

**Chad: Poverty Reduction Strategy Paper—2005 Annual Implementation  
Progress Report**

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**NPRS STEERING COMMITTEE**

**National Poverty Reduction Strategy  
Monitoring and Implementation Report  
2005**

**N'Djamena – December 2005**

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## ACRONYMS AND ABBREVIATIONS

ACORD	Agency for Co-operation and Research in Development
APICA	Association for the Promotion of African Community Initiatives
ATRAM	Improved Technologies Workshop ( <i>Atelier de Technologies Améliorées de Mongo</i> )
BDP	Program Budget
IRSC	Institutional Reform Support Credit
CID	Integrated Expenditure Circuit
DDEN	Departmental Delegation for National Education
EMF	Microfinance Institution
ENIP	National School for Primary Education Inspectors
EFA	Education For All
GEDEL	Water Governance and Local Economic Development Program
HIPC	Heavily Indebted Poor Countries Initiative
LRVZ	Farcha National Veterinary and Zootechnical Research Laboratory
MATUH	Ministry of Territorial Administration, Urban Development, and Housing
MEN	Ministry of National Education
MDG	Millennium Development Goals
ONASA	National Food Security Office
ONDR	National Rural Development Office
PAEP	Livestock System Support Program
PAMFIP	Fiscal Modernization Plan
PARSET	Project Supporting Chadian Education Sector Reforms
PASEC	Program Supporting Knowledge Monitoring and Evaluation
PASEP	Pastoralism and Livestock Sector Support Project
PCVZS	Sudan Area Food Crops Project
PDIS	Salamat Integrated Development Project
PDRPL	Préfecture du Lac Rural Development Project
PGRN	Sudan Area Natural Resources Management Project
PIDR	Rural Development Intervention Plan
PNSA	National Food Security Program
PODER-K	Kanem Rural Development Project
PROADEL	Local Development Support Program
PRODER-B	Batha Rural Development Project
PROSE	Sectoral Capacity-Building Program
PSANG	North Guéra Food Security Project
PSAOP	Project Supporting Agricultural Services and Producers Associations
PER	Public Expenditure Review
RDR	Rural Development Regions
RESEN	Forum on the National Education Sector ( <i>Réflexion sur le Secteur de l'Education Nationale</i> )
SDR	Rural Development Districts
NPRS	National Poverty Reduction Strategy
SSDD	Comprehensive Expenditure Tracking System
ZDR	Rural Development Zones

## SUMMARY

In April 2000, the government of Chad began to prepare a National Poverty Reduction Strategy (NPRS) as part of a participatory process involving the private and the public sector, opinion leaders, academia, and civil society organizations. Adopted by the High Interministerial Committee in June 2003, the NPRS was approved by the IMF and the World Bank in November 2003.

The NPRS presents an overall view of the country's economic and social policies and proposes to cut poverty by half in less than 15 years (by 2015). The strategy is based on the attainment of five core objectives: good governance, robust and sustained growth, the development of human capital, improved living conditions for the most vulnerable segments of the population, and environmental protection.

In 2004, the first implementation report noted the progress made in applying the strategy. The report described several obstacles, such as the delays in creating institutions responsible for monitoring the NPRS, as well as the inconsistencies between NPRS objectives and the focus of some sectoral programs. However, it also highlighted the efforts of several sectors to define and implement sectoral strategies that were more tailored to poverty reduction.

This report aims to provide a more comprehensive account of the measures taken and results achieved since the beginning of NPRS implementation: after reviewing the institutional mechanisms set up to monitor and evaluate the strategy, the report assesses the actions taken to achieve each of the five core objectives of the strategy since the NPRS was adopted.

### **A. Establishment of a Consistent Institutional System for Monitoring the NPRS**

The decree creating the institutional mechanisms for monitoring and assessing NPRS implementation and its enabling legislation were adopted in 2005. A Poverty Observatory was set up under the supervision of the High Committee for NPRS Supervision. This unit comprises a Steering Committee, as well as sectoral and local entities, which act as the technical interface for this initiative. These institutions are supported by a Technical Secretariat and a Communications Unit. The NPRS Coordination and Monitoring Unit began operations in June 2005 (with UNDP support). The Steering Committee, which brings together representatives of the National Assembly, the public sector, the private sector, and civil society, is an extension of the participatory process that characterized the preparation of the NPRS. This committee disseminates information on the NPRS concept and objectives, validates sectoral and inter-sectoral strategies and programs for poverty reduction, assesses the impact of measures on the beneficiaries, and proposes periodic reviews of the strategy.

### **B. Toward Good Governance**

The government believes that given the situation in Chad, promoting good governance is the most important reform to spur the country's development and reduce poverty. In this area, the core objectives of the SNRP are: administrative reforms and decentralization, fiscal consolidation, justice reform, and the security of people and property.

(a) In terms of **administrative reforms**, the primary measures taken were to conduct institutional and organizational audits of nine key ministries. The purpose of these audits was to review the structure of these ministries and their capacity for optimizing the use of government

resources. Some of the measures that should be taken to gradually boost the effectiveness of general government are to revise specific regulations, reform pay scales, establish a compensation system that accounts for the particular constraints of the different categories of public officials, and set up performance incentives. The deconcentration process, which took place between 2002 and 2005, will be used as the basis for a smooth decentralization process. Local elections, originally slated for 2005, should take place next year.

(b) **Fiscal consolidation** was achieved mainly by increasing tax and nontax receipts, reducing deficits, and restructuring public expenditures.

- The ratio of tax and non-tax revenues increased from 7.4 percent of GDP in 2001 to 8-8.7 percent in 2002-2003, and to 10.5 percent in 2004. That ratio is expected to reach 12.4 percent in 2005, partially due to increased oil revenues, but other revenues also grew significantly over the past three years;
- The stabilization of current and total expenditures since 2002-2003<sup>1</sup> transformed the primary fiscal deficit of 1-2 percent of GDP recorded in 2001-2002 into a surplus of 1-2 percent in 2004-2005, and considerably reduced the overall deficit (on a commitment basis, excluding grants) from 10-13 percent of GDP in 2001-2003 to around 7-8 percent in 2004-2005; and
- The government also implemented key measures to improve the structure of public expenditure. The relative weight of the nine priority<sup>2</sup> economic and social sectors increased from 32 percent of total expenditures (executed) in 2001-2002 to 66 percent in 2004. A total of 66 percent of the scheduled 2005 budget allocations are earmarked for priority sectors.

The government also made a commitment to modernize and increase the transparency of fiscal management:

- Program budgets are being prepared to implement the objectives and priorities of the sectoral strategies;
- A series of provisions were adopted to enhance the monitoring of budget execution and tighten fiscal discipline, including: setting up an integrated expenditure circuit (CID), tracking expenditures in two priority sectors (education and health), preparing a Fiscal Modernization Plan (PAMFIP), reviewing the end-year treasury account, approving the budget review law, and creating a ministry responsible for general oversight of the government and ethics [*moralisation*], which introduced controls and penalized violations; and
- Another key reform is the adoption of a new public procurement code: commissions responsible for assessing bids were established, eight quarterly bulletins were published, and the government contracts awarded in 2001 and 2002 were audited by an international auditing firm and the Audit Office.

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<sup>1</sup>Current expenditures shrank from 10 percent of GDP in 2002 to approximately 7 percent in 2004-2005, and total expenditures fell from 24 percent of GDP in 2003 to 18-19 percent in 2004-2005.

<sup>2</sup> Education, health, social action, public works, agriculture, stockbreeding, environment and water, land management, and justice.

(c) The government also made a commitment to reform and modernize the **justice system**:

- A participatory Justice Forum (*Etats Généraux de la Justice*) was held in 2003 and a High Council on Justice, the legal authority responsible for judicial conduct, was established;
- Training was provided to numerous *juges de paix*, who replaced subprefects in dispute settlement cases; and
- The functions of notaries and bailiffs were separated; commercial tribunals were set up in the country's 18 regional capitals, an essential measure for creating an environment favorable to the development of business and the private sector.

(d) The following measures were implemented to reestablish the **security of people and property**, another essential measure for encouraging development and reducing poverty:

- A ministry responsible for security and immigration was established and steps were taken to collect weapons of war and suspend the purchase of handguns;
- At a general meeting in April 2005, the armed forces proposed reforms to professionalize the army and strengthen its role in development; and
- A draft law on migratory herds (transhumance) and nomadism is being prepared. This bill acts as a code of conduct for mediating farmer-stockbreeder conflicts, which have multiplied in recent years, and better organizes the movement of cattle in the territory; the adoption and implementation of this law should help to reestablish social peace in the affected rural areas.

### **C. Toward Sustainable Growth**

Efforts in this area produced significant results. After two years of stagnation and recession in 1999-2000, the recent development of Chad's economy has been dominated by a strong resurgence in growth.

(a) The GDP growth rate reached almost 9 percent in 2001-2002 and growth accelerated in 2003, climbing to an annual average of around 25 percent in 2003-2004. This is due primarily to the development (up until 2003) and exploitation (beginning in October 2003) of oil resources. The end of the oil investment period and the temporary stabilization of production will result in a growth slowdown. The GDP growth rate for 2005, however, should hover around 13 percent. GDP growth and oil exploitation did not create excessive inflationary pressures; on the contrary, consumer prices fell in 2003 and 2004, and the price increases of 2005 were mainly the delayed result of declining food production in 2004.

(b) It is obviously difficult to determine to what extent GDP growth has improved poverty indicators. Poverty trends in rural and urban areas and the priorities of the affected segments of the population will be determined only through new studies. The following factors should be considered, however:

- Thanks to GDP growth rates that far exceed demographic growth rates, GDP per capita has increased markedly over the past five years, particularly in 2003-2004;
- Not only has oil GDP increased, non-oil GDP also recorded annual growth of around 6 percent in 2001-2002 and close to 6.5 percent in 2003-2004. The growth rate is expected to reach 8.6 percent in 2005; and

- Growth in GDP and GDP per capita did not significantly increase gross national income. The primary sector (essentially agriculture and livestock) has barely grown since 2001 (average annual growth rate of close to zero from 2002 to 2004). In fact, in 2004, drought and locust invasions seriously compromised the performance of the food crops sector, and the relatively sound performance of export crops (cotton and gum arabic) did little to offset the decline in food crop production. That said, agriculture and stock farming have the most impact on the situation of the poorest segments of the population, who should be the main beneficiaries of the poverty reduction strategy.

(c) In terms of the National Strategy for the Rural Sector, discussions were held on the methods of fostering sustainable development in the sector. The sectoral policies, programs, and projects aim to boost agricultural productivity, diversify production, and increase the security of food crop production.

- Agriculture and stock farming as a proportion of total public expenditure rose from 6.9 percent in 2001-2002 to 7.3 percent in 2003, and to 11.1 percent in 2004 (actual disbursements). Budget allocations to the two sectors account for 11.3 percent of the expenditures projected under the 2005 budget;
- Investments financed from oil revenue helped to increase the mechanization rate of farms (from 24 percent in 2004 to 26 percent in 2005);
- More agricultural waterworks projects have made it possible to expand cultivated areas by 35 percent, from 20,000 to 27,000 hectares;
- Efforts are being made to increase the responsibility of producers and involve them in managing the rural sector. Representatives of these organizations sit on project steering committees and participate in the design and execution of sector reforms;
- The government and its partners reached an agreement on a basic roadmap for restructuring and privatizing Cotonchad, the national cotton company; and
- Little is known of the stock farming sector; the livestock census, to be conducted in 2006/2007, will be an important step; the sinking of 80 wells and the construction of 25 pumping stations in the stock farming sector will spur the development of this sector.

(d) The development of transport infrastructure should also help to encourage rural development, provide improved access to the most marginalized areas, and reduce poverty.

- Public works accounted for 4.9 percent of Chad's total public spending (actual disbursements) in 2001-2002 and rose to more than 23 percent in 2003-2004;
- In the transport sector, large investments were made to promote growth and to benefit the poorest regions: secondary roads were built to improve access to the most underserved regions and to improve road links with the main international transportation corridors to which Chad has access (Cameroon, Nigeria and the Sudan). The total length of asphalt-paved road increased from 287 kilometers in 1999 to 650 kilometers in 2004, and will reach 736 kilometers by end-2005;
- Just as important as the construction of new roads to foster rural development and reduce poverty is the gradual increase in resources allocated to maintaining them (from CFAF 3.7 billion in 2002-2003 to CFAF 5.7 billion in 2003-2004). On average, more than 2,000 kilometers of roads were maintained in 2004 and 2005. The increased allocations planned for the future should help to improve performance in the years ahead; and
- The government recently drew up a five-year investment plan for investing CFAF 4 billion a year in rural roads during the period 2006 to 2010. This program, which

will be funded from oil revenues, will rehabilitate 3,000 to 4,000 kilometers of rural roads each year.

(e) The development of other infrastructures also has a significant impact on growth and poverty:

- Since the approval of the Water and Sanitation Master Plan for the period 2003-2020, marked efforts have been made—focusing on a participatory approach at the local level—to rapidly improve access to drinking water in urban and rural areas, and particularly to benefit the poorest segments of the population. The access rate grew from 23 percent in 2000 to 28 percent in 2002, 32 percent in 2003, and 36 percent in 2004;
- The energy sector is largely underdeveloped. Consumption of conventional energy (electricity and petroleum products) accounts for only 10 percent of national consumption. The exorbitant cost and scarcity of electricity poses a major obstacle to Chad's economic development. In addition to measures aimed at making electricity available to users at a more reasonable cost, the main goal is to promote alternative sources of energy (solar, wind, etc.) to limit the cutting of firewood, which is exacerbating desertification; and
- In the telecommunications sector, the goal is to ensure coverage of urban and rural areas by developing mobile telephony. This initiative has improved the population's access to telephone service, from 1.5 to 15 of every 1,000 people. As part of the rural telephony project, VSAT antennas were installed in 15 secondary towns. One of the solutions to the exorbitant cost of telecommunications is to link Chad to the international fiber optic communications network. A subregional project (Chad, Cameroon, and the Central African Republic) has been developed for this purpose and will begin at end-2005.

#### **D. Developing Human Capital**

Significant efforts were made to develop the country's human resources, mainly in the education and public health sectors.

##### **(a) Education**

There are two basic factors that make education one of the cornerstones of the development process: low economic productivity, which is due in large part to the limited training of human capital, and the positive influence of education on the other priority sectors for poverty reduction: health (particularly maternal and infant health), fertility, and environmental management.

Chad's education system has long been subjected to a number of constraints: the population explosion has made it difficult to meet enrollment demand; programs are not tailored to meet the needs of the national economy; and teacher training is insufficient. Several reform attempts have produced disappointing results. The political strife that Chad endured for so many years impelled communities to take a proactive role in their children's education. This community dynamic remains strong in the face of weak and often poorly-designed public education programs. Today, these communities, which organized a Parent Teachers Association (*Associations de Parents d'Elèves* -APE), are responsible for more than 60 percent of primary school teachers (community teachers) and spend more than CFAF 2 billion on school operations (their contribution adds around 10 percent to the State budget allocation for basic education). One of the consequences of

this initiative is that an average of 1.3 percent of the expenditure<sup>3</sup> of poor families goes to education, twice the amount spent by nonpoor households.

Beginning in the year 2000, the government adopted a new vision for its education policy, which was incorporated into the NPRS. The main objectives of the policy are to increase access to education, make the system more equitable, and improve its quality. This final goal is particularly important: recent studies show that Chad lags far behind in the quality of primary education. Only 38 percent of students reach the CM2 level (end of primary school).

Despite the impact of community education on the budget of poor families, the NPRS does not propose altering the current system; rather, it seeks only to validate it while gradually reducing the level of financial support provided by the poorest communities.

In this context, the government decided to fund the training of 2,000 community teachers every year to enable them to qualify for entry into the civil service. This funding is provided through subsidies to APEs (a total of CFAF 2 billion for 2003-2004). Moreover, as a supplement to other initiatives being implemented by the government in this sector, special subsidies were granted to strengthen academic infrastructure in the most deprived communities. As a result, some 2,000 classrooms were built in these areas. A dynamic partnership was subsequently set up between the government and the communities, and the Agency for the Promotion of Community Initiatives in Education was created in 2003.

The government's strategy has produced spectacular quantitative results. From 2000 to 2004, school enrollment grew by 7.6 percent a year on average. The rate of access to primary school jumped from 87 percent in 2000 to 107 percent in 2004, and the gross school enrollment rate rose from 72 percent to 88 percent during that same period. These results mask significant regional disparities, however. The main challenge over the next few years is to vigorously attack the serious problem of quality in education.

#### (b) Public health

The NPRS focuses on the main strategic pillars set out by the government in its 1999 national health policy. These are to facilitate access to quality health services throughout the country, optimize the use of existing resources, and improve the core indicators of the sector. Another component of the strategy is to combat three devastating scourges: HIV/AIDS, malaria, and malnutrition.

To attain these goals, the government substantially increased funding for the Ministry of Public Health: actual expenditure on the sector climbed from 4.8 percent of total public spending in 2001-2002 to 8.6 percent in 2003, and to 9.7 percent in 2004. This percentage has been decreased to 7.8 percent of total allocations in the 2005 budget.

Improving access to quality services first requires a comprehensive infrastructure program. In 2005, the completion of projects that began in 2003-2004 will give users access to 52 new health centers, six new district hospitals, and four district hospital administrative offices. Most health districts (42 of 43) are regularly monitored.

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<sup>3</sup> These data are based on the results of the 1996 surveys (ECOSIT 1). While the figure of 1.3 percent represents the average contribution of poor households in rural and urban areas, the contribution of poor households in urban areas is in fact far higher.

A special effort was made to provide and improve care for pregnant women. The number of health centers with the proper equipment to provide obstetric care rose from 406 in 2004 to 433 in 2005. The number of hospitals equipped for obstetric emergencies has doubled since 2004 (from 15 to 32). More than 75 percent of all hospitals (32 of 45) are now properly equipped. Finally, 98 percent of all health centers and district hospitals provide postnatal care.

One of the methods applied to better use the resources allocated to healthcare is community participation, which fosters constructive dialogue between healthcare personnel and users and organizes a partial cost recovery system for government healthcare expenditure. Community training sessions were organized in 453 health centers in 2004, and in 569 centers in 2005. The number of management personnel receiving training in hospital administrative and financial management increased from 33 to 37, or 86 percent of total management personnel. Their role is to help the poorest segments of the population to meet their obligation to contribute to the cost of their healthcare. Available data do not show how cost recovery is distributed between the poorest segments of the population and the rest of population. This would be worth studying in greater detail.

In an effort to combat HIV/AIDS, the number of regions holding preventive public awareness meetings jumped from 7 in 2004 to 18 today (900 meetings were held in 2005). The number of operational voluntary testing centers rose from 22 in 2004 to 52 in 2005, and the number of hospitals dispensing ARVs increased from 14 to 18. A government subsidy reduced the price of ARVs from CFAF 50,000 in 2000 to the current rate of CFAF 5,000 per person per month.

All functioning healthcare facilities now have a malaria unit. The use of insecticide-treated nets, however, has fallen sharply, from 29.4 percent in 2003 to just seven percent in 2005.

The fight against malnutrition emphasizes breastfeeding. The number of public awareness campaigns increased from 4 in 2004 to 16 in 2005.

While significant efforts have been made, the results have not always been satisfying, particularly in terms of prevention. The number of endemic disease awareness campaigns fell from 1,005 in 2004 to 168 in 2005. The DTP3 vaccination rate remained stable at 47 percent. The same holds true for the rate of iodized salt use. Finally, the contraceptive prevalence rate decreased from 4.7 percent in 2004 to 2.5 percent in 2005.

One of the main problems in this sector is the lack of qualified personnel in health centers and hospitals. Chad has only one physician per 27,000 population (the WHO standard is one physician per 10,000 population), one midwife per 9,000 women of childbearing age, and one State-certified nurse per 49,000 population.<sup>4</sup> The lack of qualified personnel is felt most keenly in rural areas and the poorest regions.

However, health indicators are improving:

- The rate of health coverage increased from 66 percent in 2000 to 72 percent in 2002, and to 73.3 percent in 2003;

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<sup>4</sup> Source: EDST 2 (Demography and Health Survey).

- The infant/child mortality rate fell from 214 per 1,000 live births in 2000 to 191 in 2004. The infant mortality rate dropped from 129 per 1,000 live births in 2000 to 102 in 2004;
- Although the percentage of medically assisted births increased from 18.3 percent in 2002 to 21 percent in 2004, this change has yet to bring about a decline in maternal mortality rates, which rose from 827 per 100,000 live births in 1996 to 1,099 in 2004.

### **E. Improving Living Conditions for the Most Vulnerable Segments of the Population**

The government launched a study on social protection, which will be used to define a strategy and operational programs that benefit the most vulnerable segments of the population.

This strategy will focus on two courses of action:

- Ensuring that sectoral strategies and programs are better targeted to meet the needs of the poorest segments of the population; and
- Organizing more specific actions to benefit the disabled, orphans, and the urban unemployed, as well as women, who play a critical role not only in the economy, but also in family health and childhood education.

Regarding the first initiative, additional efforts should be made to improve economic performance and social services to benefit the poorest. Recent GDP growth barely affected the rural sector, in which the majority of the poorest segments of the population live and work. Poor families shoulder a relatively heavy burden in terms of the cost of primary education and the most vulnerable regions are those in which the lack of trained personnel seriously compromises the availability and quality of health services.

In terms of initiatives to benefit the disabled, orphans, and the urban unemployed, it is primarily NGOs, particularly those that are well-established at the local level, that are best able to manage programs targeting the specific problems experienced by these segments of society. Nevertheless, a public sector-NGO partnership could make it easier to define and implement coherent strategies that would serve as frameworks for NGO action.

Regarding women's issues, huge steps have been taken to better integrate women into national economic and social activities. In particular, school enrollment for girls has increased and efforts have been made to improve maternal and child health. The measures planned to develop microfinance could have a large impact on the economic activity and lives of women. The adoption of the new Family and Individual Persons Code could also play a key role in improving the lives of women.

### **F. Environmental Protection**

Poverty reduction also involves protecting ecosystems and the environment. In a country such as Chad, protecting natural resources—forests, grasslands, water resources, and arable land—is essential for the continuance of core economic activities and for meeting the priority needs of families.

Long-standing legal and regulatory provisions protect the forests and biodiversity, but these laws are little respected. The population places enormous pressure on forested areas (firewood and encroaching farmland) and it is very difficult to prevent poaching, overlogging, and uncontrolled brush fires.

The energy problem is central to environmental protection policies. Wood fuels (wood and charcoal) provide 90 percent of the energy consumed in Chad. Gas consumption is on the rise, growing from 69 metric tons in 1999 to 367 metric tons in 2004, but only a small percentage of the population uses this type of energy. Fewer than 11,000 households are equipped with gas heaters, and 90 percent of those households are located in N'Djamena

The measures taken to better organize migratory herds should have a positive impact on the environment, in terms of both protecting crops and better organizing the movement of livestock during the dry season.

## **G. Conclusion**

An overall assessment of NPRS implementation shows that substantial progress had been made on several fronts. Economic growth accelerated and fiscal performance improved; in addition, expenditure restructuring is focused on the priority sectors for poverty reduction. At the sectoral level, priority economic and social infrastructures developed considerably, the primary school enrollment rate jumped, and access to health services showed substantial improvement. This assessment of the sector is still not satisfactory, however, to the extent that growth has had little impact on the rural sector; in addition, the programs designed to meet the needs of the most vulnerable groups and environmental protection measures lack effectiveness.

Future actions should be vigorous and focus on the following four areas:

- The NPRS must and should continue to be a joint initiative in which all development actors participate. A permanent communications strategy should be implemented to involve all segments of the population in the definition and execution of this strategy;
- The public sector clearly plays a key role in NPRS formulation and execution. Most ministries have already designed sectoral strategies aimed at reducing poverty. This initiative should be pursued by preparing program budgets that clearly define (based on realistic funding projections) coherent intra-sectoral policies that will have an impact on budget decisions during the budget programming and execution stage; and
- Public expenditure monitoring and execution must be improved, as should the oversight of spending agencies. The national statistics system should also be strengthened so that it can better monitor economic activity, poverty, and the impact of measures implemented.
- Finally, efforts should be made with the international community to address the problem of resources which, despite oil revenues, continues to hinder government initiatives and poverty reduction, so that these areas receive equal attention and tailored solutions.

In this context, the follow-up report identified some core recommendations:

The NPRS should be updated, not so much to fundamentally alter the focus of the strategy, but to refine certain goals and take action to achieve them. To this end, the government and its partners should reach an agreement on a realistic schedule so that:

- The revised strategy contains an analysis of the final results of the Household and Informal Sector Consumption Survey (ECOSIT 2) in terms of poverty profiles, household data, and the incidence of poverty by region. These data are essential for better tailoring the actions proposed;

- Sectoral strategies are systematically reviewed and their effectiveness and consistency with the national strategy objectives evaluated. Integrating these strategies will increase the accuracy of the operational content of the second version of the NPRS; and
- A discussion is held on the sources of growth and their impact on poverty.

The NPRS review should be conducted as part of the same participatory process that characterized the preparation of the original document. Given its structure, the NPRS Steering Committee will play a key role in organizing this process. The recommendations made by all segments of the population should be incorporated into the new document. The High Interministerial Committee's recommendations in the following areas should very much be taken into account: governance (personal security, justice, decentralization and deconcentration, State control), agricultural waterworks, infrastructure development (improved access and transportation costs), energy regulation, private-sector promotion (improved legal and institutional environment), pursuing fiscal consolidation, the regular payment of pensions, and eliminating arrears. The NPRS review, therefore, will be a relatively intensive activity that will likely require most of 2006 to complete.

## INTRODUCTION

The National Poverty Reduction Strategy (NPRS) was adopted in 2002 and 2003 by the first Steering Committee, which comprised 33 members representing the public sector, the private sector, civil society groups, NGOs, and the National Assembly. The information used to prepare this strategy was collected from the population during a “macro-participation” exercise, held throughout Chad. Some constituent groups (academia, women in business, youth, the physically disabled, healthcare providers, religious figures, etc.) were consulted, and their views on poverty were taken into consideration. Also taken into account was the experience accumulated in the execution of some projects that helped to improve living conditions in rural areas. Finally, statistical data from a number of surveys were used to prepare a poverty diagnosis and define mid-term (2006) objectives. The NPRS was adopted on June 4, 2003 by the High Interministerial Committee and subsequently approved by the executive boards of the International Monetary Fund and the World Bank on November 17 and 23, 2003, respectively.

The main objective of this strategy is to address problems related to poverty and cut poverty indicators by half between now and 2015. The key tool for implementing the strategy is the set of sectoral strategies prepared by the technical ministries responsible for poverty reduction projects and programs.

The NPRS has been implemented in the following national and international context:

(a) Two highly positive factors characterized the economic and financial situation in Chad:

- The first is the beginning of oil production in October 2003 and the start of additional resource transfers to the government at end-October 2004; and
- The second is the G-8 decision to cancel the multilateral debt of the poorest and most heavily indebted countries, which should enable beneficiary countries to increase the amount of public resources earmarked for economic and social development initiatives. Chad could use these resources if the conditions were met.

(b) A number of other factors had a less favorable impact on the country’s economic situation:

- In economic terms, the price of cotton, Chad’s second-largest traditional export behind cattle, slumped. For many years, the cotton market has been profoundly influenced by the size of the subsidies granted by several industrialized countries to their own producers who, without this type of support, would be incapable of competing with Third-World producers, particularly those in sub-Saharan Africa; and
- In political terms, the political conflicts raging along Chad’s eastern and northern borders have triggered a massive influx of refugees fleeing Sudan and the Central African Republic.

The first NPRS implementation report, released in December 2004, also highlighted other fundamental problems that adversely affected the implementation of the priority measures outlined in the strategy. Specifically, it explained the impact of weather changes, which compromise food security and significantly obstruct the modernization of the agricultural sector. The report also drew attention to the country’s inadequate resources for supporting and funding priority government programs. Regarding the development of the modern sector, the report reemphasized how the weak purchasing power of the population, coupled with overly high production costs (particularly electricity), slows industrial and private-sector expansion.

The first report listed several recommendations:

- In the rural sector, it is important to support efforts to organize peasant farmers and promote irrigation farming, a cornerstone of agricultural development that makes crops less vulnerable to the vagaries of the weather. The report also encouraged the country's farmers to pioneer in this area by starting farms along large bodies of water and extending the use of new techniques throughout rural areas;
- In economic and social matters, microfinance should be developed, not only to encourage income-generating activities, but also to meet primary social needs, such as healthcare and school expenses. The report underlined the significance of housing and recommended various methods (setting up a specialized agency, guarantee funds, the use of oil resources) for spurring the development of housing credits; and
- In the energy sector, the Farcha Refinery should be completed so that it can provide heavy fuel for the Chadian Water and Electric Power Corporation (STEE); neighboring towns should use the electricity generated in oil-producing areas in the future; and a study should be conducted on a connection with Cameroon's electrical grid. The report also recommended using alternative sources of energy (solar, wind, and biofuels) to meet the needs of rural areas. Finally, in the area of environmental protection, the report recommended gradually replacing charcoal, the main source of household energy, with gas in urban areas.

The report also outlined general measures that should be implemented to facilitate the attainment of NPRS objectives:

- Review the concept of the priority sector or ministry so that oil revenues could be used to fund other core activities in the poverty reduction plan. One of its applications could be to identify and codify public expenditures on poverty-reduction; and
- Organize a donor roundtable, in the context of NPRS implementation, to mobilize additional financing to accelerate the fight against poverty.

Execution of some of these measures (the development of irrigation systems, home financing, the beginning of discussions to identify pro-poor spending) has begun and the very notion of a priority sector is evolving based on the points that emerged during the Geneva IV Roundtable. Nevertheless, making significant progress toward accomplishing the goals of the strategy could hardly be expected after just one year of implementation.

This report attempts to present a more complete view of the measures taken and the results achieved since the adoption of the NPRS. It was prepared by the Technical Secretariat of the Poverty Observatory and the technical units of the various sectoral ministries. The contents of the report were corrected and expanded during a validation workshop, held December 19 and 20, 2005. The report is organized as follows:

- Part I reiterates the objectives of the strategy in the context of a comprehensive vision of poverty reduction;
- Part II examines the institutional mechanisms set up to implement and monitor the NPRS;
- Parts III through VII assess the progress made toward accomplishing the five central pillars of the strategy; and
- Part VIII describes the future challenges for implementing the strategy and makes a number of recommendations for executing, updating, and revising the NPRS.

## I. A COMPREHENSIVE VIEW OF POVERTY REDUCTION

### 1.1 Justification for an Integrated Approach to Poverty Reduction

The core objective of the National Poverty Reduction Strategy is to cut the poverty indicators by half between now and 2015. In light of Chad's current socioeconomic situation, attaining this goal requires consistent and coordinated action in most sectors of the national economy and in the country's institutional life. Sustainable growth is an essential condition for social progress and poverty reduction; it assumes the development of a diversified economy that is less vulnerable to the internal and external shocks that have long plagued Chad. In addition, growth can be made sustainable only by fulfilling two conditions: first, it must go hand-in-hand with environmental protection, and second, its overall focus must be accepted by the general population. The participatory consultations that preceded the formulation of the NPRS showed that the population's priorities were the security of people and property, good governance, and broad-based support for grassroots initiatives.

Reducing poverty is a multifaceted and complex endeavor that comprises actions ranging from establishing democracy and consolidating social peace to decentralizing power and involving civil society: in short, poverty reduction is about striking a new balance between representative democracy and the direct participation of the population in managing the issues that affect them.

More concretely, defining and executing well-coordinated sectoral policies and programs is the key operational instrument of the overall poverty reduction strategy.

- In economic terms, the spillover from the oil economy should spur the development of traditional production sectors in which the majority of the population is involved, in particular the poorest families. In this respect, the rural sector (agriculture, stock farming, fishing, forestry, and hunting), which employs 80 percent of the active population and generates more than 60 percent of rural household income, must play a primary role in the implementation of this strategy. This sector should be able to respond to the demands of a more solvent domestic market and better compete with imports of food products from Cameroon and Nigeria. The sector should gradually boost its productivity;
- The ongoing development of the primary sector, the expansion of traditional industries, the emergence of new industries, and the development of closer economic and commercial links between urban and rural areas will result in the increased mobility of people and goods. The infrastructure network—particularly roadways—should adapt to these trends and help reduce factor costs and boost national productivity; and
- The oil and post-oil economy requires a skilled labor force. Economic development and social peace require the social sectors to develop at a more rapid pace, both quantitatively (improved access, expanded coverage rates) and qualitatively.

Consequently, the future of poverty reduction is contingent upon a coherent set of effective, well-coordinated intra- and intersectoral initiatives.

## 1.2 Specific Poverty Reduction Objectives Through 2006

The NPRS is based on five main pillars: (i) promoting good governance; (ii) ensuring strong and sustainable growth; (iii) developing human capital; (iv) improving the living conditions of vulnerable groups; and (v) protecting ecosystems.

Each pillar comprises a series of specific objectives, and priority actions have been identified to attain them. The table below lists the priority actions planned for each objective.

### Strategic Pillars – Objectives – Priority Actions

Strategic Pillar	Objectives	Priority Actions
<b>I. Promote good governance</b>	<i>1.1. Make government agencies effective and efficient</i>	Civil service reform
		Build capacity of stakeholders in public sector, private sector, and civil society
		Fight corruption
	<i>1.2. Improve the legal environment</i>	Boost the credibility of the judicial system
		Guarantee the security of people and property
		Professionalize the armed forces and shift their focus to development
Deconcentration and decentralization		
<b>II. Ensure strong and sustainable growth</b>	<i>2.1. Stabilize the macroeconomic framework</i>	Sustainably increase the real GDP growth rate
		Implement pro-poor fiscal policies
		Achieve African integration and insert Chad's economy into the world economy
	<i>2.2. Promote development of the private sector</i>	Promote and support entrepreneurship
		Improve relations between public enterprises and the government
		Develop the financial sector and microfinance
		Improve access to microfinance
		Promote exports
	<i>2.3. Develop basic infrastructure</i>	Build institutional, technical, and human capacities of sectoral ministries
		Establish a basic grid of roads for domestic and external access to isolated areas that are usable in all seasons
		Maintain transportation infrastructure
		Improve road safety
		Support the development of local modes of transport
		Extend access to water in rural areas
		Ensure sanitation services in major urban areas
		Develop energy
		Develop postal services and telecommunications
		Improve the administrative and financial management of basic infrastructure
		<i>2.4. Sustainably increase rural output</i>
	Expand access to quality agricultural equipment and inputs	
	Expand access to quality support services for farmers and stockbreeders	
	Expand access to credit and tailored financial services	
	Diversify agricultural production	
	Improve the functioning of distribution circuits and markets for major products	
Develop emerging industries		
Protect crops		
<b>III. Develop human capital</b>	<i>3.1. Establish an effective healthcare system</i>	Ensure adequate access to quality health services throughout the country
		Improve health indicators

		Improve the use of resources allocated to the health sector
		Combat HIV/AIDS
		Fight malaria
		Combat malnutrition
	<b>3.2. Ensure appropriate development of the education sector</b>	Ensure more equitable access to education and higher attendance rates at elementary schools
		Improve the effectiveness and quality of the education system
		Build capacity for planning, management and steering the development of the education system
	<b>3.3. Promote the labor market</b>	Match the qualifications of graduates to the needs of the labor market through specific initiatives
		Increase the enrollment capacity of the technical and vocational training institution (ETFP), which will offer more relevant courses and have better trained and equipped teachers
		Increase the basic knowledge of 15,000 youth aged 8-14 through nonformal basic education (EBNF)
		Teach at least 50,000 persons aged 15-50, of whom 60 percent are women, to read and write
		Test bilingual curricula in CP classes
<b>IV. Improve living conditions of vulnerable groups</b>	<b>4.1. Integrated urban development</b>	Prepare and implement land management and urban development plans
		Develop urban infrastructure and services
		Guarantee access to drinking water
	<b>4.2. Support for microenterprises, SMEs, and employment</b>	Support the management and emergence of professional service providers
		Resume ATETIP activities
		Rehabilitate technical training and apprenticeship centers
		Create an economic and technological documentation and information center
	<b>4.3. Social protection</b>	Disseminate educational programs to promote a culture of entrepreneurship
		Improve consensus-building around and coordination of actions in support of MFIs
		Lead IEC campaigns on key risk-prevention measures
		Revise family law and land law
		Adapt the social security and pension systems
		Support existing informal crisis-response systems
		Guarantee government assistance in case of major disasters
<b>V. Restore and safeguard ecosystems</b>	<b>5.1. Strengthening the regulatory framework and capacity for managing natural resources</b>	Combat desertification
		Pass laws transferring certain choices for natural resource management to users
		Establish local natural resource management committees
		Build the capacity of institutions in charge of natural resource management
		Introduce an environmental information system
		Draft a national program to mobilize the population in support of the environment
	<b>5.2. Improved domestic energy management</b>	Promote sustainable firewood production in rural areas around the major towns
		Develop forest resources as a source of revenue for rural communities
		Increase the involvement of rural populations in natural resource management
		Ensure that the tax system applicable to wood and wood byproducts has a regulatory role
		Promote the use of furnaces and other high-performance instruments for producing household energy

The quantitative targets for 2006 are listed in the table below.

### Quantitative Targets for 2006

Indicators	Reference Year	Initial Data	Targets for 2006
<b>1-Poverty and human development indicators</b>			
IDH	2000	0.365	0.600
Food poverty threshold (CFAF per capita per day)	1995	194	500 (US\$1)
Overall poverty threshold (CFAF per capita per day)	1997	253	1,000
Incidence of food poverty	1997	44.2%	38%
Incidence of overall poverty	1997	54.0%	40%
Depth of overall poverty	1997	27.5	25
Consumption per adult equivalent (CFAF per capita per day)	1995	1,720	2,160
Proportion of population not reaching minimum caloric intake	1995	44.2%	30%
<b>2-Economic and political governance</b>			
Capital expenditure/total expenditure	2001	50%	53%
Public investment rate (except Doba oilfield project)	2001	9.4%	7.1%
Rate of growth of capital expenditure financed with own revenues	2001	6.5%	17.5%
Change in external arrears (in billions of CFAF)	2001	-2.4	0.0
Share of education expenditure in current budget	2001	13.1%	20%
Share of health expenditure in current budget	2001	14.8%	20%
Share of military budget in total government budget	2001	8.7%	6.6%
Number of political parties represented in Parliament	2002	15	15
Land area polluted by mines and unexploded ordnance, in sq. km	2002	1,081	1,000
<b>3-Economic growth</b>			
GDP at constant 1995 prices (in billions of CFAF), broken down by sector	2001	907.4	1,870
Rate of growth	2001	8.5%	4.4%
Current per capita GDP in CFAF	2001	153,037	352,464
Per capita growth rate	2001	0.12%	0.05%
Grain production (in thousands of metric tons)	2002	1,123	1,600
Heads of livestock (in thousands of Tropical Livestock Units)	2003	7,500	8,500
Fish production (in thousands of metric tons)	2002	144	160
Gum arabic production (in metric tons)	2002	18,000	20,000
Rate of mechanization of farms	2000	24%	26%
<b>4- Education, training, and literacy</b>			
Gross enrollment ratio, primary (boys)	1998/1999	80%	90%
Gross enrollment ratio, primary (girls)	1998/1999	50%	60%
Net enrollment ratio, primary (boys)	1999/2000	56.6%	65%
Net enrollment ratio, primary (girls)	1999/2000	42%	50%
Net enrollment ratio, secondary (boys)	1998	29%	35%
Net enrollment ratio, secondary (girls)	1998	3%	5%
Literacy ratio of women age 15 to 24	2001	31%	40%
Literacy ratio of men age 15 to 24	2000	59.4%	70%
Adult literacy ratio	1999/2000	25.5%	35%
Student/teacher ratio, primary	2001	74	65
Student/teacher ratio, secondary	2001	85	40
<b>5- Health sector, fight against HIV/AIDS, and nutrition</b>			
Maternal mortality ratio per 100,000 live births	2000	827	700
Infant/child mortality ratio per 1,000 live births	2000	222	150

Indicators	Reference Year	Initial Data	Targets for 2006
Vaccination rate of children under age 1	2000	15.2%	23%
HIV/AIDS prevalence ratio	2001	5%-12%	3%-10%
Number of children orphaned by AIDS	2002	55,000	44,000
Malaria prevalence ratio	2001	20.7%	15%
Tuberculosis prevalence ratio	2000	0.02%	0.01%
Ratio of inhabitants per physician	2000	36,000	34,186
Ratio of inhabitants per State-certified nurse	2000	28,502	15,517
Ratio of women of childbearing age per qualified midwife (SFDE)	2000	13,692	13,000
Rate of deliveries assisted by medical personnel	1997	11.2%	20%
Percentage of children under 5 suffering from malnutrition	1999	40%	30%
Proportion of children under 5 who are underweight	2000	27.6%	20%
<b>6- Social affairs and protection of vulnerable groups</b>			
Proportion of women in government	2002	7.14%	20%
Proportion of seats in the National Assembly held by women	2002/2006	6.45%	6.45%
Number of disabled persons with training in trades	2002	36	100
Number of fitting and readaptation centers created	2002	7	15
Number of education centers for street children	1999	7	15
Proportion of disabled persons	1995	7.3%	
<b>7- Housing and urban planning</b>			
Proportion of households living in modern housing	1998	10%	15%
Proportion of households with latrines	1998	7%	20%
Proportion of households with access to safe drinking water	2000	23%	44%
Proportion of population with access to an improved sanitation system	2000	1.4%	3%
<b>8- Basic economic infrastructures</b>			
Length of paved national roads	2002	557 km	900 km
Length of rehabilitated national dirt roads	2002	2,990 km	3,000 km
Major bridges reconstructed and rehabilitated	2002	18	28
Length of regional and local dirt roads (rural roads) rehabilitated	2002	2,750 km	3,460 km
Length of national roads that can be maintained under the FER budget	2002	3,550 km	3,900 km
Length of regional and local dirt roads (rural roads) maintained	2002	170 km	900 km
Proportion of households with access to electricity	1993	1.1%	20%
Proportion of households with a telephone	97	3%	30%
Proportion of households with a radio	96	29%	50%
Proportion of households with an automobile	96	1%	20%
Share of microfinance in credit to the economy	2001	1.5%	6%
Proportion of long-term loans	2001	2.2%	25%
Proportion of short-term loans	2001	72.5%	50%
<b>9- External debt</b>			
Outstanding external debt/GDP	2001	53.9%	40%
Debt service/Exports			
Debt service/GDP			
Change in domestic arrears (in billions of CFAF)	2001	10.9	-4.5
Change in external arrears (in billions of CFAF)	2001	-0.9	0.0
<b>10- Demographics</b>			
Population growth rate	93	2.5%	2.5%
Total fertility rate	97	6.6%	5.6%
Proportion of youths under age 15	97	50.3%	48%

## II. INSTITUTIONAL MECHANISM AND MONITORING TOOLS

### 2.1 Status of Implementation of NPRS Monitoring and Assessment Mechanisms

The mechanisms for monitoring and assessing the NPRS were established in Decree 056/PM/2005 of February 4, 2005, and finalized by Order 023/MPDC/SG/2005 of July 19, 2005. These mechanisms are built around the following three units:

- The High Committee for NPRS Supervision;
- The Poverty Observatory; and
- Local and sectoral entities, which act as the technical interface.

The High Committee for NPRS Supervision is the political entity responsible for supervising the implementation of the strategy. Chaired by the Prime Minister, its membership comprises 21 ministers and the Secretary General of the Office of the President. The government's economic partners may be invited to take part in meetings. The High Committee is responsible for defining the major guidelines of the strategy, supervising its implementation, and taking the necessary measures to ensure the proper functioning of the units involved to achieve NPRS objectives. It also reviews and adopts the reports and documents prepared by the NPRS Steering Committee. The government makes decisions based on the results of the High Committee's work, and the institutions and personnel involved then execute those decisions. The administrative aspects of the High Committee are handled by the Economic Unit Coordinator, who prepares the meetings, drafts minutes, and submits them to the entities concerned.

In technical and administrative terms, the Poverty Observatory is responsible for the monitoring mechanism, which comprises a Steering Committee, a Technical Secretariat, and a Communications Unit.

The Steering Committee is the central entity of the Poverty Observatory. Its primary functions are to:

- Disseminate the NPRS, the Millennium Development Goals (MDGs), and the principles of Sustainable Human Development (SHD), and promote the ownership of these various objectives by all partners involved and by the population as a whole;
- Validate the sectoral strategies and programs required to implement the NPRS, the MDGs, and SHD;
- Adopt the schedule proposed for monitoring and assessing the NPRS, the MDGs, and SHD;
- Ensure that poverty reduction projects and programs are consistent at the sectoral and intersectoral levels, as well as regionally and locally;
- Assess the impact of NPRS implementation on the beneficiaries;
- Prepare and implement a communications plan for the NPRS, the MDGs, and SHD;
- Guide and monitor the activities of the Poverty Observatory's Technical Secretariat and provide the necessary support so that it can carry out its work;
- Adopt the budget required to set up and ensure the operation of mechanisms for coordinating the implementation, monitoring, and assessment of the NPRS, the MDGs, and SHD; and
- Propose periodic reviews of the NPRS.

The Steering Committee has 49 members who represent the public sector (26), civil society organizations and NGOs (16), the private sector (3), the National Assembly (3), and the Oil Revenue Control and Supervision Board (*Collège de contrôle et de surveillance des revenus pétroliers* – CCSRP) (1).

The public-sector representatives are mainly the general secretaries of the stakeholder ministries. Other public entities, such as the Office of the President of the Republic, the Office of the Prime Minister, the university, the City Hall of N'Djamena, and the Bank of Central African States (BEAC) are also represented in the Steering Committee, which is chaired by the Secretary-General of the Ministry of Planning. The Committee is subdivided into the following five subcommittees, which are responsible for monitoring the priority actions programmed under the five main pillars of the NPRS:

- (i) Promoting good governance;
- (ii) Ensuring strong, sustainable development;
- (iii) Developing human capital;
- (iv) Improving the living conditions of vulnerable groups; and
- (v) Restoring and protecting ecosystems.

Each subcommittee monitors the priority actions associated with a given strategic pillar. The subcommittees are made up of individuals selected on the basis of their expertise and area of specialization. If necessary, subcommittee members can take part in the work of another subcommittee. The work of the monitoring subcommittees is supported by the Technical Secretariat of the Poverty Observatory.

The Technical Secretariat of the Poverty Observatory is a small unit attached to the General Secretariat of the Ministry of Finance, Planning, and Cooperation. Comprised of both national and international experts, it is responsible for supporting the Steering Committee's activities of monitoring and assessing the strategy. Its main duties are to:

- Prepare the meetings of the monitoring subcommittees and the NPRS Steering Committee;
- Draft monitoring reports on the NPRS, the MDGs, and SHD; and
- Help to build the capacity of the units in the sectoral and local entities acting as a technical interface.

The Technical Secretariat works with the Directorate of Development Planning, which serves as the Steering Committee Secretariat.

The Communications Unit is responsible for disseminating the NPRS, the MDGs, and SHD. It designs public outreach activities on NPRS objectives and carries out such activities with the support of the public and private media. The Communications Unit operates under the authority of the Secretary-General of the Ministry of Communications and has a staff of four, two each representing the public media and the private media. The unit prepares and implements a communications strategy for the NPRS, and is supported by the Technical Secretariat of the Poverty Observatory.

The sectoral and local entities that act as a technical interface are units responsible for providing the Steering Committee with appropriate data on NPRS implementation by the various ministries

and administrative units concerned. These are mainly the National Statistics and Economic and Demographic Research Institute (*Institut National de Statistique, des Etudes Economiques et Démographiques* - INSEED), the General Directorate of the Budget, the General Directorate of the Treasury, the Directorates of Research and Planning of ministries in the priority sectors, as well as the regional offices of the ministries involved.

These entities are responsible for providing data on poverty trends and the impact of projects on beneficiaries in a given area; coordinating public expenditure reviews in all the priority sectors; and helping to prepare, implement, and monitor program budgets in the ministries concerned.

The authorities in the sectoral entities acting as a technical interface attend the meetings of the Steering Committee and the NPRS monitoring subcommittees.

In the administrative regions, regional committees were set up in October 2003, even before the organic laws now in force had been approved. Their structure and function should therefore be adapted based on the new laws to ensure that social and economic activities focusing on poverty reduction are monitored locally.

In addition, the regional committees are responsible for: (i) increasing public awareness of NPRS objectives; (ii) accurately analyzing the areas concerned; and (iii) producing reports on the implementation status of poverty reduction initiatives. Chaired by the governors of the regions, these Committees are composed of representatives of public services (3), civil society associations (2), NGOs (2), decentralized local governments (2), and the private sector (1).

The different NPRS monitoring units have been established gradually since June 2005, thanks to the technical and financial support of the UNDP through the project to support the monitoring/assessment of the NPRS, the MDGs, and SHD.

The NPRS Steering Committee has met five times since June 2005. This report was prepared with the participation of the NPRS monitoring subcommittees.

## **2.2 Information System for Monitoring the NPRS**

The quality of the NPRS monitoring report depends on the availability of recent, accurate, and relevant statistics (choice of appropriate indicators), and on the quality of the analysis conducted on the results of sectoral policies and strategies and their links to the NPRS.

### **2.2.1. Choice of NPRS indicators**

A national workshop was held in December 2003, during which all members of the NPRS Steering Committee, the INSEED, and the statistical units of the sectoral ministries initially selected 206 indicators. The number of indicators selected was subsequently considered to be unrealistic for the following reasons:

- Chad has limited statistical resources; and
- Many indicators require data sources and compilation methods that have not yet been identified.

In August 2005, another national workshop was held to review the list, which contained 109 indicators (91 quantitative and 18 qualitative) divided into three categories:

- The first category comprises ten indicators that measure structural phenomena, such as monetary poverty and mortality; these trends are normally observed through ECOSIT, EDST, or EIMT surveys, conducted every five years;
- The second category contains a core of 53 indicators for tracking NPRS and MDG execution (25 performance indicators and 28 results indicators), which are used to perform an annual assessment of NPRS implementation status. In principle, these indicators are observable. Furthermore, researchers were able to reconstruct the benchmark conditions and recent trends for these indicators and use them to estimate the current values; and
- The third category is a supplementary list of 28 indicators for monitoring the NPRS and the MDGs (9 performance indicators and 19 results indicators). These indicators can no longer be systematically monitored; consequently, they should be further defined and observation and calculation methods for producing reliable indicators for the implementation of NPRS objectives and corresponding sectoral strategies should be identified.

### 2.2.2. Observability of changes in indicators

The groundwork has been laid for the 53 indicators in the second category, which are the core NPRS and MDG tracking indicators. This task was completed thanks to recent surveys and the use of appropriate administrative sources.

#### (a) The surveys

- Agricultural statistics are calculated using the permanent agricultural survey (*Enquête Permanente Agricole* - EPA). This survey provides data on production factors, cultivated land, crop yields, and production. Data on cotton, tobacco, sugarcane and gum arabic, the main cash crops, are collected using specific mechanisms.<sup>5</sup> Despite external financing being ended in 1999, the EPA has continued without interruptions (it is financed from the national budget); provisional results are available in October of the year in progress and are used to calculate the cereals balance sheet for the crop year. The statistical yearbook, published in March of the following year, provides the final results for the crop year.
- The Demographic and Health Survey in Chad (*Enquête Démographique et de Santé au Tchad* - EDST) was conducted in 2004 and published in 2005 by INSEED. Data are collected on household characteristics, particularly the status of women (fertility, family planning, marriage rate, pregnancy risk exposure, mother and child health, mother/child nutrition status, infant mortality, and maternal mortality); and on STDs, HIV/AIDS, and the availability of community services.

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<sup>5</sup> Under the responsibility of the National Office for Rural Development, the Cigarette Manufacturing Company (*Société Manufacturière de Cigarettes*), the Chadian Sugar Company (*Société Sucrière du Tchad*), and the Customs Service.

(b) Administrative sources of data

The sectoral ministries and other units provide the following data:

- Stock farming statistics: problems with tracebacks are the reason why data publication has been delayed and why the 2004 Statistical Report has not yet been published. Data on livestock are approximate and the variables for which data are available are limited. A livestock survey project is scheduled for 2007/2008, however. The preparatory phase will be launched in 2006 with FAO financing.
- Education statistics: these data are compiled, processed, and published by the Ministry of National Education, based on an annual school census<sup>6</sup> (conducted in February/March) of basic, secondary, and post-secondary education. The most recent data available, however, are for 2003/2004.
- Health statistics: the publication of this statistical yearbook is behind schedule (the most recent yearbook is the 2003 edition). Nevertheless, data for the 1996-2003 period are available.

Improving the formulation of poverty reduction policies and programs and the monitoring of NPRS implementation means also improving the conditions under which statistical data are generated (quantitative and qualitative data). To that end, plans have been made to perform a detailed study of the national statistics system—focusing on meeting user needs—and of the capacities of sectoral statistics producers and INSEED.

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<sup>6</sup> The school census is used as the basis for processing education statistics, but it should be noted that units prepare administrative reports for the beginning and end of the academic year that may be used to support (or monitor) statistical data.

### III. NPRS IMPLEMENTATION – TOWARD GOOD GOVERNANCE

In 2001-2002, the National Secretariat for Capacity Building (*Secrétariat National pour le Renforcement des Capacités - SENAREC*) prepared a National Good Governance Strategy (*Stratégie Nationale de Bonne Gouvernance - SNBG*), which was adopted by the High Interministerial Committee in August 2002. Several of the SNBG objectives that give top priority to governance and security were included in the NPRS, in accordance with the wishes of the population consulted during the NPRS preparatory phase.

#### 3.1. The SNBG Program of Action

The main goal of this strategy is to improve the administration of public affairs based on the following five pillars:

1. Administrative reform to improve the performance and increase the transparency of public sector management. This involves: (i) systematically assessing public institutions to redefine the State's role and mission; (ii) reforming the justice system to increase its independence and enhance its integrity; (iii) building the capacities of the Audit Office, the final auditor of government finances; and (iv) supporting deconcentration and decentralization by building human and institutional capacities and through communications.
2. Fiscal consolidation, in particular: (i) controlling expenditure and revenue management; (ii) reforming public procurement by streamlining procedures, preparing a simplified guide for purchasers (government units) and bidders (providers), and publishing an information bulletin containing procurement procedures and the result of invitations to bid.
3. Reforming high-priority sectors so that they can play a more effective role in the country's economic and social development and, in particular, in combating poverty.
4. Strengthening the partnership between the public sector, the private sector, civil society organizations, and citizens through the following measures: (i) implementing a communications plan for public affairs management with the support of public and private media; (ii) strengthening national dialogue between public and private actors; (iii) implementing a capacity-building program for human rights organizations; and (iv) creating a national mediation office (*la Médiature*) to settle disputes between communities or between the State and groups of individuals.
5. Improving security for people and property, by: (i) effectively controlling the program for the demobilization of military personnel and their reintegration into civilian life; (ii) systematically disarming civilians who possess weapons of war; (iii) cleaning up (demining) mined areas; and (iv) reinforcing public security forces and establishing a partnership between the police and the population.

A joint committee comprising representatives of the public sector, the private sector, and civil society, set up in 2003, is responsible for implementing this strategy.

### 3.2. The SNBG and the SNRP

In accordance with the wishes of the government and the Chadian people, the NPRS places high priority on good governance and has incorporated many of the main objectives outlined in the SNBG:

- (a) improve the effectiveness and efficiency of general government through the following measures: (i) pursuing civil service reforms; (ii) building the capacities of actors in the public sector, the private sector, and civil society; and (ii) fighting corruption; and
- (b) improve the legal environment by: (i) reforming the justice system so that it gains credibility in the eyes of the people; (ii) restoring the security of people and property; and (iii) reforming the National Army into a professional army focused on development work.

### 3.3. NPRS Implementation in the Area of Governance

#### General government reform:

- (a) An organizational and institutional audit has been performed in nine pilot ministries (national education, public health, social action and families, postsecondary education, agriculture, stock farming, justice, planning, and finance). The government has adopted an action plan to implement the recommendations and begun the process of recruiting a firm that will be responsible for auditing the other ministries.
- (b) Work has begun on revising all government personnel regulations. Thus far, some common rules have been established but pay scales have yet to be determined. This issue will be addressed in a document that will also determine the types of compensation that should be granted to some categories of civil servants and other government personnel, in light of the special constraints to which they are subject.

Government finance management: the following measures were taken to place overall government finances on a sound footing, increase tax and non-tax revenue, reduce deficits, and restructure spending to benefit the priority sectors:

- (a) The ratio of tax and non-tax revenues rose from 7.4 percent of GDP in 2001 to 8 percent in 2002, 8.7 percent in 2003, and 10.5 percent in 2004. This figure should reach 12.4 percent in 2005. This growth is attributable mainly to increased oil revenues (3.4 percent of GDP in 2004 and 5.4 percent in 2005). Other tax revenues also recorded a significant increase over the past five years (from CFAF 79 billion in 2001 to CFAF 119 billion in 2004 and CFAF 143 billion in 2005), despite the fact that their share of GDP has been stable at around 6 percent since 2001;
- (b) The government has been able to stabilize current and total expenditures since 2002-2003. In fact, current expenditures fell from 10 percent of GDP in 2002 to around 7 percent in 2004-2005. Total expenditures also dropped, from 24 percent of GDP in 2003 to 18-19 percent in 2004-2005;
- (c) The opposing trends in revenues and expenditures have enabled the government to put its fiscal house in order. The primary budget deficit of 1-2 percent of GDP in 2001-2002 became a surplus of 1-2 percent in 2004-2005. The overall deficit (commitment basis,

excluding grants) shrank from 10-13 percent of GDP in 2001-2003 to around 7-8 percent in 2004-2005. Recent cash flow problems are due to errors in revenue forecasting and in the management of some expenditures, as well as to the collapse of budget assistance (grants and loans), which totaled CFAF 51 billion in 2002 (around 4 percent of GDP), but barely exceeded CFAF 1 billion in 2004 (0.1 percent of GDP); and

- (d) Government expenditure was fundamentally restructured. As shown in the table on trends in government finance attached to this report (Annex 1), the relative share of the nine priority economic and social sectors (education, health, social action, public works, agriculture, stock farming, water/environment, and land management) increased from 32 percent of total expenditures (executed) to 66 percent in 2004. Equally, 66 percent of the 2005 budget allocations are earmarked for the priority sectors.

Fiscal consolidation was accompanied by institutional and structural reforms aimed at improving the monitoring and transparency of financial management and combating corruption:

- (a) A simplified and automated expenditure system is now operational, as is the Integrated Expenditure Circuit (CID) and the wiring and linkups between the Treasury, the Payroll Office, and the Information Technology Unit. This reform of public expenditure management and monitoring will be pursued. A fiscal modernization plan (PAMFIP) was prepared with the support of the World Bank;
- (b) The concept of program budgets was introduced. All of the priority ministries adopted this system, which seeks to promote detailed strategic discussions on the relative priority of the ministries' main activities and spending programs;
- (c) Specialized studies were launched to assess expenditure efficiency and verify that programmed funds did in fact reach their intended recipients and had the expected impact on the quality of public services. A report on the implementation of the Comprehensive Expenditure Tracking System was prepared for the health sector, in the context of the Institutional Reform Support Credit (IRSC). The survey of health services users has been completed and the report was adopted;
- (d) A new public procurement code was adopted and the enabling decrees were published. Bid assessment committees were set up in the priority sectors and in the other ministries as well. Eight quarterly bulletins were published informing the public of prospective invitations to bid and the results of adjudicated competitions; and
- (e) With the support of an international auditing firm, the Audit Office of the Supreme Court audited the government contracts awarded in 2001 and 2002, and these reports were subsequently published. An audit report on the expenditures made in 2003 using poverty reduction funds (HIPC Initiative) was finalized in 2004.

Regarding the fight against corruption, the Ministry for General Oversight of the Government and Ethics launched a series of activities to instill ethics, improve discipline, and create a new climate of transparency and integrity in all areas of governance:

- Design of ads to raise public awareness, activities to promote ethical conduct, and a study on the fight against corruption (broadcast on Chadian national radio (RNT) and television);
- A national survey on the perception of corruption is underway throughout the country;

- Numerous meetings with officials responsible for different ministerial departments to encourage them to adhere to the strategy to fight corruption and to respect ethics and the rules of professional conduct;
  - Preparation of a draft law on illicit enrichment (underway); and
- (f) Finally, the Oil Revenue Control and Supervision Board produced a report on the management of these revenues in 2004 by the relevant units in the priority sectors.

Improving the legal environment:

- (a) Following the 2003 Justice Forum, progress was made in 2004 and 2005 with the implementation of justice action plan and the recommendations made during that meeting, in particular:
- A decree was issued in 2004 appointing the chair and members of the committee responsible for monitoring the recommendations arising from the Justice Forum;
  - The Justice Reform program was approved by decree in 2005;
  - The post of *Justice de paix* was created in some departments, sub-prefectures, and arrondissements of N'Djamena;
  - A draft law was prepared in which some provisions of the Criminal Code benefiting children are amended and supplemented; and
  - Five trainers, two of whom are judges and three prison administrators, received training.
- (b) The most significant step is the creation of commercial courts in all the regional capitals other than N'Djamena. The purpose of this initiative is to facilitate the settlement of trade disputes and ensure that the private sector believes the legal and professional criteria underlying judicial decisions to be credible.
- (c) In this spirit, the government appointed the judges and clerks for the N'Djamena commercial court during the first quarter of 2005. Appointments to courts in Bongor, Abéché, Moundou, and Sarh were made in August 2005.
- (d) In addition, the 2004 expenditure review of the justice system identified a number of problems with absorption capacity, which affected how the resources allocated to the Ministry of Justice were used.
- (e) Plans are also being made to:
- Build two Courts of Appeal in two major towns (Moundou et Abéché);
  - Train judges and clerks; and
  - Build the capacity of judicial personnel.

Security of people and property:

- (a) A draft law on migratory herds and nomadism was prepared jointly by the public mediation office and the Ministry of Territorial Administration to replace Law 4 of 1959, which had become obsolete. If adopted, this law will serve as a code of conduct for settling farmer-herder disputes, which have multiplied in recent years. The

implementation of the new law should help to reestablish social peace in the affected rural areas by better organizing the movement of livestock.

- (b) A Ministry of Public Security and Immigration was created. The program to collect weapons of war from civilians is now underway. The new minister has decided to suspend all purchases and sales of handguns.
- (c) Some mine clearance activities were carried out in the northern region of the country, but financial constraints delayed the implementation of the National Strategic Plan Against Mines and Unexploded Shells.
- (d) The Armed Forces Forum held in April 2005 marks a significant step toward achieving one of the core objectives of the NPRS and the SNBG. The recommendations adopted during the meetings should encourage the government to promote the reforms necessary to professionalize the military, make it more dynamic, and restore its credibility in the eyes of the people. In particular, this effort would involve: (i) reorganizing the different branches of the military and improving the organization of troops, whose number should not exceed 30,000 by 2007; and (ii) improving the rate of promotions and wage increases, and setting the amount of compensation payable to demobilized troops. A committee was set up to track the implementation of these recommendations.

#### **3.4. Assessment of Measures Taken and Governance Reforms Implemented**

Governance reform is a long-term task that should be pursued vigorously by the Chadian authorities, with the support of civil society and the effective participation of all national institutions and the population as a whole. In most of the other sectors, the foundations of reform have been laid and the main guidelines discussed and approved. What remains now is to better define the concrete measures that should be taken and begin their implementation.

Administrative reform is a good example of this type of situation. Institutional audits should now be conducted in all the other ministries, and the conclusions and recommendations of completed audits should be implemented. Civil service recruitment methods and incentive systems (salaries and promotions based on merit and performance) should be modernized, as should measures to promote government ethics. The adoption of codes of ethics, the reinforcement of controls, and the sanctioning of infractions are the most important conditions for making progress toward good governance.

#### IV. IMPLEMENTATION OF THE NPRS – TOWARD SUSTAINED GROWTH

The NPRS was prepared in 2001-2003, at the same time as investments were being made to develop the Doba oilfields. The first two years of strategy implementation coincided with the beginning of crude oil development in Chad. Oil production rose from 12.2 million barrels per day in 2003 to 63 million barrels in 2004, and will likely reach 80.7 million barrels in 2005. Nevertheless, Chad benefited little from the surge in international crude prices that began in 2004. In fact, a drop in quality stabilized the price of Chadian oil at around CFAF 15,000-17,000 per barrel.

The investment period and the beginnings of development had a considerable impact on GDP growth rates and the structure of Chad's economy. The main challenge now is to diversify the economy and make all of its sectors more dynamic by implementing structural measures to avoid the polarization of the national economy. In this context, the NPRS places special significance on strategies to ensure strong and sustainable growth that helps to reduce poverty, in particular by: (i) developing infrastructure to support production (roads, communications, energy, and water resources management); and (ii) ensuring the sustainable growth of agricultural production and other productive activities in rural areas.

##### 4.1. Supporting Robust Growth by Developing Oil Resources

While GDP recorded slightly negative growth in 2000, it has since continued to accelerate, from 10.6 percent in 2001 to 7.3 percent in 2002, 15.1 percent in 2003, and finally to 33.4 percent in 2004. The end of the investment period and what will likely be the temporary stabilization of oil production will lead to a slowdown in growth. Nevertheless, the GDP growth rate should remain at around 13 percent in 2005.

##### GDP Growth (in percent)

Year	GDP	GDP per Capita	Non-Oil GDP	Non-Oil GDP per Capita
2001	10.6	8.2	10.6	8.2
2002	7.3	5.9	7.3	5.9
2003	15.1	12.7	6.0	3.6
2004	33.4	33.7	3.6	1.2
2005	13.0	10.6	5.9	3.5

Source: INSEED

The table above shows the growth rate of total GDP and non-oil GDP, as well as the growth rate per capita for each type of GDP measurement over the past five years. It clearly shows the strong growth in GDP per capita, attributable mainly to oil production. With the exception of 2004, however, non-oil GDP growth (overall and per capita) was satisfactory, recording figures well above the average for the past decade. It could be said, then, that oil production had some positive, indirect effects on most of the other sectors of the economy.

## 4.2 Transforming the Structure of the Economy

Oil development has fundamentally shifted the country's production and trade. Once dominated by agricultural-pastoral activities and services, Chad's economy now depends largely on oil production. In 2004, the oil GDP already accounted for one-third of total GDP and 80 percent of export proceeds. The two tables below show the annual growth rates for different sectors of the economy and the change in the sectoral distribution of GDP since 2001.

### Annual Growth Rates of Different Sectors in Chad's Economy

(In percent)

	2001	2002	2003	2004	2005 (Revised Projections)
<b>Primary sector</b>	<b>10.2%</b>	<b>-0.9%</b>	<b>4.6%</b>	<b>-3.3%</b>	<b>6.6%</b>
-Food crops	18.7%	-5.0%	14.3%	-19.3%	10.5%
-Industrial crops	10.2%	3.2%	-39.9%	95.9%	7.9%
-Livestock	2.7%	2.0%	2.7%	3.5%	2.8%
-Forestry, fishing, and hunting	5.6%	3.9%	5.8%	-0.8%	6.2%
<b>Secondary sector (non-oil)</b>	<b>14.2%</b>	<b>21.0%</b>	<b>60.1%</b>	<b>1.2%</b>	<b>15.7%</b>
-Cotton-fiber	-21.9%	15.9%	1.1%	-28.3%	53.0%
-Other industries	4.1%	11.8%	2.3%	9.2%	6.4%
-Handicrafts	3.8%	8.1%	0.0%	8.0%	2.7%
-Public works and civil engineering (BTP)	11.6%	15.3%	16.8%	12.8%	27.6%
-Water and electricity	10.5%	15.9%	-14.0%	-1.2%	17.8%
<b>Oil sector</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299.5%</b>	<b>22.5%</b>
<b>Tertiary sector</b>	<b>9.9%</b>	<b>8.6%</b>	<b>8.4%</b>	<b>9.5%</b>	<b>7.7%</b>
-Transport and telecommunications	12.8%	8.1%	5.7%	11.4%	11.4%
-Trade	10.5%	11.3%	6.3%	5.7%	-2.3%
-General government	7.6%	6.9%	13.5%	17.0%	23.6%
-Other	10.2%	4.9%	8.3%	8.4%	8.2%

### Distribution of GDP by Sector, 2001-2005

(As a percentage of total GDP)

	2001	2002	2003	2004	2005 (Revised Projections)
<b>Primary sector</b>	<b>40.5%</b>	<b>37.9%</b>	<b>33.6%</b>	<b>25.2%</b>	<b>23.2%</b>
-Food crops	17.6%	15.5%	13.1%	9.4%	9.5%
-Industrial crops	2.2%	2.0%	1.3%	1.4%	1.3%
-Livestock	17.9%	16.9%	15.7%	12.0%	10.4%
-Forestry, fishing, and hunting	2.9%	3.5%	3.6%	2.4%	2.1%
<b>Secondary sector (non-oil)</b>	<b>11.2%</b>	<b>11.2%</b>	<b>10.1%</b>	<b>7.0%</b>	<b>6.8%</b>
-Cotton-fiber	1.3%	1.2%	1.0%	0.4%	0.5%
-Other industries	1.8%	1.5%	1.6%	1.2%	1.1%
-Handicrafts	6.1%	6.4%	5.4%	3.8%	3.5%
-Public works and civil engineering BTP	1.5%	1.5%	1.6%	1.3%	1.4%
-Water and electricity	0.5%	0.6%	0.5%	0.3%	0.3%
<b>Oil sector</b>	<b>1.9%</b>	<b>3.3%</b>	<b>10.8%</b>	<b>32.8%</b>	<b>38.7%</b>
<b>Tertiary sector</b>	<b>42.6%</b>	<b>43.7%</b>	<b>42.0%</b>	<b>32.2%</b>	<b>28.8%</b>
-Transport and telecommunications	2.7%	2.6%	2.6%	2.0%	1.8%
-Trade	20.0%	21.4%	19.9%	14.8%	13.3%
-General government	11.2%	11.0%	11.4%	9.2%	8.2%
-Other	8.8%	8.6%	8.1%	6.7%	5.5%

Weather changes continue to be the main factor affecting the growth or stagnation of the non-oil economy and particularly the primary sector (agriculture, livestock, forestry, fishing, and hunting). After a good harvest and a 4.6 percent growth rate in 2003, the primary sector was

seriously affected in 2004 by scant and irregular rainfall, an invasion of migrant locusts that devastated food crops, soil impoverishment, the appearance of striga, desert encroachment, and insufficient pastureland (negative growth of minus 19.3 percent). The good performance of industrial crops (cotton and gum arabic) only partially compensated for declining food production, and the primary sector recorded negative growth (minus 3.3 percent) in 2004. Increased rainfall has led to expectations of a strong upsurge in the production of subsistence crops and satisfactory growth in the primary sector in 2005. Nevertheless, the share of the primary sector in Chad's GDP fell from more than 40 percent in 2000-2001 to 23-25 percent in 2004-2005.

This development is significant, as the majority of the poor population works in the primary sector. Without strong and sustainable growth in agricultural production and stock farming, poverty reduction will be extremely difficult to achieve over the next few years. It is in this context that efforts are being made to develop basic infrastructure and improve rural sector performance.

#### **4.3. Favorable Development of Foreign Exchange**

The development of the main foreign trade aggregates is characterized primarily by a strong increase in the trade deficit (CFAF 978 billion in 2002) and the balance of services (CFAF 420 billion in 2002), caused by the jump in goods and services imports during the oil investment period. The beginning of the production period resulted in a net trade surplus (CFAF 763 billion in 2004 and CFAF 1,272 billion in 2005). Oil development also led to an overall decrease in the income balance (remuneration of expatriate employees and particularly the remuneration of private investment), but the current account deficit (CFAF 422 billion in 2001 and CFAF 1,391 billion in 2002) has shrunk significantly since that time (CFAF 156 billion in 2004 to just CFAF 55 billion in 2005).

#### **4.4. Basic Infrastructure Development**

Infrastructure development can clearly help to improve the living conditions of the most disadvantaged segments of the population by facilitating the servicing of landlocked areas and by improving access to safe drinking water, new sources of renewable energy, and finally, adequate communication tools. Significant efforts have been made in this area and the proportion of total public spending (actual disbursements) on public works has increased from 4.9 percent in 2001-2002 to more than 23 percent in 2003-2004.

##### **4.4.1. The transport sector**

Chad's landlocked geographical position poses one of the greatest obstacles to its economic development, and the isolation of many remote regions is one of the principal factors contributing to Chadian poverty. The nearest seaport, Douala, is 1,700 kilometers from N'Djamena. Other foreign seaports that Chad uses are Lagos (1,900 kilometers from N'Djamena), Cotonou (2,000 kilometers away), Lomé (2,100 kilometers away), Pointe Noire (2,700 kilometers away), and Port Sudan (3,350 kilometers away). Chad's landlocked position also creates the additional problem of exorbitant transport costs.

The government prepared a National Transport Program (PNT) for the period 2000 to 2009, the primary objective of which is to contribute to economic growth and poverty reduction by:

- opening up domestic and external access;
- reducing transport costs for both domestic transport and foreign trade;
- ensuring a minimum standard of access to all regions of the country, even during the rainy season;
- maintaining an adequate highway network connecting the country's principal cities, suitable for use year-round;
- liberalizing the transport sector and modernizing transport administration; and
- developing rural infrastructure.

(a) Opening up domestic and external access:

The PNT assigns priority to three key corridors in the national highway system, and significant progress has been made in these areas:

- in the Sudan corridor (N'Djamena-Abéché-Sudanese border: 1,063 kilometers in total), 74 kilometers have now been surfaced, and 226 kilometers are being paved;
- in the Cameroon corridor (N'Djamena-Moundou-Cameroonian border: 586 kilometers in total), 80 percent of the road had been surfaced as of March 2005; and
- in the Nigeria/Niger corridor (N'Djamena-Massakory-Bol), 77 kilometers have been completed on the section between N'Djamena and Massaguet, but work on the full 249 kilometers has not yet begun due to a lack of financing.

These three corridors are very important for reducing the country's isolation. Together, the roads connecting Chad and Cameroon and Chad and Nigeria carry 96 percent to 98 percent of all the country's international freight.

The total length of asphalt-paved road was extended from 557 kilometers in 2002 to 650 kilometers in 2004, and will increase to 736 kilometers by end-2005. By that time, 82 percent of the 900 kilometers of road planned under the NPRS will have been completed.

Road maintenance is also crucial to reducing the country's isolation and ensuring a minimum level of access to all the country's regions. In 2004, maintenance work was done on 87 percent of the year-round road system and 53.2 percent of the seasonal road system. Under the PNT, some dirt roads were to have been improved, but in fact no significant rehabilitation work was carried out.

The table below shows the portion of the permanent road system being maintained.

Type of Network	Permanent Network		Seasonal Network		Total	
	km	%	km	%	km	%
Total length of network	2,562		3,600		6,162	
-Not maintained	707	27.6%			704	11%
To be maintained	1,855		3,600		5,455	
-Maintained	1,614	63.0%	1,941	54%	3,555	58%
-Not maintained	241	9.0%	1,659	46.0%	1,900	31%

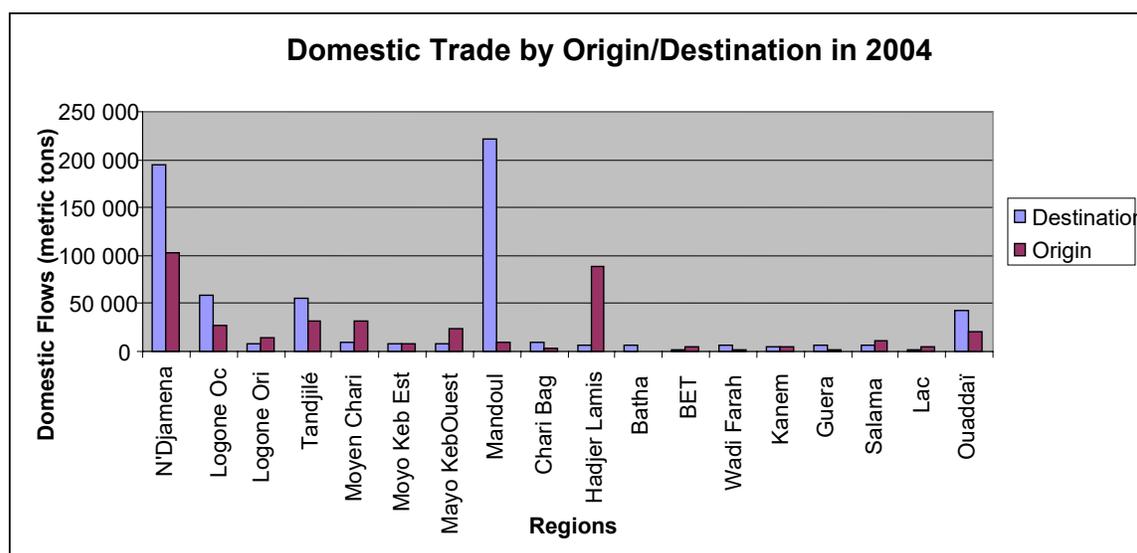
Source: General Directorate of Roadways/DER

The table shows that particular attention was given to the permanent network, of which only 9 percent was not maintained. Conversely, ongoing preventive maintenance is conducted only on previously rehabilitated seasonal roadways.

Maintenance is funded out of the Highway Maintenance Fund (FER), which collects toll revenues, the road freight fees charged by the National Freight Bureau (*Bureau National de Fret* –BNF), as well as oil tax revenues and resources generated from concession contracts for road network projects. From 2002/2003 to 2003/2004, FER resources increased from CFAF 3,762 billion to CFAF 5,745 billion, nearly 53 percent. In 2004, the Road Maintenance Directorate maintained 2,300 kilometers of road, or 88.4 percent of the annual target of 2,600 kilometers. This progress was achieved through the use of HIPC funds and the improved mobilization of the enterprises involved.

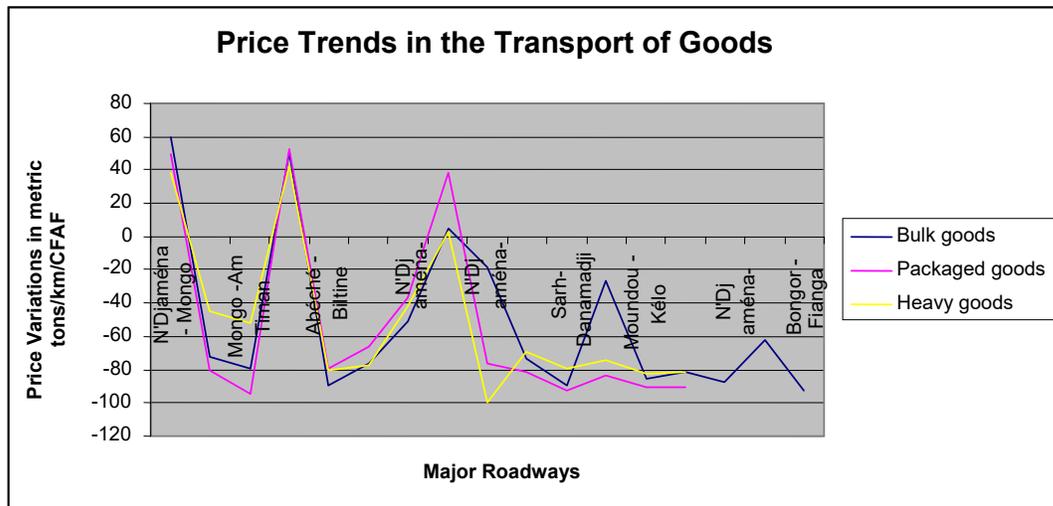
(b) Traffic flows and transport costs

In terms of the transport of goods, most domestic traffic flows are concentrated in two regions. All of the country’s major road networks converge on N’Djamena, the capital, which is the point of origin for 24 percent of such traffic flows and the destination for 46 percent of total traffic. Although the region of Mandoul and its capital city, Koumra, have no paved roads, they receive 52 percent of domestic traffic flows (221,324 metric tons). In fact, the region is a hub for Tandjilé, Moyen Chari, and Eastern Logone, and receives goods from N’Djamena, Nigeria, and Cameroon destined for the region or in transit to Moyen Chari.



Source: BNF

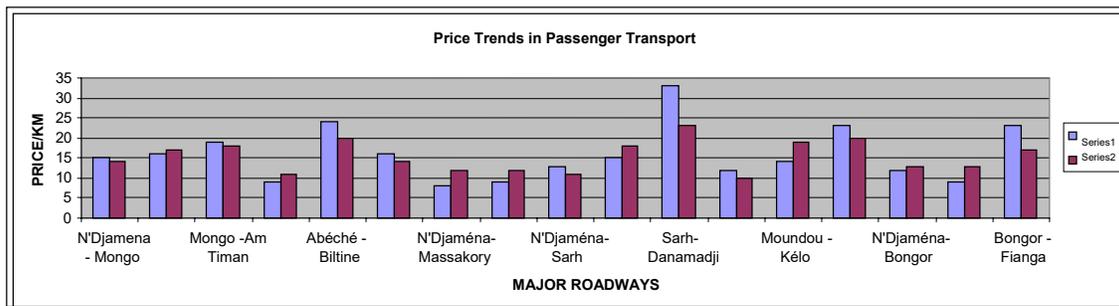
The fact that the N’Djamena–Moundou tract of highway is fully paved makes it very attractive to economic agents. Its market should also be one of the largest in the region. The Hadjer Lamis region, situated near N’Djamena, produces cereals and provides food products to the capital. The regions of Batha and BET are the most disadvantaged in terms of domestic trade. The BET region, located in the middle of the desert, is enormously constrained by the lack of roadways. The Batha region lacks road links with the two large cities of N’Djamena and Abéché, which explains the lack of road traffic. The Lac, Salamat, Guera, and South Ouaddaï regions, which have significant agricultural potential, are also limited by an underdeveloped road network.



Source : DTS/INSEED, 2005

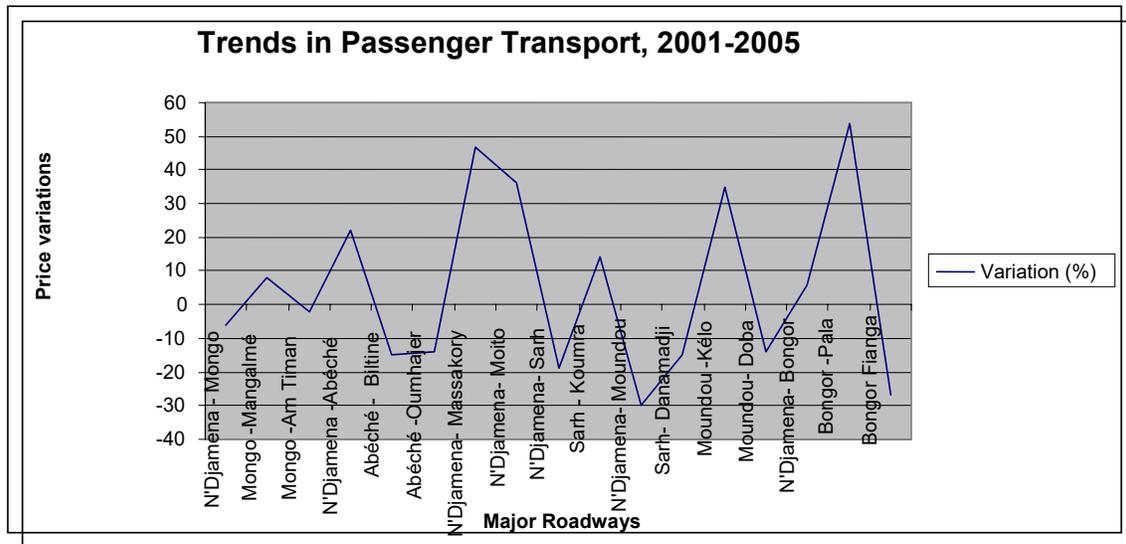
The graph above shows a high variation in transport prices by region. Transport prices are particularly high for the N'Djaména-Mongo and N'Djaména-Abéché corridors, whose stretches of dirt road often make travel during the rainy season impracticable. The situation has much improved along the Sarh-Danamadji corridor, however. There, transport prices for all goods are relatively low and likely attributable to road maintenance, the region's economic attractiveness, and its traffic density.

Passenger transport is on the rise. Taking into account only vehicles used exclusively for the carriage of passengers, domestic traffic has reached 3,078 vehicles per day, in comparison with 2,093 vehicle per day in 1999, for an annual growth rate of 8 percent.



Source: INSEED, Series 1: 2001, Series 2: 2005

The graph shows that passenger transport prices (CF AF/km) vary by corridor and road accessibility. In 2001, the Sarh-Danamadji segment had the highest cost at CF AF 33/km, or 2.5 times the cost of the N'Djaména-Sarh segment, which is 11 times as long. This is likely due to the road conditions of these two corridors, particularly during the rainy season.



Source: INSEED, 2005

Transport costs are tending to decline, however. Admittedly, the cost of the Bongor-Pala segment has increased significantly, due in part to the worsening state of the roads (despite maintenance) and a demand for transport that exceeds supply, as well as distance and the rainy season. Conversely, the Bongor-Fianga and Sarh-Dananmadji segments show a much more favorable price trend due to better road conditions.

(c) Development of rural infrastructure

One of the objectives of the PNT is to improve the transport system in rural areas. Thus far, the progress made in this area has been limited. To boost efforts in this area, the government has established the Rural Roads Directorate (DRPR), which will assume responsibility for implementing the rural transport component of the National Transport Program Support Project (PAPRONAT) financed by the World Bank.

The government recently drew up a five-year investment plan for investing CFAF 4 billion a year in rural roads during the period 2006 to 2010. This plan will make it possible to rehabilitate 3,000-4,000 kilometers of rural roads, using government funding from oil revenues. In addition, some major projects include a rural roads component. Examples are the construction of 100 kilometers of rural roads in the target area identified under the sixth EDF (financed by the European Union), the project to rehabilitate rural roads in the old Biltine region (financed by the Swiss development cooperation agency), and the project to rehabilitate and maintain rural roads in the old Mayo-Kebbi region (financed by the German development cooperation agency, KFW).

4.4.2. Access to water

The Master Plan for Water and Sanitation (SDEA) for 2003-2020 follows up on the recommendations made at the United Nations Conference on integrated water resources management (Harare, 1998), which were adopted at the World Summit on Sustainable Development (Johannesburg, 2002). The participatory, comprehensive, and integrated approach of this plan, as well as its focus on local activities, make it consistent with the approach of the

NPRS. The objective is twofold: to improve access to water in urban and rural areas, and to turn over the management of water resources to the population.

Clear progress has been made in this area. Thanks to the expansion of infrastructure, the proportion of the population having access to drinking water has increased from 23 percent in 2000 to 28 percent in 2002, 32 percent in 2003, and 36 percent in 2004. In general, beneficiaries are given the responsibility for managing such facilities as soon as they have been completed.

Type of Water Supply	2001	2002	2003	2004	Total
Village water supply	550 PMH	789 PMH <sup>7</sup>	712 PMH	400 PMH	2,430 PMH
Urban and semi-urban water supply	6 AEP <sup>8</sup> + Extension	5 AEP + Extension	8 AEP + Extension	17 AEP + Extension	36 AEP + Extension

These projects are financed primarily with HIPC funds and oil revenues.

#### 4.4.3. Energy

This sector, still underdeveloped, is characterized by the high consumption of wood fuels (wood-charcoal), which account for 90 percent of Chad's total energy consumption, while conventional energy sources (oil and electricity) account for only 10 percent.

From 2001 to 2005, annual energy consumption increased from 240 to 292 kilograms of oil equivalent per inhabitant. During the past several years, however, the energy sector has been experiencing a crisis that has severely affected the Chadian economy.

The main objective of the policy and strategy letter for Chad's electricity subsector (for 2002-2006) is to meet the electricity needs of the population and expand access to electric power for all other production sectors, all at the lowest possible cost. It also aims to promote alternative sources of energy (solar and wind energy) so as to lessen the impact of the cutting of firewood on the regeneration of forest resources.

To this end, the letter contains the following measures, which have been proposed to reduce the cost of each kilowatt-hour and expand access to electricity for much of the population:

- building a new power plant in Farcha;
- resuming negotiations on electric interconnections between Chad and Cameroon;
- completing the project to develop the Sédigui oilfield;
- building a mini-refinery in Farcha; and
- concluding the study on the possibility of using crude from Doba or Sédigui or gas-oil from the distillation column (topping unit)

Furthermore, the action plan outlined in this letter is a type of crisis recovery plan. Thus, during this period, the government has been focusing its efforts on rehabilitating resources and boosting

<sup>7</sup> PMH: hand pump (*pompe à motricité humaine*)

<sup>8</sup> AEP: drinking water supply (*adduction d'eau potable*)

the production capacity of the Chadian Water and Electric Power Corporation (STEE) by:

- acquiring 4 CAT generators with an installed capacity of 5 megawatts (emergency loan) and installed and operational MBH generators since early 2005 (Crédit Libanais); and
- rehabilitating some generators in the old power plant

As a result of these efforts, the production capacity of STEE in N'Djamena increased from 9 MW to nearly 25 MW. Outside the capital, some towns now have electricity and the existing infrastructure has been improved.

The crucial problem of electricity in Chad is linked to the fuel supply. National energy resources must be used to resolve this problem.

The government is preparing a national energy strategy and a national rural electrification plan.

#### 4.4.4. Postal and telecommunications services

A postal and telecommunications strategy is now being finalized. The aim is to improve the coverage of urban and rural areas, particularly by expanding mobile (cellular) telephone systems. The Sotel Tchad telephone company operates a network consisting of interurban transmission links and infrastructure connecting 16 cities and towns across the country. In 2004, Sotel Tchad had approximately 13,000 subscribers to fixed telephony services.

#### **Fixed Subscriber Growth**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Number of subscribers</b>	10,261	10,689	11,835	12,475	13,000
<b>Average growth</b>	5.34	4.17	10.54	5.13	4.04
<b>Penetration rate (per 1,000)</b>	0.14	0.14	0.15	0.15	0.16

Source : OTRT

The mobile telephony market has been growing rapidly. In 2004, there were approximately 120,000 mobile subscribers.

#### **Mobile Subscriber Growth**

<b>Mobile telephony subscriber growth</b>	<b>Dec. 2001</b>	<b>Dec. 2002</b>	<b>Dec. 2003</b>	<b>Dec. 2004</b>
<b>Number of Celtel Tchad subscribers</b>	7,177	16,283	57,086	120,000
<b>Penetration rate (%)</b>	0.20	0.43	1.08	1.57

The growth in mobile telephony has significantly improved the population's access to telephone service (15 percent in 2004). This percentage is sure to increase when the Millicom company (TIGO) enters the Chadian market.

The rural telephony project was able to install VSAT antennas in 15 secondary towns of the 24 originally identified, for a 63 percent completion rate. The Internet penetration rate is only 0.3 per 1,000 population.

The Ministry of Posts and New Communications Technologies (MPNTC) is currently drawing up a National Information Technology and Telecommunications Strategy.

#### **4.5 Foundations for Sustainable Growth in Agricultural Production**

The National Rural Development Strategy was presented to the international community at the Sectoral Consultation on Rural Development in June 1999.

The overall objective of the strategy is to boost sustainable production growth within a more secure environment and to strengthen the capacities of the rural sector. To that end, five specific objectives were established:

- increasing production;
- encouraging the emergence of competitive enterprises;
- managing and making optimum use of natural resources;
- promoting the rural milieu; and
- improving the effectiveness of public interventions

Two strategic pillars of the NPRS—strong, sustained growth and protection of ecosystems—reflect the objectives of the National Rural Development Strategy.

The implementation of this strategy has involved a number of collaborative efforts by the government, donors, civil society, the private sector, and so on. These efforts resulted in the preparation of the Rural Development Intervention Plan in 2003, comprising a Local Development Support Program (PROADEL) and a Sectoral Capacity Building Program (PROSE). In addition, a National Food Security Program (PNSA) covering the period up to 2015, stemming from the PROSE, and a Master Plan for Agriculture were prepared and adopted in 2005. A subprogram for microfinance development has also been developed. Lastly, a National Stock farming Development Plan is in preparation.

A permanent unit responsible for monitoring the agricultural sector has been established and is operational. It publishes an information bulletin, *Al Nougara*, on the monitoring mechanism of the Sectoral Meeting on Rural Development.

Increased production—on which the growth of the sector and poverty reduction depend—is contingent on crop diversification, increased productivity, and ensuring food security in rural areas.

As a result of increased investment in water management facilities for crops and livestock, the land area benefiting from such facilities was increased from 20,000 hectares in 2003 to 27,000 hectares in 2005. In the stock farming sector, 80 wells were sunk and 25 pumping stations installed. These accomplishments are not enough, however. Herders continue to travel long distances in search of water, and transhumance often provokes conflicts between farmers and herders, or among herders themselves.

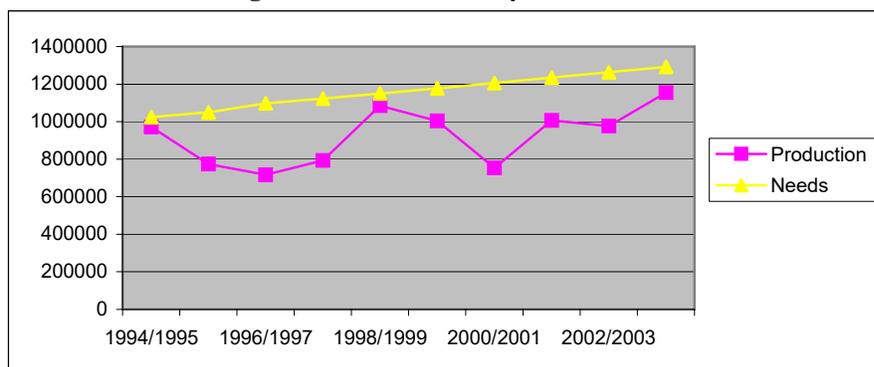
Thanks to reduced prices for farm equipment, the proportion of farms with equipment rose from 24 percent in 2004 to 26.12 percent in 2005. By using the resources derived from equipment sales, and with the support of projects now underway, the proportion of farms with equipment should grow by at least 2 percent a year.

Achievements in microfinance have paled in comparison with the growing needs of producers. In most cases, microfinance activities are integrated into projects and also support programs for the development and diversification of production, as well as income-generating activities. Finding appropriate solutions to the problems of rural credit and local financial intermediation is the top priority in fighting poverty, particularly in rural areas.

Measures to protect crops are largely inadequate. Chad has received considerable amounts of international assistance from over 20 countries to help it fight locust invasions, but the same is not true for other traditional enemies of crops (caterpillars, Spanish flies, and grain-eating birds) which can also wreak enormous destruction.

Despite the investments already made, the country’s food situation continues to be marked by chronic grain shortages. Nationwide production varies sharply from year to year, but it is almost never sufficient to meet the country’s grain demand, which is reckoned at 1,480,000 metric tons a year for a population estimated at 9.3 million (based on a standard of 159 kilograms per inhabitant per year).

**Coverage of Grain Demand by Local Production**



Source: DSA/MA, Grain production from 1994/1995 to 2003/2004

To overcome this shortfall, a package of policies, programs, and projects needs to be implemented to ensure proper water management, access to means of production, and capacity-building in rural areas.

Rural development also occurs through the emergence of competitive industries.

Cotton growing provides rural dwellers with their largest source of income. Although it is the most well-organized part of the rural economy and has received significant support from the government and donors, it faces serious problems that affect the entire production chain. The amount of cotton produced varies greatly: it reached 186,300 metric tons in 1999-2000, declined sharply in 2002-03, and then increased to 220,000 metric tons in 2003-04. The decline in output was mainly due to unattractively low producer prices and problems in getting the product to market. There are often delays (of up to six months) in paying cotton growers. This situation discourages production and has a highly negative impact on poverty reduction in rural areas. The government and its partners have drawn up a list of measures to be taken—the “road map”—in preparation for the effective privatization of Cotontchad in June 2007.

Insofar as a crop diversification policy is concerned, a number of studies have been carried out with a view to developing new sorts of agricultural production, particularly poultry raising, stock farming close to urban centers, spirulina harvesting, and cattle finishing. None of these studies has resulted in new projects being undertaken thus far.

Chad is the second largest producer of gum arabic in the world, and this business is thriving. Total production for 2005 was 18,000 metric tons. It contributes 7 percent to GDP. The production of sesame and peanuts could also be significant sources of income for rural populations, although these crops are not well known, and their production is poorly developed and badly organized.

One high-priority objective common to all rural sector programs and the poverty reduction strategy is the organization of the rural milieu. The government is aiming to have producers' organizations take on responsibilities and to involve them in managing the rural sector: Representatives of these organizations sit on project steering committees and participate in the design and execution of sectoral reforms. Efforts to promote the rural milieu increased the number of producers' organizations from 33,000 in 2003 to 35,000 in 2005. What is needed now is to improve the framework within which these organizations operate to strengthen their capacities and make them true development partners.

Another key measure to further the development of the rural sector is the deconcentration of the ministries involved in the rural sector. To improve the effectiveness of the National Bureau of Rural Development, the government decided to give it an organizational structure consisting of one national directorate, seven rural development regions, 45 rural development districts, and 191 rural development zones. These entities are not as effective as they should be, however, because they lack adequate resources and genuine authority.

Despite its slow pace of implementation, the rural development strategy has improved producers' access to means of production, facilitated the dissemination of new techniques, and strengthened the capacities of the main actors. It has also mobilized resources—from both the government and donors—for the development of the rural sector. However, the resources are insufficient, the beneficiaries are not yet well organized, and the responsible entities do not possess the necessary capacities to be able to complete programs and projects, improve the performance of the rural sector, and reduce rural poverty. Agriculture and livestock accounted for 6.9 percent of Chad's total public spending (actual disbursements) in 2001-02, 7.3 percent in 2003, and 11.1 percent in 2004. Agriculture and livestock appropriations in the 2005 budget amounted to 11.3 percent of total planned spending.

## V. IMPLEMENTATION OF THE NPRS – DEVELOPING HUMAN CAPITAL

Human resources promotion is essential if Chadians are to assume their rightful role in their country's socioeconomic development.

### 5.1 The education sector

#### 5.1.1. Education policy and the NPRS

Since early independence, the Chadian educational system inherited from French colonization has been subject to several constraints: poorly designed programs, a system that fails to meet output needs, strong pressure from unsatisfied enrollment demand from a growing population, and insufficient teaching supervision. Attempts at reforms (ruralization of the educational system in the 1960s and 1970s, “Chadization” of schools in the 1970s and 1980s, and a few pedagogical innovations) yielded disappointing results. As a result of the protracted political turmoil experienced by the country, communities took their children's future into their own hands. This community initiative came about as a result of the education services offered by the government, which were inadequate and unsuitable. Even today, communities organized into Parent Teachers Associations pay over 60 percent of the primary school teachers known as *maitres communautaires*, or community teachers, and spend almost CFAF2 billion to run primary schools (30 percent for the physical running of the schools and over 70 percent directly for running classes).

According to estimates, the poor account for almost 80 percent of Chad's population. Of their total expenditure, 1.3 percent is spent on education. This proportion is double that spent by the better-off on education. The problem is particularly acute in urban areas, where, of total expenditure, the share of spending on education is twice that of rural households.

In the early 1990s, the government of Chad adopted an “Education-Training-Employment” [EFE] strategy. This strategy was based on two basic approaches, namely: (i) a quality-oriented strategy aimed at improving system performance through a revitalization of educational and training units, and (ii) a quantity-oriented strategy aimed at a moderate expansion of school and university enrollment, so that enrollment can be adjusted on an ongoing basis to keep pace with the country's demographic, economic, and sociocultural changes. Implementation of this EFE Strategy in 1993 yielded appreciable results.

The strategy was strengthened as of 2000 through a new vision of educational policy based on three strategic pillars: (i) better (more equitable) access to education; (ii) an improvement in the quality of teaching and learning conditions; and (iii) building capacity in the administration, planning, management, and steering of the educational system. The National Poverty Reduction Strategy adopted in 2003 by the government and its partners embraced this vision by setting a twofold objective: validate the strides made by the communities while gradually reducing the burden of the schools on poorer communities.

The government's education and training policy is taken into account in the NPRS inasmuch as education is one of the instruments available to the country to reduce hardship and vulnerability. Through education, households are afforded more income options, the labor force becomes more mobile, maternal and child health are improved, and fertility and child mortality can be reduced. Education is therefore a determining factor in sustainable development, because it has a cross-cutting effect on improving results in other poverty sectors and enhances the productivity

of the labor force in the informal and agriculture/livestock sectors, which form the backbone of national production, whereas the modern sector provides a mere 5 percent of jobs on the labor market.

The recent assessment of performance in the Chadian educational system shows that, as far as the quality of teaching is concerned, the country is lagging far behind other developing countries, in that the continued attendance rate in primary schools is no higher than 38 percent, compared with an average of 64 percent for all of Africa.

The Poverty Reduction Strategy incorporates the objectives of the above-mentioned educational reform and is aimed at achieving a CP1 admission rate of 90 percent for boys and 75 percent for girls in 2005-2006 (reducing the gap between girls and boys by 15 points each year); another of its aims is a continued attendance rate of 63 percent in the primary cycle.

In pursuit of these objectives, the government adopted the following measures (see 2002 Sectoral Policy Letter):

- a) The share of GDP allocated to education must be increased and reach at least 4 percent in 2015;
- b) Nonwage expenditure in the operating budget for education must be increased by at least 20 percent per year until 2015;
- c) At least 50 percent of the education budget must be allocated to basic education;
- d) Reforms are needed to redefine priorities, reallocate budgets, and divide the responsibilities for education among the state, communities, and local authorities, in a decentralized management framework in which schools have greater autonomy.

#### 5.1.2. Progress in education

The Chadian educational system, as in the other countries of the Sahel, experienced strong growth in enrollment demand, with a 9.6 percent rate of increase in primary school pupils between 1995 and 2000, and 7.6 percent between 2000 and 2004. The system is characterized by strong community participation in school development; consequently, the 2003-2004 statistics point to 29 percent of students enrolled in community schools and 64 percent in public schools, where the majority of teachers are paid by the communities (in some cases all the teachers are paid by the community). The proportion of teachers paid by the communities was higher than 60 percent in 2003-2004.

In 2003-2004, the rate of CP1 admission was 107 percent overall (of which 123% for boys and 91.4 percent for girls), which is a 15 percent increase for boys and 14 percent for girls compared with the 2002-2003 school year. The objective of the NPRS in this area—an admission rate of 90 percent for boys and 75 percent for girls—has already been surpassed by a large margin. The gender parity point on the index moved from 1.5 percent in 1990-2000 to 1.35 percent in 2003-2004, which reflects a clear improvement in establishing equitable access for girls to primary school.

Nevertheless, these positive rates conceal major regional differences, as shown in the chart below:

It also bears noting that the gross enrollment rate rose from 72 percent in 1999-2000, to 87.58 percent in 2003-2004, which is a far higher rate than the average for the 15 French-speaking African countries (80.4 percent), or an average increase of 22 percent over the past five years. In theory, this means that the universal enrollment rate will be achieved in 2010, not counting repeaters. The main problem is that of drop-outs during the cycle. In Chad, of a cohort of 100 children enrolled in CP1, only 38 percent reach CM2. The situation is even more grave, considering the geographic disparities revealed in 2.2 below:

Since implementation of the NPRS, the government maintained education as one of what are known as its priority sectors, even though the tax effort (8.2 percent of GDP in 2004) is still insufficient to enable the sector to promote the human resources essential for sustainable economic development. The table and chart below show the trend of the tax effort, which has been increasing from year to year, despite the pressure from burgeoning needs in the sector.

An analysis of changes in the share of national wealth allocated to education shows that the government considers it as being relatively stable—about 2.8 percent of GDP—since implementation of the NPRS. Total expenditure on education accounts for an average of 13 percent of overall government expenditure (non-debt), with an average growth rate of 23 percent per annum over the past five years. Expenditure on basic education increased 8 percent on average over the period and represents more than half of expenditure on education at current values.

An international comparison of fiscal policies on education shows that the resources spent by Chad on education are markedly lower than the average for other countries with comparable incomes, as shown in the chart below:

Over the past two years, work on improving this sector was affected by extremely low execution rates, especially in 2004. This difficulty is essentially linked to the slowness of procurement procedures and delays in establishing the budget. Implementation of the new government procurement code should make for clear improvements in the execution of the budget.

### 5.1.3 Educational policy assessment

At a time when the entire international community has pledged to ensure that all children are given enough education to enable them to escape poverty, the Chadian educational system needs to tackle several challenges before it can seize the opportunities afforded at this juncture, and on which the hopes for future generations hinge:

- The challenge of building a national consensus around Chadian education as it relates to the Millennium Development Goals;
- The challenge of gathering national momentum in mobilizing national resources to make the educational system more credible;
- The challenge of effective and efficient management of the system to streamline the use of resources;

- The challenge of having an effective and reliable data system to facilitate the generation of relevant political analyses and improve the monitoring of the policies and programs implemented;
- The challenge of decentralizing educational objectives and resources through performance contracts linking decentralized units to performance obligations; and lastly,
- The challenge of the reporting requirement (accountability).

The main actions to be undertaken are as follows:

- Adopt the framework law for the Chadian educational system;
- Harmonize the different educational development strategies;
- Strengthen the statistical information system and the school map and lay the groundwork for the statistical data production system;
- Develop and implement a plan to build planning and management capacity in the decentralized units of the MEN;
- Strengthen computerized monitoring of teaching staff;
- Set up a computerized system to manage materials and supplies;
- Revise the education component of the National Poverty Reduction Strategy;
- Organize a positioning conference of technical and financial partners;
- Launch the Chadian education advocacy process;
- Organize an education forum to build a national consensus on Chadian education.

## **5.2. Establish an effective healthcare system**

### **5.2.1. The National Health Policy**

The National Health Policy adopted by the government is based on 12 strategic pillars:

1. Complete health coverage by ensuring gradually that all districts are operational and functioning;
2. Strengthen implementation of the minimum and complementary packages of measures (PMA and PCA), especially in the areas of maternal and child mortality;
3. Build institutional capacities at the central level;
4. Ensure that qualified human resources are available;
5. Continue to implement the measures undertaken with regard to access to medication, within the framework of the national pharmaceutical policy;
6. Strengthen the deconcentration/decentralization process, in coordination with the relevant ministries;
7. Organize the participation of the population in financing health services;
8. Develop a contract-based approach as a tool for implementing the national health policy;
9. Safeguard and consolidate the progress made in preventing chronic diseases;
10. Strengthen epidemic surveillance, particularly of cholera and meningitis;
11. Continue to combat STIs/AIDS using a multisector approach;
12. Strengthen information, education, and communication (IEC) activities to assist in the implementation of the national health policy.

This policy is implemented through sectoral health projects, the most recent of which was the Health Sector Support Project supported by the World Bank.

### 5.2.2. The Health Sector in the NPRS

With a view to establishing an effective healthcare system, the NPRS defined the following objectives:

- i) Provide access to high quality health services throughout the entire country;
- ii) Improve health sector indicators;
- iii) Improve the use of resources allocated to health;
- iv) Combat HIV/AIDS;
- v) Combat malaria;
- vi) Combat malnutrition.

In order to achieve these objectives, the following actions were to have been executed during the first phase of the NPRS from 2003 to 2006:

- Build/and or rehabilitate 50 health centers, 5 district hospitals, and 15 district offices; provide them with the necessary equipment for their operation;
- Train health officers as well as the members of the Health and Health Unit Management Committees to improve community participation and enlist committees as partners in managing health services;
- Give more autonomy to 10 district or departmental hospitals;
- Encourage the creation of health mutual associations among less advantaged population groups;
- Strengthen the protection of children and pregnant women, combat preventable diseases (by immunization) and malnutrition;
- Strengthen the surveillance and early-warning system for endemic diseases (polio, neonatal tetanus, measles) and potentially endemic diseases (cholera, meningitis, tuberculosis);
- Provide 600 health centers with equipment for monitoring pregnancies and childbirth;
- Offer postnatal consultation in all health centers and all maternity clinics;
- Equip 25 district hospitals or prefectural hospitals for obstetric emergencies;
- Assign one surgeon, one anesthetist, and one midwife per district or prefectural hospital;
- Introduce programs for spacing births at 600 health centers and 25 hospitals;
- Build the capacities of management bodies in 43 health districts;
- Prepare a three-year action plan to develop the health districts;
- Provide supervision and monitoring of 43 health districts;
- Continue and broaden programs for early detection, (particularly among those aged 15 to 49, pregnant women, and seropositive women), and treatment;
- Continue and broaden prevention and treatment programs;
- Continue and expand programs to provide micronutrient supplements, encourage breast-feeding, and promote healthy foods.

### 5.2.3. Implementation status

The main results obtained within the framework of the NPRS as of end-2005 are as follows:

- ✓ 52 health centers, 6 district hospitals, and 4 district offices were built in 2005;
- ✓ 569 health centers received training in community participation;
- ✓ 6 mutual associations were created as of end-2005;
- ✓ The DTC 3 rate was 47.5 percent in 2005;
- ✓ 900 public awareness meetings were held in the 18 regions of the country;
- ✓ 3,000 posters on the immunization schedule were made;
- ✓ 433 health centers were equipped with pregnancy monitoring equipment;
- ✓ Postnatal consultation is offered in 98 percent of health centers and districts;
- ✓ 32 of 45 hospitals are equipped to handle obstetric emergencies;
- ✓ 42 of 45 district hospitals are staffed by qualified personnel;
- ✓ The contraceptive prevalence rate was 2.5 percent in 2005;
- ✓ 37 of 43 management bodies have been formed;
- ✓ An action plan was prepared and is now available;
- ✓ 42 of 43 districts are regularly monitored;
- ✓ 14 of 18 hospitals are now dispensing ARVs and 52 voluntary testing centers are now in operation;
- ✓ 3,125,000 condoms were sold in 2005;
- ✓ 168 public awareness campaigns were conducted;
- ✓ Mosquito net use in 2005 was 7 percent;
- ✓ All operational health units offer malaria treatment;
- ✓ Iodized salt use is 77 percent;
- ✓ 16 breastfeeding outreach campaigns were conducted.

It also bears noting that the share of health in total public expenditure rose from 4.8 percent of the total in 2001-2002, to 8.6 percent in 2003 and 9.7 percent in 2004. Nevertheless, this percentage is expected to be reduced in the 2005 budget (only 7.8 percent of appropriations).

### 5.2.4 Results obtained

The results of the implementation of the sectoral health strategy are satisfactory, despite the difficulties encountered by the technical staff of the Ministry of Health. The indicators below indicate the results obtained in achieving the objectives of the NPRS.

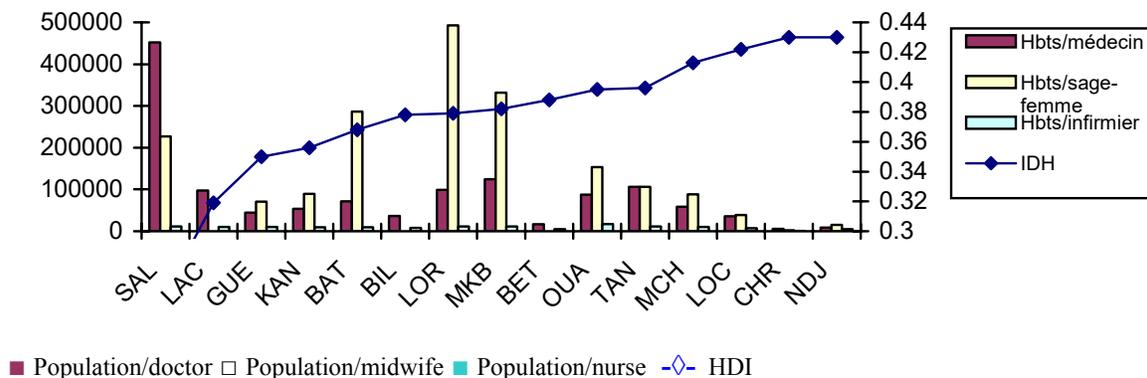
Trends in health indicators	2000	2001	2002	2003	2004
Infant/child mortality ratio (per 1,000)	214				91
Infant mortality (per 1,000)	129				102
Maternal mortality per 100,000 live births	827				1,099
Number of AIDS orphans				96,000	
Children under 5 years who are underweight	39%				37 %
Proportion of professionally assisted childbirths			18.3 %	19.6 %	21%
Syphilis prevalence rate in pregnant women	5.69%	3.83%	8.31%	5.8%	
Malaria prevalence rate				27 %	
Tuberculosis incidence rate (per 100,000 population)	45	50		56	56
Health coverage	66	72	72	73.4	
Ratio of inhabitants to one doctor		26,000	29,000	27,000	
Ratio of inhabitants to one state-certified nurse			6,741	49,000	
Ratio of women of child-bearing age to one midwife		10,000	42,000	9,000	
Vaccination coverage					
-BCG	55.3	48.9	54.4	72	38.3
-DTC	31	27.3	37	46.6	49.9
-Polio	31.6	27.2	31.8	46.8	47.4
-Measles	37.4	35.3	47.2	61.2	55.8
-Yellow fever	38.7	35.3	44.2	40.4	49.1
-Tetanus	---	11	11.4	10.3	13.7

### 5.2.5. Problems encountered

Implementation of the NPRS in the health sector has been complicated by two sorts of problems:

- The first problem is the lack of qualified staff (healthcare personnel and managers). This is shown in the chart below. As shown in the results of the macro participation of October-December 2001, the population is aware of the problem, which is considered one of the determinants of poverty. Progress in this area is slow, despite measures taken in budget laws to establish a recruitment quota for health personnel in the civil service. This understaffing is particularly acute in the outlying centers; one of the factors is the delay in the payment of the salaries of personnel on assignment in the provinces, compared with their colleagues in the capital.

Chart: Population per healthcare provider and human development index (HDI) per region



Source : RDP Santé

## **VI. IMPLEMENTATION OF THE NPRS – IMPROVING THE LIVING CONDITIONS OF VULNERABLE GROUPS**

The government launched a study on social protection, which will be used as the basis for defining a strategy and operational programs to benefit vulnerable groups. This is a two-dimensional issue:

- The first task is to ensure that sectoral strategies and programs are better targeted to meet the needs of the poorest segments of the population.
- The second task is to organize more specific actions to benefit the disabled, orphans, and the urban unemployed, as well as women, who play a critical role not only in the economy, but also in family health and childhood education.

Regarding the first initiative, additional efforts should be made to improve economic performance and social services to benefit the poorest. Recent GDP growth barely affected the rural sector, in which a large part of the poorest segments of the population live and work. Poor families shoulder a relatively heavy burden in terms of the cost of primary education, and the most vulnerable regions are those where the lack of qualified personnel seriously compromises the availability and quality of health services.

In terms of initiatives to benefit the disabled, orphans, and the urban unemployed, it is primarily NGOs, particularly those that are well-established at the local level, that are best able to manage programs targeting the specific problems experienced by these segments of society. Nevertheless, a public sector-NGO partnership could make it easier to define and implement coherent strategies that would serve as frameworks for NGO action.

Regarding women's issues, huge steps have been taken to better integrate women into national economic and social activities. In particular, school enrollment for girls has increased and efforts have been made to improve maternal and child health. The measures planned to develop microfinance could have a significant impact on the economic activity and lives of women. The adoption of the new Family and Individual Persons Code could also play a key role in improving the lives of women.

## VII. IMPLEMENTATION OF THE NPRS – ENVIRONMENTAL PROTECTION

Poverty reduction also involves protecting ecosystems and the environment. In a country such as Chad, protecting natural resources—forests, grasslands, water resources, and arable land—is essential for the continuance of core economic activities and for meeting the priority needs of families.

Long-standing legal and regulatory provisions protect the forests and biodiversity, but these laws are little respected. The population places enormous pressure on forested areas (firewood and encroaching farmland) and it is very difficult to prevent poaching, overlogging, and uncontrolled brush fires.

The energy problem is central to environmental protection policies. Wood fuels (wood and charcoal) provide 90 percent of the energy consumed in Chad. Gas consumption is on the rise, growing from 69 metric tons in 1999 to 367 metric tons in 2004, but only a small percentage of the population uses this type of energy. Fewer than 11,000 households are equipped with gas heaters, and 90 percent of those households are located in N'Djamena.

The measures taken to better organize migratory herds should have positive environmental effects, in terms of both protecting crops and better organizing the movement of livestock during the dry season.

### Restoring and safeguarding the ecosystem

Natural resources in general and forestry resources in particular remain fragile and have suffered severe degradation under the combined effects of major cyclical droughts and the direct or indirect harmful actions of man (large-scale clearing of land, late and repeated brush fires, overgrazing, overlogging, and so on).

Protected forests, game reserves, national parks, no-logging areas, and forest plantations have undergone considerable destruction because of itinerant farmers, intensive poaching, overlogging, brush fires, village settlements, roads, and the like.

It is still not clear how much area is covered by natural forests or has been replanted in Chad, for lack of a complete forest inventory. The overall area of natural forests is estimated at 23.5 million hectares and is distributed as follows:

- Closed forests, gallery forests	21,000 ha
- Open forests, wooded savannahs	3,626,000 ha
- Tree communities	9,421,000 ha
- Shrub communities	10,192,000 ha

In addition to these natural forests, there are 15,000 hectares of reforested land spread across the country; there are also 41,400 hectares of national parks and 11,080,000 hectares of game reserves.

There are significant ground and underground water resources spread throughout the entire country in the form of rivers, lakes, ponds, and flood plains. However, these resources are constantly being degraded.

As for plants, the plant inventories are now outdated. Vegetation maps have been drawn up, with an emphasis on grazing potential. There are about 84 million hectares of natural pastureland, most of which are not subject to rationalized exploitation.

Given the severe degradation of natural resources, Chad is now obliged to take legal and regulatory measures to restore and protect its ecosystems and environment. Specifically, it will implement Law 14/PR/98, the aim of which is to hold individuals responsible, individually or as part of traditional institutions or associations. This law defines the general principles of environmental protection.

- Environmental education;
- Protection of human settlements;
- Protection of the country's natural heritage and environment;
- Pollutants and environmental nuisances;
- Environmental assessment and emergency plans; and
- Environmental management instruments.

Restoring and safeguarding ecosystems also requires implementation of the programs, agreements, and treaties signed and ratified by Chad. The government needs to allocate the resources necessary for these purposes, notably the project for water transfer from the Ubangui River into Lake Chad.

An environmental impact study must be required for each project, whether public or private, that is likely to have an impact on the natural, socioeconomic, or human environment.

## VIII. OUTLOOK AND RECOMMENDATIONS

### 8.1 Provisional Assessment of Economic Policies and Implementation of the NPRS

Overall, the assessment is positive, but much remains to be done to win the battle of poverty reduction and effect a radical change in the lives of the poor through rapid expansion of the primary sector and other economic activities of interest to the poor, as well as through developing high quality social services.

The greatest success, obviously, is the development of the oil industry and its impact on growth. In order to achieve this, Chad—with the support of its partners—had to create conditions conducive to this project, which, ten years before, seemed highly unlikely, given the huge cost of the infrastructure necessary for this investment. Chad now has good reason to hope that this initial investment will be followed by many more, inasmuch as the exploration underway confirms the existence of substantial reserves and the government has been keeping its commitments and is pursuing efforts to improve the business climate. Admittedly, recent cash flow crises show that the expansion in oil production is not a panacea. Today, as before, prudent revenue forecasts, careful management of public expenditure, and the financial support of the international community are still critical to a sustainable improvement in the fiscal situation. The fact remains, nevertheless, that even within the framework of careful financial management, Chad will have additional resources that it will be able to allocate on a priority basis to the economic and social development of the country and to poverty reduction.

Oil has enabled Chad to experience two-digit growth, which is unprecedented. Even though a significant share of this growth finances the payment of dividends on foreign capital, a large share remains in the country and stimulates non-petroleum activities that benefit the players in Chad's economy. The biggest disappointment has been that this growth has not yet succeeded in stimulating production and incomes among farmers, stockbreeders, and families living in rural areas, who account for 80 percent of the Chadian population and certainly an even larger share of the poorest segments of the population. Unavoidable external shocks—insufficient rainfall and locust plagues—are the main factors explaining the recent stagnation of the rural economy. Nonetheless, expansion, diversification, consolidation, and modernization of the rural economy are the main challenges facing Chad. The development of this sector will for a long time be one of the highest poverty reduction priorities.

The report showed how the development of the primary sector and sustainable growth of the economy also required a massive and constant effort on the part of the government and its partners to open up the country, reduce transport costs, implement an infrastructure program (access to water, energy, and telecommunications) focused on the economic and social development priorities for the country as a whole and on poverty reduction. Significant efforts have been made in this area. However, the effectiveness of the infrastructure program also depends on the quality of the maintenance work, elimination of bottlenecks in the free circulation of goods and persons, and, in a more general way, effective economic and financial management of the sectors in question.

The social sectors—especially education and health—are also critical to the sustainable development of Chad's economy. Unlike the situation in several other very poor countries, demand for education is heavy and the government has made human resource development a major priority. Spectacular results were obtained in this area, which reflect the progress made in improving the main sectoral indicators (mainly very high enrollment rates for boys as well as a

clear improvement in the enrollment of girls). Progress made in these areas is even more important because they are also a condition for the success of many other priority activities, notably health, family planning, and nutrition. Nonetheless, even in this sector, the results obtained will remain partial and unreliable as long as the development of basic education is not further geared toward an improvement in quality.

Significant efforts have also been made to improve healthcare access indicators. However, the construction of hospitals and health centers will not yield tangible results unless there is an improvement in infrastructure management, unless there is an increase in utilization, and unless cost recovery methods are mindful first and foremost of the poorest of the poor. As in most countries of the region, effective economic and social management of health services is a formidable task, which will require the government and its partners to redouble their efforts.

Consultations with the public conducted as part of the preparation of the NPRS pointed to the importance that Chadians—especially the poor—attach to governance. Even in this area, considerable progress has been made. Deficits have been reduced and public expenditure was restructured to help the priority sectors. In this area, some of the quantitative objectives of the NPRS (share of public expenditure allocated to individual sectors) were not all met. Yet, the most important thing is not the mechanical implementation of sometimes unrealistic objectives, but the fact that the policies and outcomes are moving in the right direction and prompt hopes of lasting improvement in the economic and social situation within the framework of a very long term view of development.

Nevertheless, governance is not only about restructuring public expenditure, it is also about transparency in financial management, the effectiveness of government agencies, judicial reform, the security of people and property, and the redefinition of the role and resources of the military. In all these areas, constructive debates have been organized and worthwhile strategies have been defined. The challenge for the future is to implement them effectively.

## **8.2 Recommendations**

Preparation of the second follow-up report to the NPRS comes slightly ahead of a more ambitious exercise, that of a revision of the Strategy. This revision will be based on a participatory process that will make it possible to better appreciate how development stakeholders, civil society, and concerned communities perceive the efforts already made to reduce poverty and establish effective and high quality public services. Already, some of the new approaches that will have to be adopted in the second NPRS to meet the challenges of economic and social development and poverty reduction are becoming clear.

The main shortcomings of the first NPRS can be summarized as follows:

- a) Despite the intensity of the initial consultations, the messages of the NPRS have not yet been fully integrated into the daily management of national institutions. The NPRS presents an integrated, crosscutting vision of economic, social, and financial policies. However, regardless of how effective the monitoring systems may be, the objectives of the NPRS will never be truly operational until the sectoral ministries and development stakeholders fully incorporate the objectives of the strategy into their sectoral and institutional priorities and their budgets.

- b) The twofold problem is that not only must the sectors and institutions internalize the objectives of the NPRS, the NPRS must also be enriched and made operational and the overall objectives of the strategy must be parlayed into specific institutional and sectoral programs based on the national policies approved by all the departments involved and on realistic performance indicators.
- c) Lastly, it is essential that the international community continue to play an active part in implementing the sectoral strategies underpinning the NPRS and recognize that although Chad may be an oil-rich country, it is still a poor country with limited resources that needs major external assistance to finance its development.
- d) Specific activities, such as protecting vulnerable groups, are unlikely to be accomplished by the public sector. In this area, nongovernmental organizations—firmly established at the grassroots level—are often better placed than the official administrations to deliver services on an ad-hoc basis, considering the actual circumstances of the individuals in the direst need. Social protection strategies defined with the assistance of civil society would facilitate establishment of a partnership between official departments, local government authorities, and nongovernmental organizations.

Considerable progress has been made in several of these areas.

- a) The report notes the efforts made by most sectoral ministries to define and update increasingly specific sectoral strategies and gradually build poverty reduction into their priorities. Nevertheless, this critical task has not yet been completed.
- b) In fact, operationalization of the NPRS will not be fully completed until sectoral strategies that build in poverty reduction objectives become the main tools for fiscal decisions. Most ministries have been preparing program budgets, but the budgets that are approved and adopted are but a poor reflection of the priorities in the program budgets. In this regard, the identification and classification of poverty-reducing expenditures may prove to be an important tool for ensuring that the strategy and the budget are consistent.
- c) Lastly, it is important to continue and intensify the dialogue between the government and the international community to better coordinate national programs and development aid. The first follow-up report recommended holding a roundtable meeting of donors and creditors around the themes of the NPRS. This recommendation remains valid and is worth retaining.

Throughout the validation workshop, which took place December 19-20, 2005, the following recommendations were voiced by the participants:

- a) Establish a strategy for monitoring the standards of imported seeds and food of suspect quality, given the widespread existence of genetically modified foods and crops (GM);
- b) Boost production of gum arabic, which accounts for a large share of national production;
- c) Allow certain ministries such as mines and geology, tourism, and housing to play a leading role in the PRSP2;
- d) Ensure that good governance measures are effectively applied;
- e) Combat widespread impunity, especially corruption, and strengthen the judiciary;
- f) Establish a Ministry in Charge of Government Oversight and Ethics as a State Ministry and provide it with the appropriate resources to discharge its mandate;

- g) Combat desertification and protect the environment by effectively implementing the provisions governing the protection of plants and wildlife;
- h) Make domestic gas available at a reduced cost, so as to curb the use of wood charcoal by urban households.

### **8.3 Timing of the revision of the NPRS**

It is therefore important to undertake the preparatory work for the revision of the NPRS under the best possible conditions. Granted, it is not a question of modifying fundamentally the orientations of the strategies but to fine-tune certain objectives and operationalize them. An agreement must therefore be struck between the government and its partners on the timing of this revision. The schedule must therefore be realistic. For these reasons:

- a) It is important that for purposes of the revision of the strategy, the analysis of the final results of ECOSIT 2 on poverty profiles, data on household situations, and the incidence of poverty by region be available. These data are essential to better target the actions proposed.
- b) It will be necessary to undertake a systematic re-reading of the sectoral strategies and assess both their effectiveness and their consistency with the objectives of the national strategy. It is the integration of these strategies that will enable us to provide a more accurate operational content in the second version of the NPRS.
- c) It will be necessary to undertake a study on the sources of growth and their impact on poverty.

Revision of the NPRS will therefore be a relatively intensive activity, which is likely to last all of 2006.

## **ANNEXES**

**Annex 1 : Table of pro-poor expenditure in Chad**

**In millions of CFAF**

	2001		2002		2003		2004		2005		TAAM		Average 2003-2004	
	Budget	Actual	Budget	Actual										
<b>Education</b>														
Wages and salaries	15,010	14,675	16,019	15,653	25,530	19,321	20,228	19,702	26,151	19,702	19%	11%	20,588	17,338
Other operating expenses	9,602	8,378	9,537	9,411	10,969	8,805	16,523	8,736	11,594	8,736	9%	2%	11,645	8,833
Current expenditure	24,612	23,053	25,556	25,064	36,499	28,126	36,751	28,438	37,745	28,438	13%	7%	32,233	26,170
Capital expenditure	6,764	7,062	13,468	1,124	21,330	19,123	30,848	19,162	32,211	19,162	52%	506%	20,924	11,618
Of which own financing	686	686	1,124	1,124			3,692	1,999	6,809	1,999			2,462	952
As a % of GDP	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.3%	0.2%		0.2%				
<b>Total</b>	31,376	30,115	39,024	26,188	57,829	47,249	67,599	47,600	69,956	47,600	23%	23%	53,157	37,788
As a % of GDP	3.2%	3.0%	3.2%	2.1%	4.7%	3.8%	5.5%	3.9%		3.9%				
As a % of total expenditure	9.8%	13.3%	11.0%	7.8%	16.9%	13.9%	15.2%	14.5%		14.9%				
<i>Of which basic education</i>														
Wages and salaries	7,268	7,645	8,263	8,072	9,902	9,308	10,075	11,284	11,122	11,284	11%	14%	9,326	9,077
Other operating expenses	2,082	1,870	1,637	1,012	1,222	981	2,633	271	3,165	271	22%	-40%	2,148	1,034
Current expenditure	9,350	9,515	9,900	9,084	11,124	10,289	12,708	11,555	14,287	11,555	11%	7%	11,474	10,111
Capital expenditure	6,122	5,411	7,151	2,467	10,585	9,495	19,745	3,495	19,858	3,495	38%	56%	12,692	5,217
Of which own financing							3,692	1,999	5,447	1,999			1,828	500
As a % of GDP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%		0.2%				
<b>Total</b>	15,472	14,926	17,051	11,551	21,709	19,784	32,453	15,050	34,145	15,050	23%	8%	24,166	15,328
As a percentage of GDP	1.6%	1.5%	1.4%	0.9%	1.8%	1.6%	2.6%	1.2%		1.2%				
As a % of total expenditure	4.8%	6.6%	4.8%	3.4%	6.4%	5.8%	7.3%	4.6%		7.3%				
<b>Health</b>														
Wages and salaries	3,391	2,924	3,666	3,666	5,295	4,111	6,133	5,560	5,483	5,560	14%	24%	4,794	4,065
Other operating expenses	6,192	5,425	7,877	6,516	9,011	7,760	9,343	7,424	6,917	7,424	5%	12%	7,868	6,781
Current expenditure	9,583	8,349	11,543	10,182	14,306	11,871	15,476	12,984	12,400	12,984	8%	16%	12,662	10,847
Capital expenditure	10,862	7,594	15,529	1,102	19,102	17,158	24,512	18,736	24,224	18,736	23%	460%	18,846	11,148
Of which own financing			1,102	1,102			1,458	1,458	6,227	1,458			1,757	640
As a % of GDP	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%		0.1%				
<b>Total</b>	20,445	15,943	27,072	11,284	33,408	29,029	39,988	31,720	36,624	31,720	17%	46%	31,507	21,994
As a % of GDP	2.1%	1.6%	2.2%	0.9%	2.7%	2.4%	3.2%	2.6%		2.6%				
As a % of total expenditure	6.4%	7.1%	7.6%	3.3%	9.8%	8.6%	9.0%	9.7%		7.8%				
<b>Social Action</b>														
Wages and salaries	846	705	1,122	1,122	1,284	971	1,520	1,245	1,377	1,245	14%	25%	1,230	1,011
Other operating expenses	1,384	951	1,701	1,677	1,439	1,243	1,539	1,245	1,494	1,245	3%	17%	1,511	1,279
Current expenditure	2,230	1,656	2,823	2,799	2,723	2,214	3,059	2,490	2,871	2,490	7%	20%	2,741	2,290
Capital expenditure	1,454	904	5,485	255	1,815	1,175	2,082	1,009	6,065	1,009	104%	92%	3,380	836
Of which own financing			255	255			1,501	1,009	1,540	1,009			659	316
As a % of GDP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%		0.1%				
<b>Total</b>	3,684	2,560	8,308	3,054	4,538	3,389	5,141	3,499	8,936	3,499	42%	11%	6,121	3,126
As a % of GDP	0.4%	0.3%	0.7%	0.2%	0.4%	0.3%	0.4%	0.3%		0.3%				
As a % of total expenditure	1.2%	1.1%	2.3%	0.9%	1.3%	1.0%	1.2%	1.1%		1.9%				

In millions of CFAF	2001		2002		2003		2004		2005		TAAAM		Average 2003-2004	
	Budget	Actual	Budget	Actual										
<b>Public Works</b>														
Wages and salaries	583	529	564	555	487	487	552	509	552	552	-1%	-1%	548	520
Other operating expenditure	1,115	1,054	1,264	1,229	1,876	1,874	2,285	2,129	2,415	2,415	22%	28%	1,791	1,572
Current expenditure	1,698	1,583	1,828	1,784	2,363	2,361	2,837	2,638	2,967	2,967	15%	19%	2,339	2,092
Capital expenditure	80,772	23,732	57,064	503	77,983	78,523	87,757	74,040	93,982	93,982	7%	5136%	79,512	44,200
Of which own financing		503	503	503			23,213	19,864	34,793	34,793			11,702	5,092
As a % of GDP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	1.6%			7%	1114%	81,850	46,291
Total	82,470	25,315	58,892	2,287	80,346	80,884	90,594	76,678	96,949	96,949				
As a % of GDP	8.3%	2.5%	4.8%	0.2%	6.5%	6.5%	7.3%	6.2%						
As a % of total expenditure	25.8%	11.2%	16.6%	0.7%	23.5%	23.8%	20.4%	23.3%	20.6%	20.6%				
<b>Agriculture</b>														
Wages and salaries	1,630	1,564	1,762	1,552	1,899	1,615	2,050	1,976	1,806	1,806	3%	9%	1,829	1,677
Other operating expenditure	8,445	5,893	4,225	1,812	2,456	2,387	3,250	3,027	10,694	10,694	42%	-4%	5,814	3,280
Current expenditure	10,075	7,457	5,987	3,364	4,355	4,002	5,300	5,003	12,500	12,500	22%	-4%	7,643	4,957
Capital expenditure	24,936	23,244	30,183	1,236	20,097	18,065	34,110	22,769	31,550	31,550	12%	431%	28,175	16,329
Of which own financing		1,236	1,236	1,236			5,249	1,731	3,902	3,902			2,077	742
As a % of GDP	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.4%	0.1%			11%	107%	35,819	21,285
Total	35,011	30,701	36,170	4,600	24,452	22,067	39,410	2,772	44,050	44,050				
As a % of GDP	3.5%	3.1%	2.9%	0.4%	2.0%	1.8%	3.2%	2.2%						
As a % of total expenditure	10.9%	13.6%	10.2%	1.4%	7.2%	6.5%	8.9%	8.4%	9.4%	9.4%				
<b>Stockbreeding</b>														
Wages and salaries	881	862	917	917	1,016	1,016	1,060	1,060	1,112	1,112	6%	7%	997	964
Other operating expenditure	508	205	476	291	455	370	737	555	717	717	12%	40%	579	355
Current expenditure	1,389	1,067	1,393	1,208	1,471	1,386	1,797	1,615	1,829	1,829	7%	15%	1,576	1,319
Capital expenditure	2,659	651	1,725	374	2,082	1,124	9,675	7,214	7,416	7,416	82%	233%	4,711	2,341
Of which own financing		374	374	374			2,383	375	2,263	2,263			1,004	187
As a % of GDP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%			49%	101%	6,287	3,660
Total	4,048	1,718	3,118	1,582	3,553	2,510	11,472	8,829	9,245	9,245				
As a % of GDP	0.4%	0.2%	0.3%	0.1%	0.3%	0.2%	0.9%	0.7%						
As a % of total expenditure	1.3%	0.8%	0.9%	0.5%	1.0%	0.7%	2.6%	2.7%	2.0%	2.0%				
<b>Environment and water</b>														
Wages and salaries	745	741	820	807	991	991	1,043	1,043	1,227	1,227	13%	12%	965	896
Other operating expenditure	73	73	192	192	147	147	690	558	859	859	133%	140%	392	243
Current expenditure	818	814	1,012	999	1,138	1,138	1,733	1,601	2,086	2,086	27%	26%	1,357	1,138
Capital expenditure	18,264	10,372	24,310	777	4,836	2,460	27,672	8,669	30,852	30,852	109%	125%	21,187	5,570
Of which own financing		2,770	777	777			4,167	1,401	2,226	2,226			2,164	1,237
As a % of GDP	0.4%	0.3%	0.1%	0.1%	0.0%	0.0%	0.3%	0.1%			90%	68%	22,544	6,708
Total	19,082	11,186	25,322	1,776	5,974	3,598	29,405	10,270	32,938	32,938				
As a % of GDP	1.9%	1.1%	2.1%	0.1%	0.5%	0.3%	2.4%	0.8%						
As a % of total expenditure	6.0%	5.0%	7.2%	0.5%	1.7%	1.1%	6.6%	3.1%	7.0%	7.0%				

	2001		2002		2003		2004		2005		T.A.A.M		Average 2003-2004	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>In millions of CFAF</b>														
<b>Land development</b>														
Wages and salaries	29	29	31	31	180	129	185	185	218	185	127%	122%	129	94
Other operating expenditure	7	7	32	32	341	299	507	446	839	446	359%	414%	345	196
Current expenditure	36	36	63	63	521	428	692	631	1,057	631	222%	234%	474	290
Capital expenditure	-	-	19,260	2,889	2,416	2,358	11,840	8,194	7,834	8,194			8,270	3,360
Of which own financing			-	-	-	-	3,422	2,365	3,604	2,365			1,405	591
As a % of GDP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.2%			0.3%	0.1%
Total	36	36	19,323	2,952	2,937	2,786	12,532	8,825	8,891	8,825	13447%	2770%	8,744	3,650
As a % of GDP	0.0%	0.0%	1.6%	0.2%	0.2%	0.2%	1.0%	0.7%	0.7%	0.7%			0.7%	0.2%
As a % of total expenditure	0.0%	0.0%	5.5%	0.9%	0.9%	0.8%	2.8%	2.7%	1.9%	2.7%			2.7%	0.8%
<b>Justice</b>														
Wages and salaries	1,073	720	1,169	1,127	1,287	1,159	1,333	1,333	1,527	1,333	9%	25%	1,278	1,085
Other operating expenditure	852	2,700	861	822	882	882	913	752	888	752	1%	-26%	879	1,289
Current expenditure	1,925	3,420	2,030	1,949	2,169	2,041	2,246	2,085	2,415	2,085	6%	-12%	2,157	2,374
Capital expenditure	881	322	1,290	894	1,286	553	826	517	898	517	5%	44%	1,036	572
Of which own financing			894	894			826	517	898	517			524	353
As a % of GDP	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%			0.0%	0.0%
Total	2,806	3,742	3,320	2,843	3,455	2,594	3,072	2,602	3,313	2,602	5%	-11%	3,193	2,945
As a % of GDP	0.3%	0.4%	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%			0.2%	0.2%
As a % of total expenditure	0.9%	1.7%	0.9%	0.8%	1.0%	0.8%	0.7%	0.8%	0.7%	0.8%			0.7%	0.7%
<b>Total Public expenditure (excluding...)</b>	319,747	225,581	354,057	337,796	341,737	339,146	443,560	328,664	470,612	328,664	11%	16%	385,943	307,797
<b>GDP</b>		995,000		1,235,000		1,235,000		1,235,000		1,235,000				
Total priority poverty sectors														
Wages and salaries	24,188	22,749	26,070	25,430	37,969	29,800	34,104	32,613	39,453	32,613	15%	13%	32,357	27,648
Other operating expenditure	28,178	24,686	26,165	21,982	27,576	23,767	35,787	24,872	36,417	24,872	7%	1%	30,825	23,827
Current expenditure	52,366	47,435	52,235	47,412	65,545	53,567	69,891	57,485	75,870	57,485	10%	7%	63,181	51,475
Capital expenditure	146,592	73,881	168,314	9,154	150,947	140,539	229,322	160,310	235,032	160,310	15%	454%	186,041	95,971
Of which own financing	4,336	3,456	6,265	6,265	-	-	45,991	30,719	62,262	30,719			23,755	10,110
As a % of GDP	0.4%	0.3%	0.5%	0.5%	0.0%	0.0%	3.7%	2.5%	5.1%	2.5%			1.9%	0.8%
Total	198,958	121,316	220,549	56,566	216,492	194,106	299,213	217,795	310,902	217,795	13%	67%	249,223	147,446
As a % of GDP	20.0%	12.2%	17.9%	4.6%	17.5%	15.7%	24.2%	17.6%	25.2%	17.6%			20.1%	12.2%
As a % of total expenditure	62.2%	53.8%	62.3%	16.7%	63.4%	57.2%	67.5%	66.3%	66.1%	66.3%			66.1%	66.1%

**Annex 2: Production of major crops**

<b>Crops ( Metric tons)</b>	<b>1999 - 2000</b>	<b>2000 - 2001</b>	<b>2001 - 2002</b>	<b>2002 - 2003</b>	<b>2003 - 2004</b>	<b>2004 - 2005</b>
<b>Pearl millet</b>	361,095	258,828	397,608	357,425	516,341	297,529
<b>Sorghum</b>	455,634	391,714	497,227	480,686	564,717	449,427
<b>Berebere</b>	174,781	119,284	205,025	48,700	287,419	265,949
<b>Paddy rice</b>	158,282	963,120	112,167	134,880	126,024	91,083
<b>Wheat</b>	3,585	2,688	3,562	4,000	2,890	-
<b>Maize</b>	94,151	64,014	105,295	84,349	117,978	107,422
<b>Fonio</b>	2,270	363	1,172	350	2,770	1,979
<b>Total cereals</b>	1,229,813	929,515	1,322,056	1,217,140	1,618,139	1,212,904
<b>Groundnuts</b>	21,218	33,014	448,089	379,968	414,868	385,103
<b>Sesame seeds</b>	371,852	358,791	448,089	24,493	21,062	17,548
<b>Oilseeds (Total)</b>	393,070	391,805	491,479	444,560	436,028	402,651

**Source DSA**

Annex 3: Completed matrix of NPRS performance indicators

Area	Indicator	Sources	Producers	Values	
				2003	2004
<b>Agriculture</b>	<i>Yield per crop</i>	EPA	SSA/DPA	See attached statement	See attached statement
	<i>Farm mechanization rate</i>	EPA	ONDR	24%	24%
<b>Stock farming</b>	<i>Number of watering points developed for livestock</i>	Adm. reports	DES/D.Hydraul	25 st 34 p	34
	<i>Total developed/reforested area</i>	Adm. reports	MEE	24%	24%
	<i>Area covered by protected natural growth</i>	Adm. reports	MEE	Na <sup>9</sup>	Na
	<i>Proportion of forested areas</i>	Adm. reports	MEE	Na	Na
<b>Drinking water</b>	<i>Access to drinking water</i>	Period analysis	MEE/SDEA	32%	36%
	<i>Proportion of households with access to electricity</i>	ECOSIT/RGPHT	INSEED	Na	Na
<b>Energy</b>	<i>Proportion of households with gas cooking stove</i>	Survey	Dir./energy, INSEED	9.5% <sup>o</sup>	Na
	<i>Proportion of households using wood charcoal for cooking</i>	Survey	Dir./forestry, INSEED	Na	Na
<b>Education/Training/Literacy</b>	<i>Adult literacy rate</i>	Survey	DAPRO/MEN	Na	Na
	<i>Gross enrollment rate</i>	School statistics	DAPRO/MEN	82.5%	87.58%
	<i>Rate of admission to CPI</i>	School statistics	DAPRO/MEN	90.8%	107%
	<i>Primary school drop-out rate</i>	School statistics	DAPRO/MEN	11.5%	13.0%
	<i>Primary school completion rate</i>	School statistics	DAPRO/MEN	Na	42.6%
	<i>Girl/Boy ratio (parity index)</i>	School statistics	DAPRO/MEN	0.65	0.67
	<i>Number of newly created schools</i>	School statistics	DAPRO/MEN		
	<i>Proportion of trained community teachers</i>	School statistics	DAPRO/MEN		

<sup>9</sup> Not available

	<i>Primary/secondary teacher/student ratio</i>	School statistics	DAPRO/MEN		
	<i>Ratio of students to seats with desks</i>	School statistics	DAPRO/MEN		
	<i>Ratio of students/textbook per subject</i>	School statistics	DAPRO/MEN		
	<i>Average distance traveled to reach the most distant school</i>	School statistics	DAPRO/MEN		5.5 km
	<i>Share of current education expenditure allocated to primary education</i>	School statistics	DAPRO/MEN		
<b>Health</b>	<i>Immunization coverage against diseases targeted by the PEV</i>	Monthly activity reports	Health districts, Health centers	BCG 72% DTC3 46.6% Polio 3 46.8% Measles 61.2% Yellow fever 40.4% VAT 2+ 10.3%	BCG 38.3% DTC 3 49.9% Polio 3 47.4% Measles 55.8% Yellow fever 49.1% VAT 2+ 13.7%
		SIS	DSIS/MSP	19.6%	
		SIS	DSIS/MSP	Na	Na
		SIS	DSIS/MSP	Na	Na
		SIS	DSIS/MSP	5.8%	Na
		Survey	DSIS/MSP	27%	Na
		Survey	PNL tuberculosis	56 p100,000	56p100,000
		SIS	DSIS/MSP	73.4%	Na
		SIS	DSIS/MSP	27,000	Na
		SIS	DSIS/MSP	4,900	Na
SIS	DSIS/MSP	9,000	Na		
<b>Employment</b>	<i>Employment Success rate</i>	Stat. yearbook	ONAPE/MFPT	Na	9.99%
	<i>Rate of inflation</i>	Econ.digests	INSEED	-1.8%	-5.3%

	<i>GDP growth rate</i>	Econ. digests	INSEED	15.4%	33.4%
	<i>GDP per capita</i>	Econ. digests	INSEED	112,408	141,999
	<i>Industrial production index</i>	Econ. digests	INSEED	100.6%	91.8%
	<i>Investment rate</i>	Econ. digests	INSEED	0.42%	0.26%
	<i>Debt service/exports</i>	Balance of payments	BEAC	3.7	1.3
<b>Transport</b>	<i>Length of paved national roads (in km)</i>	Adm. reports	DGR/MI	557	650
	<i>Length of rehabilitated and maintained rural tracks and roads</i>	Adm. reports	DGR/MI	2,750 km	Na
<b>Telecommunications</b>	<i>Proportion of households with a telephone</i>	Period analysis	OTRT/MPNTC	8.6%°	15%°
	<i>Proportion of unexecuted court decisions</i>	Adm. reports	Min. Justice		
<b>Justice</b>	<i>Number of inhabitants to 1 justice of the peace</i>	Adm. reports	Min. justice		
	<i>Number of bills initiated by parliament/total number of laws passed</i>	Adm. reports	Nat. Assembly		
	<i>Proportion of women in government and parliament</i>	Adm. reports	DADJO/SGG Nat. Assembly		
	<i>Rate of successful arrival of supplies and equipment</i>	SSDD	MIN/EDUC MIN/SANTE		
<b>Economic governance</b>	<i>Change in domestic arrears</i>	Current statistics	Dir. Debt/MF		
	<i>Change in external arrears</i>	Current statistics	Dir. Debt/MF		
<b>Fiscal management</b>	<i>Share of central government budget allocated to the sectors (% GDP)</i>	Government finance statistics	DG/BUDGET INSEED	Na	0.24%
	<i>Central government budget execution rate compared with payments</i>	Government finance statistics	DG/BUDGET/ Min. finance	Na	58%

## Annex 4: Matrix for monitoring NPRS priority actions

Pillars/Objectives	Actions	Timetable	Persons in charge	Performance indicators	Status
<b>I. Promote good governance</b>					
<b>A. Make government agencies effective and efficient</b>					
Continue civil service reform	Perform organizational and staffing audits of the priority ministries	2003	CESRAP	Number of priority ministries audited	9 ministries audited
	Audit other ministries	2004	CESRAP	Number of other ministries audited	Not completed
	Apply audit results	2003-2004	CESRAP	Number of measures taken and applied	Not completed
	Introduce an employment regime compatible with the NPRS	2003-2005	CESRAP	Law instituting employment framework enters into force	Not completed
	Apply the principle of merit-based promotion	2003	CESRAP	Law instituting merit-based promotion enters into force	Not completed
	Apply the system for motivating government employees, in particular in priority sectors	2003-2005	CESRAP	Revision of wage scale for education, health, and other sectors	Not completed
Build capacity of stakeholders in public sector, private sector, and civil society	Strengthen the institutional capacities of the ministries involved in implementing reforms as well as other ministries	2003-2005	SENAREC and ministries	Number of ministries whose new organization charts have been adopted and implemented	Ongoing
	Enhance the professional qualifications of civil service, private sector, and civil society employees	2003-2005	SENAREC and ministries	Initial and in-service training programs for government employees defined and implemented	Planning of DAAAFM training ongoing
	Introduce a manual of procedures for public expenditure execution	2003	MEF	Manual prepared and disseminated in ministries	In drafting stage
	Build capacity at the General Finance Inspectorate and the Audit Office	2003-2005	Office of the PM, MEF, SENAREC	Number of personnel trained and provided with adequate working tools	Ongoing
Fight corruption	Create and make operational a structure for investigating corruption cases	2003-2005	Office of the PM, MJ	Number of corruption cases investigated	Ongoing
	Build capacity at the General Finance Inspectorate and the Audit Office	2003-2005	Office of the PM, MEF, SENAREC	Annual publication of an IGF report and a report from the Audit Office	

Pillars/Objectives	Actions	Timetable	Persons in charge	Performance indicators	Status
<b>B. Improve the legal environment</b>					
Credibility of the legal system	Conduct an expenditure review of the justice sector	2003	Ministry of Justice	Report on the review of justice sector expenditure available	Ongoing
	In a participatory manner, prepare a justice sector program (after the Forums)	2003-2004	Ministry of Justice	Sectoral program adopted	Ongoing
	Initiate the implementation of the justice sector program	2003-2005	Ministry of Justice	Inaugural seminar	Completed
Guarantee the security of people and property security	Outreach to the people and to the security forces on the fundamental principles of human rights	2003	Ministry of defense and security HCND; ADH	Frequency of and support provided for outreach campaigns	Completed
	Carry out the program to disarm the civilian population	2003	Ministry of defense and security	Number of disarmament campaigns organized and of cities disarmed	Ongoing
	Implement the National Strategic Plan for Combating Mines and Unexploded Ordnance.	2003-2005	MPDC, HCND	Land areas (km) demined and cleared of ordnance	Ongoing
	Strictly enforce the regulations on bearing arms	2003-2005	Ministry of Public Security	Amount of illegally borne arms recovered	Ongoing
	Introduce a code of conduct for mediating conflicts between farmers and livestock breeders	2003-2005	Mediation Office, human rights associations	Code developed and disseminated among traditional chiefs	Completed
Make the national army more professional and transform it into a development army	Continue implementing the demobilization and reintegration policy	2003-2005	Ministry of Defense, MPDC	Number of soldiers demobilized and number of soldiers reintegrated	The military forums were held in April 2005. A committee was established to monitor implementation of the recommendations.
Complete decentralization and deconcentration	Build the human and institutional capacities of the units responsible for decentralization and deconcentration	2004-2006	Office of the Prime Minister/Ministry of Decentralization (MD)	Technical departments of the Ministry responsible for decentralization are operational.	
	Prepare a master plan for decentralization	2004-2006	Office of the Prime Minister/MD		Plan prepared and in process of implementation
	Draw up and adopt the regulations needed to implement the already validated draft law.	2004-2006	Office of the Prime Minister/MD		Completed
	Draft and finalize the various legislative and regulatory provisions giving financial autonomy to local governments.	2004-2006	Office of the Prime Minister/MD		Completed
	Provide personnel training and in-service training for elected officials	2004-2006	Office of the Prime Minister Ministry of Decentralization		Municipal personnel have not yet been elected

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
<b>II. Ensure strong and sustainable growth</b>					
<b>A. Stabilize the macroeconomic framework</b>					
Sustainably increase the growth rate of real GDP	Implement the agreed institutional and structural reforms (PRGF, CAS, CARI)	2003-2005	Government	Observe implementation timetables	Completed
	Increase public investment in infrastructure and in the training of human capital	2003-2005	MEF, MPDC	Level of domestic resources allocated to investment and to social sectors	Ongoing
Pro-poor fiscal policies	Increase the revenue level by improving the efficiency of the assessment, settlement, and collection units	2003-2005	MEF	Tax revenue/GDP ratio of ... ..	Ongoing
	Conduct review of public expenditure in the other priority sectors	2003	MEF, Sectoral ministries CP/NPRS		Completed in some ministries (Health, Education, TPT, Justice)
	Broaden public expenditure review to the other sectors	2004-2005	MEF, Sectoral ministries CP/NPRS		Not Completed
	Build on program budgeting experiment in priority sectors	2003/2004	MEF, Ministries of Education, Health, Infrastructure, Rural Development, CP/NPRS	Integration of program budgets into Budget Law	Completed
	Generalize program budgets through the Medium-Term Expenditure Framework (MTEF)	2005-2008	MEF, Sectoral ministries, CP/NPRS	Draft budget law prepared in accordance with MTEF recommendations (in particular, allocation of resources in light of sectoral priorities)	Completed
	Effectively apply the oil revenue management law (LGRP))	2004-2015	MEF, CCSRP, CP/NPRS Parliament, Audit Office	Increased budget allocations for priority sectors in keeping with LGRP: : Education, 20%% Health and Social Affairs, 20% Rural Development (agriculture and livestock), 12% Environment and Water, 10%	Completed in 2004/2005
	Introduce a mechanism for the computerized monitoring and assessment	2003	MEF, CCSRP	Mechanism discussed with spending and functional ministries	Completed (See CCSRP report)

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
	of the use of oil revenues				
	Introduce a mechanism for the computerized monitoring and assessment of the use of HIPC resources	2003	MEF, CCSRP, CP/NPRS	Mechanism discussed with spending and functional ministries	The CID is functional but experiencing problems
	Eliminate domestic debt arrears	2003-2005	MEF, CNRT	Pensions regularly paid to retirees,, Debts to suppliers paid in their entirety	Not completed
African economic integration and integration into world economy	Participate in deepening African economic integration, notably within the framework of CEMAC and NEPAD	2003-2005	Office of the Prime Minister, MEF Ministry of Foreign Affairs and African Integration	Application at the national level of the directives negotiated within the economic integration structures	Not completed
	Conduct a balance of payments policy compatible with preserving the economy's competitiveness	2003-2005	MEF, MPDC, Sectoral ministries	Increase in non-oil exports Improvement in the balance of payments	Gum arabic, livestock
<b>B. Promote the Private Sector</b>					
Promote and support entrepreneurship	Create a one-stop shop and locate it at the CCIAMA	2003-2005	CCIAM, MEF, MICA	One-stop shop created, in operation, and located at the CCIAMA	Completed
	Create a guarantee fund	2003-2005	CCIAMA, Banks	Guarantee fund created and operational	Completed
Improve relations between enterprises and the government	Create commercial tribunals	2003-2005	Ministry of Justice	Number of commercial tribunals created and in operation	18 commercial tribunals created, of which 5 are in operation in N'djamena, Moundou, Abéché, Bongor, and Sarh.
Develop the financial sector and microfinance	Extend banking and insurance network throughout the national territory	2003-2005	MEF, BEAC Banks and financial institutions, Association of Banking Professionals	Number of branches of commercial banks and insurance companies established	Ongoing
Improve access to microfinance	Increase number of microfinance units	2003-2005	MEF, MICA, CELIAF REPAFEM	Number of microfinance units created	55 COOPEC
	Diversify banking and insurance products and services	2003-2005	MEF, BEAC Banks and financial institutions, Association of Banking Professionals	Number of new products created	Unclear
Promote exports	Prepare and implement the integrated trade framework paper	2003-2005	MICA, MEF, CCIAMA, Economic promoters	Framework paper adopted and implemented	Completed; document adopted in October 2005

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
<b>C. Develop basic infrastructure</b>					
Strengthen institutional, technical, and human capacities	Reassign and train an adequate number of supervisors, engineers, and other technicians involved in basic infrastructure planning and management	2003-2005	<b>Ministry of Infrastructure</b>  <b>MATUH</b>  <b>Ministry of Mines</b>  <b>Ministry of Posts</b>	Number of supervisors, engineers, and other technicians reassigned or trained	<b>M. Inf</b> – Preparation and implementation of a three-year (2003-2005) training plan, essentially to build institutional capacity through continuing training of supervisors and engineers and by reassigning and training enough of them.  <b>MATUH</b> – Preparation and implementation of a three-year (2005-2007) training plan, the aim of which is to build the management capacities of MATUH and improve capacity to implement current and future programs.  <b>Ministry of Mines and Energy</b> : there is no training tool. There is therefore a huge need for training. The building housing the Directorate General is close to collapse.  <b>The Ministry of Posts and New Communication Technologies</b> : this ministry just changed its name, its new roles and responsibilities require substantial support at all levels.
Establish a basic grid of roads for domestic and external access to isolated areas that are usable in all seasons	Complete the ongoing rehabilitation and construction of the roads for domestic and external access to isolated areas: Kélo-Moundou, Moundou-Bolarobou (Chad-Cameroon border), Massaguet-Ngoura	2004-2006	<b>Ministry of Infrastructure</b> General Directorate of Roads	Length of roads refurbished Length of roads paved for accessing remote areas	<b>Work currently in progress</b> The paving of roads already underway may cover the 737 km planned in 2005 Paving of the Moundou-Kélo segment (100 km) completed since 2004. The laying of the Moundou through road and the Moundou Cameroon Border project (118km) should be completed in 2005. Continuation of the upgrading of 287 km of paved roads and the paving underway of the following roads: Massaguet –Bisney (87 km), Biney – N’Goura (38 km)et N’Goura – Bokoro (104 km) on the N’Djaména – Abéché trunk road.
Establish a basic grid of roads for domestic and external access to isolated areas that are usable in all seasons	Complete the ongoing rehabilitation and construction of the roads for domestic and external access to isolated areas: Kélo-Moundou, Moundou-Bolarobou (Chad-Cameroon border), Massaguet-Ngoura	2004-2006	<b>Ministry of Infrastructure</b> General Directorate Of Roads	Length of roads refurbished Length of roads paved for accessing remote areas	<b>Start-up of new projects:</b> <ul style="list-style-type: none"> <li>• Paving of Bokoro –Arboutchata and Oum Hadjer –Abéché roads;</li> <li>• Paving of the Massaguet–Massakory segment on the N’Djaména–Massakory and Massakory–Bol trunk roads;</li> <li>• Paving of the N’Djaména –Dourbali segment of the N’Djaména –Dourbali-Massenya trunk road, a total length of 182 km on the national seasonal grid is planned;</li> <li>• Two bridges might be built on the Logone at Lai and another on the</li> </ul>

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
					Tandjilé at Tchoua.
	Finalize studies and by 2005 begin paving of Ngoura-Bokoro, Bokoro-Mongo, Mongo-Abéché, Abéché-Adré-Sudan border, Moundou-Doba, Doba-Sarh, and Massaguet-Massakory roads.	2003-2005	Min. Infrastructure	Effective startup of construction on roads mentioned	<b>Finalization of paving studies</b> Bokoro- Mongo (201 km) completed Mongo –Abéché (387 km) completed Moundou –Doba (100 km) ongoing Doba –Sarh (200km) ongoing Massaguet–Massakoty (67 km) ongoing <b>Outlook, dirt road rehabilitation studies:</b> For the N'Djaména –Doubali segment (100 km) Preparation of a program to service the 17 regions and define a priority investment program
	Continued rehabilitation of dirt roads in permanent national network	2004- -2006	DGR/DER FER		204 km of refurbished rural roads in Mayo–Kebbi in 2004. Preparation of a five-year (2006-2010) investment plan for rural roads totaling CFAF 4 billion annually over five years (between 3,000 and 4,000 km of rural roads financed by oil revenues). Some major projects have set up an internal “rural roads” component that includes construction, refurbishing and maintenance of rural roads
	Establish a priority investment program for rural roads	2003-2005	Ministry of Infrastructure decentralized territorial governments	Priority investment program to build rural roads adopted	Ongoing
Maintenance of transport infrastructure	Consolidate financial resources of the Road Maintenance Fund (FER) and build its capacities for programming maintenance work	2003-2005	MTP, MEF, FER	Linear length of national roads in good condition, Resources devoted to road maintenance	The FER has not been allocated enough financial resources mobilized since 2001 for support maintenance work. The FER was provided with CFAF 200 million in financing for the period 2004-2005, but this will significantly increase over the next three years, that is to say: 2006, 2007, and 2008. The FER is experiencing huge difficulties in financing the contracts planned for the period 2001-2004. Thus the contracts for 2005 and 2006 will further complicate things.  Capacity to plan and monitor maintenance work has improved. There are plans to maintain 2,600 km annually. The initial objective is to maintain 100% of the roads selected, but the rains limit the achievement of that objective. Thus completion was as follows: <ul style="list-style-type: none"> <li>• In 2004: 2,300 km (8.4%)</li> <li>• in 2005 2,000 km (76.9%) performance will improve during the next crop years (September 1 – August 31), with the allocation raised from CFAF 4 billion to CFAF 6 billion, or an increase of 33.3 %</li> </ul>

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
					Road maintenance project based on a performance-based remuneration system. This made it possible to maintain 441 km of roads allowing speeds of up to 60km/h without breakdowns. Completion is scheduled for June 5, 2005, but on June 6, 2005 a rider (03) was signed by the two parties, Chad and the World Bank. Thus, the final completion of the project is planned for December 31, 2005.
	Establish a Road Maintenance Agency	2005	MTPT	Agency established and in operation	Establishment of an Autonomous Road Maintenance Agency Ongoing
Improved road safety	Prepare and implement a passenger and goods transport code	2002-2004	Min. Infr/ Directorate of Overland Transport	Road safety has improved	There are legal provisions regulating road transport, namely: 1. Decision N°042/MTPHTU/SG/DTS/2001 of July 9, 2001, prohibiting the transport of passengers banning the transportation of passengers on articulated semi-trailers. 2. Decision N°061/MTPHTU/SG/01 of November 5, 2001 establishing the amount of the fines for the overloading of vehicles 3. Decision N°026/MTPT/DG/DTS/02 of December 4, 2002 establishing the conditions for the operation of vehicles as motorbike-taxi 4. Decision N°032/PM/03 of October 10, 2003 establishing the National Road Safety Commission
Improved road safety	Prepare and implement a passenger and goods transport code	2002-2004	M. Infr/ Directorate of Overland Transport	Road safety has improved	<b>Legal provisions regulating road transport (cont'd) :</b> 5. Decision 039/MTPT/SG/DTS/04 of September 24, 2004 embodying the regulations for public interurban transport of persons 6. Decision 040/MPI/SG/DTS/04 of September 27, 2004, making the wearing of safety helmets mandatory 7. Decision 019/MTPT/SG/DTS/04 February 23, 2004 defining the conditions for transport of bulk goods The problem stems from the limited dissemination and lack of compliance with the provisions by users Revision of the Chadian road code Project for the computerization of grey cards and driver licenses. Preparation of a national road safety strategy in Chad, in which there is a an IEC validation component) National transport strategy revised and adopted
	Outreach to the people (IEC on prevention) regarding road safety	2005	M. Inf, Ministry of the Interior	More road-safety awareness	
	Revise the National Transport Strategy resulting from the 1999 sectoral meeting, in line with the new context in Chad.	2005	Ministry of Infrastructure	Revised national transport strategy	
<b>Expanded access to water in rural areas</b>	Build or rehabilitate 800 tube wells and 50 large diameter wells per year	2003-2004	Ministry of the Environment and Water (MEE)	Number of tube wells built or rehabilitated	- Completion of 415 projects, including 15 water towers in rural areas (2003/2004), thereby increasing access to drinking water from 29 to 36 in 2004.
	Make the population responsible for	2003-2015	MEE	Percentage of villages	Once the projects were handed over, the beneficiaries were given the task of

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
	managing water access points			with a water access point management committee	managing them
Improvement in the quality of housing	Improve the living conditions of the urban and rural population by implementing the programs under the National Housing Strategy (SNL)	2005-2006	MATUH/ Decentralized territorial governments	Improvement in housing	Urban Development and Housing Improvement Pilot Project. Activities planned to start in 2005. <ul style="list-style-type: none"> <li>Clear 1,000 lots in N'Djaména and</li> <li>Build 100 houses</li> <li>Restructuring of the old quarter in Abéché</li> </ul> In this subsector the emphasis needs to be on financing housing and promoting research on ways on taking full advantage of local materials so as to minimize the cost of imported materials. <p>13 drafts prepared and revised, currently before the Cabinet</p>
Support urban development and land-use planning	Implement priority projects in the urban sector and draft plans for strategic development approaches to benefit urban and rural dwellers.	2005-2006	MTUH, development partners	Finalize and adopt the regulatory and legislative framework	
Sanitation of major urban centers	Provide the urban centers (N'Djaména, Sarh, Abéché, Moundou, Kélo, Koumra, Pala, Mao) with integrated drinking water and sanitation systems.	2003-2005	MATUH/ MEE, Municipal governments, Sanitation Committee, NGOs	Draft and adopt the documents embodying the strategic approaches	Preparation of land-use planning and space management tools: SNAT, SDAR, Land-Use and Urban Planning blueprints for 4 major cities and 10 secondary cities, and the Strategic Development Plan. <p>Broad-based urban sanitation program in N'Djaména, Moundou, and Sarh was implemented between 2002 and 2004 by MATUH with French Development Agency (AFD) financing. This action was already implemented as programmed.</p> <p>As of 2005, the next priority projects to be implemented in the sector are in N'Djaména, Sarh, Abéché et Moundou.</p> <p>Start-up of the "N'Djaména Basic Services and Urban Environment" project for which the agreement was signed in June 2005.</p>
	Create sewer and drainage systems (VRD) Dispose of household trash, industrial and commercial waste, and excrement	2003-2005	MATUH, MEE, Ministry of Decentralization MAT	VRDs created in main towns - household waste, industrial and commercial waste, waste water and excrement evacuated and recycled	Construction of sewer drain headers in the eastern districts of N'Djaména and clearing of 100 lots on 55 Ha of serviced land. <p>The following actions are planned for 2005:</p> <ul style="list-style-type: none"> <li>Paving of N'Djari canal bed (N'Djaména) (AFD financing, government counterpart)</li> <li>construction of drain headers in Moundou (govt. financing)</li> <li>construction of drain headers and septic tanks in Sarh, (govt. financing)</li> <li>construction and rehabilitation of gutters/waste disposal in N'Djaména (AFD financing)</li> <li>construction and rehabilitation of water supply infrastructure (govt. financing)</li> </ul>
<b>Energy</b>	Prepare a status report on the regional solar energy program so as to optimize its contribution to a national new and renewable energies program	2003-2005	Ministry of Mines and Energy (MME), STEE	Status report on the solar energy program available; National new and renewable energies	This sector is underdeveloped. It is characterized by heavy consumption of wood fuels (wood charcoal), which accounts for 90% of Chad's total energy consumption. However, consumption of energy from conventional sources (petroleum products and electricity) account for a mere 10% of the country's energy consumption.

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
				program adopted	The objective of reducing the cost per Kwh and making electricity more accessible to a major part of the population can be reached only through the following initiatives: Building a new power plant in Farcha; Resuming negotiations on electric interconnections between Chad and Cameroon; The effective implementation of the project to develop the Sédigui oilfield; Construction of the Farcha mini-refinery; Conclusive completion of the research into possibilities for using crude oil from Doba or Sédigui or gas-oil from the distillation column (topping unit). The electrical energy problem is particularly influenced by the exploitation cost related to the cost of gas-oil, which represents 75% to 80% of the cost of production. The National Gas Program launched in N'Djaména was able to help bring down consumption of wood fuels. It should have been expanded to other areas of the country and heavily subsidized to facilitate access for the most disadvantaged groups. These planning tools are essential for a country where energy is a limiting factor.
<b>Energy</b>					
	Prepare a national energy strategy and a rural electrification plan	2005 -2006	MME and partners	National Energy Strategy and Decentralized Rural Electrification Plan prepared.	
	Implement the emergency program at the STEE				Implementation of the STEE emergency program is ongoing.
<b>Posts and New Communication Technologies</b>	Continue deregulating the value-added services subsector (mobile telephony, data transmission, internet access), Develop and implement a pilot rural telephony project	2003-2005	MPNTC	Deregulated access to value-added services	Celtel is currently domiciled, another provider (Millicom –Tigo) was established on October 15, 2005.
	Make postal and financial services autonomous	2003-2005	SOTEL Chad, mobile telephony companies MPNTC	Project designed and implemented Autonomous postal and financial services	Of the 24 VSATs planned for the secondary cities, 15 have been installed, which is an implementation rate of 63%. Celcel mobile telephony expanded its network to other secondary cities. Postal and financial services reform ongoing. Revision of law 008/PR/98 organizing the public postal service
	Select a strategic partner for the development of each basic infrastructure subsector (Chad airports management, energy, posts, telecommunications)	2003-2004	Relevant ministries, units responsible for privatization	Strategic partners selected for each subsector	- A private contract for the granting of a concession for the commercial management and for the infrastructure of the airports was signed on May 28, 2001 between Chad and ASE/CNA. The airports involved are N'Djaména, Sarh, Moundou, Abéché, Faya Largeau, Bongor, Bol, Pala, Mao, Ati, and Am-timan. There are also 50 aerodromes with runways that are not all operational. Privatization of these airports will not be possible unless they are to be used by foreign aircraft.
	Place the development of each basic infrastructure subsector under the	2003-2004	Office of the Prime Minister,	Regulatory institution in place	- the law establishing the Chad Civil Aviation Authority was adopted by the Assembly

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
	supervision of an autonomous regulatory institution		relevant ministries		
<b>D. Sustainably increase rural output</b>					
Increase investment in agricultural and pastoral water supply improvements	Carry out the agricultural water supply and pastoral water supply components of the master plan for water	2004-2006	GR/ONDR/SODELAC	Agricultural water supply improvements available	Bongor, Kolobo, Hamatié, Chadra, Ambédam, Zafaya, Darda, Abédaya
		2004-2006	GR/ONDR/SODELAC	Land areas improved	Bongor (2,000 ha), Kolobo (2,000 ha), Hamatié (100 ha), Chadra (50 ha), Ambadam (30 ha), Zafaya (30 ha) Darda (15 ha) 450 ha (Nya Doba) 585 ha under PVERS (water and surface runoff) development 75 ha under PSSA (food security program) development
Expand access to high quality agricultural equipment and inputs		2003-2005	ONDR	Programs defined and disseminated, compost available	Organic fertilizing techniques used on 154.5 ha,
	Locally produce agricultural equipment and inputs	2003-2004	ONDR	Quantity of equipment and inputs produced	Agricultural equipment imported using HIPC funds Plows (1.3500) Ox-drawn carts (1070) Horse-drawn carts (600) <i>Houe occidentale</i> [ a kind of hoe] (3000) Trailers (800) Super eco seeders (150) Riding hoe (corps butteur) (1500) Groundnut sheller (150)
Expand access to high-quality support services for farmers and livestock breeders					
	Deconcentrate the support structures toward agricultural and pastoral areas	2004-2005	ONDR/DEP	Number of deconcentrated support structures in agricultural and pastoral areas	7 rural development regions, 45 rural development districts, 191 rural development zones 27 veterinary districts, 155 veterinary stations.
	Create storage structures	2003-2005	SODELAC/DEPP/ONDR	Community silos, warehouses, granaries,	10 warehouses with capacity for 200 T; and 4 with capacity for 2500T (ONSA), 35 warehouses (PDRDL) and 2 warehouses (Doum Doum Project)
	Introduce a rural communications	2003-2005	MC	Rural radio, small	Audio-visual studio

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
Expand access to credit and appropriate financial services	system Create and install credit and financial services structures	2003-2005	ONDR	farmer newsletters Number of structures created and installed in urban and rural areas	Weekly broadcast of rural radio every Thursday 55 COOPEC 1 CDCR
Diversify agricultural production	Introduction of new plant and animal species	2003-2005	MA	Number of new subsectors	Introduction of sugar-cane and sesame seed cultivation in Guéra
Improve the functioning of distribution channels and markets for major products	Build capacities of rural producers	2003-2005	MA	Support provided to rural producers	Organizational support, support in gaining legal recognition, technical support (training)
Develop new subsectors	Strengthen support services for the agricultural sector Complete the reform of the cotton subsector	2003-2005 2003	MA MCIA/ Cotontchad	Support provided for agricultural services Reform ongoing	Capacity-building component of the PSAOP Roadmap prepared and privatization planned for 2007
	Initiate studies with a view to identifying promising subsectors	2003-2005	MA; MEE; MICA	Number of studies conducted	Subsectors identified: poultry; peri-urban livestock breeding, spiruline, beef cattle
	Continue support to the gum arabic subsector	2003-2005	MEE	Annual production	Production : 18,000 metric tons in 2005
	Develop short-cycle livestock rearing	2003-2005	ME	Project on short-cycle livestock rearing under way	Study conducted but no project under way
Protect plant health	Combat major pests (desert locusts)	2004 - 2006	MA	Surface areas sprayed	Batha 6,735 ha; BET : 4,820 ha WADI FIRI : 5,669 ha Total: 17,224 ha
	Combat endemic pests (rodents and grasshoppers)	2004 - 2006	MA	Nature of control efforts	Information-training; Advisory support; comprehensive and traditional campaign

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status	
<b>III. Human Capital Development</b>						
<b>A. Establish an effective healthcare system</b>						
Improve access to high-quality health services throughout the territory	Build or rehabilitate and equip 50 health centers, 5 district hospitals or prefectural hospitals, and 15 district offices,	2003-2005	MSP	Good quality health services available	52 health centers, 6 district hospitals, and 4 district offices were built in 2005	
	Train the 600 COSANS/COGES for 600 health centers in community participation and the management of health services	2003-2005	MSP	Number of health centers having received community participation training	569 health centers have been provided with training in community participation	
	Make 10 district hospitals or prefectural hospitals autonomous	2003-2005	MSP	Number of autonomous hospitals with the technical support and resources	No prefecture or district hospital became autonomous in 2005	
	Encourage the creation of health mutual associations among less advantaged population groups	2002-2005	MSP	Number of health mutual associations created	6 health mutual associations created by end-2005	
	Strengthen the protection of children and pregnant women against diseases preventable by vaccination and against malnutrition	2003-2005	MSP	Increase of 20 percentage points in rate of anti-antigen vaccination coverage	DTC 3 rate is 47% in 2005	
	Strengthen surveillance and early warning systems with respect to endemic diseases (polio, neonatal tetanus, and measles) or potentially epidemic diseases (cholera, meningitis, tuberculosis).	2002-2005	MSP	Number of outreach campaigns carried out in high-risk zones	900 outreach meetings were held throughout the 18 regions of the country - 3,000 posters on the vaccination schedule were displayed	
	Equip 600 health centers with equipment for monitoring pregnancies and childbirth	2003-2005	MSP	Number of health centers equipped, pregnancies monitored, and childbirths assisted	433 health centers were equipped with pregnancy monitoring equipment	
	Provide postnatal consultation in all health centers and all maternity clinics	2003-2005	MSP	Number of postnatal consultations by health structures	Postnatal consultation offered in 98% of health centers and districts	
	Equip 25 district hospitals or prefectural hospitals for obstetric emergencies	2003-2005	MSP	Number of district or prefectural hospitals equipped	32 of 45 hospitals are equipped for obstetric emergencies	
	Assign one surgeon, one anesthetist, and one midwife per district or prefectural hospital	2003-2005	MSP	Number of district or prefectural hospitals suitably staffed by qualified personnel	42 of 45 district hospitals are suitably staffed by qualified personnel	
	Introduce programs for spacing births at 600 health centers and 25 hospitals	2003-2005	MSP	Contraceptive prevalence rate	The 2005 contraceptive prevalence rate was 2.5%	
	Improvement in the use of resources allocated to the health sector	Build the capacities of management bodies in 43 districts	2003-2005	MSP, MFE, CCSRP	Number of management bodies receiving training	37 of 43 management bodies trained

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
	Develop a three-year action plan for the development of health districts	2003-2005	MSP	Action plan available	Action plan prepared and available
	Provide supervision and monitoring of 43 health districts	2003-2005	MSP	Number of districts regularly monitored	42 of 43 districts are regularly monitored
Combat HIV/AIDS	Continue and broaden programs for early detection, prevention (particularly among those aged 15 to 49, pregnant women, or seropositive women), and treatment	2003-2005	MSP / MASF PNLS, PPLS, CELLIAF ADH	Rate of introduction of AIDS units in health facilities,  Annual number of condoms distributed and annual number of outreach campaigns	- 14 out of 18 hospitals dispensing Arts and 52 Voluntary testing centers functional - 3,125,000 condoms sold in 2005 -168 outreach campaigns conducted -Condom use : • Men: 6% • Women: 0.4%
Fight against malaria	Continue and broaden prevention and treatment programs	2005-2005	MSP	Use of treated mosquito netting Number of health structures with malaria units	The 2005 usage rate for mosquito netting was 7% All functional health structures have malaria units, i.e. 100%
Fight against malnutrition	Continue and extend programs to provide micronutrient supplements, promote breast-feeding, and promote healthy foods	2003-2005	MSP	Iodized salt use Number of breast-feeding outreach campaigns	Iodized salt use is 65% 16 breast-feeding outreach campaigns conducted

## B. Ensure appropriate development of the education sector

Promotion of equitable access to education and elementary school attendance	Build 3,772 classrooms, rehabilitate 3,000, and equip all of them in the target zones, in particular in the disadvantaged rural areas  Train at least 7,000 community teachers on the instructional staff  Reduce by 15 percentage points the gap in school access between girls and boys	2002/3-2005/6  2002/3-2005/6  2002/3-2005/6	MEN APE  MEN APE  MEN APE	Number of students per class, Proportion of qualified teachers Proportion of community teachers  Number of community teachers trained  Gap in percentage points between TBSG (boy enrollment) and TBSF (girl enrollment), which was 33.7 in 1999/2000 and 36.4 in 2003/2004	1,806 classrooms built  4,000 level-1 community teachers trained  The boy/girl parity index point fell from 1.5 to 1.35 over the period (TAM: 11%)
Improvement in the effectiveness and quality of the educational system	Create a National Curriculum Center responsible for developing education programs that are specifically Chadian and bilingual, as well as special curricula for experimental programs	2002/3-2005/6	MEN APE	National Curriculum Center functional in 2002/2003, Experimentation with new programs beginning in 2005/2006	National Curriculum Center functional in 2004 Preparation of the new curricula ongoing, and CP textbooks in Arabic and French expected to be tested in 2006-2007.
	Make new textbooks for reading, mathematics, and science available in the primary and secondary schools.	2002/3-2005/6	MEN APE	One reading text, one mathematics text, and one science text per student in primary school	The order for about 3 million books is being filled.

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
				One book in each subject for every three students in secondary school	
	Provide initial training for 2,000 community teachers in normal schools (Ennis), 6,400 teachers, 480 teacher trainers, and supervisory personnel	2002/3-2005/6	MEN APE	Number of teachers, trainers, community teachers, and supervisory personnel trained	850 Level II community teachers trained, and 3,400 teachers trained in the Ennis
Strengthened capacities for planning, managing, and steering the development of the educational system	Develop and implement procedures manuals on planning, management, assessment, and monitoring the performance of the educational system	2002/3-2005/6	MEN APE	Procedures manual applied	202 ENI teacher trainers trained. Not completed
	Train at least 2,000 managers at the National Education Ministry (MEN) and provide 30 high-level supervisors with long-term training	2002/3-2005/6	MEN APE	Number of managers trained Number of high level supervisors trained	Not completed
	Make 29 departmental delegations in national education (Dens) operational in the areas of management, administration, and planning			Number of DDENS operational in the areas of management, administration, and planning	Adoption of a new organizational chart for the Dens in 2004
	Introduce a permanent mechanism for the annual review of expenditure and the preparation of a medium-term program budget			Mechanism operational	Reconstitution of the PER and Program Budget team in 2005

### C. Promote the labor market

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
Special actions to adapt the qualifications of graduates to the needs of the labor market	Increase technical education and vocational training (ETFP) intake capacities in the areas of greatest relevance, using trained and properly equipped instructors	2005-2006	MEN, APE	Number of students able to enroll in ETFP	Not available
	Increase the basic knowledge of 15,000 youths aged 8 to 14 by means of EBNF (nonformal basic education)	2005-2006	MEN, APE	Number of youths aged 8 to 14 enrolled in EBNF	Not available
	Provide literacy training to at least 50,000 persons age 15 to 50, of whom 60 percent are women	2002/3-2005/6	MEN? APE	Number of literacy training recipients Number of female literacy training recipients	126,913, including 70,970 women (56%)
	Test bilingual curricula in CP classes	2005/6	MEN, APE	Bilingual curricula tested	Ongoing
	Study supply of and demand for trades and labor	2003-2005	Ministry of Civil Service	Study report	Ongoing
	Prepare and implement a vocational training strategy	2003-2005	M.F.P.T MEN, private sector	Strategy adopted	Nearing completion

Pillars/Objectives	Actions	Timetable	Persons responsible	Performance indicator	Status
<b>IV. Improve the living conditions of vulnerable groups</b>					
Integrated urban development	Develop urban infrastructure and services	2003-2005	MATUH, MTPJ		Urban development program ongoing
	Prepare and implement land management and urban development plans	2003-2005	MAT,UH	Plans developed and implemented	Not completed
Support for microenterprises, SMEs, and employment	Support the management and emergence of professional service providers	2003-2005	MEF, MCIA	Number of professionals	Not completed
	Resume ATE TIP activities	2003-2005	MPDC	ATE TIP activities resumed	Not completed
	Rehabilitate technical training and apprenticeship centers	2003-2005	MEN, MFPTME	Number of centers rehabilitated	3 rehabilitated and 10 being built
	Create an economic and technological documentation and information center	2004-2005	MEF, MCIA	Center in operation	Ongoing
	Disseminate educational programs to promote a culture of entrepreneurship	2003-2005	MCIA, CCIAMA	Dissemination of educational program	Completed
	Improve consensus-building around and coordination of actions in support of Miss	2003	MEF, MCIA	Cooperation and coordination improved	Ongoing
Social protection	Lead IEC campaigns on key risk-prevention measures	2003-2005	MC, MASF	Number of campaigns conducted	Not completed
	Revise family law and land law	2003-2005	MASF, MJ	Laws revised	Not completed
	Adapt the social security and pension systems	2003-2005	MFPTM, MEF	Social security and pensions systems adapted	Ongoing
	Support existing informal crisis-response systems	2003-2005			Not completed
	Guarantee government assistance in case of major disasters	2003-2005	MEF	Warning mechanisms available	Warning mechanisms operational

Focus/Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
<b>V. Restore and safeguard ecosystems</b>					
Strengthen the regulatory framework and capacity for managing natural resources	Pass laws transferring certain choices for natural resource management to users	2003-05	MEE	Legal and regulatory provisions adopted and entered in force	Law 36/PR/94 Decree 107
	Establish local natural resource management committees	2003-05	MEE	Number of committees, groups, and associations established	52 Cads established by the PSAOP
	Build the capacity of institutions in charge of natural resource management	2003-05	MEE	Number of supervisors and employees trained, resources allocated, number of groups and associations trained	300 forest rangers recruited and trained in 2005, 325 forest rangers recruited and trained in 2005
	Introduce an environmental information system			Environmental database available	The following databases are available: Groundwater; Surface water; Climatology; Treaties; Projects; Gum arabic; Persistent Organic Pollutants; Monitor lizards [Varna's]; Fishery resources
	Draft a national program to mobilize the population in support of the environment	2003-05	MEE	Existence of national programs	Program to combat desertification Wildlife protection and conservation program Fisheries promotion program Water resources program Climatology and meteorological program
Improve domestic energy management	Promote sustainable firewood production	2003-05	MEE/MA	Land area devoted to firewood production	700,000 hectares in the 100 villages supervised
	Develop forest resources as a source of revenue for rural communities	2003-05	MEE/MA	Proportion of revenue allocated to rural communities	Law 36 allocates 50% of revenue to rural communities
	Increase the involvement of rural populations in natural resource management	2003-05	MEE/MA	Legal provisions on monitoring forested areas drafted for local land.	The provisions transferring the powers to the communities, the demarcation of village lands, the village development plans, the natural resources management agreements were drafted and are available

Focus/ Objectives	Actions	Timetable	Persons responsible	Performance indicators	Status
	Ensure that the tax system applicable to wood and wood byproducts has a regulatory role	2003-05	MEE	Taxation of wood and wood byproducts	Law 36 establishes taxation

## VI. Ensure monitoring and periodic assessment of NPRS implementation

<b>A. Monitoring and assessment role</b>		2003-2005	INSEED, national statistical system, Steering Committee	Survey and assessment reports	Ongoing (ECOSIT 2)
Assess the extent to which NPRS objectives are achieved	Conduct quantitative and qualitative surveys	2003-2005	INSEED, national statistical system, Steering Committee	Survey and assessment reports	Ongoing (ECOSIT 2)
	Update the NPRS	2005	Steering Committee	NPRS updated	Not completed
<b>B. Institutional monitoring and assessment framework</b>		2003-2005	Civil society	Number of poverty reduction activities approved by civil society	Not completed
Role of non-state organizations	Participate in NPRS implementation monitoring and assessment mechanisms	2003-2005	Civil society	Number of poverty reduction activities approved by civil society	Not completed
Role of decentralization	Make decentralized local governments accountable by granting them financial autonomy and the democratic election of their leaders	2003-2004	MAT and Office of the Prime Minister	Number of decentralized territorial governments with autonomous budgets and democratically elected leaders	Not completed
	Strengthen the role of local assemblies for the self-promotion of decentralized territorial governments and peoples.		Office of the Prime Minister MAT	Local assemblies with decision-making authority	Not completed
	Reintroduce specifications for municipal activities (infrastructure construction and public utility projects)	2003-2005	Office of the Prime Minister MAT	Municipal specifications available	Completed
	Permit decentralized cooperation between local municipalities and foreign municipalities (twin cities programs)	2003-2005	Office of the Prime Minister MAT	Number of agreements signed for cooperation between local municipalities and foreign municipalities	5
Protection of HIPC resources and oil revenues against corruption	Revise Law 001/PR on the management of oil revenues by incorporating HIPC resources Control and monitor the use of HIPC resources and oil revenues	2003-2005	MFE, CCSRP, Audit Chamber, Supreme Court, Parliament	Law revised Audit missions and sessions carried out	Completed
Resource allocation mechanisms	Prepare resource allocation ceilings annually	2003-2005	Office of the Prime Minister, MFE	Resource ceilings available annually	Completed
<b>C. Dissemination of monitoring and assessment reports</b>		2003-2005	SC/NPRS MC Private sector press	Frequency of radio and television broadcasts Number of articles published in the press	Not completed
Disseminate monitoring and assessment reports	Use the media	2003-2005	SC/NPRS MC Private sector press	Frequency of radio and television broadcasts Number of articles published in the press	Not completed