

International Advisory Group
Chad-Cameroon Petroleum Development and Pipeline Project

March 19, 2005

COMMUNIQUÉ

2005 PLANNING MEETING
Yaoundé, January 9, 2005

The International Advisory Group (IAG) for the Chad-Cameroon Petroleum Development and Pipeline Project (“Project” or “Doba Project”) held its 2005 planning session in Yaoundé on January 9, 2005 during its 8th statutory visit to Cameroon from January 3-12.

2004 Year-End Assessment

After taking stock of both the political and economic situation in Chad and Cameroon and the progress on Doba Project and related capacity-building projects in 2004, the IAG assessed its work during the year, including the current mission.

Chad underwent a major financial crisis in 2004 but the future looks brighter now that the country has been repatriating oil revenues since July and the revenue-management mechanisms have finally been activated. In addition, the year ended with an improvement to the situation with the International Monetary Fund, thus paving the way in the long run for a new Poverty Growth and Reduction Facility (PRGF). [This was since confirmed when Chad was granted a new loan in February 2005.]

In Cameroon, the Project inauguration ceremonies in June and the presidential elections in October mobilized attention. As for the pipeline project, there are still pressing issues that must be resolved before the chapter on compensation and social closure can be closed.

One year after the start of operations, the two countries are still lacking a regulatory framework for the oil sector.

Concerning the IAG’s work:

- The Group improved follow-up on its recommendations to the various parties by changing the way missions are planned.
- During its 8th mission to Cameroon, the IAG organized a discussion forum among representatives of the government, Esso and civil society. This concept will be further refined and utilized during future missions.
- The Group received positive feedback on its initiative to publish mission reports sooner by publishing the French version first, along with an executive summary in English and French.
- During missions 7 and 8, the Group was able to cover all the priorities it had adopted at its March 2004 planning meeting.

Priorities for 2005

In working on the various parts of its mandate, the IAG's priorities for 2005 will be as follows:

In Chad:

- Managing the oil revenues, with special emphasis on:
 - execution of the 2005 budget,
 - preparation of the 2006 budget,
 - assessing how well the 2006 budget corresponds to the National Poverty Reduction Strategy,
 - evaluating revenue allocation and the quality of projects in the field,
 - the quality of the work of the *Collège de Contrôle et de Suivi des Ressources Pétrolières* (Oil Resources Control and Monitoring Group, or CCSRP).
- Renewing and expanding related capacity-building projects,
- Monitoring expansion of the oil zone in the south of Chad: compliance with the principles of the Doba Project Environmental Management Plan (preparation of the related documents), implementation of a regulatory framework and oversight by the Ministry of Water and the Environment and the Ministry of Petroleum,
- Preparation and implementation of the Regional Development Plan in the oil zone,
- Monitoring EnCana's oil activities in the Lake Chad region: context for intervention and applicable regulations.

In Cameroon

- Monitoring vulnerable populations affected by the Project,
- Monitoring the Project's environmental and social impacts, especially on the adjacent populations, fishing activities and the Mbam and Djerem and Campo-Ma'an national parks,
- Monitoring the Cameroon Petroleum Environment Capacity Enhancement Project (CAPECE), which has experienced major implementation delays,
- Implementation of a permanent framework for dialogue on the project,
- The Lom Pangar dam project.

The IAG will adapt its working methods to meet these objectives.

2005-2006 Working Plan

The IAG set the dates for its 2005 visits and meetings and made plans for 2006 as follows:

- Ninth statutory visit to Chad and Cameroon, May 14 - June 4, 2005
- Tenth statutory visit to Chad and Cameroon, September 24 - October 15, 2005
- Eleventh statutory visit to Chad and Cameroon, January 7-28, 2005
- Annual planning meeting in March 2006

- Twelfth statutory visit to Chad and Cameroon, June 17- July 8, 2006
- Specific visits as required

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

9th Statutory Visit

The IAG will conduct its 9th statutory visit to Chad and Cameroon from May 14 to June 4, 2005. Given the Group's objectives for 2005, this mission will focus on:

In Chad:

- analyzing execution of Chad's 2005 budget and preparation of the 2006 budget,
- an overview of the priority ministries' use of the oil budget as of the end of 2004 and the fate of unused funds,
- the quality of the CCSRP's work,
- the monitoring institutions and instruments' transition from managing Doba Project to managing the oil sector,
- new oil activities in the south of Chad and the Lake Chad region,
- diversification of Chad's economy through agriculture and livestock.

In Cameroon, the aforementioned five objectives:

- monitoring programs for vulnerable populations,
- monitoring the Project's environmental and social impacts,
- monitoring implementation of the CAPECE,
- implementation of a permanent framework for dialogue on the project,
- the Lom Pangar dam project.

Communication

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