

CHAD

Interim Poverty Reduction Strategy Paper for 2000-01

Prepared by the Chadian Authorities

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I. INTRODUCTION

1. As part of a three-year program under the Enhanced Structural Adjustment Facility (ESAF), which expired on April 30, 1999, and the structural adjustment program supported by three IDA credits (the last of which was in May 1999), Chad has made significant progress toward macroeconomic and financial stabilization, and the implementation of structural reforms designed to remove the obstacles hampering economic growth and delaying the access of the majority of the population to economic opportunities. After reviewing the results of the first structural adjustment program with members of civil society and external partners at an appraisal conference held in N'djamena in June 1999, the Chadian authorities have decided to continue and intensify the reform process. They have devised and implemented a new structural adjustment program. This program will be based on a comprehensive poverty reduction strategy which will integrate the government's economic, financial, and social policies.
2. The development and implementation of a national poverty reduction strategy will require major efforts and broad participation of all the social partners in Chad. The poverty reduction strategy paper (PRSP) will serve as a basis for coordinating the government's economic, financial, and social policies, as well as the support program of Chad's external partners, in particular in the context of the Heavily Indebted Poor Countries (HIPC) Initiative.
3. The government of Chad intends to inform the Executive Boards of the Bretton Woods institutions on a regular basis of the progress made in devising the strategy and, where necessary, wishes to receive the assistance of both institutions.
4. The main aim of this document is to serve as a guide for devising a participatory national poverty reduction strategy (NPRS), by providing a detailed timetable for the whole process.
5. This document is divided into five parts. The first describes the characteristics of poverty in Chad, the second presents the commitment of the government of Chad to combat poverty, the third relates to the existing strategy to combat poverty in the country, the fourth describes the macroeconomic framework and provides a matrix of measures over three years, while the last part establishes a timetable and a participatory process designed to develop this strategy.

II. CHARACTERISTICS OF POVERTY IN CHAD

6. The available data do not make it possible to correctly assess the incidence, depth, or severity of poverty at the national level. The only survey which has attempted to evaluate poverty in Chad in the past few years is the Survey on Consumption and the Informal Sector (ECOSIT), which was conducted in 1995/96. An assessment of poverty focusing on rural development was also undertaken by the World Bank in 1997.
7. Unfortunately, given the reduced size of the samples used, it is difficult to extrapolate these assessments to the national level. Very useful information can nevertheless be gleaned from them.
8. According to ECOSIT, the annual average income per capita has been estimated at CFAF 98,000 (US\$180). In rural areas, it is CFAF 73,000 and in urban areas CFAF 188,000. The monetary income of rural inhabitants is 28 percent below the national average and 64 percent below the average income of urban households. Income from the informal sector represents 28 percent of the total, while agriculture accounts for 21 percent and transfers 19.6 percent. Wage income represents only 10.5 percent of the total. The poorest households are those headed by a woman who derives her income solely from agricultural activities. Money spent on food absorbs about 60 percent of household budgets.
9. The results of the survey show that the incidence of food-related poverty affects around 44.2 percent of households and varies according to the area. It is 34 percent in Chari Baguirmi, 33.8 percent in N'Djamena, 53.9 percent in Logone Occidental, 38.6 percent in Moundou, 48.9 percent in Moyen Chari, 57.1 percent in Sarh, 47.9 percent in Ouaddaï, and 18.3 percent in Abéché.
10. The incidence of overall poverty is 54 percent for the country as a whole. As regards towns, it varies from 20.1 percent in Abéché to 58.1 percent in Sarh, and for prefectures, it ranges from 37.5 percent in Chari Baguirmi to 50.7 percent in Ouaddaï. In total, around 60 percent of households are poor. An analysis of the situation based on the gender of the head of household shows that in general, in urban areas the proportion of poor families is highest among female-headed households, varying from 44 percent in N'djamena to 67 percent in Sarh.
11. It should be noted, however, that ECOSIT covered only 4 prefectures (Chari Baguirmi, Logone Occidental, Moyen Chari, and Ouaddaï) out of the 14 which Chad comprises, and is therefore unrepresentative in statistical terms. This shortcoming will be overcome by the data from the household survey scheduled to be conducted in January 2001. However, if this survey is to be properly conducted, the Directorate of Statistics needs to be strengthened substantially, in particular by recruiting the statisticians and demographers who are currently unemployed.

12. The UNDP World Development Reports also contain data on poverty in Chad. The HDI increased from 0.290 in 1990 to 0.393 in 1999, thus placing Chad among the poorest 10 countries on the planet.

13. The level of education among population groups is relatively low: more than three quarters of women (77 percent) and over half the male population (55 percent) have no education. The rate of school attendance is only 30 percent for girls and 52 percent for boys aged between 6 and 15.

14. According to the General Population and Housing Census in Chad, in 1993 life expectancy at birth was 50.3, or 54.4 years for women and 47 years for men. The gross general mortality rate is estimated at 16 per 1,000 and the birthrate at 41 per 1,000. As regards the mortality of children under the age of five, the results of the 1996-1997 Demographic and Health Survey in Chad (EDST) which cover the period from 1992-93 to 1996-97 show an infant mortality rate of 103 per 1,000, a child mortality rate¹ of 102 per 1,000, and a combined infant and child mortality rate of 194 per 1,000. The main causes of death among children are diarrhea-related diseases, acute infections of the lower respiratory tract, measles, and malaria, each of which is closely linked to poverty. The maternal mortality rate is one of the highest in the world with 800 to 1,000 deaths per 100,000 live births.

15. Moreover, the EDST indicates that 40 percent of children under the age of five suffer from chronic malnutrition, of which half from a severe form; the percentage of low birth-weights (acute malnutrition) is around 15 percent. Children aged between 24 and 35 months experiencing stunted growth represent 55 percent of the total population of this age group; 40 percent of children under the age of five suffer from stunted growth, with 42 percent in rural areas and 32 percent in urban areas.

16. As regards water supply and sewerage, only 27 percent of households in Chad have access to drinking water, while the percentage of those with adequate toilet facilities or improved latrines is extremely low: 7 percent (EDST, 1998). According to the same source, about 21 percent of households have access to sanitary means of human waste removal.

III. GOVERNMENT COMMITMENT

17. The fight against poverty is the basis of the strategic development options presented by the government of Chad to the Fourth Roundtable Conference held in Geneva in October 1998.

18. In November 1999, and more recently in March 2000, the government renewed its commitment to a process of consultation with civil society and its development partners in

¹ Rate for children from 12 to 59 months of age (note from Staff).

order to elaborate a comprehensive strategy to combat poverty in its paper on development prospects (Preliminary Framework for a National Poverty Reduction Strategy 1999-2002/Memorandum of Economic and Financial Policies for 1999-2000).

19. The establishment of the Steering Committee and its permanent secretariat, and the holding of a launching seminar to devise the National Poverty Reduction Strategy (April 25-27, 2000) demonstrate the Government's commitment to enhance its performance in the fight against poverty, first through the integration of the various elements of government policy and second through the strengthening of a partnership with civil society, which remains incomplete to date.

20. On other occasions, the government has had other opportunities to make clear its intention to combat poverty in an effective manner, for example:

- During the seminar to increase awareness of the Sustainable Human Development Initiative held in N'djamena from March 21 to 25, 1996;
- By signing the document on the Project Supporting the Program to Enhance Development Management Capacities (CHD/99/001).

IV. EXISTING POVERTY REDUCTION STRATEGY

21. The orientation of the economic and social development policy chosen by the government of Chad in late 1999 is not in itself new. During the mid-term review of the 1990 Orientation Plan, the government had already made clear its intention to combat poverty. In the Revised 1998-2005 Orientation Plan, the stated strategic aim of the government of Chad is **to combat poverty and improve the living conditions of its citizens.**

22. In the context of this overall goal, the government has adopted four specific guiding objectives. These are:

- Continuing and consolidating the democratization process of political and social life, in order to guarantee the security of individuals and of their property, increased participation of the population in political, economic and social life, and in decision-making processes, the establishment of the rule of law, and of sound rules of governance and management;
- Achieving a high level of sustained economic growth leading to job creation and rising incomes;
- Developing human resources to promote increased long-term productivity of the workforce by providing them with better access to basic social services, healthcare, education, and social protection, as well as to the job market;
- Restoring and safeguarding the ecological balance and the balance of ecosystems by placing particular emphasis on the environmental problems associated with human activity.

23. The government's intention to involve all stakeholders in the country's economic life in these development efforts and the need to achieve economic growth in order to reduce poverty should be emphasized.

24. The Revised Orientation Plan constitutes one of the basic documents submitted at the Fourth Round Table Conference held in Geneva in October 1998, which identified four priority sectors for growth and poverty reduction. These priority sectors, rural development, health, education and training, and infrastructures (transportation, housing, and urban works) were the subject of sectoral consultations.

A. Sectoral consultations

25. Sectoral consultations have made it possible to define strategic priorities for the development of each of the priority sectors concerned. In terms of methodology, the government has adopted the process of planning by objectives and has used participatory methods in the preparation of sectoral strategies so as to involve all parties concerned and ensure their active participation (representatives of decision-makers, civil society, the private sector, development nongovernmental organizations (NGOs), and cooperation agencies). In addition to consultations at the grass-roots level, national and regional workshops have enabled representatives of the various ministries, prefectures, municipalities, local elected representatives, NGOs, projects, traditional leaders, trade unions, parents' associations, livestock farmers, farmers, merchants, village associations and groupings, bilateral and multilateral development partners, etc., to define the strategic areas within the different sectors identified.

Rural development

26. The rural sector (agriculture, livestock farming, and environment) plays a major role in Chad owing to its contribution to the national economy and the size of the rural population. Rural inhabitants represent 80 percent of the total population, estimated at 7.2 million in 2000, and 83 percent of the economically active population, more than 50 percent of whom are women. Furthermore, it should be emphasized that 80 percent of national exports are generated by this sector. In this context, the anticipated effects of the inclusion of this sector in the government's efforts to reduce poverty are the generation of income and an improvement in the standard and quality of life in rural areas.

27. In order to allow this sector to make a real contribution to poverty reduction, the development strategies devised include:

- Strategies based on five specific objectives, namely:
 1. Increased production;
 2. The emergence of competitive sectors of activity;
 3. The management and enhancement of natural resources;
 4. The promotion of the rural sector;
 5. The improved efficiency of public services; and

- Support strategies in the fields of education, health, communications, and energy.

28. The fresh momentum anticipated in the rural sector and, more specifically, in the agricultural and livestock farming subsectors, must also promote the emergence and development of private micro and small enterprises linked to the structuring of services and areas of activity.

29. Technical training efforts will be deployed in order to enhance the competitiveness of existing and new areas of activity and in the context of the rural development strategy. The implementation of these measures and the increased productivity which should ensue in the rural sector will serve as a powerful instrument for the country to increase incomes and reduce poverty.

Health

30. An assessment of the health system demonstrates several weaknesses, including:

- The insufficient provision and quality of health services; theoretical coverage in population terms is 71 percent and at the primary health care level 70 percent of administrative health areas are functional;
- The low numbers and poor distribution of qualified personnel throughout the country;
- The inadequacy of the material and financial resources required for infrastructures to operate;
- The poor coordination of department management; it is highly centralized and insufficiently planned;
- The embryonic state of the partnership with the private sector;
- The low effectiveness of the entities fighting the epidemics which continue to devastate the country.

31. A population in a poor state of health cannot develop the energy necessary, or benefit sufficiently from the natural resources available, for society to make progress. For that reason, in its policy program paper of June 4, 1997, the government reaffirmed the priority it attaches to the health sector, stating that “we cannot speak in terms of development and social well-being if we do not take into account the need to improve the health of the population. Thus, the general aim of the health policy is to provide the population with access to basic services of quality.”²

32. In order to achieve this aim, twelve strategic orientations have been adopted:

² Chad health policy paper. Health Sector Meeting, March 1999.

- Completing health coverage by gradually providing all districts with operating and functional services;
- Consolidating the implementation of the minimum package of activities (MPA) and the complementary package of activities (CPA), in particular in the fields of maternal and infant health;
- Strengthening the government's institutional capacities;
- Providing properly trained personnel;
- Continuing activities relating to the provision of drugs as part of the national pharmaceutical policy;
- Strengthening the deconcentration/decentralization process in consultation with the ministries concerned;
- Increasing the participation of local communities in health service operations;
- Defining mechanisms for the contracting out of services to non-governmental actors in the sector in order to implement the national health policy;
- Preserving and strengthening the experience gained in the fight against locally endemic diseases;
- Strengthening the control of epidemics, in particular meningitis and cholera;
- Continuing the fight against STDs/AIDS within a multisectoral framework;
- Strengthening information, education, and communication (IEC) activities to support the implementation of the national health policy.

Education and training

33. Despite the improvement in access to education and training recorded in the past five years, as the result of an ever-increasing demand for education, the education system in Chad is still marked by poor performance, accentuated by a number of inequities and disparities which reduce the opportunities for access to education and compounded by inadequate performance from the standpoint of the amount and effectiveness of education.

34. The inequities are manifested in basic education through the large number of communities which themselves provide education for 14.3 percent of pupils and meet the wage costs of more than half the teaching staff. This inequity also affects girls, only 46.2 percent of whom attend school, and regions where schools are in remote areas or do not have eating facilities. There has been a large increase in the gross enrollment ratio (from 46.1 percent in 1993/94 to 64.8 percent in 1997/98). Poor performance linked to the quality of education is due to the precarious nature of classrooms (65 percent are made of non-durable materials), obsolete and inappropriate teaching programs, textbooks that are unsuitable and in insufficient quantities, and a majority (54 percent) of unqualified teachers.

35. The illiteracy rate of 67 percent (of which 78 percent are women) remains excessively high, despite the efforts made to encourage adults (from the ages of 15 to 45) and young people (between the ages of 8 and 14) who have left education or have not been educated at all to receive instruction.

36. General secondary education has been unable to withstand the pressure created by primary-school leavers: the transition rate from the last year of primary school to the first year of secondary school is around 45 percent, but there is no improvement in working conditions. Thus, owing to the combination of a number of factors such as class sizes that are generally too large, the high percentage of underqualified teachers (51 percent), inadequate teacher/student ratios and teaching programs, the quality of education has been significantly affected and its ineffectiveness has increased (23.9 percent of pupils aged 14 to 15 and 43.6 percent of those between 17 and 18 have repeated a grade year).

37. One of the shortcomings of technical education and vocational training is the lack of mobilization of resources outside the normal infrastructures and the delay in making the consultation mechanism set up for that purpose operational. This has given rise to persistent distortions between the training actually offered and the qualifications required on the job market. In addition, there has been a reduction in economic activity leading to unemployment among young people living in urban areas who have completed or interrupted their studies, and among the young in rural areas who have no qualifications and are attracted by the towns. Demobilized military personnel and adults who have lost their jobs are also paying the price of this situation.

38. The unforeseeable increase in the number of students at the University of N'Djaména (increases of 124 percent between 1995/96 and 1998/99), the poor qualifications of the teaching staff, the use of traditional teaching and training methods, the expansion of nonscientific disciplines (82 percent), together with the insufficient nature of basic infrastructures and educational materials, combine to make higher education ever more poorly suited to socioeconomic realities in Chad. The aim is still largely to obtain a degree, not to learn.

39. The subsector of culture, youth, and sports continue to be characterized by a quasi-total lack of resources, except with regard to books and reading related activities. The principal signs of weakness are the staff, education programs, and infrastructures.

40. The education and training system is largely hampered by dysfunctions significantly affecting its administration and management performance. This shortcoming affects the functioning of education and training administration, and is essentially based on:

- Institutional instability;
- A high level of administrative centralization, despite the deconcentration of the main administration and management functions;
- An inadequate planning and testing process;
- A lack of tools and of a mechanism for the management of human, financial, and material resources;
- Insufficient and inappropriate allocation and availability of resources in light of the duties entrusted to different bodies;

- The lack of a mechanism for transferring information between ministerial departments and deconcentrated structures.

41. The public resources devoted to the formal education and training sector show a regular increase both with regard to overall allocations and in relative terms (from CFAF 9.6 billion in 1994 to CFAF 15.6 billion in 1999; the share of allocated resources rose from 16 percent to 21 percent in relative terms over the same period).

Principal Policy Orientations in the Education and Training Sector

42. Chad has identified the enhancement of human resources as one of its major priorities. The fundamental principles of the education and training policy are those defined by the basic legal and policy instruments to which Chad has subscribed.

43. The key principles are: (i) basic education corresponds to the fundamental right of all citizens to become literate and numerate; (ii) furthermore, as part of the campaign against poverty, literacy programs will strive to reduce illiteracy among adults and young people who have left or never attended school, by strengthening basic knowledge in the fields of health, hygiene, nutrition, and family well-being; (iii) technical education and vocational training will be restructured so that their development meets the needs of the labor market and of productivity in rural areas. Their expansion will take account of the training needs of students completing secondary education cycles; (iv) general secondary education will also be restructured in order to provide in particular high-quality teaching and the promotion of scientific subjects. This entails the establishment of a mechanism providing guidance for pupils within education cycles of this kind, and promoting technical education and vocational training; (v) higher education will provide the country with senior managers competent in the priority development areas. This concern leads to higher education and research institutions being restructured; (vi) the need for physical and intellectual development of young people means that cultural, sporting, and youth activities form a more important part of education and training, all the more so since the right to culture is recognized by the National Constitution.

Implementation Strategy for the Education and Training policy

44. The government has adopted four strategies for implementing the education and training policy. These relate to the diversification and rationalization of resource allocation, improved access and greater equity, higher quality of education and apprenticeships, and the strengthening of administration and management capacities.

45. In operational terms, the diversification and rationalization of resource allocation involves (i) the promotion of community participation in the running of schools, (ii) private sector support by means of appropriate incentive measures, (iii) better coordination of NGO involvement, (iv) increasing the awareness of technical and financial partners with a view to their contributing to the financing of education and training, (v) the mobilization of communities and the private sector for the purposes of increasing their contribution to

meeting education expenditure, and (vi) the participation of economic partners in funding training and research.

46. Access to and equity within education will be improved by (i) rationalizing the provision of education with improved control over educational offerings, (ii) promoting schooling for girls, (iii) reducing regional and gender-related disparities, (iv) developing community schools, (v) promoting bilingualism in education, and (vi) creating short-term curricula within technical and professional apprenticeship structures.

47. The improved quality of education and apprenticeships involves (i) reworking education and training programs, (ii) establishing a new editorial policy with a view to designing and producing textbooks, and educational tools suited to the situation in Chad, (iii) strengthening teachers' educational skills by means of basic and continuing training activities, and (iv) strengthening apprenticeship evaluation mechanisms.

48. Capacity building will require (i) increased decentralization as part of the concerted management of the education system by establishing a sustained partnership within the government and decentralized administrations, (ii) the strengthening of institutional planning and resource management capacities, and (iii) the strengthening of operational administrative, supervisory, and management capacities by standardizing educational organization and inspection mechanisms, and by systematizing educational and administrative assessment and supervision.

Transportation, urban works, and housing

Transportation

49. In relation to transportation, Chad suffers from the fact that it is landlocked both internally and externally. The internal road network covers 40,000 kilometers, only 300 of which are paved. There are few permanent roads, and vehicles, which are already slow-moving in the dry season, cannot travel about freely in the rainy season. The unimproved rural tracks represent a fundamental constraint for a population which is 80 percent rural and requires easy access to major towns and cities in order to make the most of its potential production.

50. Aware of this situation, the government has undertaken to devise and implement a medium-term transportation strategy, which will make it possible to define a priority investment program directed essentially toward the appropriate funding of policies and activities aimed at:

- Eliminating the principal bottlenecks in the transport sector;
 - Maintaining the existing road network;
 - Developing the main policies for sustaining balanced economic development;
- and

- Providing free access to the regions, taking into account the macroeconomic constraints.

51. Particular emphasis has been placed on the Transportation Program Strategy for Rural Areas. The aim of this program is to improve living conditions in Chad's rural communities by facilitating access to economic and social goods and services (inputs, markets, medical centers, administrative services, schools, food processing services, etc.). The program will provide assistance to develop a national strategy designed to:

- Improve planning, financing, and maintenance of rural tracks, roads and footbridges;
- Promote intermediate means of transport and transport services suited to the context;
- Promote low-cost construction techniques that make use of small enterprises and the local workforce for rural transport infrastructure projects.

Urban works and housing

52. As regards urban planning and works, the main problems facing the towns and cities of Chad relate to the housing sector. This sector is characterized by the very limited number of institutions and the absence of a land developer making prepared plots available, a property promoter, and a bank specializing in housing finance. The lack of policy orientations with regard to urban planning and housing, the imprecise nature of roles and responsibilities and the inadequacy of human and material resources do not enable the few existing administrative services to carry out their duties in an effective manner.

53. In addition, there are virtually no infrastructures made of durable materials for draining away rainwater. Most of the drainage networks are earthen channels which have to be maintained on a yearly basis. Fewer than 5 percent of the population are served by the rainwater drainage network. None of the towns has a network of sewers. Very few towns have infrastructures for collecting and removing refuse, be it household, commercial, or industrial. Water and electricity are luxury commodities in Chad. Of the 84 built-up areas considered to be towns or cities, only 16 have a water system and six an electricity grid.

54. The aim which the government has set for itself is to provide a healthy way of life together with decent, viable, and durable housing, and subscribes to the universal principles in the areas of housing, the environment, and sustainable development, i.e.:

- adequate housing is a fundamental human right;
- access to safe and clean housing is essential;
- clean, safe, and viable human establishments are a fundamental human need.

55. The government's strategy is to conduct an urban development policy which will promote urban employment within an institutional and regulatory framework conducive to improved housing and living conditions. The means of implementing this strategy include the promotion of urban employment by:

- improving the services provided to the agricultural sector in urban centers, in particular establishing centers for storing and processing agricultural products;
- revitalizing or creating social and community infrastructures which help to improve people's living conditions and clean up residential areas;
- refurbishing or creating market facilities (markets, slaughterhouses and stations);
- devising or updating master plans for urban and town planning;
- developing urban land, while respecting the best possible standards for individual plots and allocating plots in light of the population's income;
- strengthening and renewing land tenure law, inventorying and computerizing property deeds, and restricting property speculation;
- strengthening the resources of local governments with a view to mobilizing internal resources for ongoing needs and guaranteeing the autonomy of those governments;
- simplifying the administrative procedures for access to housing;
- promoting the establishment of property companies and the granting of property loans by setting up a housing fund;
- encouraging the development of industries manufacturing durable construction materials;
- carrying out appropriate activities for vulnerable social groups by assuming responsibility for them or constructing subsidized housing or shelters, so as to provide them with decent housing;
- establishing a framework for preventing natural disasters;
- encouraging NGOs and urban associations to mobilize the people by means of a strategy focusing on a policy of active participation.

56. Within the timetable for devising the strategy, sectoral notes are planned and will be produced by national consultants. Some of these notes will be based on sectoral consultations in order to provide information on their contribution to poverty reduction. In particular, these notes will highlight each sector's links with other sectors to help identify the priority poverty reduction measures on which to focus in each sector.

Actions aimed at reducing poverty

57. Many activities aimed at reducing poverty and improving households' living conditions are currently under way in various areas under the auspices of the government, the private sector, and NGOs.

58. Several programs and projects designed to increase production and to help reduce poverty have been introduced for the rural development sector. They include:

- A program to strengthen producer support services;
- A program to support the marketing and processing of farm, forest, and pastoral products;
- A program for the enhancement and sustainable management of natural resources;

- Development and promotion of fishing resources, etc.

59. With respect to the military, two major activities are currently in progress, the aim of which is to reduce poverty. The activities in question are the mine clearing program and the reintegration program for demobilized military personnel.

60. The political and military crises that have affected the country are the reason for the considerable presence of mines in certain regions, and in particular in the BET prefecture. The presence of mines in this region poses human, social, economic, and political problems. In 1997, at the government's request, the United Nations Development Program (UNDP) financed a study on the problems caused by mines, which included developing regions.

61. The main aim of the mine clearing program is to help create a secure and developed environment in certain regions of the country (i.e. BET, Biltine, Ouaddaï, Salamat and Moyen Chari).

62. During 1998, the project activities essentially related to the establishment of structures and the mobilization of resources for the actual mine clearing operations. The National High Commission for Mine Clearance (HCND) is currently in place and a regional subsidiary will be established shortly in Faya.

63. As regards reintegration, a pilot program set up with the support of the World Bank was launched in five prefectures in January 1999. The main aim of the program is to reintegrate demobilized military personnel into the economy by providing them with means of production through a series of small-scale projects throughout the country. Thus far the program, which involves 27,046 demobilized personnel and their families (an average of four persons for each demobilized soldier) has led to the actual reintegration of only 3,500 personnel.

64. With regard to NGOs and development organizations, significant activities are under way throughout the country in the form of production and training projects designed to reduce poverty.

65. For instance, mention may be made of the organization of Grassroots Economic Associations (ABVEs), whose approach to the fight against poverty, in terms of the development of economic activities and of immediate financial services for people with low incomes, is as follows:

- Direct support for the establishment of an independent network of savings and credit cooperatives and their union in N'Djamena. This network provides access to financial services such as savings and the granting of loans for the least well-off population groups. It also makes it possible to mobilize local savings and re-inject them into the economy through loans for the development of income-generating economic activities.

- Direct support for a framework of consultation between the different savings and credit cooperative networks in Chad, allowing the exchange of information between the networks, the standardization of procedures and the protection of their common interests.
- Support for the introduction of a national consultation framework for the preparation of the national decentralized financing policy.

V. MACROECONOMIC FRAMEWORK AND THREE-YEAR MATRIX

66. In support of its poverty reduction and social, financial and economic reform efforts, the government of Chad is seeking a third annual arrangement from the International Monetary Fund under the Poverty Reduction and Growth Facility (PRGF), formerly the Enhanced Structural Adjustment Facility. The government is also seeking the support of the World Bank and other external partners for this adjustment program.

67. While starting up the preparation of the poverty reduction strategy and PRSP, and without prejudice to the results of its consultations with its partners in the context of a broadened participatory process, the government has already established some of the main elements of its economic development program.

68. The first stage involves articulating the macroeconomic framework, policy orientations and structural strategies, as described in the Memorandum of Economic and Financial Policies for the first year of the PRGF/ESAF supported program, and a matrix of economic measures and policies aimed at reducing poverty. The following paragraph summarizes the structural and macroeconomic framework.

Growth policy

69. The government is determined to continue the adjustment efforts in order to move as quickly as possible from a period of crisis management and macroeconomic stabilization to the implementation of social and economic policies aimed at reducing poverty on a sustainable basis. This objective, which drives the government's development policy, requires sustained economic growth that is much higher than it has been in recent years. To achieve higher economic growth rates, Chad should consolidate progress in macroeconomic management, while pursuing a dynamic policy to promote domestic saving and encourage domestic and foreign investment and private sector activities, with a view to establishing a coherent poverty reduction policy.

70. The exploitation of the country's oil resources, which should begin in 2004, should enable Chad to accelerate the development process. The Chadian parliament already adopted a law on the management of oil resources in late 1998. This law calls for the major part of these resources to be allocated to the priority sectors involved in poverty reduction and provides tools to monitor and supervise its use. Improving governance and the ability of the government to properly manage public affairs is also essential to the management of these resources.

71. Thus, in this new program, the Chadian authorities are emphasizing administrative and institutional capacity-building and acceleration of the structural reforms (for example, the legal and regulatory framework and promotion of competition) needed to create an environment conducive to the development of the private sector and the participation of all Chadians in development. The government has adopted a strategy for managing the oil economy that confirms its commitment to the poverty reduction objectives and to the economic management and reform efforts needed to achieve these objectives.

72. The main objectives of the structural adjustment program for the period 2000-2002 are: (i) maintaining macroeconomic stability, pursuing fiscal consolidation, and accelerating economic growth; (ii) improving the efficiency of government management in general, and management of financial resources in particular; (iii) continuing efforts to liberalize the economy, divest government holdings in production activities, and promote private initiative; and (iv) preparing a national poverty reduction strategy on a participatory basis to serve as an overall framework for Chad's economic, financial, and social policies.

73. The main macroeconomic targets for the 2000-2002 program period are as follows: (i) real GDP growth rate of at least 5 percent; (ii) annual inflation rate under 3 percent; (iii) increase in the current primary surplus equivalent to 1.7 percent of GDP by 2002; and (iv) reduction of the current external deficit (excluding oil revenue and grants) to 14 percent in 2002.

74. To achieve the medium-term growth target, Chad will have to stimulate investment and increase the domestic resources available for investment, both by strengthening public saving and implementing policies to mobilize private and foreign savings. A rise in the investment ratio from 13.4 percent of GDP in 1999 to 18.2 percent ³ in 2002 is anticipated, along with growth in domestic saving from [] percent of GDP in 1999 to [] percent in 2002. However, Chad will continue to have recourse to financial assistance from its external partners, both to finance a large portion of its public investment and to cover its exceptional financing needs, which are estimated at CFAF [] billion for the period 2000-2002.

75. Fiscal policy will focus on strengthening fiscal programming to direct it toward the objectives of poverty reduction, improvement of tax and customs administration, and enhancement of public expenditure procedures and management. The introduction of a new budget and accounting nomenclature, strengthening of the macroeconomic and public expenditure framework, and gradual consolidation of public resource management will result in more coherent social, economic, and financial policies.

76. The objective in the area of revenue is to increase the availability of own resources for development by expanding the tax base through the reduction of tax evasion and fraud and improved taxation of the informal sector. No change in the tax structure is planned, with

³ Excluding investment in the oil sector (note from Staff).

the exception of the replacement of the turnover tax by a single-rate value-added tax (VAT) in early 2000.

77. On the expenditure side, the main measures relate to a better allocation of budgetary resources to the priority sectors in the fight against poverty, simplification and streamlining of government expenditure procedures to improve efficiency, strengthening of management controls and audit procedures, and greater transparency and public information on budget execution by the government.

78. The monetary policy will continue to target reduction of the inflation rate, consolidation of Chad's external position within the BEAC, and continued rehabilitation of the banking and financial sector. The Chadian authorities are working with regional partners to better manage BEAC intervention on the money market through the increased use of indirect monetary policy instruments and the use of market-based interest rates, in order to reduce the costs of financial intermediation. To increase the domestic resources available to finance the private sector, the government is also continuing to limit its recourse to domestic bank credit. It wholeheartedly supports COBAC's efforts to enhance banking supervision, as well as all the initiatives for the diversification of financial institutions and instruments and lending to the rural sector.

79. The structural reforms planned for 2000-2002 include: (i) development of the private sector; (ii) strengthening of economic and administrative management; and (iii) poverty reduction. Private sector development policies focus on completion of the government's program of divestment of commercial activities; strengthening of the financial sector, particularly through the rehabilitation of commercial banks and promotion of microcredit institutions, especially in rural areas; reform of the judicial system and regulatory framework to provide greater security to economic agents; coordination of all aspects of economic policy between the public and private sectors; and a special effort to maintain and expand the road network.

80. Improving economic and administrative management will involve a vast institution- and capacity-building program, for which Chad is counting on World Bank support. This process is accompanied by an in-depth reform of the civil service. This reform aims at improving government efficiency by maintaining the appropriate numbers of staff of adequate skills at all levels, streamlining functions, and controlling the wage bill, particularly by replacing the automatic promotion system with a merit-based system. A second phase will involve decentralizing government, as provided by the Constitution. This phase will begin in 2000 when local government elections are held. The government will ensure that this process is based on a precise definition of the competencies and responsibilities of local governments and will introduce detailed regulations to govern the budgetary procedures of the decentralized entities.

81. The poverty reduction policy will include sectoral policies for education, transportation, rural development, water, and health, to be developed in consultation with

civil society, the private sector, and external partners in these sectors, particularly the World Bank, the European Union, the AfDB, the United Nations system, and France.

Three-year policy matrix

82. The three-year policy matrix is the matrix included in the memorandum of economic and financial policies (1999-2002). This matrix could be revised in the future, as needed, to harmonize it with the measures proposed in the national poverty reduction strategy.

Economic and Financial Policy Matrix/Poverty Reduction

Sector	Objectives and policies	Strategies and measures	Implementation period	Technical assistance
<u>Poverty Reduction</u>				
1- Define a poverty reduction strategy	Consultation with civil society and donors	Organize seminars and conferences with the various groups in civil society to deliberate on the elements of the poverty reduction strategy, integrating the sectoral policies proposed at the round tables	April 2000-01	
		Undertake a cost analysis of the various policies and measures proposed	April-June 2001	
		Finalize the poverty reduction strategy and present it at a special meeting of representatives of civil society and donors	June 2001	
2- Create a database for monitoring poverty	Establish a baseline profile of existing poverty	Conduct household and community budget and expenditure surveys to determine who is poor, with a breakdown by region, head of household, occupation, gender, number of children, etc., and repeat every three years	2001-02	UNDP, WB
		Establish baseline statistical indicators for monitoring the impact of anti-poverty policies, and update them on a regular basis	March 2000-02	UNDP, WB
		Organize a participatory system for regularly assessing poverty and the impact of social policy measures on beneficiaries, and conducting studies on the quality of public services provided, especially in the areas of education and health.	2000-02	UNDP, WB
3- Health	Develop high-quality basic health services	Gradually extend health care coverage to all districts by ensuring the operational functioning of all health centers.	2000-02	UNDP, WB
		Ensure that first-tier health centers receive priority in resource allocation	Beginning with 2001 budget law	

		Consolidate the implementation of the PMA and PCA, particularly in the area of reproductive health	2000-02	
		Implement the national pharmaceutical policy: - improve the ability of the CPA to meet demand - improve the system for distributing generic drugs using prefecture supply pharmacies (PPA) - pursue a strict quality control policy	2000-02	
		Continue and expand efforts to increase the rate of attendance at rural health centers by improving service quality	2000-02	
	Increase the human resources available in the health sector	Ensure that every health center is staffed by at least one trained nurse - accelerate recruitment and training in basic health care techniques - develop and expand training capacity - continue the initial decentralized program (FID), decentralize recruitment, and regionalize positions	2002 2001 2002 2002	
		Increase the number of trained nurses and doctors per 100,000 population, and improve the regional distribution of health care personnel	2000-02	
	Improve the management of the health system	Reinforce central institutional capacity to formulate and implement the national health care strategy	2000-01	
		Establish an action plan for transferring responsibility for the delivery of basic health services and the maintenance of the health centers to the health districts and prefecture hospitals	Dec. 2000	
		Increase the participation of civil society in the provision of health care services by:	2000-01	
		- gradually introducing a harmonized system of minimal user fees for certain services		
		- conducting public education and information campaigns		
		- periodically conducting surveys of user satisfaction with the health system	Beginning in 2001	
		Promulgate laws governing community participation (cost-recovery, health and management committees) and the autonomy of hospitals	2001	
		Set up contractual mechanisms governing the private provision of health care services	June 2001	

	Increase efforts to eradicate endemic and epidemic disease	Increase rates of infant BCG, DTC3 and measles immunization from 45% (25% and 40%) in 1999, to 50% (30% and 55%) in 2000, 55% (45% and 70%) in 2001, and 60% (50% and 80%) in 2002	2000-02	
		Strengthen the monitoring and early warning system against outbreaks of potentially epidemic diseases and define a rapid response policy	June 2001	
		Have the Council of Ministers adopt an integrated water and sewerage policy to increase access to clean drinking water	March 2002	
4- Education	Adopt the legislative framework	Adopt the Orientation Law	End-2000	AfDB
	Improve the efficiency and effectiveness of education spending	- Introduce new norms for the level of education of teachers and their remuneration	2000	
		- Develop a training system to implement these norms	2000-02	
		Raise the share of education spending allocated to primary education, while reducing administrative expenditure as a share of the education budget	2000-02	
	Improve teaching and apprenticeship conditions	Increase the share of budgetary resources, and raise investment spending in the sector	2000-02	WB
		Set targets for reducing the pupil/teacher and pupil/classroom ratios	2000-02	
		Increase the number of classrooms under construction	2000-02	
	Improve the efficiency of the management of the education system	Develop a program to successfully decentralize the management of schools and teachers, as well as the remuneration of staff in the education system	2000	
		Prepare an action plan for renewing curricula, ensuring their relevance to the workplace	2000	
		- Complete the training of textbook developers	December 2000	
		- Develop strategy for updating and distributing textbooks and other scholastic books	June 2001	
		Improve the statistical information system to measure enrollment rates, pupil/teacher ratios, and other indicators of progress in education and literacy, and expand the system for monitoring and evaluating education quality	2000	WB, UNDP

		Establish plan of action to create and implement monitoring mechanism to reconcile commitments with actual expenditure in the education sector quarterly	June 2000	
	Raise literacy rate	Set targets for improvements in literacy rates, by region, gender, and age group	2000-02	
	Increase community participation	Examine and define a user cost-sharing policy, particularly at the secondary and tertiary levels	2000	
		Ensure that the standards set out in the school-zone map (<i>carte scolaire</i>) are applied to teachers in community schools	2000	
		Complete the education committee pilot project and gradually extend it to the entire system	2001-02	
		Continue and expand policy on support for community schools	2001-02	
5- Rural development				
5.1 Agricultural policy	Improve food security by increasing output	Diversify agricultural output: - Increase farm/forest/livestock production by diversifying and increasing output	2000-02	
		- Apply strategy to strengthen support services (extension, research, training)	2000-02	
		- Develop strategy to strengthen professional organizations so that they can take over the purchasing and distribution of factors of production and thus increase their availability	2000	
		Strengthen the system for managing information and coordinating among the various actors in the rural sector	2000-01	
		Develop a strategy for reconstituting and renewing private and public safety stocks	Dec. 2000	
		Promote the identification of crops and livestock suited to climatic zones	2000-02	
	Facilitate the emergence of competitive subsectors	Promote the introduction of appropriate financing instruments	2000-02	
		Encourage the establishment of private processing plants to add value to agricultural, fisheries, and livestock output	2000-02	
		Promote the introduction of frameworks for concerted action in each subsector	2000-02	
		Develop a strategy to promote new crops	Dec. 2000	
		Implement the action plan to remove obstacles to the free circulation of agricultural and livestock products, including the maintenance and expansion of the rural road network	June 2000	

	Promotion of the rural sector	Adapt and start up programs to provide training in fisheries, livestock, and agricultural techniques	June 2000	
		Strengthen producer organizations and transfer some management functions to them	2000-02	
		Define an action program targeted at promoting women and children in rural areas	Dec. 2000	
	Improve the management and development of natural resources	Strengthen the structures for coordination between users and the public sector, and increase the involvement of operators and users in the management of natural resources	2000-02	
		Develop and start up a program to train users in natural resource management techniques	Oct. 2000	
		Adopt a plan of action for water management to improve village, farm and livestock water supplies	2000-02	
		Support the development of integrated exploitation modes	2000-02	
		Pursue the domestic energy program aimed at making better use of wood/charcoal and substituting other sources of energy (e.g., butane) for it	2000-02	
	Improve the effectiveness of public intervention	Refocus government activities on the delivery of support services at the local level by increasing the resources assigned to these activities	2000-02	
		Start up the program to strengthen the capacity to design and monitor rural development strategies and policies	June 2000	
		Improve the collection, processing and dissemination of basic data	2000-02	
		Introduce a government land policy that is consistent with traditional usages	Dec. 2000	
5.2 Cotton	Complete the reforms aimed at liberalizing the cotton sector	Have the Council of Ministers adopt a global strategy for liberalization of cotton sector in the medium term and launch an information campaign on the objectives and stages of the reform, including confirmation of the government's withdrawal from the sector according to a fixed timetable	By mid-Dec. 1999	
		Government divestment of COTONTCHAD		

		- Appointment by the Council of Ministers of a controller general for COTONTCHAD, responsible for applying savings measures, and government acceptance of the rehabilitation plan, in agreement with the sectoral donors	March 2000	
		- Decision on the divestment option	Sept. 2000	
		- Launching of the call for bids for divestment	June 2001	
		Strengthen the producer associations/ organizations and involve them in sectoral decisions		
		- Create a joint council of producers and cotton companies to negotiate producer prices and discounts	March 2000	
5.3 Environmental protection	Anti-desertification effort	Adopt a plan of action, including tree planting, erosion control, and management of soil fertility	2001	
	Strengthen the regulatory framework and national capacity to manage the environment	Publish the implementing regulations for the framework law on the environment and the law establishing the water code.	End-2000	
		Train national environmental assessment experts	2000-01	WB
		Undertake and publish a participatory assessment of the state of the environment	2002	
		Adopt and publish a National Environment Plan	End-2002	WB

Measures in support of vulnerable groups

83. Government policy does not currently include specific measures to protect vulnerable groups against negative impacts of the policies and reforms described in the above matrix. It is clear, however, that some will negatively affect the population, especially the very poorest. The increase in prices that will follow the replacement of the turnover tax with the VAT is already raising some concern among plants producing food products such as meat, and among households. Adequate measures will therefore have to be included in the national poverty reduction strategy to soften the impact of these policies and reforms.

84. It should be noted that some measures have already been taken by the government in the past to protect vulnerable groups, especially in the priority sectors, by increasing the resources allocated to these areas.

85. Other actions are also worth mentioning.

- human and animal health: promotion of generic drugs, reduction of the tax on pharmaceutical products, and liberalization of the sale of veterinary products;
- education: exemption of school supplies from taxes, establishment of school eating facilities;
- cotton sector: consideration of the concerns regarding the difficulty of access to some production zones in the reform this sector; etc.

86. The measures taken by the government to manage oil resources should also be borne in mind. Law 001/PR/99 of January 11, 1999 set out the terms and conditions for managing oil revenues from the operation of three oil fields (Komé, Miandoum and Bolobo). It clearly establishes that the direct resources from these fields will be primarily allocated to priority sectors, particularly public health and social affairs, education, infrastructure, rural development (agriculture and livestock), environment, and water resources.

VI. TIME TABLE AND PARTICIPATORY PROCESS FOR PREPARING A NATIONAL POVERTY REDUCTION STRATEGY

87. Based on inputs from a variety of sources, the chosen methodology for devising the national poverty reduction strategy should be transparent and participatory. Moreover, it should be a self-reinforcing process resting on rigorous procedures that build upon results already achieved while strengthening the technical and political credibility of the strategy. An outreach plan has been established in support of the entire process for preparing the national strategy. This plan inter alia specifies goals, target groups for outreach, as well as communication tools and channels. The inaugural seminar accordingly recommended launching the information and education campaign immediately after the seminar, and it suggested establishing an information unit within the steering committee.

88. Three key phases have been identified:

(i) A **diagnostic assessment** phase encompassing a package of measures intended to gather and enhance information on poverty and the dynamics of poverty. This phase will require active consultations, analysis and research, to ascertain the state of poverty in Chad, and to address its root causes and underlying factors, the survival strategies used by the poor, as well as possible measures deemed likely to achieve sustainable reductions in poverty.

(ii) A phase in which participants will **identify strategic approaches and priority actions** in the fight against poverty. This phase will focus on the analyses, research, and reports generated in the preceding phase, with a view to pinpointing major plans and key actions that are expected to contribute to the poverty reduction effort in a self-reinforcing, sustainable, and concerted fashion. In a meaningful strategic planning exercise, the assessment of the costs and impacts of the various actions will highlight the overall cost of the NPRS, the roles of the various participants, and the financing required for implementation of the strategy.

(iii) A phase for ensuring **broad-based implementation of the NPRS**. This phase is of the utmost importance in the sense that, by entering into a compact with Chadian society, the government undertakes with the latter to mainstream poverty reduction in its development objectives. Through the use of tracking indicators and mechanisms, it will be possible for Chad's general public and domestic and external partners to keep abreast of the NPRS's implementation and ensure that commitments are duly honored, not solely by the government, but also by each of the stakeholders (civil society, grass-roots communities, decentralized local governments, Chad's development partners, etc.). The seminar identified approximately one hundred indicators useful in assessing and monitoring poverty. This ties in especially with the following areas: health, education, development, infrastructure, housing and urban development, employment and social policy, food supply, good governance, and sound management.

89. The seminar approved the participatory methodology for the diagnostic assessment, implementation, and monitoring of the national poverty reduction strategy, as it holds the potential to restore the target communities' confidence in programs designed in a spirit of partnership. However, adoption of the participatory methodology makes it necessary to clarify a number of terms, such as "focus group" and "revealed preferences," good governance, poverty and infrastructure. The same applies to the technical work of the steering committee.

90. The various following stages were agreed to:

(1) Implementation of the institutional framework

To lead the participatory process, pursuant to *arrêté* 020/PM/2000 of April 5, 2000, the government established a steering committee with responsibility for preparing, evaluating, and monitoring the implementation of the NPRS. The steering committee is tasked with:

- Proposing major courses of action and strategic approaches with respect to poverty reduction;
- Approving the work program and examining the budgets prepared by the permanent secretariat;
- Providing technical validation of the national poverty reduction strategy paper prepared by the permanent secretariat;
- Giving technical opinions and making recommendations to the government in regard to national programs and policies from the poverty reduction standpoint;
- Ensuring the rational design and consistency of sectoral, intersectoral, regional, and local programs and projects in the area of poverty reduction;
- Monitoring and evaluating implementation of the NPRS.

91. The steering committee comprises representatives of Parliament, central government, civil society, and the private sector; the steering committee has a permanent secretariat. The

permanent secretariat consists of one coordinator supported by three staff members and support personnel (one secretary, two drivers, and one messenger).

92. The steering committee holds plenary meetings at least once a month. The steering committee oversees specialized working groups that support the permanent secretariat in managing current projects.

93. The permanent secretariat prepares the meetings and activities of the steering committee under instructions from its chairman, and draws up the minutes of meetings. After technical verification of one stage or activity in the timetable, the steering committee contacts the Senior Interministerial Committee for the Structural Adjustment Program (through the Technical Committee) with a view to adoption of the necessary policy decisions by the government. However, recognizing that the representation of broad-based civil society networks was not adequately comprehensive, the inaugural seminar recommended that the steering committee associate those networks not cited in the *arrêté* to its work as much as possible. To ensure the coordination and day-to-day management of the activities and resources associated with the entire process, a budget for the capital and operating costs of the steering committee (including the permanent secretariat) is estimated at US\$506,503 (itemized budget attached herewith).

(2) Inaugural seminar: April 25-27, 2000

94. This seminar was the starting point of all operations connected with preparation of the NPRS and a mechanism for telling the outside world about the NPRS and explaining its importance. The seminar discussed methodological approaches, the implementation timetable, as well as the planned monitoring mechanisms. Discussions also focused on monitorable indicators, grass-roots experiences, and the outreach strategy required to support the entire process.

95. Approximately 200 individuals (about one third of whom originated from the regions) took part in the seminar. This event, conducted under the auspices of the President of the Republic, received sufficient media coverage to smooth the way for subsequent operations out in the field.

96. Its cost — cofinanced by the World Bank and the UNDP—was estimated at US\$29,000.

(3) Preparation of the interim PRSP: May 2000

97. Inasmuch as a final PRSP will not be available for another year, and given that Chad ought not to be penalized from the standpoint of its access to HIPC Initiative resources, a decision was made (in discussions with the Bretton Woods institutions) to prepare an Interim PRSP. This relatively short document will allow the IMF and World Bank Executive Boards to assess the truly participatory approach adopted by the Chadian authorities. This Interim PRSP *inter alia* describes the planned stages and the implementation timetable.

(4) Study on perceptions of poverty: April 17-June 30, 2000

98. This is a qualitative study to determine the magnitude of poverty and assess its underlying dynamics. The study is based on a survey consisting of two components: a “focus group” component and a component designed to establish the “revealed preferences” of the poor.

99. It has been suggested that data on perceptions of poverty and human well-being should be gathered in the five (5) regions customarily chosen for use in household consumption surveys. The regions in question are as follows:

- Zone 1: Sahara
- Zone 2: Sahel
- Zone 3: Sudan-Sahel
- Zone 4: Sudan
- Zone 5: Urban (N’Djamena).

100. In each of these regions, four (4) villages or communities will be chosen with the aid of a multiple-criteria matrix (two well-off, two less well-off). In each village, four (4) homogeneous groups of individuals will be selected to express their perceptions on human well-being, poverty, and their causes, as well as their access to basic social services and the means of production.

101. To gather this information, two data-collection methodologies will be used:

- (1) The “focus group” method
- (2) The “revealed preferences” method.

102. The “focus group” method is a qualitative research tool used primarily in the social sciences; its aim is to ascertain opinions of individuals without necessarily seeking consensus. The focus group method is based on verbal communication and is conducted in the language of the participants. Group discussions are generally taped, and a typical session lasts for about 90 minutes.

103. The focus group method involves gathering together ten to fifteen individuals chosen on the basis of selected social and demographic criteria with a view to forming a comparatively homogeneous group. Participants are invited to discuss a particular topic under the supervision of a facilitator. The facilitator keeps the discussions focused on the topic using a semi-structured interview matrix (the seminar recommended that a survey guide be prepared and made available to the researchers).

104. In the specific context of this survey, the following criteria will be followed when selecting groups of participants for the focus group discussions: age (young or old), gender

(man or woman), geographic area and village type (well-off, less well-off). In each village or community, four homogeneous groups will be formed, totaling approximately 60 participants. Homogeneous, representative groups can be selected by choosing appropriately from among the inhabitants of the village or community concerned. (Over and above the opinions of the other target individuals already identified, consideration should also be given to the viewpoints of women’s groups or organizations, young people’s associations, traditional leaders, economic agents in the formal or informal sectors, formal village structures, as well as civil society—a term that ought to be defined for the sake of clarity).

105. Participants will be invited to engage in a frank discussion of the three topics covered by the survey. The interviews will be semi-structured and will be conducted with reference to a framework of discussion divided up into subtopics to ensure consistency in the responses. Examples of subtopics are presented below.

TOPICS	SUBTOPICS
Well-being	<ul style="list-style-type: none"> - How do you define human well-being? - What physical, social, cultural, political, or moral requirements must be met in order to ensure an optimal level of human well-being?
Poverty	<ul style="list-style-type: none"> - What does “poverty” mean to you? - What is an apt description of a “poor village”? - What are the characteristics of “poor people” in your village? - How does one get to be poor? - How does one stay poor? - How does one get out of poverty?
Access to basic social services and to the means of production	<ul style="list-style-type: none"> - How would you rate your access to social services, such as education, water, health, etc.? - Are you satisfied with these services? Why? - How would you rate your access to the means of production? - Are you satisfied? Why?

106. The information recorded during focus group sessions will be transcribed in hard-copy form, and will then undergo content analysis. The information thus generated will help identify the key parameters of human well-being and poverty as perceived by the public at large.⁴

107. The survey on “revealed preferences” complements the collection of the qualitative data from focus groups. The “revealed preferences” survey is designed to establish an order of priority in those factors that are perceived to bring about improvement in human well-being. The chosen technique for the “revealed preferences” survey does not involve administering a standard questionnaire. Rather, it consists in using a set of pictures

⁴ A detailed methodological guide will be prepared and presented to the survey team during the training program.

representing key determinants of well-being as identified by the communities during the focus groups.

108. This type of survey resembles a game in which the participant is asked to choose (in order of priority) from among those portrayed objects that are most likely to increase his or her level of well-being. The researcher lays out all of the pictures on the floor so that the respondent can view all the pictures together and thus have an appropriate basis for choosing among them. To prevent any rationing from creeping into the process of satisfying the respondents' needs, several pictures will be available for each determinant of human well-being. The survey will be administered on a one-on-one basis. The researcher will assemble the pictures as the participant selects them. The first picture chosen will receive the highest score, whereas the last picture chosen will receive the lowest score.

109. The survey on "revealed preferences" will be administered to 240 individuals per region, at a rate of 60 individuals per village, chosen in the same villages or communities as those which took part in the "focus groups." The same criteria will guide the choice of participants (age, sex, and geographic location). A total of 1,200 individuals will be surveyed using this technique.

110. The use of this type of survey is necessary for a variety of reasons:

- (i) First, because there hasn't been any qualitative study on this issue, despite its importance for the process of preparing a NPRS;
- (ii) Second, if disadvantaged communities are to be truly involved in the process of preparing an NPRS, they must be consulted, and their concerns should be taken into account. Qualitative survey techniques are an invaluable tool for ensuring participation by disadvantaged communities;
- (iii) Third, the need to ensure effective targeting of community requirements; and
- (iv) Finally, to ensure that the chosen measures make a meaningful contribution toward enhancing the well-being of poor people in the first instance.

111. Papers written by secondary school students for the competition launched in October 1999 by the Minister of Education and the UNDP will provide further input for the research. This competition focuses on young people's perceptions of poverty in Chad, and the solutions they recommend for overcoming poverty on a lasting basis. The purpose of the competition is to identify the views of young people not only in regard to current conditions but also to ascertain their vision of the future.

112. The anticipated outputs of this study inter alia include the following:

- Identify and prioritize the principal dimensions of human well-being, poverty, and sources of improvement in human well-being as perceived by the general public, and by poor people in particular;
- Perform in-depth analysis of households' perceptions regarding poverty dynamics and trends, as well as their strategies for improving their own living conditions;

- Rate poor people's perceptions of their access to basic social services and the means of production;
- Establish guidelines for areas for priority action in the context of poverty reduction programs;
- Strengthen local capacities for collecting and analyzing qualitative data on poverty;
- Enhance local capacities to propose innovative and effective poverty reduction measures and policies;
- Provide decision-makers with the key data required for decision-making in the area of poverty reduction.

113. The post-seminar period will be devoted to conducting and analyzing the surveys and to producing the survey report; using the survey report will equip the participatory consultation teams (see next item) with the tools they need to make informed decisions during their field trips into the regional areas of Chad.

The cost of this stage is estimated at US\$98,321.

(5) Participatory consultations: October 1 – December 15, 2000

114. Participatory consultations should be conducted in the 14 prefectures of Chad in order to incorporate the broadest possible range of groups and regions. These consultations will be led by a team consisting of a senior official from the government and a representative of civil society. Discussions will first be held with the various societal groups regarding the best ways to reduce poverty; these discussions will be followed by field visits to interact with the inhabitants of village communities.

115. The participatory consultations will employ the following method: **First action: select regions and groups for the participatory assessment.** Consultations should encompass all regions of Chad. In participatory analysis, it is necessary to incorporate the broadest possible range in terms of groups and regions. When this broad range of views and preliminary assessments of the causes of poverty and preferred strategies is summarized in the form of substantive and regular analysis, it can highlight the most important variations across groups and regions.

116. **Second action: invite the groups to meet separately.** In each of the regions identified in Chad, approximately 10-12 different meetings can be scheduled over a period of 2-3 days. The groups will most probably consist of: farmers' associations; women's' groups; traditional chiefs; local religious authorities; local administrative authorities; local NGOs, etc. Attendance at meetings for each group should be in the range of 10-40 people. Each meeting may last for two hours, and all comments made during the meeting should be written up. Having the groups meet separately focuses discussions on issues relevant to the communities, avoiding competition or confrontation with the other groups. On the occasion of rural and urban consultations, it is imperative for the poorest of the poor to be included among the advisory groups invited to participate (consideration should be given to the

viewpoints of women's groups or organizations, young people's associations, traditional chiefs, economic agents in the formal or informal sectors, formal village structures, and civil society—a term which ought to be defined for the sake of clarity).

117. **Third action: initiate consultations.** A senior government official, a representative of local civil society, and a rapporteur/translator set the discussions in motion. The purpose of the meeting with each group is not to go through a list of grievances that a specific group is presenting to the government; rather, it is a strategic discussion with local communities regarding the optimal means of reducing poverty and promoting prosperity in accordance with the particular priorities of the group concerned. Three questions (already included in the letter of invitation) will enhance the strategic focus of the discussions, as follows: (1) How do you define poverty, and how does poverty manifest itself in your region? (2) What strategic actions are most urgently needed? (3) What is the best way to put these actions into practice?

118. A participatory analysis report reflecting the contributions of participants in their own words will be sent to them to enable them to compare their own inputs with the views expressed in other regions. This same report will be used at the national seminar for identifying priority actions and strategic approaches.

119. We have chosen this type of participatory mechanism at the national level in view of its special role in designing effective programs and policies. Active participatory exercises are intended to achieve the following goals:

- Strengthen equity and cohesion;
- Listen to the voices of all and sundry; in particular, pay heed to the views of women and the disadvantaged;
- Promote accountability and transparency;
- Identify core principles to facilitate the requisite domestic institutional reforms;
- Restore confidence and thereby foster credibility in the eyes of the public.

120. However, in order to achieve these goals, the active consultations must be recognized as being more than a *process* of dialogue among the partners. They are, above all, a self-reinforcing *cycle* combining participatory dialogue, analysis, action, and follow-through.

The cost of this stage is estimated at US\$89,113.

(6) Thematic and sectoral analyses: May-July 2000

121. This stage is important from the diagnostic assessment standpoint. The object of the exercise is to make effective use of the available data and to build upon the results already achieved. Thus there are three levels of analysis at this stage:

- (i) An effort to distill the results of the work done in recent years with respect to household living conditions and poverty in Chad. It will be necessary to prepare

- poverty profiles, to perform a thorough description of the characteristics of poor people, and to identify the causes of poverty.
- (ii) Analysis of the macroeconomic environment to highlight the objectives pursued in the context of economic reforms (structural adjustment program) and the major approaches toward poverty reduction.
 - (iii) A review of sectoral programs and policies, and their role in poverty reduction.
122. For this purpose, local experts will be invited to write thematic memoranda focusing on nine sectors deemed relevant in the context of the NPRS. These are:
- Poverty and rural development;
 - Poverty and employment;
 - Poverty, microfinance, and entrepreneurship;
 - Poverty, health, nutrition, and population;
 - Poverty and education;
 - Poverty and potable water;
 - Poverty and housing, urban planning, and transport infrastructure;
 - Poverty, environment, sanitation, and housing;
 - Poverty and governance (defined as a more conducive environment for effective public-sector management, and problems associated with the lack of security).

123. The purpose of these thematic and sectoral memoranda is to reconcile the various sectoral strategies and macroeconomic policies with the ultimate aim of reducing poverty.

124. The reader's attention is drawn to one highly significant development: although the macroeconomic framework was prepared recently (November 1999), the IMF would, if necessary, allow the framework to be revised in order to focus on the goals of reducing poverty and promoting growth. This affords us a unique opportunity to make contributions in a field which in the past, once it had been established, could not be changed any further.

The cost of this stage is estimated at US\$75,600.

(7) Specific studies

125. The seminar has recommended that specific studies be carried out in regard to vulnerable groups, such as demobilized servicemen, disabled individuals, orphans, underage mothers, street children, and pensioners.

The cost of this stage is estimated at US\$14,945.

(8) Seminar to validate the thematic and sectoral analyses: August 2000

126. The above-mentioned thematic and sectoral analyses will undergo technical verification. We believe that this stage is important for more than one reason: it will help to

ensure that the analytical material is valid and relevant, while enabling local experts to familiarize themselves with sectoral and thematic analysis focusing on poverty reduction efforts. In this process we hope to be able to develop local capacities in the poverty field and thereby establish linkages between macroeconomic/sectoral approaches and the poverty reduction strategy.

The cost of this stage is estimated at US\$4,620.

(9) Civil society forum: November 2000

127. Although civil society will be involved throughout the process, the representatives of civil society have expressed a wish to make a specific or special contribution to the NPRS. They plan to organize a forum in which they will put forward poverty reduction proposals. This event is expected to generate further input for the NPRS.

The cost of this stage is estimated at US\$21,578.

(10) Evaluation of standard programs: October 2000-January 2001

128. A number of programs are currently being implemented in various regions of Chad with a view to achieving poverty reduction. Some of these will be identified and evaluated in order to:

- (i) Determine the communities' viewpoints regarding these programs' impact on their living conditions;
- (ii) Identify innovative strategies and approaches capable of guiding the design and implementation of new poverty reduction initiatives.

129. A technical memorandum on ongoing poverty reduction measures as well as a list of standard programs for evaluation have been prepared and adopted. The target fields are microfinance, capacity building, job creation, health, nutrition, and environmental protection.

The cost of this stage is estimated at US\$47,938.

(11) National seminar to identify strategic approaches and priority actions: the week of February 15-22, 2001

130. The government intends to organize a national seminar on poverty reduction; participants will include representatives from the government sector, the private sector, and civil society. Various reports will be used as input for the seminar, thus allowing participants to familiarize themselves with the viewpoints, analytical materials, and research associated with poverty conditions, the dynamics of poverty, and recommended measures for alleviating poverty. These reports are as follows:

- (i) Study on perceptions of poverty and human well-being;

- (ii) Report on the participatory consultations;
- (iii) Report on the thematic and sectoral analyses;
- (iv) Report on the evaluation of the standard programs;
- (v) Report on the civil society forum;
- (vi) Report on the special studies.

On the basis of these materials, seminar participants will prepare an analysis and a first draft of the NPRS.

131. In view of the interaction between the poverty reduction strategy paper and the HIPC Initiative which attaches greater priority to financing for the social sectors, it is possible that a degree of confusion could arise regarding the best way to put the NPRS into practice. In fact, **one of the keys to long-term success is the preparation of a strategy that combines “poverty reduction” and “faster growth.”**

132. Now—granted that strategies focusing on social sectors do help to reduce poverty and are obviously necessary—the combined approach ultimately holds the key to achieving broad-based prosperity, in the sense that it places emphasis on ensuring that the poor have access to social services as well as access to the means of production. This method strengthens the capacities of poor people while broadening their socioeconomic spheres of influence and fostering a more collaborative approach toward analysis and action.

The cost of this stage is estimated at US\$27,534.

(12) Preparation of the first draft of the NPRS: February-March 2001

133. The first draft of the PRSP will be prepared right after the end of the national seminar. In addition to the analytical portion to be presented at the seminar, the PRSP should incorporate the strategic approaches and priority actions identified by the national seminar.

134. Although the first draft of the PRSP is intended as a guidance document, it should nonetheless include the preliminary justifications for the choices made, and it should also outline their anticipated impacts and outcomes so as to facilitate the discussions of the regional workshops.

(13) Regional seminars and workshops: April 1-18, 2001

135. As soon as the national seminar has led to the formulation of an NPRS, the next step will be to initiate the regional seminars, during which all the groups that took part in the first phase of the participatory process will be invited to send two or three representatives.

136. The main purpose of the regional seminars will be to review the strategic approaches and priority actions in the light of the “revealed preferences” and ensure that the chosen policies and measures are appropriate. The conclusions of the seminars will be based on three reports:

- (i) A report setting forth the grass-roots communities' own analyses and disclosures ("here is what you said," or report on the participatory analysis);
- (ii) A report on the diagnostic assessment performed in the context of the studies of perceptions, standard evaluations, thematic and sectoral analyses, and the civil society forum; and
- (iii) A report on the chosen priority actions and strategic approaches ("here is what we have decided to do," or national strategy project).

137. Upon completion of the regional seminars and workshops, a semi-final version of the NPRS will be prepared reflecting the concerns expressed by the regions, incorporating strategies and actions, and estimating their costs and outcomes.

The cost of this stage is estimated at US\$28,908.

(14) Strategic planning: April-May 2001

138. This stage will facilitate goal-oriented strategic planning for the entire range of chosen priority actions and strategic approaches. For each strategic action and approach, it will be necessary to spell out the justification for the chosen course of action and to specify realistic quantifiable goals, priority intervention strategies, anticipated outcomes, priority intervention areas, target populations, and partners in the implementation process. This stage is very important as it requires participants, on the basis of realistic and quantifiable goals, to identify performance indicators intended to facilitate efforts to gauge the NPRS's impact over time as measured on the basis of the degree of goal attainment.

The cost of this stage is estimated at US\$100,233.

(15) Executive summary: May 2001

139. An executive summary setting forth the key results of the diagnostic assessment and the main outlines of the NPRS will be produced for the attention of decision makers (donors).

The cost of this stage is estimated at US\$17,820.

(16) Validation of the PRSP: May-June 2001

140. As soon as the provisional PRSP becomes available, it will be subjected to two levels of verification:

- **Technical validation**, to allow experts to assess the paper and to make any amendments or corrections; and
- **Policy validation**, to evaluate the PRSP and the pertinent implementation and follow-up process.

141. After incorporating feedback from the political authorities, a final version of the PRSP will be prepared for submission to donors (specifically, the IBW). The final version of the NPRS (or PRSP) is anticipated to become available on or before **June 30, 2001**. This will be followed by implementation of the NPRS and its monitoring/evaluation mechanisms.

142. At this level, the government and its citizens have entered into a compact to reduce poverty. Three factors will decide the outcome:

- The authorities' sensitivity to the problems facing the general public;
- The degree to which civil society is fully engaged in the process; and
- The institutionalization of a participatory cycle of analysis, action, and follow-up designed to foster a broad-based consensus on development, growth, and poverty reduction.

VII. DATA AND INFORMATION GAPS TO BE FILLED

143. The development of a National Poverty Reduction Strategy requires detailed data concerning the living conditions of households and the status of development indicators. Given the state of Chad's statistical system, only partial and disparate information is available. Existing data must be coordinated but there is also a need for additional data to be collected. As a first step, existing economic, social, and sectoral data will be collected and analyzed. It is then planned that broad household surveys and surveys pertaining to the provision of economic and social services at the community level will be conducted.

144. The Direction of Statistics, Economic and Demographic Studies is the adequate institution to carry out these exercises. However, it lacks the human resources needed to carry out the work. Capacity building activities are needed, in particular, through the hiring of statisticians who are presently unemployed. It is estimated that about 20 persons of various qualifications must be recruited to ensure that the Direction of Statistics can contribute effectively to the poverty reduction process in Chad.

VIII. STRATEGY BUDGET

145. The strategy budget comprises the operating budget of the steering committee as well as the budget for all activities associated with the process.

Strategy budget

COMPONENTS	OVERALL COST (in U.S. dollars)*
1. Study of perceptions	98,321
2. Thematic and sectoral analyses	90,545
3. Memorandum validation seminar	4,620
4. Participatory consultation	95,486
5. Evaluation of 5 standard programs	47,938
6. Civil society forum	21,578

7. National workshop	27,534
8. Regional workshops	28,908
9. Strategic planning of the NPRS	100,233
10. Executive summary	17,820
11. Steering committee budget	506,503
GRAND TOTAL	1,039,486

US\$1 = CFAF 650.