

# Republic of Congo

## Trade Facilitation Intervention

*Trade Facilitation between Congo and its Neighbors:  
Addressing the Bottlenecks*

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(TF-P149800)

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May 2015



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# Preface

**T**rade facilitation is one of the key engines of growth in an economy. Improving the quality and reliability of the trade facilitation infrastructure and services is a major building block for reducing transaction costs, attracting domestic and foreign investment, and expanding access to economic opportunities. The Government of Congo, Rep. recognizes that more needs to be done to address existing constraints to intra-regional trade. Indeed, efficient trade facilitation is central to achieving the objectives of Congo's Vision 2025, whose overarching goal is to transform the country from a lower middle income economy to an upper middle income export-oriented economy.

Attaining the country's vision will require the addressing of at least three key constraints. Firstly, low investment in the development and maintenance of the country's physical infrastructure; secondly, an insufficient and ineffective capacity to deliver the required transport and port services; and thirdly, a lack of international competitiveness and export diversification. Addressing these constraints will catalyze the development of modern transport infrastructure and services, contributing to a reduction in the cost of doing business and thus increasing the country's competitiveness.

Several policies and other interventions have been implemented by the Government to address the country's trade facilitation challenges. Some of these interventions prioritize improving the quality and reliability

of transport and port infrastructure and service, which is critical for reducing transaction costs and attracting investments, contributing to the broader goals of inclusive growth by connecting rural communities to economic activities.

This report aims to complement these efforts by making two key contributions. Firstly, it identifies the core trade facilitation bottlenecks facing the country, and explores options for mitigating these challenges. Secondly, it presents an action plan covering both the expansion of physical infrastructure and the development of transport sector structure, regulation, and institutional capacity; distinguishing between the short- and longer-term measures. The action plan is expected to strengthen the strategy for sustainable economic development and for informing dialogue on required reform measures.

The report's recommendations are also expected to support more inclusive growth, and also ensure that said inclusive growth is sustainable. It is hoped that the report's findings will be used to inform the design and implementation of the measures required to promote trade facilitation. Furthermore it is hoped that dialogue and collaboration with various stakeholders can be maintained going forwards to support Congo's economic transformation.

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This is the final report of the Republic of Congo Trade Intervention undertaken by the World Bank in close partnership with the Congolese Government. The overall coordination was done by Mr. Patrice Lambert Tsathy (General Director of External Trade) and Mr. Placide Mpan (General Director of Ground Transport) from the Government side, along with Mr. Emmanuel Pinto Moreira (Program Leader), Mr. Dominique Njinkeu (Program Coordinator), and Mr. Fulbert Tchana Tchana (Sr. Economist) from the World Bank side. The report is based on an analytical work program conducted jointly by the Government and the Bank, which encompassed the following elements: (i) investigating the operating environment of the Brazzaville port; (ii) assessing Congo's main trade corridors, specifically Brazzaville-Kinshasa, Brazzaville-Douala, and Pointe Noire-Cabinda; (iii) reviewing the existing legal and regulatory framework of the road transportation sector and identifying niche interventions relevant in improving its performance; and (iv) exploring the role of trade facilitation in the agricultural sector.

In addition to this comprehensive report, four stand-alone documents have been prepared in French by colleagues or external consultants, and shared with the Congolese authorities: (i) The Trucking Industry on Brazzaville-Douala and Pointe Noire-Cabinda Corridors, by Guy Augustin Kemsop (Transport Economist Consultant); (ii) A survey based study on cross-border trade between Congo Rep. and DRC, by Centre d'Etudes et de Recherche sur les Analyses et

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This final report was written by a World Bank team led by Fulbert Tchana Tchana and Ephraim Kebede. Chapter 1 was prepared by Ephraim Kebede and Fulbert Tchana Tchana based on a background paper by Guy Tchinda Kemsop. Chapter 2 was prepared by Virginia Tanase, Ephraim Kebede, and Fulbert Tchana Tchana. Chapter 3 was prepared by Ephraim Kebede and Fulbert Tchana Tchana, using a background paper by Jameleddine El Kamel. Chapter 4 was prepared by Ephraim Kebede, Etaki Wa Dzon, and Fulbert Tchana Tchana. All of these chapters benefited from a background paper and a database prepared by the CERAPE. Karima Laouali Ladjo and Josiane Maloueki Louzolo provided valuable support in the preparation of the report. In addition, Maude Valembrun, Lydie Ahodehou, Appolinaire Sainteli Bouenda, and Chantal Modeste Nonault also provided valuable

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# Abbreviations and Acronyms

AfDB	African Development Bank	EOG	Equatorial Guinea
ATC	Agence Transcongolaise des Communications	EU	European Union
AU	African Union	EWEC	East-West Economic Corridor
ASYCUDA	Automated SYstem for CUstoms DAta	FAO	Food and Agriculture Organization of the United Nations
BDS	Business Development Services	FSA	Fonds de Soutien à l'Agriculture
CAR	Central African Republic	GDP	Gross Domestic Product
CEEAC	Communauté Économique des États de l'Afrique Centrale	GIS	Geographic information system
CEFACT	Centre for Trade Facilitation and Electronic Business	GPS	Global Positioning System
CEMAC	Economic and Monetary Community of Central Africa	GUD	Single Window Clearance
CERAPE	Centre d'Etudes et de Recherche sur les Analyses et Politiques Economiques	GUOT	One Stop Shop for Cross-Border Transactions (Guichet Unique des Opérations Transfrontalières)
CFCO	Chemin de Fer Congo Ocean	HQCF	High Quality Cassava Flour
CIB	Congolaise Industrielle du Bois	ICRC	International Committee of the Red Cross
CNSA	Centre National des Semences Améliorées	ICT	Information and Communications Technology
CNTF	Chantier Naval et transports Fluviaux	IFAD	International Fund for Agricultural Development
COMESA	Common Market for Eastern and Southern Africa	IFC	International Finance Corporation
DGGT	Direction Général des Grands Travaux	INS	National Institute of Statistics
DGRST	General Delegation of Scientific and Technical Research	ITC	International Trade Centre
DGTT	Direction Générale des Transports Terrestres	IITA	International Institute of Tropical Agriculture
DPST	Transport Policy Statement	IT	Information and Technology
DRC	Democratic Republic of Congo	JRCC	International Commission of the Congo-Oubangui-Sangha basin
ECCAS	Economic Community of Central African States	LGA	Local Government Authority
ECOWAS	Economic Community of West African States	LPI	Logistics Performance Index (LPI),
		METP	Ministry of Equipment and Public Works
		MFI	Micro-Finance Institution

MTCAMM	Ministry of Transport, Civil Aviation and Marine Marchande	SCTP	Société Commerciale des Transports et des Ports
MUCODEC	MUtuelles CCngolaises D'Epargne et de Crédit	ADA	Agriculture Development Strategy
NDP	National Development Plan	SDDR	Rural Development Master Plan
NGO	Non-Government Organization	SDV	Société Delmas Viljeux
NPN	National Priority Network	SEC	Southern Economic Corridor
NR	National Road	SEFYD	Société d'Exploitation Forestière Yuan Dong
NTP	National Transport Plan	SPM	Sanitary and Phytosanitary Measures
ONEMO	Office Nationale de l'Emploi et de la Main d'Œuvre (National Employment Office and Labor)	SSA	Sub-Saharan Africa
PABPS	Port Autonome de Brazzaville et Ports Secs	SSATP	Sub-Sahara African Transport Policy
PADE	Support to Economic Diversification Project (Projet d'Appui à la Diversification de l'Economie)	TBT	Technical Barriers to Trade
PDARPR	Projet de Développement Agricole et de Réhabilitation des Pistes Rurales	TTFP	Transport and Transit Facilitation Program
PRODER	PROjet de DEveloppement Rural	UN	United Nations
PNSA	Programme National pour la Sécurité Alimentaire	UNICONGO	Union Patronale et Interprofessionnelle du Congo
REP	Regional Economic Program	USAID	United States Agency for International Development
ROC	Republic Of Congo	VOC	Vehicle Operating Costs
RMS	Road Maintenance Strategy	WATAC	World ATA (Admission Temporaire/Temporary Admission) Carnet Council
RF	Road Fund	WB	World Bank
SADC	Southern African Development Community	WHO	World Health Organization
		WTO	World Trade Organization
		XAF	Central Africa Currency

# Executive Summary

## Rationales and Objectives

Since its political stabilization, the Republic of Congo has enjoyed a favorable macroeconomic environment; however, structural bottlenecks remain the main impediments to competitiveness. Since 2003, at the end a period of political unrest and civil-war, high commodities prices and some structural reforms have paved the way for a return to growth, with real GDP increasing at an average annual rate of 5.5 percent during the period 2008–2014. As a result, the Congo is now classified as a low-middle-income country. However, the country is still facing challenges in stimulating a broad-based, diversified economy that generates jobs, especially for young people. In addition, it continues to face structural bottlenecks that impede its competitiveness. These difficulties include: i) all of the key aspects of doing business (the World Bank's Doing Business Indicators consistently rank the country in the bottom 5 percent of countries worldwide); ii) the Government's efficiency and quality of regulations; and iii) a deficiency of basic infrastructures, services, and trade logistics constitutes, etc.

To tackle these bottlenecks, the Government is implementing a structural reform program to create a private sector-based market economy. This reform program includes the improvement of regulatory framework and of infrastructure. On the regulatory front, the Government has created a public body to promote private investment in August 2012, and it worked with the World Bank to identify and draft new regulations

on every aspect of the Doing Business agenda. On the infrastructure front, the Government has stepped-up its efforts to provide the country with road and other transportation infrastructure to ease inter-regional trade. In addition, the Government has invested heavily to achieve extension and modernization of ports (Pointe-Noire) or rehabilitation (Brazzaville).

**Due to poor trade facilitation, Congo hasn't as yet been able to benefit from trade with its neighbors.** Congo's intra-regional trade lags behind compared to trade with other parts of the world. Despite the proximity, Congo's trade with Africa in general, and CEMAC in particular, is too small, making up just 6 percent and 1.6 percent of Congo's total trade, respectively. Poor trade facilitation is the main reason for this lack of trade between Congo and its neighbors. There is, however, potential to expand cross-border trade. There are large markets in Angola, Cameroon, and DRC, with over 110 million consumers offering large opportunities for Congolese producers. Removing barriers to trade facilitation between Congo and its neighboring countries is of strategic importance for closer economic integration in the CEMAC region and beyond. Linking up these countries through improved infrastructure, better market access, greater transparency, and simplified border procedures could help support the ongoing reforms, and specifically initiatives aiming at breaking down internal barriers within CEMAC, where progress has been slow.

**The objective of this trade facilitation intervention is to help the country to achieve its full**

**potential on inter-regional trade.** This intervention is designed to develop an action plan, while also systematically analyzing and identifying the main opportunities and constraints relating to trade in Congo. Specifically, the objectives of this intervention are: i) assessing Congo's main trade corridors; ii) reviewing the existing legal and regulatory framework of the road transportation sector, and identifying interventions relevant to improving the performance of the sector; iii) investigating the operating environment of the Brazzaville port and proposing a master plan for port rehabilitation; and iv) exploring the potential role of trade facilitation in the development of the agriculture sector, using a value chain analysis.

The intervention focuses on three of Congo's main corridors: Brazzaville-Douala, Pointe Noire-Cabinda, and Brazzaville-Kinshasa. The Brazzaville-Pointe Noire route is another important trade conduit for Congo, but since the road is currently under rehabilitation any assessment would only be meaningful after the completion of the construction. In addition, the intervention does not cover the port of Pointe-Noire, because in the Doing Business reform agenda framework, the Bank is already working on this port. Finally, cassava has been selected for the analysis on the potential role of trade facilitation in agricultural exports. The primary objective of this analysis is to unleash Congo's potential in the agricultural sector, not as such promoting the cassava sector. However, cassava is an important commodity, as it is the fourth most consumed staple food in the world, after rice, maize and wheat. In addition, the cassava sector is also considered by the Government as one of the priority sectors for development as a strategy for economic diversification and food security. Understanding the constraints across the cassava value chain is crucial, as this sector involves family, commercial, and agro-industrial enterprises in different regions of Congo, and represents a potentially important export for both regional and international markets.

This report presents both the work done during the intervention as well its findings; key recommendations from the report are presented in the form of an action plan. The report is organized around four chapters, with each covering a component of this trade facilitation intervention. An action plan matrix is presented at the end of the report to summarize key trade facilitation recommendations that the Government should consider to improve its inter-regional trade.

## Main findings on Key Policy Issues under Investigation

### First issue: Understanding the economic dynamics of Congo's major trade corridors.

**Cross-border trade in Congo essentially takes place in and around its three major trade corridors.** Congo trades with its five neighbor countries (Angola, Cameroon, CAR, DRC, and Gabon). There is at least one trade corridor between Congo and each of these five countries, however, the three major trade corridors are: i) along the northern border with Cameroon (Brazzaville-Douala, especially at Ouessou and Souanké), ii) along the eastern border with DRC (Brazzaville-Kinshasa, along the Congo river between Mindouli and Ngabé); and iii) along the southern border with Angola, near Cabinda (at Nzassi). The other corridors, such as i) the southern border with Gabon (Ngongo); ii) along the western border with Gabon (between Lékéti-Boundji and Ewo); and iii) the Brazzaville—Bangui corridor on the Congo and the Ubangui river, are less important in terms of the volumes of traffic.

**There is very little detailed information on trade flows on these main corridors, however, or on trade between Congo and these three main neighboring countries.** Firstly, official aggregate data significantly underestimate the actual volume of trade between Congo and DRC along the Brazzaville corridor. In fact, recorded imports from DRC are barely over 1 percent of total imports in value terms, and there is

lack of detailed trade data between the two countries. Secondly, based on the information from customs service and various stakeholders, trade exchanges between Pointe-Noire and Cabinda take place through both road and water ways. The overall trade between the countries appears to be dominated by goods heading to Cabinda through the port of Pointe-Noire. According to the data available, very few products are exported to Cabinda by Congo, apart from some agricultural products, for which accurate data is almost non-existent. Thirdly, there is almost no data on trade (trucks) along the Brazzaville-Douala corridor.

*The Brazzaville-Kinshasa Corridor suffers from uncoordinated and complicated customs procedures that increase transaction costs and exasperate informal trade flows.*

**The Brazzaville-Kinshasa corridor suffers from a lack of coordination and cooperation among agencies both within Congo and in neighboring DRC, and also suffers from complicated customs procedures and discontinued services.** Many Government agencies operate at the port: external trade, customs, policy, agriculture, etc. Each of these agencies has its own procedures, and there is insufficient coordination between these agencies. In fact, border agencies conduct their operations in a very dissimilar manner, and there is a lack of human and technical resources (information systems) necessary to manage the movements of goods and passengers through the port. The agencies operating at the port do not share the same computerized information. These difficulties lead for example to inconsistent data being reported in the documents (e.g. manifest, bill of lading) established by the Department of Customs.

**In addition, customs procedures are considered to be very complicated, and it is often unclear as to which requirements and procedures should be followed.** Customs procedures at the port are too complicated, poorly defined, and lack organized operational services. The cumbersome customs regulation and uncoordinated administrative operations add to

Congo's trade barriers because they require excessive documentation with unpredictable clearance procedures, which, since there is no automation or ICTs, must be done manually. Furthermore, customs procedures lack transparency, predictability and consistency, with no clear terms of reference for customs officers. This gives customs officers freedom of action to seek informal payments. In addition, the limited opening hours of the passenger platform contribute to the overcrowding of the port, resulting in delays. Currently, it is only open between 9:00 am and 4:00 pm on weekdays, and is closed on Sundays by 12:00 pm.

**These administrative costs and inefficiencies have driven some operators to take advantage of loopholes in the regulations by shifting an important share of trade into informal trade.** In fact, until April 2014 prior to the Mbata ya Bokolo operation (expulsion of DRC illegal immigrants), the passenger platform was a major gateway for freight. In fact, many people with handicaps were instrumental in this informal trade, given that the regulations allowed them to cross the border with goods without being subjected to custom and other administrative procedures. This intervention has been unable to assess the size of the informal trade activity on this corridor, because during the intervention period the passenger route and terminal was closed as the result of Mbata ya Bokolo operation.

*While improved road infrastructure on the Congolese side, the Brazzaville—Douala Corridor has had a significant impact on the rise of movements of goods and people, administrative problems and limited border opening hours raise transaction costs and create delays.*

**Over the past few years an increasing number of trucks have begun operating between Brazzaville and Douala.** The network for this inbound freight begins at Douala port, with Brazzaville as the destination. Until recently, freight used to be offloaded at the border town of Ouessou, from where it was transported to Brazzaville using the waterways of the river Sangha.

In recent years however, transportation demand on the road has been rapidly increasing due to improved road infrastructures, with a considerable reduction of travel and delivery time. A “cross-border trade survey” (World Bank, 2014b) shows that the truck traffic flow on this corridor has surpassed the traffic on the Cabinda—Pointe Noire.<sup>1</sup>

*The Pointe Noire – Cabinda Corridor has been serving the two countries for many years; however, Congo and Angola have not yet made binding agreement to regulate trade activities along this corridor.*

**Goods transported from Pointe Noire to Cabinda dominate the overall trade exchange between Congo and Angola.** The goods are largely dominated by building materials, which make up 61.4 percent of the goods passing through the port to Cabinda, followed by food products (19 percent). In fact, very few products are exported to Cabinda by Congo, apart from some agricultural products, for which accurate data is almost non-existent. Trade in food products dominates the overall exchanges between Congo and Angola. While food accounts for about 39 percent of Congo’s imports from Angola, it constitutes only 19 percent of its exports. Interestingly, 31 percent of imports from Angola are made up of wood products, largely using Congo as a transit gateway. Congo’s exports to Angola are dominated by building materials, accounting for 61 percent of the total exports to this country.

**Second issue: Cross-border trade suffers from the absence of coordination and cooperation among agencies, from numerous checkpoints, and from illegal taxes.**

**Numerous checkpoints exist along Congo’s main trade corridors, particularly on Brazzaville-Douala corridor, where illegal payments (taxes) are systematically made to officials.** While they improve the road infrastructure and enhance the movements

of goods and people, the high number of checkpoints also causes delays and may also leave sites unmanageable and deemed at a high risk of corruption. The time spent on traffic check points varies from few minutes to hours depending on the case, but it is similar across all corridors. The high number of checkpoints has prompted transporters to make informal payments to avoid delays. For example, along Brazzaville-Douala corridor, there are over 30 checkpoints, which cause considerable delays and add unnecessary costs. According to the truckers, the cumulative time spent at checkpoints ranges from three hours along the Pointe Noire-Cabinda corridor to about 6 hours along Brazzaville-Douala corridor. When the border customs clearance is added to this, the time spent along the corridors is considerable. Unlike truckers with non-perishable goods, drivers with perishable goods are commonly willing to ‘pay’ any informal money to avoid/limit their produce from decaying due to prolonged delays. In the past three years, such informal payments have increased from XAF 10,000 to 25,000 (US\$20 to 50) at each checkpoints.

**In the absence of a binding bilateral trade agreement and regulatory framework, trade along the Pointe Noire-Cabinda corridor is subject to fraudulent activities and increased transaction costs.** Congo has no signed bilateral convention with Angola in regard to freight transportation. As a result, there are no well-defined rules and regulations to control the movement of people and goods along this corridor. In addition, it has been observed that there are unskilled youths operating at the border posts as freight forwarding agents, who are commonly known as “smugglers” and “Angola brokers”. These “smugglers” work with the importers and exporters of both countries. Such informal activities, although they have the support from the local authorities as a means to reduce unemployment, create conditions for rent seeking activities, which in

<sup>1</sup> The border between Congo and Cameroon has at least three crossing points. Unlike the crossing point near Ouessou, the other crossing points are operated by private timber companies.

turn raises transaction costs. Furthermore, while Angola and Congo speak different languages (Portuguese and French, respectively), there is no formal agreement between them on which specific language to use for their trade documents. Currently, import freight documents in English need to be translated into French at the first stage (for services at Port Pointe Noire) and then into Portuguese for clearance in Angola. This often leads to delays in the clearing process, the over estimation of importation prices, and many other problems.

### **Third issue: Poor trade facilitation failures hamper CEMAC region integration much more than other regions in the world and slowing trade flows between member countries.**

**The country's underdeveloped transport infrastructure is a major hindrance to the efficiency of the regional corridors.** The CEMAC/ECCAS region is characterized by poor road infrastructure and railway networks, and this adds to the cost of goods and slows transport within the region. CEMAC's infrastructure ranks below other parts of Africa and the world in general. Paved road density, at 5.1 kilometers per 100 square kilometer of land, is barely a fraction of the density in ECOWAS, which is the next worst African region on this indicator. Similarly, in terms of its rail line network, CEMAC ranks below all other regions in the world. The gap between CEMAC and the best performer from the Africa region (the regional leader) on both indicators is huge, indicating that CEMAC will have to make a significant effort to catch up with other parts of Africa, let alone the rest of the world.

**Surface transport (road and rail) of goods in Central Africa is generally much slower and costlier than in other African regions, and elsewhere in the developing world.** Road transport costs and prices across Central Africa are about US\$0.12 per tonne-kilometer, well above the global benchmark of rates of between US\$0.01 and US\$0.04 per tonne-kilometer.

Freight movements were astonishingly slow when all delays were taken fully into account. At an effective speed of 6.1 kilometers per hour, they barely move faster than a horse.

**Transport corridors in the Central African perform significantly worse than all other regions in Africa.** Only half of the regional road corridors are in good condition, alarmingly less than other parts of Africa, and trade density is lower. The implicit velocity of freight (when stops and delays are factored in) is only 6.1 kilometers per h. Transport prices on the Douala to N'djamena route are three times higher than in Brazil and almost two times the cost of moving trade from Lusaka (Zambia) to Durban (South Africa). Given all of these figures, it is not surprising that there is a much lower trade density in Central Africa.

**Individual markets in the CEMAC/ECCAS are generally very small, but pooling markets (through trade facilitation) can result in greater economies of scale.** The region is known for its informal cross-border trade and unrecorded trade, which takes place across the countries. The trade facilitation initiatives suggested in this report, taken at regional level, could help the countries involved by converting informal traders into formal traders, which in turn would help the respective Governments to develop their revenue bases.

### **Fourth issue: Insufficient organization of transportation providers and lack of freight management constitute major sources of inefficiency and low profitability.**

**The freight forwarding industry in Congo faces serious problems due to a fragmented structure, high operating costs, and the inefficiency of related services.** The overall management of freight is not under the responsibility of any designated entity. Therefore, freight owners communicate directly with transporters to convey their goods to designated destinations. In some cases, freight forwarders or other

intermediary actors facilitate the business. Freight owners are represented by either intermediaries/middlemen or freight forwarders.

**There is no bilateral or regional framework/agreement on freight management between Congo and its neighboring countries.** Road freight transport management, in general, incorporates many key elements related to transportation services, such as the number of vehicles allowed to provide services between the two countries, procedures, documentation, and penalties. Despite their proximity and the opportunities to enhance trade, there is no bilateral agreement either between Congo and Cameroon or between Congo and Angola for freight transportation. Such a referenced framework, if in place, would have contributed to: i) regulating the freight distribution between the operators of various countries (Congo—Cameroon and Congo—Angola) and consequently ensuring a minimum protection to respective trucking industries; ii) regulating traffic operations and procedures along targeted corridors; iii) defining and establishing check points (number, locations, types of services involved, etc.) along corridors; and iv) serving as an observatory entity for freight and traffic operations, etc.

**Furthermore, about one-fourth of trucks operating between Congo and its neighbors return empty due to the current restrictive regulations.** The “cross-border survey” revealed that 22 percent of trucks return empty to their origin, of which 39 percent were returning from Cameroon to Congo and 61 percent were returning from Congo to Cameroon. Some transporters cannot secure cargo for return trips because of the restrictive regulations in place, which require load pickups to be from the country where the trucks are registered. This increases the number of empty backhauls and thus hampers the trucking companies’ profitability and competitiveness. Most of the transporters along the Brazzaville-Douala corridor are affected by this regulation, as the majority of the trucks are registered in Cameroon.

### **Fifth issue: Poor implementation of road transport regulations affect transport costs and hinder the development of the road transport sector.**

**Congo’s axle load regulation is weak and not fully enforced, which hampers road safety and increases highway maintenance costs.** To limit road damage, within the CEMAC countries the axle load maximum limit has been fixed at 13 tons. Congo has yet to introduce more complete controls and fully implement this regulation. There are a few weigh bridge stations at different locations, but most of them are not functioning properly due to obsolete equipment and, in some cases, a lack of human resources. Given the significant number of truckers in the informal sector and their preference for overloading trucks to minimize costs, enforcing this regulation will pose a daunting challenge. In light of the lack of workable guidelines for the officials, and truckers’ interest to bypass some regulations, there is no doubt that both transport operators and weighbridge officials will be susceptible to corruption.

**Road safety and overloading are also important operational issues in the road transport sector.** Despite rapid increases in vehicle ownership and increases in crashes on the road network, little attention has been given to promoting road safety. There is no institutional framework addressing road safety. Moreover, there is no entity responsible for truck parking facilities in Congo. There are virtually no rest areas along all of the main roads in Congo, with the exception of limited parking spaces near to the two major ports—Brazzaville and Pointe Noire. The lack of rest areas is also a safety hazard for other road users, including passenger transporters and private motorists. The availability of further rest areas would help truck drivers to make better decisions about where to stop and for how long, which in turn would make drivers more productive and would make the roads much safer.

### Sixth issue: Inadequate technical and human capacity at various levels of the transport sector hampers its development.

**Inadequate technical and human capacity is a daunting challenge across the road transport sector.** There is a limited qualified workforce across the transport sector, including at managerial and technical levels. On the one hand, there is a lack of proper human resource management, including in the staff recruitment and selection process, career development and provision of training for staff. On the other hand, there has been a sustained loss of well trained and experienced human resources due to retirement. Currently, the sector is not adequately funded to finance staff training programs, and hence staff are inadequately trained and equipped. The closure of the road maintenance training schools has affected the technical capacity to maintain infrastructure and has led to inadequacies in work programming. This problem highlights the need for a capacity building program that both targets the training and mentoring of professionals and also identifies opportunities for leveraging resources for financing the human resource development.

**In regard to transport operators, currently there is no formal training or mandatory minimum training requirement that drivers must complete before they can transport passengers or goods.** In the current transportation system, operators are not required to go through a standard training program. It is recommended that mandatory training should be put in place so that drivers can obtain operator accreditation. Due to the lack of truck driver training—both in the classroom and on the road—drivers in Congo in general are not well prepared to safely drive a truck. It is important to develop a minimum training requirement for individuals applying for a commercial driver license for the first time or upgrading from one class to another. Drivers must demonstrate adequate truck operation abilities and safety measures. Truck drivers must adhere to driving regulations that ensure the condition and capacity of the vehicle is maintained.

**Seventh issue: In recent years, the Government has invested in the rehabilitation of the Brazzaville port but bottlenecks exist, which hamper the port's ability to play its role in regional trade with Congo.**

**Despite the ongoing efforts to rehabilitate the Brazzaville port, its efficiency is affected by a lack of maintenance and dredging, a lack of essential equipment, and a poor transportation network.** The poor maintenance and dredging of the river ways leads to a partial silting of the port for two to three months per year. As a result, the river system is only operational for part of the year as some of the waterway routes are not navigable during the low water period, which can last for up to six months. Meanwhile, rolling and aging of load handling equipment create a long delay in freight being dispatched at the port gateway. Moreover, the poor transportation network strongly impedes the performance of the port, due to a lack of connections to other modes of transportation and, in addition, the poor current state of the road between Pointe Noire and Brazzaville.

**In addition, the institutional and regulatory framework of the Brazzaville port is still weak, and there is no clear overall plan of rehabilitation.** As pointed out above, the main factors that affect the efficiency of the Brazzaville port are a lack of coordination between the various agencies and unclear customs procedures. This lack of coordination is due to the port's weak institutional and regulatory framework. Moreover, the ongoing rehabilitation of the port is being carried out without a precise master plan, which would detail the responsibilities of the various actors involved in the rehabilitation activities.

**It is worth mentioning that even with the proposed road-rail bridge to link Brazzaville and Kinshasa, the Brazzaville port will remain critical for trade on the river Congo.** This road-rail bridge project will link the two cities, and will ensure the continuation of the Tripoli-Windhoek Trans-African Highway

Corridor, the Central African trunk of which comprises the Cameroon-Chad-Congo-DRC-Angola link, supplemented by a feeder road connecting Bangui. While this road-rail bridge is expected to generate greater integration in the region, the Brazzaville port will continue to be an important trade conduit for three main reasons. Firstly, the bridge is expected to be built at Maluku site, which is 60 kilometers upstream from Brazzaville and Kinshasa. Secondly, the port will provide an alternative means of transportation for bulky goods, as well as for people traveling between the two cities. Thirdly, the port will continue to be the main trade infrastructure between Brazzaville, Northern Congo and CAR.

**Eighth issue: Congo has been unable to export its agriculture products such as cassava because of transport constraints, limited access to market, lack of improved post-harvest technologies such as storage and processing, and low access to market information.**

**A lack of storage facilities results in losses of up to ten percent of cassava at the production stage.** Although crop diseases can also affect production, the main cause for wastage of cassava at the production stage is the lack of storage facilities for ripe cassava, which is instead left in the ground un-harvested. Cassava is mainly grown as a subsistence crop in Congo, produced by small-scale farmers who then sell the surplus. Therefore, these farmers commonly leave their produce underground until they decide to take it to market. However, the availability of storage facilities (that could be provided by an actor along the chain between producers and traders or processors) would reduce wastage and enhance productivity. This could also serve as an incentive to transform farming into being a more commercially-oriented and progressive activity.

**While the poor transport infrastructure and market network contribute to wastage, the high**

**cost of transportation accounts for a significant portion of the value added of cassava products.** Up to 5 percent of cassava production can be lost at the transport stage. Cassava producers in the rural Congo are constrained by a lack of all-weather roads and affordable transportation, which are deemed to be the basic needs for development in the sector. Long transit times affect the quality of the cassava, as it commonly causes the tubers to begin breaking up. Farmers, in general, are unable to find trucks to send their products to larger market centers, or they find it too expensive. In addition, the current market is very much fragmented, and there is a lack of any structured network between producers and the market. The majority of cassava trade in rural areas is traditionally done by the producers themselves, with a small number of actual traders. In the urban areas on the other hand, cassava is distributed by traders, who transport the products from the farms to the market. Furthermore, transporters account for about 25 percent of the value added, while retailers account for ten percent. There are two transportation arrangements (colisage and location) that significantly determine the greater share of profits. Farmers pay less for transport through colisage, as the merchant offering colisage services is less dependent on transport margins to turn a profit. Instead, the merchant is able to collect his margins from both transportation and marketing.

**Finally, access to cassava market information is key for the sector's development at various levels of the cassava supply chain.** Weak communication infrastructures hamper the efficient flow of products to markets, and slow the exchange of market information upstream in value chains. The lack of market information for cassava affects not only farmers but also other actors along the chain, by limiting their decision on adding value. Due to the lack of access to reliable market information, cassava producers are unable to plan production to meet market demands, which would enable them to negotiate prices on a more 'even footing' with wholesalers and retailers.

## Main Policy Recommendations

**First message: Congo has a unique opportunity to become the regional trade hub in the Central Africa, but unleashing that potential requires a range of mutually-reinforcing and well-designed policy interventions, including reducing the number of checkpoints, creating a more modern and efficient customs environment, and improving coordination and cooperation between Government agencies.**

**The Government could develop and implement a comprehensive customs regulatory framework, which could be aligned with international standards and clearance norms.** Congo needs to undertake fundamental regulatory reform, encompassing policies and legislation that consider the need for facilitating and reducing the cost of administration. This should especially be related to the simplification of import and export procedures (not limited to customs), the elimination of waivers, and, importantly from the revenue performance perspective, the streamlining of tax exemptions. In addition, it is suggested that the reform should encompass a medium- to long-term plan for adoption of common trade documentation standards and procedures in the region.

**The Government also needs to establish more effective management for its borders and checkpoints.** Firstly, it is necessary to set up a space for information exchange and periodic meetings among all agencies operating at the borders and checkpoints. This coordination and cooperation will allow each agency to have a better understanding of the mandates of the other agencies and avoid multiple inspections of goods, and hence will reduce costs and delays. Secondly, the number of roadblocks needs to be reduced to a reasonable number, with more transparent and consistent customs. Furthermore, more effort should be given to train staff to better understand their responsibilities, and to

understand that they are accountable for their actions. It is important to develop a guideline that should be followed by the officials at these checkpoints and borders. There should be also a mechanism that monitors whether the guidelines are being properly followed.

**Moreover, the Government could harmonize and streamline procedures at border crossings with the neighboring countries.** This report highly recommends that the Government develop harmonized regional border inspection and clearance procedures, including the establishment of Joint Border Posts. A joint one-stop border post operation would reduce transport time and costs. This could be achieved by establishing a single inspection on one side of the border that clears the load according to customs rules of both the country that is being exited and the one that is being entered. A recent study has shown that implementing a one-stop border post could reduce transit time by up to 50 percent (Nathan Associates, 2011). It is clear that reducing transit times would reduce costs as well.

**Congo should consider initiating regional economic corridors within the CEMAC.** Given the poor infrastructural connectivity and the lack of synchronized customs processes across the region, establishing regional economic corridors could improve the state of trade facilitation. The economic corridor approach could be a viable approach in addressing the regional transport routes, not only as a means of transporting goods and services (or as a gateway for land-locked countries in the region), but also as a tool for stimulating socioeconomic development in the areas along the corridor. Economic corridors accomplish this by creating industry and social facilities in conjunction with transport infrastructure. As a result, they develop rural and border areas, create employment, and improve the earnings of low-income groups. Political boundaries thus cease to be economic boundaries. In short, the economic corridors approach transforms transport corridors into engines of socioeconomic development.

Furthermore, this report recommends the **building of a long overdue bridge between Brazzaville and Kinshasa**. Despite their proximity, cross-border exchanges between Brazzaville and Kinshasa are limited. Since the cost of transportation is the main culprit, building the road-rail bridge would provide an alternative mode of transportation and hence reduce costs. In addition, the one-stop border customs clearance, which has been proposed along with the bridge, would reduce transaction costs. Furthermore, the economic benefit of building this bridge outweighs the socio-political risks or concerns of the two countries. The bridge would facilitate better transportation of goods and people, which in turn would enhance trade between the two countries. Apart from its impact on trade growth and development through greater integration, this cross-border infrastructure, by increasing mutual dependence, could reduce the likelihood of regional conflict. Such investments involve coordination and cooperation between the two countries. The building of this bridge between Democratic Republic of Congo (DRC) and the Republic of Congo will not only link the two countries, but will also speed up regional integration.

Finally, Congo needs to make trading across borders easier by **synchronizing and extending customs operating hours at the borders and the ports of Brazzaville and Pointe-Noire**. Currently, customs and other border and port agencies are operating only from 8am to 4pm, with a one hour lunch break; i.e., they are open for only eight hours a day. The long truck lines forming at the beginning of each day and after lunch breaks indicate that continuous operation for 24 hours each day are necessary to prevent truck bunching and ease trade constraints. Best international practices indicate that, according to the Doing Business assessment, extending the operating hours for customs and ports could make trading across borders easier. Extending the operating hours would reduce congestion and thus would reduce border crossing time for goods and lower transport costs. The difference in office hours at border crossings between Congo and

its neighbors is another factor that affects trade flows. Therefore, to fully benefit from longer service hours, this report recommends that the Government should establish comparable adjustments at customs offices on the other sides of the respective border crossings.

**Second message: Congo is increasingly becoming a land bridge for goods and people moving between Cameroon and DRC, and between other parts of the world and Angola (Cabinda). Therefore, developing modern and efficient logistics would reduce costs for exporters and importers and, would help to promote the country's stance as a regional hub.**

**To take advantage of its strategic location, Congo needs to improve its logistics infrastructure and logistics services.** The road infrastructure development in Congo is increasingly turning the country into a land bridge for goods and people moving between Cameroon and DRC, and between other parts of the world and Angola (Cabinda). To take full advantage of this, the country should build additional logistic facilities at border posts and along the corridors, such as warehouses, offices, parking, and rest areas (including sanitation facilities). The Government could build parking and resting areas for road transport operators, which would reduce road crashes due to fatigue, and it could also conduct control activities such as vehicle inspections. The construction of road infrastructure should be the first step in the development of trade infrastructures in the country, since they help in connecting market centers and the gate port. Other logistic infrastructures are also required to ensure a better functioning of the infrastructural component of the whole trade system to set up. These include infrastructure at border posts and along constructed corridors.

**This report strongly recommends that a comprehensive transport data system be established.** The intervention has created a comprehensive database

on trade activities and the nature of trade facilitation across the three trade corridors already detailed above. This database compiles information by type of goods, vehicles, origin, destination, capacity, etc. It is suggested that it should be expanded into a more complex, yet usable, trade database. The authorities need to maintain and expand this to establish a more comprehensive transport database. This report recommends that the Government should follow the guidelines developed by the Sub-Saharan African Transport Policy (SSATP).

**Third message: Congo needs to improve the operational efficiency of freight movement to meet the growing demand for freight transportation, and to enhance its economic vitality and regional connectivity.**

This report recommends that the Government should establish a freight management bureau to facilitate the secure and efficient movement of freight between Congo and its neighbors. The proposed freight management bureau would be the leading agency in implementing and enforcing standards and orientations stated under bilateral conventions, and would play an active role in ensuring a sustainable trucking industry. This freight management bureau would also serve as an observatory center for all trucking activities across all of the country's corridors. Finally, to achieve meaningful success in improving freight security and efficiency, this bureau should be established and run by the private sector involved in freight transportation, with active regional collaboration, especially concerning standards.

**The country should develop IT-based information infrastructure to facilitate optimal freight movements and enhance the efficiency of the system.** Besides upgrading road infrastructure and enforcing the proper use of rules and regulations, enhancing freight transportation requires the use of technology

to increase the overall productivity, reliability, consistency, and capacity. Congo should install a well-functioning IT-based freight tracking system in the country. The current conveying system requires the physical presence of customs staff at the corridors. In addition, the amount of informal payment that is asked of the truckers is quite large and constitutes a disincentive to those who want to do business according to the rules. The introduction of GPS to locate all trucks travelling along corridors would contribute to better management of truck transports in a sustainable way. GPS should be installed on trucks to track their movements and make sure that they do their job in due course. However, the adoption and implementation of such tracking systems should not constitute a new burden that could reduce the performance of trade facilitation. Given that the CEMAC has already decided to introduce this GPS tracking within the region, this is clearly the way to go for Congo.

**Fourth message: The Port of Brazzaville needs to address a number of interrelated challenges to improve its performance. Therefore, the Government should consider adopting and implementing the Brazzaville Port Master Plan, which has been prepared during this intervention.**

**In recognition of the poor state of the Brazzaville port and its inefficient operation, a coherent and feasible Port Master Plan has been prepared as part of this intervention.** The Master Plan examines the port perspective and identifies the key issues that need to be addressed to improve port services. The Master Plan is intended to serve as a long-term plan to establish policies and guidelines for future development within the coastal zone boundary of the port. The Plan would guide the port's future investment and activities. It is, thus, highly recommended to adopt this Master plan and implement it accordingly. The Master Plan presents operational reforms and infrastructure investment strategy designed to create economic

benefits and unconstrained trade growth opportunities to Brazzaville through maritime commerce. Key components of the plan include:

**Enhancing port infrastructure and logistics:** to function efficiently and to maximize its potential, the port of Brazzaville needs to expand its infrastructural assets. To optimize the efficiency of the port, Congo needs to invest in both hard and soft infrastructure. The hard physical infrastructure includes river port infrastructure and equipment for loading and unloading, as well as logistics services, warehouses, parking areas, etc.; and the soft infrastructure includes improving the administrative and customs services, which are necessary to facilitate the transit of goods and supportive information and communications technology (ICT).

**Expanding terminal capacity:** The Brazzaville port has limited capacity, both in terms of the length of the quay and the total physical size of the port. The port appears to be engineered to handle a very limited size of goods. Expanding the capacity of the port is important for the long-term development of the country.

**Introducing functional information system:** A lack of and/or inefficient use of IT can hinder organizational and operational efficiency and effectiveness. Using computer-based customs clearance processes would eliminate administrative delays. Government authorities at the Brazzaville port have limited or no use of IT for their operations. The lack of IT-based data not only creates delays in the clearance process, but also affects the accuracy of the information entered into the customs books. Introducing computerized systems in the customs and other border agencies would allow these agencies to significantly improve their performance in facilitating trade across the region.

**Aligning terminal access improvements with state transportation and economic development plans:** the Brazzaville port has very limited land access, for both road and rail, as it is surrounded by developed areas. Consequently, there are considerable delays

and congestions in both the delivery and removal of cargo to and from the port. The lack of integration prevents the effective operation of trade, as containers are loaded and unloaded in port areas, exacerbating congestion. The poor state of Congo's transport network prevents the country from competing effectively on the regional market. Effective transport networks would enhance overall investment, providing people and goods with access to markets and reducing the cost of doing business. It is, therefore, recommended that the Government invest in infrastructural development that links the port with other means of transportation.

**Strengthening the institutional and regulatory framework:** this report recommends that the Government undertake institutional and regulatory reform to make the port function efficiently and competitively. Poor management currently contributes to delays at the port level, as it slows the loading and unloading of cargo. Slow and cumbersome clearance procedures also affect the free movement of goods and people. In addition, border agencies, including custom officials, use paper-based documentation. No agency at the port uses computerized systems to record trade data. It is therefore suggested that agencies adopt a paperless agenda across all port agencies. Indeed, this will be a daunting challenge due to the lack of formal procedures and lack of harmonization and coordination.

**Fifth message: Developing strong links to markets and establishing rural based storage and processing industries for cassava product are essential activities in enhancing development in the sector, in terms of productivity and a higher share of regional trade.**

The price differential of cassava in Kinshasa and the still-low productivity of cassava in Congo show that the sector has an important trade potential in cassava. The price of cassava products is twice as high in Kinshasa (DRC) than in Brazzaville (Congo). The

price differential for both cities may be explained by trade barriers, mainly administrative fees and taxes on international trade at Brazzaville and Kinshasa ports and the cost of shipping, which together account for two-thirds of this price differential. Therefore, if Congo is able to reduce these costs, it could export cassava to its neighboring countries, especially DRC—which has the highest consumption rate of cassava in the world. This, in turn, could enhance productivity and help the transformation of the sector into commercial-based activities.

**The Government should act to improve farm productivity, improve food processing, and improve transport for agricultural goods to help the country gain more from regional trade.** Specifically the intervention recommends that the Government facilitate the:

1. **Creation of a cassava farmers' cooperative to facilitate access to production resources and market information.** Currently, cassava farmers in Congo are unorganized and don't have access to credit for production and processing equipment. Establishing such a cooperative would enable farmers to access inputs for production, including fertilizer, pesticides, machinery, etc. It could also serve as a means to undertake transportation, packaging, distribution, and marketing of cassava products. Furthermore, the cooperative could facilitate a source of financing for working capital and investments. The cooperative can also be a means for reliable market information, helping farmers to become better managers by assisting them in planning production to meet market demand, and helping them negotiate prices on a more 'even footing' with wholesalers and retailers.
2. **Establishment of starch based industries in the rural areas for cassava storage and processing to encourage both producers and processors.** There is a lack of storage and processing facilities and mechanics, which if available would ensure that farmers could benefit from sales of their final products, and could use mechanized technology. There are a number of factors that contribute to market access, including storage facilities and affordable transportation. Rural incomes will not be substantially increased by exclusive emphasis on subsistence food crop production; rather, more market-oriented production systems are needed. These require the intensification of agricultural production systems, increased commercialization and specialization in higher-value crops. Therefore, the major strategy for improving cassava production and processing should be to establish storage and processing industries closer to the production areas;
3. **Investment in physical infrastructure in rural areas is needed to link farmers to markets.** It is important to enhance all-season road connectivity to agricultural market centers in the key cassava producing districts. Improving market links creates a virtuous circle by boosting productivity, increasing incomes and strengthening food security. Better access to domestic and international markets means that small producers can reliably sell more produce at higher prices. This in turn encourages farmers to invest in their own businesses and increase the quantity, quality, and diversity of the goods they produce.

## Matrix of Key Policy Recommendations

Operational Objectives	Action	Expected result	Performance indicators
<b>Trade and Transport Facilitation in Congo</b>			
Reduce waiting time at the borders	Put the necessary personnel at border posts to allow them to be open 24 hours daily	Greater flow of trade	The number of hours and days that the border remains open
Reduce the number of check-point on corridors	Evaluate the importance of each checkpoint and reduce their number	Less checkpoints	The number of checkpoints
Make customs services more effective and efficient	Design clearly defined guidelines for customs clearance procedures, and introduce an IT-based data entry system.	Customs clearance guidelines develop, and the data entry system established reduces time and cost of customs	Time and cost at customs
Establish regional economic corridors	Initiate dialogue to establish economic corridors that primarily focus on building the transport network	Agreement to build surface transport network across the CEMAC/ECCAS	Signed agreement followed by construction projects
Harmonize customs procedures with neighbors	Initiate dialogue to establish one-stop border customs clearance process.	One stop border posts	One stop border posts established
<b>Strengthening the Transport Sector in Congo:</b>			
Create a national facilitation committee	Formulate a decree to reestablish a national facilitation committee, including representatives of the public and private sectors, with trade and transportation liability	The task force on trade facilitation is reactivated	A reestablished National Facilitation Committee is functioning
Evaluate international trade agreements	Conduct a detailed evaluation of the Vienna Action program for non-coastal developing countries and the resolution adopting the post-2015 development agenda to identify needs.	Better quality of the sector in policy and practice	Evaluation report is available
Develop a safety regulation	Develop and implement legislation, institutions, and safe practices	Improve road safety	Legislation adopted; Areas for rest and controls are built
Improve vehicle inspection method	Develop a modern nationwide vehicle inspection mechanism technology system	Vehicle inspection legislative and institutional framework defined, with better vehicle tools	New vehicle inspection mechanism implemented
Strengthen capacity of staff assigned to border checkpoints	Harmonize and develop trainings for staff working at checkpoints	Trained staff and rapid clearances at checkpoints	Reduction of waiting time at borders
<b>Improve Port Systems and Operations</b>			
Organize and regulate the creation of logistics warehouses and stores inside and outside (dry port) of the port area.	Develop logistic stores and warehouses	Better organized logistics facilities	Logistics warehouses and stores built
Streamline cargo clearance	Take the necessary measures and reforms to retain only the necessary administration and services	A short clearance time PABPS	A reform
Improve the information systems of the Government	Conduct a study to develop the Government information system	A total paperless process through a single aperture system.	Report of the study
Upgrade administrative operations	Develop and deploy a national portal of trade on the progress of procedures (progress, responsibilities, forms, documents, fees, etc.), trade facilitation measures, and regulations.	Operational portal, accessible, updated regularly	Trade portal

(continued on next page)

## Matrix of Key Policy Recommendations *(continued)*

Operational Objectives	Action	Expected result	Performance indicators
Technical assistance to operationalize the platform GUOT in PABPS	Operationalization of the platform GUOT in PABPS	PABPS integrated into the single window of Trans boundary Operations (GUOT)	Operational GUOT platform
Establish a harmonized working environment among stakeholders of the port	Establish, with all the stakeholders of the port, a consultative framework treating the issues of trade facilitation	A better relationship between the port and its partners and customers	Consultation Framework
<b>Strengthening a Foundational Value Chain – Cassava</b>			
Strengthen entrepreneurship in agriculture and food products.	Conduct analysis to identify barriers to entrepreneurship in agriculture and agri-food	Greater productivity and competitiveness	A policy adopted
	Adopt and implement policies from a study on rural finance system		Policy reform and study report
	Take measures to develop the domestic market and export facilitation for agricultural products		Policy measure
Improve storage of cassava	Conduct a study on the storage means and their locations	Low loss rate of cassava production	Study report
	Apply the results of the study		Number of storage facilities
Facilitate interregional trade for cassava	Reduce fees and taxes on interregional trade	Larger Congolese cassava market	Measures to reduce fees and taxes are adopted



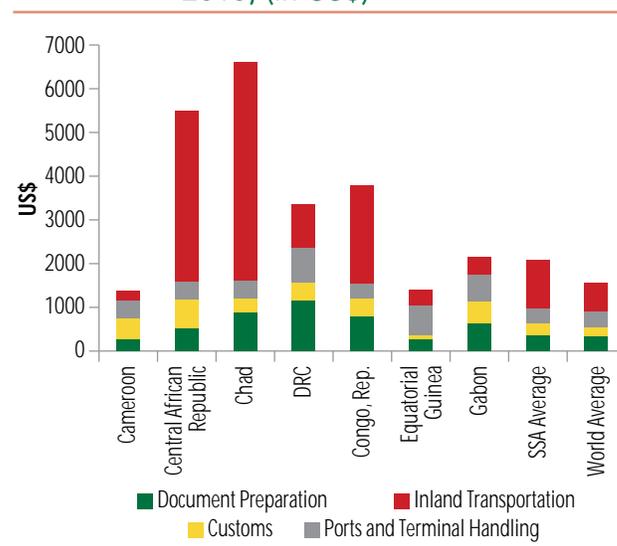
# Introduction

**T**he Republic of Congo (Congo) Government has embarked on a significant investment program to improve the country's connectivity and boost trade. Since 2007, a number of road projects have been launched, including the construction of NR1 (that connects Brazzaville and Pointe-Noire), the Obouya-Okoyo road, and the rehabilitation of 260 kilometer of rural roads. In addition, the Government, with assistance from the European Union, has allocated massive investment to the country's two key ports—Brazzaville and Pointe Noire. The work on the Brazzaville port focuses on rehabilitating the port's infrastructure. The investment in the Pointe-Noire port, on the other hand, focuses on the modernization of the port.

**New roads, railways, and airports will help reduce transportation costs while also enhancing the sector.** According to Briceño-Garmendia and Foster (2009), the ongoing or planned infrastructure interventions on roads, railways, and ports are expected to reduce the cost of infrastructure services, which are key inputs to the production process. In the case of ports, investments and institutional reforms can substantially reduce handling and administration costs associated with imports and exports. Improving the quality of the transportation infrastructure would increase the size of transportation services. However, while it is important to upgrade the country's road infrastructure, it is also critical to improve the regulatory framework to achieve the full impact of these infrastructures.

Congo's weak legal and regulatory system undermines the trade-friendly business environment. Historically, doing business in Congo has been challenging, and things have not significantly changed. Across all areas measured by Doing Business, Congo is close to the bottom of the countries ranked. According to Doing Business 2014, Congo's regulatory environment is the second worst in the world, ranked 188th out of 189 countries. The process of customs clearance is also cumbersome, and is characterized by irregularities as illustrated by the country's position of 180<sup>th</sup> out of 189 countries in a report on the category of 'trading

**FIGURE 0.1: Cost of Export from CEMAC Countries by Cost Component, 2015, (in US\$)**

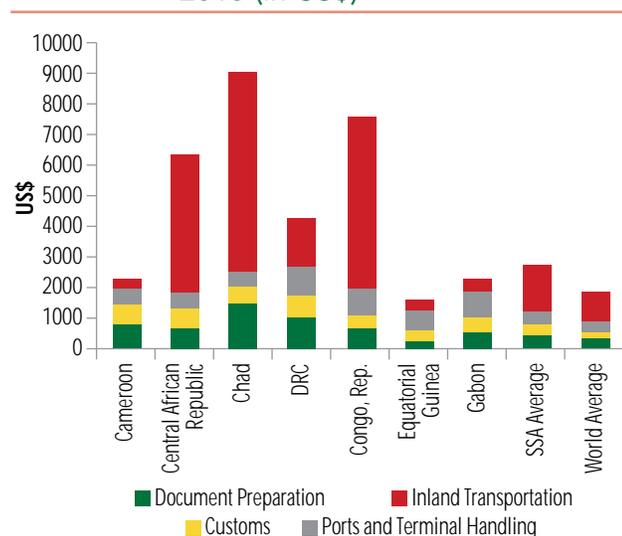


Source: Doing Business database, 2015.

across borders'. Congo's performance, in terms of the number of documents required and the time required to import and export, is higher than the sub-Saharan Africa (SSA) average, while the cost to import and export is more than 55 percent higher than for its peers in SSA. For instance, exporting a standard container of goods requires 11 documents, takes 50 days and costs US\$3,795. Importing the same container of goods requires ten documents, takes 54 days and costs US\$7,590. In Rwanda, the top SSA performer in Doing Business, exporting a standard container requires only seven documents, takes 26 days and costs US\$3,245. Importing, on the other hand, requires nine documents, takes 30 days and costs US\$4,990.<sup>2</sup> Among the four cost components of trade, inland transportation costs is at a highly exorbitant level, accounting for about 74 percent of import costs and 60 percent of export costs. Furthermore, the total cost for import is the second highest in the SSA, while the cost for exports is the sixth highest in the region (see Figures 0.1 and 0.2).

Despite the significant role of trade facilitation in the country's sustainable economic growth, to

**FIGURE 0.2: Cost of Import from CEMAC Countries by Cost Component, 2015 (in US\$)**



Source: Doing Business database, 2015.

the best of the knowledge of this report, there has not yet been a document produced that assesses Congo's trade facilitation with regard to its soft and hard infrastructure. This intervention was initiated at the request of the Government to fill this gap and assess the trade facilitation factors constraining trade development in Congo. Assessing Congo's trade facilitation, along with the creation of a concrete action plan, would provide further motivation to reform trade facilitation and encourage development partners to prioritize areas for technical assistance and capacity building.

Moreover, trade facilitation, encompassing both simplified customs procedures and upgrades to transportation infrastructures, enhances a country's ability to compete in international markets by reducing delivery time and lowering transaction costs. Studies have shown that trade facilitation can bring about economy-wide benefits. For instance, Minor and Tsigas (2008) have estimated that reducing time to export by 50 percent would result in a growth of GDP of 1.1 percent. Similarly, reducing the time required to import by 50 percent would lead to GDP growth of 2.9 percent. Clark et al (2004), on the other hand, have shown that a poor level of port efficiency, such as a lack of transparent procedures and cumbersome port procedures, may substantially raise port costs and hamper export competitiveness. Besides transportation infrastructure, transportation regulations also play a key role in determining the efficiency of the sector (Arvis et al, 2007). The study found that roadblocks in West Africa, which can occur every 30 kilometers, increase costs by ten percent. It is important to note that lowering trade transaction time and costs requires the improvement of both soft and hard aspects of trade facilitation. Studies have shown that trade facilitation reforms improve trade performance when the reform incorporates both soft and hard infrastructure, physical

<sup>2</sup> In Singapore, the top performer in Doing Business, exporting a standard container requires only three documents, takes six days and costs US\$460. Importing, on the other hand, requires three documents, takes four days and costs US\$440.

infrastructure (such as roads and ICT), and regulatory reforms (Portugal-Perez and Wilson, 2012).

**In addition, poor trade facilitation affects the volume and range of a country's international trade by reducing the transaction costs of trade, making exports less competitive and leading to a less-diversified economy.** Studies have shown that non-tariff barriers including cumbersome clearance procedures, delays along trade corridors and border posts, inefficient port services, and corruption increase transaction costs by up to 37 percent (Brenton and Isik, 2012; Gillson, 2010). Furthermore, more than 75 percent of delays are caused by the lack of coordination between border agencies (USAID, 2009). Other studies (e.g., Hufbauer et al., 2012) have shown that the potential gains from trade facilitation (measures that reduce transaction costs and time) are very large. Using a computable general equilibrium model, the World Economic Forum (2013) has shown that the global income gains from raising average trade facilitation performance half way to the level of Singapore (which is the top performer in terms of trade facilitation) could be six times larger than those resulting from the removal of all import tariffs. Similarly, econometric studies, such as Djankov, Pham, and Freund (2010), find that reducing the time required for trade transactions can significantly boost exports. Saslavsky and Shepherd (2012) show that trade facilitation and logistics performance matter significantly more for trade in parts and components—which typically circulate within global value chains—than for trade in final goods. It is, therefore, very important to assess Congo's trade facilitation and develop a strategic action plan to enhance the country's competitiveness and boost trade and economic growth.

**The main objectives of this trade facilitation intervention are:** i) to investigate the operating environment experienced by the private sector, in relation to the timely movements of goods through the Brazzaville port facilities, and identify the steps required to improve the environment, including the identification

of any legal and regulatory framework that needs to be reviewed or changed; ii) to assess Congo's main trade corridors, specifically Brazzaville-Kinshasa, Brazzaville-Douala, and Pointe Noire-Cabinda, and identify the specific causes for delays and the costs associated with these corridors; iii) to review the existing legal and regulatory framework of the road transportation sector and identify niche interventions relevant to improving the performance of the sector and the high costs associated with it; and iv) to explore the role of trade facilitation in improving the country's export diversification.

**The methodology used by the team in this report is component-variant.** In fact, the World Bank, FAO, and USAID undertook a review of relevant reports and official documents, which included reports. In addition to this, the report featured consultations with authorities and technical staff from various ministries. Thorough consultation was also conducted with the private sector. In light of its importance, first-hand information was obtained along the three trade corridors considered in this intervention. A survey tool was developed and data was collected. In addition to the survey, officially available data were also used where necessary. The methodological approach varied depending on the components of the intervention.

On assessing the logistics and transportation industry in Congo's key trade corridors, the report conducted extensive consultation with Government authorities, port officials, and the private sector involved in the transportation business. In addition, two sets of survey tools were developed to collect data on traffic flow between Brazzaville and Douala, and between Pointe Noire and Cabinda. A comprehensive survey was also conducted at Brazzaville port. The quantitative data includes actual transit time, waiting time, time and cost (formal and informal) to clear cargo, and other relevant data points. The qualitative data includes all non-numeric observations pertaining to perceived corruption, and any informal barriers to truck movement not listed but deemed important. In addition,

the qualitative data includes interviews with truck drivers, customs officials, regulatory authorities, and security personnel.

About the strengthening of the transport sector, extensive consultations on strengthening the transport sector were conducted with the Ministry of Transport and other relevant ministries, as well as with the private sector. Reviews were taken of the legal, regulatory and institutional framework of the road transportation and its enforceability. In addition, the institutional structure of the regulatory body of the transport sector was also reviewed.

On restructuring the Brazzaville port gateway, thorough consultations were conducted with the Brazzaville Port Authority, and the port was also visited to observe the movements of passengers and goods, and the operational mechanism of the port in general. The report also reviewed the operational and management structures of the port, as well as the existing legal, institutional, and regulatory framework, and evaluated consistency with other domestic policies.<sup>3</sup>

On assessing Congo's export diversification potential in non-oil products, the report uses the supply chain notion as an analytical framework, and therefore the focus is not merely export specific but also production and marketing specific. Much attention is placed on strengthening the competitiveness of production itself, as well as the role of trade facilitation for the exported non-oil commodity. Cassava has been selected for this analysis for various reasons. Cassava is the fourth most consumed staple food in the world, after rice, maize and wheat. According to FAO (2012), it is the staple food of nearly 90 percent of the Congolese population, with per person consumption of 425 kg per year in rural areas and 175 kg per year in urban areas.<sup>4</sup> The cassava sector is also considered by the Government as one of the priority sectors for development as a strategy for economic diversification and food security. Consultations and interviews with key actors of the cassava value chain were also carried out, as well as

with the authorities. The report also reviewed earlier studies and used the FAO database for the analysis.

**Drawing on the overall assessment of Congo's trade facilitation, this report presents the key findings of the four components of the intervention, and provides a matrix of the proposed action plan.** In a decade, Congo has scaled up its financial efforts in infrastructure investment, mainly in roads and ports. It has also taken important measures to remove some trade restriction (including adopting a framework of regional agreements). However, it has been revealed that there are still numerous trade barriers that affect transaction time and costs. For instance, all trade corridors assessed in this report suffer from uncoordinated and complicated customs procedures, which increase transaction costs and exasperate informal trade flows. The road transport sector is generally affected by a lack of functional institutional and regulatory framework. The results of this report also reveal that while it is important to maintain the ongoing rehabilitation of the Brazzaville port, its efficiency can only be enhanced significantly if this rehabilitation is coupled with the upgrading of the soft infrastructure, which would include improving customs procedures and streamlining clearance procedures with other agencies, etc. With regards to improving trade in agriculture products, it appears that transportation infrastructure and poor storage facilities are two of the main factors that affect the sector.

**The remainder of this report contains four chapters:** The first chapter assesses trade facilitation intervention on three main corridors of trade between Congo and its key neighbors, DRC, Angola, and Cameroon. For each of these corridors, an analysis of strengths and weaknesses is undertaken, and recommendations to

<sup>3</sup> Being the only deep-water port in the region, port of Pointe Noire is an important economic hub for Congo. However, following the consultation with the Government and local authorities, it has been decided to carry out an in-depth assessment in the future and couldn't be included in this report.

<sup>4</sup> These figures are for 2009; the average figure for 2011 is 246 kg per person.

facilitate trade are proposed. The second and third chapters focus in a greater depth on key issues facing specific corridors: transport regulation for Angola and Cameroon, and river transport for the DRC corridor. More precisely, chapter two covers interventions in the transport sector that could improve trade facilitation in Congo; it assesses the state of transport regulation and proposes a new set of measures to regulate this sector. The third chapter presents an assessment of freight transportation at the Brazzaville port and proposes a master plan to update infrastructure and procedure at this important gateway. The fourth chapter assesses trade facilitation intervention in the context of a value chain analysis in the agricultural sector, taking the example of the cassava product. In fact, this chapter

provides an example on how the trade facilitation measures proposed can be beneficial for economic diversification in particular, and for the Congolese population in general.

**In addition to this comprehensive report, four stand-alone documents have been prepared in French and shared with the Congolese authorities:** i) The Trucking Industry on Brazzaville-Douala and Pointe Noire–Cabinda Corridors; ii) A survey-based study on cross-border trade between Congo Rep. and DRC; iii) Rehabilitating and modernizing the Brazzaville port—analysis and master plan; and iv) Regulation and capacity building strategy in the transport sector.



# Assessment of the Logistics and Transportation Industry of Congo's Key Trade Corridors

Kinshasa-Brazzaville, Douala-Brazzaville;  
and Pointe Noire-Cabinda Trade corridors

1

## 1.1. Background and Objectives

Cross-border trade in Congo essentially takes place in and around its four major trade corridors. The four major trade corridors are: (i) along the northern border with Cameroon (Brazzaville-Douala, especially at Ouessou and Souanké), (ii) along the eastern border with DRC (Brazzaville-Kinshasa, along the Congo river between Mindouli and Ngabé); (iii) along the southern border with Angola: on two borders, one with Cabinda (at Nzassi) and one with Gabon (Ngongo); and (iv) along the western border with Gabon (between Lékéti-Boundji and Ewo). While all of the aforementioned four corridors are important conduits of Congo's trade, due to resource and time constraints, the Western corridor will not be covered in this report. In addition, the port of Pointe Noire is Congo's most important gateway to international markets. Given its strategic location between the Atlantic Ocean and the sub-region, and the fact that it is the only deep water in the region, the port has great potential to become a logistics hub in the region.<sup>5</sup> Furthermore, the Brazzaville-Pointe Noire route is also another key trade corridor for Congo, and deserves assessment.<sup>6</sup>

While the three neighboring countries—DRC, Cameroon, and Angola—are important trading partners of Congo, adequate information regarding the existing trade flows is not available. Firstly, official aggregate data represents only a small fraction of what is actually traded between Congo and DRC along the Brazzaville corridor. In fact, recorded imports from the

DRC are barely over 1 percent of total imports in value terms, and there is a lack of detailed trade data between the two countries. Secondly, based on the information from customs services and various stakeholders, trade exchanges between Pointe-Noire and Cabinda take place through roads and waterways. The overall trade between the countries appears to be dominated by goods travelling through the port of Pointe-Noire to Cabinda. According to available data, very few products are exported by Congo to Cabinda, apart from some agricultural products, for which accurate data is almost non-existent. Thirdly, there is almost no data on trade (trucks) along the Brazzaville-Douala corridor.

**This chapter assesses the current situation of Congo's three main trade corridors regarding trade facilitation.** The overall objective of this chapter is to assess the Brazzaville-Douala, Pointe Noire-Cabinda, and Kinshasa-Brazzaville corridors' performance in facilitating cross-border trade between Congo and its neighboring countries. It examines the institutional and regulatory framework that governs trade activities along these corridors. It identifies the main constraining factors for free movements of people and goods, and provides recommendations and action plans to alleviate them. In addition to this chapter, a

<sup>5</sup> The intervention does not cover the port of Pointe-Noire because in the Doing Business reform agenda framework, the Bank is already working on this port.

<sup>6</sup> Since the road is currently under rehabilitation any assessment would be meaningful after the completion of the construction.

**FIGURE 1.1: Map of the Republic of Congo**



more comprehensive and detailed stand-alone report (World Bank, 2015a) has been prepared and presented to the Government.

## 1.2. Transport Infrastructure and Trade

### 1.2.1. The Brazzaville – Douala Corridor

Traffic on the Brazzaville – Douala corridor is operated through two main roads/corridors, but there are three different options of entrance/exit points, including Cabosse (road passing through the Southern Region of Cameroon), Ngatongo, and Maboko (road passing through the Eastern Region of Cameroon). The Brazzaville – Douala corridor (through Ouesso) is a 2,038 kilometer long road, and is in various physical conditions from one end to another (see map for details).

### Transport infrastructure

There are three entry points in the Republic of Congo along the Brazzaville Douala corridor: Maboko, Cabosse (Ntam), and Ngatongo. All of these points are used by truckers carrying wood for timber companies (to export to other countries through the Port of Douala), but Maboko is by far the most used entry point, with more than 90 percent of truckers passing through it. While the crossing through Cabosse is on dry land, trucks need to use ferries to cross the river when travelling through Cabosse and Ngatongo. Border agencies are located on both sides: i) for the entry through Cabosse—they are located in Ntam (on the Cameroon side) and Cabosse on the Congolese side; and ii) the other entries are found in Socambo (for Cameroon) and Nagatongo and Maboko (for the Congolese side).

Of the two main roads linking Douala to Brazzaville, the road passing through Maboko, is the most popular, as the condition of the road along this route is generally in a better condition. The Brazzaville-Douala corridor is typically used by logging companies to export timber through the Port of Douala (a Chinese company SEFYD in Cabosse, CIB in Ngatongo and IFO in Maboko). However, according to truckers and importers, the most preferred route is the one passing through Maboko, which is also the focus of this report's analysis. The number of vehicles passing through Cabosse and Ngatongo is very low in comparison. Compared to other routes, the road that goes through Maboko is in better physical condition. Particularly, parts of the road on the Cameroon side are in bad physical state. In addition to the relatively better road condition, there is only one place where it is necessary to use a ferry to cross the river (reducing the cost of crossing the river).

The Mambili bridge is an important segment of the corridor that links the two countries. Construction of this road started in 2012 and have been finalized in 2015. The Mambili bridge is currently playing an important role in the socio economic and political development

**TABLE 1.1: Length and Condition of the Roads Sections along the Brazzaville-Douala corridor**

Departures	Destinations	Distances (km)	Condition
Douala	Yaoundé	254	Tarred road
Yaoundé	Bertoua	322	Tarred road
Bertoua	Yokadouma	274	Tarred road
Yokadouma	Socambo	315	Untarred road
Socambo	Maboko	12	Untarred road (border clearance processes start at Maboko and end at Ouessou at the Custom services)
Maboko	Ouessou	3	Untarred road
Ouessou	Mambili	199	Partially (more than half) tarred
Mambili	Owando	126	Tarred road
Owando	Obouya	65	Tarred road
Obouya	Etsouali	276	Tarred road (some sections are currently under rehabilitation)
Etsouali	Brazzaville	192	Tarred road (some sections are under rehabilitation)

Source: Authors.

of the country, as it enhances trade along this corridor and links the northern part of the country to its other regions as well as other countries (see Box 1.1).

### Trade flows

Timber accounts for a large share of the goods transported along the Brazzaville-Douala corridor.

### Box 1.1: The Mambili Bridge: Symbol of Economic Growth and Socio Political Unity

A 120 meter long concrete bridge crossing over the Mambili river, the Mambili bridge was constructed in 2011 in the framework of ongoing efforts carried out by the country to ensure a sustained regional integration through the connection of all of the capitals of Central Africa's countries. Construction works carried out targeted not only the river, but also consisted of a huge amount of earth backfilling to fill in existing swampy areas that covered an area over ten kilometres long. The treatment of that area, coupled with the construction of this crossing, has a dual signification and importance for the Republic of Congo:

- Physical and geographical connection of the whole Sangha Division to the rest of the country. The existence of the Mambili Bridge contributed in reducing the socio cultural distance between Congolese by bringing them closer each to other. On the political side of it, this also contributed to bring administration closer to the population, reinforcing decentralised entities;
- Infrastructure of a great economic value. The construction of this infrastructure has hugely contributed (impact is yet to be assessed) to boost the vehicle traffic (from nothing to almost 20 trucks per day, not counting light vehicles) on the studied corridors, consequently allowing and easing the transportation of freight from the northern area of the country up to Brazzaville (the main consumption centre of the country) and other localities. As a transit country located at the heart of the region, this improved infrastructure is a significant contribution to regional integration.

All of the people met agreed on the fact that before the crossing was built, the movement of persons and their goods used to be a nightmare. Goods coming from Cameroon used to be offloaded in Ouessou and then conveyed to Brazzaville on the river stream. For human transportation, it used to involve being transferred from one means of transport to another, or walk from one end of the river to another, using a monkey bridge, with lot of risks to be encountered.

Source: Authors.

Timber accounts for about 29 percent of trade exchanges between the two countries, followed by vide (22 percent) and food products (12 percent). Congo's exports are mainly of raw wood and timber, which account for 96 percent of total exports to Cameroon. Hydrocarbon and food products account for 3 percent and 1 percent of exports, respectively. Imports from Cameroon, on the other hand, are dominated by building materials (48 percent), followed by oil and related products (29 percent), and thirdly food products (16 percent).

**Trade along the corridor has been steadily growing in the past few years, and is largely dominated by goods transiting through Pointe Noire.** Of all the outbound freight shipments from Congo are goods that transit in the country towards Cabinda, the final destination, given the transshipping role of the Port of Pointe Noire. Similarly, inbound freight shipments to Congo are characterized largely by export goods from EQG passing through Pointe Noire port, destined for other countries.

**Congo's exports to Cabinda are mainly agricultural products.** In fact, very few products are exported from Congo to Cabinda, apart from some agricultural products. Official data is almost non-existent. In addition to some agriculture products, current exchanges are dominated by fuel (and fuel products) and timber.

### 1.2.2. Pointe Noire-Cabinda Corridor

**Transport infrastructure in the port of Pointe-Noire is an important asset for Congo.** It remains one of the few deep-water ports in the entire region of Central Africa. Currently, it serves as a transit channel to various imports of certain neighboring countries like Angola (in the enclave of Cabinda), DRC and CAR. The port of Pointe-Noire is the first point of quality control, trade and customs for Cabinda's imports from other continents, and the second in exports of forest

products (especially wood), after the border towns of Tchiamba (Angola) and Nzassi (Congo).

**The neutral zone between the Congolese and Cabinda barrier is 600 m., it juxtaposes an area of 1200 m<sup>2</sup> to the left of the Congolese barrier.** This space is reserved for the construction of a bus station and for exchanges between small traders. Different control services are located on either side of the National Highway No. 4, 0.075 kilometers away from the border fence on each side. The movement of people and goods is marked by a strong police presence, and the army often arrives to collect certain non-regulatory taxes. At 22 kilometers from the barrier at the border, there is a toll point located in Pointe-Noire in the district of Ngoyo.

**The road infrastructure between Pointe-Noire and Cabinda is in good-to-fair condition.** In addition, the undergoing construction of the new highway between Brazzaville and Pointe Noire will strengthen Congo's potential to become a regional logistics hub. However, the lack of other more efficient modes of transportation (such as rail and waterways), limits the capacity of the corridor to transport containerized goods. Furthermore, to take advantage of its strategic position, the country needs to improve its infrastructural connectivity between the commercial capital of Pointe-Noire (as well as the political capital of Brazzaville) and the rest of the major cities in the region.

**The Brazzaville-Pointe Noire railway network is an important component of the Pointe Noire-Cabinda corridor, as it links the remote areas of the country with bigger markets in the country, and across the region in the south.** The Brazzaville-Pointe Noire railway network facilitates: i) the transport of goods from remote areas in Congo (where access is impossible by other modes of transportation), and neighbouring countries (Gabon and Southern Cabinda), towards consumption centres (Brazzaville and Pointe Noire); ii) the transport of imported products from the deep sea port of Pointe Noire towards Brazzaville; and iii) the transport

of passengers. The railway infrastructure was damaged by the 2000 civil war. Some rehabilitation work has been carried out in recent years (mainly on equipment, rather than railway infrastructure), but more still needs to be done to improve the logistics infrastructure of the network. This is an important area that needs attention, as it is key in linking both remote and urban areas of Congo with the country's gateway to international markets, including its immediate neighbour Gabon.

### Trade Flows

**Trade between Angola and Congo appears to be dominated by exports from Congo.** The overall trade exchange between the two countries is dominated by exports from the Point Noire to Cabinda (Tables 1.2

and Table 1.3), which are in general goods transiting through Congo. In fact, very few products are exported to Cabinda by the Republic of Congo, apart from agricultural products, for which accurate data is almost non-existent. Current exchanges are highly dominated by fuel (and fuel products) and timber, comparing to other freight (non-liquid) passing through the port's custom bureau.

Food products dominate the overall trade exchanges between Congo and Angola. While food accounts for about 39 percent of Congo's imports from Angola, it accounts for only 19 percent of its exports. Interestingly, 31 percent of imports from Angola are wood products, which are largely using Congo as a transit gateway. Congo's exports to Angola are

**TABLE 1.2: Export Values (XAF millions) and Quantities (100s tons) from the Republic of Congo to Angola**

	2009		2010		2011		2012		2013	
	Value	Qties	Value	Qties	Value	Qties	Value	Qties	Value	Qties
Principal Port	80497.27	169.60	16779.16	36.06	48658.41	57.51	97299.51	83.82	42132.54	40.74
Principal Ext Airport	80497.27	169.60	16779.16	36.06	48658.41	57.51	97299.51	83.82	42132.54	40.74
Principal H&B	5639731	690.95	13245220	1,719.39	7157310	695.06	2307573	314.47	5593046	219.69
Principal Beach	0	0	0	0	0	0	1419.42	0.81	0	0
FORALAC	375.05	0.59	0	0	0	0	0	0	0	0

Source: Customs services, Rep. of Congo.

**TABLE 1.3: Import Values (XAF millions) and Quantities (100s tons) from Cabinda to the Republic of Congo**

	2009		2010		2011		2012		2013	
	Value	Qties	Value	Qties	Value	Qties	Value	Qties	Value	Qties
Port	34.62	9.38	103.86	1.30	126.94	0.36	975.13	4.07	761.64	5.64
Principal Ext Airport	2688.82	1,264.78	1765.62	1.24	7922.21	10.77	1084.76	0.99	3277.36	7.10
Principal H&B	408602.6	0.00	532547.9	480.06	511510.5	408.44	1227239	1,004.44	794881	944.18
Beach	0	0.08	5.77	0.04	0	0	0	0	0	0
Secondaire des Hydro.	5337.25	0	0	0	0	0	0	0	0	0

Source: Customs services, Rep. of Congo.

dominated by building materials, which account for 61 percent of total exports to this country.

### 1.2.3. Brazzaville-Kinshasa Corridor

#### *Transport infrastructure*

**The river port of Brazzaville is the main border crossing between the Republic of Congo and its larger neighbor, the Democratic Republic of Congo (DRC).** Located on the transportation corridor, Tripoli-Windhoek is also the first multi-modal transfer point for trade with the Central African Republic (CAR) and DRC. It therefore affects not only the Congo, but also neighboring states and pan-African and regional organizations, including the African Union, the Economic and Monetary Community of Central Africa (CEMAC), Economic Community of Central African States (ECCAS), and particularly the International Commission of the Congo-Oubangui-Sangha basin (JRCC).

**The port lies on a narrow strip of land on the right bank of the Congo River.** The strip is 4400 meters long with an area of 55 ha, from upstream of the Chamber of Commerce in Yoro and down to Maloukou. The port is divided into two main areas: (i) the upstream zone (log port) area, which has a length of 1200 meters and an area of 16 ha, including 245 m<sup>2</sup> of quay and 80,500 m<sup>2</sup> of landscaped medians, and (ii) The downstream zone, which encompasses an area of 39 ha, with facilities for various port activities, including offices, logistics companies, passenger stations, etc.

**The general condition of the port's facilities could be explained by its outdated equipment and a lack of regular maintenance.** The Government provided funding for the rehabilitation of the port in 2012 (with financing of the European Union / 10th EDF) and work is currently in progress. Customs services have neither a packaging infrastructure within the port nor a merchandise reconditioning infrastructure for

shipments. Port customs services do not even have a scale for weighing the goods, which is needed for controlling mass merchandise imports of restricted goods. There are a number of factors influencing the movement of goods within the port:

- a. The unloading area is too small, resulting in considerable congestion and accidents, involving both people and vehicles and other means of transportation.
- b. Many vehicles are very old, causing traffic jams and congestion in the port area.
- c. The cranes repeatedly fail, causing slow unloading of goods.
- d. The lack of customs clearance warehouses and areas immobilizes barges before the total discharge of their goods can be achieved.
- e. The lack of a suitable parking for transport creates traffic jams.
- f. The lack of a control system for traffic, alternating between the central portal and exit from the National Employment Office and labor (ONEMO), disrupts the flow of vehicles.

#### *Trade flows*

**Most of the trade between the Republic of Congo and DRC is informal.** Official data show almost no trade between Congo and DRC. Recorded data on goods passing through the Brazzaville port onto Kinshasa could be of two kinds: (i) overseas imports that have been unloaded at Pointe Noire (Congo, Rep.) or Douala (Cameroon) and transported through Brazzaville, or (ii) imports of goods produced in Congo. However, there is lack of detailed trade data between the two countries. The main recorded DRC import goods from Congo are fuel, vehicles, building materials, cement, and mineral water. Most cross-border trade between the two countries seems to skip the regular customs procedures. The official figures under-report the actual trade share and imply there is potential for an expansion of formal trade.

### 1.2.4. Cross-Border Comparison

#### *Brazzaville-Douala corridor*

**The road on both sides of the Brazzaville – Douala corridor is more or less in good condition, although some sections of the road need to be tarred or rehabilitated.** About 88 percent of the road between Brazzaville and the border town of Maboko is tarred, while 12 percent of the road is untarred (Table 1.6). About 62 percent of this tarred road is currently under rehabilitation, particularly in the stretch between Brazzaville and Queso. The road between Queso and the border town of Maboko is partially tarred. On the Cameroonian side, 72 percent of the road is tarred and 28 percent untarred.

**The proportion of the number of checkpoints is almost the same on both sides, with similar uncoordinated customs and clearance procedures.** There are a total of 34 checkpoints along the Brazzaville – Douala corridor, with 14 of them on the Congolese side and 20 of them on the Cameroonian side. This means that on average there are checkpoints every 61 kilometres on the Congolese side and every 58 kilometres on the Cameroonian side. Similar to Congo, there is a lack of coordination among the Cameroonian agencies operating at checkpoints and at the border.

#### *Pointe Noire-Cabinda corridor*

**The port of Pointe Noire and Cabinda are only about two hours apart, with good road conditions on both sides.** The total distance between Pointe Noire and Cabinda is about 94 kilometres and it is entirely tarred. From the Congolese side the National Road N°4 (RN 4), a 36 kilometre long route, links Pointe Noire to the border town of Nzassi. The physical condition of the road is good, despite some signs of wear and a need for maintenance.

**Customs procedures and operational hours are unsynchronized between the two sides of the border.** Firstly, traders currently need to prepare clearance

documents in both French and Portuguese. If the original document is in French it needs to be translated into Portuguese, and vice versa. Secondly, border posts of the two sides have different operational hours, and this forces truckers to queue until the relevant office on either side is open.

#### *Brazzaville-Kinshasa corridor*

**The Kinshasa port facilities are in a poor condition, and there is also a lack of maintenance, combined with outdated and inefficient customs processes.** Due to serious problems with aging equipment and a lack of maintenance of the infrastructure, there are significant delays in the transportation goods between the two cities. Consequently, trade exchanges are very much limited to food and small household items (such as soap, sugar, food oil, etc.). In addition, the lack of any automation system or transparent regulatory framework makes traders vulnerable to informal payments.

**Similar to the port of Brazzaville, excessive administrative costs are one of the main factors that affect trade passing through Kinshasa.** Administrative fees and taxes alone amount to around XAF9702 (US\$16) in Kinshasa, compared to XAF7580 (US\$12.50) in Brazzaville. In addition, customs procedures at Kinshasa are cumbersome, and traders are usually frustrated by the tight timetables and poor organization of the ferry port. Customs clearance of goods is done in open spaces and is poorly organized. Both traders and other passengers are treated in the same terminal, which complicates customs procedures and creates opportunities for rent extraction.

## 1.3. Regulatory and Institutional Framework

### 1.3.1. The Brazzaville-Douala Corridor

The high number of checkpoints causes delays and results in informal payments. There are a total of 20

control sites on the Cameroonian side of the corridor and at least 14 in Congo (without counting controls sites inside Brazzaville city). These controls involve either one or more (mixed/combined) types of the following bodies: police, gendarmerie, road safety, immigration, customs, etc. These checkpoints are subject to various expenses: at each checkpoint truckers may be required to pay between XAF 5,000 and 15,000 (US\$10 and 30). For trucks transporting perishable goods, this amount doubles, reaching up to XAF 25,000 (US\$50) per truck. Truckers revealed that they spend on average XAF 250,000 (US\$500), out of which around XAF 175,000 (US\$350) is spent between Maboko and Brazzaville).

There are seven weighing stations along the corridors, but they are all on the Cameroonian side. These stations are under the supervision of the Cameroon Ministry of Public Works, in association with the Ministry of Finance, for revenue collection. All of the stations are operational, except one, Bonis. These stations are control tools (axle load systems), contributing to the preservation of road assets by fighting against road damages caused by the overloading of trucks.

**Trucks registered in Congo have a comparative advantage on this corridor.** In fact, according to the CEMAC regulation for freight transportation, only trucks registered in Congo can carry freight between Brazzaville and Douala. Congolese trucks thus have a comparative advantage given that others have to make empty return trips. After dropping their freight in Brazzaville, they have the opportunity to carry further freight within another section of the corridor. This allows them to make a reduced number of empty journeys on their way back to Douala. At the second stage, trucks under contract with timber companies also have a better advantage, since they load timber from Ouessou to Douala. A truck registered in Congo that is under contract with a timber company can offload its freight in Brazzaville and then reload at least two times on its way back to Douala (firstly from Brazzaville to Ouessou and then from Ouessou to Douala). According to truckers whose vehicles are registered in Cameroon,

and who are not under contract with any timber company (this mostly concerns trucks transporting perishable goods from Cameroon) they return empty 50 to 100 percent of the time.

**Ouessou is the only custom bureau that is not connected to the national network and the main server of the ASYCUDA system.** Declarations and other information are manually entered into the system at a predefined frequency (a mission goes to Ouessou from central office in Brazzaville and gathers documents that are tallied once they arrive in Brazzaville). However, due to the high importance of timber traffic in Pokola (the location of the Congolaise Industrielle du Bois (CIB)) and Cabosse (the location of SERFYD and IFO), a whole set of equipment has been installed, that is connected to the rest of the system.

**At Maboko (at the border of the country beside Cameroon), staff at Custom Services work from Monday to Friday, from 8am to 5pm.** This daily working schedule is in line with the operational hours of one of the ferries that provide services to carry vehicles from one end of the river to another. Since the ferries operate on Saturdays, the customs office may provide exceptional service on Saturdays from 8am to 12am. To benefit from their services however, each client has to pay a fee for extra work services per hours, which is set at XAF 20,000 (US\$40).

**Government agency offices are built using provisory materials (wood) as a block set of segmented units, where each administration has its own office.** These offices are provided with very limited equipment (in most cases this includes a table, chairs, and a board for archive). The custom offices used to be provided with light and an internet connection through a V-SAT, but this is no longer the case. According to Custom staffs, the offices at Maboko mainly serve as transitional stages in the clearance process of goods: goods' travel documents are collected there and transferred to the Divisional offices for processing and payment. However, it was observed

**PICTURE 1.1:** Offices of Administration Services and Vehicle Parking Area at Maboko



Source: Authors.

### Box 1.2: Penalty Fares of the Trade services: A ‘Two Weights Two Measures’ Approach

According to the Law N°03/2007 of 24/01/2007 regulating importations, exportations, and re exportation activities in the Republic of Congo, any importation of goods should be declared to the ministry in charge of trade and controlled at the country’s border by existing services (customs, phytosanitary, etc.). Staff of the ministry in charge of trade are also habilitated to carry out control and inspection missions, even at the border of the country.

However, these control and inspection missions provide an opportunity for divisional staff of the ministry in charge of trade to carry out wrong practices and misbehave. As clearly mentioned by the document, infractions can result from inspection and control missions, which should be sanctioned in different ways, including penalty fares and confiscation of goods. This measure is supposed to be applied only once, at the entrance of the country. However, from observations made on the field, this penalty fare is paid both at the entrance of the country (Ouessou, Sangha division) and inside the country at Owando (Cuvette division next to the Sangha). A quick look and comparison of some documents produced by these two administrations showed that, despite mentioning the same types of infractions, the amount of penalty fares is sometimes different. Basically, even if the law opens the way to designate the various infractions, there is no clear and objective way of fixing the penalty fares of each. Fares are said to be fixed as a result of a transaction/bargain between the trade administrator and the shipper (transactional penalty fare). It is understood that this way of operating results in bad practices.

On the other hand, all collaborators of the Trade administration at divisional levels keep in contact when communicating information regarding any vehicle that has entered the country, to make sure the above mentioned fees are taken at other points apart from Ouesso. They use their own mobile phones for this purpose.

Source: Authors.

by the mission that many small and medium traders are stopped at the station to complete the clearance process of their goods at customs and other services, with payment of due fees.

**The Congolese authorities at the border entry point assess freight documents and the transported goods as part of the clearance procedure.** Apart from custom clearance expenses, there are other services that require further payments:

- i. Local council – there is no basis for the calculation of the amount set, and they usually require an amount of XAF 10,000 (US\$20);
- ii. Tax services – require 3 percent of the freight FOB value;
- iii. Trade divisional services – they fix the penalty amount in an arbitrary manner (they call it a transactional penalty fare) as per the number and amplitude of infractions found. Based on investigations done on site (comparison of documents produced by these services) this amount is generally between XAF 150,000 and XAF 225,000 (US\$300 and 450).

### 1.3.2. Pointe Noire-Cabinda Corridor

**The general scheme of imports in Congo allows traders to freely exercise import activities, providing they complete the formalities involved.**

Firstly, the operator must be registered in the Commercial Register and registered in the files of the National Institute of Statistics (INS). The procedures also include the need for each operator to obtain a unique identification for the tax department, and be registered with the chambers of commerce, industry, agriculture and crafts. In addition, the importer must also be registered in the National Social Security Fund.

**The import formalities are characterized by the need for each operator to fill out a single form, to which it must attach all necessary documents, and to carry out import procedures in the Congo, which are summarized in six stages:** the import declaration, the establishment of a certificate, the presentation of a certificate of origin, inspection of goods, the local insurance obligation of imports (2013 Finance Act), and the control of pre-inspection by a private company

(for goods with a value greater than XAF 3,000,000 (US\$ 6,000) and debit payments).

**The procedures and formalities for exports from Congo are similar to those required for imports.**

Each exporter must fulfill the conditions of exercise of the profession of trader to be able to ship merchandise. All exports must lead to a customs declaration. An exchange commitment is also required for any export transaction. This document, which must be referred by a paying bank, is the obligation of repatriation of export earnings for countries outside CEMAC and convert them into CFA within 30 days after shipment of goods.

**There are a total of six checkpoints along the road, from the gate of the Port to Nzassi, including national police, immigration and gendarmes.**

Truckers indicated that they spend a total of about XAF 28,000 (US\$50) as informal payment at each of the six checkpoints. The driving time from the Port gate to Nzassi, the country border, is around one hour. The number of checkpoints doesn't appear to affect the time taken to cross the border. Truckers usually give bribes as soon as they pull over, and once they do they are let go almost unchecked, without any delay.

**Traffic along this corridor is mostly affected by two factors that dictate its seasonality, which are based on existing practices adopted by different stakeholders.** These include the following:

- ▶ **Working days per hours of custom services.** The customs offices are open from Monday to Friday, between 8am and 3pm and they are close over weekends. Any clearance process that is not completed on Friday afternoon will be dealt with the following week. Consequently, the corridor will start to get busy between Mondays (mostly in the afternoon), reaching its peak on Saturdays (for freight for which the clearance process has been completed on Friday afternoon and the truck has been loaded the same day, but could not leave the same day).

- ▶ **Location of trucks.** Since the majority of trucks belong to Angolan importers and transporters, they travel to Pointe Noire at a very specific frequency (under the control of freight forwarders) to load their freight. They usually do this on a daily basis or for not more than two days.

Other characteristics of the trucking activities along corridor include:

- ▶ The language barrier. The two neighbouring countries speak different languages, creating communication barriers between the two sides. Importers' freight documents, with documents in English, need to be translated into French at the first stage (for treatment at Port Pointe Noire) and then into Portuguese for clearance in Angola. According to some freight forwarders, the translation process leads to loss of or wrong information, creating problems (delays in the clearing process, overestimation of importation prices, etc.) for the freight forwarders.
- ▶ The lack of a regulatory framework. Congo doesn't have a signed bilateral convention with Angola, as far as freight transportation along this corridor is concerned. A bilateral convention between the two countries would be helpful in supporting the trucking industries of both countries, as well as other aspects of transport services along this corridor. As is the case with other conventions linking the countries of the region, the signature of this convention is important in: i) setting up the conventional road; ii) establishing rules for movement of people and goods; iii) determining and setting up control points/barriers; iv) agreeing and defining which documents are required to carry out the activity in question;
- ▶ Membership to different regional economic agreements. This is not only related to the issues mentioned above (management of freight within a regional framework) but also to the use of different currencies.

### *Crossing the border*

Once a truck is loaded, it leaves the port, accompanied by a convoy ensured by a customs staff up to the border. The convoy service is charged by the custom services and paid at the port site along with other charges. The purpose of the customs convoy is to make sure that the trucker is not stopped unnecessarily at the checkpoints and also ensures that goods are transported to Angola as per the paperwork (to avoid fiscal fraud). When the truck arrives at the country border, no specific formalities are required for freight, but there are formalities required for people (immigration, phytosanitary, etc.). Since the freight is in transit, documents produced at the port of Pointe Noire are shown to the border agencies, to obtain an exit visa ('good to proceed'). This is the final stage of the clearance process, and no payment is required here. Once clear from the Congo side, the vehicle and its freight (plus documents) can cross the barrier for further clearance formalities on the Angolan side.

There are a number of agencies operating on the Congolese side of the border, including national police, immigration, customs, phytosanitary, etc. Each agency has its own office. It takes only a few minutes to go through this final stage of the clearance process, if all transit documents are ready in advance. However, the limited office opening hours affect the workflow of the customs and other services. Extra fares would be asked for services out of the standard working hours.

### **1.3.3. Brazzaville-Kinshasa Corridor**

The movements of the riverine units of the two countries, Congo and DRC, meet the parity principle included in the agreement signed by the two States on October 7, 2005. This principle was acknowledged by the two large state companies—Chantier naval et transports fluviaux (CNTF) and Société commerciale des transports et des ports (SCTP)—in the first half of 2013. According to the statistics of the port, each company completed the same number of movements

between Brazzaville and Kinshasa, at 282 each. In 2014, however, the principle has not been respected. There has been noticeable gap in favor of SCTP. This difference can be explained by the aging of the Congo River facilities, compared with those of the DRC.

The limited time of customs operations is causing delays. The duration of the import process depends on all actors to PABPS. It should be noted that delays are reported both in the services of the port and during the unloading of goods. Regarding customs, the duration of operations is estimated at two days for all customs formalities. When incorporating all of the services involved in the port, the average duration of all operations is about six days.

**In total, there are eight border agencies on the Congolese side of the border including:** Customs, National Police, Immigration, Ministry of Trade, Phytosanitary, Taxes services, local council, and PABPS. Each agency proclaims itself to be in charge of the clearance process of freight and/or people. Each step of the clearance process requires a payment to be made on the basis of individuals/persons goods or freight entering the Congolese territory. To complete the required clearance formalities (regardless of whether the person is transporting goods or not, or the type of goods the person may transporting), each individual has to spend about XAF 50,000 (US\$100) (for police, phytosanitary and immigration services) on the Congolese side of the border, and XAF 5,000 (US\$10) (immigration) on the Cameroonian side. On the Congolese side, this amount has to be paid twice for a return trip (it is paid both ways).<sup>7</sup>

### *Crossing the border*

There are four main Government authorities operating at the Brazzaville port—The Ministry of Finance

<sup>7</sup> Such payment is not in accordance with the regulation on 'regional integration of people and goods' of the CEMAC region, for anyone originating from a CEMAC country.

(which is responsible for customs and taxes); The Ministries of Trade; The Ministry of Health (pests); and The Ministry of the Interior (police and immigration). However, there is no well-structured information exchange between these agencies, and they all use outdated methods of data collection. Mostly, the goods that pass through the port go unrecorded due to a lack of equipment and proper procedures. The clearance procedure largely depends on the clearing agent at the desk.

As a guarantee that the truck will come from Brazzaville and go back to Cameroon, custom services have introduced a dissuasive measure consisting of collecting an amount of XAF 2,000,000 (US\$4,000) from each truck that crosses the border. The driver is given a total of ten days, from the entry date, to come back and leave the country. In the case of failing to respect this rule, the guarantee fees will not be given back to the driver. This was introduced as a discouraging measure for people who want to sell their vehicle once they're in Brazzaville, which would be considered fraud. There

are some reports of trucks that never come back to Cameroon after they've entered the Republic of Congo. It is said that these vehicles have been sold and registered locally. Realistically, however, this dissuasive measure is unlikely to stop such a practice, as it is much less than the selling price of trucks.

## 1.4. Transport and Logistics Services

### 1.4.1. The Brazzaville-Douala Corridor

At the Congolese border, trucks have to use ferries to cross the river (see picture 1.2). These ferries belong to timber companies (IFO on the Maboko side and CIB on the Ngatongo side) and are used mainly to allow trucks passing with their timber to cross the river (any truck carrying timber that belongs to one of these companies doesn't pay the crossing fee). River crossing fees vary from XAF 80,000 (US\$160) (for trucks stopping at Ouessou) to XAF 120,000 (US\$240) (for trucks travelling up to Brazzaville). Up to a certain

**PICTURE 1.2:** Ferry Waiting for Trucks to Cross the River Border between Congo and Cameroon through Maboko



Source: Authors.

date, the normal tariff was set to XAF 25,000 (US\$50); but this was raised (as an administrative decision) due to the high frequency of passing trucks coming from Cameroon. There is no apparent logic however in the difference in fees between trucks that goes to Brazzaville and ones that stop in Ouessou.

The provision of transportation service along this corridor has some seasonality characteristics, which are related to the nature and type of product being transported. While non-perishable commodities can be transported throughout the year, fresh products (onions, garlic, beans, maize, etc.) are generally imported from Cameroon only during the cultivation season—from February to March (and few weeks after). In addition to this, given their perishable characteristics, the travel time has to be as short as possible, to avoid/reduce losses during transportation.

**A typical truck makes two or three trips per month through Maboko.** According to truckers, they make round trips at an average frequency of two or mostly three times per month during the dry season. Their trips are usually determined by: i) the road conditions; ii) the need to keep the vehicle well maintained (which varies with bad road conditions); and iii) the availability of freight, etc. The number of return trips is considerably lower during the rainy season (one per month). A total of four to seven days are required to cover the corridor from one end to another, during the dry season. During the rainy season, they spend a longer time per trip because of poor road conditions (the road is untarred, resulting in frequent cut-offs).

#### 1.4.2. Pointe Noire-Cabinda Corridor

Goods traffic appears to be relatively intense. Our survey shows that about 12 vehicles pass through the border post per day during the opening hours; on some of the days, there can be one vehicle every 30 minutes on average. Some days can reach a peak of 20 vehicles passing through the Tchiamba Nzassi

border post. Several types of vehicles contribute to the cargo traffic. The majority of this traffic is made up of trucks with trailers (46.5 percent), and trucks without trailers (38.3 percent).

#### *The trucking industry*

**Truckers and truck companies from Angola heavily dominate the trucking business along the Pointe Noire-Cabinda corridor.** Until recently, Congolese truckers dominated operations along this corridor. However, in recent years drivers and companies from Angola have dominated the business. According to the people interviewed, poor security is the main reason for the lack of interest shown by the Congolese truckers for this corridor. They noted that there have been constant road hassles and harassments from agencies such as the police, immigration, and local council on the Angolan side of the corridor.

**Angolan truckers are working with Congolese freight agencies.** In recent years, an increasing number of Angolan truckers are running their business in collaboration with the Congolese freight agencies to transport goods from Pointe Noire to Cabinda. In practice, Angolan truckers/drivers (based in Cabinda) are constantly in touch with freight forwarders (based in Pointe Noire). The Angolan truckers stay in Cabinda until they receive a notification (through a phone call) from the freight forwarder to drive towards Pointe Noire to load their goods.

**Freight forwarding along the Pointe Noire-Cabinda corridor is largely operated by Congolese nationals or companies based in Pointe Noire.** This is simply because of the location of Pointe Noire, which gives comparative advantage to the Congolese operators to follow up the clearance process at the port. As for the Angolan importers, it is much easier to run their business in collaboration with the Congolese freight agencies.

**A lack of parking/rest areas causes congestions and security problems.** There are no parking spaces

for trucks coming from Pointe Noire to Cabinda; they have to park along the side of the road (creating traffic congestion around the area) while waiting to finalize the clearance process. Parking on roadsides leads to various problems, including a lack of security for the drivers and their goods, hygiene and sanitation, etc.

#### *Transport prices and costs*

Prices for the transport of goods from Pointe Noire to Cabinda. Transport prices from Pointe Noire to Cabinda range between XAF 560,000 to 720,000 (US\$1,400 and 1,800). Most commonly, prices are negotiated between Angolan importers and transporters in Cabinda.

### **1.4.3. Brazzaville-Kinshasa Corridor**

**The number of ships arriving from DRC declined slightly in 2014.** During the second quarter of 2013, 53 percent of the goods that ships landed at Brazzaville were from DRC, compared to 48 percent in the second quarter of 2014. The maximum number of ships that can be accommodated simultaneously at the port is six. In July 2013, the port recorded 72 docking ships, but this number declined in June 2014 to 50 ships. Furthermore, the total volume of goods handled an average of 887.5 tons/day and the average occupancy rate of berths was 95 percent.

The differences in the number of docking ships are attributed to a number of factors, including: i) the state of relations between the two neighboring countries, Congo and DRC. The expulsion of nationals in Kinshasa in September 2014 led to a virtual paralysis of port activities for several months, for example; ii) inadequate port space; iii) the clearance procedure declaration (the level of dynamism in forwarders and importers); iv) the water level in the river basin (which varies with the dry and rainy seasons); v) the absence of a tugboat at the port; and vi) the availability of electricity and lifting equipment.

#### **Brazzaville port lacks a storage facility, creating congestion inside as well as outside of the port.**

Due to this lack of storage facilities, all unloaded goods have to be transported right away. Therefore, ships have to wait for their turn to unload the goods. Due to the lack of equipment and docking facilities, there can be considerable delays. The goods unloading area is very small, causing congestion and leading to repeated accidents. Also, the means of transport are old, which limits the speed at which goods can be transported.

#### *Transport prices and costs*

Transporting a 20-foot container of goods from Brazzaville to Kinshasa costs about XAF 852,550 (US\$1,475). This includes both loading and unloading of goods and port fees. The shipping cost alone, however, accounts for 44 percent (XAF 375,700 or US\$650) of the total costs.

## **1.5. Regional Integration**

Congo is a member of two major sub-regional economic communities: CEMAC and ECCAS. CEMAC is composed of six states, of which five are also members of the WTO: Cameroon, Congo, Gabon, CAR, and Chad; Equatorial Guinea has observed status, and applied for accession to the WTO in 2007. All the CEMAC countries also belong to ECCAS, which was established in 1983 but has been slow to take off.

Achieving sub-regional integration through road networks is one of the main targets of the Government policy, for two main reasons: i) the need for a political stand at the sub regional level, given that Congo appears to be at the junction of many transit paths in the region; ii) the existence of financial resources (revenue from petrol and woods exports) specifically attributed to sub-regional integration projects (PNT, 2004). Congo's geographic position gives it important comparative advantages, as it lies along the Western

and Southern Africa regions and is at the center of the CEMAC and ECCAS regions.

The Transport Sector Policy Statement (DPST) of 1998 mentions a road network said to be “Indicative priority” of 6,551 kilometers long, which featured the following priorities: i) transit roads (of which there are 1,918 kilometers, equivalent to 29.3 percent of the road network); ii) the protection of existing investments (601 kilometers of tarmacked road); iii) the opening up of the country’s remote areas, and the coherence of Transport system (which concerned 2,857 kilometers of road, equivalent to 43.6 percent); and iv) the keeping of sub-regional exchanges (1,175 kilometers, equivalent to 17.9 percent). In the National Transport Plan (PNT), the priority network has to be integrated within a structured framework to define planning that includes road categories.

**Regional integration initiatives in this region have so far delivered poor results.** The formation of the customs union was a significant step in the integration process, which entailed the elimination of tariffs and quotas between members and the creation of common external tariffs. However, the initiatives have failed in their attempt to eliminate tariffs on products made within the region. While there has been some success in eliminating import duties, a range of non-tariff and regulatory barriers still raise transaction costs and limit intraregional trade. Trade among CEMAC members is still hindered by differing standards and procedures. Currently, the regional transport corridor is largely dominated by two road and road/rail corridors that link the port of Douala to CAR and Chad. This is the only relatively better regional corridor that serves the two landlocked countries.

**The implementation of the regional economic program (REP) aimed at making the sub-region an emerging integrated economic area by 2025, is key for the long-term development of the region** (see Box 1.3). During the first five-year phase of this program (2011–2015), the aim is to create a competitive

environment to attract foreign investment. Among other things, this will involve the effective establishment of a common market and the application of community provisions concerning freedom of movement for persons. An operational plan was approved by the Council of Ministers in December 2011. Its implementation should enable the sub-region to achieve a double-digit real growth rate by 2015, however the financing required, estimated to be over XAF 3,000 billion, has not yet been secured.

### 1.5.1. Transport Infrastructure and Logistics Services

**The underdeveloped transport infrastructure is a major hindrance to the efficiency of the regional corridors.** The CEMAC/ECCAS region is characterized by poor road infrastructure and railway networks, and this adds to the cost of goods and slows transport in the region. CEMAC’s infrastructure ranks below other parts of Africa and the world in general (Figure 1.2). Paved road density, at 5.1 kilometers per 100 square kilometer of land, is barely a fraction of the density in ECOWAS, which is the next worst African region on this indicator. Similarly, in terms of its railway network, CEMAC ranks below all other regions in the world. The gap between CEMAC and the best performer from the Africa region (the regional leader) on both indicators is huge, indicating that CEMAC will have to make significant efforts to catch up with other parts of Africa, let alone the rest of the world.

Surface transport (via road and rail) of goods in Central Africa is generally much slower and costlier than other African regions and elsewhere in the developing world. According to a study by Teravaninthorn and Raballand (2009), road transport costs and prices across Central Africa rate about US\$0.12 per tonne-kilometer, well above the global benchmark of rates of between \$0.01 and \$0.04 per tonne-kilometer. The study has also found that freight movements were astonishingly slow

### Box 1.3: CEMAC Regional Economic Program (REP) 2009–2025

Launched in 2009, the REP is designed to take advantage of the sub-region's resources and potential, with a view to turning it into an emerging economic area. To this end, five engines of growth have been identified, namely: energy, agriculture and agro-industry, forestry, livestock farming and fishing, and mining and metallurgy.

The activities to be carried out during the initial phase 2011–2015 have been grouped in the following three categories:

- **Governance and macroeconomic stability:** this involves strengthening economic governance, introducing tax reforms, and improving multilateral surveillance. The regional Community also intends to reform Government procurement, improve transparency and governance in the raw materials and extractive industries sector, and harmonize the legislative and regulatory frameworks for the public finances, with a view to reforming the tax system.
- **Common market and trade facilitation:** at the common market level, the Community intends to activate the existing provisions relating to freedom of movement, approval of preferential regimes, and the right of establishment. Trade facilitation will involve the interconnection of customs administrations, the effective implementation of a Community transit regime, and the strengthening of facilitation measures at the borders and along the road corridors.
- **Integration of physical infrastructure:** the aim is to build priority road links, to open up the landlocked countries, and to connect all of the capitals with paved roads. Where energy infrastructure is concerned, the objective is to interconnect the electricity networks and build hydroelectric dams. With respect to telecommunications infrastructure, the objectives are not only to harmonize the legislative and regulatory frameworks, but also to interconnect the networks and develop the optical fiber network. The development of rural and local authority infrastructure (feeder routes, electrification, cattle trails and markets, etc.) also falls within this category.

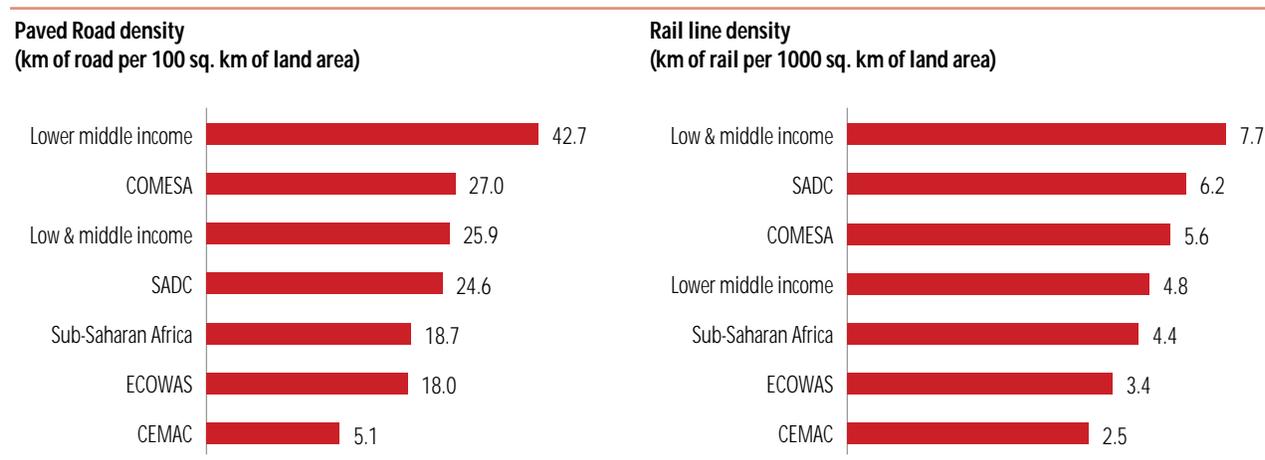
Economic infrastructure for supporting the pillars of growth: a strategic development plan will be established for each pillar of growth to strengthen the economic infrastructure and support services for these pillars. Common regional policies in the areas of electricity, transport, telecommunications, and new information and communication technologies will also be drawn up.

The financing requirements for this initial phase of the program are estimated at about CFAF 20,000 billion. More than half of this financing (56 percent) is expected to be provided by the private sector, 37.5 percent should come from concessional resources, and 6.5 percent from trust resources. To mobilize this financing, CEMAC has adopted a strategy that begins with the mobilization of trust resources to carry out studies and initial programs. This should make it possible subsequently to attract private capital. The Community integration tax would appear to be the only source of financing at CEMAC level; it is not even capable of covering the operating costs of the Commission. However, the concessional resources required cannot be expected to come entirely from the development partners.

A solution suggested in the PER is to create a fund fed by a charge of US\$3 per barrel on exported oil (CEMAC Emergence Fund). This fund could contribute to the co-financing of the projects or the acquisition of holdings in the companies.

Source: CEMAC (2009).

**FIGURE 1.2: Benchmarking CEMAC against other Economic Unions in the Region and Average of Low and Middle Income Countries**



Source: Authors' calculation based on data from World Development Indicators, 2014.

**TABLE 1.4: Performance of Transport Corridors in Africa**

Corridor	Length (km)	Road in good condition (percent)	Trade density (XAF millions per km)	Implicit Velocity* (km/h)
Central	3,280	49	2,427	6.1
Western	2,050	72	4,739	6.0
Eastern	2,845	82	3,297	8.1
Southern	5,000	100	16,126	11.6

Source: Teravaninthorn and Raballand 2009.

Note: \*Implicit velocity is the total distance divided by the total time taken to make the trip, including time spent stationary at ports, border crossings, and other stops.

when all delays were taken fully into account. At an effective speed of six kilometers per hour, they barely move faster than a horse (Table 1.4).

**Poor logistics services are among the main factors hindering trade between Congo and its neighboring countries.** In the CEMAC region, transport and freight costs are among the highest in the world, with freight logistics expenditure more than 50 percent higher per kilometer than in Europe or the United States of America. This extra cost is caused by a 'logistics gap': a lack of infrastructure, technology, and expertise affecting everything from road networks to payment systems and warehousing facilities. In landlocked countries like Chad and Equatorial Guinea, this gap is even more pronounced: transport costs there can reach as high as 75 percent of the value of exports. These are the factors that make these countries some of the most expensive places in the world—Chad is, for example, the second most expensive place in the world in terms cost of living.

**Compared to other global regions, the costs of intraregional trade in the CEMAC region, particularly in CAR, Chad, and Congo, are alarming.** The average cost of exporting overseas a container from a CEMAC country is about XAF 1.9 million (US\$3,452.33), while in South Asia, for example, it is estimated at less than half that amount, at XAF 873,704 (US\$1,511.6). It is, however, important to note that CAR, Chad, and Congo are the three

countries with the highest trade costs in the region. For instance, exporting from Chad (XAF 3.8 million or US\$6,615) costs about five times more than the cost of exporting from Cameroon (XAF 797,062 or US\$1,379) or Equatorial Guinea (XAF 803,420 or US\$1,390). Such huge disparity could be reduced if these countries committed to improving regional trade facilitation.

Transport corridors in Central Africa perform significantly worse than all other regions in Africa. Only half of the regional road corridors are in good condition (see Table 1.4), which is alarmingly less than other parts of Africa, and correspondingly, trade density is lower. The implicit velocity of freight (when stops and delays are factored in) is only 6.1 kilometers per hour. For example, transport prices on the Douala to N'djamena route are three times higher than in Brazil, and almost two times the cost of moving from Lusaka to Durban. Given this information, it is not surprising that there is a low trade density in Central Africa.

**Transit times are also high in the CEMAC.** The 1,890 kilometer journey from Brazzaville to Douala takes up to 160 hours—nearly seven days—in the dry season, and much longer in the rainy season, when the conditions of the roads deteriorate. Trucks must stop at two border posts and are likely to encounter 61 road blocks (21 in Congo and 40 in Cameroon), each of which involves delays and costs, as well

**TABLE 1.5: Selected Trade Facilitation Indicators by Region**

Region	Documents to export (number)	Time to export (days)	Cost to export (XAF 1000 per container)	Documents to import (number)	Time to import (days)	Cost to import (XAF 1000 per container)
CEMAC	8.7	40.2	1995.43	10.5	49.7	2708.10
SADC	7.3	31.2	1072.94	8.4	38.0	1313.97
COMESA	7.2	32.4	1107.04	8.2	38.3	1420.44
ECOWAS	7.6	27.6	883.24	8.1	31.6	1092.94
Middle East & North Africa	6.4	20.4	606.26	7.5	24.2	710.54
East Asia & Pacific	6.4	22.7	514.30	6.9	24.1	540.26
South Asia	8.5	32.3	873.70	9.0	32.5	1008.32
Latin America	7.1	19	757.53	7.5	22.0	832.96
Eastern Europe & Central Asia	6.4	26.7	954.68	7.6	28.1	1420.44
EU	4.5	11.5	592.62	5.3	12.1	628.0
OECD	4.4	10.9	611.93	4.9	11.4	639.44

Source: Authors' calculation based on data from Doing Business, 2015.

as potentially damaging the goods being transited. In contrast, a truck covering a similar distance in Europe—driving from, say, Lisbon (Portugal) to Geneva (Switzerland)— would be able to complete the route in less than a day.

### 1.5.2. Institutional and Regulatory Framework

**The lack of standardized and harmonized customs procedures contributes to transit delays and raises costs.** The multiplicity of agencies and the lack of coordination among agencies in neighboring countries add further bureaucracy and unpredictability to the process. Uncertainty in the process creates unpredictable circumstances and delays, increases transaction costs and even affects competitiveness. The typical unpredictable circumstances in the region include multiple and in some cases contradictory documentation requirements, and there are lengthy inspection procedures by the agencies, which include customs,

immigration, health and sanitary, police, and other authorities.

**As a result, unofficial payments are often an implicit requirement to resolve such barriers.** According to the survey, there are about 3.2 checkpoints per 100 kilometers along all trade corridors. Furthermore, the bribes collected by customs, police, gendarmerie, and other agencies range from US\$8 to US\$16 per 100 kilometers (that is, up to XAF150,000 or US\$300 for the average trip). The Brazzaville-Douala corridor has the highest number of checkpoints and the highest levels of bribery, especially on the Cameroonian side of the corridor.

**In addition, the high number of checkpoints creates delays and increases transaction costs.** The slow effective velocity of freight in CEMAC can be partly explained by the numerous roadblocks, lengthy administrative delays at ports, checkpoints, and border crossings. Due to the high number of checkpoints, a consignment of goods travelling along the Brazzaville-Douala and Pointe

Noire-Cabinda corridors can expect delays, ranging from 15 to 30 minutes per 100 kilometers, which amounts to about seven hours per average trip. These delays are largely due to the lengthy checking of goods and vehicles by different authorities that are stationed along the corridors and border posts. The number of checkpoints and the amount of bribes collected along these corridors are very high even by African standards. For example, the Ouagadougou-Bamako corridor has one of the highest records of bribes in the West Africa region, with about XAF 4,000 (US\$8) paid out in bribes per 100 kilometers, which in turn is about 50 percent less than the amount of bribes collected along the Brazzaville-Douala corridor.

## 1.6. Challenges

According to survey records, factors contributing to time and income losses along the road include the following:

- i. **Too many check points along all corridors.** The time spent on a traffic check varies from a few minutes to hours, depending on the case, but it is similar across all corridors. The high number of checkpoints has prompted transporters to get involved in informal payments to avoid delays. For example, along Brazzaville-Douala corridor, there are over 30 checkpoints, which apparently cause considerable delays and unnecessary costs. According to the truckers, the cumulative time spent at checkpoints ranges from three hours along the Pointe Noire-Cabinda corridor to about six hours along the Brazzaville-Douala corridor. When the border customs clearance is added to this, the total time spent would be considerable. Unlike truckers with non-perishable goods, drivers with perishable goods are commonly willing to 'pay' any informal money to avoid/limit their produce from perishing due to prolonged delays. In the past three years, such informal payments have increased from XAF 10,000 to 25,000 (US\$20 to 50).
- ii. **Crossing the natural reserve.** There is a natural reserve that includes a territory shared by three different countries (CAR, Cameroon, and Congo), named the Tri-National de la Sangha (between PK27 and Mambele). Crossing this section of the corridor is prohibited between 5pm and 6am, as a protective measure to limit accidental killings of animals in the reserve. All vehicles have to stop, and this adds almost 12 hours of additional travel time to a journey. Alternatively, drivers can go round through Nguillili, but this route adds an additional 23 kilometers, and the road is in a worse condition.
- iii. **Physical condition of the roads.** This is particularly a problem for the Brazzaville-Douala corridor, which has a large untarred section that is more than 300 kilometers long. Truckers described this section of the road as a nightmare, given the hard crossing conditions that they face when driving through this road. Furthermore, given the poor physical conditions of the road, driving during the rainy season is almost impossible. Frequently, vehicles get stuck due to the bad condition of the road, hence increasing travel times and costs. The road along the Pointe Noire-Cabinda corridor is relatively good, but there are some signs of deterioration and a need for maintenance.
- iv. **Lack of coordination between Government agencies.** There are different agencies operating along all corridors, and there is commonly a lack of coordination and information exchange between them. One agency barely understands the procedures or rules of the others.
- v. **Lack of availability of information on the standard clearance rules and procedures.** There is no credible information for traders to verify the proper rules and procedures for clearance whether the goods are in transit or originated from Congo. This commonly leads to bribes and other forms of corruption.
- vi. **Limited working schedule of custom services.** Given that border agencies have limited opening hours, trucks arriving after the closing time have to wait until the next day.

vii. **Poor surface transport networks across the CEMAC region.** The CEMAC region has the worst transportation network compared to any part of the world, affecting trade flows and lowering the competitiveness of the region.

## 1.7. Reform Implementation and Way Forward

### *Action plan to promote trucking industry in Congo*

This report does not address all of the issues related to the transport sector on the three main trade corridors identified. However, it does attempt to address some of the key issues to improve the overall performance of the corridors, which could lead to better movement of people and goods, and hence increase the competitiveness of the country. To create a more business-friendly environment, each Government agency along these corridors should play its role in these efforts.

The proposed action plan targets different stakeholders and services within the trucking industry, with some connections involving other neighboring countries that are at the upper or lower levels of the corridor (see Annex G1 for a detailed action plan matrix).

### *Designing a framework of collaboration between Congo and the countries along the corridors*

Trade exchanges between the Congo and its three neighboring countries (DRC, Cameroon and Angola) along the corridors should be developed within a more structured framework, in a consensual agreement, to create an environment conducive of trade. As a bilateral agreement, such a framework should be focused on both general and specific issues governing the freight transportation along these corridors, as is the case in trade relationships between other countries in the CEMAC region. The aim of this agreement is to

strengthen and boost trade between these countries, and also to promote regional integration (see Annex A1.2 for an example of regional customs collaboration in the ECOWAS region).

**A bilateral convention document has been drafted and is currently being reviewed by both the Cameroon and Congolese Governments.**<sup>8</sup> The signature of such a framework between the two countries will certainly contribute to regulate actual practices (eliminating/denouncing wrong ones, approving right ones, advising for new ones) and will serve as a basis of reinforcement for those in charge of the management of the corridor. Both parties should speed up and finalize the signature process of the drafted document.

**Unlike the case between Congo and Cameroon, thus far, there hasn't been any initiative between Congo and Angola.** Although the Pointe Noire-Cabinda trade corridor has been in operation for far longer than the Brazzaville-Doula corridor, it is unfortunate that the two Governments haven't take any initiative to address the issue. Such an agreement would contribute to solve some of the main bottlenecks and problems of this corridor (membership to two different regional economic communities, etc.).

### *Curb all factors contributing to corruption*

The Government should take actions to tackle corruption activities that occur primarily due to the poor mechanisms currently in place to control goods transported across the three corridors. Furthermore, more effort should be given to train staff to better understand their responsibility and accountability. The Government should take action to change the attitude of staff involved in regional trade. In fact, many of the irregularities that have been observed along these corridors have to do with a rent-seeking attitude in staff at the checkpoints. All of these

<sup>8</sup> According to the Central staff of the Ministry in charge of Transport.

### Box 1.4: The Cameroon – Chad and Cameroon – CAR Bilateral Conventions

Due to the political willingness of the Central African States, the materialization and legalization of transit corridors resulted in the signature of two conventions, namely: i) Road transport Convention between Cameroon and Chad (signed on April 13<sup>th</sup> 1999) and; ii) Road Transport Convention between Cameroon and Central African Republic (signed on December 22<sup>nd</sup> 1999). Both conventions refer to the CNUCED July 8<sup>th</sup> 196 Convention on transit trade of landlocked States, as well as on UDEAC Acts, adopting: i) the Convention regulating land transport in UDEAC (December 19<sup>th</sup> 1984) and; ii) the Inter-State Convention on road transportation of various freight (July 5<sup>th</sup> 1996). They aim to favor 'Land transportations' (CAR) and 'Road transportations' (Chad) between the two countries, as well as transit through their territory.

These two Conventions on road transportation for transit freight (transshipping is not allowed) aim to:

- Offer access to the sea to the landlocked countries in the region (CAR and Chad);
- Define transport itineraries for freight in transit, involving the selection of 'legal road ways to be used by transit freight' that include both unimodal (road) and multimodal means (rail/road);
- Officialize the application of freight ratios departing from Douala (Port) between Cameroonian transporters, and those of landlocked countries according to the following keys:
  - ▶ With Chad: 65 percent allowed to Chadian transporters and 35 percent for Cameroonians;
  - ▶ With CAR: 60 percent to Central African transporters and 40 percent for Cameroonians.
- Introduce a special tax disc (license tab) applied to vehicles carrying out international transportation, and create an international safe conduct (sauf conduit), in addition to the obligatory vehicle letter each time a vehicle travels;
- Define unique control/checkpoints that will gather all of the services and administrations in charge of controlling/inspecting the transit process along itineraries. These checkpoints will be aimed at reducing the number of stops.

Moreover, these agreements state the following measures:

- The respective national freight management bureaus (BGFT, BARC and BNF) should be responsible for the ratio of freight distribution, the issuance of vehicle letters, and the management any other instruments of transit and transport facilitation;
- Agreement for a regular exchange of data on the flow of international road transportation and their distribution between transporters;
- A mixed permanent technical commission on transport, which should be in charge of making a status of the balance sheet on the transport relationship between the two countries, and should solve existing problems/difficulties in implementing the convention.

Source: Authors.

irregularities contribute to a higher increase in import costs, hence influencing the market prices of the commodities being transported. The country is going to great lengths to break down all of the physical barriers to national and regional integration. All this effort should not be compromised by the non-physical barriers, which will inhibit the country's economic growth.

#### *Provide structured support to various actors involved in the transport business*

A well-organized sector could enhance the efficiency of trade facilitation in the country. This would

involve the input of freight forwarders, transporters, and drivers. Some freight forwarders are classed as subsections of existing employers' syndicates, membership of which still needs to be developed and increased.

By supporting the creation of well-structured and functioning transport sectors and auxiliaries associations, the Congolese trucking industry should be able to overcome challenges that could arise at any level, including in their working relationship with partner countries. This would also allow to the Government to better implement and reinforce the existing regulation regarding transport service provision.

### *Provide sustained trade and logistic infrastructures*

**Congo needs to establish a routine monitoring and maintenance program for its roads.** A lot of effort is currently made by the country, along with its partners, to ensure a better regional integration through newly built and rehabilitated road infrastructures. However, to sustain the important role of the roads, the country needs establish a routine monitoring and maintenance program. A well-functioning road infrastructure maintenance system would inevitably contribute to increasing the life cycle of newly built infrastructure. Taking new road networks into account, the country road maintenance portfolio is an important responsibility that the country should put into place. The current maintenance system is inefficient. An appropriate and sustainable road maintenance system that is suitable to all road networks should be designed and implemented at the early stages of the road construction process.

**Congo should build additional logistic infrastructure at border posts and along constructed corridors, such as warehouses, offices, parking facilities, and rest areas.** The construction of road infrastructure is the first step in the development of trade infrastructures in the country, since they help in connecting market centers and the gate port. Other logistic infrastructures are also required to ensure a better functioning of the infrastructural component of the trade system as a whole. These include infrastructure at border posts and along constructed corridors. At border posts, the following should be provided as platforms: warehouses, parking and rest areas (including sanitation facilities), well equipped offices, etc. Along corridors, parking and rest areas are the most urgently needed infrastructures by truckers.

**Congo should consider strengthening its secondary road network.** A well connected secondary road network, complementing the road backbone, (national roads) is a key factor in ensuring that local products can easily be transported to consumption

centers like Brazzaville and Pointe Noire, or even out of the country. The country's trade exchanges are dominated by a huge amount of imports, whereas many products with some comparative advantages that are produced in the country are absent from market centers due to inadequate secondary roads. An improved and well-maintained internal road network would counter this issue.

### *Create a well-defined freight management bureau*

**In line with the definition of a regulatory framework that supports the country's trade activities with its partners, the creation of a freight management bureau is imperative.** The proposed freight management bureau would primarily be the leading agency in implementing and enforcing orientations provided by bilateral conventions, but would also contribute in sustaining the national trucking industry by contributing to all of its supportive roles. The creation of this structure would, if functioning correctly, help to bring together both supply and demand for freight, and would reduce the cost of intermediation or middlemen. This freight management bureau would also serve as an observatory center for all trucking activities on all of the country's corridors. Such a role would be very helpful for planning purposes as a decision making tool, providing rationales and evidence. This bureau should be implemented and run by the private actors involved in the transportation of freight. It is, however, important to bear in mind that if such bureaus are not properly designed to meet their objectives, there is a risk that they might encourage rent seeking activities.

### *Modernize the freight tracking system in the country*

**Congo should install a well-functioning freight tracking system.** There are two main reasons in favor of the installation of a well-functioning freight tracking system in the country: (i) the use of customs staff

to convoy freight towards the border of the country with Cabinda; and (ii) the deposit (XAF 2,000,000, US\$4,000 per truck) retained by custom services at Ouessou as a guarantee to make sure that the truck leaves the country through the same way it has entered. The current convoying system requires the physical presence of customs staff (which is not always possible given their work schedule) at the corridors. Meanwhile, the money that is asked of the truckers is quite large and acts as a disincentive to those who want to avoid getting involved in a corruption scheme and do business according to the rules.

**The introduction of GPS tracking to locate all trucks travelling along the corridors would contribute to better management of truck transports in a sustainable way.** A GPS set should be installed on all trucks to track them and make sure that they come back to their point of entry. However, the adoption and implementation of such tracking system should not constitute a new burden that could reduce the performance of trade facilitation. Given that the CEMAC has already decided to introduce this GPS tracking within the region, this is clearly the way to go for Congo. Here again, such a system would be susceptible to corruption unless it is properly developed and managed to meet its objectives.

#### *Increase the number of information and sensitisation sessions/campaigns*

**All stakeholders, mainly truckers and shippers, must know rights and duties.** Information, sensitization, and communication sessions should be organized, using appropriate tools and targeting all stakeholders. The objective of this is to contribute to the creation of professional actors that will play their role as it is supposed to be, thus increasing the overall performance of the freight transportation industry.

#### *Audit the performance of the custom services*

**Congo should carry out an assessment of the current state of its custom services, with emphasis**

**on the potential losses encountered due to its inefficiency.** The current system of custom services cannot help to improve the performance of trade facilitation in the country. This is mostly because of their operating hours. There currently has not been any assessment of the importance of the losses due to this problem. For example, the Pointe Noire Port Authority aspires to be the leading port in the region, given its comparative advantages as a deep-sea port and a transshipping one. This will be achieved only if all of the services and administrations involved in services delivery within the port compound also reflect these ambitions internally. It is imperative that the custom services conforms itself to the emergency requirements that are dictated by the Port Authority.

#### *Develop a comprehensive transport data system*

**This report recommends that a comprehensive transport data system be established.** The intervention has created a comprehensive database on trade activities and the nature of trade facilitation across the three trade corridors. This database is comprised of information on the type of goods, vehicles, origin, destination, capacity, etc. It is suggested that the Government expand it to a more complex, yet still usable, trade database. The authorities need to maintain and expand this database and establish a more comprehensive transport database. For this, the intervention recommends that the guidelines developed by the sub-Saharan African Transport Policy (SSATP) be adopted.

#### *Initiate regional economic corridor*

**Congo should consider initiating regional economic corridors within the CEMAC.** Given the poor infrastructural connectivity, and the lack of synchronized customs processes across the region, establishing regional economic corridors could improve the state of trade facilitation. The economic corridor approach could be a viable instrument in addressing the regional transport routes, not only as a means of transporting goods and services or as a gateway for land-locked

### Box 1.5: Example – The Impact of an Economic Corridor on Cambodia and Lao Peoples' Democratic Republic

The East–West Economic corridor is an economic development program that was initiated to promote the development and integration of four Southeast Asian countries, namely: Myanmar, Thailand, Laos, and Vietnam. The concept was agreed upon in 1998 at the Ministerial Conference of the Greater Mekong Subregion, organized in Manila, the Philippines. This corridor became operational on December 12, 2006.

“A study of the Southern Economic Corridor's (SEC) impact on Cambodia conducted by the Mekong Institute found an increase in living standards of those along the corridor. The study reported improved access to healthcare, education, and markets as well as the development of additional public service facilities. It also reported an improvement in trade routes and reduced trade costs at cross-border points.” Although Cambodia's contribution to subregional trade has been low (1.8 percent), the SEC is expected to generate opportunities to increase Cambodia's exports to other countries in the Greater Mekong Subregion, contingent upon investments in Cambodia and the resolution of other bottlenecks.

The development of the East-West Economic Corridor (EWEC) also gave the province of Savannakhet in Lao Peoples' Democratic Republic better connectivity and regional integration. It reduced travel times, in some cases from 12 to three hours, and cut the cost of transportation, increasing competitiveness. The transportation sector grew, with the number of buses growing from 600 in 2000 to 1,600 in 2005, while the number of transport operators doubled over the same period. Townships and economic activities also grew, and new concrete houses, markets, guesthouses, restaurants, petrol stations, automobile repair shops, and other micro enterprises emerged.

*Source:* AfDB (2013), Phyrum, Sothy, and Horn (2007) and Luanglatbandith (2007).

countries in the region, but also as a tool for stimulating socioeconomic development in the areas along the corridor. Economic corridors accomplish this by creating industry and social facilities, in conjunction with transport infrastructure. As a result, they develop rural and border areas, create employment, and improve the earnings of low-income groups. Political boundaries thus cease to be economic boundaries. In short, the economic corridors approach transforms transport corridors into engines of socioeconomic development (see Box 1.5 for an example of economic benefits of economic corridors).

**Furthermore, this report recommends that the Government should launch works for building the bridge between Brazzaville and Kinshasa.** Despite their proximity, cross-border exchange between Brazzaville and Kinshasa is very small. Since the cost of transportation is the main culprit, building the

road-rail bridge would provide an alternative mode of transportation and hence reduce costs. In addition, the one-stop border customs clearance that has been proposed along with the bridge would reduce transaction costs. Furthermore, the economic benefit of building this bridge outweighs any socio-political risks or concerns of the two countries. The bridge will facilitate better transportation of goods and people, which in turn would enhance trade between the two countries. Apart from its impact on trade growth and development through greater integration, this cross-border infrastructure, by increasing mutual dependence, could reduce the likelihood of regional conflict. Such investments involve coordination and cooperation between the two countries. A bridge between the Democratic Republic of Congo (DRC) and the Republic of Congo would not only link the two countries, but would speed up regional integration.



# Strengthening the Transport Sector in Congo: Review and Action Plan

## 2

### 2.1. Background and Objectives

**Road is by far the dominant transport mode in Congo, in terms of the scale of infrastructure and of the volume of freight and movements of people, but its connectivity remains poor.** While Congo is served by various modes of transportation, including road, rail, inland water, and air transport, road is the most commonly used mode of transportation. Congo's road network encompasses approximately 18,770 kilometers of roads, with a density of five kilometers of road per 100 square kilometers, and road-to-population of 42.2 kilometers per 10,000 inhabitants. Currently, only 7.2 percent of the total road network is paved, compared to 18.3 percent for sub-Saharan Africa.

**Recognizing the importance of the road transport sector in the Congolese economy, the Government in recent years has allocated substantial resources to the sector.** The Government's efforts in the road sector have been remarkable; its budgetary allocation has increased by over 75 percent since the mid-2000s. This indicates that the Government recognizes the road transport is one of the priority sectors, and one that needs significant rehabilitation and investment. In the past few years, the resources allocated have been used to implement flagship investments in the road sector.

**In addition, the 2004 National Transport Plan (NTP) laid out the sector's long-term objectives.** According to the NTP, the main objectives are to

provide quality and affordable transport services, ensure access to business and social centers nationwide, and facilitate intra-regional trade. The NTP has also outlined the priority areas for investment programs and institutional measures to be undertaken over a 15-year period. The law governing the NTP was adopted by Parliament in 2006; and in recent years some of its investment programs have begun being implemented, with the help of the European Union.

**Nevertheless, infrastructure investment alone is not enough to achieve the country's goals, while the country's weak transport services continue to impede the smooth flow of trade.** Despite the substantial investment recorded in recent years, limited progress has been made in the development of the transport services. Congo's road transport is characterized by slow goods movements, high transport costs, poor service frequency, and unsafe transport. Consequently, there is limited movement of goods and people within the country and across the region. According to Doing Business (2015), in the category of 'trading across border' Congo was ranked 181st out of 189 countries. The high transport cost is one of the factors that contributed to the poor performance of the country. For instance, cost to export amounts to XAF 2,285,800 (US\$3,795) per container, compared to XAF 1,325,101 (US\$2,200) for sub-Saharan Africa.

**This chapter seeks to support the Government in identifying measures for enhancing transport services and facilitating the flow of trade.** To attain this

objective, it is necessary to minimize the infrastructure gap, which is one of the main impediments to trade in non-oil goods and private sector development. The Congolese Government has scaled up its efforts to improve the country's transport sector and this chapter contributes to underpin these efforts. In line with the Government's efforts to improve the connectivity and efficiency of the country's transport sector, this chapter aims to identify the major constraints on road transport development in Congo and propose a priority action plan to guide the road transport sector in strategic reform and investment, to help remove the impediments identified. It proposes a priority action plan, comprising of regulatory and institutional reforms and capacity building measures. Furthermore, a stand-alone document has been prepared in French, and will be provided to the authorities along with this report. This document encompasses a proposed regulatory and institutional framework, and a training syllabus (World Bank, 2015b).

## 2.2. Regulatory and Institutional Framework

### 2.2.1. Institutional Framework

The national transport sector is institutionally under the responsibility of the ministry in charge of transport and the ministry in charge of public works. The MTACMM is responsible for the overall management of the sector, while operational responsibilities are shared with other agencies, particularly the METP. Each of them implements the national policy according to their own prerogatives. The MTACMM is involved in the overall supervision of the transport sector agencies; the development of transport policy and strategic planning; and the setting of transport rules, regulations, and standards. The METP is responsible for undertaking the road infrastructure development policy. Other key sector stakeholders include the police, the General Directorate of Public Works, the Ministry of Environment, the General Directorate of

Major Infrastructure Works, the Revenue Authority, and the Road Fund.

**The road infrastructure sector is partly financed through the Road Fund (RF) under the Ministry of Public Works.**<sup>9</sup> The ministry is responsible for the management and distribution of funds for maintenance of public roads. The RF was created in 2004, but it is still in its formative period, with weak implementation strategy and execution. The Fund derives revenue mainly from a fuel levy and fines for contravention of traffic laws and regulations. These funds are collected by the Congo Revenue Authority and are regularly transferred to the RF as allocations from the METP. However, the RF needs to put in place a clear resource allocation formula and prioritization criteria for the various classes of roads.

Congo's institutional framework presents some weaknesses: for instance, there is no formal structure for consultation with stakeholders on issues related to trade facilitation. In addition, there is no department or organization to oversee road safety, training, and data collection. Finally, no appropriate working mechanism has been set up between the different Governments agencies involved in road transportation.

**The 2004 National Transport Plan provides the overall long-term strategic objectives of the sector.** Transport sector policies and strategies are elaborated in the 2004 NTP (adopted in 2006), which is the basis of the on-going sectoral reforms. The main objective of the NTP is to strengthen institutional and legal frameworks to support the creation of a favorable environment for the development of the transportation sector. More specifically, the NTP aims to provide quality and affordable transport services, ensure access to business and social centers, and facilitate intra-regional trade. The transport policy also incorporates supporting the objectives of the National Investment

<sup>9</sup> However, the transport sector financing is generally allocated through the national budget.

Strategy (NIS) adopted in 2002. The NTP included a priority investment program and institutional measures, to be implemented over a 15-year period, in line with the NIS. Some of these programs are currently underway, with financial assistance from the European Union (EU).

In addition to the NTP, the Road Maintenance Strategy (RMS) serves the following functions: (i) providing a policy framework to guide the Road Transport Board District staff in maintenance planning; programming and executing road maintenance; (ii) ensuring that investments made in the development of road infrastructure are safeguarded and allowed to deliver to their maximum benefit; and (iii) enabling stakeholders to understand the investment decisions taken by MININFRA. The strategy envisages that road maintenance will be undertaken in a planned and organized manner on the basis of road condition, traffic data, and an established priority system.

In SDDR and SDA, priority is given to improving access into administrative divisions for increased rural activities, and to the rapid improvement of trading conditions for agricultural products. DPST served as the basis to design the NTP, while also addressing the following four fundamental issues: i) economic diversification; ii) border access to all social services and economic centers; iii) regular supply to population centers; and iv) reinforcement of the country's transit role. The NTP defines a series of activities programs, aiming at implementing physical actions and institutional reforms: i) the promotion of the private sector in institutions previously under public management; ii) the rationalization of planning methods, the rehabilitation of the whole transport system; iii) the restoration of country's transit role; iv) the definition of a priority road network; v) deepening of the road funds role and sustainability of its resources; and vi) outsourcing the former Agence Transcongolaise des Communications (ATC), etc.

**The current NTP does not address the development of multi-modal facilities, which are necessary**

**to integrate various transportation modes.** The existing urban land use planning and transport development policies are not clearly articulated. They need to be adapted to ensure that urban development takes place in an orderly and cost efficient manner. Furthermore, there is a lack of policy incentives for the private sector's participation in the transport sector, especially in the provision of passenger and freight services. The policy is not clear in its strategies for the development of district categories one and two of the transport sector's classifications. The policy outlines the desired institutional framework, for instance, but it does not explicitly elaborate the use of local resources such as domestic labor, materials, equipment, and finance. Strategies for implementation of the NTP include: i) encouraging the private sector to play a greater role in the development of infrastructure and the provision of transport services, ii) supporting the provincial and district administrations in implementing the decentralization policy, iii) supporting the local communities in maintaining transport infrastructure in rural areas, (iv) developing the sector to benefit from, and contribute to, the regional integration initiatives, and (v) developing institutional and human resource capacities for a vibrant transport sector in the future.

### 2.2.2. Legal and Regulatory Framework

**The Ministry of Transport is in charge of developing and implementing regulation for road transport.** With respect to the regulation of road transport, it was designed to perform several functions, including: (i) licensing commercial vehicles; (ii) monitoring national and international benchmarks, which can be used to determine reasonable rates and tariffs charged by transport service providers; (iii) formulating and reviewing codes of conduct for providers and users of transport services; (iv) overseeing investigations in road transport accidents, in conjunction with other authorities; (v) liaising with other agencies on issues affecting road transport; (vi) developing rules and

regulations in road transport; and (vii) regulating tariffs and charges where they are warranted by public interest.

**The regulatory body's main roles are to promote competition and ensure fair trade practices among service providers, and to monitor passenger fares in the transit system.** The economic regulation function seeks to ensure that the rates charged for freight and passenger services are in line with the operation costs, and allow reasonable financial returns on business investment. The major issue with passenger fares is ensuring that they are in line with operation costs, and ensuring that the operators do not overcharge during periods of higher seasonal demand. To maintain transparency in the bus industry's operations, a regular meeting is held that is largely dominated by discussion of the complaints received from consumers regarding unofficial fares.

**The Government had adopted key reforms to liberalize the transport sector.** These reforms significantly changed the structure of the transport sector by leading to greater private sector participation and replacing the Government's role as owner, operator, and regulator. The rationale supporting this shift in emphasis was based on the expectation that increased competition for the transport market would deliver efficient and quality services at competitive prices. However, thus far the sector remains weak.

**Rules and regulations of the road transport sector in Congo are not harmonized with the CEMAC provisions.** Although Congo is a member of CEMAC, many of its sub-regional policies have not been implemented. Congo hasn't been able to transpose the relevant CEMAC provisions into national laws, for example, the free movement of goods and the mutual recognition of insurance. There is a considerable regulatory gap in the road transport sector, including access to road transport operator profession, operating license, and lack of procedure for a formal transport contract (Consignment Note).

## 2.3. Structure of the road Transport Industry

### 2.3.1. Transport Actors and Auxiliaries

#### *Transporters*

**The road transport industry in Congo comprises of three types of truck and fleet service providers:** the informal sector, the formal sector and own-account transport operators. According to a recent survey (World Bank, 2015a), the informal sector accounts for the largest share (more than 95 percent) of the trucking industry in Congo. Also, each type of truck service provider has a different operating system, and they all use different types of vehicles. Furthermore, the majority of the vehicles are owner-operated, particularly those in the informal sector.

**The law allows both Congolese and foreign operators to provide haulage services.** The profession of road transport haulage operator (and similar professions associated with motor transport) is governed by Decree No. 2011–491 of 29 July 2011. It regulates access and operation of the road transport service providers. According to this Presidential Decree, both Congolese and foreigners may provide road transport services, subject to authorization, and foreign haulers are allowed to provide sabotage services.<sup>10</sup>

**In addition, the Decree classifies the transport sector professionals (transporters and auxiliaries) in to three categories,** based on the size of their fleet and administrative practices in running their business. The three categories are:

- ▶ *Small enterprises.* Road transport companies which have the following: a trade registration number, bank account details, an accounting

<sup>10</sup> Law No. 18/89 of 31 October 1989 defines road transport activities. Decree No. 90/135 of 31 March 1990 governs access to this profession. Foreigners must establish a company to provide road transport services, while Congolese natural persons may engage in the profession.

system, a truck fleet between three and seven vehicles, and a number of employees between six and nineteen;

- ▶ *Medium enterprises.* All the above, with the addition of the following: a vehicle fleet between eight and twenty nine vehicles, and a total number of employees between twenty and ninety nine;
- ▶ *Big enterprises.* All the above administrative criteria including the following: a vehicle fleet of more than thirteen vehicles, and at least one hundred employees.

### *Drivers and their Assistants*

According to the Presidential Decree, foreigners are required to establish a company to operate as a transporter, while Congolese nationals may engage in the business without such restriction. In practice, however, the law is yet to be implemented accordingly. According to our survey, there are almost no Congolese national drivers of freight trucks.

There is no syndicated union of transport operators. Drivers are not gathered in associations or syndicates. According to the way a business is run, drivers can be classified into different categories:

- ▶ **Independent drivers.** These are drivers that are free of any long-term commitment and are not working under the responsibility of anyone, for various reasons (personal choice or a lack of permanent work). They avail themselves in case of any need to perform a specific job, for which they are paid once the task is performed.
- ▶ **Dependent drivers.** These are drivers working for a specific transporter, under a contract, which in most cases is non-written. These drivers receive some benefits, such as a more secured salary, ranging from XAF 14,000 to 20,000 (US\$250 to 350) per month); travel bonuses, which can vary from XAF 28,000 to 60,000, (US\$50 to 100) for each round trip; loans (very scarcely); and life benefits (in case of accidental death), etc.

### *Freight forwarders*

The freight forwarders work as clearing agents on behalf of importers and are accountable for all the import/export processes (clearance, logistics, transport, etc.). Most of them are based in Pointe Noire (one reason for this is the high level of activity related to the presence of the deep sea/transshipping Port) with some of them having branch offices in Brazzaville. Based on field assessments, these stakeholders can be gathered into three different types, including:

- ▶ **Small freight forwarders.** They are mostly individual, effectively running a company from inside of their bag (owners usually walk with all documents in a bag, looking for opportunities to handle and ready to offer their service to an importer), due to the lack of a physical address, logistics, etc. They have very limited financial and logistic capacities and equipment. Mostly they target individual importers, who import small goods. Due to their limited financial capacities, they are not able to pay to prefund any clearing process, and require advance payment from their clients. They don't show enough signs of professionalism (e.g. acting in advance on all clearing process) in the way they act in their business, and most of the time their tariff seems to be cheaper, which is apparent in their level of service. Due to the drawbacks mentioned above, they require more time to complete the clearing process. They cannot ensure the correct treatment of transit freight because of the lack of the CEMAC agreement. In cases where this is required, they have to refer the case to those who are provided with the correct capabilities, and concentrate more on non-transit movements.
- ▶ **Medium size.** Freight forwarders in this category target both individuals and medium importers. They function in a relatively more structured and organised manner, with some professionalism. They have a physical address and can prefund clearing process, with limited financial capacities. They have the CEMAC agreement, and can hire a limited number of staff to perform their activities.

- ▶ **Big freight forwarders.** They are very few in the sector, and most of them are based in Pointe Noire. They are big, well structured, and well functioning companies acting as national representatives of international groups. Examples include SDV, Panalpina, GETMA, etc.

Each type of freight agent has its own operational strategy. Individuals and medium size freight forwarders have a set of transporters they use to deal with. In case of any freight to deliver, they refer to their list of transporters, and this service is invoiced directly to the shipper by the freight forwarder. The importer is not automatically put in touch with the transporter, rather this is a commercial option presented by the freight forwarder as a package to the shipper, who may agree or not. Most of the big freight forwarders own trucks, with different sizes and types. As such, they are able to provide door-to-door services to their client and receive all payments, including the transport costs.

Some freight forwarders are organized in a syndicated union or association, as a branch of UNICONGO<sup>11</sup> (a gathering of heads of business and economic promoters of the country). However, there is still much work that needs to be done internally in for this union to play an active role in benefiting freight forwarders. In addition, this association doesn't include all types/sizes of stakeholders, as it is only designed for the larger entities. Such practice will have a very limited contribution to the development of the sector.

### 2.3.2. Congo's Road Transportation Industry Business Practice

The business practices of the road transport industry in Congo largely depend on the transporter's operational status—informal, formal, and own-account transport operators. The main characteristics can be explained by the following factors: Socio-cultural factors, conditions and maintenance of vehicles, overloading, and informal payments.

#### *Socio-cultural Factors*

The type of the transport operator plays a key role in determining the road transport business practices in Congo. According to the survey (World Bank 2015a) and akin to the typology described in the Presidential Decree, transporters in Congo can be classified based on their fleet size as follows:

- ▶ **Individual transporters.** These are individual owners of less than three vehicles (most of them have just one). Usually, the owner is the one who has to look for freight to transport. The personnel most commonly consist of one or two people (a driver and assistant/motor boy), which may vary from one occasion to another (the owner may hire a driver on the basis of the task, i.e., the driver is paid after delivering the freight at a precise destination). The assistant serves most of the time as a guard of the property. These personnel don't benefit from any type of support (training, pension, bonus, etc.). Individual transporters don't have facilities for their business (office and physical address, parking space, garage, etc.), and the administration of their business is done in a "good father" way: no bank account, transactions are made in cash, struggling with after sales services (no reserved spare parts), etc. They are not provided with any financial provision or reserve.
- ▶ **Small transporters.** They are mostly individual actors owning between three and seven vehicles. They are not registered as a company, and most of the time they operate in the same way as individual transporters when it comes to technical, administrative and account/financial matters, even if they usually have more substantial (but still limited) financial provision. They don't have facilities, but have few permanent staff (one or two) to ensure a permanent service to customers. They also look for their own freight, but may

<sup>11</sup> UNICONGO is one of the two syndicates of economic actors in the country. The second one, UNOC, is said to gather businessmen and the heads of small and medium sized enterprises, whereas UNICONGO involves the majority of the bigger and stronger enterprises.

have preferential relationships with some freight donors (which can act as a back-up in the case of a shortage/lack of available transporters) or middlemen in freight provision. Some of them have a very specific approach in freight research, trucking management, etc.

- ▶ **Medium transporters.** They own between eight and twenty-nine trucks. They are more structured/organised than previous ones, but do not have any transport license. Their personnel are more important, more stable, and benefit from more social advantages (travel bonus, social insurance, internal loans, etc.) and occasionally training. They may not be provided with all facilities (e.g. a parking area,) but have their own after sale services (garage, spare parts in reserve, etc.). They have a more important financial surface, and use a better accounting system. They establish direct contact with freight forwarders (individuals or companies) through contracts usually set for a one-year period, which may be renewed based on mutual agreement. Part of their fleet is registered in both countries (Cameroon and Congo), as a strategy to overcome the CEMAC restriction, and trucks return empty. For some of these, transportation is not their only or main activity, as they may run a shipping business as well. With this, they will be able to save money by avoiding paying a third party for fleet transportation. They also have an option to rent their trucks.
- ▶ **Big transporters.** They own more than thirteen vehicles. They generally work on a contractual base with freight owners or forwarders (timber companies, Congo Terminal, construction companies, etc.) to ensure a better return for their investment. Their fleet may include a variety of vehicles including tank trucks, platform trucks, container trucks, etc. Employees in this category usually get some social benefits including travel bonuses, social insurance, etc. These transporters are provided with technical facilities (garages, parking areas, after sale services, and spare parts), a larger financial surface, and a more structured accountant system. As it is the case with the

medium transporters, fleet transportation is not always their only business.

Furthermore, fleet transport service in Congo is highly dominated by foreigner operators (Cameroonians, Lebanese, Malians, etc.), among which Cameroonians are the most represented on several sections of the roads inside Congo, including the Brazzaville – Douala corridor. The main reasons for this are: i) Cameroonians are the ones who initially started running this activity in a ‘professional’ manner; ii) they own most of the trucks (as individuals or transport companies); and iii) they have better capacity to offer a variety of services and facilities to maintain trucks, etc. The transporter profession and the industry, in general in Congo is yet to be organized and structured. So far, there is no association or syndicate of transporters. This is one of the major weaknesses, as it renders any assessment of the sector difficult and limits the actors in the transport industry from voicing their concerns to the authorities, or from taking part in any dialogue to make this sector more productive, efficient, and profitable.

#### *Conditions and maintenance of vehicles.*

Most of the vehicles owned by the individuals in the informal sector are old and lack regular maintenance. Given the fact that there is limited access to finance for these individuals, acquiring newer vehicles or keeping regular maintenance is difficult. The bigger companies in the formal sector, on the other hand, are more organized, and have well-structured business plans, including the practice of applying for loans to purchase newer vehicles and carry out regular maintenance. Furthermore, the informal sector, with its older vehicles, will have much higher maintenance costs compared to newer vehicles of the formal sector.

**Overloading and road safety.** Overloading is widespread across the country and can affect the development of the formal sector. Truckers in the informal sector believe that overloading is the only way to make profit, given the prevailing competition from the formal

sector. This, in turn, affects the businesses of the formal sector, which usually abides by the rules and regulations of the road safety. Although there are inspection sites for axle load control, many of them are not in full operation due to lack of resources—both human and equipment. In other cases, informal payments are made to bypass the load control enforcement.

**Informal payment and bribes.** Informal payments and bribes are a common problem in the road transport services, and affect the profit margins of the service providers. In most cases, informal sectors are more commonly involved in such activities than the formal sector, largely due to their lack of compliance with rules and regulations. Truckers give bribes to various officials depending on their need—it could be to bypass some inspection (such as goods transported, size, etc.) or it could be due to a lack of permission (license), etc.

## 2.4. State of the Transport Sector

**The transport network is fragmented, lacking coherence and consistency; hence it is missing its key role for connectivity.** Inland waterways represent a significant potential for transport, but remain under-utilized because of poor conditions for navigation. Consequently, trade has developed along two major roads, which have become trade axes. One connects Congo to South Gabon, Cabinda, and western DRC; and the other links Congo with Cameroon and Northern Gabon. Although the conditions of the roads have improved in recent years, there is still much to be done to enable seamless traffic and trade. The road between Dolisie (Congo) and Gabon and the joint border post at Ngongo (Congo)—Doussala (Gabon) have facilitated trade exchanges with Gabon, although this trade remains marginal and largely informal. The road between Pointe Noire and Brazzaville is being improved. On the other hand, to operationalize the corridor between Brazzaville-Ouessou – Cameroon, both the road infrastructure and the border crossings at Sokambo, Yokadouma and Ntam need to be developed.

**One of Congo's top developmental challenges continues to be the shortage of physical infrastructure.** Greater economic activity, enhanced efficiency, and increased competitiveness are hampered by inadequate transport. The poor infrastructure makes it difficult to access Congo's interior markets. Congo needs to improve its road infrastructure to achieve the expected level of economic growth. Therefore, infrastructure planning and investment are critical to realize the economic and developmental potential of the country. Congo's economic growth and development are intrinsically linked to infrastructure development.

**The Government is undertaking a major upgrading of the country's road network.** The Congolese Government has increased its efforts in developing the regional road network under the regional integration scheme within ECCAS, as laid out in the Consensual Master Transport Plan in Central Africa. Congo is undertaking the road construction projects in all of the sections under its responsibility. The Master Plan includes construction of the following roads:

- ▶ Brazzaville – Kinshasa (2.5 kilometers);
- ▶ Pointe Noire – Brazzaville (666 kilometers);
- ▶ Brazzaville – Libreville (border of Gabon): (i) the first route is through Dolisie (Brazzaville – Dolisie – Kibangou Nyanga – Gabon border), which includes Brazzaville to Dolisie (506 kilometers), and Dolisie – Kibangou- Nyanga – Gabon border (272 kilometers); and (ii) the second route connects Brazzaville with Gabon through Obouya (Brazzaville – Etsouali – Obouya – Boundji – Okoyo – Kabala – Gabon border, 678 kilometers);
- ▶ Brazzaville – Bangui, connecting Brazzaville with CAR through Ouessou, (1 584 kilometers) (Brazzaville – Ouessou – Pokola – Enyelle – Betou – Betoukoumba – CAR border);
- ▶ Brazzaville – Yaoundé (Brazzaville – Etsouali – Obouya – Owando – Makoua – Mambili – Liouesso – Ouessou/Ketta – Sembé – Souanké – Ntam – Cameroon border, 1,170 kilometers).

### Box 2.1: The Consensual Transport Master Plan in Central Africa

The Consensual Transport Master Plan in Central Africa (CTMP) is an intra-regional vision based on an integrated network, which aims to connect together all ten ECCAS countries with countries in other economic regions (ECOWAS, SADC, and COMESA), through a number of intermodal transport solutions. Special attention is given to four landlocked countries (Chad, CAR, Rwanda, and Burundi). The CTMP's long-term objective is to endow the sub-region with a multimodal transport system whose infrastructure and services will ease the free movement of people and goods, and which will be able to support trade development between countries and hence promote economic integration. In the medium-term, it will be possible for the sub-region to have a consensual framework for its negotiations to mobilize investments in the area of transport infrastructure. In the shorter term, it was supposed to allow for free movement on paved roads from one capital city to another by 2010, but this currently has not been achieved.

The CTMP's strategic guideline lays down the transport master plan, which consists of i) supporting actions undertaken to improve infrastructure and open-up corridors; ii) consolidating policy and institutional reforms in the transport sector; iii) taking full advantage of all transportation modes and fostering inter-modalism for the opening up of landlocked countries and coastal countries' hinterlands; iv) giving priority to a single road link for any two capital cities; v) reviewing facilitation issues by developing a simplified transit system inspired from the TRIE convention, and ensuring the effective implementation thereof; vi) supporting initiatives for the pooling of internal resources, both within countries and at the level of RECs; vii) helping RECs in particular to make the autonomous funding mechanisms operational and sustainable; viii) developing mechanisms to ensure the effective implementation of the community level's harmonized regulatory frameworks; ix) considering the interconnection of railway networks as a long-term objective; x) promoting coastal shipping development; xi) promoting the establishment of facilitation committees in ports that service landlocked countries; xii) supporting the implementation of air transport liberalization and service improvement policy, as well as safety and security measures in the sub-region; and xiii) adopting the corridor approach to plan trade in landlocked countries and coastal countries' hinterlands.

A total of around 63 corridors are concerned, linking together all targeted countries from/to various capital cities, and ensuring a good access to/from sea gates. Selection criteria for targeted corridors combine together those of CEMAC, ECCAS, and the Yaoundé declaration on transport infrastructure and regional integration in Central Africa.

Source: Authors.

**While road transport is the main mode of goods transport in Congo, the quality of the road infrastructure remains low.** In recent years, the Congolese authorities have focused more effort into improving road conditions, but the network is still far from being in a position to enable a seamless flow of traffic. A recent study by the AfDB on the development of infrastructure in Congo showed that there is a pronounced infrastructure gap, particularly in the areas of energy and transport (AfDB, 2011). The lack of adequate, reliable, and affordable infrastructure is a serious bottleneck to the development of the private sector, and it impedes regional integration. The large investment in new road infrastructure has not been accompanied by adequate maintenance projects, and maintenance expenditure is only about 0.2 percent of total public spending. Congo is also affected by a continued phenomenon of erosion that disrupts the construction of transport infrastructure.<sup>12</sup>

**Poor transport infrastructure is one of the main constraints to the socio-economic development of the country.** The poor state of Congo's transport infrastructure is posing significant constraints to physical, institutional, and even intellectual progress, as it restricts people's mobility and hence limits knowledge transfer and maintains the *status quo* in vast areas of the country. The poor quality of infrastructure also affects the efficiency of the regulatory framework and institutional capacity of regional Government agencies.

**Poor logistics and transport infrastructure is crippling benefits that Congo could obtain from regional trade.** Infrastructure and logistics gaps, coupled with poor management and financing, have a negative impact on Congo's productivity and

<sup>12</sup> Banque Africaine de Développement, 2012, République du Congo, Document de Stratégie Pays 2013–2017.

competitiveness, hindering trade between Congo and its neighboring countries. The transport infrastructure in Congo and the sub-region in general, suffers from the poor condition of roads, a lack of intraregional connectivity between the national road networks, and unreliable and costly road transport services, resulting in low volumes of trade.

**Congo adopted a National Transport Plan (NTP) in 2006 to strengthen the sector, but its implementation has been weak, largely due to structural and capacity issues.** While the NTP was an important initiative in improving the country's transport sector, its implementation has been hampered by: (i) the duplication of responsibilities between different departments and sector agencies; (ii) the lack of any coordination mechanisms between various authorities and stakeholders; (iii) the poor strategy for the roles and responsibilities of the technical ministries induced by the dominant role of the Direction Général des Grands Travaux (DGGT) in the management of all projects, with funding in excess of XAFonebillion; and (iv) the poor quality of infrastructure. The weak governance of the transport sector exacerbates all of these weaknesses.<sup>13</sup>

## 2.5. Road Transport Services and Infrastructure

The provision of road transport services in Congo is regulated by the presidential Decree N° 2011 – 491 of July 29, 2011, which regulates the access and the running of the road transport profession and the profession of vehicle transport auxiliaries. This regulatory tool provides all of the requirements and pre-requisites for the provision of transport of people and goods by individuals/companies within the country. According to the decree, the transportation profession within the national territory is exclusively reserved to Congolese nationals. Both individuals and companies that are interested in being in the road transport business are required to obtain registration with the national road

transport diary and possess a transport card. In addition to this, companies must hold a transport license.

### 2.5.1. Congo's Truck Fleet

**The fleet of trucks available for freight transportation has been increasing in recent years, indicating the rise in the flow of trade in the region.** For domestically registered vehicles, the fleet increase can mainly be attributed to the increased volume of inbound freight related to the ongoing construction works (roads and buildings) in the country. This traffic increase was also observed in the number of trucks coming from neighboring countries like Cameroon and Angola. For trucks coming from Cameroon, besides the improved road infrastructures, the traffic increase can be explained by the change of practices at the Brazzaville – Douala corridor<sup>14</sup> (to/from Cameroon) and the trading options of timber companies that export through the Port of Douala. In regards to the Pointe Noire–Cabinda corridor, the increase was mainly driven by construction works in preparation of the African Cup of Nations in Angola in 2012.

**The fleet increase also corresponds with a rise in the number vehicles imported into the country, particularly of trucks through Pointe Noire.** However, due to data constraints, it is impossible to determine whether the new arrivals are replacing existing trucks or adding to the overall fleet (particularly, along the aforementioned corridors).<sup>15</sup> The reported numbers include both new and second hand vehicles,

<sup>13</sup> Banque Africaine de Développement, 2012, République du Congo, Document de Stratégie Pays 2013–2017.

<sup>14</sup> It was reported from interviews that most of the freight that used to be shipped from Douala to Brazzaville by sea is now conveyed by road (due to the improved physical quality of roads). In addition, the ASYCUDA system is not yet operational (clearance procedure is manual) at the entry point (Ouesso), and there is more room for bargaining between shippers and custom services, which tends to reduce the costs of the process.

<sup>15</sup> In the past three years, the delivery of vehicles' technical control has been outsourced to a private company that is in charge of managing a database providing details and characteristics of each vehicle subject to be controlled.

although in more recent years new trucks have dominated the number of imported vehicles. Based on field observation, though, the fleets of trucks in Congo are generally old, with a high percentage in bad condition. The fleets of the formal sector operators are newer and better maintained than the informal sector vehicles.

**The quality of the transport services in Congo is also affected by the lack of after-sales services (maintenance, spare parts, etc.).** The lack of regular maintenance and poor repairs together affect the performance of trucks, as well as their life span; it also leads to high maintenance costs and influences the physical quality (age) of vehicles.<sup>16</sup> These issues are also related to the lack of any regulation for regular mandatory technical inspection of the vehicles to determine their roadworthiness.

### 2.5.2. Road Safety in Congo

Road safety is posing two types of challenge for trade:

- ▶ Internal, with transport failures or delays arising due to road crashes, which has serious economic consequences for the logistic chains. This leads to poor reliability and a loss of resources and business opportunities for transport operators and traders
- ▶ External, due to the high negative social impacts on local communities and road users caused by road crashes involving commercial/freight vehicles along trade corridors.

Although road safety concerns all types of road users, from freight trucks to passenger transport, private transport and pedestrian, the two most affected road user categories in the context of trade facilitation are the freight trucks and the pedestrians, who may be involved in crashes caused by freight trucks. The impact of poor road safety on business development along Congolese corridors is unknown, but could be expected to be negative, especially for activities such as tourism.

**In Congo, there is no structured transportation framework that requires truckers to comply with specific operating regulations and safety standards.**

On the positive side, transport activities are business oriented, and each transporter/trucker makes choices according to their personal strategy or business orientation. On the negative side, this maintains an industry that is de-structured and atomized, encouraging unfair competition, which in turn results in high transport prices. Another aspect that distorts competition is overloading, which is common practice, and is not properly sanctioned. This issue is also damaging the road infrastructure and endangering the safety of road users.

On the other hand, the National Transport Plan (PNT) doesn't provide any guidelines regarding road safety measures, apart from stating that it should be included through the systematization of vehicle's technical control operations, police controls, and drawings of road signs (both vertical and horizontal). The country doesn't yet have clear targets, or a vision of where to go as far as safety on roads is concerned. In fact, all vehicles are currently subject to a yearly test/control operation, to check whether their characteristics comply with safety requirements applied to all vehicles using corridors. In practice however this is simply an excuse for control checks to retrieve money from road users, rather than a means to reduce road fatalities.

At the Central African regional level, awareness regarding road safety challenges has not yet been adopted by all member countries. As a result of this, priorities given to the road safety sector are yet to be translated into pragmatic decisions, and moreover actions, despite some commitments and agreements that have been endorsed by the various states. Some aspects of the regulations on road safety are governed by the CEMAC Community Road Code, endorsed

<sup>16</sup> Trucks operating in Congo appear to be older than those coming from Cameroon.

**PICTURE 2.1:** A truck on the Brazzaville – Douala corridor (few km to Oyo) waiting for intervention



Source: Authors.

by all member countries, which puts together various measures, elements, and orientations concerning road safety in both internal roads and corridors. The implementation of the WB—Total Partnership is ongoing, targeting Central African corridors starting from Douala to Bangui and N'Djamena. Another initiative on road safety sector is endorsed by the Transport and Transit Facilitation Program (TTFP) in CEMAC (funded by additional sources, Cameroun CR 4987-CM, at a cost of US\$4,336,786). Both ARSCI and TTFP aim to: i) help and support all CEMAC States' members in addressing road safety aspects that need to be improved at national and regional levels; ii) implement the global road safety agenda; iii) facilitate road transport to increase

countries' competitiveness and; iv) improve road safety level on corridors departing from Douala to Bangui and N'Djamena.

In addition, the African Road Safety Conference in Accra – Ghana, set an agenda for ministers of Transport and Health to issue an important Declaration on February 8, 2007. It resolved in particular to halve the number of road accident fatalities by 2015. It also proposed that member states designate a lead agency with legal backing and adequate and sustainable financial resources, to ensure the achievement of the target. It also made recommendations on infrastructure, hospital, and emergency services. Furthermore it proposed that member countries should assign a percentage of infrastructure

### Box 2.2: The World Bank – Total Partnership of Road Safety

Signed on January 10<sup>th</sup> 2010, under a MoU between the two parties, the scope of work for this partnership includes:

- At the national level: i) supporting CAR and Chad in designing a Road safety Strategy document, accompanied with an action plan to implement it; ii) providing the corridor with safety signs and signals; iii) carrying out a safety audit on the corridor; iv) carrying out a diagnosis of emergency services; v) setting up a road safety database for fatalities; vi) training staff in road management and coordination; and vii) involving the private sector in the fight for road safety, through the adoption and implementation of best practices;
- At the regional level: i) revising the CEMAC Community Road Code; ii) designing and implementing a harmonized system to allow access to the goods transport sector; iii) designing a harmonized training system for drivers of goods transportation vehicles, and training the trainers; and iv) designing and implementing a harmonized system of capacity building on road safety, targeting police and gendarme forces.

Targeted activities are in line with the five pillars set by the agenda of the Global Road Safety action decade, involving stakeholders from public, private, and civil society. The outcomes and outputs of these initiatives are already perceptible in Cameroon, but are yet to be seen in CAR and Chad. Public, civil society, and private sectors are increasingly becoming involved, with greater awareness being raised.

With the help of private partners, tangible outcomes include: i) the creation of an experience sharing platform, gathering eight companies of various sectors; ii) the training of drivers and transporters; iii) the benchmarking of good practices (leading to the reinforcement of safety culture through self-regulated norms); iv) improving vehicles' technical control (check-list); and v) transport management for reduced risks.

With the help of civil society, the following can be obtained: i) the gathering of 30 road safety associations into a coalition; and ii) better capacity building through better organization. Other outcomes include: i) a more harmonized vision on road safety in the CEMAC zone and the design of a priority actions plan; ii) the inclusion of a road safety component in all road construction tenders; iii) the introduction of a road safety expert in the supervision of road construction works; iv) the instauration of road safety audit; v) the design of 12 norms of self-regulation; and vi) the organization of sensitization campaigns and controls checks operations.

Source: Authors.

investment to road safety, improve the collection and use of road death and injuries data, ensure the enactment and enforcement of laws associated with driving under the influence of alcohol and drugs, implement education programs, and consider the needs of rural transport. Finally, the declaration encouraged countries to ratify the 1968 Vienna Conventions on Road Traffic and on Road Signs and Signals. The full implementation of this declaration however is a farfetched dream among the CEMAC states.

**The regulation for road safety in Congo is not clearly consigned or well highlighted.** Some elements of this regulatory framework are drowned inside various texts, decisions, decrees, etc. that structure, organize and manage the national transport sector in general and the road transport sub-sector in particular. This regulatory framework is complementary to the CEMAC

Community Road Code, but the implementation of this code has yet to be realized.

### 2.5.3. Freight Management in Congo

**The freight forwarding industry in Congo faces serious problems, namely a fragmented structure, high operating costs, and inefficiency in related services.** The overall management of freight is not under the responsibility of any designated entity. Therefore, freight owners communicate directly with transporters to convey their goods to designated destinations. In some cases, freight forwarders or other intermediary actors facilitate the business. Freight owners are represented by either intermediaries/middlemen or by freight forwarders. Congo needs a well-structured and functioning mechanism to facilitate the access to cargo

### Box 2.3: Republic of Congo – Road Classification

The first road classification operation in Congo was performed in the 1970s, with a total of 17 289 kilometers of all types of roads classified. Access within the country is determined by the level of development of road network. This access has essentially been developed since 1945, when the country's growing economic activities required the development of roads all over the national territory (resulting in the set up a road construction/rehabilitation program). The lengths of the various classes of roads in Congo are contained in the table below.

The Transport National Plan (NPT) proposed a new road classification, which included national roads, divisional roads, and local roads. National roads link the nation's capital to the divisions. They also provide connections with neighboring countries and major domestic road networks. The total number may increase from six to 15 in the next 10–15 years of the NPT. Divisional roads connect districts and towns to national roads. They also serve as complementary inter-connections with neighboring countries, and can help to link the major road networks. They are tracks that have been rehabilitated by international development donors. The total number may reduce from 46 to 33, and will be put under the responsibility of divisional administrations. Local roads will be under the responsibility of divisions and districts, and will be maintained by the Road Funds (RF).

Roads categories	Actual classification (1972)		Proposed classification (PNT)	
	Number	Total length (km)	Number	Total length (km)
National roads (RN)	6	1,875	15	3,920
Divisional roads (RP)	46	3,588	30	4,211
Local roads (RIL)	101	2,478		4,000
Unclassified roads (RNC)	–	9,919		5,200
Total	153	17,860	45	17,331

Source: Authors.

and strengthen the trucking industry; this could take the form of a “bourse de fret” for example.

Sources of freight depend on the direction (imports vs. exports) and the destination. Timber products are the main source of freight for exports and in-country transportation. Meanwhile, on the import side, transshipping is the main source of freight from the port of Pointe Noire, and agro industry, construction materials, and equipment are the main sources of freight imported from Cameroon.

**There is no bilateral or regional framework/agreement on freight management between Congo and its neighboring countries.** Despite their proximity and the opportunities to enhance trade, there is no

bilateral agreement between Congo and Cameroon or between Congo and Angola on freight transportation.<sup>17</sup> Such a referenced framework would contribute to: i) regulate the freight distribution between the operators of various countries (Congo – Cameroon and Congo – Angola) and consequently ensure a minimum protection to respective trucking industries; ii) regulate traffic operations and procedures along targeted corridors; iii) define and establish check points (number,

<sup>17</sup> Such framework exists between Cameroon and Chad/CAR. All these are CEMAC countries; therefore Congo can also do the same.

<sup>18</sup> The first one, called PDARP (Programme de Développement Agricole et de Réhabilitation des Pistes), is co-funded by the World Bank, and the second one, financially supported by IFAD and OFID, has moved from a projects approach (three different Rural Development Projects targeting different geographical areas of the country) to a program approach (Programme d'Appui au Développement Agricole).

locations, types of services involved, etc.) along corridors; and iv) serve as an observatory entity for freight and traffic operations, etc.

#### 2.5.4. Internal Road Infrastructures System

**There has been a considerable development of new roads, increasing the total length of the network to more than 18,000 kilometers.** This is the result of the Government's commitment to improve the country's infrastructure, and of the improved socio-economic environment in Congo. However, the quality of the roads is still low and needs to be addressed to improve their life span.

**Local and unclassified roads, usually called "farm to market roads", are the main access to agricultural production areas and villages.** National, divisional, and almost two thirds of local roads are part of the National Priority Network (NPN), for which METP is responsible for maintenance, through the Road Funds. This classification defines the priority for maintenance of these roads. The "priority road" network outlines the nucleus of road maintenance activities to be supported by the Roads Funds.

**More than 70 percent of the national roads N°1 and N°2 (RN1&RN2) are paved.** These roads cross the country from North to South, starting from Pointe Noire ending in Ouessou, linking seven districts. More construction work is still underway, and when all completed it will strengthen their importance as a backbone for regional integration.

**Road connection within districts is the weakest link of the overall network.** Despite huge continuous efforts on the part of the Congolese Government to improve the road infrastructure network across the country, roads that connect small towns (within the country) and villages (within districts) remain in poor condition, or have not yet been constructed. In view of improving the living conditions of the

rural communities, the Government has developed long- and short-term plans. In the long term, the Government is funding two major programs<sup>18</sup> that focus on the rehabilitation of local roads infrastructure, targeting links in agriculturally productive areas to domestic markets. In the short term, the Government has created a "methodical" road rehabilitation program in the broad program of Municipalisation Accéléree by organizing annual events to commemorate the national Independence Day. The events are being held on a rotational basis, from one division to another. This event may provide an opportunity to improve the socio-economic conditions of the districts, including their road infrastructure.

**The network that links the production areas and markets is still poor, and poses a major challenge in delivering products to the market.** In fact, most of these roads are yet to be created or are unpaved. Unpaved roads need a greater level of maintenance in to keep them suitable for goods transportation. However, given the reduced and limited availability of funds to support road maintenance, these local unpaved roads are not frequently inspected or repaired. In addition, the priority level allotted to finance the development of local roads also reflects the fact that rural road development receives little attention as far as rehabilitation and maintenance works are concerned.

**A high proportion of the infrastructure is not modernized over time, due to inadequate attention and limited resources.** The lack of attention to maintenance has resulted in rapid deterioration in the infrastructure, and this has imposed high costs on the economy, a trend that continues to the present day. Congo's transport infrastructure needs to be upgraded and improved over large areas of the country. During the past decade, significant progress has been made, particularly in the roads subsector. Considerable investment is still required however to deliver improved transport services to meet the growing needs of the economy and the region, in which it has a significant potential to serve.

## 2.6. Regulatory policies and Enforcement on Freight Transport Services

The domestic road freight industry is characterized by weak regulatory enforcement, and imposes no licensing requirements for transport operators. Currently, the road transport industry is atomized, largely informal, and completely de-structured. No formal training or specific competence is required to become a transport operator, affecting the efficiency and quality of the service. There is no regulatory framework that requires the industry to provide social protection (such as pensions, medical benefits, etc.). Furthermore, many of the transport operators, including the drivers, have very little or no education.

Unlike its neighbors, Congo bases its regulation and enforcement on the UN Convention on Road Traffic of 1949. A detailed discussion on the international treaties relevant for Congo is presented in Annex A2. DRC and CAR are Contracting Parties to the more recent Convention on Road Traffic of 1968 (also known as the Vienna Convention, 1968). Some other neighbors have ratified neither the 1949 nor the 1968 Conventions, and are either enforcing domestic legislation or are bound by provisions of regional or sub-regional instruments on the subject, such as CEMAC's Road Traffic Code.

This might have implications on the access to markets between these three countries. Applying the less strict standards by countries that are parties to the older (1949) convention may lead to the drivers and vehicles of these countries being denied access into countries that are parties to the 1968 convention, which sets stricter and more modern standards. This way, technical differences can easily escalate into market access barriers. In fact, according to Article 48 of the Convention on Road Traffic, 1968, "Upon its entry into force, this Convention shall terminate and replace, in relations between the Contracting Parties, the International Convention relative to

Motor Traffic and the International Convention relative to Road Traffic, both signed at Paris on April 24, 1926, the Convention on the Regulation of Inter-American Automotive Traffic, opened for signature at Washington on December 15, 1943, and the Convention on Road Traffic, opened for signature at Geneva on September 19, 1949."

There are notable gaps and weaknesses in Congo's road regulatory framework, ranging from a lack of appropriate legislation to gaps in enforcing regulations. When compared to the policy objectives and the overall standard of the legal framework, transport regulation in Congo exhibits the following weakness: i) the lack of an independent regulator for transport services; ii) the law on axle road control has never been operational, due to lack of weighbridges; and iii) the transport policy goals are not harmonized with CEMAC.

Congo's weak regulation is reflected in inadequate service quality. Regulations are poorly framed and poorly enforced, which results in the use of inappropriate or poor quality vehicles and leads to poor safety performance. The lack of standard to operate as a professional road transport operator may result not only in informality and inefficiency, but also in threats to the safety of users.

There are five important types of policies and regulations that affect the efficiency of the sector, and hence hinder trade: road safety; axle load limits; border crossing; roadblocks and checkpoints; and third country, sabotage, and backhaul. There is no doubt that the high transport costs and weak development of the sector is partly due to the regulatory policy and its implementation. Therefore, improving the regulatory policies would play a significant role in enhancing the efficiency of the road transport sector in Congo.

### Road Safety

Road safety is an emerging issue in Congo, as the size of the vehicle fleet is rapidly increasing. According to

WHO, Congo has the seventh highest crash rate in the world, at 42 crashes per 100,000. There were about 1100 road crash fatalities in 2011. This is mainly due to the fact that the key trade corridors such as Pointe Noire-Brazzaville-Ouesso and Pointe Noire-Ngongo-Gabon, lack proper road markings, signs, and signals.

**The capacity of the Congolese police should be enhanced to effectively enforce traffic laws and regulations resulting in the reduction of traffic accidents.** In particular, the police should be given additional modern equipment for road transport speed control, and alcohol detection, and emergency vehicles should be provided with rescue and communications gear. In addition, the police should have the capacity to accurately collect, store, and share accident statistics with other transport agencies. This would enable appropriate investment in measures that contribute to transportation safety. Besides capacity building, the police department also needs to put more effort into fighting corruption and other malpractices.

### *Axle load limits*

The overloading of trucks is a great threat to road safety in Congo. With the demise of the railway systems serving long distance trips to Congolese ports, emphasis has moved to roads. However, Congo's road network is still unable to cater high levels of long distance truck movements, including both international and national origins and destinations. Traffic counts show that truck traffic makes up a high proportion of motorized movements. Even a few overloaded trucks travelling regularly can reduce a 20-year designed road life to ten years or less. Thus, overloading has a significant impact on road maintenance budgets, and controlling overloaded vehicles could result in significant maintenance savings and better road conditions.

To limit road damage, within the CEMAC countries the axle load maximum limit has been fixed at 13 tons. Congo has yet to introduce more complete controls, or fully implement this regulation. There are a few weight

bridge stations at different locations, but most of them are not functioning properly due to obsolete equipment and, in some cases, a lack of human resources. Cameroon, for example, has set up weight bridges in five different locations. Given the significant number of truckers in the informal sector and their preference for overloading trucks to minimize costs, enforcing this regulation would pose a daunting challenge. In light of the lack of workable guidelines for the officials, and truckers' interest in bypassing some regulations, there is no doubt that both transport operators and weigh-bridge officials would be susceptible to corruption.

### *Border crossing*

The lack of harmonized procedures and documents required at border crossings, and their different operating hours, contribute to transit delays. Terevaninthorn and Raballand (2008) estimate that delays at border crossings and checkpoints reduce the mileage of trucks in the transit freight service by 20,000–30,000 kilometers per year. To improve border crossing efficiency, CEMAC has laid out guidelines for joint border posts, but member countries have not started implementing these procedures.

### *Roadblocks and checkpoints*

All major trade corridors in Congo have roadblocks where formal and informal payments are collected, causing delays and raising transit costs. Although informal payments and delays at checkpoints account for a relatively small proportion of the total transport costs and times, their cumulative impact can significantly affect profitability and competitiveness.

The lack of coordination and the high number of roadblocks and checkpoints affect the efficiency and the development of the transport sector. Numerous roadblocks and checkpoints delay the delivery of goods, raise transport costs, and limit the free movement of commodities and people. Roadblocks lead to a substantial loss of revenues, through rent seeking

activities by corrupt authorities and through harassment by police or other law enforcers. On the road from Pointe Noire to Brazzaville, for example, there are allegedly at least 16 checkpoints (roadblocks) and the bribes can be as high as XAF 120,000 for a one way trip through this corridor. It has become common practice for truckers to hire a police agent as an escort, because this generally only costs about XAF 15,000.

### *Third country and sabotage regulations*

The current regulation on third country transport restricts foreign drivers from picking up cargo and delivering it to another country. This regulation was designed to support domestic trucking industry, although its implementation has been very weak. These regulations limit shippers' choice and force them to take poor service options. They also affect the profitability and competitiveness of the sector in the region, as they dissuade transporters from carrying loads on their way back to their country of origin. For instance, Cameroonian truckers have little incentive to take freight from Douala to destinations in Congo, as they will not be allowed to carry backhaul loads. This has had an adverse impact, not only on the development of the transport road sector, but also on the price of transportation.

## **2.7. Recommendations**

Congo's transport sector needs fundamental change and modernization. It is, therefore, important to strategize the reform path with a clear action plan (see Annex G1, section B for a matrix of the detailed action plan). The key element of the agenda of this fundamental change and modernization is the reform outlined below.

The Government should consider defining a strategy to enhance the efficiency of the road sector and reduce the overall costs of transportation. Currently, Congo's transport industry is completely atomized

and de-structured. The Government needs to lay out a strategy for the transport sector that is primarily aimed at improving the efficiency of the road sector, which would thereby reduce the overall costs of transportation.<sup>19</sup>

The Government should strengthen the transport sector regulatory framework. Congo needs to develop an extensive and effective system of road transport monitoring and regulation. Currently, even where they exist, the rules and regulations of the transport sector appear to lack rigorous enforcement. Furthermore, road safety should be part of any infrastructural development, from the designing to the management stage. The main actions that could be taken by the Government are given below.

- ▶ **Create or institutionalize a road safety unit to enforce the rules and regulations of the sector.** The Government could create a transport safety unit within the MTACMM to oversee the implementation of the country's road rules and regulations and conduct road traffic-related research. The responsibilities of the unit should include coordinating transport safety, overseeing security and incident management, working with the other transport agencies responsible for driver training and licensing, vehicle inspection, enforcement of traffic laws and security, health, and emergencies. The transport safety unit should have the capability to undertake road safety audits, investigate accidents, and design mitigating measures. To enhance the unit effectiveness, given that transport safety matters cut across many national institutions, this unit could become a national agency in the medium term.
- ▶ **Design a mechanism for technical vehicle inspection, to ensure safety and emission standards as defined or mandated by the Government.** The technical section of the

<sup>19</sup> Technical Assistance is recommended to assist the Ministry in developing and implementation of the restructuring activity.

transport sector currently does not carry out technical inspections of vehicular applicants for licenses, operating on the assumption that all vehicles will be properly maintained to minimize their operating costs. This heavy reliance on self-discipline and enlightened self-interest is unsustainable. It is recommended that the sector's regulatory role should also incorporate technical and safety concerns, and should become more "hands on" than at present. This report also recommends the creation of a body, perhaps under the ministry in charge of transport, which will take responsibility for driver and vehicle licensing and for drafting traffic and safety regulations. The actual enforcement of traffic rules and related regulations should be handled by a uniformed service. Accordingly, the Traffic Department should retain this responsibility and enhance its capacity for enforcement.

- ▶ **Register and provide licenses to transport operators.** Currently, there is no workable framework for the registration and licensing of transport operators. The transport sector needs to develop a mechanism through which each domestic operator can be held accountable for its activities. The road transport authorities should develop credentialing requirements to issue a transport operator's license (a stand-alone document (World Bank, 2015c) that presents proposed regulatory guidelines in this sense has been prepared and will be provided to the authorities during dissemination).
- ▶ **Establish mandatory minimum training standards for transport operators.** In the current transportation system, operators are not required to go through a standard training program. Mandatory training should be enacted to obtain operator accreditation. To obtain transport operator accreditation, an operator must complete a training course approved by the Department of Transport. As well as upgrading the driver's license to a higher class, the training should encompass best practice in respect of basic vehicle maintenance, accident prevention, safety check procedures, international road signs, and transporting hazardous materials, etc. The DGTT was given by the state a surface of 40 ha of land in the outskirts of Brazzaville, and they plan to have the training center built there. The center would be supplemented at a later stage with two branches at Ouessou and Djambala (see World Bank 2015c for detailed discussion and guidelines on professional driving instruction).
- ▶ **The Government needs to provide training for road transport stakeholders to enhance efficiency in both public and private sectors.** The lack of adequate training for all professional staff in the regulatory agencies is often a major constraint on removing the institutional bottlenecks that limit effective regulation, implementation, and enforcement. On the private side, the lack of managerial capabilities ensures a low level of efficiency in the sector. Adequately training all of the stakeholders involved in road transport would be the first significant step in ensuring a safe, clean, and affordable transport sector (see Annex A2.5 for a review of the transport management training scheme).
- ▶ **The Government could build parking and resting areas for road transport operators, which would reduce road crashes due to fatigue; it could also conduct control activities such as vehicle technical inspections.** There is a lack of secure vehicle parking on or near the border crossing for truck drivers who want or need to use it. Such parking areas could also be used as control areas, especially at the border crossings, allowing all state agencies to perform their specific procedures in a single space.
- ▶ **The Government could harmonize and streamline procedures at border crossings.** This report highly recommends that the Government develop harmonized regional border inspection and clearance procedures, including the establishment of Joint Border Posts. Currently, the authority in charge of transport technical controls is not represented at the border crossings. The lack of

standardized or harmonized norms, procedures, and regulations across the region generates problems and delays for transport operators. This report therefore recommends that internationally recognized standards are implemented, based on which mutual recognition could be established on the validity of certificates delivered to vehicles, drivers and goods in their country of origin or registration. Such common standards should also cover improvements in infrastructure, notably on the main corridors of Pointe Noire-Brazzaville-Ouessou and Pointe Noire-Ngongo-Gabon, by including road safety elements like road markings, signs and signals, which are currently quasi-absent.

This would not only improve the road safety performance of the country but would also facilitate transport, notably for cross-border movements.

The Government should also maintain and regularly update the database that was created under this intervention on trade and road transport services along the three corridors. The intervention created a comprehensive database that comprises of information on trade flows along the three corridors considered in this project. This database comprises information by type of goods, vehicles, origin, destination, capacity, etc. The Government should expand it to a more complex, yet usable, trade database.

# Rehabilitating the Brazzaville Port – Assessing Port Performance and Port Connectivity

## 3

### 3.1. Introduction

The Brazzaville port is the most important river port in Congo, with ferries sailing to Kinshasa and to Bangui, via Impfondo. It also has railway and road links with Pointe Noire port, which is a gateway to the Atlantic Ocean. The Brazzaville port largely serves as a gateway for trade between Kinshasa and Brazzaville. It is also the main multimodal transfer point for trade with the Central African Republic (CAR) and Cameroon. It has a potential to become a multimodal logistics hub for the region, providing services to Brazzaville, Kinshasa and other countries in the region.

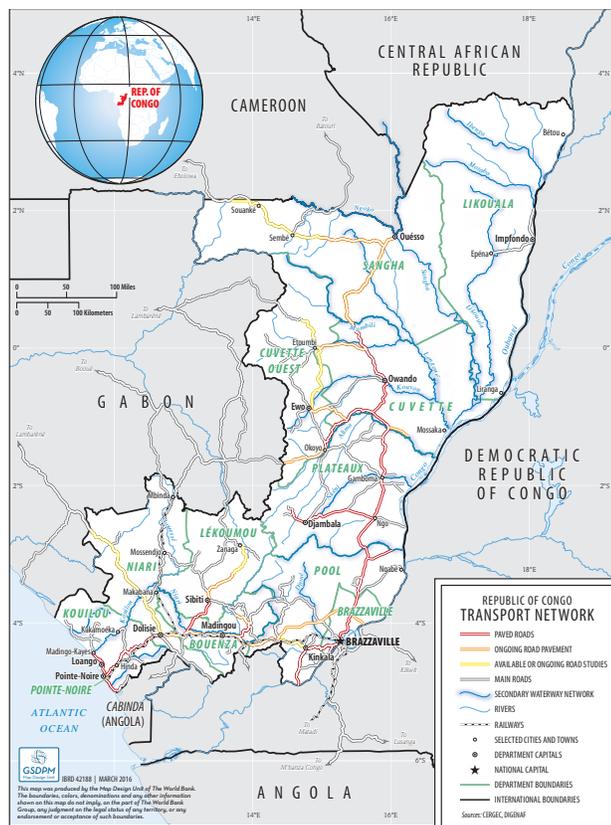
According to the Doing Business indicator 2015, Congo is one of the countries where trade activities are very difficult to undertake. The poor state of the port of Brazzaville is an important contributor to this poor business environment. More specifically, the use of manual clearance processes, with a significant risk of human error, creates further delays to clear imports as well as exports. It also increases operation costs and makes the process susceptible to corruption.

However, the rehabilitation of the Pointe Noire – Brazzaville corridor and the Brazzaville port could improve Congo's competitiveness. Currently, the road (called RN1) that connects Brazzaville with Pointe Noire is under construction, and it is expected to be completed by the end 2015. The Government has begun rehabilitating the Brazzaville port, and significant

improvements are expected when the project is completed. Initial funding for the project is being provided by the European Union. This massive investment in modernization is anticipated to enable the Autonomous Port at Brazzaville and Secondary Ports (PABS) to consolidate its role as one of the sub-region's key transit and transshipment ports. However, port capacity limitations and inefficient operations remain as major bottlenecks for Congo's trade through this port.

While the proposed road-rail bridge that links Brazzaville and Kinshasa will play an important role in the economic integration between the two Congos and beyond, the Brazzaville port will continue to be essential. This road-rail bridge project will link the two cities, and will ensure the continuation of the Tripoli-Windhoek Trans-African Highway Corridor, the Central African trunk of which comprises the Cameroon-Chad-Congo-DRC-Angola link, supplemented by a feeder road connecting Bangui. The project is among the 14 priority projects listed under NEPAD's Short-Term Action Plan in Central Africa. It is also listed among the priority operations of the first program under the Central African Consensual Master Plan on Transport (PDCT-AC), slated for short-term implementation. The road/rail infrastructure will further cement economic integration between the Congo and DRC, and will help to diversify access routes to the sea. While this road-rail bridge is expected to generate greater integration in the region, the Brazzaville port will remain to be an important trade conduit for two main reasons. Firstly, the bridge is expected

**FIGURE 3.1: Republic of Congo – Navigable Waterways**



to be built at Maluku site, which is sixty kilometers upstream from Brazzaville and Kinshasa. Secondly, the port will provide an alternative means of transportation for bulky goods as well as for people traveling between the two cities.

This chapter examines the Brazzaville port from the perspective of institutional and regulatory framework. In an effort to improve the port's performance, the Government has allocated a budget to improve the physical infrastructure of the port. It is important to review the ongoing project and other associated initiatives to assess the current state of the port, as well as plans for its development. Based on a thorough assessment of the current condition and recent developments of the port, this chapter proposes an action plan to reinforce the port's efficiency. In addition, a

detailed assessment of the port with a comprehensive master plan (World Bank, 2015c) has been prepared as a stand-alone document and will be provided to the authorities during dissemination.

### 3.1.1. Brazzaville and the River Network

**A lack of maintenance affects the navigability of the river and limits access to the Brazzaville port.** The river system has more than 5,000 kilometers of navigable waterways linking Congo, DRC, CAR, and Cameroon (see Figure 3.1.). However, the use of these waterways has been affected by the growing difficulty of maintaining the navigability of the rivers (see Tables A3.1 and A3.2 in Annex A3), which illustrates that the lack of maintenance is the main factor impeding navigability and access to the port of Brazzaville. According to the authorities and other stakeholders, the lack of maintenance of the river is largely due to a lack of resources (dredgers, buoys, etc.). More specifically, the firm (SCEVN) that was involved in the maintenance of the river has been going through some financial difficulties (problems with payment of royalties), and so has struggled in carrying out the maintenance of interstate waterways (and of its equipment program). Tables A3.1 and A3.2 in Annex A3 detail the Inter-State River system and the secondary water system including carriers to navigation, and explain the conditions necessary for improving navigability.

**Stakeholders need to develop strategic coordination to improve the condition of the waterways,** In light of the condition of the waterways and the importance of establishing accessibility throughout the year, a comprehensive maintenance program must be developed. The program needs to establish a suitable organization that can pool efforts and increase coordination among stakeholders, including PABPS, DIGENAF, SCEVN, and different states (Congo Rep., DRC, CAR, etc.). The program should aim to harmonize and coordinate on a consistent basis the maintenance of waterways and optimal safety procedures. The importance of this

coordination is all the more important given that the rehabilitation program provides for the acquisition of equipment (dredgers, buoys, etc.), and the capacity building components of port crafts and inland waterways should be considered in this context.

### 3.1.2. Objectives

The main objective of this chapter is to assess the current state of the Brazzaville port and develop a master plan to reconstruct and rehabilitate the port to improve trade facilitation. This will support the Government in its efforts to create an enabling environment for export diversification, and will stimulate foreign trade in general.

Trade facilitation includes:

- ▶ Standardization and improvement of physical infrastructure facilities.
- ▶ Simplification and harmonization of formalities and procedures.
- ▶ Harmonization of rules and regulations.

The primary goal of trade facilitation in the context of the port of Brazzaville is to reduce the cost of shipping and the cost to market. The complexity of the procedures and the lack of coordination between different border agencies can be costly, and can affect the competitiveness of the economy as a whole. Improving trade facilitation, in general, encompasses: (i) accelerating movement, release, and clearance of goods; and (ii) improving coordination among authorities involved in foreign trade.

## 3.2. Institutional and Regulatory Framework

### Overview

The Brazzaville Port Authority is a self-running Government agency assigned to manage the port.

The Brazzaville port authority, PABPS, was established under the Ordinance No. 4–2000 on February 16, 2000, and installed by Decree No. 2000–16 on February 29, 2000. The PABPS authority operates the Brazzaville port, which handles the second largest amount of shipping of all ports in the country, and also controls other small ports in Congo. The main responsibilities of the PABPS include:

- ▶ Providing operational and developmental management to the Brazzaville port and secondary ports, as part of the general policy defined by the Government on river port operation and development.
- ▶ Contributing to the effective implementation of the transit role of the trans-Congolese transport chain; the bus/truck and rail system within the Brazzaville and secondary ports are also run by the PABPS.
- ▶ Executing, upgrading, and maintaining the port infrastructures.
- ▶ Enforcing laws at the river ports and other port authority facilities.
- ▶ Taking any administrative action related to the ports, particularly in the following areas:
  - Navigation and use of river ports, including berthing, mooring, anchoring, loading, and unloading;
  - Navigation and communications between riverine units and river ports;
  - Work and supportive activities including: river refueling units, stevedoring, maintenance and ship repair, handling and storage, dredging and other maintenance in the field, and port facilities. Firms or individuals that are approved and issued licenses by the PABPS can operate these activities;
  - Building of docks, channels, buildings, elevators, pipes and pipelines, mooring lines, piers, and docks, as well as operation and maintenance;
  - Excavation, removal or deposition of materials, along with any other activity likely to have

any effect on the docks or channel ports or neighboring properties;

- Control of the use and development of land, buildings and other property in the authority's facilities, docks, and equipment that relate to the operation of river ports;
- Project management for the execution of work entrusted to outside companies after competitive bidding;
- Participation in the planning and development of the port's areas and industrial zones;
- The management of buildings assigned to the port;
- Transportation, handling, and storage of hazardous substances in the port areas;
- Setting of all contract rates and fees for services provided at the port.

Private sector activities in the port area are subject to authorization issued by the Port Authority under the following conditions: i) a permit or lease for land or buildings; ii) a staff pass that allows access within the port area; iii) a license to practice specific activities related to port operations; and iv) a concession or lease of business.

### Organizational Structure of the PABPS

The PABPS is administered by a Board of Directors and an Executive Management Unit. The organizational structure of the PABPS encompasses:

- i. Five division directorates: General Secretariat; Management of the captaincy; Operations management; Management of equipment and facilities; and Department of Accounting and Finance (Annex A3.1 details the organizational structures of the PABPS directorates).
- ii. Three directorates under the Director General: Controlling; Audit; and Computer.
- iii. Twenty five divisions that report to the Division Directorates: four at the harbor; eight to exploitation; four to equipment and facilities; four to accounting; and five to the General Secretariat.

Currently, the total number of staff working for the PABPS is 205, and Tables 3.1 and 3.2 present the breakdown of staff.

According to the human resources department, the workforce is aging, especially the technicians, (144 of the officers are over 46 years old) and it lacks qualified training.

**TABLE 3.1: Port of Brazzaville – Breakdown of the PABPS Staff by position and division**

Directorate	Category			Total
	Executive	Supervisor	Staff	
General Management	5	2	1	8
Deputy Chief Executive Officer	3	5	1	9
General Secretariat	4	12	9	25
Accounting and Finance Directorate	12	11	7	30
Operations Business	34	36	9	79
Direction Captaincy	16	12	2	30
Management equipment and systems	4	8	5	17
PABPS officers seconded	1	5	1	7
Total	79	91	35	205

Source: PABPS.

**TABLE 3.2: Port of Brazzaville – Breakdown of the PABPS Staff by Age Group**

Age Group	Category			Total	Percentage
	Executive	Supervisor	Staff		
18-45 years	64	27	01	91	43
46-55 years	14	54	17	85	41
56-60 years	1	10	18	29	16
Total	79	91	35	205	100

Source: PABPS.

In addition, some occupations are under-represented in PABPS (Hydrographers, Divers, Fire Safety, etc.).

### *Private Sector Participation*

**The limited participation of the private sector is one of the factors for the poor performance of the Brazzaville port.** Private sector participation in the operation of the Brazzaville port is almost non-existent. Currently, the private sector is involved only in some contractual projects (such as construction) and small businesses (such as vendor trading). On the investment aspect, the private sector in Congo is very much inactive. This is largely due to the lack of incentives and the lack of the capacity of the sector in the country. A strong focus on institutional reform should encompass the modernization of Brazzaville port with respect to the participation of the private sector in the management. It is essential that the private sector is actively involved in the implementation of trade facilitation strategy, and in particular in the standardization, simplification, and dematerialization of foreign trade procedures, and the development of an appropriate legal framework.

## **3.3. Freight and Passenger Traffic at the Brazzaville Port**

### **3.3.1. Freight Traffic**

The total freight traffic at the Brazzaville port ranged between 310,000 tons and 510,000 tons per year

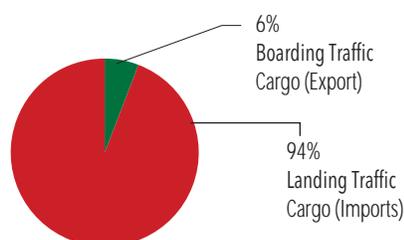
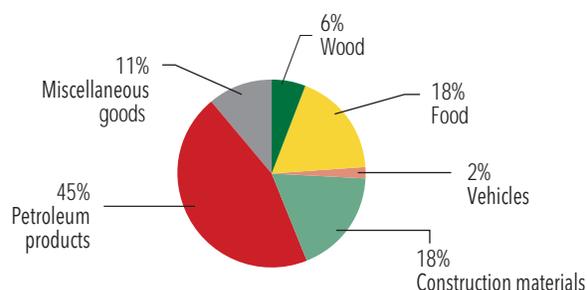
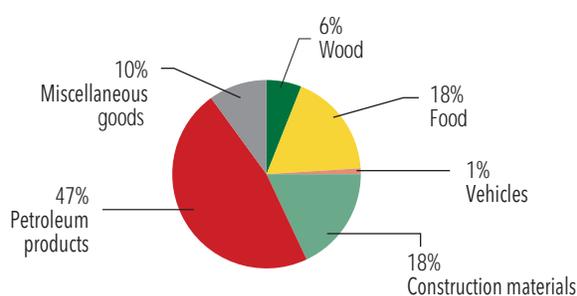
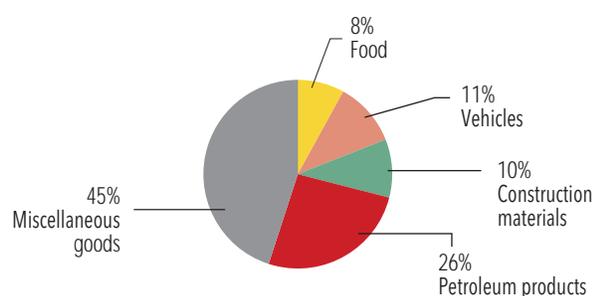
between 2009 and 2013, with the lowest value of 317,122 tons occurring in 2010 and the highest value of 505,738 tons occurring in 2012. While inbound goods account for 94 percent of the goods that pass through the Brazzaville port, outbound goods account for just 6 percent. This also shows the magnitude of Congo's dependence on imports. The largest share (67 percent) of inbound goods is food and building material, most of which originated from the DRC (for a detailed traffic flow, see Table A3.3 in Annex A3).

### **3.3.2. Passenger Traffic**

The total number of passengers passing through Brazzaville port was on average about 160,000 per year from 2009 to 2012. The number of passengers arriving at the Brazzaville port is about twice the number of passengers leaving.

## **3.4. Entry Procedures and Duties at Brazzaville Port**

There are no clear rules and procedures at the **Brazzaville port**. According to the authorities associated with cross-border procedures and the intervention of technical services, it is clear that not only are the procedures not well defined, but that the intervention of their operational services is also not organized. In addition, the legal and regulatory framework

**FIGURE 3.2: Port of Brazzaville – Total traffic (Boarding and Landing)****Total Traffic, 2009-2013****Total Traffic by product, 2009-2013****Landing Traffic Cargo (Imports), 2009-2013****Boarding Traffic Cargo (Export), 2009-2013**

Source: PABPS.

**TABLE 3.3: Port of Brazzaville – Number of Traffic (Shipments) by destination, 2013**

	Total	Arrival (import)	Boarding (Export)
Congo	155,576	149,037	6,539
Wood	8,964	8,964	0
Construction material	54,310	52,316	1,994
Food	74,211	72,337	1,874
Petroleum products	10,981	9,131	1,850
Miscellaneous goods	7,109	6,288	821
CAR	2,045	1,427	618
Wood	0	0	0
Construction material	18	3	15
Food	265	44	221
Petroleum products	27	27	0
Miscellaneous goods	1,736	1,353	383
DRC	325,086	321,679	3,407
Wood	782	724	58
Construction material	53,178	51,302	1,876
Food	7,318	6,968	350
Petroleum products	224,330	224,292	38
Miscellaneous goods	39,478	38,393	1,085

Source: PABPS.

PICTURE 3.1: Port of Brazzaville



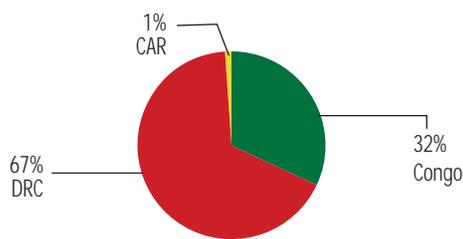
Source: Authors.

is inadequate. The procedures currently in place at Brazzaville port are mostly confined to the transportation (invoicing and stevedore handling, etc.) and clearance procedure levels (declaration of details for goods, liquidation, paying of taxes, etc.).

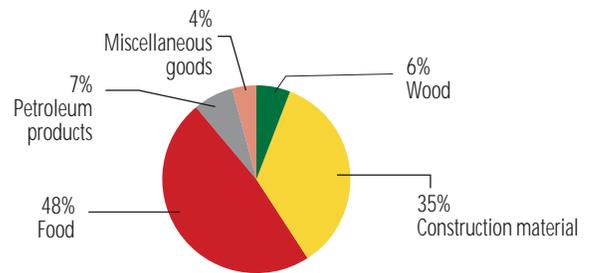
There is lack of coordination between the departments involved in foreign trade. There is lack of coordination between the border agencies. Border agencies conduct their operations in a very dissimilar manner, and the port lacks the necessary human and

FIGURE 3.3: Port of Brazzaville – Distribution of Traffic by Destination and Product

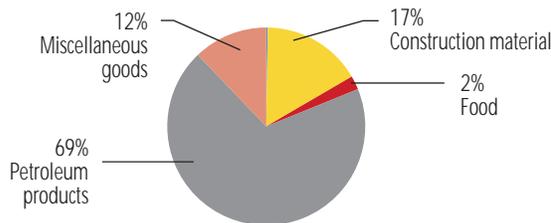
Distribution of Traffic by Destination



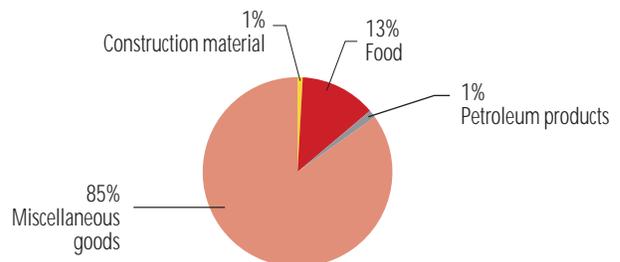
Distribution of Traffic to Congo by Product Type



Distribution of Traffic to DRC by Product Type



Distribution of Traffic to CAR by Product Type



Source: PABPS.

**TABLE 3.4: Brazzaville Port – Passenger traffic**

	2009	2010	2011	2012
<b>Passengers</b>				
North Congo	6,947	7,357	6,352	14,860
Crossing Pool	136,023	143,284	172,310	153,393
TOTAL	142,970	150,641	178,662	168,253
<b>Passengers Landing</b>				
North Congo	4,620	5,137	4,393	7,019
Crossing Pool	101,510	95,748	91,971	102,558
TOTAL	106,130	100,885	96,364	109,607
<b>Passengers Boarding</b>				
North Congo	2,787	2,220	1,959	7,841
Crossing Pool	50,733	47,536	80,339	50,805
TOTAL	53,520	49,756	82,298	58,646

Source: PABPS.

technical resources (information systems) to manage the movements of goods and passengers. The agencies operating at the port do not share the same computerized information. The main findings on the overall state of the Brazzaville port can be summarized as follows:

- ▶ An inadequate legal framework (no guidelines for technical staff).
- ▶ A lack of formal policies and procedures
- ▶ A lack of capacity for technical controls (pest control, plumbing, veterinary checks for timber in transit, etc.).
- ▶ A lack of regularity in the application of technical control procedures (phytosanitary, sanitary, veterinary, checks for timber in transit, etc.).
- ▶ A lack of coordination, which induces inconsistency in foreign trade operations (statements for import, clearance, etc.);
- ▶ The weak application of international norms and standards
- ▶ A lack of computerized and electronic data exchanges.

The procedures for the import and export of goods are synthesized in the Figure 3.4 and Figure 3.5.

### 3.5. Current Port Rehabilitation Projects

The Congolese Government understands the importance of the Brazzaville and secondary ports, and has engaged in a program that aims to improve port conditions. The Government has allocated approximately XAF 152 billion to upgrade the port. This program focuses on the port infrastructure component without including maintenance for navigation and acquiring port equipment, improving navigability, and capacity building. In support of the effort, the Government of DRC has provided Euro 60 million (equivalent to XAF 72 billion), which was donated by the EU for the rehabilitation of the river.

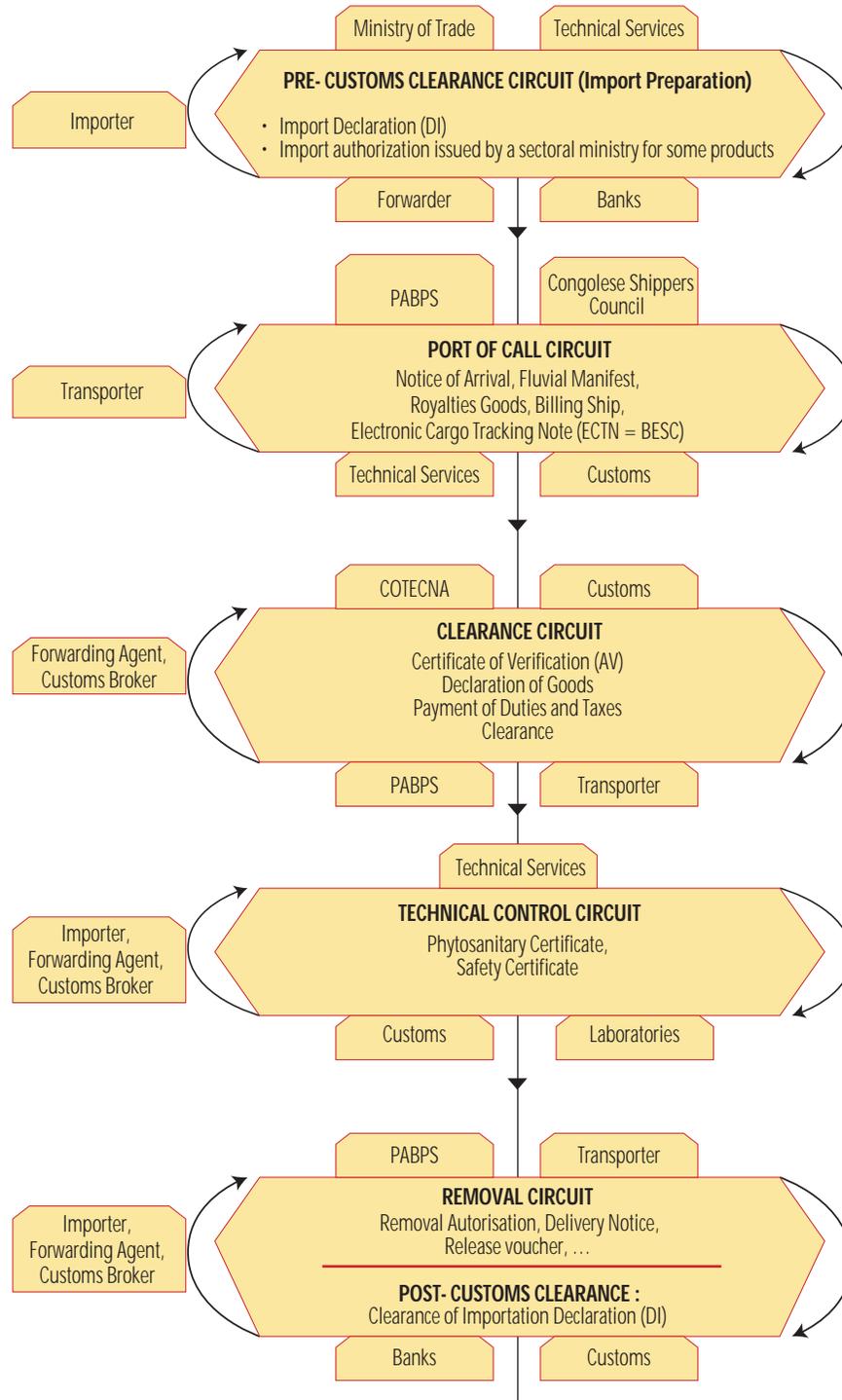
### 3.6. Assessing Brazzaville Port Performance and Port Connectivity

#### 3.6.1. The Current State of the Port

Unlike in the port of Pointe Noire, the traffic trend at the Brazzaville port is erratic. Congo has two major ports, Pointe Noire and Brazzaville, and eleven secondary ports. There has been a significant difference in the volume of trade and passengers travelling through the two major ports. While the port of Pointe-Noire has seen a steady increase in its goods traffic from year to year, the trend at the Brazzaville port is erratic.

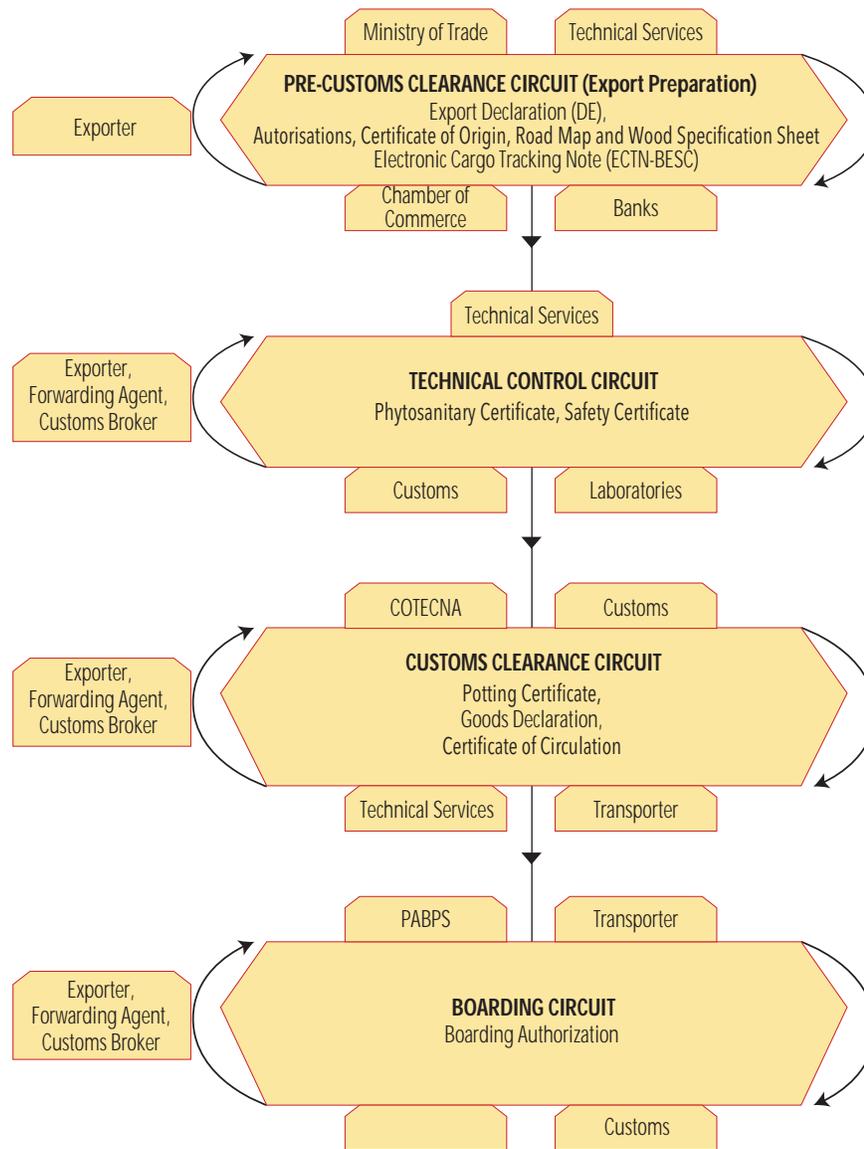
The poor performance of the Brazzaville port is mainly due to a lack of maintenance and dredging; a lack of equipment; and a poor transportation network. The poor maintenance and inadequate dredging of the river ways leads to a partial silting of the port for two to three months per year. As a result, the river system is operational for only part of the year as some routes are not navigable during the low

**FIGURE 3.4: Global Circuit of Trade to Import in Brazzaville Port**



Source: Authors.

**FIGURE 3.5: Global Circuit of Trade to Export in Brazzaville Port**



Source: Authors.

water period, which can last for up to six months. Meanwhile, the rolling and aging of material-handling equipment can induce long delays in freight treatment in the port gateway. Moreover, the poor transportation network strongly impedes the performance of the port. For example, the CFCO faces several problems, including the age of the means of transport, its aging workforce, and insufficient technical capacity. In addition, the quality of the road between Pointe Noire and Brazzaville is poor.

The high cost of port services and the time it takes to process the clearance of goods within the port services both impact negatively of the development of the port. Congo needs to consider multiple strategies to boost cross-border trade with Kinshasa:

- Improve river navigation: this involves maintenance and monitoring of the secondary water system (dredging, buoys, navigation support, monitoring, etc.)

**TABLE 3.5: Brazzaville Port – Planned Investments**

Project	Funding	Budget (XAF)	Advancement
Investments			
Rehabilitation of Brazzaville Port			
Rehabilitation of Brazzaville Port quays	State Budget	16 M	Ongoing work Expected completion at end 2015
Construction of the port boundary wall (delimiting the port area and the specialized areas within)	State Budget	762 M	In progress
Rehabilitation of the Container Park	State Budget	791 M	In final phase
Extension of the Container Park	State Budget	8 M	Planned
Rehabilitation of access roads and passenger stations	State Budget	7 M	In progress
Rehabilitation of the Beach	State Budget	18 M	In progress
Completion of the adjusting of the port and enhancement of the Chacona Zone	Concessionary Budget (Necotrans)	6.9 M	Concession Gouvernement-Necotrans signed
Construction of an anchor line and a port of refuge at Ile Mbamou	State Budget	3,7 M	Planned
Acquisition of Equipment			
Acquisition of one 40 ton crane and one six ton crane	UE	6.656 M	Procurement in progress
Rehabilitation of five existing cranes at the Port of Brazzaville	State Budget	1.857 M	Completion of work planned at end 2014
Acquisition of equipment: Mobile Crane 130 T, mobile crane 70 T, Container Equipment, Logs, & Miscellaneous	Concessionary Budget (Necotrans)	3.6 M	Concession Gouvernement-Necotrans signed
Acquisition of two dredgers (respective capabilities 500 m <sup>3</sup> and 1000 m <sup>3</sup> ; Push of a 2x300 hp); 3 Barges; a trawl door and Crane	State Budget	8 M	Preparation of invitation to tender in progress; need of 5 billion to complete the project financing
Acquisition of port tug	State Budget	2.3 M	Procurement In contention, non-compliance with specifications
Acquisition of a buoy	State Budget	2.3 M	Procurement process unsuccessful; relaunch process in progress
Acquisition of two forklifts	State Budget	100 M	Completed
Construction and Rehabilitation of Secondary Ports			
Construction of Oyo Port	State Budget: 7,800 Mds Bank Import / Export China Loan: 40 Mds	47.800 Mds	Work in progress
Rehabilitation of Ouessou Port	State Budget	3.5 Mds	Work in final phase
Rehabilitation of Moussaka Port	State Budget	3 Mds	Contract awarded
Studies			
Rehabilitation of Secondary Ports: MAKOUA and ETOUMBI	State Budget	10 Mds	In progress
Technical assistance, training, and informatization	State Budget	1.7 Mds	Procurement phase
Study of Ouessou-Bangui-Ndjamená road and river navigation on the Congo, Oubangui, and Sangha	African Development Bank (ADB)	6 Mds	In progress

Source: PABPS.

- ▶ Renovate and rehabilitate road and rail transportation: draft renovations and rehabilitations are underway to improve connections in the deep water port of Pointe Noire and enhance the competitiveness of the Pointe Noire – Brazzaville corridor.
  - ▶ Create stores and clearance offices.
  - ▶ Standardize the supply chain: coordination between different stakeholders could harmonize and optimize routes and means of transport

### 3.6.2. The Organizational Plan

#### *Capacity Building*

A training program for emergency workers was initiated and adopted by the Board of Directors of PABPS in March 2011, but its execution rate has been very low. The overall state of the human resources can be summarized as follows: i) low levels of realization of the training plan, despite its annual update; ii) a lack of skills and specialists of trade; and iii) an aging workforce, especially for technicians.

This program synthesizes training needs on the basis of information emanating from PABPS and DIGENAF, and takes into account massive departures of qualified staff due to retirement in the next five years, setting in place a strategy for port operations and port development (see Table A3.5 for detailed training needs).

### 3.6.3. The Functional Plan and Activity

#### *Goods and passenger traffic at the Port of Brazzaville*

##### **Cargo traffic at the Port of Brazzaville**

**Brazzaville exports manufacturing goods to Kinshasa, and imports foods and cosmetics from Kinshasa.** Trade from Brazzaville to Kinshasa is dominated by manufactured goods (garments, cloths, etc.). This trade is largely limited to transiting goods. Indeed, for example, fabrics and clothing transiting

from Brazzaville to Kinshasa are mainly from West Africa, coming through Pointe Noire or Douala. Beside, Kinshasa exports a range of products to the Brazzaville market, including agricultural products, cosmetics, and cement.

The Brazzaville port is losing business to Matadi, due to the poor road and rail infrastructure that links Brazzaville to other major cities. Furthermore, the cost of rail transportation from Pointe Noire to Brazzaville is approximately twice that of average rates per ton-kilometer imposed by other African railways.

In light of the preceding argument, improving trade facilitation at the port could reduce the price of consumer goods for both countries. The main factors capable of lowering prices of goods (and hence price differences) as well as improving traffic flows and trade with DRC (and more broadly with all countries of ECCAS) include: i) substantially reducing transportation costs; ii) reducing the delivery times and clearance times of goods; iii) reducing administrative costs; iv) standardizing and reducing para-fiscal taxes; v) simplifying and harmonizing administrative procedures to avoid institutional harassment of companies (multiple controls and disorganized operational systems); and vi) formalization of trade.

#### *Traffic passengers at the Port of Brazzaville:*

**TABLE 3.6: Port de Brazzaville – Forecasts of Freight Traffic in the Port of Brazzaville**

Year	Incoming traffic at the Port in Tons	Observations
2014	260,000	With support by the Port of Brazzaville road, rail and river flows into Brazzaville and Kinshasa, these forecasts can be greatly exceeded. The Port of Brazzaville can act as a transit and a burst port.
2016	340,000	
2018	340,000	
2023	430,000	

Source: Necotrans, PABPS.

### Export development

**Export development is mainly achieved by improving transportation infrastructure (water, rail, and road).** This requires close cooperation and better coordination between all stakeholders in the value chain, namely: the Ministry of Commerce and Supply, the Ministry of Agriculture and Livestock, the Ministry of Industrial Development, the Ministry of Mines and Industries. The main areas that need to be considered to enhance export include improving infrastructure and logistics chain, support and upgrade of the producers, and revised customs rules regarding the inputs to boost agri-business development, as well as the pharmaceutical and chemical industries.

**Potential trade opportunities in the context of regional integration and especially with member countries of ECCAS.** In 2007, ECCAS adopted a strategic plan named Vision2025, whose main objective is to allow freedom of movement of people, goods, and services in the region. With the current state of infrastructure in the region, the future agricultural, agro-industrial, and mining in this region is more likely to be transported throughout the river corridor. The Port of Brazzaville therefore could benefit more from this.

In addition, strengthening trade policies in combination with setting implementation reforms, upgrading industry, introducing value chains, and human resource capacity building, as well as sector developments, are all important factors that will enable Congo to promote foreign trade and strengthen its position at the regional scale. This will therefore boost economic growth and regional integration.

### 3.6.4. Clearance Procedure Guidelines

**There is lack of formalized procedures related to imports and exports transactions and organization of operational services.**<sup>20</sup> Therefore, it is strongly

<sup>20</sup> Based on available information and consultations with the authorities.

recommended to simplify, harmonize, and standardize all procedures of cross border trade. The key step before automating the whole operation is to prepare the administration, particularly technical departments with paperless procedures (e.g., information technology system, capacity building, reform management, etc.).

**The clearance procedure needs to be coordinated between different agencies operating at the port.** It is appropriate to emphasize the importance of coordinating and harmonizing efforts in the implementation of an electronic single window for international trade and put the user (trader) as the focal point. Moreover, Congo hopes for increased capacity to align its regime of Sanitary and Phytosanitary Measures (SPS) on the provisions of the WTO. Congo is planning to establish a national framework for a standardization and quality control system to facilitate better access for its exports to regional and international markets. In light of this ambition, Congo needs technical assistance, as it lacks the essential human capacity.

### 3.6.5. The Legal and Regulatory Plan

The legal framework requires modernization and adaptation of technological advances. Indeed, this should be adequately implemented under a trade facilitation (simplification and dematerialization). In particular this report recommends the operationalization of single window framework. This would include the law on electronic commerce, the law on the protection of personal data, and the law on cyber security and on cybercrime.

Despite the fact that some reforms have already been carried out in relation to international trade, their impact is yet to be seen. The main reforms include: i) the establishment of a one-stop shop for trans-border operations; ii) the simplification of customs procedures with the introduction of the ASYCUDA project ++ and migration of the system to ASYCUDA World (in progress); iii) the establishment of a scanner device in the port of Pointe-Noire; iv) the interconnection of customs

**TABLE 3.7: Republic of Congo – Laws and Regulations Related to Foreign Trade**

Area	Instrument/Text
Customs legislation	Customs Code of the CEMAC; Customs Tariff
Exercise of trader profession	Law N° 19-2005 of November 24, 2005
Customs Evaluation	Decree N° 2001-387 of July 31, 2001
Pre-shipment inspection	Decree N° 95-147 of 8 August 1995 and Decree 99-167 of August 23, 1999
Prohibitions and import licenses	Law N° 7-94 du June 1, 1994
Sanitary and phytosanitary measures:	Law N° 6-94 et N° 7-94 of June 1, 1994
Human health and phytosanitary measures animal Health	Decree N° 67/182 of July 17, 1967
Investments	Law N° 6-2003 du January 18, 2003
Procedures and regulations for the establishment of private commercial enterprises	Seven uniform acts of the Organization for the Harmonization of Business Law in Africa (OHADA)
Protection of copyright and related rights	Law N° 24/82 of July 7, 1982
Competition and prices	Law N° 6-94 of June 1, 1994
Forest	Law N° 16-2000 of November 20, 2000
Peach	Law N° 2-2000 of February 1, 2000
Mines	Law N° 4-2005 of April 11, 2005
Hydrocarbons	Law N° 24-94 of August 23, 1994

Source: Ministry of Trade.

offices in the country; and v) the proposed implementation of the Single Window Clearance (GUD) and inter-connection with the one-stop shop for Cross-Border Transactions (GUOT). GUD notably has performed well in facilitating the payment of all customs clearances to avoid any harassment to users. This will be done through a bank that will be opened on site.

### 3.7. Strategic Action Plan

Trade facilitation has many facets, including: standardizing and improving physical infrastructure and port

operations, and harmonizing and minimizing formalities and procedures of international trade (such as standardized and harmonized procedures, information systems, one-stop electronic systems, and coordination between agencies). In broad terms, trade facilitation encompasses a set of measures that aim to increase the cost effectiveness of international trade transactions. Bearing this in mind, the strategic action plan is structured around five categories, namely infrastructure and logistics, organizational, procedural, functional information systems, and legal and regulatory systems (a summary of findings and recommendations is presented in Annex A3 Table A3.5).

The action plan has been developed to address some of the current weaknesses, to establish a general framework for further work, and to provide a basis for the development of the master plan.

#### 3.7.1. Infrastructure Planning and Logistics

There are a number of infrastructural and logistical issues that need to be addressed. In addition to the ongoing projects (such as the rehabilitation of PABPS), there are several areas that need to be improved to enhance trade. These include improving the navigability of the waterways (specifically secondary routes), upgrading vehicles, and the establishing stores and logistics warehouses. In detail, these areas could entail:

- ▶ Improving the navigability of waterways through:
  - The acquisition of dredging units for the maintenance of river systems (in progress);
  - Modernizing the river fleet to support the advancement and creation of river enterprises;
  - Setting up a Geographic Information System (GIS) for mapping waterways and producing support airworthiness maps (bathymetric maps, etc.);
  - Ensuring the monitoring of low water heights by setting up a hydrological observation network (AWS), in coordination with the

structures involved in the field of water (Ministry of Energy and Water Resources, Ministry of Agriculture, etc.).

- ▶ Improving the management of water (managing the movement of vessels in the port, optimization, and traffic control) through:
  - The acquisition of tugs and buoys (in progress);
  - Wharf break construction.
  - Building a control tower with a view of the lake for the harbor.
- ▶ Conducting a study on the feasibility of creating a floating bridge with the Kinshasa port (by acquiring a ferry to ensure a seamless connection for the passage of trucks and other vehicles);
- ▶ Upgrading the river fleet, i.e. upgrading the means of river transport and establishing regular lines of transport where possible;
- ▶ Considering the acquisition of a communication system with all secondary ports;
- ▶ Encouraging customs to create of logistical stores and warehouses.

These logistical structures must first be approved first by the customs authority, before then being approved by other authorities relevant to their intended use, for example veterinary or health agencies. In particular this would apply to specialized areas, such as cold rooms, designed to best accommodate perishable products.

### 3.7.2. Organizational Plan

*The main strategy should focus on the following*

- ▶ Creating a national steering committee at the highest level of the administration to ensure better coordination within the implementation framework of the automation program and trade facilitation. Creating a national steering committee is essential for the success of the automation process and trade facilitation, and the authorities and all other stakeholders who have seats in the committee

should support this to ensure optimum benefits. The committee will be responsible in particular for:

- Coordinating the work programs of the departments involved in foreign trade (Dematerialization Agenda).
  - Ensuring coordination and arbitrating conflicting issues between participants in the proceedings.
  - Ensuring that investments are pooled under a dematerialization agenda (between administrations in one-stop shop, port information systems and administrations, etc.).
  - Developing a strategy to reduce costs and delays for international trade transactions.
- ▶ Arranging interventions and interactions for technical services and other public services at the ports, while promoting the modes of intervention at the port, with spaces for local and regional coordination and harmonized processes (joint inspection, packing, etc.).
  - ▶ Strengthening cooperation between border agencies;
  - ▶ Ensuring coaching and professionalizing in international trade operations (river owners, exporters, importers, transporters, producers, processing units, packaging units, etc.);
  - ▶ Taking action to identify and reach out to companies that can participate in international trade, to overcome the dominance of informal trade;
  - ▶ Ensuring capacity building of ship/boat crew/operators;
  - ▶ Providing capacity building to technical services;
  - ▶ Working closely with other bodies of transport (road, rail, sea, etc.).
  - ▶ Promoting sub-regional cooperation;
  - ▶ Ensuring good corporate governance to improve efficiency.

### 3.7.3. Procedural Plan

The import-export procedure is the core component of trade facilitation. To simplify, harmonize, and dematerialize the port operations, it is necessary to adopt

a paperless agenda across all agencies. This will be a daunting challenge due to the lack of formal procedures and the lack of harmonization and coordination. Therefore, the following is recommended:

- ▶ Conducting a study to simplify, harmonize, standardize, and design import-export procedures (all modes of transport will be considered: ocean, air, river, road, and rail).
- ▶ Conducting a study on managing traceability of exported products under export development. This would entail following a product throughout the production line of the supplier until it reaches the final consumer. It involves at least two concepts:
  - The traceability of the product logistics, i.e. being able to follow the product in space and time.
  - The traceability of product content, i.e. being able to trace all of the information about the product lifecycle (processing fields, animal feed, veterinary care, processing, etc.). This refers to all companies involved in the production, processing, packing, inter-modal transportation, transit, etc.
- ▶ Promoting the use of River Information Service and other Information and Communication Technology.
- ▶ Establishing a web portal of the port of Brazzaville to post information on procedures, and ensuring that it is kept and updated on time.
- ▶ Promoting electronic exchange and paperless transactions with total integration of foreign trade procedures. Supporting, among others, documents on roadworthiness (Phytosanitary Certificate, Sanitary, Veterinary, Food Safety, etc.) and Declaration of Import and Export at Sydonia while ensuring the relationships and referential integrity of those records.
- ▶ Streamlining customs controls (targeting and selectivity).
- ▶ Improving mechanisms of selectivity and proactively managing risks, while initiating guidance statements to the green clearance channel in a gradual manner.
- ▶ Regulating, improving, and automating processes on ASYCUDA simplified customs clearance (removal of under-hoist emergency procedures).
- ▶ Computerizing management and monitoring restrictive regimes and economic policies (temporary importation, inward processing, tax benefits, exemptions, etc.).
- ▶ Automating the holding of stock records and clearance processes.
- ▶ Accelerating the use of the “Contract Operator Accredited” to a level more helpful to traders, which would lead to an easing of immediate checks in favor of ex-post controls.
- ▶ Applying incentives for customs measures in mining and oil exploitation (temporary admissions, exemptions, reduced taxation, etc.);
- ▶ Working to synchronize procedures and ensure interdependencies, with a view to totally paperless operation.

### 3.7.4. Functional Plan and Information Systems

**Trade facilitation involves a series of measures related to the environment, i.e. economic administrations and operators.** An upgrade of administrative services is necessary to allow these services to master the operations of international trade in adequate time and with maximum reliability. It should also allow the private sector to upgrade and actively participate in this program facilitation. Based on the inventory of administrative services and economic operators, this report has deduced a number of specific actions regarding administrative interconnection, economic operators, and priority information systems. These actions are:

#### *Concerning Interconnections:*

- ▶ Ensuring the interconnection of all river and harbor sites;
- ▶ Connecting PABPS, the ministerial departments concerned, and economic operators to the electronics stop-shop.

*Concerning amenities:*

- ▶ Establishing or modernizing IT equipment and enhancing security and information systems.

*Concerning Information Systems:*

- ▶ Conducting a study on the design of information systems to upgrade the administrative process. This would prepare the ground for total paperless procedures through the single window system (covering control engineering, system ground freight management, system upgrades risk management of customs, etc.).
- ▶ Developing and deploying information systems of the Government.
- ▶ Considering the establishment of an integrated information system for the management activities of the Port of Brazzaville and Secondary Ports. The main features of this system are shown below.

*Management of vessel movements:*

- ▶ Managing convoys with stakeholders (harbor master, owner, stevedore, etc.).
- ▶ Providing adequate services (steering, towing, mooring, water, sleep security, etc.).
- ▶ Maintaining vessels under optimal conditions.
- ▶ Collecting basic information for billing, and ensure its reliability.
- ▶ Preparing a report on the activity of vessels.
- ▶ Providing statistics on vessel movements.

*Treatment of goods (OPERATION):*

- ▶ Managing of river manifest to form the basis for charges;
- ▶ Payment both goods and parking penalties extended beyond the franchise.
- ▶ Collecting statistics on freight traffic by area.
- ▶ Managing concessions.

*Customer management (COMMERCIAL):*

- ▶ Managing customer files.
- ▶ Marketing functions with managing relationships with customers.
- ▶ Monitoring bill collections and litigation.

*Management domain (DOMAIN) management domain and concessions:*

- ▶ Contracting management (responsibilities, renewals, etc.).
- ▶ Billing rentals with monitoring deadlines.
- ▶ Various benefits.

*Equipment and maintenance (EQUIPMENT):*

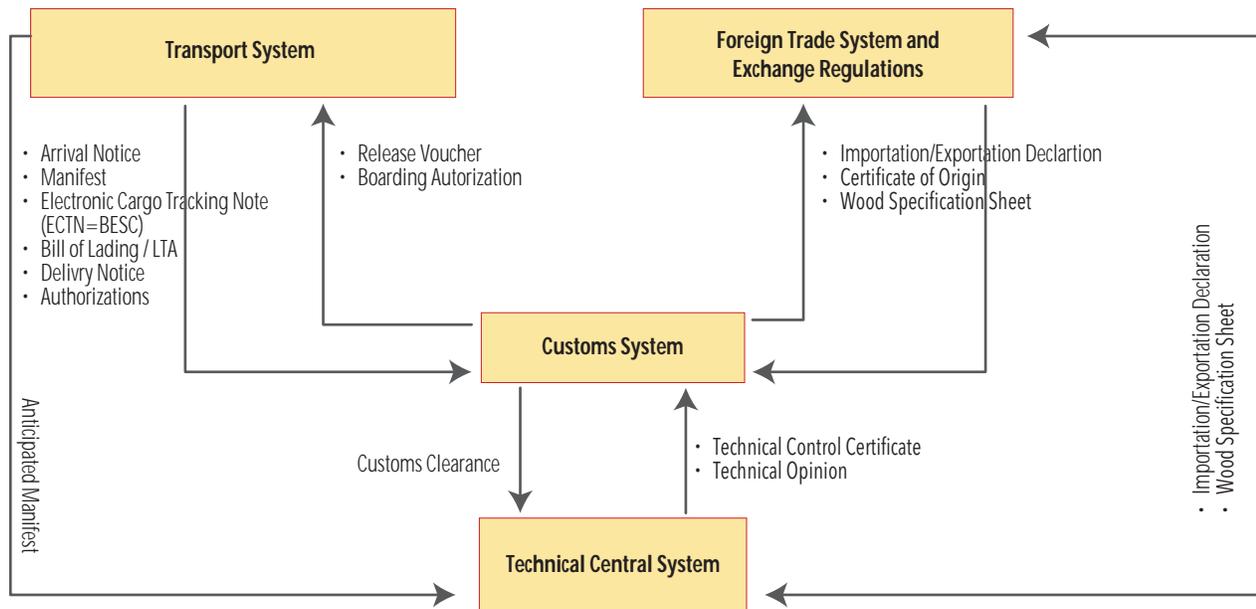
- ▶ Identifying equipment and their characteristics
- ▶ Maintaining curative and corrective equipment.
- ▶ Managing work orders.
- ▶ Managing spare parts.
- ▶ Implementing electronic systems to track goods in transit corridors.
- ▶ Implementing a system for managing timber tracking.
- ▶ Rolling out GUOT at the port of Brazzaville.
- ▶ Ensuring harmonization and coordination with the Single Window (SW) clearance in Brazzaville (ensuring the interconnection of all stakeholders and paperless procedures).
- ▶ Providing economic actors with the tools for interconnection, allowing them to chart the performance of their procedures online (business applications).

The integration of these processes promotes consistency in foreign trade between physical flows, administrative and financial aspects of the operations, and the import and export of goods. This will allow the creation of statistics and tables of decisions on foreign trade, and will offer foundations for the implementation of trade facilitation measures.

**3.7.5. Legal and Regulatory Plan**

The Government should conduct a study on the legal aspects covering the area of foreign trade, through the organizing of national consultations, the drafting and validation of texts, and the adoption and promulgation of texts and extension of enactments.

**FIGURE 3.6: The Various Processes Path of International Trade**



Source: Authors.

The use of international standards is a key element in the process of implementation of facilitation measures and operating at a single desk. It provides the possibility to extend service delivery and makes communication between all participants of the international supply chain easier. PSCs are designed for the relationships between businesses and Government and between Government and Government. Automation requires reforms in the legal framework at different levels, for example, acceptance of electronic signatures, or the ability to submit statements and business documents electronically.

Recommendation of the UN Centre for Trade Facilitation and Electronic Business (CEFACT) No. 35 provides a legal framework for a single window for international trade that encompasses a series of measures addressing legal issues related to national and cross-border exchange. Indeed, CEFACT recognizes that a strong legal framework is needed to support the operation of a single window of international trade by using international standards, international legal instruments, and soft law instruments. The main texts should be the law of electronic commerce, the law of protection

of personal data, and the law on cyber-security and cybercrime. These texts will harmonize and improve the legal basis of the electronic single window, and will act to simplify import and export procedures.

Moreover, common texts are expected to harmonize and coordinate inspections and control the interventions accomplished by technical services. These texts must conform to sanitary and phytosanitary (SPS) measures, and the agreement on Technical Barriers to Trade (TBT) of the WTO. Technical inspection should verify compliance products with the technical regulations, including those relating to the safety and health of consumers, and fair to trading. This technical control is achieved by the various technical services authorized by the administration. Putting any product in the market for consumption depends on the granting of a certificate of technical control (phytosanitary certificate, sanitary-veterinary certificate, certificate of safety, etc.).

Other texts concerning specific areas of activity are expected—in particular, texts (decrees) on procedures

for preparing and processing the manifesto and, more generally on the international transportation of goods by electronic means. The texts for the creation of logistical stores and warehouses under customs specialists also need to be improved. These logistics structures must first be approved by customs and, according to their specializations, by phytosanitary, veterinary or health agencies, for example. They must also comply with the required provisions, including the conditions and instillation for equipment, the hygiene of the premises, equipment, and staff, etc.

### 3.8. Master Plan

Given that the project of rehabilitation of PABPS is currently underway, with the guidelines having already been set, the following activities are recommended to complement the transport and logistics components. These activities complement and harmonize the ongoing measures in reforming the port infrastructure of Brazzaville. In addition to rehabilitating the infrastructure and acquiring new equipment, to further enhance the speed of physical operations, the port needs to improve its river environment. The port should also aim to develop information systems for managing vessel traffic, and to accelerate the flow of information exchanged during ship communication and during the passage of goods (detailed summary of the master plan is provided in Annex A3.6 Table A3.6a).

#### *Action Plan for Cargo Handling – manifest*

**Submission of Manifests:** Cumbersome and outdated regulatory procedures can cause significant delays at the port. All goods need to obtain clearance from the customs office, and due to the lack of a well-defined regulatory framework and guidelines, goods are usually subject to delays.

**Document Processing:** In addition to the poor organizational structure, the Brazzaville and secondary ports

do not have any infrastructure for electronic information exchange. This leads to the inefficient movement of paper documents (e.g. manifests, notifications for removal of goods, etc.) and delays the processing of documents.

**Congestion in the container yard:** At Brazzaville port, storage containers are placed in areas that are not designated for such items. However, a container storage area is currently under reconstruction to allow for better traffic management.

#### *Action Plan on Airworthiness of Waterways*

The lack of maintenance of the river and its tributaries affects navigation and restricts access to the Brazzaville port. The poor maintenance of the river is largely due to a lack of resources (dredgers, buoy, etc.). In addition, the firm (SCEVN) that was responsible for maintaining the river is going through financial difficulties, including problems with the payment of royalties. In light of the current maintenance condition, there is a need for a more organized and coordinated approach, which would involve different stakeholders, such as PABPS, DIGENAF, SCEVN, and other neighboring countries (DRC, CAR, etc.). This strategy is an effort to harmonize and coordinate the maintenance and safety of the waterways in a more consistent manner. Coordinating the task between different agencies and countries would create opportunities to obtain more resources, which in turn could be used to acquire the equipment necessary to carry out the maintenance and rehabilitation of the waterways.

#### *Action Plan on Logistics*

It is important to build bonded warehouses to optimize the logistics services provided at the Brazzaville port. The logistics stores need to be approved both by the customs authority; and then also based on their category (phytosanitary, veterinary, or health structures, etc.). The stores need to be compliant with the necessary provisions, including installation conditions, hygiene equipment, and staff. In particular, these

storage facilities need to include specialized spaces (cold rooms, etc.) capable of receiving perishable goods and storing them at optimal conditions.

#### *Specific objectives*

- ▶ Improve the navigability and management of the water.
- ▶ Improve transport connectivity between Brazzaville and other ports.
- ▶ Facilitate and speed up freight logistics in transit through the physical organization of transport and transshipments (road/rail river link, etc.).
- ▶ Improve the environment in which transportation and trade is performed (bank security clearance, paperwork, etc.).

#### *Constraints that need to be removed*

- ▶ The time required for completion of work in progress on the rehabilitation of the port.
- ▶ Blockages for certain important types of markets (tugs, buoys, navigation, etc.).
- ▶ The lack of synchronization between the different projects.
- ▶ A lack of adequate infrastructure and cargo handling services (redeployment of human resources, reorganization of services, capacity building of staff, etc.)

#### *Expected Results*

The Expected result is an improvement in the navigability conditions and transport connectivity, and a strengthening of the logistics framework of the port (warehouses and clearance spaces inside and outside the port area).

### **3.8.1. Trade and Customs Component**

This action plan is based on the national program for the development of automation (dematerialization). The main activities are summarized in the table below (a detailed summary of the master plan is also provided in Annex A3.6 Table A3.6b).

#### *Specific objectives*

- ▶ Setting up the port information system for PABPS.
- ▶ Upgrading public administrative information systems involved in the operations of international trade (Ministry of Commerce and Supply; Ministries of Finance, Budget, Portfolio Public and Integration; Ministry of Transport, Civil Aviation, and Merchant Navy; Ministry Delegate for waterways and the economy; Ministry of Agriculture and Livestock; Department of Health and Population; Ministry of Forest Economy and Environment; Ministry of Tourism and the Environment; Ministry of Industrial Development and Promotion of the Private Sector; and the Department of Mines and Geology).
- ▶ Simplifying, harmonizing, and standardizing all international trade procedures (imports, exports, and transit).
- ▶ Operationalizing the One-Stop Shop for Cross-Border Transactions (GUOT) and connecting PABPS and GUOT.

#### *Constraints to eliminate*

- ▶ A lack of leadership at the very highest level of the administration.
- ▶ A lack of human resources and an aging workforce.
- ▶ Conditions of work that are sometimes difficult for officials.
- ▶ The multiplication of positions and control services.
- ▶ A lack of legal and regulatory framework.
- ▶ A lack of harmonization and coordination between GUOT and the Single Window Customs Clearance (GUD).
- ▶ The interconnection of the port of Brazzaville and secondary ports.
- ▶ The interconnection of PABPS and GUOT administrations.

#### *Expected Results*

- ▶ The procedures of international trade will be simplified, harmonized, and standardized.
- ▶ A port information system will have been put in place.

- ▶ The information administrations will have been studied and systems have been implemented.
- ▶ There will be an operational GUOT.

### 3.8.2. Support Program to Facilitate Trade

The action plan focuses on building skills through different cycles of specialized training and technical assistance, developing the capacity of the Government to carry out trade policy negotiation (a detailed summary of the master plan is provided in Annex A3.6 Table A3.6bc).

#### *Component of Institutional Capacity Building*

##### **Specific objectives**

- ▶ Strengthen the capacity of staff in river navigation, and provide training on port business and management, trade facilitation, and information and communication technology (ICT).
- ▶ Provide technical assistance for the Ministry in charge of Trade, and for other Ministries,

to strengthen trade policy instruments and ensure the implementation of international trade facilitation agreements and trade negotiation skills.

- ▶ Establish a framework for cooperation among all port stakeholders (i.e. the Port Community) addressing trade and trade facilitation issues.

##### **Constraints to Eliminate**

- ▶ A lack of leadership for the dematerialization (automation) program at the higher administrative levels.
- ▶ A weak organizational capacity;
- ▶ A lack of human resources and an aging workforce.

##### **Expected Results**

- ▶ The implementation of all training courses prepared for the designated personnel.
- ▶ A technical assistance program designed to develop capacity building in trade policy negotiation;
- ▶ The creation of a consultation framework.



# The Role of Trade Facilitation in Agriculture – A Value Chain Approach

# 4

## 4.1. Introduction

240. A trade facilitation intervention in Congo will only have a meaningful impact on the country's regional trade performances if it improves the productivity of agriculture as well as its processing. Agriculture and food processing products have the highest potential for export expansion, given the poor state of the manufacturing sector and the fact these neighboring countries do not have the industrial structures necessary to transform Congolese raw materials. In addition, Congo's untapped potential, endowment of arable lands, and favorable climate all provide the country with a strategic advantage in agriculture compared to its neighbors.

Though agriculture is the main activity for the Congolese rural population, the field is under-developed, and is constituted mainly of traditional farming. The total cultivated area is around 200,000 hectares (2 percent of the ten million hectares suitable for agriculture), giving an average area of 2.7 hectares per farm.<sup>21</sup> The farms are poorly developed and mainly produce crops. There are three main types of farming: traditional farming (81 per cent of the area cultivated); semi-urban sedentary farming; and state farms and ranches (sugar cane, cassava, oil palms), the majority of which are included in a privatization program. Farmers follow traditional crop-growing practices, and there is very little use of modern production inputs (agricultural machinery, selected/improved seeds, irrigation, fertilizers, and pesticides).

Empowering agricultural goods (such as cassava) is vital to strengthen food security in Congo and boost intra-regional trade. Improving agricultural goods chain—from production to consumption, could have a significant impact on the country. This is largely due to the inherent difficulties in overcoming logistical and quality constraints for cassava, which arise due to its rapid perishability. This lack of downstream development and linkage to the production stage of the value chain creates a significant bottleneck for the cassava sector, resulting in many potential implications in terms of economic diversification and poverty alleviation. In addition, cassava is widely consumed in neighboring countries, indicating the potential for regional trade. Congo is the second-highest ranking country for cassava consumption per capita. Its key neighbors, DRC, Angola, Gabon, and Cameroon are also high consumers. The regional market does not cover all of their needs and so they currently import some cassava from countries such as Nigeria. Cassava is therefore a potential tradable product for Congo.

The cassava value chain is very important in Congo, with regard to both employment and the food intake of the population. Cassava accounts for about 22 percent of cultivated land and around 26 percent of national food crop production. Production is estimated to be around 1.2 million tons of cassava in 2011 and has been steady over the past few years. Cassava is particularly important as a contributor to food security

<sup>21</sup> Agriculture employs around 300,000 people on some 75,000 farms.

in Congo, since its products are components of basic food intake for a majority of the population. Congo relies heavily on food imports, but cassava is one staple food that is not imported in significant quantities (if any). This reflects the fact that nearly every rural and semi-urban household in Congo grows cassava.

This chapter aims to highlight the potential of the cassava sector for growth of commercial agriculture in Congo, and explore the constraints that impede its development, with particular attention given to aspects of trade facilitation.<sup>22</sup> Cassava has been selected for this analysis for various reasons. Cassava is the fourth most consumed staple food in the world, after rice, maize, and wheat. According to the FAO (2012), it is the staple food of nearly 90 percent of the Congolese population, with per person consumption of 425 kilograms per year in rural areas and 175 kilograms per year in urban areas.<sup>23</sup> The cassava sector is also considered by the Government to be one of the priority sectors for development as a strategy for economic diversification and food security. Understanding the constraints affecting the cassava value chain is crucial, as this sector involves family, commercial, and agro-industrial enterprises in different regions of Congo, and presents an important potential for exports for regional and international markets. More specifically, the analysis explores the following key areas (i) the overall market structure for cassava; (ii) the production and consumption patterns of cassava; (iii) the actors of the value chain and value added along the value chain; and (iv) the constraining factors, with particular attention to trade facilitation.<sup>24</sup>

## 4.2. An Overview of the Agriculture Sector in Congo

Congo has some important agricultural assets that are still largely unexploited. Congo has more than ten million hectares of arable land, of which more than 90 percent remains uncultivated. Furthermore, because it spans the Equator, Congo's geographic location is conducive to year-round farming. A situation of this

kind, where crops can be alternated during the entire year, is rare in Africa and even worldwide. Given these natural advantages, it is clear that Congo has strong potential for the development of staple food crops, as well as cash crops. Despite this potential, the performance of the Congolese agricultural sector is suboptimal, even though the international market offers promising prospects for agricultural products and byproducts.

Agriculture's share in GDP has declined in recent decades, and the country is increasingly dependent on imports for much of its food supply. Despite its potential, the contribution of the agriculture sector declined steadily from 20 percent in the 1980s to less than 5 percent in the first decade of this century, and it currently stands at only 3.4 percent of GDP. Furthermore, agriculture accounts for less than 2 percent of merchandise exports, while food imports represent about 16 percent of total imports. Trends in the agricultural sector are exacerbating food insecurity and making the country increasingly dependent on the outside world for its food. Food import represent around 85 percent of Congolese's food needs, making the country and its people (in particular the poorest) increasingly vulnerable.

Agricultural productivity is low and may remain in that condition for some time, given the lack of sustained investment in agriculture. Beyond the small size of farming operations (0.5 to 1.5 hectares), traditional agriculture produces low yields. The yield for maize, for example, is only 690 kilograms per hectare, compared to more than three tons per hectare

<sup>22</sup> This study is in line with the Government's rural sector objectives through the specific avenue of economic diversification and improved commercial agricultural competitiveness.

<sup>23</sup> These figures are for 2009, the average figure for 2011 was 246 kilograms per person.

<sup>24</sup> The analysis drew largely from the FAO database (FAOSTAT) and earlier studies on cassava in Congo, as well as cassava value chain analyses conducted in other countries (e.g. Cameroon and DRC). It also reviewed existing studies on agriculture in Congo, relying mostly on reports published by the World Bank. The team conducted two rounds of missions in Congo. During the first mission, the team carried out consultations with the authorities and the private sector to streamline the focus of the analysis, while the second mission focused on interviews and data collection.

for developing countries as a whole, and 1.2 tons for sub-Saharan Africa. Yields are higher for cassava (6.6 tons per hectare) but are still well below the average for developing countries (more than 10 tons per hectare in the past decade). These low yields are due to rudimentary production techniques, in particular the very scarce use of fertilizer, as well as the limited incentives for commercial production. This is in part due to the fact that investment spending earmarked for agriculture is low in comparison to national needs and international standards. Over the years 2008–2010, Government investment in the sector represented only 5.5 percent of the average annual capital spending.

Given the Government's expressed primary objective of poverty reduction, agriculture clearly has a central role in the country's economic growth and poverty reduction strategies. Agriculture and silviculture employ the highest share of the working population (37.8 percent), followed by wholesale and retail trade (23.1 percent), and services sector (10.9 percent). By contrast, the mining and quarrying industry, where the highest paying private jobs are to be found, employs the fewest Congolese workers (0.9 percent). In view of the anticipated developments (see Box 4.1), the sector will continue to contribute strongly to curbing unemployment in the coming years.

#### Box 4.1: Republic of Congo – Government Actions Promoting Agricultural Development

For over a decade, the Government has demonstrated its commitment to develop agriculture. To do this, it has put in place several agricultural development projects and has signed agreements with foreign companies that are able to support it in this process.

##### 1. Agricultural development programs and projects

Several programs and projects have been created and implemented, the most important of which are as follows:

(i) the *Programme National pour la Sécurité Alimentaire (PNSA)* (National Food Security Program); (ii) the *Projet de Développement et de Réhabilitation des Pistes Rurales (PDARP)* (Rural Roads Development and Rehabilitation Program); (iii) the *Projet de Développement Rural (PRODER)* (Rural Development Program); and (iv) the *Projet Création des Nouveaux Villages Agricoles* (Project for the Creation of New Agricultural Villages).

**The *Programme National pour la Sécurité Alimentaire (PNSA)*.** The overall objective of the PNSA is to develop the natural potential of the country to alleviate the state of food insecurity and poverty. Its specific objective are: (i) increasing the national agropastoral and halieutic production through the use of innovative technology and quality inputs; (ii) strengthening the capacities of the socio-economic actors; (iii) improving the marketing, conversion, storage, and preservation of products; (iv) establishing and strengthening a system for monitoring, early warning, and rapid response; (v) improving the income and standard of living of rural producers, in particular for women and young people; (vi) diversifying the sources of income of rural populations; (vii) guaranteeing the availability of foodstuffs; and (viii) protecting the environment and conserving natural resources.

**The *Projet de Développement et de Réhabilitation des Pistes Rurales (PDARP)*.** The main objective of this project is to improve agricultural production in Congo. It is co-financed equally by the World Bank and the Government, for an overall amount of XAF 20 billion. This project, which had targeted some 600 activities, is currently being adjusted. It concerns in particular reducing the number of activities, the number of agricultural roads to rehabilitate, the number of market infrastructures and the number of micro-projects to be financed.

**The *Projet de Développement Rural (PRODER)*.** The project is part of the Government's policy aimed at improving food supplies of villages and increasing rural incomes. The project is focused on national biological control and research. To this end, several streams of activities are being developed, including: (i) a component for developing crops and farms based on cassava, groundnuts, maize, and lowland rice; and (ii) a component for developing animal husbandry (cattle and small ruminants) with the establishment of a self-funding system of distribution of inputs and credit.

**1. The “*Création des Nouveaux Villages Agricoles*” project.** Funded by the Congolese State for an amount of XAF 13 billion, this project concerns the development of special villages to increase production. By creating the agricultural villages, the Government envisages to professionalize agriculture. The agricultural villages of Knouo, Odziba, and Imbouba in the Ignié agricultural area (in Pool) were carried out within the scope of this project. The activities to be developed here are linked to the production of Cassava, pig rearing, and broiler meat. The State has given each young person in these villages 792 laying hens and the equivalent of two hectares in cassava cuttings. The 40 families selected (among 358 applicants) are living in houses built by the State, with a minimum of town standing. These farmers are not agents of the State but work for themselves.

(continued on next page)

### Box 4.1: Republic of Congo – Government actions promoting agricultural development (continued)

**The *Fonds de Soutien à l'Agriculture (FSA)*.** The aim of this fund is to finance farmers, stock breeders, and fishermen on the basis of viable projects. The FSA received an amount of XAF four billion (approximately US\$8 million) to finance its activities during 2010. This funding has made it possible to support five priority sectors: poultry farming, pig rearing, fishing, fish-farming, and the vegetable sector.

#### 2. Cooperation agreements

In order to accelerate the development of agricultural production, the Government has strengthened its cooperation with other countries, notably China, and has concluded several partnership agreements with multinationals. Besides the financial lever, the objective is to benefit from the expertise and advanced technologies of these partners. Within this scope, partnerships have been established with South African, Brazilian, and Malaysian companies.

**The partnership with the South African company “Congo Agriculture”.** The Congolese State has donated 80,000 hectares of land to “Congo Agriculture”, a company established by South African farmers from Agri SA, following the agreement signed on March 10, 2011 in Pointe-Noire. These lands situated in the Niari (63,000 hectares) and the Bouenza (17 000 hectares) departments, have been set aside for the establishment of an agro-industrial complex for food crops and fruit growing, as well as cattle rearing.

**The partnership with the Brazilian company BR AFRICA.** BR Africa signed a partnership agreement with the Government on November 5, 2010, authorizing its establishment in the Congo under the label BR Africa Congo. The agreement provided for capital distribution amongst the shareholders as follows: the Congolese State (49 percent) and the Brazilians (51 percent). This company will produce cassava, as well as convert and market the products derived from the agro-industrial complex that will be built in the Pool division, between Imbouba and Mbé. The area set aside for cassava production is 19,500 hectares.

**The partnership with the Malaysian company ATAMA Plantations:** In December 2010, the Congolese Government donated 470,000 hectares of land located between Makoua and Mokeko to the Malaysian company ATAMA Plantations. This company intends to produce 9,000 tons of palm oil.

**Agricultural cooperation between the Congo and China.** Cooperation with the Chinese is manifested through the creation of the *Centre de Démonstration des Techniques Agricoles* (Demonstration Centre for Agricultural Techniques) located on the outskirts of Brazzaville. This center conducts experiments aimed at supplying the country with new high-yield varieties of fruit and vegetables adapted to the ecology of the country.

Source: STP/DSCERP.

The Government is determined to improve agricultural productivity and value chains, including in agribusiness and agro-industrial sectors, and make it one of the drivers of economic diversification. Accordingly, the Government's National Development Plan 2012–2016 (NDP) specifically targets two key challenges: diversifying the economy to create lasting jobs, and strengthening productive and social services. These challenges have given rise to five priority policy objectives for the Government's rural sector strategy and seven strategic objectives to help achieve them. However, there are a number of severe constraints that must be addressed to take advantage of Congo's agricultural assets and reinforce their contribution to the country's development.

## 4.3. Cassava Value Chain

### 4.3.1. Overview<sup>25</sup>

In the past decade, the Congolese Government, in collaboration with the donors, has put enormous effort to revamp the cassava sector. The overall goal of the Government for agricultural development is to put in place an agricultural sector that is stimulated by dynamic growth-generating value chains and providing sustainable employment. Unleashing agricultural development through value chain enhancement

<sup>25</sup> FAO (2013a) provides a schematic value chain of cassava in Congo. In this chapter, the value chain analysis quantifies the importance of each step, moreover it takes into account the interregional trade aspect.

**PICTURE 4.1: Cassava in Congo**

Source: Authors.

requires promoting inclusive value chain development at all stages from production to marketing.

Like other agricultural commodities in Congo, cassava is characterized by poor production, processing, transportation, and marketing channels. This is largely due to the intricacy between the stages of the value chain prominent in the informal sector.

The cassava value chain is very important in Congo with regard to both employment and food intake of the population. According to FAO data, cassava accounts for about 22 percent of cultivated land and around 26 percent of national food crop production. Production is estimated to be around 1.2 million tons of cassava in 2011 and has been steady over the past few years. Cassava is particularly important as a contributor to food security in Congo, since its products are components of basic food intake for a majority of the population.

Cassava is consumed in different ways in Congo. The way cassava is consumed varies across the country. Some consumers prefer it as a fresh root, while others prefer processed products (such as, *fufou* and *gari*). As in many other countries, cassava is handled similar to potatoes in Congo, meaning that they are consumed mashed, fried, or boiled. In Congo, cassava mash

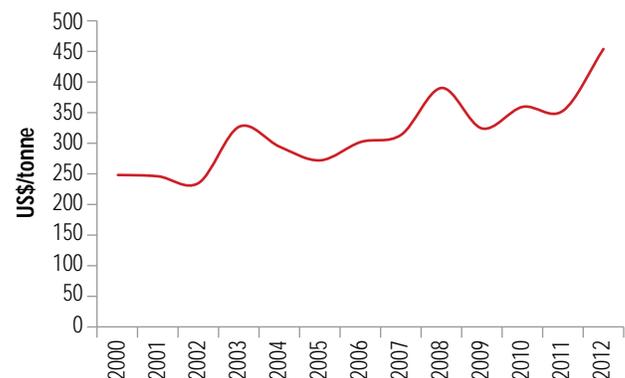
*fufou* is widely consumed by pounding and sieving cassava to make flour, which is then put into hot water. Cassava products account for about 60 percent of the roots and tubers' market share and fresh roots account for about 20 percent of total quantities consumed.

#### 4.3.2. Cassava: Domestic and International Profile

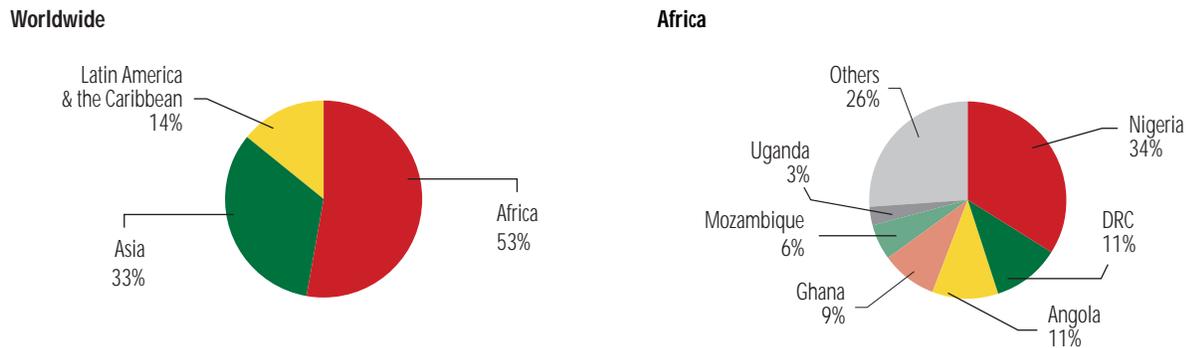
##### *Cassava in the World Arena*

Cassava is the world's fourth most important staple crop following rice, maize, and wheat. Cassava is

**FIGURE 4.1: World Price for Cassava, 2000–2012**



Source: FAO Database, 2014.

**FIGURE 4.2: Geographical Distribution of Cassava Production Worldwide and within Africa**

Source: FAO database, 2014.

highly adaptable to a variety of climatic conditions, as it is cultivated in most tropical countries within 30°N and 30°S of the equator. Africa produces more than half of world's cassava, followed by Asia, with 33 percent. Among the African cassava producers, Nigeria is the highest producer, supplying more than a third of the continent's cassava production. The six countries which currently account for most of the cassava production in Africa are Angola, DRC, Ghana, Mozambique, Nigeria, and Uganda.

The price of cassava in the world market has increased by more than 60 percent in the past decade, rising from around US\$250/ton in 2000 to about US\$450/ton in 2012. Commodity prices began falling in mid-2008 but accelerated thereafter, including the price of cassava. Figure 4.3 depicts the price trend for cassava, and a breakdown of cassava production. Apart from the bump in 2008, the price of cassava in the international market has been rising steadily.

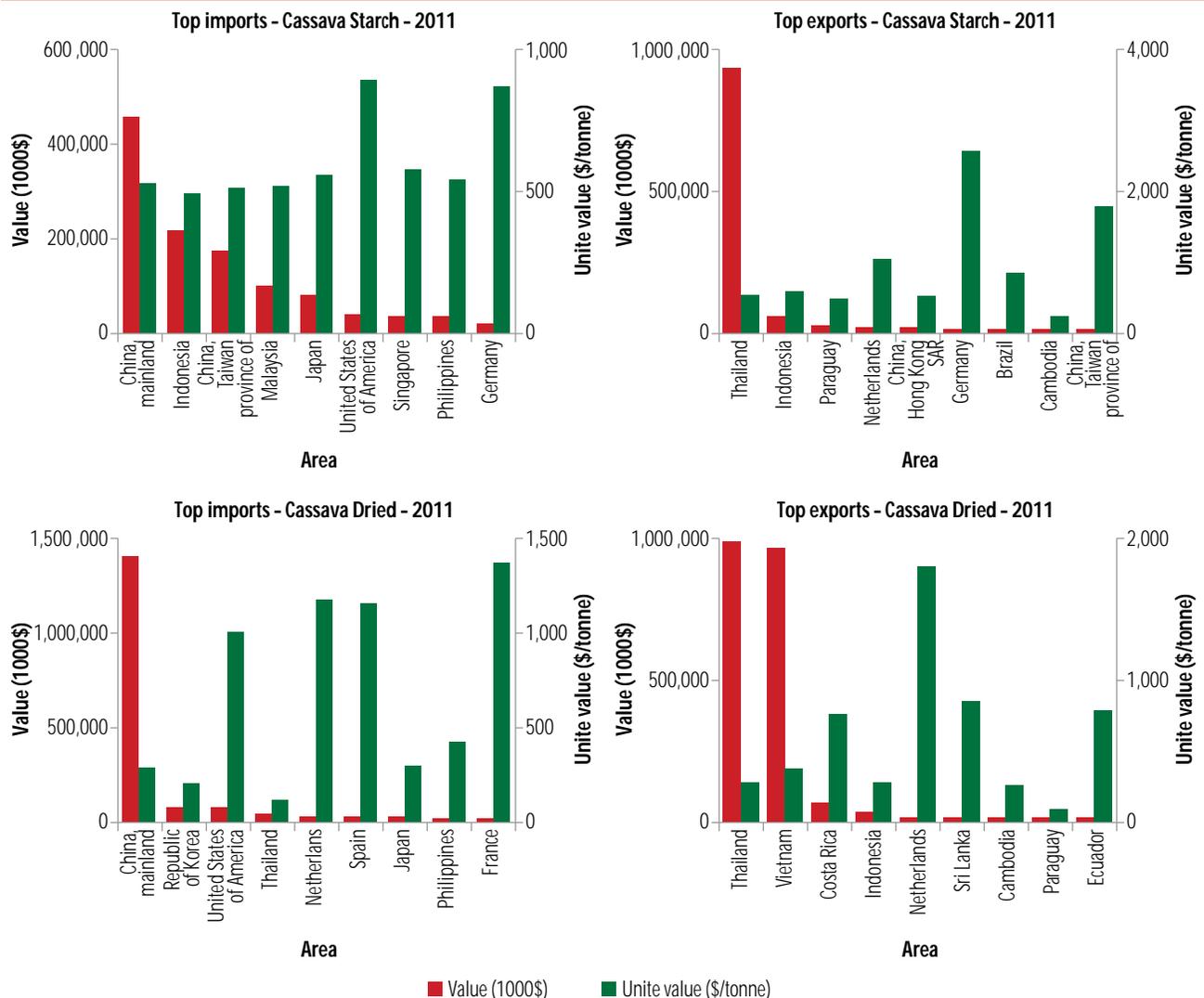
Cassava is mainly used for human consumption, while a smaller part is used for animal feed and other processed products. Since cassava can be substituted with other similar starchy roots and staple crops, it is largely consumed locally or regionally in its most basic forms. There are five common types of cassava products consumed by humans: fresh roots, dried roots, pasty products, granulated products, and cassava

leaves. Other common uses of cassava include animal feed, paper-making, cardboard, textiles, adhesives, high fructose syrup, and alcohol.

Because of cassava's high weight-to-value ratio, and its limited shelf life in unprocessed form, only a small percentage of the cassava produced worldwide is traded across borders. Cassava's properties of bulkiness and perishability make fresh cassava root a risky product to market, and an inconvenient and expensive food for the urban dweller. Thus, international trade in fresh cassava roots is mostly confined to transactions between neighboring countries, and is not usually recorded in the official statistics. China accounts for the largest share of cassava imports in the world, with 41 percent of total cassava imports. Thailand, on the other hand, is the largest exporter of cassava products, accounting for over 60 percent of total exports. Vietnam and Indonesia, respectively, are the second and third highest suppliers of cassava to the world market, each of them accounting for about 8 percent of global cassava trade. Small exporters, including a few African countries like Ghana, Madagascar, and Nigeria, provide the remaining 32 percent of world cassava trade.

The highly perishable nature of cassava limits its productive potential and its use as a fresh staple food. Due to its high water content, cassava root spoils within

FIGURE 4.3: Top Cassava Traders in the World

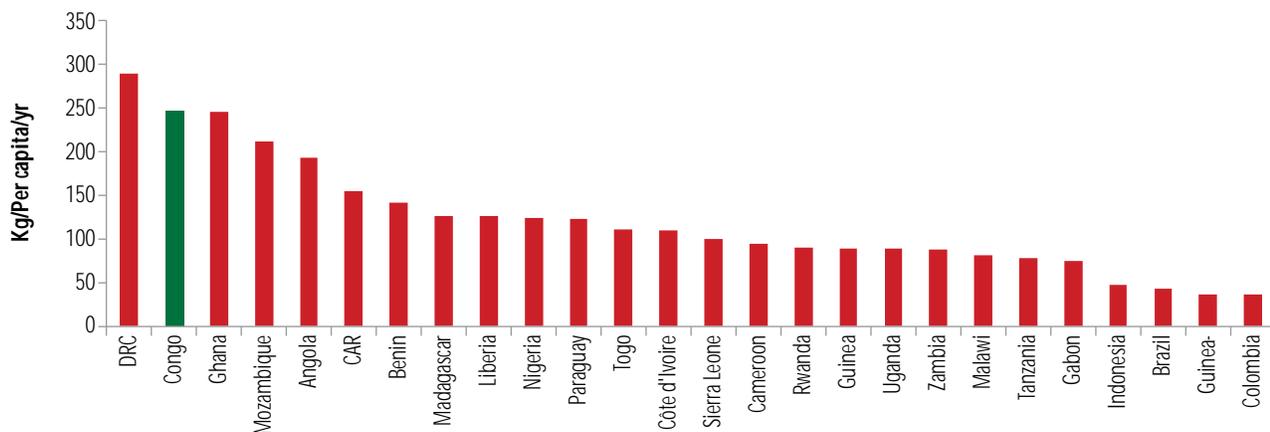


Source: FAO Database, 2014.

four days of being pulled from the ground, and should ideally be processed within two days. In the developing countries where cassava is grown, predominantly as a staple food, consumption in rural areas is much higher than in urban areas, in part because of poor logistics facilities. This makes it difficult to preserve cassava properly, causing it to rot before it reaches urban markets. Cassava's tendency to perish quickly in its unprocessed form has also been a constraint to business people, who would like to turn the tuber into a higher value product (such as starch or beauty

products). Most large-scale processing tends to take place in towns and urban centers, so cassava would have to be brought from the fields, which could take several days due to the poor state of the road transport infrastructure.

Congo's cassava production is one of the lowest in the world. As can be seen in Figure 4.3, most cassava trade occurs between Asian nations, Thailand being the biggest exporter and China the biggest importer. It would not be practical for Congo to export cassava

**FIGURE 4.4: Per Capita Cassava Consumption by Country, 2011**

Source: FAO Database, 2014.

beyond its neighboring countries unless there were major value additions within the country. Given the decrepit state of most factories, and the lack of industry infrastructure, it would be difficult for Congo to successfully compete with Asian nations in cassava starch trade. Even if cassava could be cost competitive in production (which is unlikely in the near future), the transport costs to Asia would make the end product uncompetitive. The European market is fairly small, and because cassava has many substitutes (whether in dried or starch form), price volatility makes exporting cassava to European markets a risky venture, with a relatively few potential upsides. However, it has considerable potential to trade within Africa.

### *Cassava in Congo*

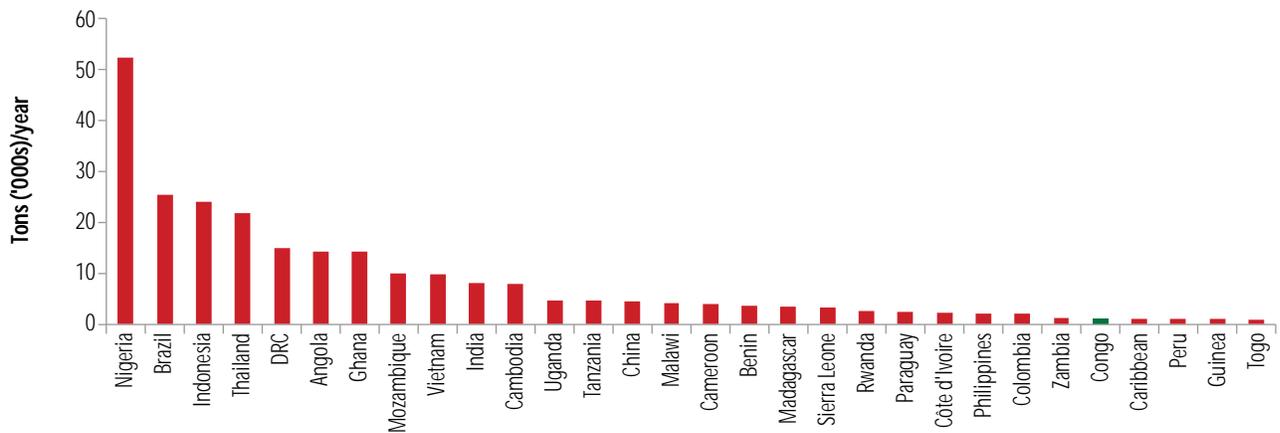
Over one third of the Congolese population is food insecure, and cassava is the basic staple food for many. According to FAO, about 42 percent of the population suffers from food inadequacy. Correspondingly, according to FAO's consumption data in 2011, Congo had the second highest per capita consumption of cassava in the world, with the average Congolese consuming 246 kilograms of cassava per year. Figures 4.6 and 4.7 illustrate Congo's yield, per capita production, and consumption, relative to other countries worldwide.

While Congo produces only a negligible portion of the world's cassava (see Figure 4.4), its per capita production is 26<sup>th</sup> in the world, indicating a strong affinity for the product.

Congo needs to improve its cassava production techniques, as productivity is well below the world's top producers in the sector. Congo's cassava yield (kilograms per hectare) falls approximately midway between that of other countries and is well below most African cassava producers, indicating there is a need for improvement with more modernized farming techniques. Within Africa, countries like Cote d'Ivoire and Ghana are good examples where productivity is higher due to improved farming techniques.

### *Historical Trends and Commercialization of Cassava in Congo*

There has been a steady increase in cassava production over the past two decades; with a perfect match of total production and consumption, indicating the subsistence farming characteristics of the sector. Both total consumption and total productions have steadily increased since the early 1990s, with dips roughly corresponding to the outbreaks of conflict in 1993, 1997, and 1998. Per capita consumption has shown a similar

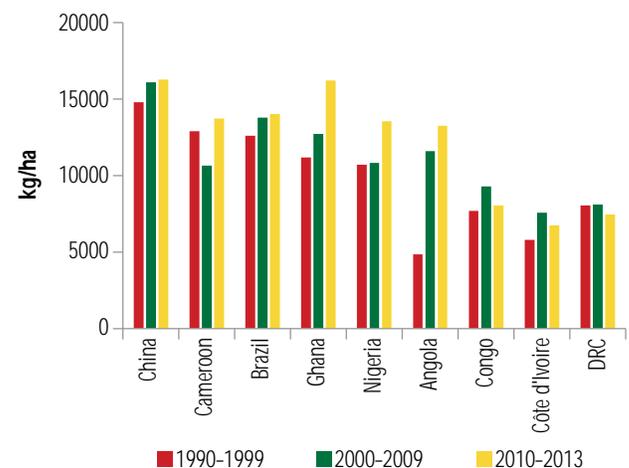
**FIGURE 4.5: Total Cassava Production by Country, 2011**

Source: FAO Database, 2014.

trend, although per capita consumption exceeded per capita production throughout much of the 1990s, indicating cassava must have been imported to meet the domestic demand. Since 2000, per capita production caught up with consumption, and has outweighed it after 2004. It is also important to note that in the past few years per capita production has been declining, although it is still higher than per capita consumption (see Figure 4.7). There is no clear explanation for the decline in per capita production, although it seems to coincide with the 2009 food price crisis and the declined demand for certain agricultural products.

### Forms of Cassava Consumed in Congo

There are four main forms of cassava traded and consumed in urban areas in Congo. Cassava is consumed in Congo in a wide variety of forms, however four of these (Figure 4.7.) make up nearly all the cassava that is commercialized in urban markets. Unprocessed cassava tubers are rare (1 percent of the market in both Brazzaville and Pointe Noire), as the process of soaking (*rouissage*) and drying (*sechage*) is mostly done in the rural areas, and logistics and transportation infrastructure limit its exchange. Cassava in paste form (*roui* or *pate*) is by far the most prevalent form in the market in Pointe Noire (53 percent of sales), whereas *chikwangue*

**FIGURE 4.6: Selected Countries – Cassava Yield**

Source: FAO Database, 2014.

is the most dominant in Brazzaville (64 percent). In both markets, the dried form of cassava (*foufou*) makes up approximately one third of the market. The majority of this dried cassava is sold in small bricks called *cossettes* (28 percent of the market in Brazzaville), while a smaller portion is sold pre-ground as cassava flour called *djanika* (percent of the market in Brazzaville).<sup>26</sup>

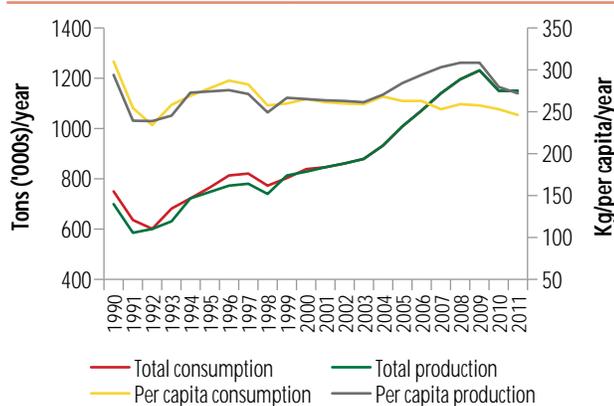
<sup>26</sup> The breakdown between *djanika* and *cossettes* is not available for Pointe Noire, but is expected to be similar to that in Brazzaville.

PICTURE 4.2: Cassava Processing in Congo



Source: Authors.

FIGURE 4.7: Cassava Production and Consumption



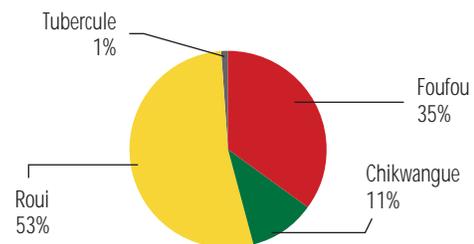
Source: FAO Database, 2014.

Cassava is produced in all departments, with different lines of supply. According to data from the Ministry of Agriculture, each department contributes about the same proportion to total production. However, the supply line of each department varies significantly. The Bouenza and Niari divisions supply more than half the cassava consumed in Pointe Noire, while the Pool, Bouenza, and Plateaux divisions supply most of the cassava consumed in Brazzaville (Figure 4.10).

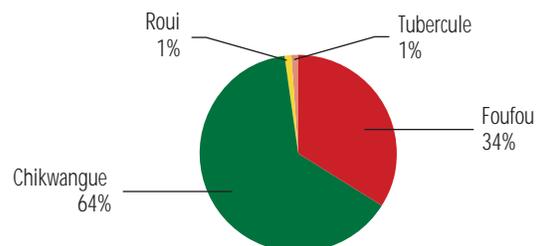
Climate parameters are the major environmental factors affecting cassava production and its value chain. During the rainy season, production costs are higher

FIGURE 4.8: Forms of Cassava most Sold in Pointe Noire & Brazzaville

#### Pointe Noire

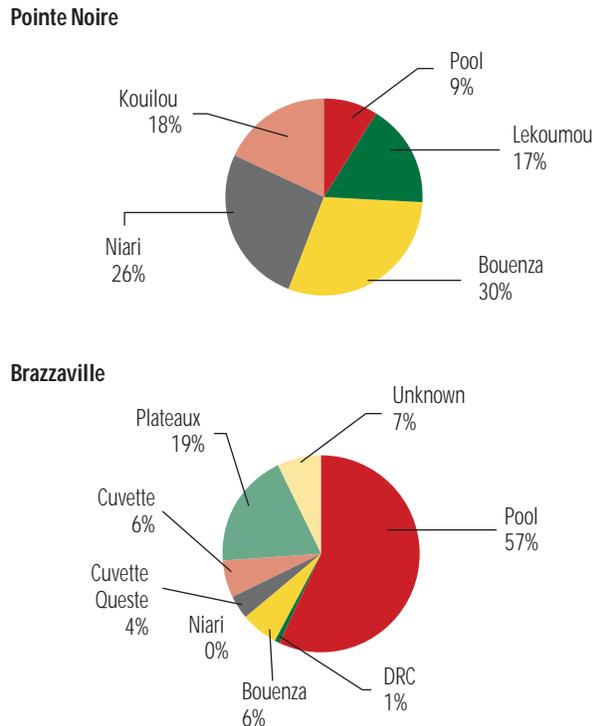


#### Brazzaville



Source: Congo Ministry of Agriculture.

for *fofou*, as it is harder to dry cassava. Conversely, in some divisions (e.g., Plateaux) production costs for *manioc-roui* increase during the dry season because women have to travel further to fetch water for boiling. The seasonality can also affect transport costs, as in the rainy season roads become more treacherous and some areas may become completely inaccessible.

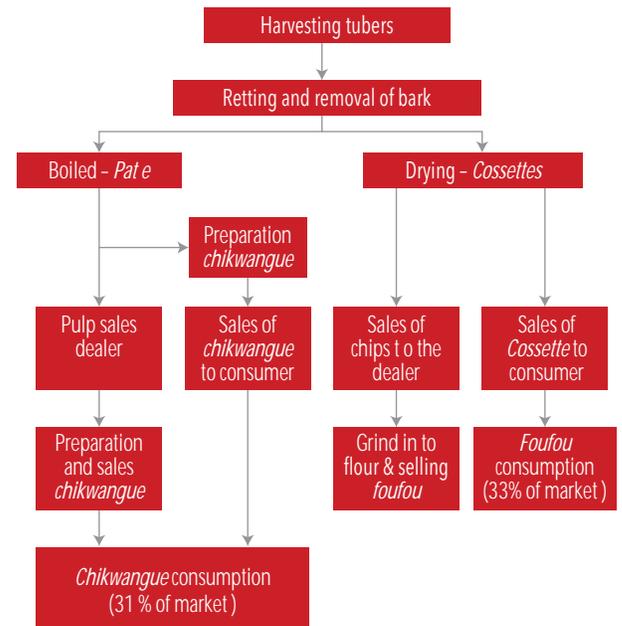
**FIGURE 4.9: Cassava Supply to Urban Centers**

Source: Ministry of Agriculture.

## 4.4. Actors Shares in the Value Chain

### 4.4.1. Share of Actors in the Domestic Value Chain

Producers and processors receive two-thirds of the value generated by the cassava activity, transporters and retailers keep the remaining. Using the average price of the main cassava products sold in the major Congolese markets, the value kept at each step of the value chain was computed. It was found that the farmer (producer) receives about 36 percent of the cassava value; the processor, 30 percent; the transporter, 24 percent; and the retailer, ten percent (see Figure 4.11 (a)). In some cases, most of the cassava processing (soaking, peeling, and drying/boiling) occurs on the farm. This causes the added value to remain with farmers, hence the two-thirds of the activity seen in Figure 4.11 (b).<sup>27</sup>

**FIGURE 4.10: Cassava Value Chain in Congo**

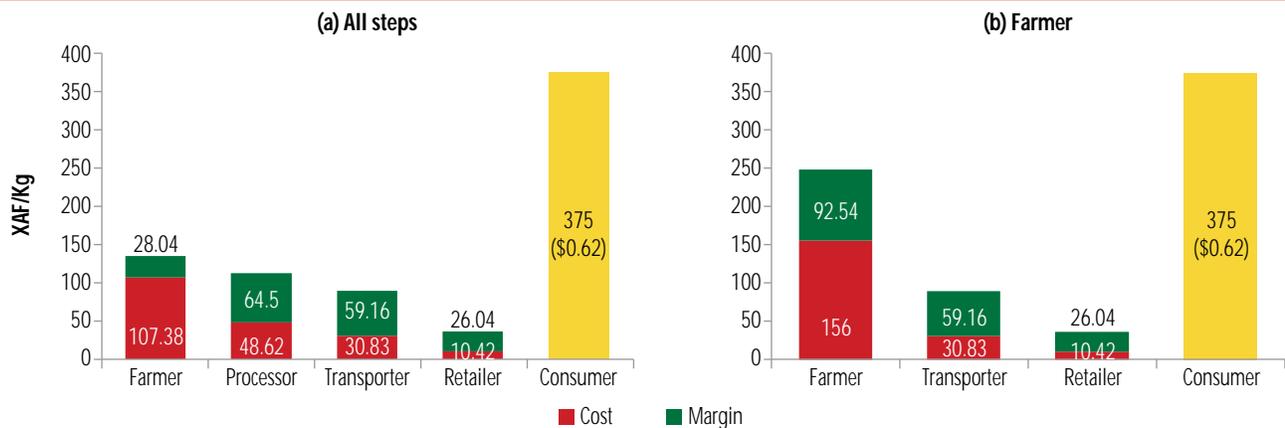
Source: Authors.

Although, farmer has the highest value on the cassava activity, it has the lowest profit margin in the chain. In fact, the farmer profit margin accounts for 26 percent of the total value earned from the activity by the farmer; in contrast the processor holds 57 percent; the transporter 66 percent; and the retailer 71 percent. Therefore, even when farmers do the processing work, the profit margin (which then stands at 37 percent) is still the lowest in the cassava value chain. This is in large part due to the structure of the cassava market at the local level, where farmers are dealing with few transporters.

The overall cost margin varies depending on the type of cassava processing and the climatic condition. The product matters because with *manioc-roui* and *chikwangue* (in the case of being produced in the village), the costs are higher and tend to occur at the village

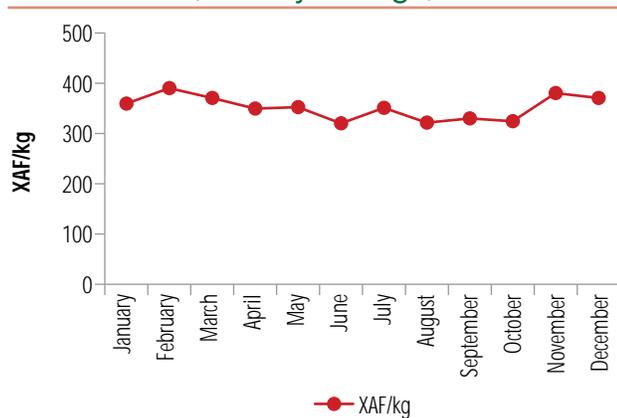
<sup>27</sup> It should be noted that this bar chart is an estimate of the “average” costs and value added, and that in fact there exist a number of variables that can change both the total and the distribution of costs and profit along the chain.

**FIGURE 4.11: The Domestic Value Chain for Cossettes/Roui/Chikwangue**



Source: Computed by the team based on various sources of information.

**FIGURE 4.12: Brazzaville – Price of Fofou (monthly average)**



Source: National Center for Statistics and Economic Studies.

level. The forms of *fofou* (*cossettes* and *djanika*) have lower overall costs. There is a significant difference in profitability of two commonly commercialized cassava-based products: *cossettes*, with a 28 percent market share of commercialized cassava, and *chikwangue*, with a 31 percent market share. The cost of production of the two products is in fact the same. However, *cossettes* fetch significantly higher margins (margins are one-third of the sale price). This can perhaps be explained by the fact that *cossettes* have further integration capabilities, while *chikwangue* is in its final consumable form.

Moving forward, it will be important to carefully monitor all market pricing in Congo, as a way to ensure the stabilization of production and processing to meet market demand, while optimizing margins. Figure 4.12 shows that prices for *fofou* in Brazzaville fluctuate according to the season. As can be seen, prices rise during the rainy season from November through April and decline in the dry season from May through October. This occurs during the rainy season if drying of the *cossettes* is attempted. If the *cossettes* are exposed to too much moisture, they spoil and are not considered suitable for market. Wastage during processing leads to higher prices in urban centers, due to a reduction in supply.

Different cassava based products follow different paths to market. *Chikwangue* principally follows one of the two paths to market. Along both, cassava is harvested at the farm and then peeled and boiled to make a paste.

- ▶ Path 1: At this point, cassava can be transported to town as a paste. It should be noted that Path 1 represents 53 percent of the cassava market in Pointe Noire, but only 6 percent of the market in Brazzaville.
  - Upon arrival in the urban market, the paste is sold to a reseller.

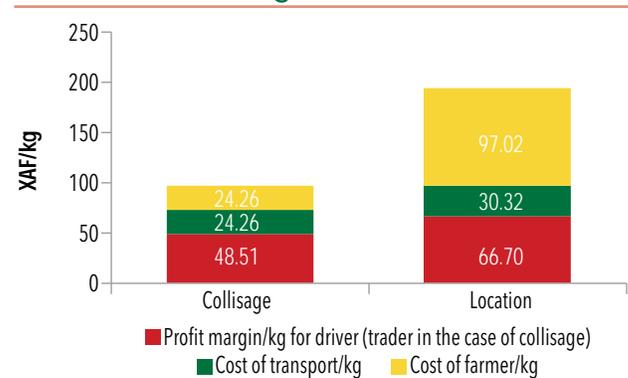
- The cassava is then prepared as *chikwangué* and sold to the end consumer.
- ▶ Path 2: Alternatively, the paste can be transformed into *chikwangué* directly in the village and then transported to the urban market. This path represents 64 percent of the cassava market in Brazzaville but only 11 percent of the cassava market in Pointe Noire.
  - Upon arrival, it is sold directly to the end consumer.

*Foufou* also follows two paths to market. Along both, cassava is harvested at the farm, then peeled and dried in villages, resulting in *cossettes*.

- ▶ Path 3: Resellers can transform the *cossettes* into flour/*foufou* (called *djanika*), which can be sold to the end consumer. Only 6 percent of cassava passes through this path.
- ▶ Path 4: After being transported to urban areas, the *cossettes* can be sold directly to the end consumer. Path 4 represents 28 percent of the cassava sold in Brazzaville markets.

There are two transportation arrangements—*collisage* and location—that significantly determine the greater share of profits. In *collisage*, a merchant from the city orders cassava from farmers and owns or hires a car for collection. Under the location system, villagers pay a fee to transport their goods on someone's truck. Farmers pay less for transport through *collisage*, as the merchant offering *collisage* services is less dependent on transport margins to turn a profit. Instead, the merchant is able to collect margins from both transportation and marketing. Transportation costs represent only a small share (approximately 13–15 percent) of overall value chain costs. While the cost difference for the farmer appears to vary only slightly in the two models, the XAF24.3 per kilogram cost reduction gained through *collisage* could save a farmer producing one ton per year approximately US\$80, keeping more revenues in rural areas. Figure 4.13 further illustrates transportation options.

**FIGURE 4.13: Cost comparison of Two Different Transportation Arrangements**



Source: Authors' estimate based on data from survey and Ministry of Agriculture.

Transportation costs vary depending on the location of both the farm and destination of the product. When it comes to the overall transport cost, the distance from the city matters because (unsurprisingly) transport costs increase with distance from the city. However, the data suggests that transport costs per kilometer slightly decrease as distance increases. The relative isolation of the farm ("enclavement") also increases the portion of the costs incurred by farmers, as they typically pay for transport to the main roads.

Prices of processed cassava, particularly *foufou* and *chikwangué* are counter-cyclical. *Foufou* and *chikwangué* prices are counter-cyclical, as *chikwangué* prices tend to increase during the dry season when water is less readily available for boiling the cassava. This is especially true for *chikwangué* coming from the Plateaux region, where water is scarce during the dry season. Plateaux is one of the major suppliers to Brazzaville, thus the impact on prices in the capital is significant. Investments such as hangars to protect *cossettes* from rain and cisterns to store water for *rouissage* and boiling may help smooth seasonal price fluctuations.

The poor transport infrastructure and market network contribute to wastage of cassava products. Up to 5 percent of *chikwangué* can be lost at the transport

**TABLE 4.1: Cassava flour (foufou) price in neighboring countries, Price (XAF (US\$))/kg**

Country	Price FAO, 2013	Price, staff survey, April 2015
Angola	241 (0.42)	385 (0.64)
Cameroon	165 (0.27)	231 (0.38)
DRC	500 (0.83)	641 (2.26)
Congo	259 (0.43)	375 (0.62)

Source: FAO Database and World Bank Staff survey.

stage, for a variety of reasons. The first is an inability for the farmers to find trucks to send their cassava to the urban centers. Other issues revolve around the reliability of the trucks used—either mechanical problems or accidents make transporting the cassava to urban centers impossible. In addition, cassava producers in rural Congo are constrained by the lack of all-weather roads and affordable transportation, which are deemed to be the basic needs for the development of the sector. Long transit times affect the quality of the cassava, as it commonly causes the breaking up of tubers. In general, farmers are unable to find trucks to send their products to larger market centers, or they find it too expensive. In addition, the current market is fragmented, and there is a lack of a structured network between producers and the market. The majority of

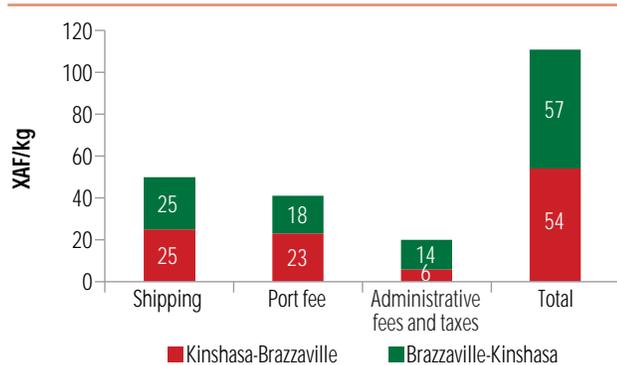
cassava trade in the rural areas is traditionally done by the producers themselves, with small numbers of traders. In the urban areas, on the other hand, cassava is distributed by traders, who transport the products from the farms to the market.

#### 4.4.2. Prospect of Cassava Commercialization in the Sub-Region

The price of cassava flour (*foufou*) in Congo is roughly competitive in the region, highlighting the potential for trade and the need to improve trade facilitation. The price of cassava in DRC, the country with the highest per capita consumption in the world, is about 50 percent higher than the price in Congo, see Table 4.1. This gap is more exaggerated when the prices are compared based on the current market survey. Arguably, the main reason for the low price in Cameroon is due to the well-established informal market with Nigeria, which is the largest cassava producing country in the world. While one kilogram of *foufou* is sold for XAF 641 in DRC (Kinshasa), it costs only XAF 375 in Congo (Brazzaville). This shows that Congo's cassava sector has competitive advantage in DRC market, given the high demand and the price advantage.

Administrative and port fees account for 56 percent of the trade cost between Brazzaville and Kinshasa, while shipping accounts for 44 percent. The standard cargo shipping fee for a 20ft container<sup>28</sup> from Brazzaville to Kinshasa is 375,700 XAF. The port fee at origin (i.e. fee paid at Brazzaville port for handling, lighterage, lifting, and stripping) is XAF 260,100, and administrative costs (fees and taxes) are XAF 216,750. Therefore, the total cost of shipping a 20ft container is around XAF 852,550, which means that traders pay approximately XAF 57 per kilogram (see Figure 4.14)s. Assuming the average cost of local transportation from Kinshasa port to the nearest market to be XAF 750,000, which is XAF 50 per kg,

**FIGURE 4.14: Regional Value Chain Brazzaville-Kinshasa**



Source: Computed by the team based on various sources of information.

<sup>28</sup> The approximate weight of a 20ft container is 15tons.

Taking the retail price of cassava (which is XAF 375), the total cost of exporting cassava from Brazzaville is XAF 482, which is much less than the price of paid in Kinshasa. This shows that exporting cassava from Congo to DRC is profitable. Congolese farmers can gain even more if fees and taxes on trade are reduced.

There are export opportunities for Congo in the sub-region. Congo has a competitive advantage to export its cassava products to the neighboring countries. In light of its relatively low prices in the domestic market and the high demand for cassava products in DRC, Congo has great potential to export its cassava products. In addition, the two countries are only separated by a river, which can be crossed in less than half an hour. Congo needs to improve its productivity as well as its processing capacity by targeting its neighboring countries, where there is a high demand for cassava.

Exporting cassava can enhance production, growth, and employment at a rather faster rate than focusing on domestic markets. Nonetheless, there is a need to facilitate the country's trade to allow local companies to compete at a regional level and beyond. Regional markets can allow farmers and industrialists (processing companies) to expand operations and create economies of scale, making them more competitive. Access to regional markets can also spur investment and allow suppliers to specialize and integrate into regional supply chains that ultimately cater to domestic, regional, and gradually global markets.

## 4.5. Opportunities and Challenges in the Congo Cassava Sector

### 4.5.1. Opportunities

Congo has a strong cassava culture, with considerable demand for it. Because of the high demand for cassava and processed cassava in Congo, there is a strong base upon which improvements can be made. As noted above, Congo has the second highest level of per capita

consumption of cassava in the world. In recent years, some organizations (like IFAD and FAO) have been helping the sector by providing capacity building activities, such as training farmers about disease prevention.

Cassava has immense potential to enhance the sector from both the supply and demand side. Currently, there are an increasing number of initiatives from the Government and international organizations to promote cassava production for both export and domestic consumption. Furthermore, there is a growing effort from FAO and *Projet d'Appui à la Diversification de l'Economie (PADE)* to promote cassava research in collaboration with Congolese experts, to improve cassava productivity and value chains.

Non-traditional forms of consumption can increase the overall demand for cassava products. Traditionally, cassava is consumed either directly as a cooked tuber or mashed. However, other forms of cassava consumption, for instance bread made of cassava flour, can increase overall demand for cassava. Moreover, as prices of maize and wheat are soaring, there is a high tendency for consumers to substitute for bread made of cassava. In recent years, the price of bread has been increasing due to higher prices for wheat in the international market, since wheat is entirely imported from abroad.

There is no competition in the market. With minimal to no private sector involvement in Congo's cassava sector, there is a significant opportunity to invest in all phases of the value chain. In particular, significant investment opportunities exist at the processing and transportation stages of the value chain, with potentially thick margins in both. With appropriate financing, farmers are particularly well situated to move up the value chain, integrating improved processing capabilities to their production, establishing collaborative efforts with other farmers to create a more stable base for further private sector investment. By grouping into cooperatives, farmers can co-invest in new mechanization technology, improve quality, and secure regular entries into the market.

Integrating into alternative value chains can enhance the commercialization of the cassava sector. With appropriate investment, cassava-based products can feed into other sectors, such as bakery (with higher value cassava flour), animal feed, paper, and starch production. By integrating cassava into these potentially symbiotic sectors, farmers and processors can guarantee larger markets, higher demand, and better margins. However, this requires minimum levels of quality, which are not yet present in Congo. When developing medium- to long-term plans, attention should be given to providing incentives to manufacturers looking to reverse-integrate into the cassava market.

Congo has the potential to export its cassava products to its neighboring countries, particularly the DRC. Congo needs to expand its cassava market to the region, as it will enhance trade diversification. Accessing regional markets is often less challenging than accessing global markets; given that neighboring countries, particularly DRC, have similar taste, standards and food consumption culture. In addition, Congo has a considerable opportunity to export to DRC, including: (i) the huge price difference for cassava products between the two countries; (ii) the perishable nature of cassava, which can provide an advantage to Congo to export its products, including fresh roots, to Kinshasa (DRC), separated only by a 6.26 kilometer (3.89 mile) wide river with Brazzaville; and (iii) DRC is the top cassava per capita consumer in the world, suggesting the potential demand for it. Improving trade facilitation along the Brazzaville-Kinshasa corridor will enable Congo to export its goods, particularly of cassava, quickly and cheaply to DRC and other neighboring countries.

#### 4.5.2. Challenges

Farmers in the cassava sector are not organized and have no access to inputs and production finance, with limited finance to purchase equipment. The cassava sector in Congo is characterized by the lack of inputs

at the production and processing levels, impacting both the quality and quantity of the product that can be marketed in the urban areas of the country. Wheelbarrows are the typical means of transportation to carry the cassava from the field to drying areas, and to the feeder or even main roads. Cisterns, on the other hand, are used to store water for soaking out the cyanide and for boiling the cassava in the case of *pâte* and *chikwangue*. Unfortunately, as cheap as they might seem, both wheelbarrows and cisterns are in short supply.

The current market is very much fragmented, and there is a lack of a structured network between producers and the market. Therefore, Congo needs to integrate the current segmented domestic market to allow competition and efficiency in the cassava market. The majority of cassava trade in the rural areas is traditionally done by the producers themselves, with small number of traders. In the urban areas, on the other hand, cassava is distributed by traders, who transport the products from the farms to the market.

Cassava producers suffer from lack of finance to take their products to more profitable urban areas and purchase packaging. In terms of inputs to processing, there is lack of basic storage facilities (such as hangars) for drying cassava and simple mills, which would help to improve productivity. Both production and processing are done using traditional tools and methods. In terms of transport and marketing, the entire structure is weak, with poor access to affordable transportation and lack of forward integration into the market due to the lack of sufficient merchants.

Poor physical infrastructure increases the cost of production and processing, and reduces profit margins. As detailed in a recent World Bank (2012) report, rural roads are in serious disrepair and their rehabilitation would provide a major boost to the cassava sector. Other basic infrastructure needed for improved cassava production and processing, such as cisterns, are unavailable. Bad road conditions

increase transportation costs to the urban markets. Furthermore, most villages are not accessible or there is a lack of feeder roads, forcing farmers in such areas to pay more to take their products to the main road.

Inadequate packaging and processing technology hinders the cassava sector from taking advantage of the regional market. Currently, much of cassava processing is done by the farmers themselves, mainly using rudimentary tools and techniques, with no packaging and no clearly defined quality standards. The most popular processed cassava products are *chingwui* and *foufou*, and they are largely produced for the domestic market. Due to the lack of technology, as well as a lack of market information, the incentives to develop new products are limited.

The lack of communication and collaboration among stakeholders remains a significant problem in Congo. While significant steps have been taken to increase communication and collaboration at the Governmental and NGO levels, production, processing, transportation, and marketing level communications remain very weak.

#### 4.6. Recommendations for the Development of Congo's Cassava Sector<sup>29</sup>

The private sector should play a significant role in all levels of the value chain. Successful value chain development programs should be adopted to encourage the private investor to make the desired and required investments; this would enhance the efficiency and overall competitiveness of the sector. This section lays out a clear vision and objectives for the intervention in Congo's cassava sector and defines a strategy to achieve these concrete objectives.

The Government can play an important role in the development of the cassava sector by providing an enabling environment in terms of policy and

infrastructure. To facilitate the expansion of the private sector's role in the development of the cassava sector, the Government needs to establish a business-friendly environment. It is essential to improve the road infrastructure, communications infrastructure, and power supply of the country. In addition, the private sector (ranging from farmers to potential industrialists) needs to have better access to credit.

The development strategy can be divided into four overarching components: production, processing, transportation, and marketing. These components encompass all of the most important elements of the value chain, and improving one component will yield little improvement without improvements in the other components. As an example, higher production yields of cassava are only beneficial if there is either market demand for more raw cassava products or value added products, or if there is a way to efficiently process and store the highly unstable raw material.

##### 4.6.1. Production – increasing yields

It is critical to focus on improving existing cassava production practices to increase the yield per hectare. This can be accomplished through improving farming practices, distributing improved cassava varieties, and improving post-harvest processing, transportation, and marketing services. Currently, Congo's cassava yield per hectare is approximately nine tons per hectare, which is below average productivity of major cassava producing countries. The strategy should aim to upgrade average yields to 13 tons per hectare per year, as a way to meet existing demand, which is within reach when considering that Congo's neighbors, Cameroon and Nigeria, have yields of over 12 tons per hectare.

A divided approach to Congo's cassava sector improvement is necessary. The spatial concentration of cassava

<sup>29</sup> FAO (2013b) provides a strategy and an action plan for the development of the Cassava sector. Some of our recommendations are related.

in the divisions of Pool, Bouenza, Plateaux, and Niari make them prime candidates for cassava specialization and heightened economic development support, including targeted technology infusions, financing, and research diffusion. The limited resources available reinforce the need to select a few high-potential divisions that can be used as testing grounds for upgrading cassava sector in other divisions in the future.

Building a cluster farming approach can simplify the distribution of technical assistance. Increasing productivity at the farm level is a critical component to an overall sector upgrade, as it frees time for other activities such as planting new crops, capacity building, and marketing. In Congo, productivity is limited by the fact that farmers are working independently of other farmers at the household level, and are therefore not gaining any economies of scale. Additional adverse effects of this model include: i) a lack of access to technical assistance (financing, capacity building, etc.), as technical assistance is most effectively distributed to larger groupings of farmers; and ii) a lack of interest from the private sector. The logistics of dealing with farmers at the household level are often too complicated for the private sector, and therefore entrepreneurs typically stay away, preferring instead to deal with groupings of farmers, associations, etc.

#### 4.6.2. Processing – Shifting Away from an Artisanal Model

The Government should create a mechanism through which farmers and traders can obtain production and market information. Specifically, they should provide consistent market information to processors and potential entrepreneurs, so that they can recalibrate where necessary, as well as access up-to-date information on market prices, demand, etc.

It is recommended that starch-based industries be established in rural areas for cassava storage and processing, to encourage both producers and processors.

There is a lack of storage and processing facilities, mechanics (to ensure that farmers can benefit from sales of their final products), and mechanized technology. There are a number of factors that contribute to market access, including storage facilities and affordable transportation. Rural incomes will not be substantially increased by exclusive emphasis on subsistence food crop production; rather, more market-oriented production systems are needed. These require the intensification of agricultural production systems, increased commercialization, and specialization in higher-value crops. Therefore, the major strategy for improving cassava production and processing should be to establish storage and processing industries closer to the production areas.

Production can be increased by improving processing and market access. As noted above, the perishable nature of cassava roots often forces farmers to leave them in the ground for up to three years. Such practice has adverse impact on yields and also reduces availability of land for farming. According to earlier studies, keeping cassava roots in the ground can reduce yield by up to 66 percent.<sup>30</sup> The lack of efficient processing services, storage facilities, and access to markets (transport infrastructure) drives farmers to keep the cassava roots in the ground. In general, Congo's cassava production is trapped in a low-yield cycle. To break this cycle, there is a need to improve not only the production, but also all levels of the value chain, to create better incentives for higher production. At the processing level, there is a need for investment in modern storage and machinery, which could help transform cassava production to a larger scale, reducing the processing cost and rendering the sector more productive.

Building micro-processing units in the short, medium, and long term is the best way forward. Cassava processing is difficult when the processing units are many miles away from the farm gates and transport infrastructure

<sup>30</sup> Sub-Sector Strategic Study on Cassava, Cassava Development Strategy for Mozambique (2008–2012), Volume 1, Agro. Ges.

is poor. Micro-processing units are best set up within villages that produce cassava, partly to reduce transportation costs, but also to help establish a good clustering point where farmers can be lent tools, receive information, and supply the factory with raw material.

The mechanization of the processing technique is also an essential part of commercialization. Moving from traditional processing techniques to increased mechanization serves multiple purposes. Firstly, it frees up time for farmers to focus on other activities, such as production and marketing, reducing cassava's processing time and labor by up to 50 percent. Secondly it ensures a more consistent and higher quality of processed goods, which can serve to attract additional private sector investment.

Creating a cassava farmers' cooperative would facilitate access to production resources and market information. Currently, cassava farmers in Congo are unorganized, and don't have access to credit for production and processing equipment. It is thus recommended that a cooperative is set up to enable farmers to access to inputs for production, including fertilizer, pesticides, machinery, etc. It could also serve as a means to undertake the transportation, packaging, distribution, and marketing of cassava products. Furthermore, the cooperative could facilitate a source of financing for working capital and investments. The cooperative can be a means for reliable market information, and could also help farmers become better managers by assisting them in planning production to meet market demand and negotiating prices on a more 'even footing' with wholesalers and retailers. These efficiency gains can lead to increased participation in the cassava (as well as other agricultural products) value chains, and can ensure greater stability of prices and supply/demand.

#### 4.6.3. Transportation & Marketing

Without sufficient access to markets or market demand, the low-yield cycle will not be broken. As

discussed above, there is no incentive for Congolese farmers to increase production due to the lack of storage facilities and poor access to markets. Access to markets and market demand must be improved to break this cycle. Currently, the following elements are reinforcing the cycle: i) poor access to transportation to bring products to processing and to market; ii) poor roads and run-down transportation vehicles making transportation more difficult and expensive, causing farmers to bear the risk and cost of transporting their goods; and iii) unsophisticated demand in both rural and urban areas, and a lack of integration of cassava into other value chains, such as baking.

It is important to reduce the cost of trade between Brazzaville and Kinshasa. The substantial price differential between Brazzaville and Kinshasa on cassava products is a potential source of international market for Congolese farmers. To take full advantage of this, it is critical that both Governments take measures to reduce the cost of crossing the river between Brazzaville and Kinshasa. Currently, fees and taxes account for about half of the cost on this corridor. A reform of fees and taxes on critical products is needed.

Access to markets can be improved through the introduction of micro-financial tools. Introducing financial tools, such as leasing to allow rural producers to purchase their own vehicles to sell products, would be an important step in encouraging forward integration into the urban markets, allowing producers to capture wholesale and retail margins. At the marketing level, the culture of entrepreneurship and capacity building interventions are closely linked. The goal is not only to increase the number of sellers of cassava-based products, but also to encourage investment into activities that use cassava to create higher value added products. Driving demand for existing cassava products and marketing of new cassava based products are critical components of increasing demand and improving the probability of private sector success in cassava. Elements of this marketing campaign would

perhaps include the key health benefits of cassava, where to buy cassava products, and new uses of cassava for consumption and industrial uses. In addition, a system of prioritizing cassava shipments from rural to urban areas (perhaps a laissez-passer system) and eliminating illegal roadblocks should be adopted to ensure that more perishable cassava products arrive in urban markets, in a timelier manner.

Implementing these guiding strategies will require a portfolio of five overarching activity types, at all levels of the value chain:

1. ***Providing access to finance solutions and establishing new finance mechanisms.*** Programs include: micro-credit schemes, guarantee funds, and support for the existing Government-established agriculture loan facility, etc.
2. ***Building capacity at all levels of the value chain, and supporting existing capacity building efforts.***
3. ***Improving access to information as a means to stabilize sector fluctuations, to drive demand, and to highlight investment opportunities.*** When developing programs, it is important to include the establishment of a market price index, as well as campaigns to promote the cassava production usage.
4. ***Engaging and supporting existing advocacy efforts to establish an improved business environment for the cassava sector.*** Initiatives include: the establishment and strengthening of a cassava growers' association and policy shifts to encourage cassava integration into other value chains such as baking.
5. ***Building a culture of entrepreneurship as a way to guarantee the permanence of sector improvements, while driving private sector investment into the cassava.*** This should include annual business plan competitions with grants, technical assistance for entrepreneurs, and sensitization campaigns on business opportunities in the cassava sector.

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# Annexes

## Annex A1: Matrix of Detailed Action Plan

Operational Objectives	Action	Expected result	Main responsible authority	Performance indicators	Term	Need assistance
<b>Section A: Development of the trucking industry in Congo</b>						
Reduce waiting time at the borders	Put the necessary personnel at border posts to allow them to be open 24 hours daily	Greater flow of trade	Ministries in charge of finance, Public Service, Interior, transportation, Sustainable Development	The number of hours and days that the border remains	Short term	High
	Team border authority control tools and quick check		Ministries in charge of finance, trade, transportation, domestic, Sustainable Development, etc.	The average number of hours spent at the border	Medium term	Low
Design and establish a collaborative framework governing trade corridors with Congo's neighbors.	Initiate a dialogue to establish economic corridors between Congo and its neighboring countries (particularly Cameroon, Angola and DRC)	A collaborative and functional framework between the Congo and its three major regional trade partners (DRC, Cameroon, and Angola) is operational	Ministries in charge of Transport; Trade, and Foreign affair; Industry; trade unions and employers	Copies of the three agreements	Medium term	High
Ensure the sustainability and improve infrastructure and trade logistics	Establish a sustainable maintenance system of road, with a clear priority area and a regular maintenance plan.	Better maintenance of road infrastructure	Ministries of Road Transport, Equipment, Trade, Interior, Finance (Customs services)	Sustainable road infrastructure	Medium term	Medium
	Examine how the Congo can facilitate trade by focusing on the provision of logistical infrastructure (border platform, warehouses, poses platforms along roads, etc.)	Better logistics provided at border office	Ministry of Transport, Equipment, Trade and Finance	New logistic facilities	Medium term	Medium

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Operational Objectives	Action	Expected result	Main responsible authority	Performance indicators	Term	Need assistance
Improve freight management in the country	Do a study for establishing a cargo management office <sup>a</sup>	Creation of a national office to manage freight	Transport ministries, trade, and finance, and private sectors.	Study report	Short term	Medium
	Create, organize and run a good structure operating in freight management charge in the Congo; in each corridor.			A cargo management office	Medium term	High
Reduce the number of checkpoints on corridors	Bring the number of checkpoints to a reasonable number	Less checkpoints	Ministry of Transport and the Finance (Customs), Congolese Shippers Council and Equipment	Less number of checkpoints and delays	Medium term	High
Make customs services more effective and efficient	Design a clear customs procedure guidelines and introduce IT-based data entry system	Lower costs and delays	Ministry of Finance (Customs)	Clearly define customs guidelines developed and IT-based data entry system established	Medium term	Medium

### Section B: Strengthening the Transport Sector in Congo:

#### Transport regulation

Create a national facilitation committee	Formulate a decree to establish or update a national facilitation committee, including representatives of the public and private sectors with trade and transportation liability	A functional mechanism for communication, consultation and coordination among the transport stakeholders	Ministry of road transport; trade; Finance; interior; and defense.	National Facilitation Committee established and functioning	Short term	Low
Adopt the laws, rules and regulations to create a favorable business environment	Develop and implement a business friendly regulatory framework	More formalized and professionalized road transport industry. Better quality of transport services and enhanced road safety	Transport ministries, trade, finance; justice; SMEs	Legislation approved and implemented	Short term	Low
Develop a safety regulation	Develop and implement legislation, institutions and safe practices	Improve road safety	Ministry of road transport; police; defense; equipment; development; industry.	legislation adopted; areas for rest and controls built around the main border crossings	Short term	Medium
Improve navigation of waterways and the entire transportation network in the country and the links in the region	Assess the way to modernize the secondary ports with significant economic potential e.g. the ports of Makoua, Etoumbi, Ouesso, Mossaka, Liranga, Impfondo	Understanding the needs of transport infrastructure	Ministry in charge of Transportation	Assessment report	Short term	Medium

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Operational Objectives	Action	Expected result	Main responsible authority	Performance indicators	Term	Need assistance
Improve infrastructure, tools and offices on corridors	Perform technical analysis on infrastructure, tools and offices on specific corridors.	More functional and efficient freight terminals	Ministry for Transport, that of commerce, municipalities and local Government	Hardware terminals built along the commercial corridors and around the capital.	Short term	Medium
	Build in priority infrastructure, structures and relevant offices.		Ministry responsible for transport; finances; trade; industry; hydrocarbons.		Medium term	Medium
Assist Congolese transport partners to organize their activities	Organize workshops and seminars to encourage the partners of the transport industry to create their association.	Better organization of the transport industry	Ministries in charge of Transport, Finance, Trade, Industry, municipalities/ local administration	Workshops organized	Short term	High
	Help the transporters association to become an important partner of the authorities on issues related to road transport.			Professional association founded	Medium term	High
	Restructure the individual companies and SMEs of the sector so as to ensure their profitability.			Number of SMEs and formal enterprises in the sector	Medium term	High
Help provide social protection to actors in the transport industry	Conduct a comprehensive study on the benefit and welfare	Better understanding of what will require transport operators to acquire social protection	Ministries in charge of Transportation, Economy, and Labor	Study report	Short term	Medium
	Implement the recommendations of the study	Better social protection		A policy	Medium term	High
Establish a mechanism to monitor the road transport and modernize record keeping of transport service providers	Establish a national register of road transport operators. Create information system that will identify the economic actors.	A single mechanism to record the authorized transport operators	Ministries in charge of Transportation.	National register designed	Short term	Medium
Improve vehicle inspection methods	Develop nationwide vehicle inspection mechanism	Vehicle inspection legislative and institutional framework defined	Ministry in charge of Transportation	New vehicle inspection mechanism implemented	Medium term	High
	Assist in the establishment of modern technology stations	Best Vehicle Inspection Tools			Medium term	High

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Operational Objectives	Action	Expected result	Main responsible authority	Performance indicators	Term	Need assistance
Improve efficiency of transport operations as well as road safety and environment protection.	Allow access to finance fleet of renovated vehicles (trucks)	Greater productivity service quality of the transport industry.	Ministries in charge of Transportation, Finance, Customs, Interior and Sustainable development	New renewal scheme	Medium term	High
	A study to design a sustainable mechanism for fleet renewal in Congo.				Short term	Medium
<b>Section C: Rehabilitating the Brazzaville Port</b>						
<b>Improving the navigability of waterways and management of stretch of water (Support for investment in infrastructure for trade facilitation and transport)</b>						
Improve the communication system and vessel traffic services.	Establish an information management system for vessels traffic services (STV)	Better communication system.	Ministry of Transport, Civil Aviation and Merchant Marine, Ministry of Waterways and Economy, DIGENAF, PABPS	Information management system for vessels traffic established	Medium term	High
<b>Connectivity of Transports</b>						
Ensure the seamless movements of freight Between Brazzaville and Kinshasa	Accelerate the long-standing proposal of building a road/rail bridge between Brazzaville and Kinshasa	Lower costs and time for the transport of goods	Ministries of Waterways, Economy and Transport, DIGENAF, PABPS	A bridge	Medium term	Medium
<b>Logistics</b>						
Organize and regulate the creation of logistics warehouses and stores inside and outside (dry port) of the port area.	Build logistic stores and customs warehouses	Better organized logistics stores and warehouses and clearance areas.	Ministry of Finance, Budget and Public Portfolio; Ministry of Transport, Civil Aviation and Merchant Marine; Ministry of Trade and Supply; Directorate General of Customs and Excise (DGDDI); Delegate Ministry of waterways and the economy; DIGENAF; PABPS	Number of warehouses	Medium term	Medium
<b>Trade and Customs</b>						
Streamline cargo handling	Establish a more coordinated and streamlined administration procedures and port services	A short clearance time PABPS	The Government and PABPS	A reform	Short term	Low
	Take the necessary measures and reforms to retain only the necessary administration and services			A reform	Medium term	High

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Operational Objectives	Action	Expected result	Main responsible authority	Performance indicators	Term	Need assistance
Improve the information systems of the Government, upgrade the administrative operations	Conduct a study to develop the Government information system	A total paperless process through a single aperture system.	Relevant Ministries (Technical Services), Customs, PABPS, GUOT	Report of the study	Short term	Low
	Develop and deploy a national portal of trade on the progress of procedures (progress, responsibilities, forms, documents, fees, etc.), trade facilitation measures and regulations.	Operational portal, accessible, updated regularly	Relevant Ministries (Technical Services), Customs, PABPS, GUOT, PAPN (Port Autonome de Pointe Noire)	Trade portal	Medium term	Low
	Develop an information system at PABPS	Information system covering all of the modernization of the port management areas of Brazzaville and secondary ports.	Minister of rivers and economy, PABPS	A functional Port Information System	Medium term	Medium
<b>Operationalizing the single window of cross-border transactions (GUOT)</b>						
Technical assistance to the operationalization of the platform GUOT in PABPS	Operationalizing the platform GUOT in PABPS	PABPS integrated into the single window of Trans boundary Operations (GUOT)	PABPS; GUOT; Economic Operators	Operational GUOT platform	Medium term	Medium
<b>Institutional Capacity Building</b>						
<b>Management</b>						
Establish a harmonious working environment among stakeholders of the Port	Establish all the stakeholders of the port consultative framework (Community port) treating the issues of trade facilitation	A better relationship between the port and its partners and customers	Support structures to the public sector (Congolesse Navigation Council Chamber of Commerce Union employees and Inter Congo, etc.) and the private sector (Economic Operators)	Consultation Framework	Short term	High
<b>Modernizing the legal framework</b>						
Modernize the legal framework	Develop a well-defined institutional and legal framework of the port operations	Improved relevant legal framework	PABPS; Parliament / Ministry of transport	A law	Medium term	Medium
Modernize the legal framework	Codify and disseminate legal texts	Extension of new texts	PABPS	Codification and extension of texts	Medium term	Low

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Operational Objectives	Action	Expected result	Main responsible authority	Performance indicators	Term	Need assistance
<b>Section D: Cassava Value Chain</b>						
Strengthen entrepreneurship in agriculture and food products.	Conduct an analysis to identify barriers to entrepreneurship in agriculture and agri-food	Enhanced productivity and competitiveness	Ministries of agriculture and industry; the private sector	Policy adopted	Short term	High
	Conduct a study on the rural finance system		Ministries of agriculture, industry, fisheries and livestock	Study report	Short term	High
	Adopt and implement these policies		Ministries of agriculture and industry	A reform	Medium term	High
	Take measures to develop the domestic market and export facilitation for agriculture products, for example cassava		Ministries of trade, finance and agriculture	A reform	Medium term	High
Increase market access for agricultural products	Investing in rural infrastructure such as maintenance and creation of rural roads	Low transport cost	Ministries of Finance, agriculture, fisheries and livestock.	Investing/spending ratio on rural roads	Short term	Medium
Increase productivity and cassava production	Conduct research on the quality of products and the use of equipment to improve quality.	Improved product quality	Research institution and private sector	Research report	Short term	Medium
	Adopt and implement these policies			Part of cassava exports of Congo	Medium term	Medium
Set up a mechanism or platform to disseminate information on the market	Conduct a study on the information exchange mechanism on the market Apply the results of this study	Market information is more accessible.	Ministry of Agriculture and other authorities responsible for marketing	Study report with action plan Proportion of members informed about key industry information	Short term Medium term	High High
Improve storage of cassava	Conduct a study on the storage means and potential locations	Low loss rate of cassava production	Ministry of Agriculture and other agencies responsible for the construction	Study report	Sort term	High
	Apply the results of the study			Number of storage units	Medium term	High
Facilitate inter-regional trade for cassava	Reduce fees and taxes on interregional trade	Larger Congolese cassava market	DRC and Congolese Government	Measures are adopted	Short term	High
	Reduce the waiting time for perishable goods at Brazzaville and Kinshasa port		Kinshasa and Brazzaville port authorities	Measures are adopted	Short term	High
	Increase competition between shipping companies		DRC and Congolese Government and traders representatives	Measures are adopted	Medium term	Average

<sup>a</sup> Folder of the Ministry of Transport in progress but mission assigned to the board chargers ongoing study.

## Annex A1.1: Vehicle Operating of Trucking Business

The following estimates are made on cases operating on the corridors, *stricto sensus*, without taking into

account other possible routes used by the trucks. It should also be made clear that some of the variable costs (particularly of maintenance) vary from one owner to another, and can also depend on the age and condition of the vehicle.

### Vehicle operating costs (XAF) of some types of trucking business

Items	Case N°1	Ratio (%)	Case N°2	Ratio (%)	Case N°3	Ratio (%)	Case N°4	Ratio (%)
<b>Number of axles</b>	5		5					
<b>Loading capacity (tons)</b>	40		40		50		45	
<b>Number of return trips per annum</b>	12		12		18		24	
<b>Average mileage per annum</b>	24,960		24,960		24,960		24,960	
<b>Transport price (going)</b>	6058500		6058500		4385200		4616000	
<b>Transport price (coming back)</b>			4039000		4039000		4039000	
<b>Variable costs</b>								
Fuel and lubricants	4115741	11	4184981	11	5238583	11	6431242	12
Tyres	20772000	56	20772000	55	31158000	64	31158000	59
Maintenance	2077200	6	2077200	6	3738960	8	4985280	9
Informal payments	3462000	9	3462000	9	4154400	9	5539200	10
<b>Total variable costs</b>	<b>52,733</b>	30426941	81	30496181	81	39051360	80	41682480
<b>Fixed costs</b>								
Depreciation	4039000	11	4039000	11	5770000	12	6924000	13
Administrative/financial charge	1188620	3	1188620	3	1246320	3	1304020	2
Insurance	588540	2	588540	2	519300	1	519300	1
Salaries and bonuses	865500	2	865500	2	1246320	3	1592520	3
General management charges (company)		0		0	519300	1	634700	1
Road expenses	288500	1	288500	1	173100	0	173100	0
<b>Total fixed costs</b>	<b>6970160</b>	19	19	1	19	20	20	21
<b>Total Costs</b>	<b>37397101</b>		<b>37466341</b>		<b>48525700</b>		<b>52830120</b>	
<b>Margin</b>	<b>35304899</b>		<b>83703659</b>		<b>52564700</b>		<b>51029880</b>	

Source: Authors' calculation based on survey data.

## Annex A1.2: Regional Collaboration to Reduce Delays and Costs at Crossing Borders

### Regional collaboration to reduce delays and costs at crossing borders: The ECOWAS and COMESA experience

The Chirundu One Stop Border Post (OSBP) between Zimbabwe and Zambia is an example of best practice in trade facilitation measures. This pilot trade facilitation project on the North-South Corridor (NSC) launched in December 2009 is the first functioning OSBP in Africa. It incorporates a community-based computer system that harbors the information and communication (ICT) platform. It accepts the required data from all of the border agencies and allows authorized access to limited datasets by different users to enhance the establishment of a single-window system at the border. Since its launch in 2009, clearing time at the border post has reduced from three days, to six hours (or one day at maximum). It therefore offers practical examples as a best practice from which other RECs can draw practical lessons for similar initiatives in the future.

Simplification of customs procedures at border posts: All COMESA partner States have Installed, and are using the ASYCUDA++ system at all of their customs checkpoints. Djibouti, Seychelles, and Zimbabwe are using the most improved version of the system, ASYCUDA World, which is the latest version of the ASYCUDA system. It offers more flexibility, has a faster and easier processing mechanism, and is the most accepted and most used system worldwide. Kenya, however, is using the Simba System, which is different from ASYCUDA. In Mauritania, the time required to process a declaration at the airport was cut from 20–48 hours to 30 minutes when the ASYCUDA++ system was installed.

ECOWAS is in the process of implementing ASYCUDA systems. Cote d'Ivoire, Liberia, and Mali are the only members currently using ASYCUDA World, thus offering examples of best-practice countries for putting in place better automated systems to facilitate trade in the Community. Senegal, on the other hand, is using a locally developed system.

Simplification of documentation at customs checkpoints: The COMESA Customs Declaration Document (COMESA CD) is a standardized document for customs transit traffic control. Angola, Burundi, DRC, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, the Sudan, Uganda, Zambia, and Zimbabwe are using the COMESA CD, and the document takes into account the data elements required for the ASYCUDA systems. Holders of COMESA CD get to minimize the time spent at border checkpoints significantly. The document caters for imports, exports, transit, and warehousing and is said to have replaced on average 32 documents in some member States (COMESA Cross Border Trade Bulletin, 2010).

Once data is entered at an initial customs checkpoint, it automatically becomes available on the system at all other customs checkpoints. Since the document is harmonized, the holder of the document only has to confirm with the next checkpoint if the document matches the one on the system to get clearance. In this regard, the document is a best example of how customs procedures can be simplified at border posts.

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Source: World Bank, The Chirundu Border Post, Detailed Monitoring of Transit Times.

## Annex A2: Transport Regulation

### *Road transport*

Good laws, institutions, and practices are the main ingredients for a safe, clean, inclusive, and affordable transport. Road transport represents a significant share of the land transport in the Republic of Congo. Yet, it lacks rules and regulations, which keeps the transport industry at poor levels of professionalism and efficiency.

The objectives of the present proposal are therefore to support the Congolese authorities in promoting efficient road transport services, creating conditions for fair competition, and properly enforcing road transport rules and regulations.

The proposal covers rules on access to the profession and to the market, suggests minimal standards for working time, driving time, and rest periods (including enforcement and the keeping of records) for professional road transport. It also focuses on road safety, security, and the standards for weights and dimensions of road vehicles. The road infrastructure is currently only dealt with in the context of the Trans-African Highway Agreement, adopted by African Ministers in 2011.

Ideally, national legislation and practices should be based on international or regional treaties and practices, to underpin regional integration by creating an environment that enables seamless movement of people, goods, services, and capital. However, countries are not all prepared at the same time for the same level of flexibility, and consensus is difficult to achieve at times.

The present draft legal provisions are largely adapted or inspired from various UN treaties or good practices that have proved their efficiency over the last decades, in countries with levels of development similar to that of ROC, and also from applicable *acquis* of the European Union and the former European Conference of Ministers of Transport.

### *International legal instruments*

To create a minimum level of harmonization and simplification of the international road transport, it is recommended that ROC accedes to and properly implements the treaties listed in the present annex. The positive effects on the international movement of goods, transport means, and persons would be significantly enhanced if all the countries neighboring ROC ratify and implement the same treaties.

### *The Convention on Road Traffic, 1968*

The Convention on Road Traffic, created in Vienna in 1968, aims at facilitating international road traffic and at increasing road safety through the adoption of uniform road traffic rules. The convention sets up commonly agreed rules on all factors influencing international road traffic and its safety, including the driver and the vehicle, with which contracting parties must comply. The convention establishes that, in general, and without affecting the right of a contracting party to make the admission of vehicles in their territory subject to any applicable national law, contracting parties shall be bound to admit to their territories in international traffic motor vehicles and drivers that fulfill the conditions laid down in the convention. They should also recognize vehicle registration certificates issued by other contracting parties. In addition, the convention details the basic conditions for the admission of vehicles and drivers in international traffic. Implementing the convention would result in a high level of road safety.

While the harmonization of traffic rules is beneficial for the development of international transport, trade, and tourism, it might also result in significant direct and indirect costs in cases where the major existing rules and regulations have to be changed. In such cases, the implementation can only be done following a step-by-step approach. The assessment made by a Government prior to deciding on becoming a party to this convention should include, but not be limited to, consideration of the following most important responsibilities:

- ▶ Acceptance of the convention in accordance with the national legal procedures, and modification, if need be, of national laws, regulations, and administrative instructions in line with the provisions of the convention.<sup>31</sup>
- ▶ Deposit of an instrument of accession at the Legal Office of the United Nations in New York (depository), and notification of the Legal Office of the distinguishing sign for international traffic to display on vehicles registered in the country.
- ▶ Contracting parties must participate in the management of the convention by sending representatives to the meetings of the relevant working groups, committees etc. Normally, the meetings take place in Geneva, Switzerland, at the UNECE.
- ▶ Contracting parties are expected to ratify and implement any subsequent amendments to the convention;
- ▶ Contracting parties must take appropriate measures to ensure that the rules of the road enforced in their territories conform in substance to the provisions of Chapter II of the convention. The convention allows additional national rules to be included.
- ▶ Contracting parties must take appropriate measures to ensure that the rules in force in their territories concerning the technical requirements to be satisfied by motor vehicles and trailers conform to the provisions of Annex five to the convention. The convention allows additional national rules to be included, provided that they are in no way contrary to the safety principles governing the provisions of Annex 5.
- ▶ Subject to some exceptions provided for in Annex one to the convention, contracting parties shall be bound to admit to their territories in international traffic of motor vehicles and trailers which fulfill the conditions laid down in Chapter III of the convention, and whose drivers fulfill the conditions laid down in Chapter IV. They shall also be bound to recognize registration certificates issued in accordance with the provisions of Chapter III as *prima facie* evidence that the vehicles to which they refer fulfill the conditions laid down in Chapter III.
- ▶ Contracting parties must take the necessary measures to ensure that road safety education is provided on a systematic and continuous basis, particularly in schools, at all levels.
- ▶ Whenever professional driving establishments provide driving instruction for learner drivers, domestic legislation must lay down minimum requirements concerning the curriculum and the qualifications of the personnel responsible for providing such instruction.
- ▶ Contracting parties to this convention which are not contracting parties to the Convention on Road Signs and Signals, 1968, undertake that:
  - a. All road signs, traffic light signals, and road markings installed in their territory shall form a coherent system, and shall be designed and placed in such a way as to be easily recognizable.
  - b. The number of types of sign shall be limited, and signs shall be placed only at points where they are deemed useful.
  - c. Danger warning signs shall be installed at a sufficient distance from obstructions to give drivers adequate warning.
  - d. It shall be prohibited:
    - ▶ To affix to a sign, or any other traffic control device, to anything not related to the purpose of such sign or device; if, however, contracting parties or subdivisions thereof authorize a non-profit making association to install informative signs, they may permit the emblem of that association to appear on the sign or on its support, provided this does not make it harder to understand the sign;
    - ▶ To install any board, notice, marking, or device which might be confused with signs or other traffic control devices, might render them less visible or effective, or might dazzle road-users or distract their attention in a way prejudicial to traffic safety;
    - ▶ To install on pavements and verges devices or equipment that might unnecessarily obstruct the

<sup>31</sup> This step is common to the ratification process of any international treaty.

movement of pedestrians, particularly elderly or disabled persons.

### *The Convention on Road Signs and Signals, 1968*

The Convention on Road Signs and Signals, created in Vienna in 1968, published a set of commonly agreed road signs and signals. It classifies road signs in three categories: danger warning, regulatory, and informative, and provides for each of them definitions and physical appearance, including dimensions, shapes and colors, graphic symbols, and norms for ensuring their visibility and legibility. The convention also prescribes common norms for traffic light signals and signals for pedestrians. Moreover, the convention:

- ▶ Defines three categories of road signs:
  - Danger Warning, Regulatory, Informative
- ▶ Establishes norms on shapes, dimensions, colors, visibility
- ▶ Establishes norms on traffic light signals, road markings
- ▶ Defines road works and level crossings signs

The convention improves the degree of facilitation of international road transport, and enhances significantly the road safety through rules and regulations that are common to all the Contracting parties. The implementation of the convention is beneficial for the development of international transport, trade, and tourism, and contributes to the reduction of social costs by diminishing the number of road accidents. International transport of goods and people by road increases with the improvement of the infrastructure and the opening of borders for commercial or cultural exchanges. One of the consequences of globalization is that road signs and signals have been harmonized (to a certain extent) all over the world, without countries being necessarily contracting parties to this convention. However, where a lack of harmonization in road signaling and marking still persists, this translates into significant economic and social risks. At the same time, implementing the convention might also translate into

direct and indirect costs in cases where the existing signaling and markings have to be changed. However, this convention foresees the following for transition clauses (grace periods):

- ▶ Contracting parties should undertake to replace or supplement, not later than four years from the date of entry into force of the convention in their territories, any sign, symbol, installation, or marking which, although it has the characteristics of a sign, symbol, installation or marking belonging to the system prescribed by the convention, is used with a different meaning from that assigned to it in the convention.
- ▶ Contracting parties undertake to replace, within 15 years from the date of entry into force of the convention in their territories, any sign, symbol, installation or marking which does not conform to the system prescribed in the convention. During this period, to familiarize road-users with the system prescribed in the convention, previous signs and symbols may be retained beside those prescribed in the convention;
- ▶ Contracting parties will not be required to adopt all the types of sign and marking prescribed in this convention. On the contrary, contracting parties shall limit the number of types of sign or marking they adopt to what is strictly necessary;
- ▶ The Contracting parties undertake that it shall be prohibited to affix to a sign, to its support or to any other traffic control device, anything not related to the purpose of such sign or device, or to install any board, notice, marking, or device that might be confused with signs or other traffic control devices, might render them less visible or effective, or might dazzle road-users or distract their attention in a way prejudicial to traffic safety.

### *The Customs Convention on Containers, 1972*

The Customs Convention on Containers facilitates the movements of containers in international transport by deferring payment of taxes and duties. It does this

without producing customs documents for their temporary use of containers in a contracting party that have been registered in another contracting Party. Customs authorities can avoid the organization of a national documentary system if they so wish, and the administration of national guarantee systems. However, customs authorities retain the right, under certain circumstances, to require a form of security and/or the production of customs documents. In cases where control measures are to be carried out, customs authorities can request to check the records kept by container operators or their representatives in the country, as regards all container movements. Thus, the convention provides customs authorities with a flexible instrument to reduce administrative work while safeguarding, at the same time, customs control.

As the convention also provides for the possibility to use temporarily imported containers one single time for internal traffic before re-exportation, the container transport operators are advantaged, because not only do they avoid the deposit of large sums and the delays in border crossing procedures, but they are also able to react in a flexible manner to emerging transport needs.

The convention has been elaborated under the auspices of the UNECE, but its administration has been transferred to the World Customs Organization. However, it remains a United Nations convention.

The key provisions of this legal instrument foresee for:

- ▶ Common temporary admission procedures
- ▶ No document requirements (but clear rules for identification).
- ▶ Undertaking by an owner provides a guarantee for payment of customs taxes and duties in the case that the container is not re-exported;
- ▶ Prescriptions for secure sealing and use.

The basic implications of implementing this legal instrument are:

### For Governments

- ▶ Acceptance of the convention in accordance with the national legal procedures and modification, if need be, of national laws, regulations, and administrative instructions in line with the provisions of the convention.
- ▶ Deposit of an instrument of accession at the Legal Office of the United Nations in New York (depository).
- ▶ Participation in meetings dedicated to the administration of the convention, in Brussels (Belgium) at the WCO Headquarters.
- ▶ The training of customs officials in the operation of temporary importation procedures.

### For the Private Sector

- ▶ The transport operator:
  - a. Marking of the containers in line with the provisions of the convention;
  - b. Compliance with the time frame for the temporary importation, as provided for in the Convention.
  - c. Compliance with imposed restrictions as to use of the container in internal traffic (single use).
  - d. Keeping detailed records, if requested, of the movements of each individual container in the country of temporary importation, and establishing a national representative in that country.

### *The International Convention on the Harmonization of Frontier Controls of Goods, 1982*

The International Convention on the Harmonization of Frontier Controls of Goods, of 1982, aims to facilitate border crossings in the international transport of goods, through the harmonization and reduction of the requirements for completing formalities, and through reducing the number and duration of border controls. The convention is effectively a statement of good practice, and establishes the procedures for efficiently carrying out all types of controls that may be necessary at borders, including customs controls, medico-sanitary inspections, veterinary inspections, phytosanitary inspections, controls of compliance

with technical standards, and quality controls. Procedures largely call for facilitation through national cooperation and coordination of the various services among them, as well as through international cooperation between the respective border services of the adjacent countries. At the same time, the convention does not preclude the application of the prohibitions or restrictions relating to importation, exportation, or transit, imposed for reasons of public order, and in particular public safety, morality, and health, or for the protection of the environment, of cultural heritage or industrial, commercial, and intellectual property.

The convention foresees measures that include joint controls of goods and documents, through the provision of shared facilities, similar opening hours, and similar types of services at the same border. These procedures apply to all goods being imported, exported, or in transit and to all modes of transport. The convention is foreseen for global application and provides for a reduction in the number and duration of all types of controls and best practices for efficient controls of goods at border crossings. It aims at promoting the one-stop-shop principle for border controls. If properly implemented, the convention reduces border delays, which translates into lower transport costs and therefore lower export and import costs.

The key provisions of this legal instrument foresee for:

- ▶ Procedures for efficient border controls:
  - a. Customs, Medico-Sanitary, Veterinary, Phyto-Sanitary, Compliance with technical standards, etc.
- ▶ Coordination amongst various national services.
- ▶ Cooperation and coordination between border services of adjacent countries, including:
  - a. Joint controls, harmonized opening hours, same controls, etc.
- ▶ The newly added Annex eight to the convention (to enter into force on 20th May 2008) covers the following aspects:

- a. The facilitation of visa procedures for professional drivers.
  - b. Operational measures to speed-up border crossing procedures for goods, particularly for urgent consignments, such as live animals and perishable goods.
  - c. Harmonized technical provisions relating to faster control of road vehicles (technical inspections) and equipment used for transport of goods under controlled temperatures.
  - d. Standardized weighing operations and procedures to avoid, to the extent possible, repetitive weighing procedures at border crossings.
  - e. Minimum infrastructure requirements for efficient border crossing points.
- ▶ Monitoring provisions facilitating appropriate implementation of the Annex in all contracting parties to the convention.

If properly implemented, the convention results in:

- ▶ Lower border delays, and lower costs for carriers and export/import;
- ▶ Lower border operating costs for the state budget;
- ▶ More efficient investments in border facilities.

The basic implications of implementing this legal instrument are:

### For Governments

- ▶ Acceptance of the convention in accordance with the national legal procedures, and modification, if need be, of national laws, regulations, and administrative instructions in line with the provisions of the Convention.
- ▶ Deposit of an instrument of accession at the Legal Office of the United Nations in New York (depository).
- ▶ Participation in meetings of the Administrative Committee of the Convention (AC.3), which are held when the need arises, and in the meetings of the Working Party on Customs Questions Affecting Transport (WP.30), which is held three times a

year. Both bodies' meetings are held in Geneva, Switzerland, and are serviced by the UNECE.

- ▶ The training of officials at border stations to streamline import, export, and transit procedures.
- ▶ Providing the control services, as far as possible, and within the framework of national law, with:
  - a. Qualified personnel in sufficient numbers consistent with traffic requirements.
  - b. Equipment and facilities suitable for inspection, taking into account the mode of transport, the goods to be checked and traffic requirements.
  - c. Official instructions to officers for acting in accordance with international agreements and arrangements, and with current national provisions.
- ▶ The contracting parties undertake to co-operate with each other and to seek any necessary co-operation from the competent international bodies, to achieve the aims of the convention, and furthermore to attempt to arrive at new multilateral or bilateral agreements or arrangements, if necessary;
- ▶ Whenever a common inland frontier is crossed, the contracting parties concerned shall take appropriate measures, whenever possible, to facilitate the passage of the goods, and they shall, in particular:
  - a. Endeavor to arrange for the joint control of goods and documents, through the provision of shared facilities.
  - b. Endeavor to ensure that the following correspond: opening hours of frontier posts, the control services operating there, the categories of goods, the modes of transport, and the international customs transit procedures accepted or in use there.
- ▶ The contracting parties shall, on request, send each other information necessary for the application of the convention under the conditions specified in the annexes thereto.
- ▶ The contracting parties shall endeavor to further the use, between themselves and with other competent international bodies, documents aligned with the United Nations Layout Key;

- ▶ The contracting parties shall, wherever possible, provide simple and speedy treatment for goods in transit, especially for those traveling under cover of an international customs transit procedure, by limiting their inspections to cases where they are warranted by the actual circumstances or risks. Additionally, they shall take into account the situation of land-locked countries. They shall endeavor to provide for extension of the hours and the competence of existing customs posts available for customs clearance for goods carried under an international customs transit procedure. They shall endeavor to facilitate to the utmost the transit of goods carried in containers or other load units, affording adequate security.

The International Convention on the Harmonization of Frontier Controls of Goods, of 1982, is one of the most efficient facilitation tools, providing for the possibility of applying it to all modes of transport. Wording such as “shall endeavor”, “wherever possible”, or “as far as possible” demonstrate that the drafters of this legal instrument took into account the differences existing between the countries that might consider becoming a party to the convention and the countries implementing it. While the financial implications of implementing this convention are not as significant as for other legal instruments, the political will and commitment to cooperate and coordinate at national and international levels is essential for its implementation.

*Important remark: to produce its intended benefits, the convention must be ratified and properly implemented by all the countries along a transport corridor or at a (sub) regional level.*

#### *The International Convention on the Simplification and Harmonization of Customs Procedures, as Amended (Revised Kyoto Convention), 1973*

The Revised Kyoto Convention on Simplification and Harmonization of Customs Procedures entered into

force on the third of February 2006. The entry into force of this legal instrument, with major countries being contracting parties, could effectively mean that its provisions will facilitate around 80 per cent of international trade. The convention has incorporated important modern concepts, which include the application of new technology, the implementation of new philosophies of customs control, and the establishment of a partnership between customs and the business community.

Customs administrations under the revised Kyoto Convention are committed to providing transparency and predictability of actions, to adopting the use of risk management techniques, and to taking measures to coordinate their work with the control functions of other agencies. In addition to the key provisions, the Kyoto Convention provides implementation guidelines, and ensures that the principles of simplification and modernization contained in the convention are applied effectively by customs administrations. The convention is composed of a Body, a General Annex and ten specific Annexes. The Specific Annexes A-K relate to particular customs formalities, such as importation, exportation, customs warehouses and free zones, transit, processing, temporary admission, and rules of origin. Annex E, relating to customs transit by all modes of transport is of particular relevance to intra-regional trade and the transit trade for landlocked countries. The objectives of this legal instrument are:

- ▶ To provide an international legal framework for the development of global customs procedures.
- ▶ To promote international trade by removing divergence between customs procedures and practices, ensuring appropriate standards of customs control.
- ▶ To achieve a high degree of simplification and harmonization of customs procedures and practices among trading nations.

The key provisions of the convention foresee for:

- ▶ The maximum use of automated systems, including electronic fund transfer.

- ▶ Risk management techniques (including risk assessment and selectivity of controls).
- ▶ The use of pre-arrival information to drive programs of selectivity.
- ▶ Customs interventions coordinated with other agencies.
- ▶ Making information on customs requirements, laws, rules, and regulations easily available to anyone.
- ▶ Providing a system of appeals in customs matters.
- ▶ Establishing formal consultative relationships between customs and trade.

The legal framework of the revised Kyoto Convention is contained in the General Annex and the specific Annexes. The General Annex lays down three basic principles, namely that:

- ▶ The Definitions, Standards and Transitional Standards in this annex shall apply to customs procedures and practices specified in this annex and, insofar as applicable, to procedures and practices in the Specific Annexes.
- ▶ The conditions to be fulfilled and customs formalities to be accomplished for procedures and practices in this annex and in the Specific Annexes shall be specified in national legislation, and shall be as simple as possible.
- ▶ The customs shall institute and maintain formal consultative relationships with the trade to increase cooperation and facilitate participation in establishing the most effective methods of working, commensurate with national provisions and international agreements.

The key provisions in the General Annex also relate, among others, to:

- ▶ Clearance and other customs formalities, which include designation of customs offices, specification and conditions related to declarants, rights of declarants, goods declaration formats, documents required to support goods declarations, lodgment,

registration and checking of goods declarations, and examination of goods.

- ▶ Assessment, collection and payment of duties and taxes.
- ▶ Deferred payment of duties and taxes.
- ▶ Repayment of duties and taxes when it is established that taxes have been overcharged as a result of an error in their assessment.
- ▶ Security (guarantee): national legislation shall enumerate the cases in which security is required, and shall specify the forms in which security is to be provided.
- ▶ Customs control, with the injunction that customs control shall be limited to that necessary to ensure compliance with the customs law.
- ▶ Application of information technology, with the requirement that the introduction of information technology shall be carried out to the greatest extent possible, in consultation with all relevant parties that are directly concerned.
- ▶ Relationship between the customs and third parties, i.e. persons concerned shall have the choice of transacting business with the customs either directly or by designating a third party to act on their behalf.
- ▶ Information of general application pertaining to customs law to be readily available.
- ▶ Right of appeal in customs matters.

If properly implemented, the convention results in:

- ▶ Facilitation of international trade, and implicitly, transport.
- ▶ The maximum use of information technology and standardized and simplified procedures should enable goods to move faster across national borders, reducing the need to maintain security or buffer stocks.
- ▶ The application of risk management techniques reduces the workload of Customs officials.
- ▶ The use of electronic fund transfers and the establishment of formal consultative relations with the business community will be of significant benefit

to the business community, and in particular to traders and transport operators.

The basic implications of implementing this legal instrument are:

#### For Government

- ▶ Acceptance of the convention (and its annexes) in accordance with the national legal procedures, and modification, if need be, of national laws, regulations, and administrative instructions in line with the provisions of the convention.
- ▶ Deposit of an instrument of accession at the Secretary General of the Customs Cooperation Council (World Customs Organization) in Brussels (depository).

The Body of the Convention and the General Annex are obligatory for accession to the convention. A contracting party is free, however, to accept either all of the Specific Annexes or only a number of Specific Annexes or Chapters, dependent upon their specific requirements. Any contracting party shall, at the time of signing, ratifying, or acceding to the convention, specify which if any of the Specific Annexes or Chapters therein it accepts. It may subsequently notify the depository that it accepts one or more Specific Annexes or Chapters therein. It is recommended that at least the Specific Annexes on home use and export are accepted, as well as those concerning the formalities prior to the lodgment of the goods declaration, and those for warehouses, transit, and processing. Acceptance of these basic procedures, which are implemented by most customs administrations, will provide the first level of simplification and harmonization of customs procedures across different administrations.

- ▶ Training of customs officials in implementing the harmonized, simplified procedures as provided by the convention.
- ▶ Customs shall institute and maintain formal consultative relationships with the trade to increase co-operation and facilitate participation in

establishing the most effective methods of working, commensurate with national provisions and international agreements.

- ▶ Customs shall designate the customs offices at which goods may be produced or cleared. In determining the competence and location of these offices and their hours of business, the factors to be taken into account shall include in particular the requirements of the trade.
- ▶ Where customs offices are located at a common border crossing, the customs administrations concerned shall correlate the business hours and the competence of those offices. At common border crossings, the customs administrations concerned shall, whenever possible, operate joint controls.
- ▶ Customs offices at major ports or harbors, airports, and land frontier routes will normally be competent to deal with all customs procedures, and may be open 24 hours a day for persons to present or declare goods.

### For the Private Sector

- ▶ The business community:
  - a. Participate in the formal consultative relations with customs.
  - b. Comply with the specifications and conditions related to declarants, goods declaration formats, documents required to support goods declarations, lodgment etc.
  - c. Provide the security/guarantee in the cases in which security is required, and in the form in which security is to be provided.

### *The Convention on Temporary Admission (Istanbul Convention), 1990*

The Convention on Temporary Admission (Istanbul Convention), 1990, is a legal instrument dedicated to temporary admission procedures. It is an alternative to the other many existing instruments on temporary admission. The Istanbul Convention addresses this issue effectively by providing uniform provisions for the temporary admission of goods of all kinds (products for trade fairs and exhibitions,

traded goods, commercial and tourist vehicles, etc.). It seeks to provide uniform provisions, in respect of temporary admission, through the adoption of a single instrument, combining all existing conventions on temporary admission. The different subjects covered by other conventions, such as (i) products to trade fairs, (ii) goods in transit, by all modes of transport (iii) commercial vehicles, and (iv) private road vehicles are covered in separate Annexes to the Istanbul Convention.

Under the temporary importation regime of the Istanbul Convention, goods are imported without payment of customs duties and taxes, subject to re-exportation and subject to the production of A.T.A. Carnets (abbreviation resulting from the French "Admission Temporaire" and the English "Temporary Admission") issued by National Associations, which have to be approved by customs and which must be affiliated to an international guaranteeing chain administered by the ICC World Chambers Federation (Until June 2001, the International Bureau of Chambers of Commerce). This arrangement for administering the guaranteeing chain is convenient to many countries, since their National Chambers of Commerce are members of the International Chamber of Commerce.

The Istanbul Convention offers the business community considerable simplification of customs procedures while providing customs administrations with adequate security against potential tax evasion.

The key provisions of the Convention foresee for:

- ▶ A single international legal instrument for the simplification and harmonization of temporary formalities, replacing all existing conventions or recommendations dealing solely or principally with temporary admission.
- ▶ Each annex authorizes the temporary admission of goods imported for a specific purpose, e.g. Annex B.1 of... covers goods for display or for use at fairs or exhibitions.

- ▶ Goods imported duty-free cannot remain indefinitely in the country of temporary importation. The period fixed for re-exportation is laid down in the annexes.
- ▶ Goods must be re-exported in the same state. They must not undergo any change during their stay in the country of temporary importation, except normal depreciation due to the use they were made for
- ▶ Economic prohibitions or restrictions at importation are not applied, since such constraints generally relate to goods cleared for home use, thus serving as a national protection measure.

If properly implemented, the convention results in:

- ▶ Uniform provisions in respect of temporary admission, resulting in a high degree of simplification and harmonization of customs procedures.
- ▶ Facilitation of temporary admission in pursuit of economic, humanitarian, cultural, social, or touring objectives.
- ▶ Standardized model temporary admission papers as international customs documents with international guarantees, facilitating the temporary admission procedure where a customs document and a guarantee are required.

The basic implications of implementing this legal instrument are:

#### For Governments

- ▶ Acceptance of the convention (and its annexes) in accordance with the national legal procedures and modification, if need be, of national laws, regulations, and administrative instructions, in line with the provisions of the convention.
- ▶ Deposit of an instrument of accession at the Secretary General of the Customs Cooperation Council (World Customs Organization) in Brussels (depository);
- ▶ Authorization of (a) national association(s) to guarantee the Temporary Admission Documents —ATA and CPD Carnets—and conclusion of a contract of commitment between the customs authorities and the national guaranteeing association(s);
- ▶ Training of customs officials in the operation of temporary importation procedures.

#### For the Private Sector

- ▶ The national guaranteeing association:
  - a. Establishment of the national guaranteeing association(s) (for example by an association of automobile clubs or chambers of commerce) and affiliation to one of the international organizations managing the existing international guarantee chain, such as the International Touring Alliance/International Automobile Federation (AIT/FIA, French acronym) or the ICC World Chambers Federation.
  - b. Conclusion of a contract of commitment with the national customs authorities.
  - c. Conclusion of a contract of commitment with the international organizations.
  - d. Distribution of the temporary admission documents (ATA Carnets, CPD carnets) to approved transport operators, or to the owners of vehicles/goods.
- ▶ The transport operator/owner of the vehicle.
  - a. Appropriate use of the duly filled-in and stamped customs document in line with the provisions of the convention.
  - b. Compliance with the conditions provided for in the temporary importation papers.
  - c. Upon re-exportation of the vehicle/goods, obtaining the necessary exit (visa) stamp from the authorized customs office of departure at the border.
- ▶ The international organization:
  - a. Procurement of the acceptance of the national guaranteeing association by the international insurance pool.
  - b. Issuance of temporary admission documents (ATA Carnets, CPD Carnets) to national guaranteeing associations.
  - c. Administration of the guarantee system.

### *The A.T.A. Carnet*

The A.T.A. Carnet system under the Istanbul Convention replaces national customs formalities for temporary admission or transit, thus saving the costs in clearing goods at each frontier. Any duties and taxes that may become due are guaranteed simply by the presentation of the Carnet and its acceptance by customs offices. There is therefore no need to furnish a cash deposit or other form of security. The A.T.A. Carnet covers the transport of goods in customs transit while *en route* to, or returning from, a country of temporary importation and, where applicable, within that country. For the period of validity of the A.T.A. Carnet (normally one year), the goods can be temporarily imported under the same Carnet in the customs territories of many contracting parties, and as often as the Carnet holder wishes. The seal affixed or identification of the goods by a customs office should be recognized by customs offices of other contracting parties where goods subsequently pass. This reduces the workload of customs and saves the Carnet holder time when goods cross frontiers. The

ATA international guarantee chain provides reciprocal guarantees, assuring customs administrations that duties and taxes due in case of misuse will be paid. Fees vary according to the country. They are determined by the value of the goods, the number of countries to be visited, plus any additional costs for security, insurance, or other services. Fees will always represent a small fraction of the value of the goods covered by the Carnet. Each country in the system has a single guaranteeing body approved by the national customs authorities and by the ICC World Chambers Federation (Until June 2001, the International Bureau of Chambers of Commerce). The national guaranteeing association is entitled to issue Carnets and to authorize local chambers in the national territory to deliver them on its behalf. In major trading nations, dozens of local chambers may have that authority. Within the ICC World Chambers Federation, the World ATA Carnet Council (WATAC) runs the ATA system and its international guarantee chain. The council is made up of representatives from all countries and territories where Carnets are issued and accepted.

## Annex A3: Tables on Port Rehabilitation

**TABLE A3.1: Inter-State River System: 2482 km**

Watercourse	Waterway Length (km)	Link	Obstacles to Navigation	Improvement of conditions of navigation	Traffic (t) *	Minimum of towns traversed	Navigation Period
Fleuve Congo	600	From Brazzaville to confluence (Congo-Oubangui)	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Submersible units (abandoned wrecks).</li> </ul>	<ul style="list-style-type: none"> <li>Dragging;</li> <li>Bailout wrecks;</li> <li>Strengthening markup.</li> </ul>	1000	38	All Year
Oubangui	610	From confluence to Bangui	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Rocks.</li> </ul>	<ul style="list-style-type: none"> <li>Dragging;</li> <li>River setback;</li> <li>Strengthening markup</li> </ul>	1000	41	Jun-December
Sangha	1272	From confluence (Congo-Sangha) to Nola	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Trunks of trees;</li> <li>Meanders.</li> </ul>	<ul style="list-style-type: none"> <li>Dragging;</li> <li>Rock removal;</li> <li>Reduction meanders;</li> <li>Improvement the waterways.</li> </ul>	600	32	Jun-January

Source: PABS.

**TABLE A3.2: Secondary River System (For RC): More than 4884 KM**

Watercourse	Waterway Length (km)	Link	Obstacles to Navigation	Improvement of conditions of navigation	Traffic (t) *	Minimum of towns traverses	Navigation Period
Nkéni	202	From confluence (Congo-Nkeni) to PK 202	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Snags;</li> <li>Meanders;</li> <li>Tree trunks.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River Setback;</li> <li>River markup;</li> <li>Reduction of meanders;</li> <li>Dragging;</li> <li>Improvement of the waterways.</li> </ul>	300	6	All Year
Alima	500	From confluence (Congo-Alima) to Lékety	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Snags;</li> <li>Meanders.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Reduction of meanders;</li> <li>Dragging;</li> <li>Improvement of the waterways.</li> </ul>	300	29	All Year
Kouyou	135	From Loboko to Owando	<ul style="list-style-type: none"> <li>Rocks;</li> <li>Snags;</li> <li>Narrow passage with small bend radii.</li> </ul>	<ul style="list-style-type: none"> <li>River markup;</li> <li>ripper rock sections;</li> <li>River Desnagging.</li> </ul>	200	17	April-December

(continued on next page)

TABLE A3.2: Secondary River System (For RC): More than 4884 KM (continued)

Watercourse	Waterway Length (km)	Link	Obstacles to Navigation	Improvement of conditions of navigation	Traffic (t) *	Minimum of towns traverses	Navigation Period
Likouala aux herbes	530	From Sossolo to Epéna	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Snags;</li> <li>Meanders.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Reduction of meanders;</li> <li>Dragging;</li> <li>Improvement of the waterways.</li> </ul>	100	27	April-December
Lefini	172	From Mboka Leféni to PK 172	<ul style="list-style-type: none"> <li>four rapid forming a vertical drop of 5 m;</li> <li>Meanders;</li> <li>Snags.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Reduction of meanders;</li> <li>Dragging.</li> </ul>	300	01	All Year
Likouala-Mossaka	475	From Mossaka to Etoumbi	<ul style="list-style-type: none"> <li>Meanders;</li> <li>Snags;</li> <li>Rocks;</li> <li>Sandbanks.</li> </ul>	<ul style="list-style-type: none"> <li>River markup;</li> <li>River Desnagging;</li> <li>Rock excavation;</li> <li>Reduction of meanders;</li> <li>Dragging;</li> <li>Improvement of the waterways.</li> </ul>	300	41	April-December
Ibenga	210	From Ngou-bangaye to Mimpoutou	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Meanders;</li> <li>Snags.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup ;</li> <li>Reduction of meanders;</li> <li>Dragging.</li> </ul>	150	15	April-December
Motaba	220	From Ndongou to Makao-	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Snags.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Dragging.</li> </ul>	50	12	April-December
Kouilou	310	From Bas-Kouilou to Kakamoeka	<ul style="list-style-type: none"> <li>Sandbanks;</li> <li>Snags;</li> <li>Rocks;</li> <li>Meanders.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Rock excavation;</li> <li>Dragging.</li> </ul>	150	5	All Year
Bouenza	273	From the source to confluent with Niari	<ul style="list-style-type: none"> <li>Rocks;</li> <li>Snags;</li> <li>Sandbanks;</li> <li>Intermittent Navigation.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Rock excavation;</li> <li>Dragging.</li> </ul>	100	PM	Intermittent navigation
Louéssé	321	From the source to confluent with Niari	<ul style="list-style-type: none"> <li>Rocks;</li> <li>Snags;</li> <li>Sandbanks;</li> <li>Intermittent Navigation.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Rock excavation.</li> </ul>	100	PM	Intermittent navigation
Leboulou	131	From the source to confluent with Niari	<ul style="list-style-type: none"> <li>Rocks;</li> <li>Snags;</li> <li>Sandbanks;</li> <li>Intermittent Navigation.</li> </ul>	<ul style="list-style-type: none"> <li>River Desnagging;</li> <li>River markup;</li> <li>Rock excavation.</li> </ul>	100	PM	Intermittent navigation

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**TABLE A3.2: Secondary River System (For RC): More than 4884 KM** (continued)

Watercourse	Waterway Length (km)	Link	Obstacles to Navigation	Improvement of conditions of navigation	Traffic (t) *	Minimum of towns traverses	Navigation Period
Loudima	95	From the source to confluent with Niari	<ul style="list-style-type: none"> <li>• Rocks;</li> <li>• Snags;</li> <li>• Sandbanks;</li> <li>• Intermittent Navigation.</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup;</li> <li>• Rock excavation.</li> </ul>	100	PM	Intermittent navigation
Niari	454	From the source to confluent with Kouilou	<ul style="list-style-type: none"> <li>• Rocks;</li> <li>• Snags;</li> <li>• Sandbanks;</li> <li>• Intermittent Navigation.</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup;</li> <li>• Rock excavation.</li> </ul>	150	PM	Intermittent navigation
Noumbi	110	From the source to confluent with Atlantic Ocean	<ul style="list-style-type: none"> <li>• Sandbanks;</li> <li>• Snags.</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup;</li> <li>• Dragging.</li> </ul>	90	PM	Intermittent navigation
Loémé	161	From the source to confluent with Atlantic Ocean	<ul style="list-style-type: none"> <li>• Sandbanks;</li> <li>• Snags.</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup;</li> <li>• Dragging.</li> </ul>	90	PM	Intermittent navigation
Ndeko	120	From confluent (Ndéko-Congo) to Matondo	<ul style="list-style-type: none"> <li>• Sandbanks;</li> <li>• Snags.</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup;</li> <li>• Dragging.</li> </ul>	50	PM	All Year
Nkeme	115	From Makotimpoko To Ebana	<ul style="list-style-type: none"> <li>• Sandbanks;</li> <li>• Snags;</li> <li>• Tree trunks.</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup;</li> <li>• River setback;</li> <li>• Dragging.</li> </ul>	80	15	All Year
Ngoko	180	From confluent (Ngoko-Sangha) to Ndongo	<ul style="list-style-type: none"> <li>• Sandbanks;</li> <li>• Tree trunks.</li> </ul>	<ul style="list-style-type: none"> <li>• Dragging;</li> <li>• River setback;</li> <li>• River markup.</li> </ul>	300	40	All Year
Canal d'Epéna	110	From Epéna to confluent with Oubangui	<ul style="list-style-type: none"> <li>• Sandbanks;</li> <li>• Tree trunks.</li> </ul>	<ul style="list-style-type: none"> <li>• Dragging;</li> <li>• River setback;</li> <li>• River markup.</li> </ul>	50	8	September-December
Djoué	PM	PM	<ul style="list-style-type: none"> <li>• Sandbanks.</li> </ul>	<ul style="list-style-type: none"> <li>• Dragging;</li> <li>• River markup.</li> </ul>	PM	PM	PM
Lac Conkouati **	PM	–	<ul style="list-style-type: none"> <li>• Snags</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup.</li> </ul>	100	PM	All Year
Lac Nanga **	PM	–	<ul style="list-style-type: none"> <li>• Snags</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup.</li> </ul>	100	PM	All Year
Lac Tchibenda **	PM	–	<ul style="list-style-type: none"> <li>• Snags</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup.</li> </ul>	100	PM	All Year
Lac Tchivoka **	PM	–	<ul style="list-style-type: none"> <li>• Snags</li> </ul>	<ul style="list-style-type: none"> <li>• River Desnagging;</li> <li>• River markup.</li> </ul>	100	PM	All Year

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**TABLE A3.2: Secondary River System (For RC): More than 4884 KM** (continued)

Watercourse	Waterway Length (km)	Link	Obstacles to Navigation	Improvement of conditions of navigation	Traffic (t) *	Minimum of towns traverses	Navigation Period
Lac Tchimba **	PM	–	• Snags	• River Desnagging; • River markup.	100	PM	All Year
Lac Nanga **	PM	–	• Snags	• River Desnagging; • River markup.	100	PM	All Year
Lac Dinga **	PM	–	• Snags	• River Desnagging; • River markup.	100	PM	All Year
Lac Kayo **	PM	–	• Snags	• River Desnagging; • River markup.	100	PM	All Year

\*\* These navigable lakes in all seasons are located in the southern part of the country.

TABLE A3.3: Port of Brazzaville – Freight Traffic

Rubric	2009			2010			2011			2012			2013		
	Total	L	B												
<b>Wood</b>															
Timber Barge	13,748	13,748	0	18,090	18,090	0	19,364	19,364	0	7,100	7,100	0			
Sawn	13,184	13,184	0	11,058	11,058	0	13,649	13,649	0	7,923	7,919	4			
Veneers	45	45	0	0	0	0	490	490	0	217	217	0			
<b>Total Wood</b>	<b>26,977</b>	<b>26,977</b>	<b>0</b>	<b>29,148</b>	<b>29,148</b>	<b>0</b>	<b>33,503</b>	<b>33,503</b>	<b>0</b>	<b>15,240</b>	<b>15,236</b>	<b>4</b>	<b>9,746</b>	<b>9,746</b>	<b>0</b>
<b>Goods</b>															
Food	70,366	69,603	763	48,964	48,408	556	59,647	58,593	1,054	99,719	93,213	6,506	81,794	79,350	2,444
Cocoa-Coffee	513	513	0	140	140	0	14,198	14,198	0	833	833	0			
Vehicles	10,376	4,912	5,464	1,963	1,059	904	7,221	6,523	698	5,808	1,084	4,724			
Building Materials	67,318	64,535	2,783	56,504	55,939	565	57,337	56,036	1,301	70,877	65,590	5,287	107,506	103,621	3,885
Petroleum Products	134,876	132,197	2,679	152,006	151,085	921	177,692	176,525	1,167	229,928	200,356	29,572	235,338	233,450	1,888
Miscellaneous goods	23,105	20,596	2,509	28,397	20,719	7,678	51,319	38,738	12,581	83,333	45,976	37,357	48,323	46,034	2,289
<b>Total Goods</b>	<b>306,554</b>	<b>292,356</b>	<b>14,198</b>	<b>287,974</b>	<b>277,350</b>	<b>10,624</b>	<b>363,936</b>	<b>350,613</b>	<b>13,323</b>	<b>490,498</b>	<b>407,052</b>	<b>83,446</b>	<b>472,961</b>	<b>462,455</b>	<b>10,506</b>
<b>Total Wood &amp; Goods</b>	<b>333,531</b>	<b>319,333</b>	<b>14,198</b>	<b>317,122</b>	<b>306,498</b>	<b>10,624</b>	<b>397,439</b>	<b>384,116</b>	<b>13,323</b>	<b>505,738</b>	<b>422,288</b>	<b>83,450</b>	<b>482,707</b>	<b>472,201</b>	<b>10,506</b>

(L): Landing.

(B): Boarding.

TABLE A3.4: Port of Brazzaville – Traffic of Imported Goods from DRC, 2013 (in tons)

Goods	PERIOD												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Cement	1,300	2,700	3,250	2,000	2,000	2,450	1,581	2,300	1,581	1,458	2,755	1,100	24,475
Flour	650	683.95	362.5	175	398.2	125.5	353	617.48	353	0	525	0	4243.63
Construction material	849.93	1204.03	2,057	1406.42	1,166.48	2,225	1,498	1,645.97	1,498	1140.24	1,308	1509.37	17,508.43
Other food	309.31	674.44	479.4	352.97	407.94	566.11	727	420.89	727	425.62	546.55	1,205.2	6,842.41
Soap and detergents	514.52	77.20	218.02	46.49	65.69	102	96	24.26	96	70.22	74.56	24.85	1,409.81
Household electrical material	48.54	168.28	380.62	262.24	457.43	399.71	536.17	312.02	536.17	462.32	318.05	341.43	4,222.99
Empty bottles	116.4	116.40	275.88	216.55	0	325.25	0	248.14	123.41	0	184	116.19	1,722.23
Auto Accessories	0	130.26	68.21	135.26	183.04	65.38	178	97.9	178	243	96.04	91.57	1,466.66
Miscellaneous	263.33	480.81	405.05	542.66	512.75	551	788.5	185.66	788.5	336	293.54	256.35	5,404.13
<b>TOTAL</b>	<b>4052.02</b>	<b>6235.37</b>	<b>7496.67</b>	<b>5,137.58</b>	<b>5,191.54</b>	<b>6,809.96</b>	<b>5,757.67</b>	<b>5,852.3</b>	<b>5881.08</b>	<b>4,135.4</b>	<b>6,100,727</b>	<b>4,644.95</b>	<b>67,295.27</b>

Source: Customs (DGDDI).

## Annex A4: List of People Consulted during the Intervention

Noms et prénoms	Institutions	Fonction
Monsieur. Okandza Jean Christophe	Ministère de l'économie, des finances, du plan, du portefeuille public et de l'intégration (MEFPPPI) / Direction Générale du Plan et du Développement	Directeur Général
Monsieur Niama Michel	MEFPPPI/ Direction Générale de l'Economie	Directeur Général
Madame Nzalankanzi Jacqueline	Conseillère / MEFPPPI	Conseillère à la coopération
Madame Omporo Félicité	MEFPPPI	Conseillère aux relations financières internationales
Monsieur Atta Mwandza	MEFPPPI	Conseiller à l'économie et à la Statistiques
Monsieur Ngoulou Jean Noel	MEFPPPI	Conseiller au Trésor
Monsieur Malié Paul	MEFPPPI/ Directeur des Etudes et de la Planification	Directeur des Etudes et de la Planification MEFPPPI
Monsieur Ondongo Louis	MEFPPPI/Direction Général du Trésor	Directeur des Etudes et de la Planification du Trésor
Monsieur Galouo Ted	MEFPPPI / Direction des Ressources naturelles	Directeur
Monsieur Iwanga Jean Claude	Direction Général du Budget	Directeur de la Prévision
Monsieur Miere Ange	MEFPPPI / Direction générale de l'intégration	Directeur des institutions régionales d'intégration
Monsieur Kondi Joachim	Ministère de l'économie forestière et du développement durable	Directeur Général
Monsieur Nkounkou Fidel	Ministère de l'économie forestière et du développement durable / PFDE	Coordonnateur
Monsieur Massalo Frederic	Ministère de l'économie forestière et du développement	Services de Contrôles des produits forestiers
Monsieur Boyamba Martin Blaise	Port Autonome de Brazzaville et Port Secondaire (PABPS)	Directeur Général
Monsieur Ndoussa Jean Pierre	PABPS	Directeur Général Adjoint
Monsieur Aly Emmanuel	PABPS	Directeur de l'exploitation
Monsieur Loutangou Brice Roland	PABPS	Secrétaire Général
Monsieur Bandenga Dathet	PABPS	Directeur de l'exploitation p.i.
Monsieur Ngouloubi	Direction générale du Port autonome de Pointe-Noire (PAPN)	Collaborateur DG
Monsieur Mountout-Tchikaya Felix	Ministère des transports, de l'aviation civile et de la marine marchande / Direction Générale des transports maritimes	Directeur Général
Monsieur Mpan Placide	Ministère des transports, de l'aviation civile et de la marine marchande / Direction Générale des transports terrestres	Directeur Général
Monsieur Koutoundou Jacques	Ministère des transports, de l'aviation civile et de la marine marchande	Conseiller au transport
Madame Bemba Adèle	Ministère des transports, de l'aviation civile et de la marine marchande	
Monsieur Bechemair Jean Philippe	Ministère des transports, de l'aviation civile et de la marine marchande	
Monsieur Bemba	Direction générale du Conseil Congolais des Chargeurs	Conseiller Directeur Général

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<b>Noms et prénoms</b>	<b>Institutions</b>	<b>Fonction</b>
Monsieur Milandou Narcisse	Direction générale de la douane et des droits indirects	Directeur réglementation et contentieux
Monsieur Dinga Emmanuel	Direction générale de la douane et des droits indirects	Directeur des enquêtes économiques
Madame Sakala Enerstine	Direction générale de la douane et des droits indirects	
Monsieur Kamba André	Ministère du Commerce et des Approvisionnements	Directeur de Cabinet
Monsieur Tsathy Patrice Lambert	Ministère du Commerce et des Approvisionnements / Direction générale du Commerce Extérieur	Directeur Général
Monsieur Nsonde-Mondzie Philippe	Ministère du Commerce et des Approvisionnements / Direction générale de la concurrence et de la répression de la fraude	Directeur Général
Monsieur Moumoundo Anselme Désiré	Ministère du Commerce et des Approvisionnements / Direction générale du Commerce Extérieur	Directeur Administrateur des Echanges Commerciaux
Monsieur Akoli Emmanuel Saturnin	Ministère du Commerce et des Approvisionnements / Direction générale du Commerce Extérieur	DAAF
Monsieur Bopaka El Adj Djibrill	UNOC	Président
Monsieur Kinouani Gabriel	UNOC	Secrétaire Général
Monsieur Bodimba Remis	Chambre de commerce	Secrétaire Général
Madame Mosneaga Cristina	Délégation de l'Union Européenne	Chargée de programmes économie
Monsieur Sirtori Matteo	Délégation de l'Union Européenne	Conseiller
Monsieur Olympio John	Délégation de l'Union Européenne	Expert



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