AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND

CHAD

LONG-TERM STRATEGY CONSULTATION MEETING

April 3rd, 2012
The summary below captures the main points discussed during the Chadian consultation meeting, under the chairmanship of HE Mr. Abbas Tolli, Minister of Infrastructure and Equipment, representing HE Kordje Bedoumra, Minister of Planning, Economy and International Cooperation on mission. It is not intended to be a detailed set of minutes for the meeting. Participants welcomed the consultative approach taken by the Bank, targeting RMCs, in this initiative to discuss the vision of the Bank and its operational policies for the next ten years. The comments have been summarized along the following thematic areas: (i) Context and Drivers of change; (ii) Operational focus for the African Development Bank and (iii) Institutional reform.

1. **Context and Drivers of Change**

A consensus was reached on the points listed in the regional issues paper prepared by the Bank, with particular emphasis on political governance, food security, promoting public-private partnership (PPP) and investments in human capital. It was suggested to add regional integration as an engine of growth, given its importance, especially for landlocked countries.

2. **Operational Focus of the Bank**

The Bank must help Chad in respect of the following priority sectors such as (i) agriculture, through proper exploitation of arable land, and with particular emphasis on water management, and the development of activities geared towards allowing young people stay in rural areas, (ii) the construction of roads and sanitary infrastructure, (iii) the promotion of good governance, (iv) financing of the private sector, (v) the effective implementation of a vigorous policy of training and rational utilization of human resources, and (vi) the significant mobilization of funds to address the energy deficit.

The following priorities were emphasized by participants:

- **Education and training:** Participants stressed out the crucial role of education and training of human resources, which are essential to development. The Bank should do more to bolster capacity building in higher education, design and implement innovative programs for short term trainings senior African staff in local administrations (Leadership Training, Training Management and Budget Management etc.).

- **Economic and political governance:** The majority of participants have raised the issue of economic and political governance. They emphasized the importance of establishing mechanisms for ensuring effective administration to ensure sound public resources management, the emergence of an independent judiciary, the fight against corruption, and security of goods and people. Credible elections, that are transparent and free, were mentioned as the essential pre-condition of a genuine democracy through the establishment of credible and stable institutions. The Bank should support its RMCs through open dialogue and advisory.
• **The new information and communication technologies, knowledge vector and trade facilitator:** Participants repeatedly mentioned the importance of the new information and communication technologies, in order to better transmit knowledge, which is necessary to evolve mindsets and facilitate international trade.

• **The private sector:** All participants called on the Bank to support private sector development, to facilitate dialogue between the private and the public sector, and to contribute to the creation of an appropriate regulatory framework. Indeed without a stable and attractive environment, the private sector cannot be an engine of growth, create jobs and wealth, and foster the emergence of a middle class as well as an increasing productivity. The participants expressed the hope that the Bank devotes more resources to finance the African private sector over the next decade, especially in fragile states. Criticisms were made about the fact that the Bank focuses on large projects, supports multinational corporations, and does not do enough for SMEs in Africa. Similarly, the participants wished that the Bank could better market and communicate on the financial instruments deployed by its Private Sector Department, and that also the Bank designs innovative financing to mitigate the country and currency risks.

• **Transport and energy infrastructure:** Improving transport infrastructure contributes significantly to national development by facilitating agricultural production, trade in goods, and the movement of people at lower costs, thereby driving the development of trade. The Bank should continue its strategy of funding road, rail and community infrastructure. It must also mobilize more resources to finance national projects for electricity production, as well as projects bearing on electrical interconnections at the regional level. Participants stressed out that the lack of electricity is one of the impediments to the industrialization of Chad, and to private sector development in this country.

• **Agriculture and rural development:** Participants discussed the importance of investment in agriculture and agro-industry to achieve food security. Effective water control, supporting research centers, and funding agricultural training initiatives are crucial to achieving this goal. A consensus has emerged on the need for the Bank to reposition agriculture and food sufficiency as one of its core priorities.

• **Jobs creation** to address youth unemployment was a concern shared by all participants. It was unanimously agreed that the production of unemployed graduates can constitute a ticking time bomb. To ward against this, it was agreed to establish a fruitful public-private partnership, geared towards targeting job-creating opportunities for the otherwise vulnerable demographic dividend in to change the country. The issue of youth employment should now appear prominently in the CSP and strategies of the Bank.
- Regional integration was also discussed at length, in relation to transport, energy, fiber optic communication, and the trans-boundary water transfer from Ubangi to the Lake Basin Chad. Participants expressed the desire to see the Bank investing more in these areas even though most of these concerns were captured in the Regional Integration Strategy Paper (RISP) for 2011-2015. Participants also stressed that states should pay more interest to regional projects, by using their own national budgets to finance such projects.

- Climate change featured prominently in discussions. The following focal themes were suggested: ownership of irrigated crops, research in adapting agriculture to climate change, and water management to improve the often conflicting relationships between farmers and livestock owners. The Bank's support for the preservation of Lake Chad was also strongly requested.

- Inclusive Growth. Concerns were expressed about the fact that overall GDP growth was not followed in Chad, as was also the case in many RMCs, by a similar reduction in poverty. Urgent solutions should be found for growth to be inclusive. It is important to solve the problems of youth unemployment, promote labor-intensive investments, and to solve problems of access to credit and land by women and youth.

3. Institutional Transformation:

- Participants hope to see the Bank move beyond its usual functions of financing and investing in: (i) training not only for youth and junior managers but also for the high level decision makers, (ii) sharing its experiences in Africa, with a view to disseminating good practices through lessons learned, (iii) realization of high quality ESW, (iv) stability in the legal and regulatory environment of RMC, and (v) the visibility of its actions through a communication strategy. Particular emphasis in this regard was placed on the advisory role that the Bank should play with states and other stakeholders. ADB should become the reference institution in Africa. It must be a leader, and steer away from the impression of following the model of the World Bank or IMF.

- Participants stressed the need for the Bank to further assist RMCs to achieve their strategic development planning and its internalization by different actors. It is in this light that the country's participating authorities welcomed the workshop, which comes as Chad has engaged in the process of developing the third generation of its poverty reduction strategy.

- The Bank has heavily invested in various areas of development in Chad (irrigation schemes, education, health, roads, etc.). However these efforts are not always known by the wider public. The Bank must better communicate to increase its visibility on its operations. It is hoped that the Bank will be more aggressive on the ground like other development institutions, and to assume the MDB leadership role in the development of Chad. Finally, the participants welcomed the increased presence of the Bank in Chad, and expressed their collective wish that the field offices be provided with delegated authority and sufficient personal.