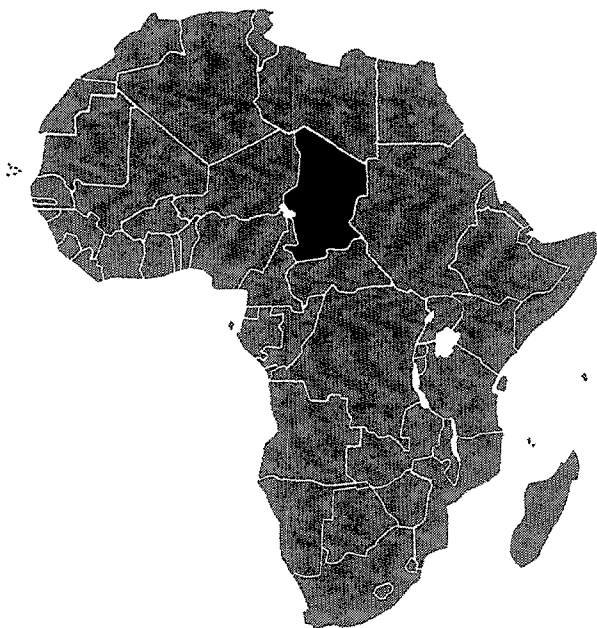


Chad



During 2004, political stability of Chad was undermined by the Darfur crisis in neighbouring Sudan, and continued uncertainty about the revenues from oil exploitation. Both issues were said to lie at the origin of an attempted coup d'état in May. Rumours about the poor health of President Idriss Déby fuelled concerns about political stability. An amendment to the constitution that cleared the way for President Déby to stand for re-election after his second term was accepted in parliament. Foreign support for the current regime, mainly from France and the US, was still strong, since Déby seemed to be the only guarantee of political stability, the opposition being in disarray. The exploitation of oil is said to have increased GDP by more than 30%. Despite oil revenues, Chad still ranked as one of the poorest countries in the world, with 80% of the population living on less than \$ 1 a day. The rainy season finished early and harvests were far below (30%) the levels of last year. Furthermore, the transhumance of livestock keepers to the south started as early as September instead of December, increasing tensions between nomadic herders and farmers. The damage done by locust plagues was relatively modest. However, there are indications that Chad is heading for a food crisis in 2005.

Domestic Politics

The Chadian government faced a formidable political challenge in 2004 in the form of the **Darfur crisis** and the spill-over of this conflict into Chad. President Déby took a neutral position towards the conflict, despite the fact that his fellow Zaghawa clansmen on the Sudanese side of the border were among the people butchered by the Janjaweed militia in Darfur. Relatives of Déby were also prominent members of the rebel groups in the area, such as the founder and president of JEM (Justice and Equality Movement), Khalil Ibrahim. The military and civilian leadership was mostly from the Zaghawa tribe and many blamed Déby for not doing enough to help the Sudanese Zaghawa in Darfur.

Opposition was also fuelled by President Déby's bid for a **third presidential term**. Though there was resistance from opposition parties, the Chadian parliament approved a constitutional amendment in May, which allowed him to seek more than the two presidential terms currently allowed. This constitutional amendment still has to be approved by the population in a referendum in June 2005. Though the official political opposition has long been divided and was unable to mobilise the population, internal opposition did gradually mount. A large number of opposition parties took a united stand in this political conflict and Chad's ambassador to the US, Ahmat Hassaballah Soubiane, stepped down and associated himself with opposition movements in the Sudan.

The beginning of oil production and oil exports – started in June this year through the World Bank-financed Cameroon-Chad pipeline – is said to have fuelled the **power struggle** in N'Djaména. Revenues from Chad's Doba oil fields were to be primarily channelled towards fighting poverty and improving infrastructure in accordance with deals struck with the World Bank. However, the armed forces, traditionally powerful in Chad, were allocated few of the extra revenues from the new export commodity. As oil revenues began to reach the country's fiscal authorities, army officials became increasingly disgruntled about the poor conditions in army barracks. Furthermore, opponents of Déby argued that he was too inclined to take direction from international donors and did too little for his own people.

Dissatisfaction with Déby's handling of the Darfur crisis, the constitutional change he proposed, and the management of oil revenues informed discontent within the president's closest circles. The expulsion of two Darfur rebel sympathisers from N'Djaména and support for Sudanese politics in the Darfur crisis triggered the **attempted coup d'état** against the Déby regime on 16 May. The coup did not succeed, but it took days of intense negotiations between insurgents and forces loyal to Déby to end the confrontation. However, the changes in high places that he made after the conflict indicated that the danger was coming from very close to him. Tom Herdimi, advisor to Déby and his cousin (both belong to the Bideyat clan) was removed from his post as coordinator of the oil project and replaced by the former Prime Minister Haroun Kabadi in June. Herdimi's twin brother, Timane, was removed from his post as president of the executive board of the important parastatal 'Société Cotonnière du Tchad' (Cotontchad). Above all, senior officers in the army and the

secret police were replaced by people loyal to Déby. However, all these newcomers were also from the Zaghawa ethnic group. Moussa Faki Mahamat remained in his post as prime minister, though there was growing friction between him and President Déby.

These measures did little to end the tense situation, despite the fact that Déby took a harder position on the Darfur conflict. After this incident, the armed forces carried out several operations against suspected coup plotters. Security measures around the president were stepped up and it was reported that Déby look-alikes, surrounded by bodyguards, were spotted travelling on government planes in an apparent attempt to sow confusion about his whereabouts.

As his hold over the country seemed more threatened, Déby spent more and more time in the town of Abéché in the east of Chad, where the security situation deteriorated in 2004 as a consequence of the Darfur crisis. In June, 180,000 **refugees** were registered, in August, the number increased to 200,000 and refugees were still arriving in December. Eleven camps were created by December along the Chad-Sudan border. An additional problem was that, along with the refugees, an estimated 2.5 m head of livestock had spilled over the border. There was increasing concern that the dynamics of the Darfur conflict between nomadic herders and sedentary farmers would also spread to Chad, where inter-group relations were already tense following violent conflicts between nomadic pastoralists, who for decades have moved from north to south, and sedentary farmers over damaged fields and the management of wells and pasture lands.

In the south, **clashes** took place between groups of various ethnic and religious backgrounds (Muslim and non-Muslim) and destabilised the political situation. In March, Arab Missiré raided a village of the local Sara population in Mandoul department and seized large numbers of livestock, leaving 21 people dead and 28 wounded. In November 2004, ethnic fighting occurred between rival mobs of Muslim and non-Muslim residents of the south Chadian town of Bebedjia (35 kilometres from the oil-producing area of Doba), leaving 12 people dead and 16 injured. This incident started as a dispute between a trader and a customer. Similar eruptions of violence were regularly reported from other regions as well.

Foreign Affairs

The **Darfur conflict** dominated foreign affairs. Initially Chad took a neutral stance and opted for a role as intermediary in the conflict, supposedly, in part to please France and the US. Idriss Déby had already hosted peace negotiations in 2003 and again in April. However, the ceasefire agreements proved to be not worth the paper on which they were written. Over time, the position of Déby had become very difficult: he had to maintain a precarious balance between his fellow Zaghawa, who live on both sides of the border, and the Arabs, who are also strongly represented in both countries. On the one hand, for lack of military capacity, Déby could not afford a dispute with Sudan over Darfur. On the other hand, he lacked

support among the Chadian population to fight for Zaghawa interests on both sides of the border after the group became increasingly unpopular. A further complicating aspect was that it was the current president of Sudan, Omar Hassan al-Bashir, who helped Déby come to power 14 years earlier by allowing him to organise his rebellion against former President Hissein Habré in 1990 on Sudanese soil.

However, cross-border incursions by Sudanese Janjaweed with Chadian allies (and opponents of the Déby regime) grew more frequent. Chadian Zaghawa were reported to be making cross-border raids to take revenge for attacks on their Sudanese brothers. According to senior government sources, this situation had the potential to degenerate into a **regional interethnic war** between a coalition of Arab groups and an alliance of other ethnic groups. There were also unconfirmed reports that Chadian opposition movements that had been silent for some years were rebuilding their bases in Sudan (in Kutum), and were obviously being tolerated by the Sudanese government. At the same time, there was great confusion about the organisation of and support for both opposition movements in Darfur, the SLA (Sudanese Liberation Army) and the JEM (related to the fundamentalist movement headed by Hassan al-Tourabi). The Sudanese government accused Eritrea of supporting these groups. However, it was highly improbable that they could maintain their presence in the field and seemingly even gain strength without logistical and military support from the Chadian side. The NGO International Crisis Group (ICG) claimed to have documented arms deliveries from Chad to SLA and JEM rebels in Darfur in August. On the other hand, the government of Chad also supplied troops to the Sudanese army in Darfur, according to UN sources. Khartoum, therefore, maintained positive diplomatic relations with N'Djaména.

Chad became the lifeline for humanitarian aid to the estimated 2 million Darfuris displaced by the conflict in western Sudan. Most **humanitarian operations** into Darfur commenced in eastern Chad. Consequently, stability in Chad was a major concern for the international community as a whole. The major foreign powers, France and the US, seemingly had placed their bets on the regime of Idriss Déby, because there was no viable alternative, with the divided opposition and no strong individual candidate to oppose the regime. For the US, Chad was also an important component of its mid-term strategy to secure the supply of African crude oil to the US and to become less dependent on the Middle East.

With the increasing threat of destabilisation in the eastern region, in August the **French government** decided to deploy 200 of its troops based in Chad ('forces pré-positionnées') to the country's eastern border to help prevent incursions by Janjaweed militia groups from Sudan's troubled Darfur region. It also made military transport planes and helicopters available to fly relief supplies to Sudanese refugee camps in eastern Chad, which were not accessible by road following heavy rains. France and the US were also strongly opposed to the spread of Sudanese influence in the region: France in order to counter Anglo-phone influence in what it regarded as the Francophone sphere of influence, and the US

to try to counter fundamentalist Islam, which they feared would spill over from Sudan into Chad and other countries.

So-called ‘liberators’, the combatants who helped General François Bozizé seize power in Central African Republic (CAR) in 2003 – some of them of Chadian origin – posed security problems in Bangui (April). President Déby, the most important supporter of the new regime, and the Chadian ambassador in Bangui helped negotiate an agreement that included the transfer of some 200 ex-liberators to the common border. The Chadian contingent of 120 men formed the backbone of the CEMAC peacekeeping troops in CAR. Additionally, some 27,000 refugees from CAR lived in southern Chad.

Chad also became part of the **war against terrorism** initiative sponsored by the US administration. Within the framework of the Pan Sahel Initiative, re-baptised Trans-Sahara Counter Terrorism Initiative (TSCTI), a large military counter-insurgency operation, instigated by the Americans, was executed against a Salafist group (‘Groupe Salafiste pour la Prédication et le Combat’/GSPC) led by Amari Saifi in the north of the country. In March, this group was chased out of northern Mali into northeastern Niger and into the Tibesti regions of northern Chad. There, as many as 43 GSPC militants were killed. Their leader escaped but was captured in October by a Chadian rebel group (‘Mouvement pour la Démocratie et la Justice au Tchad’/MDJT).

Socioeconomic Developments

GDP for 2004 was estimated at \$ 4.177 bn at current prices, \$ 506 per capita and \$ 1,627 at purchasing power parity. However, the distribution of income was extremely unequal, with 7 million people living of less than \$ 1 a day. As a result of the oil project, Chad experienced an economic boom. Economic growth has been quite high over the past years (up to 9% and 9.7% in 2003) following large-scale investments in oil exploitation in the Doba basin (the fields of Bolobo, Komé and Miandoun) by a consortium of three oil companies, Esso Exploration and Production Chad (EEPCI) comprising ExxonMobil (40%), Chevron (25%) and the Malaysian group Petronas (35%). Estimated economic growth over 2004 was between 30% and 40% (+30.8% according to IMF) with moderate and sometimes even negative inflation (-5% in 2004, according to IMF), because of the start of oil exports. Over the second half of the year, almost \$ 62 m were transferred to Chad. Per capita income was expected to double by 2005 as compared to the pre-oil situation. Yearly revenues from the three oilfields, estimated at 900 m barrels, were projected to amount to \$ 200 m annually in the future at a production rate of 225,000–250,000 barrels per day (the estimated revenues per barrel of oil were only \$ 2.5).

In August, the World Bank’s portfolio amounted to \$ 330.9 m spread over nine active projects, with 33% in social sectors, 56% in infrastructure, energy and environment capacity building, 6% in agriculture and 5% in capacity building for the management of the oil economy. In May, the consortium of foreign oil companies indicated promising developments

in its search for additional oil resources in the area. In June, members of the consortium were awarded four new exploration permits in the Chari, Doseo and Salamat basins. They planned to start exploitation of three new oil fields in southern Chad by 2005 and 2006. A fourth oil field, Sedigi, north of Lake Chad, was still not exploited. It was planned to exploit this field and build a refinery in N'Djaména to provide fuel for the electricity supply of the capital. However, following the assassination of the main investor in the project in October 2003, these plans came to a standstill, despite the fact that a contract had been signed between the Chadian government and BID ('Banque Islamique de Développement') for a loan of € 23 m for the construction of an electric power plant of 25 megawatts in Farcha.

However, the management of oil revenues still posed many problems. Despite the influx of oil money, the government still had difficulties meeting its obligations. Payments to several international development projects were postponed. Salaries to civil servants were barely paid on time, leading to tensions between the president and the prime minister, his nephew Moussa Faki Mahamat. A large operation was launched to clean up the civil service and get rid of ghost civil servants, namely those who had long ceased working or had died and were still being paid. A similar operation was started in the armed forces, leading to considerable resentment, which may have contributed to the attempted coup d'état (see above).

World Bank programmes to build Chadian government capacity to manage the oil revenues for development have lagged far behind the speed with which the oil project has been executed. The result was that the government has remained unprepared, whereas the World Bank had justified its involvement in the project based on its capacity to transform Chad's economy. Chadian authorities have announced a new three-year programme to enhance economic growth and reduce poverty. Good governance and increased transparency were to be emphasised in the new oil producing country. There was quite some urgency required here, because international donors were growing impatient with the Chadian government. Following a mission to Chad, the IMF voiced severe criticisms in February and June of financial management and the transparency of the Chadian budget. It also imposed stiff conditions that would have to be met by government concerning financial management and macroeconomic policies before it would approve a new loan to restructure the state apparatus. By the end of the year, no decision to approve the loan had been taken.

An important question is whether macroeconomic policies imposed by IMF and financial reforms will have any positive effect for the large majority (80%) of the population who inhabit the countryside. For the rural poor 2004 was a difficult year. After a good start, the rainy season ended prematurely, leading to large production losses. Chadian officials and FAO estimated the cereal harvest at around 1 m tonnes, about one-third lower than in 2003. Production of the most important cereal crops, millet and sorghum, may have declined by

40%. Up to the rainy season (June-August), cereal prices remained stable, though high, at the four major cereal markets. However, by the end of the rainy season in October prices started to rise at the markets of Sarh, Abéché, N'Djaména and Moundou compared to the preceding five years, because of low harvest expectations. In Moundou and Sarh, prices rose by 60% and 76%. An important additional cause for this price rise was the higher on-farm price of cotton, which encouraged farmers to grow more cotton and fewer cereals. By November, it was clear that a food emergency was imminent, predominantly in Kanem, Batha, and the east and north, which were chronic deficit areas, but also in better endowed areas such as Guera, and Chari-Baguirmi.

The Chadian medical infrastructure remained poor, with only one medical doctor for every 29,000 inhabitants. In 2004, major infectious diseases raged through the country. Cholera outbreaks in June in and around N'Djaména and in N'Djaména and Mongo in October infected more than 2,000 people, with many casualties, though an exact figure could not be established, statistics being very poor.

The influx of refugees from Darfur over 16 months affected every aspect of the local population's livelihood base in the east of Chad. Initially, even in Abéché, the capital of the east, food prices did not rise despite the large influx. Apparently, refugees were fed from stocks at village level in the absence of food aid in the first months of their arrival. A nutrition survey conducted in May and June found Global Acute Malnutrition (GAM) rates as high as 29% among the host population and Severe Acute Malnutrition (SAM) was also reported, but these were not unusual phenomena in the Chadian countryside. More than 200,000 refugees were registered in overcrowded camps and already in June alarming malnutrition and health problems were reported. The provision of water was a pressing problem, with water availability per capita being below international standards, even in the refugee camps. Poor rains, rapidly rising staple food prices owing to increased demand and the early depletion of last year's stocks, which local households had shared with refugees, led to increased competition for local resources, including water, firewood and wild foods. The disruption of trade with Sudan also had severe consequences for the east and the whole north of Chad. With the below-average harvest, the host population was becoming less tolerant of the perceived and real stresses created by the refugee population. Moreover, not all refugees in eastern Chad were in camps, and competed directly with the local populace for bush products.

The price of sheep dropped, so that the exchange rate with cereals for livestock keepers declined. The supply of livestock at the main markets was quite high after the rainy season because of the early cessation of the rains and the damage done by desert locusts in Kanem and Batha, though this damage was less than anticipated. Dry conditions this year have limited water and pasture availability. This, along with an increase in livestock diseases (reportedly transferred from Sudanese animals to host livestock) put households' most important assets, their livestock, in danger. The transhumance movement towards the south had

already started in September in some areas, as compared to December in better years. It was feared that this could lead to problems later in the season because of resource competition with local populations.

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