

BTI 2016 | Chad Country Report

	scale	score	rank	trend
Status Index	1-10	3.50	# 113 of 129	
Political Transformation	1-10	3.50	# 104 of 129	➔
Economic Transformation	1-10	3.50	# 114 of 129	➔
Management Index	1-10	2.79	# 117 of 129	

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	13.6	HDI	0.372	GDP p.c., PPP \$	2182.0
Pop. growth ¹	% p.a.	3.3	HDI rank of 187	184	Gini Index	43.3
Life expectancy	years	51.2	UN Education Index	0.256	Poverty ³	% 64.8
Urban population	%	22.3	Gender inequality ²	0.707	Aid per capita \$	30.4

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

The period under review was domestically dominated by Idriss Déby's (Itno) strong presidency, with the governing Patriotic Salvation Movement (Mouvement Patriotique du Salut, MPS) and its allies holding a comfortable parliamentary majority, and debates on the procedures for the forthcoming elections in 2015 and 2016. With regard to international affairs, instabilities in Darfur, South Sudan, Libya, Central African Republic (CAR) and northern Nigeria as well as in the north of Mali affected the political and economic situation. While Chad still takes part in the United Nations Stabilizing Mission in Mali, Chadian troops were withdrawn from the CAR in April 2014.

Regional unrest poses a risk for the political stability and security of Chad. So far, conflicts and armed forces have not spilled over into the country, but about 100,000 refugees fled from the CAR into Chad. This has brought the number of refugees and internally displaced persons to around 620,000. Chad is only able to manage this situation with the aid of the international community. The conflicts have, however, offered the Chadian president an opportunity to extend his regional influence by acting as mediator and using the country's military force to gain international reputation and support. Due to the Chadian participation in fighting Islamists in northern Mali, relations with France have improved. France chose N'Djamena as the headquarters of her new military mission "Barkhane" in the Sahel. In addition, Chad has earned international recognition for its collaboration with the United States in fighting terrorism in the region. This recognition further reduced international criticism of Chad's democratic progress.

The weak opposition tried to promote transparent and fair elections in 2015 and 2016 by attempting to influence the composition of the electoral commission (CENI) and insisting on the introduction of biometric voter registration. Additional bodies to oversee and support CENI have been established and the composition of CENI has been changed to include civil society. Whether a more democratic electoral process will result from these changes remains to be seen and is doubtful, as the president has ensured that important processes remain under his control.

The latest (alleged) coup attempt occurred on 1 May 2013, but it appears to have been staged by the government to intimidate and allow for a wave of arrests of critics (parliamentarians, pro-democracy activists, journalists, army officers and others). Parliamentary immunity was lifted to allow for the arrest of parliamentarians.

Given its international standing, military strength and a lack of threats from rebel movements at its borders, the government continued to have a tight grip on the opposition inside the country (targeting the political opposition, critics within civil society, journalists and others). Strike activities were limited. Open protest against the government only took place at the end of 2014, when young activists joined strikes by teachers and others. Subsequently, a new civil society movement “enough is enough” (*trop c’est trop*) was created.

In Senegal, the procedures for an international tribunal for the former Chadian dictator Hissène Habré (1982 – 1990) are being set up. Habré was arrested in June 2013.

Macroeconomic performance remained stable due to continued oil revenues and favorable harvests during the period under review. Inflation was low, but the rising cost of living following higher fuel prices sparked protests in November 2014. As only a minority is profiting from oil revenues and the patronage system of rule, the gap between rich and poor continues to widen.

Chad did not manage to diversify its economy during the period under review and remains heavily dependent on oil revenues. The IMF and World Bank continue to push for broader economic diversification. The opening of new oil fields might temporarily lessen fiscal vulnerability, but is not a long-term solution. Relations with the China National Petroleum Company (CNPC) and Chadian government were repeatedly strained but China continues to be an important investor.

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

History and Characteristics of Transformation

In the early 1990s, Chad took its first steps, more or less simultaneously, toward economic and political transformation. Foreign funding in the mid-1980s had helped reconstruct the state and its institutions in the wake of a devastating civil war.

Shortly after its independence from France in 1960, Chad plunged into civil war, with battle lines drawn roughly between the Muslim north and the Christian/Animist south. While this north-south conflict continues to define Chad’s political landscape, tensions within the major ethnic groups are also a factor. Individual political leaders also play significant roles in violent conflicts.

After years of civil war, Idriss Déby, an ethnic Zaghawa and former army chief of staff, overthrew President Hissène Habré in 1990 and promised political transformation. In 1993, a national conference led to a constitutional referendum and, ostensibly competitive, presidential elections

were held in 1996. Déby won the presidency under dubious conditions. Multiparty parliamentary elections in 1997 established the hegemony of his party, the Patriotic Salvation Movement (Mouvement patriotique du salut, MPS). A constitutional amendment in 2005 gave way to an unlimited number of presidential terms. Déby is expected to run for office for the fifth time.

In the 1990s, various political-military movements with guerrilla activities in peripheral regions challenged the central government's power. During the 2000s, rebel attacks continued, with rebels regrouping in Sudan and the Central African Republic (CAR). In February 2008, rebels almost succeeded in overthrowing Déby and were only stopped at the presidential palace. Some rebel leaders were later arrested in Chad, but Déby granted them amnesty on the 50th anniversary celebration of Chadian independence.

From March 2008 to December 2010, an EU mission (European Union Force, or EUFOR) and then a U.N. mission (U.N. Mission in the Central African Republic and Chad, or MINURCAT) were present in eastern Chad with the aim of stabilizing Chad's border with Sudan and protecting around 250,000 refugees from Darfur and 180,000 internally displaced persons.

In January 2010, Chad and Sudan agreed to protect their shared border and expel rebels from their territories whom they had formerly supported the each other.

Until the Déby era, internal conflict precluded any steps toward a market economy. Starting from scratch in practically every respect, Chad had to seek external assistance and successfully completed an enhanced structural adjustment facility (ESAF, 1996 – 1999) with the IMF. This set the stage for a poverty reduction and growth facility (PRGF, 2000 – 2003) which, along with a poverty reduction strategy paper (PRSP) completed in June 2003, was necessary to qualify Chad for access to the Highly Indebted Poor Countries (HIPC) debt relief initiative. Chad has not yet reached the completion point. In November 2004, the IMF and the Chadian government agreed on a new PRGF for 2005 – 2007. Erratic performance by the Chadian government, however, led to the suspension of a tentatively planned 12-month extension of the PRGF (beginning February 2008). In June 2010, Chad presented the IMF with the second PRSP (2008 – 2011), which focused on restoring security, improving governance, achieving greater economic diversification, strengthening institutional capacity and promoting human development. The national Development Plan 2013 – 2015 is considered as Chad's third PRSP and focuses on a sensible set of priorities, notably on the creation of new productive capacities and opportunities for good jobs, human capital development and the fight against inequality, poverty and social exclusion, environmental protection and climate change adaptation, and improved governance. Irregularities in the execution of these reforms, particularly in the form of arms purchases and corruption, signal the government's limited commitment to market-economic reforms.

Hopes that Chad would witness substantial socioeconomic improvement following a 2000 World Bank agreement to provide political backing for the construction of the Chad-Cameroon pipeline were short-lived. The agreement stipulated that the government allocate 72% of its oil revenues for education, health infrastructure and larger development goals, including an account for future generations. Given the relatively limited amount of proven oil reserves in Chad (30 years), these

investments were considered key to ensuring long-term development. These anti-poverty spending targets were never met. By 2008, the World Bank pulled out of the project after Chad agreed to repay \$140 million ahead of schedule. A Chinese-Chadian consortium constructed an oil refinery and Chinese funding has enabled road network developments designed to link together some provincial towns.

After the beginning of substantial oil production in 2003, Chad has replaced its former dependence on agrarian commodities, particularly cotton and cattle, with oil revenues and shows no real effort at economic diversification.

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

Question
Score

Compared to previous years, the state's monopoly on the use of force expanded further during the period under review. These gains are due to external and internal factors. Significantly, the rapprochement between Chad and Sudan that resulted in a peace treaty in January 2010 has held. The presidents of both countries are on speaking terms and the situation at the Chadian-Sudanese border largely remained stable.

Monopoly on the
use of force

7

Fears that Chadian rebel groups might use the 2011 crisis in Libya to invade the country from the north did not materialize, though in April 2013 the Chadian president accused the Libyan government of hosting a training camp for Chadian rebels. Timane Erdimi, Déby's nephew and rebel leader of the Union of Resistance Forces (Union des forces de la résistance, UFR), threatened to take up arms in March 2013. This, however, remained only a verbal threat.

The Chadian and Libyan governments are both concerned about the security in the border region and in the Sahel, which has become threatened by smugglers and Islamist terrorists particularly since the international intervention in Mali. This shared concern has fostered better relations. In addition, Chad obtained French support to secure its border with Libya in early 2014.

Conflicts in neighboring countries – Darfur, South Sudan, Libya, Central African Republic (CAR) and northern Nigeria – pose a constant insecurity. To stop cross-border violence, Chad closed its borders with the CAR on 12 May 2014.

Supposed coups d'états attempts such as on 1 May 2013 (which most likely was orchestrated by the government) and small revolts in military camps did not threaten the state.

Baba Laddé, leader of the Popular Front for Recovery (Front populaire pour le redressement, FPR), the last rebel leader to have signed a peace accord with the

government in September 2012, was appointed prefect for the border region of Grande Sido in July 2014. He was dismissed of his functions by a presidential decree in November 2014 and arrested in the CAR in December 2014 by members of the AU Mission. He had his fighters in the CAR and there were fears he might try to take up resistance against the government again.

Insecurity continued in the refugee camps in eastern Chad, particularly for women and children.

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

State identity

8

However, the distribution of power, structure of power relations and access to economic power increasingly follow ethnic and religious lines. Preferential treatment is primarily given to members of the ruling clan and the family of the president, then to other northerners and Muslims. Christians and people practicing a traditional African religion (Animist) encounter discrimination on many levels, although they work as civil servants or in government in secondary roles and have even been ministers. The current prime minister is from the south, following the unwritten rule that the state's two highest positions should be split between the northern and southern regions. The legitimacy of the nation-state and its borders are generally not questioned, although many intellectual southerners are frustrated because they consider themselves as "second class citizens." There also seems to be a growing anti-southern tendency among leading state representatives in the north.

Following the French example, the secular constitution guarantees the separation of state and religion. Muslims (about 55% of the population) dominate the government and are overrepresented as government officials. Muslim and Christian holidays are public holidays for all and are equally celebrated. Interreligious dialogue between the religious leaders of the country takes place regularly and they preach peaceful coexistence. The leaders of the three biggest religious groups are present at state ceremonies.

No interference of religious dogmas

8

Religious extremists have to date commanded little political influence. However, religious ideas have some influence on societal issues such as the role of women. Reports of al-Qaeda and Boko Haram activities in Chad remain vague, but the presence of Boko Haram in neighboring Nigeria and Cameroon is a threat to the government (it was only after the end of review period that Chadian Troops clashed with Boko Haram rebels in Northern Nigeria). Déby declared a total war against Boko Haram in May 2014, which responded with threats to the Chadian capital. It is believed that the Boko Haram recruits in Chad and has some contacts in the political

leadership. It also has been speculated that al-Qaeda-related groups are involved in illegal trade activities in the north. The Chadian government, like other governments militarily involved in Mali, sees al-Qaeda as a potentially destabilizing force.

State representatives enforcing law are found in important locations, but it would be misleading to say that state services are universally provided, as the administration functions poorly and is highly inclined to corruption at the expense of the local population (e.g., concerning pension payments or the distribution of other funds). For example, the right to print passports was given to a private firm owned by a relative of the president.

Basic
administration
3

Communication, transportation and other basic infrastructure are provided in the capital and increasingly in provincial towns, but not in rural regions. The intense but uncoordinated construction of infrastructure (schools, universities, hospitals, prestige buildings for local governors, roads) continued. Many buildings remained empty as, in many cases, personnel to run these facilities and even students were lacking. Recent phenomena, especially in the capital, are half-finished governmental prestige buildings which have been abandoned due to lack of financing, such as the Chadian Television multistory building.

Basic schooling is often provided, but is run and paid for by parents themselves. Literacy rates have increased, but remain low. Basic health services can be found in towns, in more remote areas they are rare or non-existent. Maternity and infant mortality rates are among the highest in the world. Only 12% (2012) of the population has access to improved sanitation facilities, and 51% (2012) to an improved water source, both having slightly increased in the past years.

2 | Political Participation

Universal suffrage, the right to campaign for office and democratic elections exist on paper but not in practice. Violations of the principles of free and fair elections have consistently marred elections, although the European Union and the African Union certified the 2011 legislative polls as free and fair aside from logistical problems. Legislative elections due in 2006 had been postponed several times. An agreement between the ruling party and the opposition parties that emphasized the need for electoral reform, the composition of an independent electoral commission and a revised census was reached under the auspices of the European Union in 2007.

Free and fair
elections
4

Legislative and presidential elections took place in 2011, and municipal polls in 2012. The governing MPS party won 117 of 188 parliamentary seats. Including its allies, its governing bloc comprises 133 seats. The weak and divided opposition had little visible presence, and had limited ability to campaign outside the capital due to a lack of finances and access to the media.

The presidential elections were boycotted by the opposition due to controversy over new voter cards. Déby won with 88.7% of the valid votes.

In the run-up to the next elections (regional and departmental elections should have been held in 2014, parliamentary elections are due in 2015 and presidential elections in 2016) the composition and the presidency of the electoral commission (CENI) were points of conflict between the government and the opposition as well as the introduction of biometric voter registration. Following an agreement in April 2013 the composition of CENI has been changed to include civil society and is now composed of 17 members of the presidential majority, 17 of the opposition and 6 representatives of civil society. The agreement also created a new body, the National Policy Framework for Dialogue (Cadre National de Dialogue Politique, CNDP), to supervise the CENI. In addition, a technical office was created, the Permanent Elections Bureau (Bureau Permanent des Elections, BPE), to support the CENI.

In December 2014, local CENI branches were not yet installed, but the introduction of biometric voter registration was still considered feasible in the available time – for the political opposition a precondition for the next elections. Lack of capacity in the electoral bodies and perceptions of attempts by the ruling party to control important processes – such as the management of electoral lists – continue to nourish suspicions about the truly democratic nature of the electoral process.

While democratically elected in formal terms only, the current government has, for the most part, the effective power to govern. The government originally emerged from the ranks of the armed forces. The security apparatus is not under civilian control and remains something of a veto actor. Genuine or staged coup attempts have occurred in recent years. A May 2013 coup attempt from within the ranks of the armed forces (mentioned elsewhere) is likely to have been a pretext to crack down on potential rivals and opponents. As commander-in-chief of the army, the president is the de facto decision-maker. Repeated dissolutions of parliament, cabinet reshuffles and military reshuffles have helped to consolidate his power.

Effective power to govern

2

Fraud accusations and repeated arrests of members of the government and high-ranking members of the administration, none of which would have been possible without the president's consent, demonstrated his ambition to prevent the emergence of potential rivals and to intimidate even his followers.

Citizens are allowed to form independent political and civic groups, and can assemble relatively freely. They use this right especially for social activities, but the lack of resources and funding hinders the efficiency and efficacy of nationwide actions.

Association / assembly rights

4

During the period under review, civil society and unions mainly used complete boycott days (*ville morte*) rather than demonstrations. The biggest protests took place during a “day of anger” in November 2014 with demonstrations in N’Djamena, Moundou and Sarh. An action group of young people, pupils and students, who call

themselves “trop c’est trop” (enough is enough) were at the forefront of the crowd who demonstrated against high living costs and a shortage of fuel. They joined forces with striking teachers, claiming their long outstanding pay and promised pay rise, and lawyers. The government reacted by announcing it would pay the teachers. The partially violent demonstrations (burning of vehicles, clashes with police) and security forces using live ammunition resulted in several injuries among the demonstrators and police and at least two dead demonstrators. In the aftermath, some pupils who participated in the demonstrations were arrested. Following the demonstrations, a coalition of 19 civil society organizations was created using the name “trop c’est trop”. It includes human rights groups, unions, student and lawyers associations and aims at addressing problems of governance, along with questions on the cost of living. In December 2014, the coalition claims to have been prevented by the police from holding a press conference on a scandal involving the government and SOGECT, the company contracted to produce official documents and belonging to a nephew of president Déby.

Chad’s constitution allows for freedom of expression and of the press. Private newspapers are available only in N’Djamena and seldom reach the rural population, which relies mainly on radio broadcasts for information. The state runs one radio station with several channels and more than a dozen stations are private or run by religious organizations. The state owns one of the two television stations, TeleTchad; the private Al-Nassour was launched in 2011. The High Council of Communication (HCC), which is responsible for granting licenses, is considered to be independent of the government and controls most radio contents. In addition, licensing fees are high. Internet access is available but only used by a small group of young people who can afford it.

Pressure on independent media continued in 2013, especially against critical journalists, editors-in-chief of independent journals and also against bloggers. In 2013, quite a number of them were threatened, imprisoned and released with a suspended fine, which put them in a precarious legal position as they are closely followed by the authorities. A team from Reporters Without Borders were not allowed to enter Chad in June 2013. Critical voices outside the country are also subject to harassment: the Chadian blogger Makaila Nguébla was expelled from his Senegalese exile after the Chadian minister of justice visited the presidency in Dakar.

The harassment of journalists continued in 2014 with short-term arbitrary arrests sometimes accompanied by beatings, the suspension of media outlets and threats by the HCC president or President Déby against “divisive” journalism.

Leaders of civil society groups also continued to be intimidated verbally and/or physically.

Freedom of
expression
3

Independent newspapers face financial burdens, as it is becoming increasingly difficult for them to attract advertisers, in part because of government pressure.

Chad ranked 164th out of 197 countries and was deemed “not free” in Freedom House’s Freedom of the Press 2014 survey.

3 | Rule of Law

The separation of powers exists in Chad from a de jure perspective, but is weak in practice. The president appoints the prime minister, the members of the constitutional court and Supreme Court, and other bodies. The passage of a constitutional amendment in 2005 granted him the ability to run for the presidency an unlimited number of times. There is thus no de facto separation of powers and no efficient system of checks and balances. Transformation and reforms are hindered by the dominance of the executive branch as well as by the lack of an independent and efficient judiciary. The president’s governing party exerts a hegemonic control over the parliament. The opposition sometimes offers a countervailing voice in public debates, but is weak and with few exceptions has been co-opted into the government. The president, in his role as prime minister, prevents internal opposition from developing through the use of repeated cabinet reshuffles. The number of ministers was reduced from 42 to 27 in April 2014. A constitutional change in 2014 allows the president to be the head of his party and president at the same time.

Separation of powers

2

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

Independent judiciary

2

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

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

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

Prosecution of
office abuse

3

Through Operation Cobra, a program officially launched in June 2012 to fight corruption and promote good governance, more than €40 million of defalcated public funds were reported to have been recovered. The program has, however, not yet resulted in any criminal consequences. It is assumed that high office holders, such as the different majors of N'Djamena, who were expelled from their office because of suspected corruption had lost the political goodwill of the leadership.

Corruption has become institutionalized on all levels. It can be seen as part of the clientelist system in place, whereby the president frequently reshuffles positions, allowing officials to enrich themselves through corrupt practices during their time in office.

The 2014 Country Policy and Institutional Assessment of the World Bank lists Chad with a CPIA score of 2.6 (the average for other African countries is 3.5). Déby pretended to be so concerned about this assessment that he demanded an end to corruption in a public speech on 1 December 2014.

An audit carried out, under public pressure, in September 2014 revealed that candidates trying to enter the National School of Administration (Ecole nationale d'administration, ENA) who belong to families close to the president's circle receive better points, though they perform worse than other candidates.

Corruption represents a huge burden in the everyday life of citizens, as for example when they need to access administrative services or want to assert a legal right. Corruption extends beyond the need to pay small bribes in order to pass police or traffic monitoring points. It is common, for instance, for a mobile customs unit to confiscate a bicycle or motorcycle unlawfully, or for the government to expropriate a house.

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

Civil rights

2

A new penal code, adopted in September 2014, abolished the death penalty. At the same time, however, it introduced heavy fines on homosexuality.

Women's rights are routinely violated. Cases of abuse or domestic violence are rarely taken to authorities, as women have nowhere to turn for shelter if they accuse

members of their own family. Cases of rape have been reported in and around the refugee and internally displaced person (IDP) camps.

The conditions of imprisonment do not respect civil liberties and human rights, medical care can be denied, and prisoners can be chained and physically harmed.

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

4 | Stability of Democratic Institutions

Democratic institutions formally exist on the national, regional and local levels, but their scope for action is very limited, as they depend on the will of the president and the ruling party. Little is known about the working of the government's inner power structures. Parliament and the executive branch seem to be functional, but the administrative system and judiciary work quite poorly due to a lack of capacities, the prevalence of political appointments, and interference by the executive. As the public service offers one of the few means by which a sufficient income can be secured, it could be called a nationwide patronage system. During the period under review, civil servants and teachers repeatedly went on strike for higher wages, as the promised pay raise of 2012 was not respected and because wages were not paid. In addition, juridical personnel went on strike, as they felt unsafe and criticized the lack of governmental support.

As long as the ruling clan shows no interest in democratic development but only in its grip on power, no change can be expected in the future.

In a formal sense, all of Chad's relevant political actors and civil society members accept democratic institutions and structures. However, the government frequently overrides democratic rules and procedures, and much of the opposition is co-opted into the government and is either uninterested in democratic norms or is too weak to do anything about violations. The few outspoken members of parliament belonging to opposition parties live under constant threat, with their parliamentary immunity not being respected. This was demonstrated after the events on 1 May 2013, when members of parliament were arrested. Civil society and Catholic Church leaders tend to offer criticism, but given the dominance of the ruling regime and the shortcomings of the judiciary, these critics do not have enough influence to promote compliance with democratic standards.

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

Performance of
democratic
institutions
3

Commitment to
democratic
institutions
2

Electoral preparations are generally supported by all political parties, such as in the run up to the next elections. However, as hard as the opposition might try, for example influencing the composition of the CENI, the government is in a stronger position and can easily co-opt candidates.

5 | Political and Social Integration

The country's press noted the presence of 130 political parties in the run-up to the 2011 parliamentary elections, with 101 finally taking part in the balloting. However, the only party that is socially rooted (though not in all social and ethnic strata) is the ruling MPS, which holds a hegemonic position in an unbalanced party system and operates offices across the country. Members of the MPS can gain access to state resources or contracts. Opposition parties suffer from lack of organization and funding. Some of them have strong personality-based and ethno-regional roots, while others are considered pseudo-opposition parties created with government support. Most have been particularly weak since 2008 – when, for instance, opposition leader Ibni Oumar Mahamat Saleh disappeared while in government custody – and most of their leaders have at one point or another been co-opted into the government. The few prominent opposition figures are likely to be victim of state harassment. Public funding for parties was agreed upon in an August 2007 accord, which is not paid regularly but has led to even more parties. Opposition parties' public visibility is consequently weak, limited mainly to the capital and regional strongholds for those that have a regional base. Resource limitations render campaigning difficult, as was evident during the last election campaigns.

Party system
3

Societal interests are not effectively represented by the political parties.

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

Interest groups
3

The constitution and labor code permit the foundation of and membership in trade unions, which are organized under three umbrella unions. The biggest one of these, the Syndicate of Trade Unions of Chad (Union Syndicale du Tchad, UST) represents 30 trade unions and associations. The authorities have repeatedly sought to weaken and threaten the unions. Since the arrests in May 2013 and the unsecure situation of government critics, the UST has only called only for boycott days to bring life in N'Djamena to a temporary standstill. The multinational and national enterprises that make up the country's oil industry have demonstrated little interest in pursuing dialogue with community-based organizations (CBOs). The government has equally shown no interest in serious interaction with CBOs or civil society at large.

The media interest in the trial of former Chadian dictator Hissene Habré in Senegal repeatedly attracted some international attention to victim groups suffering from human rights abuses in Chad.

Given the lack of representative survey data, 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 four major cities in Chad by the Arnold Bergstraesser Institute in 2004 points to relatively high levels of consent to the idea of liberal democracy, despite the authoritarian character of the regime. This survey found that 60% of respondents had overwhelmingly democratic attitudes, while 33% held partially undemocratic and 7% undemocratic views. According to the study, public dissatisfaction with government policies is high. Only 36% agreed that the "government would do the right thing."

Approval of
democracy
n/a

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

Social self-organization and the creation of social capital do take place. Some 20,000 cooperative groupings operate in the country, but are mainly concentrated at the village and district levels. Small saving groups, primarily made up of women working locally or with their church, try to create some sort of capital for their members. Parents associations employ 60% 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 persist.

Social capital
3

II. Economic Transformation

6 | Level of Socioeconomic Development

Chad is one of the least developed countries in the world, ranking 184th (out of 187) in the 2013 UNDP Human Development Index. Almost all relevant indicators point to severe problems: 60.5% of the population lives below the poverty line of \$2 per day. According to the 2014 Global Hunger Index, 25% of the Chadian population is undernourished. The Gini coefficient of 43.3 (calculated as of 2011) demonstrates the unequal distribution of income. As oil revenues have not been used to reduce poverty, inequality levels are likely to rise further. Poverty is primarily concentrated in rural

Question
Score

Socioeconomic
barriers
1

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 0.735 Chad held the penultimate place worldwide on the 2011 Gender Inequality Index (more recent data are not available). The literacy rate has stalled at 46.9% for men and just 27.8% for women (for an overall average of 37.3%). The ratio of female to male enrollment in private and public schools is 76.2% at the primary level, 45.7% at the secondary level and 23.9% at the tertiary level.

Generally, Chad lacks the socioeconomic prerequisites to afford its citizens an adequate freedom of choice. The slight economic growth rate is due to oil revenues that benefit only a small part of the population. Social marginalization is structurally entrenched, and is both qualitatively and quantitatively extensive.

Economic indicators		2005	2010	2013	2014
GDP	\$ M	6646.7	10657.7	12949.9	13922.2
GDP growth	%	17.3	13.6	5.7	7.3
Inflation (CPI)	%	7.9	-2.1	0.1	1.7
Unemployment	%	7.0	7.0	7.0	-
Foreign direct investment	% of GDP	-1.5	2.9	4.2	-
Export growth	%	-38.3	-	-	-
Import growth	%	-62.7	-	-	-
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	25.6	20.7	18.7	24.6
External debt	\$ M	1629.6	2156.6	2215.5	-
Total debt service	\$ M	54.6	73.6	107.7	-

Economic indicators		2005	2010	2013	2014
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	4.2	6.7	7.9	6.2
Public expnd. on education	% of GDP	1.7	2.0	-	-
Public expnd. on health	% of GDP	1.6	1.2	1.3	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.8	5.8	-	-

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

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 2014 Index of Economic Freedom, Chad was ranked 167th out of 178 countries (earning it an assessment of "repressed"). It was ranked 143rd out of 144 countries in the World Economic Forum's 2014 – 2015 Global Competitiveness Index (GCI), and 185th out of 189 in the World Bank's 2014 Doing Business report. The development of market competition is hindered by a number of factors, including the existence of a strong informal sector and permanent power cuts instead of a reliable energy flow; widespread dependence on subsistence agriculture, herding and fishing, which together support approximately 80% of the population; poorly functioning public institutions; a lack of venture capital; an unwelcoming regulatory environment combined with widespread corruption and patronage on a variety of levels; and serious shortcomings in the rule of law. The majority of the population works in the informal economy.

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

The government regulates the formation of monopolies and oligopolies inconsistently. It owns the country's only water and electricity companies. The Chadian telecommunication society (Société des telecommunications de Tchad – Sotel) was privatized in March 2014, but the degree of privatization remains insufficient. The state-owned Société Cotonnière du Tchad Société Nouvelle, or Cotontchad S.N., holds a monopoly on the marketing of cotton, the principal export commodity after oil and cattle. Liberalization of the sugar sector in 2008 led to the closure of the Compagnie Sucrière du Tchad (CST) in 2012, a former state company

Market-based
competition
3

Anti-monopoly
policy
6

privatized in 2000. In general, private companies have problems dealing with high taxes and have difficulties competing. Government contracts, for example for construction work, are dealt out in the inner circle of power.

The oil sector is dominated by the Chinese National Petroleum Corporation and an international consortium made up of ExxonMobil affiliate EssoChad, Petronas and ChevronTexaco. This is the state's main source of income. Efforts at diversifying the economy have been very limited.

Chad allows foreign ownership and provides equal treatment to foreign investors. However, it takes an average of 101 days to import goods into the country. In 2012, The World Bank gave \$15 million to the Organization for the Harmonization of Business and Law in Africa (Organisation pour l'Harmonisation en Afrique du Droit des Affaires, OHADA) to improve the investment climate of its 17 member states, one of which is Chad. While there is an official process to follow, in practice foreign companies mostly contact the government directly, signing confidential contracts to operate in Chad.

Liberalization of
foreign trade

6

During the period under review, Chinese and French investors continued to seek business opportunities in Chad. Import and export costs are very high despite Chad's dependence on imported goods. 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. Along with infrastructural constraints, roadblocks, corruption and a cumbersome bureaucracy hinder trade. Most of the country's oil, currently the most profitable sector of the Chadian economy, passes via pipeline to neighboring Cameroon, though a small quantity is refined in Chad. Thanks to these oil exports, the country's trade balance shows a surplus but not as high as during the last period due to a reduction in oil revenues. Most observers believe this trend will continue at least through the medium term.

The country's banking system and capital market are supervised by the Bank of Central African States (Banque des Etats de l'Afrique Centrale, BEAC), but Chad's financial system is weak, with limited depth and low monetization. Banking privatization has been completed, and nine commercial banks operate within the country, but they offer scant opportunities for domestic investors. There are also two insurance companies and two pension funds. 65% of bank assets are held by foreign banks (Société Générale, UBA and Ecobank) and 35% by a government controlled bank. For most citizens credit is difficult to access and its high cost hinders private sector development. Small enterprises and individuals rely primarily on self-financing or mutual aid systems. There are many informal financial services, with limited supervision and regulation. Government finances and local banks are exposed to oil price shocks.

Banking system

5

8 | Currency and Price Stability

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

Anti-inflation /
forex policy

6

Inflation is highly volatile. It rose from -3.7% in 2011 to 14% in 2012 and dropped to 0.1% in 2013 due to a fall in food prices. The Economist Intelligence Unit forecasts the inflation rate to have stayed at 1.4% in 2014 due to good food availability and low international food prices. The effects of the shortage of fuel in Chad since mid-2014 are not yet obvious. Government spending on public works, especially in the run-up to the elections and the Africa Summit in June 2015 in N'Djamena as well higher prices for household goods and food in the event of bad weather conditions might lead to a higher inflation.

Macroeconomic figures were fairly stable in the period under review. Overall, external debt levels and total debt service were almost stable. Only public debt was steadily rising to 31% in 2013 (up from 25.6% in 2010), though government consumption fell from 6.2% in 2010 to 5.6% in 2012; total reserves amounted to \$1.1557 billion. This is more than five times higher than in 2004. Data on current account balance and cash surplus or deficit are not available.

Macrostability

3

Chad has not yet taken sufficient measures to loosen its economic dependence on the oil sector nor taken sufficient initiative to achieve diversified inclusive growth. It is expected that oil production will fall steadily after 2017 even if, at present, new oil fields come into operation. The 2013 budget was affected by an unexpected fall in oil revenue and spending pressures from regional security operations, causing an overall fiscal deficit of about 6% of the non-oil GDP. According to the IMF, the non-oil primary deficit fell by 2.5% of non-oil GDP in 2013. In August 2014, the IMF approved a new three-year arrangement under the Extended Credit Facility totaling \$122.4 million. The first disbursement of \$20.4 million aims to strengthen fiscal institutions and support growth, while maintaining fiscal discipline as well as further reducing the use of emergency spending procedures, improving fiscal accounting and reporting, and strengthening cash management and forecasting.

Chad has reached a pivotal point in the Heavily Indebted Poor Countries (HIPC) initiative, benefitting from interim debt relief.

The IMF states in its 2013 report that there is a large non-oil tax collection gap amounting to as much as 16% of non-oil GDP. Higher tax collection increased non-oil revenue by close to 1% of non-oil GDP. However, the overall fiscal balance on a

cash basis posted a sizable deficit (6.4 percent of non-oil GDP) as oil revenues fell significantly below budget levels.

In 2013, a budget deficit of 2.1% of the GDP was expected. The 2014 budget was 15.89% higher than the year before. It was adopted in January 2014 with an expected deficit of CXAF 96 billion CFA francs (about €146 million) on total spending of CXAF 1.74 trillion CFA francs.

Repeatedly, the IMF criticized the direction, efficiency and management of public spending as well as the country's overdependence on oil revenues. Government spending needs to adapt now while oil revenue is still available. No real change in government policies is expected as long as oil production remains high. During the period under review, oil royalties decreased as a result of a drop in world market prices for oil. This underscores the intrinsic volatility of Chad's economy, as it relies heavily on the oil sector. Data on military spending for the period under review are not available, though it had been reduced after high levels of investment in 2008 and 2009. Public expenditure on infrastructure and roadwork, mainly in the capital, continue.

9 | Private Property

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

A new pastoral code which would have allowed nomadic cattle owners to use arable land during the dry season was adopted by the majority party in parliament in November 2014. This would have ruined local farmers, who use their traditional cropping system. After being criticized by the president, the law was rejected as unconstitutional by the constitutional council in December 2014. Nevertheless, herds of cattle being driven through agricultural land continue to lead to sometimes violent clashes.

Bureaucratic obstacles to buying and selling property are high, requiring an average of 44 days and six procedures. Chad was ranked 92nd out of 97 countries in the 2014 International Property Rights Index. While foreign property has not been expropriated in the last years, forceful evictions from homes have occurred and compensation has not been adequate, if it was granted at all.

Property rights
3

Private companies can operate freely in principle, but encounter general socioeconomic, institutional and political hindrances in practice. According to the World Bank's 2014 Doing Business Report, it takes 60 days and 9 procedures to start a business. Investment is inhibited by inadequate infrastructure, a lack of technical expertise, burdensome taxes, underdeveloped markets and corruption. Employing and firing workers is costly and complicated. The privatization of state enterprises has made only sluggish progress. State companies offer valuable opportunities for patronage and corruption. While the oil sector has avoided dependence on one company, the parastatal enterprise Cotontchad still dominates the important cotton sector. The state has also retained control of the country's water and electricity providers.

Private enterprise
4

10 | Welfare Regime

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

Social safety nets
3

Health infrastructure and services are poorly developed, especially in rural areas. Even though new hospitals have been built, they remained understaffed and lack qualified medical staff. Government spending on health amounted to 0.9% of GDP in 2012. In many occasions, aid organizations step in, but they cannot fill the entire gap. Life expectancy is 50 years. Where health facilities exist, the comparatively high costs of health care services and drugs often hinder necessary treatment. Only limited progress has been made with regard to free antiretroviral medication for persons living with HIV/AIDS. 2014 saw a measles epidemic with thousands infected. In its response, the government depended on support from aid organizations.

The constitution calls for equality before the law and forbids discrimination on ethnic, religious or gender-based grounds. However, these provisions have no relevance in everyday life. Chadian society is highly stratified, and members of ethnic groups close to the ruling Déby clan enjoy distinct advantages over people from southern ethnic groups. Equality of opportunity does not exist. The woefully inadequate education sector cannot function as a compensatory institution. Women lack adequate access to public office and educational institutions, as shown by the low percentage of women in parliament (15%) and the country's poor Gender Inequality Index rating (184th out of 187 countries in 2013). Violence against women is a common occurrence in all parts of the country.

Equal opportunity
2

11 | Economic Performance

Structural deficiencies and a rentier state mentality characterize Chad as one of the least developed and most vulnerable economies in the world, despite its status as an oil producer. Chad's oil production sank from 105,000 barrels per day in 2012 to 94,450 in 2013. GDP rose by 3.6% in 2013, compared to 8.9% in 2012, with a per capita GDP (on a purchasing power parity basis) of \$2,088 in December 2013. Foreign direct investment amounted to 4% of GDP and public debt to 31% in 2013. The Economist Intelligence Unit estimated GDP growth to be 3.6% in 2013 and 8% in 2014 and falling to 5.5% in 2015 due to development in the oil sector. Economic activity was primarily driven by industry (13%), services (31%) and agriculture (56%). Oil is Chad's principal export good, followed by cattle and cotton. The United States is the country's most important export partner, buying 81% of its oil production. Oil extraction in the Doba fields was further dwindling down and will continue to do so due to exhaustion. In June 2013, however, the Mangara and Badila oil field in Logone Oriental was inaugurated. It was first run by the Canadian owned Caracal Energy (formerly Griffiths Energy) and the state-owned Société des hydrocarbures du Tchad, then bought by Glencore Xstrata (Great Britain and Switzerland) in 2014. Due to these new wells, oil production will rise to an estimated 126,000 barrels per day (bpd) in 2014 and 130,000 in 2015; the Chadian finance minister expects it to even reach 260,000 bpd.

China is an important partner for the Chadian economy and buys 7% of its exports and provides one-fifth of its imports. Cooperation between the government and the Chinese owned China National Petroleum Corporation (CNPC), which is exploring and constructing in the Ronier field in the Bongor Basin, has been difficult reportedly because of an environmental dispute. CNPC had to stop exploration in 2013 and was originally fined \$1.2 billion in March 2014. In October, a friendly agreement was reported which involved CNPC paying \$400 million, the government taking a 10% stake in CNPC's productive oil fields and a production sharing agreement. The agreement also allows CNPC for the first time to export via the Chad-Cameroon pipeline. So far, Chinese oil production has been used for the N'Djamena JV Refinery (20,000 bpd) also run by CNPC in Djermaya. On 22 December 2014, the new petrol field Grand Baobab, run by CNPC and the Chadian Hydrocarbon Society, was inaugurated. Due to the oil refinery, constructed in 2011 and run by CNPC, Chad could have become self-sufficient in refined oil products. However, mismanagement and price rigging have repeatedly lead to severe shortages of oil inside the country, such as in June 2013 and the second part of 2014.

Outside the oil sector, the contribution to economic growth made by small industry (soap, cigarettes, sugar, textiles) remains limited. In February 2014, the Chadian

Output strength
5

government announced its plans to privatize 80% of the state-owned telecommunication company Société des Télécommunications du Tchad.

An estimated 80% of the population is supported by the agricultural sector. Good rainy seasons during the last two years provided an above-average harvest, but there is always the risk of disruption in the local food market due to transport and weather conditions. The local population is constantly under risk.

The last several years have been marked by decreasing consumer price inflation, with the overall price level rising by 14% in 2012 and 4.5% in 2013. An inflation rate of 4.5% was forecast for 2014. Infrastructure projects continue, especially in the capital. Along with defense spending, these represented the largest budgetary items and will again push the government into deficit spending. Repeated revisions of the budget are expected, as in previous years.

The direction, efficiency and management of public spending remain problematic. Public finances and the financial sector are overexposed to risks associated with the oil market. The country's overall fiscal and external balances suffered from the decline of international oil prices. Chad needs to promote non-oil economic growth and diversification, and must attract private investment. The presently under construction new business center in the heart of N'Djamena may only solve a small part of this problem.

12 | Sustainability

Ecologically sustainable growth is not treated as an important issue in Chad. The country was ranked 156th out of 178 countries in the 2014 Environmental Performance Index. Some groups within the rural population preserve a traditional awareness of nature; some ecologically sensitive policies have been introduced in connection with oil production in the Doba region. However, pollution exists and the compacting of soil in the oil-producing region is serious, making the land no longer suitable for agriculture. The government is not ensuring adequate oversight over oil companies' environmental performance. Moreover, exploration serving as a precursor to further oil production by the Chinese National Petroleum Corporation and other international oil companies is not governed by environmental impact assessment requirements or other comparable means. Fines against oil companies – if they are paid at all – cannot reverse the damage (as shown by the case of the Ronier field). It is feared that Lake Chad, the country's primary source of water, might be affected. Likewise, the potential environmental impact of the uranium and gold prospecting being undertaken by various international companies in Mayo-Kebbi should be followed closely.

Environmental
policy
3

Chad has yet to find an effective means of countering the key ecological problem of environmental degradation caused by deforestation and charcoal burning. A ban on the use of charcoal in the capital in 2009 only intensified corruption and increased prices on the population's primary means of cooking and heating water rather than stopping the use of charcoal. The use of plastic bags was forbidden in N'Djamena in 2010, a stricture that is still respected today. However, the two bans represent isolated measures rather than a coherent framework for environmental protection, and are unlikely to contribute to the solution of major environmental challenges. Among those other vital issues, the falling level of Lake Chad has prompted national and international concern. Over the course of the last 50 years, the lake's surface area has shrunk from 20,000 to just 2,000 square kilometers. The Lake Chad Basin Commission, which is composed of representatives of the five riparian states, is exploring how to avoid further erosion, improve circulation and avoid further decline by other means. In May 2014, the (old) idea of filling the lake up with water from the Oubangui river was dismissed at a conference in Italy.

Supplies of potable water are already inadequate and improper waste disposal in rural areas increases the problem, as it pollutes soil and water.

Chad's entire education system has suffered heavily from a lack of investment over long periods of time as well as the effects of civil wars that rendered education impossible and destroyed educational infrastructure. By law, primary education is free of charge. In practice, however, parents are obliged to pay tuition to public schools and must buy textbooks, school uniforms and other supplies. Schooling is ostensibly provided by the state, but parents in fact finance almost half the country's teachers and schools, especially in rural areas. Muslim and Christian institutions are also funded by parents. Despite international aid efforts and the investment of a portion of its oil revenues, Chad's record continues to be poor. In 2011, public expenditure on education represented 2.3% of GDP. The overall illiteracy rate was 63%. The ratio of female to male enrollment (2011 – 2014) was 76% in primary, 46% in secondary and 24% in tertiary education. The 2013 baccalaureate results proved a worrying indicator of poor educational achievement, as once again only 9% of admitted candidates passed the final exam on their first sitting. In 2014, the number improved to 18.47%; 14,118 candidates out of 76,433 passed. The new university complex in Toukra, 10 kilometers south of N'Djamena, inaugurated in 2012, continues to function and is expected to host 12,000 students in 2018. So far, only two faculties have moved from the university in N'Djamena. In general, training and research and development institutions function poorly. Due to the high unemployment of young people there are a growing number of private teaching and continuing education institutions which are both costly and do not offer a quality instruction. In 2012, only 36,210 students were studying abroad.

Education policy /
R&D
3

Transformation Management

I. Level of Difficulty

Structural constraints preventing successful political and economic transformation are extremely strong in Chad. Although poor governance is at the root of many problems, there are also a number of very significant structural constraints on governance itself. The most formidable constraints include extreme poverty, a highly deficient infrastructure in the landlocked country, adverse climatic conditions (environmental degradation, erratic rainfall, droughts and flooding) and scarce human resources (see “education policy/R&D”). Infrastructure investments in road and public buildings have been made since the influx of oil revenue – especially in the run-up to the independence festivities and elections in 2011 – but in an uncoordinated way and are already eroding. In addition, electricity supply has been a major problem for many years despite an expanded power plant in Djermaya. According to the UNHCR, the presence of almost 370,000 refugees who fled the Darfur conflict, approximately 100,000 refugees – mainly of Chadian origin – who escaped the conflict in the Central African Republic, 20,000 internally displaced persons, and an increasing number of refugees fleeing the Boko Haram violence in Nigeria (in the Lake Chad region) all contribute to the country’s desperate socioeconomic situation.

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

Structural
constraints
9

Chad was recognized as compliant with the global EITI (Extractive Industries Transparency Initiative) transparency standard in October 2014. It submitted the 2012 transparency report in March 2014 and has so far published data on 6 fiscal years. The export of uranium may soon join oil as a mixed blessing, as several international companies hold prospecting and exploration licenses. Gold is mined in an artisanal manner with an estimated annual production of 150 metric tons.

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

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

Civil society
traditions

9

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

A 2005 survey conducted by the Arnold Bergstraesser Institute showed that trust in institutions is low and social trust is limited to a small circle of family and friends. There is no civic culture of moderate participation in public life.

Years of civil war, which ended only in 1982, were followed by additional violent conflicts. In the period under investigation, violence has not ended but its level is reduced compared to prior years and in comparison to neighboring countries such as Nigeria or the Central African Republic (CAR).

Conflict intensity

6

The lack of social trust is primarily the result of a society divided along ethnic and religious lines. This divide is also apparent among the political elite. Rebel groups are divided along the same lines; however, their influence has further diminished due to the Chadian army's military strength and the peace agreement between the governments of Chad and Sudan signed in 2010. Previously, the two countries had been engaged in a proxy war, with each supporting rebel groups in the opposing country. Up to 2010 shifting rebel alliances were a constant threat to the government. In February 2008, Déby managed to repel an attack by the Alliance Nationale rebel coalition only with the support of French troops based in Chad and because of power struggles within the rebel coalition. In 2009, south-eastern Chad endured a short-lived resumption of fighting by the Movement for Peace, Reconstruction and

Development (Mouvement pour la Paix, la Reconstruction et le Développement, MPRD). The last active rebel to surrender was Abdel Kader Baba Laddé, a leader of the Popular Front for Recovery (Front Populaire pour le Redressement, FRP) who had been based in the northern CAR since 2008. He returned to N'Djamena in 2012 and was awarded a governor post for a few months in 2014. Falling again out of favor with the government, he went back to the CAR at the end of 2014.

The period under review was characterized by conflicts in neighboring countries as well as in the region, Chadian military involvement on foreign soil and the threat of Islamist terrorists. First, the war in the north of Mali. In January 2013, Chadian troops joined the French forces and later the United Nations Stabilizing Mission in Mali (MINUSMA) to fight Islamist terrorists. The current mission's mandate lasts until June 2015. Fears and threats that Islamist terrorist attacks would follow Chad's involvement did not materialize. However, the north of Chad and the neighboring countries have become a popular region for bandits and smugglers dealing in goods, arms and drugs, and threatening security in the border regions. Second, the events in the CAR: Former President Bozizé fled the rebel advance and heavy fighting erupted between the Muslim Seleka and the Christian Anti-Balaka. Chadian troops took part in the AU led Mission internationale de soutien à la Centrafrique sous conduite africaine (MISCA) but withdrew its troops in April 2014 after accusations of not having protected the the CAR's Christian populations. Many second or third generation Chadians living in the CAR fled to the land of their forefathers. Chad closed its borders in May 2014 in order to prevent the spilling-over of violence but thereby also cut the route for refugees. There are allegations that Chad supported Séléka (before turning against Séléka) to oust Bozizé, a former protégé of Déby.

Another conflict Chad is getting involved in is the presence of Boko Haram in the north of neighboring Nigeria. At a meeting in Paris with the presidents of Nigeria and Cameroon, Déby declared war against Boko Haram. The Chadian capital was chosen as coordinating node for the common fight. Threats from Boko Haram followed. The first clashes occurred in early 2015 at the Nigerian-Chadian border (though after the end of the period under investigation).

So far Christian and Muslim leaders preach tolerance and Chadian Islamist forces have not openly emerged, but observers report their presence in the country.

Intercommunal violence between nomadic herders and sedentary groups is frequent, and sometimes tolerated or even encouraged by the authorities. In November 2014, a new pastoral code was adopted by a majority of the ruling party, favoring nomadic herders in cases of conflict. The opposition boycotted the vote, but President Déby asked for the withdrawal of the new law, as it would threaten the cohabitation of Chadian society.

II. Management Performance

14 | Steering Capability

Question
Score

The political leadership's commitment to democracy and a socially responsible market economy is very limited, if it can be said to exist at all. The government's main strategic interest lies in maintaining power. Déby and his entourage have maintained this strategic priority even through periods of national and international crisis. Although security in the border region with Sudan appears to have been reestablished, and relations with Sudan seem stable, the defections from within Déby's support base during the Darfur conflict remain a reality. Given the questionable loyalty of his entourage and even of his own family, Déby uses cabinet reshuffles, programs such as Operation Cobra that ostensibly promote good governance, and purges in the security apparatus to prevent potential rivals from developing their own power bases. He has continued to mix repression, co-optation and partial peace agreements in efforts to undermine the cohesion of opposition parties and defang former rebel leaders. To retain the support of the international community, and above all French (and, to a lesser extent, United States) political and military support, Déby has successfully presented himself as a guarantor of stability on a regional level, particularly since the crisis in Mali, and as a stronghold against Islamist threat. He has used the international competition for oil, the threat of religious extremism in the Sahel and the fear of chaos should his regime be overthrown as trump cards in a geopolitical power game that will determine both his own personal future and that of Chad as a nation.

Prioritization
1

Foreign actors such as the European Union, IMF and World Bank only have limited impact on policy strategies, let alone on their implementation. The cooperation of international actors lends some legitimacy to the regime.

The government engages in transformation-oriented reforms only partially at best, and consistently fails to implement them fully. Reform policies are generally confined to macroeconomic issues and the management of the oil sector. Before 2006, these policies were advocated by the outside world, especially the IMF and the World Bank. Growing levels of Chinese investment partially facilitated Chad's withdrawal from internationally imposed conditionalities.

Implementation
3

The World Bank reopened its office in Chad in 2009, after a previous breakdown in relations driven by disagreements over oil revenue management. The bank has highlighted the country's need to improve governance quality, strengthen the

management of public finances, improve access to key social services, and improve regional integration.

Chad's second poverty reduction and strategic growth paper (2008 – 2011) focuses on the restoration of security, the improvement of governance, the diversification of the economy, and the promotion of human development. In its statements published after the Article IV consultations in 2014, the IMF again expressed concern over fiscal policy, management of public spending and Chad's overdependence on oil revenues.

In December 2012, a strategic development plan (plan stratégique du développement, PSD) for 2012 through 2015 was published with the aim of compensating for the lack of an updated poverty reduction and strategic growth paper. In spite of these strategies, poverty has not subsided.

The political leadership shows little evidence of learning with regard to the development of a constitutional democracy and – to a somewhat lesser extent – a market economy. There is not much demand for performance, as shown by the high fluctuation of ministers, which is not based on their performance but rather follows the logic of patronage. Flexibility and learning are confined mainly to the maintenance of power. The long-postponed legislative and presidential elections that took place in 2011, as well as the country's first-ever local elections held in 2012, have to be seen against this background. While they have provided the government with a democratic façade, the authoritarian character of the regime has in fact tightened since then, in part due to the foreign policy successes of Chad's involvement in Mali. There is little indication that the government has learned from past problems posed by the country's dependence on oil revenues. As such, it has not engaged in serious efforts to diversify the economy.

Policy learning
2

15 | Resource Efficiency

The government's use of available resources is efficient only in some cases and aims only partially at transformation. Resources are used to ensure the survival of the current political leadership. Reliable information on government finances is lacking. According to the Open Budget Survey 2012, Chad scored three points out of a maximum of 100 in terms of openness in government finances. To some extent, government officials consume state resources themselves. Political appointments should mainly be regarded as efforts to co-opt potential rivals. Attempts such as Operation Cobra to address corruption within the public service should be interpreted as strategic moves designed to demonstrate the government's strength rather than as real change designed to hinder corruption. President Déby denounced corruption several times in public speeches, especially targeting members of the government. In view of the number of members of his own family holding posts in government and public services this can only be understood as rhetoric.

Efficient use of
assets
3

The government and labor unions agreed to an increase in public-sector salaries in the run-up to the 2011 elections, but the government subsequently failed to honor the agreement (as of the end of the review period).

At the cabinet level, politically motivated dismissals and appointments are frequent. In January 2013, Joseph Djimrangar Dadnadji replaced Emmanuel Nadingar as prime minister. Dadnadji reshuffled his cabinet five times, until he was replaced by Kalzeubet Pahimi Deubet in November 2013. At the occasion of the fourth cabinet reshuffle in five months, the number of cabinet members and state secretaries was reduced to 27 (from 42). Given the high sums given to newly appointed ministers to help them install themselves, this might reduce some costs. The civil service is staffed with a high number of advisers and other ministry civil servants. In 2010, the National Assembly voted to increase the number of members of parliament from 155 to 188 due to population growth. The densely populated, mainly Christian south is represented by 71 members of parliament, while the sparsely populated, predominantly Muslim north has 117 members representing it.

The IMF has assessed Chad's recent public financial management reforms and its macroeconomic performance relatively thoroughly and approved a three-year arrangement under the Extended Credit Facility for a total of \$122.4 million. The key objectives are a further reduction in the use of emergency spending procedures, improving fiscal accounting, and strengthening cash management and forecasting. The successful implementation of the Extended Credit Facility allowed Chad to benefit from interim debt relief under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. Chad's attempt to gain entry to an international scheme promoting transparency in poor countries' mining sectors, the Extractive Industries Transparency Initiative, succeeded in 2014, as Chad became compliant with the EITI standard.

Conflicting objectives within the government are coordinated imperfectly, and ministers tend to compete among themselves. Given the autocratic structure of the Chadian regime, the dominance of the president and the use of appointments to co-opt rivals, policy is not made through debates or negotiations but is subject to the decision of the president. Coherence exists only in the sense that all policy serves the interests of the ruling clan. Shifts in political direction are frequent, demonstrated, for example, by the restoration of diplomatic ties with China in 2005, the government decision not to extend MINURCAT's (United Nations Mission in the Central African Republic and Chad) mandate in 2010, leaving the MISCA (African-led International Support Mission in the Central African Republic) in 2014, and the rapprochement with the French president in 2012 with the aim of stimulating French investment in Chad as well as gaining French and European recognition.

Policy
coordination
2

Diversion of funds is a severe problem in Chad. State resources are distributed via patronage networks and corruption is a fundamental characteristic of the political system. According to international observers such as the Economist Intelligence Unit and the World Economic Forum (WEF), corruption is rampant at all levels. The government has introduced some mechanisms to curb these practices, such as a special ethics ministry and the oil management regime, but these do not function properly. As discussed above, Operation Cobra, launched in 2012 by the minister of justice, ostensibly aimed at increasing transparency and efficiency in public finances. Arrests and dismissals of civil servants and local government officials followed inspections in various districts. This program nevertheless seemed to be a means of attacking political rivals or enemies, while being used as proof that the government is in fact promoting good governance. During the period under review, a number of former top officials were accused of corruption and arrested, while the president has presented himself as a safeguard against corruption. On the whole, however, a culture of impunity within a system of patronage hinders the effective handling of corruption.

Anti-corruption
policy
2

To a certain degree, accusations of corruption can be voiced, although they may be followed by intimidation against the accuser. Yet, the handling of those cases shows fighting corruption is not the prime objective of the president. Rather, it is all part of a game of musical chairs within the patronage system. Take the case of Djimet Ibet: while he was the mayor of N'Djaména, a journalist revealed a pattern of embezzlement. The mayor was quickly disposed of his functions and even jettisoned from the ruling party. Some months later, his party rehabilitated him. Two years later, in June 2014, he regained official functions, being nominated by the president as Director General of the National Fund to Support the Youth (Fonds National d'Appui à la Jeunesse, FONAJ). On the same day (7 June 2014), the president also rehabilitated Chamsal Houda Abakar Kadadé. She had been dismissed by a presidential decree in June 2013, which explicitly established that she had embezzled public funds. She was appointed member of the Economic, Social and Cultural Council (Conseil Economique, Social et Culturel), but embezzlement charges have to date not been brought to a court.

16 | Consensus-Building

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

Consensus on goals
2

It is highly questionable whether key political actors want to build democracy and a market-based economy. Both the government and opposition claim to pursue such goals in their rhetoric. Several leaders of the opposition parties in parliament, some civil society actors, and all other significant actors have readily resorted to

undemocratic activities. One of the few credible opposition leaders in recent years had been Ibni Oumar Mahamat Saleh, general secretary of the Liberties and Development Party (Parti pour les libertés et le développement, PLD) and spokesman of the Coordination of the Political Parties for the Defense of the Constitution (CPDC), who was killed after his arrest in February 2008. The Chadian justice ministry announced the dismissal of charges in July 2013 because of a lack of evidence. The majority of CPDC members have been co-opted into the government. However, the coalition and its deputy speaker, Saleh Kebzaboh, along with two other candidates (Yorongar Ngareljy and Wadal Abdelkader Kamougué) in the presidential elections, regained some credibility through their criticism of the government's poor preparation for the 2011 elections and their subsequent boycott of the presidential elections due to the government's refusal to issue new voter cards. In the run-up to the forthcoming elections, the CPDC is about to lose its force as a joint opposition coalition. The Cadre National de Dialogue Politique (CNDP), founded in 2012 by the president, pretends to play a mediatory role in disputes in the run-up to the elections. Meanwhile five members of the CPDC have joined the CNDP.

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 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. The government's control over extra-governmental anti-democratic veto actors such as the politico-military movements and the armed forces improved during the period of assessment, and they today pose little threat to the government.

Anti-democratic
actors

2

In part because conflicts have not been ideologically driven, the government has managed to conclude peace agreements with most of the politico-military movements. However, these agreements, which involve the integration of combatants within government forces and the assignment of government positions to their leaders, often fall apart due to internal frictions within rebel groups, a lack of government resources or the government's unwillingness to share power. Contrary to previous peace agreements with rebel groups, Déby did not offer political posts to rebel leaders after the 2010 peace agreement with Sudan, but did grant pardons to some rebel leaders who had been sentenced in absentia to death following a 2008 rebel attack. The president is currently in a strong position – increased by international recognition following Chad's mission in Mali and the international community's reliance on Chad in the fight against Islamic terrorism – and his hold on power faces no serious threat by rebel groups.

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

Cleavage /
conflict
management
3

Aside from providing security in regions where refugee camps and internally displaced persons sites are located, the U.N. MINURCAT mission, which replaced the EUFOR troops in eastern Chad, was also tasked with supporting local initiatives aimed at resolving local tensions and promoting reconciliation. However, interventions were sporadic and lacked a coherent medium- to long-term framework suitable for sustainable conflict mediation.

The role of the president's blood relations in the political system has diminished as relatives have left the inner circle of power – notably the Erdimi brothers, who are Déby's nephews. On the other hand, the president has changed his name to Déby-Itno, proof that he is still trying to win loyalty from his grandfather's Zaghawa clan. Palace coup attempts pose a permanent threat to the president. Other ethnic groups from the north feel increasingly excluded from the inner power circle.

The population in the country's south has grown increasingly frustrated over its exclusion from power and resources. The division of Sudan in 2011 was followed closely, although southerners know they lack the power and international support to achieve independence.

The political opposition remains too weak to influence the government. Since arrests in May 2013 that even included parliamentarians, members of the opposition appear to be attempting to keep a low profile and wait for the next elections.

Chad's political leadership largely fails to promote – and in part has actively destroyed – social capital. The government frequently ignores civil society actors, preferring to formulate policies autonomously. Efforts to include civil society actors, such as in the formulation of the PRSP and the World Bank's interim strategy note (ISN) for 2010 – 2012 and the oversight body for oil revenues, are the result of external pressure. Mostly, the government subsequently weakens the role of civil society in these bodies and/or processes. Civil society actors protesting against the effects of oil production and the slow implementation of the oil revenue management regime have on occasion been subject to harassment and death threats. Critical journalists are regularly arrested, such as Eric Topona and others after the 1 May 2013 crackdown, and journals and radio stations shut down. Civil society actors are

Civil society
participation
3

often co-opted to offer public praise for the Déby regime, as on 11 January 2011 during the 50-year anniversary celebrations of Chad's independence and every 1 December on the anniversary marking Déby's 1990 seizure of power.

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

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

Reconciliation
3

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

Former President Hissène Habré has been accused of perpetrating crimes against humanity during his rule. After 23 years in exile in Senegal, he was finally arrested in June 2013 in Dakar. His trial, mandated by the AU, is expected to begin in 2015. Chad agreed to cooperate, and arrested members of Habré's secret services but has refused to extradite them to Senegal. Their trial in Chad was pending in December 2014. The Chadian lawyer Jacqueline Moudeina is representing the victims in Dakar. No measures have been taken to compensate and/or reconcile these victims. As Déby himself was commander-in-chief of the armed forces under Habré, Habré's testimony is likely to implicate Déby.

Some Chadian artists who live abroad, the most prominent being director Mahamat Saleh Haroun, have explored the subject of war and internal conflict with the support of foreign funding.

17 | International Cooperation

The government is willing to cooperate with external supporters and actors, subject to considerable limitations. Cooperation comes more readily in economic areas than in the political arena. However, this is in part due to the absence of strong externally imposed political conditionalities – especially after Chad's mission to Mali and Chadian support in fighting terrorism in the Sahel-region – and to the rather low levels of coherence and cooperation between the external partners who operate in

Effective use of
support
4

Chad (largely France, other European countries, the United States, China, Sudan, Saudi Arabia and Libya, until the fall of Qadhafi). These external partners frequently have competing or even antagonistic ambitions. French President Hollande visited N'Djamena in July 2014 to finalize Operation Barkhane, which is headquartered in Chad and became operational on 1 August 2014. The French-led operation merges the former Chad-based mission Epervier and the Burkina Faso-based mission Sarbre and aims at fighting terrorism in Mauritania, Mali, Burkina Faso, Niger and Chad and consists of 3,000 French soldiers.

Relations with the IMF and especially the World Bank have been difficult, as Chad failed to respect its agreements on the use of oil revenues for poverty reduction as it needed the oil revenues to finance its military campaigns against rebels (and possibly also for more narrow personal ambitions). Following the suspension of cooperation with Chad in 2008, the World Bank partially reopened its office in 2009. From mid-2010 to mid-2012, the World Bank implemented an ISN in Chad. Under the terms of the plan, the bank has sought a dialogue with state and non-state actors. Goals include strengthening the public-finance management systems, improving the provision of key social services (education, health, water), diversifying the economy, addressing the needs of the rural poor, and improving regional connectivity through transport and infrastructure. During this period, the Chadian government prepared a National Development Plan (NDP) for 2013 through 2015. At a Paris conference in June 2014, funds were mobilized to bridge the financing gap of the 2013 – 2015 NDP. A systematic Country Report should determine the factors impeding poverty reduction and shared prosperity. The current World Bank portfolio in Chad includes 12 projects and represents a total of more than \$200 million in commitments.

Chad's commitment to implementing the second PRSP seems to be higher than was the case for the first, although if the past is any guide, the likelihood that the government will stick rigidly to its poverty reduction strategy is low.

In 2011, the Chadian government ratified the Kampala Convention on the protection of internally displaced persons, and signed an action plan with the United Nations to end the recruitment and use of children by the country's security forces which it fulfilled finally in 2013. As a result, for the first time, Chad was not listed under the United States' Child Soldier Prevention Act in 2014.

The government tries successfully to act as a credible international partner and as the only stable regime in the region. Security, political, economic and strategic interests have kept France, the European Union and the United States from pushing strongly for democratic reforms. As mentioned in other sections, international oil companies are operating in the country (e.g., from the United States, Canada and China) but given the rather limited amount of oil reserves this is not likely to be the most important reason for supporting the regime. Rather, more geopolitical interests inform foreign governments' policies toward Chad. In view of the instability in the

Credibility

4

Sahel region and the continued terrorist threat, the conflicts in Mali, the Central African Republic (CAR) and South Sudan, international actors appear to prefer the status quo rather than the risks associated with making disruptive demands for change. In terms of political reform, the government is trusted only by France. France saved the regime from being overthrown in April 2006 and again in February 2008 by providing intelligence support and defending the airport against rebel forces. The former colonial power holds a military base with more than 1,000 troops in Chad. The base in N'Djamena played a role in the conflict in Mali and in the CAR. Chad sent an important battalion of nearly 2,000 troops which fought alongside the French in the north of Mali. The Chadian army is the best trained and best equipped in the region. Naturally, Déby's participation in Mali came with a price tag and earned him further support on the part of France and the United States. Chad became a non-permanent member of the UN Security Council in October 2013. Regular visits of high-ranking members of the French government in Chad indicate continued French support for the Chadian regime.

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

Chad's record in terms of relations with neighboring countries is mixed. In principle, Chad's political actors cooperate with neighboring states and usually comply with the rules set by regional and international organizations such as CEMAC and the AU. However, the government does not always act reliably. Generally, friction has arisen because of Chad's cross-border support of rebel movements or because it has engaged in direct military intervention. During the period under review, no large-scale incidents at the borders with Sudan were reported. Relations with Sudan were tense until recently, exacerbated by the Darfur crisis and by each country's support of rebel groups across the other's borders; however, this relationship has stabilized since the January 2010 peace accord and the agreement to evict rebels from both countries. The joint Chadian-Sudanese border control program continues to work. Despite his International Criminal Court indictment, Sudanese President Omar Hassan al-Bashir has made official visits to N'Djamena.

Chadian support for former CAR President Bozizé ended when Séléka rebels under Michel Djotodia threatened Bozizé's reign. Djotodia resumed power in Bangui in March 2013. Some sources suspect that the Chadian regime supported Séléka. The outbreak of violence between mainly Muslim Séléka and Christian dominated Anti-Balaka hit the Muslim Chadian minority living in the country for generations. They had to flee to Chad. Déby sent troops to join the AU's Mission internationale de soutien à la Centrafrique (MISCA) but withdrew them abruptly after Chadian soldiers killed civilians in Bangui in May 2014. Chad continued to try to influence the politics of the CAR. Djotodia was removed from his office at a summit of the ECCAS in N'Djamena. The relations with the actual president of transition, Catherine Samba-

Regional
cooperation
6

Panza, and the Chadian president are strained. Elections in the CAR are planned for 2015.

Relations with Libya's new leaders are improving. Both countries are not interested in conflicts at their border. Nonetheless, Chad continues to suspect that Libya is hosting Chadian rebels and training camps. The president of the transitional parliament was in N'Djamena for dialogue about the ongoing conflicts in Libya in October 2014 and was assured of Chad's recognition of the legitimacy of the transitional government. During the civil war, Déby maintained his support for longtime ally Qadhafi. Chad was one of the last AU member states to accept the National Transitional Council, which it did in August 2011.

The presence of Boko Haram in Nigeria forces Chad to cooperate more closely with Nigeria and Cameroon. At a summit in Paris, Déby declared total war against Boko Haram and border controls were intensified.

Chad is still taking part in the current military intervention in Mali, MINUSMA, providing nearly 2,000 troops and suffering heavy losses.

Strategic Outlook

Chad faces severe ongoing political and socioeconomic challenges that have not been reduced despite the flow of oil revenue since 2003. On the contrary, the current leadership has bolstered its position of power and the gap between rich and poor has widened. The rural population and a rising number of poor people in the capital live under especially severe strain. Chad's political system has not met the minimum requirements necessary to be considered a democracy under the rule of law, and does not appear to be moving in that direction. The lack of substantial reforms can be attributed only partly to an adverse environment. The government itself is the major obstacle to serious progress. Statements by the political leadership asserting the opposite should be qualified as lip service targeted at the international community. The imbalance of power and lack of access to state resources on the part of the opposition persists. The following issues must be addressed if the cause of transformation is to be advanced in Chad:

Next elections scheduled for 2015 and 2016: the international community should continue to observe the election preparations and the electoral processes critically. It should exert pressure to ensure the independence of electoral bodies (i.e., free from partisan appointments) and an accurate registry of voters. It should support the introduction of biometric voter registration, which the opposition insisted on as a precondition for the next elections and the government agreed to. It is assumed that Déby and his Patriotic Salvation Movement (Mouvement Patriotique du Salut, MPS), who have run the country since 1990, will win the elections. For that very reason, particular attention should be given to the prosecution or intimidation of members of the opposition, civil society, journalists and other critics of the government. Undemocratic proceedings should be denounced. The opposition should have equal access to the media and receive public funding as was agreed upon in a contract on 13 August 2007, developed under the auspices of the European Union. The EU has a special responsibility and should monitor the process in conjunction with all concerned actors and foster national dialogue between representatives of the government, political opposition and civil society.

Socioeconomic development: the government has not shown any effort at economic diversification. The IMF and the World Bank have repeatedly expressed serious concerns about the direction, efficiency and management of public spending and the lack of investment in economic diversification and structural reforms. As oil revenues continue to be stable due to new oil fields, it is unlikely that Chad will change its economic policy in the near future, although it might rhetorically commit to IMF demands in order to obtain debt relief under the heavily indebted poor countries initiative. Despite some disagreements, China will continue to be the main investor in Chad. Chad is likely to maintain a rentier state mentality. A fall in international oil prices is the biggest threat to the Chadian economy and the highest risk for its political stability.

International influence: Chad will continue to enjoy external support, particularly from France, the European Union and the United States. As a former colonial power, France wants to maintain its

traditional zone of influence, grow business interests and is eager to avoid a destabilization of the whole region. The military role of Chad alongside French troops during the mission in Mali has strengthened Chad's position as it manages to present itself as the only stable power in the region. The French base in N'Djamena is of strategic importance in the region, as illustrated by France's decision to base her military operation "Barkhane" there. Chad is an important ally of the United States in the war on terror and Islamist forces (e.g., Boko Haram) and is also a minor oil supplier. China's interest in oil, minerals (e.g., uranium and gold), and in establishing geopolitical and business footing in Africa has led to increasing engagement in Chad, thereby further legitimizing the regime. In the regional coalition with Nigeria and Cameroon in the fight against Boko Haram, Chad seeks a leading role. Relations with the Libyan government will also continue to increase.

Security conditions: since the rapprochement with Sudan and the disarmament of the rebel groups, the armed opposition has almost disappeared and no longer poses a threat to the government. The grievances that drove various groups to take up arms persist, but these groups are now weak and isolated. The Libyan-Chadian border seems to be quiet despite the Chadian and Libyan Toubous' opposition to the new leaders in Tripoli. Crime and smuggling in the region is an issue for governments on both sides of the border. The crisis in the Central African Republic (CAR) poses a heavy security threat to Chad as conflicts might spill over. The Chadian refugees out of the CAR have either returned to the villages of their forefathers or are living in refugee camps. The presence of Islamist groups in the country could pose another significant threat to security and stability in Chad. Rumors continue that Boko Haram fighters have already entered Chadian territory. Given the impact of neighboring countries on the security situation in Chad, developments in Sudan, South Sudan as well as in the CAR and Nigeria must be closely followed.

It cannot be expected that Chad will progress towards democracy and a socially responsible market economy in the foreseeable future, especially if donors exclusively prioritize regional and geopolitical security issues, turning a blind eye to the very serious shortcomings of the current government. This policy has already proved shortsighted in view of the government's performance. The support of civil society and civil opposition parties, combined with firm political and economic conditions on the part of international financial institutions and key players such as France, the European Union and the United States, will be indispensable in ensuring that oil revenues are used wisely and that progress is made in terms of democratic and sustainable development. In particular, they should insist on the responsibility of the Chadian state to guarantee the security of its citizens and to reinforce the rule of law and the judicial system. Furthermore, they should demand pro-poor spending and respect for human rights and civil liberties.