



OMBUDSMAN ASSESSMENT REPORT

Regarding concerns from community members about
the Chad-Cameroon Petroleum Development and Pipeline project (#11124)
in Cameroon

January 2012

*Office of the Compliance Advisor / Ombudsman
International Finance Corporation
Multilateral Investment Guarantee Agency*
www.cao-ombudsman.org

TABLE OF CONTENTS

LIST OF ACRONYMS	3
INTRODUCTION.....	4
1. THE COMPLAINT	7
2. THE PROJECT	7
3. CAO'S ASSESSMENT	9
3.1 METHODOLOGY	9
3.2 ASSESSMENT FINDINGS.....	12
3.2.1 STAKEHOLDERS INTEREST.....	Error! Bookmark not defined. 2
3.2.2 SUMMARY OF ISSUES.....	13
4. CONCLUSIONS AND NEXT STEPS.....	Error! Bookmark not defined. 4

LIST OF ACRONYMS

CAO	Compliance Advisor/Ombudsman
CARFAD	African Centre for Forestry Research Applied for Development
CED	Centre for Environment and Development
CHEVRON	Chevron Corporation
COTCO	Cameroon Oil Transportation Company S.A
CPSP	Pipeline Steering and Monitoring Committee
ECMG	External Compliance Monitoring Group
EEPCI	Esso Exploration and Production Chad Inc.
EMP	Environmental Management Plan
EXXONMOBIL	Exxon Mobil Corporation
FOCARFE	Cameroonian Foundation for Rationalized environmental actions and training
FSO	Floating Storage and Offloading vessel
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IAG	International Advisory Group
MIGA	Multilateral Investment Guarantee Agency
NGO	Non Governmental Organisation
Petronas	Petroliam National Berhad
RAPID	Network of Participative Actions for Development Initiatives
RELUFA	Network to Fight Hunger in Cameroon
SNH	National Hydrocarbons Corporation
TOTCO	Tchad Oil Transportation Company

INTRODUCTION

On May 25, 2011, the Office of the Compliance Advisor Ombudsman (“CAO”) received correspondence from four NGOs - African Centre for Forestry Research Applied for Development¹ (“CARFAD” per its French acronym), Center for the Environment and Development² (“CED” per its French acronym), Cameroon Foundation for Environmental Streamlined Action and Training³ (“FOCARFE” per its French acronym) and Network for the Fight against Hunger⁴ (“RELUFA” per its French acronym), alleging that the activities of the Cameroon Oil Transportation Company SA (“COTCO”), an IFC client, are having negative environmental and social impacts on different local community members in Cameroon. The four NGOs were acting on behalf of the affected community members who alleged they were directly affected by the Chad-Cameroon Petroleum Development and Pipeline project (the “Pipeline Project”). The community members request the assistance of the CAO in addressing a number of environmental and social concerns regarding the Cameroonian side of the pipeline project.

This Report describes/summarizes the assessment carried out by the CAO between July 18 to July 25, 2011. It begins with a general introduction on the workings of the CAO, provides an overview of the Complaint along with a succinct background of the pipeline project. The Report closes with an overall assessment of the issues and conclusions along with explanation of next steps. This document is a record of the views heard by the CAO team, and explanations of next steps depending on whether complainants choose to continue with CAO’s Ombudsman process or would prefer a transfer to CAO Compliance. *This report does not make any judgment on the merits of the complaint.*

About the CAO

The Office of the Compliance Advisor/Ombudsman (CAO) is the independent recourse mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group. The CAO reports directly to the President of the World Bank Group, and its mandate is to assist in addressing complaints from people affected by IFC/MIGA supported projects in a manner that is fair, objective, and constructive and to enhance the social and environmental outcomes of those projects.

The CAO assessment is conducted by CAO’s Ombudsman function. The purpose of CAO’s assessment is to: (1) clarify the issues and concerns raised by the complainant(s); (2) gather information on how other stakeholders see the situation; and (3) help stakeholders understand and determine whether a collaborative solution is possible through a process facilitated by CAO’s Ombudsman, or whether the case should be transferred to CAO Compliance for their review.

¹ Centre Africain de Recherches Forestières Appliquées pour le Développement (CARFAD) is an NGO, based in Cameroon and specializes in sustainable development and environment protection. Beyond services provided to do Environment Impacts Assessments and environmental audits.

² Centre pour l’Environnement et le Développement (CED) aims to promote nonviolent transformation of conflicts linked to access and use of environment and resources. To this end, the organization’s mission is to contribute to the protection of the rights, interests, culture and aspirations of local and indigenous people in Central Africa. It was created in 1994 by Cameroonian nationals and foreigners.

³ Fondation Camerounaise d’Actions Rationalisées et de Formation sur l’Environnement (FOCARFE) is an NGO created in Cameroon in 1991, dealing with environment and sustainable development, with special reference to extractive industries, community forestry, land sustainable development and urban development.

⁴ Réseau de Lutte contre la Faim (RELUFA) is a Cameroonian ecumenical and secular not-for-profit organizations from various parts of the country. They develop strategies against systemic problems relating to hunger, poverty, socio-economic and environmental injustice. They have obtained Cameroonian legal status since 2001.

As per CAO's Operational Guidelines⁵, the following steps will normally be followed in response to a complaint that is received:

- Step 1: **Acknowledgement** of receipt of the complaint
- Step 2: **Eligibility:** Determination of the complaint's eligibility for assessment under the mandate of the CAO (no more than 15 working days)
- Step 3: **Ombudsman assessment:** Assessment of the issues and provide support to stakeholders in understanding and determining whether a collaborative solution is possible through a facilitated process by CAO Ombudsman, or whether the case should be transferred to CAO Compliance for appraisal of IFC's/MIGA's social and environmental performance. The assessment time can take up to a maximum of 120 working days.
- Step 4: **Facilitating settlement:** If the CAO Ombudsman process continues, this phase involves initiation of a dispute resolution process (typically based or initiated by a Memorandum of Understanding and/or a mutually agreed upon ground rules between the parties) through facilitation/mediation, joint fact-finding, or other agreed resolution process, leading to a settlement agreement or other mutually agreed and appropriate goal. The major objective of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the problem-solving process, in a way that is acceptable to the parties affected⁶.
- OR
- Compliance Appraisal/Audit:** If complainants decide that a compliance review be conducted instead, CAO Compliance will initiate an appraisal of IFC's/MIGA's social and environmental due diligence of the project in question to determine whether a compliance audit of IFC's/MIGA's intervention of the project is merited.
- Step 5: **Monitoring** and follow-up
- Step 6: **Conclusion/Case closure**

Upon a careful review of the May 2011 Complaint received from the four NGOs on behalf of the community members, the CAO, on June 12, 2011 determined that the complaint met its three complaint eligibility criteria:

1. The complaint pertains to a project that IFC/MIGA is participating in, or is actively considering.
2. The issues raised in the complaint pertain to the CAO's mandate to address environmental and social impacts of IFC/MIGA investments.

⁵ For more details on the role and work of the CAO, please refer to the full Operational Guidelines: <http://www.cao-ombudsman.org/about/howweare/index.html>

⁶ Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, the CAO Ombudsman will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the CAO Ombudsman will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public, that CAO Ombudsman has closed the complaint and transferred it to CAO Compliance for appraisal.

3. The complainant (or those whom the complainant has authority to represent) may be affected if the social and/or environmental impacts raised in the complaint occurred.

Subsequently, according to CAO's Operational Guidelines, the CAO Ombudsman began the assessment of issues and opportunities for resolving the issues in the complaint.

1. The Complaint

The signatories of the complaint filed before the CAO comprise a group of directly-affected Cameroonian people which included four different communities, one specific family and two individuals. The complaint was filed by four NGO on behalf of the directly-affected community members. The complaint requests CAO's assistance in addressing a number of environmental and social concerns regarding the Cameroonian side of the Chad-Cameroon pipeline project.

From the group of directly-affected local community members, two community-member complainants have requested that the CAO keep their identities confidential. Therefore names of community members or their villages will not be shared in this report⁷. In June 2011, the four NGOs agreed to have a summary of the complaint posted on the CAO website, including the names of the NGO signatories to the complaint while the names of the local community members remained anonymous.

The complaint alleges, among other things, the following social and environmental concerns regarding COTCO's operations:

- A rise in HIV/AIDS after the laying of the pipeline;
- Concerns over quality and adequacy of compensation packages;
- Loss of livelihoods among fishermen
- Inappropriate waste management
- Work-related accidents and inadequate compensation
- Displacement of, and improper compensation to, an indigenous community
- Concerns about sub-contractors and compensation process and levels
- Concerns regarding royalties for the passage of oil through Cameroon

The complaint indicates that since 2005, the NGOs have had conversations with COTCO and the Government as part of a **"Platform tripartite process"**. However, according to the complaint, this process has not been able to generate settlements for a number of cases brought before this Tripartite process for resolution, neither did it result in a better understanding of many additional cases documented by the NGOs.

According to the complaint NGOs part of the Platform tripartite only record the production of a report called "Social Assessment" for the year of 2006 as a result of the work conducted by the Platform tripartite. In their perspective reports were publicly presented at a press conference but not signed by all three groups' part of the Platform.

2. The Project

The Chad-Cameroon Petroleum Development and Pipeline Project involves construction of a 1070 km pipeline to transport crude oil from three fields in south western Chad to a floating facility 11 km off the Cameroon coast, the Floating Storage and Offloading Vessel ("FSO"). The pipeline was completed and "first oil" was achieved in July 2003.

IFC's investment in the project consisted of a \$100 million loan for its own account and a \$100 million loan syndicated from over 15 commercial banks. Other World Bank Group support included IDA loans to the governments (\$39.5 million to Chad, \$53.4 million to Cameroon) to support their equity contributions to the project companies, as well as IDA

⁷ In the event parties agree to continue working with CAO Ombudsman some measures will be taken to ensure the existence of a safe space for community members to feel comfortable disclosing their identification.

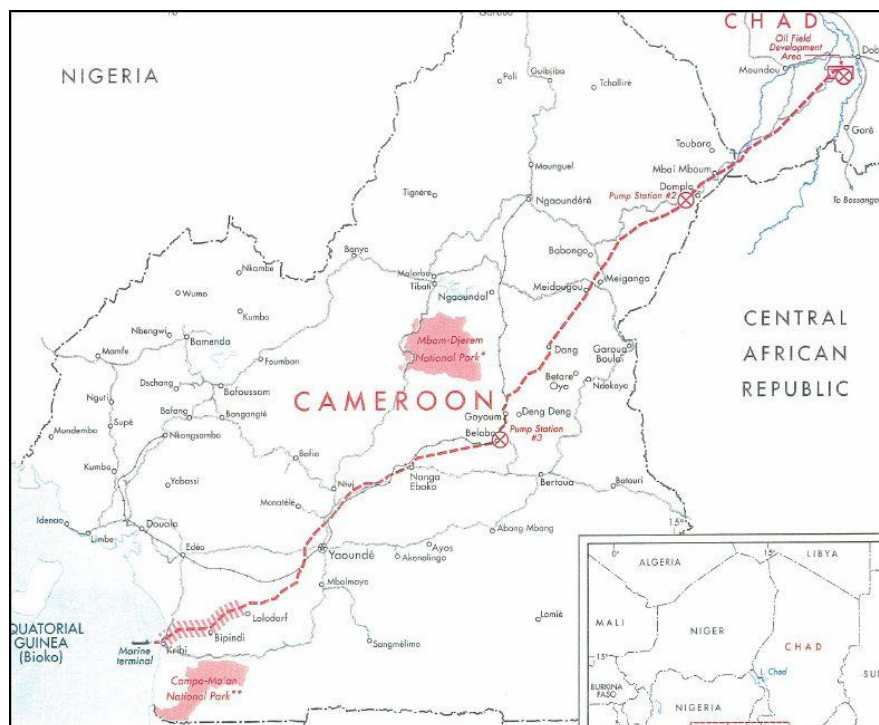
funding of over \$40 million for a capacity building program for the governments⁸. The Chad government has repaid the loan but Cameroon continues with the loan with IBRD and its outstanding loan is equivalent to US\$ 18,671,309.97.

The concession holders for the Chad oil fields is constituted by three oil companies, composed of Exxon Mobil Corporation ("ExxonMobil") (40%), Petroliam Nasional Berhad ("Petronas") (35%) and Chevron Corporation ("Chevron") (25%).

The project sponsor's ownership is constituted by ExxonMobil 40.2%, Chevron 21.3%, Petronas, 29.8%, Government of Chad 2.7% and Government of Cameroon 5.2%⁹.

The consortium will fund the Oilfield Development at a cost of approximately US\$1.9 billion, entirely from their own resources in proportion to their respective ownership interest. The borrowers of the IFC loans are Cameroon Oil Transportation Company S.A ("COTCO")¹⁰ and Tchad Oil Transportation Company ("TOTCO")¹¹.

The pipeline begins in south western Chad, close to Doba, and crosses Cameroon to a marine shipping terminal close to Kribi, on the Cameroonian coast¹²:



⁸ For further information see:

[http://www.ifc.org/ifcext/eir.nsf/AttachmentsByTitle/ChadCameroonPipeline1/\\$FILE/CHAD+CAMEROON+PIPELINE+FACT+SHEET.pdf](http://www.ifc.org/ifcext/eir.nsf/AttachmentsByTitle/ChadCameroonPipeline1/$FILE/CHAD+CAMEROON+PIPELINE+FACT+SHEET.pdf)

⁹ Information from August 2009, provided by IFC.

¹⁰ Cameroon Oil Transportation Company S.A (COTCO) a special-purpose company incorporated in Cameroon as a joint-venture between the private sponsors, and the Governments of Cameroon and Chad, which will own and operate the Cameroon portion of the pipeline export system. See: www.ifc.org/projects

¹¹ Tchad Oil Transportation Company (TOTCO) a special purpose-company incorporated in Chad as a joint-venture between the private sponsors, and the Government of Chad, which will own and operate the Chad portion of the pipeline export system. See: www.ifc.org/projects

¹² http://www.esso Chad.com/Chad-English/PA/Operations/TD_ProjectMaps.asp

In May 1999 the Environmental Management Plan¹³ (EMP) was finalized as part of the intensive scientific investigation and analysis that had been initiated in 1993¹⁴. The Cameroon portion of the EMP included the following topics:

- Induced access management plan
- Management plan for cultural properties
- Handbook for site-specific environmental mitigation actions
- Environmental monitoring plan
- Biophysical/socioeconomic/health technical requirements and specifications
- Compensation plan
- Environmental foundation plan
- Offsets environmental enhancement program
- Indigenous Peoples plan
- Waste management plan
- Environmental line list and environmental alignment sheets

The project is a category A according to the World Bank and IFC environmental and social review procedures. Environmental and social issues associated with the project include, but are not limited to: direct and induced social impacts related to the development of the three oil fields in the Doba Basin; alternative analysis of candidate pipeline corridors and pipeline alignment within the preferred corridor; compensation for socioeconomic impacts in the three oil fields and along the selected pipeline alignment; avoidance, mitigation and compensation of impacts to biodiversity; a plan for the mitigation of impacts to the Bakola population in the Republic of Cameroon, oil spill prevention and response planning; and worker and public health and safety.

In 1997, the Cameroonian authorities created the “Pipeline Steering and Monitoring Committee” (“CPSP” per its French acronym)¹⁵ with the mandate to monitor the construction activities and supervise the compensation to the communities. As part of its role, CPSP coordinates the activities of all the other Ministries involved in the monitoring exercise including support to all COTCO initiatives including the Platform tripartite.

In 2001, IFC required an external monitoring role for the Chad-Cameroon project and appointed D'Appolonia S.p.A., a consulting firm from Italy, to form the External Compliance Monitoring Group (“ECMG”)¹⁶ for the project. In the same year, the World Bank Group

¹³ See: <http://www.esso Chad.com/Chad-English/PA/Files/vol1cam1.pdf>

¹⁴ See: http://www.esso Chad.com/Chad-English/PA/Newsroom/TD_Documentation.asp

¹⁵ Le Comité de Pilotage et de Suivi des Pipelines (CPSP) is under the authority of the Société Nationale des Hydrocarbures (“SNH”) whose Managing Director is the Chairman. The CPSP is an inter-ministerial structure created by Presidential Decree with the view of safeguarding the interests of the Parties involved in the Chad-Cameroon pipeline project. It entails two constituency bodies: i) the Monitoring Committee and ii) the Permanent Secretariat including several other units and departments, including 6 field Inspectors. With agents that interface between the organisation and the communities they regularly visit the field for a review of the operations to determine grievances and compensation issues. They are selected based on their knowledge of the field, in particular to the area where they are appointed. The role of the CPSP includes the following: a) coordinates the actions of governments and public bodies at various stages of all activities related to the Pipeline; b) acts as a facilitator for the relationship between Cameroon Oil Transportation Company (COTCO) and the governments and communities at large; c) ensures compliance with COTCO commitments, particularly in the areas related to environment and social-economic concerns, such as compensation, environmental and health impacts, maximizing the involvement of local labour during construction and operation of the project.

¹⁶ http://www.snh.cm/index.php?option=com_content&view=article&id=87%3Ale-cpsp&catid=51%3Acorganigramme&Itemid=63&lang=fr
External Monitoring of the Chad-Cameroon Pipeline Project, Lessons of Experience | September 2006 | Number 1.

For more detailed information see:
[http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/p_ChadCam_LessonsLearned/\\$FILE/ChadCam_LOE_Final.pdf](http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/p_ChadCam_LessonsLearned/$FILE/ChadCam_LOE_Final.pdf)

appointed the International Advisory Group (“IAG”)¹⁷ on the Chad-Cameroon Petroleum Development and Pipeline Project with the objective to identify potential problems in the use of public revenues, the adequacy of civil society participation, progress in building institutional capacity, and more generally issues of governance, environmental management and social impacts. The IAG’s role was to provide independent advice to the World Bank Group’s President and the Governments of Chad and Cameroon to address problems concerning implementation of the projects. However, the World Bank’s withdrawal from the Project in Chad in September 2008 and Chad’s early repayment of the balances on the International Bank for Reconstruction and Development (“IBRD”) loan and the two IDA loans, did not affect Cameroon as the teams monitoring compliance according with the EMP continued in place¹⁸.

IAG’s mandate to monitor the project in both Chad and Cameroon has been completed in 2009. The remaining monitoring for the project is done by IFC and the lenders independent group ECMG.

The project traverses 890 kilometers of Cameroonian land, facing dual challenges of distance and diversity, touching about 240 villages as the pipeline makes its way from Chad to the Marine Terminal offshore from Kribi. This extremely diverse area includes dozens of cultures speaking more than 200 local languages and dialects, and it ranges over mountains, plateaus, dense forest, and coastal swamps. COTCO established a dedicated team of environmental monitors, CPSP field inspectors and community relations officers to work closely in trying to achieve a better understanding of all issues and concerns related to the Environmental Management Plan.

COTCO developed the Social Statement process that involves Cameroon’s Pipeline Steering and Monitoring Committee, NGOs, and COTCO in order to manage the diverse array of concerns among the projects residents and provide a framework for resolving them. COTCO collaborates with this group and the affected villagers to develop a prioritized list of village-level grievances – the Social Statement which became in 2008 the Platform tripartite.

The parties met annually to review and do the following:

- a) Consolidate the claims raised by the affected communities along the pipeline into a common data base that would include information from NGOs and be distributed by COTCO to the different parties;
- b) Conduct a joint evaluation meeting between CPSP, NGOs, and COTCO to deal with issues and claims on a case by case basis;
- c) Discuss classification of claims into the following categories:
 - 1) Cases where COTCO understands and agrees that actions must be taken vis-à-vis the affected communities;
 - 2) Cases where COTCO respected its commitments under the EMP but the population is not satisfied so COTCO will offer solutions on a case by case basis in the framework of good neighbourliness;
 - 3A) Cases without consensus that require field assessments;
 - 3B) Closed cases with consensus; and
 - 4) Cases that do not concern COTCO.
- d) A further subdivision of the classification into project types such as potable water, irrigation, sanitation, billing, employment, among others;

¹⁷ The IAG is one part of the oversight structure that was proposed by the World Bank Group to assist with successful implementation of the project when it was approved by the Board of Directors. For further information see Terms of Reference for IAG:

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/CHADXTN/0,,print:Y-isCURL:Y-contentMDK:20014994-menuPK:64282138-pagePK:41367-piPK:279616-theSitePK:349862,00.html>

¹⁸ For further information see:

http://siteresources.worldbank.org/INTCAMEROON/Resources/IAG_Chad-Cameroon_Pipeline_Final_Report_Sept-3-2009.pdf

- e) Conduct joint field visits by the tripartite group (CPSP, NGOs, and COTCO) to assess claims;
- f) Monitor the closure of claims brought to COTCO with COTCO providing evidence and documentation of the closure to the concerned parties.

In January 2008 the “social statement” evolved into a “**Platform for communication and consultation**” that meets quarterly with representatives of the same three groups: CPSP, COTCO, NGOs and other partners. The objective of the platform was to deal with claims brought by NGOs on behalf of the affected communities. The platform operated on an annual cycle called a “social year”, and as a result a “Social Statement” report was produced and signed by all three parties.

From 2005 to 2011, 22 joint meetings CPSP/COTCO/NGOs were held, 16 joint field visits for investigations done, 2 forums of information and communication during which large public were informed on the pipeline activities.

These forums were attended by a number of people, among them representatives of affected communities along the pipeline, academics, Chadian and Cameroonian NGOs, Chadian government officials, representatives of the Cameroonian administration, and representatives of IAG.

3. CAO’S ASSESSMENT

3.1 Methodology

The purpose of the CAO assessment is to clarify the issues and concerns raised by the complainants, gather information on how other stakeholders perceive the situation, and help stakeholders understand and determine whether a collaborative solution is possible through a facilitated process by CAO’s Ombudsman, or whether the case should be transferred to CAO Compliance for review. *The CAO Ombudsman does not gather information in order to make a judgment on the merits of the complaint.*

The CAO assessment of the Chad-Cameroon complaint consisted of:

- Review of project documents
- Interviews prior and during visit to Cameroon
- Project site-visit

In the course of the two field trips to Cameroon conducted by the CAO team in July 2011 and August 2011, the team reviewed IFC, COTCO, and NGOs files, project documents, and conducted interviews and group meetings with:

- Representatives of the four NGOs that filed the complaint on behalf of community members.
- Local community members from different parts of Cameroon. Meetings were held in Yaounde and in their villages, during July and August 2011.
- COTCO’s management team constituted by COTCO’s General Manager; Safety, Health and Environmental (SHE) Manager; Public Affairs and Government Relations Manager, EMP Manager, and Public and Governmental Affairs Community Relations Officer.
- Staff from the Steering Committee and Monitoring Pipelines (“CPSP”).

- Staff from the Foundation for Environment and Development in Cameroon¹⁹ (“FEDEC”).
- IFC's project team in Washington DC and IFC's Country Manager in Cameroon.

In addition, the CAO Ombudsman team visited some rural villages neighbouring the pipeline.

3.2 Assessment Findings

3.2.1 Summary of issues

The issues summarized below are based on the original complaint received by CAO, interviews and discussions with stakeholders (prior to and during CAO's assessment field trip). It is CAO's understanding that these are the topics and concerns that would need to be addressed to resolve the complaint:

Impacts and concerns during construction of pipeline:

- Compensation for impacts related to construction of the pipeline (including what constitutes adequate compensation, payment delays, and respect of cultural traditions as defined by the communities). The Platform tripartite looked at these concerns, however disagreement over resolution of grievances remain. COTCO believes to have settled and closed all 456 cases, but NGOs who belong to the Platform believe that there are still outstanding issues.
- Impact on community members' livelihoods (for example, need for land rehabilitation, impacts on crop yields, access to natural resources for subsistence, decline of fish populations in Kribi area, and limited access to certain forest areas for the Bagyeli indigenous communities).
- Labor conditions and treatment of workers either hired by COTCO or by its sub-contractors after work-related accidents.

Impacts and concerns after pipeline construction:

- Health concerns:
 - A rise in HIV/Aids after the laying of the pipeline as a consequence of work migration and establishment of base camps.
 - Asbestos/waste management and possible impacts to human health.
 - Lack of access to clean water as a consequence of poor well installation.
 - Possible health impacts as a consequence of oil spills and due to potential pollution in areas where fishing is the main economic activity.
- Formulation and Management of Indigenous Peoples Plan and community engagement on implementation of plan.
- Labor conditions and treatment of workers either hired by COTCO or by its sub-contractors after work-related accidents.
- Impact on community members' livelihoods due to decline of fish populations in Kribi area.
- Strengthening of existing mechanisms:

¹⁹ La Fondation pour l'Environnement et le Développement au Cameroun (FEDEC) is a charity foundation created in 2001 under Dutch law and recognized as a public utility entity. It has an endowment of US\$ 3.5 million funded by the Cameroon Oil Transportation Company (COTCO) and it was supposed to seek other funding. One of FEDEC's aim is to provide financial support to long-term environmental protection and improvement of the livelihood of indigenous communities in the Republic of Cameroon. The services offered by FEDEC to the Bagyéli community entails assistance in the following areas: i) agriculture - provision of agricultural material and seeds; ii) education - provision of school supplies to Bagyéli students; iii) health - assistance with health care and services; iv) citizenship – provide access to civil credentials and rights; and v) Habitat - constructions of houses. See: <http://fedec-cam.org/>

- “Platform Tripartite” to help all stakeholders look jointly into the future needs of communities in Cameroon.
- COTCO’s Grievance Mechanism.

This list of issues is not intended as a judgment on the merits of the original complaint. It reflects the subject areas that would need to be discussed in order for COTCO and the complainants to reach a mutually satisfactory resolution should complainants decide to pursue a dispute resolution process.

3.2.2 Stakeholders’ Needs

Based on discussions held with the list of stakeholders listed in Section 3.1 above, the following represent the CAO’s understanding of the key underlying needs expressed by the various stakeholders during CAO’s assessment:

About the communities and social benefits:

- Participation of the affected community members is central to any resolution of the issues and concerns raised.
- Improving coordination by and amongst different public authorities in Cameroon.
- Maximizing benefits to those living in project neighboring areas and villages overall.
- Providing preference in job opportunities for youth, and livelihood restoration support for impacted fishing communities.
- Recognizing and acknowledging good-faith efforts made by various stakeholders to address social and environmental impacts and concerns of communities.
- Demonstrating and acknowledging benefits already brought to the overall population (such as jobs and social programs related to prevention of HIV/Aids, malaria prevention, economic empowerment of women’s initiatives, protection of national parks, support for education, sport and cultural activities, etc.).
- Mutually recognizing the openness and willingness from all stakeholders to work with one another in addressing issues and concerns.
- Focusing on the future of communities, and how to strengthen communities’ capacities in a selected range of areas, such as community engagement, project management of income generating activities and community development activities.
- Ensuring the Indigenous Peoples Plan (“IPP”) meets communities’ needs, and includes meaningful participation of community members in program design and implementation.
- Need to recognize lack of clarity about the procedures used by COTCO during construction on how to deal with workers’ labor accidents, subsequent follow up and compensation procedures.

Better understanding of COTCO’s processes:

- The complainants are interested in understanding better how the project is meeting national and international standards. COTCO in turn is interested in sharing relevant information with the complainants.
- Improving public awareness of COTCO’s response to oil spill accidents, and compensation plan when applicable.

Compensation and impact on livelihood:

- Ensuring a fair and transparent compensation process to individuals, communities and regions.
- Mitigating and/or minimizing disruption to fishing activities and delays in restoring reefs to address fishermen’s concerns about decrease in fish production in the Kribi area due to reef destruction, and perennial threats to the continuation of their fishing activities in the long term.

- Respecting local culture and traditions of communities all around the 890 km of pipeline as well as the need to understand need of COTCO to keep record of compensation procedures.
- Need for better understanding about how compensation was carried out, and learn about what has been given to the communities as well as whom has benefited from it.

Health:

- Developing and/or continuing efforts related to the prevention and impact of HIV/Aids in and around the project area.

Platform tripartite:

- Establishing fair, clear, transparent and objective procedures for any future interaction between COTCO, communities, and NGOs.
- Need to strengthen and/or sustain initiatives and mechanisms already in place to address stakeholders and community concerns. For example, the Platform tripartite, where concerted efforts were made towards collective processes to address community's interests and concerns, must be sustained and strengthened.

4. Conclusions and next steps

The role of the CAO throughout the assessment exercise is towards fostering a better mutual appreciation and understanding of the issues as articulated by the four NGOs and the affected community members, COTCO, and other key stakeholders. This assessment report does not intend to make a judgement on the issues raised, or to be the space for parties to raise their arguments and explanations to defend their views. It is not intended to determine right or wrong and it is not meant to influence parties on how to address their concerns. The decision on whether a dispute resolution process or a compliance review of IFC's intervention on the Chad-Cameroon Petroleum Development project will be pursued remains that of the complainants to make. Further, CAO's dispute resolution process is voluntary for all parties, and hence will only go forward with the agreement of the company.

If complainants decide to continue working with the CAO Ombudsman in trying to find collaborative solutions to the issues raised in the complaint, CAO Ombudsman team will share a process proposal with COTCO and complainants for their comments, discussion and agreement. In the event that the complainants decide to opt for a CAO Compliance review process, the CAO Ombudsman after receiving comments from key stakeholders on the report will share the Assessment Report with the President and Board of the World Bank Group, and the public. The case will then be transferred to CAO Compliance for an appraisal of IFC's intervention.

As of January 2012, CAO has been informed that all parties involved in this case in principle would like to follow an Ombudsman dispute resolution process. CAO Ombudsman team will continue working with parties in designing a process that will help them jointly to find collaborative solutions to the issues raised.

CAO hopes this Assessment Report provides useful and constructive guidance to the community members, the NGOs, COTCO, CPSP, FEDEC and all other stakeholders with interest in the pipeline project.