

# Republic of Chad

Consultation of development partners

To finance development ó Paris June 20-21, 2014

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## NDP 2013-2015 financing Note

### I. NDP financial execution in 2013

In the framework of the implementation of its development policy, the Government of Chad has drawn up and adopted its National Development Program (NDP) for the period 2013-2015. The NDP 2013-2015 is made operational through a Priority Actions Program (PAP). Initially, the implementation cost for the NDP was estimated at 3.726 billion FCFA for which 58% of the financing was available (45% from the State's funds and 13% from foreign funds), the gap (42%) amounted to 1.577 billion FCFA.

In 2013, only projects with raised funds have been scheduled for an estimated cost of 859.5 billion FCFA for which 71% financed on the State's funds and 28.5% on foreign funds. On December 31, 2013 the global PAP financial execution rate of the NDP reached 80.8%

**Table 1: NDP financial execution in 2013 (in billions of FCFA)**

	2013 programming	achievement 2013	Financial Execution rate
State	614.6	513.8	83.6%
PTF	244.9	181.1	74.0%
<b>Total</b>	<b>859.5</b>	<b>694.9</b>	<b>80.8%</b>

Source: MPC1<sup>1</sup>, MFB<sup>2</sup>, March-April 2014

### II. NDP financing prospects on biennial 2014-2015

Before determining the additional amount to be raised (gap) for financing the NDP, it must be pointed out that the amount to be raised originates from the revision of the PAP which occurred during 2013 and at the beginning of 2014.

#### 2.1 Methodology of revision of the PAP 2013-2015

In the aftermath of the adoption of the NDP and its PAP, it appeared that during the first year of implementation, the PAP showed some weaknesses. Indeed, an important number of projects were nothing but ideas and were non achievable over the period. The budget programming was a rough estimate and it was difficult to establish a link between the State's budget and the projects/programs. Furthermore, the listed foreign funds did not exactly match the financing agreements with the Technical and Financial Partners (TFP)

In order to make it an operational tool of the NDP, the government has carried out the updating according to the following methodology. At first sight, it is the ongoing projects and the bankable projects achievable over the period covered by the NDP which have been considered. Furthermore, the approved public procurements contracts or those in the process of being approved have also been included as well as the various support to organizations

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<sup>1</sup> MPC1 : Planning and International Cooperation Ministry

<sup>2</sup> MFB : Finance and Budget Ministry

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under supervision listed in the budget of the State when they were listed in the development priorities of the NDP. At the level of the budget programming, the projects for which the financing were still to be raised have been rescheduled on the biennial 2014-2015. Thus, whole the commitments linked to the priorities of the NDP (including the public procurements contracts) of the sector Ministries involved in the NDP have been included in the PAP follow up.

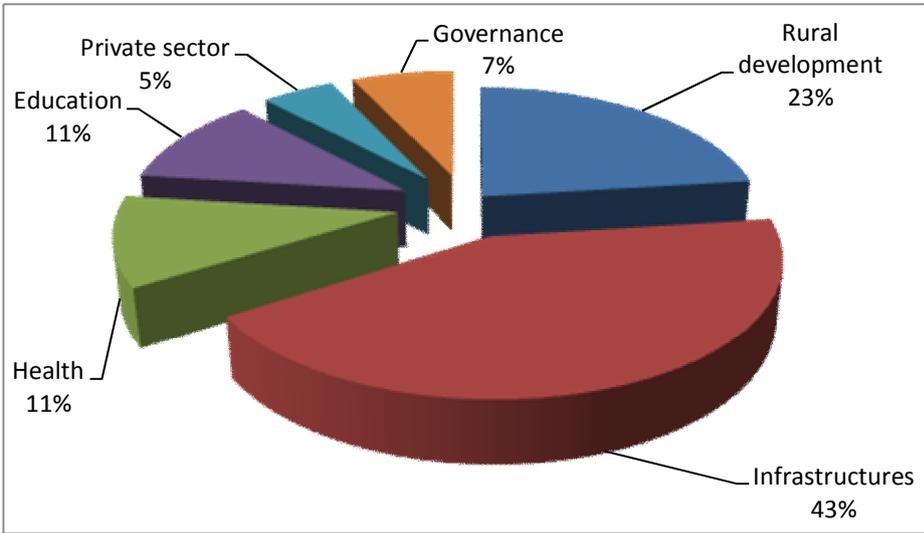
As regards the foreign financing, the International Cooperation Department centralized and compiled the estimated sum withdrawal forecast of the TFP and/or the financing agreements signed with the TFP, in relation with the NDP for the 2014-2015 period. This resulted in the 2014-2016 triennial Public Investments Program funded on foreign financing from which the data relating to the 2014-2015 biennial is extracted from. The foreign financing for the year 2013 being already listed in the Finance Act of 2013, the Ministry chose to keep the amounts submitted in 2012.

### 2.2 Establishing the amount of the remaining funds to be raised

The amount of the revised PAP is about 3 729 billion FCFA<sup>3</sup> over the period of 2013-2015. The costsøallocation, according to the lines of the NDP, shows that the lines 1 and 2 relating to the productive sectors and the manpower absorbs the major part of it, which is respectively 59% and 27%. It is followed by the lines 3 and 4 which represent respectively 7% and 6%.

The global PAP cost by priority sector is allocated as follows: Infrastructures (43%), rural development (23%), health (11%), education (11%), governance (7%), and private sector (5%)

**Chart 1: Allocation of PAP total cost by priority**



Source: MPC I

<sup>3</sup> PNSA not included

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On the total estimated amount of the PAP, it appears that 81.4% of the funds are already raised including 53.4% from the State's resources and 28% on foreign resources. Thus, the remaining amount of funds to be raised (gap) is 609 billion FCFA, which represents 18.6% of the PAP global cost. It should be stressed that this amount concerns only the biennial 2014-2015; because, as it is shown above, the 2013 programming includes only projects with available funds raised from the State or its technical and financial partners so that the gap is invalid a posteriori, after revision of the PAP.

**Table 2: Financial gap programming (in billions of FCFA)**

	2013	2014	2015	total 2014-2015
State	614.6	539.0	597.0	1 136.0
PTF	244.9	243.1	430.8	673.9
GAP	-	77.4	532.0	609.4
Total	859.5	859.4	1 559.8	2 419.3

Source: MFB, sector ministries and PTIP 2014-2016, April 2014

The main financing gap to be raised is concentrated in priority sectors as the infrastructures and the rural development. The following table shows that these sectors receive most of the support already mentioned by the TFP in the framework of the foreign funds raised for the NDP.

**Table 3: Allocation by sectors of the financing gap and raised foreign funds**

	Remaining funds to be raised		foreign funds raised for the NDP	
	Value (in billions)	Percentage	value (in billions)	percentage
<b>Rural development</b>	190.5%	31%	317.2	34%
<b>Infrastructures</b>	271.0	44%	375.2	41%
<b>Health</b>	26.7	4%	88.4	10%
<b>Education</b>	44.6	7%	59.4	6%
<b>Private sector</b>	55.1	9%	6.7	1%
<b>Governance</b>	21.6	4%	72.0	8%
<b>TOTAL</b>	609.4	100%	918.6	100%

Source: MFB, MPCI, April 2014