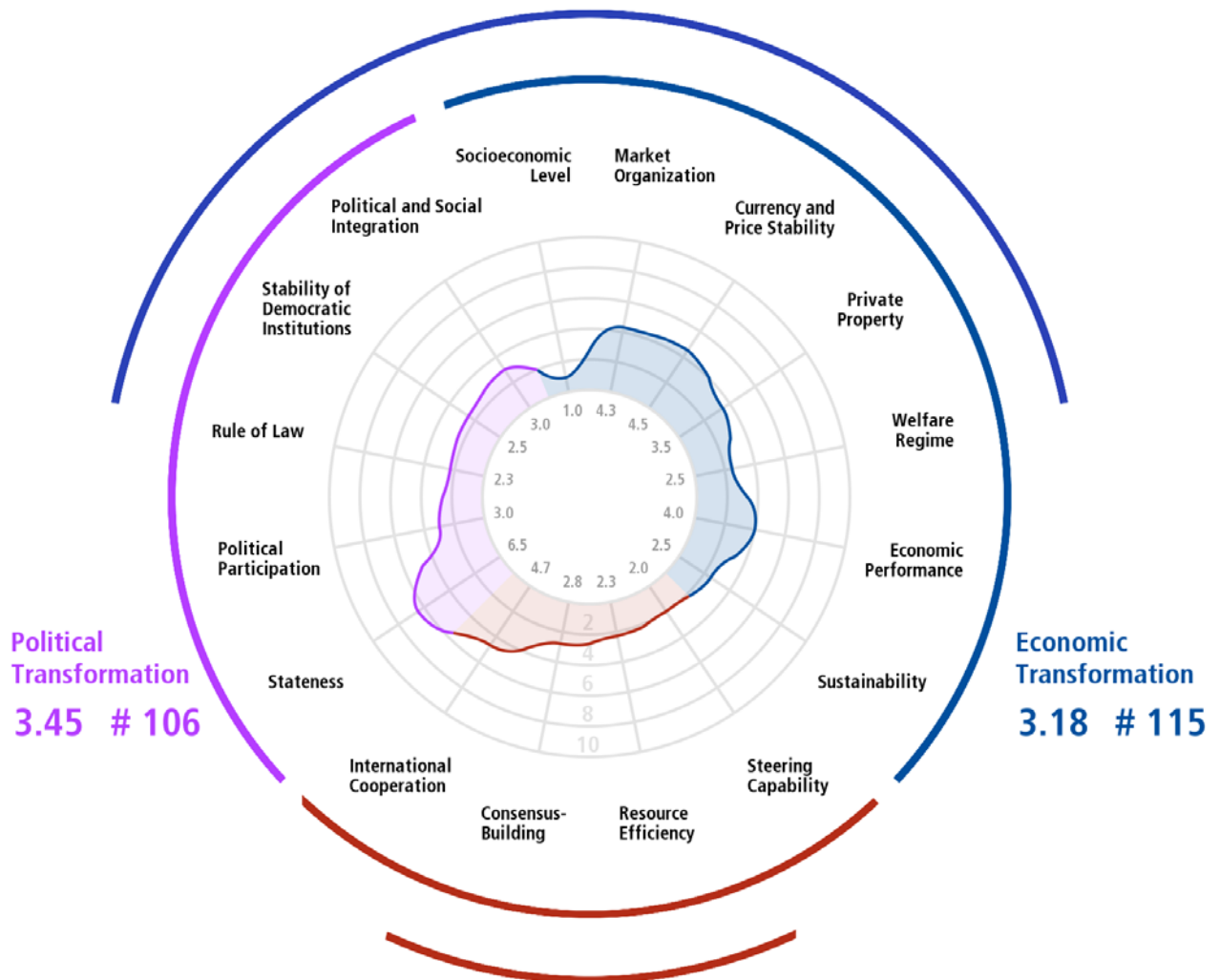


# Chad

## Status Index

**3.31 # 115**

on 1-10 scale out of 129



**Political Transformation**  
**3.45 # 106**

**Economic Transformation**  
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## Governance Index

**2.84 # 116**

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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### Key Indicators

Population	M	14.5	HDI	0.396	GDP p.c., PPP \$	1991
Pop. growth <sup>1</sup>	% p.a.	3.1	HDI rank of 188	186	Gini Index	43.3
Life expectancy	years	52.6	UN Education Index	0.308	Poverty <sup>3</sup>	% 66.5
Urban population	%	22.6	Gender inequality <sup>2</sup>	0.695	Aid per capita \$	43.3

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

The period under review was mainly dominated by three issues: the presidential election, social and economic crisis, and the terrorist threat posed by Boko Haram.

On Independence Day, August 11, 2015, President Déby stated that he would stand for a fifth presidential term, which was in accordance with the constitution. Civil society led by the trade unions tried to prevent President Déby's re-election using strikes, mass demonstrations and other forms of civil disobedience, which were widely supported in the run-up to the election in April 2016. However, the ruling elite reacted with an iron fist. The public security minister forbade public gatherings, and the security forces shot at protesters, suppressed political gatherings (with the exemption of the ruling members of parliament), and arrested leading opposition figures (e.g. unionists, journalists, civil rights and student activists). The weak political opposition unsuccessfully sought to hinder President Déby's re-election with an unusual demonstration of unity. Yet, President Déby won the presidential elections on April 11, 2016, with 59.9% of the vote. The leader of the opposition coalition and main opposition party, the National Union for Democracy and Renewal (Union Nationale pour la Démocratie et le Renouveau), Saleh Kebzabo won 12.8% of the vote. President Déby continues his strong presidency, with the ruling Patriotic Salvation Movement (Mouvement Patriotique du Salut, MPS) and its allies holding a comfortable parliamentary majority.

The social and economic crisis came to the surface shortly after his inauguration on August 8, 2016, and the declaration of 16 urgency measures to reduce the state deficit. Civil servants went on strike demanding the reintroduction of their allowances and, from September onwards, for payment of their salaries, which have not been paid due to insufficient government resources. The public treasury is empty and all public sectors, including education and health care services, have experienced strikes. The country is at a standstill. International organizations, including the IMF, World Bank and European Union, are trying to resolve the financial crisis, but are wary of supporting corruption.

Terrorist attacks organized by Boko Haram pose a security threat to the capital and the Lake Region. Chad joined forces with Cameroon, Nigeria, Niger and Benin in the fight against Islamist terrorists. Chad hosts almost 780,000 refugees, returnees and internally displaced persons (including refugees from the Lake Chad region, the Central African Republic in the south and Darfur in the east). The country is only able to manage the refugee crisis with aid from the international community.

President Déby was also president of the African Union (AU) from January 2016 to January 2017, which afforded him greater international political standing. He traveled widely. The French government considers Chad its main ally in the fight against terrorism in the region and in Mali. The headquarters of the French military mission “Barkhane” in the Sahel is in N’Djamena. In addition, Chad earned international recognition for its collaboration with the United States in fighting terrorism in the region. This recognition further reduced international criticism of Chad’s limited democratic progress.

In Senegal, the former Chadian dictator Hissène Habré (1982-1990) was sentenced in May 2016 by an international tribunal and has appealed the decision in January 2017.

Macroeconomic performance was extremely poor due to the substantial drop in world oil prices. Oil revenues are the government’s only significant revenue source. Chad is no longer able to meet its internal and external debt obligations. Again, Chad has not managed to diversify its economy and remains heavily dependent on oil revenues. The IMF and World Bank continue to push for broader economic diversification, as does the president now.

In summary, Chad is nowhere near being a liberal democracy with a socially responsible market economy.

## History and Characteristics of Transformation

In the early 1990s, Chad took its first steps, more or less simultaneously, toward economic and political transformation. Foreign funding in the mid-1980s had helped reconstruct the state and its institutions in the wake of a devastating civil war. Its conflict lines between the Muslim north and the Christian/Animist south continue to define Chad’s political landscape. Idriss Déby, an ethnic Zaghawa and former army chief of staff, overthrew President Hissène Habré in 1990. In 1993, a national conference led to a constitutional referendum and, ostensibly competitive, presidential elections were held in 1996. Déby won the presidency under dubious circumstances. Multiparty parliamentary elections in 1997 established the hegemony of his party, the Patriotic Salvation Movement (Mouvement Patriotique du Salut, MPS). A constitutional amendment in 2005 gave way to an unlimited number of presidential terms. Déby was inaugurated for his fifth term on 8 August 2016.

In the 1990s, various political-military movements with guerrilla activities in peripheral regions challenged the central government’s power. During the 2000s, rebel attacks continued, with rebels

regrouping in Sudan and the Central African Republic. In February 2008, rebels almost succeeded in overthrowing President Déby. Since the 2010 peace accord with Sudan, there have been no more major threats to the government from rebel groups.

In 2016, Chad hosted around 750,000 refugees, displaced persons and returnees, 305,000 originate from Sudan, 67,000 from the Central African Republic, 10,000 from Nigeria and around 2,000 from other countries. In the Lake Chad region, there were around 61,000 internally displaced persons (IDP) and returnees, and in the south of Chad around 80,000 returnees from the Central African Republic.

Terrorist attacks by Boko Haram took place for the first time on Chadian territory in the Lake Chad region in February 2015, and in the capital N'Djamena in June and July 2015. These attacks followed Chad's military participation in Nigeria in the fight against Boko Haram in January 2015. In March 2015, the AU planned to implement a mixed force in the fight against Boko Haram consisting of 10,000 fighters from Chad, Cameroun, Nigeria, Niger and Benin.

Until the Déby era, internal conflict precluded any steps toward a market economy. Starting from scratch in practically every respect, Chad had to seek external assistance and successfully completed an enhanced structural adjustment facility (ESAF, 1996-1999) with the IMF. This set the stage for a poverty reduction and growth facility (PRGF, 2000-2003) which, along with a poverty reduction strategy paper (PRSP) completed in June 2003, was necessary to qualify Chad for access to the Highly Indebted Poor Countries (HIPC) debt relief initiative. Chad reached the completion point only in May 2015 and received \$1 billion in total debt relief. In the following years, the IMF and the Chadian government agreed several new programs. The National Development Plan (NDP) 2013 to 2015 was considered as Chad's third PRSP and has not yet been replaced. The NDP focuses on a sensible set of priorities, notably on the creation of new productive capacities and opportunities for good jobs, improved governance. Irregularities in the execution of these reforms, particularly with respect to arms purchases and corruption, signaled the government's very limited commitment to market-economic reforms. The implementation suffered also because of the oil price shock and regional security. A new five-year NDP was under discussion in November 2016 and will be the guiding document for the Chad's poverty reduction strategy starting in 2017.

Hopes of substantial socioeconomic improvement in Chad, following a 2000 World Bank agreement to provide political backing for the construction of the Chad-Cameroon pipeline, were short-lived. The agreement stipulated that the government allocate 72% of its oil revenues for education, health care infrastructure and larger development goals, including an account for future generations. Given the relatively limited amount of proven oil reserves in Chad (30 years), these investments were considered key to ensuring long-term development. However, these pro-poor spending targets were never met. By 2008, the World Bank pulled out of the project after Chad agreed to repay \$140 million ahead of schedule. A Chinese-Chadian consortium constructed an oil refinery and Chinese funding has enabled road network developments designed to link together some provincial towns.

Following the first substantial expansion of oil production in 2003, Chad's dependence on revenue from agrarian commodities, particularly cotton and cattle, has been replaced by a dependence on oil revenues. However, no subsequent effort was made to promote economic diversification and the country was left badly exposed to the recent oil price shock. Furthermore, government revenue from customs and other taxes has been seriously undermined by the high level of corruption.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The state has a monopoly on the use of force across almost all of the country. But compared to previous years, insecurity has increased in the Lake Chad region following Boko Haram's terrorist attacks in February 2015, and in the capital in June and July 2015. Despite declaring a state of emergency and deploying the Chadian army to the Lake Chad region, suicide attacks, often by kidnapped girls, and other attacks take place quite regularly leading to the loss of many lives.

At the Chadian-Sudanese border, the situation has remained largely stable since a peace treaty in January 2010.

Fears that Chadian rebel groups might use the 2011 crisis in Libya to invade Chad from the north did not materialize. However, political-military movements, especially the Union of Résistance Forces (Union des forces de la résistance, UFR) led by President Déby's nephew Timane Erdimi, are still present in Sudan or Libya. Libyan General Khalifa Haftar visited N'Djamena regularly, his troops apparently attacked Chadian rebels on December 28, 2016. The situation at the Chadian-Libyan border remains quite uncertain also due to inner-Libyan conflicts as well as threats by smugglers and Islamist terrorists. In January 2017, the Chadian government closed the Chadian-Libyan border.

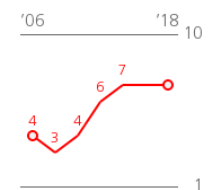
Conflicts in neighboring countries (i.e. Darfur, South Sudan, Libya, the Central African Republic, northern Nigeria and Niger) are constant threats to stability in Chad.

Insecurity continued in and around the refugee camps in eastern Chad, particularly for women and children, and to a lesser extent in the sites of refugees and returnees from the Central African Republic in southern Chad. In part due to the lack of economic alternatives, young women are at high risk of sexual exploitation.

Question  
Score

Monopoly on the  
use of force

7



Citizenship and access to citizenship are not politically relevant issues despite the country's ethnic and religious diversity. Apart from administrative shortcomings, especially in border regions, there are few problems in defining citizenship and who qualifies as a citizen. All citizens formally have the same civil rights and identify themselves with the state, but only a minority align themselves with its leadership.

The status of the Chadian returnees from the Central African Republic remains unsettled. They received voter cards enabling them to vote in the 2016 presidential elections, but many have not received formal identity papers.

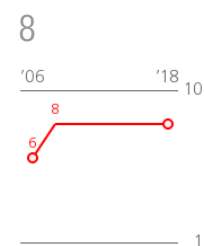
However, the distribution of power, structure of power relations and access to economic power increasingly follow ethnic and religious lines. Preferential treatment is primarily given to members of the ruling clan and the family of the president, then to other northerners and Muslims. People practicing a traditional African religion (Animist) and Christians encounter discrimination on many levels. There are Animists and Christians working as civil servants, and government officials and ministers. However, Animists and Christians are not being appointed to high-level posts, but work under less qualified Muslim superiors.

The current prime minister is from the south, following the unwritten rule that the state's two highest positions should be split between the northern and southern regions. The legitimacy of the nation-state and its borders are generally not questioned, although many intellectual southerners are frustrated because they consider themselves as "second class citizens." There also seems to be a growing anti-southern tendency among leading state representatives in the north and east.

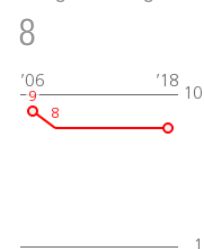
Following the French example, the secular constitution guarantees the separation of state and religion. Muslims (about 55% of the population) dominate the government and are overrepresented as government officials. Important Muslim and Christian holidays are public holidays for all and are equally celebrated. Recently however, there seems to be a growing pressure to neglect Sundays or Christian holidays. Interreligious dialog between the religious leaders of the country takes place regularly and they preach peaceful coexistence. The leaders of the three religious groups (Muslims, protestants and Catholics) are present at state ceremonies. In the Muslim community, the number of adepts following Saudi-Arabian influenced Wahhabism is rising thus threatening the traditional moderate Sufi Islam of Chad, mainly influenced by the Muslim brotherhood Tiyyania. Verbal conflicts of Islamic leaders following either Wahhabism or Sufism do occur.

Apart from that, religious extremists have to date commanded little political influence. However, religious ideas have some influence on societal issues such as the role of women and the adoption of the Code familial. To prevent suicide bombings by Boko Haram, it was forbidden to wear the Burqa in June 2015. This led to disputes between security forces and Wahhabi Muslim husbands whose wives were arrested.

#### State identity



#### No interference of religious dogmas





The Chadian government, like other governments militarily involved in Mali, sees al-Qaeda and other religious extremists as destabilizing forces. Consequently, the government tries to keep Boko Haram out of its territory by fighting Boko Haram in the neighboring countries of Cameroun, Nigeria and Niger. President Déby had declared a total war against Boko Haram in May 2014. It is believed that Boko Haram recruits in Chad and has some contacts in the political leadership. It also has been speculated that al-Qaeda-related groups are involved in illegal trade activities in the north.

State representatives enforcing law are found in important locations, but it would be misleading to say that state services are universally provided, as the administration functions poorly and is highly inclined to corruption at the expense of the local population. Civil servants often expect a kind of “motivation” in order to advance documents or payments (e.g. concerning pension payments, the distribution of other funds or even promotion). The right to print passports was given to a private firm owned by a relative of the president, while one of the president’s brothers was the head of the customs service until his arrest in October 2015.

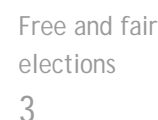
Communication, transportation and other basic infrastructure are provided in the capital and increasingly in provincial towns, but not in rural regions. The uncoordinated construction of infrastructure has slowed down. Though it is a frequent phenomenon, especially in the capital, that governmental prestige buildings are abandoned in a half complete state by foreign construction companies, like the French Satom, due to the lack of payment by the Chadian state.

Basic schooling is often provided, but is run and paid for by parents themselves. Non-payment of salaries has led to several teachers’ strikes in the last two years. The 2016 to 2017 academic year will be entirely lost. Literacy rates have increased, but remain low. Basic health services can be found in towns, in more remote areas they are rare or nonexistent. Non-payment of salaries led also to strikes. Even in the capital, services are not guaranteed. Maternity and infant mortality rates are among the highest in the world. In 2015, only 12% of the population had accessed to improved sanitation facilities, while 51% had access to an improved water source.

## 2 | Political Participation

Universal suffrage, the right to campaign for office and democratic elections exist on paper but not in practice. Violations of the principles of free and fair elections have consistently marred elections, although the European Union and the AU certified the 2011 legislative polls as free and fair aside from logistical problems.

Legislative and presidential elections took place in 2011, and municipal polls in 2012. The governing MPS party won 117 of 188 parliamentary seats. Including its allies, its governing bloc comprises 133 seats. The weak and divided opposition had little



visible presence, and had limited ability to campaign outside the capital due to a lack of finances and access to the media. In February 2015, members of parliament voted for an unlimited prolongation of their mandate, which had been set to expire in June 2015, as the biometric voter registration was not completed in time. In February 2017, President Déby announced an indefinite delay of the legislative election (“maybe in 2019”), citing the crisis and a lack of funds as reasons. The constitution foresees a 4-year term.

That is to say, legislative elections, which were held in 1997, 2002 and 2011, will continue to take place irregularly at best, and don’t seem to be necessary to satisfy national and international demands any longer.

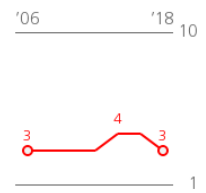
However, the presidential elections due in 2016 took place on April 10, 2016, using for the first-time biometric voter cards after a slightly contested biometric voter registration. Contrary to the last presidential election in 2011, the opposition did not boycott the presidential election, but hoped to arrive at a second round by the participation of many candidates. While 14 candidates were admitted, the candidature of Ngarlejo Yorongar, one of President Déby’s longstanding opponents and a political heavyweight, as well as several other people were rejected by the electoral commission.

Déby won the first round with 59.92%, Saleh Kebzabo, leader of the main opposition party, Union nationale pour la démocratie et le renouveau, came second with 12.77% of the valid votes. Only the opposition strongly claimed the elections had been rigged, and published results less favorable for Déby and not representative for the whole territory. However, the entire civil society representation of the national election commission (Commission électorale nationale indépendante, CÉNI) resigned in protest to the arrests of four leading civil society activists right before the presidential election.

International partners, including the European Union and AU, which President Déby chaired in 2016, did not question either the run-up to the election or the election result. Observers from the AU have spoken about some shortcomings. Déby was inaugurated for his fifth presidential term on August 8, 2016.

In the run-up to the presidential election, various civil society groups led by trade unionists had tried to prevent President Déby from taking part in the election through demonstrations, peaceful forms of civil disobedience and striking. Civil society leaders were repeatedly arrested before and after the elections.

While democratically elected in formal terms only, the current government has, for the most part, the effective power to govern. The government originally emerged from the ranks of the armed forces. The security apparatus is not under civilian control and remains something of a veto actor. Genuine or staged coup attempts have occurred in recent years. As commander-in-chief of the army, the president is the de



Effective power to govern

2

facto decision-maker. Repeated dissolutions of parliament, cabinet reshuffles and military reshuffles have helped to consolidate his power.

Fraud accusations and repeated arrests of members of the government and high-ranking members of the administration, none of which would have been possible without the president's consent, demonstrated his ambition to prevent the emergence of potential rivals and to intimidate even his followers. The short detention in 2015 of his younger brother, Salaye Déby, after two years as head of state customs serves as a good example. Rumors in N'Djamena suggested that Salaye had become too powerful and therefore had to be brought back into line.

Citizens are allowed to form independent political and civic groups on paper, but cannot assemble freely. They use this right especially for social activities, but the lack of resources and funding hinders the efficiency and efficacy of nationwide actions. Nevertheless, social media and the work of emerging civil society platforms have enabled protests to be nationwide.

In the run-up to the presidential election in 2016, civil society and trade unions tended to organize boycott days ("ville morte") rather than demonstrations, which were forbidden by the government under the terrorism act. Only the ruling party was able to organize rallies and meetings of their supports, while for the opposition it was forbidden. So civil society and trade unions sought other means to show their anger with the ruling party and its president. For example, they organized a day of whistling.

Key civil society organizations at the forefront of these demonstrations included "trop c'est trop" ("enough is enough"), founded in 2014, and "Iyina" (Arabic for "we are tired/fed up") and "ca suffit" ("that is enough"), both founded in 2016.

Right before the presidential election, the leaders of these three movements and the leader of the main trade union, Union des syndicats du Tchad (UST), were imprisoned.

A new movement promoting political and civil society participation (Mouvement pour l'éveil citoyen, MECI), founded in January 2017, was immediately banned by the government.

The rape of a young woman by the sons of several ruling elites, with photos published on the social media platforms, bred resentment among women and students. Their protests and demonstrations in towns across Chad were violently suppressed by the security forces and at least one student was shot. As a reaction, the three civil society organizations called for another day of boycott ("villes mortes") on February 24, 2016, which received massive support, and demanded the departure of President Déby.

Due to the rising social crisis in the second half of 2016 and the non-payment of civil servant salaries, civil society organizations and trade unions called for strikes,

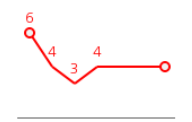
'06 \_\_\_\_\_ '18 10



Association /  
assembly rights

4

'06 \_\_\_\_\_ '18 10



forbidden by the Ministry of Interior and Security, similar to the boycott days in October, November and December 2016, and an assembly in a N'Djamena stadium on November 17, 2016. These protests have grown increasingly more political, moving from demanding the payment of salaries to political demands.

Chad's constitution allows for freedom of expression and of the press. Private newspapers are mainly published in N'Djamena and some provincial towns in French or Arabic. The written press seldom reaches the rural population, which relies mainly on radio broadcasts. The state runs one radio station with several channels, while 38 stations are run privately or by religious organizations. The state owns one of the three television stations, TéléTchad. The two private television stations are Al-Nassour, launched in 2011, and Electron TV, launched in 2013. International channels can be received via satellite. The High Council of Communication, which is responsible for granting licenses, controls most radio contents. Licensing fees are high. Critical reporting often leads to arrests, the seizure of newspapers, or the shutting down of newspapers or radio stations. Internet access is available and widely used on smartphones by the younger generation, as well as by the more affluent, literate and urban part of the population. However, in the run-up to the 2016 presidential election and again since the presentation of the results on 3 December 2016, social media platforms were not accessible.

In May 2015, a journalist from Radio France International, sent to cover the Habré process, was expelled from Chad allegedly because he was working without an accreditation. Similarly, the French author and blogger Thomas Dietrich was evicted in April 2016. He had entered Chad without a visa.

Pressure on independent media continued through 2015, 2016 and 2017, especially against critical (radio) journalists and editors-in-chief of independent journals, while several bloggers have been repeatedly arrested.

### 3 | Rule of Law

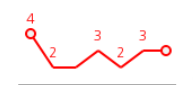
The separation of powers exists in Chad from a de jure perspective, but is weak in practice. The president appoints the prime minister, the members of the Constitutional Court and Supreme Court, as well as other bodies. The passage of a constitutional amendment in 2005 granted the ability to run for presidency an unlimited number of times. A constitutional change in 2014 allows the president to be the head of his party and president at the same time.

There is thus no de facto separation of powers and no efficient system of checks and balances. Transformation and reforms are hindered by the dominance of the executive branch as well as by the lack of an independent and efficient judiciary. The president's governing party exerts a hegemonic control over the parliament. A vote of no confidence against the prime minister on November 17, 2016, supported by the

Freedom of expression

3

'06 '18 10



Separation of powers

2

'06 '18 10



opposition and some members of the ruling party was not successful, as it did not have the support of a sufficient number of members of parliament. The opposition sometimes offers a countervailing voice in public debates, but is weak and with few exceptions has been co-opted into the government. The president, via the prime minister, hinders internal opposition through the use of repeated cabinet reshuffles.

The judiciary is institutionally differentiated in formal terms, but its decisions and doctrine are subordinate to the government. It is vulnerable to executive intervention, lacks adequate resources and is permeated by corruption. Judges acting independently face severe intimidation or dismissal. Nevertheless, members of the Supreme Court showed certain independence in early 2013. They declared a constitutional change – accepted by the parliament – that would have allowed the government to remove permanent tenure for Supreme Court judges as unconstitutional.

Government officials and other influential persons, especially members of the governing-party clan, often enjoy impunity. In those cases when they are sentenced or fined, it is obvious that the punishment is the result of behind-the-scenes power struggles.

Ordinary citizens generally avoid the courts, as they do not trust the judicial system and fear that any charges filed might backfire against them.

Corrupt officeholders rarely attract adverse publicity from civil society, the media or opposition parties, and are not prosecuted adequately under the law. Generally, the few personalities who dare to denounce corruption and abuse of office pay a high price for their actions, being imprisoned, fined or marginalized.

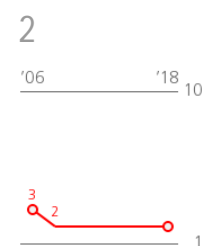
Through Operation Cobra, launched in June 2012 to fight corruption and promote good governance, more than €40 million of defalcated public funds were reported to have been recovered - without any criminal consequences. It is quite common that convicted office holders find themselves again in high positions after a short period of disgrace. One could describe the fight against corruption more or less as a means to control office holders from becoming too powerful or popular, as evidenced by the case of Salaye Déby, the former head of customs.

Since November 2016, the number of arrests of former and serving high office holders based on allegations of corruption increased significantly.

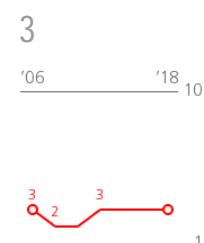
In early 2017, it was announced that a dedicated anti-corruption court would be set up. This is in spite of the fact that Chad already has the General Inspection of State and the Court of Auditors.

It seems that these actions are linked to the social and financial crisis that became visible during President Déby's fifth term. These actions represent the government's desperate attempts to locate some of the embezzled money or prove to the

Independent  
judiciary



Prosecution of  
office abuse



international finance community that the crisis was not a structural problem, but due to individual behavior and corruption. Chad's political leadership want to be seen to be taking a hard line against corruption.

Nonetheless, corruption has become institutionalized at all levels. It can be seen as part of a clientelist system in Chad, whereby the president frequently reshuffles positions, allowing officials to enrich themselves through corrupt practices during their time in office. It is therefore unlikely that the Chad's culture of corruption will disappear soon.

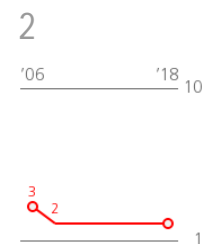
Corruption represents a huge burden in the everyday life of citizens, as for example when they need to access administrative services or want to assert a legal right. Without a bribe or "motivation" almost no civil servant would move a file from one office to the next one. Corruption extends beyond the need to pay small bribes in order to pass police or traffic monitoring points. It is common, for instance, for a mobile customs unit to confiscate a bicycle or motorcycle unlawfully, or for the government to expropriate a house.

Civil rights are guaranteed by the constitution. The equality of men and women is emphasized, and propaganda that has an ethnic, tribal, regional or religious basis is forbidden. The state has a secular foundation. De facto, however, civil rights exist only on paper. This is due in part to the administration's abuse of power and force, to the lack of political will for reform, and to the executive's control over the judiciary.

A new penal code was adopted on 12 December 2016. It forbids underage marriages and made homosexuality a petty offense rather a crime, as it had been defined in the 2014 version. The death penalty was abolished in 2014, reintroduced in 2015 and kept in the 2016 version for terrorism. After the attacks of Boko Haram in June and July 2015, parliament unanimously adopted a terrorist act, which reintroduced the death penalty and reduced the period a suspect can be detained without charge from 48 days to 30 days. But sentences for less serious terrorist offenses were augmented from a maximum sentence of 20 years in prison to life. Ten alleged Boko Haram terrorists were sentenced to death after a process of only two days and executed the following day, on 29 August 2015, without any possibility to appeal.

Women's rights are routinely violated. Cases of abuse or domestic violence are rarely taken to authorities, as women have nowhere to turn for shelter if they accuse members of their own family. The case of a young woman having been kidnapped and raped by several sons of the ruling elite (among them the son of the foreign minister) led to demonstrations across the country. The young men published photos of the crime on social media after the woman had reported it to the police. This encouraged other women to publicly state that they had been raped as well by members of the ruling elite.

Civil rights



Cases of rape have been reported in and around the refugee, internally displaced people and returnee camps.

The conditions of imprisonment do not respect civil liberties and human rights, medical care can be denied, and prisoners can be chained and physically harmed. Deaths in detention occur regularly, although not all cases are made public.

Discrimination along ethnic, clan and religious lines exists in the administration, education system and the judiciary, with those belonging to the president's identity group being favored.

In the south of Chad, conflicts over land ownership between pastoralists and herders continue to lead to the violation of rights, and violence resulting in injuries and deaths. As the judiciary does not offer any redress for injustice, farmers that feel wronged attempt to take justice into their own hands. As herders often have ties to the ruling elite, violent actions from farmers are met with greater violence from the herders often with the backing of state agencies (e.g. police, gendarmerie or military).

#### 4 | Stability of Democratic Institutions

Democratic institutions formally exist on the national, regional and local levels, but their scope for action is very limited, as they depend on the will of the president and the ruling party. Little is known about the working of the ruling elite's inner power structures. Parliament and the executive branch seem to be functional, but the administrative system and judiciary work quite poorly due to a lack of capacities, the prevalence of political appointments, widespread corruption and interference by the executive. Parliament is lacking democratic legitimacy, as legislative elections have been postponed since 2015.

As the public service offers one of the few means by which a modest sufficient income can be secured, it could be called a nationwide patronage system. During the period under review, civil servants and teachers repeatedly went on strike demanding higher wages following a reduction in their benefits, which had been an essential part of their salaries, and outstanding payments. The situation was further exacerbated, from September 2016 onwards, when the banks refused to pay civil servant salaries, as the state was six to eight months behind on the transfers. Even judges who are not allowed to strike went on strike along with other juridical staff. Consequently, almost all public institutions came to a standstill.

In a formal sense, all of Chad's relevant political actors and civil society members accept democratic institutions and structures. However, the government frequently overrides democratic rules and procedures, and much of the opposition is co-opted into the government and is either uninterested in democratic norms or is too weak to do anything about violations. The few outspoken members of parliament belonging

Performance of democratic institutions

3

'06 '18 10

2

3

1

Commitment to democratic institutions

2



to opposition parties live under constant threat, with their parliamentary immunity not being respected. This was demonstrated after the events on May 1, 2013, when members of parliament were arrested. Civil society and trade union leaders have been critical of the government, especially in the run-up to the elections in April 2016. However, given the dominance of the ruling regime and the shortcomings of the judiciary, critics do not have enough influence to promote compliance with democratic standards. Furthermore, criticism of the government led to the arrest of several prominent critics during the election campaign.

Opposition outside the country – that is, leaders of the military opposition – show little esteem for democratic institutions. Some originally belonged to the Déby clan's inner power circles. The political diaspora in France and Canada is weak.

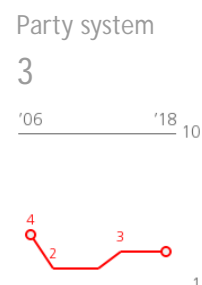
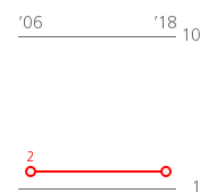
Electoral preparations are generally supported by all political parties, such as in the run-up to the 2016 elections. However, as hard as the opposition might try, for example influencing the composition of the National Election Commission (Commission électorale nationale indépendante, CÉNI), the government is in a stronger position and can easily co-opt candidates. It could even evoke the disqualification of one of the popular presidential candidates, Ngarlejy Yorongar.

## 5 | Political and Social Integration

The country's press noted the presence of 130 political parties in the run-up to the 2011 parliamentary elections, with 101 finally taking part in the balloting. However, the only party that is socially rooted (though not in all social and ethnic strata) is the ruling MPS, which holds a hegemonic position in an unbalanced party system and operates offices across the country. Members of the MPS can gain access to state resources or contracts. Opposition parties suffer from lack of organization and funding. Some of them have strong personality-based and ethno-regional roots, while others are considered pseudo-opposition parties created with government support. Most have been particularly weak since 2008, after opposition leader Ibni Oumar Mahamat Saleh disappeared while in government custody. Most of their leaders have at one point or another been co-opted into the government. The few outspoken opposition figures are likely to be victim of state harassment. The main contender in the presidential election, Ngarlejy Yorongar, was controversially prevented from running.

The impunity of members of parliament is not respected.

Public funding for parties was agreed upon in an August 2007 accord, which is not paid regularly but has led to even more parties. Opposition parties' public visibility is consequently weak, limited mainly to the capital and regional strongholds for those





that have a regional base. Resource limitations render campaigning difficult, as was evident during the 2016 presidential election campaign.

Societal interests are not effectively represented by the political parties.

There are few established interest groups in Chad. The interests of the rural population, vulnerable groups and women are underrepresented or even undermined by institutionalized pseudo-representative groups.

The constitution and labor code permit the foundation of and membership in trade unions, which are organized under three umbrella unions. The biggest one of these, the Syndicate of Trade Unions of Chad (Union Syndicale du Tchad, UST) represents 30 trade unions and associations. The authorities have repeatedly sought to weaken and threaten the unions.

During the period under review, the UST has repeatedly called for demonstrations, strikes and boycott days threatening to bring life in N'Djamena to a temporary standstill, especially in the run-up to the presidential elections in 2016. Strikes due to the non-payment of civil servant salaries has led to the standstill of the country since the second half of 2016. The multinational and national enterprises that make up the country's oil industry have demonstrated little interest in pursuing dialog with community-based organizations (CBOs). The government has equally shown no interest in serious interaction with CBOs or civil society at large. In the run-up to the presidential election in 2016, civil society groups withdrew from all public organizations in which they represented civilian oversight, namely the National Electoral Commission (Commission électorale nationale indépendante, CÉNI), the Framework for Political Dialog (Cadre national de dialog politique, CNDP), the National Economic and Social Council (Conseil économique et social), the Oil Revenue Oversight College (Collège de contrôle des revenus pétroliers, CCSRP) and the Extractive Industries Transparency Initiative (EITI).

Outspoken critics of the government are routinely harassed and arrested. In this environment, cooperation between civil society groups is weak. Nevertheless, three platforms to express citizen's dissatisfaction with the regime have emerged over the last years, all running under the common theme of "we have had enough" (i.e. "trop c'est trop", "Iyina" and "ca suffit"). Each of these platforms has their roots in established human rights organizations.

Given the lack of representative survey data all over the country, it is difficult to evaluate the population's attitudes toward democracy in general or as regards individual institutions. Afrobarometer does not carry out surveys in Chad. However, a survey conducted in five major cities in Chad by the Arnold Bergstraesser Institute in 2015 points to relatively high levels of consent to the idea of liberal democracy, despite the authoritarian character of the regime. This survey found that 56% of respondents had overwhelmingly democratic attitudes, while 38% held partially

Interest groups

3

'06 '18 10

3 1

Approval of  
democracy  
n/a

undemocratic and 5% undemocratic views. According to the study, public dissatisfaction with government policies is high. However, a bit more than a third of respondents agreed that the “government would do the right thing.”

Generally, the population is frustrated with the political situation and fed up with their own increasing poverty and daily struggle to survive. The tiny middle class is struggling to survive. A number of web sites and blogs compile information on the misdoings of the government and call for a regime change to attain a proper democracy, but a popular uprising like in Burkina Faso remains unlikely.

Social self-organization and the creation of social capital do take place. Some 20,000 cooperative groupings operate in the country, but are mainly concentrated at the village and district levels. Small saving groups, primarily made up of women working locally or with their church, try to create some sort of capital for their members. Parents associations employ 70% of the teachers in Chad and play an important role in supporting the educational system. However, Chad’s long history of violent intercultural conflicts means that there is very little trust among the population, and intercultural and interreligious tensions continue to persist under the surface. Generally, people organize along ethnic or religious identities.

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n/a \_\_\_\_\_ 1

Social capital

3

'06 \_\_\_\_\_ '18 10



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Chad is one of the least developed countries in the world, ranked 185 out of 187 in the 2015 UNDP Human Development Index. Almost all relevant indicators point to severe problems. In 2011, 64.8% of the population was living below the poverty line of \$3.10 per day. According to the 2014 Global Hunger Index, 25% of the Chadian population is undernourished. The Gini coefficient of 43.3 (calculated as of 2011) demonstrates the unequal distribution of income. As oil revenues have not been used to reduce poverty, inequality levels are likely to rise further. Poverty is primarily concentrated in rural areas, where 72% of the country’s population lives. At least 80% of the population relies on subsistence farming or raise livestock for their livelihood.

The level of socioeconomic exclusion based on gender is also high. With a score of 0.706, Chad held one of the three last places worldwide on the 2014 Gender Inequality Index. The literacy rate for women is 31.8% compared to 48.4% for men.

Generally, Chad lacks the socioeconomic prerequisites to afford its citizens an adequate freedom of choice. The modest economic growth rate recorded over recent years was due to oil revenues. However, Chad’s oil revenues benefit only a small part

Question  
Score

Socioeconomic  
barriers

1

'06 \_\_\_\_\_ '18 10



of the population, and closely linked to bad governance and corruption. Even this modest economic growth had come to a standstill with the drop in the world oil price. Social marginalization is structurally entrenched, and is both qualitatively and quantitatively extensive.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	12949.9	13922.2	10888.8	<b>9600.8</b>
GDP growth	%	5.7	6.9	1.8	<b>-7.0</b>
Inflation (CPI)	%	0.1	1.7	3.7	-
Unemployment	%	5.8	5.8	5.8	<b>5.8</b>
Foreign direct investment	% of GDP	4.0	-4.9	5.5	<b>5.8</b>
Export growth	%	-13.7	5.6	27.8	<b>-6.7</b>
Import growth	%	-5.8	9.1	-20.6	<b>-13.7</b>
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	30.5	39.4	43.3	<b>51.2</b>
External debt	\$ M	2925.0	2395.6	1617.0	<b>1655.0</b>
Total debt service	\$ M	120.3	589.1	48.4	<b>40.8</b>
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	7.9	6.2	5.2	<b>4.4</b>
Public education spending	% of GDP	2.8	-	-	-
Public health spending	% of GDP	1.8	2.0	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	5.6	2.8	2.0	<b>2.8</b>

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

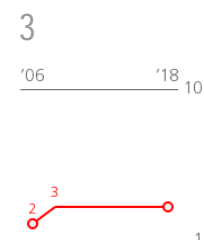
Chad's institutional framework for a market economy is very weak and inconsistent. In the Heritage Foundation's 2016 Index of Economic Freedom, Chad ranked 164 out of 178 countries (earning it an assessment of "repressed"). It ranked 139 out of 140 countries in the World Economic Forum's 2015-2016 Global Competitiveness Index (GCI) and 180 out of 190 in the World Bank's 2017 Doing Business report. The development of market competition is hindered by a number of factors, including the existence of a strong informal sector; difficult and costly access to energy (only reliable access is in the capital, else frequent power cuts or no power); widespread dependence on subsistence agriculture, herding and fishing, which together support approximately 80% of the population; poorly functioning public institutions; a lack of venture capital; an unwelcoming regulatory environment combined with widespread corruption and patronage on a variety of levels; and serious shortcomings in the rule of law. The majority of the population works in the informal economy. A 2011 survey found that 91% of all enterprises in Chad fall under the category of "very small" (i.e. less than 5 staff members), about 3% are SMEs and about 6% are major enterprises supported by foreign capital.

Chad is a member of the Central African Economic and Monetary Community (CEMAC), whose six member states share a common central bank and a common currency pegged to the euro.

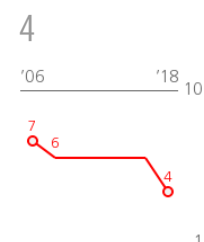
The government regulates the formation of monopolies and oligopolies inconsistently. It owns the country's only water and electricity companies. The Chadian telecommunication society (Société des telecommunications de Tchad – Sotel) was privatized in March 2014. On the one hand, the degree of privatization remains insufficient. On the other hand, privatization enabled members of the ruling elite to gain senior management positions and plunder the former state-owned companies. The state-owned Société Cotonnaire du Tchad Société Nouvelle, or Cotontchad S.N., holds a monopoly on the marketing of cotton, the principal export commodity after oil and cattle. Liberalization of the sugar sector in 2008 led to the closure of the Compagnie Sucrière du Tchad (CST) in 2012, a former state company privatized in 2000. The few private companies founded and owned by individuals outside the power circle have to deal with high taxes and therefore difficulties competing. Government contracts, for example for construction work, are dealt out in the inner circle of power.

The oil sector is dominated by the Chinese National Petroleum Corporation and an international consortium made up of ExxonMobil affiliate EssoChad, Petronas and ChevronTexaco. Royalties used to be the state's main source of income until the drop in the world oil price. Government attempts to find money in 2016 went as far as

Market-based competition



Anti-monopoly policy



fining the consortium \$74 billion for alleged tax offenses connected with underpaying royalties to the Chadian government.

Efforts at diversifying the economy have been very limited. President Déby declared agricultural and economic diversification a key priority of his fifth term, which the IMF had recommended repeatedly.

Chad allows foreign ownership and provides equal treatment to foreign investors. However, it takes an average of 106 hours to export goods out of the country. In 2012, The World Bank gave \$15 million to the Organization for the Harmonization of Business and Law in Africa (Organisation pour l'Harmonisation en Afrique du Droit des Affaires, OHADA) to improve the investment climate of its 17-member states, one of which is Chad. While there is an official process to follow, in practice foreign companies mostly contact the government directly, signing confidential contracts to operate in Chad.

During the period under review, few investors sought business opportunities in Chad, as the state did not respect the payment of international treaties. Furthermore, import and export costs are very high despite Chad's dependence on imported goods. The IMF has recommended that the government lower tariff and non-tariff barriers to trade as well as reduce the number of customs procedures. Due to the financial crisis, President Déby declared in his 2017 New Year's speech that foreign investors should not be allowed to export 100% of their revenues, but must invest some of their revenue back into Chad. Because of its landlocked location, most imports and exports use the few roads, of mainly poor quality, which are not navigable for part of the year. Infrastructural constraints, roadblocks, corruption, cumbersome bureaucracy, and the closure of Chad's borders with Nigeria and Cameroun due to the threat of terrorism hinder trade. Most of the country's oil passes via a pipeline into neighboring Cameroon, though a small quantity is refined in Chad.

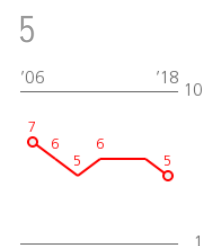
The country's banking system and capital market are supervised by the Bank of Central African States (Banque des Etats de l'Afrique Centrale, BEAC), but Chad's financial system is weak, with limited depth and low monetization. Banking privatization has been completed, and nine commercial banks operate within the country, but they offer scant opportunities for domestic investors. There are also two insurance companies and two pension funds. 65% of bank assets are held by foreign banks (Société Générale, UBA and Ecobank) and 35% by a government controlled bank.

By the end of 2015, the IMF put the capital adequacy ratio at a moderate 14.6%.

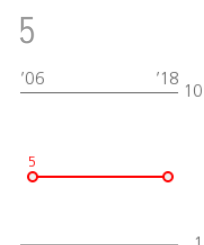
Over 2015, non-performing loans increased from 11.7% to 16.5% of total loans.

Overall, it saw significant risks to financial stability. This was also linked to the dependency of banks on operations with the government and government-linked

Liberalization of foreign trade



Banking system



businesses. As these have been heavily affected by the low oil prices, indicators of the soundness of the banking sector have also been negatively affected.

For most citizens credit is difficult to access and its high cost hinders private sector development. Small enterprises and individuals rely primarily on self-financing or mutual aid systems. There are many informal financial services, with limited supervision and regulation. Government finances and local banks are exposed to oil price shocks.

## 8 | Currency and Price Stability

Chad, as a member of the CFA franc zone, cannot pursue independent policies relating to inflation, currency or foreign exchange rates. Previously pegged to the French franc, the currency is now pegged to the euro, and the BEAC is fully independent. The central bank prioritizes the control of inflation and the maintenance of the CFA franc's peg to the euro.

The inflation rate is highly volatile. It rose from 1.7% in 2014 to 3.7% in 2015. However, it fell to -2.0% in 2016 due to a fall in the price of non-oil commodities and the economic recession. Increased volatility of domestic prices, reaching 3.7% on average in 2015, was caused by the disruption of trade with Cameroon and Nigeria.

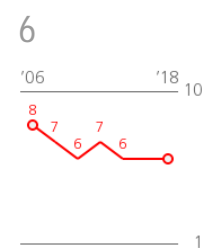
The Economist Intelligence Unit forecasts the inflation rate to rise to 2.5% in 2017 and 3.3% in 2018 due to rising domestic demand. Government spending is expected to be low in 2017. Lack of cash due to the lack of payment of state salaries and weak security will also hinder the economy.

Chad's economy showed its worst performance since the beginning of this century due to reduced oil production and a collapse in oil prices. Oil companies reduced their production in 2016 and cut their investments. Net oil revenues are expected to have fallen by 80% from 2015 to 2016. However, external factors should not hide the high level of mismanagement and corruption within the ruling elite, and the lack of transparency concerning state revenues.

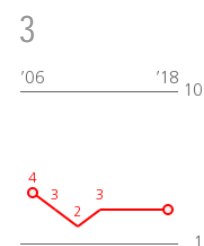
The external debt level has risen from \$2,156.6 million in 2010 to \$2,857.4 in 2014, while total debt service has remained largely stable. Public debt steadily increased to 42.6% of GDP in 2015, up from 25.6% of GDP in 2010. Though government consumption fell from 6.2% in 2010 to 5.2% in 2015. Total reserves amounted to \$368.9 million in 2015 compared to \$1,183.0 million in 2013. Data on the current account balance and cash surplus or deficit are not available.

Chad has not yet taken sufficient measures to loosen its economic dependence on the oil sector nor taken sufficient initiative to achieve diversified inclusive growth. President Déby declared agriculture and livestock a key priority for his fifth term. However, the National Development Plan 2013 to 2015 had also prioritized these

Anti-inflation /  
forex policy



Macrostability



sectors, alongside fisheries and forestry. It is expected that oil production will fall steadily after 2017, even if new oil fields come into operation. Since 2013, each government budget has been affected by the fall in oil revenues (the price for a barrel of Chadian crude oil declined from \$100 in 2013 to \$34 in 2016) and spending pressures from regional security operations. Adjustments of the budget take place regularly. The second revised budget in 2016 of XAF 848 billion was 23% below the 2015 level and 44% below the 2014 level.

The overall fiscal deficit remained high with about 6.6% of the non-oil GDP in 2015. In August 2014, the IMF approved a new three-year arrangement under the Extended Credit Facility (ECF) totaling \$122.4 million. The third and fourth ECF reviews in 2016 assessed Chad's performance as broadly satisfactory concerning the structural reform agenda. So far Chad received \$135 million. The National Development Plan 2016 to 2020 is under preparation.

Chad had reached a pivotal point in the Heavily Indebted Poor Countries (HIPC) initiative in May 2015 benefiting from interim debt relief. Total debt relief under this measure is \$1.1 billion. Nevertheless, the IMF continues to see a high risk of debt distress, particularly in the short term.

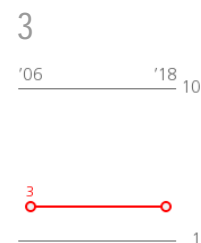
## 9 | Private Property

Property rights are adequately defined by law, but their protection and enforcement are weak. Disputes are often resolved privately because of widespread corruption in the court system. Particularly in rural regions, where the land traditionally belongs to the community but no titles exist, it is almost impossible for local populations to prevent occupation of their land by ruling or otherwise powerful individuals or groups. Land has become a scarce and sought-after resource especially in the south of the country.

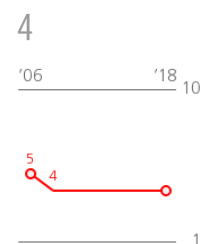
Bureaucratic obstacles to buying and selling property are high, requiring an average of 44 days and six procedures. Chad was ranked 118 out of 128 countries in the 2016 International Property Rights Index. While foreign property has not been expropriated in the last years, forceful evictions from homes have occurred and compensation has not been adequate, if it was granted at all.

Private companies can operate freely in principle, but encounter general socioeconomic, institutional and political hindrances in practice. According to the World Bank's 2017 Doing Business Report, it takes 60 days and 9 procedures to start a business. Investment is inhibited by inadequate infrastructure, a lack of technical expertise, burdensome taxes, underdeveloped markets and corruption. Employing and firing workers is costly and complicated. The privatization of state enterprises has made only sluggish progress. State companies offer valuable opportunities for patronage and corruption. While the oil sector has avoided dependence on one

Property rights



Private enterprise



company, the parastatal enterprise Cotontchad still dominates the important cotton sector. The state has also retained control of the country's water and electricity providers.

## 10 | Welfare Regime

Chad lacks public social safety nets for the majority of its population, with the exception of a small group of government, military and parastatal enterprise employees. Access to positions in these sectors is subject to patronage, however. The majority of the population relies entirely on the informal sector and ethnic, clan and family structures to survive. A new social security law was adopted in October 2013, from which only employees would benefit.

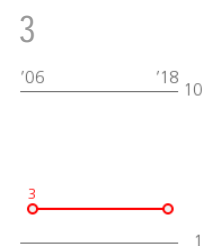
The social crisis since 2016 has aggravated the financial situation for the few persons in paid positions. They are no longer able to meet their social obligations to their impoverished extended family members.

Health infrastructure and services are poorly developed, especially in rural areas. Even though new hospitals have been built, they remained understaffed and lack qualified medical staff. Government spending on health amounted to 2% of GDP in 2014. In many occasions, aid organizations step in, but they cannot fill the entire gap. Life expectancy in 2014 was 51.6 years. Where health facilities exist, the comparatively high costs of health care services and drugs often hinder necessary treatment. Limited progress has been made with regard to free antiretroviral medication for persons living with HIV/AIDS. The main causes of death remain diarrhea-related diseases, influenza and pneumonia, HIV/AIDS and malaria.

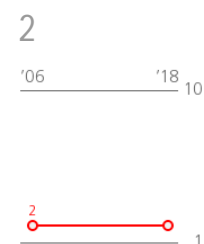
The constitution calls for equality before the law and forbids discrimination on ethnic, religious or gender-based grounds. However, these provisions have no relevance in everyday life. Chadian society is highly stratified, and members of ethnic groups close to the ruling Déby clan enjoy distinct advantages over people from southern ethnic groups. Equality of opportunity does not exist. The woefully inadequate education sector cannot function as a compensatory institution. The literacy rate has stalled at 31.8% for women and 48.4% for men, with an overall average of 40%. The Gender Parity Index for the ratio of female to male enrollment in private and public schools is 0.8 at primary level, 0.5 at the secondary level and 0.2 at the tertiary level. Some 101.4% of girls are enrolled at primary level, 22.4% at secondary level and just 3.4% at tertiary level.

Women lack adequate access to public office and educational institutions, as shown by the low percentage of women in parliament (14.9%) and the country's poor Gender Inequality Index rating (185 out of 188 countries in 2014). Women make up almost half of the labor force (45%). In civil society, several female leaders exist.

### Social safety nets



### Equal opportunity





Violence against women is a common occurrence across all parts of the country. Following two suicide attacks, Chad banned the full-face veil in 2015.

Socially, homosexuality is regarded as in contradiction to traditional structures. The new penal code of 2016 however reclassified homosexuality as a petty offense rather than a crime.

## 11 | Economic Performance

Structural deficiencies and a rentier state mentality characterize Chad as one of the least developed and most vulnerable economies in the world, despite its status as an oil producer. Chad's oil production reached 115,000 barrels per day during the period under review. GDP sank to 1.8% in 2015, compared to 8.9% in 2012, with a per capita GDP (on a purchasing power parity basis) equal to \$2,171 in December 2015. Foreign direct investment amounted to 5.5% of GDP, while public debt was equal to 42.6% of GDP in 2013 compared to 28.8% of GDP in 2012. The IMF sees a high risk of debt distress. The Economist Intelligence Unit estimated GDP growth to be 1.8% in 2015, -3.4% in 2016 and 0.7% in 2017 due to low government spending. Economic activity was primarily driven by industry (14%), services (29%) and agriculture (57%). Oil is Chad's principal export good, followed by cattle and cotton. The United States is the country's most important export partner, buying more than 55% of its exports, mainly oil. Due to the oil price shock, oil companies in Chad reduced their production.

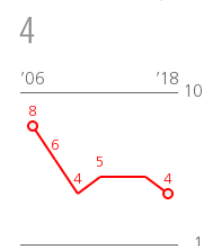
China is an important partner for the Chadian economy and buys 4% of its exports and provides 14% of its imports. Cooperation between the government and the Chinese owned China National Petroleum Corporation (CNPC), which is exploring and constructing in the Ronier field in the Bongor Basin, has been difficult reportedly because of an environmental dispute in 2013. So far, Chinese oil production has been used for the N'Djamena JV Refinery (20,000 bpd) also run by CNPC in Djerma. Due to the oil refinery, constructed in 2011 Chad could have become self-sufficient in refined oil products. However, mismanagement and price rigging have repeatedly lead to severe shortages of oil inside the country and rise of petrol prices at the beginning of 2017.

Outside the oil sector, the contribution to economic growth made by small industry (soap, cigarettes, sugar, textiles) remains limited.

Uranium and gold deposits in the north-west raised hopes among some groups of the population and members of the ruling clan of a boost to GDP.

An estimated 80% of the population is supported by the agricultural sector. Erratic rainy seasons during the last two years put pressure on agriculture. The risk of

Output strength



disruption in the local food market due to transport and weather conditions continues. The local population is constantly under risk.

The last several years have been marked by decreasing consumer price inflation, with the overall price level rising by 14% in 2012, 4.5% in 2013, 3.7% in 2015 and -2.0% in 2016. An inflation rate of 3.3% was forecast for 2018. Infrastructure projects have been stopped due to outstanding payments. Defense spending continues to be the largest budgetary item. Repeated revisions of the budget are expected, as in previous years.

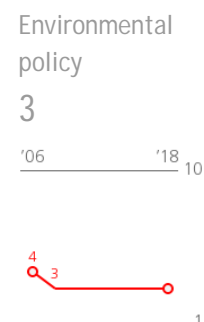
## 12 | Sustainability

Ecologically sustainable economic growth is not treated as an important issue in Chad, although the government declared the development of renewable energies a national energy priority. Solar and wind energy are still in their infancy. Chad signed the Paris Agreement in 2015. The submitted action plan states the existence of only two climate governance structures, namely the Directorate-General of Meteorology and the Directorate leading the Fight against Climate Change. Furthermore, the action plan criticizes the poor integration of climate change policies into overall public policy-making.

The country ranked 175 out of 180 countries in the 2016 Environmental Performance Index. Some groups within the rural population preserve a traditional awareness of nature; some ecologically sensitive policies have been introduced in connection with oil production in the Doba region.

Pollution exists and the compacting of soil in the oil-producing region is serious, making the land no longer suitable for agriculture. The government is not ensuring adequate oversight over oil companies' environmental performance. Moreover, exploration serving as a precursor to further oil production by the CNPC and other international oil companies is not governed by environmental impact assessment requirements or other comparable means. Fines against oil companies – if they are paid at all – cannot reverse the damage. The potential environmental impact of the uranium and gold prospecting being undertaken by various international companies in Mayo-Kebbi should be followed closely. Gold mining in the north-west is unregulated.

Chad has yet to find an effective means of countering the key ecological problem of environmental degradation caused by deforestation and charcoal burning. A ban on the use of charcoal in the capital in 2009 only intensified corruption and increased prices on the population's primary means of cooking and heating water rather than stopping the use of charcoal. Since 2010, the use of plastic bags is forbidden in N'Djamena. However, the two bans represent isolated measures rather than a coherent framework for environmental protection, and are unlikely to contribute to



the solution of major environmental challenges. Among those other vital issues, the falling level of Lake Chad has prompted national and international concern. Over the course of the last 50 years, the lake's surface area has shrunk from 20,000 to just 2,000 square kilometers. The Lake Chad Basin Commission, which is composed of representatives of the five riparian states, is exploring how to avoid further erosion, improve circulation and avoid further decline by other means.

Chad's entire education system has suffered heavily from a lack of investment over long periods of time as well as the effects of civil wars that rendered education impossible and destroyed educational infrastructure. During the period under review, frequent strikes of teachers and professors aggravated the situation leading to the loss of entire school and university academic years (*années blanches*). By January 2017, the 2016 academic year was yet to start.

By law, primary education is free of charge. In practice, however, parents are obliged to pay tuition to public schools and must buy textbooks, school uniforms and other supplies. Schooling is ostensibly provided by the state, but parents in fact finance almost half the country's teachers and schools, especially in rural areas. Muslim and Christian institutions are also funded by parents. Despite international aid efforts and the investment of a portion of its oil revenues, Chad's record continues to be poor. In 2014, public expenditure on education represented 2.9% of GDP. The overall illiteracy rate was 40%. In 2012, the ratio of female to male enrollment was 45.74%, with the ratio lower at higher education levels (0.8 in primary, 0.5 in secondary and 0.2 in tertiary education). The 2013 baccalaureate results were evidence of poor educational achievement, as once again only 9% of admitted candidates passed the final exam at the first sitting. In 2016, the proportion of candidates passing first time had improved to 19.84%, with 15,320 candidates out of 77,142 students passing first time.

The new university complex in Toukra, 10 kilometers south of N'Djamena, inaugurated in 2012, is functioning well when there are no strikes and is expected to host 12,000 students in 2018. In general, training and research and development institutions function poorly. Due to the high unemployment of young people there are a growing number of private teaching and continuing education institutions which are both costly and do not offer a quality instruction.

Education policy /  
R&D

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## Governance

### I. Level of Difficulty

Structural constraints preventing successful political and economic transformation are extremely strong in Chad. Although poor governance is at the root of all problems, there are also a number of very significant structural constraints on governance itself. The most formidable constraints include extreme poverty, a highly deficient infrastructure in the landlocked country, adverse climatic conditions (environmental degradation, erratic rainfall, droughts and flooding) and scarce human resources.

Road infrastructure and public buildings have received investment from oil revenue, although the investment has been uncoordinated. However, these infrastructures projects are already eroding or yet to be finish due to outstanding payments. In addition, electricity supply has been a major problem for many years despite an expanded power plant in Djermaya. Chad hosts more than 780,000 refugees, returnees and internally displaced persons from Darfur, the Central African Republic, and Nigeria and Niger in the Lake Chad region fleeing the Boko Haram violence. Despite some support from international organizations and local solidarity, these people are largely left to themselves.

The advent of substantial oil production in 2003 has not eased transformation; indeed, developments in the oil sector, particularly management-related issues, seem to have turned oil from a potential blessing into a curse. The petroleum revenue management system brokered with the World Bank has failed, and revenues have been used by the government to buy arms, pay for some infrastructure and feed extensively the patronage network to maintain support for the current president. Living conditions for the inhabitants of the southern oil-producing regions, which were one focus of the World Bank project, have become more difficult due to the reduction of surfaces suitable for agriculture, pollution, rising prices and the loss of traditional solidarity structures. Conflicts between herders and farmers have also increased, partially a result of the impacts of the oil industry and partially a result of existing power structures. Unlike the Doba oilfields, no revenue management system has been established for the more recent oil fields, which are being exploited by Chinese and other foreign companies. The Chinese partnership is accountable only to the president.

Structural  
constraints

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Chad was recognized as compliant with the global EITI (Extractive Industries Transparency Initiative) transparency standard in October 2014. It submitted the 2012 transparency report in March 2014 and continues to publish annual activity reports. For example, a 2015 report was published in June 2016. The export of uranium may soon join oil as a mixed blessing, as several international companies hold prospecting and exploration licenses. Gold is mined in an artisanal manner with an estimated annual production of 150 metric tons.

Given all the existing structural constraints, it needs to be emphasized that the state itself is a major obstacle to improving education, health care and pro-poor policies.

Civil society traditions are nonexistent in Chad. Although there has been a recent increase in NGO activity as a result of international advocacy work and financing, largely addressing issues related to oil production and conflicts between farmers and pastoral groups, this frail civil society has had no substantial traditions to build on. The number of Chadians active in civil society is limited; those who are often find themselves exposed to government harassment, intimidation and aggression. The government has successfully created a parallel civil society, which is in fact loyal to the government. Trust is low within civil society.

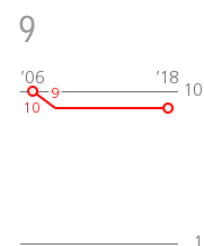
Foreign funding, especially for human rights advocacy, is declining and local funding is impossible due to poverty. The landscape of voluntary organizations remains sparse and hobbled by scarce organizational resources. International visibility is limited, except for a few leading organizations and personalities. Exceptions include the previously mentioned parents' associations, which are quite active especially in the rural areas.

A 2015 survey conducted by the Arnold Bergstraesser Institute showed that trust in institutions is low and social trust is limited to a small circle of family and friends. There is no civic culture of moderate participation in public life.

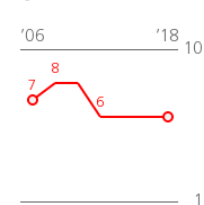
Years of civil war, which ended only in 1982, were followed by additional violent conflicts. In the period under investigation, violence has concentrated around issues of terrorism, conflicts between herders and farmers, and tensions between civil society and the government. However, the level of violence has reduced compared to previous years and neighboring countries, such as Nigeria or the Central African Republic.

The lack of social trust is primarily the result of a society divided along ethnic and religious lines. This divide is also apparent among the political elite. Rebel groups are divided along the same lines; however, their influence has further diminished due to the Chadian army's military strength and the peace agreement between the governments of Chad and Sudan signed in 2010. Until then shifting rebel alliances were a constant threat to the government.

Civil society traditions



Conflict intensity



The period under review was characterized by conflicts in neighboring countries and across the region, with the Chadian army involved in foreign conflicts and in battles against Islamist terrorists.

Regarding the war in northern Mali, Chadian troops joined the French forces and later the United Nations Stabilizing Mission in Mali (MINUSMA) to fight Islamist terrorists in January 2013. The current mission's mandate lasts until June 2017. The north of Chad and the neighboring countries have become a popular region for bandits and smugglers dealing in goods, arms and drugs, and threatening security in the border regions, especially around the Chadian-Libyan border. Chad declared the Chadian-Libyan border closed in early January 2017 and the area one of military operation.

Regarding events in the Central African Republic, the former president of the Central African Republic, Bozizé, fled the rebel advance in March 2013, as heavy fighting erupted between the Muslim Séléka and the Christian Anti-Balaka forces. Chadian troops took part in the AU-led Mission Internationale de Soutien à la Centrafrique sous Conduite Africaine (MISCA), but withdrew in April 2014 after accusations of not having protected the Central African Republic's Christian populations. The Chadian border with the Central African Republic has been closed since May 2014.

Responding to the threat posed by Boko Haram in Nigeria, Cameroon, Niger and Chad, President Déby declared war against Boko Haram in Paris in 2014. The Chadian capital was chosen as the central coordinating node for the anti-Boko Haram alliance of Chad, Cameroon, Niger, Nigeria and France. The first clashes occurred in early 2015 at the Nigerian-Chadian border, and Boko Haram was militarily weakened and driven out from places it had been holding in the border region. Islamist terrorist attacks in the Lake Chad region, northern part of which has since been under a state of emergency, followed Chad's involvement in the fight against Boko Haram. In June and July 2015, a number of alleged Boko Haram suicide attacks took place in N'Djamena.

So far Christian and Muslim leaders preach tolerance and Chadian Islamist forces have not openly emerged, but a split between Muslims practicing traditional brotherhood influenced Islam and Muslims influenced by Saudi-Arabian Wahhabi Islam can be observed.

Intercommunal violence between nomadic herders and sedentary groups is frequent, and sometimes tolerated or even encouraged by the authorities. The conflict causes the brutal loss of many lives in the fertile south, especially when farmers try to protect their harvest and thus the survival of their families for the coming year. Generally, legal authorities accuse and sentence the farmers and not the nomadic herders. Local authorities, which do not side with the herders, are also increasingly a target for government repression.

## II. Governance Performance

### 14 | Steering Capability

The political leadership's commitment to democracy and a socially responsible market economy is very limited, if it can be said to exist at all. The government's main strategic interest lies in maintaining power. President Déby and his entourage have successfully maintained this strategic priority even through periods of national and international crisis. Although security in the border region with Sudan appears to have been reestablished, and relations with Sudan seem stable, the defections from within President Déby's support base during the Darfur conflict remain a reality. Given the questionable loyalty of his entourage and even of his own family, President Déby uses a number of means to prevent potential rivals from developing their own power bases: cabinet reshuffles, controversial anti-corruption programs, sudden arrests of high office holders, and purges in the security apparatus. He has continued to mix repression, co-optation and partial peace agreements in efforts to undermine the cohesion of opposition parties and defang former rebel leaders. To retain the political and military support of the international community (above all France and, to a lesser extent, the United States), President Déby has successfully presented himself as a guarantor of regional stability, particularly since the crisis in Mali and war against Boko Haram.

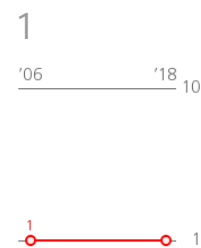
Foreign actors such as the European Union, IMF and World Bank only have limited impact on policy strategies, let alone implementation. Their reports repeatedly cite a lack of government capacity, including an inability to integrate technical advice. The continued cooperation of international actors lends some legitimacy to the regime.

The government engages in transformation-oriented reforms only partially at best, and consistently fails to implement them fully. Reform policies are generally confined to macroeconomic issues and the management of the oil sector. These policies are mainly advocated by the outside world, especially the IMF and the World Bank. Chadian actors show no initiative to implement change. Growing levels of Chinese investment partially facilitated Chad's withdrawal from internationally imposed conditionalities.

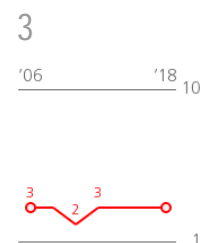
The World Bank reopened its office in Chad in 2009, after a previous breakdown in relations driven by disagreements over oil revenue management. The bank has highlighted the country's need to improve governance quality, strengthen the management of public finances, improve access to key social services, and improve regional integration.

Question  
Score

Prioritization



Implementation



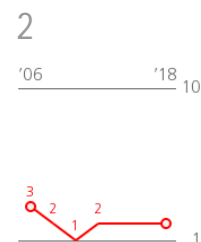
Chad's second poverty reduction and strategic growth paper (2008-2011) focused on the restoration of security, the improvement of governance, the diversification of the economy, and the promotion of human development. In its statements published after the Article IV consultations in 2014, the IMF again expressed concern over fiscal policy, management of public spending and Chad's overdependence on oil revenues. In 2016, the IMF recommended structural reforms to promote economic diversification, improve the business climate, foster financial inclusion and achieve more inclusive economic growth. The National Development Plan (NDP) for 2013 to 2015 was approved in May 2013 and is the third poverty reduction strategy for Chad. The NDP focuses on developing production capacities; promoting job opportunities; developing human capital; combating inequality, poverty and social exclusion; protecting the environment and combating climate change; and strengthening governance. A new NDP for 2016 to 2020 is at an advanced stage of preparation according to the IMF. However, Chad has continuously fallen short on achieving the objectives of these policies.

The political leadership shows little evidence of learning with regard to the development of a constitutional democracy and – to a somewhat lesser extent – a market economy. There is not much demand for performance, as shown by the high fluctuation of ministers, which is not based on their performance but rather follows the logic of patronage. Flexibility and learning are confined mainly to the maintenance of power. The long-postponed legislative and presidential elections in 2011, the presidential elections in 2016 as well as the country's first-ever local elections held in 2012, have to be seen against this background. While they have provided the government with a democratic façade, the authoritarian character of the regime has in fact tightened, in part due to the foreign policy successes of Chad's involvement in Mali, the threat of Boko Haram and international terrorism. There is no indication that the government has learned from past problems posed by the country's dependence on oil revenues. As such, it has not engaged in serious efforts to diversify the economy. International cooperation partners have been repeating the same advice and demands for several years. However, this advice is often ignored, as it conflicts with the interests of the regime and would undermine the implementation of the regime's own agenda.

## 15 | Resource Efficiency

The government's use of available resources is efficient only in some cases. Transformation is not the priority. Resources are used to ensure the survival of the current political leadership. Reliable information on government finances is lacking. Chad's leadership shows no intent to improve policy-making transparency. According to the Open Budget Survey 2015, Chad scored four points out of 100 in terms of openness in government finances. To a large extent, government officials consider state resources as their property and consume them themselves. Political

### Policy learning



### Efficient use of assets

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appointments should mainly be regarded as efforts to co-opt potential rivals and reward supporters (e.g. during election campaigns). The 2012 Operation Cobra, which aimed to address corruption in the public sector, and the arrest of several high-ranking officials in November 2015 and 2016 were strategic moves by the ruling elite to demonstrate the government's strength. They should not be interpreted as evidence of any real change in the government's attitude toward corruption. President Déby has denounced corruption regularly in public speeches. In view of the number of members of his own or his wife's family holding posts in government and public services this can only be understood as rhetoric.

At the cabinet level, politically motivated dismissals and appointments are frequent.

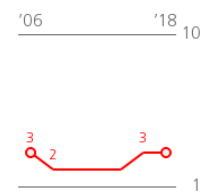
Prime Minister Kalzeubet Pahimi Deubet, in office since November 2013, twice reshuffled his cabinet. He was replaced as prime minister by Albert Pahimi Padacke on February 14, 2016, in the run-up to the 2016 presidential election, and has remained in office since. On August 14, 2016, Prime Minister Albert Pahimi Padacke formed a new cabinet of 38 members, including 7 women. This cabinet was reshuffled in February 2017.

In 2013, the number of cabinet members and state secretaries was reduced to 27 (from 42). Generally, corruption is high in the ministries, ministers try to maximize their profit in their limited time in office. The civil service is staffed with a high number of advisers and other ministry civil servants. The number of state employees, civil servants and security forces is about 80,000. The introduction of a new software program for the payment of public sector salaries revealed a high number of ghost workers.

In 2010, the number of members of parliament was increased from 155 to 188 due to population growth. The densely populated, mainly Christian south is represented by 71 members of parliament, while the sparsely populated, predominantly Muslim north has 117 members representing it.

In the context of Chad's third and fourth reviews under the Extended Credit Facility Arrangement, the IMF indicated in November 2016 that progress has been made in the implementation of structural reforms. Notable reforms included containing expenditures executed through extraordinary budget procedures, broadening the database of taxpaying enterprises, and establishing a unit at the Treasury tasked with preparing cash management plans.

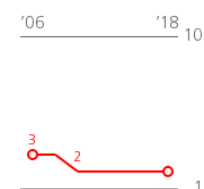
The use of public assets to fund nepotism and patronage is efficient, as the regime relies on these assets to ensure its stability. However, these assets are not efficiently used in the sense of furthering transformation. However, nepotistic or corrupt practices seem to be coming under greater pressure, as the government has been repeatedly unable to pay public sector salaries.



Conflicting objectives within the government are coordinated imperfectly, and ministers tend to compete among themselves. Given the autocratic structure of the Chadian regime, the dominance of the president and the use of appointments to co-opt rivals, policy is not made through debates or negotiations but is subject to the decision of the president. A striking example was the no confidence motion against the prime minister initiated by the small opposition on November 17, 2016. The majority of the delegates of the ruling party MPS did not appear in parliament thus the necessary number required for a vote was not achieved and the motion could not take place. Coherence exists only in the sense that all policy serves the interests of the ruling clan. Shifts in political direction are frequent, demonstrated, for example, by the restoration of diplomatic ties with China in 2005, the government decision not to extend MINURCAT's (United Nations Mission in the Central African Republic and Chad) mandate in 2010, leaving the MISCA (African-led International Support Mission in the Central African Republic) in 2014, and the rapprochement with the French president in 2012 with the aim of stimulating French investment in Chad as well as gaining French and European recognition.

#### Policy coordination

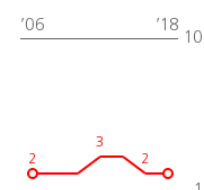
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Diversion of funds is one of the most substantial problems in Chad. State resources are distributed via patronage networks and corruption is a fundamental characteristic of the political system. According to international observers such as the Economist Intelligence Unit and the World Economic Forum (WEF), corruption is rampant at all levels. The government has repeatedly introduced mechanisms to curb these practices, such as a special ethics ministry, the oil management regime or Operation Cobra in 2012. In January 2017, President Déby announced the creation of a new anti-corruption court for economic offenses and corruption. Former and serving senior government officials have been regularly accused of corruption and arrested thus getting rid of political rivals or enemies. President Déby presented himself as a safeguard against corruption even when close family members were arrested. On the whole, a culture of impunity within a system of patronage hinders the effective handling of corruption and it is unlikely that a new court will change anything.

#### Anti-corruption policy

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To a certain degree, accusations of corruption can be voiced, although they may be followed by intimidation against the accuser. Yet, the handling of those cases shows fighting corruption is not the prime objective of the president. Rather, it is all part of a game of musical chairs within the patronage system and follows a regular pattern of allegation of corruption, arrest and successful prosecution of the accused, subsequent pardon, and eventually a return to high office for the same person. In 2015, the most prominent example of this pattern was the arrest of the head of customs, President Déby's brother.

## 16 | Consensus-Building

Chad's political leadership is not pursuing democratic transformation and is pursuing economic transformation – under donor pressure – only partially. The leadership has failed to establish a broad consensus on reform with other key actors in Chadian society.

It is highly questionable whether key political actors want to build democracy and a market-based economy. Both the government and opposition claim to pursue such goals in their rhetoric. Several leaders of the opposition parties in parliament, some civil society actors, and all other significant actors have readily resorted to undemocratic activities. One of the few credible opposition leaders in recent years had been Ibni Oumar Mahamat Saleh, general secretary of the Liberties and Development Party (Parti pour les libertés et le développement, PLD) and spokesman of the Coordination of the Political Parties for the Defense of the Constitution (CPDC), who was killed after his arrest in February 2008. The Chadian justice ministry announced the dismissal of charges in July 2013 because of a lack of evidence. The majority of CPDC members have been co-opted into the government. However, the coalition and its deputy speaker, Saleh Kebzaboh, along with two other 2011 presidential candidates (Yorongar Ngareljy and Wadal Abdelkader Kamougué) regained some credibility through their criticism of the government's poor preparation for the elections and their subsequent boycott of the presidential elections. In the run-up to the 2016 elections, the CPDC lost a lot of its power as an opposition coalition, as President Déby founded a Political Dialog Forum (Cadre National de Dialog Politique, CNDP) to play a mediatory role in political disputes. This led to a further split within the opposition, as members of the CPDC joined the CNDP.

The candidates of the opposition parties tried to form a united opposition during and after the 2016 elections. On July 27, 2016, 29 opposition parties created the Front de l'opposition nouvelle pour l'alternance et le changement (FONAC) to prevent President Déby from securing a fifth term. Their gatherings and protests marches were forbidden, and the police killed or wounded several protesters. FONAC's unity was cut short when several of the leading figures, such as Saleh Kebzabo, opted to participate in a dialog process with the new government, while other leading figures were against negotiating with the government and left FONAC.

As for economic reforms, there is broad consensus that dramatic changes must take place, but there are serious doubts about both the government and the opposition's willingness to prioritize development over narrow political ambitions. The opposition shows no elaborated political or economic program. Its rhetoric mainly focuses on accusing the government of anti-democratic practices, mismanagement and corruption.

Consensus on goals

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The government itself is the main anti-democratic veto actor. At the moment, it is impossible to identify true reformers within the sphere of political power. During the period of assessment, the government's control over extra-governmental anti-democratic veto actors such as the politico-military movements improved. Today they pose little threat to the government.

In part because conflicts have not been ideologically driven, the government has managed to conclude peace agreements with most of the politico-military movements. However, these agreements, which involve the integration of combatants within government forces and the assignment of government positions to their leaders, often fall apart due to internal frictions within rebel groups, a lack of government resources or the government's unwillingness to share power. Contrary to previous peace agreements with rebel groups, President Déby did not offer political posts to rebel leaders after the 2010 peace agreement with Sudan, but did grant pardons to some rebel leaders who had been sentenced in absentia to death following a 2008 rebel attack. President Déby is currently in a strong position following his re-election and 2016 presidency of the AU, and has been bolstered by international recognition following Chad's mission in Mali, with the international community heavily reliant on Chad in the fight against Islamic terrorism.

The government and religious leaders frequently call for national reconciliation between the various communities within Chad. However, the government lacks the political will to actively pursue conflict resolution, exploits the divided nature of Chadian society to achieve its goals, ignores civil society organizations' demands for an inclusive national dialog, and pays no more than lip service to national reconciliation. For their part, both Islamic and Christian faith organizations lack the influence to push for political action. Consequently, divisions within society have not been reduced, and the personality-based and ethno-regional cleavages have not been bridged.

The role of the president's blood relations in the political system has diminished as relatives have left the inner circle of power, notably the Erdimi brothers, President Déby's nephews, who joined the rebellion in 2005. On the other hand, the president has changed his name to Déby-Itno in 2006, in an effort to win loyalty from his grandfather's Zaghawa clan. Palace coup attempts pose a permanent threat to the president. These power struggles within the inner circle point to inner cleavages that run along sub-clan lines.

Other ethnic groups from the north feel increasingly excluded from the inner power circle.

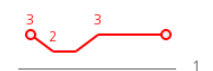
The political opposition remains too weak to influence the government.

The population in the country's south has grown increasingly frustrated over its exclusion from power and resources. The division of Sudan in 2011 was followed

Anti-democratic actors



Cleavage / conflict management



closely, although southerners know they lack the power and international support to achieve independence.

Chad's political leadership largely fails to promote – and in part has actively destroyed – social capital. The government frequently ignores civil society actors, preferring to formulate policies autonomously. Efforts to include civil society actors, such as in the formulation of the PRSP and the World Bank's interim strategy note (ISN) for 2010 – 2012 and the oversight body for oil revenues, are the result of external pressure. Mostly, the government subsequently weakens the role of civil society in these bodies and/or processes. Civil society actors protesting against the effects of oil production and the slow implementation of the oil revenue management regime were repeatedly subject to harassment and death threats. Critical journalists and civil society activists were regularly arrested, and newspapers and radio stations shut down.

For civil society, finding reliable counterparts within the government and establishing a working relationship is even more difficult because of the fast rotation of public officials, leading to frustration within civil society.

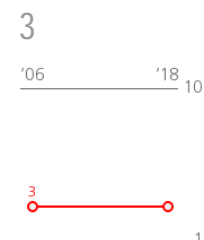
On the 50th anniversary of Chadian independence, President Déby pardoned and gave amnesty to former leaders of the rebel Union of Forces for Democracy and Development (Union des Forces pour la Démocratie et le Développement, UFDD), who had been arrested on arrival in Chad in November 2010. Additional leaders who in August 2008 had been sentenced to death in absentia for trying to overthrow the regime were also pardoned. The government released a further 370 or so detainees arrested during or after the rebel attacks on N'Djamena and Am Dam in 2008.

However, the government has put no real emphasis on coming to terms with the crimes, traumas and memories associated with either the ongoing internal conflict or the years of civil war that preceded President Déby's regime. As long as the current leadership continues with its numerous abuses of power, justice and reconciliation are a long way off.

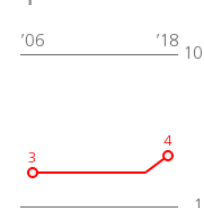
Former President Hissène Habré has been accused of perpetrating crimes against humanity during his rule. After 23 years in exile in Senegal, he was finally arrested in June 2013 in Dakar. His trial, mandated by the AU, began in 2015. On May 30, 2016, he was sentenced to life imprisonment. On January 9, 2017, he lodged an appeal. The Chadian lawyer Jacqueline Moudeina was representing the victims in Dakar. No measures have been taken to compensate or reconcile them. President Déby was commander-in-chief of the armed forces under Habré, but did not take part in the proceedings in Dakar.

Some Chadian artists who live abroad, the most prominent being director Mahamat Saleh Haroun, have explored the subject of war, internal conflict and the Habré period

Civil society participation



Reconciliation



with the support of foreign funding. He was appointed Minister of Culture, Art and Tourism for Chad in February 2017.

## 17 | International Cooperation

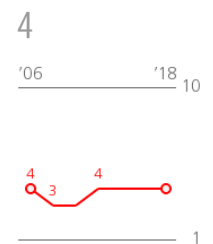
The government is willing to cooperate with external supporters and actors, subject to considerable limitations. Cooperation comes more readily in economic areas than in the political arena. However, this is in part due to the absence of strong externally imposed political conditionalities – especially after Chad’s mission to Mali and Chadian support in fighting terrorism in the Sahel-region – and to the rather low levels of coherence and cooperation between the external partners who operate in Chad (largely France, the European Union, other European countries, the United States, China, Sudan, Saudi Arabia). These external partners frequently have competing or even antagonistic ambitions. Senior French politicians visit Chad regularly, while the new French prime minister, Bernard Cazeneuve, visited Chad on his first visit abroad on December 29, 2016. The headquarters of Operation Barkhane is in N’Djamena, which became operational on August 1, 2014. The French-led operation merges the former Chad-based mission Epervier and the Burkina Faso-based mission Sarbre and aims at fighting terrorism in Mauritania, Mali, Burkina Faso, Niger and Chad and consists of 3,000 French soldiers.

Relations with the IMF and especially the World Bank have been difficult, as Chad failed to respect its agreements on the use of oil revenues for poverty reduction as it needed the oil revenues to finance its military campaigns against rebels (and possibly also for narrower personal ambitions). Following the suspension of cooperation with Chad in 2008, the World Bank partially reopened its office in 2009. From mid- 2010 to mid-2012, the World Bank implemented an ISN in Chad. Under the terms of the plan, the bank has sought a dialog with state and non-state actors. Goals include strengthening the public-finance management systems, improving the provision of key social services (education, health, water), diversifying the economy, addressing the needs of the rural poor, and improving regional connectivity through transport and infrastructure. The current World Bank portfolio in Chad includes 12 projects and represents a total of more than \$200 million in commitments.

Chad did not implement the first two PRSPs (2003-2006 or 2008-2011), but the implementation of the National Development Plan (the third PRSP) was rated satisfactory by the IMF in 2013. The National Development Plan 2016-2020 is yet to be adopted.

In 2011, the Chadian government ratified the Kampala Convention on the protection of internally displaced persons, and signed an action plan with the United Nations to end the recruitment and use of children by the country’s security forces which it fulfilled finally in 2013. In 2013, it ratified the Comprehensive Nuclear-Test-Ban Treaty (CTBT) as well as the Convention on Cluster Munitions (CCM). In 2015,

Effective use of support



Chad ratified ILO Convention No. 102 on minimum standards of social security and No. 122 on employment policy.

In 2016, Chad ratified the protocol allowing for the establishment of the African court on Human and Peoples' Rights. However, it has not ratified the declaration allowing individuals and NGOs to bring cases directly before the court. Only 7 out of the 31 signatories to the African court have also agreed the latter declaration.

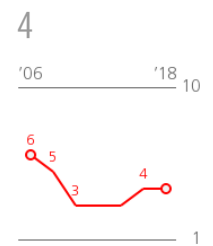
The government tries successfully to act as a credible international partner and as the only stable regime in the region. Security, political, economic and strategic interests have kept France, the European Union and the United States from pushing strongly for democratic reforms. As mentioned in other sections, international oil companies are operating in the country (e.g., from the United States, Canada and China) but given the rather limited amount of oil reserves this is not likely to be the most important reason for supporting the regime. Rather, more geopolitical interests inform foreign governments' policies toward Chad. In view of the instability in the Sahel region and the continued terrorist threat, the conflicts in Mali, the Central African Republic, Libya and South Sudan, international actors appear to prefer the status quo rather than the risks associated with making disruptive demands for change. In terms of political reform, the government is trusted only by France. France saved the regime from being overthrown in April 2006 and again in February 2008 by providing intelligence support and defending the airport against rebel forces. The French base in N'Djamena played a role in the conflict in Mali and in the Central African Republic. Chad sent an important battalion of nearly 2,000 troops which fought alongside the French in the north of Mali. The Chadian army is the best trained and best equipped in the region. President Déby's participation in Mali earned him further support on the part of France and the United States. Chad was a non-permanent member of the UN Security Council from 2014 to 2016. Regular visits of high-ranking members of the French government in Chad indicate continued French support for the Chadian regime.

Chad is a member of the United States financed Trans-Sahara Counterterrorism Partnership (TSCTP) aimed at strengthening partner countries' counterterrorism capacities and inhibiting the spread of extremist ideologies.

Chad also benefits from the EU's Emergency Trust Fund for stability, and addressing root causes of irregular migration and displaced persons.

Chad's record in terms of relations with neighboring countries is mixed. In principle, Chad's political actors cooperate with neighboring states and usually comply with the rules set by regional and international organizations such as CEMAC and the AU. President Déby served as president of the AU in 2016. He showed a lot of international presence in Africa and Europe, and presented himself as mediator in conflicts.

Credibility



Regional cooperation

6

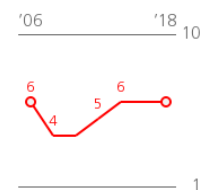


During the period under review, Boko Haram posed the biggest threat for security in the region. Since February 2015, Chad, Nigeria, Cameroon, Niger and Benin have fought against the Islamist extremists in a Multinational Joint Task Force (MNJTF) of 8,700 troops supported by the AU. Chad deployed 2,500 in Cameroon. The MNJTF achieved several military victories, but the risk of suicide bombings continues. The MNJTF enabled a rapprochement between Chad and Nigeria whose presidents were competing for regional hegemony. The MNJTF has its headquarters in N'Djamena.

During the period under review, no incidents at the border with Sudan were reported. Relations with Sudan were tense until recently, exacerbated by the Darfur crisis and by each country's support for rebel groups fighting in the other country. However, this relationship has stabilized since the January 2010 peace accord and the agreement to evict rebels from both countries. The joint Chadian-Sudanese border control program continues to work.

Chad's interference in the Central African Republic is less obvious than in the past when Chad had tried to influence the politics of its southern neighbor. In the struggle for power in the Central African Republic, between the Muslim Séléka rebels and Christian-dominated Anti-Balaka, it is believed that Chad supported Séléka. Chad withdrew its troops which were part of the AU's Mission internationale de soutien à la Centrafrique (MISCA) in 2014. Relations between the Central African Republic's transitional president, Catherine Samba- Panza, and President Déby were strained. The new president of the Central African Republic, Faustin-Archange Touadera, in office since March 30, 2016 has visited N'Djamena several times in 2016.

Relations with Libya's Government of National Accord are strained. Though, as president of the AU, President Déby officially supports the reconciliation process between the rival factions in Libya. On the other hand, General Haftar of the Libyan army, who supports the Tobruk-led government, is a regular guest in N'Djamena. Terrorism, migration and international trafficking are a problem for both countries, and Chad is afraid of potential spill-over effects from Libya. Consequently, Chad closed its 2000km border with Libya on January 6, 2017.





## Strategic Outlook

Over the next few years, the international community needs to resolve the social, economic and political crises that are affecting Chad. International partners can no longer afford to turn a blind eye to the very serious shortcomings of Chad's current government and ruling elite.

In order to prevent a further aggravation of the social and financial crisis, the international partners of Chad and the Chadian ruling elite need to react.

The treasury is empty. While the government has introduced emergency spending cuts, these cuts have only come at the expense of the poorest and most vulnerable sections of Chad's already impoverished population. Civil servants were not paid for several months and the country is in a deadlock. As teachers and health care staff strike, public funds should be made available to ensure a minimum standard of health care and education service, enabling teachers and professors to return to school and universities. These funds need to be managed by an independent organization able to tackle corruption and ensure funds are used for their intended purpose, such as paying teachers and health care staff. Educational opportunities are being squandered and lives lost due to misspent or abused public funding.

The government must also ensure the regular payment of salaries for the security forces to avoid further unrest.

International partners should continue to pressure Chad's ruling elite to unblock revenues, which were taken out of the country during the oil peak.

Due to the financial crisis, hunger will be a severe problem over the next several months, as the next harvest will only be gathered in fall 2017. The World Food Programme and other international organizations should start distributing food rations to vulnerable groups, especially children and elderly people. The lives of returnees from the Central African Republic are severely restricted, as they are not recognized as refugees by the UNHCR. Consequently, they do not receive any support from the Chadian government and have no means to generate an income while living in refugee camps, so they also need to be cared for.

There is a risk that frustrated, impoverished and hungry Chadians will join Islamist terrorist groups.

International actors should take potential internal divisions (e.g. between north and south, farmers and herders, and Christians and Muslims) more seriously, and support the implementation of conflict prevention and resolution programs.

In the long run, the IMF and World Bank should continue to pressure the Chadian authorities to promote economic diversification instead of paying lip service.

It is likely that President Idriss Déby will remain in office until the end of his mandate in 2021 and the Zaghawa elite will continue to hold onto power. The democratic opposition in the country is highly fragmented and weak, and requires greater support from international political foundations and parties concerning democratic procedures (e.g. German political foundations). Especially among Chad's younger generations, democratic actors should be identified, supported and protected. Civil society activists, trade unionists and other outspoken people also need special protection.

The risk of terrorist attacks will continue in the region. Chad's political and military leadership will remain an important ally for the West. However, France, the European Union and the United States should not accept the negligence of good governance and persistent authoritarian structures of the Chadian leadership. On the contrary, conditionality is needed to drive political and socioeconomic reforms. As long as the Chadian ruling elite considers the country a self-service shop no real change will be initiated from within the ruling elite.