

CAO Conclusion Report— Chad-Cameroon Pipeline-02/Cameroon

This report provides an overview of the CAO dispute resolution process in relation to the Chad-Cameroon Petroleum Development and Pipeline Project in Cameroon.

SUMMARY

In 2011, the CAO received a complaint from four Cameroonian NGOs, on behalf of individuals and communities, that highlighted a complex set of issues and concerns related to the Cameroon portion of the Chad-Cameroon Pipeline Project. In 2012, the relevant stakeholders agreed to seek resolution using a dispute resolution approach. Between 2012 and 2017, CAO facilitated several dialogue processes among different complainants and the Cameroon Oil Transportation Company (COTCO), the pipeline project operator.

By 2014, agreements had been negotiated and fully implemented in the four individual cases contained in the complaint. In 2016 and 2017, agreements were reached in the three community-based cases. CAO remained involved, supporting the parties in the implementation of these agreements in a monitoring capacity until closing the complaint in June 2019 and hosting a formal ceremony to mark this event.

This Conclusion Report gives an account of the process and outcomes of dialogue regarding the various topics handled by the dispute resolution process facilitated by CAO, as well as offering some reflections from the parties and CAO.

BACKGROUND

The Project

The Chad-Cameroon Petroleum Development and Pipeline Project involved the construction of a 1,070 km pipeline to transport crude oil from

three oil fields in southwestern Chad to a floating facility 11 km off Cameroon's coast. The International Finance Corporation's (IFC) investment in the project consisted of a \$100 million loan from its own account and a \$100 million loan syndicated to over 15 commercial banks. In December 2012, IFC's involvement in the project ended, as both the Cameroonian and Chadian sponsors, COTCO and Tchad Oil Transportation Company (TOTCO), voluntarily repaid the outstanding loans.

The Complaint

In May 2011, four NGOs filed a complaint with CAO on behalf of a number of community members who believed they were adversely affected by the project. The complainants are located on the Cameroonian side of the project, and their concerns relate to the Cameroonian project sponsor, COTCO.

The complainants voiced concern regarding a range of environmental and social impacts of the pipeline, affecting individuals, families, and communities, including:

- an alleged rise in the prevalence of HIV/AIDS as a result of the laying of the pipeline;
- a work-related accident of an employee of a sub-contractor;
- impacts on local farming land;
- concern over compensation levels for impacts;
- loss of livelihood among fishermen near the off-shore facility in Kribi;
- waste management and its impact on the neighboring Ebaka community; and

 the displacement and improper compensation of an indigenous community.

In addition, the complaint expressed frustration over a lack of progress achieved by the *Tripartite Platform*, a platform created by a group of stakeholders including NGOs, COTCO, and government representatives in 2005. The platform had been designed to foster engagement between the parties to address and resolve community concerns.

CAO'S DISPUTE RESOLUTION PROCESS

During CAO's assessment of the complaint in 2011, the complainants and COTCO chose to engage in a voluntary dispute resolution process, facilitated by CAO.

For the purpose of the dispute resolution process, the concerns were organized as follows:

- Four <u>individual cases</u>: relating to workplace injury, HIV/AIDS, insufficient compensation, and land degradation;
- Three large <u>community cases</u>: related to a COTCO waste management facility in Ebaka, the impact on fishermen in the Kribi area, and the impact of the pipeline on the Bagyeli, an indigenous community.
- Concerns about the functioning of the <u>Tripartite Platform</u>.

INDIVIDUAL CASES

Assisted by CAO, the complainants and COTCO first tackled individual complaints. By December 2015, mediations were concluded and agreements implemented for the four individual cases.

1. Bang Bang Elie

The complainant sought compensation for an eye injury sustained while employed by a COTCO sub-contractor.

The CAO-facilitated mediation between the complainant and COTCO resulted in:

- The provision of eyeglasses and medical eye care for a year; and
- A palm plantation as a sustainable alternative source of income. COTCO also provided the complainant with seeds, and the NGOs agreed to help him prepare the land for planting.



Bang Bang Elie and his family received plants for a plantation as an alternative source of livelihood, after he suffered an eye injury.

2. Berthe Ongono

The individual in this case alleged that she contracted HIV/AIDS from a pipeline employee.

All parties agreed that a causal link between the complainant's claim and project activities could not be established. Nonetheless, COTCO agreed to support the creation of a sustainable source of income for the complainant and others who may be in a similar position by establishing a sewing shop through COTCO's Corporate Social Responsibility program. Since the agreement was reached, the complainant passed away. The program continued, implemented by a

local Catholic Sisters' organization that ran a program for women suffering from HIV/AIDS.

3. Djertou Community

Originally filed by one individual and thus considered an individual complaint, this complaint from a community of 300 raised concerns about what they considered to be inadequate compensation for the destruction of crops on a piece of community land.

After several meetings , the parties agreed to develop and implement an agricultural project as a form of compensation. COTCO provided equipment and material, which the community used to develop approximately four hectares of agricultural land.



Members of the Djertou community receive agricultural products from the company.

4. Nzougo Family

The family complained that run-off and drainage from a COTCO camp adjacent to its land had led to the deterioration of its quality and hence to a loss of livelihood.



The parties agreed to commission an independent expert to assess the impact of the run-off from the camp facility. The assessment concluded that, as a result of the run-off, there were unaddressed impacts to the family's land, and that rehabilitation of the land was feasible.

Through the CAO-facilitated mediation, the parties agreed that COTCO would send engineers to resolve the problem attributed to run-off water, which, over time, would permit the land to rehabilitate itself. They also agreed to an agricultural development project to provide a sustainable alternative source of income for the family.

COTCO provided the Nzougo family with equipment to clear three hectares of virgin forest and then provided agricultural inputs, including fruit, banana, plantain, and cacao seedlings for planting.

With support from CAO, an agricultural technician was recruited to assist the family in establishing the plantation and to provide the mediation process with updates on project-related activities.



Members of the Nzougo family worked to prepare the field for planting.

At the conclusion of the project, as a final input, COTCO presented the family with a chainsaw.

COMMUNITY CASES

1. Ebaka Community

In May 2011, the community of Ebaka¹ filed a complaint with CAO claiming that a waste disposal site run by COTCO located in the proximity of their village had contaminated the environment, thereby affecting local agriculture and the health of the residents.

While the original complaint focused on the management of toxic waste, including waste containing asbestos, the complainants also sought assistance in identifying the root causes of the problems affecting their community and the environment, including the impact of the asbestos-containing material buried in the landfill by COTCO, through the CAO dispute resolution process.

The parties agreed to engage in dialogue in 2013 and met regularly between 2014 and 2017. In July 2017, the parties reached an agreement that they agreed settled this dispute. As per the parties' decision, the

detailed agreement is not publicly available, but a summary is included below.

During the mediation process, the parties agreed on, and carried out, the following actions:

Independent Study/Joint Fact Finding:

To address the concerns of the potential impact of asbestos-containing material in the waste disposal site, COTCO agreed to fund a new study to be conducted by an international expert.

Prior to the start of the CAO mediation, COTCO had commissioned an expert from the University of Yaoundé to conduct a review of the method used by COTCO to dispose of waste containing asbestos in the waste management facility at Ebaka. This study concluded that the disposal of the asbestoscontaining waste had been undertaken in accordance with local laws and international standards and presented no threat to the local population.

At the request of the representatives of the community of Ebaka, COTCO agreed to fund a new independent study on the asbestoscontaining waste buried in the Ebaka waste management facility.

In an open, transparent, and collaborative process, the representatives of the community of Ebaka, NGOs, and COTCO selected a recognized and independent asbestos expert to conduct a new and thorough review of the COTCO waste management facility, in order to ascertain if its handling of asbestos-containing waste may have had a negative impact on the community.

After this in-depth study, which included site visits, the expert concluded that the handling of asbestos at the COTCO waste management facility was in compliance with international standards and that it had had no

¹ Officially, this community is called "Ebaka 1."

harmful impact on the community. The study concluded that, if the good management of asbestos-containing material at the waste management facility continues, there would be no harmful impact from asbestos on the Ebaka community in the future.

Box 1. Summary of the final partnership agreement between COTCO and the Ebaka community

COTCO committed:

- To finance the start-up of a community cooperative and capacity building for the members of the cooperative, to ensure that they can efficiently carry out their activities for the community;
- To fund the rehabilitation of the Ebaka Community house;
- To finance the construction of and equipment for two classrooms for the nursery school, including sanitation facilities, in a participative approach with the community;
- To finance the realization of a drinking water supply project to improve access to drinking water for the Ebaka village; and
- To transfer the grass cutting contract for the exterior of the landfill, as well as the exterior of pumping station number 3, to the Ebaka Development Committee, upon expiration of the current contract.

The Ebaka community committed:

- To cooperate in the implementation of the projects financed by COTCO, by providing a local and voluntary workforce, as well as local raw materials;
- To prepare cost estimates and technical scopes of work, to be approved by COTCO, for the implementation and monitoring of the agreed projects, through the Development Committee;
- To develop plans for implementation and monitoring of the projects; and
- To provide to COTCO the legal and administrative documentation related to creation of the cooperative and the appointment of its managers, as well as the bank account information of the aforementioned cooperative.

The parties have accepted the findings of the report and signed a **memorandum of understanding** to confirm their agreement that there are no further concerns regarding the management of waste materials containing asbestos.

Once asbestos-containing material was understood not to be the cause of issues at the community level, representatives of the community and COTCO agreed to seek government support to help identify the causes of the impacts the community observed. Further government assessments were expected, as a result of the parties' proposal to set up an inter-ministerial committee with multidisciplinary experts. The government's administrative process was so lengthy, however, that the parties abandoned the process in favor of focusing on elements of cooperation in their control.

Throughout the dispute resolution process, COTCO and the community of Ebaka have worked to **improve their relationship as neighbors**, including by identifying community priority sectors that COTCO can support within the framework of its social responsibility activities.

In their final **partnership agreement**, signed in July 2017, COTCO and the community of Ebaka identified community priority sectors that COTCO will support through specific development projects, aimed at improving the living conditions of the Ebaka residents.



The Ebaka school receives a new building as part of the partnership agreement. Photo: Rodrig Mbock, 2018.

Throughout this process, CAO provided significant capacity-building support for the community of Ebaka on their request, starting identification the of community representatives; providing support before, during, and after meetings with the company; helping them elaborate positions; and supporting Ebaka's local development committee in charge of social activities and the cooperative in charge of incomegenerating activities. While the company funded an independent consultant to provide technical training for the cooperative, CAO's support aimed to enable the community to organize, prioritize its development concerns, engage successfully with its company interlocutors, and manage the projects that the company would support.

CAO remained engaged with the parties after the agreement was reached, to support them in the implementation of their agreement. During this time, internal conflicts between leaders of the committee have posed a challenge to the implementation of the agreement. CAO stayed engaged and helped to facilitate dialogue between leaders in search of a solution.



CAO worked with the Ebaka community to help build their capacity. Photo: Rodrig Mbock, 2018.

The management of funds provided by COTCO to the cooperative also proved challenging. Here, CAO stayed engaged as well and provided capacity building and support, coaching the different parties on strategies to navigate the situation.

2. Kribi Fishermen

The fishermen complained that a decline in fish populations in the Kribi area is a result of the project's pipeline and offshore loading terminal. The fishermen say that these facilities have impacted their main source of income and livelihood.

A CAO mediation between representatives of 11 fishing villages and COTCO began in January 2013. The village representatives and COTCO have met regularly in an effort to address the concerns of the villagers.

The mediation process resulted in several enhancements to the fishing communities' capacity to catch, store, and market fish, by rehabilitating and strengthening the existing fishing development association and transforming it into a cooperative.



Local fishing boats in Kribi have been painted blue to indicate they are authorized to fish around the off-shore facility.

CAO also provided capacity-building support to the fishermen, including support in the identification of community representatives and training in the 11 concerned villages. The first training session focused on helping establish representative structures in each village and setting up a system of communication between the 11 villages and the eight community leaders representing the villages in the mediation process. The second training session assisted the fishermen in

elaborating and refining the support requested from COTCO.

During the CAO-convened mediation, the parties agreed to a three-pronged project to address their concerns:

I. Short-term project – facilitating the identification and entry of fishermen associated with the cooperative into secure maritime zones patrolled by the Cameroonian armed forces:

In an effort to support the fishermen's livelihoods, the parties agreed to facilitate access for all fishermen associated with the cooperative into secure maritime zones rich in fish. Boats have all been painted the same blue color, and identification badges for cooperative members and license plates for the boats have been produced. Materials, including paint and badge-making equipment, have been handed over to the cooperative.



Fishermen inspect their net, Kribi, 2019. Photo: Rodrig Mbock

II. Medium-term project – Strengthening the fishing communities' organizational structures:

An existing fishing association (servicing fishermen in one village) initially underwent an independent evaluation of its strengths and weaknesses and was provided advice on how to increase its technical and financial capacities, as well as enlarge its membership

to the 11 villages impacted by the pipeline project.

The parties to the mediation identified and shortlisted a number of Cameroonian experts to conduct this review and provide advice on how to increase the efficiency and the capacity of the fishermen's cooperative. In an open and transparent process, the representatives of the fishermen selected a consultant to conduct the study, financed by COTCO. Shortly thereafter, the study was successfully concluded, and the findings were shared with the parties to the mediation process.

Building on the results of the study, the fishermen provided COTCO with a list of the material required to strengthen the cooperative. COTCO then provided the cooperative with materials to stock their shop.



Fish being sold at a local market run by the cooperative.

III. Long-term project – Providing support to the Kribi fishing cooperative:

Initially, the long-term project consisted of putting in place an aquaculture project. However, midway through the mediation process, the fishermen and COTCO agreed not to pursue the aquaculture project, preferring to focus on the provision of much-

needed support to the fishing cooperative in its place.

In November 2016, the parties concluded an agreement to settle the complaint. The full text of this agreement is posted on CAO's website.

Box 2. Summary of the final agreement between COTCO and the Kribi Fishermen

COTCO committed:

- To support the creation of the Kribi Fishermen's Cooperative, including through funding the work of an expert consultant to oversee administrative and financial management;
- To cover the cost of a cold-storage facility;
- To provide initial funding and stock for the Fishermen's Shop, the sales from which will sustain the Cooperative.
- To provide the Cooperative with all stocks of boat paint, a heat-lamination machine for Cooperative identification badges, and a machine to produce license plates for the boats; and
- To install a fuel storage tank and a cold-storage facility at the premises of the Cooperative.

The Kribi fishermen community agreed:

- To finance the mobilization of the 11 communities' support for the Cooperative;
- To finance and organize all meetings related to capacity-building workshops and provide all logistical inputs;
- To secure authorization for the installation of the fuel storage tank and a cold-storage facility; and
- To manage all administrative and financial aspects of the Cooperative.

Most of the agreements have been implemented. However, some are still underway, with the good faith support of both parties, including the provision of the machine to produce license plates, which proved challenging to procure, and the putting into operation of the fuel storage tank, which has been constructed and is technically operational but still lacks a fuel provision contract. Finally, after months of operation, the cold storage is not functioning. The parties are working together to get it fixed.

3. Indigenous Peoples

In May 2011, NGOs representing the Bagyeli indigenous communities filed a complaint with CAO claiming that the laying of the oil pipeline, which runs along territories of the Bagyeli, led to displacement and loss of livelihood among the Bagyeli indigenous communities residing in the Lolodorf, Bipindi, and Kribi territories.



Bagyeli live near the pipeline route. Photo: Rodrig Mbock, 2019.

COTCO's initial Environmental Management Plan (EMP) included the assessment and management of impact on the indigenous peoples in the project vicinity. The EMP outlined the creation and operation of a mechanism to provide assistance for indigenous groups' development and self-promotion activities. This resulted in the creation in 2001 of the Fondation pour l'Environnement et le Development au

Cameroun (Foundation for Environment and Development in Cameroon - FEDEC), set up within the framework of the Chad-Cameroon Pipeline Project.



Making baskets is one of the Bagyeli crafts using non-timber forest products. Rodrig Mbock, 2019.

The complaint from the Bagyeli raised concerns about the management of the project and its impact on indigenous peoples, as set out in the EMP. The Bagyeli were not satisfied with their level of involvement and participation in the review of the Indigenous Peoples Plan (IPP), as stated in the EMP.

During the early months of CAO's involvement with the complaint, the original IPP was reviewed and updated by a consultant appointed by the IFC, with the direct input of community members who filed the complaint.

The CAO waited for the conclusion of the IFCsupported review process, in 2014, before reaching out to the affected communities to ascertain if they still had concerns. The Bagyeli still had considerable reservations.

The Bagyeli and COTCO agreed to engage in mediation facilitated by CAO. Being the entity responsible for the implementation of the EMP, FEDEC was also included in the mediation process. The CAO supported the communities' process of selecting their representatives to the mediation, and the first meeting took place in November 2014.

Over the course of 2015 and 2016, the parties carried out a **complete review of the IPP implementation process**. The Bagyeli put forward a series of propositions on how to improve the working relationship with FEDEC and its implementing partner. These included suggestions for enhanced engagement with the affected communities, as well as requests for support for alternative sources of livelihood for the Bagyeli and their Bantu neighbors, and support to improve relations between the Bagyeli and the Bantu. **Relevant changes to the Environmental Management Plan (EMP) were jointly agreed in May 2016.**

In 2015, **agricultural land was mapped** for its potential use for the Bagyeli in a participatory process conducted by FEDEC and local NGOs (CED and Relufa), with the involvement of the Bagyeli community.

CAO provided representatives of the Bagyeli communities with capacity-building support and training during the mediation process. This started with assistance provided during process of identifying community Once representatives. representative structures were in place, a capacity-building workshop was held, focused on negotiation techniques and building monitoring and evaluation tools that will allow the Bagyeli to assess and follow the work done by FEDEC. The second workshop assisted the Bagyeli in formulating their demands with concrete proposals for transmission to FEDEC.

Another round of CAO capacity building targeted BACUDA, a Bagyeli NGO that first supported the Bagyeli in the mediation process, and then successfully competed to become FEDEC's implementing partner for the EMP.

In May 2016, a plan of action was agreed through the dialogue, including the implementation of FEDEC-financed activities in the Bagyeli-identified priority sectors of health, education, and agriculture. In **July 2016, the parties signed an agreement** setting out their mutual responsibilities. The

full text of this agreement is posted on CAO's website.

Box 3. Summary of the agreement between COTCO and the Bagyeli community

1. Securing agricultural land tenure

The parties agreed that if Bagyeli community members wish to clear virgin forest to create agricultural land in areas previously mapped in the participatory process, FEDEC would facilitate the felling of trees and the provision of agricultural inputs and equipment. In turn, community members agreed to identify the plots, clear the underbrush, and undertake the planting.

To achieve access to land for the Bagyeli with security of tenure, FEDEC's implementing NGO facilitated the process between the Bagyeli and their Bantu neighbors. The Bagyeli now hold papers documenting their legal claim to the land, signed by the traditional and formal administrative authorities.

2. Health, education, and citizenship

The parties agreed to address the community concerns regarding health, education, and citizenship within the framework of the Environmental Management Plan (EMP), changes to which were jointly agreed by the parties in May 2016.

3. Implementation of the EMP

FEDEC committed to ensure the implementation of the EMP in a timely and transparent fashion, including by sharing information with the parties about challenges encountered during implementation.

FEDEC also committed to establish an "Indigenous People Consultation Framework." The new forum is designed to ensure enhanced consultations with the Bagyeli and strengthen their organizational capacities.

COTCO committed to guarantee that FEDEC honor its commitments.

TRIPARTITE PLATFORM

Prior to helping the complainants lodge a complaint with CAO, the NGOs tried to resolve issues of mutual concern through the Tripartite Platform, a platform for exchange involving NGOs, COTCO, and the government.

While the Tripartite Platform did help to resolve a number of cases, the NGOs believed that too many cases were either pending or would not be heard at the Tripartite Platform.

As part of the CAO process, COTCO, the NGOs, and the government explored the strengths and weaknesses of the Tripartite Platform in addressing compensation cases and agreed to the creation of a more structured space for dialogue to discuss these issues. They also agreed that the formulation of ground rules and operating procedures could strengthen the Tripartite Platform and help strengthen the relationship between the parties.

CAO has facilitated capacity building sessions around the Tripartite Platform concept, helping the parties assess the potential role such a forum could play. In the end, however, the parties have let the Forum fall dormant during the later stages of the CAO process. The foundation is ready, however, for it to become active again, should the parties choose to start meeting again.

REFLECTIONS

As part of the ceremonial closing of the process, CAO convened the community and company representatives in Kribi in June 2019. Each group had prepared reflections on their experience with the dialogue, which they shared in a joint meeting. A day of reflection in a friendly and cooperative atmosphere was concluded with a joint dinner prepared by the fishermen's cooperative.

The participants discussed elements of the process that they appreciated, and highlighted challenges that may support CAO's efforts at learning and continuous improvement of its processes.

Improved relationships and outcomes on the ground

Community and company representatives alike expressed appreciation for the dialogue process and the path they had travelled together. They noted that it had made them learn about each other's perspectives, the importance of seeing issues from the other side, the value of patience and persistence, and not to be afraid to compromise on specific positions in a process which they experienced as ultimately leading to improved relationships and real outcomes on the ground.

The value of capacity building

Many stressed the benefit they saw in CAO's continued support in building the capacity of dialogue participants with new skills and approaches that would serve them during the dialogue process and being accompanied and supported during the dialogue process.

Time spent with the communities is highly valuable

Community representatives valued the time CAO spent in the villages and with the larger communities. During the process, representatives of the different communities mostly traveled to meet the CAO mediation team and the company for meetings held at a central location. While this helped with

logistics and cost, several community representatives noted they would have preferred more frequent visits of CAO in the communities to experience the communities' realities.

The important role individuals play in dialogue

A recurrent reflection centered on the importance of individuals and their attitudes and behaviors in dialogue. Participants reflected on the importance of continuity and the challenges caused by changes in dialogue participants. They further highlighted the importance to ensure that the right representatives be chosen carefully at the outset and appreciated that the process allows for flexibility to replace representatives, in case they can no longer fulfill their role or where they no longer enjoy the trust and support of their constituents.

Challenges to the sustainability of agreement outcomes

In mediation, the parties have full control over their final agreement. While the mediator plays an important role asking questions to help the parties test the agreement's robustness and likelihood of success, it is ultimately the parties' decision what to agree on. Once an agreement is reached, its implementation is again in the parties' hands, and a mediator's role is normally limited to that of a facilitator between the parties.



A pumping station is ready and available to the cooperative, once a contract has been signed with a fuel provider.

Both as agreements are negotiated, and during agreement implementation, CAO dispute resolution seeks to support parties and work toward the sustainability of any agreement. Its primary role is that of a convener, however, and, while seeking to support sustainable outcomes, its role is not that of a development practitioner. Often, company and NGO staff provide that expertise alongside the local communities.

In this process, while all participants agreed that the relationship between the parties had been transformed, and they were working together in partnership to achieve the desired outcomes, there are nevertheless elements of the agreements the implementation of which remains challenging.

This includes the fuel storage tank, which was fully built but is yet to become operational for lack of a fuel-provision contract. The cooperative and COTCO have committed to continue to work together to make this facility operational.

Dialogue in a larger and changing context

The dispute resolution process allows the parties to address issues based on mutual agreement. The process is flexible and can address any issues of importance to them. That also means that based on their mutual agreement, the parties can discuss issues that were not originally raised in the complaint. This allows the process to account for new developments, and a changing context can influence the priorities and needs of the parties.

This is a reality that was particularly apparent for the Bagyeli community. The Kribi region is developing fast, and there are multiple pressures on the Bagyeli's ancestral lands, including significant agribusiness development in the area and the Kribi port expansion. Any cooperation and agreement with the Bagyeli needed to take account this context, which is why security of tenure for agricultural land was a significant and important element of the agreement.

However, the process and agreement alone could not secure their livelihoods against a backdrop of pressing needs. What the process did help to establish is an improved relationship with COTCO and FEDEC, a relationship that can continue to serve as a source of support for the Bagyeli.

All documentation relevant to this case is available on the CAO website at: http://www.cao <a href="mailto:ombudsman.org/cases/case_detail.aspx?id="mailto:ombudsman.org/cases.""

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In Memoriam

CAO honors the memory of **Florence Mamyeme**, who participated in the CAO dialogue process between the Ebaka community and COTCO, from 2014 until the time of her passing in 2017. Florence was a leader in the youth movement and a member of several other associations. She was also a mother to five children and grandmother to another five. We extend our deepest condolences to Florence's family, colleagues, community, and friends.



Florence Mamyeme, left, with her fellow Ebaka representatives Ntamack Voyam and Benjamin Yerima.