



commission for environmental impact assessment

Attn of Ms G. Dommerholt
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your reference
DAF/WA 98/174

your letter
3 March, 1998

our reference
U15-98\Po\ep\033-59

subject
Advisory review of the environmental
impact statements of the Chad Export
Project in Chad and Cameroon

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Utrecht (The Netherlands),
2 July 1998

By letter dated 3 March 1998, the Commission for Environmental Impact Assessment (EIA) was requested to carry out an advisory review of the EA-studies and other relevant documents on the Chad Export Project.

I herewith submit the advice prepared by a working group of the Commission for EIA. The Commission would like to draw your special attention to the issues raised below.

- The decisions for which the EAs for the Chad Export Project have been prepared are:
 - the approval of IFC loans to COTCO and TOTCO (the private parties);
 - the approval of IDA loans to the governments of Chad and Cameroon;

According to World Bank's Operational Directive 4.01 the borrower has to prepare and present the EA. This implicates that for the IFC decision the private parties are the proponents and for the IDA decision the governments of Chad and Cameroon are the proponents. The objective of the private parties to engage in this project differ from the objectives of the governments of Chad and Cameroon.


The EAs do not identify the respective governments as project proponents. Moreover, the EAs phrase the objectives of the project from the viewpoint of one single proponent: the private parties. Objectives of both governments are not mentioned in the EAs.

In the EAs, a clear distinction is made between commitments to be made by the private parties and the commitments to be made by the respective governments. To a sufficient extent the former are worked out. The latter are not. When these commitments are addressed, the EAs refer to the respective governments.

In order to be able to use the EAs also for decision-making on the provision of the IDA loans asked for by the respective governments, the Commission has reviewed the EAs, assuming that, next to the private parties, also the governments of Chad and Cameroon are project proponents.

- The present review advice emphasizes the importance of placing the environmental - assessments in the context of the socio-political situation in the two countries. I would like to stress here that an assessment of the performance of both countries with regard to poverty alleviation would be the basis for definition of the programme of institutional assistance to both governments.
- Given the complex and controversial character of the project and the complexity of the environment in which the project is to take place, I would like to suggest -in case the project is approved- to establish, as has been done in the case of the Nam Theun Hydro-power Project in Laos, an international advisory group (IAG) to assist the World Bank in monitoring the implementation of the World Bank's internal operational directives and policies on environmental assessment and management, poverty alleviation, resettlement issues, indigenous people, forests, natural habitats and public participation in this project. The existence and functioning of an IAG would be a strong incentive for the World Bank and the Consortium to give shape to their joint responsibility.
- It is likely that the project will induce exploitation of oil reserves other than the reserves targeted by the project. At least part of these potential exploitation activities will not need as massive an investment as the present project. World Bank interference will probably not be asked. Consequently, these activities will not be subjected to the World Bank's environmental regulations as applicable to the present project. Therefore, given the state of environmental legislation and law enforcement in Chad and Cameroon, I fear that these activities will not be subject to environmental impact assessment. As these potential developments will be knock-on effects of the present project, it is my suggestion that the World Bank and the Consortium, in the framework of the project, take up the responsibility to assist both governments to put in place adequate legislative and regulatory frameworks on environmental impact assessment and appropriate institutions for their enforcement.

The Commission appreciates to be informed about the use that is made of this advice.



Prof. Dr. Ir. D. de Zeeuw,
Chairman of the working group on
the Chad Export Project,
Chad and Cameroon

cc: Ms A. Wevers, Directorate-General International Cooperation of the Ministry for development Cooperation,
The Hague, The Netherlands