



The Inspection Panel



Investigation Report

CAMEROON: Petroleum Development and Pipeline Project (Loan No. 7020-CM) and Petroleum Environment Capacity Enhancement (CAPECE) Project (Credit No. 3372-CM)

May 2, 2003

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Abbreviations and Acronyms

ASOSRP	Area Specific Oil Spill Response Plan
BLS	Bureau of Labor Statistics
BP	Bank Policy
CAPECE	Cameroon Petroleum Environment Capacity Enhancement Project
CDF	Community Development Facilitator
CED	Center for the Environment and Development
CHOP	Community Health Outreach Program
COC	Corporate Oversight Committee
COTCO	Cameroon Oil Transportation Company, S.A.
CPSP	<i>Comité de Pilotage et de Suivi des Pipelines</i> - Pipeline Steering and Monitoring Committee
CSIR	Council for Scientific and Industrial Research
DBST	Double Bitumen Surface Treatment
DHS	Demographic and Health Survey
EA	Environmental Assessment
ECMG	External Compliance Monitoring Group
EIR	Extractive Industries Review
EMP	Environmental Management Plan
FEDEC	<i>La Fondation pour l'Environnement et le Développement au Cameroun</i> - Foundation for the Environment and Development of Cameroon
FCFA	<i>Francs de la Communauté Financière Africaine</i> - Francs of the African Financial Community
FSO	Floating Storage and Offloading
GEPFE	<i>Groupe d'Étude des Populations Forestières Équatoriales</i> - Research group of equatorial forests populations
GEF	Global Environmental Facility
GOC	Government of Cameroon
GOSRP	General Oil Spill Response Plan
GPS	Global Positioning System
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HFC	<i>La Forestière de Campo</i> - Groupe Bolloré logging company
IAG	International Advisory Group
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IPE	Independent Panel of Experts
IPP	Indigenous Peoples Plan
LCC	Local Community Contacts
LTI	Lost Time Incident
MINEF	Ministry of Environment and Forestry
NGO	Non-Governmental Organization

NOSRP	National Oil Spill Response Plan
OD	Operational Directive
OP	Operational Policy
OSRL	Oil Spill Response Limited
OSRP	Oil Spill Response Plan
PAD	Project Appraisal Document
PID	Project Information Document
ROW	Right-of-way
SNH	<i>Société Nationale des Hydrocarbures</i> - National Hydrocarbons Corporation
SONEL	<i>Société Nationale D'Électricité</i> - National Power Corporation
STD	Sexually Transmitted Disease
TCC	Tchad Cameroon Contractors
TOTCO	Tchad Oil Transportation Company, S.A.
UFA	<i>Unité Forestière d'Aménagement</i> - Logging concession
UNAIDS	Joint United Nations Programme on HIV/AIDS
USAID	United States Agency for International Development
UTO	<i>Unité Technique Opérationnelle</i>
WBG	World Bank Group
WCS	Wildlife Conservation Society
WSJV	Wilbros-Spie Capag JV
WWF	World Wildlife Fund

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EXECUTIVE SUMMARY

INTRODUCTION

1. The Petroleum Development and Pipeline Project (hereinafter ‘the Pipeline Project’) and the Petroleum Environment Capacity Enhancement Project (hereinafter ‘the CAPECE Project’) are two closely related Bank-supported Projects in Cameroon. The World Bank’s Board of Executive Directors approved both Projects on June 6, 2000. The Pipeline Project is partially financed by (i) a loan from the International Bank for Reconstruction and Development (IBRD), in an amount equal to US\$53.4 million; and (ii) a loan from the International Financial Corporation (IFC), in the amount of US\$100 million. The Pipeline Project is principally financed by three private sector petroleum companies (ExxonMobil, Chevron and Petronas or the “Consortium”). The CAPECE Project is financed by the International Development Association (IDA) in an amount equivalent to SDR4,300,000 (about US\$5.77 million).
2. The Pipeline Project is the largest private sector investment in Sub-Saharan Africa and consists of the development of three oil fields in Chad’s Doba Basin (Komé, Miandoum, and Bolobo), which constitute the Field System. The Tchad Oil Transportation Company S.A. (TOTCO), a Chadian Government Company, is operating the Field System. The Project includes the construction of an Export System comprising a 1,070 kilometers long pipeline, from the oil fields in Chad to an offshore oil-loading facility near Cameroon’s Atlantic coast. The Cameroonian component of the Project consists of 880 kilometers of buried on-land pipeline, eleven kilometers of off-shore pipeline, two pumping stations, a pressure reduction station, and the off-shore floating storage and offloading vessel at Kribi (see Map 1 of this Report). According to Project documents, the Export System in Cameroon will be built and operated by Cameroon Oil Transportation Company S.A. (COTCO), a joint-venture company formed between the Consortium, the Government of Chad, and the Government of Cameroon. The pipeline is nearing completion, and “*first oil*” is expected in the second half of 2003.
3. In addition to supporting the Pipeline Project, the Bank is financing capacity building in Cameroon through the Petroleum Environment Capacity Enhancement Project (CAPECE). This project aims to establish a national capacity to protect and mitigate the social and environmental impacts of the Pipeline Project. The CAPECE Project includes (a) the strengthening of the local institutional, regulatory and legal framework; (b) coordination of capacities for environmental management; (c) public intervention capacity for environmental management; and (d) project management, monitoring and evaluation.
4. On September 25, 2002, the Panel received a Request for Inspection (‘the Request’) submitted by the Center for the Environment and Development (CED), a local

nongovernmental organization (NGO) based in Yaoundé acting on behalf of a number of people living along the pipeline route in Cameroon, and by a number of individuals, including workers or former workers of COTCO and/or its contractors, all residents of the Republic of Cameroon (the 'Requesters'). This Request for Inspection relates to the Cameroon portion of the Chad-Cameroon Pipeline Project. As a result of a previously received Request for Inspection, the Panel had an opportunity to investigate the Chad portion of the project in 2002 (see Annex 1 of this Report).

5. The Request alleges that the Pipeline Project and the CAPECE Project have had an adverse impact on local communities and their environment or they are likely to result in harm because of flaws in project design and implementation. The Requesters allege violations of the following Bank policies and procedures: Environmental Assessment, Natural Habitats, Poverty Reduction, Indigenous Peoples, Involuntary Resettlement, Project Supervision, and Disclosure of Operational Information. The Request was registered by the Panel on September 30, 2002.
6. Bank Management responded to the Request on October 29, 2002 (the 'Response'). In its response, Management included a summary of the overall project framework and of the Bank's role in the design, implementation and supervision of the Pipeline Project and CAPECE Project. Management maintained that it made every effort to apply Bank policies and procedures to the Projects, and it disagreed with the Requester's claim that their rights or interests had been and would be adversely affected by Management's failure to comply with Bank policies and procedures.
7. The Panel found that the Request and the Requesters had met all the applicable eligibility criteria. After a short visit to Cameroon, the Panel issued its Eligibility Report to the Board of Executive Directors on November 26, 2002 recommending an investigation into the matters raised in the Request. The Board approved the Panel's recommendation on December 16, 2002.
8. The following sections present a summary of the Panel's Investigation Report. The Panel is generally pleased with the efforts shown by the Bank Management to reach compliance with its own policies and procedures, although it has found non-compliance instances in particularly during the design stages of the project. In addition, the Panel feels that it is important to call attention to the difficulties and delays associated with the implementation of the CAPECE Project. This situation, if not corrected, may adversely affect the sustainability of the Pipeline Project. In the same vein, it is the Panel's view that successful socio-economic programs hinge on effective communication among all parties involved, something that has not yet been fully achieved in the context of the Pipeline Project.

ENVIRONMENTAL IMPACT ASSESSMENT AND MITIGATION MEASURES

9. **General Considerations.** In reviewing the history and timing of the Project, the Panel considers that there are two distinct phases of the Pipeline Project that form the basis of the Panel's analysis of Bank compliance with OD 4.01 on Environmental Assessment. The first phase is the **Evaluation and Assessment Phase** while the second is the **Implementation and Monitoring Phase**. The Evaluation and Assessment Phase covers the initial stages of project preparation including the completion of the initial Environmental Assessment (EA) of 1997 and the subsequent 1999 Environmental Management Plan (EMP) and the Project's appraisal until the time of Project Approval by the Bank Board of Directors in June of 2000. In the Evaluation and Assessment Phase, the Panel assesses Bank's compliance with its policies during the process which leads to the approval of the Project. In the Implementation and Monitoring Phase, the Panel examines compliance with the applicable Bank policies during the implementation of the 1999 EMP associated with pipeline construction activities in Cameroon.
10. **Participation of the Independent Panel of Experts.** Paragraph 13 of OD 4.01 (Environmental Assessment) requires that for large projects, an Independent Panel of Experts should be retained. The Panel found that the Bank was not in compliance with such provision since the required Independent Panel of Experts was not fully engaged during the preparation and approval of the 1999 EA/EMP since its participation was discontinued. There has been no independent review of the 1999 Environmental Management Plan by the IPE and no significant full-time participation of an IPE in Cameroon since 1997. In addition, the Panel is not in agreement with Management's contention that, as of February 2001, the International Advisory Group's (IAG) advisory role to the governments of Chad and Cameroon helped to fill the gap left by the absence of the IPE. Rather the IAG advice forms part of the Bank's supervision role of the Project along with that of the External Compliance Monitoring Group (ECMG). Since the IAG and the ECMG report to the Bank and to the IFC respectively, they cannot be considered as technically independent in the sense intended by OD 4.01. Thus, these mechanisms do not meet the requirement of an Independent Panel of Experts as laid out in the provisions of OD 4.01.
11. During the February 2003 meetings with the Pipeline Steering and Monitoring Committee (CPSP) in Yaoundé, the Panel was informed that the GOC is currently seeking a no-objection approval from the World Bank for the selection of a new Independent Expert Panel. Management noted that the terms of reference for the IPE will be addressed during the Projects' mid-term review mission planned for April/May 2003. The Panel is concerned with the proposed role of the new IPE since the construction phase of the project is now almost completed. The roles and responsibilities of the IPE need to be defined in this context in conjunction with the CPSP and the National Hydrocarbons Corporation (SNH) in order to comply with

the requirements of paragraph 13 of OD 4.01 for providing advice on “(...) *(d) implementation of the EA's recommendations, and (e) development of environmental management capacity in the implementing agency.*” Given the difficulties encountered with the first IPE over a failure to agree on its roles and responsibilities, the Panel has doubts regarding the real value of the IPE in this context. Clearly an opportunity exists to avoid the problems encountered with the first IPE. The new IPE needs to have a credible niche that meets the institutional capacity and technical needs of the CPSP/SNH and does not duplicate the activities and functions of the IAG and ECMG.

12. **Baseline Data.** The Panel noted the Requester’s claims and the Bank’s response concerning the inadequacy of baseline information during the Evaluation and Assessment Phase of the project through the completion of additional baseline surveys of biodiversity in both Chad and Cameroon. In addition, a series of alignment sheets was produced for the final routes selected which incorporated important environmental information.
13. The Panel concluded in the Chad Investigation Report that there was a lack of linkage between baseline data collection, the assessment of project impacts and the subsequent application of mitigation and management actions. A similar comment applies to Cameroon, which leads the Panel to find that Management is not in compliance with paragraph 2 of Annex C of OD 4.01.
14. In the Panel’s view, the Bank was not in compliance with paragraph 7 of Annex D of OD 4.01 regarding the collection of a full year of baseline data at the project Evaluation and Assessment Phase. Overall, greater efforts should have been made to collect at least one year’s baseline data during the Project Evaluation and Assessment Phase. The Panel notes COTCO’s extensive commitment to an ongoing collection of baseline data, but observes that this has occurred only since the start of project implementation. Nevertheless, such an effort should provide more data on seasonal and annual differences in environmental conditions of the area over the life of the Project and may eventually accomplish the intent of OD 4.01 on collection of baseline data. However, there is still a limited amount of information available on pre-project conditions. Many of the resource conflicts that have arisen during project construction could have been avoided had there been a full year’s baseline information prior to project approval.
15. **Analysis of Alternatives.** The Panel reviewed the selection of alternatives prepared by COTCO in Volume 4 of the EMP concerning the routing of the proposed pipeline through Cameroon. The Panel notes that significant attempts have been made to avoid sensitive ecological areas and to follow the routes of most disturbance wherever possible, often at considerable extra cost. Changes to the pipeline alignment were made to avoid the Mbéré Rift Valley, to minimize disturbance in the Deng Deng Forest region and to follow disturbed sites through the Atlantic Littoral Forest region, and lands also occupied by the Bakola/Bagyeli people. The Panel finds that the EA/EMP section on alternative pipeline routings is

well presented and contains extensive analysis using computerized mapping techniques to define the routes having the lowest environmental and socio-economic impacts. Accordingly, the Panel finds the Bank in compliance with the provisions of OD 4.01 concerning the analysis of alternative routings of the pipeline right-of-way in Cameroon.

16. **Analysis of Cumulative Effects (and the need for a Regional Assessment).** The Panel's analysis of the need for a cumulative effects assessment is directed more to the Evaluation and Assessment Phase of the project, prior to the approval by the World Bank rather than to the Project Monitoring and Implementation Phase. As noted in the Chad Investigation Report, Bank Management recognized the need for assessment of cumulative effects early in the project. Cumulative effects should have been taken fully into account during the initial stages of project review and during the scoping process.
17. The Panel is concerned by Management's narrow interpretation of cumulative impacts of the project in that it is restricted to the narrow imprint of the pipeline right-of-way through Cameroon. It is clear that this project will be a stimulus to the development of additional oil resources in Cameroon and that the development of project infrastructure such as roads and other associated offsite developments will lead to further development within the Pipeline area. The Panel therefore sees no basis for the comment that *"the cumulative impacts of the Pipeline project are expected to be below the threshold that would warrant further analysis or a 'formal' cumulative impact assessment."* The Panel would like to know what criteria was the threshold determined that would warrant further analysis or a formal cumulative impact assessment. The Panel notes that a formal cumulative impact assessment was not in fact completed even though it had been identified as a requirement by Management during the revision of the 1997 EA.
18. The Panel believes that a cumulative impact assessment of the project in Cameroon should have been completed by taking into account the future development of upstream oil developments in northern Cameroon and new oil/gas fields off the Cameroon coast, in addition to large scale regional oil and gas developments that are planned for Equatorial Guinea, Gabon and Nigeria. Additional projects in the vicinity of the Pipeline Project, such as the Lom Pangar Dam and the new European Union funded highway linking southern Chad to northern Cameroon, should also have been factored in. The Panel finds, therefore, that Management is not in compliance with OD 4.01 as regards the need for an adequate assessment of the Project's cumulative effects.
19. **Institutional Concerns.** The Panel conducted a detailed study of the CAPCE Project and its relation with the Pipeline Project. In addition, the Panel met with representatives of the CPSP and the SNH in Yaoundé. At this meeting, the Panel noted that representatives of the CPSP consisted of personnel from the SNH and that there was no presence of other Government sectors which conformed to the CPSP.

20. In addition, the Panel independently did not have the opportunity to verify the presence of the CPSP monitors in the field as pipeline construction has, to all intents and purposes, been concluded. Their presence was not noted during the Panel's February 2003 inspection of the pipeline right-of-way in Cameroon. It is not in the mandate, or is it the purpose of the Panel to evaluate the capabilities of the GOC in implementing the CAPECE project. Rather it seeks to evaluate the role of the Bank in its supervision and assistance to the GOC to ensure effective project implementation. Nonetheless, the Panel could not confirm that the CPSP indeed had an effective field monitoring presence during pipeline construction activities. In fact, it was reported from independent sources, that the CPSP often lacked adequate training, equipment and transport in the field and therefore relied heavily on logistical support provided by COTCO.
21. From the evidence, the Panel has to conclude that it was not possible for the CPSP to have a fully independent field monitoring capability to assess environmental and social compliance of the 1999 EA/EMP as originally envisaged by the CAPECE Project. This is because the needed financial resources and personnel were not provided in a timely fashion. In fact, approximately 90% of funds remain to be disbursed out of the relevant Bank Credit that finances the CAPECE Project.
22. After a detailed review of the CAPECE Project and discussions with Bank staff, GOC and COTOCO officials, the Panel is concerned about the fragility of the local institutional framework which, ultimately, will be in charge of monitoring the Pipeline Project on behalf of the GOC. The delays associated with the implementation of the CAPECE Project which was specifically designed to mitigate this fragility, affected the GOC's performance during the entire construction period. The Panel finds, therefore, that the purpose of OD 4.01, paragraph 12 regarding the strengthening of environmental capabilities to adequately assess construction impacts during the Implementation and Monitoring Phase of the project has not been achieved.
23. **Preparation for Oil Spills.** During its visit to Cameroon, COTCO informed the Panel of the status of the six ASOSRPs that are being prepared for the Project (two for Chad and four for Cameroon). The plans have been prepared and have been distributed to 11 reading rooms in Cameroon. COTCO also stated that they had distributed copies of the plans (both in hard copy and CD-ROM) to offices of the World Bank, the IFC, NGOs, Embassies, and the CPSP. Public consultation on the plans was completed at 11 locations in Cameroon during January and February 2003. A company, Oil Spill Response Ltd. (OSRL) has been contracted to complete an independent review of the plans.
24. The Panel received electronic copies of the six ASOSRPs for Chad and Cameroon. The documents are well prepared and extensive. The Panel notes that the GOC has now prepared a draft of the National Oil Spill Response Plan and that there is sufficient time to coordinate the NOSRP with the four ASOSRPs (Cameroon portion) prepared by COTCO.

25. Management informed the Panel of the plans of the CPSP for consultation on the National Oil Spill Response Plan. In addition, an external reviewer is currently being sought to comment on the NOSRP. The consultations and external review should be coordinated with COTCO to ensure consistency with their review and consultation process for the six ASOSRPs.
26. COTCO also provided the Panel with a letter of certification from OSRL, the external reviewer contracted to complete the independent review of the six ASOSRPs. The letter indicates that the six plans have been prepared in accordance with internationally recognized oil spill planning guidelines and that they reflect standards set by the International Petroleum Industry Environmental Conservation Association. The documents also comply with conditions established in the project EMP and are consistent with the General Oil Spill Response Plan (GOSRP). Management has assured the Panel that the NOSRP will follow the same review process as the ASOSRPs. The Panel concurs with the results of the independent reviewer. The National Oil Spill Plan and Area Specific Oil Spill Plans are being prepared in accordance with EMP provisions and established international standards.
27. **Impacts on Water Quality and Quantity.** The Panel notes that since the oil has not started to flow yet, the range of probable water problems relate to the presence of bacteriological contamination and/or the destruction of water sources. In addition to examining the general plans and procedures used during construction with respect to water sources, the Panel felt that it was important to examine those specific cases that were brought to its attention.
28. The Panel visited five specific areas associated with disputes over water issues during its field visits. It is neither the role nor the mandate of the Panel to be the arbiter in resolving these disputes. Rather the Panel can only comment on whether the Bank is in compliance with the Bank policy OD 4.01 on Environmental Assessment.
29. While there are a few unresolved disputes regarding alleged damage to specific water sources along the pipeline right-of-way in Cameroon, there is no evidence that serious harm has resulted from the Pipeline project. Based on a review of these cases, the Panel considers that the Bank is in compliance with OD 4.01 pertaining to water issues. Management should however continue to monitor each specific situation to ensure that a resolution amicable to all parties has been reached.
30. **Impacts on Freshwater Fisheries.** A claim pertaining to freshwater fisheries was raised during the Panel's investigation mission to Cameroon. In addition, the Panel examined the overall procedures for building the river crossings required for the construction of the pipeline and found them to be adequate and in compliance with the EMP. In the specific case investigated, COTCO provided the Panel with baseline data it had collected in compliance with the EMP. The Panel reviewed the data and found no long-term impact on freshwater fisheries. On the basis of the foregoing, the

Panel finds the Bank in compliance with OD 4.01 with respect to impact on freshwater fisheries.

31. **Assessment of Greenhouse Gas Emissions.** The Panel addressed the issue of greenhouse gas emissions in the Chad Investigation Report. The Panel accepts Management's contention that the assessment of greenhouse gas emissions is in compliance with OD 4.01, paragraph 11 concerning global issues. In addition, the Panel believes that the likelihood of a substantial contribution by the Pipeline Project to greenhouse gas emissions is low. The Panel notes the recent study commissioned by the Bank to review its role as far as extractive industries are concerned.
32. **Noise Disturbance Associated with Construction Work.** The Requesters raise two specific claims regarding noise impacts associated with construction. The first related to a claim at Mpango regarding noise from bulldozers and from blasting activities over a three month duration. The second claim relates to noise impacts of construction machinery on the presence of game in Bakola/Bagyeli communities that has affected their subsistence. The Panel investigated this claim in conjunction with other claims discussed elsewhere in this Report. The Panel could find no evidence of long-term harm to the Requester and his family resulting from noise disturbance associated with construction activities. There is no doubt that noise could be a nuisance during the time of construction, but the duration is short, normally no more than one month at any given location.
33. Based on a review of this information, the Panel believes that noise impacts to both humans and wildlife populations during construction is a temporary disturbance limited to at most a month's duration in any one particular location. In the specific case of the Bakola/Bagyeli, the Panel notes that the final pipeline alignment in the Atlantic littoral forests follows a disturbed corridor where game populations are scarce due to human presence and activities. The Panel concludes that there is no evidence of serious harm associated with noise resulting from pipeline construction activities. Once reclamation activities are completed, there will be little or no activity and thus little or no noise relating to pipeline activities in the pipeline right-of-way during the operations phase.
34. **Concerns About Dust.** The production of dust was raised as a specific health issue by the Requesters. In its Response to the Panel, Management does not provide a detailed position on the dust issues, but has asked COTCO to follow up on the individual cases raised in the Request for Inspection. The one specific claim by an individual who suffers from pulmonary problems which was raised in the Request for Inspection, was dismissed by the Panel during the Eligibility phase of the Request because the Panel found that the person had a pre-existing pulmonary condition.
35. Regarding concerns about dust pollution from roads in communities affected by pipeline construction, the Panel observed the implementation of a DBST on the road surface in the Dompta and Bemboyo area which has been put in place at the cost of approximately US\$50,000 per kilometer. The Panel did not receive any community

complaints about dust pollution during consultations in the Investigation phase. The Panel agrees that although dust was a nuisance factor during the pipeline construction period, COTCO has taken steps to mitigate this disturbance by providing a hardened bitumen road surface. As pipeline construction activities are now concluded in Cameroon, dust disturbance will only be associated with construction of the two pumping stations and the pressure reduction station. COTCO is attempting to reduce these dust impacts by watering the roads around areas of ongoing construction.

36. The Panel cannot find any evidence of serious harm arising from project related dust emissions in Cameroon. COTCO should continue to mitigate these impacts by the continued implementation of DBST measures, or watering of the road surfaces, while ensuring that water withdrawal is within limits prescribed by the 1999 EMP.
37. **Natural Habitats** The Panel notes that the Requester's claim regarding the offset compensation areas only applies to the Campo Ma'an Protected Area and that they have no specific concerns regarding the Mbam Djerem protected area created as compensation for project losses to the semi-deciduous forest in Cameroon. This was confirmed to the Panel by the CED during the field investigation of February 2003 (Map 2 shows the Campo Ma'an area).
38. In the Panel's view, the location of the Campo Ma'an offset area in the coastal lowland forest region represents the only opportunity for preservation of this important habitat type within Cameroon.
39. Regarding the claims of illegal logging, the Panel notes that the one instance of illegal logging reported, while clearly undesirable, appears to be a single event and not necessarily indicative of larger systemic problems that would constitute non-compliance with OP 4.04. Also, the reported illegal logging did not compromise the ecological integrity of the park. The Panel urges Bank staff and FEDEC to work closely with MINEF to ensure that illegal logging does not occur again within the boundaries of Campo Ma'an protected area and that sustainable land use practices in the surrounding buffer zone areas take place.
40. The Panel is in agreement with Management that the activities of FEDEC for ensuring the protection of the Campo Ma'an and Mbam Djerem environmental offset areas have begun slowly, but that this in itself does not constitute non-compliance with OP 4.04. Management has the responsibility to supervise the activities of FEDEC to ensure that the recently signed contract with WWF for Campo Ma'an and WCS for Mbam Djerem will result in clear objectives and management responsibilities in conjunction with MINEF.
41. **Lom River Bridge.** The Lom River Bridge is a temporary structure across the Lom River that is used for the egress of the Pipeline from the ecologically important Deng Deng Forest. In accordance with the provisions of the 1999 EA/EMP, all temporary bridge structures are to be removed at the end of the construction period. However, some local communities and other interests are calling for the retention of the bridge

in order to provide vehicular access across the Lom River, where access does not currently exist. The concern about maintaining the bridge is that it could also provide vehicular access to the Deng Deng Forest resulting in logging and eventual destruction of the forest. The Panel believes that the removal of all temporary bridges (including the Lom River Bridge) is necessary to ensure compliance with the EMP (and the spirit of OD 4.01 and OP 4.04).

42. **Consultation and Disclosure of Information.** The Panel finds that there have been misunderstandings during both consultations and compensations processes between COTCO representatives and project-affected people. However, it would be simplistic to assign the fault to these misunderstandings. For example, in the community compensation case at Ngovayang III discussed in Chapter Four (Social Assessment and Mitigation) COTCO presented ample evidence that a series of meetings took place and decisions were taken and communicated to the project affected people. Yet when the Panel interviewed members of this village, there were clearly misunderstandings about what was communicated. Similar findings were made by the Panel during discussions with communities relating to water issues.
43. The Panel notes that a major problem has been the large disparity between expectations of local people about the rewards and consequences of the project, and what the project was in fact able to offer. The Panel believes that some of these high expectations were generated in part by unguarded pronouncements by some members of the Consortium and some representatives of the GOC, thus, creating unfulfilled expectations. Apart from the Consortium the Panel heard reports of local leaders telling people that the Project would bring wealth to Cameroon and that all Cameroonians would find work.
44. From the available records and following discussions with all parties involved, the Panel concludes that the consultations and disclosure information that took place in the context of the Pipeline Project were frequent and consistent with the Bank's applicable policy requirements. In the implementation phase, it is essential that the stakeholders understand the components of the projects and their effects. A renewed Project outreach effort should be initiated now that the operations' phase is imminent. The Bank's local staff in Chad and Cameroon could take a leading role in bringing all major stakeholders to a common understanding about the Project's major topics.

OCCUPATIONAL HEALTH AND SAFETY& PUBLIC HEALTH

45. **Occupational Health & Safety.** The Panel examined the relevant sections of the EMP related to occupational health and safety and found them consistent with the spirit and letter of OD 4.01 and the 1998 World Bank Health and Safety Guidelines. With respect to implementation, the safety statistics, the Lost Time Incident (LTI) frequency rates, i.e. injuries and illnesses resulting in lost time from work, confirm that, on the whole, this has been a safe project. Data from the United States Department of Labor, Bureau of Labor Statistics (BLS) indicate that the project has a

first-rate safety record. For 2001, the BLS data report a LTI rate for heavy construction of 7.9 lost day incidents per 200,000 man/hours. The same statistic for Spread 1 in 2001 is 0.15 and for Spread 2 it is 0.25. This is considerably better than the experience recorded in the United States.¹

46. As to the specific concerns presented by project workers on occupational health and safety practices, the Panel, after examination of documents, field observations, and interviews with pertinent project staff, observes as follows:

- Training: A training program was devised to provide each new employee with the kind of training that is commensurate with the tasks to be performed. The program is designed to meet the needs of unskilled and semi-skilled workforce under the ‘rolling employment’ policy. The Panel was satisfied with the quality of training following its discussions with many of the workers.
- Personal Protective Equipment: The Panel observed that there was a general misunderstanding among some of the workers with respect to the kinds of protective equipment to which they were entitled. Field observations by the Panel indicate that workers engaged in specific tasks wore the correct working clothing and used the appropriate safety equipment.
- Safety Supervision: The work force and supervision of project progress can be measured to some degree by the construction schedule and the safety record associated with the Project. Since the pipeline construction seems to be ahead of schedule and the safety record is excellent, it would be safe to assume that supervision must be effective.
- Medical Care: The Panel found that employees receive a pre-placement physical examination commensurate with the type of employment they were offered. Medical facilities are in place to provide health care and supervision to all employees.

47. The Panel finds that the Consortium, the contractors and the sub-contractors have responded positively to the requirements of Annex A (o) of OD 4.01. In addition, the Panel found no indication that EMP requirements on occupational health and safety have been ignored or violated.

¹ During the investigation nearly 60 workers associated with the Pipeline Project approached the Panel with a variety of concerns, including: compensation for work-related accidents, hiring and dismissal practices, disputes over the employers’ contribution to the local social security system, as well as claims that the “*Project’s poor working conditions*” were adversely impacting on the workers’ health and safety. After a detailed review of the specifics of these claims, which included interviews with many of the people that submitted or were referred to in these claims, the Panel has concluded that, other than those relating to occupational health and safety, the alleged violations are not covered by any Bank policy or procedure and that, therefore, the Panel is precluded from reviewing them. The Panel notes, however, that Cameroonian authorities including its Judiciary have had a history of involvement with these issues in the context of the Pipeline Project.

48. **Public Health.** The Project is formally committed to an HIV/AIDS mitigation strategy in the Environmental Management Plan. The Bank Management did request an assessment of the HIV/AIDS risk in the pipeline area, which was submitted in November 1999. This report presented a model of significantly elevated estimates of HIV/AIDS prevalence rates associated with Project construction. However, this report was criticized by public health consultants to the Consortium, who argued that their model was poorly executed, technically flawed, and based on data from East Africa rather than West Africa.
49. The Panel finds that the omission in the EMP of an up-to-date regional health assessment with particular focus on risk and impact of the Pipeline Project in Cameroon (as well as Chad), and the omission of a long-term plan aimed at risk mitigation, is a serious shortcoming at the project preparation phase. This was pointed out early and repeatedly by public health consultants to the Consortium and the Bank.
50. The Panel finds that Bank Management was aware of the need to undertake a wider regional assessment of the health risks posed by the Project, particularly with the implementation of seroepidemiological study to assess the risk of HIV/AIDS in the pipeline construction region. The Panel finds that by not requiring the preparation of such study the Bank has not complied with the relevant requirements on baseline data of OD 4.01 on Environmental Assessment.

SOCIAL IMPACT ASSESSMENT AND MITIGATION MEASURES

51. **Compensation Issues.** The Panel observes that the guiding principles for a suitable compensation plan provide for: (a) the local population to perceive the compensations as fair and equitable; (b) the process to treat people the same way whenever practicable, and be as transparent as possible; (c) the affected people's standard of living not to be less than their current conditions when compensation is completed, and preferably better.
52. The Panel examined COTCO's compensatory framework and finds it to be consistent with Cameroonian law. In Cameroon, the state legally owns all land except that which is formally titled a fraction of the population who own mainly large private estates. The GOC however recognizes user improvements ("*mis-en-terre*") as subjects for compensation. Therefore, compensation is provided for 'loss of improvements to the land', which includes time and effort spent in the cultivation of food and commercial crops, trees, as well as material improvements such as houses and water wells.
53. The Panel finds that the value that COTCO pays in compensation for cultivated crops and trees to affected Cameroonians is consistent with Bank Policy on Involuntary Resettlement. In comparison with the large protective areas, the Pipeline has not taken large areas of land (30 meters wide) and, for most of the pipeline route, land is plentiful and accessible to farmers under customary land tenure rules. The pipeline has resulted in improved roads and better trading conditions for the individual farmers, as well as improved community facilities through the regional compensation program (discussed below). Furthermore, the Panel finds that the Pipeline Project has initiated a process of fair and transparent compensation and consultation. Although the Panel notes the need for these processes to be effective, the Panel expects that it will be difficult for future private projects in Cameroon not to provide the same level of consultation and compensation.
54. The Panel notes that land acquisition for the pipeline began with the 1997 centerline survey. During this time, representatives from COTCO, the GOC (usually the '*sous-préfet*'), the village chief, and the land user, would participate collectively and openly in the survey process. COTCO representatives told the Panel that they used the compensation list of crops and trees, based on the market surveys described above. They admitted to the Panel that there were delays in paying individual compensations, and they attributed this to the work involved in surveying and determining compensation cases.
55. The same representatives also informed the Panel that, based on the criticism leveled by the IAG for protracting resolution of certain outstanding cases, COTCO speeded up the settlement of compensation grievances that were expected to be completed in early 2003. They also informed the Panel that based on the ECMG's recommendations, COTCO will implement a Social Closure Program and complete

all compensation cases by June 2003. Although not required in the EMP, the objective of the social closure program is to have each village sign-off on a close-out document that notes the particular details of their compensation by COTCO, and indicates that there are no grievances outstanding that have not been addressed (positively or negatively). As with the compensation program, this closure must be transparent and clearly understood by the local population.

56. **Community Compensation.** The Panel notes that according to the IAG, almost all of the villages eligible for the regional and community compensations have identified specific investment projects they wish to see implemented by COTCO. The majority of project requests are in the areas of education and water supply.
57. **Regional Compensation for Indigenous Peoples.** The Panel notes that COTCO recently introduced a new program of regional compensation for the Bakola/Bagyeli villages within a 2 km radius of the pipeline, including compensation for loss of access to medicinal plants and diminished game population. The program, according to COTCO, would be dedicated to housing improvements, in keeping with the major concern expressed by the Bakola/Bagyeli during the survey conducted by the Company's sociologists within the period 1997 to 2001. The Panel observes that this program, which had not been originally planned, represents a significant amount of compensation for the Bakola/Bagyeli populations.
58. **Individual cases.** The Panel investigated several of the individual cases that were brought to its attention in the Request and could not find any violation of the relevant Bank policy (OD 4.30 on Involuntary Resettlement). Annex 8 of this Report presents the current status of each of the cases raised in the Request for Inspection
59. **Grievance Mechanism.** The Panel observes that the grievance management process can be initiated in several ways. The principal method of initiating a grievance is by submission to the Project's right-of-way assistants or the Local Community Contacts (LCC). There are ten LCCs along the Cameroon portion of the pipeline, two of which are in the Bakola/Bagyeli areas at Lolodorf and Kribi. In addition, temporary LCCs were hired during the construction period within each zone. These temporary LCCs helped right-of-way assistants in identifying the land users in the village, providing information to the communities about the grievance management process and collecting grievances in the communities.
60. The Panel investigated several grievances raised in the Request. Many of these grievances included complaints about the grievance procedure, including difficulties in getting COTCO to respond to complaints. The Panel found that, for some of the cases, procedures were not followed by the prospective complainants, including informing (either verbally or in writing) the LCC representative in their respective areas. Furthermore, the Panel found that many different channels of contact with COTCO exist on the ground from survey and construction crews to compensation teams and designated LCCs, through which complaints could be transmitted. The

Panel finds the mechanisms and procedures of grievances to be clear-cut and accessible.

61. The Panel observes that many grievances concerning compensation centered not on the amount of compensation offered or the procedure for its implementation, but rather on the hope of obtaining more benefits from the project than was offered. A COTCO representative, a member of the centerline survey team, said “*when we surveyed villages and mapped the location of water sources, people mistakenly assumed we would come back and build them permanent wells. When we did not do this, they were angry and disappointed with us.*” See Annex 4 for further discussion on water issues.
62. In conclusion the Panel finds the design and implementation of the compensation policy and the grievance mechanism to be orderly, transparent, and fair, although communication among the parties could have been more effective. The Panel, therefore, finds the Bank in compliance with OD 4.30 on Involuntary Resettlement.
63. **Indigenous Peoples.** The Bakola/Bagyeli are a small population of about 4,500 occupying some 12,000 km² in southwestern Cameroon in the Atlantic forest zone. This includes the area between Kribi on the coast to the northeast of Lolodorf that lies along the pipeline route. About 1,000 Bakola/Bagyeli live within 2 km of the Pipeline route in settled communities interspersed with Bantu villages along the Kribi-Bipindi-Lolodorf-Akongo Road. Bakola/Bagyeli share a long-term relationship with their Bantu neighbors including shared clan identities and family names. Although their relationship is based in part on their specialized economies, one hunting and the other agriculture, it is not an equal relationship but one of subservience and dependency of the Pygmies on the Bantu. Bakola/Bagyeli depend on the Bantu farmers for 20% of their starchy food, access to tools, salt, tobacco and clothing, and the land that they cultivate, which is claimed by the Bantu. They are often mistreated by their Bantu patrons, sometimes physically abused, and usually ‘spoken for’. This inequality is reflected by the Bakola/Bagyeli’s greater morbidity, mortality, lower literacy and reduced wage employment due to their poorer access to health clinics, schools, and other social services. The Panel considers appropriate the Bank Management’s designation of the Bakola/Bagyeli as a vulnerable population subject to the requirements of OD 4.20 on Indigenous Peoples.
64. Concerning any adverse impact of the Project on Bakola/Bagyeli, the Panel observed that the impact of the pipeline project on the hunting resources appears to be minimal, but is not yet known. The Pipeline is laid adjacent to the Kribi-Lolodorf road, where Bakola/Bagyeli live on sedentary farms. The major hunt (“*grande-chasse*”) that Bakola/Bagyeli annually engage in has always taken place in the deep forest, ten to thirty kilometers away from the settled agricultural communities along the road, as identified in the 2002 baseline studies. This area is unaffected by the Pipeline route.
65. **The Indigenous Peoples Plan.** The Indigenous Peoples Plan is presented in the Environmental Management Plan (EMP) Volume 4, Part 3 (May 1999), which states

that, “[t]he IPP includes three programs: health, education, and agriculture and are described in section 5.0. Within each, an initial set of potential projects have been identified as result of studies and in consultations sponsored by the Project” and that, “[a]n Environmental Foundation [i.e. FEDEC] will be established to provide defined long-term financial support for defined IPP-related projects/programs.”

66. The Panel observed that the IPP provides a development framework for the Bakola/Bagyeli settlements in the pipeline areas. It specifies three programs and projects; (a) assist identified Bakola/Bagyeli communities regarding health matters in order to help them counter potential health pressures caused by the Project and generally promote their health status; (b) promote and support education and training initiatives in identified Bakola/Bagyeli communities in order to contribute to an increase in their ability to make informed decisions regarding issues of their interest; (c) support local initiatives in identified Bakola/Bagyeli communities to improve agricultural production. The Panel finds that the programmatic goals specified in the IPP are reasonable and appropriate to the affected Bakola/Bagyeli community, and furthermore, were developed in fair and open consultation with representatives of the Bakola/Bagyeli community.
68. The Panel investigated the Requester’s claims that the Indigenous Peoples Plan was not in compliance with OD 4.20, as project-affected People did not fully participate in the preparation of the IPP; that consultation was not fair or adequate; that the baseline surveys were not adequate, and that the delay in launching the activities of FEDEC has meant that the Bakola have not been able to benefit from the mitigation measures envisaged under the project.
69. The Panel through its investigation finds that the consultations leading up to the IPP were inclusive of a wide range of people, and contributed directly to developing effective IPP programs in health, education, and agriculture. The Panel takes note of the consultation activities, which included reading rooms, 400 public meetings between 1997 and 1999 (of which 111 were in the villages of affected people), and an NGO organized seminar for stakeholders. The Panel finds the IPP in compliance with OD 4.20 in regards to consultation and participation of affected indigenous peoples.
70. However, the Panel is concerned that the baseline data, while providing important information for the programs of the IPP, ignores Bakola/Bagyeli occupation and use of forest resources outside the Pipeline right-of-way. The Panel finds that the EMP and IPP lack a wider regional assessment, particularly in terms of the Bakola/Bagyeli’s use of the wider littoral forest for hunting and gathering activities. Consequently, the Panel finds that Management is not in compliance with OD 4.20 regarding Baseline Surveys.
71. With respect to the implementation of the IPP, the Panel finds that while the delays in implementing the Environmental Foundation were very unfortunate, they may have been unavoidable given the capacity predicament of the GOC and the undefined and in-process nature of the specific IPP plans. The Panel observes that the Bank could

have taken a more direct role in constituting the Board and ensuring it can operate effectively instead of leaving the responsibility to COTCO only. Nevertheless, the Panel also recognizes that as a result of Bank intervention and oversight, FEDEC is now up and running and that it is moving ahead with its programs, including the anti-tuberculosis campaign, the issuing of national identification cards, and contributing to school supplies and medicines. The Panel finds Management in compliance with OD 4.20 in regards to paragraph 15 (c) *“the institutions responsible for government interaction with indigenous peoples should possess the social, technical, and legal skills needed for carrying out the proposed development activities.”*

72. The Panel wishes to note that FEDEC’s budget is based on an annual yield of interest on a US\$3.7 million investment in an endowment that is to last the life of the pipeline, which is approximately 25 years. But the Project Appraisal Document (PAD) allocates only US\$600,000 of the endowment for the IPP, which is expected to yield US\$50,000 per year for implementing the programs of the IPP. Once the IPP administrative costs are factored in, including support for the Community Development Facilitator (salary, vehicle, office space), very little remains to fund a comprehensive program covering health, education and agriculture. However, Management states in its response that the annual funds would be enough to support the IPP programs which generally consist of low-cost expenditures such as for ID cards, school supplies, and medical supplies described in the updated 2003 FEDEC Plan of Action.
73. In the Panel’s view, FEDEC’s budget seems inadequate to carry out the programmatic elements of the IPP. The Bank should have considered FEDEC’s operating budget in more detail, noting in particular that \$50,000 allocated to the IPP would not be sufficient to manage the IPP programs, particularly as these programs were still in the process of conceptualization and design. Nevertheless, the Panel recognized that while these delays were unfortunate, they may have been unavoidable given the capacity predicament of the GOC and the undefined and in-process nature of the specific IPP plans.
74. Finally, the Panel notes Management’s acknowledgement of the shortcomings in the original IPP, but also recognizes the fact that these shortcomings did not produce harm to the Bakola/Bagyeli community. The Project has created a positive environment for the Bakola/Bagyeli through its procedures on consultation, compensation, and development programs, where the Bakola/Bagyeli community now is in a stronger position to assert their rights as full citizens of Cameroon.
75. The Panel understands Management’s strategy that the IPP is a ‘work-in-progress’. Although under normal circumstances such ‘work’ would not be in compliance with the provisions of OD 4.20, the Panel, however, sees the practicality of Management’s strategy because of the conditions and practices of the Bakola/Bagyeli/Bantu community within the wider Cameroonian society. Furthermore, the Panel observes that Bank Management and COTCO have corrected the shortcomings in the intervening years since the EMP was written. The Panel agrees that the IPP is a long-

term endeavor expected to be carried out over the 25 years of the Pipeline operation. Of necessity it must be fine-tuned in the process of implementation. Finally, the Panel finds that the original IPP, in this special circumstance, is in compliance with paragraphs 13-18 of OD 4.20 on Indigenous Peoples, except for the geographical scope of the baseline data. The Panel finds that current efforts to prepare and implement a detailed IPP are in place to meet the requirements of OD 4.20 on Indigenous peoples.

PROJECT SUPERVISION

76. The Panel found that adequate resources and attention continue to be given by the Bank to the supervision of the Pipeline Project. Furthermore, the ECMG has proved to be a valuable monitoring tool for Bank Management, COTCO and the host countries. To ensure consistent policy compliance, arrangements should be made to retain ECMG beyond the Bank's final disbursements of the two projects.
77. The Panel also found that Bank Management has been aware of the issues that have risen in connection with implementation of the projects. When both the IAG and the ECMG raised concerns about the possibility of retaining the Lom River Bridge that would contradict the EMP, Bank Management communicated its concerns to the GOC. Similarly, all major concerns raised by the Requesters seem to have been communicated by Bank staff to the Cameroonian authorities and COTCO staff during its supervision missions. Finally, the Requesters acknowledged to the Panel that their interaction with Bank staff has been frequent.
78. Regardless of how well-structured external supervision may be, it cannot serve as a substitute for in-country monitoring. A large and strategically sensitive Project such as the Pipeline Project requires constant supervision. Presently there is no local supervision team in place to handle the volume and quality of supervision required by the Project. The persistence of this shortcoming will certainly frustrate an important goal of the Bank's policy on Project Supervision: "[A]s a development agency, the Bank also has an interest in assisting member countries to achieve their development objectives on a sustainable basis."
79. In conclusion, the Panel recognizes Management's effort to comply with the Bank's applicable policy requirements. In this spirit, and in order to ensure the sustainability of the benefits of the Pipeline Project and effectively monitor its risks, the Bank should consider within its larger dialogue framework with the country, an effective incentive to help integrate important sectors, such as environment and public health, in a local monitoring team for the Pipeline Project.

CHAPTER ONE

INTRODUCTION

1. The Projects subject to the Request for Inspection

1. The Petroleum Development and Pipeline Project (hereinafter ‘the Pipeline Project’) and the Petroleum Environment Capacity Enhancement Project (hereinafter ‘the CAPECE Project’) are two closely related Bank-supported Projects in Cameroon. The World Bank’s Board of Executive Directors approved both Projects on June 6, 2000.¹ The Pipeline Project is partially financed by (i) a loan from the International Bank for Reconstruction and Development (IBRD), in an amount equal to US\$53.4 million;² and (ii) a loan from the International Financial Corporation (IFC), in the amount of US\$100 million. The Pipeline Project also has substantial financial participation from three private sector petroleum companies (the “Consortium”).³ The CAPECE Project is financed by the International Development Association (IDA) in an amount equivalent to SDR4,300,000 (about US\$5.77 million).⁴
2. The Pipeline Project is the largest private sector investment in Sub-Saharan Africa and consists of the development of three oil fields in Chad’s Doba Basin (Komé, Miandoum, and Bolobo), which constitute the Field System. The Tchad Oil Transportation Company S.A. (TOTCO), a Chadian Government Company, is operating the Field System. The Project includes the construction of an Export System comprising a 1,070 kilometers long pipeline, from the oil fields in Chad to an offshore oil-loading facility near Cameroon’s Atlantic coast. The Cameroonian component of the Project consists of 880 kilometers of buried on-land pipeline, eleven kilometers of off-shore pipeline, two pumping stations, a pressure reduction station, and the off-shore floating storage and offloading vessel at Kribi (for further details please refer to Map 1 of this Report).⁵ At the time of writing this Report, the construction of the pipeline is nearing completion, and ‘*first oil*’ is expected in the second half of 2003.

¹ All legal documents entered into by the Bank for the two Projects related to the Request have been declared effective.

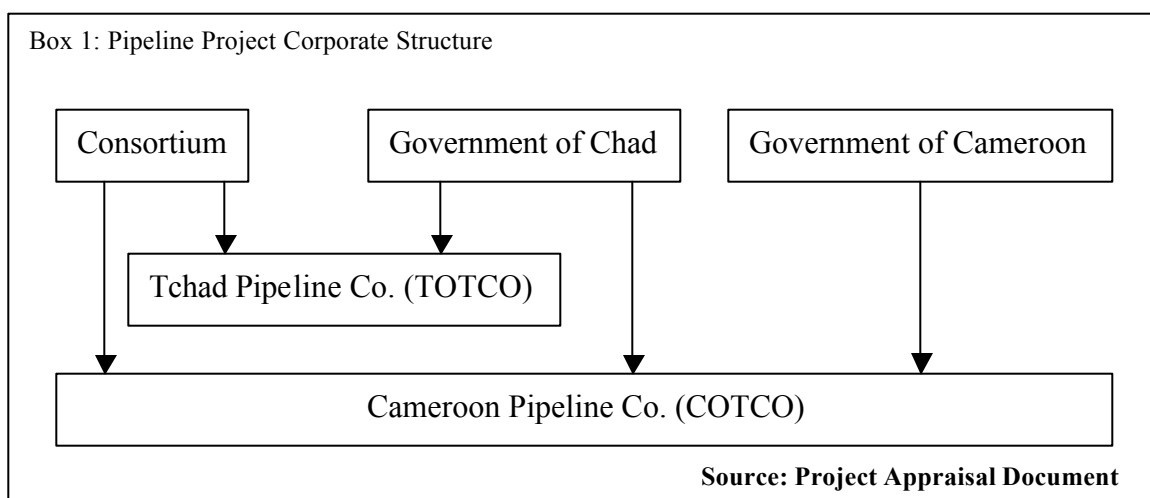
² The relevant Loan Agreement, Loan Number 7020-CM, was signed on March 29, 2001.

³ Total Project costs are estimated to be US\$3.7 billion. The revised financing plan included in page 7 of the “Chad/Cameroon Petroleum Development and Pipeline Project – Semi-Annual Report to the Executive Directors” dated January 31, 2001 (SecM2001-0081), presents the following distribution (in %): (a) Private Sponsors’ Equity (Exxon 40% - Petronas 35% - Chevron 25%): 80.7%; (b) US EXIM – and COFACE supported loans: 10.7%; (c) IFC A-Loan: 2.7%; (d) IFC B-Loan: 2.7%; (e) IBRD financed Cameroon equity: 1.2%; (f) IBRD financed Chad equity: 0.9%; (g) European Investment Bank (EIB) financed Cameroon equity: 0.7%; and (h) EIB financed Chad equity: 0.4%.

⁴ The relevant Credit Agreement, Credit Number 3372-CM, was signed on July 14, 2000.

⁵ Project Appraisal Document (hereinafter ‘PAD’), Report No. 19343 AFR, at p. 13 § 4.

3. According to Project documents, the Export System in Cameroon will be built and operated by Cameroon Oil Transportation Company S.A. (COTCO), a joint-venture company formed between the Consortium, the Government of Chad, and the Government of Cameroon.⁶ As part of the Pipeline Project Revenues from the project will accrue to Cameroon in the form of taxes, transit fees and dividends from its shareholding in COTCO. Based on the appraisal assumptions of crude oil prices and proven and probable petroleum reserves, the project would yield about US\$500 million for Cameroon over the 25-year production period.⁷ This amount constitutes about 3 or 4 percent of the country's total revenues depending on fluctuations in oil prices.⁸
4. The following diagram in Box 1 below describes the corporate structure of COTCO:⁹



5. In addition to supporting the Pipeline Project, the Bank is financing capacity building in Cameroon through the Petroleum Environment Capacity Enhancement Project (CAPECE). This project aims to establish a national capacity to protect and mitigate the social and environmental impacts of the Pipeline Project.¹⁰ The CAPECE Project includes strengthening: (a) The local institutional, regulatory and legal framework; (b) coordination of capacities for environmental management; (c) public intervention capacity for environmental management; and (d) project management, monitoring and evaluation.¹¹

⁶ PAD, Report No. 19343 AFR, at p. 13 § 4.

⁷ Chad/Cameroon Petroleum Development and Pipeline Project, Fifth Semi-Annual Report to the Executive Directors (July-December 2002), January 31, 2003, Annex 2 p. 24.

⁸ The Bank considers that this sum does not justify a special mechanism such as the Petroleum Revenue Management Program created for Chad, and that Cameroon's reform program, supported by the Bank, includes sufficient efforts towards budget consolidation.

⁹ PAD, Report No. 19343 AFR, at p. 131, Annex 12.

¹⁰ PAD, Report No.19627-CM, at p. 2.

¹¹ Credit Agreement between the Republic of Cameroon and the IDA, Credit No. 3372-CM, at p. 14 Schedule 2, July 14, 2000.

2. Submission of the Request for Inspection

6. On September 25, 2002, the Panel received a Request for Inspection ('the Request') submitted by the Center for the Environment and Development (CED), a local nongovernmental organization (NGO) based in Yaoundé acting on behalf of a number of people living along the pipeline route in Cameroon,¹² and by a number of individuals, including workers or former workers of COTCO and/or its contractors, all residents of the Republic of Cameroon (the 'Requesters').¹³ The Request includes a list of 21 signatories, who want their names kept confidential, and documents related to the Request. This Request for Inspection relates to the Cameroon portion of the Chad-Cameroon Pipeline Project. As a result of a previously received Request for Inspection, the Panel had an opportunity to investigate the Chad portion of the project in 2002 (for information on that investigation, please refer to Annex 1 of this Report).
7. The Request alleges that the Pipeline Project and the CAPECE Project have had an adverse impact on local communities and their environment or are likely to result in harm because of flaws in project design and implementation. The concerns raised in the Request relate to impacts on the environment and natural habitats; problems of involuntary resettlement and compensation, preparation and implementation of an indigenous peoples plan, workers' issues, and public health issues such as the spread of HIV/AIDS (Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome), and project supervision. The Request also contains allegations of inadequate consultation and disclosure of information. The Requesters allege violations of the following Bank policies and procedures: Environmental Assessment, Natural Habitats, Poverty Reduction, Indigenous Peoples, Involuntary Resettlement, Project Supervision, and Disclosure of Operational Information.
8. On receipt of the Request, the Panel had to decide whether the Request was *prima facie* not barred from its consideration.¹⁴ The Panel found the Request to be within its jurisdiction. The Request was registered on September 30, 2002, and the Notice of Registration was sent to the Bank's President, Executive Directors, and the Requesters. The Notice of Registration was posted on the Inspection Panel's website.¹⁵ Bank Management responded to the Request on October 29, 2002, within the required 21 working days of its registration.
9. Management's response to the Request (the 'Response') included a summary of the overall project framework and of the Bank's role in the design, implementation and supervision of the Pipeline Project and CAPECE Project. Management maintained that it made every effort to apply Bank policies and procedures to the Projects, and it disagreed

¹² Since the Requesters are located in Cameroon, this investigation deals only with the Cameroon portion of the Pipeline Project.

¹³ Request for Inspection, September 25, 2002, (hereinafter 'Request for Inspection'), at p.1.

¹⁴ The Panel cannot consider complaints raised on projects that have no involvement with the Bank; complaints against procurement decisions, requests filed after the closing date of the Loan/Credit or when 95% of the Loan/Credit proceeds have been disbursed, or requests related to particular issues over which the Panel has already made recommendations.

¹⁵ www.inspectionpanel.org.

with the Requester's claim that their rights or interests had been and would be adversely affected by Management's failure to comply with Bank policies and procedures.

10. Both Request for Inspection and Management's Response have been examined in detail in the investigation sections of this Report.¹⁶

3. The Eligibility Report

11. The Panel determined the eligibility of the Request and the Requesters within the required 21 working days assessment period. The Panel reviewed the Request and the Management Response, and met with Mr. Paulo Fernando Gomes, Executive Director, and Mr. Louis Philippe Ong Seng, Alternate Executive Director, representing the Government of Cameroon, and the Senior Advisor to the Executive Director, Mr. Yssouf Bamba, as well as with other World Bank Group (WBG)¹⁷ officials and staff. The Panel carried out its eligibility visit to Cameroon in November 2002, where it met with different stakeholders involved in the projects, government officials, as well as the people living in and around the project-area.¹⁸
12. The Panel found that the Request and the Requesters had met all the applicable eligibility criteria. The Panel issued its Eligibility Report to the Board of Executive Directors on November 26, 2002 recommending an investigation into the matters raised in the Request. The Board approved the Panel's recommendation on December 16, 2002, and the Panel informed the Requesters of the Board's decision. The Request, Management Response, and the Panel's Eligibility Report were made public through the Bank's InfoShop, the Bank Country Office in Cameroon and the Panel's website.¹⁹

4. The Panel's Investigation

13. The investigation headed by the Panel's Chairman, Edward S. Ayensu, included an analysis of relevant project documents and interviews with World Bank Group's staff, as well as an in-country fact-finding visit.²⁰ To avoid any misunderstanding, the Panel made it clear to the Requesters that the focus of its investigation was on the Bank and not on the performance of the Borrower, the IFC, or the Consortium. During the entire investigation process, the Panel maintained open communication with all parties involved in the projects, and kept receiving materials and information from the Requesters and other interested parties at its headquarters.
14. The Panel's findings on the issues raised in the Request are included in the following chapters of this Report: Environmental Impact Assessment and Mitigation, Occupational

¹⁶ For the full text of the Request for Inspection and Management Response please visit www.inspectionpanel.org.

¹⁷ For purposes of this Report, World Bank Group includes the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Financial Corporation (IFC).

¹⁸ Annex 2 of this Report presents the villages and areas visited by the Panel during both its eligibility and investigation visits to Cameroon.

¹⁹ For the full text of the Panel's Eligibility Report please visit www.inspectionpanel.org.

²⁰ Annex 3 to this Report presents the chronology of the Projects and the overall investigation process.

Health and Safety and Public Health, Social Impact Assessment and Mitigation, and Project Supervision. The Panel has examined these matters not only for compliance with Bank's policies and procedures, but also on whether harm was done as a result of the Bank's actions or omissions.²¹

²¹ According to the Resolution, upon submission of the investigation report to the Board of Executive Directors and the President, Bank Management presents its Recommendations Report on the projects based on the Panel's findings within six weeks. Thereafter, the Board will discuss both the present Report and Management's recommendations. Shortly after the Board's deliberation, the Panel's Investigation Report and Management's Recommendations are made available to the public through the Bank's InfoShop, Country Office and the Inspection Panel's website.

CHAPTER TWO

ENVIRONMENTAL IMPACT ASSESSMENT AND MITIGATION MEASURES

15. **Scope of the Chapter.** In this first part of the Report, the Panel presents the results of its investigation regarding alleged violations of the Bank's environmental policies. The following policies were examined: OD 4.01 on Environmental Assessment and OP/BP 4.04 on Natural Habitats. Although OP 4.01, the current Bank policy on environmental assessment, has been in effect since January 1999, the project environmental assessment and environmental management plan are reviewed with reference to OD 4.01, which was applicable at the time of document preparation.²² This part of the Report also examines Management compliance with Bank policies and procedures on Consultation and Disclosure of Information. In considering the environmental aspects of the Pipeline Project, the Panel was sensitive to the magnitude of an infrastructure project that traverses the country from its northernmost point to the Atlantic coast.
16. The issues examined by the Panel and its corresponding observations are summarized as follows (a fuller discussion can be found in the corresponding paragraphs indicated in the right column):

Issue Examined	Panel Observations	Paragraph Number
Independent Panel of Experts	The Independent Panel of Experts was not fully engaged during the preparation and approval of the 1999 EA/EMP, as its participation was discontinued. In addition, the IAG and the ECMG cannot not be seen as a replacement for the IPE during the Project's implementation phase. Those mechanisms report to the Bank and to the IFC respectively and cannot be considered to be technically independent in the sense intended by OD 4.01. The Bank is not in compliance with paragraph 13 of OD 4.01.	21-27

²² See the Chad Investigation Report. OP/BP 4.01 on Environmental Assessment only applies to those projects, which had their Project Information Document (PID), issued after March 1, 1999. The PID for the Pipeline Project was issued in April 1995.

Issue Examined	Panel Observations	Paragraph Number
Baseline Data	As noted in the Chad Investigation Report, there was a lack of linkage between baseline data collection, the assessment of project impacts and the subsequent application of mitigation and management actions. A similar comment applies to Cameroon. In addition, the Bank should have made greater efforts to ensure a full year of baseline data collection during the Project's preparation phase and prior to its approval, although current activities in this area are deemed appropriate. The Bank is not in compliance with paragraph 2 of OD 4.01, Annex C and paragraph 7 of Annex D of OD 4.01.	28-37
Analysis of Alternatives	Analysis of possible pipeline routes was properly addressed in the context of the EA/EMP process. The Bank is in compliance with paragraph 2(f) of OD 4.01, Annex B.	40-45
Analysis of Cumulative Effects	An assessment of cumulative effects should have been conducted during the early scoping of the project's environmental effects prior to project approval and included as part of the original project environmental assessment and subsequent EMP. The Bank is not in compliance with paragraph 5 of OD 4.01.	46-54
Institutional Capacity	The delays associated with the implementation of the CAPECE Project, affected the GOC's monitoring capabilities during the entire construction period. Efforts must be made to accelerate the implementation of CAPECE.	57-68

Issue Examined	Panel Observations	Paragraph Number
	The purpose of paragraph 12 of OD 4.01 was not achieved during Implementation and Monitoring Phase.	
Preparation for Oil Spills	National Oil Spill Plan and Area Specific Oil Spill Plans are being prepared in accordance with EMP provisions and established international standards.	69-76
Impacts on Water Quality	There is no evidence that serious harm has resulted from the Pipeline project. Disputes exist between some local communities and COTCO over water issues. Management should continue to monitor each specific situation to ensure that a resolution amenable to all parties has been reached. The Bank is in compliance with OD 4.01.	77-81
Impacts on Freshwater Fisheries	Overall procedures for building the river crossings required for the construction of the pipeline are found to be adequate and in compliance with the EMP. In a specific case investigated, COTCO provided the Panel with baseline data it had collected in compliance with the EMP. The Panel reviewed the data and found no long-term impact on freshwater fisheries. The Bank is in compliance with OD 4.01.	82-86
Assessment of Greenhouse Emissions	The Bank is in compliance with paragraph 11 of OD 4.01 concerning consideration of global issues in the EA/EMP.	87-89
Noise Disturbance	No evidence of serious project-related harm noted.	90-95
Dust	No evidence of serious project-related harm noted.	96-101

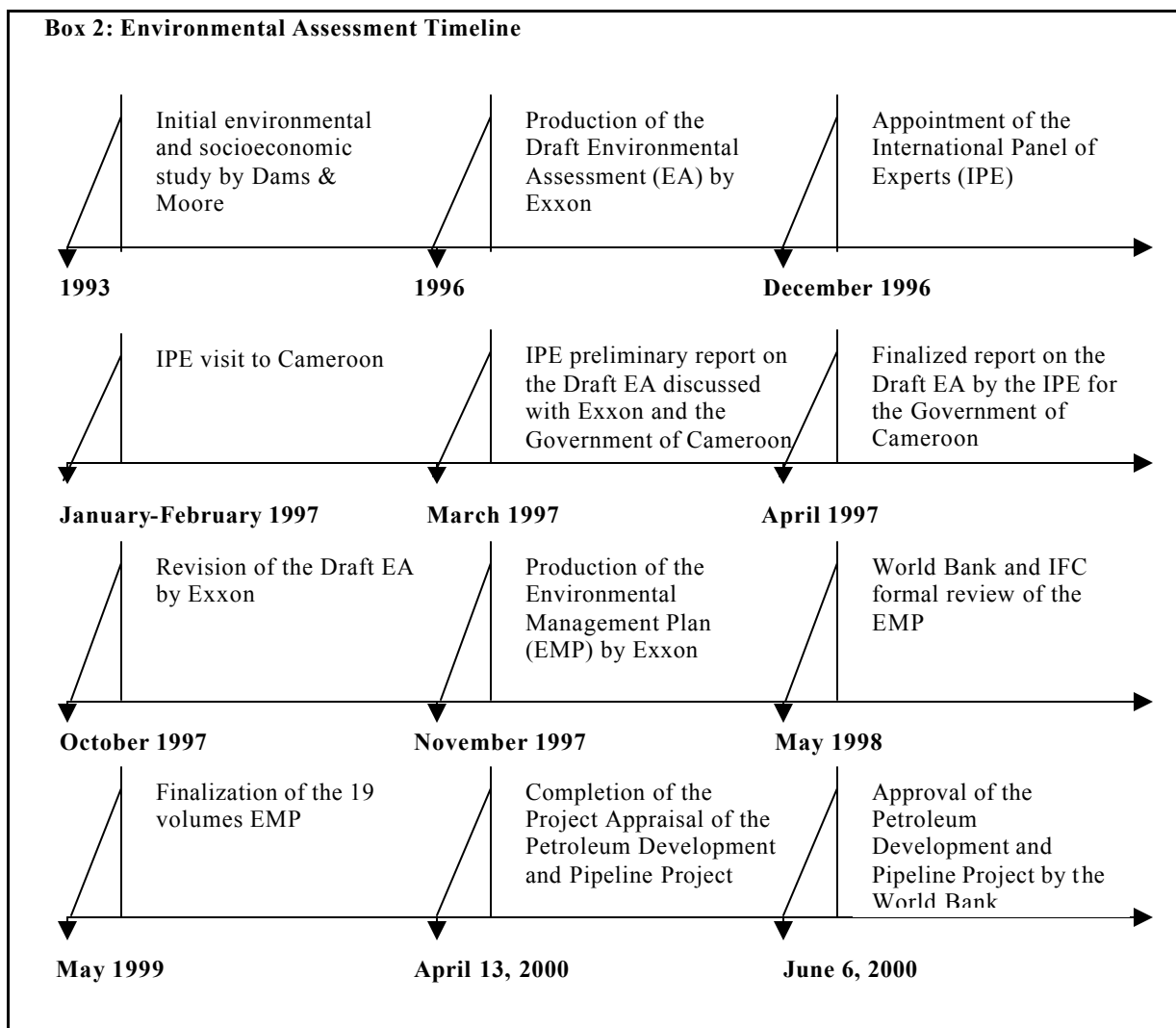
Issue Examined	Panel Observations	Paragraph Number
Natural Habitats	The Bank is in compliance with paragraph 5 of OP 4.04, but greater vigilance is required to ensure protection of the Campo Ma'an Reserve.	102-118
Removal of the (temporary) Lom River Bridge	Removal of all temporary bridges (including the Lom River Bridge) is necessary to ensure compliance with the EMP (and the spirit of OD 4.01 and OP 4.04).	119-123
Consultations and Disclosure of Information	The consultations and disclosure of information concerning the Pipeline Project were frequent and consistent with the Bank's applicable policy requirements. In the implementation phase, it is important that stakeholders understand the components of the projects and their effects. A renewed Project outreach effort should be initiated now that the operations' phase is imminent. The Bank is in compliance with paragraph 19 of OD 4.01 and with BP 17.50.	124-130

5. The Environmental Assessment Process

17. In reviewing the history and timing of the Project, the Panel considers that there are two distinct phases of the Pipeline Project that form the basis of the Panel's analysis of compliance with Bank operational policies and procedures, with respect to OD 4.01 on Environmental Assessment. The first phase is the **Evaluation and Assessment Phase** while the second is the **Implementation and Monitoring Phase**.
18. The Evaluation and Assessment Phase covers the initial stages of project preparation including the completion of the initial Environmental Assessment (EA) of 1997 and the subsequent 1999 Environmental Management Plan (EMP) and the Project's appraisal until the time of Project Approval by the Bank Board of Directors in June of 2000. In the Evaluation and Assessment Phase, the Panel assesses compliance during the process that led to the approval of the Project..
19. In the Implementation and Monitoring Phase, on the other hand, the Panel considers that Project Approval was in effect and examines compliance with the applicable Bank

policies during the implementation of the 1999 EMP associated with pipeline construction activities in Cameroon. The Implementation and Monitoring Phase therefore considers the adequacy of all Bank policies and procedures, following the decision to move ahead with the Project, and whether the Project is being implemented in accordance with Bank safeguard policies.

20. It is important to distinguish between these two phases as the first deals with project **approval** while the latter deals with project **implementation**. Box 2 below shows the environmental assessment timeline.



21. **Participation of the Independent Panel of Experts.** The Requesters allege that “*the preparation of the environmental impact study has not respected the requirements of independence*” embodied in the recommendation (in the case of large projects) of the recruitment of an advisory Panel of independent and internationally renowned specialists who will provide an opinion on the entire process of preparing the impact study and on the implementation of mitigation on measures.

22. **The Management Response.** According to Management, the Government of Cameroon retained the services of an Independent Panel of Experts (IPE) in 1997 to review the project Environmental Impact Assessment and initial environmental management plan.²³ This independent review of the project has not continued throughout the project cycle. According to Management, contractual difficulties surfaced impairing the relationship between the IPE and the Government of Cameroon (GOC) and as a result the Independent Panel's contract was not renewed after the first year. The termination of the contractual arrangements between the GOC and the IPE meant that the IPE could not fully complete its work and Management acknowledges that compliance with OD 4.01 paragraph 13 is partial.²⁴ The IPE met with Bank staff, GOC officials and project representatives and reviewed the draft EA.²⁵ The IPE played an important role in revisions to the initial pipeline routing to avoid the sensitive Mbéré Rift Valley and also drew attention to the need for intensified action on HIV/AIDS. Management notes that the IPE made an important contribution to the Bank's review of the 1997 draft EA resulting in changes in Pipeline Project design which are reflected in the 1999 EA/EMP documentation.
23. **Policy Requirements.** Operational Directive OD 4.01 – Environmental Assessment states that *“for major, highly risky, or contentious projects with serious and multidimensional environmental concerns, the borrower should normally engage an advisory panel of independent, internationally recognized, environmental specialists to advise on (a) the terms of reference (TORs) for the EA, (b) key issues and methods for preparing the EA, (c) recommendations and findings of the EA, (d) implementation of the EA's recommendations, and (e) development of environmental management capacity in the implementing agency.”*²⁶
24. **Panel Observations.** The Panel finds that the Bank was not in compliance with paragraph 13 of OD 4.01 since the required Independent Panel of Experts was not fully engaged during the preparation and approval of the 1999 EA/EMP, as its participation was discontinued. There has been no independent review of the 1999 Environmental Management Plan by the IPE and no significant full-time participation of an IPE in Cameroon since 1997.²⁷ In addition, the Panel is not in agreement with Management's contention that, as of February 2001, the International Advisory Group's (IAG) advisory role to the governments of Chad and Cameroon helped to fill the gap left by the absence of the IPE. Rather the IAG advice forms part of the Bank's supervision role of the Project along with that of the External Compliance Monitoring Group (ECMG).²⁸ Since the IAG and the ECMG report to the Bank and to the IFC respectively, they cannot be

²³ The Expert Panel was composed of Mr. Nicholas Roe, partner and senior consultant, IRIS Environmental Systems Inc., Mme. Veronique Lassailly-Jacob, Social Science Specialist and Dr. William Jobin, Environmental Health Specialist.

²⁴ Management Response, October 29, 2002, (hereinafter 'Management Response'), Annex 1, at p. 32 § 12.

²⁵ *Review of the Draft Environmental Assessment Prepared by Esso Exploration and Chad Inc.*, Independent Panel of Experts, April 1997 (hereinafter 'IPE').

²⁶ OD 4.01, Institutional Aspects, Environmental Advisory Panels, at § 13.

²⁷ The IPE was retained in 1999 and 2000 for specific meetings on HIV/AIDS only.

²⁸ For more detail on the role of the IAG and the ECMG please refer to Chapter Five of the Report, Project Supervision.

considered to be technically independent in the sense intended by OD 4.01. Thus, these mechanisms do not meet the requirement of an Independent Panel of Experts as laid out in the provisions of OD 4.01.

25. During the February 2003 meetings with GOC's Pipeline Steering and Monitoring Committee (CPSP) in Yaoundé, the Panel was informed that the GOC is currently seeking a no-objection approval from the World Bank for the selection of a new Independent Expert Panel. Management noted that the terms of reference for the IPE will be addressed during the Projects' mid-term review mission planned for April/May 2003.
26. The Panel is concerned about the proposed role of the new IPE in that the construction phase of the project is now almost completed. The roles and responsibilities of the IPE need to be defined in this context in conjunction with the CPSP and the National Hydrocarbons Corporation (SNH) in order to comply with the requirements of paragraph 13 of OD 4.01 for providing advice on *"(...) (d) implementation of the EA's recommendations, and (e) development of environmental management capacity in the implementing agency."* Given the difficulties encountered with the first IPE over a failure to agree on its roles and responsibilities, the Panel has doubts regarding the real value of the IPE in this context. Clearly an opportunity exists to avoid the problems encountered with the first IPE. The new IPE needs to have a credible niche that meets the institutional capacity and technical needs of the CPSP/SNH and does not duplicate the activities and functions of the IAG and ECMG.
27. The Panel notes the follow-up effort of Management to define the activities of the new IPE during the offshore component of the construction phase and during the pending operational phase of the project. The Panel observes that Bank staff must have a clear role in defining the participation and responsibilities of the new IPE in conjunction with the GOC. Some specific activities for the IPE may include the implementation of the National Oil Spill Response Plan (NOSRP) in conjunction with the Project's Area Specific Oil Spill Response Plans (ASOSRP), monitoring of the restoration of the pipeline right-of-way (ROW), input into the formulation of a proposed 'Vision Study' and development of an effective environmental, health and social monitoring capacity within the CPSP.

6. Scopes and Adequacy of the Environmental Assessment/Environmental Management Plan

28. **Baseline Data.** The Requesters claim that the baseline studies have not been adequate, limiting the possibilities of identifying all the potential impacts of the project and therefore the relevance and scope of mitigation measures. They also state that the absence of baseline studies severely limits the opportunities for follow-up of the real impacts of the project.²⁹
29. **Management Response.** Management believes that the environmental baseline studies in the 1999 EA/EMP were adequate to evaluate potential impacts of the Pipeline project

²⁹ Request for Inspection, at p.6 § 5 (a).

and to determine relevant mitigation measures. Baseline data are presented in the 1997 EA, in the supporting documents of the 1999 EA/EMP (e.g., Volume 5 of the Supporting Documents) and in reference documents cited therein. Identified data gaps in the 1997 EA were filled in the 1999 documents.

30. **Policy Requirements.** The need for adequate collection of baseline data for the purposes of environmental assessment is clearly defined in OD 4.01. Paragraph 4 of OD 4.01 requires that “*Project-specific EAs should normally cover existing environmental baseline conditions;*” and paragraph 2 of OD 4.01 Annex C states, among other requirements, that a mitigation or management plan should include an “*identification and summary of all the significant adverse environmental impacts that are anticipated; [and a] description and technical details for each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate.*”³⁰
31. **Panel Observations.** As mentioned in the Chad Investigation Report, external reviewers (The Netherlands Commission for Environmental Impact Assessment³¹ and the first Independent Panel of Experts) and Bank staff alike commented on the lack of baseline data during the Evaluation and Assessment Phase of the project. In their May 1998 review, Bank staff observed, “[a] *final concern (...) is the lack of baseline data against which project impacts may be measured (...) The Environmental Management Plan should therefore include provisions to address this issue by a campaign of baseline data collection, related to the measurement of project impacts, as soon as (and preferably before) the project gets underway.*” The Independent Panel of Experts recommended that a full year of biophysical data be completed in order to provide the ground facts and details needed, so that construction can proceed with good information in hand.³²
32. The Panel noted the Requester’s claims and the Bank’s response concerning the inadequacy of baseline information during the Evaluation and Assessment Phase of the project through the completion of additional baseline surveys of vegetation, fish, birds and mammals in both Chad and Cameroon. In addition, a series of alignment sheets was produced for the final routes selected that incorporated important environmental information.
33. The Panel concluded in the Chad Investigation Report that there was a lack of linkage between baseline data collection, the assessment of project impacts and the subsequent application of mitigation and management actions. A similar comment applies to Cameroon, which leads the Panel to find that Management is not in compliance with paragraph 2 of Annex C of OD 4.01.

³⁰ OD 4.01, Annex C Environmental Mitigation or Environmental Management Plan, at § 2 (a) and (b). See also paragraph 5 of same Annex C for additional discussion on the specific linkages expected to be presented in an environmental assessment.

³¹ For more information on the Commission and its reports please visit www.eia.nl

³² IPE, at p. 59.

34. Bank policy on Environmental Assessment is very clear about the need for a full year's collection. Paragraph 7 of Annex D of OD 4.01 states that *"for some projects, a full year of baseline data is essential to capture seasonal effects of certain environmental phenomena, such as rainy and dry seasons or species migrations. In contrast, other effects (e.g., hydroclimatic variation) may require multiyear data. To avoid delay in critical project decisions in these cases, short-term monitoring should be used to provide conservative estimates of environmental impacts. In such instances, such short-term data can be a surrogate for annual data while longer-term data are being collected. Since special care in designing the baseline monitoring program is warranted, the borrower should be encouraged to discuss the matter with the Bank."*
35. The situation in regard to baseline data in the Implementation and Monitoring Phase of the Project is somewhat different. With the approval of the project and selection of the final right-of-way alignment, COTCO undertook an environmental baseline survey of the 30 meters right-of-way corridor of the entire pipeline route in Cameroon, which was usually conducted within six months in advance of pipeline construction. The Panel noted that this survey identified water resources, fisheries, river crossing data and other important environmental information. The Panel also noted that the Bank has attempted to incorporate important environmental data prior to construction. The Panel's review of this data found it to be sufficiently detailed and well-prepared to provide a base for ongoing monitoring activities. However, this effort is limited in value since the differences between wet and dry seasons and also annual differences in both climatic and environmental conditions were not fully recorded.
36. During the investigation, the Panel noted that the existence of conflicts over damage to water resources, fisheries etc, perhaps, resulted from an inadequate collection of baseline data that did not unequivocally establish conditions prior to construction. In fact, the environmental baseline assessment conducted by COTCO did not provide a full year's data that allowed for comparisons between the wet and dry seasons. During field visits, the Panel was informed that, on occasion, these differences in water usage between the wet and dry season were not fully recorded.
37. The Panel, therefore, concludes that the Bank was not in compliance with paragraph 7 of Annex D of OD 4.01 regarding the collection of a full year of baseline data at the project Evaluation and Assessment Phase. Overall, there was a lack of baseline data upon which approval of the Project could be made; and greater efforts should have been made to collect at least one year's baseline data during the Project Evaluation and Assessment Phase. The Panel notes COTCO's extensive commitment to an ongoing collection of baseline data, but observes that this has occurred only since the start of project implementation. Such an effort should provide more data on seasonal and annual differences in environmental conditions over the life of the Project and may eventually accomplish the intent of OD 4.01 on collection of baseline data. However, there is still a limited amount of information available on pre-project conditions. Many of the resource conflicts that have arisen during project construction could have been avoided by having a full year's availability of baseline information prior to project approval. The Panel observes the importance of collecting sufficient baseline data prior to project approval to

ensure that the best information is at hand for informed decision-making and to provide an adequate background for the project to proceed if it is approved.

38. **Access to Baseline Information.** The Requesters claim that there is no access to available baseline information and that they have approached COTCO on numerous occasions with a request for this data to no avail. Similar concerns regarding the availability of this baseline data have been expressed by the IAG in their July-August 2001 mission report.
39. **Panel Observations.** The Panel met with COTCO representatives and was informed of COTCO policy that all information and baseline reports regarding the project are available upon written request. COTCO retains the right to disseminate this data because some information is considered proprietary and cannot be released on a wide scale. COTCO could consider posting a list of all available baseline data over and above what is contained in the EMP on their website and to clearly establish their policy for obtaining such information. The Panel is also concerned that local communities have effective access to baseline and other relevant and appropriate data.
40. **Analysis of Alternatives.** The Requesters claim, *“that the analysis of alternatives has not been sufficient. It has not taken account of future developments of the project, and has been carried out solely from the point of view of the companies promoting the project, and not from the point of view of society as a whole.”*³³
41. **Management Response.** Management believes that the comprehensive analysis of alternatives carried out during preparation of the 1999 EA/EMP is in compliance with OD 4.01 and that it has fully integrated environmental and social concerns, as well as technical and economic ones. Compared to the 1997 EA initially submitted by the Consortium and the Governments to the Bank and IFC, the analysis of alternatives in the 1999 EA/EMP resulted in changes to the Pipeline Project design, specifically to minimize environmental and social impacts. The selected route has taken into account social and environmental impacts, as well as economic and technical parameters.³⁴ It should also be noted that in 1998, Management commented on the review of alternatives as follows: *“the environmental assessment describes alternatives to oil development scenarios, alternatives to pipeline transport of produced crude oil, road and rail route alternatives, and alternative pipeline and facility siting with a somewhat detailed description of the process of corridor selection. The discussion talks about the methods applied but does not actually reveal the results of the analysis to say which option was selected. Only brief mention is given to the no-project alternative.”*³⁵
42. **Policy Requirements.** OD 4.01 Annex B paragraph 2(f) states that analysis of alternatives should include *“a systematic comparison of the proposed investment design, site, technology and operational alternatives in terms of their potential environment impacts, capital and recurrent costs.”*³⁶

³³ Request for Inspection, at p. 6 § 5 (a).

³⁴ Management Response, Annex 1, at p. 25 § 2.

³⁵ Project Files, May 26, 1998.

³⁶ OD 4.01, Annex B, Outline of a Project-Specific EA Report, at § 2 (f).

43. **Panel Observations.** The Panel reviewed the selection of alternatives prepared by COTCO in Volume 4 of the EMP concerning the routing of the proposed pipeline through Cameroon. The Panel notes that significant attempts have been made to avoid sensitive ecological areas and to follow the routes of most disturbance wherever possible, often at considerable extra cost. Changes to the pipeline alignment were made to avoid the Mbéré Rift Valley, to minimize disturbance in the Deng Deng Forest region and to follow disturbed sites through the Atlantic Littoral Forest region, lands also occupied by the Bakola/Bagyeli people.
44. The Panel also notes the Change Management Process employed by COTCO relating to changes to the pipeline routing during construction. (See Box 3 below).

Box 3: Alignment Sheets – Change Management Process

- The Proposed routing change should stay within the area/terrain displayed in the alignment sheet.
- The proposed change will respect the environmental and social parameters referenced in the alignment sheet (in other words, no adverse change in environmental or social impacts).
- The proposed change will not result in subsequent additional changes upstream or downstream from the change point. (As an example: modification of a crossing of a meandering river or stream at a given point could create more river crossings further along the pipeline route).

*** If the change proposed cannot satisfy the above three criteria, discussion with the lenders (as a prelude to use the change management process) will be in order.

Source: IFC

45. The Panel finds that the EA/EMP section on alternative pipeline routings is well presented and contains extensive analysis using computerized mapping techniques to define the routes having the lowest environmental and socio-economic impacts. Accordingly, the Panel finds the Bank in compliance with the provisions of OD 4.01 concerning the analysis of alternative routings of the pipeline right-of-way in Cameroon.
46. **Analysis of Cumulative Effects (and the need for a Regional Assessment).** The Requesters claim that *“the environmental impact study has not undertaken an analysis of the cumulative and overall impacts of the project. For example, it has not taken sufficient account of the operations for exploiting oil in the Ebomé region and no study of alternatives has analyzed the possible benefits of developing tourism in Kribi.”*³⁷
47. **Management Response.** Management contends that the 1999 EA/EMP undertook and incorporated an analysis of the cumulative and overall impacts of the project and as a result is in accordance with OD 4.01. They state that the cumulative impacts of the Pipeline project are expected to be below the threshold that would warrant further analysis or a ‘formal’ cumulative impact assessment. Additionally, Management observes that the Pipeline project will leave only a small footprint in Cameroon in the form of a 30 meters pipeline right-of-way, two pumping stations and one pressure reduction station

³⁷ Request for Inspection, at p. 6 § 5 (a).

occupying a few hectares of land. Furthermore, specific consideration was given to cumulative impacts on natural habitat and on tourism and fisheries in the marine terminal. Management concludes that, at this stage they are not aware of any other cumulative impacts that require analysis.³⁸ During interviews, Management confirmed to the Panel that they had not completed a formal cumulative effects assessment for the Pipeline Project.

48. Regarding the impacts of the Pipeline Project in the Kribi area, Management asserts that the selected location of the offshore facility did take into account the ongoing production of the offshore Ebomé oilfield which operates an FSO (Floating Storage and Offloading) facility similar to that proposed for the Pipeline project. They state that no significant environmental impacts have been identified from operation of this FSO and that following a review of the issue, Management concluded that the anticipated cumulative impacts of the Ebomé marine terminal and the Pipeline Project marine terminal are low. They conclude that the risk from an oil spill from both installations at the same time is low.³⁹
49. Concerning the cumulative impacts of the Pipeline Project with other operations in Cameroon, Management refers to the preparation of the Vision Study as part of the CAPECE project that is envisaged in 2004. This study would assess and help develop the capacity for cumulative impact assessment within the institutions responsible for petroleum sector management. In the Response, Management does not address the need for a Regional Assessment in Cameroon similar to that proposed in Chad. They do conclude, however, that the incremental impact of the pipeline project on Cameroon's domestic energy sector is not significant enough to warrant a separate sectoral assessment.⁴⁰
50. **Policy Requirements.** Operational Directive 4.01 – Regional and Sectoral EA's states that "[r]egional EAs may be used where a number of similar but significant development activities with potentially cumulative impacts are planned for a reasonably localized area. In such cases, regional EAs are generally more efficient than a series of project-specific EAs. They may identify issues that the latter might overlook (e.g., interaction among effluents or competition for natural resources). Regional EAs compare alternative development scenarios and recommend environmentally sustainable development and land use patterns and policies. Impacts may sometimes extend across national boundaries. However, regional EAs with an institutional focus might follow administrative boundaries. Regional EAs are particularly useful when they precede the first in a series of projects or development interventions in an undeveloped region, where a region is slated for major developments, where cumulative impacts are anticipated, or in regional planning or agroecological zoning."⁴¹
51. **Panel Observations.** The Panel's analysis of the need for a cumulative effects assessment is directed more to the Evaluation and Assessment Phase of the project, prior

³⁸ Management Response, Annex 1, at p. 26 § 3.

³⁹ Management Response, Annex 1, at p. 27 § 3.

⁴⁰ Management Response, at p. 7 § 21.

⁴¹ OD 4.01, Types of Environmental Analysis, Regional and Sectoral EAs, § 5.

to approval of the World Bank rather than to the Project Monitoring and Implementation Phase. As noted in the Chad Investigation Report, Bank Management recognized the need for assessment of cumulative effects early in the project. Cumulative effects should have been taken fully into account during the initial stages of project review and during the issue scoping process.

52. In their comments on the Draft 1997 EA, Bank staff stated, *“the EA for Chad should include a cumulative effects assessment of planned oil development in Chad including the development of the Sédigui oilfield for domestic consumption and the construction of a pipeline and refinery in N’Djaména. For both the Chad and Cameroon EAs, an assessment of the cumulative effects of all project components (pipeline routes, infrastructure upgrades etc.) on existing condition must be provided.”*
53. The Panel is troubled by Management’s narrow interpretation of cumulative impacts of the project in that it is restricted to the narrow imprint of the pipeline right-of-way through Cameroon. It is clear that this project will be a stimulus to the development of additional oil resources in Cameroon and that the development of project infrastructure such as roads and other associated offsite developments will lead to further development within the Pipeline area. Additionally, the Panel sees no basis for the comment that *“the cumulative impacts of the Pipeline project are expected to be below the threshold that would warrant further analysis or a ‘formal’ cumulative impact assessment.”* The Panel asks under what criteria regarding project impacts was the threshold determined that would warrant further analysis or a formal cumulative impact assessment. The Panel notes that a formal cumulative impact assessment was not in fact completed even though it had been identified as a requirement by Management of the revision of the 1997 EA.
54. The Panel believes that a cumulative impact assessment of the project in Cameroon should have been completed taking into account the future development of upstream oil developments in northern Cameroon and new oil/gas fields off the Cameroon coast, in addition to large scale regional oil and gas developments that are planned for Equatorial Guinea, Gabon and Nigeria. Additional projects in the vicinity of the Pipeline Project, such as the Lom Pangar Dam and the new European Union funded highway linking southern Chad to northern Cameroon, should have been incorporated into a cumulative effects assessment. An assessment of cumulative effects should have been conducted during the early scoping of the project’s environmental effects prior to project approval and included as part of the original project environmental assessment and subsequent EMP. The Panel finds, therefore, that Management is not in compliance with OD 4.01 as regards the need for an adequate assessment of the Project’s cumulative effects.
55. Bank environmental assessment practices, as set out in the Environmental Assessment Sourcebook Update on Regional Environmental Assessment (June 1996), clearly state the need for, and purpose of, assessment of cumulative effects. *“The main objective of a REA in terms of impact assessment is normally to estimate (or forecast) the potential cumulative impacts of planned activities on a region’s environment, natural resource base, and socio-economic conditions, taking into account the baseline situation, and activities included in the inventory of plans and projects, and expected spontaneous developments. The purpose of this assessment is first and foremost to be able to analyze*

*the environmental impacts of the planned activities—usually formulated as a development plan—against other options, before the opportunity for realistic evaluation of these alternatives is closed. The underlying objective should be to determine which options present a framework for environmentally sustainable development.”*⁴²

56. As regards the Implementation and Monitoring Phase of the Project, the Panel notes that the cumulative effects of an oil spill off the Cameroonian coast must be addressed in the Area Specific Oil Spill Response Plan for that area. The Panel also notes that the Proposed Long Term Vision for Environmental Management of the Petroleum Sector should incorporate analysis of the project’s cumulative effects.
57. **Institutional Concerns.** The Requesters claim that *“the World Bank has permitted the project to start despite the limited capacity of the State of Cameroon to undertake follow-up operations and implement the necessary mitigation measures. The Bank’s incapacity to ensure adequate strengthening of the capacities of the Cameroonian administration constitutes a violation of Operational Directive. 4.01.”*⁴³ Although not mentioned in the claim, the Requesters also observed to the Panel that a moratorium should have been placed on project approval until this capacity was put in place.
58. **Management Response.** Management offers an extensive response to the Requesters’ claim noting that the CPSP was established by the GOC as the main body in charge of supervising and monitoring pipeline construction, prior to the acceptance of Bank financing. *“After the Bank was requested to participate in the financing of the Pipeline Project and after due consideration of the 1999 EA/EMP, including the national capacity for environmental management and monitoring, it was agreed that the CPSP needed to be strengthened. The CAPECE Project was designed to meet that objective; however, beyond the CPSP’s responsibility for monitoring the Pipeline Project, the ultimate goal of the CAPECE Project is to strengthen the national capacity of Cameroon to manage and protect its environment, with particular reference to the petroleum sector. Implementation of the CAPECE Project is the responsibility of the CPSP.”*⁴⁴
59. Management recognizes that pipeline construction began before effective supervision and monitoring capacity was in place at the CPSP level. Implementation of the CAPECE project was slow in the beginning. However, continuous Bank-GOC dialogue has resulted in progress in implementing various components of the CAPECE Project including hiring, training and dispatching biophysical and socio-economic specialists to the pipeline construction zone, improved coordination among the various agencies and ministries involved in supervision and monitoring of pipeline construction, and better collection and treatment of Project-related information.⁴⁵
60. With regard to the capacity of the CPSP to monitor pipeline construction activities in the field, Management observes as follows: *“Credit should be given to CPSP staff, who*

⁴² Regional Environmental Assessment. Environmental Assessment Sourcebook Update. June 1996. Environment Department, World Bank, at p. 8.

⁴³ Request for Inspection, at p. 6 § 5 (a).

⁴⁴ Management Response, at p. 7 § 23.

⁴⁵ Management Response, at p. 8 § 24.

continued to implement their activities in the field to monitor implementation of the 1999 EA/EMP, sometimes under difficult conditions and without adequate equipment and/or appropriate support. They follow quarterly work programs and generate information for the CPSP to prepare monthly and quarterly reports that are sent on a regular basis to the Bank. The field staff of the CPSP work in close coordination with COTCO's EMP monitors regarding all aspects of EA/EMP monitoring, such as biophysical aspects at construction sites, including waste management, soil erosion, and protection of water resources; socio-economic aspects with follow up on implementation of the Compensation Plan; and preparation of community compensation, for which additional staff have been mobilized. Technical training has been provided to the CPSP monitors by COTCO."

61. **Policy Requirements.** Paragraph 12 of OD 4.01 states that "[t]he ultimate success of EA depends upon the capability and understanding of environmental matters of the government agencies concerned. Therefore, as part of the EA process, it is necessary to identify relevant environmental agencies and their capability for carrying out required EA activities. Projects with potentially major impacts normally require the strengthening of several environmental functions (e.g., environmental monitoring, inspection, management of mitigatory measures, EA scientific and technical review, and cross-sectoral coordination). In addition, policy strengthening is often needed through the development of legal or regulatory measures (including incentives) that ensure adequate environmental performance standards. These functions may be located in one or more units and at one or more administrative levels, depending on the country and project. Early focus on institutional involvement in the EA process (a) helps ensure that the executing agency's and central policy entity's knowledge and perspectives are taken into account, (b) provides on-the-job training for staff, and (c) provides continuity for implementing the EA's recommendations (...)."
62. **Panel Observations.** The Panel conducted a detailed study of the CAPCE Project and its relation with the Pipeline Project. In addition, the Panel met with representatives of the CPSP and the SNH in Yaoundé and was informed that the following actions were to be taken by the CPSP on behalf of the GOC:
 - Hiring of a consultant to assist in the drafting of new environmental laws.
 - Identification of training plans for CPSP staff.
 - Hiring of the Council for Scientific and Industrial Research (CSIR), a South African technology and research organization, to prepare the NOSRP.
 - The preparation of a draft of the Environmental Management Information System.
 - Setting up a communication plan in conjunction with COTCO as of July 2001.
 - Division of field environmental monitors into two groups, north and south, comprised of CPSP field inspectors who work independently from COTCO, and provide weekly reports.
 - Setting up the Independent Panel of Experts.
 - Preparation of a new baseline study concerning the Indigenous People.⁴⁶

⁴⁶ For additional information on baseline studies conducted in the context of the Pipeline Project, please refer to Chapter Four, Social Impact Assessment and Mitigation Measures, of this Report.

63. At this meeting, the Panel noted that representatives of the CPSP consisted of personnel from the SNH and that there was no presence of other Government sectors conforming the CPSP.
64. The Panel did not have the opportunity to independently verify the presence of the CPSP monitors in the field as pipeline construction has, to all intents and purposes, been concluded. Their presence was not noted during the Panel's February 2003 inspection of the pipeline right-of-way in Cameroon. It is not in the mandate, nor it the purpose, of the Panel to evaluate the capabilities of the GOC in implementing the CAPECE project. Rather it seeks to evaluate the role of the Bank in its supervision and assistance to the GOC to ensure effective project implementation. Nonetheless, the Panel could not confirm that the CPSP indeed had an effective field monitoring presence during pipeline construction activities. In fact, it was reported from independent sources, that the CPSP often lacked adequate training, equipment and transport in the field and relied heavily on logistical support provided by COTCO.
65. From the evidence, the Panel has to conclude that it was not possible for the CPSP to have a fully independent field monitoring capability to assess environmental and social compliance of the 1999 EA/EMP as originally envisaged by the CAPECE Project as resources and personnel were not provided in a timely fashion to ensure that this was in fact achieved during the time allotted. In fact, approximately 90% of funds remain to be disbursed out of the relevant Bank Credit which finances the CAPECE Project.
66. Management must continue to work closely with the CPSP to ensure that the monitoring capacity of the CPSP is improved during the Operational Period and that the deliverables resulting from the implementation of the CAPECE Project are produced according to schedule. The Panel is concerned that without further guidance and direction from the Bank, the CPSP may never develop a fully functional environmental monitoring capacity as the pressure for doing so as part of project construction activities no longer exists at this time.
67. As for the proposal by the Requesters that a moratorium be imposed on the Pipeline Project during which time adequate capacity within the GOC could be developed, the Panel was informed that the GOC would have had great difficulties in accepting the loan for the CAPECE Project without the certainty that the Pipeline Project would in fact proceed. Furthermore, it is highly unlikely that COTCO would have accepted a delay in the project schedule and could have withdrawn their request for Bank financing whereby no capacity building project would have been implemented. Finally, a certain amount of on-the-job institutional knowledge can be gained during project implementation. The Panel concludes, that a moratorium realistically could not have been put in place.
68. After a detailed review of the CAPECE Project and discussions with Bank staff, GOC and COTOCO officials, the Panel is troubled with the fragility of the local institutional framework which, ultimately, is in charge of monitoring the Pipeline Project on behalf of the GOC. The delays associated with the implementation of the CAPECE Project which was specifically designed to mitigate this fragility, affected the GOC's performance

during the entire construction period. The Panel finds, therefore, that the purpose of OD 4.01, paragraph 12 regarding the strengthening of environmental capabilities to adequately assess construction impacts during the Implementation and Monitoring Phase of the project has not been achieved.

69. **Preparation for Oil Spills.** The Requesters claim that *“the potential impacts of possible oil accidents have not been analysed. Preparation of the emergency plan in the event of an oil leak was conducted without the slightest public consultation.”*⁴⁷
70. Although not presented as part of the original claim, the Requesters later submitted a review of the Area Specific Oil Spill Response Plan by COTCO.⁴⁸ The submission did not specify which of the six ASOSRPs was reviewed but it is assumed to be the Offshore Facilities Spill Response Plan in Cameroon. The claim states that COTCO failed to consider the following in the preparation of the ASOSRP.
- *COTCO’s Area-Specific Plan fails to identify Tier 3 Response Resources.*
 - *COTCO’s Area-Specific Plan improperly relies on dispersants to respond to a spill of heavy oil.*
 - *COTCO’s Area-Specific Plan lacks adequate equipment to contain and recover spilled oil.*
 - *COTCO’s Area-Specific Plan lacks resources that can respond to spilled oil in a rapid manner.*
71. **Management Response.** In its response to the claim in the request Management observes that *“the risk of oil spills was raised as a major concern during public consultation conducted for the 1997 EA and the 1999 EA/EMP (...). A Preliminary Oil Spill Response Plan was included in the 1999 EA/EMP. Subsequently, the Consortium prepared a GOSRP, the draft of which was reviewed by the Bank and also included as part of the 1999 EA/EMP. It was disclosed in Cameroon and at the Bank’s InfoShop on October 15, 1999. The GOSRP in Cameroon involves i) four ASOSRPs covering ecologically significant portions of the pipeline from the borders between Chad and Cameroon to the marine offloading facility (eleven kilometers offshore from Cameroon); and (ii) a NOSRP prepared by the GOC. Bank staff have reviewed and discussed terms of reference with COTCO and a consultant has been selected. The 1999 EA/EMP provides that the ASOSRPs are to be ready six months (180 days) before first oil (...) and would be subject to public consultation. The agreed terms of reference for these ASOSRPs include requirements for disclosure and public consultation. The final ASOSRPs must be delivered to the Bank ninety days before first oil. ASOSRPs shall be verified by an independent expert.”*⁴⁹
72. **Panel Observations.** During its visit to Cameroon, COTCO informed the Panel of the status of the six ASOSRPs that are being prepared for the Project (two for Chad and four for Cameroon). The plans have been prepared and distributed to 11 reading rooms in

⁴⁷ Request for Inspection, at p. 6 § 5 (a).

⁴⁸ Project Files, February 14, 2003.

⁴⁹ Management Response, Annex 1, at p. 28 § 6.

Cameroon. COTCO also stated that they had distributed copies of the plans (both in hard copy and CD-ROM) to offices of the World Bank, the IFC, NGOs, Embassies, and the CPSP. Public consultation on the plans was completed at 11 locations in Cameroon in January and February 2003. A company, Oil Spill Response Ltd. (OSRL) has been contracted to complete an independent review of the plans.⁵⁰

73. The Panel received electronic copies of the six ASOSRPs for Chad and Cameroon. The documents are well prepared and extensive. The Panel notes that these plans refer only to specific Tier 1 tactical responses. COTCO states the following: “[r]esponse strategies for spill scenarios are outlined in this Spill Response Plan; however, tactical response actions are only presented for Tier 1 spills. Descriptions of actions for Tier 2 and Tier 3 responses are contained in the General Oil Spill Response Plan. Tactical response actions for Tier 2 or Tier 3 incidents are developed for the specific incident when a Tier 2 or Tier 3 response is needed. These response actions and operations will be discussed with Republic of Cameroon government agencies before their implementation.”⁵¹
74. The Panel notes that the GOC has now prepared a draft of the National Oil Spill Response Plan and that there is sufficient time to coordinate the NOSRP with the four ASOSRPs (Cameroon portion) prepared by COTCO.
75. Management informed the Panel of the plans of the CPSP for consultation on the National Oil Spill Response Plan. In addition, an external reviewer is currently being sought to comment on the NOSRP. The consultations and external review should be coordinated with COTCO to ensure consistency with their review and consultation process for the six ASOSRPs.
76. COTCO also provided the Panel with a letter of certification from OSRL, the external reviewer contracted to complete the independent review of the six ASOSRPs, which indicates that the six plans have been prepared in accordance with internationally recognized oil spill planning guidelines and that they reflect standards set by the International Petroleum Industry Environmental Conservation Association. The documents also comply with conditions established in the project EMP and are consistent with the General Oil Spill Response Plan (GOSRP). Management has assured the Panel that the NOSRP will follow the same review process as the ASOSRPs. The Panel concurs with the results of the independent reviewer. The National Oil Spill Plan and Area Specific Oil Spill Plans are being prepared in accordance with EMP provisions and established international standards.
77. **Impacts on Water Quality and Quantity.** The Requesters raised in the Request a variety of issues relating to water and also directed the Panel in the field inspection to specific instances of degradation to water supplies resulting from pipeline construction. The issues were described in the Request as follows:

⁵⁰ With respect to concerns related to potential oil spills resulting from offloading operations that are planned to take place off the coast of Kribi, these risks appear to be minimal given the technology to be used by COTCO and information on similar circumstances collected by the Panel.

⁵¹ COTCO-Offshore Facilities Spill Response Plan. Chapter 1.0 Introduction. P 1.2.

- “[T]he drying up or pollution of sources of drinking water supplying some of the Bakola settlements as a result of the construction work, notably regarding the rivers Mbibiliki, Pembo etc(...).^[52] In the case of the Bakola settlements, the drying up of sources of drinking water and the pollution of the rivers which criss-cross the various settlements were not envisaged in the impact study. No mitigation measure is therefore provided specifically to deal with these negative impacts.”⁵³
- “Destruction of the village’s source of drinking water during the construction of the Kribi storage site. The company responsible for the construction work had promised to grant access to the inhabitants of the village to the drilling operations being conducted inside the Kribi base. This promise has not been kept. Since that date the village no longer has access to drinking water.”⁵⁴
- “For the inhabitants of Mpango (...). Reduction of the flow of the river Pembo, which supplies the southern part of the village with water for normal use. During construction, and for a period of four months, there was no water downstream, while upstream there were floods and a significant extension of [a] swamp (...).^[55] In the case of Mpango village, the drying up of the source of drinking water and the alteration in the river flow were not envisaged by the impact study. No mitigation measure was therefore envisaged to deal with these problems.”⁵⁶

78. **The Management Response.** Management states that in general, the Bank, the ECMG and CPSP will continue to monitor COTCO’s activities to ensure that any negative effects on water supply are appropriately mitigated or compensated.⁵⁷ Management observes that the 1999 EA/EMP has clear procedures to be followed with respect to impairment of water sources. The 1999 EA/EMP provides that if drinking water supplies are negatively impacted by the construction or operation of the pipeline, COTCO would furnish the impact communities with an alternative supply of drinking water. Management also comments on specific cases of the Mpango water well and Pembo River. In the case of the Mpango water well, Management confirms that COTCO provided a drilled well for the village to assure an adequate and safe drinking water supply. In the case of a Requester’s concerns about altered flows to the Pembo River, Management affirms that activities of the pipeline subcontractor did not affect flows in the river and that any reduced flow may have been due to natural conditions or the fill the Requestor had dumped along the length of his footbridge to his property.⁵⁸
79. **Panel Observations.** The Panel notes that since the oil has not started to flow yet, the range of probable water problems relate to the presence of bacteriological contamination and/or the destruction of water sources. In addition to examining the general plans and procedures used during construction with respect to water sources, the Panel felt that it was important to examine those specific cases that were brought to its attention.

⁵² Request for Inspection, at p. 4.

⁵³ Request for Inspection, at p. 7 § 5 (a).

⁵⁴ Request for Inspection, at p. 5.

⁵⁵ Id.

⁵⁶ Request for Inspection, at p. 7 § 5 (a).

⁵⁷ Management Response, at p. 21, Table 1.

⁵⁸ Management Response, Annex 1, at p. 31 § 9.

80. The Panel visited five specific areas associated with disputes over water issues during its field visit. It is not the role, nor the mandate, of the Panel to be the arbiter in resolving these disputes. Rather the Panel can only comment as to whether the Bank is in compliance with the applicable policy (OD 4.01 on Environmental Assessment) based on information gathered during the Panel's investigation.

- (i) Nkongmeyos III. The village claims damage of a water source as a result of pipeline construction activities. COTCO had surveyed this water source as being used for bathing and washing activities only and not as a potable water source. Therefore, no baseline water quality data was collected by COTCO or its sub-contractors. The Panel was informed by COTCO that mitigation measures had been implemented to protect the water source during construction, including the installation of silt fences and protective sandbags, and that they now consider this issue closed. COTCO also informed the Panel that regional compensation funds could be used to assist in drilling a potable water well.

The Panel noted the presence of the protective sandbags and the diversion of runoff away from the water point. The water source is an underground spring that is over 2 m in depth and is of murky green color. The Panel considers that surface water that is used for potable purposes will always pose a risk of contamination from bacteriological sources. It appears that COTCO has attempted to mitigate any damages from pipeline construction and from runoff from the adjacent road. The Panel considers that this is more of a dispute over whether this water source was in fact potable and the further need of the community to have a well that provides safe drinking water.

- (ii) Nkoltara Village. This complaint relates to contamination of a water source located near the village. The water source was identified in the Environmental Baseline Survey as being used for washing, cooking, bathing and drinking. The pipeline sub-contractor Wilbros-Spie Capag JV (WSJV) had installed mitigation measures to protect the water source, but these were deemed to be ineffective, or as COTCO claimed, removed by local villagers. COTCO subsequently ordered the contractor to ensure that further measures were put in place to protect the water source.

The Panel met with local villagers and inspected the water source. There was some evidence of suspended sediment in the water column although it had not rained in the days prior to the Panel's visit. The water from the well was apparently being used to irrigate an adjacent garden. The villagers also claimed that they had been beaten (including women) during demonstrations in September 2002 over compensation and labor issues. The Panel could not verify whether violence took place during the demonstrations. The Panel also could not verify whether the mitigation measures implemented by WSJV/COTCO to protect the water source were removed by local villagers. In the Panel's view, this issue is difficult to resolve and is indicative of larger contentious issues over compensation and labor disputes. The Panel observes that COTCO has implemented the necessary protective mitigation measures to restore the well, but the well itself is a surface well and subject to runoff and bacteriological contamination irrespective of the control measures implemented. The Panel doubts

that significant expenditure to ‘harden’ or further protect this surface water source would produce additional value. The Panel notes that the village of Nkoltara has yet to elect the use for its regional compensation money and that this amount could be used to offset the costs of drilling a new water well.

- (iii) Mpango Water Well. The Requesters claim that the water source for the village of Mpango was destroyed during construction of the Kribi storage site. During the Eligibility phase, the Panel noted a water well was present adjacent to the Kribi storage site, but that the piston assembly had been removed. The Requesters claimed that COTCO had removed the piston assembly and made the well inoperable. COTCO informed the Panel that they had made the well operable again and installed a metal housing to prevent further robbery. During the field inspection, the Panel noted the presence of a water well immediately south of the storage site. An operating well is present at this location and available to villagers of Mpango. The Panel considers this issue as being resolved.



Photo 1: Panel Chairman (right) examining the Mpango Water Well accompanied by a requester

- (iv) Pembo River. A Requester claimed damage to his wetland at the Pembo River resulting from pipeline construction. The Requester stated that water from this wetland (referred to as the Pembo River) used to flow under a road that crosses the pipeline right-of-way near his property. He stated that the road was built in the 1990’s and two culverts allowed for drainage of the wetland. After the pipeline construction was completed, he claimed that the level of the reclaimed wetland was lowered. Water no longer flows freely and has become stagnant. COTCO stated that they reclaimed the wetland area to existing contours and that flows from the wetland have been instead affected by a berm the Requester built as part of an access road to his

home. They also claim that the culverts were improperly installed in the original road and never did allow proper drainage from the wetland area.

The Panel visited the location in February 2003 and noted the presence of the berm as part of the claimant's access road. This berm could prevent flows from one of the two rivers that form the wetland complex. It would be helpful if COTCO provides evidence that the reclamation of the wetland surface was completed to existing grade prior to pipeline construction. The site should be further monitored to determine if in fact the berm constructed by the claimant is impeding drainage.

- (v) Kour Mintoum. The Panel examined a water source allegedly damaged by pipeline construction activities. According to local villagers, the water source is used in the rainy season by the Bakola/Bagyeli and crosses the pipeline right-of-way near the Kienke River. The Panel inspected the water source noting the flow of the stream across the right-of-way appeared good and there was no evidence of stagnant water. A water sample was taken and results are presented in Annex 4. Villagers stated that restoration of the pipeline right-of-way had not created the same conditions that existed prior to construction. The Bakola/Bagyeli would have modified the well but had heard that no-one was allowed to dig and affect the pipeline right-of-way and could go to jail as a result.



Photo 2: Kour Mintoum water source. A water sample from this source was tested (see Annex 4 for results)

The Panel did not find evidence that the pipeline construction activities had affected this water source. Analytical results of the water sample show it to be consistent with that of rainwater, namely slightly acidic with low alkalinity, hardness and conductivity values. Total suspended solids were also low showing no evidence of sedimentation. The Panel did not complete a bacteriological analysis because of logistical difficulties of preserving the water sample. Consequently no conclusion can be made as to its potability.

The Panel concludes that this issue represents an example of misunderstanding regarding permitted activities on the right-of-way, which may be avoided in the future with better outreach efforts.

81. While there are a few unresolved disputes regarding damage to specific water sources along the pipeline right-of-way in Cameroon, there is no evidence that serious harm has resulted from the Pipeline project. Based on a review of these cases, the Panel considers that the Bank is in compliance with OD 4.01 pertaining to water issues, but that Management should continue to monitor each specific situation to ensure that a resolution amenable to all parties has been reached.
82. **Impacts on Freshwater Fisheries.** A claim pertaining to freshwater fisheries was raised during the Panel's investigation mission to Cameroon.⁵⁹
83. The Panel visited the home of a Requester located between the villages of Ossokue and Obokue. The Requester had recently passed away and his nephew met instead with the Panel. He claimed that pipeline construction had destroyed a dam on a small stream below his uncle's house which provided a source of fish for around 30 people. He also complained about large logs that were left on his property after construction.
84. COTCO provided evidence from the Environmental Baseline Assessment that identified a fisheries resource at this site and that *'fishing using traditional methods of barriers was observed in the (...) wetlands.'*⁶⁰ They stated that they never received a grievance or complaint over damage to a fishpond in this area: *"Environmental Baselines and discussions with field personnel conclude that there was no concrete fishpond or other type of permanent structure at or near this location. We conclude that fishing was undertaken in the river and adjacent wetland but that it is unlikely that it was stocked by [the Requester]. Construction activities would not have destroyed this fishery. There was no concrete bridge across the Ossokoe River at this location, nor was there an existing bridge of timber or other material. To create access for construction equipment, WSJV built a timber bridge using felled timber, geotextile and laterite fill. As per the EMP this bridge had to be removed after construction, which it was. WSJV replaced two timber logs so that local villagers could cross the river by foot."*
85. COTCO further states that *"[the Requester] submitted a grievance in November 2000 regarding compensation on the ROW. He claimed that 17 mango trees and 4 orange*

⁵⁹ The Requesters do not raise any issues regarding project impacts on marine fisheries.

⁶⁰ Documents provided by COTCO during the investigation visit.

trees were not counted. SNH rejected this claim for compensation. [The Requester] made a further complaint in June 2002 after construction had commenced in the area. COTCO sent ROW assistants who discovered that there were supplemental damages to crops owned by [the Requester] outside of the easement. It was assessed that there was damage to 15 mango trees, 1 mandarin and 3 orange trees not included in the original ROW assessment. A letter was issued to [the Requester] on 7 January 2003 stating that he will be paid for the damages. [The Requester] will be paid the compensation shortly.” Information also provided by COTCO to the Panel indicates that fisheries resources were noted at this location during the Environmental Baseline Assessment and that these resources have not been affected.⁶¹

86. The Panel examined the overall procedures for building the river crossings required for the construction of the pipeline and found them to be adequate and in compliance with the EMP. In the specific case investigated, COTCO provided the Panel with baseline data it had collected in compliance with the EMP. The Panel reviewed the data and found no long-term impact on freshwater fisheries. On the basis of the foregoing, the Panel finds the Bank in compliance with OD 4.01 with respect to impact on freshwater fisheries.
87. **Assessment of Greenhouse Gas Emissions.** The Requesters claim that the Project “*has not evaluated the impact of the combustion of the oil exploited in the project on climate change.*”⁶²
88. **Management Response.** Management notes that a greenhouse gas emissions study was conducted by Dames and Moore, as part of EA/EMP preparation.⁶³ Management refers to the Environmental Assessment, Environmental Summary and Update 1999 in that the Pipeline Project and the oil it produces will lead to emissions of two greenhouse gases, carbon dioxide and methane. The study estimates that emissions from Pipeline Project facilities and operations will be less than half the amount that would be expected from a 500 MW natural gas fired power generating plant. The study also includes an estimate of emissions as a result of transporting, processing and consuming the extracted oil once it reaches world markets. Approximately 0.0055 million metric tons of methane and 10.95 million tons of carbon dioxide would be generated annually. This represents a tiny fraction (0.15%) of the total global annual carbon emissions.
89. **Panel Observations.** The Panel addressed the issue of greenhouse gas emissions in the Chad Investigation Report. The Panel accepts Management’s contention that the assessment of greenhouse gas emissions is in compliance with OD 4.01, paragraph 11 concerning global issues. In addition, the Panel believes that the likelihood of a substantial contribution by the Pipeline Project to greenhouse gas emissions is low. As described in Box 4 below, the Panel notes the recent study commissioned by the Bank to review its role as far as extractive industries are concerned.

⁶¹ The Panel notes that COTCO will pay compensation to the family of the individual for other losses claimed.

⁶² Request for Inspection, at p. 6 § 5 (a).

⁶³ Management Response, Annex 1, at p. 28 § 5. This actually forms part of a separate report prepared by Dames and Moore (1998). No reference could be found regarding this report either in the Management Response or the 1999 EA/EMP.

Box 4: The Extractive Industry Review

The Extractive Industries Review (EIR) was launched by the World Bank Group to discuss its future role in the extractive industries with concerned stakeholders. The aim of this independent review is to produce a set of recommendations that will guide involvement of the World Bank Group in the oil, gas and mining sectors. The discussion is taking place within the context of the World Bank Group's overall mission of poverty reduction and the promotion of sustainable development. In the carrying out of its work, the EIR, which is headed by Eminent Person Dr. Emil Salim, has engaged in consultations with stakeholders and visits to project sites.

In October 2002, the EIR team traveled to Africa to assess the Chad-Cameroon Pipeline Project. The team held meetings with stakeholders in Chad and Cameroon, and visited project sites and local communities in both countries. The EIR visit overlapped with that of the Project's International Advisory Group (IAG).

Many of the impressions drawn during the EIR visit to the Project area are similar to those of the IAG, ECMG and the Inspection Panel. It is, however, worth noting the following conclusion from the EIR: *"To draw lessons from the experience of the Chad-Cameroon Pipeline Project, a total development approach could be applied to projects of this kind, in which all sectors of society are engaged and donors work together hand-in-hand. Further work is necessary to determine which revenue management mechanisms are most effective and have a lasting effect on strengthening governance beyond the life of the project. In short, it is clear that the World Bank Group needs to treat projects such as these with special attention from the outset and throughout the lifecycle of the project."*

Source: Extractive Industries Review website: <http://www.eireview.org>

90. **Noise Disturbance Associated with Construction Work.** The Requesters raise two specific claims regarding noise impacts associated with construction. The first related to a claim at Mpango regarding noise from bulldozers and from blasting activities over three months duration. The second claim relates to noise impacts of construction machinery on the presence of game in Bakola/Bagyeli communities which has affected subsistence.
91. **Management Response.** Regarding the above, Management declares that "[n]oise clearly is an issue during the clearing of the right of way and the laying of pipe. Given that right of way clearing and laying of pipe was at a rate of approximately one kilometer per day, however, the time of his exposure was limited."⁶⁴
92. Management responds to the claim regarding noise disturbance to game in the Bakola/Bagyeli area as follows: *"Bakola hunting areas are found two to three days' walk away from the roadside settlements; these areas are well away from construction noise or other impacts (...). Consultations with the Bakola indicated that, based on their previous experience with logging, any wildlife in the disturbed area along the Kribi Lolodorf road would return rapidly after pipeline construction was completed. There would be no significant or longterm effect on their hunting and gathering lifestyle."*⁶⁵

⁶⁴ Management Response, Annex 2, at p. 49.

⁶⁵ Management Response, Annex 1, at p. 37 § 17.

93. **Panel Observations.** The Panel investigated this claim in conjunction with other claims discussed elsewhere in this report. The Panel could find no evidence of long-term harm to the Requester and his family resulting from noise disturbance associated with construction activities. There is no doubt that noise could be a nuisance during the time of construction but the duration is short, normally no more than one month duration in any given location.
94. In their response to the Panel, COTCO offered the following comments regarding the noise disturbance issue. *“The pipeline corridor in the Bakola area was routed adjacent to the Kribi to Lolodorf road to preferentially use disturbed land and limit environmental and socioeconomic impacts. The Biological Studies for this area note that this is one of the more disturbed corridors through the Atlantic Littoral Forest region. Furthermore, the important areas for wildlife are the less disturbed forests, several kilometers from the corridor. The Project does not consider that noise pollution would have any discernable impact on these traditional hunting areas. Machinery noise in dense forest is typically inaudible at distances approaching 2 kilometers. The pre-construction Environmental Baseline Studies also point to the scarcity of wildlife in the disturbed corridor adjacent to the road and pipeline.”*⁶⁶
95. Based on a review of this information, the Panel believes that noise impacts to both humans and wildlife populations during construction is a temporary disturbance limited to at most a month’s duration in any one particular location. In the specific case of the Bakola/Bagyeli, the Panel notes that the final pipeline alignment in the Atlantic littoral forests follows a disturbed corridor where game populations are scarce due to human presence and activities. The Panel concludes that there is no evidence of serious harm associated with noise resulting from pipeline construction activities. Once reclamation activities are completed, there will be little or no activity and thus little or no noise relating to pipeline activities in the pipeline right-of-way during the operations phase.
96. **Concerns About Dust.** Dust was raised as a specific health issue by the Requesters. In its Response to the Panel, Management does not provide a detailed position on the dust issues, but has asked COTCO to follow up on the individual case raised in the Request for Inspection. Management Response also states that “[t]he April-May 2002 monitoring by the ECMG (June 2002 Report) notes that ‘in Cameroon, the surfacing of roads through villages with double bitumen surface treatment (DBST) has substantially reduced the problem of traffic induced dust, which also improves safety’.”⁶⁷
97. **Panel Observations.** The one specific claim by an individual of pulmonary problems emanating from construction dust, which was raised in the Request for Inspection, was dismissed by the Panel during the Eligibility phase of the Request in view of a pre-existing pulmonary condition. The issue is therefore considered closed by the Panel.
98. Regarding concerns about dust from roads in communities affected by pipeline construction, the Panel observed the implementation of a DBST of the road surface in the

⁶⁶ Documents provided by COTCO during the investigation visit.

⁶⁷ Management Response, Annex 1, at p. 31 § 10.

Dompta and Bemboyo area which has been put in place at the cost of approximately US\$50,000 per kilometer.⁶⁸ The ECMG also commented on the effectiveness of this surface treatment in reducing dust in communities in their September-October 2002 report.⁶⁹

99. Regarding the medical effects of exposure to dust emissions, COTCO provided the following information to the Panel: *“fugitive dust emissions from unpaved road is mechanically produced. Mechanically derived fugitive dusts tend to be quite visible since the lowest unaided visible size is approximately 50 microns. These large particles do not penetrate the lungs since the upper respiratory tract is quite efficient at trapping and removing particles greater than 10 microns. Thus from a medical perspective, while fugitive road emissions may be quite dramatic and visible, they may have significantly less actual medical impact.”*⁷⁰
100. The Panel did not receive any community complaints about dust during consultation sessions completed in the Investigation phase. The Panel agrees that although dust was a nuisance factor during the pipeline construction period, COTCO has taken steps to mitigate this disturbance to communities by providing a hardened bitumen road surface. As pipeline construction activities are now concluded in Cameroon, dust disturbance will only be associated with construction of the two pumping stations and the pressure reduction station. COTCO is attempting to reduce these dust impacts by watering the roads around areas of ongoing construction.
101. The Panel cannot find any evidence of serious harm arising from project related dust emissions in Cameroon. COTCO should continue to mitigate these impacts by the continued implementation of DBST measures, or watering of the road surfaces, while ensuring that water withdrawal is within limits prescribed by the 1999 EMP.

7. Natural Habitats

102. **Concerns Raised by the Requesters.** The Requesters claim that the selection of Campo Ma'an as one of the Pipeline Project's environmental off-set is not consistent with Bank Policy on Natural Habitats (OP/BP 4.04) because: (a) the area was already a protected area under the Bank-supported Global Environmental Facility (GEF)/Biodiversity Conservation Project; (b) industrial activities threaten the area (including illegal logging inside the protected area); and, (c) Management of the area is late due to delays in establishing the environmental foundation, FEDEC (*La Fondation pour l'Environnement et le Développement au Cameroun* - Foundation for the Environment and Development of Cameroon).⁷¹

⁶⁸ Information provided by COTCO during the Panel's investigation visit to Cameroon.

⁶⁹ Report of the External Compliance and Monitoring Group (hereinafter 'ECMG'), Sixth Site Visit, September-October 2002, dated November 2002, at p. 35.

⁷⁰ Documents provided by COTCO during the investigation visit.

⁷¹ For more information on FEDEC, refer to paragraphs 209-214 of this Report.

103. **Management Response.** Management offers a lengthy and very complete response to the Requester's claim that the Campo Ma'an area was already protected and not suitable as an offset compensation area. They point out that Campo Ma'an was declared a National Park by Prime Ministerial Decree (No. 004) in January 2000 and that the Campo Ma'an region including the Campo reserve, the Ma'an Forest Reserve and a substantial area of land, without any prior legal protection, were reorganized into a Unité Technique Opérationnelle (UTO) for the purpose of integrated participatory land use planning under the GEF funded Biodiversity Conservation Project. This planning process resulted in the identification of a core area within which significant biodiversity values still remain. The Pipeline Project played a catalytic role in obtaining for this area its current status as a National Park, which affords the highest level of protection possible under Cameroonian Law to over 264,000 hectares of the best conserved forests in Cameroon.⁷²
104. Additionally, Management states that after Bank review of the 1997 EA, it was decided that residual biodiversity losses in the Atlantic coastal forest and in the semi-deciduous forest of Cameroon would require appropriate mitigation measures in the form of Biodiversity offsets. With the advice of biodiversity experts, the Campo Ma'an UTO was selected as the most appropriate location for an offset area. Compared to existing coastal forests, which were over inhabited, unduly fragmented, already converted, or too close to major cities such as Douala, the area proposed under the GEF project to be the core area of a future Campo Ma'an Park was selected as the most suitable site for an offset. Such a Park was described by experts as potentially unique in harboring significant wildlife populations. Furthermore it contained no permanent settlements which would require resettlement.⁷³
105. **Policy Requirements.** Paragraph 5 of OP 4.04 requires that wherever feasible, Bank-financed projects should be sited on lands already converted. *"The Bank does not support projects involving the significant conversion of natural habitats unless there are no feasible alternatives for the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs. If the environmental assessment indicates that a project would significantly convert or degrade natural habitats, the project includes mitigation measures acceptable to the Bank. Such mitigation measures include, as appropriate, minimizing habitat loss (e.g., strategic habitat retention and post-development restoration) and establishing and maintaining an ecologically similar protected area."*
106. **Panel Observations.** The Panel notes that the Requester's claim regarding the offset compensation areas only applies to the Campo Ma'an Protected Area and that they have no specific concerns regarding the Mbam Djerem protected area created as compensation for project losses to the semi-deciduous forest in Cameroon. This was confirmed to the Panel by the CED during the field investigation of February 2003 (Map 2 shows the Campo Ma'an area).

⁷² Management Response, Annex 1, at p. 33 § 14.

⁷³ Management Response, at p. 11 § 36.

107. The Panel also notes that FEDEC has secured agreements with the World Wildlife Fund (WWF) and the Wildlife Conservation Society (WCS) to assist in the management of the Campo Ma'an and Mbam Djerem offset areas respectively.
108. The Panel had the opportunity to visit the Campo Ma'an Park and meet with community representatives of Nko'elon outside of the Park during the February inspection. The following conclusions were drawn from that visit:
- Guards were in place at the entrance to the Park to control access to the park and to monitor logging trucks that crossed the Park on a road from an approved logging concession outside of the Park's eastern boundary.
 - Radios (operated by the Ministry of Environment and Forestry - MINEF) were in place at community access control points outside of the park.
 - Community representatives stated that they have no appreciable benefit from the Park at this time and that they can no longer hunt within the Park itself.
109. The Panel notes additional evidence as to the conservation value of the Campo Ma'an area from a recent evaluation of biodiversity in West Africa which concluded that the coastal lowland forests in coastal Cameroon (including Campo Ma'an) constitute one of the 'ecological hotspots' and an opportunity for biodiversity preservation in the entire West Africa sub region.
110. The Panel concurs with Management that the location of the Campo Ma'an offset area in the coastal lowland forest region represents the only opportunity for preservation of this important habitat type within Cameroon. Furthermore, the legal and institutional history of the area clearly indicate that effective legal protection for the Campo Ma'an only took place as a direct result of the requirement for having an offset area in the context of the Pipeline Project. It would not be fair to attribute the GEF/Biodiversity Conservation Project's failure to secure an appropriate level of protection for the area at an earlier stage directly to the Pipeline Project.
111. Establishment of a protected core area is key to effective wildlands preservation but it is not everything. In this case, FEDEC's efforts in conjunction with the WWF should provide an important source of funds needed for protection. The future of the Campo Ma'an protected core and the surrounding buffer zone depends upon the actions of the GOC through MINEF, the Ministry responsible for its management. Bank staff should work closely with MINEF and FEDEC-WWF in devising means and procedures for cooperation and achieving sustainable land use under a variety of protective mechanisms. This will entail consultation with local communities and a variety of resource users to define compatible uses and long term benefit of the protected area. Local communities on the periphery of the protected area need to receive overriding benefits from the park to ensure their full support for conservation activities.
112. Regarding the claims of illegal logging, the Panel reviewed information provided by the nongovernmental organization, Global Witness, which has been monitoring activities of the forest industry within the Campo Ma'an area and throughout Cameroon. Global Witness has confirmed that logging has occurred within the boundaries of the Campo

Ma'an Park, specifically on the western borders in the logging concession UFA 09-025 operated by the logging company La Forestière de Campo (HFC).⁷⁴ Although a joint final report has yet to be completed in conjunction with MINEF, this infraction indicates that there are inherent problems in the identification of logging concession boundaries relative to the boundaries of Campo Ma'an Park. Though the infraction is small, and fines have been paid by the logging company, this incident is a clear indication of a larger systemic problem of capacity within MINEF to clearly identify logging concession boundaries and their institutional capacity for enforcement.

113. The Panel notes that this instance of illegal logging, while clearly undesirable, appears to be a single event and not necessarily indicative of larger systemic problems which would constitute non-compliance with OP 4.04. Also, the reported illegal logging did not compromise the ecological integrity of the park. The Panel urges Bank staff and FEDEC to work closely with MINEF to ensure that illegal logging does not occur again within the boundaries of the Campo Ma'an protected area and that sustainable land use practices in the surrounding buffer zone areas take place.



Photo 3: A truck from a timber concession located east of the Campo Ma'an Park crossing the protected area

114. Regarding the claim of the late establishment of FEDEC, the Panel notes that FEDEC was established on March 29, 2001 and recognized as a not-for-profit institution by Presidential Decree on November 16, 2001. Day-to-day operations of FEDEC began in May 2002 with the establishment of an office in Yaoundé. Management acknowledges that FEDEC started its activities very slowly.⁷⁵

⁷⁴ Ministry of Environment and Forests, Government of Cameroon and Global Alliance, Partial Report of a Joint Mission to Monitor Logging Operations Undertaken in the South Province, Department of Ocean and in UFA 10-30, September 5 to 10, 2001.

⁷⁵ Management Response, at p. 13 § 44.

115. The Panel met with representatives of FEDEC in Yaoundé during its field visit. It was informed that FEDEC currently has three employees and has established a US\$3.5 million sinking endowment fund of which US\$2,900,000 is earmarked for Campo Ma'an and Mbam Djerem Parks and US\$600,000 dedicated to the Indigenous Peoples Plan for the Bakola/Bagyeli. FEDEC management agreed that the relationship with MINEF is "complex and difficult". The responsibility for management of protected areas in Cameroon is under the jurisdiction of MINEF and implemented through specific Park Management Plans.
116. The Panel was informed that FEDEC had signed a contract with the World Wildlife Fund whereby FEDEC would commit US\$500,000 per year and WWF US\$300,000 per year to manage the Campo Ma'an protected area
117. The Panel notes that the late establishment of the formal operations of FEDEC affected the speed with which the security of the project environmental offset areas could be assured. It is hoped that the relationship between FEDEC and WWF will provide FEDEC with needed technical assistance in regard to protected area management and help to develop an effective working relationship with MINEF in the protection of the Campo Ma'an protected core. Key specific activities to be concluded could include:
- Developing terms of reference and shared management responsibility between FEDEC/WWF and MINEF for the Campo Ma'an protected core.
 - Identification and removal of conflicting resource extraction activities within the protected core boundaries and developing mechanisms and procedures to prevent encroachment from outside.
 - Working with other resource users outside of the Campo Ma'an park to develop an integrated landscape management strategy.
 - Raising additional conservation funds.
118. The Panel is in agreement with Management that the activities of FEDEC for ensuring the protection of the Campo Ma'an and Mbam Djerem environmental offset areas have begun slowly, but that this in itself does not constitute non-compliance with OP 4.04. Management has the responsibility to supervise the activities of FEDEC to ensure that the recently signed contract with WWF for Campo Ma'an and WCS for Mbam Djerem will result in clear objectives and management responsibilities in conjunction with MINEF.
119. **Lom River Bridge.** The Lom River Bridge is a temporary structure across the Lom River that is used for the egress of the Pipeline from the ecologically important Deng Deng Forest. In accordance with the provisions of the 1999 EA/EMP, all temporary bridge structures are to be removed at the end of the construction period. However, some local communities and other interests are calling for the retention of the bridge in order to provide vehicular access across the Lom river, where access does not currently exist. The concern about maintaining the bridge is that it could also provide vehicular access to the Deng Deng Forest resulting in logging and eventual forest destruction.



Photo 4: At left, the temporary Lom river bridge viewed from the old railway bridge footpath

120. The Panel notes that this issue was not raised by the Requesters nor by international NGO's during meetings in Paris. However it did come to light during interviews with Management and also during the field investigation.
121. During its Investigation, the Panel also became aware of a proposed project to construct a hydroelectric dam on the Lom and Pangar Rivers. The 1999 EA/EMP describes the project as follows: *'The Société Nationale D'Électricité Du Cameroun (SONEL) has proposed to construct a hydroelectric dam located on the Lom River, approximately 4 km downstream from the confluence of the Pangar and Lom rivers to supply energy to the eastern region of Cameroon. The proposed project would create a reservoir with an estimated 7.5 billion m³ capacity covering an area of approximately 65,000 ha. The reservoir would consist of two unequal branches: the Lom branch would extend 120 km, up to the falls of Bangbel, about 20 km north of Betare Oya; the Pangar branch would form a crescent with a total length of 65 km north of the dam. SONEL has published its environmental assessment of this project and reported that completion of the dam would take over four years.'*⁷⁶ The Panel observes that not only would this project lead to a significant loss of the Deng Deng Forest, either through prior logging or posterior flooding, it would also pose a problem for the integrity of the Pipeline Project since it would have to be re-excavated and concrete weighting provisions added. It would also possibly threaten the newly established Mbam Djerem protected area as water access would now be provided.
122. The Panel met with the Communities of Lom-1 and Lom-2 to discuss the bridge issue. The Panel confirmed the presence of a newly constructed road on the other side of the

⁷⁶ EMP, at Volume 2 p.8-18.

Lom River into the community of Lom-1 and noted concerns of these communities to the entry of illegal loggers. The Panel also noted the desire of these communities to maintain the conservation of the Deng Deng Forest while still providing road access.

123. The Panel considers this issue to be complex and in need of prompt attention in order to maintain the Bank's reputation and integrity and to comply with the provisions of the Project EMP. The Panel recognizes that there are ways of reducing the ecological threat which the retention to the bridge would pose to the area, such as: (a) permanently narrowing the passage of the Lom River bridge to a width that would allow passage of cars but restrict the entry of logging trucks; and (b) adopting additional access management measures including the provision of guards (involvement of the local community), access control structures etc. The Panel, however, believes that the potential threat to the Deng Deng Forest, coupled with the current local institutional apparatus for environmental monitoring and protection, offers few guarantees that any controlled access can be effective and sustainable. Therefore, the Panel believes that the removal of all temporary bridges (including the Lom River Bridge) is necessary to ensure compliance with the EMP (and the spirit of OD 4.01 and OP 4.04).

8. Consultation and Disclosure of Information

124. **Concerns Raised by the Requesters.** The Requesters consider that the consultation process and the disclosure of information to the populations affected by the Project have been inadequate. They state that "*it has led to a failure on the part of these populations to be aware of the mechanisms established in the project for their benefit.*"⁷⁷ The Requesters also allege that the views of local NGOs and affected populations were not taken into account in the design and implementation phases of the project and that the quantity of the consultations has been weak. In particular, they criticize the inadequate information and poor communication about the project and its potential impacts.
125. **Management Response.** In its Response, Management maintains that "*the consultation process that has been followed to date is in compliance with applicable Bank policies and procedures.*"⁷⁸ It states that consultations began in 1993 and continued extensively during the preparation of the 1997 EA and the 1999 EMP.⁷⁹ Bank Management further observes that the choice of compensation was made during wide-ranging consultations and not imposed on the populations.⁸⁰ With regard to regional compensation, Management point out that in the second quarter of 2002 a catalogue of options was presented to the local populations to freely chose either from the catalogue or propose a local initiative, which would correspond best to their needs and to the amount they are entitled. Management

⁷⁷ Request for Inspection, at p. 6 § 5 (a).

⁷⁸ Management Response, Annex 1, at p. 30 § 8.

⁷⁹ Management Response, Annex 1, at p. 25 § 1.

⁸⁰ The consultation and disclosure of information activities included the provision of reading rooms, 400 public meetings between 1997 and 1999, of which 111 were in the villages of affected people, an NGO organized seminar for stakeholders in August 1998, and the participation of 9 national NGOs participating in a survey with the local populations to develop the options catalog for compensations. Full list is included in Management Response, at p. 30 § 8.

finally states that “no significant issue dealing with disclosure of information or compensation was identified by Bank staff or the ECMG during their field missions.”⁸¹

126. **Policy Requirements.** Bank Policy OD 4.01 expects the implementers of Bank financed-projects to take the views of affected groups and local NGOs *‘fully into account in project design and implementation, and in particular in the preparation of EAs.’* The Policy adds that consultations are valuable to obtain feedback on the EA process and to increase community cooperation in the implementation of the EA.⁸² Moreover, Bank Policy BP 17.50 on Disclosure of Information requires that *“the EA be made available in the borrowing country at some public place accessible to affected groups and local NGOs.”*⁸³
127. **Panel Observations.** The Panel finds that there have been misunderstandings during both consultations and compensations processes between COTCO representatives and project-affected people. However, it would be simplistic to assign the fault to these misunderstandings. For example, in the community compensation case at Ngovayang III discussed in Chapter Four (Social Impact Assessment and Mitigation Measures) COTCO presented ample evidence that a series of meetings took place and decisions were taken and communicated to project-affected people. Yet when the Panel interviewed members of this village, there were clearly misunderstandings about what was communicated. Similar findings were made by the Panel during discussions with communities relating to water issues.⁸⁴
128. The Panel notes that a major problem has been the large disparity between expectations of local people about the rewards and consequences of the project, and what the project was in fact able to offer. While the Panel judges the compensation packages to be fair and equitable, local villagers often felt frustrated with the length of time it took between the centerline surveys (1997-1999) and the payment of compensation (2001-2002). Moreover, people had expectations that they would receive goods or services that had not in fact been promised. For example, COTCO's Regional Compensation plan for the Bakola/Bagyeli was to assist each affected village by building a demonstration house and providing materials and training for other members of the village to construct their own houses. However, when interviewed by the Panel, villagers said that *“COTCO will build everyone a new house in the village,”* something for which there was no evidence of having been ever promised.
129. The Panel believes that some of these high expectations were generated in part by unguarded pronouncements by some members of the Consortium and some representatives of the GOC, creating unfulfilled expectations. For example, one Esso publication reports, *“[t]he Project Workforce has now climbed to 9,800 Individuals, about 40% higher than the projected peak of 7,000. Wages paid to Chadians and Cameroonian workers exceeded 4.4 Billion FCFA (\$6.8 million). More than two-thirds of the Project’s*

⁸¹ Management Response, Annex 1, at p. 40 § 19.

⁸² OD 4.01, EA Procedures, Involvement of Affected Groups and Nongovernmental Organizations, § 19.

⁸³ BP 17.50, at § 12.

⁸⁴ For additional information regarding consultation with indigenous peoples, please refer to paragraphs 190 & 219 of Chapter Four, Social Impact Assessment and Mitigation Measures.

*Chadian and Cameroonian workers hold skilled or semi-skilled jobs. Another 7% hold supervisory positions (...)."*⁸⁵ Yet the majority of workers employed by the Pipeline Project in Cameroon were unskilled, and worked only on small sections of the pipeline near their villages for periods of 1-3 months. The fault lies not only with the Consortium: the Panel heard reports of local leaders telling people that the Project would bring wealth to Cameroon and that all Cameroonians would find work.

130. From the available records and following discussions with all parties involved, the Panel concludes that the consultations and disclosure information that took place in the context of the Pipeline Project were frequent and consistent with the Bank's applicable policy requirements. In the implementation phase, it is essential that the stakeholders understand the components of the projects and their effects. A renewed Project outreach effort should be initiated now that the operations' phase is imminent. The Bank's local staff in Chad and Cameroon could take a leading role in bringing all major stakeholders to a common understanding about the Project's major topics.

⁸⁵ Esso Exploration and Production Chad, Inc., Chad Export Project Report #5, 4th Quarter 2001, Annual Summary 2001, Snapshot Summary, p.2.

CHAPTER THREE

OCCUPATIONAL HEALTH AND SAFETY & PUBLIC HEALTH

131. **The Scope.** This Chapter discusses two distinct health-related issues included in the Request for Inspection: occupational health and safety, and public health, as well as several other concerns presented by workers on the Pipeline Project.
132. The issues examined by the Panel and its corresponding observations are summarized as follows (a fuller discussion can be found in the corresponding paragraphs indicated in the right column):

Issue Examined	Panel Observations	Paragraph Number
Occupational Health and Safety	The Consortium, the contractors and the sub-contractors have responded positively to the requirements of Annex A (o) of OD 4.01. There is no indication that EMP requirements on occupational health and safety have been ignored or violated. The Bank is in compliance with Annex A (o) of OD 4.01 and the EMP.	133-138
Public Health	As part of the project preparation process, there was a need to undertake a wider regional assessment of the health risks posed by the Project, particularly a seroepidemiological study to assess the risk of HIV/AIDS in the pipeline construction region. The Bank is not in compliance with the relevant requirements on baseline data of OD 4.01 on Environmental Assessment	139-149

9. Occupational Health and Safety

133. **Concerns Raised by the Requesters.** The request alleges that failure to respect the law has deprived workers of the working conditions they might have expected and that dismissals consequent upon various accidents are contrary to Cameroonian labor legislation. During the investigation nearly 60 workers associated with the Pipeline Project approached the Panel with a variety of concerns, including: compensation for work-related accidents, hiring and dismissal practices, disputes over the employers' contribution to the local social security system, as well as claims that the *'Project's poor working conditions'* were adversely impacting on the workers' health and safety. After a detailed review of the specifics of these claims, which included interviews with many of the people that submitted or were referred to in these claims, the Panel has concluded that, other than those relating to occupational health and safety, the alleged violations are not covered by any Bank policy or procedure and that, therefore, the Panel is precluded from reviewing them. The Panel notes, however, that Cameroonian authorities including its Judiciary, have had a history of involvement with these issues in the context of the Pipeline Project.
134. **The Management Response.** Management has stated that COTCO and its subcontractors have followed all applicable legislation with respect to their employees. It explained that the Environmental Management Plan (EMP) provides the applicable health and safety standards for workers and that the Bank is closely monitoring the situation.⁸⁶
135. **Policy Requirements.** Operational Directive 4.01 - Environmental Assessment Annex A (Checklist of Potential Issues for an EA) states that *"all industry and energy projects, and projects in other sectors where relevant, should include formal plans to promote occupational health and safety (see World Bank Occupational Health and Safety Guidelines, Washington DC, 1988)."*
136. **Panel Observations.** The Panel examined the relevant sections of the EMP related to occupational health and safety and found them consistent with the spirit and letter of OD 4.01 and the referenced Guidelines.⁸⁷ With respect to implementation, the safety statistics, the Lost Time Incident (LTI) frequency rates, i.e. injuries and illnesses resulting in lost time from work, confirm that, on the whole, this has been a safe project. Data from the United States Department of Labor, Bureau of Labor Statistics (BLS) indicate that the project has a first-rate safety record. For 2001, the BLS data report a LTI rate for heavy construction of 7.9 lost day incidents per 200,000 man/hours. The same statistic for Spread 1 in 2001 is 0.15 and for Spread 2 it is 0.25.⁸⁸ This is considerably better than the experience recorded in the United States. Furthermore, it should be noted that to date, most of the fatalities associated with the Pipeline Project have resulted from traffic

⁸⁶ Management Response, at p. 19 § 66.

⁸⁷ Environmental Management Plan, Cameroon Portion (hereinafter 'EMP'), at Volume 2, Biophysical / Socioeconomic / Health Technical Requirements and Specifications, Section JSCP 22, Project Safety Practices, and Section JSCP 23, Occupational Health, Medical Facilities and Sanitation.

⁸⁸ The pipeline trajectory is divided into 'spreads'. Spread 1 starts 50Km west of Belabo to Komé (in Chad), and the Spread 2 goes from Belabo to Kribi.

accidents. Annex 6 of this Report provides for more details on the safety statistics for the Pipeline Project.

137. As to the specific concerns presented by project workers on occupational health and safety practices, the Panel, after examination of documents,⁸⁹ field observations, and interviews with pertinent project staff, observes as follows:

- Training: A training program was devised to provide each new employee with the kind of training that is commensurate with the tasks to be performed. The program is designed to meet the needs of unskilled and semi-skilled workforce under the 'rolling employment' policy. The time and breadth of the training program varied from a few hours to a week or more. For example, an individual hired to be a laborer did not need the same type of training as a person hired to drive a car. Extensive occupational health and safety training was provided for all employees, initially and repeated periodically during the life of the employment. The Panel was satisfied with the quality of training following its discussions with many of the workers.
- Personal Protective Equipment: The Panel observed that there was a general misunderstanding among some of the workers with respect to the kinds of protective equipment to which they were entitled. Helpers apparently did not understand that not everyone would receive, or require, identical safety equipment. Field observations by the Panel indicate that workers engaged in specific tasks wore the correct working clothing and used the appropriate safety equipment.
- Safety Supervision: The work force and supervision of project progress can be measured to some degree by the construction schedule and the safety record associated with the Project. Since the pipeline construction seems to be ahead of schedule and the safety record is excellent, it would be safe to assume that supervision must be effective. Factors that contributed to the current outstanding safety record probably include the quality of the training program, the general supervision, and the fact that the majority of local employees had not acquired unsatisfactory safety and work habits on other jobs before joining the Project.
- Medical Care: The Panel found that employees receive a pre-placement physical examination commensurate with the type of employment they were offered. Medical facilities are in place to provide health care and supervision to all employees.⁹⁰ In addition to inspecting medical equipment in the field and holding discussions with medical staff, the Panel also learnt direct from the workers how they were cared for, including clinic visits and how patients were transferred to national hospitals for additional care where needed.

138. The Panel finds that the Consortium, the contractors and the sub-contractors have responded positively to the requirements of Annex A (o) of OD 4.01. In addition, the

⁸⁹ The Panel obtained documents on individual cases from COTCO's sub-contractors. All non-confidential documents are available to interested parties upon written request.

⁹⁰ For additional information on these facilities please refer to Annex 5 of this Report.

Panel found no indication that EMP requirements on occupational health and safety have been ignored or violated.

10. Public Health

139. **Concerns Raised by the Requesters.** The Requesters allege that there is a renewed outbreak of Sexually Transmitted Diseases (STDs) and HIV/AIDS all along the oil pipeline and around the project's main bases (from north to south) and increase in prostitution of minors along the length of the oil pipeline. They ask for a moratorium on the Pipeline Project development until institutional capacity was well in place, including measures to stop the spread of HIV/AIDS.⁹¹ During its field visits to the Project area, the Panel noted that the spread of various diseases, especially the STDs (including HIV/AIDS), constituted an acute concern of the Requesters.
140. **The Management Response.** Management contends that there is no Bank policy covering HIV/AIDS, but that it has programs (including activities under CAPECE) to assist in the fight against this epidemic. Management acknowledges that progress in this area has been slow, but it maintains that this is a top priority in the Bank country strategy. Management also argues that there are no reliable baseline data on the prevalence of HIV/AIDS in Cameroon.⁹²
141. **Policy Requirements.** Health impacts are implicitly recognized in OD 4.01 (Environmental Assessment) since it is expected that information on the socioeconomic conditions of the Project area will be collected and analyzed.
142. **Panel Observations.** Health impacts were reflected in the EMP but only to a limited extent. Volume 2 of the EMP (GPS-010) deals with General Project Specifications for health for the COTCO workforce involved in the pipeline construction, and Supporting Document Volume 6 of the EMP deals with public health in Chad and Cameroon. The Cameroon portion of Volume 6 presents a demographic and health profile of the country based on sources from the World Bank, World Health Organization, US Peace Corps, and Cameroon's Ministry of Health. Much of the data was derived from the United States Agency for International Development (USAID) funded Demographic and Health Survey (DHS) for Cameroon, which were collected in 1991.⁹³
143. The Project is formally committed to an HIV/AIDS mitigation strategy in the Environmental Management Plan. The Bank Management did request an assessment of the HIV/AIDS risk in the pipeline area, which was submitted in November 1999.⁹⁴ This

⁹¹ Request for Inspection, at p. 7 § 5 (f).

⁹² Management Response, Annex 1, at p. 45 § 26.

⁹³ Another particular risk stems from the sudden heavy traffic of big trucks and machines in the communities, which do not have the adequate infrastructure for such traffic. The Panel was informed about the death of two little girls in a village as a result of a road accident caused by a caterpillar. The Panel notes that COTCO took measures to enforce speed limits, including the dismissal from the job of those drivers who do not respect speed limits. In matters of road safety, it is the Panel's understanding that for projects of such magnitude, special attention has to be given to the safety of people living in the project-area.

⁹⁴ COTCO response to second set of additional questions from the Panel, March 27, 2003.

report presented a model of significantly elevated estimates of HIV/AIDS prevalence rates associated with Project construction. However, this report was criticized by public health consultants to the Consortium, who argued that their model was poorly executed, technically flawed, and based on data from East Africa rather than West Africa. The Consortium's consultants noted that the authors of the November 1999 report failed to use appropriate data including *"lack of citation of current Chad and Cameroon specific data, even though these data were updated in the Dames & Moore 1999a Health Appendices and are otherwise easily available through either UNAIDS [Joint United Nations Programme on HIV/AIDS] or the US Bureau of the Census web sites."*⁹⁵

144. The Panel finds that the omission in the EMP of an up-to-date regional health assessment with particular focus on risk and impact of the Pipeline Project in Cameroon (as well as Chad), and the omission of a long-term plan aimed at risk mitigation, is a serious shortcoming at the project preparation phase. This was pointed out early and repeatedly by public health consultants to the Consortium and the Bank. A medical consultant involved in project preparation reported the following to the Panel:

"HIV/AIDS was identified early on as a large impact risk. In 1996, Exxon did its own impact assessment for Project workers. We modeled impact, and knew we needed to focus HIV sensitization not only on truckers, but also on female sex workers. But we needed to have a systematic look at prevalence/incidence of HIV/AIDS along the pipeline route, using the Government of Cameroon's clinic sites to engage in a community wide epidemiology survey along the pipeline route. We knew if you did nothing, HIV/AIDS could explode. We modeled potential impacts, looked at varying interventive measures, but focused exclusively on workers. We expected the Government of Cameroon and the World Bank to look at community health issues."

145. The same consultant recommended that independent experts could help organize an epidemiological study of communities along the pipeline route by saying *"you have to plan for HIV monitoring and mitigation for the larger community. But Bank Management said that the Bank does a lot of work on HIV/AIDS already, and this was not something we need to do independently."*
146. The ECMG, which was engaged for the Project after 2001 noted that the Project needed to consider not only a wider risk assessment of HIV/AIDS, but also a community health profile of the region in general, including maternal and child health assessments.⁹⁶ The ECMG recommended that an epidemiologist should be retained to look at both urban and rural health profiles, to acquire baseline epidemiological surveys to create a database to compare changes in incidence and prevalence of infectious diseases (including HIV) over the course of the project.

⁹⁵ COTCO response to second set of additional questions from the Panel, March 27, 2003.

⁹⁶ The terms of reference of the External Compliance Monitoring Group are dated 21 September 2000.

147. The ECMG Sixth Visit Report is abundantly clear regarding its concerns in this area:

“Epidemiological surveillance of the community affected by the Project is considered a Government responsibility. However, the project promotes and finances through the community health outreach program, CHOP, some selected educational activities (...). The community health education component of CHOP is targeted to Sexually Transmitted Diseases and AIDS prevention in the communities impacted by the project. The World Bank Technical Assistance projects for Chad and Cameroon are intended to strengthen the governments’ capacity to monitor the Project impact, including community health (...). Since the second visit, ECMG has emphasized the need to have the government actively monitoring the Project’s potential impact on the public health. There is a need to collect baseline data on HIV prevalence to better follow up the epidemiological trends.”⁹⁷

The Group further stated that:

“The World Bank CAPECE Supervision Mission has visited Cameroon in June/July [2002] (...). The mission has emphasized the need to accelerate the execution of the health activities, especially those related to a strategy to cope with STD/AIDS. The need to carry out a seroepidemiological and behavioral study, a sensitization program (...), and a program to promote the use of condoms have been emphasized. However, the Ministry of Health representative of the CPSP, who held discussions with the World Bank mission, informed the ECMG that the seroepidemiological study will not take place.”⁹⁸

The report recommends that the GOC should carry out the seroepidemiological and behavioral study as planned.

148. The Panel concurs with ECMG’s observations and their position on the approach to be taken regarding the public health impacts of the Pipeline Project. The Panel finds that Bank Management was aware of the need to undertake a wider regional assessment of the health risks posed by the Project, particularly a seroepidemiological study to assess the risk of HIV/AIDS in the pipeline construction region. The Panel finds that by not requiring the preparation of such study the Bank has not complied with the relevant requirements on baseline data of OD 4.01 on Environmental Assessment.⁹⁹

149. As noted by the ECMG, the Bank has more recently attempted through the CAPECE program to help the Government of Cameroon to undertake monitoring of the health impacts of the project, including the conduct of epidemiological studies. While this attention is better late than never, it is to be regretted that the Bank lost a valuable opportunity to promote the integration of the skills and facilities of the Consortium with those of the Ministry of Health of Cameroon, in order to improve the overall community

⁹⁷ ECMG, Sixth Site Visit, September-October 2002, dated November 2002, at p. 31.

⁹⁸ ECMG, Sixth Site Visit, September-October 2002, dated November 2002, at p. 32.

⁹⁹ For additional considerations on the Project’s baseline data, please refer to paragraphs 28-37 of Chapter Two, Environmental Impact Assessment and Mitigation Measures.

health of the region and the mitigation of potential health related harm of the project, i.e. the treatment of those who are likely to be affected by diseases ostensibly spread by the Project. In the Panel's view, the Bank could have effectively integrated other initiatives, such as the Bank-supported Multisectoral HIV/AIDS Project,¹⁰⁰ with the Pipeline Project.

¹⁰⁰ This Project was approved on January 10, 2001, and its corresponding Credit Agreement (CR-3454) was signed on March 7, 2001, becoming effective on September 28, 2001. Its 'Closing Date' is December 31, 2005.

CHAPTER FOUR

SOCIAL IMPACT ASSESSMENT AND MITIGATION MEASURES

150. **The Scope.** In this chapter, the Panel examines the Project's social impact and relevant mitigation measures. It considers the Requesters' concerns with respect to compensation of project-affected people. It also addresses the effects of the Pipeline on Indigenous Peoples, particularly the Bakola/Bagyeli¹⁰¹ Pygmies of Cameroon's Atlantic coastal forest, and addresses relevant concerns raised in the Request which are also widely discussed by some International NGOs.¹⁰²
151. The issues examined by the Panel and its corresponding observations are summarized as follows (a fuller discussion can be found in the corresponding paragraphs indicated in the right column):

Issue Examined	Panel Observations	Paragraph Number
Compensation Process	Compensation is fair and transparent and based on focused market surveys, which resulted in higher compensation rates than those paid by the GOC for most food crops. The Bank is in compliance with paragraph 3 of OD 4.30.	152-172
Grievance Mechanism	The mechanisms and procedures of grievances are clear-cut and accessible, although communication among the parties could have been more effective. The Bank is in compliance with the relevant provisions of OD 4.30.	173-179

¹⁰¹ The terms Bakola and Bagyeli are often used interchangeably. Bakola refer to themselves as Kola, using the Bantu prefix 'M' for singular and 'Ba' for plural. The term *Bagyeli* is used by neighboring Bantu villagers for the Bakola, although some northern Bakola will also designate themselves as Bagyeli to distinguish themselves from the southern Bakola groups, who speak a different dialect. To avoid any misunderstandings, the Panel uses the designation Bakola/Bagyeli throughout this report. The Bakola/Bagyeli are one of three pygmy groups in Cameroon including the Baka (living in the Eastern Province near Central African Republic), and the Medzan (smaller sedentarized group living 200km north of Yaoundé). The Bakola/Bagyeli are less mobile than the Baka but still spend 30-40% of the year engaged in hunting in small mobile camps located 10-30 km away from their agricultural settlements. They speak the same family of Bantu languages as their Ngoumba-Mvaumbo neighbors. Koppert et al. Survey of Pygmy Population, Lolodorf to Kribi Area, Republic of Cameroon, June 1997, GEPFE (hereinafter 'Koppert et al., 1997').

¹⁰² Friends of the Earth "Traversing Peoples Lives: How the World Bank Finances Community Disruption in Cameroon," September 2002; Environmental Defense USA "The Chad-Cameroon Oil and Pipeline Project: A Call for Accountability", June 2002; Forest Peoples Project "Report on a Consultation with Bagyeli Pygmy communities impacted by the Chad-Cameroon oil-pipeline project", May 2001.

Issue Examined	Panel Observations	Paragraph Number
Direct adverse impact on indigenous peoples	The Pipeline Project appears to have little or no effect on Bakola/Bagyeli hunting habits or the utilization of the forest resources. It is difficult to see any direct harm by the pipeline construction on Bakola/Bagyeli subsistence patterns. The Bank is in compliance with paragraphs 2 and 6 of OD 4.20.	184-189
Consultation Process	Appropriate efforts to identify and consult with Bakola/Bagyeli communities were made. It does not appear that the presence of non-Bakola/Bagyeli inhibited the process. The Bank is in compliance with paragraph 8 of OD 4.20.	190-193
IPP Design and Implementation	Management's strategy to consider the IPP as a 'work-in-progress' is noted. Although under normal circumstances such 'work' would not be in compliance with the provisions of OD 4.20, the Panel, however, sees the practicality of Management's strategy because of the conditions and practices of the Bakola/Bagyeli/Bantu community within the wider Cameroonian society. Bank Management and COTCO have corrected the shortcomings in the intervening years since the EMP was written. The Panel agrees that the IPP is a long-term endeavor expected to be carried out over the 25 years of the Pipeline operation. Of necessity it must be fine-tuned in the process of implementation. The original IPP, in this special circumstance, is in compliance with paragraphs 13-18 of OD 4.20 on Indigenous Peoples, except for the geographical scope of the baseline data. Current efforts to prepare and	194-223

Issue Examined	Panel Observations	Paragraph Number
	implement a detailed IPP are in place to meet the requirements of OD 4.20 on Indigenous peoples.	

11. Compensation Issues

152. **Concerns Raised by the Requesters.** The Requesters believe that inadequate compensation schemes for project-affected people have caused the structural impoverishment of numerous persons living in the project area. Moreover, the Requesters consider that project-affected people were not adequately and timely compensated and that the compensation plan has not enabled them to reconstitute their initial production levels. The amounts received were sometimes insufficient, choices of compensation were imposed, and the quality of in-kind equipment poor. The Requesters also believe that deficiencies in the compensation plan and in the grievance mechanism have harmed project-affected people and deprived them of their rightful sums.¹⁰³ Finally, the Requesters list a number of individual and community cases for which compensation is either inadequate or unpaid. They also state that no compensation had been paid to date to the Bakola/Bagyeli.
153. **Management Response.** In its Response, Management maintains that it applied the provisions of Bank Policy OD 4.30 on Involuntary Resettlement, and that only one household had lost a significant portion of its assets to be treated in accordance with the resettlement provisions of the compensation plan. However, over 4,000 others had been compensated for land and crop losses according to the same plan.¹⁰⁴ Most households were compensated before construction activities started, unless conflicts over land use rights had delayed payments. As for the regional compensation, Management observes that six NGOs, together with COTCO and CPSP monitors, commenced work in all concerned villages in the second quarter of 2002. For both individual and regional compensations, Management maintains that a catalogue of options was presented to local populations, and, in the case of community compensation, populations had the option of proposing any other local initiative that corresponds best to their needs. Management further observes that a grievance mechanism exists.¹⁰⁵
154. **Policy Requirements.** Bank Policy OD 4.30 regulates the World Bank's actions in matters of resettlement and compensation. This Policy requires, among other provisions, the design and implementation of appropriate mitigation measures. It also requires that project-affected individuals be assisted in the reestablishment or improvement of their standards of living and levels of production, and that compensation for loss of resources be adequate and paid prior to project implementation.¹⁰⁶

¹⁰³ Request for Inspection, at p. 4 § 5 (a).

¹⁰⁴ Management Response, at p. 17 § 58.

¹⁰⁵ Management Response, at p. 17 § 60.

¹⁰⁶ OD 4.30, Introduction, Policy Objectives, at § 3.

155. **Panel Observations.** The Panel believes that the arguments presented by the Requesters in support of the alleged structural impoverishment due to inadequate compensation are connected with actions derived from the application of OD 4.30 on Involuntary Resettlement and are only broadly related to OD 4.15 on Poverty Reduction which is mentioned in the Request.¹⁰⁷
156. The Panel observes that the guiding principles for a suitable compensation plan provide for: (a) the local population to perceive the compensations as fair and equitable; (b) the process to treat people the same way whenever practicable, and be as transparent as possible; (c) the affected people's standard of living not to be less than their current conditions when compensation is completed, and preferably better.
157. The Panel examined COTCO's compensatory framework and finds it to be consistent with Cameroonian law. In Cameroon, the state legally owns all land except that which is formally titled (a situation that exists for only a fraction of the land, mainly large private estates), but the GOC recognizes user improvements ("*mis-en-terre*") as subjects for compensation. Therefore, compensation is provided for 'loss of improvements to the land', which includes time and effort spent in the cultivation of food and commercial crops, trees, as well as material improvements such as houses and water wells.
158. The Panel observes that COTCO established four levels of compensation¹⁰⁸ for losses incurred to the Pipeline: Individual or Collective, Supplemental, Regional and Community.
- Individual or collective compensation: individual payments by the GOC (as the legal compensation) topped with COTCO's additional compensation for improvements on the land including houses, crops, and wells. Also, compensation can be paid for fields owned collectively by a social group, a situation that exists mainly in the north of Cameroon. According to a COTCO official, the individual compensations have already amounted to the sum of FCFA4.0G (about US\$5,700,000), paid in cash and in-kind;
 - Supplemental compensation: paid by COTCO for temporary occupation of sites and/or damages outside of the easement, such as storage yards, which may be paid to an individual or collectively to a community. Also according to a COTCO official, the amount paid already in this context is FCFA2.0G (about US\$2,850,000), and should increase whilst COTCO looks into the final grievances;
 - Regional compensation: paid by COTCO to villages based on the length of easement for micro projects. These payments are in compensation for inconveniences during construction, temporary loss of resources and permanent restrictions on the use of the system easements. COTCO officials informed the Panel, that they already spent

¹⁰⁷ Request for Inspection, at p. 7 § 5 (d).

¹⁰⁸ The dollar amounts presented in this paragraph follow the exchange rate (FCFA700) applicable at the time of the relevant payment.

FCFA1.3G (about US\$1,850,000) for such modality of compensation. The regional compensation is planned to be concluded in June; and,

- Community compensation: paid by COTCO to communities suffering from permanent loss of the use of sites where the Consortium has established a fixed facility. Community compensation has been made for approximately fourteen sites, and includes in-kind payments of a water well, classroom, or equivalent.¹⁰⁹

159. The Panel notes that the amounts included in the compensation plan were based on focused market surveys, conducted initially in 1997 during the centerline survey,¹¹⁰ and again from December 1999 to January 2000.¹¹¹ These surveys enabled the compensation team to determine the market value of 188 food and commercial crops, including fruit trees, legumes (including ground nuts), cereals, medicinal plants, shade trees, and commercial crops including cocoa, coffee, oil palm, coconut, raffia palm, rubber and tea.¹¹² Determination of compensation rates is based on replacement costs of these crops, where the focus is placed on the higher cost of replacing the lost crop by buying it in the market at retail prices.¹¹³ According to the available records, compensation rates were published in the compensation plan, disseminated during meetings with communities and affected households, and some were re-estimated following comments from farmers.

160. Prices obtained in both surveys were compared to the 1981 Republic of Cameroon Legislated Prices, which are still being used for compensation by GOC for losses incurred in public purpose projects. To date, the legislated rates have not been adjusted to take into account inflation or a major devaluation of currency since 1981.¹¹⁴ When adjusted for inflation, COTCO compensation rates are 4-6 times higher than those paid by the GOC for most food crops. In some cases, COTCO's compensation rates are much higher. For example, mature fruit trees such as avocado compensated by the GOC at FCFA3,500, are compensated by COTCO at FCFA50,000, while mango trees are compensated at FCFA160,000 (US\$260).

161. The Panel finds that the value that COTCO pays in compensation for cultivated crops and trees to affected Cameroonians is consistent with Bank Policy on Involuntary Resettlement. In comparison with the large protective areas, the Pipeline has not taken large areas of land (it is 30 meters wide) and, for most of the pipeline route, land is

¹⁰⁹ COTCO officials informed the Panel that they had spent FCFA0.4G (about US\$570,000) in donations, and its contractors have also donated an undisclosed amount of money to local communities. These donations were mostly in-kind. Examples include: classrooms and clinics (COTCO), cattle dip pens (COTCO), water wells (Sogea-Satom, WSJV, TCC), new or repaired bridges (WSJV), cost of local ceremonial feasts for villages, etc...

¹¹⁰ Koppert et al., 1997.

¹¹¹ Paul Cox and Georgius Koppert, Update of the Cameroon Crop Market Survey (Chad Export Project), Final Report, April 2000 (hereinafter 'Cox and Koppert, 2000').

¹¹² Price values for 1999-2000 were obtained from 13 market surveys and 22 indicative farm visits undertaken at locations within each of the five agro-ecological zones along the entire pipeline easement in Cameroon. The 13 market surveys were performed in nine locations along the easement and at four control locations; in total the team gathered 2,623 price/weight observations during interactions with some 580 different sellers. Cox and Koppert, 2000.

¹¹³ Cox and Koppert, 2000, at p. 11

¹¹⁴ Cox and Koppert, 2000, at p. 1

plentiful and accessible to farmers under customary land tenure rules. The pipeline has resulted in improved roads and better trading conditions for the individual farmers, as well as improved community facilities through the regional compensation program (discussed below). Furthermore, the Panel finds that the Pipeline Project has initiated a process of fair and transparent compensation and consultation. Although the Panel notes the need for these processes to be effective, the Panel expects that it will be difficult for future private projects in Cameroon not to provide the same level of consultation and compensation.

162. The Panel notes that land acquisition for the pipeline began with the 1997 centerline survey. During this time, representatives from COTCO, the GOC (usually the ‘*sous-préfet*’), the village chief, and the land user, would participate collectively and openly in the survey process. COTCO representatives told the Panel that they used the compensation list of crops and trees, based on the market surveys described above. They admitted to the Panel that there were delays in paying individual compensations, and they attributed this to the work involved in surveying and determining compensation cases.¹¹⁵
163. The same representatives also informed the Panel that, based on the criticism by the IAG for protracting resolution of certain outstanding cases,¹¹⁶ COTCO speeded up the settlement of compensation grievances that were expected to be completed in early 2003. They also informed the Panel that based on the ECMG’s recommendations, COTCO will implement a Social Closure Program and complete all compensation cases by June 2003. According to ECMG’s Seventh Site Visit Report, ‘*the Project in Cameroon developed a procedure to reach social closure on a village-by-village basis, including compensation at individual and community levels, local employment, rehabilitation of construction zones, and pending disputes. The proposed social closure process involves both the Government [of Cameroon] and COTCO and is to be witnessed and facilitated by an independent party, expected to be one or several NGOs.*’¹¹⁷ Although not required in the EMP, the objective of the social closure program is to have each village sign-off on a close-out document that notes the particular details of their compensation by COTCO, and indicates that there are no grievances outstanding that have not been addressed (positively or negatively). As with the compensation program, this closure must be transparent and clearly understood by the local population.
164. **Community Compensation.** The Panel notes that according to the IAG, almost all of the villages eligible for the regional and community compensations have identified specific investment projects they wish to see implemented by COTCO.¹¹⁸ The majority of project requests are in the areas of education and water supply. The Panel investigated at length one case (described in the sequel), where the investment requested for the village involved complex infrastructure planning.

¹¹⁵ Individual examples cited in the Request are discussed below.

¹¹⁶ International Advisory Group (hereinafter ‘IAG’), Report of Visit to Cameroon and Chad, October 15 to November 4, 2002, report dated December 11, 2002, at p. 6 § 53.

¹¹⁷ ECMG, Seventh Site Visit, January 2003, dated February 2003, at p. 13.

¹¹⁸ IAG, Report of Visit to Cameroon and Chad, October 15 to November 4, 2002, report dated December 11, 2002, at p. 7 § 55.

165. In the village in question (Ngovayang III), the Panel met with the residents in the village chief's house to discuss their case. They had been surveyed and were entitled to regional compensation, and they expressed a desire to have the village connected to electrical distribution lines located 700m from the village. Their intent was to develop businesses, particularly in poultry production, which they felt would help retain the younger people in the village. However, the estimated cost of hooking up the lines was twice the value of the compensation. When the generators were proposed, COTCO would not endorse it, as it violated their guidelines on maintenance and sustainability. Members of the Panel discussed with the village COTCO's version of the sequence of events. The villagers agreed that these talks had been going on for over a year. Although the village chief had received, on March 11, 2002, a written attestation from COTCO that the regional compensation budget could be used as part of their contribution to the electrification provided that the local energy company (AES-SONEL) agrees to the villager's request. Apparently, this had not been satisfactorily communicated to the village at large. It is not clear if the village chief had understood the meaning of the letter or not, as the village seemed surprised and pleased to hear the good news. As with many of the complaints raised in the Request, this is a case of misunderstanding, and highlights the need for ensuring effective communication.¹¹⁹
166. **Regional Compensation for Indigenous Peoples.** The Panel notes that COTCO recently introduced a new program of regional compensation for the Bakola/Bagyeli villages within a 2 km radius of the pipeline, including compensation for loss of access to medicinal plants and diminished game population. The program, according to COTCO, would be dedicated to housing improvements, in keeping with the major concern expressed by the Bakola/Bagyeli during the survey conducted by the Company's sociologists within the period 1997 to 2001.
167. The Panel observes that this program, which had not been originally planned, represents a significant amount of compensation for the Bakola/Bagyeli populations. The Panel observes and notes IAG's remarks on its implementation, which require that it should be taken into account:
- *"In the absence of land entitlements, particular attention will have to be paid to the identification of lots occupied by the Bakola/Bagyeli in the area, and to the potential for conflict between them and the Bantu,"^[120] to ensure that new construction benefits the right communities.*
 - *Family organization will have to be taken into account to ensure that the largest possible number of people have direct access to the new dwellings as collective compensation.*

¹¹⁹ The Panel addresses the issue of misunderstanding in the Consultation and Disclosure of Information section of Chapter Two, Environmental Impact Assessment and Mitigation Measures.

¹²⁰ The term '*Bantu*', widely used to describe the majority population of (non-Pygmy) farmers in the region, properly refers to people speaking Bantu languages, a large group of languages in the Niger-Congo family. In Cameroon, the principal Bantu societies interacting with the Bakola/Bagyeli are the Ngoumba, Bassa, Fang, Mvae, Ntoundou, and Bakoko.

- *To encourage proper understanding of the issue, things must not proceed too hastily; consultations should ensure optimum balance between the needs and wishes of the populations and the compensation offered. To this end, COTCO, in keeping with its commitments, should suggest several types of improved, environmentally sound dwelling before proceeding to select prototypes.”*¹²¹

168. **Individual cases.** The Panel investigated several of the individual cases that were brought to its attention in the Request.¹²² One of the cases concerned a Bakola/Bagyeli man whose compensation was paid to a Bantu woman living in another village. COTCO admitted to the Panel that, initially, there had been a mistake and acknowledged that once the matter was made clear to them they elected to pay the Bakola/Bagyeli person compensation for the loss he incurred during construction. The amount he was owed was FCFA653,000. During the compensation process, the affected person indicated to COTCO that he wished to build a house with the money he was being paid. COTCO agreed to do so, and sought out local craftsmen to build the house from locally cut wood, and purchase doors and windows in Kribi that COTCO would deliver. The house was estimated to cost FCFA500,000. It was agreed that COTCO would control the release of the funds, as the Bakola/Bagyeli man was apprehensive he would come under pressure to share his wealth once word got round that he had received compensation.

169. The Panel visited the Bakola/Bagyeli person in his new house in February 2003. The house was of good design and construction, with a metal roof and prefabricated door and windows; and it appeared to be of superior quality to the traditional Bantu house situated next door. At the time of the interview, the complaint was that the Bakola/Bagyeli wanted the remainder of the funds be given to him in cash (about FCFA150,000). A COTCO representative explained to the Panel that he believed the Bakola/Bagyeli was in fact being pressured by the Bantu villagers to give them the money as favors and requests owed. He suggested it would be better to purchase furniture and items for the house with the remaining funds.

¹²¹ IAG, Report of Visit to Cameroon and Chad, October 15 to November 4, 2002, report dated December 11, 2002, at p. 8 §§ 65-67.

¹²² For the current status of each of the cases raised in the Request for Inspection please refer to Annex 8 of this Report.



Photo 5: At left, the new house of the Bakola/Bagyeli built as part of the compensation provided by the Project. At right, a pre-existing Bantu house.

170. The Panel noted that the affected Bakola/Bagyeli person had agreed to the amount of compensation owed to him and to the in-kind payment in the form of a house. The Panel also noted that the affected person may have been under some pressure by the villagers for his cash. Nevertheless, it believed that it was prudent to COTCO to pay this person the remainder of money owed to him in cash; and shortly after the Panel's visit, COTCO did so. As in the other case reviewed, the Panel finds that the mechanism of the compensation was sound and its implementation fair.
171. Another case the Panel studied concerned compensation for a species of trees (Okoumé) that was not included in the compensation plan in accordance with Cameroonian forest law. The owner of the trees had his wood informally valued by the appropriate departments of the Ministry of the Environment and Forests. The assessment estimated the value of the wood as being between FCFA1,500,000 and FCFA6,500,000 (i.e. between US\$2,150 and US\$9,285). After several months of discussion, COTCO proposed a first payment of FCFA300,000 (US\$428) which was the market value of the trees after processing and transportation, and subsequently offered an additional payment of FCFA350,000 (US\$500). In the presence of local administrative authorities, the owner of the trees signed a contract in which he acknowledged that the amount paid constituted fair, genuine and adequate compensation, although he told the Panel members in November 2002 that he signed it under pressure.
172. The Panel visited in February 2003 the owner of the trees who informed the Panel that the dispute had been resolved and that the amount of compensation was to be set by a third party who was an expert. The owner of the trees reiterated that the local government used intimidation to get his consent and that they threatened him with jail for disrupting the Project. The Panel finds that while the process of dealing with this particular case was

long and difficult, the compensation was generous, as it was higher than the compensation stipulated for Okoumé trees in the compensation plan. Although, the Panel is very disturbed about the alleged use of threats by local authorities, it notes that this is not related to COTCO's or the Bank's behavior or policies. As of mid-April the Panel was informed that this claim is close to resolution, as the owner will be compensated based on the now completed study by the third party expert.

173. **Grievance Mechanism.**¹²³ The Panel observes that the grievance management process can be initiated in several ways.¹²⁴ The principal method of initiating a grievance is by submission to the Project's right-of-way assistants or the Local Community Contacts (LCC). There are ten LCCs along the Cameroon portion of the pipeline, two of which are in the Bakola/Bagyeli areas at Lolodorf and Kribi. In addition, temporary LCCs were hired during the construction period within each zone. These temporary LCCs helped right-of-way assistants in identifying the land users in the village, providing information to the communities about the grievance management process and collecting grievances in the communities.
174. The Panel observes that there are two methods whereby the LCCs receive grievances: either verbally or in written form. The LCC, having collected the complaint, fills out the grievance form and sends it to the Grievance Management Team in Douala with any supporting documents, including a written claim, photocopies of pertinent documents, etc. Occasionally, grievances are sent directly to COTCO in Douala or to CPSP.
175. As at January 31, 2002, 1667 grievances had been submitted, of which 988 were settled and 679 were pending (see Annex 7 for an update on the number of grievances pending before the release of this Report). By the time of the Inspection Panel visit in February 2003, all but 9 of these grievances had been settled. The Panel wishes to note that several of the individual grievances presented in the Request for Inspection seemed to have positively evolved after the Panel's visits to Cameroon. While not an EMP requirement, the ECMG and the IAG both felt that an approach to get 'closure' in each community was important. During the January 2003 visit, the ECMG proposed that COTCO establish a cut-off date for the submission of grievances associated with construction activities, and then tie the resolution of these grievances into a Social Closure process.
176. The Panel investigated several grievances raised in the Request.¹²⁵ Several of these grievances included complaints about the grievance procedure, including difficulties in getting COTCO to respond to complaints. The Panel found that, for some of the cases, procedures were not followed by the prospective complainants, including informing (either verbally or in writing) the LCC representative in their respective areas. Furthermore, the Panel found that many different channels of contact with COTCO exist on the ground, from survey and construction crews to compensation teams and designated

¹²³ Footnote 11 to paragraph 8 of OD 4.30 notes the importance of devising schemes for conflict resolution for all resettlement plans.

¹²⁴ The grievances process is defined in the EMP, at Volume 3, Compensation Plan, Section 6.6, pp. 6-12 to 6-15.

¹²⁵ Bank Management responded on these cases in Annex 2 of their Response to the Panel. During the Panel's investigation COTCO provided an update on the evolution of these grievances. This update is attached as Annex 8 of this Report.

LCCs, through which complaints could be transmitted. The Panel finds the mechanisms and procedures of grievances to be clear-cut and accessible.

177. In the example of Ngovayang III, the village that wanted electricity, people complained that they had not understood what COTCO had arranged with the electrical company in terms of the letter. Although COTCO compensation team members visited the community several times, they could have made sure that the people understood what was being communicated to them. This case represents another instance where effective communication did not take place.
178. The Panel observes that it seems many grievances were concerned not with the amount of compensation offered or the procedure for its implementation, but with unfulfilled hopes of obtaining more benefits from the project than was offered. A COTCO representative, a member of the centerline survey team, said *“when we surveyed villages and mapped the location of water sources, people mistakenly assumed we would come back and build them permanent wells. When we did not do this, they were angry and disappointed with us.”* See paragraphs 77-81 for further discussion on water issues.
179. In conclusion the Panel finds the design and implementation of the compensation policy and the grievance mechanism to be orderly, transparent, and fair, although communication among the parties could have been more effective. The Panel, therefore, finds the Bank in compliance with OD 4.30 on Involuntary Resettlement.

12. Indigenous Peoples

180. **Concerns Raised by the Requesters.** The Requesters consider that implementation of the pipeline project caused direct harm to Bakola/Bagyeli communities including loss of assets and lack of safeguards for their future well being as an independent and self-sufficient society. In particular, the Requesters in both their written request and at interviews in Cameroon assert that the Bakola/Bagyeli were not properly consulted in the development of the Indigenous Peoples Plan (IPP)¹²⁶ and that the implementation of the plan has lagged dangerously behind the physical construction of the pipeline.¹²⁷ The Requesters also state that the Bakola/Bagyeli were not adequately compensated for the loss of game and forest resources, medicinal trees and the pollution of the water resources on which they depend.¹²⁸ Concerns related to the Mbororo people were also recorded

¹²⁶ The initial Indigenous Peoples Plan is presented in the EMP, at Volume 4, Environmental Foundation, Offsite Environmental Enhancement Plan, Indigenous Peoples Plan, Part III (hereinafter the ‘IPP’).

¹²⁷ There are other implications a project of this magnitude on the social structure of a society. For example, the Panel met with some schoolteachers in a Bantu village. The teachers informed the Panel that since the project started close to their village the general behavior and expression of children changed. The teachers said the changes have been enormous. The lifestyle of the children was altered suddenly. Money that never was around was now coming into the community and the hands of their parents. Unlike before, the children got also some money and they became aware of the power of money, and started to realize that their parents were poor people, something they had never thought about before. As a result the children for the first time started to lose respect for their parents and this has had an adverse effect on their behavior and family relationships.

¹²⁸ An additional concern raised by the Requesters about Bakola/Bagyeli relates to employment by the Pipeline Project. The Panel observed that thirty-seven members of the Bakola/Bagyeli community were hired to work for

during the Panel's visit to Cameroon in February. For the Panel's observations regarding these concerns please refer to Annex 9 of this Report.

181. **Management Response.** In its Response, Management claims that the consultation process was adequate and that it began in 1997 and lasted more than two years at the start of the centerline survey, and continued through 1999. However, Management recognized that participation of the Bakola/Bagyeli was complex and sensitive. Management also asserted that the preparation of the IPP was to be considered as work in progress, and that the objective from the start was to ensure that the Bakola/Bagyeli's primary needs were satisfied. Finally, Management acknowledges that, on the whole, the start of the implementation of the IPP was slow.
182. **Policy Requirements.** OD 4.20 on Indigenous Peoples provides policy guidance to "(a) ensure that indigenous people benefit from development projects, and (b) avoid or mitigate potentially adverse effects on indigenous people caused by Bank-assisted activities." It also requires special action for groups whose social and economic status restricts their capacity to claim their interests and rights in land and other productive resources.¹²⁹ Specifically, the objective of this directive is "to ensure that indigenous peoples do not suffer adverse effects during the development process," from Bank-financed projects, and that they receive culturally compatible social and economic benefits.¹³⁰
183. **Panel Observations.** The Bakola/Bagyeli are a small population of about 4,500 occupying some 12,000 km² in southwestern Cameroon in the Atlantic forest zone. This includes the area between Kribi on the coast to the northeast of Lolodorf that lies along the pipeline route. About 1,000 Bakola/Bagyeli live within 2 km of the Pipeline route in settled communities interspersed with Bantu villages along the Kribi-Bipindi-Lolodorf-Akongo Road.¹³¹ Bakola/Bagyeli share a long-term relationship with their Bantu neighbors including shared clan identities and family names. Although their relationship is based in part on their specialized economies, one hunting and the other agriculture, it is not an equal relationship but one of subservience and dependency of the Pygmies on the Bantu. Bakola/Bagyeli depend on the Bantu farmers for 20% of their starchy food, access to tools, salt, tobacco and clothing, and the land that they cultivate, which is claimed by the Bantu.¹³² They are often mistreated by their Bantu patrons, sometimes physically abused, and usually 'spoken for'. This inequality is reflected by the Bakola/Bagyeli's greater morbidity, mortality, lower literacy and reduced wage employment due to their poorer access to health clinics, schools, and other social services.¹³³ The Panel considers

the pipeline project during the centerline survey, the socioeconomic surveys, and consultations during the pipeline construction. The Panel found that the duration of employment was mostly between one and three months. This is similar to the employment period for most Bantu village workers. Five Bakola/Bagyeli worked for six months and more, five others worked from three to less than six months, 23 worked from one to less than three months, and four worked for less than one month. The Panel also observed that the rate of employment by COTCO of Bakola/Bagyeli (37 out of a total population of 700) is consistent with the rate of hire from the Bantu population.

¹²⁹ OD 4.20, Introduction, at § 2.

¹³⁰ OD 4.20, Objective and Policy, at § 6.

¹³¹ IPP, Section 1.4, at p. 1-3. See also, Koppert et al. 1997, at p. 6.

¹³² Koppert et al. 1997, at p. 17.

¹³³ Koppert et al. 1997, at pp. 18-19.

appropriate the Bank Management's designation of the Bakola/Bagyeli as a vulnerable population subject to the requirements of OD 4.20 on Indigenous Peoples.

184. Concerning any adverse impact of the Project on Bakola/Bagyeli, the Panel observed that the impact of the pipeline project on the hunting resources appears to be minimal, but is not yet known. The Pipeline is laid adjacent to the Kribi-Lolodorf road, where Bakola/Bagyeli live on sedentary farms. The major hunt ("*grande-chasse*") that Bakola/Bagyeli annually engage in has always taken place in the deep forest, ten to thirty kilometers away from the settled agricultural communities along the road, as identified in the 2002 baseline studies.¹³⁴ This area is unaffected by the Pipeline route. However, the trapping of small game (e.g. rodents) by Bakola/Bagyeli continues near the villages. During its field visit the Panel observed several snares laid along the pipeline corridor on the new vegetation, and noted that the new environment might be attractive to small game.
185. The EMP notes that the Bakola/Bagyeli are increasingly relying on agriculture for their subsistence. The transition to agriculture is not a recent one, and it is recorded that the Bakola/Bagyeli were practicing sedentary agriculture in the area of the Kribi-Lolodorf road some 60 years ago, where today, one quarter of Bakola/Bagyeli families are currently settled.¹³⁵ Sociologists attribute this decline in hunting to higher human population densities and the advanced state of degradation of the forest areas due to the heavy logging activities.¹³⁶ While hunting remains an important subsistence activity for the Bakola/Bagyeli, the period of "*grande-chasse*" has been reduced from six or seven months to three months.¹³⁷
186. As hunting decreases and agriculture increases in importance, Bakola/Bagyeli may face increasing conflict with the Bantu over access to land and land security. In the past, when population densities were low and the Bakola/Bagyeli relied more on hunting, Bantu villagers either expected the Bakola/Bagyeli to work on their fields in exchange for starchy food, or the Bakola/Bagyeli families were temporarily given fallow land by the village to cultivate their own crops. As Cameroonian law recognizes users rights to land under of "*mis-en-terre*" provisions (with the government owning untitled land), under customary law Bantu villages or local clans claimed all the land around a village or kinship-based community as their own, including the wild trees and other forest resources. Bakola/Bagyeli were not considered to 'own' the land, but could use it at the behest of the Bantu villages. The Bakola/Bagyeli are now becoming more vocal about their desire for land security.
187. Now that Bakola/Bagyeli are starting to speak up for their rights as farmers of the land, as well as citizens of Cameroon, Bantu villagers find themselves in potentially contentious competition with Bakola/Bagyeli. The new programs under the IPP, including the

¹³⁴ Koppert et al. Draft Report: Consultations for the Indigenous Peoples Plan and Socio-Economic Baseline Studies, Conducted in the Kribi-Lolodorf Area, June 28 to August 04, 2001, dated October 2002 (hereinafter 'Koppert et al., 2002').

¹³⁵ Koppert et al. 1997, at p. 5.

¹³⁶ Koppert et al. 1997, at p. 17.

¹³⁷ Koppert et al., 2002, as complemented by Bank staff during interviews with the Panel.

issuance of national identification cards as well as COTCO's regional compensation of houses to Bakola/Bagyeli communities, may have a positive impact on the Bakola/Bagyeli claims over land in the future. While the Bantu-Bakola/Bagyeli interactions may not present a problem in low population density areas, some conflicts are becoming apparent in more densely settled communities, such as those around Kribi.¹³⁸

188. With respect to medicinal plants, which are important to Bakola/Bagyeli and Bantu alike, there are no known studies assessing the impact of the loss of these medical resources in this particular corridor. Without baseline studies including density of medicinal plants in the region, it is not possible to assess harm or impact on the Bakola/Bagyeli. However, it is difficult to imagine that the loss is very significant, given the narrow width of the pipeline right-of-way (30 meters) compared to the remainder of the forest, which is some 20-30 kilometers wide on either side of the pipeline route.
189. The Panel observed that the Pipeline Project appears to have little or no effect on Bakola/Bagyeli hunting habits or the utilization of the forest resources. Now that the construction of the pipeline is completed and the pipeline route is regaining its vegetation cover, it is difficult to see any direct effect of the pipeline construction on Bakola/Bagyeli subsistence patterns. The trend towards increased cultivation and decreased hunting appear to continue as before.
190. **Consultation Process.** The Requesters consider the consultation process to be flawed because it has led to "*a failure on the part of these populations to be aware of the mechanisms established in the project for their benefit (mechanisms for settling compensation disputes, for example).*"¹³⁹ They add that the Bakola/Bagyeli could not speak freely particularly in the presence of the Bantus. Moreover the consultations were considered to have come too late to have any influence on the EMP and its IPP released in May 1999.
191. Management responded by pointing out that consultations on Bakola/Bagyeli priorities began in 1997-98 during the centerline survey, and continued through 1999. Bank staff noted that care was taken to ensure that since the project had not yet been approved by the World Bank, no promises would be made that may not materialize. Management also acknowledges that eliciting participation of Bakola/Bagyeli was slow and sensitive. Speaking on this issue a Bank staff said:

"Nobody knew for sure that this project was really going to go forward, so people were very careful about going out there and saying we're going to build a pipeline through your back yard. After spending quite some time trying to talk with these people individually or in their camps and then once or twice trying to have meetings with larger groups where each camp would send the representative, they came up with the 'plan to have a plan,' which is the Indigenous Peoples Plan that you have in the Environmental Assessment. That plan basically said it is not possible now to write

¹³⁸ The Panel notes the desirability of having a legal framework, in particular for land tenure, that properly reflects the needs of the Bakola/Bagyeli.

¹³⁹ Request for Inspection, at p. 7 § 5 (a).

down a plan that reflects the will of the people, because these people don't actually have a social structure that permits us to consult with them in a structured way, so we need to spend at least another year sitting and talking to them where we can be clear on exactly what it is we want to do and particularly how we can do it in a way that will make it possible for them to participate and to eventually take over responsibility for running that plan.”

192. The Panel noted that consultations, as described in the EMP, occurred between November 1997-Feb 1998 during the centerline survey and again in March-April 1999, in which COTCO representatives visited the 23 Bakola/Bagyeli and Bantu settlements identified in the 1997 centerline survey. During the exercise, the concerns of the affected groups were gathered by inviting representatives of the Bakola/Bagyeli settlements to a meeting in Kribi in April 1999. According to COTCO documents, these consultations and the meeting in Kribi discussed both short-term and long-term impacts, including disturbance of hunting, inflation of food prices, risk of infectious diseases, potential dislocation of certain settlements, prospects of long-term employment, and the possibility of detrimental changes in Bantu – Bakola/Bagyeli relations. Mitigation measures were also discussed including compensation (both individual and regional), employment possibilities, and re-routing of pipeline around settlement sites or sacred sites.¹⁴⁰
193. The Panel finds that appropriate efforts by Management and, specifically, by COTCO in identifying Bakola/Bagyeli communities were made, and that discussions on the pipeline construction and its potential risks took place. It does not appear that the presence of non-Bakola/Bagyeli, including village chiefs, inhibited the discussions, as the records indicate. A wide variety of issues and concerns were raised by the Bakola/Bagyeli, including topics concerning compensation, education, health, and employment. As for the time-frame of the consultations, the Panel notes that they began two years before the EMP was written, and that the results of the April 7, 1999 meeting were made available to Bank staff involved in the EMP process. As a result, the Panel finds these consultations consistent with the requirements of paragraph 8 of OD 4.20.¹⁴¹
194. **Design and preparation of the Indigenous Peoples Plan.** The Indigenous Peoples Plan is presented in the Environmental Management Plan (EMP) Volume 4, Part 3 (May 1999), which states that, “[t]he IPP includes three programs: health, education, and agriculture and are described in section 5.0. Within each, an initial set of potential projects have been identified as result of studies and in consultations sponsored by the Project”¹⁴² and that, “[a]n Environmental Foundation [i.e. FEDEC] will be established to provide defined long-term financial support for defined IPP-related projects/programs.”¹⁴³

¹⁴⁰ Koppert et al., 2002, at p. 13 and at p. 34.

¹⁴¹ Paragraph 8 of OD 4.20 states that “The Bank's policy is that the strategy for addressing the issues pertaining to indigenous peoples must be based on the informed participation of the indigenous people themselves. Thus, identifying local preferences through direct consultation, incorporation of indigenous knowledge into project approaches, and appropriate early use of experienced specialists are core activities for any project that affects indigenous peoples and their rights to natural and economic resources.”

¹⁴² IPP, Section 3.1.4, at p. 3-3.

¹⁴³ IPP, Section 3.1.2, at p. 3-1.

195. **Concerns Raised by the Requesters.** The Requesters argue that the project does not ensure the participation of indigenous peoples in the preparation of the IPP, thus questioning its design and usefulness. They also question the adequacy of the baseline studies and criticize the lack of IPP specificity considering that the programs are not defined and remain at the level of generalities.
196. **Management Response.** Management and FEDEC officials responded that the preparation of the IPP was done in consultation with Bakola/Bagyeli during visits by the sociological team during the baseline survey and pre construction (1997-1999), which is where their concerns for health, education, and agriculture, including land security, were raised. Furthermore, Management described the IPP as “a work in progress” aimed at addressing the primary needs of the Bakola/Bagyeli. The IPP states:

*“It is stressed that these are only ideas for potential projects and that it is up to the concerned populations, Bakola and Bantu, to decide which of the projects is relevant to them or to propose others that concern them more than the ones proposed here through informal participation. The scope of the potential programs will be further defined in consultation meetings to be implemented as part of this IPP.”*¹⁴⁴

Management considers the baseline survey of the Bakola/Bagyeli area and FEDEC’s own plans to have recognized the long term nature of the IPP and calls for gradual but steady improvements of their rights. Bank staff recognize that *“the problem of Bakola integration and self-improvement is a complex one in the actual experiences of the Bakola, as farmers and hunters intermingled with Bantu populations.”*

197. **Policy Requirements.** OD 4.20, requires that the IPP be elaborated after consultations with the indigenous peoples affected by the project and that it anticipate adverse impact on them and develop the means to mitigate any potential harm.¹⁴⁵ It also states that the IPP could include, in many cases, proper protection of the rights of indigenous people in the form and implementation of special project components. *“These components can include activities related to health and nutrition, productive infrastructure, linguistic and cultural preservation, entitlement to natural resources, and education.”*¹⁴⁶
198. **Panel Observations.** The Panel observed that the IPP provides a development framework for the Bakola/Bagyeli settlements in the pipeline areas. It specifies three programs and projects to: (a) assist identified Bakola/Bagyeli communities regarding health matters in order to help them counter potential health pressures caused by the Project and generally promote their health status; (b) promote and support education and training initiatives in identified Bakola/Bagyeli communities in order to contribute to an increase in their ability to make informed decisions regarding issues of their interest; (c) support local initiatives in identified Bakola/Bagyeli communities to improve agricultural production.¹⁴⁷ The Panel finds that the programmatic goals specified in the IPP are

¹⁴⁴ IPP, Section 3.1.4, at p. 3-4.

¹⁴⁵ OD 4.20 refers to indigenous peoples plans as Indigenous Peoples Development Plans.

¹⁴⁶ OD 4.20, Indigenous Peoples Development Plan, Contents, at § 15.

¹⁴⁷ IPP, Section 3.1.1, at p. 3-1.

reasonable and appropriate to the affected Bakola/Bagyeli community, and furthermore, were developed in fair and open consultation with representatives of the Bakola/Bagyeli community.

199. **Baseline data.** Concerning the adequacy of baseline data, the Panel notes that the IAG criticized the lack of complete baseline studies for the EMP just as the requesters did: *“The basic data of the Environmental Impact Study, i.e. the studies (...) describing the basic situation that serves as the starting point for the study of the impacts on the environment and on society, does not appear to be complete nor available.”*¹⁴⁸
200. The Panel notes that the baseline data are found in two reports produced by GEPFE (Groupe d’Étude des Populations Forestières Équatoriales), a consulting firm that includes two sociologists, a nutritional anthropologist, a geographer, and a medical doctor, all of whom have extensive experience among Bakola/Bagyeli in Cameroon. The Panel observed that the baseline surveys of socioeconomic data used in the development of the IPP was comprehensive in its discussion of Bakola/Bagyeli history, relations with Bantu farmers, subsistence practices, and relative impoverishment. Furthermore the baseline surveys obtained detailed data on each of the Bakola/Bagyeli settlements lying along the Pipeline route. The 1998 survey identified 73 Bakola/Bagyeli settlements in the area between Lolodorf and Kribi, 23 of which were located within 2 km of pipeline route. An additional 20 settlements use the Kribi-Mpindi-Lolodorf-Akongo road as their main access. These 43 settlements constitute 1,000 Bakola/Bagyeli out of a total population of 4,500 living in southwestern Cameroon.¹⁴⁹ The surveys of the 23 settlements located along the pipeline route include descriptions of each community’s population demography, school level, possession of national identification cards, relations with Bantu villagers, land tenure, description and photographs of habitat, water supply, and measurements and description of agricultural fields, water sources, and village location using GPS (Global Positioning System). The Bakola baseline surveys were modified during the consultations of 2001. Each settlement’s socio-economic profile was updated, including presentations of a color map and photographs of its residents and dwellings. This enabled a comparison of pre-construction and post-construction socioeconomic conditions to be made.¹⁵⁰ COTCO is currently in the process of conducting new surveys of all communities along the pipeline route, including Bakola/Bagyeli, which will contribute to further refinements in the IPP.
201. The Panel observed that the baseline data prepared for 23 Bakola/Bagyeli settlements along the pipeline route are accurate and meet the criteria specified by Bank policy in so far as they identify specific settlement needs for programmatic development in education, health, and agriculture.¹⁵¹

¹⁴⁸ IAG, Report of Mission to Cameroon and Chad, July 19 to August 3, 2001, report dated September 28, 2001, at p. 14.

¹⁴⁹ Groupe d’Étude des Populations Forestières Équatoriales, Pygmy Survey, November 1997 - February 1998, Draft Report, 1998 (hereinafter ‘GEPFE 1998’).

¹⁵⁰ Koppert et al., 2002.

¹⁵¹ OD 4.20, Indigenous Peoples Development Plan, Contents, at § 15 (e).

202. However, the Panel questions why the IPP considers only those Bakola/Bagyeli communities within 2 km of the pipeline. By limiting the IPP to this narrow band of settlements along the road, the Panel agrees with the Requesters that the EMP (and IPP) lack a wider regional assessment of the potential risks posed by the pipeline project in the larger area utilized by the Bakola/Bagyeli. The Panel recognizes that it is usual in the Pipeline Project to designate project-affected people among agricultural populations as those individuals and communities whose fields and property have been traversed by the pipeline right-of-way. However, the impact of the pipeline may indeed be greater for the Bakola/Bagyeli, whose subsistence still include, to a large extent, hunting areas covering a larger segment of the littoral forest in addition to their agricultural settlements along the pipeline route. Narrowing the impact area that affects the Bakola/Bagyeli in the semi-sedentary agricultural communities close to the pipeline route, ignores the wider social, economic and ecological dimensions of Bakola/Bagyeli subsistence patterns. Although it does not appear that the Project directly impacts on the hunting and gathering resources in the wider forest region, the narrowness of the baseline survey's geographical range precludes a comprehensive impact assessment.
203. The Panel further notes that there was no discussion and assessment in the IPP of the risk to the Bakola/Bagyeli with respect to their hunting activities due to the development of the Campo Ma'an regional park, since it is known that several Bakola/Bagyeli communities use the area for hunting and for gathering of various resources. Current plans to protect Campo Ma'an do not address the needs of the Bakola/Bagyeli and their utilization of the park's resources. Furthermore, it is not clear what future rights the Bakola/Bagyeli might have in the park.
204. **Traditional Knowledge.** On the concerns expressed by the Requesters regarding Bakola/Bagyeli traditional knowledge and their use of resources, the Panel observed that the IPP focuses on pragmatic issues which would facilitate the improvement of health, educational, and agricultural opportunities. The Bakola/Bagyeli did not directly raise concerns about traditional knowledge during consultations; instead their responses focused on issues of education, health, agriculture as well as land rights and employment. Nevertheless, the Panel noted that Bakola/Bagyeli values, particularly those related to their hunting schedule, are upheld within the context of their lifestyle. In that context the Panel notes that during its visit to the only boarding school dedicated exclusively to Bakola/Bagyeli,¹⁵² the term schedules are constructed to accommodate traditional hunting times for Bakola/Bagyeli. During the "*grande-chasse*" the children may leave school for several months to accompany their families to hunt. This pattern of seasonal mobility, as well as access to forest resources, do not appear to be influenced by the Pipeline Project.
205. **Implementation of the IPP.** The Panel examined the following concerns related to the implementation of the IPP: (a) delays in its implementation; (b) budgetary allocation; and (c) types of activities programmed or implemented.
206. **FEDEC.** The IPP proposes the establishment of an Environmental Foundation (FEDEC) to help implement IPP-related programs; furthermore the Foundation would provide

¹⁵² Foyer Fondation Notre-Dame de la Forêt (Foyer Fondaf).

defined long-term financial support for specific IPP related projects and programs. During years 1-3 of its existence, the Foundation would contract with a Community Development Facilitator (CDF) to facilitate IPP-related activities. Thereafter, Bakola/Bagyeli communities and/or certain representative organizations are anticipated to have the capacity to deal directly with the Foundation. The IPP also shows that a yearly local participatory process will help the Foundation identify potential projects and help fund proposals that would be submitted for its consideration. The Foundation's Management Board would then select and fund individual projects whose numbers would depend on the funds available for IPP-related activities. The IPP has currently taken into consideration two significant issues: (a) The identification of community organizations to promote intra- and inter- community consensus between Bakola/Bagyeli settlements and Bantu villagers in the IPP area concerning programs of benefit to all; (b) the need to identify well qualified NGOs and organizations capable of reaching all affected communities in the IPP area, and to identify and implement projects.¹⁵³

207. **Delays in Implementing the IPP.** The Requesters consider that the delay in launching the activities of FEDEC, which is responsible for implementing the IPP, has meant that the Bakola/Bagyeli have not been able to benefit from the mitigation measures envisaged. Many NGO in and outside Cameroon have repeatedly pointed out that while pipeline construction is virtually completed, the IPP is still not being implemented with full force.
208. Bank Management acknowledges the delay in establishing FEDEC, which has been effectively operating only since January 2003. Management observes that some of the delays are attributable to the slow pace of the Cameroon Government, and particularly the CPSP in supporting the establishment and operation of FEDEC, while other delays were caused by the way FEDEC's Board was selected, and how it is to function as a Board. As one Bank staff stated:

"I think that, for one thing, the way FEDEC was structured involved bringing together five experts from different places and in some ways different cultures and expecting them to sit down together and immediately start running a foundation. And I think it took them quite a while to figure out how to work together and to learn to trust each other, because they represented different interests, and it took a while perhaps also for the government and the Bank. We knew we trusted them too much we didn't take a very active role in telling them what to do. We wanted very much for them to be in charge-- and so did Exxon for that matter. Exxon also tried not to run the show."

209. The Panel noted that the responsibility for implementing the IPP falls on FEDEC, whose mission is *"to provide long-term financial support to the Bakola/Bagyeli peoples because of the disturbances and inconvenience occasioned by the passage of the Chad Cameroon pipeline in the forest, which is the favored habitat of these peoples."*¹⁵⁴ Although proposed in the 1999 EMP, FEDEC was not established until March 2001. It is a private foundation whose main responsibility is to oversee to the management of a fund (originally set at \$3.7 million) to support the protection and conservation of two national

¹⁵³ IPP, Section 3.1.2, at p. 3-1.

¹⁵⁴ FEDEC 2003 Plan of Action, part 4.4.2, dated November 2002.

parks (Mbam-Djerem and Campo-Ma'an), as well as the implementation of the Indigenous Peoples Plan in protecting the interests of vulnerable Bakola/Bagyeli populations at the southern end of the pipeline.

210. In terms of the FEDEC Board, the Panel notes that there is no Bakola/Bagyeli representation and notes Bank Management response that it was not possible to involve Bakola/Bagyeli directly in the functioning of FEDEC. Management argued that the Bakola/Bagyeli did not have a centralized political structure or an established way of articulating their concerns, nor was there an organization to represent their interests. The Panel finds that, since the CDF is engaging with members of the Bakola/Bagyeli community, the absence of Bakola/Bagyeli representation on FEDEC's Board was not detrimental to developing and implementing the programs of the IPP.
211. The Panel found that the reasoning behind Bank Management's decision to support the creation of FEDEC to implement the IPP was justified, given the fact that the GOC did not have an adequate institutional framework in place at the time to deal with the needs of the Indigenous Peoples. The Panel, however, found that the delays in implementing the programs of the IPP were related to both their lack of specificity and to delays in constituting FEDEC's Board. The Panel observes that the Bank could have taken a more direct role in constituting the Board instead of leaving the responsibility to COTCO only. Similarly, the Bank could ensure that FEDEC implements the IPP effectively and that its Board members are adequately compensated and have the necessary logistical support to function effectively.
212. **Budgetary Allocation.** The Panel also noted that another reason for the delay in FEDEC's implementation of the IPP is its budgetary problems. In this respect, during its investigation, Bank staff voiced two lines of thinking were prevalent in during the decision-making process. One felt that the Bank, through the CAPECE Project should make a financial contribution to FEDEC, while another felt that it was not for the Bank to pay for the social and environmental mitigation required for the Project. In the end, the first view prevailed.
213. FEDEC's budget is based on an annual yield of interest on a US\$3.7 million investment in an endowment that is to last the life of the pipeline, which is approximately 25 years. But the Project Appraisal Document (PAD) allocates only US\$600,000 of the endowment for the IPP, which is expected to yield US\$50,000 per year for implementing the programs of the IPP. Once the IPP administrative costs are factored in, including support for the Community Development Facilitator (salary, vehicle, office space), very little remains to fund a comprehensive program covering health, education and agriculture. However, Management states in its response that the annual funds would be enough to support the IPP programs which generally consist of low-cost expenditures such as for ID cards, school supplies, and medical supplies described in the updated 2003 FEDEC Plan of Action.
214. FEDEC's budget seems inadequate to carry out the programmatic elements of the IPP. The Bank should have considered FEDEC's operating budget in more detail, noting in particular that \$50,000 allocated to the IPP would not be sufficient to manage the IPP

programs, particularly as these programs were still in the process of conceptualization and design. Nevertheless, the Panel recognized that while these delays were unfortunate, they may have been unavoidable given the capacity predicament of the GOC and the undefined and in-process nature of the specific IPP plans. The Panel also recognized that as a result of Bank intervention and oversight, FEDEC is now up and running and that it is moving ahead with the ID cards program as well as school supplies, and medicines.

215. **IPP Activities Programmed or Implemented.** The Panel notes Management's commitment to help the Bakola/Bagyeli to secure a better stature in the Cameroonian social structure when it states *'this is a process for empowering the people to make decisions for themselves, and that's going to mean some negotiation. While delay in the IPP was a problem, this is a long-term commitment. The ID cards are a big jump forward, as they give Bagyeli personhood. FEDEC's plans for Agriculture, health, and education are going in the right direction. Pygmy participation in FEDEC is not precluded; it is a 30-year process. Moreover, land security is do-able, we have to work with civil authorities, and it has to work between préfet and local chef de terres, between Bantu and Bakola.'*

216. The Panel finally notes the following improvements:

- COTCO commissioned a new Baseline Survey in 2001 of the Bakola/Bagyeli to assess post-construction effects of the Pipeline since the 1997/98 centerline survey.¹⁵⁵ While the study again focuses on those Bakola/Bagyeli settlements along the Pipeline route, it elicits Bakola/Bagyeli priorities for development without the presence of Bantu or local government personnel, a concern raised by requesters.
- In the Fall of 2002, FEDEC began three programs aimed at the Bakola/Bagyeli, several of which built on initiatives of local NGOs. The first was facilitating the issuance of 200 national identification cards to Bakola/Bagyeli - a program that has met with enthusiastic support in Bakola/Bagyeli communities. It contributed textbooks to two schools including a boarding school which COTCO helped rebuild in 1999 using the special donation fund of US\$30,000 (about FCFA23,000,000). And finally, it contributed medicines to the anti-tuberculosis campaign run by the Catholic Hospital at Ngovayang.
- In its Plan of Action for 2003, FEDEC is oriented towards actions in three areas, namely food security, human rights, and environmental protection. The Action Plan indicates that FEDEC would *'make gradual progress in each area by starting with the satisfaction of the primary needs of the Pygmies (...) and moving on to more complex actions (institutional aspects, markets, communication, etc.) of the modern world.'*¹⁵⁶ These programs would include activities such as: treatment of common diseases, vaccination, seminars on habitat, seminar on agriculture and environmental protection, distribution of seeds, distribution of small agricultural tools, seminar on water management, purchase and distribution of school needs, purchase and

¹⁵⁵ Koppert et al., 2002.

¹⁵⁶ FEDEC 2003 Plan of Action, part 4.4.2, dated November 2002.

distribution of clothing for children attending school, seminar on education and vocational training, issuing of national identity cards, drawing up of birth certificates for children and new-born babies, and reviving Bakola/Bagyeli culture and training sports teams.

216. The Panel finds that these programs are appropriate to, and desired by, the project affected indigenous people. The Panel also finds that the IPP does not violate the traditional culture and the resource use of the Bakola/Bagyeli, but does positively contribute to their social development and empowerment through programs such as agricultural training and the issuing of identity cards.
217. The Panel observes that COTCO's Regional Compensation plan of supplying housing materials and training, while not part of the IPP, makes a valuable contribution to Bakola/Bagyeli livelihood and their struggle for land security. COTCO will build a demonstration house, in a traditional style but with improved roofs, doors, and windows, in every affected Bakola/Bagyeli community. In addition, COTCO will supply building materials and training for Bakola/Bagyeli in those communities to build their own houses. Combined with national identification cards, the ownership of a house will strengthen the Bakola/Bagyeli's standing in gaining land security in this period of transition and change.
218. **Concluding remarks.** The Panel investigated the Requester's claims that the Indigenous Peoples Plan was not in compliance with OD 4.20, as project-affected People did not fully participate in the preparation of the IPP; that consultation was not fair or adequate; that the baseline surveys were not adequate; and that the delay in launching the activities of FEDEC has meant that the Bakola have not been able to benefit from the mitigation measures envisaged under the project.
219. The Panel through its investigation finds that the consultations leading up to the IPP were inclusive of a wide range of people, and contributed directly to developing effective IPP programs in health, education, and agriculture. The Panel takes note of the consultation activities, which included reading rooms, 400 public meetings between 1997 and 1999 (of which 111 were in the villages of affected people), and an NGO organized seminar for stakeholders.¹⁵⁷ The Panel finds the IPP in compliance with OD 4.20 in regards to consultation and participation of affected indigenous peoples.
220. However, the Panel is concerned that the baseline data, while providing important information for the programs of the IPP, ignores Bakola/Bagyeli occupation and use of forest resources outside the Pipeline right-of-way. The Panel finds that the EMP and IPP lack a wider regional assessment, particularly in terms of the Bakola/Bagyeli's use of the wider littoral forest for hunting and gathering activities. Consequently, the Panel finds that Management is not in compliance with OD 4.20 regarding Baseline Surveys.
221. In terms of FEDEC, the Panel finds that while the delays in implementing the Environmental Foundation were very unfortunate, they may have been unavoidable given

¹⁵⁷ For additional considerations on the Project's Consultation and Disclosure of Information, refer to paragraphs 124-130 of Chapter Two, Environmental Impact Assessment and Mitigation Measures.

the capacity predicament of the GOC and the undefined and in-process nature of the specific IPP plans. The Panel observes that the Bank could have taken a more direct role in constituting the Board and ensuring it can operate effectively instead of leaving the responsibility to COTCO only. Nevertheless, the Panel also recognizes that as a result of Bank intervention and oversight, FEDEC is now up and running and that it is moving ahead with its programs, including the anti-tuberculosis campaign, the issuing of national identification cards, and contributing to school supplies and medicines. The Panel finds Management in compliance with OD 4.20 in regards to paragraph 15 (c) *“the institutions responsible for government interaction with indigenous peoples should possess the social, technical, and legal skills needed for carrying out the proposed development activities.”*

222. The Panel notes Management’s acknowledgement of the shortcomings in the original IPP, but also recognizes the fact that these shortcomings did not produce harm to the Bakola/Bagyeli community. The Project has created a positive environment for the Bakola/Bagyeli through its procedures on consultation, compensation, and development programs, where the Bakola/Bagyeli community now is in a stronger position to assert their rights as full citizens of Cameroon.
223. In summary, the Panel understands Management’s strategy that the IPP is a ‘work-in-progress.’ Although under normal circumstances such ‘work’ would not be in compliance with the provisions of OD 4.20, the Panel, however, sees the practicality of Management’s strategy because of the conditions and practices of the Bakola/Bagyeli/Bantu community within the wider Cameroonian society. Furthermore, the Panel observes that Bank Management and COTCO have corrected the shortcomings in the intervening years since the EMP was written. The Panel agrees that the IPP is a long-term endeavor expected to be carried out over the 25 years of the Pipeline operation. Of necessity it must be fine-tuned in the process of implementation. Finally, the Panel finds that the original IPP, in this special circumstance, is in compliance with paragraphs 13-18 of OD 4.20 on Indigenous Peoples, except for the geographical scope of the baseline data. The Panel finds that current efforts to prepare and implement a detailed IPP are in place to meet the requirements of OD 4.20 on Indigenous peoples.

CHAPTER FIVE

PROJECT SUPERVISION

224. **The Scope.** This Chapter examines how the Bank supervises the Pipeline and the CAPECE Projects. It describes in general terms the Requesters' concerns, Management Response and the available supervision framework for the projects, concluding with the Panel's observations on the Bank's performance so far. For organizational purposes, examination of specific issues related to the environmental and social aspects of the Pipeline Project, and, in particular, local monitoring capacity is dealt with elsewhere in this Report.¹⁵⁸
225. The issues examined by the Panel and its corresponding observations are summarized as follows (a fuller discussion can be found in the corresponding paragraphs indicated in the right column):

Issue Examined	Panel Observations	Paragraph Number
Project Supervision: Structure and Follow-Up	Management has made efforts to comply with the Bank's applicable policy requirements. However, the local supervision capacity has not been effective and needs strengthening. The persistence of this shortcoming will frustrate the purpose of the Bank's policy on Project Supervision.	226-233

226. **Concerns Raised by the Requesters.** The Request for Inspection and discussions with the Requesters reveal two central preoccupations related to Project supervision: (a) lack of adequate follow-up by the Bank of problems found during project implementation; and (b) lack of adequate supervision capacity by the GOC.
227. **The Management Response.** In its Response to the Panel, Bank Management maintains that the Projects have benefited from intense supervision, and highlights the existing several layers of project supervision. According to Management, these layers are as follows:¹⁵⁹
- (i) the World Bank Group monitors implementation of the Pipeline Project including the EMP and of the CAPECE Project. A Corporate Oversight Committee (COC) was

¹⁵⁸ Please refer to Chapter Two and Chapter Four, respectively, for specific discussion of environmental and social issues.

¹⁵⁹ Chad/Cameroon Petroleum Development and Pipeline Project, Fifth Semi-Annual Report to the Executive Directors (July-December 2002), January 31, 2003, Annex 3 p. 26.

created and is chaired by a Managing Director.¹⁶⁰ Day-to-day supervision includes allocation of senior staff both at headquarters and in Chad and Cameroon. The Bank's Board is kept informed of the Projects' developments through a specific semi-annual report, now in its 5th edition.

- (ii) the Consortium monitors its own compliance criteria and that of its sub-contractors with respect to the Environmental Management Plan (EMP). It issues quarterly reports on the Project.¹⁶¹
- (iii) the External Compliance and Monitoring Group (ECMG) monitors the implementation of the EMP. A private firm carries out the ECMG function and complements the Bank's own monitoring of the implementation of the EMPs and the capacity-building projects in Chad and Cameroon.¹⁶²
- (iv) the Governments [of Chad and Cameroon] monitor the implementation of the EMP.
- (v) the International Advisory Group (IAG) advises the WBG and the two Governments on the achievements of the broad developmental objectives. A five-member panel (IAG) appointed in February 2001 by the WBG President has visited Chad and Cameroon four times. The group provided comments and recommendations on progress in capacity building, information and communication issues, environmental and social issues, economic spin-offs and private sector involvement, regional development in Chad, and impacts on poverty and use of oil revenues.¹⁶³
- (vi) NGOs and civil society inputs.

228. **Policy Requirements.** While "*recognizing that project implementation is the borrower's responsibility*,"¹⁶⁴ the applicable Bank policy on supervision (OP 13.05) requires the Bank to supervise the projects it finances. The Policy further requires the Bank to ensure that the relevant legal agreement is being complied with, and to identify risks problems, and propose changes.

229. **Panel Observations.** The Panel examined the relevant documentation and discussed the supervision arrangements for the Project with Bank staff located at headquarters and in Cameroon and Chad, as well as with the Requesters, the Consortium, Government officials, IAG and ECMG. These arrangements are similar to the ones already observed by the Panel as part of the Chad investigation.

230. The Panel found that adequate resources and attention continue to be given by the Bank to the supervision of the Pipeline Project. Furthermore, the ECMG has proved to be a valuable monitoring tool for Bank Management, COTCO and the host countries. To ensure consistent policy compliance, arrangements should be made to retain ECMG beyond the Bank's final disbursements of the two projects.

¹⁶⁰ Which is the highest Managerial position under the President of the World Bank Group.

¹⁶¹ Latest report from the Consortium can be found at <http://www.worldbank.org/afr/ccproj/>

¹⁶² D'Appolonia S.p.A. Its latest report can be found at <http://www.worldbank.org/afr/ccproj/>

¹⁶³ Its latest report can be found at <http://www.worldbank.org/afr/ccproj/>

¹⁶⁴ OP 13.05, at § 1.

231. The Panel also found that Bank Management has been aware of the issues that have risen in connection with implementation of the projects. When both the IAG and the ECMG raised concerns about the possibility of retaining the Lom River Bridge that would contradict the EMP, Bank Management communicated its concerns to the GOC. Similarly, all major concerns raised by the Requesters seem to have been communicated by Bank staff to the Cameroonian authorities and COTCO staff during its supervision missions. Finally, the Requesters acknowledged to the Panel that their interaction with Bank staff has been frequent.
232. Regardless of how well-structured external supervision may be, it cannot serve as a substitute for in-country monitoring. A large and strategically sensitive Project such as the Pipeline Project requires constant supervision. Presently there is no local supervision team in place to handle the volume and quality of supervision required by the Project. The persistence of this shortcoming will certainly frustrate an important goal of the Bank's policy on Project Supervision: "[A]s a development agency, the Bank also has an interest in assisting member countries to achieve their development objectives on a sustainable basis."¹⁶⁵
233. In conclusion, the Panel recognizes Management's effort to comply with the Bank's applicable policy requirements. In this spirit, and in order to ensure the sustainability of the benefits of the Pipeline Project and effectively monitor its risks, the Bank should consider within its larger dialogue framework with the country, an effective incentive to help integrate important sectors, such as environment and public health, in a local monitoring team for the Pipeline Project.

¹⁶⁵ Id.

ANNEX 1

BACKGROUND ON THE CHAD INVESTIGATION REPORT

CHAD-CAMEROON PETROLEUM AND PIPELINE PROJECT (LOAN NO. 4558-CD); PETROLEUM SECTOR MANAGEMENT CAPACITY BUILDING PROJECT (CREDIT NO. 3373-CD); AND MANAGEMENT OF THE PETROLEUM ECONOMY (CREDIT NO. 3316-CD)

THE REQUEST

1. The Inspection Panel received a Request for Inspection submitted Mr. Ngarlejy Yorongar, a Member of Parliament in Chad's National Assembly on March 22, 2001. Mr. Yorongar, submitted the Request on behalf of himself and on behalf of more than 100 residents living in the cantons of Miandoum, Komé, Béro, Mbikou, Bébédjia and Béboni. The cantons are located in Bébédjia, a sub-prefecture of southern Chad which is in the vicinity of three oil fields of the Petroleum Development and Pipeline Project. The Request focused mainly on the Chad portion of the Project and its complementary Bank-financed projects, the Management of the Petroleum Economy and the Petroleum Sector Management Projects.
2. The Requesters claimed that their rights and interests had been directly harmed as a result of the Bank's actions in the design, appraisal, and supervision of the Pipeline Project. They alleged that the Bank had failed to comply with its policies and procedures on Environmental Assessment, Natural Habitats, Pest Management, Indigenous Peoples, Involuntary Resettlement, Forestry, Economic Evaluation of Investment Operations, Cultural Property, Disclosure of Operational Information, and Project Supervision, and as a result they had been directly and adversely impacted. The Requesters claimed that the development of petroleum activities, including development of the oil fields in southern Chad and the construction of an oil pipeline between Chad and Cameroon, represented a threat to local communities, their cultural property, and to the environment. In particular, the Requesters claimed that people living in the Doba Basin were being harmed or were likely to be harmed because of the absence, or inadequacy of, compensation measures and environmental assessment. They claimed that the Bank's monitoring and supervision policies and procedures had been violated. The Requesters also alleged that proper consultation and disclosure of information to local communities had not taken place, and they noted that they held the Bank accountable for what it had done as well as for what it had omitted to do. They also alleged violations of their human rights.
3. Management submitted its Response to the Panel on July 20, 2001. Management stated that the Bank had complied with its operational policies and procedures with regard to the environmental, social, cultural, and procedural matters raised in the Request. The Bank, Management stated, that they had taken the necessary measures to ensure that people in the Project area were not directly and adversely affected as a result of the Project design and

preparation. Management noted that the project preparation process had taken several years and that an extensive review of the environmental and social aspects of the project was conducted with the participation of Bank-wide specialists which had led to significant changes in project design. The Project had been designed to minimize environmental impacts. Management also noted that the public debate around the project - its rationale, its impacts, and its significance for the development of Chad - had involved a broad spectrum of civil society actors, both in Chad and abroad. A debate which according to Management provided insights and inputs that further improved the project design and identified issues during implementation. With regard to the Requesters' claims that their human rights had been violated as a result of the Bank's failure to apply its policies, Management stated that it did not believe this to be the case. Nonetheless, Management did acknowledge that the Bank was "*concerned by human rights in Chad as elsewhere,*" even though "*its mandate [did] not extend to political human rights.*"

THE PANEL ELIGIBILITY REPORT/BOARD DECISION

4. The processing of the Request coincided with the electoral and post-election process in Chad, and as a result the Panel had to delay its Eligibility Report to the Board by 90 days. The Panel found the Request eligible and submitted its report recommending an investigation to the Board on September 12, 2001. The Board approved the Panel's recommendation on October 1, 2001.

THE PANEL'S FINDINGS

5. The Panel investigated the issues raised in the Request, and submitted its Investigation Report to the Board on July 17, 2002. The Panel found Management in compliance with Bank policies and procedures on Natural Habitats, Forestry, Pest Management, Disclosure of Information, and Management of Cultural Property. On Indigenous Peoples, the Panel found that the policy was not applicable because people living in the Project area in Chad were not 'indigenous peoples' as defined by the Bank policy. Regarding the environmental concerns raised by in the Request, the Panel found that the Bank was in compliance with some aspects of its policy on Environmental Assessment, but not in compliance with other aspects, because the Bank had neither considered the spatio-temporal aspects of the project nor did it complete a cumulative impact assessment and regional environmental assessment to assess the impact of the Project on the region as a whole. On Economic Evaluation the Panel found Management in compliance with pipeline project risk and externalities, but out of compliance with project alternatives and sustainability and risks for the Petroleum Economy and Capacity-Building Project. On Poverty Reduction the Panel found Management in compliance with the overall framework related to the allocation oil revenues, but not in compliance with the accelerated action needed for capacity building, and possible variations in oil revenue inflows. The Panel also expressed concerns on, among other things, the Petroleum Revenue Management Program and implementation delays because the lack of institutional capacity. With respect to Monitoring and Supervision the Panel expressed satisfaction with the strong external project monitoring capacity. Finally, the Panel also expressed concerns on governance and human rights issues and the adequacy of allocations of revenues to Chad.

6. The Board meet to consider the Panel's Investigation Report and Management's actions and next steps in response to the Panel's findings on September 12, 2002. These steps focused on four areas: environmental and social compliance with the Bank's policies and procedures; economic issues; poverty reduction issues; and monitoring and supervision. In presenting the Investigation Report to the Board, the Panel's Chairman, Prof Edward S. Ayensu, noted the exceptionally complex nature of the Project, which he said was fundamental to the development of Chad. The Chairman commended the efforts made by Management to improve the Project's performance on the ground, and acknowledged that the Bank's participation in the Project is critical for its success especially in reducing poverty. The Panel's Chairman also took the opportunity to highlight the Panel's concern over the continuing attention required by the Project on issues such as the overall relation of the human rights situation in Chad and Bank compliance with its own policies, consultation with local stakeholders, institutional capacity and monitoring and supervision. The Board approved Management's proposed actions, which is currently under implementation.¹⁶⁶

¹⁶⁶ For an update on the implementation of the action plan, please refer to page 12 of the fifth Semi-Annual Report to the Executive Directors, dated January 31, 2003. For more information on this investigation please refer to the Panel's website at www.inspectionpanel.org.

ANNEX 2

THE INSPECTION PANEL'S FIELD VISITS TO CAMEROON

PHASE	PARTICIPANTS	AREAS VISITED
Eligibility Mission November 2 – November 9, 2002	Edward S. Ayensu, Alberto Ninio, Roopa Sukthankar	Bidjouka, Kribi, Makouré 1, Mpango, Nkongzok 1, Saballi and Yaoundé .
Investigation Mission February 1 – February 11, 2003	Edward S. Ayensu, Maartje van Putten, Elliot Fratkin, Miles Scott-Brown, John Pendergrass, Alberto Ninio, Serge Selwan, Roopa Sukthankar	Bandevouri, Batchenga, Bélabo, Bemboyo, Bidjouka, Bipindi, Bissiang, Campo, Dompta, Douala, Ebaka, Ebomé, Goyoum, Kouambo, Kour Mintoum, Kribi, Lolabé, Lom 1, 2, Loundabele, Makouré 1, Mpango, Mvini, Ngovayang 1, 2, 3, Nko'elon, Nkoltara, Nkongmeyos 3, Nkongzok 1, Obala, Saballi and Yaoundé.

ANNEX 3

CHRONOLOGY

Chad-Cameroon Petroleum Development and Pipeline Project	
March 1992	ExxonMobil and Bank of America first visit the Bank to discuss the project
July 1993	Issues Paper sent to Regional Management
November 1994	Issues Paper sent to Central Loan Committee which met on December 13, 1994
April 1995	Project Information Document (PID) sent to Documentation Center
November 1995	First Bank mission in the field
October 1997	Environmental Assessment distributed for public review
May 1999	Environmental documentation finalized (19 volumes)
June 1999	Departure of Bank appraisal mission
June 2000	Board approval
August 2001	Loan effectiveness
Second semester 2003	Expected first oil

The Petroleum Environment Capacity Enhancement Project (CAPECE)	
March 1999	Bank identification mission
October 1999	Completion of Project Identification Document
July 1999	Bank appraisal mission
December 1999	Project Board date

June 2000	Board approval
September 2000	Credit effectiveness
December 2005	Closing date

Inspection Panel Activities	
September 25, 2002	Inspection Panel receives the Request for Inspection
September 30, 2002	Panel registers the Request
October 29, 2002	Panel receives Management's Response
November 2 – November 9, 2002	Panel mission to Cameroon – Eligibility
November 26, 2002	Panel Report and Recommendation is submitted to the Board of Executive Directors
December 16, 2002	Board approves Panel's recommendation
January 13-17, 2003	Panel meetings with Bank staff
February 1 – February 11, 2003	Panel mission to Cameroon – Investigation
February 24 – February 28, 2003	Panel receives additional documentation from Requesters
February 24, 2003	Panel sends set of additional questions to COTCO
March 4, 2003	Panel sends second set of additional questions to COTCO
March 5, 2003	Panel receives additional documentation from Bank
March 14, 2003	COTCO responds to first set of questions sent by the Panel
March 27, 2003	COTCO responds to second set of questions sent by the Panel
May 2, 2003	Panel issues its Investigation Report to the Board

ANALYTICAL REPORT

DATE: 25-FEB-03

ATTN: MILES SCOTT-BROWN

Lab Work Order #: L100059

Sampled By: MSB

Date Received: 19-FEB-03

P.O. #:

Job #: WORLD BANK INSPECTION PANEL

Comments:

APPROVED BY: 

KELLY JONES

Project Manager

THIS REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITHOUT THE WRITTEN AUTHORITY OF THE LABORATORY.
ANY REMAINING SAMPLES WILL BE DISPOSED OF AFTER 30 DAYS FOLLOWING ANALYSIS. PLEASE CONTACT THE LAB IF YOU
REQUIRE ADDITIONAL SAMPLE STORAGE TIME.

LABORATORY ACCREDITATIONS:

- STANDARDS COUNCIL OF CANADA IN COOPERATION WITH THE CANADIAN ASSOCIATION FOR ENVIRONMENTAL ANALYTICAL LABORATORIES (CAEAL) FOR SPECIFIC TESTS AS REGISTERED BY THE COUNCIL (EDMONTON, CALGARY, GRANDE PRAIRIE, SASKATOON, WINNIPEG, THUNDER BAY, WATERLOO)
- AMERICAN INDUSTRIAL HYGIENE ASSOCIATION (AIHA) IN THE INDUSTRIAL HYGIENE PROGRAM (EDMONTON, WINNIPEG)
- STANDARDS COUNCIL OF CANADA IN COOPERATION WITH THE CANADIAN FOOD INSPECTION AGENCY (CFIA) FOR FERTILIZER AND FEED TESTING (SASKATOON) AND FOR MICROBIOLOGICAL TESTING IN FOOD (WINNIPEG)

LABORATORY RECOGNITIONS:

- STANDARDS COUNCIL OF CANADA - GLP COMPLIANT FACILITY (EDMONTON, OTTAWA)

Bay 7, 1313 - 44 Avenue N.E., Calgary, Alberta T2E 6L5, Tel. (403) 291-9897, Fax (403) 291-0298

Canada Wide Tel. 1-800-668-9878 www.envirotest.com

(Edmonton, Calgary, Grande Prairie, Saskatoon, Winnipeg, Thunder Bay, Ottawa, Waterloo, Montreal)

ENVIRO-TEST ANALYTICAL REPORT

Sample ID	Parameter	Result	Unit	Method	Reference	Qualifier	Remarks
L100069-1	KOURMINTOUM-2						
	Sample Date: 09-FEB-03 10:00						
	Matrix: WATER						
	Total Suspended Solids	6	3	mg/L	25-FEB-03	HTT	R113453
	Routine Water Analysis						
	Chloride (Cl)	2.5	0.1	mg/L	22-FEB-03	DDN	R113313
	Nitrate+Nitrite-N	0.08	0.05	mg/L	22-FEB-03	DDN	R113313
	Nitrate-N	0.08	0.05	mg/L	22-FEB-03	DDN	R113313
	Nitrite-N	<0.05	0.05	mg/L	22-FEB-03	DDN	R113313
	Sulphate (SO4)	1.1	0.5	mg/L	22-FEB-03	DDN	R113313
	pH, Conductivity and Total Alkalinity						
	pH	5.2	0.1	pH	19-FEB-03	HTT	R112815
	Conductivity (EC)	25	3	uS/cm	19-FEB-03	HTT	R112815
	Bicarbonate (HCO3)	6	5	mg/L	19-FEB-03	HTT	R112815
	Carbonate (CO3)	<5	5	mg/L	19-FEB-03	HTT	R112815
	Hydroxide (OH)	<5	5	mg/L	19-FEB-03	HTT	R112815
	Alkalinity, Total (as CaCO3)	5	5	mg/L	19-FEB-03	HTT	R112815
	Ion Balance Calculation						
	Ion Balance	Low EC		%	24-FEB-03		
	TDS (Calculated)	13		mg/L	24-FEB-03		
	Hardness (as CaCO3)	8		mg/L	24-FEB-03		
	ICP metals for routine water						
	Calcium (Ca)	2.1	0.5	mg/L	20-FEB-03	WJR	R112951
	Potassium (K)	1.1	0.1	mg/L	20-FEB-03	WJR	R112951
	Magnesium (Mg)	0.7	0.1	mg/L	20-FEB-03	WJR	R112951
	Sodium (Na)	2	1	mg/L	20-FEB-03	WJR	R112951
	Refer to Referenced Information for Qualifiers (if any) and Methodology.						

Reference Information

Methods Listed (if applicable):

ETL Test Code	Matrix	Test Description	Preparation Method Reference(Based On)	Analytical Method Reference(Based On)
CL-CL	Water	Chloride (Cl)		APHA 4110 B-Ion Chromatography
ETL-ROUTINE-ICP-CL	Water	ICP metals for routine water		APHA 3120 B-ICP-OES
N2N3-CL	Water	Nitrate+Nitrite-N		APHA 4110 B-Ion Chromatography
NO2-CL	Water	Nitrite-N		APHA 4110 B-Ion Chromatography
NO3-IC-CL	Water	Nitrate-N		APHA 4110 B-Ion Chromatography
PH/EC/ALK-CL	Water	pH, Conductivity and Total Alkalinity		APHA 4500H,2510,2320
SO4-CL	Water	Sulfate (SO4)		APHA 4110 B-Ion Chromatography
SOLIDS-TOTSUS-CL	Water	Total Suspended Solids		APHA 2540 D-Gravimetric

** Laboratory Methods employed follow in-house procedures, which are generally based on nationally or internationally accepted methodologies.

Chain of Custody numbers:

The last two letters of the above test code(s) indicate the laboratory that performed analytical analysis for that test. Refer to the list below:

Laboratory Definition Code	Laboratory Location	Laboratory Definition Code	Laboratory Location
CL	Enviro-Test Laboratories - Calgary, Alberta, Canada		

GLOSSARY OF REPORT TERMS

Surr - A surrogate is an organic compound that is similar to the target analyte(s) in chemical composition and behavior but not normally detected in environmental samples. Prior to sample processing, samples are fortified with one or more surrogate compounds.

The reported surrogate recovery value provides a measure of method efficiency. The Laboratory warning units are determined under column heading D.L.

mg/kg (units) - unit of concentration based on mass, parts per million

mg/L (units) - unit of concentration based on volume, parts per million

< - Less than

D.L. - Detection Limit

N/A - Result not available. Refer to qualifier code and definition for explanation

Test results reported relate only to the samples as received by the laboratory.

UNLESS OTHERWISE STATED, ALL SAMPLES WERE RECEIVED IN ACCEPTABLE CONDITION.

UNLESS OTHERWISE STATED, SAMPLES ARE NOT CORRECTED FOR CLIENT FIELD BLANKS.

Although test results are generated under strict QA/QC protocols, any unsigned test reports, faxes, or emails are considered preliminary.

Enviro-Test Laboratories has an extensive QA/QC program where all analytical data reported is analyzed using approved referenced procedures followed by checks and reviews by senior managers and quality assurance personnel. However, since the results are obtained from chemical measurements and thus cannot be guaranteed, Enviro-Test Laboratories assumes no liability for the use or interpretation of the results.

ENVIRO-TEST QC REPORT

Workorder: L100059

Client: WORLD BANK INSPECTION PANEL

Contact: MILES SCOTT-BROWN

Test	Matrix	Reference	Result	Qualifier	Units	RPD	Limit	Analyzed
<u>CL-CL</u>		<u>Water</u>						
Batch	R113313							
WG105158-2	DUP	L100444-2						
Chloride (Cl)		8.3	8.3		mg/L	0.95	10	22-FEB-03
WG105158-1	LCS		98		%		92-112	22-FEB-03
Chloride (Cl)								
WG105158-3	MS	L100444-2	92		%		91-107	22-FEB-03
Chloride (Cl)								
<u>ETL-ROUTINE-ICP-CL</u>		<u>Water</u>						
Batch	R112951							
WG104750-2	DUP	L100000-1						
Calcium (Ca)		107	106		mg/L	1.2	10	20-FEB-03
Magnesium (Mg)		20.3	20.2		mg/L	0.39	10	20-FEB-03
Potassium (K)		2.0	1.9		mg/L	1.5	10	20-FEB-03
Sodium (Na)		10	10		mg/L	1.5	10	20-FEB-03
WG104750-4	DUP	L100000-12						
Calcium (Ca)		113	112		mg/L	0.90	10	20-FEB-03
Magnesium (Mg)		21.3	21.1		mg/L	0.64	10	20-FEB-03
Potassium (K)		3.0	2.9		mg/L	3.2	10	20-FEB-03
Sodium (Na)		53	52		mg/L	1.3	10	20-FEB-03
WG104750-5	DUP	L100000-22						
Calcium (Ca)		89.8	89.0		mg/L	0.86	10	20-FEB-03
Magnesium (Mg)		18.9	18.9		mg/L	0.27	10	20-FEB-03
Potassium (K)		1.6	1.6		mg/L	2.3	10	20-FEB-03
Sodium (Na)		4	4	J	mg/L	0	3.1	20-FEB-03
WG104750-6	DUP	L100059-1						
Calcium (Ca)		2.1	2.1	J	mg/L	0.0	1.5	20-FEB-03
Magnesium (Mg)		0.7	0.7		mg/L	0.21	10	20-FEB-03
Potassium (K)		1.1	1.1		mg/L	1.5	10	20-FEB-03
Sodium (Na)		2	2	J	mg/L	0	3.1	20-FEB-03
WG104750-1	LCS		103		%		90-110	20-FEB-03
Calcium (Ca)								
Magnesium (Mg)			99		%		90-110	20-FEB-03
Potassium (K)			99		%		90-110	20-FEB-03
Sodium (Na)			99		%		90-110	20-FEB-03
WG104750-3	MS	L100000-1	100		%		90-114	20-FEB-03
Calcium (Ca)								

ENVIRO-TEST QC REPORT

Workorder: L100059

Test	Matrix	Reference	Result	Qualifier	Units	RPD	Limit	Analyzed
ETL-ROUTINE-ICP-CL <u>Water</u>								
Batch	R112961							
WG104750-3	MS	L100000-1						
Magnesium (Mg)			100		%		93-107	20-FEB-03
Potassium (K)			102		%		90-104	20-FEB-03
Sodium (Na)			100		%		87-113	20-FEB-03
N2N3-CL <u>Water</u>								
Batch	R113313							
WG106158-2	DUP	L100444-2						
Nitrate+Nitrite-N		<0.05	<0.05	RPD-NA	mg/L	N/A	13	22-FEB-03
WG106158-1	LCS							
Nitrate+Nitrite-N			98		%		90-106	22-FEB-03
WG106158-3	MS	L100444-2						
Nitrate+Nitrite-N			100		%		93-109	22-FEB-03
NO2-CL <u>Water</u>								
Batch	R113313							
WG106158-2	DUP	L100444-2						
Nitrite-N		<0.05	<0.05	RPD-NA	mg/L	N/A	13	22-FEB-03
WG106158-1	LCS							
Nitrite-N			92		%		91-107	22-FEB-03
WG106158-3	MS	L100444-2						
Nitrite-N			100		%		94-110	22-FEB-03
NO3-IC-CL <u>Water</u>								
Batch	R113313							
WG106158-2	DUP	L100444-2						
Nitrate-N		<0.05	<0.05	RPD-NA	mg/L	N/A	13	22-FEB-03
WG106158-1	LCS							
Nitrate-N			98		%		90-106	22-FEB-03
WG106158-3	MS	L100444-2						
Nitrate-N			95		%		94-106	22-FEB-03
PH/EC/ALK-CL <u>Water</u>								
Batch	R112815							
WG104614-2	DUP	L99798-2						
Alkalinity, Total (as CaCO3)		555	561		mg/L	1.1	5	19-FEB-03
Bicarbonate (HCO3)		677	685		mg/L	1.1	25	19-FEB-03
Carbonate (CO3)		<5	<5	RPD-NA	mg/L	N/A	25	19-FEB-03
Conductivity (EC)		4360	4250		uS/cm	2.6	7.5	19-FEB-03
Hydroxide (OH)		<5	<5	RPD-NA	mg/L	N/A	25	19-FEB-03
pH		6.8	6.6	J	pH	0.0	0.1	19-FEB-03
WG104614-1	LCS							
Alkalinity, Total (as CaCO3)			97		%		95-105	19-FEB-03
Conductivity (EC)			97		%		97-101	19-FEB-03

ENVIRO-TEST QC REPORT

Workorder: L100059

Test	Matrix	Reference	Result	Qualifier	Units	RPD	Limit	Analyzed
<u>PH/EC/ALK-CL</u>		<u>Water</u>						
Batch	R112815							
WG104814-1	LCS							
pH			7.0		pH		6.9-7.1	19-FEB-03
<u>SO4-CL</u>		<u>Water</u>						
Batch	R113313							
WG106168-2	DUP	L100444-2						
Sulphate (SO4)		558	558		mg/L	0.0	10	22-FEB-03
WG106168-1	LCS							
Sulphate (SO4)			103		%		90-108	22-FEB-03
WG106168-3	MS	L100444-2						
Sulphate (SO4)			99		%		90-112	22-FEB-03
<u>SOLIDS-TOTSUS-CL</u>		<u>Water</u>						
Batch	R113453							
WG106286-2	DUP	L100293-1						
Total Suspended Solids		169	154		mg/L	9.3	10	25-FEB-03
WG106286-1	LCS							
Total Suspended Solids			104		%		87-105	25-FEB-03

Product - Batch and Sample Number Relations:

CL-CL	1	
R113313		L100059-1
ETL-ROUTINE-ICP-CL	1	
R112951		L100059-1
N2N3-CL	1	
R113313		L100059-1
NO2-CL	1	
R113313		L100059-1
NO3-IC-CL	1	
R113313		L100059-1
PH/EC/ALK-CL	1	
R112815		L100059-1
SO4-CL	1	
R113313		L100059-1
SOLIDS-TOTSUS-CL	1	
R113453		L100059-1

ENVIRO-TEST QC REPORT

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Workorder # L100059

Legend:

Limit 95% Confidence Interval (Laboratory Warning Limits)
DUP Duplicate
RPD Relative Percent Difference ((higher result-lower result)/Average, expressed as %)
N/A Not Available
LCS Laboratory Control Sample
SRM Standard Reference Materials
MS Matrix Spike
MSD Matrix Spike Duplicate
ADE Average Desorption Efficiency
MB Method Blank
IRM Internal Reference Material
CRM Certified Reference Material

Qualifier:

RPD-NA Relative Percent Difference Not Available due to result(s) being less than detection limit.
A Method blank exceeds acceptance limit. Blank correction not applied, unless the qualifier "RAMB"
(result adjusted for method blank) appears in the Analytical Report.
B Method blank result exceeds acceptance limit, however, it is less than 5% of sample concentration.
Blank correction not applied.
D Duplicate result may exceed limit due to increased variability for low level samples.
E Matrix spike recovery may fall outside the acceptance limits due to high sample background.
F Silver recovery low, likely due to elevated chloride levels in sample.
G Outlier - No assignable cause for nonconformity has been determined.
H Result falls within the 99% Confidence Interval (Laboratory Control Limits)
J Duplicate results and limit(s) are expressed in terms of absolute difference.

ANNEX 5

LOCATION OF THE MEDICAL FACILITIES¹⁶⁷

Contractor: Sogea-Satom – During construction of the storage yards and northern roads (November 2000 - March 2002):

Village/Town	Purpose of the Camp	Type of Clinic
Bemboyo	Infrastructure and storage yard construction	Clinic ¹⁶⁸
Belel	Infrastructure construction	Clinic
Meiganga	Infrastructure maintenance	Advanced first aid clinic ¹⁶⁹
Meidougou	Storage yard construction	Clinic
Ngaoundal	Storage yard construction	Clinic
Belabo	Storage yard construction	Clinic
Nanga Eboko	Storage yard construction	Clinic
Ngoumou	Storage yard construction	Clinic
Lolodorf	Storage yard construction	Clinic
Kribi	Storage yard construction	Clinic

Contractor: Willbros-Spie – During construction of the pipeline (November 2001 - May 2003):

Village/Town	Purpose of the Camp	Type of Clinic
Bemboyo	Construction	Full clinic ¹⁷⁰
Belel	Construction	Advanced first aid clinic
Meidougou	Construction	Full clinic/advanced first aid clinic ¹⁷¹
Doyo	Construction	Full clinic/advanced first aid clinic
Belabo	Construction	Full clinic/advanced first aid clinic
Nanga Eboko	Construction	Full clinic/advanced first aid clinic
Batchenga	Construction	Full clinic/advanced first aid clinic
Ngoumou	Construction	Full clinic/advanced first aid clinic
Lolodorf	Construction	Full clinic/advanced first aid clinic
Ndtoua	Construction	Full clinic/advanced first aid clinic

¹⁶⁷ Information provided by COTCO to the Inspection Panel.

¹⁶⁸ A Clinic includes doctors, nurses, emergency treatment, simple laboratory, and hospitalization beds. This clinic was later replaced by a public clinic put in place by the Project.

¹⁶⁹ Advanced First Aid Clinic includes doctors, nurses, emergency treatment, hospitalization beds, but no x-ray. For Sogea-Satom it was sited at the maintenance base, as for Willbros-Spie it was sited at backend camps.

¹⁶⁹ A Full Clinic includes doctors, nurses, x-ray, emergency treatment, simple laboratory, and hospitalization beds.

¹⁷⁰ When the site constituted the main Willbros-Spie construction camp, it had a full clinic. When the site supported a backend camp, the clinic was reduced to an advanced first aid clinic.

Contractor: Tchad Cameroon Contractors (TCC) – During construction of the pump stations and the pressure reducing station (June 2001 - Jun 2003).

Village/Town	Purpose of the Camp	Type of Clinic
Dompta	Pump station construction	Full clinic
Belabo	Pump station construction	Full clinic
Kribi	Pressure reducing station	Advanced first aid clinic
Ngaoundal	Temporarily at the beginning	First aid center ¹⁷¹

Contractor: Doba Logistics – During the installation of the storage yards and the operation of the transit yards (January 2001 – June 2003).

Village/Town	Purpose of the Camp	Type of Clinic
Ngaoundal	Transit yard	Full clinic
Douala	Transit yard	Advanced first aid clinic
Bemboyo	Storage yard installation	First aid center
Belel	Storage yard installation	First aid center
Meiganga	Storage yard installation	First aid center
Meidougou	Storage yard installation	First aid center
Ngaoundal	Storage yard installation	First aid center
Belabo	Storage yard installation	First aid center
Nanga Eboko	Storage yard installation	First aid center
Batchenga	Storage yard installation	First aid center
Ngoumou	Storage yard installation	First aid center
Lolodorf	Storage yard installation	First aid center
Kribi	Storage yard installation	First aid center

¹⁷¹ A First Aid Center provided the minimum required coverage due to the transient nature of the site.

ANNEX 6 **PROJECT'S SAFETY PERFORMANCE 2001/2002**

S P R E A D 1	2001 – 4.5 MONTH WORKED										
	Men Hours	Workers	FAC	MAC	LTI	RWC	Fatalities	Recor. C.	Ve/Mac Accid.	Near Misses	S. Met.
	1,290,693	1,416	57	4	1	8	1	14	25	97	2,822
	FREQ. RATES			0.62	0.15	1.24	0.15	2.17			
	AVERGAE/MONTH		12.67	0.89	0.22	1.78	0.22	3.11	5.56	21.56	627.11
	2002 – 2 MONTH WORKED										
	Men Hours	Workers	FAC	MAC	LTI	RWC	Fatalities	Recor. C.	Ve/Mac Accid.	Near Misses	S. Met.
	968,502	1,749	20	5	0	1	0	6	5	30	1,961
	FREQ. RATES			1.03	0.00	0.21	0.00	1.24			
	AVERGAE/MONTH		10.00	2.50	0.00	0.50	0.00	3.00	2.50	15.00	980.50

S P R E A D 2	2001 – 6 MONTH WORKED										
	Men Hours	Workers	FAC	MAC	LTI	RWC	Fatalities	Recor. C.	Ve/Mac Accid.	Near Misses	S. Met.
	801,831	965	46	4	1	0	0	5	5	42	1,750
	FREQ. RATES			1.00	0.25	0.00	0.00	1.25			
	AVERGAE/MONTH		7.67	0.67	0.17	0.00	0.00	0.83	0.83	7.00	291.67
	2002 – 2 MONTH WORKED										
	Men Hours	Workers	FAC	MAC	LTI	RWC	Fatalities	Recor. C.	Ve/Mac Accid.	Near Misses	S. Met.
	529,350	1,056	7	1	0	1	0	2	2	9	596
	FREQ. RATES			0.38	0.00	0.38	0.00	0.76			
	AVERGAE/MONTH		3.50	0.50	0.00	0.50	0.00	1.00	1.00	4.50	298.00

T O T A L	2001										
	Men Hours	Workers	FAC	MAC	LTI	RWC	Fatalities	Recor. C.	Ve/Mac Accid.	Near Misses	S. Met.
	2,092,524	2,381	103	8	2	8	1	19	30	139	4,572
	2002										
	Men Hours	Workers	FAC	MAC	LTI	RWC	Fatalities	Recor. C.	Ve/Mac Accid.	Near Misses	S. Met.
	1,497,852	2,805	27	6	0	2	0	8	7	39	2,557

Source: COTCO

ANNEX 7

GRIEVANCES ON COMPENSATION RECEIVED BY THE PROJECT AS OF FEBRUARY 28, 2003

	Totals			Pipeline Steering Committee / COTCO			WSJV			COTCO		
Département	Total	Treated	Pending	Total	Treated	Pending	Total	Treated	Pending	Total	Treated	Pending
Océan	248	185	63	86	79	7	3	2	1	159	104	55
Nyong-et-So'o	17	14	3	11	10	1	0	0	0	6	4	2
Mefou-et-Akono	238	169	69	89	83	6	7	4	3	142	82	60
Mfoundi	9	7	2	7	7	0	0	0	0	2	0	2
Lékié	301	204	97	121	110	11	26	15	11	154	79	75
Mefou-et-Afamba	87	55	32	28	24	4	12	5	7	47	26	21
Haute-Sanaga	264	168	96	96	78	18	64	30	34	104	60	44
Lom-et-Djérem	167	104	63	21	17	4	2	1	1	144	86	58
Mbéré	1	1	0	1	1	0	0	0	0	0	0	0
Djérem	60	29	31	13	8	5	0	0	0	47	21	26
Vina	123	95	28	14	13	1	0	0	0	109	82	27
Mayo Rey	161	116	45	9	3	6	0	0	0	152	113	39
Wouri	2	2	0	0	0	0	0	0	0	2	2	0
Total	1678	1149	529	496	433	63	114	57	57	1068	659	409

Source: COTCO

ANNEX 8

RESPONSE TO CLAIMS INVOLVING INDIVIDUAL CASES PROVIDED BY BANK MANAGEMENT AND UPDATED BY COTCO

Bakola Communities

1. VILLAGE 1

1A. Claim: Requester 1A had a field of food crops which was destroyed without any compensation being paid to him.

Response: Requester 1A originally was identified as a member of the settlement 1 approximately ten kilometers from Village 1 cited in the Request as his home village. However, he has a brother-in-law in Village 1. Prior to the initiation of construction in 2001 all twenty-three Bakola settlements were inventoried, using GPS, to measure surface areas of all planted fields. Requester 1A was not identified as having a field in Village 1. He worked for COTCO's tree felling contractor as a laborer between December 2001 and January 2002. In September 2002, Requester 1A relocated to Village 1, where he rents a room in a house.

1B. Claim: Requester 1B had a field of manioc, yams, macabos, sweet potatoes, plantain bananas and other vegetables which has been destroyed without any compensation being paid to him

Response: COTCO has never identified this individual as one of the 700 Bagyeli/Bakola in the twenty-three settlements along the pipeline corridor. Just prior to the easement clearing, COTCO performed a survey of each field in each settlement to document the sizes and locations of them. Requester 1B was not identified as an individual having a field. More importantly, no Bakola were identified as having fields on the pipeline easement.

OTHER COMMUNITIES

2. Village 2

2A. Claim: Commercial trees (okoumé) planted by Requester 2A were not at the outset considered as exploitation. In compliance with Cameroonian forest law, Requester 2A had had the volume and value of his wood assessed by the appropriate departments of the Ministry of Environment and Forests. The assessment reports, attached as an annex to the Request for Inspection, estimated the value of the wood as being between CFAF 1,500,000 and 6,500,000 (i.e., between USD 2,150 and USD 9,285). After several months of discussion, COTCO proposed a first payment of CFAF 300,000 (USD 428). Then, without

further negotiation, COTCO offered an additional payment of CFAF 350,000 (USD 500) in cash and kind (particularly alcohol and food). Under the threat of administrative authority which accompanied the COTCO representative, Requester 2A was obliged to sign a contract in which he acknowledged that the amount paid constituted “fair and genuine.... satisfactory and sufficient” compensation. No information has been provided as to the methods of calculating the amount of this compensation. Furthermore, the other terms of the contract have not been respected by COTCO (promises to recruit for the Project young members of Requester 2A’s family, and the cutting of wood so that it would be useable by Requester 2A). Lastly, eighty-one okoumé (seedlings) were excluded from the compensation calculation on the pretext that they were “wild” trees which had grown there naturally. It seems important to mention that okoumé is an exotic species in the region concerned and that the seedlings were produced by a fully grown seed-bearing tree which was destroyed by the route of the oil pipeline.

Response: This is a complex issue. COTCO has always recognized that this individual planted six Okoumé trees on the land that now is in the pipeline easement (he has planted others outside the easement also). The complexity arises from a legal issue. In Cameroon, the State controls the sale of all exotic/hardwood species. Concessions are provided to companies and communities to harvest species, with taxes payable to the State based on an annually updated rate structure. In this case Requester 2A did not have the legal right to harvest or sell the okoumé trees. COTCO understood this dilemma and attempted to rectify it by paying him for the inconvenience caused him and his family. COTCO could not pay for the trees themselves. The amount paid was based on COTCO’s estimate of what he or his family could realize from the “selling” of the trees. Based on the State rate structure, the FOB value of the 40 cubic meters was just over CFAF 1,500,000. COTCO assumed that the family would have to pay someone to cut, extract, and transport the logs. COTCO estimated that at best the family would be able to profit from 50 percent of the FOB value. A total amount of CFAF 745,000 was paid to the family in three installments (300,000 and 350,000 in cash, and, 95,000 in-kind as food) . In addition, the contractor sawed the fallen trees into planks for the family’s use, as verified by a Bank supervision mission.

Regarding the 81 Okoumé excluded from the compensation, COTCO was not able to recognize them, for two reasons: (i) as they were seedlings that sprouted under the six Okoumé adult trees, they had no commercial value at the time of evaluation (at the time of the pipeline CLS), and (ii) under normal agricultural practices the seedlings would need to be transplanted to new areas to ensure their healthy co-existence with existing trees. Requester 2A has never been prohibited from transplanting the seedlings, an activity similar to when he obtained seedlings from an Okoumé tree plantation south of his village in 1974.

COTCO has elected to pay for a study by forestry experts in Cameroon of the legality issues and the different scenarios by which a villager could sell timber and what each scenario could represent as income to the villager. This independent expert document will serve to clarify the issue amongst the two parties in a final settlement negotiation. The document is in a final draft form.

3. Village 3

3A. Claim: A sizeable portion of Requester 3's crops was not taken into account in calculating the amount of his individual compensation. He is being accused of making investments in his land after the course of the oil pipeline was decided. However, because of his concerns regarding the proximity of his house to the land acquired for the oil pipeline, COTCO agents had indicated to him that the course would be altered so that it went around his concession with the purpose of avoiding any displacement of populations. It was on the basis of these promises that he continued to exploit his land. In the end the course of the oil pipeline was not altered. What is more, a footbridge built by Requester 3 so that he could get to his concession has been used by Pipeline Project employees during the construction work. He had been promised that the footbridge would be rebuilt, and that promise has not been honored. It has been completely destroyed by the COTCO agents, who abandoned it when they left. Requester 3 has rebuilt it, and is demanding compensation.

3B. Claim: Requester 3 has experienced difficulties for which he has not received compensation. For example, he suffered as a result of the significant extension of a swamp due to water retention in the ground in front of his house. The private footbridge leading to his house has been used without his permission. This resulted in it being destroyed. Requester 3's house is situated 12 meters from the pipeline, in other words it is on the land acquired for the oil pipeline. The harmful effects of the noise of the bulldozers and of the dynamiting of rock lasted three months. Finally, Requester 3's family has been exposed for three months to the radioactive effects of the welding of pipes.

Response: Both of these claims refer to the same person.

Requester 3's explanation of the changes in the pipeline route is correct in that an initial route was studied and then a deviation to go around the swamp next to his parcel was proposed. However, the Project elected to stay with the initial route. Due to the confusion, COTCO elected to recount the perennial crops on the parcel in front of his house and pay for all these crops. COTCO is reviewing all documents to determine if and how many annual crops existed on his parcel in order to determine if any compensation can be paid for these.

For the compensation of his house that sits immediately adjacent to the easement, the Project has not and can not compensate for items adjacent to or outside the easement that are not damaged. Requester 3 has been compensated following the same principles as any other landuser. COTCO does not believe there was any damage to his house as a result of the construction activities.

Requester 3 has an approximately 2-meter deep well on the easement. Just before construction COTCO contracted with a NGO to build him a new well to replace this well in the event it were to be damaged (it was not damaged). The new well, as seen in the pictures provided to the Inspection Panel, is an approximately 20-meter deep, concrete-lined well with a hand winch and bucket. The Project sterilized and purged the new well 13 January 2002 and then tested the water in the well on 14 January 2002 to ensure its potability. The test results were included in the documents provided to the Inspection Panel. Subsequent water testing by the Project show that fecal coliform is now present in the well as a result of what appears to be poor maintenance/hygiene by the users.

COTCO does not believe that Requester 3 or the members of his family were exposed to any harmful effects as a result of the pipeline construction. A table was provided to the Inspection Panel that provides the dates when the various construction activities took place near his house. Each of these activities could have taken from a few minutes (X-ray verification) to a few days (grading or lowering-in). Any necessary safety precautions were in place at the time of each of the activities (photos were provided to the Inspection Panel).

Several pictures are available that show his footbridge just before and during construction. After the construction and before WSJV could return to compensate for or construct a new footbridge to his house, Requester 3 began dumping dirt at the road in order to create a permanent access to his house. He had asked COTCO and its contractors to complete this work by pushing and leveling the dirt to create this access. COTCO refused to perform this work, as it would completely block the natural flow pattern of the swamp in front of his house. To compensate for the wear on his previous footbridge, COTCO negotiated with Requester 3 in August 2002 to pay him 400,000 FCFA for the 'reconstruction' of the remaining footbridge. Requester 3 has since completed the filling in of the remaining access road himself. For this issue, COTCO has committed to bring Requester 3 back to level of the original bridge prior to construction.

3C. Claim: Requester 3C's family has lost all its agricultural land, which has been used for the construction of the pressure reduction station and a storage yard for equipment used by COTCO sub-contractors. Substantial quantities of laterite have been removed from these lands, which have also been used for training drivers of equipment for the Willbros Company. Crops belonging to the wife of the head of Requester 3C's family have been destroyed without compensation being paid. The various uses to which the lands have been put in connection with the Pipeline Project have made them unfit for agriculture.

Response: The Project verified whether the land users on the site of the Kribi Storage Yard and Pressure Reduction Station lost more than 25% of their land, the threshold set by the Project for fixed facilities sites whereby the Project has to identify additional land for cultivation. Requester 3C's family was not identified as having lost more than 25% of their land. Requester 3C's family does not have any customary land on the PRS site and only one file on the Storage Yard site.

Requester 3C has only one ROW file with the Project. This file is related to damages caused to Requester 3C's crops during the extension of the borrow pit next to the Storage Yard. He was paid for these crops on 6 February 2002.

The Contractor building the PRS dumped excess dirt from the construction activities burying 15 improved variety palm oil trees. These 15 palm oil trees belonged to Requester 3C's son. The palm oil trees were provided as part of the in-kind payment for compensation from the acquisition of the easement southeast of the Pressure Reduction Station (PRS). Requester 3C's son was paid for these trees on 23 January 2003.

4. Village 4

4A. Claim: Trees planted by Requester 4A on land belonging to him have not been taken into account in the calculation of the individual compensation due to him. Requester 4A has documents establishing that he planted the contested trees himself. Thus, the exchanges of correspondence with ONADEF, the government agency responsible for forest development, attest to the fact that he bought seedlings from it and that experts visited his plantations on a number of occasions. Furthermore, COTCO has proceeded, on Requester 4A's land and beyond the areas which had been the subject of expropriation on grounds of their public usefulness, to destroy crops which were not taken into account in calculating the amount of compensation he received.

Response: This case remains unresolved in the Grievance Management Procedure. This case is similar to that of Requester 2A in that Requester 4A has planted a non-indigenous hardwood tree on his land. He planted these trees in his cacao plantation to serve as shade trees. Since the trees were registered as "natural resources" they were not subject to an additional compensation on COTCO's part. COTCO has received documents from Requester 4A demonstrating that he planted them and COTCO is planning (at the time of the October 9, 2002 Bank supervision mission) to go to his village (Village 4) to discuss the issue and to propose paying for the trees as shade trees, which is a category that exists in the Pipeline Project Compensation Plan. This farmer received CFAF 783,000 (a little more than USD 1,100) in compensation for crops planted at the time of the CLS.

COTCO recognizes that he planted the 72 framiré trees in his cacao plantation found on the easement.

In Cameroon, the State controls the sale of all exotic/hardwood species. Concessions are provided to companies and communities to harvest species, with taxes payable to the government based on an annually updated rate structure. The State does authorize individuals to harvest trees for personal consumption.

In this case, Requester 4A was lacking the legal mechanism to allow him to sell the trees commercially. He could have requested from the State the right to harvest the trees for his own consumption.

Requester 4A asked that the trees be compensated as shade trees. COTCO has subsequently agreed that the trees do act as shade trees and has signed an agreement with Requester 4A and paid for the trees as such.

4B. Claim: As community compensation the inhabitants of the village have a right to the sum of CFAF 1,950,000. Part of the village wants to finance a connection to the electricity network, and has money to finance the additional costs of this. COTCO is unfortunately opposed to the option by the village, which is not requesting that COTCO make additional financial efforts.

Response: The community of Village 4 insists on electricity. The community is not far from an existing power grid and would like to tie into it. The community has agreed to pay

any differential above the budget allocated to them by the Regional Compensation Program.

The summary of the discussions with the community:

- **December 20, 2001** Information meeting in Village 4, meeting conducted by Regional Compensation Team to introduce the concept and the process of the Regional Compensation Program.
- **January 31, 2002** First consultation meeting in Village 4 to register and analyse different projects proposed by populations. During this meeting, projects mentioned by the population were: electrification, water supply, and the building of a community centre or a classroom.
- **February 28, 2002** Second consultation meeting in Village 4. During this meeting, the population chose an electrification project and declared that it is their only useful project.
- **March 6, 2002** First follow up meeting: The village chief asked the Regional Compensation Team to meet with one of their elite living in Yaoundé, who is in charge of the proposed electrification project. COTCO met with the individual and he asked COTCO to provide an Attestation that their budget can be used for an electrification project. The community intended to use the Attestation as proof to AES-Sonel that they have monies available for their contribution for the electrification of the village.
- **March 11, 2002** COTCO provided an Attestation as they requested.
- **August 5, 2002** During another follow up meeting, the elite individual informed COTCO that he has not succeeded obtaining a pro forma invoice directly from AES-Sonel, but from one of its subcontractor (Motaicam). COTCO received a copy of the invoice from him but clarified that COTCO cannot contract with a company to work on AES-Sonel property without their approval.
- **August 11, 2002:** COTCO met with the AES-Sonel agency in charge of Village 4 area for clarifications about the pro forma invoice provided by Motaicam. The Agency Chief informed COTCO they require an execution plan to accompany any estimate, and, they are the only body that can provide the estimate and the execution plan for works on their installations. They then choose the subcontractor who will perform the work. The Agency Chief also promised to send a technician in Village 4 to verify that the transformer could support the network extension and to meet with Motaicam to discuss the invoice.
- **December 10, 2002:** COTCO received a correspondence signed by Village 4 village Chief, asking COTCO to write a cheque for the budget amount to the company Engelec Cam for the execution of their electrification project.
- **January 6, 2003:** COTCO replied to the letter from the Village Chief by saying that we are not opposed to their electrification project but that we are waiting on the invoice approval and the selection of a contractor by AES-Sonel.

Village 4 electrification appears to be possible. COTCO and the community are waiting on the approval of the invoice, the contractor, and the technical evaluation from AES Sonel. Once these items are approved and the community can come up with the differential payment, the project can proceed.

4C. Claim: Requester 4C has been in a hospital in Yaoundé for the past six months because of serious pulmonary problems. He considers that these problems are due to the quantity of dust absorbed during the construction work. He is paying his medical costs himself.

Response: COTCO does not believe that Requester 4C's illness is related to his work activities. Requester 4C worked as a Welders Helper for two weeks, from 13 to 26 July 2002. Dust, due to its size, is not known to cause pulmonary infections but rather simple irritation. The exposure to welding fumes would have had an acute impact and would not have shown up two weeks later. He became sick with a pulmonary infection after he finished his work. He first visited the hospital the 8 August 2002. He was hospitalized for one week and had follow-up for three additional weeks. He was not in the hospital for six months. He was sick previously with a pulmonary infection in 1999. He normally is a wood cutter as an occupation.

5. Village 5

5A. Claim: The inhabitants of the village want to use their community compensation money to finance a project to gain access to electricity. COTCO is trying to impose on them the construction of a traditional community hut, which would duplicate the one the village already has. Discussions are currently deadlocked.

Response: The community of Village 5 insists on electricity. Initially the request was to tie into the existing power grid at an estimated cost approximately two magnitudes greater than their budget. Subsequently, the community asked for diesel generators and cable to run their own system.

COTCO believes that electrical generators fail two of the three conditions of the Regional Compensation Program:

- The payment is in-kind
- The project has to benefit a maximum number of community members
- The project has to be sustainable.

COTCO has attempted to establish a project with the community, even using NGO Facilitators during the consultation phase.

The summary of the discussions with the community:

- **November 27, 2002** Information meeting in Village 5 conducted by Regional Compensation Team to introduce the concept and the process of the Regional Compensation Program.
- **January 9, 2002** First consultation meeting in Village 5 to register and analyse different projects proposed by populations. During this meeting, the priority mentioned by the population was electrification of the village through the SONEL network. They asked that their Regional Compensation budget be allocated for the electrification project.

- **February 10, 2002** COTCO received a correspondence from the population saying that they have abandoned their intention for electricity supply through SONEL network. The letter indicates that they would prefer the purchase and delivery of 3 generators with 3000 meters of cable and 300 bulbs for electricity supply in the village.
- **February 13, 2002** The second consultation meeting was held in Village 5. During this meeting, the NGO facilitator tried to explain to the population that the proposed project (providing power via generators) is not sustainable.
- **March 9, 2002** During a follow up meeting, the villagers asked COTCO to provide a written Attestation that the Regional Compensation budget can be used as part of their contribution for electrification. The village was planning on meeting with their elite and AES-SONEL or AER (Rural Electrification Agency) to negotiate electrification.
- **March 11, 2002** COTCO sent an Attestation to the village as they requested.
- **October 11, 2002** During the last follow up meeting held in that village, we were informed that the mayor of that region has promised that he will seek for supplemental funds to complete their budget for electrification.

The choice of the village's project remains suspended until they can choose a project that will meet the three conditions stated above.

5B. Claim: Requester 5B's compensation was paid to another party. In spite of complaining, Requester 5B has been obliged to share his compensation amount with his adversary, and the portion he received is almost equal to the cost of the proceedings he had to undertake to try to recover his rights.

Response: In the Project impact area there are many cases where individuals are cultivating land that does not "belong" to them. However, the Pipeline Project has compensated the cultivator since it is their labor and livelihood that is temporarily impacted by the Project. This is the case in this instance. Requester 5B had essentially abandoned his cacao plantation some twenty years ago in moving to Yaoundé and allowed family members (his sister-in-law - not the other party as cited in the Request) to continue to cultivate the cacao and plant other crops on his holding in order to make a living. Once Requester 5B understood that a portion of his cacao plantation would be compensated he returned from Yaoundé. COTCO initially resisted paying compensation to him since he was not dependent on the land for his livelihood. However, in the end, with the assistance of the Sub-Prefect, Lolodorf, an amicable solution was achieved and Requester 5B and his sister-in-law split the payment between them.

6. Village 6

6A. Claim: The totality of tools and small equipments provided to the local populations as compensation in kind has been defective since the first few months of use. COTCO considers that it is for the local populations to take the matter up with the provider of the

equipment, for which there was a six-month guarantee. The local populations say they were not informed that such a guarantee existed.

Response: COTCO is aware of cases of sub-standard in kind compensation goods. As these have come to the attention of COTCO, every effort is being made to rectify the situation.

A six-month guarantee was provided to those in-kind components that have moving, mechanical parts (grinders, water pumps, sewing machines, etc).

Of the 95 items delivered in Village 6, COTCO is aware of only three cases of sub-standard goods:

- One bicycle, which as been replaced
- One moter-driver grinder, which was refused upon delivery and the owner has since been paid cash
- Up to five manual grinders that need to be evaluated and potentially replaced

There were many individuals that complained about the quality of bicycles. COTCO bought all new bicycles for those individuals and gave them the option of turning in their old bicycle for a new one. COTCO has also identified thirteen cases of land users who were dissatisfied with the motor operated grinders they received (eight due to problems with the machine and five who wanted a different type of grinder). COTCO has returned the thirteen grinders to the manufacturer for a diagnostic review. For the five cases where the users want a different type, the manufacturer has offered to exchange them for the type of grinder that they desire, assuming that there is no significant damage to the original grinder. The two different types of grinders are the same price, ensuring the land user stays whole on his/her compensation. Each of the eight cases of mechanical problems will be reviewed with the manufacturer to determine the root cause. Those that are the fault of the manufacturer will be replaced at no cost to the user. For those where the fault lies with utilization by the user, each case will be reviewed with COTCO management to determine what assistance can be provided to the user. COTCO has elected to pay for the repairs to all the grinders irrespective of the fault.

7. Village 7

7A. Claim: Requester 7A, a 74-year old paralyzed illiterate, has not received fair compensation for his crops that have been destroyed. More than forty-six young palm trees have been destroyed by the oil pipeline without any compensation being paid. His request for additional compensation has not been dealt with.

Response: This farmer received compensation for thirty-four young palm trees and twenty-five adult palm trees. The compensation was paid according to the official table. He thus received about USD 1,200.

During the centerline survey, COTCO collaborated with the Cameroon government representative (typically an agent from the Ministry of Agriculture), the village chief, and the landuser or his/her representative in the counting of trees on the pipeline easement. The number of crops registered in his file is based on a consensus between all the parties involved. Once the four parties agreed to the number of the different crops, the final numbers were transferred into the Right-of-Way (ROW) file. The landuser and the Cameroon Party were then requested to sign the document attesting to this. His ROW file has 34 young and 25 unimproved palm oil trees.

After the initial count, the crop numbers were posted in the village and each landuser was asked to verify the numbers prior the arrival of the Departmental Commission. Requester 7A did highlight in the notebook left with the posted tables that he was concerned that an extra working space on the side of the easement extended into his parcel and that the crops were not counted, as seen in the photocopy of the notebook page. At the meeting with the Departmental Commission, each landuser was called and asked if they had anything to claim. If the landuser indicated that he wanted to claim additional or different crops, the Departmental Commission deleted the original count, descended to the parcel to recount everything, and noted in their report the final count even if it were less. During the Departmental Commission visit he did not request a recount by the Departmental Commission, as seen in a copy of the Departmental Commission report.

In reviewing the easement alignment sheet, his parcel is adjacent to a parcel that has an extra working space on both sides of the easement. His parcel was not touched by the extra working space.

In the original claim, Requester 7A did not claim uncounted palm trees in the existing easement.

Requester 7A has not supplied an official claim to COTCO subsequent to the Departmental Commission's visit in his village indicating the desire to recount the uncounted young palm oil trees on the easement.

Requester 7A did not request a recount during the tree-felling operation of the construction. He did request a count of the supplemental damages (one young and one adult unimproved palm oil tree) that occurred outside the easement. He was paid for these supplemental damages on 30 August 2002.

ANNEX 9

THE MBORORO

During the Investigation visit to Cameroon, the Panel received an e-mail communication¹⁶⁷ requesting that the Mbororo people should have been considered along with the Bakola/Bagyeli as indigenous peoples for the purposes of Bank Policy. The e-mail states that the Mbororo are an indigenous people whose way of life, culture, customs and traditions are different from their Bantu neighbors in Cameroon. Furthermore, as a nomadic minority, the Mbororo are said to have faced discrimination from their Bantu neighbors who claim that the Mbororo do not have rights to land. Like the Bakola/Bagyeli, the Mbororo are poorly educated and have limited access to schools, clinics, and other social services. The same e-mail claims that the Mbororo have been adversely impacted by the pipeline construction in the Lom and Djere, Mbere, and Mayo Rey regions of Cameroon. These impacts include the destruction of water points for people and cattle, the obstruction of herding routes, the loss of cattle running away from the noise of trucks and earth-moving caterpillars. The letter asks why the Consortium did not consider the Mbororo to be an indigenous people, nor informed or invited them to consultation meetings, nor paid any compensation for their losses.

The Panel notes that the Mbororo are part of the larger Fulani (Fulbe) group of cattle pastoralists who extend from Senegal to Chad across the Sahelian grasslands. In many grassland areas, they constitute the dominant and majority population. In northern Cameroon, Mbororo range from fully nomadic cattle herders to settled townspeople; the majority own cattle but not land. They are able to graze their animals on farmers' fields, usually by paying a tax to local village chiefs. Like the Bakola/Bagyeli, the Mbororo have a trading relation with local farmers and exchange meat, hides, and milk for grains, metal goods, and clothes.¹⁶⁸

The Panel interviewed members of COTCO's socio-economic team, who said they met on three occasions with Mbororo representatives before construction began. In November 2000 a special meeting was held with Mbororo representatives, and in attendance were two traditional leaders (*Ardo*), one representing the communities in the region from Mbangrey to Ngayé, and the other from Ngayé to the Chad border. During the meetings the *Ardo* agreed that the pipeline construction would not present a permanent obstacle and that, once completed, their cattle could graze normally. However, the Mbororo raised concerns about temporary restrictions to cattle grazing, access to water points, veterinary clinics, and protection from

¹⁶⁷ The e-mail was sent to the Inspection Panel on February 2, 2003, and signed by FOCARFE (Cameroonian foundation for rationalized women actions for the environment) and an individual Mbororo.

¹⁶⁸ Charles Frantz 1982. Settlement and Migration among Pastoral Fulbe in Nigeria and Cameroun. In P.C. Salzman (ed.) *Contemporary Nomadic and Pastoral Peoples: Africa and Latin America. Studies in Third World Societies* No. 17, Pp. 57-94. Dept. of Anthropology, College of William and Mary, Williamsburg, VA; M.B. Vabi 1993. Fulani Settlement and Modes of Adjustment in the Northwest Province of Cameroon. *Pastoral Development Network*; University of Sussex No. 35d: 11-20.

tsetse flies. Company documents indicate that COTCO arranged to create cattle crossings of filled dirt every 500 meters along the pipeline trenches in the Mbororo area.¹⁶⁹

On the question as to whether the Mbororo are “indigenous people”, COTCO consulted sociological experts on the northern Cameroon region. These sociologists stated that although Mbororo constituted an ethnic minority in certain areas, they represented a majority in other areas. Their numbers are relatively low in the area near the pipeline in northeastern Cameroon, as they are more prevalent in the north. Furthermore, it is difficult to consider the Mbororo a “vulnerable” group, as they regard themselves, and are considered by their agricultural neighbors, to be relatively wealthy in livestock, and thus in an advantageous position. COTCO said that there is no record of complaints by any Mbororo for compensation for harm suffered from the construction. In November 15, 2002, COTCO signed a protocol accord with MBOS-CUDA, an Mbororo socio-cultural development association, awarding them the sum of 25.5 million CFA for the construction of three cattle “dips” filled with insecticide to repel tsetse flies (at Ndang Patau, Meidougou, and Guirwiri). The donation of the three cattle dips was not considered compensation by COTCO, but in the company’s words *“a gift in recognition of their culture and for the temporary loss and nuisance of the pipeline construction.”*

The Panel notes that COTCO and their socioeconomic consultants did consider the question of whether the Mbororo constituted an indigenous peoples, consulted with Mbororo representatives, consulted with independent sociologists, and decided they did not meet the criteria of a vulnerable population. There is no evidence that Bank Management discussed, considered, or consulted about the question of considering the Mbororo as a vulnerable indigenous people, but no-one, including Mbororo themselves, appear to have raised the matter during the lengthy consultation period (1997-1999).

¹⁶⁹ Public Consultation Socio-Economic Team 3, Visit 1, Road Compensation- Mayo-Rey, November 6-13, 2000, COTCO, Douala.

ANNEX 10

BIOGRAPHIES

Edward S. Ayensu, Chairman, a Ghanaian national, appointed to the Panel August 1998. Professor Ayensu is Chairman of the Council for Scientific and Industrial Research (CSIR) of Ghana, President of the Pan-African Union for Science and Technology, and International Vice Chairman of the International Institute for Sustainable Development (IISD). He is an international development advisor on environment, energy, mining, housing, biotechnology and agriculture. He was Senior Advisor to the President and Director for Central Projects Department of the African Development Bank. He was formerly the Vice-Chairman of the Scientific and Technical Advisory Panel (STAP) of the Global Environment Facility administered by the World Bank, UNDP and UNEP. He was also a Member of the Energy Sector Management Assistance Program Consultative Group, which is administered by the World Bank and UNDP, and member of the Senior Advisory Council of the Global Environmental Facility. He held many senior positions including Director of Biological Conservation and Senior Scientist during his 20 years at the Smithsonian Institution in Washington D.C. He was Secretary-General of the International Union of Biological Sciences for thirteen years and Founding Chairman of the African Biosciences Network. A Prolific writer and photographer, Professor Ayensu has authored 18 books and numerous scientific and technical papers. He recently co-authored a publication, *HIV/AIDS: Knowledge Protects; New and Specific Approaches to Contain the Spread of HIV in Developing Countries, 2001*. He obtained his doctorate degree from the University of London, and was appointed a Visiting Fellow at Wolfson College, Oxford University. He is a Distinguished Professor of the University of Ghana and, for many years, a member of the Visiting Committee at Harvard University. He is a Fellow of the Ghana Academy of Arts and Sciences, Foreign Fellow of the Indian National Science Academy, Fellow of the Linnaean Society of London, Fellow of the Third World Academy of Sciences, Founding Fellow of the African Academy of Sciences and Fellow of the New York Academy of Sciences. He was twice the recipient of the Ghana National Science Award, the recipient of the U.S. National Museum of Natural History Outstanding Award, and the Outstanding Statesman Award in Ghana during the Millennium celebrations.

Maartje van Putten, a Dutch national, appointed to the Panel October 1999. Ms. van Putten was a member of the European Parliament. She was member of the Committee on Development and Cooperation for the past 10 years. Ms. van Putten has produced many reports on the effects of the GATT/Uruguay Round on the developing countries, fair trade, development aid for Asia and Latin America, the EU program for tropical forests and European policies towards indigenous peoples. She is active with non-governmental organizations. Ms. van Putten has closely worked with the WWF European policy Office as a key political partner to promote better EU conservation and sustainable development policies. She was also a member of the ACP (African, Caribbean and Pacific Group)-European Union Joint Assembly. Ms. van Putten was a freelance multimedia journalist for most of her professional career, and was a Senior Fellow of the Evert Vermeer Foundation from 1981 to 1989. She is the author of many articles and books on globalization, international division of labor and on gender issues. Currently a Vice-Chairperson of the European Center of Development Policy Management, Ms. van Putten is President of the Board of European Network of Street Children Worldwide (ENSCW). She holds a HBO degree in community development from Sociale Academie Amsterdam, and a master's degree in social sector management from Protestantse Voortgezette Opleiding (PVO) Amsterdam. At present, she is working on a dissertation at the Catholic University of Tilburg in the Netherlands.

Edith Brown Weiss, an U.S. national, appointed to the Panel September 1, 2002. Ms. Brown Weiss is currently Francis Cabell Brown Professor of International law at Georgetown University Law Center where she has been on the faculty since 1978. Prior to that, Professor. Brown Weiss was on the faculty of Princeton University. She has

taught and published widely on international law and policy, including environmental and compliance issues. She has won many prizes for her work, including the Elizabeth Haub prize from the Free University of Brussels and the IUCN for international environmental law. She served as President of the American Society of International Law and as Associate General Counsel for the U.S. Environmental Protection Agency, where she established the division of international law. She is a member of many editorial boards, including the American Journal of International Law, and the Journal of International Economic Law; and has been a board member or advisor for the Japanese Institute for Global Environmental Strategies, the Cousteau Society, the Center for International Environmental Law; and the National Center for Atmospheric Research, among others. Ms. Brown Weiss has served as Special Legal Advisor to the North American Commission on Environmental Cooperation and has been a member of the U.S. National Academy of Sciences' Commission on Geosciences, Environment and Resources, and the Water Science and Technology Board, and the Committee on Sustainable Water Supplies in the Middle East. She has been elected to membership in the American Law Institute, the Council on Foreign Relations, and the IUCN Commission on Environmental Law. She received a B.A. degree from Stanford University with Great Distinction. She earned an LL.B. (J.D.) from Harvard Law School and a Ph.D. in political science from the University of California at Berkeley and received an honorary Doctor of Laws from Chicago-Kent College of Law.

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Elliot Fratkin, is Professor of Anthropology at Smith College, Northampton Massachusetts. He is a scholar of African pastoralist society and ecology, and has written numerous articles and books on drought and development policy, indigenous peoples, and health and social change in Africa, and a textbook on Cultural Anthropology. Professor Fratkin received his PhD at the Catholic University of America, M .Phil degree from the London School of Economics and Political Science, and B.A. from the University of Pennsylvania, all in anthropology. He has received research awards from the National Science Foundation, Social Science Research Council, The National Geographic Society, and the Smithsonian Institution, and was a U.S. Fulbright Scholar to Eritrea in 2002-2003. Professor Fratkin has held academic positions at Duke University, the University of Maryland, the Pennsylvania State University, the University of Nairobi, and the University of Asmara. He has served on review panels for the National Science Foundation, National Geographic Society, Fonds Pour la Formation de Chercheurs et l'Aide a la Reserche (Quebec), and the Netherlands Foundation for Tropical Research. Professor Fratkin is Associate Editor of the journal Human Ecology and editorial board member of the journals African Studies Review and Nomadic Peoples, and a founding member of the Association for Africanist Anthropology in the American Anthropological Association. He has previously served with the World Bank Inspection Panel investigation of the Chad portion of the Chad-Cameroon Oil pipeline Project.

John A. Pendergrass, MPH Occupational Health and Safety Specialist. Mr. Pendergrass is an independent consultant with expertise in Occupational Health and Safety. He has a Master's Degree in Industrial Hygiene from the University of Michigan (1955) and a Bsc in Biology and Chemistry from the University of Alabama (1948). During his career he has held a variety of positions in numerous organizations including the US Department of Labor, where he served as the Assistant Secretary of Labor for Occupational Safety and Health (1986-1989). Mr. Pendergrass is also a member of the American Industrial Hygiene Association, where he served as the President in 1974 and Vice President in 1972 and served on the Board of Directors from 1967-1970. Mr. Pendergrass served as an Apprentice and a Lieutenant in the United States Navy during the years of 1943-1946 & 1951-1953. Currently, he is an active member of the American Society of Safety Engineers and American Industrial Hygiene Association and he has received several awards, including the ABIH Henry F. Smyth, Jr. Award (1991) and AIHA Donald E. Cummings Memorial Award (1990). He has authored and coauthored numerous articles and publications. Mr. Pendergrass resides in Mobile, Alabama.

Miles Scott-Brown, Mr. Miles Scott-Brown, M.E.Des., Environmental Specialist. Mr. Scott-Brown is a professional biologist with expertise in the resolution of environmental and social conflicts associated with large-scale energy and infrastructure development projects. He has a Master's Degree in Environmental Design from the University of Calgary (1984) and a B.Sc. (Hon.) Biology from the University of British Columbia (1976). For most of his 20-year career, Mr. Scott-Brown has been consulting to industry and governments on energy projects involving complex environmental and social issues. These projects were considered complex due to a lack of baseline data, poorly defined government regulations, lack of clearly defined public consultation processes and the incipient economic pressure to develop the energy resource. Resolution of these issues involved working closely with government, civil society and proponents in non-confrontational forums to resolve issues at an early project stage. The work has taken him to a variety of locations in North, Central and South America, Asia and Africa. Mr. Scott-Brown has worked in the Canadian private sector as an environmental consultant for most of his career. In 1985, he and a partner formed Integrated Environments Ltd. and from 1992-2000 he was a founding principal of Komex International Ltd. In 1999-2000, he served as Environmental Auditor of the World Bank, CAF and IDB funded Bolivia-Brazil gas pipeline to ensure compliance with project loan conditions and to oversee the implementation of ecological and social compensation programs. He recently was Vice-President International of Roche Consulting Group, posted in Santiago, Chile. Other organizations Mr. Scott-Brown has worked previously with include the IUCN and the World Wildlife Fund. He currently resides in Calgary, Canada where he is a principal of Integrated Environments Ltd.