

International Advisory Group
Chad-Cameroon Petroleum Development and Pipeline Project

March 26, 2004

COMMUNIQUÉ
2004 Planning Meeting
Paris, March 11-13, 2004

The International Advisory Group for the Chad-Cameroon Petroleum Development and Pipeline Project (IAG) held its 2004 planning session in Paris from March 11-13, 2004.

Information Up-Date

The IAG exchanged views on Project developments since its last statutory mission from December 1-21, 2003. In particular, the Group focused on the current economic situation in Chad and on the country's relations with its various international partners.

The Group discussed the *Extractive Industries Review* report and its potential impact on the World Bank policy on funding oil projects, as well as the correspondence and various press articles published on this subject in the past few weeks.

2003 Year-End General Assessment

In light of the objectives that the Group set in its work plan, which was updated in October 2003 and is available on its web site at www.gic-iaq.org, the IAG conducted an overall assessment of its work in 2003 and focused in particular on its sixth statutory visit to Cameroon and Chad.

In general, the Group noted that its working methods have allowed for the progressive development of an open dialogue with the parties involved in the Project. Thus, the Group carried out its mandate in 2003 in a climate deemed to be one of trust and collaboration.

By following up on the various issues raised during its missions, the Group is able to provide regular updates on its recommendations, which are generally well received by its interlocutors, even though they are not always promptly applied. The Group agreed to enquire of the interested parties of the follow-up to the recommendations from its last mission before the end of April.

In Chad, the allocation of the first oil revenues in the Government's 2004 budget was a source of disappointment for some of the so-called "priority" Ministries and a source of concern for the IAG insofar as the objectives of the National Poverty Reduction Strategy (NPRS) were not given sufficient consideration at the expected level. But this was a "trial run" that did not have the benefit of optimal conditions as the Chadian institutions and oil revenue management instruments are just now being finalized.

In Cameroon, the results of the construction phase need to be assessed and capitalized on in order to ensure that the country is better prepared for another project of this scale in the future.

The IAG will continue to refine its method of intervention in this country, so that, even as the construction phase is completed, its interlocutors remain mobilized.

Priorities for 2004

The end of 2003, with the first Chadian oil exports and sales to the international markets, marked an important stage in the Project, which has definitely now entered the development phase.

In addition to pursuing its work with respect to the various components of its mandate, the IAG will emphasize the following priorities in 2004:

- **In Chad:**
 - oil revenue management, in particular the state of preparation of the institutions, their compliance with procedures and assessing results based on instruments such as the Chadian Government's NPRS and the World Bank's Country Assistance Strategy for Chad;
 - expansion of the oil economy in the country; and
 - diversification of the national economy beyond the oil sector.

- **In Cameroon:**
 - follow-up with vulnerable populations affected by the Project;
 - follow-up on the environmental and social impacts of the Project, especially the health of the adjacent populations, impact on fisheries and the Mbam, Djerem and Campo-Ma'an national parks; and
 - the Lom Pangar dam project.

The IAG will adapt its working methods as needed in order to meet these objectives.

Seventh Statutory Visit

The IAG will conduct its 7th statutory visit to Chad and Cameroon from May 16 to June 5, 2004. Given the objectives that the Group has set for 2004, this mission will focus on analyzing the 2004 budget in Chad and its execution and probable impacts on the living conditions of the population. The IAG will use the NPRS to guide its work. In Cameroon, the IAG will concentrate on the three objectives listed above.

Annual Working Plan

The IAG set the dates for its 2004 visits and meetings and made plans for the beginning of 2005 as follows:

- Seventh statutory visit to Chad and Cameroon from May 16 to June 5, 2004
- Semi-annual working session and meeting with the President of the World Bank from July 15-20, 2004

- Eighth statutory visit to Chad and Cameroon from October 10-31, 2004
- Annual 2005 planning meeting in Dakar from January 10-15, 2005
- Periodic visits as required.

Finally, the Group will continue to hold regular telephone conferences in order to prepare and assess its missions.

Communication

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