



## CAO Progress Report— Chad-Cameroon Pipeline-02/Cameroon

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

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### SUMMARY

In 2011, the CAO received a complaint from four Cameroonian NGOs on behalf of individuals and communities highlighting a complex set of issues and concerns related to the Cameroon portion of the Chad-Cameroon Pipeline Project. After a field based assessment of the complaint, the relevant stakeholders agreed on a dispute resolution approach to resolving the issues of concern. Since then, the CAO has been involved in facilitating dialogue between complainants and Cameroon Oil Transportation Company (COTCO), the pipeline project operator.

Three years later agreements have been negotiated and implemented in the four individual cases contained in the complaint. The mediation process continues to review the remaining three community cases, while a Tripartite Forum, a platform consisting of the NGOs, COTCO and government representatives to replace the previous Tripartite Platform, has started meeting. The CAO will act as an observer to the Tripartite Forum if and when it is launched.

The following report gives a public account of the status of the various topics handled by the ongoing dispute resolution process facilitated by CAO.

### BACKGROUND

#### The investment

The Chad-Cameroon Petroleum Development and Pipeline Project constructed a 1070 km pipeline to transport crude oil from three fields in south-western Chad to a floating facility 11 km off the Cameroon 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 solely to the Cameroonian project sponsor, COTCO.

The complainants voiced concern on a range of environmental and social impacts of the pipeline, affecting both individuals, families, and communities.

The complaint included an alleged rise in the prevalence of HIV/AIDS as a result of the laying of the pipeline, the loss of livelihood among fishermen, waste management and its impact on a local community, a work-related accident of an employee of a sub-contractor, inadequate compensation, and the displacement of and improper compensation of an indigenous community. In addition, the complaint expressed frustration over the lack of progress achieved by the *Tripartite Platform*, a platform composed of NGOs, COTCO and government representatives designed to foster engagement between the parties on community concerns.

## CAO'S DISPUTE RESOLUTION PROCESS

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

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### INDIVIDUAL CASES

As of December 2015, negotiations have concluded and accords have been implemented on 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 eye glasses and ophthalmologic care for a year;
- a palm plantation as a sustainable source of income. COTCO also provided the complainant with seeds and the NGOs agreed to help him prepare the land for planting.



#### 2. Berthe Ongono

A rise in prevalence of HIV/AIDS in the pipeline area was attributed to the pipeline project by critics. The individual in this case alleged that she contracted HIV/AIDS from an employee on the pipeline.

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 by establishing a sewing shop through COTCO's Corporate Social Responsibility (CSR) program. Since the agreement was reached the complainant passed away, but the program continues and is being implemented by a local Catholic Sisters organisation that runs a program for women suffering from HIV/AIDS.

#### 3. Djertou Community

Originally filed by one individual and thus considered an individual complaint, the issues raised by this community of 300 pertain to inadequate compensation for the destruction of agricultural products and crops on a piece of community land.

After several encounters 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 4 hectares of agricultural land.



#### 4. Nzougo Family

The family complained that run-off and drainage from a COTCO camp adjacent to their land, 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, and that, 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 the 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.



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

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## COMMUNITY CASES

### 1. Ebaka Community

The community of Ebaka is seeking support in identifying the root causes allegedly due to the company's activities on agriculture, health, environment and livestock. They believe these impacts are caused by COTCO's waste management facility, where waste containing asbestos was buried by the company.

Through the mediation process, the parties have agreed the following actions:

- **Review of Asbestos report:** COTCO had previously commissioned an expert from the University of Yaoundé to conduct a review of the method used by COTCO in disposing of waste containing asbestos in the waste management facility at Ebaka. The study concluded that the disposal of the waste containing asbestos had been undertaken accordance with local laws and international

norms and presented no threat to the local population.

- The representatives of the community of Ebaka requested, and COTCO agreed, a new independent study on the waste containing asbestos buried in the Ebaka waste management facility.

- **Independent Study:** To address the specific concerns of the potential impact of waste containing asbestos in the waste disposal site, COTCO agreed to finance an international expert to conduct the new study.

In an open, transparent and collaborative process, the representatives of the community of Ebaka, the NGOs and COTCO selected an independent and impartial asbestos expert to conduct a new and thorough review of the COTCO waste management facility in order to ascertain if it had had any negative impact on the community. After an in-depth study, including site visits, the expert concluded that the COTCO waste management facility, where the waste containing asbestos is buried, conformed to international norms and had had no deleterious impact on the community. The parties have accepted the findings of the report.

- **Seeking the cause of adverse impacts:**

Representatives of the community and COTCO continue to seek to identify the alleged causes of the ongoing impacts on the community. Government support has been sought, and the parties continue to discuss ways to help address these concerns.

- **Ongoing relationship:** As neighbors, COTCO and the community of Ebaka are working to put in place mechanism to enhance their relationship, including identifying community priority sectors COTCO can support.

## 2. Kribi Fishermen

The fishermen believe that a decline in fish populations in the Kribi area is a result of the project's pipeline and offshore loading terminal

and that the facilities have impacted their main source of income and livelihood.



A CAO led Mediation between representatives of 11 fishing villages and COTCO began in January 2013. The representatives of villages and COTCO have met regularly in an effort to address the concerns of the villages. A three stage project - short, medium and long-term - was proposed and agreed to address their concerns.

The CAO also provided capacity-building support to the fishermen, including training in the 11 concerned villages. The first training session focused on helping establish group dynamics in each village and setting up a system of communication between the 11 villages and the 8 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.

The following was achieved through the CAO mediation process:

- **Short term project – facilitate the identification, and entry of fishermen in secure maritime zones patrolled the Cameroonian armed forces**

In an effort to support the fishermen's livelihood, the parties agreed a project which would facilitate the fishermen's access to secure maritime zones rich in fish. Boats have all been painted the same colour (blue), identification

badges have been produced as have licence plates for the boats.

- **Medium term project – Strengthening the fishing communities’ organizational structures**

Through the project, an existing fishing cooperative 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.

The parties to the mediation identified and shortlisted a number of Cameroonian experts to conduct a 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, a list that the fishermen will also share with other donors.



- **Long term project – Aquaculture**

It was agreed by COTCO and the fishermen not to pursue the originally envisaged long-term project, aquaculture. In its place, they agreed

that they would focus on the provision of much needed support to the fishing cooperative.

The two parties are currently discussing how best COTCO can support the cooperatives technical, material and financial requirements.

### 3. Indigenous Peoples

The pipeline runs along territories of the Bagyeli, an indigenous group living between Lolodorf, Bipindi and Kribi. COTCO’s initial Environmental Management Plan (EMP) included the assessment and management of impacts on the indigenous peoples within 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 Développement au Cameroun (Foundation for Environment and Development in Cameroon - FEDEC)*, set up within the framework of the Chad-Cameroon Pipeline Project.

The complaint from the Bagyeli centers on the effective management of project impacts on the indigenous people as set out in the EMP, and the lack of pro-active participation of this group, in particular in the review of the Indigenous Peoples Plan (IPP) stated in the EMP and ensuring it meets communities’ needs.

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 therefore focused on other individual and community complaints first and in 2014, after the conclusion of the review process, reached out to the affected communities to ascertain if they still had concerns.

Subsequently, the community members, COTCO and FEDEC agreed to engage in mediation facilitated by the CAO. The CAO supported the communities’ process of selecting their representatives for dialogue. The first mediation

session between the parties took place in November 2014.

Over the course of 2015, a series of propositions have been put forward by the Bagyeli on how to improve the working relationship with FEDEC and its implementing partner, CIAD. These include 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 help improve relations between the Bagyeli and their Bantu neighbors.

CAO has provided representatives of the Bagyeli communities with capacity building support and training during the mediation process. The first capacity building focused on negotiation technics and building monitoring and evaluation tools that will allow the Bagyeli to follow the work done by FEDEC. The second assisted the Bagyeli in formulating a demand with concrete proposals for transmission to FEDEC.

A plan of action has been agreed to begin the implementation of FEDEC financed activities in the priority sectors of health, education and agriculture, while support will also be provided to assist with clearing virgin forest as an alternative livelihood project. Finally, work is well underway on how best the parties will continue to work together and maintain open lines of communication once the CAO has completed its work.

#### **4. Strengthening of Tripartite Platform**

Prior to lodging the complaint with CAO, the complainants had made efforts 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. Subsequently the CAO, the NGOs, COTCO and the government explored the strengths and weaknesses of the Tripartite Platform in addressing compensation cases and agreed the creation of a more structured space for dialogue. 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.

The CAO has facilitated capacity building sessions around the Tripartite Platform concept. The Tripartite Forum, equally consisting of the NGOs, COTCO and government representatives, and relaunched with new operating procedures, has started meeting. The CAO will act as an observer to the Tripartite Forum if and when it is launched.

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### **NEXT STEPS**

The CAO continues to work with the parties on the community cases, in an effort to settle the disputes and establish the means to continue work together after CAO has concluded its involvement.

In its monitoring role, CAO typically stays involved for a period of time after any agreement has been reached. During this timeframe the parties begin to engage with limited CAO assistance, while CAO continues to help, when required, with challenges encountered during the implementation of the agreements.

For more information about the case and to access reports, see link to case page: [http://www.cao-ombudsman.org/cases/case\\_detail.aspx?id=168](http://www.cao-ombudsman.org/cases/case_detail.aspx?id=168)