

## CHAD

UNITARY COUNTRY

## BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOW INCOME

LOCAL CURRENCY: CENTRAL AFRICAN CFA FRANC (XAF)

## POPULATION AND GEOGRAPHY

**Area:** 1 284 000 km<sup>2</sup>  
**Population:** 14.900 million inhabitants (2017), an increase of 3.28% per year (2010-2015)  
**Density:** 12 inhabitant / km<sup>2</sup>  
**Urban population:** 22.9% of national population  
**Urban population growth:** 3.84% (2017 vs 2016)  
**Capital city:** N'Djamena (10.3% of national population)

## ECONOMIC DATA

**GDP:** 28.9 billion (current PPP international dollars), i.e. 1 941 dollars per inhabitant (2017)  
**Real GDP growth:** -3.1% (2017 vs 2016)  
**Unemployment rate:** 5.8% (2017)  
**Foreign direct investment, net inflows (FDI):** 335 (BoP, current USD millions, 2017)  
**Gross Fixed Capital Formation (GFCF):** 20.6% of GDP (2017)  
**HDI:** 0.396 (low), rank 186 (2017)  
**Poverty rate:** 38.4% (2011)

## MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Chad is a republic with a presidential regime. The last presidential election was held on 10 April 2016. Following the National Forum held in March 2018, the parliament adopted a new constitution on 30 April 2018, which was promulgated on 4 May 2018. Under the new constitution, the President of the Republic is elected for a six-year term, renewable once. He is head of state and head of government. Legislative power is vested in Parliament, which is normally bicameral, but since the Senate has not yet been established, its powers have been temporarily devolved to the National Assembly. The National Assembly is composed of 188 members. The last parliamentary elections were held in 2011.

After three decades of civil war, Chad has been engaged since the early 1990s in a process of political reforms aimed at creating and consolidating the rule of law and democracy. The Constitution adopted on 31 March 1996 guarantees fundamental freedoms, establishes political pluralism and creates a decentralised unitary state based on the creation of 4 levels of decentralised territorial authorities (regions, departments, municipalities and rural communities), endowed with legal personality, financial autonomy and freely administered by elected bodies.

The promulgation of Organic Law No. 002/PR/2000 of 16 February 2000, establishing the status of regions, departments and municipalities, marks the transition from deconcentration to real devolution. It adopts three levels of local authorities and refers the status of rural communities to another organic law, Act No. 007/PR/2002 of 5 June 2002. Ordinance No. 01/PR/2003 lists the regions, departments and municipalities created. The decentralized territorial authorities created overlap with the administrative division. Through Act No. 009/PR/2005 of 15 July 2005, the city of N'Djamena has a special status and is organized into a municipality of the city and district municipalities, each of which has legal personality and financial autonomy. The city is divided into 10 districts, comprising 69 neighbourhoods. Ordinance No. 010/PR/2012 of 2 March 2012 grants 31 other municipalities a special status. The State is represented in each of the municipalities with a special status by a General Delegate of the Government, assisted by a Secretary General.

On 22 January 2012, 12 years after the adoption of the Organic Law on the Status of Local Authorities, the first local elections were held in 42 municipalities: 10 districts of N'Djamena, 9 cities departmental capitals with more than 20,000 inhabitants and 23 regional capitals.

## TERRITORIAL ORGANISATION

2018	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	municipalities	departments	provinces	
	Average municipal size: 41 000 inhabitants			
	377	107	23	507

**OVERALL DESCRIPTION.** Organic Law No. 02/PR/2000 of 16 February 2000, on the status of decentralized local authorities, defined four levels of local authorities: (i) Rural Communities; (ii) Municipalities (including regional, departmental and sub-prefecture capitals); (iii) Departments; (iv) Regions (higher level). In August 2004, administrative reform in Chad accelerated significantly at the institutional level with the creation of 18 administrative regions and the transformation of prefectures into departments (50 in number).

In 2018, a new administrative organisation was adopted by the Council of Ministers and an ordinance creating administrative units and autonomous communities was signed on 07 August 2018. From now on, the administrative units and autonomous communities are subdivided into 23 provinces, 95 departments and 365 municipalities. The 4-level organization in place since 2000 has been replaced by a 3-level organization: Province, department and municipality. The city of N'Djamena is a province with a special status and governed by specific legislation.

The provinces are administered by governors and the departments by prefects. Only 42 municipalities (out of 377) are headed by elected mayors. The appointment of the mayor in all other municipalities remains the responsibility of the executive.

The statutes and powers of the heads of administrative units are determined by decree of the Council of Ministers. The territorial boundaries of the provinces are those of the former regions and those of the departments and municipalities are determined by decree of the Council of Ministers, in accordance with the ordinance.

## SUBNATIONAL GOVERNMENT RESPONSIBILITIES

The division of competences between the State and local authorities was established by Act No. 033/PR/2006 of 11 December 2006. The law exhaustively lists the areas of competence shared by the local authorities: education, literacy; health, social action; culture, youth and leisure; agriculture, livestock, fisheries; preservation of the environment and natural resources, urban planning, housing, spatial planning, trade, industry, crafts, tourism and civil protection; police and civil protection, etc. The division of competences currently suffers from the absence of implementing legislation. Municipalities are the only operational local authorities since the municipal elections of 22 January 2012.

### MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	PROVINCES	DEPARTMENTS	MUNICIPAL LEVEL
<b>1. General public services</b>			Issuance of civil status certificate; Administrative police; Recruitment and personal management
<b>2. Public order and safety</b>	Maintenance of order and security of property and persons	Maintenance of order and security of property and persons	Maintenance of order and security of property and persons; Administrative police
<b>3. Economic affairs / transports</b>	Participation in the preparation of socio-economic development plans and spatial planning; Promotion of trade, industry, crafts and tourism; Contribution to the elaboration of the regional transport plan	Participation in the preparation of socio-economic development plans and spatial planning; Promotion of trade, industry, crafts and tourism; Contribution to the elaboration of the regional transport plan	Participation in the preparation of socio-economic development plans and land use planning; Contribution to the elaboration of the regional transport plan; Urban roads; Public parks; Urban transport; Local tourism
<b>4. Environmental protection</b>	Creation, management, protection and maintenance of forests, parks, protected areas and natural sites; Protection of fauna and flora; Preservation of groundwater and surface water resources; Preparation of bushfire control plans; Issuance of hunting farm-out permits	Creation, management, protection and maintenance of forests, parks, protected areas and natural sites; Protection of fauna and flora; Preservation of groundwater and surface water resources; Preparation of bushfire control plans; Issuance of hunting farm-out permits	Creation, management, protection and maintenance of forests, parks and other protected areas natural sites; Protection of fauna and flora; Preservation of groundwater and surface water resources; Preparation of bushfire control plans; Issuance of hunting farm-out permits
<b>5. Housing and community amenities</b>	Urban planning: Opinion on the preparation of urban reference plans and master plans	Urban planning: Opinion on the preparation of urban reference plans and master plans	Approval and supervision of urban development projects; Issuance of building permits; Allocation of parcels of land for the estate's occupation permits; Support for basic social services (drinking water)
<b>6. Health</b>	Management, maintenance of health facilities; Recruitment and personal support management; Application of public health regulations; Development of the health map	Management, maintenance of health facilities; Recruitment and personal support management; Application of public health regulations; Development of the health map	Management, maintenance of health facilities; Recruitment and personal support management; Application of public health regulations; Development of the health map
<b>7. Recreation, culture &amp; religion</b>	Creation and management of cultural event areas; Maintenance of museums, libraries, sports and cultural associations	Creation and management of cultural event areas; Maintenance of museums, libraries, sports and cultural associations	Creation and management of cultural event areas; Maintenance of museums, libraries, sports and cultural associations
<b>8. Education</b>	Education; Literacy; Promotion of national languages and vocational training	Education; Literacy; Promotion of national languages and vocational training	Education; Literacy; Promotion of national languages and vocational training
<b>9. Social protection</b>	Maintenance and management of social reintegration; Assistance structures for the poor	Maintenance and management of social reintegration; Assistance structures for the poor	Maintenance and management of social reintegration; Assistance structures for the poor

## SUBNATIONAL GOVERNMENT FINANCE

Scope of fiscal data: 42 full-function municipalities.	Decentralization Directorate General - Local Finance Directorate	Availability of fiscal data: <b>Low</b>	Quality/reliability of fiscal data : <b>Low</b>
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**GENERAL INTRODUCTION.** The subnational government financial and fiscal framework is governed by Act No. 2011 of 7 June 2004. In August 2017, an inter-ministerial technical committee in support of the High Committee on Institutional Reforms made a series of recommendations to improve the financing of local authorities, including:

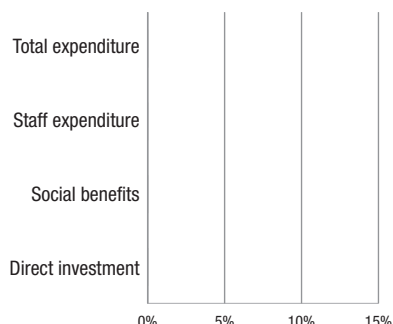
- Give them real autonomy through the effective transfer of human and financial resources.
- Organise the overall tax reform to enable them to have resources consistent with the level of needs of the territories, through: revision of tax bases and rates; updating of tax allocation criteria; simplification of local taxes and collection procedures; modernisation of the tax system; widening the tax base.
- Include in the constitution the taxes due to them and regulate the exploitation of the subsoil in order to ensure equalization.
- Create an agency or commissioner-type body responsible for managing resource transfers, with a specific roadmap, an adequate budget and accountable to the government and the national representation.

# CHAD

UNITARY COUNTRY

## SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
<b>Total expenditure</b>				
<b>Incl. current expenditure</b>				
Staff expenditure				
Intermediate consumption				
Social expenditure				
Subsidies and current transfers				
Financial charges				
Others				
<b>Incl. capital expenditure</b>				
Capital transfers				
Direct investment (or GFCF)				



**EXPENDITURE.** No data available.

In 2013, local government expenditure accounted for about 0.4% of general government expenditure. For their part, the expenditure of the city of N'Djamena and its districts represented 38.8% of local expenditure.

The figures have certainly changed little since that date. The lack of financial, human and material resources and poor financial management of local authorities are a major obstacle to the development of local public investment. The largest part of the local authorities' budget is spent on current expenditure.

**DIRECT INVESTMENT.** No data available.

## SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG



## SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

	DOLLARS PPP / INH.	% GDP	% GENERAL GOVERNMENT REVENUE (SAME REVENUE CATEGORY)	% SNG REVENUE
<b>Total revenue</b>				
Tax revenue				
Grants and subsidies				
Tariffs and fees				
Property income				
Other revenues				



**OVERALL DESCRIPTION.** Under the terms of Article 1 of Law No. 2011 of 7 June 2004 on the Financial and Fiscal Regime of Decentralised Local Authorities, the resources of decentralised local authorities come from various sources: State taxes, part of the proceeds of which are allocated to decentralized local authorities; the Global Operating Grant, the Equipment Grant and possibly the Decentralization Grant allocated by the State to decentralized local authorities; regional, departmental, municipal and rural taxes collected through roles; regional, departmental, municipal and rural taxes collected as revenue; revenues

from taxes and duties voted by decentralized local authorities; grants and subsidies allocated by the State to decentralized local authorities; the proceeds of loans contracted by decentralised local authorities on the internal or external market, after agreement by the national monetary authorities with or without a government guarantee; the property income of decentralized local authorities; the percentage of the product of the soil and subsoil resources; donations and legacies; miscellaneous income.

There is a lack of available information on local finances in Chad, and the exact share of each type of revenue is unknown.

**TAX REVENUE.** According to the law, municipalities, as the only elected decentralized authorities, can levy local taxes and receive a share of the national tax through the "additional cents" system. Local authorities are allowed to vote on tax rates, within the limits set by law.

The General Tax Code (CGI), which is supplemented or amended each year by the provisions of the Finance Act, determines a certain number of taxes and duties, the proceeds of which are allocated to the municipalities. These include: the General Tax in Lieu of Liability (IGL), the Civic Tax; the Land Contribution of Built Properties; the Land Contribution of Undeveloped Properties; the Patent Contribution; the Licence Contribution; the Entertainment, Gaming and Entertainment Tax; the Business Premises Rental Value Tax (TVLP); the Public Services Tax.

**GRANTS AND SUBSIDIES.** In addition to sharing the proceeds of certain taxes collected at national level, the State provides grants and subsidies to local governments. These are the global operating grant, the method of calculation and distribution of which are defined by decree, balancing subsidies granted in exceptional cases (cases of major imbalances in the accounts) and equipment grants awarded in connection with the implementation of certain projects of interest provided for in the municipalities' development plans.

Since the installation of the elected bodies in 2012, apart from a subsidy for waste disposal granted to them in 2013, each of the 42 municipalities has received 32 million CFA Francs of unconditional and non-earmarked subsidies. It was not until 2015 that a subsidy of two billion one hundred million (about PPP\$ 10 million) was allocated to them from the year's budget. The same amount of two billion one hundred million was allocated in 2016, then one billion six hundred million in 2017 (PPP\$ 7.9 million) and one billion five hundred and thirteen million in 2018 (PPP\$ 7.5 million).

In total, between 2016 and 2018, the total subsidies granted to the 42 full-function municipalities amounted to CFA Francs 5.213 billion, or about PPP\$ 25 million. Between 2016 and 2018 subsidies therefore represented 0.03-0.04% of GDP, which represents roughly 0.5 PPP dollar per capita per year over the period. Other revenues include revenues from patents, licenses, utility fees, etc. Rates may be established by municipal councils, with the approval of the supervisory authority, and within the limits set by law.

#### ■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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#### Total outstanding debt

Financial debt\*

\* Currency and deposits, loans and bonds

**FISCAL RULES.** No data available.

**DEBT.** According to the law, "part of the resources of local authorities come from the proceeds of loans contracted on the domestic or foreign market, after agreement by the national monetary authorities with or without a State guarantee". As a general rule, Chadian local authorities do not have access to loans.



Lead responsible: UCLG  
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[www.sng-wofi.org](http://www.sng-wofi.org)

**Socio-economic indicators:** World Bank // UNDP // UN Desa // ILO.

**Fiscal data:** Direction générale de la décentralisation - Direction des finances locales.

**Other sources of information:** Haut comité chargé des Réformes Institutionnelles (2017) Rapport final du comité technique interministériel d'appui : 65 actions pour moderniser nos institutions // UCLGA & Cities Alliance (2018) Assessing the institutional environment of local governments in Africa.