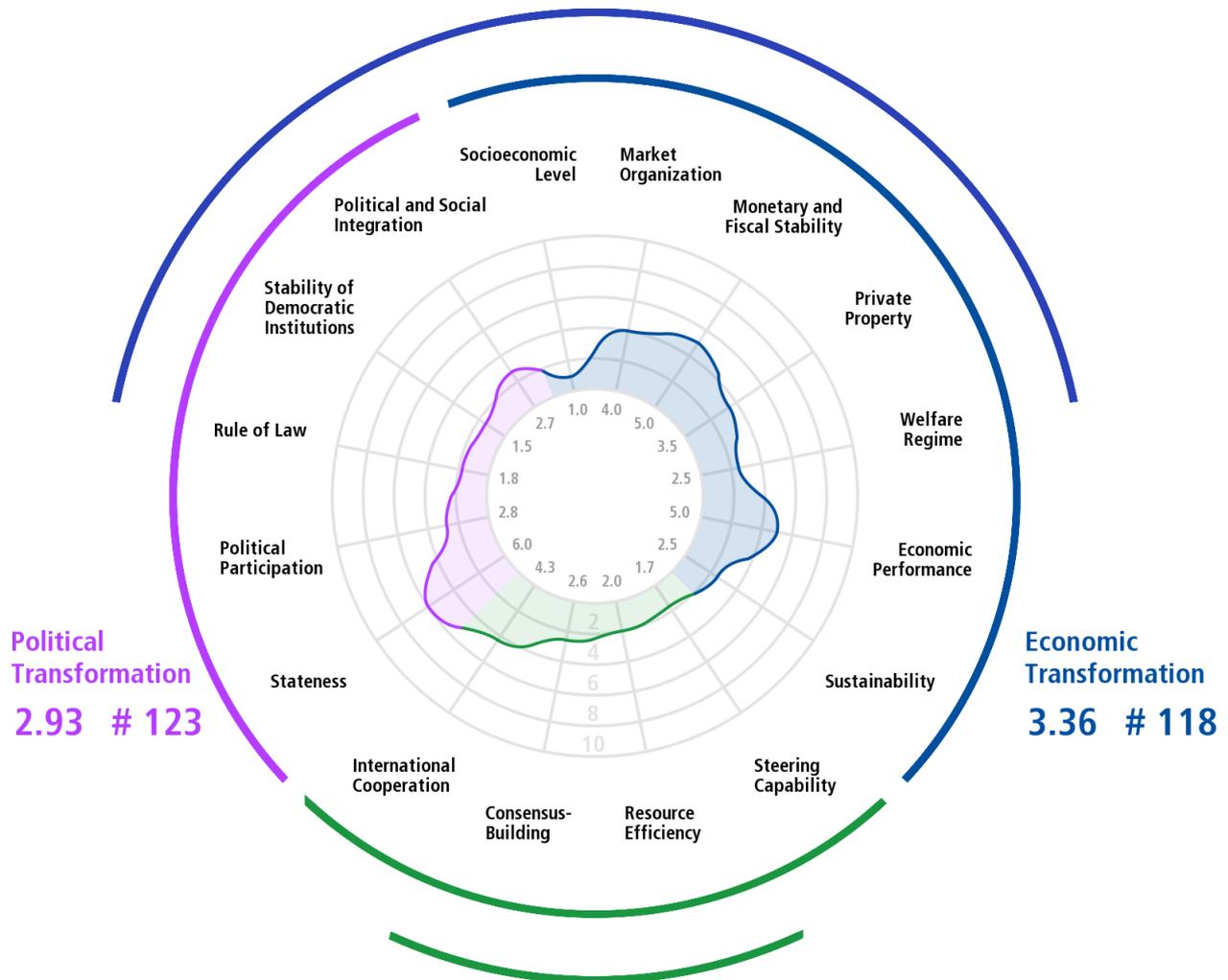


Chad

Status Index

3.15 # 125

on 1-10 scale out of 137



Governance Index

2.55 # 126

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2020**. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	15.5	HDI	0.401	GDP p.c., PPP \$	1965
Pop. growth ¹	% p.a.	3.0	HDI rank of 189	187	Gini Index	43.3
Life expectancy	years	53.7	UN Education Index	0.288	Poverty ³	% 66.5
Urban population	%	23.1	Gender inequality ²	0.701	Aid per capita \$	43.1

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. 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 dominated by the following issues: institutional reforms leading to a new constitution and the Fourth Republic, the ongoing social and economic crisis and security in the Sahel.

Having won the last presidential elections in 2016 with 59.9% of the vote, President Idriss Déby Itno used his fifth term to extend his power. In March 2018, the Inclusive Forum – although without the participation of members of the political opposition or civil society – proposed institutional, constitutional and administrative reforms, which led to a new constitution and a presidential republic. No referendum was held, but parliament with a majority of Déby-led MPS voted for it (parliament itself no longer being democratically legitimized). Déby proclaimed the Fourth Republic on May 3, 2018. The president is the head of government, chief of the army and appoints the judiciary. Checks and balances, even if they only existed on paper before, were given up. Protest by opposition members, civil society and students was suppressed; social media were cut off. The Council of Ministers, which Déby presides over, used the months following the proclamation to adopt a number of decrees to limit democratic freedoms even further. The main target seems to be silencing long-established and longstanding opposition parties and their leaders, as well as critical NGOs. Redistricting the provinces and thus constituencies will favor Déby-friendly votes and enable his party to win the (postponed) legislative elections in 2019 and the next presidential elections in 2021. The more populated and Déby-critical south will have fewer seats.

The ongoing social and economic crisis is a heavy burden on the impoverished population. Chad can be found on almost all indices at the bottom. The already indebted population suffered extremely due to severe cuts in civil servants' allowances and salaries, as well as non-payment; many could no longer meet their daily needs like food or rent or repay bank loans. Local small

businesses did not have any customers. Repeated strikes in all public sectors added to the standstill of public life and worsened the already poor state of health and education services.

Macroeconomic performance continued to be poor. The drop in oil prices on the international market has led to less revenue for the state; yet it is not in itself responsible for the enormous difficulties of the country. The public treasury is empty because debt service payments absorb almost all public revenue – as does corruption at high levels of society. Nevertheless, international organizations, including the IMF, World Bank and European Union, were trying to resolve the financial crisis. The IMF agreed to release the outstanding Extended Credit Facility (ECF) funding in April 2018 as Chad had come to an agreement with Glencore: The outstanding debt, which made up 80% of the external debt of the country, will be repaid under improved conditions. Chad has not succeeded in diversifying its economy to lessen its dependence on the oil sector as international donors continue to request.

Chad continued its support to fight Islamist terrorism in the Sahel, showing itself an indispensable ally of neighboring countries and the West, especially France. Chadian troops take part in the UN Mission MINUSMA in Mali and the country is a member of the G5 Sahel. The headquarters of the French military mission, Barkhane, is in N'Djamena. International dependence on and recognition of the Chadian contribution in efforts to fight terrorism reduced international criticism of Chad's democratic regression.

History and Characteristics of Transformation

In the early 1990s, Chad took its first steps toward economic and political transformation after a devastating civil war. But conflict lines between the Muslim north and the Christian/Animist south continue to define Chad's political landscape. Idriss Déby Itno, an ethnic Zaghawa and former army chief of staff, overthrew Hissène Habré in 1990 and has held power since then – elected for his fifth presidential term in 2016. Multiparty parliamentary elections in 1997 established the hegemony of his party, the Patriotic Salvation Movement (Mouvement Patriotique du Salut, MPS). In 2018, an institutional forum without any opposition or civil society groups made recommendations for a new constitution – a presidential republic which Déby could lead until 2033.

Déby's rule has been repeatedly challenged by various political-military movements since the 1990s. Only in February 2008, however, did rebels almost succeed in overthrowing his regime. Since the 2010 peace accord with Sudan, no more major attacks challenged the government, not even a new coalition, Conseil de commandement militaire pour le salut de la République (Military Command Council for the Salvation of the Republic, CCMSR), which attacked Chadian military near the Libyan border in 2018. Chad has requested French military support to attack a convoy of rebels from the UFR (Union des forces de la résistance), supposedly heading for N'Djamena in February 2019.

Terrorist attacks by Boko Haram took place for the first time on Chadian territory in 2015. Chad's military participates in fighting Boko Haram in Nigeria; Chad joined the Joint Force of the Group of Five of the Sahel with Mali, Burkina Faso, Niger, Mauritania to combat terrorism. The G5 Sahel was authorized by the African Union Peace and Security Council on April 13, 2017.

In 2018, Chad hosted around 650,000 persons of concern (450,000 refugees and asylum seekers, 180,000 displaced persons and returnees from Central African Republic (CAR) and others). The majority, 74%, originated from Sudan, 23% from CAR, 3% from Nigeria.

Steps toward a market economy started only in the 1990s. Chad 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, qualified Chad for access to the Highly Indebted Poor Countries (HIPC) debt relief initiative but received \$1 billion in total debt relief only in 2015. Afterwards, the IMF and the Chadian government agreed upon several new programs. But the severe burden of an external debt to Swiss-based Glencore, which had lent Chad \$1.5 billion in 2014, could not be repaid and the IMF and put ECF disbursements on hold until a deal between Glencore and Chad was made in February 2018.

The National Development Plan (NDP) 2013 to 2015 was considered as Chad's third PRSP. It focused on the creation of new productive capacities and opportunities for jobs and 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. The actual NDP 2017 to 2021 emphasizes economic diversification. It remains a major challenge to restore public finances and external accounts in a highly corrupt country. Therefore, 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, also proved fruitless. Chad never ensured long-term development, pro-poor spending targets and economic diversification. By 2008, the World Bank pulled out of the project after Chad agreed to repay \$140 million ahead of schedule. 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. 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 Chadian state has a monopoly on the use of force across almost all of the country. However, conflicts in all neighboring countries continue to pose constant threats to stability.

Terrorist attacks by Boko Haram continue in the Lake Chad region, also on Chadian soil, but on a more limited scale compared to previous years. The state of emergency in the Lake Chad region and the presence of the Chadian army could not reduce insecurity and the immense humanitarian crisis.

The Chadian government is most vulnerable at its northern frontier and fears attacks by political-military movements based in Libya and Sudan. In its quest for allies, it fosters relations with the Libyan government and also General Khalifa Haftar. The Chadian-Libyan border was closed from January to March 2017; the situation remains quite uncertain due to lack of access and to inner-Libyan conflicts, as well as threats by smugglers, migrants (who are perceived to be joining rebel movements) and Islamist terrorists.

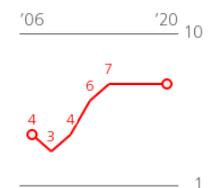
On February 10, 2019, it was reported that Timane Erdimi had been arrested on Chadian soil, alongside 250 Chadian armed rebels, when they tried entering Chad from Libya. This development followed the reported movement of a rebel convoy (the UFR rebels, led by Erdimi) towards N'Djamena from Libya (having proceeded 400 km into Chadian territory), and was met with French military air raids at the request of Chad. The rebels are to be sentenced by civilian courts on counts of “terrorism.”

In 2018, several military actions by the Chadian army in and around Miski fighting the CCMSR caused a heavy death toll among civilians. The CCMSR was founded in 2016 and started fighting Chadian troops near the Libyan border in August 2018. It claims to be able to mobilize several thousand fighters and to overthrow Déby. The Chadian government however denies the presence of a political-military movement

Question
Score

Monopoly on the
use of force

7



and officially only speaks of fights between gold prospectors and state authorities. Others, like the Union of Résistance Forces (Union des forces de la résistance, UFR), led by Timane Erdimi, appeared only via statements during the period under review. At the Chadian-Sudanese border, the situation has remained largely stable since a peace treaty in January 2010.

Citizenship and access to citizenship are not politically relevant issues despite the country's ethnic and religious diversity. Apart from administrative shortcomings there are few problems in access to citizenship. All citizens formally have the same civil rights; identification with the nation is high but low with the political leadership.

The status of the more than 75,000 Chadian returnees from CAR remains unsettled. They received voter cards enabling them to vote in the 2016 presidential elections, but most of them still have not received formal identity papers.

Officially, in order to prevent terrorism, security forces check the identity papers of foreigners on a regular base. In July 2017, 262 foreigners were arrested.

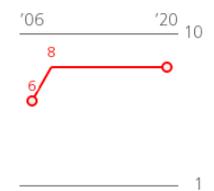
Campaigns by the U.S. Embassy and other donors try to help parents to get birth certificates for their children at an early age.

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. Christians and Chadians practicing a traditional African religion (Animist) encounter discrimination on many levels. Often, they are not appointed to high-level posts, but work under less qualified superiors, which causes problems of efficiency of the public and private sector. This point, combined with lack of access to political power, lead to high frustration among intellectual southerners because they consider themselves "second class citizens." There also seems to be a growing anti-southern tendency among leading state representatives of the north and east. At the same time, the legitimacy of the nation-state and its borders are generally not questioned.

The position of the prime minister was abandoned in the new constitution of the Fourth Republic in May 2018. Until his resignation on May 3, 2018, the prime minister was originally from the south, following the unwritten rule that the state's two highest positions should be split between the northern and southern regions.

State identity

8



1

Following the French example, the previous constitution guaranteed the separation of state and religion. The new constitution however contradicts itself: ministers and other high state representatives have to swear an oath on the Koran. Madelaine Alingué, a Catholic, refused to do this and eventually was able to swear on the Bible. A protestant who refused to swear an oath at all could not take office. Only in the aftermath to the ceremony, a decree was issued allowing Christians to swear on the Bible.

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. Recently however, there seems to be a growing pressure to neglect Sundays and Christian holidays. Interreligious dialog between the religious leaders of the country takes place regularly they preach peaceful coexistence. The leaders of the three religious groups (Muslims, Protestants and Catholics) are present at state ceremonies. The President of the High Council for Islamic Affairs died in January 2018. It was President Déby who chose his successor; he also dominates the National Day for Prayer Reconciliation – originally started as a solemnly religious day in 2011.

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 the Tiyyania brotherhood. Wahhabi Muslims do not feel represented in the High Council for Islamic Affairs and demand their own body. So far religious extremists have shown little political influence. However, religious ideas have some influence on societal issues such as the role of women and the adoption of the family law. Despite the prohibition of the burqa since June 2015 (to prevent suicide bombings by Boko Haram), women wear it without any problems in Wahhabi parts of town.

The Chadian government considers Islamist extremists as destabilizing forces. Consequently, it tries to keep Boko Haram out of its territory and joined the G5 Sahel to fight terrorism.

State representatives enforcing law are found in important locations. However, it would be misleading to conclude that state services are universally provided, as the administration functions poorly and is highly inclined to corruption at the expense of the population. Civil servants mostly expect a kind of “motivation” in order to issue papers or advance documents or payments.

Administration of communication, transport and other basic infrastructure are provided in N’Djamena and provincial towns, but not in rural regions. The state of the roads is degrading rapidly, thus slowing down and complicating transport inside the country. A Chadian airline, a collaboration of the Chadian government and Ethiopian Airlines, started flights inside the country on October 1, 2018.

No interference of religious dogmas

7



1

Basic administration

2



1

The uncoordinated construction of infrastructure had left half-finished prestige buildings abandoned by foreign construction companies due to the lack of payment by the Chadian state. Now some of the work is continuing with aid from China.

Basic schooling is often provided, but is run and paid for by parents themselves. Non-payment of salaries has led to several teachers' strikes during the last years. In 2018, school started late again. The 2017 academic year was 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 of health personnel also led 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 access to improved sanitation facilities, while 51% had access to an improved water source. The austerity measures that followed the decline in oil revenues are affecting the general population, but especially the poor, as access and affordability of health and educational services are deteriorating.

2 | Political Participation

Universal suffrage, the right to campaign for office and democratic elections exist on paper. However, elections have consistently been rigged, although the European Union and the African Union (AU) repeatedly certified polls as free and fair.

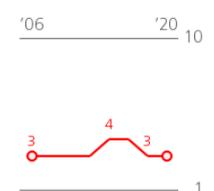
During the last legislative elections in 2011, the governing MPS party won 117 out of 188 parliamentary seats. Including its allies, the governing bloc comprises 133 seats. The weak and divided opposition had limited ability to campaign outside the capital due to a lack of finances and access to the media. According to a new law following the new constitution of May 2018, parties must be represented in at least 10 out of the 13 provinces within a year's time and have taken part in two successive elections; otherwise they will be disbanded. Only the ruling MPS can fulfill these demands, but not the opposition parties based in regional strongholds. Furthermore, a new cut of the constituencies will also favor the MPS. Chad is on its way to becoming a one-party state.

In February 2015, members of parliament voted for an unlimited prolongation of their mandate as the biometric voter registration was not completed in time for the June 2015 elections. Since then, Déby postponed it several times due to lack of funding.

Legislative elections scheduled for November 2018 have been postponed to May 2019. The old constitution foresaw a four-year term; elections were held in 1997, 2002 and 2011. On December 31, 2018, Déby promised legislative and municipal elections would be held before the end of June 2019. Municipal polls have only taken place once (in 2012) and were postponed several times.

Free and fair elections

3



Presidential elections are the only elections which take place regularly as foreseen by the constitution, the last one on April 10, 2016. Biometric voter cards were used for the first time after a slightly contested biometric voter registration. The opposition did not boycott this time. Déby won with 59.92%, Saleh Kebzabo, leader of the main opposition party, Union nationale pour la démocratie et le renouveau (UNDR), came second with 12.77% of the valid votes. The opposition strongly claimed the elections had been rigged, and published results less favorable for Déby. International partners did not question either the run-up to the election or the result. Déby was inaugurated for his fifth presidential term on August 8, 2016.

The next presidential elections are due in 2021. The new constitution foresees a mandate of six instead of five years, renewable only once. But Déby could still stand twice for elections and – in case he gets reelected – retire in 2033 after 43 years as president.

Veto powers are almost nonexistent in a state controlled by the president and the security apparatus. While democratically elected in formal terms only, the government has formally the effective power to govern. Its majority belongs to the ruling party headed by the state president or its allies. As commander-in-chief of the army and the head of the state, the president is the decision-maker. With the removal of the function of prime minister (traditionally coming from the south), even the semblance of some balance in the ruling class is gone. The security apparatus is not under civilian control and could remain something of a veto actor. But genuine or staged coup attempts have occurred in recent years only within the president's own power circle. The most recent incursion of UFR rebels onto Chadian territory (February 2019) is another example, as the movement is led by Déby's nephew, Timane Erdimi.

Repeated cabinet (four since May 2018) or military reshuffles and now a new constitution, called “a constitutional coup d'état” by the opposition, consolidated the president's power. Only the Catholic Church tries to act as a veto actor, but is quite isolated in a mainly Islamic-dominated power circle.

Association and assembly rights exist on paper but can be limited at any time. Citizens form social associations, but the lack of resources and funding hinders the efficiency and efficacy of nationwide actions. Since the run-up to the presidential election in 2016, demonstrations are forbidden under the terrorism act. Police and security forces disperse all signs of gatherings, especially by student movements or trade unions. Nevertheless, during the period under review, unrest and protest marches took place in different towns for different reasons nationwide, but were brutally suppressed by security forces. Groups close to the government encounter no difficulties organizing rallies and meetings.

Effective power to govern

2

'06 '20 10



Association / assembly rights

3

'06 '20 10



Key civil society and trade union leaders are threatened and regularly arrested. There are allegations of torture during detention.

Especially younger leaders in civil society seem especially easily co-opted into the ruling elite and lose their credibility.

A decree from December 24, 2018 aims at controlling internationally funded NGOs. They have to disclose their budgets and pay 1% of it to the relevant ministry.

Following the introduction of the new constitution in May 2018, the ordinance regulating associations in Chad was amended. The new law (Ordinance no.023/PR/2018 of June 27, 2018) imposes a number of restrictions on associations that can easily be used by authorities to prohibit their formation, to dissolve them and to hinder their functioning. For example, the new law introduces a ban on “regionalist or community associations,” requires that associations obtain authorization from the Ministry of Territorial Administration to start operation and imposes hefty fines on people involved in the creation and administration of “unauthorized and unregistered associations” (prison terms of up to five years and fines of up to CFA 3 million, roughly \$5,100).

Furthermore, the law restricts the formation of federations of associations. This may be in reaction to the joining of forces of civil society organizations, political parties and trade unions within the Mouvement d’Eveil Citoyen (MECI), which campaigned against the mismanagement of public funds and called for democratic change. Authorities already prohibited all activities of this movement before the promulgation of the new law. Among other prescriptions, the law stipulates that prior authorization has to be obtained by federations of associations. The effects of the implementation of the new law on the operation of citizen’s associations should be monitored closely.

Chad’s constitution allows for freedom of expression and of the press. These freedoms are however regularly curtailed and there is constant threat against those voicing criticism of the authorities.

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. Recently, the National Security Agency (ANS) was given the power to arrest and a number of

Freedom of
expression

3

'06 _____ '20 10



journalists and leaders of citizen associations have since been arrested, some of whom allege having been tortured.

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 January 2018 and again since March 28, 2018, that is to say since the final steps towards the new constitution, social media platforms were and still are not accessible.

Independent media are under constant pressure; criticizing Déby can lead to detention. Journalists are regularly stopped from covering protests against government measures. In February 2018, the Chadian press organized a day without press to call attention about attacks on journalists and media by the security forces.

There are repeated cases of arrests of people partaking in demonstrations and especially of leaders of associations who organize protests.

3 | Rule of Law

The weak separation of powers has ceased to exist in Chad with the introduction of the Fourth Republic on May 4, 2018. In accordance with the constitution, the president is in charge of everything now. The post of the prime minister was abandoned; the president nominates the ministers, members of the Supreme Court and the Constitutional Court and other bodies. The actual president can still run for presidency twice. Since 2014, the president acts as 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. The president's governing party exerts hegemonic control over the parliament and will do so even more after the next elections when hardly any opposition parties will qualify to run. Some outspoken opposition members, like the head of the opposition, Saleh Kebzabo, try hard to offer a countervailing voice in public debates. The president hinders internal opposition through the use of repeated cabinet reshuffles.

According to the new constitution the Supreme Court is now the highest court; all other courts are under it, including the Constitutional Court and the National Court of Auditors. The president nominates the president of the Supreme Court and most of the judges.

Thus, the judiciary has ceased to be institutionally differentiated even in formal terms now and 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.

Separation of powers



Independent judiciary



Government officials and other influential persons, especially members of the governing-party clan, often enjoy impunity. If they are sentenced or fined, it indicates a behind-the-scenes power struggle and not a signal to implement law and order.

Corruption on all societal levels is one of the most prominent problems in Chad; it has been institutionalized and is not likely to disappear in the near future. It affects the lives of ordinary citizens on a daily basis, in legal procedures, where no civil servant works without “motivation” or police controls for no other reason than to find some money.

The General Inspection, founded in 2015, targeted custom, tax and treasury agents, as well as the police, after two years of work. But corrupt officeholders are not prosecuted adequately under the law. 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 cases of several members of the Déby clan in recent years. A study by SwissAid published in June 2017, pointing out the mismanagement and high level of corruption of the ruling elite which has impoverished the country enormously, was removed from the internet and is no longer available anymore to the public.

Anti-corruption campaigns, including the dismissal of teachers who could not provide the original copy of their degree in August 2017, has to be seen as a desperate search by the Déby government to cut public expenses and to show the IMF and World Bank that the crisis is not a structural problem, but due to individual behavior and corruption.

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

A new penal code was adopted on December 12, 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. After the attacks of Boko Haram in 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.

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. Cases of sexual or gender-based violence have been reported in and around the refugee, internally displaced people and returnee camps.

Prosecution of
office abuse

3

'06 '20 10



Civil rights

2

'06 '20 10



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. Unknown political opponents are more prone to physical harm than internationally connected ones.

Discrimination along ethnic, clan and religious lines exists in the administration, education system and the judiciary favoring those who belong to the ruling elite.

In the south, conflicts over land ownership between pastoralists and herders continue to lead to the violation of rights, and violence resulting in injuries and deaths. Despair sometimes leads farmers to take justice into their own hands. Their violent actions are met with greater violence from the herders often with the backing of state agencies (e.g. police, gendarmerie or military and ruling elite). Obtaining justice within the corrupted and controlled judiciary is very difficult.

4 | Stability of Democratic Institutions

The new constitution of May 2018 provides for democratic institutions on the national, provincial and local levels. Despite their formal existence in the past, they had limited scope for action. Therefore, the move to a presidential regime in a one-party republic allows speculation that the institutions will be even more ineffective than in the past.

According to Article 84 of the new constitution the president nominates the members of his government (Article 85) and judges (Article 153).

It is quite probable that the prevalence of nominating persons close to the inner circle of the ruling elite (family members of the presidential couple, members of their extended clan or other useful supporters) will continue in all spheres. The population is quite upset about the origin of the political nominations and patronage system, which further undermine democratic institutions and their performance.

Parliament is also lacking democratic legitimacy, as legislative elections have been repeatedly postponed since 2015. But some parliamentarians in the weak opposition include the few individuals (besides members of human rights organizations and the trade unions) who criticize government and obtain international attention.

Public administration again came repeatedly to a complete standstill. This was due to strikes, as the government refused to pay the reduced benefits it had agreed upon with the trade unions on March 14, 2018. Strikers were not paid, allowing the state to save some in salaries and increase the misery of the population, already on its knees.

Performance of democratic institutions

2

'06 '20 10



1

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. This was demonstrated in the National Forum in March 2018, which led to the new constitution and Fourth Republic, despite a boycott by the political opposition and civil society. Opposition leader Kebzabo sought dialog with Déby in May 2018, but was scolded by other members of the opposition.

The few outspoken members of parliament or other opposition leaders live under constant threat: The mayor of Moundou and candidate in the 2016 presidential elections, Laoukein Médard, was removed from office and held for four months in detention, until being freed without charges in 2017.

Little is known about the leaders of the military opposition outside the country. They seem to 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. Some leaders accepted the amnesty Déby announced with the Fourth Republic and went back to Chad after years of exile.

With the new constitution, democratic institutions became hollow as power is even more concentrated in the president than before. Paying lip service to these institutions does not hurt the effective powers of the president and his ruling class.

5 | Political and Social Integration

Estimations of the number of political parties range from 130 to 200. In 2011, 101 of them took part in the last parliamentary elections. 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 and 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. According to a new law of May 31, 2018, adopted by the Council of Ministers, which President Déby heads, parties must exist in at least 10 out of the 13 provinces and have taken part in two consecutive elections. It is quite likely that most of the long-established opposition parties will be dissolved.

Commitment to democratic institutions



Party system



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 financed by the government.

The constitution and labor code permit the foundation of and membership in trade unions, which are organized under three umbrella unions. The Syndicate of Trade Unions of Chad (Union des Syndicats du Tchad, UST) represents 30 trade unions and associations. The authorities have repeatedly sought to weaken the unions by threatening and denigrating its leaders.

During the period under review, the UST has frequently called for strikes and boycott days threatening to bring life in N'Djamena to a temporary standstill to force the government to withdraw the cuts of allowances of civil servants' salaries. Although the government made some concessions it did not keep its promises.

Outspoken critics of the government are routinely harassed and arrested. Human rights activists courageously point out at human rights violations and live under permanent threat. In this environment, cooperation between civil society groups is weak; mistrust is high and the fight for foreign resources competitive. Some civil society groups which express citizens' dissatisfaction are quickly co-opted by the regime; others emerge, like Tournons la page (Turn the page) in March 2017, as a merger of three movements. In spite of efforts at intimidation and recurrent detention of leaders of civic organizations, a number of such organizations exist, although some of them or their activities have been banned by authorities (e.g., IYINA (We are tired), Collectif Tchadien Contre la Vie Chère, MECI (National Movement of Citizen Awakening), and Ça doit changer).

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 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 and especially the youth is upset about the political situation, their own increasing poverty and daily struggle to survive. The increasing number of young people trying to leave the country illustrates the high level of frustration.

Interest groups

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Approval of democracy

n/a

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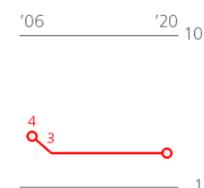
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Social self-organization and the creation of social capital do take place. Some 20,000 cooperative groupings operate in the country, but are mainly concentrated at the village and district levels. Small saving groups, primarily made up of women working 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.

Social capital

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II. Economic Transformation

6 | Level of Socioeconomic Development

Compared to previous years nothing has improved. The 16 Measures, an emergency action plan to cut government expenses introduced by Déby after his reelection in 2016, drastically reduced the populations' little spending power. Small businesses lost their clientele, while people are struggling to survive.

Question
ScoreSocioeconomic
barriers

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Chad is still one of the least developed countries in the world, ranked 186 out of 189 in the 2017 UNDP Human Development Index (HDI of 0.404), just above South Sudan, CAR and Niger. The overall loss in HDI due to inequality is 38.3%. All relevant indicators point to severe problems. In 2018, 65.5% of the population was living below the poverty line of \$3.10 per day. According to the 2018 Global Hunger Index, 45.4% of the population is undernourished; the country is the second to last out of 119 countries. Four million people were food insecure in 2018. 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 have risen even 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 0.708, Chad again held one of the three last places worldwide on the 2017 Gender Inequality Index. The literacy rate for women is 14.0% compared to 31.3% for men. Generally, Chad lacks the socioeconomic prerequisites to afford its citizens an adequate freedom of choice. The modest economic growth rate of the beginning of the 2010s was due to oil revenues but came to a standstill with the drop in the world oil price. The government has neglected completely economic diversification and remained a rentier state. It is obvious that Chad's oil revenues benefited only a small

part of the population. Social marginalization is structurally entrenched and is both qualitatively and quantitatively extensive.

Economic indicators		2015	2016	2017	2018
GDP	\$ M	10946.0	10090.9	9975.7	11302.5
GDP growth	%	2.8	-6.3	-3.0	2.6
Inflation (CPI)	%	3.7	-	-	-
Unemployment	%	2.2	2.4	2.2	2.2
Foreign direct investment	% of GDP	5.1	2.4	3.4	5.9
Export growth	%	29.2	-3.9	1.3	4.4
Import growth	%	-21.8	-10.4	-1.3	1.4
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	43.9	51.5	49.8	48.3
External debt	\$ M	2973.0	3018.3	3145.1	3242.4
Total debt service	\$ M	98.7	139.7	157.3	173.9
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	5.1	4.2	4.3	-
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	1.1	0.9	-	-
R&D expenditure	% of GDP	-	0.3	-	-
Military expenditure	% of GDP	2.0	3.1	2.2	2.1

Sources (as of December 2019): 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 2018 Index of Economic Freedom, Chad ranked 162 out of 170 countries (earning it an assessment of "repressed"). It is the last out of 140 countries in the World Economic Forum's 2018 Global Competitiveness Index and ranked 180 out of 190 in the World Bank's 2018 Doing Business report. It takes nine start up procedures, 60 days and costs 171.3% of the GDP to start a business.

The development of market competition is hindered by a number of factors, but the ruling elite is the biggest stumbling block, as it allows no climate for sustainable investments. On the contrary, successful investors are bound to support corrupt structures. Other factors are: the existence of a strong informal sector; difficult and costly access to energy (even in the capital, there is no reliable access); 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; and serious shortcomings in the rule of law.

The few private companies have to deal with high taxes. Government contracts, for example, for construction work, are part of the patronage system and remain within the ruling elite. The private sector remains insufficient and so far, privatization mainly enabled members of the ruling elite to gain senior management positions and plunder former state-owned companies. Completion in the private sector is not transparent.

Chad is a member of the CEMAC, whose six member states share a common central bank and a common currency pegged to the euro. In its last report in 2017, the United Nation Economic Commission for Africa emphasized that the Chadian Government has taken various steps to create a favorable environment for the development of the private sector, thereby promoting foreign direct investment. These steps are mainly intended to simplify the administrative measures involved in setting up a business and to reduce the administrative burden, through: the establishment of a National Agency for Investment and Exports and a Business Formalities Centre, as well as the establishment of a ministry for small and medium-sized enterprises and industries. All these steps are potentially able to create better conditions for a market economy. None of these measures, however, substantially minimizes the dominant position of the government.

As a member of the CEMAC, Chad is part of an economic community promoting regional cooperation. This includes a Regional Competition Agreement among its members Cameroon, Gabon, the Central African Republic and Chad. Operating according to a "two-tiered" model – as classified by the OECD – Chad faces two separate levels of competition policy jurisdictions: the regional level, where



competition infringements with regional impact are investigated by the regional competition authority, and the national level, concerning cases with a national dimension. However, as opposed to Cameroon, Gabon and the Central African Republic, Chad does not have national competition legislation. From a decision parliament made concerning a law on competition on November 13, 2014, it took the Council of Ministers until August 2, 2018 to adopt a decree on the creation of a council of competition, which eventually will control the market's antitrust policies. Chad is not a member of the ICN. The government regulates the formation of monopolies and oligopolies inconsistently. The state and foreign investors dominate the few market sectors.

The state owns the country's only water and electricity companies. The state-owned Société Cotonnière du Tchad Société Nouvelle, or CotonTchad S.N., has a monopoly on the marketing of cotton, the principal export commodity after oil and cattle. But the production and producers suffered gravely from mismanagement and corruption. In its search for money, the Chadian state sold 60% of this enterprise to the multinational Singaporean Olam in April 2018.

The Chadian telecommunication society (Société des telecommunications de Tchad – Sotel) was privatized in March 2014.

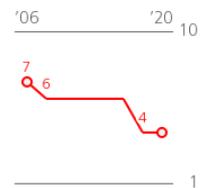
The oil sector is dominated by the Chinese National Petroleum Corporation (CNPC) and an international consortium made up of ExxonMobil affiliate EssoChad, Petronas and ChevronTexaco.

Chad has been a member of the WTO since October 19, 1996 and a member of GATT since July 12, 1963. In 2016, the simple average MFN applied was 17.9%.

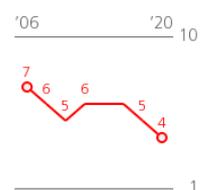
Protectionist measures, import quotas or export limitations defined by law do not exist.

The biggest enemy to the development of a favorable atmosphere for an open trade market is the overburdened bureaucracy and the high level of corruption at all levels of import and export. The Chadian state should be capable to pay its civil servants with import taxes at the capital's entry point at the Cameroon-Chadian border, but the cash till is mostly empty. The head of customs always is a person close to Déby, since October 2018 his 26-year-old nephew. Import 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.

Difficult climate and road conditions add to the rising costs of trade in and out of 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



Liberalization of foreign trade



constraints, roadblocks, corruption, cumbersome bureaucracy, and the closure of Chad's borders with Nigeria and Cameroun due to the threat of terrorism hinder trade.

Since independence Chad is a member of CEMAC. The central bank of the six CEMAC member states (Cameroon, CAR, Chad, Congo, Equatorial Guinea, Gabon) is the BEAC (Banque des États de l'Afrique Central), which is backed by the French treasury; the member states also share a currency, namely the CFA, which is pegged to the euro.

The country's banking system and capital market are supervised by COBAC. Former state banks have been privatized; currently nine commercial banks are operating in Chad. Credit is available from commercial banks on market terms, which average 16% to 25% for short-term loans. The country's banking system is weak; banks continue to face liquidity pressure. In March 2018, Chadian banks were capitalized with a capital adequacy ratio of 19.1%. The banking system offers scant opportunities for domestic investors. There are also two insurance companies and two pension funds.

Of bank assets, 65% are held by foreign banks (Société Générale, UBA and Ecobank) and 35% by a government-controlled bank. By the end of 2017, the bank capital to assets ratio came only to a moderate 11.4%. Non-performing loans increased from 2016 to 2017 from 20.9% to 22.9% of total loans.

Banks suffered from the economic recession, from high levels of arrears caused by public enterprises (like CotonTchad) and the government itself and dependence upon operations with the government and government-linked businesses. When privatizing CotonTchad, the government also cleared the arrears accumulated towards banks. BEAC launched the interim emergency liquidity facility in September 2017 to ensure liquidity. The banking sector faced significant risks to financial stability. On a smaller scale, this was also linked to the government's inability to pay reduced civil servants' wages on time. Indebted citizens were not able to repay their loans.

As the economy has 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.

Banking system

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8 | Monetary and fiscal 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. It prioritizes the control of inflation (it should stay below 3%), fiscal consolidation among its member states and the maintenance of the CFA franc's peg to the euro, although Déby has repeatedly demanded an independent currency. This should be read as steering anti-French sentiments, but not as a serious threat. As a response to the drop in oil prices, the BEAC raised its main policy rate by 50 basis points to 2.95% in 2017 and did not change it again.

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 and to -0.5 in 2017. As the cross-border trade with neighboring Cameroon and Nigeria was repeatedly disrupted, and the rainy season, not stable domestic prices, stayed volatile.

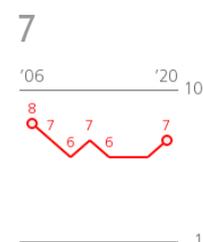
The Economist Intelligence Unit forecasts that inflation will remain moderate at an average of 1.1% in 2018 and continue to do so in 2019 as stronger economic activity is to be expected. But this also depends on the ability of the government to pay salaries on a regular base.

Chad's economy is still suffering from the oil-price shock of 2014 to 2015. The nominal GDP declined from \$14 billion in 2014 to \$9.9 billion in 2017, due to the drop in oil GDP and spending cuts. It should be mentioned that it is not only the oil crisis responsible for the economic crisis in Chad, but the high level of mismanagement and corruption as well. Transparency in state revenues does not exist. Chadian authorities claim that the difficult security situation especially in the Lake Chad region and the involvement of Chad in military missions in the Sahel region is a heavy financial burden. Transparency and good public financial management are further hindered by the continued use of emergency spending procedures to authorize extrabudgetary spending.

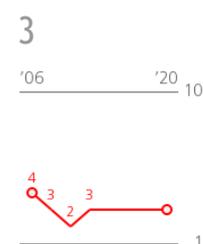
In recent years, the Chadian president and government have repeatedly claimed that they are lowering economic dependence on the oil sector and diversifying the economy. The new National Development Plan 2017 to 2021 from September 2017 therefore also emphasizes strengthening non-oil sector recovery and the private sector. Against the background of the current structural, political and fiscal difficulties, this is a very ambitious aim and needs close monitoring by the IMF and other international partners.

In 2017, public debt amounted to 47.6% of GDP, showing a slight improvement from the 51.2% in 2016, but still far from the 43.3% in 2015 or the 30.5% in 2013. External

Monetary stability



Fiscal stability



debt level rose slightly from \$1,617 million in 2015 to \$1,655 million in 2016 while total debt service was reduced from \$48.8 million in 2015 to \$40.8 million in 2016.

The heavy public debt burden forced the Chadian government in June 2017 to call on the IMF for help. Subsequently, the IMF approved a three-year ECF arrangement of \$312.1 million to achieve debt and fiscal sustainability.

Chad succeeded in restructuring its debts to Switzerland-based mining firm Glencore. Glencore had provided Chad oil-backed loans in 2013 and 2014 against future oil exports. Chad could not pay these loans because of the drop of oil prices; public spending suffered a big cut in 2015 to 2016. External debt rose and sound fiscal consolidation became impossible. The new contract of February 2018 includes a loan reduction from the year 2022 to 2030 and one in the interest rates. More important is the immediate release of ECF funds of \$49.09 million in June 2018, which had been on hold since the end of 2017 due to the slow progress of the deal with Glencore. The mystery of where the Glencore money has disappeared to is not solved.

Another condition of the IMF's ECF to solve the financial crisis was stricter fiscal policy and discipline especially on the public wage bill. This led to important cuts in bonuses and benefits, which went hand in hand with social tensions and strikes by civil servants. Nevertheless, the government was able to show decreased spending (which included also nonpayment of wages for several months). Serious issues, like the high level of corruption including control and accuracy of payrolls, high posts to members of the ruling elite, etc., were not consequently addressed.

Data on the current account balance and lending and borrowing are not available.

The 2018 budget was adopted on December 28, 2017. It provides for revenues of CFA 846 billion and spending of CFA 1.342 billion. It would lead to a deficit of CFA 496,625 billion.

9 | Private Property

Property rights are adequately defined by law, but their protection and enforcement are weak. Land law needs to be reformed but there is no pressure to do so. Bureaucratic obstacles to buying and selling property are high, requiring an expenditure of time of several months and many procedures. Chad was ranked 119 out of 125 countries in the 2018 International Property Rights Index.

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. A close alliance between them and some corrupt members of the notary system facilitates the de facto expropriation of land. Owners who do not belong to the power circle are unable to defend their rights. Land has become a scarce and sought-after resource especially in

Property rights

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the fertile south of the country by members of the ruling elite. Conflicting interests between farming and herding communities often overlap with conflicts over land and the preferential treatment of those close to the ruling elite.

Members of the security apparatus in particular easily take possession of private property like cars or motorbikes, which often are essential tools of survival for the population. Confiscation can equal loss or partial loss, as the property is taken or damaged until owners have paid the paperwork to claim it back.

Property disputes among individuals are often resolved privately because of widespread corruption in the court system.

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, nine procedures and imposes high costs on the entrepreneur. Investment is inhibited by difficult access to credits for Chadian nationals, state interference, high level of corruption, inadequate infrastructure, lack of technical expertise, burdensome taxes and underdeveloped markets. Employing and firing workers is costly and complicated. Chad favors foreign direct investment. Foreigners can own companies up to a share of capital of \$2,060,000.

The privatization of state enterprises has made some progress, but the state also opened up new ones. State companies offer valuable opportunities for patronage and corruption which favors their nonfunctioning. The parastatal enterprise, CotonTchad, still dominates the important cotton sector, but was privatized in 2018. While the state retains 35% and farmers own 5% of CotonTchad, food and agribusiness company OLAM has bought 60% of the company.

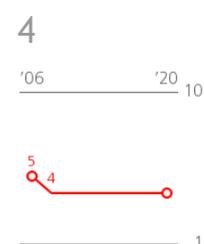
The state has retained control of the country's water and electricity providers.

10 | Welfare Regime

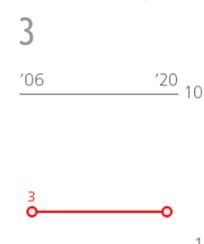
A public social safety for the majority of the population does not exist. Comprehensible pertinent legislation is also lacking. Only a small group of government, military and parastatal enterprise employees or those few working for development organizations benefit from social safety nets. Access to positions in these sectors is mainly subject to patronage and corruption, however. Chad ratified the ILO Convention No. 102 on minimum standards of social security and No. 122 on employment policy in 2015. But the majority of the population is not employed, so the convention is not even applicable.

Two security nets do function more or less: The national pension fund (Caisse National des Retraités) and a kind of unemployment fund (Caisse Nationale de Prévoyance Sociale). Preconditions to receiving benefits are difficult to meet, and the

Private enterprise



Social safety nets



two funds are also highly prone to corruption and victims of the empty treasury. Rightful beneficiaries hardly ever receive the whole amount of their assistance but have to share it with officials.

The majority of the population relies entirely on the informal sector and ethnic, clan and family structures to survive. However, 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 but also struggle to survive.

Health infrastructure and services are poorly developed, especially in rural areas. Strikes in the public health sector during the period under review and the lack of funds to buy medication on the international market led to a quasi-standstill and many deaths. Hospitals lack qualified medical staff. Government spending on health amounted to 2% of GDP in 2014. On many occasions, aid organizations step in, but cannot fill the entire gap. Life expectancy in 2016 was 52.9 years. Where health facilities exist, the comparatively high costs of services and drugs often hinder necessary treatment.

The old and the new constitution of 2018 call for equality before the law and forbid discrimination on ethnic, religious or gender-based grounds. However, these provisions have almost no relevance in everyday life.

Chadian society is highly stratified, and select members of ethnic groups close to the ruling Déby clan enjoy distinct advantages compared to southerners. As ethnic and religious affiliations are in most cases linked, Christians belonging to southern groups feel more and more marginalized.

Girls and women lack adequate access to educational institutions and public office. The woefully inadequate education sector cannot function as a compensatory institution, also due to high educational costs. Gender inequality starts at an early age. The literacy rate has declined drastically to 14.0% for women and 31.3% for men, with an overall average of 22.3%. 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 secondary and 0.2 at tertiary level. Some 88.1% of girls are enrolled in primary school, 22.7% in secondary school, and just 3.4% at the tertiary level.

Women make up 13% in parliament, the country's Gender Inequality Index rates 186 out of 189 countries in 2018. Women make up almost half of the labor force (45.8%). In civil society, several female leaders exist.

Violence, including sexual violence, against women is a common occurrence across all parts of the country and accepted in wide parts of the society. Although forbidden by law, girls are married underage and often leave school.

Socially, homosexuality is not accepted at all. The penal code of 2016 reclassified homosexuality as a petty offense rather than a crime.



11 | Economic Performance

Despite engaging in oil production since 2003, Chad has remained one of the least developed countries in the world, rated as low-income economically and financially fragile. Structural deficiencies, a rentier state mentality, combined with a high level of corruption, contribute to it being one of the least developed and most vulnerable economies in the world. Official national and international sources mainly speak of the oil price shock being responsible for the drop in the Chadian economic performance since 2014. However, corruption at all levels and a lack of preparation for price shocks (as originally foreseen in the future generation fund and other measures that were part of the deal that secured support from the World Bank for the first oil exploitation) has also played an important role and should not be overlooked.

During the period under review the per capita GDP (on a purchasing power parity basis) equaled to \$1,941 in December 2017 compared to \$2,188 in 2014, while the GDP sank from \$13,922.2 million in 2014 to \$9,981.3 in 2017. Foreign direct investment amounted to 3.4% of GDP in 2017 compared to -4.9% in 2014, while public debt was equal to 47.6% of GDP in 2017 compared to 39.4% of GDP in 2014. Comparing public and publicly guaranteed (PPG) external debt between 2008 and March 2018, PPG increased from 18% of GDP to 26% of GDP. Gross capital formation has been reduced steadily to 21.4% of GDP in 2017 compared to 26.2% of GDP in 2016 and 33.8% in 2014. Unemployment mounted to 5.9% in 2017, staying at the same level since 2007. But with a large informal sector and high rates of subsistence farming, few people outside of the formal economy are included in this figure.

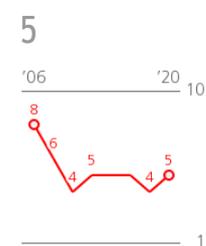
Inflation was estimated to have been -0.7% in 2017 and projected to be 0.3% in 2018, using data provided by state authorities and 2014 as a base year.

The current account balance, including official transfers, was reported by the IMF to have been -5.2% and -4.3% of GDP, respectively, in 2017 and 2018.

Tax revenues have been on the increase, with domestic taxes increasing since 2017, after having been on a decreasing trajectory since 2014. Figures covering net lending and borrowing are not available.

After two years of decline, the Economist Intelligence Unit estimated GDP will recover in 2018 to 2019 with growth averaging 2.8% a year. Hopes for this development are linked to the debt settlement with Glencore in 2018, which reduced Chad's external debt obligations. At the same time, the IMF gave way to ECF payments. An increase in global oil prices and new oilfields also contribute to this positive scenario. Nevertheless, it is necessary for Chad to diversify its economy to end dependence on the oil market. Economic activity was primarily driven by industry (15%), services (37%) and agriculture (50%). Oil remained Chad's principal export good, followed by cattle and cotton. The United States is the most important export partner, buying almost 40% of its exports, mainly oil.

Output strength



China became an important partner for the Chadian economy and buys 16% of its exports (four times more than during the last period under review) and provides 19% of its imports.

The oil refinery, constructed in 2011, could have helped Chad to become self-sufficient in refined oil products. However, mismanagement and price rigging have repeatedly led to severe shortages of oil inside the country and power cuts.

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 northwest raised hopes among some groups in the population and members of the ruling clan for a boost to GDP. President Déby negotiated an exploitation agreement for the gold reserves in the northern region of Tibesti with Israel in December 2018.

12 | Sustainability

Awareness of environment protection issues exists among some groups in the population, especially NGOs working for groups at risk, like nomads, and some women and youth associations. The population in general is far too occupied with daily survival to place much importance on environmental issues.

On the policy side, ecologically sustainable economic growth has gained some importance. A law defining general principles was adopted in 1998; the Ministry for Climate Change, Water and Fishery is responsible for its implementation. Some ecologically sensitive policies have been introduced in connection with oil production in the Doba region. However, the government is not ensuring adequate oversight over oil companies' environmental performance. Land no longer suitable for agriculture in the oil-producing region. 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. The potential environmental impact of the uranium and gold prospecting being undertaken by various international companies in Mayo-Kebbi and in the Guera can pose longstanding dangers to the environment. Gold mining in the northwest is unregulated.

The Directorate-General of Meteorology and the Directorate leading the Fight against Climate Change provide climate governance structures. Chad signed the Paris Agreement in 2015. The country ranked 137 out of 180 countries in the 2018 Environmental Performance Index, improving its status considerably.

Pollution exists. Refuse disposal is almost not existent. SOTRADA is the only Chadian industrial waste treatment company. Chad has yet to find an effective means of countering the key ecological problem of environmental degradation caused by

Environmental
policy

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deforestation and charcoal burning. In 2017, the country pledged to restore five million hectares by 2030 as part of the Bonn Challenge. Charcoal has been forbidden in the capital since 2009. The ban only increased corruption and prices on the population's primary means of cooking and heating water rather than stopping its use. Since 2010, the use of plastic bags is also forbidden in N'Djamena. However, the two bans represent isolated measures rather than a coherent framework for environmental protection.

A major environmental challenge of national and international concern is the falling water level of Lake Chad. 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 (established in 1964), composed of representatives of the five riparian states, is exploring how to avoid further erosion and improve circulation. Chad joined the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) in 2018 and is the first African state to commit to the sustainable management of transboundary waters through the principles and rules of international law.

Chad's education system has suffered heavily from a lack of investment over long periods of time and 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*) and increasing costs for parents.

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 more than half of the teachers and schools, especially in rural areas via parents' associations. 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 educational record continues to be poor.

In 2013, the latest year for which figures are available, public expenditure on education represented 2.9% of GDP. The overall illiteracy rate was 22.2% in 2016, which marks a slow downward trend (e.g., 28.38% in 2004). 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 baccalaureate results of 2018 showed an improvement over prior years: 38.63% of 79,631 candidates passed their exams.

The university complex in Toukra, 10 kilometers south of N'Djamena, inaugurated in 2012, could host 12,000 students if there are no strikes. University transport has broken down because of the financial crisis and lack of maintenance of buses. HEC Tchad, a private institute led by the former rector of the university of N'Djamena, achieved the status of university in December 2018.

Education policy /
R&D

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Governance

I. Level of Difficulty

A number of significant structural constraints prevent successful political and economic transformation, although bad governance is a key problem. 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 combined with poor levels of education. The ruling elite show no willingness to improve sectors like education, health care or to lessen poverty.

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 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 fertile southern oil-producing regions have become more difficult because of 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, partially a result of existing power structures and climate change.

Furthermore, the quality of public administration is decreasing rapidly due to generational change and high corruption which places members of the ruling elite into key positions.

Only infrastructure (roads, public buildings) saw some uncoordinated investment from oil revenues. However, due to corruption in commissioning contracts, outstanding payments and low quality of execution, these infrastructures projects are already eroding or waiting to be finished. In addition, electricity supply continues to be a major problem, despite the power plant in Djermaya and international support.

Chad hosts more than 650,000 persons of concern, refugees, returnees and internally displaced persons from Darfur (who only return reluctantly), the CAR, and from Nigeria and Niger in the Lake Chad region fleeing Boko Haram violence. Support from international organizations and local solidarity is limited.

Structural
constraints

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Diseases such as HIV/AIDS, and also regular waves of other infectious diseases like measles, are a heavy burden on the population. Malaria is among the highest causes of death.

Firmly rooted civil society traditions are almost nonexistent. Courageous individuals helped to the recent increase in activities of the frail civil society with the support of international advocacy work and financing. These largely address human rights issues, oil production and conflicts between farmers and pastoral groups. The number of Chadians active in civil society is limited; activists 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 and tries to obtain international recognition. Trust is low within civil society. 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.

Ordonnance 23 from June 7, 2018 and Decree 1917 from November 22, 2018 threaten the existence of NGOs, especially human rights organizations, if they make statements about political issues.

At the same time, foreign funding, especially for human rights advocacy is declining, and the government demands for 1% of international funding received (Decree 1917). 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.

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. Some Christians tend to feel discriminated against, as the ruling elite is predominately Muslim. Incidents like installing a Sultan in Sarh, a city with a longstanding Christian tradition, in May 2018 easily leads to more frustration.

Rebel groups have never disappeared completely, but a peace treaty with Sudan limited their movements and some of them went to Libya to find temporary safe haven there. On August 21, 2018, a new coalition (founded in 2016), the Conseil du commandement militaire pour le salut de la République (CCMSR), started attacking government troops in the Tibesti. Repeated attacks in the regions of Miski, near the gold mines, followed. Troop displacements show that government feels threatened and fears the loss of the gold mines. The government launched a military campaign in the whole of Tibesti (north) in August 2018, a region with several gold mining sites, to oust irregular miners. An Israeli company is supposed to start prospecting there in 2019 and thus protect the mines.

Civil society traditions

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Conflict intensity

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There were also clashes between the CCMSR and the JEM (Justice and Equality Movement) from Darfur, with CCMSR claiming that JEM received support from the Chadian army – a claim rejected by the authorities.

Chadian rebel movements in southern Libya are also growing. The government reacts to these threats with distrust towards any youth emigrating from its Sahelian regions, a distrust and mistreatment that has the potential to further disenfranchise and potentially radicalize marginalized youths.

II. Governance Performance

14 | Steering Capability

The Chadian president tries hard to present himself, the government and state institutions as reform driven and committed to democracy. But the steps leading to the new constitution and to the Fourth Republic in May 2018 prove the contrary. The president's main strategic interest lies in maintaining power. Therefore, the constitution was changed. The Forum for the Reform of Institutions (Forum sur la réforme des institutions) of March 2018 was boycotted by the opposition and civil society. Nevertheless, it developed propositions on political and administrative revisions in Chad, like the suppression of the post of the prime minister and a new delineation of provinces and electoral boundaries. On April 30, 2018, parliament, where the ruling party holds the majority, approved the new constitution with only two voting against. Opposition parties and the Catholic Church had asked in vain for a referendum, denouncing parliament as illegitimate, seeing that its mandate had been extended since June 2015 without elections.

Since May 4, 2018, Chad is a presidential republic, President Déby holds all power in his hands without any control mechanisms. His period of office was prolonged from five to six years, renewable once. This means Déby can present himself at the next presidential elections and – in case he is reelected – stay in power until 2033.

It is evident that the priority is not long-term perspective on policy measures, but retaining the grip on power by the president and his entourage. As in the former republic, ministers are not chosen in accordance to their ability, but to their closeness to the ruling elite; cabinet reshuffles take place regularly; the judiciary is not independent.

Although the international press showed some critique of the principles of the Fourth Republic, international partners and donors stayed surprisingly calm regarding the lack of democracy leading to the new constitution and in the constitution itself. To retain the political and military support of the international community (above all

Question
Score

Prioritization



France and, to a lesser extent, the United States), Déby has successfully presented himself as a guarantor of regional stability, particularly since the crisis in Mali and war against Boko Haram. 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, the management of the oil sector and the desperate search for funding to help to stabilize the state budget during the period under review. These policies are mainly advocated by the outside world, especially the IMF and the World Bank. Growing Chinese investment partially facilitated Chad's withdrawal from internationally imposed conditionalities. Chadian actors show no initiative to implement change, but are very active in looking for support beyond the classic donors, like Turkey, Israel, Qatar and Saudi Arabia. Frequent journeys by the president and high members of his cabinet provide evidence of these efforts.

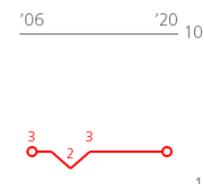
The World Bank reopened its office in Chad in 2009, after a previous breakdown in relations driven by disagreements over oil revenue management. Since 2010, the bank has emphasized the country's need to improve governance quality, strengthen the management of public finances, improve access to key social services, and improve regional integration. It was a key driver for organizing a donor conference in Paris in September 2017 to fund Chad's National Development Plan 2017 to 2021 (NDP), adopted in July 2017. Hardly any of the ca. \$12.9 billion funds pledged by public and private international donors, however, were finally unblocked. The new NDP focuses on economic diversification. The previous NDPs and Poverty Reduction and Strategic Growth papers promoted 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. 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. However, in terms of interregional security, it demonstrates high ability to be indispensable to international partners.

Nationally, there is not much demand for performance, as shown by the lack of control mechanisms over the president and the high fluctuation in 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 authoritarian character of the regime has in fact tightened even more with the Fourth Republic, 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.

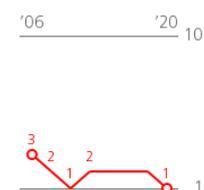
Implementation

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Policy learning

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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 ruling elite and its patronage system.

15 | Resource Efficiency

The government's efficient use of available resources – human, budget or administrative – is limited. Mainly, resources are used to ensure the survival of the current political leadership. Efficiency is not the priority.

Reliable information on government finances is lacking. Chad's leadership shows no intent to improve policy-making transparency. According to the Open Budget Survey 2017, Chad scored only two points out of 100 in terms of openness in government finances. The state provides scant information on the budget; there is no possibility for the public to engage in discussions about it.

State resources are generally considered to be the property of those who have access to them – at all political or administrative levels. The president has direct access to the treasury; customs collections went straight to a special account as one of his brothers acted as head of customs in 2015, since 2018, one of his nephews.

At all levels, appointments have consequences for the appointees. Therefore, political appointments should mainly be regarded as rewards to supporters or efforts to co-opt potential rivals. In general, helping someone to achieving a post in the administration includes the obligation to pay back this support. At the cabinet level, politically motivated dismissals and appointments are frequent in the new republic, with four reshuffles in six months. Again, political loyalty or punishment for perceived disloyalty counts more than efficiency.

Prime Minister Albert Pahimi Padacke, in office since February 2016 until his government's resignation on May 3, 2018, had reshuffled his government of 38 members several times. The new cabinet, presented by President Déby on May 7, 2018, consists only of 29 members, including two state ministers.

Since the financial crisis, new ministers no longer receive a high installation allowance. Generally, corruption is high in the ministries; ministers try to maximize their profit in their limited time in office.

In 2010, the number of members of parliament was increased from 155 to 188. 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. There are also more geographical departments in the north than in the south, but each department will have one member of parliament.

Efficient use of assets

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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. To cut expenses, the state introduced checks of offices or asked civil servants to present themselves with their degrees. On one of these occasions, several teachers were wounded by security forces in front of the education ministry in August 2017. As long as there is no political will to remove ghost civil servants at high levels, expenses will continue. Reforms to modernize the public administration are not in place.

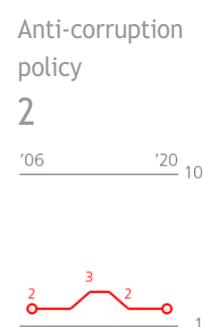
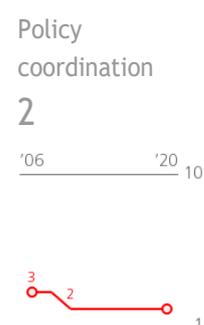
An overall coherent governmental policy does not exist. The only rationale of the ruling elite is to stay in power and retain access to state resources as long as possible. On a practical level, the situation has worsened with the abolition of the prime minister's post. As the head of state and government, the president is now responsible for everything, even for signatures on travel authorizations. Furthermore, it can be expected that conflicting objectives within the government will continue to be poorly coordinated in the Fourth Republic and ministers to tend to compete among themselves. Policy decisions will continue to follow Déby's pronouncements and not debates, as is indicated by the autocratic structure of the regime, the dominance of the president and the use of appointments to co-opt rivals.

Parliament no longer serves as a counterbalance anymore – even if it did only in theory in the old republic. But debates could still attract some attention.

Shifts in political direction are frequently 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, or cutting diplomatic ties with Qatar in August 2017, only to renew them just five months later.

Chad became the 186th state to ratify the United Nations Convention on Corruption on June 26, 2018, with the aim of facilitating the development of more effective actions to fight against corruption. A roadmap for the implementation of the convention has yet to be developed.

Diversion of funds is one of the most substantial problems. 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. Déby has denounced corruption regularly in public speeches. In view of the number of members of his or his wife's family holding posts in government and public services, this can only be understood as rhetoric. The anti-corruption court for economic offenses and corruption announced in January 2017 does not appear in



the new constitution of 2018. Only the General Inspection of the State has operated since 2015. Déby nominates the general inspector.

Accusations of corruption of former and serving senior government officials are often used to get rid of political rivals. Déby presented himself as a safeguard against corruption even when close family members were accused or arrested. Yet, the handling of those cases shows fighting corruption is not the prime objective of the president. Rather, it follows a regular pattern of allegation of corruption, arrest and successful prosecution of the accused, subsequent pardon, and eventually a return to high office. On the whole, a culture of impunity within a system of patronage hinders the effective handling of corruption. To a certain degree, accusations of corruption can be voiced, although they may be followed by intimidation or dismissal of the accuser, as happened to the minister of justice in 2017 and regularly to journalists and other members of civil society.

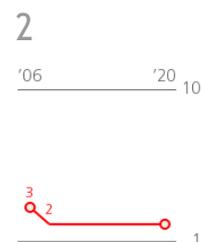
16 | Consensus-Building

Chad's political leadership does not pursue democratic transformation; it pursues 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. The most recent example is the new constitution which was written with a hot needle and without the participation of the political opposition and “real” civil society. On paper, both, government and opposition claim to be pro-democracy and for economic development (poverty reduction).

Both the government and opposition claim their will to build democracy and a market-based economy. But several leaders of the opposition parties, some civil society actors, and other significant actors have readily resorted to undemocratic activities. One of the few credible opposition leaders in recent years, 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 (Coordination des partis politiques pour la défense de la Constitution, CPDC), was killed after his arrest in February 2008. Déby tries to divide civil society, as well as the political opposition, and founded a Political Dialog Forum (Cadre National de Dialog Politique, CNDP) in the run-up to the 2016 elections, which was supposed to play a mediatory role in political disputes. The two other younger opposition alliances, the Convention for Change and democratic Alternation (La Convention pour le changement et l'alternance démocratique, CAD) and the Executive of Consultation of the Political Parties of the Opposition (Cadre de concertation des partis politiques de l'opposition, CCPPOD) are also not able to offer democratic alternatives or to oppose the state.

The candidates of the opposition parties formed a united opposition during the presidential 2016 elections, the Front de l'opposition nouvelle pour l'alternance et le

Consensus on goals



change (FONAC), to prevent Déby from securing a fifth term. 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 president of anti-democratic practices, mismanagement and corruption.

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 as the ruling elite tries to co-opt promising actors not only within the political but also within civil society sphere. Trade unions try hard to keep up a democratic profile.

During the period under review, there were hardly any serious threats to the government's control by extra-governmental anti-democratic veto actors such as the politico-military movements. The impact of the attacks in the Tibesti has yet to be seen. Troop movements of military forces to the north, however, prove that the government feels threatened by the attacks by the CCMSR, which was founded in Libya in 2016. So far, the government has managed to conclude peace agreements with most of the politico-military movements. The conflicts are about access to state resources and not ideologically driven. In his inauguration speech of the Fourth Republic, Déby promised a general amnesty to all political opponents (armed or not armed) in exile. Only a few, like Acheikh Ibn Oumar, returned after 25 years in exile in November 2018. But others, like former rebel leader Baba Laddé, who was arrested in 2014 by forces of MINUSCA in CAR, was sentenced to eight years in prison in December 2018.

Chadian society has different cleavages – religious, ethnic, social and regional – with even further divisions within those groups.

The government and religious leaders frequently call the various communities for national reconciliation. However, the government lacks the political will to actively pursue conflict resolution and pays only lip service to national reconciliation. It exploits the divided nature of Chadian society to achieve its goals and ignores civil society organizations' demands for an inclusive national dialog. 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.

Déby's rivals and nephews, the Erdimi brothers, joined the rebellion in 2005. Little is known about the palace coup attempts that pose a permanent threat to the president. These power struggles within the inner circle point to cleavages along sub-clan lines

Anti-democratic actors

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Cleavage / conflict management

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and are dealt with within the elite. Patronage plays an important role. By changing his name to Déby-Itno in 2006, Déby showed an effort to win loyalty from his grandfather's Zaghawa clan. The dominant role of the first lady's Arab relations become more evident as her relatives occupy ministerial and other high posts in public administration. Other northern ethnic groups feel increasingly excluded from power.

The population in the country's south has grown increasingly discouraged over its exclusion from power and resources and experienced a takeover by northerners who belong to the political and commercial elite. Though frustration is growing, southerners have no political or military strength to change their situation.

The political leadership considers the state and its revenues more or less as its property. So, it is not surprising that the primary aim is to keep away civil society from the political process or even decision-making. The government frequently ignores civil society actors, preferring to formulate policies autonomously.

The new Order 023 of June 7, 2018 and Order 1917 of November 22, 2018 demonstrate that the state may intend to further hinder the work of civil society groups, as it can now refuse authorization to any associations or NGOs which might be critical, regional or communitarian-based or act against good manners – without further specification.

Though the religious leaders meet on a regular basis with the president, it can be doubted that they have a lot of influence on him. Religious institutions organize annually the Day of Prayer and Reconciliation, but President Déby is the key speaker.

Critical journalists and other critical voices from any civil society associations are regularly harassed or prosecuted.

One association, though, is gaining growing influence: The Foundation Big Heart (Fondation Grand Cœur) was inaugurated by the president's wife on January 11, 2017 and has rapidly gained influence on the charity and political scene. Hinda Déby is president of the foundation; she is often seen in the newspapers and on television distributing alms to the poor and children. High-ranking members of the foundation quickly have access to political posts. It is too early to speak of a training ground for future politicians or to conclude that generosity to the foundation pays off in the long run.

Déby took power from former President Hissène Habré by force in 1990. Déby was the commander-in-chief of the armed forces under Habré. Officially, silence was maintained concerning the crimes of the Habré regime. But an American and a Chadian lawyer, Jacqueline Moudeina, fought hard until Habré could be accused of perpetrating crimes against humanity during his rule. After 23 years in exile in Senegal, he was finally arrested in June 2013. On May 30, 2016, he was sentenced to life imprisonment. The Extraordinary African Chambers in Dakar rejected his appeal

Civil society participation

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Reconciliation

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on April 27, 2017. Habré's life sentence for crimes against humanity, war crimes and torture was upheld. The chamber ordered him to pay substantial amounts in reparations to 7,396 of his victims.

However, the government has put no real emphasis on coming to terms with the crimes, traumas and memories associated either with the years of civil war prior to Déby's regime or the ongoing internal conflicts. As long as the current leadership continues with its numerous abuses of power, justice and reconciliation are a long way off. In the Fourth Republic, the institution of the national mediator, who could help to appease conflicts in some cases, has ended.

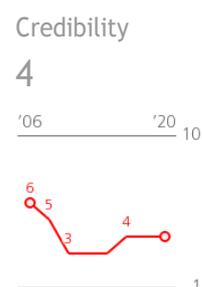
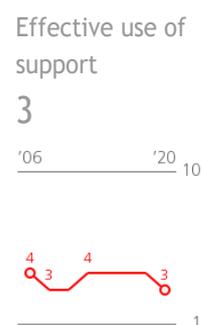
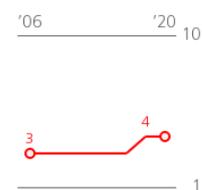
Repeatedly, Déby announced amnesties to get rid of political or politico-military rivals, the last time during the inauguration of the Fourth Republic in May 2018. Those who decide to come back after years of exile are not a real threat to his power.

17 | International Cooperation

The government has no clear aims for economic development. The political priority of the ruling elite is to stay in power. During the period under review, the government's priority was to find financial support in order to be able to keep the national budget and the state running. The 2017 Paris donors' conference was considered a hopeful undertaking, but it is not transparent how much of the pledges were finally made. Extensive journeys by the political leadership around the globe also served a money-finding purpose.

The government is willing to cooperate with external supporters and actors, subject to considerable limitations. Cooperation is more accepted in economic than in the political sphere. 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.

As in previous years, the government successfully acts as a credible international partner in security matters and as the only stable regime in the region. When it comes to implementing international standards (especially regarding human rights, good governance, etc.) within the country, the government is far less reliable. Security, political, economic and strategic interests have kept France, the European Union and the United States from pushing strongly for democratic reforms. Germany, however, did not resume bilateral cooperation as the Chadian government had hoped, after the visit of the German minister for development to N'Djamena in August 2018.



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

Under Déby, Chad has signed a number of international conventions. However, this does not automatically imply that they are followed on the ground.

Regional cooperation is influenced by security concerns caused by Islamist extremists in the Sahel region and, to a lesser extent, by real or assumed threats to the regime from rebel groups in neighboring countries. Chad usually complies with the rules set by regional and international organizations. Déby regularly invites his regional colleagues to summits in N'Djamena and attends summits in others regional capitals. The country is a member of the AU (the Chadian and Déby confident Moussa Faki is chairperson of the AU Commission since April 2017), CEMAC, the Lake Chad Basin Commission (LCBC) and the G5 Sahel.

Chad, Mali and Niger signed a juridical convention on May 5, 2017 to strengthen border controls. At the same time, the six CEMAC member states abandoned visa requirements for their nationals on November 11, 2017.

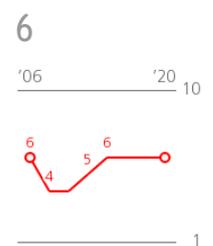
The longtime, stagnating LCBC gained importance with the threat of Boko Haram and the creation of the Multinational Joint Task Force (MNJTF) (which also includes Benin) in 2015 to fight Boko Haram and restore peace in the areas affected by Boko Haram and other terrorist groups.

Under the pressure of French diplomacy and the deteriorating security situation, the five Sahel countries, Mali, Niger, Chad, Mauritania and Burkina Faso created a joint force in Bamako on February 7, 2017.

Chadian-Sudanese relations continue to be strained. Chadian rebel activity on Sudanese soil can be read as a yardstick. However, direct attacks have not occurred from the Sudanese side but only from Libya. The situation at the Chad-Libyan border is not very clear. Déby and General Haftar continue their good relations. At the same time, Chad also tries to strengthen ties with Egypt.

Chad tries to continue to interfere in the politics of its southern neighbor CAR, but is less successful than in the past, when it supported the Muslim Séléka rebels, who fought against the Christian-dominated Anti-Balaka. Chad withdrew its troops, which were part of the AU's Mission internationale de soutien à la Centrafrique (MISCA) in 2014.

Regional
cooperation



Strategic Outlook

The ruling elite proved extremely obstinate and resistant to political and economic reforms which could lead to democracy and responsible market economy. On the contrary, the new constitution of 2018 confirms its will to hold on to power and state resources as long as possible – even if the presidential mandate will be limited to two terms from 2021 onwards. Under the threat of Islamist terrorism and migration (though not yet a significant phenomenon in Chad), the international community, above all France, seems to be prepared to support a regime that limits space for democratic political and civil society actors even further and tries to acquire international funding to continue a patronage system at the expense of the population, democratic liberties and market reform. Having said this, it is almost impossible to suggest how to handle Chad's main problems.

It would be desirable to strengthen the democratic political opposition and actors in the run-up to the legislative elections scheduled for 2019. But this is made significantly more difficult by the new constitution and subsequently revised laws. Parties can now be dissolved if they do not meet requirements, like having constituencies in at least 10 out of 13 provinces.

It would be extremely desirable to continue to work with outspoken human rights and civil society actors via direct funding instead of cooperating with the state. However, Decree 1917 limits the scope of space of NGOs and menaces them permanently with closure. Furthermore, the state will profit from successful fundraising of NGOs (as 1% of international aid has to be handed over to authorities) and control them even further.

Members of the opposition, civil society activists, trade unionists and other outspoken people need special protection from the international community as they continue to be victims of persecution and human rights violations.

Against the background of the economic and social crisis, it would be desirable to pressure the Chadian ruling elite to reimburse revenues which were taken out of the country during the oil peak.

International partners cannot replace the state and take over its tasks, but some minimum health service needs to be available for the impoverished population; the education system on all levels needs to be reconstructed. Otherwise, another generation will be lost in Chad and only the children of the ruling elite will be able to successfully learn and study – abroad.

Chad will continue to be dependent on international funding; the president would prefer budget funding. The IMF and World Bank and other donors should ensure mechanisms to avoid budget funding, but to monitor projects and funds closely so that they do not disappear into the patronage system. Furthermore, economic diversification should be realized, instead of producing one strategy paper after another.

The risk of Islamist terrorism will continue in the Sahel. Therefore, Chad will remain an important ally for the West. However, the European Union, France and other countries 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, even at the risk that Chad might turn to other partners such as China, Saudi Arabia or Turkey. It has done this already.