

INTERNATIONAL MONETARY FUND AND
THE INTERNATIONAL DEVELOPMENT ASSOCIATION

CHAD

Joint Staff Assessment of the PRSP Preparation Status Report

Prepared by Staffs of the International Monetary Fund and
the International Development Association

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1. Chad's interim Poverty Reduction Strategy Paper (PRSP) was presented to the Executive Boards of the IMF and IDA on July 25, 2000. It included a detailed calendar for the finalization of the full PRSP around June 2001. Following an intensive and fully participatory process, a first full draft of the PRSP was completed in November 2001. It will be discussed in four regional stakeholder workshops in January 2002 and presented for adoption to the government in March 2002. Because more than a year has passed since the consideration of the interim PRSP by the two Boards, the authorities have completed this PRSP Preparation Status Report (henceforth the Report).
2. The Report and its accompanying matrices describe the main activities undertaken to date, which include sector reviews, an evaluation of specific poverty-targeted interventions, a study on perceptions of poverty, and intensive and fully participatory consultations with a broad set of stakeholders in all regions of the country. The draft PRSP also indicates that work has been ongoing on the poverty analysis, a preliminary macroeconomic framework, a strategy for poverty reduction, and a set of indicators for monitoring the implementation of the strategy. Priority areas for poverty reduction, already highlighted in the interim PRSP—education, health, rural development and basic infrastructure—are being developed, but the need for improved governance, which has arisen as a prominent theme during the participatory consultations, is also being addressed.
3. Chad has continued to make steady advancement with the structural reform agenda, as outlined in the President's Report for the Fourth Structural Adjustment Credit (IDA/R2001-0188) and the IMF's report on the 2001 Article IV consultation (EBS/01/210). The government's progress can also be measured in terms of the advances made toward achieving the HIPC Initiative completion point triggers for education, health, transport infrastructure, and the fight against AIDS/HIV and other sexually transmitted infections.

Important steps have been taken to strengthen governance, although this remains an area where vigilance is needed.

4. The Report indicates that delays in the finalization of the full PRSP were incurred due to (i) the novelty of elaborating a development program in a participatory manner; (ii) the physical complexities associated with organizing participatory consultations in a vast territory with low population density, an extraordinary variety of local languages, and a severely deficient road infrastructure; (iii) the difficulty of elaborating a full PRSP in the absence of quantitative data on household incomes on a national scale; and (iv) problems encountered in obtaining economic and financial data, including projections for future oil revenues, and the ensuing delay in elaborating the macroeconomic framework. The staffs agree that both the authorities and the international community have considerably underestimated the time necessary to define a genuinely homegrown PRSP, based on a fully inclusive participatory process. The staffs commend the PRSP Steering Committee for having adhered to the principles of a fully participatory process and of country ownership, which are essential to the integrity and credibility of the PRSP.

5. The Report also outlines further work needed to finalize the full PRSP. This mainly consists of regional validation workshops and finalization of the document, incorporating the feedback. The Government intends to strengthen human resources at the Permanent Secretariat of the PRSP Steering Committee and enhance the coordination between the PRSP Steering Committee and line ministries. The report recognizes the considerable financial and technical support for the PRSP received on behalf of the donor community to date and identifies several areas, namely, the macroeconomic framework, costing and planning of priority activities, and the development of a system for monitoring and evaluating implementation, where further assistance is needed. Technical feedback is being provided by donors in these areas and will support completion of the full PRSP. After the finalization of the full PRSP, donor assistance will be sought for training regional stakeholder representatives in monitoring and evaluating the implementation of the PRSP.

6. The staffs broadly agree that the authorities have identified correctly the areas where further work is needed. These areas reflect the main weaknesses spelled out in the JSA of the interim PRSP. The staffs particularly welcome the Government's initiative to enhance coordination between the PRSP Steering committee and line ministries, and wish to indicate that, in some areas, such as the development of the macro-economic framework, government institutions will need to lend a more substantive and permanent support to the Steering Committee. It will also be essential to ensure strong links between PRSP policy and program priorities and the government budget, in the context of Chad's work on a Medium Term Expenditure Framework (MTEF) and sector program budgets planned for the first half of 2002, to be integrated into the 2003 Budget Law. With respect to the poverty analysis for the full PRSP, as well as for later monitoring and evaluation, the staffs note that the fielding of the national household survey, originally scheduled for early 2001, had to be postponed to early 2002 due to financing problems. The poverty analysis of the draft PRSP makes very good use of the limited existing quantitative data as well as the qualitative consultations. Nevertheless, since the analytical results for the households survey will be available at the

earliest in 2003, the staffs underline the need for identifying a clear set of indicators that will allow PRSP progress monitoring in the short term. The substantial work on poverty analysis—based on the national household survey and on the definition of an MTEF and sector program budgets—will then need to be developed during the implementation of the full PRSP and would be integrated in the ensuing PRSP Progress Reports and PRSP Updates.

7. The revised PRSP timeline presented in the Report indicates that the final PRSP is expected to be completed and adopted by the government by March 2002. Given the commitment to the PRSP process indicated by the extensive participatory process and the considerable effort deployed in the production of the first PRSP draft, the staffs expect that a satisfactory document will be ready by that time. Hence, the staffs of the World Bank and IMF consider that progress on the development of the full PRSP, as evidenced by the PRSP Preparation Status Report, is satisfactory and provides a sound basis for continued access to Fund concessional assistance and IDA adjustment lending. The staffs recommend that the respective Executive Directors of the World Bank and the IMF reach the same conclusion.