

**CAMEROON: INTERIM STRATEGY NOTE
CHAIRMAN'S CONCLUDING REMARKS**

**Meeting of Executive Directors
December 7, 2006**

The Executive Directors welcomed the joint IDA/IFC Interim Strategy Note (ISN) for Cameroon and appreciated its alignment with the objectives of the Africa Action Plan.

Directors commended the authorities for maintaining macroeconomic stability and pursuing reform efforts to strengthen governance and reduce corruption, and urged the Government to further accelerate their efforts in this area. Directors emphasized the importance of providing a transparent business climate for investors, and in this regard they urged swift resolution of any outstanding issues on the CAMAIR privatization. Directors also underscored the importance of maintaining fiscal discipline, reducing the fiscal burden of public enterprises, and strengthening public financial management. They expressed concern that GDP growth had declined, and stressed the importance of public sector investments. They also highlighted the importance of ensuring debt sustainability.

Directors broadly supported the ISN as a transitional step towards the development of a joint CAS in support of the Government's own development strategy, and urged the authorities to accelerate PRSP preparation and ensure full country ownership of this process. They were supportive of the ISN's guiding principles: addressing governance and anticorruption efforts, reinforcing management for results, and strengthening partnership, alignment and harmonization. Directors particularly commended the Bank Group's efforts to increase its focus on development effectiveness and to strengthen its own management for results. They appreciated the innovative efforts to integrate all activities around six ISN outcome clusters. Directors noted that amounts disbursed to Cameroon would be linked to progress on governance and public financial management reforms, and some of them urged explicit benchmarks for progress in this area.

Directors welcomed the Government's efforts to move towards sector-wide approaches in key sectors. They pointed to the need for a greater focus on the social sectors. Directors underscored the need for more attention to the growth agenda, and suggested agriculture, mining, timber, infrastructure and energy as good potential sources of growth. They also highlighted the importance of regional integration and increased trade flows.

Finally, Directors encouraged the Bank Group to continue playing a leadership role in fostering partnership in Cameroon and promoting harmonization among development partners. They also welcomed the strengthening of the Bank's country office.