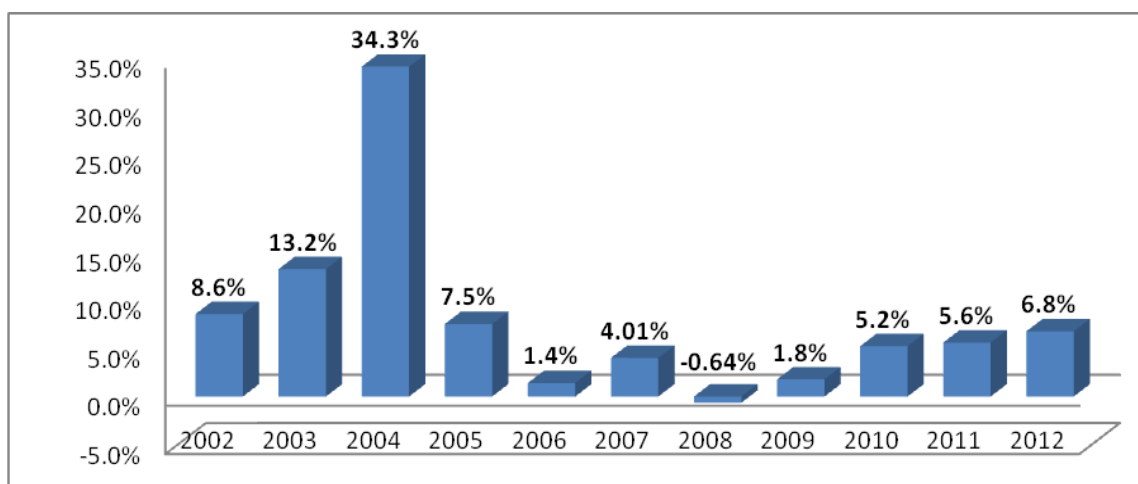
2-1. Activities carried out

2-1-1. Macroeconomic situation

11. Since the commencement of oil exploitation in 2003, the Chadian economy has been experiencing a thorough metamorphosis. Mainly as a result of the direct effects of investment in the oil sector, 2003 and 2004 were marked by strong GDP growth, at respective rates of 13.2 and 34.3 per cent. Beginning in 2005, however, once such investment ceased, the growth rate decreased steadily and significantly, attaining -0.64 per cent in 2008 (see Graph 1), under the combined effect of a gradually declining oil production and a slowdown in non-oil GDP growth.

Graph 1

Development of the real GDP growth rate (%)



Source: Ministry of Economic Affairs and Planning/National Institute of Statistics for Economic and Demographic Studies (INSEED).

12. The contribution of the non-oil economy to added value has gradually declined since 2002, decreasing by 2007 as a percentage of GDP from 37.9 to 20.9 in the primary sector, from 14.2 to 7.4 in the secondary sector and from 43.9 to 27.9 in the tertiary sector. The primary sector remains important and, in view of the promising prospects of the oil industry, could play a significant role in the medium term. The development of that sector reflects climate risks (as rainfall affects agricultural output) and oil production. The contribution of the secondary sector, supported by the development of the industrial fabric, to growth has increased from 7.3 per cent in 2005 to 9.7 per cent in 2012.

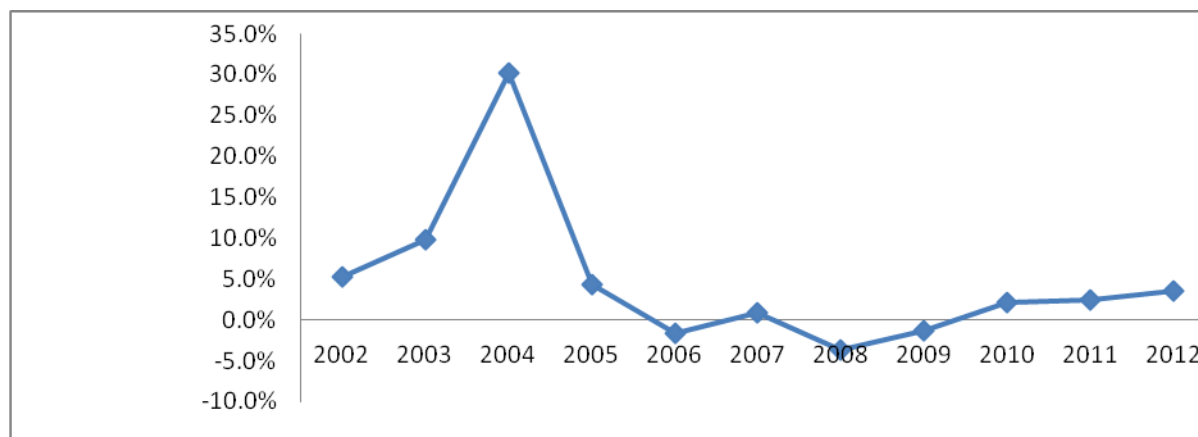
13. The tertiary sector is the most dynamic one. Its rising contribution to growth increased from 36 per cent in 2004 to 43.2 per cent in 2012. The sector's fastest developing components are trade and transport. The impressive development of the transport subsector, which uses increasingly modern vehicles, has been supported through considerable public and private investment (see Annex, Table 4).

14. In other words, in the period 2004-2005, oil exploitation almost doubled GDP, which increased from CFAF 1,732 billion in 2004 to CFAF 3,101 billion in 2005.³ On the average in the period 2003-2009, oil, agriculture and livestock, trade, and all other sectors taken together accounted for, respectively, 36, 21, 13 and 29 per cent of GDP. In the period 2005-2008, the average annual contribution of agriculture to GDP amounted to 12.5 per cent.

15. The country's high population growth rate (3.6 per cent per year) precludes a rapid increase in per capita GDP. Yet in the period of National Poverty Reduction Strategy (NPRS) I, 2003-2006, real GDP growth was accompanied by a similar development of per capita GDP (see Graph 2). In that period, per capita GDP in Chad increased on average by 10.65 per cent, compared to only 7.9 per cent in the case of Gabon, an oil-producing country in the same region. In terms of poverty reduction, THE impact was modest. In the period 2007-2012, however, the rate of increase of per capita GDP in Chad was particularly low (0.68 per cent).

Graph 2

Growth of real per capita GDP (%)



Source: Ministry of Economic Affairs and Planning/INSEED.

16. As a result of oil exploitation, exports as a percentage of GDP increased from 24.63 in 2003 to 54.8 in 2007. Moreover, a comparison of price trends between exported and imported goods reveals a slight improvement in the terms of trade in favour of Chad. In the period 2008-2011, oil accounted for 91.2 per cent of exports of goods, which in turn accounted on the average for 43.6 per cent of GDP.

17. Imports of goods increased from CFAF 431 billion in 2005 to CFAF 550 billion in 2010. That 27.6 per cent increase was mainly due to mounting activity at oil exploitation sites and increasingly intensive reconstruction from year to year. The non-oil sector accounts for 15 per cent of the country's external purchases,

³ INSEED (2013), Consumption and informal sector survey (ECOSIT) 3.

which have steadily increased since the launching of the oil programme (by 38 per cent in 2 years)⁴ and seem to foreshadow a consumption take-off.

18. Per capita final consumption increased from CFAF 153,300 in 2003 to CFAF 193,000 in 2007, namely at an average annual rate of 6.5 per cent. At the beginning of the period, investment increased considerably, accounting for 42 per cent of GDP in 2003. In the same year, 13.2 per cent of investment expenditures were funded internally and 86.8 per cent externally. In 2007, the respective rates were 52.7 and 47.3 per cent. Internally funded investments have since significantly exceeded internally funded ones. That development is due to the lack of a programme between Chad and the IMF since 2004 and the resulting suspension of budgetary assistance from certain major partners, including the European Union, as well as to the suspension by the World Bank of the financing of economic and social projects in 2006, subsequent the Government's decision to amend the Petroleum Revenues Management Act.

19. As a percentage of non-oil GDP, internally funded investment expenditures increased from 2.1 in 2003 to 12.6 in 2008-2010 as a result of budget expansion due to oil-related activities. Strong demand for food products as a result of such activities boosted inflation from 1.8 per cent in 2003 to 5.3 per cent in 2004 and 8 per cent in 2008, reaching an average annual rate of approximately 4 per cent (compared to the CEMAC convergence criterion of an inflation rate under 3 per cent). In 2011, inflation accelerated as a consequence of the explosion of international foodstuff prices, attaining 6.5 per cent⁵, compared to -2 per cent in 2010.

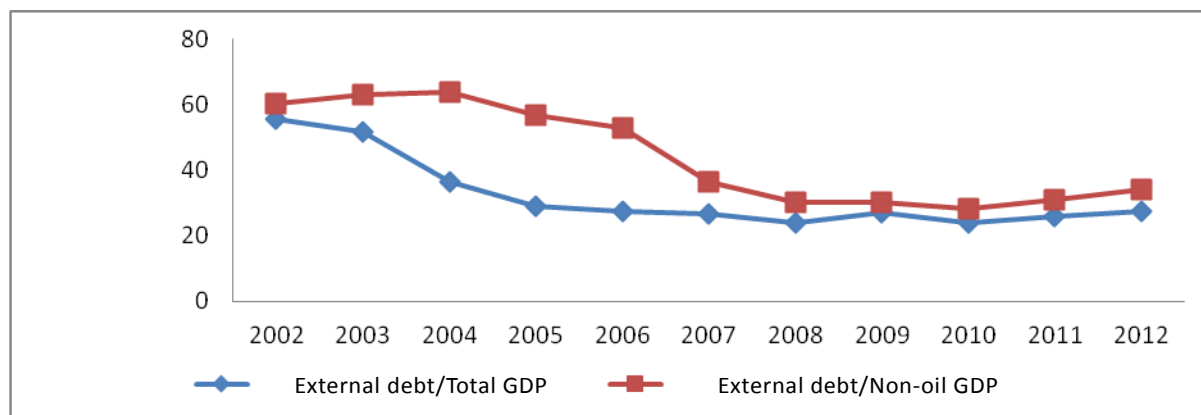
20. Between 2003 and 2006, the outstanding balance of the external debt increased in absolute terms (from CFAF 869.2 billion to CFAF 955.2 billion)⁶ but decreased steadily as a percentage of total GDP from 51.6 to 27.4 (see Graph 3). In the period 2009-2011, the country's total debt averaged 30.9 per cent of GDP, a rate broken down into 24 and 6.9 per cent for, respectively, the external and internal debt. Between 2003 and 2012, the country's debt remained moderate, amounting to 27.2 per cent of total GDP, but the external debt increased considerably as a percentage of non-oil GDP (from 63 per cent in 2003 to 34.2 per cent in 2012, namely at an average rate of 38.8 per cent over the period). Consequently, the viability prospects of the country's debt are highly sensitive to any shock related to oil prices or production. Thus, any sudden reduction in either would oblige the country to borrow further in order to finance the major projects planned. That would involve the risk of exceeding indebtedness and debt-servicing benchmarks and undermining socioeconomic development.

⁴ International Trade Centre (ITC), 2008.

⁵ National Development Plan (NDP), 2013-2015.

⁶ Ministry of Economic Affairs and Planning/INSEED.

Graph 3

Development of the ratios of external debt to total and non-oil GDP

Source: Ministry of Economic Affairs and Planning/INSEED.

2-1-2. Attainment of MDGs and poverty reduction

21. Two successive poverty reduction strategies were implemented in the period 2003-2013 (NPRS I, 2003-2006, and NPRS II, 2008-2011). The diagnostic assessment of the socioeconomic situation of Chad during the period identified strengths, weaknesses, opportunities and the risks that have impeded sustainable development in Chad. The implementation of NPRS II has been marked by endogenous and exogenous events unfavourable to the attainment of the objectives specified. The considerable growth achieved in the above period was not inclusive, failing to benefit all of the country's economic sectors, regions and population categories in the same manner. The National Development Plan (PND), 2013-2015, adopted through Decree No. 313/PR/PM/2013 of 12 April 2013, comprises the following four strategic lines of action:

- Development of the supply of products and decent jobs;
- Mobilization and development of the human capital and reduction of inequalities, poverty and social exclusion;
- Environmental protection and adaptation to climate change;
- Improved governance.

22. The poverty trends observable since 2004 show that the situation has improved in the urban areas to the detriment of rural areas, home to approximately 78 per cent of the country's population (General Population and Housing Census (RGPH), 2009). Rural area indicators of income, education, health and malnutrition are all largely worse. According to the 2011 consumption and informal sector survey (ECOSIT 3), 46.7 per cent of the Chadian population live in extreme income poverty⁷ (the daily consumer expenditure threshold being equal to CFAF 652),

⁷ The poorest population groups live in constant precariousness, with no resilience to external shocks.

compared to 55 per cent in 2003,⁸ with a considerable gap between urban and rural areas: 25 versus 59 per cent, respectively. Thus, poverty declined by slightly more than 8 points between 2003 and 2011.

23. Progress towards attaining the goal of primary education for all by 2015 has been satisfactory: the gross school enrolment ratio rose from 32 per cent in 1993 to 80.5 per cent in 2002, 98.2 per cent in 2009⁹ and 99.99 per cent in 2010¹⁰, namely by 19 points in the period 2002-2010. That increase, however, does not permit achieving MDG 2, which concerns universal primary education, given that the relevant rate is stagnating (at 38 per cent in 2002, 35 per cent in 2005 and 38 per cent in 2009). Moreover, the above increase conceals significant regional and gender inequalities (in 2008, it amounted to 68 per cent among girls compared to 97 per cent among boys).

24. Infant/child mortality and maternal health are unsatisfactory in Chad (between 1997 and 2004, maternal mortality increased from 827 to 1,099 per 100,000 live births). According to the World Health Organization (WHO), infant/child mortality in Chad is one of the highest in Africa: 209 per 1000 in 2008 compared to an average rate of 145 per 1000 for Africa in the same year.¹¹

25. Through considerable efforts, the prevalence of HIV/AIDS decreased from 7 per cent in 2005 to 3.3 per cent in 2010, compared to 4.9 per cent for sub-Saharan Africa. The rate of antiretroviral (ARV) treatment of HIV/AIDS patients increased from 10 per cent in 2006 to 49 per cent in 2009.

26. At the environmental level, the MDG of sustainable access to drinking water is likely to be attained in 2015, since 60 per cent of the population are expected to enjoy such access (the relevant rate having increased from 29 per cent in 2004 to 46 per cent in 2011¹²). On the contrary, progress with regard to sanitation has been inadequate (the rate of access to sanitation having increased from 7 per cent in 2000 to 12 per cent in 2010, compared to the MDG of 35 per cent by 2015). The overall environmental situation (including biodiversity) is unsatisfactory despite the Government's sustainable development policy, which prohibits logging and all activities damaging to the environment.

27. Lastly, in the area of partnerships with the international community, Chad has not attained the required completion point under the HIPC initiative and therefore does not benefit from the related debt relief.

2-2. Challenges faced

28. According to the National Development Plan (NDP), 2013-2015, the major challenge consists in building production capacities in order to attain the MDGs, create employment opportunities and significantly reduce poverty, hunger and social inequalities. The productive sectors conducive to achieving the goals of food

⁸ International estimates of extreme poverty in Chad are higher: of the country's population in 2003, 62 per cent lived on less than US\$ 1.25 (at purchasing power parity (PPP)) per day (a condition defined as extreme poverty in 2008) and 83 per cent (more than four persons out of five) lived on less than US\$ 2.00 (PPP) per day.

⁹ Decennial report on the implementation of the MDGs, 2010, p. 32.

¹⁰ NDP, op. cit.

¹¹ Decennial report on the implementation of the MDGs, 2010, p. 43.

¹² NDP, 2012-2015.

security and poverty reduction are, in the short and medium term, agriculture, livestock breeding, fishing and forest wood and non-wood products. The Government has adopted the following sectoral priorities with a view to enhancing the country's product supply and employment capacities:

- Rural sector development and food security;
- Employment generation and training;
- Private sector development;
- Development of supporting infrastructure;
- Research and development;
- Regional integration;
- Mobilization of the capacities and skills of the diaspora.

29. It is also necessary to improve the organization and functioning of the administration and thereby the effectiveness of administrative action and the quality of public administration in order to address the weaknesses of economic governance, which translate into poor performance in public resources management and in the formulation or implementation of reforms and development policies.

III. Transit policies

3-1. Activities carried out

3-1-1. National reforms

30. Handicapped by its lack of a coast and its landlocked situation, Chad prepared in 2005 a diagnostic trade integration study (DTIS), mainly aimed at helping the Government to define a strategy for and an integrated approach to enhancing the participation of Chad in regional and world markets. The study sought to: (i) identify the limits of and main obstacles to the integration of Chad in the said markets, evaluate the strengths, potential and trade prospects of Chad, and formulate reform proposals and projects designed to eliminate the constraints identified; (ii) formulate an integrated approach to trade, investment and the development activities of traditional and non-traditional sectors with a strong growth potential; (iii) establish a framework for improving coordination among the main actors (the Government, the private sector and multilateral and bilateral donors) in support of pro-poor trade and investment and of the attainment of the MDGs by Chad.

31. A revised DTIS was validated in November 2013. The study elaborated on the key issues related to the capacities of external trade agencies, performance in the areas of external trade and trade policy, the role and policies of the sector, the business climate and the labour market, the crafts and trades, export promotion, and the factors of competitiveness, namely information and communication technologies (ICTs), adequate power supply, transport, trade facilities, professional services to enterprises, infrastructure for quality, and technical regulations. The sectors targeted included agropastoral activities and fishing, oil and mining, and tourism.

32. In April 2005, the Chadian authorities, with World Bank support, redefined the customs component of the detailed action plan for the modernization of public

finance (PAMFIP), with a view to greater realism and pertinence and a more effective structure.

33. The Government adopted Decree No. 622/PR/PM/MI/2007 of 27 August 2007 on the creation of the National High Committee on the Facilitation of Trade and Transport. That Committee is responsible for improving trade, transport and transit on the principal corridors, particularly in the CEMAC area and by implementing the Central African Inter-State Transit" (TIPAC) procedure. For lack of funds, however, the Committee has not been able to meet in order to discuss any activities that it may undertake as part of its mission.

34. The reforms undertaken include the following initiatives:

- Various CEMAC regulations, including on practices detrimental to competition and State practices affecting trade among member States;
- Promulgation of the National Investments Charter of 2008, in line with the Community Investment Charter of CEMAC. The relevant implementation decree was signed only in 2013;
- Through Act No. 04/PR/2008 of 3 January 2008, creation of the National Agency for Investment and Export Promotion, responsible inter alia for: (i) encouraging and promoting industrial, trade and craft activities, (ii) establishing a databank with information on investment opportunities and technical matters and accessible to investors and (iii) facilitating industrial and trade operations through a one-stop shop;
- Decree No. 747/PR/PM/MCI/2010 of 16 September 2010 laying down organizational and operational rules for the National Agency for Investment and Export Promotion;
- Act No. 003/PR/2010 of 7 January 2010 on the creation of the Road Maintenance Agency to implement State programmes for road maintenance through contractual delegation of the control of the relevant works.

3-1-2. Bilateral, subregional and regional agreements

35. The following bilateral-, subregional- and regional-agreement initiatives should be noted:

- Uniform Act of the Organization for the Harmonization of Business Law in Africa (OHADA) of 1 January 2003 on contracts for the transport of goods by road;
- Project for transport and transit facilitation in the CEMAC area. Launched in 2007, the project is expected to improve transactions between Chad and Cameroon;
- New community transit system, tested on two pilot corridors (Douala-Garoua-Boulai-Bangui and Douala-Toubooro-N'Djamena). Launched in 2009, the system is expected to reduce the obstacles and facilitate transit;
- Project for the interconnection of customs authorities. The project is a priority component of the transport facilitation programme for Central Africa (FASTRAC).

36. Like CEMAC, the Economic Community of Central African States (CEEAC) has its own preferential tariff system, transit regulations and rules on origin. Such overlapping of non-identical trade-related systems does not help trade in the area. In 2007, the Heads of State or Government of CEEAC recognized that the situation led to inconsistencies and duplication of efforts, particularly financial. Thus, a steering committee was set up in 2010 to ensure the harmonization of policies, programmes and instruments with a view to the merger of the two regional economic communities.

37. In October 2011, the CEMAC countries signed a memorandum of understanding on the creation of the Subregional Metrological Organization of Central Africa (CEMACMET). Attached to the CEMAC Commission, this organization aims at promoting metrology and related activities in order to facilitate trade. The memorandum of understanding led to launching a development project promoting a regional infrastructure for quality (iQ-CEMAC) with support from the National Metrology Institute of Germany (PTB).

38. Chadian agricultural exports enjoy free access to the European Union (EU) market thanks to the "Everything but Arms" initiative, while a CEMAC-EU partnership agreement is being negotiated.

3-1-3. *Ratification and implementation of international transit transport agreements*

39. At the international level, Chad has been particularly active in defining a consistent external trade policy with regard to cotton. Since 2003, the country has been participating in the sectoral cotton initiative, which requires the elimination of cotton subsidies that distort trade. With its partners (Benin, Burkina Faso and Mali), Chad defends the cause of cotton at the World Trade Organization (WTO).

40. All CEMAC countries have ratified the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer. Community regulations reflecting the relevant commitments were adopted in 2005. According to those regulations, import, export and re-export of the substances in question, products that contain them and equipment operating through their use are subject to special authorization provided by the Ministry of Trade subsequent to an opinion issued by the Ministry of the Environment of each member State.

41. The CEMAC countries participate in the negotiations for the Economic Partnership Agreement (EPA) between the African, Caribbean and Pacific Group of States (ACP) and the European Union, to replace the Cotonou Agreement, whose trade component expired in late 2007. Contrary to earlier agreements, EPA must be compatible with WTO rules. Tariff preferences under EPA are being negotiated by the ACP countries within existing regional integration initiatives and shall be granted on a reciprocal basis.

42. The WTO Customs Valuation Agreement introduced a new system for the determination of the customs value of imported goods. The Agreement is implemented throughout Chadian territory under Decision No. 110 of 29 June 2009 of the Minister of Finance and the Budget.

3-1-4. Efforts and progress related to the reduction transport costs and days of transit

43. The efforts and progress in question have taken the following forms:

- Establishment of a one-stop shop under the authority of the External Trade One-Stop Shop (GUCE), operational since mid-2004. With the support of the French Agency for Development (AFD), GUCE is being computerized in order to create a multipurpose system connected to the information systems of the participating organizations. Users will thus be able to submit their statements electronically, a procedure that will save considerable time.
- Since 2006, construction of road infrastructure on the Chadian part of the corridor, N'Gaoundéré-Moundou-N'Djamena, reducing the number of days of transit between N'Djamena and N'Gaoundéré;
- Implementation, in 2008-2011, of a programme for facilitating communication through corridors. The measure is expected to reduce the average time of transit for Douala-N'Djamena imports by 20 per cent;
- Introduction, in October 2009, of a procedure for submitting electronically a cargo list to the Autonomous Port of Douala so as to bill port fees in advance;
- Regulation of transit transport on the Cameroonian corridors by the Inland Freight Management Office (BGFT) of Cameroon, which has set up and runs, at obligatory passage points in Cameroon, one-stop control units for transit transport trucks;
- Limitation of obligatory supporting documents to the following three: (i) transit vehicle freight bill for each direction, issued by BGFT or the National Freight Office (BNF); (ii) international safe conduct document, common to Cameroon and Chad, which specifies an itinerary, must be stamped at the checkpoints and is issued by CEMAC free of charge; and (iii) an international transit transport vehicle licence tag renewable every year against CFAF 25,000 (US\$ 50).

44. A reform consisting in the reorganization and restructuring of customs services was undertaken in Chad in 2009. Of the country's 70 customs offices, 10 (at Adré, Gozbéida, Abéché (on the border with Sudan), Bowl (on the borders with Niger and Nigeria), Komé, Koutéré, Djermaya, Kribi, Sahr and Bongor (on the border with the Central African Republic)) were supposed to be computerized soon but have not been. Computerization is limited to the N'Djamena and Moundou customs offices, which are supplied with power by the prefectural authorities.

45. Through the construction of paved roads, the various efforts undertaken have had a tangible impact in terms of improving domestic and international communications. However, annoyances on the road persist (see Table 1). Moreover, lack of data makes it difficult to assess the reduction in transport costs and the qualitative improvement of the services offered on the corridor. Table 1 reveals a plethora of checkpoints on the corridors, exceeding by far the maximum number (12) stipulated in bilateral or regional agreements for the two main itineraries.

Table 1
Checkpoints and excessive charges

<i>Itinerary</i>	<i>Two-way distance (km)</i>	<i>Number of checkpoints</i>	<i>Charges (CFAF)</i>
Douala - N'Gaoundéré	2 166	83	175 000
N'Gaoundéré - N'Djamena through Kousseri	1 474	67	150 000
N'Gaoundéré - N'Djamena through Touboro	1 718	21	200 000
Douala - N'Djamena through Kousseri	3 640	150	325 000
Douala - N'Djamena through Touboro	3 884	104	375 000

Source: Ministry of Infrastructure and Transport (MIT), Diagnostic report, 2010.

3-2. Challenges faced

46. The facilitation of transit transport is plagued by pitfalls that impede the development of intra-community trade. Public policies must ensure lower transport costs, fewer transit days, and efficient and transparent regulation of the country's external trade. To that end, it is necessary to:

- Interconnect customs offices between the transit and landlocked countries;
- Update the law and regulations governing the country's external trade, taking into consideration the increasing traffic;
- Create railroad links interconnected with the existing networks of Nigeria, Sudan and Cameroon;
- Eliminate the multiple illegal barriers to transit and the informal payments imposed.

IV. Maintenance and development of infrastructure

4-1. Activities carried out

4-1-1. *Development and maintenance of the infrastructure and means of transport*

47. In order to open up the poorly serviced regions and to improve the connection with the main international corridors accessible to the country (which cross Cameroon, Nigeria and Sudan), considerable efforts were undertaken on the three itineraries in question. Chad-Cameroon and Chad-Nigeria transports account for approximately 96-98 per cent of the country's international flows (see Annex, Table 3).

48. In order to improve domestic communications, the network of paved roads was lengthened from 668 km in 2003 to 1,021 km in a 2007 and 1,212 km in a 2009, namely by 53 per cent between 2003 and 2007 and by 81 per cent between 2003 and 2009. Overall, paved roads increased from 557 km in 2002 to 1,616.5 km in 2012, namely by 190 per cent. Paving of the roads boosted domestic traffic by 59 per cent between 2009 and 2012 (the number of transports having increased from 1,410,816 in 2009 to 2,241,290 in 2012¹³).

¹³ BNF statistics, 2009-2012.

49. The National Transport Strategy (SNT) gives priority to three main routes that are crucial to opening up the country. Thus:

- On the 889 km long corridor to Sudan (N'Djamena-Abéché-Sudanese border), 302 km (N'Djamena-Bokoro) have been paved, 458 km (202 km at Bokoro-Mongo and 256 km at Mangalmé-Abéché) are being paved, and 129 km remain to be paved;
- The entire 595 km long corridor to Cameroon (N'Djamena-Moundou-Koutéré and the Cameroon border) was paved in 2007;
- On the 564 km long corridor to Nigeria and the Niger, 146 km (N'Djamena-Massaguet-Massakory) have been paved and 418 km remain to be paved.

50. Allocations for the maintenance of these new roads increased from CFAF 2.3 billion¹⁴ in 2002-2003 to CFAF 4.5 billion in 2006-2007 and CFAF 9.95 billion in 2009, namely by 333 per cent. In the period 2003-2013, 1,127.5 km of roads were paved at a total estimated cost of CFAF 447.556 billion, including internal funding equal to CFAF 360,989 billion (80.66 per cent) (see Annex, Table 5).

51. As regards vehicles, a project on "intermediate means of transport" (IMTs) has been prepared and a survey on the transport of goods and passengers has been launched in order to collect data on transport flows.¹⁵ For lack of relevant information, however, it is impossible to assess these initiatives.

52. In order to open up the country, the NPRS programme gives priority to ensuring that all areas lacking a permanent road connection enjoy a certain accessibility by air, particularly during the rain season, subject to International Civil Aviation Organization (ICAO) minimum safety requirements. To that end, the main airports (at N'Djamena, Faya Largeau, Moundou and Abéché) are being upgraded to meet the relevant standards. Similar work is planned for secondary airports (at Adré, Mao, Am-Ndjaras, Mbaïbokoum, Ati, Am-Timan, Bol, Biltine, Laï, Pala, Tissi, Koumra, Bongor, Doba and Kélo) in the framework of the 2010-2015 investment plan.

53. An updated version of the National Transport Strategy (SNT) for the period 2011-2020 was validated in May 2012 with a view to the diversification of the methods of transport. As Chad has no railroads, the Government concluded with the Chinese Civil Engineering Construction Corporation a contract for the construction of railroad connections to the existing networks of Nigeria, Sudan and Cameroon at an estimated cost exceeding US\$ 7.5 billion or approximately € 5.36 billion. A study on river-lake transport and international transport was carried out in the period 2008-2009 in order to promote surface transport exploitation and methods.

4-1-2. Sources of financing for infrastructure development and maintenance

54. Transport infrastructure is financed under the State Budget with, on one hand, internal funds of the ordinary budget, namely revenue and extra dividends from oil and, in the period 2003-2005, HIPC initiative funds (suspended as from 2006 because of ineffective negotiations with IMF regarding a reference programme for public finance management); and, on the other hand, external funds provided by

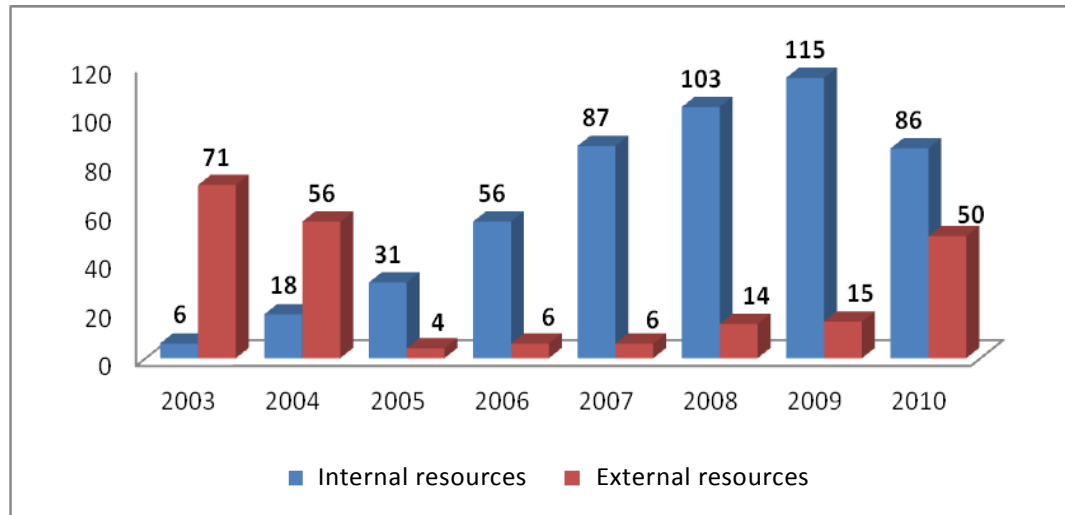
¹⁴ NPRS I implementation report, p. 38.

¹⁵ NPRS II follow-up report.

bilateral or multilateral donors in the form of grants, subsidies or loans (see Annex, Table 4).

Graph 4

Development of financing for public works and transport (in current CFAF billion)



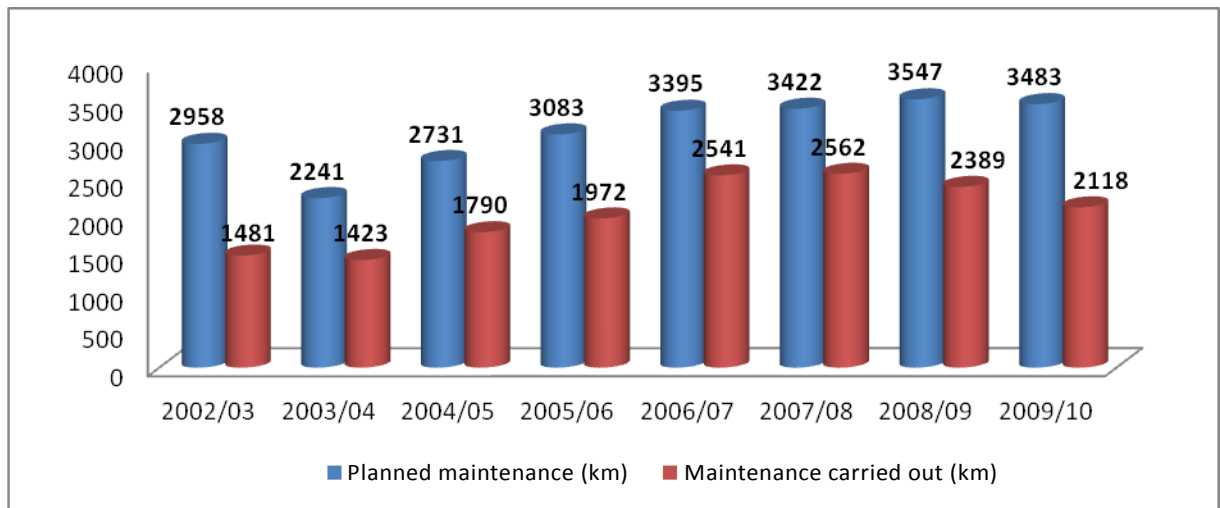
Source: INSEED; and Directorate for administrative and financial affairs and materials and Directorate-General of Roads of MIT.

55. Accordingly, investment expenditure in public works and transport in the period 2003-2008 accounts on average for more than 30 per cent of the State's total investment expenditure (39.4 per cent in 2003 and 39.5 per cent in 2008) and was equal to 4.8 and 3.1 per cent of GDP in, respectively, 2003 and 2008. Up to 2003, the investment expenditure of the State was financed with external funds (see Graph 4 above). With the beginning of the oil exploitation period in late 2003, the share of that expenditure that is financed with internal funds began to increase, rising from 40 per cent in 2004 to more than 60 per cent in 2007 and 75 per cent in 2008.

56. Maintenance is financed by the Road Maintenance Fund (FER), credited with the proceeds of, inter alia, oil taxes and road tolls. The assets of FER increased from CFAF 4,879 billion¹⁶ in 2002-2003 to CFAF 7,371 billion in 2006-2007 and CFAF 12,304 billion in 2009-2010, namely by approximately 152 per cent between 2002 and 2010. In the same period, FER maintained 16,276 km out of 24,860 km that had been envisaged, achieving a completion rate of 65.47 per cent. On the average, 2,034.5 km of roads are maintained every year (see Graph 5). That work has been possible thanks to HIPC initiative funds and to a more effective involvement of enterprises.

¹⁶ Ministry of Finance and Data Processing, op. cit., p. 105.

Graph 5
Road maintenance planned and carried out by FER



Source: FER.

57. Public-private partnership is based on the second generation FER, with a majority participation of the private sector and a board of directors chaired by a representative of that sector.

4-1-3. Congested key infrastructure impeding traffic flows: the corridor to Cameroon

58. The road network suffers from various weaknesses, including poor quality of the main roads to northern Cameroon and of the Yaounde-N'Gaoundéré-Garoua-N'Djamena itinerary (not fully paved and often discontinuous), and too many informal checkpoints along the corridor (55 checkpoints in each direction: at 26 min per checkpoint on average, this implies 24 hours for control, while the average duration of a Douala-N'Djamena trip is 26.5 days). In 2010, this situation on the Douala-N'Djamena corridor was noted by the Observatory of Abnormal Practices.¹⁷

59. The poor quality of urban infrastructure at Douala and, in particular, the related congestion problems are a further factor affecting the national and regional economies, and constitute a paradox in view of the key economic role of that port city.

4-1-4. Development of support infrastructure: energy and communication/ICTs

60. The endemic crisis affecting the energy sector prompted the Government, in 2004, to decide to withdraw the State from power management, rehabilitate and build the production capacity (through a 60 MW increase by the Government and

¹⁷ The following checkpoints (single points of control) are listed on that corridor (through Kousseri or Touboro):

- In Cameroon: No. 1 at Yassa, at the exit to Douala; No. 2 at Bertoua; No. 3 at Garoua Boulai; No. 4 at Roblin; No. 5 at Dang, at the exit to N'Gaoundéré; No. 6 at Kollé, to the north of Figuil; and, on the frontier with Chad, No. 6 at the Delelé border crossing (towards Léré), No. 7 at the Kousseri border crossing (towards N'guéli) and No. 8 at the Touboro border crossing (towards Moundou).

- In Chad: No. 1 at N'guéli, No 2 at Léré and No. 3 at Moundou.

20 MW increase by the Djermaya refinery) of the Water and Power Corporation (STEE), succeeded by the current Power Corporation (SNE), repair and expand the existing distribution infrastructure and streamline the management of fuel and electrification of secondary facilities.

61. The Government has taken measures, including the construction of, inter alia, a new power plant at Farcha and a mini-refinery at Djermaya, in order to reduce the costs per kWh, expand the population's access to power, encourage the development of small and medium-size and industrial enterprises, enhance economic output and improve living and social conditions. Rising fuel prices¹⁸ have contributed to the increase in the costs of transport.

62. The promotion of renewable forms of energy (solar energy) is still embryonic. Yet the dissemination of solar energy (illustrated through the current electrification of the Walia-N'Guéli highway) would compensate for the low capacity of SNE and reduce the cost of energy available to the population. The factors impeding such dissemination are, inter alia, the lack of a promotion policy, the taxes levied on the product, and the considerable basic investment required (acquisition of kits).

63. The power supply is limited and, despite State subsidies, the sale price of power in Chad is one of the highest in the world. The latest rate change has consisted in a reduction of approximately 37 per cent and a restructuring of rates into two tiers. For domestic (low tension) consumption, the rate is CFAF 85/kWh for the first tier (0 to 150 kWh) and CFAF 125/kWh for the second tier. Other types of consumption have a single tier, billed at CFAF 125/kWh.

64. Despite these measures, the situation of SNE gives grounds for concern. The fuel supply is irregular, the condition of the network is poor, power cuts are frequent as a result of breakdowns in power generation or transport, and these problems are compounded by fundamental administrative weaknesses (in planning, marketing, human resources management and financial management). The end result is a power supply of low quality. Chad has prepared and validated a document for ongoing energy planning entitled Energy Master Plan.

65. Chad is considering the development of nuclear energy. To that end, a Nuclear Energy Programme has been drawn up with a view to building infrastructure that meets appropriate nuclear safety standards. In 2009, a draft decree on the organization and operation of a national agency for protection from radiation and for nuclear security was drawn up under Act No. 02/PR/2008 on protection from radiation and on nuclear security.

66. The private sector has extensively promoted the dissemination of mobile phones. The penetration rate of land lines increased from 0.13 per cent in 1998 to 0.16 per cent in 2007. The number of land line subscribers increased from 12,500 in 2003 to 61,000 in 2010, namely by a factor of 5; while cell phone subscribers have increased from 55,900 in 2003 to 2,963,000, namely by a factor of 53. The cell phone penetration rate increased from 2.75 per cent¹⁹ in 2005 to 17.5 per cent in

¹⁸ When the N'Djaména refinery (SRN) began operating, Decree No. 23/PR/PM/MCI/2011 establishing provisional oil-product prices at the pump set the price of four-star petrol at F 330/l and of diesel oil at F 374/l. Those prices increased to F 380/l for four-star petrol and F 520/l for diesel oil in late December 2011 and to F 480/l for four-star petrol and F 525/l for diesel oil in 2012.

¹⁹ NPRS II follow-up report, p. 43.

2008 and 25 per cent in 2010 despite costs that remain high compared to the general income level. Yet the rates were halved between 2001 and 2013, dropping, for Celtel-to-Celtel (currently Airtel-to-Airtel) calls from F 2.5/sec or F 150F/min to F 1.25/sec or F 75/min.

67. The rate of access to the Internet is low in Chad, having increased from 0.04 per cent in 2005 to 0.6 in 2009 and 4.6 in 2011, while the number of subscribers increased from 3,585 in 2005 to 68,000 in 2009 and 562,469 in 2011,²⁰ a development due in particular to the provision of Internet connections by the TIGO mobile phone operator. In absolute terms, however, the network remains largely undeveloped in the country,²¹ with only approximately 1-2 per cent of the population using Internet services. In view of the cost of the equipment and the services and the inadequate infrastructure, the Internet is reserved to a privileged stratum. The consequences are, inter alia, cumbersome business procedures and difficulties in searching.

68. The Government has prepared a project to improve telecommunications for the population through the installation of very small aperture terminal (VSAT) land stations at regional, departmental and sub-prefectural capitals. In the period 1997-2009, of the 24 such stations initially planned, 22 were set up (thus achieving a completion rate of 92 per cent).

69. Regarding the development of communication support infrastructure, note is made of the three ICT-related programmes described below, namely (i) an optic fibre network; (ii) electronic governance; and (iii) development of ICTs:

- Through the **optic fibre network**, the Government launched a project for connecting the national transmission network to the SAT-3 international network of underwater optic fibre cables. The project comprises approximately 2,900 km of optic fibre cables and is broken down into four phases, of which only one, with a length of 800 km, has been implemented;
- The **electronic governance** programme aims at rendering public administration more effective and efficient by providing it with technical and human resources capable of managing the facilities concerned so as to ensure efficient and rapid data processing. To that end, the e-administration project established in 2009 a network infrastructure in the Office of the Prime Minister, the Ministry of Posts and Information and Communication Technologies, the Ministry of Infrastructure, the Ministry of Foreign Affairs and the Ministry of Finance;
- The **ICTs development** programme is expected to enable Chad to join globalization and the information society progressively, incorporate the ICTs into the implementation of the country's strategic economic- and social-development options, and develop the country's assets through globalization and economic growth by improving and promoting the main national output (agricultural, forest and livestock products). Achieving this goal requires the implementation of the national strategy for the development of ICTs.

²⁰ NDP, 2013-2015.

²¹ In 2007, the International Telecommunication Union (ITU) ranked Chad 153rd among 154 countries on the basis of the ICT Development Index (IDI). The number of Internet users was estimated at 0.8 per cent of the population (compared to 0.2 per cent in 2002).

4-2. Challenges faced

70. Despite the 60 MW increase by the Government and the 20 MW increase by the Djermaya refinery, the energy supply of SNE is inadequate. The Internet penetration rate is very low. The challenge to be met consists in establishing the necessary legal and institutional frameworks and building the technical and human capacities of the various sectors in order to adapt the current capabilities to the growing needs of the population.

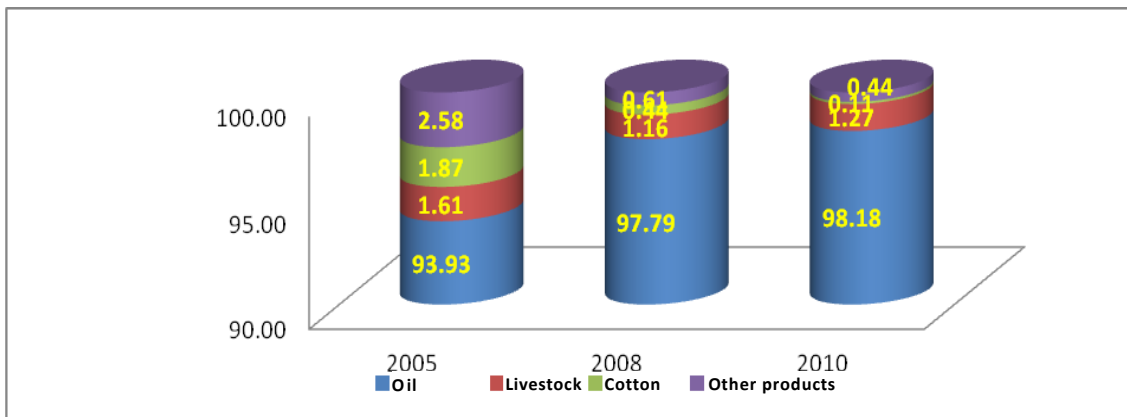
V. International trade and facilitation of trade activities

5-1. Activities carried out

5-1-1. Structure of exports, and performance in the area of international trade

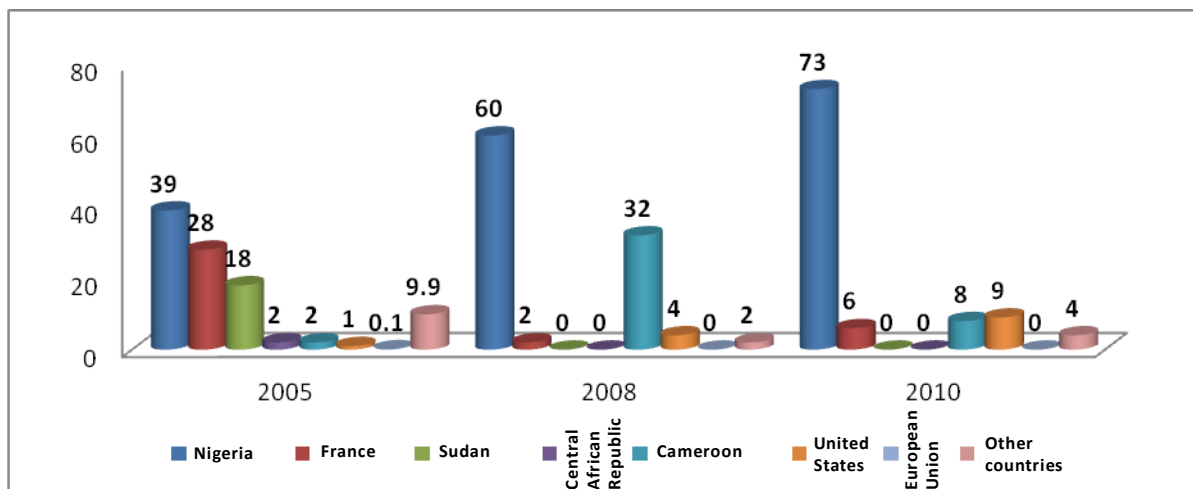
71. Up to 2003, the main formal export products of Chad were raw cotton (75 per cent of exports), gum arabic (16 per cent) and livestock. Other export products are groundnuts, animal skins and cigarettes. In October 2003, oil was added to the list. Chad exports the following three main primary products: oil (86.7 per cent of exports), livestock (7.4 per cent), cotton fibre (2 per cent) and gum arabic (1 per cent) (see Graph 6).

Graph 6
Structure of exports of goods (%)



Source: INSEED. Note: "Other products" are gum arabic and groundnuts.

Graph 7
Main destinations of non-oil exports (%)



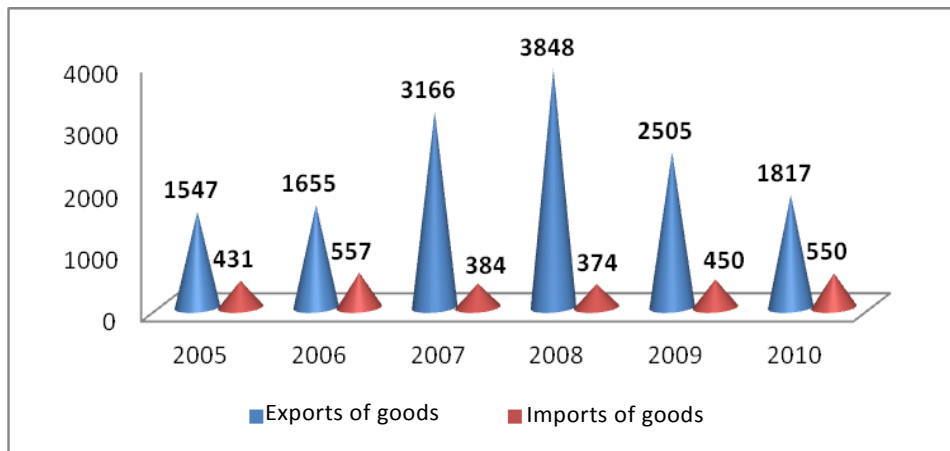
Source : INSEED

72. As Graph 7 shows, the main destinations of the non-oil exports of Chad in 2005 were, by order of volume, Nigeria (39 per cent of exports), France (28 per cent) and Sudan (18 per cent). In 2010, exports to Nigeria were estimated at CFAF 23.87 billion or 72.71 per cent of total exports. The United States ranked second with CFAF 2.88 billion and Cameroon third position with CFAF 2.73 billion. France, which was the second largest destination in 2009, ranked fourth, with CFAF 2.12 billion. In 2010, exports to those four countries accounted for 96 per cent of total exports.

73. In 2007,²² exports of goods amounted to CFAF 3,166 billion (accounting for 92.7 per cent of GDP), having increased by 104.6 per cent compared to their 2005 level (1,547 billion), mainly as a result of a substantial rise in crude oil sales. Thus, national economic growth is consequence of the country's entry into the narrow circle of oil producing and exporting countries. In the period 2005-2010, exports of goods increased from CFAF 1,547 billion to CFAF 1,817 billion, namely by 17.5 per cent, while imports of goods increased from CFAF 431 billion in 2005 to CFAF 550 billion in 2010, namely by 27.6 per cent (see Graph 8). The increase in imports has been due to needs related to the construction of the Djermaya refinery and the Baoré (Pala) cement factory and to investment at the Bongor oil reserves.

²² INSEED.

Graph 8
Development of imports and exports of goods (in CFAF billion)

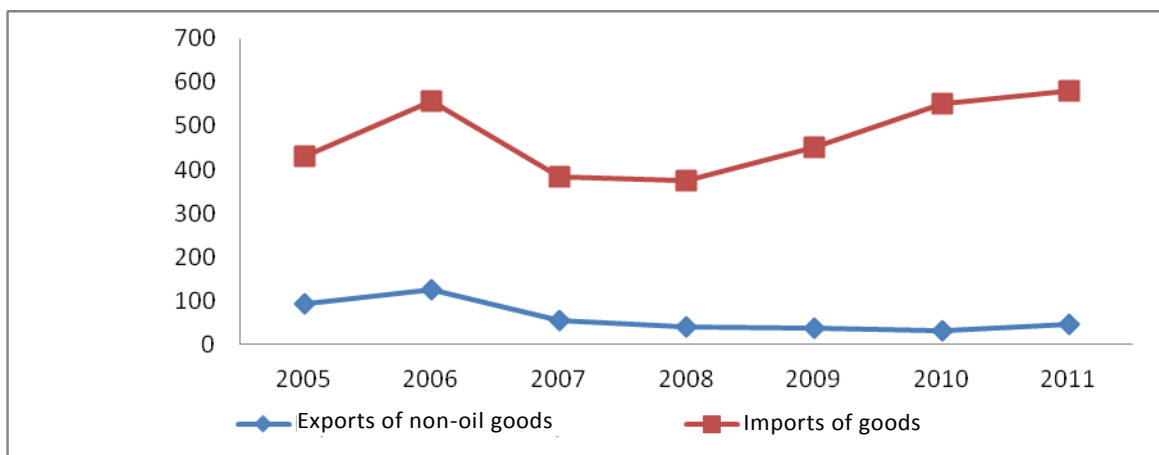


Source : INSEED.

74. Thanks to oil exports (accounting for 98 per cent of total exports in 2010), the country's balance of trade has shown a surplus since 2004. As a result of good export performance, that surplus has averaged approximately 8.1 per cent of GDP.

75. On the contrary, the balance of trade for non-oil goods deteriorated steadily between 2005 and 2011. The deficit, which increased from CFAF 337 billion in 2005 to CFAF 533 billion in 2011 (see Graph 9), has been due to the country's considerable investment in infrastructure and productive sectors, which was financed by the State and the technical and financial partners. Moreover, Chad is obliged to import many consumer goods that became accessible as a result of increased income from oil production. From the start, oil exploitation activities brought about capital accumulation in the form of increased investment, largely based on imports.

Graph 9
Development of non-oil exports and imports of goods (in CFAF billion)



Source : INSEED.

5.1.2. *Reduction in the costs of transport and trade*

76. The establishment of GUCE is part of an effort to facilitate and simplify procedures in order to promote the economic growth of the States and region of Central Africa. Such measures are expected to shorten the duration of transport and reduce its costs. The result, however, has not been fully convincing: the average time of transport of goods to the port of Douala in 2012 was 19.5 days compared to 21 days before the establishment of GUCE.

77. Through the automated customs clearance, the tariff nomenclature (2012 version), the transit document and the role of transport checkpoints, regulation No. 10/10-UEAC-206-CM-21 of 28 October 2010, adopted by the CEMAC member States, is expected to lead soon to a reduction in statement processing time, procedural requirements, data transfer, errors in customs declarations and transport costs and thus to accelerate transport.

5-2. Challenges faced

78. The transport sector is crucial to international trade, regional integration and balanced national development. Excessive costs raise product prices and thus considerably limit access to overseas markets. Public policies must launch reforms to simplify procedures, eliminate administrative annoyances (inter alia, slow and expensive customs clearance procedures) affecting the transport and transit of goods and persons between Chad and Cameroon, improve the quality of services throughout the supply and export chain of Chad and upgrade the existing transport infrastructure.

VI. International support measures

6-1. Activities carried out

6-1-1. *ODA - Debt relief - Aid for Trade - Technical cooperation*

6.1.1.1. *Official development assistance*

79. Since 2005, official development assistance (ODA) has on average accounted for 7.3 per cent of gross national income (GNI). In 2009, ODA except humanitarian assistance accounted for 10 per cent of public spending. In view of the size of its population (with a per capita income of US\$ 50 compared to US\$ 128 and US\$ 121 in the case of, respectively, Sierra Leone and Côte d'Ivoire, both coastal countries that are not members of the Almaty Programme of Action) and its level of poverty (61 per cent of the population live on less than US\$ 1/day), Chad receives relatively little assistance (US\$ 561 million in ODA in 2009²³).

80. In the period 2008-2009, the four main development partners of Chad (the European Union, the United States, France and Germany) contributed 68 per cent of the ODA received by the country. In the period 2007-2009, the main development assistance beneficiary sectors were humanitarian assistance (with an average share of 51 per cent), other social sectors (15 per cent), cross-cutting sectors (8 per cent), economic infrastructure (8 per cent) and health and population (6 per cent).

²³ Organization for Economic Cooperation and Development (OECD) (2011), p. 57.

6.1.1.2. Debt relief

81. The ratio between the country's external debt and GDP decreased from 57.9 per cent in 2003 to 31.6 per cent in 2005 and 23 per cent in late 2009. That significant improvement has been due to sustained growth based on the oil sector and to limited external borrowing. However, the viability of the country's external debt remains highly vulnerable to shocks linked to oil prices.

82. Chad attained the decision point in the framework of the enhanced HIPC initiative in May 2001. Because of mistakes observed in relation to public finance management, the Government was unable to conclude with IMF a programme supported by the Poverty Reduction and Growth Facility (PRGF) (PRGF). It is only in 2009 that the Government concluded a reference programme with IMF, non-respect of whose quantitative criteria had precluded PRGF support. These have been the main obstacles to debt relief.

83. The Government sought to conclude with IMF²⁴ and the World Bank an agreement on policies underpinned by a reference programme that might lead to a programme supported by the Extended Credit Facility (ECF) and to debt relief under the HIPC initiative. Indeed, debt relief under the HIPC initiative would halve the country's external debt. The debt eligible for debt relief in accordance with the enhanced HIPC initiative and the Multilateral Debt Relief Initiative (MDRI) amounted to approximately US\$ 1 billion in nominal terms and its cancellation would mean saving US\$ 40 million per annum on debt servicing, or approximately 60 per cent of the outstanding balance in late 2009.

6.1.1.3 Aid for Trade and technical cooperation

84. In order to enhance trade-related capacities in Chad, the Integrated Framework was launched officially in May 2004 and was followed by the Diagnostic Study on the Integration of Trade (DTIS). On 24 March 2006, the European Union and the Executive Secretariat of CEMAC signed a financing agreement in the amount of CFAF 8.199 billion for the implementation of the transport facilitation programme for Central Africa (FASTRAC). A trade support programme (PACOM), supported by the European Union, was launched in July 2009 with a view to helping Chad to become more effectively integrated into the global economy through diversification and trade promotion and to improving the business environment in the country.

85. In 2009, the European Union provided CEMAC with financing for a study on the establishment of an observatory of abnormal practices on the Douala-Bangui and Douala-N'Djamena corridors. The study was drawn up by CIVIPOL CONSEILS. Table 2 shows the effect on transport costs.

²⁴ IMF (2011).

Table 2
Transport costs including all taxes (CFAF/km), 2009

<i>Corridor</i>	<i>Length (km)</i>	<i>CLC</i> ²⁵	<i>CLT/C</i>	<i>SRC</i>	<i>SRT/C</i>	<i>CCC</i>	<i>CCT/C</i>
Douala-Kousseri-N'Djamena	1819	615	691	754	868	759	877
Douala-Moundou-N'Djamena	1942	588	662	720	830	722	837
Douala-Bangui	1435	709	777	853	959	853	1011

Source: World Bank (2013), Interim report.

86. According to the above table:

- The Douala-N'Djamena transport costs are lower on the itinerary through Moundou than on the corridor through Kousseri although the former route is longer (1,942 km versus 1,819 km);
- Costs per kilometre are lower for Cameroonian than for Chadian vehicles because the Cameroonian fleet is more modern and fiscal charges are lower in Cameroon;
- Since the total costs of transporting 20 tons from Douala to N'Djamena amounted to CFAF 2,883,695 in 2003²⁶ and CFAF 1,578,892 in 2009 (see table 2, Douala-Kousseri-N'Djamena, SRT), the transport costs in question decreased significantly (by 45 per cent) in the period 2003-2009 and are lower (per km) than on the Douala-Bangui corridor.

6.1.1.4 South-South cooperation

87. As part of South-South cooperation, a number of trade promotion mechanisms have been set up regarding customs and the involvement of the subregion's States in international trade.

88. At the level of customs:

- The General Programme on Trade (PGE) established in the CEMAC area provides for significant measures that ease restrictions on imports, such as full elimination of volume restrictions and abolition of import licenses. Thus, in general, CEMAC countries no longer resort to volume restrictions as a means of protecting local production;
- In March 2009, the customs department of Cameroon made it obligatory for trucks in transit towards Chad and the Central African Republic to be monitored through a system of GPS beacons set up on the vehicles so as to reduce the sale of transit goods in the Cameroonian territory and to facilitate and ensure the security of transit between Cameroon, Chad and the Central African Republic by decreasing transport time, speeding up the processing of guarantee releases, operating fewer checkpoints and reducing litigations involving customs.

²⁵ CLC: Cameroonian lorry; CLT/C: Chadian/Central African lorry; SRC: Cameroonian semi-trailer; SRT/C: Chadian/Central African semi-trailer; CCC: Cameroonian tanker; CCT /C: Chadian/Central African tanker.

²⁶ DTIS I (2005), p.60.

- In line with the community preference for industrial products from the subregion rather than from third countries, the new customs tariff in force in the CEMAC area includes a common external tariff (TEC), which comprises a customs duty on imports (based on four rates, each corresponding to a category of goods) and a community integration duty (CEMAC Customs Code, 2003 (latest available edition): the Code consists of 12 titles, the last of which relates to TEC);²⁷
- The facilitation of customs clearance procedures began in Cameroon with the creation of a one-stop shop for international trade operations. That initiative, aimed at reducing the duration of the said procedures for imports and exports of goods, will gradually expand to the other countries. Another main measure is the computerization of the customs system through the Automated System for Customs Data (ASYCUDA).

89. At the level of the involvement of the subregion's States in international trade: All CEMAC countries except Equatorial Guinea participate fully in international trade, having signed the Marrakesh agreements (and are therefore WTO members), which currently govern global trade.

6.2. Challenges faced

90. The main challenge consists in attaining the HIPC initiative completion point in order to secure additional funds, approximately US\$ 1 billion, necessary for financing development. With regard to the facilitation of trade, the CEMAC States must implement the reforms required in order to ensure free movement of goods within the area of the Community, fulfil the commitments regarding rules of origin and harmonize transit regulations.

VII. Major issues not included in the priorities of the Almaty programme of action (emerging issues)

7-1. Financing of economic operators engaged in transport

91. Transport activities make considerable economic and social contributions, such as, inter alia, creating employment and raising State revenue through taxes and duties. The development of the road transport sector into a modern and competitive industry generating growth presupposes guaranteed access to credit and funding so that transporters may acquire vehicles and equipment that meet the technical standards required for improving performance.

7.2. Development of human resources and institutions in the transport sector

92. Inadequate human and institutional resources in the transport sector constitute in Central Africa an omnipresent obstacle to the sector's development. Improving the conditions under which the institutions operate requires better understanding of the long-term process of human-resources and institutional development and more effective promotion of that process. As a result of insufficient training, transporters mismanage their enterprise and vehicle fleet, while drivers misuse the vehicles and equipment that they operate.

²⁷ Ministry of Infrastructure and Transport (MIT), Diagnostic report, 2010.

7.3. Strengthening of regional integration

93. In order to promote regional integration, public policies should establish a strategic framework for monitoring and supervision to ensure the effective implementation of the international and regional legal instruments designed to facilitate trade, transport and transit.

VIII. Conclusion and prospects

94. This evaluation report on the implementation of the Almaty Programme of Action, which addresses the needs of landlocked developing countries and transit countries, reveals that, although that programme does not constitute a reference framework (such as the NPRS, the MDGs or the NDP) for development strategies or policies, considerable efforts have been made by the transit country concerned, namely Cameroon, and by the Government of Chad regarding the transport infrastructure and the institutional framework with a view to enhancing the logistic performance of the corridor. Those efforts made it possible to decrease the number of checkpoints on the two N'Djamena-Douala corridors, one through Kousseri and the other through Touboro, to 12, thereby reducing significantly the transport costs concerned and boosting internal traffic by 59 per cent between 2009 and 2012.

95. Despite these efforts, however, various factors exacerbate the duration and costs of transport of goods on the said corridors. Those factors are the existence of multiple checkpoints, waste of time at the Autonomous Port of Douala, failure to implement ratified instruments, lack of a joint control team on the corridor, and persisting high costs (mainly at the N'guéli weighing platform) of logistic operations related to Chadian imports.

96. The evaluation reveals that the steps taken to facilitate trade on the main transit corridor (N'Djamena-Douala) failed to produce convincing results. Accordingly, Chad and Cameroon must still carry out numerous improvements and ensure the enforcement of measures designed to facilitate transit between the two countries. Therefore, considerable efforts must be undertaken at the national, regional and international levels.

8.3. Policy recommendations at the national level

97. At the national level, it is necessary to:

- Provide the National Freight Office (BNF) with competent executives in order to enable it to meet its obligations concerning the compilation of statistics on trade between Chad and other countries and the analysis of the road transport sector;
- Strengthen bilateral cooperation between Chad and Cameroon in order to facilitate multimodal transport (speedy reloading of transit containers from vessel to train at Douala and from train to trucks at N'Gaoundéré); and negotiate in order to ensure the sustainable effectiveness of improvements to the physical condition of the road and railroad networks currently under construction and rehabilitation in Cameroon;

- In view of the excessive official costs of import along the Autonomous Port of Douala - N'guéli corridor, reduce the costs and taxes at the N'guéli platform for increased competitiveness;
- Reform the export duty system, simplify the relevant procedures and considerably reduce or eliminate export duties;
- Improve governance in the ICT sector by giving priority to supervision, organization, analysis, planning and the launching of ICT operational activities, whose dissemination and exploitation in Chad is lagging compared to the rest of the region and other places, given the high costs of interconnecting the country's ICT networks;
- Provide the National High Committee on the Facilitation of Trade and Transport with the resources necessary for fulfilling its mission.

8.4. Policy recommendations at the regional level

98. At the regional level, it is necessary to:

- Dismantle illegal barriers to transit along the corridor and set up mobile control teams to eliminate irregular checkpoints, which cause delays and increase transport costs;
- Organize a broad inquiry into transport in the CEMAC area, given that earlier evaluations have addressed the physical infrastructure and investment needs rather than the availability, quality and costs of services;
- Provide trade promotion organizations with well equipped information centres and facilitate data exchange through networking;
- Examine the reduction of transit constraints in the CEMAC area through detailed and comparative case studies on two coastal countries (Cameroon and Gabon) and two landlocked countries (Chad and the Central African Republic);
- Periodically revise bilateral agreements at intervals agreed upon by the signatories in order to take into account freight market developments and ensure that the agreements are implemented;
- Speed up the interregional installation and interconnection of the ASYCUDA World software, enabling importers and freight agents to submit their registration statements before the arrival of the cargo and thereby greatly reduce the time required for customs clearance.

8.5. Policy recommendations at the international level

99. At the international level, the development partners should help to:

- Given the general inadequacy of economic data (necessary for macroeconomic planning, effectiveness assessment, identification of trends and timely detection of problems) in the CEMAC area, finance the transport data component at the level of the area, since transport economists need information on traffic volume, origin and destination, while transport users need information on freight;

- Establish an integrated transport and communications system to serve as a basis for physical integration in the CEMAC subregion and thereby enhance effectiveness and facilitate national and international traffic so as to boost trade and achieve sustainable economic development;
- Provide Chad with more effective technical assistance aimed at enabling it to draw maximum benefit from the existing preferential treatment agreements;
- Implement the monitoring and review component of the Almaty Programme of Action effectively. Surveillance and monitoring in connection with agreements regarding such measurable criteria as transport duration and costs should lead to an annual report and, if appropriate, to a review meeting before the General Assembly of the United Nations.

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X. Annex

Table 3
Volume of external trade in goods by corridor in 2000, 2004 and 2009

Corridor	2000		2004		2009		2000- 2004	2004- 2009
	Tons	%	Tons	%	Tons	%	%	%
Chad-Cameroon	238,106	83.36	419,702	87.94	665,984	86.49	76	59
Chad-Nigeria	35,852	12.55	38,966	8.16	38,173	4.96	9	-2
Chad-Libya	6,214	2.18	9,922	2.08	64,168	8.33	60	547
Chad-Central African Republic	2,646	0.93	2,091	0.44	1,677	0.22	-21	-20
Chad-Sudan	2,110	0.74	4,738	0.99	0	0	125	-100
Chad-Niger	693	0.24	1,855	0.39	40	0.01	168	-98
Total	285,621	100	477,274	100	770,042	100	67	61

Source: Bureau National de Fret-Chad.

Table 4
Development of public revenue and public investment expenditure, sector of
public works and transport (TPT), 2003-2010 (in current CFAF billion)

Description	2003	2004	2005	2006	2007	2008	2009e	2010p
GDP	1 589	2 356	3 105	3 311	3 414	3 761	3 373	4 058
Total revenue and grants	188	345	387	796	818	1024	559	747
Budget revenue	133	218	277	686	762	967	553	676
Including income from oil exports	7	70	118	405	427	453	194	226
Grants	55	127	110	110	56	57	6	71
Total expenditure	337	404	503	535	735	876	967	1,138
Current expenditure	142	164	276	310	490	580	633	689
Investment expenditure	195	240	227	225	245	296	334	449
From internal funds	25	49	75	91	155	220	223	329
(% of investment expenditure)	13.2	20.7	33.0	40.4	63.1	74.5	66.8	73.2
From external funds	170	191	152	134	90	76	111	120
Grants	106	134	87	99	55	57	42	58
Loans	64	57	65	35	35	19	69	62
Including TPT investment	77	74	35	62	93	117	130	136
Internal funds	6	18	31	56	87	103	115	86
Ordinary budget	2	0	0	22	54	26	98	75
Oil revenue	0	16	30	34	33	77	17	11
HIPC initiative funds	4	2	1	0	0	0	0	0
External funds	71	56	4	6	6	14	15	50
TPT share of investment expenditure (%)	39.4	30.8	15.4	27.5	37.9	39.5	38.9	30.2
TPT as % of GDP	4.9	3.1	1.1	1.9	2.7	3.1	3.9	3.3

Source: Source: INSEED; and Directorate for administrative and financial affairs and materials and Directorate-General of Roads of MIT.

Note: e = estimate; p = forecast.

Table 5
Situation of paved routes by source of financing, 2003-2013 (in current CFAF billion)

Termination date	Section	Distance	Amount (CFAF, all taxes included)	Internal financing		External financing					
				CHAD	%	BADEA	IDB	KFAED	OPEP	ADF	
TOWARDS SUDAN (PORT SUDAN)											
1	2 July 2011	Abéché-Oum Hadjer	146	60 912	60 912	100					
2	17 June 2011	Oum Hadjer-Mangalmé	111	51 586	51 586	100					
3	In progress	Magalmé-Eref	52	24 916	24 916	100					
4	21 July 2012	Bokoro-Arboutchatak	67	32 016	22 045	68.86	5 265	3 479			
5	In progress	Mongo-Eref	78	31 109	7 522	24.18		23 587			
6	22 July 2013	Bitkine-Mongo	58	31 624	31 624	100					
7	21 July 2010	Arboutchatak-Bitkine	76	31 588	9 344	29.58		22 244			
8	1 Feb. 2006	Ngoura-Bokoro	104	38 390	38 390	100					
9	2006	Bisney-Ngoura	38	16 214	16 214	100					
10	1 March 2006	Massaguet-Bisney	87	25 342	6 468	25.52	4 711	4 918	5 154	4 091	
		TOTAL	817	343 697	269 021	78.27	9 976	54 228	5 154	4 091	0
TOWARDS THE NIGER (PORTS OF LAGOS, COTONOU, LOME etc.)											
11	2010	Massaguet-Massakory	72	34 780	30 954	89.00	0	3 826	0	0	0
TOWARDS N'GAOUNDERE VIA MOUNDOU (PORT OF DOUALA)											
12	2006	Kélo-Moundou	108.5	19 000	19 000	100					
13	2007	Moundou - Cameroon BORDER	123	29 144	29 144	100					
		TOTAL	231.5	48 144	48 144	100	0	0	0	0	0
PORT OF DOUALA VIA KOUSSERI											
14	2013	Walia-N'guéli and new N'guéli bridge	7	20 935	12 870	61.48	0	0	0	0	8 065
		GRAND TOTAL	1 127.5	447 556	360 989	80.66	9 976	58 054	5 154	4 091	8 065

Source: Roads Directorate.