To begin with I would like to thank Bassary Touré and staff for the enlightening discussion that we had yesterday about the situation in Cameroon and the Bank approach. Looking at the papers it is unsettling to see how many years of economic mismanagement up to 1996 have transformed Cameroon from relatively well-to-do into a poor debt-ridden country. One can read this not only from the decline in per capita income but also from indicators related to health, education, gender, etc. The situation has improved somewhat over the past four years, but much remains to be done.

Since 1996 and even more so since 1998, the performance of the country in terms of macro-economic management, privatisation and external debt management has improved and the Government should be commended for that. However, it appears that there has been an over-emphasis on macro-economic policies and the external position of the country to the detriment of sectors such as health and education or policies to improve the environment for pro-poor growth (rural development, governance with broad based participation, institutional development). This was due both to unwillingness and lack of capability to implement such policies on the side of the government as well as the lack of focus on these issues from the side of donors and the International Financial Institutions including the Bank.

Priorities
Given the proven readiness of the present Government to take on problems facing the country we could be facing one of the best windows of opportunity in many years. It requires action from all parties involved. To redress the problems in Cameroon it is essential that both the Government and donors, as well as the Bank and the Fund focus on improving governance, while allowing for adequate resource allocations to government activities to promote growth and poverty reduction. In that regard it is encouraging that the report does indicate progress in tracking oil revenues in line with IMF requirements (paragraph 15).
We have expressed strong concern over the explosion of AIDS in Cameroon before. According to the CAS progress report this is "a potentially catastrophic new threat to Cameroon’s development with which it is ill-equipped to deal." This threat, which might be compounded by the pipeline project, should be swiftly addressed in the national action plan, which should include adequate resource allocations.

In addition, it is key that the policy making process is opened up to allow for participation and transparency for the people affected by policies (see also paragraph 13).

The Bank program and performance
The Bank is faced with a legacy of too generous IBRD lending to Cameroon and has to disburse substantial amounts of IDA credits each year to make net transfers to the country. This proves to be difficult, given the limited institutional capacity to implement even a small portfolio of IDA projects, and the Bank relies heavily on macro-economic support (adjustment lending, debt relief). Even with the new sector strategies for education and health, one could wonder whether project lending, allowing for more targeted assistance in capacity building and controls on the use of money, would not be more appropriate.

Looking back at the performance of the Bank in Cameroon, I believe that the Bank shares responsibility for the lack of attention to direct interventions to tackle poverty. Probably the client feedback survey is quite right to find that there is a "disconnect between the Bank’s stated poverty reduction objective and the perceived low priority given to poverty reduction in the Bank’s program" (paragraph 42). The proposed program for the next two years does too little to change this. In my view, we should begin working on a new CAS on the basis of the Interim PRSP once it is finalised. A new CAS should reorient our program of assistance to poverty reduction and to ensuring that it can no longer be said that "foundations for broad based growth...have not yet been established" (paragraph 22).

HIPC
There can be no doubt that Cameroon would benefit from debt relief, provided that the government manages the resources freed up by it well. In this regard the proposed requirements for a decision point by September are broadly right but ambitious. The Bank and others need to support the Government, e.g. with capacity building to implement the policies.

With regard to the technical aspects of debt relief, we can go along with the use of June 1999 debt data for a September 2000 decision point. In addition, we urge the Government of Cameroon to finalise debt reconciliation. Finally, I would like to emphasise that, under the proposed Debt and Debt Service Reduction operation, commercial debt should be reduced on the basis of “comparable treatment”.

To conclude, I encourage the Government of Cameroon to broaden the range of reforms from the macro-economic agenda to include interventions targeting poverty and inequality. And I strongly recommend that the Bank and other donors reorient their approach to Cameroon to support the Government in this regard.