

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: January 23, 2012

TO: Ms. Meg Taylor, Compliance Advisor/Ombudsman

FROM: Rashad R. Kaldany ~~CGIVP~~

EXTENSION: 36787

SUBJECT: CAO Ombudsman Assessment Report: Complaint Regarding the Chad-Cameroon Pipeline in Cameroon (IFC Project #11124)

Thank you for providing us with your Ombudsman Assessment Report on the Chad-Cameroon Petroleum Development and Pipeline Project in Cameroon. We appreciate having had the opportunity to provide information to the CAO team prior to their visit and to be able to provide comments on the subsequent assessment report.

IFC has been consistently monitoring the project with the help of an independent environmental and social expert, the External Compliance and Monitoring Group (ECMG) (the consulting firm of D'Appolonia of Italy) since construction of the project began. We are therefore aware of the issues raised by the NGOs on behalf of the communities and have worked with COTCO to address community concerns over the years.

IFC is pleased to learn from the CAO that all parties involved in this case have agreed to follow an Ombudsman dispute resolution process, wherein the CAO will continue to work with the parties and help design a process that will assist them to jointly find collaborative solutions to some of the issues raised.

We concur with the report's recommendation on how to proceed with the complaint, particularly regarding the Platform tripartite, where there must be a collective effort on all parties involved to strengthen and sustain this mechanism. It is our view that, in the course of resolving the complaints of the communities, it is essential that the Platform tripartite be enhanced, rather than undermined in the process and we request the CAO's help in ensuring that is the case. The Platform tripartite remains the key mechanism of sustainably addressing the grievances of the communities on a long-term basis. It is therefore critical that this structure is validated and strengthened in the process so that it can carry on as a useful project grievance mechanism even after IFC is no longer involved in the project.

Regarding the complaints of the communities, we are confident that the process of resolving these complaints by the Ombudsman will be judicious and pragmatic. It is our belief that long-standing cases involving individuals, households and specific communities

may need to take priority as these present the best opportunities for resolution under the CAO's efforts.

Broad-based issues such as the proliferation of HIV-AIDS, impacts of the pipeline on livelihoods, the decline of fish population in the Kribi area are complex issues which would be difficult to measure and resolve in an objective and equitable manner, given the absence of baseline information. These present a greater challenge and will likely require more extensive methods and expertise from external resources as well as the involvement of local authorities.

Our discussions with the Company indicate that it is receptive to the CAO's efforts. In the course of dealing with COTCO, we developed the impression that the Company is eager to reach resolution on specific complaints as the process has been hampered by the inconsistent participation of the other stakeholders in the Platform tripartite. COTCO views the CAO's mediation as an opportunity to move the process forward and rebuild trust between parties.

We would welcome the opportunity to further discuss this response with the CAO team, if such discussion will prove to be helpful. Should IFC's participation be required in the Ombudsman process that will take place, IFC, in general, and the project team, in particular, are prepared to assist at the CAO's request.

Cc: Messrs/Mmes. Sheahan, Gouarne, Bulmer, Mahidhara, Rahill, Crist, Rabarijohn, Dermendjieva, Reyes, Orellana, Baird, Chan