

# Chad-Cameroon

## *A Model Pipeline?*

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In early October, Chad joined the club of oil-exporting countries as a result of a unique agreement between its government, a consortium of oil companies, and the World Bank. This partnership, known as the Chad-Cameroon Petroleum Development and Pipeline Project, could change the destiny of Chad and its 7.5 million inhabitants. The project has generated debate regarding whether it could serve as a model for future projects: if successful, not only would it significantly reduce poverty in Chad, it could also encourage other mineral-rich developing countries, multinationals, and aid agencies to emulate it. Moreover, this unique pipeline could overcome the so-called "oil curse" that oil-exporting countries have traditionally suffered by ensuring that petroleum revenues are channeled towards national development. Perhaps due to the importance this project plays in an economy with few natural resource alternatives to oil, Chad has embarked on a path with the World Bank to minimize the risk to private investors. The country also committed to an ambitious program of reforms, including a broad-based consultative process to feed into project design, an oil revenue management plan, capacity building and structural reforms, and the creation of external controls. Nevertheless, the initiative is not without its challenges. Indeed, guaranteeing that oversight mechanisms and

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good governance standards are realized and enforced, as well as ensuring that political stability is maintained in a country with a history of political volatility are essential to the project's success. The future holds promise for the people of Chad and their government if, in partnership with the foreign entities, they prove able to reap the benefits of this lucrative opportunity. The lessons learned as a result may inform, and herald the onset of, a new generation of development projects.

**Background.** Given Chad's geography and economy, and the involvement of the World Bank as a broker, the Chad-Cameroon pipeline represents what is, for now, a unique confluence of circumstances. Chad is a landlocked country, generating high transportation costs and constraining trade. According to the UNDP, Chad remains the fifth poorest country in the world with an infant mortality rate of 54 per 1,000, a life expectancy of 46 years (1990), limited

oil fields until the 1990s.<sup>1</sup> Other than oil, Chad's natural resources are limited. Thus, exploiting petroleum is an indispensable opportunity for the Chad.

The program is itself the result of lengthy negotiations begun in 1988, when Chad and a consortium of oil companies signed an agreement that provides a 30-year concession to exploit oil resources in the Doba region of southern Chad. The original companies in the consortium were Exxon, Royal Dutch Shell and Elf Aquitaine (which was since replaced by Petronas and Chevron). The project involves an investment of \$3.7 billion to develop three oilfields and export the oil through a 1,070 km pipeline across Cameroon. In addition, the potential hazards of Chad's isolation and history of conflict motivated the companies to seek the participation of the World Bank to help mitigate the risk. The World Bank agreed to support the project on the condition that environmental standards be enforced, transparency ensured, and guarantees given that would Chad adopt

## Chad has few alternatives to the pipeline for financing economic development.

access to basic social services, a GNP per capita of \$160, and 80 percent of the population living on less than one dollar a day. Nearly half its territory is unsuitable for human habitation, with 67 percent of the country's land being arid. Agricultural products, mostly cotton, have represented 90 percent of all exports and decades of ethnic and regional conflict until the early 1990s ruined the country's economy. Although petroleum was discovered in the 1960s, civil wars prevented the development of

structural reforms (including an oil revenue management program) to manage oil receipts that could more than double state income. Chad's oil resources were undeveloped at the time the agreement was signed, due to its lack of expertise in the oil industry and limited financial capacity. As a result, Chad submitted to stringent conditions to receive technical assistance and international funds.

Although the World Bank's share of the total financing is small, its participation has been critical in attracting

investment from other financiers, as well as ensuring environmental and social safeguards in project implementation; imposing strong conditionalities intended to minimize the risk of oil revenues misuse, which have resulted in the development of an Oil Revenue Management Program; raising project visibility both locally and internationally. Moreover, this visibility has meant that NGOs and academics have actively informed the debate around the project's perceived weaknesses, in particular those related to its revenue management plan—and the pressure from these groups may have convinced involved parties to improve the plan.

These stipulations do much to further the aims of the international community, but the economic leverage applied on a nation with limited alternatives raises interesting questions regarding sovereignty and the use of financial power. Indeed, Chad has few alternatives to the pipeline for generating revenue and financing economic development and, as a result, it accepted numerous constraints in order to bring the project to fruition—not, however, without negotiating. As Ahmedou Ould-Abdallah, Executive Director of the Global Coalition for Africa, and others suggest, “the government has accepted something very difficult to endorse a few years ago by any African government.”<sup>2</sup> Indeed, this is the first time a government has committed in advance to allocate its oil revenues expressly to priority sectors (the oil production region and to a fund for future generations) and to undertake reforms to prepare the oil economy. It is also the first time a government subjected itself to such an intense level of auditing and monitoring at the hands of domestic and foreign entities. Moreover, during the construction period, Chad submitted to

several express World Bank demands to rectify malpractice such as its 1999 agreement to release a former congressman who had been arrested partly because of opposition to the pipeline and its 2001 agreement to release six opposition candidates arrested following the presidential election. In addition, the country took corrective measures after it bought weapons with \$4.5 million of a \$25 million “signing bonus” that it obtained at the project's onset. The rest of the signing bonus was strictly allocated to priority sectors for poverty reduction. This potential “infringement on sovereignty” has required the weight of an international institution like the Bank—the principal source of international funds for Chad—and the constant pressure brought about by inquiries by the media and NGOs. This degree of flexibility reflects the high priority that Chad attaches to this project, and highlights several of the complexities associated with this model of leveraging transparency, which has many potential benefits—and potential costs.

### **Innovations and Potential Benefits.**

The strengths of the Chad-Cameroon pipeline are two-fold: It has unique potential to improve the political and economic conditions of Chad; and its design, although unique, could be the foundation of project model that could be grafted onto other contexts—several of the pipeline project's elements can be replicated in natural resource extraction in other developing countries. One such feature is the consultation scheme undertaken during the project's planning and design phase, in which an extensive and broad-based consultation process took place that included approximately 900 village meetings, 145 meetings with international NGOs (project

supporters and opponents), and discussions with scientists and environmental engineers. The scope of the consultation was unprecedented, particularly at the village level, and contributed to improvements in implementation plans. For example, results from the consultations led to the reevaluation of a Compensation and Resettlement Plan for Indigenous People and the rerouting of the pipeline in Cameroon.<sup>3</sup>

The project's major innovation, however, is a joint effort by the World Bank and Chad to build a new legal framework to create the conditions for sound oil revenue management. The keystone is the Oil Revenue Management Program, a political compromise between Chad, the World Bank, and civil society (international and Chadian NGOs). Negotiated over five years, the program was adopted in 1998 and has two aims: to channel oil revenues towards priority sectors for poverty alleviation (health, social services, education, infrastructure, rural development, environment and water); and to strengthen oversight, and to ensure that oil revenues benefit national development and are not siphoned off. This initiative has resulted in the adoption of a legal framework that has as its foundation new national oil revenue management legislation. The *Law on Oil Revenue Management* allocates direct oil revenues (i.e. from royalties and dividends) to the priority sectors and the oil producing region and provides for the creation of a trust fund for future generations.<sup>4</sup> This legislation, refined further, by a series of implementing decrees that created, in addition to the usual supervision institutions (the Supreme Court and the Auditor General's office), an ad hoc oversight committee in the *Collège de Contrôle et de*

*Surveillance des Revenus Pétroliers (CCSRP)*, composed of civil society representatives, parliamentarians, officials from Treasury and the Central Bank of Central African States (BEAC), and a Supreme Court judge.<sup>5</sup> The implementing decrees have also designed mechanisms for oil revenues sterilization and stabilization that give the BEAC a critical role in controlling the repatriation of oil revenues deposited in off-shore accounts as well as in the effort to avoid excess liquidity.<sup>6</sup>

Nevertheless, critics note that building a new institutional framework does not guarantee good management of oil resources: additional strategic capacity building initiatives and structural reforms must be undertaken. Therefore, in 2000, the World Bank approved \$37.8 million in loans for the Petroleum Sector Management Capacity Building Project and a Management of the Petroleum Economy Project that aim to provide the government with environmental, social and technical capabilities to develop and manage Chad's petroleum sector and to increase efficiency, transparency, and accountability of public financial management. These activities are part of a larger economic development strategy signed in 2000, which prescribes restructuring the national legal framework to improve efficiency in policy decisions, increase accountability, and reduce corruption.<sup>7</sup> Thus, the prospect of new resources from the Petroleum Project has accelerated the implementation of structural reforms by making these reforms urgent and providing incentives to carry them out.

Beyond these domestic reforms, the promise here is that other innovations (for example, the creation of external control entities to oversee the development of the pipeline) could be replicated

in other developing countries seeking to increase transparency and compliance with pre-set rules. In the case of Chad, the World Bank appointed an international supervisory organization, the International Advisory Group (IAG), in 2001 to report its observations on the implementation of the project, such as revenue allocation, the participation of civil society, governance and human rights, environmental management, social impacts, and potential future issues in need of redress. In addition, an engineering consulting company, which formed the External Compliance Monitoring Group (ECMG), monitors compliance of the oil companies to the environmental management plan and performance of the capacity-building projects. Finally, virtually anyone can exercise control over compliance with the World Bank's policy by filing complaints before the World Bank's independent Inspection Panel.<sup>8</sup> Thus, the World Bank's involvement in the Chad-Cameroon pipeline marks it as a unique endeavor; it remains to be seen whether this model will prove successful in a potentially turbulent climate and, if so, whether it can be exported.

**New Dangers and Remaining Challenges.** Although the World Bank-brokered scheme has the potential to barter economic development for good governance while mitigating investment risks attached to the project, it is still faced with appreciable challenges—both technical and geopolitical—to its overall success. Despite the controls established and progress achieved since 1998, limitations to good governance persist and signal the difficulty of sequencing political reforms, capacity-building, and infrastructure construc-

tion, which have differing time frames. Thus, soon after the start of the pipeline and oil field construction and the implementation of political and economic reforms, IAG reported major discrepancies in the speed of completion of commercial and institutional projects. In short, the construction is moving forward faster than planned and the capacity-building is lagging behind.<sup>9</sup> Since then, the “two-speed problem” denounced by IAG has not been resolved, and Chad's ministries, Parliament, and the *Collège* still lack the capacity to fully carry out their missions.<sup>10</sup> Dinanko Ngomibe, the budget director in Chad's Ministry of Finance, declared to journalists last June that “in terms of human capacity, we're not ready yet.” He notes that “less than 25 percent of [his] colleagues in the civil service know how to use computers, even when the electricity works.”<sup>11</sup> This lack of human resources poses serious challenges to the efficiency of the allocation of oil revenues and weakens the capability of those acting as checks and balances.

In addition to a looming lack of capacity, the government's behavior, especially that of President Derby, presents another threat to the sound allocation of oil revenues. A slew of issues, including human rights abuses, political repression, government distrust of freedom of information, the use of a portion of the signing bonus to buy arms, and the interdiction of the local association EPOZOP, contradict the government's stated commitment to political reform and the revenue management plan.<sup>12</sup> In the short run, the World Bank has been able to use its political leverage (by threatening to withdraw support from the petroleum project or to not provide debt relief to Chad) to correct the President's misbehavior; to a certain extent, international scrutiny has also

maintained pressure on the Chadian authorities. But it is unclear what will happen when the World Bank's leverage and public scrutiny wind up as years pass and oil revenues increase. Also in questions is whether the *Collège*, the new Auditor General's Office, and the Supreme Court will be strong enough to counterbalance the political power of the executive and prevent oil revenue mismanagement. These questions are critical, as much rests on how the *Collège's* authority will be exercised in practice. Indeed, in the absence of a strong civil society that holds the government accountable and compels it to honor its commitments, oversight of government spending of oil revenue and ensuring compliance with the legal framework falls heavily on the *Collège*. Its ability to do so effectively will depend not only on financial and human resources to carry out its mission, but also on the effective cooperation of the ministries and the enforcement of the Supreme Court's decisions in the event of violations.

These challenges of good governance crystallize many of the criticisms of the Chad-Cameroon pipeline model. Thus, some development experts and NGOs have rejected the validity of the model *a priori*, accusing the World Bank of "corporate welfare" and suggesting that "the private sector risk [would be] comfortably cushioned by public funds intended to help the poor in a politically unstable area of Sub-Saharan Africa."<sup>13</sup> Nevertheless, many observers recognized the efforts pursued by the World Bank and Chad, but stressed that political and institutional capacity reforms cannot be developed alongside infrastructure construction and many argue that the former must precede the latter. In other words, the World Bank has emphasized the

building of a legal framework and institutions, but has overlooked the importance of governance, human rights, and political capacity, as well as the time necessary to make improvements in these areas. A lack of human capacity and the persistent fragility of Chad's democracy corroborate this thesis. Indeed, the primary contributor to this lack of preparation is that the World Bank has not traditionally tackled corruption and governance malpractices, has little experience in strengthening civil society, and is arguably not equipped to do so. Consequently, the World Bank could have benefited from the involvement of other organizations more competent in dealing with those issues. Thus, any future application of this model would need to rely heavily on an array of agencies whose technical assistance in fighting bad governance and strengthening civil society could be brought into play.

In addition to the problems of implementation and logistics associated with the project, the case of the Chad-Cameroon pipeline demonstrates limitations to the model that could be dramatic in terms of both economic impact and political stability. Indeed, in the worst case scenario, if the weaknesses of the project prove to completely undermine the oil revenue management scheme, then the "oil curse" would strike Chad (as it surely would without the project's unique mechanisms), creating major economic distortions (atrophy of other productive sectors, expansion of the non-tradable sector, appreciation of the real exchange rate, waste, unsustainable public expenditure, rent-seeking behavior), and increasing corruption and theft. In a less pessimistic scenario, these weaknesses would only limit the potential benefits of the pipeline project

for poverty alleviation. At best, with improvements in the oil revenue management scheme and in the areas of structural reforms, human resources, and governance would continue as they have throughout the preparation stage and improve the lives of the poor.

At stake in the pipeline project is not only Chad's economic development, but also the goal of achieving political stability through poverty reduction—a situation that could, in fact, be worsened as a result of the project's failure. As the neighboring countries of Sudan and Nigeria exemplify, the lure of gain from oil encourages the battle for power and civil unrest opposing oil producing regions and governments. Therefore, badly-managed and unfairly-distributed oil revenues are a major threat to stability and national development, a particularly pressing concern given Chad's long history of violent ethnic and regional

This risk is all the more significant as, besides a provision calling for alternating membership of representatives of the Muslim and Christian communities in CCSRP, ethnic and religious considerations were arguably not properly taken into account in the project's design. The fact that most of those who received training from the World Bank before the project was approved belonged to the same northern ethnic group as President Derby also fuels fear that this group may attempt to hoard oil revenues to the detriment of the rest of the population.<sup>14</sup> Therefore, if the project fails to guarantee concrete improvements in the lives of the whole population, domestic political stability will be threatened.

Should Chad confront domestic conflicts, not only could civil wars within Sudan and the Central African Republic (CAR) propagate, but tensions between Chad and its neighbors could also

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rivalries. To mitigate this risk, 5 percent of the royalties are earmarked for use in the oil producing region, and an accompanying Regional Development Plan is being implemented. Nevertheless, many observers protest that both are inadequate. The 5 percent is supplementary to other expenditure, and the true question is of how much will be allocated to this region in the rest of the budget lines. The risk here is that funds allotted to different regions put the Doba region at disadvantage, thereby reigniting ancestral antagonisms between North and South, and even sparking claims for autonomy in the South.

reemerge, further threatening Chad's stability. Indeed, Chad must currently cope with an influx of refugees in the South and increasing tensions along its border with the CAR, which is violently shaken by an internal conflict.<sup>15</sup> Similarly, Chad is fighting an invading militia from Western Sudan and is facing the penetration of nearly 70,000 Sudanese refugees fleeing attacks in Sudan's western region, where government forces and rebels are fighting.<sup>16</sup> This situation threatens Chad's security and could encourage President Derby to use oil revenues to strengthen his army at the cost of economic development. The dis

astrous experiences of other African oil-producing countries should raise Chadian officials' vigilance and persuade them to appropriately manage the country's oil resources in order to avoid sinking into civil unrest, a situation that its neighbors could exploit. Indeed, in a weakened Chad, Libya and Nigeria, which have territorial ambitions in Chad and supported Chadian armed groups during the three decades following its independence, could represent an additional threat.<sup>17</sup> As far as Cameroon is concerned, the common interests around oil exports should maintain stability between the two countries. Therefore, while current border clashes are troublesome, it is not clear at this time how oil revenues will play in Chad's relations with its neighbors other than Cameroon.

### **Conclusion: A Viable Model?**

Since the onset of the Chad-Cameroon Petroleum and Pipeline Project, the environmental, social, and political safeguards that the World Bank and Chad established have gradually improved. Today, as Chad sends its first barrels of oil to market, the Oil Revenue Management Program and accompanying structural reforms will soon be tested. Success will depend in large part on the performance of Chad's new legal framework and its enforcement, as well as on the continuing efforts at macroeconomic reform and strengthening state capacity and oversight. Positive signs are evident, as the World Bank's involvement, pressure from NGOs and the expectations surrounding the birth of the oil era in Chad have already led to the implementation of numerous reforms.

Although Chad's preparation for the oil economy is uncertain, the efforts to

create the conditions for sound oil resources management could provide a model for other mineral-rich developing countries to "bring to fruition the potential positive impacts" of petroleum projects.<sup>18</sup> In particular, some countries could replicate Chad's legal commitments to distribute oil revenues according to a specific development strategy. Other countries—especially those in which different national authorities conflict—might mirror the oversight mechanisms and establish an independent ad hoc committee similar to the *Collège*, and even empower this authority to settle disagreement within the power structure.

To what extent other mineral-rich countries will follow the model proposed by this project will not only depend on the success of the project in terms of economic development and political stability, but also on the will of governments, companies, and international or bilateral aid agencies to make similar commitments to those made in this project. Even if the project fulfills the expectations it raised, it is not certain whether other governments would agree to implement identical reforms to Chad's, though it may be in the long-term interest of their populations and leaders. Nonetheless, the model that the Chad-Cameroon pipeline project provides could encourage reluctant international institutions to pressure and accompany governments in adopting structural and political reforms in return for their support in bringing other investors to the table. Only time will reveal whether the Chad-Cameroon pipeline can achieve its economic and political goals, and if the innovations born of this unique arrangement can provide the blueprint for future geopolitical and developmental change.



## NOTES

1 Mario Azevedo and Emmanuel Nnadozie, *Chad: A Nation in Search of its Future* (Boulder: Westview Press, 1998). Also, The World Bank, *World Development Indicators* (Washington, D.C.: The World Bank, 2000), CD-ROM.

2 Statement of Excellency Ould-Abdallah, Ahmedou (Ret.), *The Chad-Cameroon Pipeline: A New Model for Natural Resource Development*, Hearing before the Subcommittee on Africa of the Committee on International Relations, House of Representatives, 107-75 (18 April 2002), 22. By May 2000, Peter Rosenblum, Associate Director for Harvard Law School's Human Rights Program, commented that "at the core is a challenge to the sovereignty of undemocratic rulers... Previously, no one would have interfered in the relations between an oil company and an African state." See Peter Rosenblum "Pipelines Politics in Chad," *Current History* (May 1999), 195-199. Quoted in Benjamin C. Esty, "The Chad-Cameroon Petroleum Development and Pipeline Project (A)," *Harvard Business School Cases* (17 January 2002), 10. The Wall Street Journal reports: "The bankers agreed to join the project but with two key provisos: Exxon would submit its plans to bank scrutiny, and Chad would agree to the unprecedented step of relinquishing its oil sovereignty." Roger Thurow and Susan Warren, "A Global Journal Report—Pump Priming: In War on Poverty, Chad's Pipeline Plays Unusual Role—To Unlock Buried Wealth, Nation Gives Up Control Over Spending Its Cash—A 'Sears Catalog' From Exxon," *The Wall Street Journal* (24 June 2003).

3 "EssoChad Documents," available online at: <http://www.esso.com/eaff/essochad/documentation>, and "Chad-Cameroon Petroleum Development and Pipeline Project," available at: [http://www.worldbank.org/afr/ccproj/project/pro\\_overview.htm](http://www.worldbank.org/afr/ccproj/project/pro_overview.htm).

4 More precisely, the Law prescribes that 10 percent of direct resources are to be held in trust for future generations in savings accounts in an international financial institution, 72 percent of royalties and 76.5 percent of dividends are earmarked for additional spending in priority sectors of development, 13.5 percent are set aside for operating and investment costs of the State until 31 December 2007, after which they will go to the priority sectors, and the remaining 4.5 percent of royalties are tagged for the regional development plan in Doba in addition to other usual state spending. The legal prescriptions on oil revenues management are better known under the following form: 10 percent of the direct revenues are allocated to a fund for future generations, the remaining 90 percent are divided with 80 percent of royalties and 85 percent of dividends to the priority sectors, 15 percent to operating expenses for 5 years from the production start, and 5 percent of royalties for the producing region. If we take the direct revenues as reference for the allocation of every portion of those revenues and not the 90 percent, which is usually done, then we obtain the first numbers (15 percent of

90 percent of the direct revenues gives 13.5 percent of the total direct revenues). The first description of the law is more precise and the second one, which is the general way, is a little misleading.

5 In English, "Committee for the Control and Supervision of Oil Resources."

6 Republic of Chad, *Law Governing the Management of Oil Revenues*, Law 001/PR/99 modified by the Law 016/PR/2000 N'Djamena, 1999; Decree Appointing the Members of the *Collège de Contrôle et de Surveillance des Ressources Pétrolières* (CCSRP), 579/PR/PM/2000, N'Djamena, 2000 (ad hoc oversight committee); *Decree Pursuant to the Organization, Functioning, and Conditions of the CCSRPs' Control and Oversight*, 240/PR/MEF/03, N'Djamena, 2003 (abrogating the precedent decree of 2001); *Decree Establishing the Sterilization Mechanism of the Oil Revenues from the Three Fields Komé, Miandoum and Bolobo* (in the Doba basin), 238/PR/MEF/03, N'Djamena, 2003; *Decree Establishing the Stabilization Mechanism of the Expenses Financed by Oil Revenues*, 239/PR/MEF/03, N'Djamena, 2003.

7 Defined in Chad's interim *Poverty Reduction Strategy Paper* (PRSP). The PRSP is a document prepared by poor countries that define their strategy to alleviate poverty and is endorsed by the World Bank and the International Monetary Fund.

8 A Member of Parliament and active opposition leader, Ngarlely Yorongar, filed complaint to the Inspection Panel in March 2001, where it alleged violations of the World Bank's policies in several ways, including environment, resettlement, poverty reduction, economic evaluation, and monitoring. In September 2002, the Panel judged that non-compliance effectively occurred in 20 instances. Inspection Panel, Report on *Chad-Cameroon Pipeline Project*, September 2002. Quoted in Ian Gary and Terry Lynn Karl, *Bottom of the Barrels: Africa's Oil Boom and the Poor* (Baltimore: Catholic Relief Services, 2003), 66.

9 International Advisory Group, *Chad-Cameroon Petroleum Development and Pipeline Project: Report of Mission to Cameroon and Chad July 19-August 3, 2001*, 28 September 2001.

10 To make up for this lack of capacity, the *Collège* and the newly created ministries' administrative and financial offices hired technical staff (economists, experts in communication, public finance, procurement and management). Nearly thirty economists, public finance experts, and procurement specialists were thus hired, especially in the priority sectors. One of the goals of this technical assistance is to reduce delays in the spending cycle to prevent absorptive capacity problems while contributing to the training of local staff. However, World Bank's staff acknowledged that more work is needed, particularly in the areas of budget management and project identification. From an interview with Christine Richaud, World Bank Economist for Chad, on 2 September 2003.

11 Thurow and Warren, 2003.

12 See Amnesty International's 2003 Report on prisoners of conscience. Amnesty International, *Chad*

*Report 2003* (December 2002), available at: <http://web.amnesty.org/report2003/tcd-summary-eg>. As explained above, President Derby had some political opponents arrested in several occasions. The authority shut down Radio Liberty (Chadian independent radio) for weeks before being reopened under popular pressure. Reported in the international media at the time and in *The Chad-Cameroon Pipeline: A New Model for Natural Resource Development*, Hearing before the Subcommittee on Africa of the Committee on International Relations, House of Representatives, 107-75, 18 April 2002. EPOZOP (Entente des Populations de la Zone Pétrolière) has close ties with local communities in the Doba region.

13 Korinna Horta, *Questions Concerning the World Bank and Chad/Cameroon Oil and Pipeline Project*, Environmental Defense Fund (March 1997).

14 Statement by P. Rosenblum, Hearing before the Subcommittee on Africa of the Committee on International Relations, House of Representatives, 107-75, 18 (April 2002), 21.

15 United Nations Integrated Regional Information Networks (IRIN), "Continued Militia Incursions Across Border With Chad," distributed by AllAfrica Global Media (30 September 2003), available at: <http://allAfrica.com>. See also "Clash on Chad-CAR Border," *BBC* (7 August 2002).

16 United Nations Agency, "Sudanese Refugees Fleeing Into Chad to Escape Air Attacks," distributed by AllAfrica Global Media (15 September 2003), available at <http://allAfrica.com>.

17 Libya occupied Northern Chad in the Aouzou for about ten years until forced out in 1987 and continued to claim the area until the International Court of Justice ruled that Chad had sovereignty over the strip in 1994. In spite of trade relations between Nigeria and Chad, both countries entertain conflicting relations mainly due to border dispute around Lake Chad.

18 "Esso Chad Executive Summary," available at: <http://www.esso.com/eaff/essochad/documentation/summary>.