Chad

key figures

• Land area, thousands of km²	1 284
• Population, thousands (2007)	10 781
• GDP per capita, USD at constant 2000 prices (2007)	256
• Life expectancy (2007)	50.7
• Illiteracy rate (2007)	46.3

Chad


LIBYA
NIGER
SUDAN
NIGERIA
CAMEROON
CENTRAL AFRICAN REPUBLIC
town > 1 million inhabitants
500 000 - 1 000 000
100 000 - 500 000
< 100 000
major road
secondary road
railway
track
main airport
secondary airport
commercial port
petroleum port
fishing port
Aozou
Bardaï
Faya
Fada
N'Galafo
Mao
Bol
LAKE CHAD
Moussoro
Abéché
Ati
Yao
El Fasher
N'DJAMENA
Melfi
Am Timan
Chari
Bongor
Logone
Léré
Pala
Bahr Salamat
Sarh
Doba
Moundou
Oléoduc
Goré
Baïbokoum
Kribi
Bangui
0
200 km

Chad

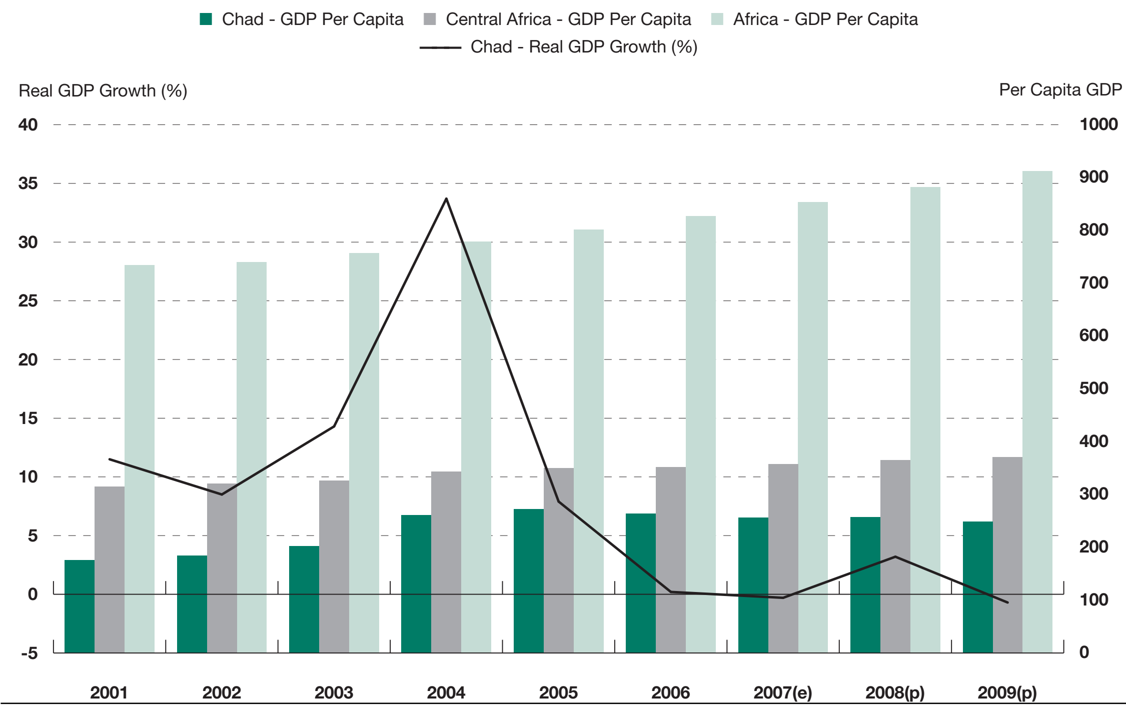
After stagnating for most of 2006, Chad's economy shrank 0.3 per cent in 2007 as activity in the oil sector declined. This was despite relatively good non-oil sector results, mainly due to a healthy performance by government services and its positive effects on the activities of non-oil branches. The oil sector contracted because of a fall in output, even though substantial investment was made to deal with premature water flooding in wells and a new oil field (Maikeri) came into production in the second half of 2007.

Government finances fell far short of predictions chiefly because of the demands of the security situation. Major distortions in spending are still a risk in military matters, for wages and salaries, and for investment.

Average inflation was 8 per cent in 2006. It is expected to drop to around 3 per cent in the next few years (in line with the Economic and Monetary Community of Central Africa – CEMAC – convergence criterion) as road improvements open up production areas and import prices rise only moderately (with the exception of construction materials) due to strong competition.

Growth was underpinned by FDI and sustained public investment in infrastructure.

Figure 1 - **Real GDP Growth and Per Capita GDP**
(USD at constant 2000 prices)



Source: IMF and the National Institute of Statistics and Economic and Demographic Surveys (Inseed) data; estimates (e) and projections (p) based on author's calculations.

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Recent Economic Developments

Primary-sector growth in 2006 nearly stagnated, at 0.2 per cent due to a fall in oil production (3.6 per cent), which was barely offset by healthy growth in other sub-sectors. Cereals output was up 7.2 per cent (to an estimated 1 991 122 tonnes) in 2006/07 compared with the previous harvest.

Production of cereals, vegetables and tubers is expected to fall in 2007/08 after two rather good harvests in 2005/06 and 2006/07, resulting in a 3.7 per cent drop in food-crop output in 2007. The national statistics institute, Inseed, nonetheless forecasts that easier access to inputs, better yields and increased mechanisation, which are priorities of the second national poverty reduction plan, SNRP-2 (which was revised in November 2007), will diversify food-crop agriculture (especially fruit and vegetables) and production will increase in 2008 (4.0 per cent), 2009 (4.4 per cent) and 2010 (5.5 per cent).

In agro-industry, cotton-fibre output is expected to be hit by a 45 per cent drop in the 2006/07 cotton-seed harvest (to 98 000 tonnes from 180 000 tonnes in the previous one) due to delayed productivity loans, which prevented fertiliser being applied in time, reducing the cultivated area and causing diversion of fertiliser to food crops.

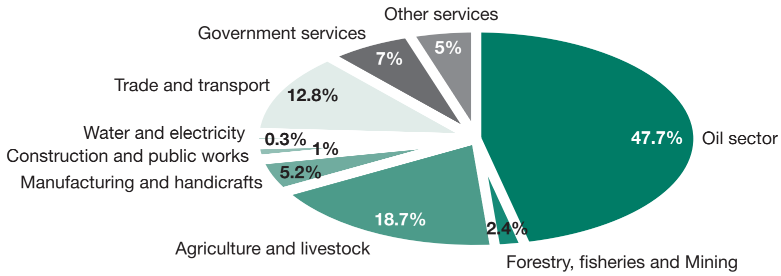
If Cotonchad's predictions of a 2007/08 rise in cotton-seed production to 140 000 tonnes are right, agro-industry will grow 26.3 per cent in 2007. Late arrival of inputs and overdue payments for the previous harvest may however reduce this, so production is expected to be 100 000 tonnes.

The government wants to be more involved in the sector and Inseed estimates cotton production will be 150 000 tonnes in the 2008/09 harvest and rise by an annual average 6.3 per cent over the next few years. Sugar-cane production should also continue to grow soundly, at a yearly 6.7 per cent average.

Livestock production is expected to increase 2.8 per cent in 2007. The forestry, fishing and mining sector (dominated by mining) will probably be boosted by construction-industry demand. Oil production was expected to continue falling in 2007 (by 4.8 per cent) despite investment to cope with water in wells and the opening of a new oil field (Maikeri) in the second half of 2007. Daily output is predicted at 152 000 barrels for 2008 (up 2.6 per cent from 149 000 in 2007), but a sharp drop is expected in 2009 (-13.1 per cent) and 2010 (-5.5 per cent). This will produce real oil-sector growth of 1.6 per cent in 2008 and declines of 13.7 per cent in 2009 and 7.4 per cent in 2010.

The secondary sector shrank sizeably (8.8 per cent) in 2007, after big jumps in 2005 (17 per cent) and 2006 (14.5 per cent). It should grow 3.7 per cent in 2008 and 3.3 per cent in 2009. The recovery is expected to be driven by cotton-fibre processing, water, electricity and handicrafts. Bakery, milling and handicrafts continues to benefit from good cereals production and

Figure 2 - **GDP by Sector in 2006** (percentage)



Source: Authors' estimates based on Inseed data.

StatLink http://dx.doi.org/10.1787/318188850683

Table 1 - **Demand Composition**								
	Percentage of GDP (current prices)		**Percentage changes, volume**			**Contribution to real GDP growth**		
	1999	**2006**	**2007(e)**	**2008(p)**	**2009(p)**	**2007(e)**	**2008(p)**	**2009(p)**
Gross capital formation	**10.6**	**15.6**	**10.0**	**7.4**	**7.4**	**1.9**	**1.5**	**1.6**
Public	9.8	3.0	6.0	4.8	4.8	0.2	0.2	0.2
Private	0.8	12.5	11.0	8.0	8.0	1.7	1.3	1.4
Consumption	**111.0**	**49.5**	**3.7**	**3.2**	**4.1**	**1.9**	**1.7**	**2.2**
Public	44.6	23.3	3.2	4.5	4.5	0.7	1.0	1.0
Private	66.4	26.2	4.0	2.3	3.9	1.2	0.7	1.2
External demand	**-21.6**	**34.9**				**-4.1**	**-0.1**	**-4.5**
Exports	18.3	57.0	-2.2	3.7	-4.2	-1.2	2.0	-2.3
Imports	-39.9	-22.1	10.6	7.2	7.1	-2.8	-2.2	-2.2
Real GDP growth, volume						**-0.3**	**3.2**	**-0.7**

Source: Local authorities' data; estimates (e) and predictions (p) based on authors' calculations.

StatLink http://dx.doi.org/10.1787/321410405801

should grow 7.3 per cent in 2007 (down from 16.4 per cent in 2006).

The energy sector, which shrank 0.4 per cent in 2006, recovered in 2007 with the inauguration of a new power station at Farcha, boosting the capacity of the state power firm, the Société tchadienne d'eau et d'électricité (STEE), which got a higher government deficit subsidy, help from development partners and guaranteed diesel supply for its plants. Inseed predicts 13.2 per cent energy growth for 2007. Household consumption should increase with exemption of the value added tax (VAT) on water and electricity.

The construction sector declined 1 per cent in 2006 due to budget delays but is expected to expand 22.6 per cent in 2007 with substantial domestic investment in basic infrastructure (roads, schools, universities, health facilities, etc.). It should contribute 0.4 points to overall growth in 2007 and its performance then match a steady fall in government investment, expected to decline gradually to 5.2 per cent in 2010.

Tertiary sector expansion is expected to soar from the 5.7 per cent of 2006 to 17.5 per cent in 2007 with much greater efficiency of government services due to increased spending, but this figure will probably ease to 6 per cent in 2008 and 5.8 per cent in 2009 due to a general sector slowdown, including transport and telecommunications, which is expected to decline by 0.4 per cent in 2007 and then grow 3.4 per cent in 2008 and 2.2 per cent in 2009.

Mobile-phone subscribers rose from some 26 000 in 2000 to about 500 000 in 2006 (6.3 per cent of the population), while the number of fixed lines (13 000 operational, or 0.2 lines for every 100 inhabitants) has hardly changed and remains well below the African average of 5 per 100 inhabitants. A rural phone project has installed VSAT antennae in 15 secondary towns. Telecoms access should also grow with the laying of a 1 200-kilometre 2.5 gigaoctet / second fibre-optic cable along the country's oil pipeline as part of the national oil project. Chad has fewer than 300 public-phone booths and not many call centres. Internet access is through Sotel Chad's Tawali and the mobile-phone operator Tigo, but is expensive.

On the demand side, real growth of final consumption should grow to 3.7 per cent in 2007, 3.2 per cent in 2008 and 4.1 per cent in 2009. Gross capital formation rose 10.0 per cent in 2007 but is expected to fall in 2008 and 2009 due to political uncertainty.

The growth of demand should be modest between 2008 and 2010. Final non-market consumption will be hit in 2008 by the expected 2007/08 drop in food-crop production before recovering to increase 3.8 per cent per year in 2009 and 2010, in step with cereals production. Final consumption of market goods, however, boosted by improved purchasing power due to only moderate inflation, should grow a yearly 3.7 per cent average during the same period.

Exports are predicted to fall 2.2 per cent in 2007, increase in 2008 and then drop again in 2009 with a fall in production from the Doba oil field and reduced cotton-fibre exports. Imports should follow increased investment, mainly in the oil and public sectors, and rise 10.6 per cent in real terms in 2007 and 7.2 per cent in 2008.

Macroeconomic Policies

Fiscal Policy

Late presentation of the 2006 budget resulted in a low rate of implementation, especially in investment, which depressed construction and domestic trade.

Budget policy in 2007 was still based on the need for a medium-term economic and social-development strategy within the framework of the SNRP, which focuses on strengthening government finances through the public finances modernisation action plan (PAMFIP) and on medium-term macroeconomic security tied to the creation of a stabilisation fund to manage oil resources temporarily. On the social side, the budget aims to increase purchasing power and the standard of living, with social protection for the most vulnerable (women and children) as a priority.

Budget revenue at the end of May 2007 had reached 46 per cent of the year's target. The steady fall in the US dollar may undermine oil revenue. Tax revenue is expected to fall 1.02 per cent in 2007, with an increase in 2008, though this will depend on the uncertain political situation.

The government's domestically generated revenue is expected to fall, due to lower oil receipts, which are expected to drop significantly by 2010. Enterprise tax from the oil consortium (which is most of this revenue and was three-quarters of it in 2007) will only be 37 per cent, or only just above one-third, in 2010. Oil revenue will be 17.0 per cent of GDP in 2007, then 8.4 per cent (2008), 7.8 per cent (2009) and 5.0 per cent (2010). The reasons for this are: *i)* reduced output, *ii)* the fall of the US dollar against the euro, *iii)* the sharp drop in price of Doba Blend against Brent Crude and *iv)* heavy, but careless investments in recent years. Non-oil revenue should steadily increase, from 8.2 per cent of non-oil GDP in 2007 to 9.0 per cent in 2009/10.

Table 2 - **Public Finances** (percentage of GDP)

	1999	2004	2005	2006	2007(e)	2008(p)	2009(p)
Total revenue and grants	**11.3**	**15.4**	**12.8**	**19.5**	**19.3**	**21.1**	**20.0**
Tax revenue	7,2	5,1	4,4	4,2	4,4	4,3	4,6
Oil revenue	1,1	4,6	4,9	13,0	12,5	13,5	12,2
Total expenditure and net lending[a]	**16.9**	**17.7**	**13.9**	**17.5**	**18.0**	**18.0**	**19.5**
Current expenditure	9.0	6.0	6.9	11.1	11.6	11.4	12.3
Excluding interest	*8.2*	*5.5*	*6.5*	*10.7*	*11.1*	*10.9*	*11.8*
Wages and salaries	3.5	2.6	2.4	2.3	2.5	2.4	2.6
Interest	0.9	0.5	0.3	0.4	0.5	0.5	0.5
Capital expenditure	7.8	11.7	7.0	6.4	6.9	6.7	7.2
Primary balance	**-4.7**	**-1.8**	**-0.8**	**2.4**	**1.3**	**3.5**	**1.0**
Overall balance	**-5.5**	**-2.3**	**-1.1**	**2.0**	**0.8**	**3.1**	**0.6**

a. Only major items are reported.
Source: IMF and Bank of Central African States (BEAC) data; estimates (e) and projections (p) based on authors' calculations.

StatLink http://*dx.doi.org/10.1787/322245857214*

Government finances have also deteriorated because of failure to curb expenditure, with a great increase in extra-budgetary military spending in 2007 because of continuing pressure from the security situation. Public spending rose 6.3 per cent in 2007 and a predicted drop in 2008 may not happen because of the security crisis.

The primary non-oil balance should improve in 2007 and 2008, but the recent upsurge of violence in the country, during which rebels entered the capital, may cause an unprecedented increase in security spending. Increases in the first half of 2007 exposed the lack of proper budgetary control, which the government is trying to correct through the PAMFIP. Refusal by the International Monetary Fund (IMF) to approve this budgetary performance in its review of the IMF-backed economic and financial programme has prevented Chad from reaching the completion point under the Heavily Indebted Poor Countries (HIPC) Initiative.

Monetary Policy

Fiscal policy is run at regional level by the Bank of Central African States (BEAC), whose priorities are controlling inflation and keeping the CFA franc pegged to the euro. Inflation in 2005 and 2006 well exceeded the 3 per cent limit in CEMAC's convergence criteria. According to the BEAC, it should be held at 4 per cent in 2007, down from 8.1 per cent in 2006, as food prices dropped because of the good 2006/07 harvest and lower energy prices.

Monetary and loan targets for 2007 were set in line with resumption of ties with the international financial community after the break in 2006 with the Bretton Woods institutions. The main goals for 2007 include XAF 20 000 million (CFA Francs BEAC) in the last quarter for refinancing, between 92.2 and 94.2 per cent external coverage, a 30.3-to-32.3 per cent increase in loans to the economy and a 7.9-to-9.9 per cent rise in the money supply. This will boost loans to the economy by 31.3 per cent, driven by a higher value of exports of cotton and livestock, revival of the government investment programme, and growth of the agro-food industry and the tertiary sector. The money supply should increase 8.9 per cent in 2007. The refinancing aim in 2008 is for XAF 20 000 million in the first quarter.

External Position

The country's foreign trade has depended on the oil sector since the start of the Doba oil project. Imports, mostly equipment, have been in step with the level of oil investment, while exports have matched fluctuations in exports of Doba crude. This undermined the trade balance during the investment phase (a deficit in 2003 that was nearly 8.4 per cent of GDP) and improved it when exports began (a surplus in 2007 that was 30.0 per cent of GDP).

The value of oil exports will drop because of the decline in the price of Brent Crude, that of the exchange rate and, naturally, the lesser amounts of oil sold. They were only 38 per cent of GDP in 2007 (and are expected to fall to 26 per cent in 2010), down from 50 per cent in 2006. The decrease in cotton and oil production will probably reduce total exports in 2007 but they should recover in 2008 as both rise again.

Table 3 - **Current Account** (percentage of GDP)

	1999	2004	2005	2006	2007(e)	2008(p)	2009(p)
Trade balance	-1.4	28.0	37.5	33.3	30.0	33.2	27.4
Exports of good (f.o.b.)	15.9	49.6	53.6	54.1	52.7	54.7	51.0
Imports of goods f.o.b.)	17.2	21.6	16.2	20.8	22.7	22.6	24.7
Services	-11.6	-36.8	-30.6	-27.2	-27.6	-23.6	-15.8
Factor income	-1.0	-13.3	-9.9	-18.2	-17.1	-22.0	-19.3
Current transfers	2.7	5.0	5.4	4.5	3.8	2.6	2.5
Current account balance	**-11.3**	**-17.1**	**2.4**	**-7.6**	**-10.8**	**-10.8**	**-6.2**

Source: IMF and BEAC data; estimates (e) and projections (p) based on authors' calculations.

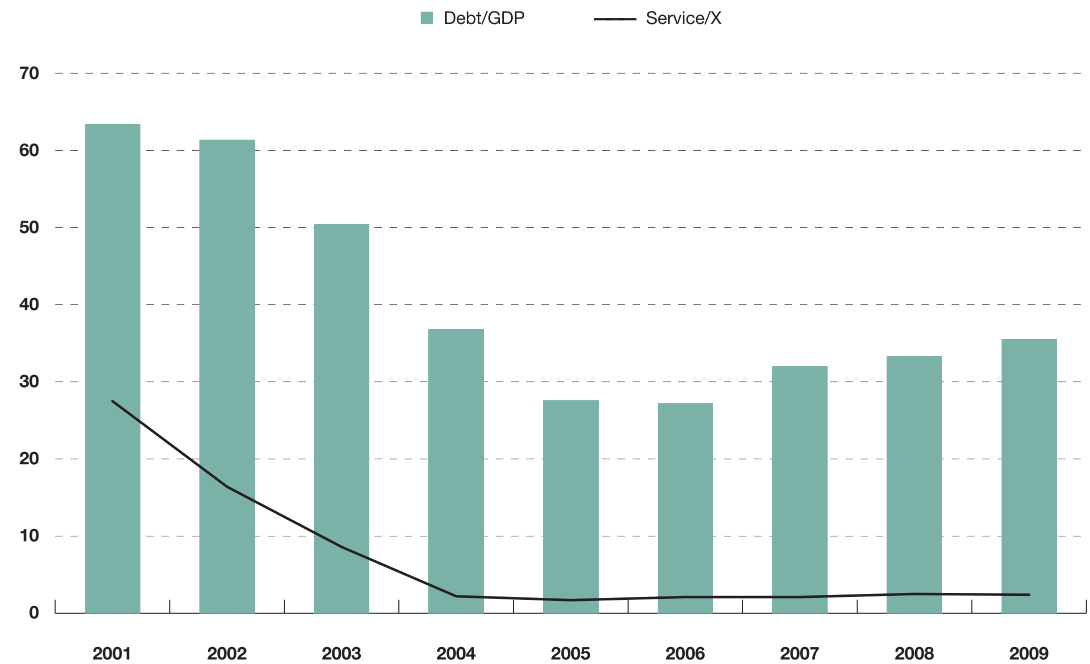
StatLink http://dx.doi.org/10.1787/323357373310

Goods and services imports, which are also in step with oil investments, may increase by 10.6 per cent in 2007 as a result of higher investment in the public sector..

Regarding Chad's relations with the international financial community, the World Bank had nine projects worth USD 306 million underway in the country on 1 August 2007. The bank has approved 58 projects in all, worth USD 1.1 billion. The European Union (EU) has signed a EUR 273 million aid programme for 2000-07 as part of the 9th European Development Fund.

Chad has a cautious external-debt policy and most of the loans it gets are on very soft terms, but the break in relations with the World Bank between November 2005 and July 2006 means it has not yet reached the HIPC completion point.

Figure 3 - **Stock of Total External Debt** (percentage of GDP) **and Debt Service** (percentage of exports of goods and services)



Source: IMF.

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Structural Issues

Recent Developments

Reforms have so far shown mixed results. Those in government services have mainly involved institutional and organisational inspections, and 14 ministries had been audited by 2007.

Some progress has been made in decentralisation, but although many texts have been issued on the subject, devolved management is still being delayed and local elections have been postponed several times.

The government has gradually introduced a medium-term expenditure framework to streamline inter-sectoral budget decisions. Multi-year sector allocations based on forecasts of adequate funding should lead to more realistic and rigorous programme budgets. Computerisation of the spending channels should speed up the drafting of detailed financial projections and of budget implementation reports. Nonetheless, the effectiveness of this reform could be undermined because the system is fragmented and several key financial services are not yet linked to it. The shortcomings of the system partially explain the recurrent Treasury squeezes. A very important step was the decision to increase the total budget share of poverty-reduction priority sectors and to allocate 70 per cent of budget appropriations to education, health, infrastructure, rural development and governance in the supplementary estimates of July 2006 and in the 2007 budget. Though these priority ministries found it difficult to use up their allocations, their share of total budget expenditure had steadily increased up until 2005. In 2006 and 2007, this trend was interrupted as defence and security problems began to weigh on the budget: funding of the priority sectors fell from 63 per cent of the 2005 budget to 56 per cent in 2006, before rising again in 2007, to 65 per cent.

The PAMFIP, funded jointly by the Chadian government and the EU, began operating in January 2007 (with a co-ordinating team of a dozen persons) to make management of public finances more organised and effective.

Reform of the justice system and of the security of persons and property began in 2005. It involves three aspects: *i)* instituting two new appeals courts (in Abeche and Moundou) to ease the load on the N'Djamena court; *ii)* setting up commercial courts in the principal towns of the 18 regions; and *iii)* reviewing the monthly pay of justices of the peace and magistrates and adopting a special status for court clerks. Six branch courts were made into full courts. Several groups of justices of the peace were trained and assigned to these courts (sub-prefectures) to bring justice closer to the population. A security and immigration ministry was set up and steps were taken to collect military weapons and to suspend the sale of handguns. A bill on livestock migration and nomadic movement is a major step towards a code of conduct for more organised livestock movements and settling disputes between farmers and breeders. Adoption and implementation of the law should help to reduce inter-community conflicts and restore social peace in the rural areas concerned.

The government has drafted a 2000-09 national transport strategy to boost economic growth and reduce poverty by opening up remote areas (and links to other countries), reducing transport costs, ensuring access to all parts of the country even during the rainy season, providing an adequate network of roads linking main towns the year round, continuing the liberalisation of the sub-sector and streamlining its administration, and expanding rural infrastructure. Significant progress has been made, including the construction of three international roads from N'Djamena: to the border with Sudan (226 kilometres paved, out of a total 1 063 kilometres); to the border with Cameroon (entirely paved since June 2006); and to Niger via Massakory and Bol (77 kilometres surfaced, out of 249 kilometres). The country's paved roads increased from 557 kilometres in 2002 to 736 kilometres in 2005 and nearly 900 kilometres in 2007.

The government has declared agriculture the key to economic development and food security and announced plans to modernise agricultural and livestock production, encourage agro-food processing, organise irrigation to reduce dependence on the weather, and fight locust invasions.

Remaining structural problems include negligible dialogue between the government and the private sector, only partial implementation of the rules of the Organisation for the Harmonisation of Business Law in Africa (OHBLA) and the persistence of arbitrary behaviour, fraud and corruption. Recent steps to change this include a national investment charter in line with CEMAC rules, adopted in December 2007, and a one-stop shop for public procurement contracts, set up by prime ministerial decree in November 2007.

Small and medium-sized enterprises (SME) are often refused loans because they cannot provide banks with solid guarantees and are inefficiently run (lack of accounting and computerisation and poor project drafting and funding requests). The government and its development partners are looking at how to boost SME capacities while ensuring more securely based bank loans, with perhaps a guarantee fund to encourage transparency and better management by SMEs.

The government, helped by non-governmental organisations (NGO) and the international community, is to survey existing arrangements in the informal sector and draft a realistic plan to promote microfinance nationwide, involving government and NGOs and expanding both the geographical coverage of microfinance and its products and beneficiaries. Financial networks would also be enlarged, notably by the revival of postal cheques, to make things easier for non-governmental institutions in the provinces.

Technical and Vocational Skills Development

Technical and vocational education and training (TVET) was introduced in Chad before independence (1960) with the creation of a trades college, École des métiers, which trained skilled workers. Technicians only began to be trained after independence. TVET has not since then grown significantly to match technological changes and above all, the country's needs. It is still in its very early stages and does not have the autonomy it needs to develop effectively amid fierce competition and unprecedented poverty. It cannot handle the complexities of the job market and the ups and downs of the economy. The number of students in TVET rose 105.37 per cent between 2000 and 2004 (from 1 989 to 4 085) and the number of women in training increased from 32 to 35 per cent.

TVET is regulated by Article 13 of the (17 May) 2007 decree 414/PR/PM/MEN setting out the education-ministry organigramme. Its structure and operation is laid down by decree 185/MEN/SG/DHEFA/DESTP/2004 of (16 August) 2004 setting out the organisation and functioning of the technical and vocational secondary-education department (DESTP). TVET is delivered through separate and unrelated institutions under 11 technical ministries. The large number of supervisory bodies hampers design and implementation of disciplined management, especially for issuing diplomas, and causes confusion and duplication. There are few proper bridges between the system's various levels, making it almost impossible to get a higher-level diploma through continuing education. The system should operate coherently, especially in standardisation of diplomas.

To ensure that TVET is run in tune with the labour market, the country's government and development partners adopted a national job-linked education and training strategy (EFE) in 1990 aimed at making the best use of human resources through education and training in order to help people become key players in social and economic development. When EFE was implemented in 1993, an advisory national committee for job-linked education and training (CONEFE) was set up (decree of 31 December 1993) as an interministerial political guidance and decision-making body to co-ordinate sector activity, comprising government and civil-society representatives. CONEFE has a permanent executive and two technical bodies – an education, training and employment monitoring unit and a national fund for vocational training and apprenticeship – as well as a co-operation and co-ordination unit set up in 1999.

Chad's TVET system has to compete (in terms of graduates' skills) with training provided in neighbouring and Western countries, so the national diploma must accurately reflect the skills acquired and be comparable with diplomas issued elsewhere. Subsidiary programmes contain sectoral and institutional divisions that undermine harmonious growth of the national system. All these structures almost entirely provide typical academic-style initial training, with courses that do not link up with the job market.

Three divisions in Chad's TVET system illustrate the problems well. One is between technical education and vocational training, with initial training and continuing education not complementing each other due to lack of continuing education in technical schools that come under the education ministry and to insufficient facilities in public technical-education schools.

Another division is between the formal TVET set-up and on-the-job apprenticeship systems, with almost total lack of complementarity between them, insufficient consideration of the needs of the handicrafts sector for formal TVET, too small a range of qualifications supplied by on-the-job apprenticeship due to limited technology in small businesses, lack of facilities and unmonitored working conditions for apprentices.

A third division is between subsidiary programmes and the economic functioning of the education ministry, which oversees national vocational-training policy. The country has no system of nomenclature, which is needed to standardise courses and procedures in training schools, and lacks an overall flexible and coherent regulatory structure that sets out the goals, areas of application, and the rights and duties of those involved. Also, few companies help to run the vocational-training facilities and often just pay the apprenticeship tax, and a system of dialogue and permanent co-operation between a profession and those involved in training is lacking. There are deficiencies in national vocational-training facilities and not enough human and material resources.

TVET is important in the country's social and economic life because it links the general-education system and the labour market by offering initial training and continuing education to those who want qualifications to get into a profession. Its key role in training a skilled workforce means the country should expand the range of training and increase the intake, making access easier and fairer, which is one of the goals of the Education For All programme. Strong demand for certain skills makes it all the more necessary to increase efforts to provide quality TVET.

Lack of data makes it hard to say how much private TVET is on offer, but government-sponsored training (especially through the DESTP) was being delivered in 2007 by only 16 schools distributed unequally across the country (three upper-secondary schools, one lower-secondary school, and 12 technical and vocational training centres (CFTP). The three secondary schools prepare children for graduation in mathematical and technical subjects (category E), administrative and secretarial skills (G1), quantitative management (G2), commercial skills (G3) and for a technician's certificate in electrotechnology, auto mechanics, refrigeration and air-conditioning. The lower-secondary school offers two-year courses in general mechanics, auto mechanics, electricity and plumbing, carpentry and construction skills, and the CFTPs offer two-year courses in metal fittings, carpentry, auto mechanics, electricity and plumbing.

The government, helped by technical and financial partners (including the African Development Bank), has drafted an educational reform programme (PARSET) and a national Education For All action plan (PAN/EPT) to run until 2015, the broad lines of which are in the SNRP-2, which only fleetingly mentions (two lines) technical and vocational training, despite the government's having declared it a priority.

Lack of funding is cited as the main reason for problems in implementing the EFE and indeed allocations are usually too low. Education only gets an average 11.5 per cent of the annual government budget (excluding grants) and has stagnated in the range of 2 per cent of GDP since the SNRP came into effect. TVET gets less than half of the resources for the sector.

To remedy substantial school attrition, the government is considering reviving, expanding and strengthening technical and vocational training structures by offering short and more diverse courses that take account of the local, regional and national labour markets. This will involve opening 42 CFTPs, five technical lower-secondary schools and four technical secondary schools.

The government also intends to reform teaching and training methods and courses to make them more relevant to the country's situation and the changes of recent years. The educational stages and levels of the courses will be designed to fit the goals of the education and training system, with special emphasis on cognitive and psychomotor knowledge, and attitudes to be acquired through practical apprenticeship.

Generally speaking, the government's reform plans to solve TVET problems depend on changing laws and regulations. The reforms should enable: *i)* the drafting of a genuine national TVET policy to fight unemployment and poverty effectively, and drive economic growth; *ii)* the institution of a TVET regulatory framework describing the nature and aims of available education, as well as the organisation of training activity and clarifying the rules for issuing diplomas; *iii)* strengthening EFE by putting CONEFE firmly in charge of government monitoring; *iv)* giving training schools independent management; and *v)* helping people join a skilled workforce.

Political Context

Eastern Chad is the scene of rebellion against President Idriss Déby Itno's rule and of inter-ethnic violence and attacks across the Sudanese border that are often tied to the civil war raging since February 2003 in Darfur, in western Sudan. The Darfur crisis has driven hundreds of thousands of Sudanese refugees into Chad, making the eastern region more unstable. Several humanitarian, political and military operations are helping populations on the edge of the Darfur region whose lives have been turned upside down by the deadly fighting. The United Nations estimates that in Chad alone, there are 236 000 refugees from Darfur and 173 000 displaced Chadians. An agreement was reached at a crisis meeting on Darfur in early 2007. Chad and Sudan had already pledged not to back each other's rebels but these promises were never kept. Chad accuses Sudan of backing anti-Deby rebellions, which use Darfur as a rear base, and Sudan in turn accuses Chad of helping the Darfur insurgents.

Significant progress was made in 2007 towards domestic political peace, with ex-President Goukouni Weddeye returning from exile for the first time since he was ousted in 1982 and discussing the crisis with Déby. Weddeye's delegation included Adoum Togoi, another prominent opponent in exile in Burkina Faso. The chief aim of the meeting was to help return peace and stability to the country. A joint government-opposition committee is to be formed to explain to Chadians the need to make peace. Weddeye leads the National Liberation Front (Frolinat), the country's first political and military movement founded in the 1960s. The government and the head of the United Front for Change (FUC), Mahamat Nour Abdelkerim, signed a peace accord in December 2006 and Nour was appointed defence minister in March 2007.

A political agreement signed in August 2007 between the ruling coalition parties and the democratic opposition, and a military one two months later with the armed movements, were steps forward. Implementing them should help resolve the roots of conflict, gradually restore peace and security, allow reduction of military spending and revive a programme to reintegrate soldiers and fighters into civilian life. Recent new fighting in the country, however, during which rebels entered the capital, threw all this progress into doubt.

Social Context and Human Resources Development

About 80 per cent of the population lives below the poverty line on less than one US dollar a day. Chad ranks 171st out of 177 countries on the UN Development Programme's human development index. Three decades of civil war have put a brake on the country's economic and social development and badly affected the most vulnerable populations, notably women and children.

The health system is barely coping with ever-growing demands on it. Surveys of health policy in 2005 and 2006 revealed shortcomings in health-care training access, in the facilities available and the quality of services. The main obstacles to effective health care are lack of funding, lack of trained personnel and their uneven distribution around the country. Only one doctor is available for every 27 680 inhabitants, far below the World Health Organisation (WHO) norm of one per 10 000, and 46 per cent of them work in N'Djamena. Only one midwife is available for every 9 074 women of childbearing age (below the WHO norm of 5 000). The health infrastructure includes one national hospital serving about 7.5 million persons, four regional general hospitals each serving 950 000 persons, 64 district hospitals and 911 health centres. The number of beds ranges from 0.09 per 1 000 inhabitants in the Massakory district to 1.61 in Benoye. The underprivileged populations thus resort to self-medication and to informal health care. Lack of funding for primary health care, its uneven geographical distribution and low quality, as well as bad co-ordination and lack of follow-up has had disastrous effects on national health-care indicators.

Vaccination efforts have never managed to extend coverage beyond 80 per cent of the country (78 per cent for a combined diphtheria-whooping cough-tetanus vaccination in 2006). Infant and child mortality is very high and has hardly fallen over the past decade (infant mortality declined from 103 per 1 000 live births in 1997 to 102 in 2004 and child mortality fell slightly from 194 per 1 000 in 1997 to 191 in 2004). Some 41 per cent of children under five suffer from moderate chronic malnutrition and about 20 per cent from severe chronic malnutrition. Maternal mortality rose from 827 per 100 000 live births in 1997 to 1 099 in 2004. About 57 per cent of pregnant women get no prenatal care from qualified personnel and 79 per cent of births are not assisted. Nonetheless, good progress has been made in the fight against HIV/AIDS and the adult infection rate has dropped from between 5 and 7 per cent (depending on the data source) in 2000 to 3.5 per cent in 2005. About 200 000 persons, including children, are thought to be HIV positive, including one-third of all those afflicted with tuberculosis.

Government education policy has produced spectacular quantitative results as enrolment grew an average 6.3 per cent a year between 2001 and 2005, taking gross primary enrolment from 71.6 per cent in 2000 to 82.5 per cent (2003), 87.6 per cent (2004) and then falling back to 84.4 per cent (2005). Gross enrolment of girls advanced from 54.7 per cent in 2000 to 65.2 per cent (2003) and 67.9 per cent (2005). Enrolment targets for the first year of primary school set by SNRP-1 were clearly exceeded – 121 per cent (90 per cent target) for boys and 88 per cent (65 per cent target) for girls. Secondary enrolment grew even faster, by about 13 per cent a year. Students in higher education rose from 75 per 100 000 inhabitants in 2000 to 117 in 2003.

These results hide big regional disparities, however. The internal efficiency coefficient (0.49) is low. The number of pupils repeating years was 26 per cent in 2000 and has only been reduced to 22 per cent in the last three years. Only 36.4 per cent of primary-age children (33 per cent of girls) completed primary education in 2005 and the level of knowledge was unsatisfactory. This was caused by: *i)* the high pupil/teacher ratio (69 in 2003/04); *ii)* the percentage of community teachers (67 per cent, many of them untrained); and *iii)* the lack of equipment and textbooks (only 21 per cent of pupils had a seat and a desk and on average, two pupils shared each textbook). The same problems of quality were found at other education levels. The flow of pupils between levels is not controlled and the production of higher-education graduates exceeds the economy's demand for them. Government spending on education nonetheless has risen significantly (from 10 per cent of spending disbursed in 2002 to 14 per cent in 2005), but some of the increase was offset by soaring unit costs (that of a classroom has quadrupled in four years, from XAF 7 million in 2002 to more than XAF 30 million in 2006).

There are some old laws and regulations to protect forests and biodiversity but they are hardly complied with. Population pressure is very strong in forested areas (with demands for firewood and the need for more arable land), poaching is hard to fight, and tree felling and brush fires are uncontrolled. Wood and charcoal provide more than 90 per cent of the country's energy needs. Gas consumption grew between 1999 and 2004 (from 69 to 367 tonnes of oil equivalent) but this is only by a small section of the population (only about 11 000 households have gas stoves, 90 per cent of them in N'Djamena). Local integrated-development initiatives that have encouraged grassroots communities to make inventories of locally available natural resources and make plans for their use on a participatory basis is one of the most promising developments of recent years.

Measures taken and being considered to organise livestock migration should also have a positive effect on the environment, protecting harvests, making animal movements easier in the dry season, and using pasture and water supplies more effectively. Again, the recent political violence, which caused population movements, will prevent expected targets from being met.