

International Advisory Group
Chad-Cameroon Petroleum Development and Pipeline Project

REPORT OF VISIT
TO CAMEROON
APRIL 7 TO 18, 2002
May 24, 2002

International Advisory Group
Mamadou Lamine Loum, President
Jane I. Guyer
El Mazide Ndiaye
Dick de Zeeuw
Jacques Gérin, Executive Secretary

IAG Secretariat
5 Place Ville Marie, Suite 200
Montreal, Quebec
CANADA H3B 2G2
Tel.: +1 514 864 5515
Fax: +1 514 397 1651
E-mail: secretariat@gic-iag.org
www.gic-iag.org

REPORT OF VISIT TO CAMEROON

APRIL 7 TO 18, 2002

Table of Contents

1.	INTRODUCTION.....	1
2.	FINDINGS AND ANALYSES	2
	2.1 Capacity building.....	2
	2.2 Environment.....	4
	2.3 Social and community development.....	5
	2.4 Governance	8
3.	CONCLUSIONS AND RECOMMENDATIONS	8
	3.1 Capacity building.....	9
	3.2 Environment.....	10
	3.3 Social and community development.....	11
	3.4 Governance	13
	3.5 General conclusion	13
4.	FINAL COMMENT	15

APPENDICES

Appendix 1: Chronology of meetings

Appendix 2: Acronyms and abbreviations

1. INTRODUCTION

At the time of publication of this report, some fourteen months remain before the oil comes on stream, at the end of July 2003. As of that deadline, the public administration and local populations should possess all of the necessary instruments to manage the post-construction phase and control its benefits. The countdown has begun : from this point on Cameroon must capitalize as much as possible on the experience gained, and take over management of the new infrastructures that have been put in place.

In keeping with its mission and its work plan for 2002, the Chad-Cameroon Petroleum Development and Pipeline Project International Advisory Group (IAG) conducted its third working visit to Cameroon from April 7 to 18, 2002.

The main goals of this visit dovetailed with those of the IAG's previous visit to Cameroon in November 2001; that is, to ensure overall Project follow-up, with a specific focus on:

- tracking the implementation of IAG recommendations;
- assessing progress made on priority issues;
- gathering more in-depth information;
- developing active counselling on-site, strengthening working and trust relationships with local stakeholders and promoting dialogue amongst them; and
- suggesting goals to be reached before the end of the construction period.

As can be seen from the chronology of meetings (Appendix 1), this third working visit lasted longer than the preceding ones, and a distinctive feature was the emphasis placed on fieldwork. This permitted a more comprehensive grasp of the socio-economic and environmental challenges posed by the Project, enabled the Group to arrive at a better appreciation of the pipeline construction work, and provided opportunities for direct contact with village populations affected by the Project. The Group travelled by road from Douala to Kribi and Campo, then proceeded northeast along the pipeline right-of-way, stopping in Yaoundé and Bélabo. The rest of the journey, to Domptá, as well as the return leg to Douala (except for the trip from Domptá to Mbéré) was made by air. The IAG renewed contact with the key stakeholders : Government, the Consortium, the World Bank (WB), civil society and politicians.

During its travels to various pipeline construction sites, in Campo-Ma'an National Park and in villages affected by the Project, the IAG was accompanied by representatives of the Cameroon Oil Transportation Company (COTCO), the WB, and Cameroonian NGOs, including (for the Douala–Yaoundé leg of the journey) two members of the Foundation for Environment and Development in Cameroon (FEDEC). In addition, a debriefing session was held at the end of the visit to provide stakeholders with a preliminary review of our observations and possible recommendations. Such sessions also constitute an opportunity for the IAG to help advance the process of communication and discussion of controversial points and persistent misunderstandings among stakeholders. This kind of meeting had already proved its effectiveness during the IAG's previous visit to Chad in November 2001.

The current phase of construction is proceeding according to the timetable set by the Consortium, with the target date for first oil still July 2003. The work of laying, welding and burying the pipeline, as well as restoring the soil along the pipeline right-of-way, began in November 2001 and is continuing. As of early May, a stretch of approximately 300 km of pipeline had been buried, at an average rate of approximately 2 km/day.

Installation of the pumping stations at Dompta and Bélabo is also under way.

The IAG's mandate being to advise the President of the WB and the governments of Chad and Cameroon based on its observations of the project, in this report the Group takes stock of the status of the problems and issues it sees, as well as the immediate challenges to be met, as the deadline approaches for the pipeline to be put into service. The IAG's work as well as the briefings provided in this report were guided by the key conclusions of its previous visits, i.e.:

- The "two-speed" problem affecting the Project, due to the differing nature of the work and the performance gap, between the public institutions and the Consortium, who is moving forward rapidly.
- The danger of creating a modern enclave that lacks organic connections to its surroundings.
- The deficiencies in communication amongst the principal stakeholders and with local populations.

This most recent visit revealed progress on all of these fronts. A fundamental concern remains, however: the delays incurred by the public institutions in comparison to the progress of construction. .

2. FINDINGS AND ANALYSES

This section of the report summarizes progress made, persistent problems, deteriorating situations, and new problems noted for each aspect of the IAG's mission: Capacity Building, Environment, Social and Community Development, and Governance.

2.1 Capacity building

CAPECE. The Cameroon Petroleum Environment Capacity Enhancement Project (CAPECE) has made some progress since November 2001. A number of steps forward have been taken through applying conventional mechanisms, including the start of the contracting process, which applies to 16 operations in all. Several contracts have already been awarded, while the process is under way for the others.

In spite of this progress, the contracting process for the CAPECE project is moving far too slowly to make up the delays that are accumulating as the end of construction approaches. This contracting process, as it follows standard WB procedures to the letter with no deviation or accommodation, is now emerging as the main factor delaying the implementation of CAPECE, most of whose objectives will not be attained until mid-2003.

Communication. In November 2001 the Pipeline Steering and Monitoring Committee (PSMC) and the Consortium displayed a willingness to engage in genuine dialogue through the development of action plans, allocation of additional resources, and organization of site visits for civil society organisations and the press. An overall communications plan is being developed jointly by the PSMC, COTCO and the WB. The PSMC has taken several measures to keep the population along the pipeline, the press, opinion makers, administrations, NGOs and economic operators informed about the various aspects of the Project likely to concern them. These measures have included a tripartite meeting involving the PSMC, the WB and NGOs held in March 2002 with a view to familiarizing NGOs with the activities of the PSMC and keeping them

abreast of the Project's status. The ongoing publication of *La Lettre du CPSP* ("PSMC Newsletter"), and its distribution to several Project stakeholders, is another welcome example. The IAG's contacts with some of the Local Community Contacts allowed us to witness their constructive relationships with local populations.

Real progress has been made, but further efforts will be necessary in order to establish true communications between the parties involved. The start-up and intensification of communications have benefited from the input of measures taken by the PSMC, the Consortium and the WB; but the gains are mainly in terms of information provided to the various "target populations." There are shortcomings in terms of receptive listening, gathering and processing of information (even that deemed hostile), as well as insufficient diversification of the sources of advice, opinion, knowledge and understanding (populations, NGOs, labour unions, local authorities and elected officials, associations...). This hinders the establishment of genuine, two-way communication that would pave the way to calm, constructive dialogue among all stakeholders. Exchanges amongst the IAG and the population along the pipeline, labour unions and NGOs revealed persistent questions about Project activities as well as their current and future impacts on the day-to-day life of affected populations. The various information and awareness campaigns have thus far not been enough to dispel the doubts and fears (whether objective or not) of civil society surrounding the Project. Clearly, the conditions that would ensure confident dialogue have yet to be met.

Infrastructure. The IAG was able to assess first-hand the progress of construction and improvements to certain infrastructures along the pipeline right-of-way. Construction of road infrastructures is now almost complete, and has brought about overall improvements to the road system in the region, which in turn is facilitating the opening up of certain villages. The Mbéré River bridge is nearing completion; it will promote renewed interchange between Cameroon and Chad, and in turn help stimulate the regional economy.

Monitoring. Monitoring of the Project under the aegis of the PSMC is now in effect. But there is room for improvement. The Project encompasses new experiences with respect to options, technical solutions and operational methods, which government experts would benefit from understanding and experiencing concretely, as with the supervisors of the private companies awarded the civil, mechanical and electronic engineering contracts.

Infrastructure management in the post-construction phase. The end of construction work will create new obligations for the public administrations, which will require human, material and financial resources:

- maintenance of approximately 250 km of national roadways and related infrastructures, following the first year of maintenance, which will be assured by COTCO;
- new forest protection measures following the opening of access routes;
- the administration of squatter encampments, which will not disappear after the completion of work; and
- management of lands opened up by the pipeline and provision of information to populations along it to ensure optimum use of the right-of-way.

Similarly, the IAG was apprised of two situations that may represent development opportunities for the region. The first consists in reviewing the possibility of maintaining certain Consortium facilities after their initial use rather than dismantling them as called for in the Specifications – as

long as conditions are met for their proper use by the community, their operation and maintenance is assured, and adverse environmental consequences are neutralized.

The second situation is the projected construction, with assistance from the European Development Fund (EDF), of a road from Moundou to Ngaoundere to open up this region of Chad and promote exports of cotton and other commercial products. Given the existence of the new road linking Chad to the Mbéré River Bridge, the potential for synergy between the two projects merits attention.

2.2 Environment

FEDEC. The FEDEC is finally operational, with permanent structures in place through the hiring of an administrator and a community development programme coordinator, the appointment of a portfolio manager, and the tabling of a plan of action for 2002. As concerns the Indigenous Peoples Plan (IPP), the board of directors has approved an initial phase of four priority actions, whose implementation awaits deposits to the FEDEC's accounts. The process of selecting agencies for implementation of FEDEC programmes is under way.

Drafting of the master plan and development plan for the National Park, as part of the Campo-Ma'an Project, is under way. Once these documents are approved, it will be possible to draft an operating budget that will be proposed to FEDEC for financing.

Much remains to be done, however, before concrete action can begin in the field both for development and management of the two national parks, Campo-Ma'an and Mbam-Djerem, and as concerns operations on behalf of the Bakola population, under the aegis of the IPP. The absence of a structured framework for coordination between the FEDEC and the Minister of the Environment and Forests (MINEF), which would ensure the mutual consistency of their approaches as well as the effectiveness of their actions, is a cause for concern. A national policy on management of the parks – such policy is the responsibility of the MINEF – should have preceded the drafting of the development plans for each of the parks as well as the issuing of the call for tenders to NGOs for management and research.

Moreover, one interesting avenue remains unexplored by the Foundation : this would involve financing projects that offer promise either as examples ("pilot projects") or as means to attract financing from other lenders and thus enlarge the scope of the funds available to the FEDEC.

Lastly, the baseline studies conducted by COTCO could easily lend themselves to further development by researchers and institutions interested in the Cameroon experience, in particular the new national parks.

Logging. During its visit to the Campo-Ma'an region, the IAG was made aware of the problem surrounding the setting up of a sawmill at Ma'an. The Specifications for UFA 09-024 (*Unité Forestière d'Aménagement*, or Forest Management Unit) development have recently been revised, and no longer call for construction of a new sawmill at Ma'an by Forestière de Campo. This change has not been well received either by the logging company or the local authorities. The decision was based on the conclusions of a WB expert dispatched to the area to assess the situation. The socio-economic and environmental dimensions of the issue, however, suggest that the Ma'an sawmill option might be a better compromise in terms of ensuring the protection of Campo-Ma'an National Park as well as the economic and social development of the region. More specifically, it is believed that the pressure exerted on the Park by the population in the

area around Ma'an would not necessarily pose an environmental threat, since only a few people (10, according to the director of the forestry company) would be moved from Campo to work in the new sawmill, which, would otherwise employ local labour.

Oil spill management. The IAG noted that the process of drafting a national plan – the *Plan National de Lutte Contre les Déversements Accidentels d'Hydrocarbures* (PNLDAH, or National Accidental Oil Spill Response Plan) – has begun under the aegis of the PSMC, with steps taken to recruit a consultant as part of the CAPECE project. The PSMC has also embarked on an awareness campaign aimed at the administrations that will be involved in drafting the PNLDAH.

The Consortium, for its part, is progressing according to schedule with the drafting of the area-specific accidental oil spill response plan. The preliminary report by the consultant hired for this purpose is currently under review by the PSMC.

It would have been desirable for the national plan to serve as a framework for the area-specific plans. Instead, the reverse will occur : the drafting of the PNLDAH will incorporate the expertise acquired during drafting of the area-specific plans.

Above and beyond the drafting of response plans for accidental petroleum product spills, protection of both the terrestrial and marine sections of the pipeline against accidental or criminal events remains a concern. Moreover, the safeguarding of traditional fisheries against the potential impact of spills at sea or in rivers does not seem to be receiving the attention it deserves.

Lom River bridge. The Willbros-Spie Specifications require the company to remove the temporary bridge over the Lom River. Local populations, however, would like the structure to be maintained. This counterposes two views of the issue : on the one hand, environmental protection of the Deng Deng forest, to which the bridge provides access, and, on the other, local development. Leaving the bridge in place would require financial compensation to Willbros-Spie, an additional factor that must be considered. The decision to retain or rebuild the bridge should be based on an assessment of the means necessary to ensure the forest's protection, as well as the source of those means. The question remains open, and deserving of more in-depth study so that a decision can be made promptly.

2.3 Social and community development

Work sites and labour conditions. The obvious priority being given by the Consortium to safety and security on the Project work sites and roadways is giving encouraging results, as shown by the low number of accidents recorded. This outcome is attributable, among other factors, to thorough training and ongoing monitoring, which are to be commended.

The workers whom the IAG met with during site visits spoke forcefully of their satisfaction but also of their discontents and concerns vis-à-vis their labour conditions, as well as their uncertain futures as Project employees.

Meetings between the IAG and local populations as well as those living along the pipeline also benefited from the same atmosphere of free expression, which allowed the various parties to put forward their apprehensions and satisfactions vis-à-vis the Project.

Labour conditions on the work sites, however, are still a source of dissatisfaction, often attributable to a misunderstanding of work situations. Many doubts persist as to contract duration, payment terms, and training provided by the employer to workers to enable them to upgrade their skills and advance within the company.

Furthermore, the nature of the relationships and contracts binding COTCO to its various co- and subcontractors makes this aspect of the Project's internal organisation difficult to understand. The confusion is problematic, notably with respect to the attribution of responsibilities, and workers sometimes do not know to whom they must refer in case of problems when several companies have official status on the same work sites.

Compensations. With payments of individual compensations drawing to a close, the process of preparing community and regional compensations has begun in those zones where major construction work is in progress or planned. To simplify the compensation options, COTCO has created certain decision support tools, such as the *Guide des choix* ("Options Guide"), for community and regional compensations. The Operator's Schedule calls for this second phase of compensation to be completed by mid-2003.

The IAG was informed about some outstanding cases of dispute related to the individual compensations, which need to be settled by the Consortium. It appears that these are few in number and are being followed up on by the Consortium according to a well-defined procedure. The random nature of the IAG's interventions in this area, however, may mean that other, unknown cases still exist. Furthermore, the various villagers consulted by the IAG spoke of a lack of information regarding what procedures must be followed in cases of recourse.

Regarding compensations in kind, some rural residents are dissatisfied with the quality of the materials provided to them. Here again, informational shortcomings were noted : an apparently high number of people living along the pipeline were unaware that the materials received were covered by a six-month guarantee.

Human settlements. Project-related activities, notably the construction of the pumping station at Bélabo, are helping to re-energize the urban economy through the influx of new revenues from those employed by the Consortium, local as well as expatriates. Establishment of commissaries near some work sites, supplying foodstuffs to those workers who wish to shop there, may help limit speculation and curb the danger of inflation. The Consortium reports on the price fluctuations that it observes and, in the base camps, promotes certain forms of local procurement.

Similarly, the economic stimulation resulting from the Project is contributing to the accelerated growth of Kribi, which must be rapidly prepared to support its potential status as a hub of service development.

The village of Bemboyo, a separate outgrowth of Dompta since the start of the Project, is a quasi-spontaneous encampment. In the space of a few months the presence of the Project has apparently caused its population to expand from 100 to 3,500. Many of these are workers and their families, and there are numerous other people who have arrived in hopes of participating in the area's economic activities. Although the main employer in the region, Sogéa-Satom, is scheduled to withdraw by May 2002, there is a real opportunity for local development here that merits support.

Health and social services. The multiplication of temporary encampments, the associated population migrations, and the growth of prostitution among young women around the encampments and in cities like B elabo are all factors likely to accelerate the spread of STDs in general, and of HIV/AIDS in particular, that has already been observed by COTCO medical services. Protecting the health of workers and populations at risk for AIDS, malaria and trypanosomiasis is one of the priorities and major challenges of the Project.

COTCO has organised a structured health programme aimed first and foremost at workers and, by extension, at the communities. The Operator is thereby addressing certain needs of the populations through information and awareness campaigns and by facilitating free access to certain care centres. Up to now, however, government institutions have been able to follow COTCO's commitment in this area little or not at all, due to a lack of coordination. The Health section of the CAPECE project has been particularly slow in getting off the ground, such that today it lags far behind other aspects of the Project. Bipindi, Lolodorf and B elabo have already been passed through by construction camps, with no special health education or direct-action measures having been taken by the authorities on behalf of the local populations. The Ministry of Health's announcement that it intends to make up for the upcoming closing of the Sog ea-Satom Clinic at Dompta by opening a public clinic is reassuring. It is to be hoped that good follow-through will be occur on this issue.

As the IAG mentioned in its first report, the problem of prostitution is not only a health issue; it is also a legal issue, demanding the application of the law protecting minors.

Vulnerable populations. Because of the delayed start-up of FEDEC operations and the delays in the contracting process surrounding follow-up of the IPP, the situation with the Bakola population is at a virtual standstill. The measures taken by the PSMC pursuant to the awarding of the CAPECE market are not expected to be completed for at least five months, judging by the number of steps still remaining. This means that, apart from some actions taken by COTCO, the Bakola have benefited very little from concrete measures attendant on the Project, while construction continues and, in some regions, is already in its final phases. This situation is therefore worrying.

The current national parks development projects do not appear to address the need to involve the neighbouring populations, who may well end up deprived of income and hunting grounds.

Commercial markets. Generally speaking, there is greater transparency and accountability in the awarding of the commercial markets generated by the Project, and as a result complaints from the private sector in Cameroon have declined, despite some evident failures. Some of the people the IAG spoke with, however, felt that continued effort is needed to ensure optimum circulation of information regarding the market opportunities provided by COTCO to all Cameroon businesses.

Information. In spite of the efforts furnished in this area, it appears that the written communications tools employed up to now by COTCO and the PSMC are not helping local populations understand certain aspects of the Project that they are concerned about. Specifically, people living along the pipeline with whom the IAG met are worried about the impact that operation of the permanent facilities (pipeline, pumping and decompression facilities, floating reservoir) will have on their health and their future.

2.4 Governance

Legal framework for labour issues. With the support and active participation of the Ministry of Labour, 12 collective agreements have been renegotiated, 6 of which have been concluded, thus bringing up to date these legal documents which are so necessary for social peace. A meeting was held between the Minister of Labour and the general managers of the companies involved in the Project at which the new collective agreements concluded with workers were presented and officially recorded.

In addition, a platform for negotiation of new establishment agreements has been implemented to promote resolution of social conflicts. The Minister of Labour has so far confirmed the signature of one new establishment agreement within a public works company that is among the successful bidders in the Project.

This process should enable the creation of a more appropriate legal framework for preventing labour conflicts and, potentially, for dealing with them more easily.

Relations on work sites. Worker delegate elections have taken place on the Bélabo and Dompta sites, and Tchad-Cameroun Constructors (TCC) has assigned its socio-economic officer the responsibility of conducting on-site discussions with the delegates regarding any problems affecting employees. In spite of this, social dialogue between the labour unions and companies on work sites seems to be going nowhere. Labour unions claim to be being systematically excluded from the work sites, and this information was not contradicted by the companies, who say that they engage in direct dialogue with workers instead.

The unions are also seeking the support of the Minister of Labour in order to inform and educate the workers, by, among other things, ensuring the enforcement of laws and regulations respecting labour unions.

Coordination. Many people interviewed by the IAG said they would like to see the PSMC take on an expanded coordination role, on the one hand to bring together all interested ministries (Labour, amongst others), which seems to be perfectly in keeping with the PSMC's current mission, and, on the other, to demonstrate leadership in implementing structured and open dialogue amongst all concerned parties.

3. CONCLUSIONS AND RECOMMENDATIONS

The International Advisory Group has noted positive actions on the part of each of the main stakeholders, the Consortium, the Government of Cameroon and the World Bank, and applauds this. There are a number of outstanding issues, however, and these must be addressed and resolved so as to ensure that the Project is economically, socially and environmentally sustainable. The following conclusions and recommendations are designed to orient the activities of all parties involved to ensure the best preparation possible and the greatest benefits: to the population along the pipeline and the national population in general. In accordance with the IAG's mission, these recommendations are made to the WB and the Government of Cameroon. They may also interest the Consortium, civil society and other stakeholders.

3.1 Capacity building

CAPECE. To speed the implementation of the CAPECE markets, the steps in the timetable of implementation – and especially their duration – will have to be reduced as soon as possible. Accelerating the process, without affecting the quality of the work, is the urgent challenge facing the WB and the PSMC. The WB's recent attribution to the Project of new human resources, aimed among other things at managing these issues, should enable faster completion of the procedures as well as more in-depth follow-up.

The PSMC and the WB must review the CAPECE market attribution procedures so as to speed up the process, given the real urgency of the situation. If this does not occur, the Government's actions will not be implemented before the end of construction, and their effectiveness will be compromised.

Communication. It is imperative that genuine two-way communication be developed amongst the parties to enable them to reach more effectively the goals set at the start of the Project. Such a working method is beneficial to all parties concerned.

The IAG has called attention to this situation from its first report. While it is pleased to note the concrete achievements that have been made in terms of the provision of information, *it stresses the importance of going even further, by :*

- *ensuring that messages sent have been generally received and understood, through solid feedback;*
- *seeing to it that the various information sessions promote and facilitate dialogue and discussion, and are not limited to the unilateral transmission of information;*
- *creating a framework for structured, sustained dialogue amongst the key parties involved: the Government, the Consortium and civil society, with effective participation and, if necessary, facilitating efforts of the WB.*

These measures would appear to be essential, first of all for smoothing out the difficulties in comprehension and the prejudices inherent to a project of this nature. In addition, they are necessary for fostering an atmosphere of collaboration and participation, without which this commercial project cannot become a "development project."

Monitoring. Monitoring would gain from being either permanent or at least more frequent so as not to miss opportunities to make the best possible use of the experience acquired thus far in the Project.

The PSMC should consider, between now and the end of the Project, substantially increasing the frequency of monitoring visits by the competent authorities.

Management of infrastructures in the post-construction phase. The future of the infrastructures to be left behind by the Consortium – which, in the words of the Environmental Management Plan, should be "restored" to their previous condition – is currently the subject of discussions between the Consortium and the Government. The interest of local populations and their capacity to benefit from the continued use of certain of the infrastructures should be taken into consideration, along with the capacity of administrations, both local and national, to ensure their maintenance.

The IAG supports examination and review of the various Project specifications with a view to making permanent some facilities, subject to conditions : proper use by the population, assurance of good operation and maintenance, and absence of deleterious environmental effects.

It will be essential to maintain in good condition the new north-south road link – the approximately 250 km of roadways laid or improved by the Consortium – as it could become a key resource with economic repercussions in both Cameroon and Chad.

Proper management of the infrastructures and other Project spin-offs being one of the important means by which the country can gain maximum benefit from the investments being made, the Government should immediately take steps and plan for the resources necessary to ensure:

- *the upkeep of roadways and bridges built or improved as part of the Project;*
- *the protection of the forests required as a result of their greater accessibility;*
- *the administration of the squatter encampments, which may outlive the construction work;*
- *management of the pipeline right-of-way to optimize its usage by populations living along it.*

Furthermore, the Government should re-examine the Moundou – Ngaoundere road plans before significant investments are made, to verify whether partial use of the new road would not better serve the objective of opening up the Moundou region and promoting cotton exports and commercial exchanges.

3.2 Environment

In accordance with the recommendations made by IAG following its second statutory visit to Cameroon, the key actions to be set in motion immediately involve management of the new national parks and the settling of the environmental safety issues still surrounding the pipeline and its ocean terminus. These same recommendations are thus reiterated.

National Parks. The completion of the management policies and programmes for the Campo-Ma'an and Mbam-Djerem national parks requires the involvement of the Ministry of the Environment and Forests (MINEF) and FEDEC.

- *MINEF should implement the general management policy for all national parks, as a frame of reference and consistency guide for the new parks' development plans.*
- *In the case of Campo-Ma'an National Park, FEDEC decisions should be aligned not only with the MINEF's strategic objectives, but also with the Campo-Ma'an Project master plan and development plan, currently being finalised.*
- *In alignment with MINEF policy, FEDEC must effectively prepare support for management activities in the national parks, involving Cameroonian institutions, local populations and local NGOs. It must also involve the neighbouring population in park protection and development. Cameroonian NGOs should have an effective participation in the implementation of the development plans, with specific responsibilities and the means to carry them out.*

Logging. The review of UFA 09-O24 Specification prohibiting the construction of a new sawmill at Ma'an is a sensitive issue on multiple fronts that merits thorough study.

Based on the environmental and socio-economic information on the region collected during its visit, the IAG recommends that the issue be re-examined to ensure that a sustainable solution can be found for the region and its inhabitants that reconciles ecological and developmental objectives. The arguments against the sawmill did not seem to us to be adequately supported.

Oil spill management. Drafting of the *Plan National de Lutte Contre les Déversements Accidentels d'Hydrocarbures* (National Accidental Oil Spill Response Plan, or PNLDAH) should have preceded the drafting by COTCO of the area-specific plans. Instead, the area-specific plans will serve as the basis for drafting of the national plan.

The IAG urges COTCO to proceed diligently, as per its commitments, to ensure that the area-specific plans are discussed and approved several months before first oil, for three purposes: integrating public participation in pipeline safety issues (time is needed for awareness-raising, training, mobilization and motivation); pinpointing sensitive zones for which specific efforts will have to be made; and drafting an adequate budget for management of such risks.

The Government, for its part, should take all possible measures to ensure that the PNLDAH is drafted as soon as possible, and ensure that it is compatible with the measures recommended by COTCO. The PSMC must draw up a schedule of its activities to be in a position to implement the national plan before first oil.

Lom River bridge.

Before making a definitive decision on the dismantling of the Lom River bridge, the Government, jointly with the Consortium and the WB, should carefully study the associated costs and benefits, taking into account protection of the Deng Deng forest, the needs of the population along the pipeline, expected activities in this sector, and allocation of the costs to be incurred.

3.3 Social and community development

Work sites and labour conditions. As work progresses on the sites and the completion date approaches, the IAG notes a certain stabilization in the work atmosphere and the attention being paid to the consequences of demobilisation.

Concrete measures remain to be taken, however, to improve the work atmosphere and labour conditions on sites:

- *COTCO must see to it (potentially by conducting random inspections) that all of its contractors and sub-contractors are thoroughly respecting labour legislation, specifically as concerns legal restrictions on overtime hours worked.*
- *COTCO must introduce an information system enabling timely specification of various participants' responsibilities and rapid settlement of disputes, which sometimes occur because of a lack of proper information; this recommendation specifically targets entrepreneurs as well as workers. The proposed system must set the forms, and clearly specify the procedures, for recourse.*

Compensations.

Regarding individual compensations, there is an urgent need to settle once and for all the outstanding disputes, to avoid tainting a process, which has in general gone smoothly. It is also important that the population along the pipeline be sufficiently informed as to the types and avenues of recourse available to them should they be dissatisfied.

Regarding the dissatisfactions related to the quality of compensations in kind, COTCO must investigate and take any necessary measures to properly compensate the parties involved. It appears that supplementary information needs to be provided to beneficiaries for all of them to be fully apprised of their rights and the claims procedures.

Human settlements. The squatter encampments such as that at Bemboyo doubtless represent new opportunities for local development, but they must benefit from the involvement of the authorities. In this light, the IAG notes with satisfaction the willingness shown by the Minister of Health to create a health centre in Dompta after the withdrawal of Sogéa-Satom.

More generally, the support that spontaneous settlements like that at Dompta will require to manage their transformation must be the object of reflection, with a view to assuring the populations the necessary educational, health and safety services.

Health and social services. The experience and data acquired by COTCO can serve to support the progress of the health system as a whole, through the epidemiological data collected and the intervention methods applied on the Project sites.

Because the health of workers and local populations is a sensitive Project issue, the Ministry of Health should take the necessary measures to, on the one hand, consolidate the information collected by the COTCO health network and, on the other, ensure the maintenance of medical services thus far provided by COTCO.

The Ministry of Health should examine where to introduce new health infrastructures such as those it intends to introduce in Dompta, ensure that these centres will be provided with the human and material resources necessary to their operation, and, generally speaking, adopt an anticipatory approach to potential health dangers.

Over the shorter term, there is an urgent need, before the temporary work camps advance further, for COTCO and the Ministry of Health to collaborate and capitalize on the experience gained over the past few months, and implement a system for monitoring the most threatening contagious illnesses and for planning preventative actions to be taken on behalf of populations along the pipeline construction route. Every effort must be made to manage those situations, which are deteriorating, and to minimise risk in new Project locations. The IAG recommends that, as a complement to this approach, the PSMC ensure effective coordination between COTCO and the Ministry of Health.

Vulnerable populations. The situation of the Bakola population is cause for concern, given the paucity of concrete measures incidental to the Project taken up to now.

There is an urgent need to begin the development activities to ensure a sustainable future for this population.

Information. The communications tools employed by the Consortium to address local populations should be reviewed to make them more effective. There are still doubts as to what

types of subsistence or other farming will be viable along the pipeline right-of-way after completion of the soil restoration process.

Stakeholders should consider a more illustrative teaching approach, using materials that can be preserved, so that villagers can have a clear idea of the direct impacts of the Project on their lives and the avenues available to them in case of dispute.

The concerns of populations along the pipeline regarding the potential future impact of pipeline operations on their health and living conditions must also be taken into consideration.

To this end, deployment of an effective information campaign on the subject should not await the start of the operations phase.

3.4 Governance

Legal framework for labour issues. The work done by the Ministry of Labour to renew the collective agreements is encouraging and deserving of support.

The Ministry of Labour must take steps to ensure that the companies involved in the Project (COTCO and the contractors) support and actively participate in these labour relations renewal efforts.

Worker representation. It is in the interest of all parties that labour legislation be respected on all Project work sites, at the very least to promote a healthy and productive work atmosphere. Personnel and union delegates must be able to hold the positions and exercise the prerogatives granted to them by the labour legislation, and able to benefit from the unfettered access necessary to do so.

Unions and personnel delegates must hold the status conferred on them by national legislation as well as by international agreements negotiated within the International Labour Organization (ILO), so that they may play their essential roles in the creation of social dialogue within the company.

Coordination. Since its first report, the IAG has insisted on the importance of a regular, structured dialogue amongst the parties (Government, Consortium, civil society, WB).

Insofar as all stakeholders have expressed their interest in implementing such a dialogue, the IAG firmly recommends that the PSMC take the initiative to ensure that such dialogue be constructive, periodic and all-encompassing, as required for success. If this were to constitute a widening of the scope of the PSMC's mission, the Government should see to its explicit inclusion in the mission or, failing this, determine other suitable formulae.

3.5 General conclusion

The general picture that emerged from this third visit was one of progress made on a significant number of points. The elements of this progress are noted in this report. A key concern remains, however, and that is related to capacity building on the part of the public institutions and society, with a view to ensuring their ability to fully assume their monitoring and especially their management roles as concerns the spin-off benefits of the Project.

In this regard, implementation of the CAPECE will require its contracting parties – the Government and the WB – to proceed urgently and adopt fast-track procedures to ensure that the many phases of this programme are completed more quickly than originally planned. It would be advisable that those in charge of each phase draw up a completion timetable to ensure the timely implementation of the programmes, and take all necessary measures, even exceptional ones, to reach this goal.

All parties must focus attention on the potential for the population to reap the benefits of the Project and for the Government to take advantage of the experience, training and infrastructures, which, as early as 2003, will constitute the legacy of the Project.

The strategic challenges inherent to the Project are undiminished. The first is to ensure that populations, especially along the pipeline, benefit from the spin-offs of the investment. In Cameroon the construction phase of the Project is fairly short : it will be completed by the end of 2003. Afterwards, only the operational and maintenance teams assigned to the pumping stations and pressure reduction stations will remain.

Between now and then, the Cameroonian administration must : maintain its environmental and social follow-up activities; see to it that the outstanding compensation issues are quickly settled; ensure that the work atmosphere is conducive to workers getting the most out of their experience, and help ensure their retraining; and ensure that the population along the pipeline and other concerned parties are kept informed of the post-construction situation in terms that guarantee their understanding of the issues and provide an incentive for them to engage.

As the Government did not determine that the tax revenues would be sufficient, compared to the country's overall resources, to require specific allocation measures (as in Chad), it will be more difficult to assess to what degree these benefits will have contributed to the betterment of local populations.

The other major challenge is to think beyond direct economic benefits and capitalize on the short but intensive investment period to do more than merely satisfy the legal requirements related to the Project; the best long-term benefits must be pursued. All parties concerned must seek means to make use of the training, contractual procedures, permanent investments such as roads and bridges, the health system put in place by the Project, and management of the national parks, among other assets, to ensure that the Project functions as a true engine for development. All must also seek the best means for the population along the pipeline to "live with" the pipeline and thus draw from it permanent interest and benefits, as well as assume a share of responsibility for its safety and security.

These challenges involve the Government as well as all of Cameroonian society : public administrations, the private sector and civil society.

It will be incumbent upon the Government of Cameroon and the WB, in particular, to initiate a "countdown" and perform simulations of foreseeable outcomes so as to assess them and act without delay to realign them, if need be.

The IAG's next reports will contain a greater focus on assessment of these major challenges.

4. FINAL COMMENT

The International Advisory Group extends particular thanks to the persons from the following organisations who accompanied its members on site visits : COTCO, the World Bank, FEDEC, and NGOs (CED, ERA, FOCARFE); each of them was of assistance in terms of information gathering and understanding. The IAG also thanks all of the persons (e.g. administrators, villagers, workers) who welcomed the team and openly shared their satisfactions, concerns and aspirations.

The IAG thanks the Government of Cameroon, and especially the PSMC, for being available and helpful; COTCO for its welcome, participation and logistical support, and the WB for its support and contribution.

Several individuals and groups provided the IAG with written comments and suggestions that were germane to its discussions, and to them the Group extends its thanks.

The IAG welcomes written reactions and comments pursuant to its reports. In particular, it encourages the bodies to which it addresses its recommendations – the Government and the World Bank – to keep it informed of how those recommendations are followed up, in advance of the next scheduled working visit.

This report of the IAG's third working visit to Cameroon as well as previous reports are available on the IAG web site.

International Advisory Group

Mamadou Lamine Loum, President
Jane I. Guyer
El Mazide Ndiaye
Dick de Zeeuw
Jacques Gérin, Executive Secretary

IAG Secretariat

5 Place Ville Marie, Suite 200
Montreal, Quebec
Canada H3B 2G2
Tel. : +1 514 864-5515; Fax : +1 514 397-1651
E-mail : secretariat@gic-iaq.org
Web site : www.gic-iaq.org

APPENDIX 1

CHRONOLOGY OF MEETINGS

Monday April 8—Douala

- WB forestry expert
- COTCO
- COTCO contractors : Sogéa-Satom, Tchad-Cameroun Constructors (TCC)
- Private sector : CIBLE RH, MECAM, GPAC, GICAM, AES, GEOFOR, ASAC, CPA
- FEDEC

Tuesday April 9—Douala—Kribi*

- In transit: Douala—Kribi
- Prefect of Kribi
- Forestière de Campo

Wednesday April 10—Kribi—Yaoundé*

- Kribi: Tropenbos and Campo-Ma'an National Park ranger
- In transit: Kribi—Yaoundé
- Village of Mpangou
- Village of Makouré
- Site visits : pipeline river crossing, pipe welding sites

*IAG accompanied by representatives of the NGOs CED and ERA, the FEDEC, COTCO, and the WB

Thursday April 11—Yaoundé

- PSMC
- Labour Minister and Secretary General of the Labour Ministry
- Ministry of the Environment and Forests
- WB and IMF
- Mr. Akere Muna, Lawyer, former president of the Bar, president of Transparency International

Friday April 12—Yaoundé

- Cameroonian NGOs and civil society
- Labour unions : CSTC, Comité de suivi Syndical inter-État du Projet pipeline Tchad-Cameroun, Union des Syndicats Libres du Cameroun
- Diplomatic corps
- The Prime Minister
- The press
- The Health Minister

Saturday April 13—Yaoundé

- Internal work

Sunday April 14—Yaoundé—Bélabo**

- In transit : Yaoundé—Bélabo
- Village of Nkoteng
- Village of Nguinda
- Bélabo : TCC encampment, superintendent of Pumping Station No. 3, Wilbros-Spie right-of-way restoration inspector, other site supervisors

Monday April 15—Bélabo—Dompta**

Bélabo region

- TCC encampment
 - o Tour of Pumping Station No. 3 construction site
 - o Workers, physician at the TCC Health Centre
- Village of Ebaka
- Subprefect of Bélabo
- Physician at Bélabo Health Centre
- Lom River bridge
- In transit : Bélabo—Dompta (by air)

Dompta Region

- Bemboyo : meeting with Dogaris
- TCC encampment
- Sogéa-Satom encampment

Tuesday April 16—Dompta—Douala**

- Dompta : tour of Pumping Station No. 2 construction site
- Visit of Mbéré River bridge construction site
- In transit : Dompta—Douala (by air)
- Douala : meeting with representatives of insurance companies ASAC and CPA

**IAG accompanied by representatives of the NGOs CED and FOCARPE, the WB, and COTCO

Wednesday April 17—Douala

- Two debriefing sessions before departing Cameroon, attended by :
 - COTCO/BM/PSMC
 - COTCO/BM/PSMC/FEDEC/NGOs

- Dinner offered by COTCO to IAG with representatives of the WB, FEDEC and the PSMC

Thursday April 18—Douala

- Internal work: drafting of Report

APPENDIX 2**ACRONYMS AND ABBREVIATIONS**

AIDS	Acquired Immune-Deficiency Syndrome
CAPECE	Cameroon Petroleum Environment Capacity Enhancement Project
COTCO	Cameroon Oil Transportation Company
EDF	European Development Fund
FEDEC	Foundation for Environment and Development in Cameroon
FMU	Forest Management Unit
HIV	Human Immunodeficiency Virus
IAG	International Advisory Group
IMF	International Monetary Fund
IPP	Indigenous Peoples Plan
MINEF	Minister of the Environment and Forests
NGO	Non-Governmental Organisation
PNLDAH	Plan National de Lutte Contre les Déversements Accidentels d'Hydrocarbures (National Accidental Oil Spill Response Plan)
PSMC	Pipeline Steering and Monitoring Committee (CPSP in French for Comité de Pilotage et de Suivi des Pipelines)
STD	Sexually Transmitted Disease
TCC	Tchad-Cameroun Constructors
WB	World Bank