Chad: Towards Public Expenditure Improvement

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Remarks at the signing ceremony of the loan and grants Agreements for the Public Finance Management Reforms Support Programme, Chad
29 June 2016
Abidjan, Côte d’Ivoire
Your Excellency, Mrs. Mariam Mahamat NOUR, Minister of Planning and Prospective of the Republic of Chad,

Mr. Abdallah MSA, Executive Director for Chad,

Distinguished Guests,

Dear Colleagues,

I’m very pleased to welcome you to the signing ceremony of a series of financing agreements for the second phase of the Public Finance Management Reforms Support Programme. The total funding stands at some CFA 26 billion, including a loan (CFA 3.5 billion) and two grants totaling CFA 22 billion.

The program aims to improve the quality of public expenditure and create favorable conditions for the diversification of Chad’s sources of growth, in order to stimulate inclusive growth.

Chad has been adversely impacted by the decline in global oil prices, as well as issues with regional security conditions which have negatively impacted intra-regional trade, fishing and livestock. There has also been an influx of refugees (more than 1 million persons).

The AfDB’s support will help close more than one third of Chad's financing gap, allowing the government to clear its domestic arrears with local suppliers.
It will help to improve the performance of administrative institutions by supporting reforms related to public procurement and improvements in the business climate.

In addition, it will help protect priority social expenditure against budget cuts, by maintaining their share at 19%, helping government deal with issues such as low life expectancy, high infant mortality rates, low immunization levels and school enrolment rates.

The program will also support the Government's actions aimed at enhancing agricultural resilience, through the revision of the Land Tenure and Ownership Code. This is critical for securing agricultural sector investments in Chad and improving food security and nutrition.

As a result of these actions, we expect the program to contribute to job creation – a mitigating factor against the social crises that often give rise to armed conflicts.

We commend the political commitment of the Government of Chad to enhance public finance management transparency. We also appreciate your efforts to improve the business climate and strengthen agriculture sector resilience. This comprehensive set of reforms will help diversify the economy and reduce the country’s strong dependency on oil.
Honorable Minister,

Today's signing ceremony is a testimony of Government’s commitment and the relationship with the Bank. This project was approved by our Board of Directors only two days ago, and here we are for the signing ceremony today.

To conclude, I want to reiterate the Bank commitment to support the Government of Chad’s efforts to improve the well-being of its people.

Thank you.