

Growth, opportunity and hope in Africa

Most Americans don't have to worry about famine or young children dying from disease. African families do. Fortunately, two recent decisions made in Washington, D.C., can help the impoverished nations of Africa improve the lives of the 700 million people who live in the region.

First, Congress passed the Africa Growth and Opportunity Act, which President Clinton recently signed into law. The legislation promotes commerce with Africa by lowering or eliminating tariffs and quotas on products made in 48 sub-Saharan countries.

Second, the World Bank has offered hope to two of the neediest nations in the region. On June 6, the executive directors of the World Bank, representing 181 member states, approved the Bank's participation in the Chad-Cameroon Petroleum Development and Pipeline Project.

A consortium of companies led by an ExxonMobil affiliate plans to develop a major oil field in landlocked Chad. The consortium will also construct a 650-mile-long underground pipeline from the field to loading facilities off Cameroon's Atlantic coast.

The World Bank is participating in the project to help alleviate the extreme poverty of millions of people in the two countries. In Chad, for example, average yearly income is less than \$200. Most people live without health care, clean water, schools, electric power or paved roads. One of every five children dies by the age of five. The average life span is under 50.

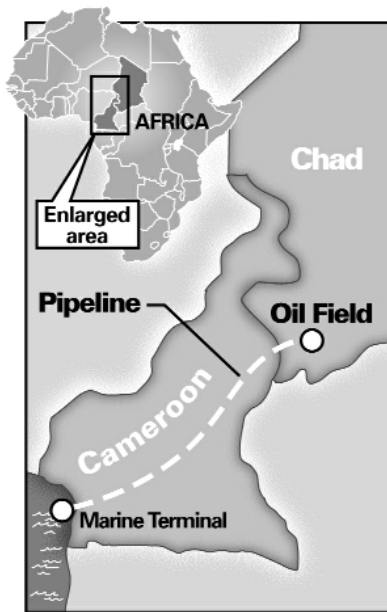
In agreeing to participate, the Bank has validated the project's comprehensive plans to protect the human and natural environment. During the last five years of project development, Chad, Cameroon and the consortium have consulted with local citizens and civil society groups at more than 900 public meetings.

Depending on oil prices, the project could generate from \$2 billion to \$5 billion in direct revenues for Chad and \$500 million for Cameroon over the 25-year production period. This can help transform the economies of the two countries if public revenues are managed properly.

To ensure that they are, Chad's Parliament and president have enacted an unprecedented revenue management program. This law imposes strict controls on the

government's share of oil revenues and places project funds in special accounts that will be subject to public reviews and World Bank audits. It requires that the funds be used for health, education, infrastructure and rural development programs, and invested for future generations.

Profound poverty is an unfortunate reality in much of Africa, and its alleviation requires private investment and responsible governmental policies. The Chad-Cameroon Project embodies both these elements. It also offers hope to the people of the two countries, just as the Africa Growth and Opportunity Act extends the promise of increased trade to the entire region.



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