



OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN
FOR INTERNATIONAL FINANCE CORPORATION (IFC) AND MULTILATERAL INVESTMENT
GUARANTEE AGENCY (MIGA) MEMBERS OF THE WORLD BANK GROUP
2121 PENNSYLVANIA AVENUE, NW • WASHINGTON, DC 20433, USA
TELEPHONE (202) 458-1973 • FACSIMILE (202) 522-7400
E-MAIL: CAO-COMPLIANCE@IFC.ORG • INTERNET: WWW.CAO-OMBUDSMAN.ORG

CAO PROGRESS REPORT

*Chad/Chad-Cameroon Pipeline-03/Chad
January 2014*

Background to the Complaint

The Chad-Cameroon Petroleum Development and Pipeline Project was launched in October 2000 and consisted of the construction of a 1070 km pipeline to transport crude oil from three fields in southwestern Chad to a floating facility 11 km off the coast of Cameroon. Tchad Oil Transportation Company (TOTCO) - a special purpose company incorporated in Chad as a joint-venture between affiliates of ExxonMobil, PETRONAS, Chevron and the Government of Chad, owns and operates the Chadian portion of the pipeline.

In October 2011, Groupe de Recherches Alternatives et de Monitoring du Projet Petrole Tchad-Cameroun (GRAMPTC), in collaboration with six other organizations, filed a complaint to the CAO on behalf of local farmers and other community members affected by the pipeline. The complainants highlighted a number of alleged environmental and social issues relating to poverty exacerbation, land pressure and loss of livelihood, land and water pollution, inadequate compensation, and the lack of adequate monitoring and assessment mechanisms. The complainants are located on the Chadian side of the project and their concerns relate to the Chadian project sponsor, TOTCO and the associated upstream development.

CAO Action

The CAO found the complaint eligible for further assessment in January 2012. A CAO team travelled to the field in February and March to meet with the relevant stakeholders to explore options for a collaborative solution of the issues raised in the complaint.

During the assessment, affected community representatives and EEPCI agreed to engage in a dispute resolution process, and ground rules governing the process were concluded. This is captured in CAO's Assessment Report (also available on CAO's website at www.cao-ombudsman.org).

Current Status

In May 2013, CAO initiated and completed an extensive community awareness program whereby the broader community was informed of the dispute resolution process. Since the completion of the community awareness program, CAO mediation team has worked extensively with the parties and more particularly the affected community representatives, to ensure they have the requisite capacity to participate in the mediation process. This has consisted of providing a comprehensive training program in negotiation skills. In addition, a moral observers group, consisting of senior clerics representing the main faiths of the region was established to help monitor and inform on the process.

The community representatives and EEPCI, under the guidance of the CAO, have, based on the contents of the complaint, agreed a consensual complaint resolution process. In April 2013, the parties drew up an official categorized agenda of issues for negotiation and a tentative itinerary within which to complete the work.

Between July 2013 and March 2014, the collaborative process gained traction as plenary sessions were held to discuss the identified subjects with each of the parties having the opportunity to put forward their concerns and future plans.

Field visits have been carried out to consult the affected communities and for the parties to see first-hand the issues discussed in plenary. Additional field visits are being planned as are the recruitment of a number of experts to advise on how best to address the identified issues.

Sub-committees on compensation and environment have been formed to carry-out field work to look into past work and in an effort to draw up consensual means of redressing issues of concern.

In December 2013, the Vice President of the CAO paid a working visit to Chad which included a field visit to engage with the affected communities and their representatives, detailed discussions with ESSO and courtesy calls to a number of government officials including the Prime Minister.

Both the community representatives and the ESSO have committed to addressing outstanding issues through a mediated negotiation process in partnership with the CAO.