

REPORT ON COMMUNITY-COMPANY DISPUTE WITHIN THE CONSTRUCTION PHASE OF THE LOM-PANGAR HYDROPOWER PROJECT.

APPRAISING DEVELOPMENT EFFECTIVENESS FOR THE AFFECTED GRASSROOTS COMMUNITIES WITHIN THE SCOPE OF THE LOM-PANGAR DAM PROJECT:

1

UPON UTILIZING THE PUBLIC CONTRACT PERFORMANCE (PCP) INDEX.

PROJECT SITE: LOM-PANGAR, EAST REGION, CAMEROON.

**JANUARY 2014** 

## REPORT SUBMITTED BY INVESTMENT WATCH INITIATIVE:

A COALITION OF CIVIL SOCIETY ORGANIZATIONS ADVOCATING FOR SOUND ECONOMIC GOVERNANCE FOR ALL MAJOR INVESTMENT PROJECTS (COSADER, CAMYOSFOP, AFROLEADERSIP AND AFRICA LOBBY)









Working for Inclusion









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# INVESTMENT WATCH INITIATIVE Working for Inclusion









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## **ACRONYMS:**

AfDB: African Development Bank

**AFD:** French Development Agency

**CCP:** Chad-Cameroon Pipeline

**CSO:** Civil Society Organization

**COTCO**: Cameroon Oil Transportation Company

**CWE:** China and Water Electricity Corporation

**EDC:** Electricity Development Corporation

**EIF:** European Investment Fund

**ESIA**: Environmental and Social Impact Assessment

**ESIMP:** Environmental and Social Impact Management Plan

I-Watch: Investment Watch

**GMC**: Global Management Consulting

MINEPAT: Ministry of the Economy, Planning and Regional Development

MINTP: Ministry of Public Works

PCP: Public Contract Performance Index







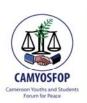


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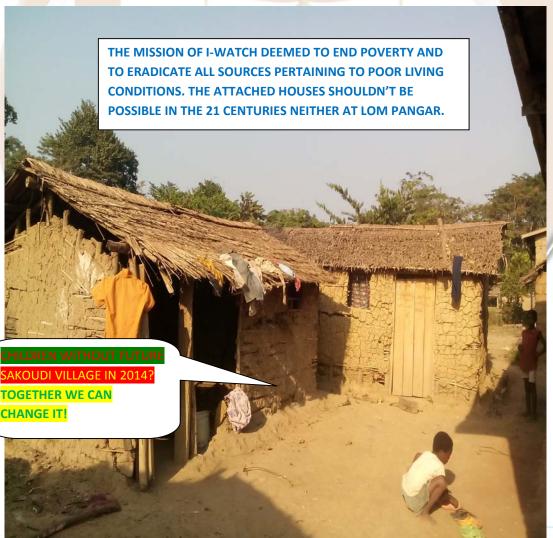


## 1. ABOUT US: INVESTMENT WATCH(I-WATCH):

Investment Watch (I-Watch) is a civil society coalition that seeks to play the role of an independent ombudsman. I-Watch was created in February 02, 2012 by a syndicate of Civil Society Organizations (CSOs). CSOs are specialized in economic governance with the intent to protect the "stakes of grassroots communities" within major investment projects taking place in Cameroon and Africa at large. The pioneer founding civil society partners to this coalition are: COSADER-Cameroon; Cameroon Youths and Students Forum for Peace (CAMYOSFOP); Afroleadership and Africa Lobby.









In a fervent resolve to achieve inclusive economic growth for grassroots communities in Africa for the last couple of years and going forward, it is therefore critical for I-Watch to undertake the following missions with no interruptions:



- Fight against corruption that stems from major investment projects by developing and publishing on annual basis the Public Contract Performance (PCP) Index report in order to highlight the performance of each actor (project owner, the contractor/company and the technical quality control firm) involved in public contract in Cameroon.
- ♣ Encourage and Organize dialogue forum with stakeholders especially to leverage the stakes of grassroots communities within major investment projects.
- Advocate and lobby for legal reforms and compliance regarding legal and governmental instruments regulating investment projects in Cameroon.
- ♣ Publish special thematic reports around major investment projects in Cameroon and Africa at large.
- Build the capacity of stakeholders regarding conflict prevention between corporations and communities.
- Engage in conflict mediation and resolution between communities and corporations.





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## 2. CONTEXT AND RATIONALE

Since the year 2000 to date the government of Cameroon has mobilized a substantial amount of financial resources from a wide variety of sources to boost energy production through the construction of the Lom-Pangar hydropower dam project. The project site Lom-Pangar is located within the Lom and Djerem division in the East region of Cameroon. Since the inception of this project, the government of Cameroon has mobilized approximately 503 million United States Dollars (256 billion FCFA) from its own resources and donor funding resources to carry out studies, conceive the engineering design of the hydropower dam and to build the Lom-Pangar hydroelectricity dam. The proper construction of this dam effectively started in 2011 and has made relatively significant inroads in the construction of the dam facility.

Cameroon's resolution to boost its renewable energy capacity and productivity is highly welcome by all, but should comply with internationally required standards regarding reparations towards social and environmental damages owed to the affected grassroots communities. According to a recent Environmental and Social impact(ESIA) conducted on the field, the affected grassroots community has reported a profound sense of dissatisfaction regarding compliance to the original Environmental and Social Impact Management Plan (ESIMP) agreed upon by the key stakeholders.





However the project owner: Cameroon Electricity Development Corporation (EDC) and its financial partners: the French Development Agency (AFD); the World Bank; the European Investment Bank (EIB); the African Development Bank (AfDB); the Central African States Development Bank (BDCEA), etc. have not fully complied to the original ESIMP which was jointly agreed upon by the main stakeholders. Just to cite a few, the EDC has completely executed its expropriation and resettlement plan for the affected grassroots community but there is much that needs to be done in terms of implementing key aspects of the original ESIMP. The very first issue of critical importance is that of pending compensation to the affected grassroots community for losing their livelihood. This loss has been by virtue of the fact that they have been forbidden from hunting and fishing in the Deng-Deng forest reserve and the Lom-Pangar river banks respectively thereby forgoing their prime livelihood activities of hunting and fishing in return for nothing.



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Appraising development effectiveness for the grassroots communities affected within the Lom-Pangar dam project entails conducting a survey to assess the impact of the project thus far on the affected communities. A coalition of Civil Society Organizations (CSOs) dubbed the Investment Watch (I-Watch) self-funded this survey in order to gather a deeper insight into the key social and environmental issues around the Lom-Pangar dam project. Our central point of concern is: why should the Lom-Pangar dam project since inception lack a transparent social and environmental investment plan for the affected grassroots communities? It is not admissible in modern development funding practice that public funds directed to affected grassroots communities are not transparently published as required by the laws in force in Cameroon. It is against this backdrop that we undertook this mid-term assessment as to appraise on-going limitations within the implementation of



## 3. THE LOM-PANGAR HYDROPOWER PROJECT

The development objective of the Lom-Pangar Hydropower Project for Cameroon is to increase hydropower generation capacity and reduce seasonal variability of water flow in the Sanaga River and to increase access to electricity. There are four components to the project. The first component is Lom-Pangar regulating dam. This component will co-finance the construction of the Lom-Pangar regulating dam on the Lom River. Based on the engineering design, the dam will be 46 meters high and 7 meters wide at the crest and be composed of a central overflow section with embankment wings and a saddle dam. The second component is Lom-Pangar Power Plant and Transmission Line. A 30 MW hydropower plant consisting of four Francis turbines will be constructed at the foot of the dam.





In addition, the power plant will be connected through a 105 kilometer 90 kV transmission line to the existing Eastern Network at Bertoua. A HV/MV substation will be constructed in Bertoua. This component will also include: a rural electrification sub-component to connect 13 localities between the hydropower plant and Bertoua and the electrification of approximately 2,400 households. It will also include social mitigation measures related to the power plant and transmission line. The third component is environmental and social measures. This component is comprised of eight sub-components: six sub-components linked to the Environmental and Social Management Plan (ESMP), a sub-component on the Resettlement Action Plans (RAPs) and a local development sub-component. The fourth component is technical assistance and project management. This component is composed of three sub components: i) technical assistance, ii) communications, and iii) project management.



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## 4. PURPOSE OF THE ASSIGNMENT:

The purpose of this assignment was to conduct an independent mid-term appraisal regarding compliance to the original Environmental and Social Impact Management Plan (ESIMP) proposed and validated by all stakeholders within the entire life cycle of the Lom-Pangar project.









## 4. METHODOLOGY:

In a drive to publish an objective report at the end of this assignment, we utilized the following methods to come out with the final report:

- ♣ Conduct a desk review of existing project documents: we reviewed existing documents regarding the Lom-Pangar hydroelectricity project in order to gather any relevant information that will inform the entire survey process.
- ♣ Conduct a project site visit to the Lom-Pangar hydroelectricity dam and affected communities: we carried out a field trip to Lom-Pangar project site and around the affected grassroots community in order to gather feedback from stakeholders regarding compliance to the original Environmental and Social Impact Plan (ESIMP).
- Conduct a survey through the use of the Public Contract Performance Index (PCP) index scorecard: In an attempt to objectively gather data, we conceived and utilized the Public Contract Performance (PCP) index scorecard to assess the implementation of the Lom-Pangar project as a public contract under the project ownership of the Cameroon's Electricity Development Corporation (EDC). The PCP index scorecard carries a set of objective questions and indicators regarding the responsibility matrix of the project owner, the contractor, the technical quality control firm and related local stakeholders. The PCP index scorecard grants us the opportunity to conduct key Informant Interviews, Focus group Discussions and an indepth appraisal of a given situation as to provide an overall score to each actor at the end of the appraisal. For the moment, we were simply pretesting the application of the PCP index tool around the Lom-Pangar dam project. The best way to grant an overall score is to conduct at minimum 10 field visits within the course of 1 year as to gather details on the different components of the project as defined on the ESIMP. In terms of respondents, we gathered feedback from 20 respondents including the Para-Mount Chief of the Deng-Deng people, affected village community members and local civil society actors.







## 5. KEY STAKEHOLDERS INVOLVED IN THE LOM-PANGAR PROJECT

The key stakeholders involved in the Lom-Pangar hydroelectricity dam project include the following:

5.1 THE PROJECT OWNER IS: ELECTRICITY DEVELOPMENT CORPORATION (EDC) which is a Public Corporation created by the government of Cameroon to build and operate the entire life cycle and span of the Lom-Pangar dam project as well as every energy production assets built out of Cameroon's public funds.

5.2 THE CONTRACTOR IS: CHINA AND WATER ELECTRICITY

CORPORATION (CWE) is directly involved in the process of conceiving and building the entire design of the Lom-Pangar dam project

5.3 THE QUALITY CONTROL TECHNICAL FIRM IS: COYNE ET BELLIER/ISL (COB/ ISL) which are in charge of ensuring that the entire construction of the Lom-Pangar is built according to the original specifications, material compliance and respect for timeline in the implementation of the project baseline and work breakdown schedule (WBS).

**5.4 THE AFFECTED GRASSROOTS COMMUNITY** which constitutes the villages around the Deng-Deng forest reserve and the Lom-Pangar river banks participated in the project design at the level of building the ESIMP.

5.4 AGENCE FRANCAIS DE DEVELOPPEEMENT (AFD)/THE FRENCH DEVELOPMENT AGENCY is a major donor to the Lom-Pangar hydroelectricity dam to the tune estimated at 84 million US Dollars

5.5 THE WORLD BANK (IDA/IBRD) is also a vital donor to the Lom-Pangar project to the tune estimated at 132 million US Dollars

5.6 THE EUROPEAN INVESTMENT BANK (EIB) is a also a donor to the Lom-Pangar project to the tune estimated at 50 million US Dollars

**5.7 THE AFRICAN DEVELOPMENT BANK (AfDB)** is also a counterpart funder to the tune estimated at 163 million US dollars

5.8 THE MINISTRY OF ECONOMY, PLAN AND REGIONAL DEVELOPMENT dubbed MINEPAT coordinates all development activities around the Lom-Pangar dam project.







**5.9 THE MINISTRY OF PUBLIC WORKS (MINPT)** is responsible for the building of the access road to the Lom-Pangar dam project site which road remains to date very narrow, slippery, full of dust in dry season and muddy in raining time.

**5.10 THE REPUBLIC OF CAMEROON** is responsible for mobilizing and contracting the loans to build the dam facility but also provided a matching contribution since the year 2000 to date to the tune estimated at 199 million US Dollars.

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**5.11 THE CENTRAL AFRICAN STATES DEVELOPMENT BANK (BDEAC)** as a key donor funded to the tune of 40 million US Dollars.









## 6. THE RESILIENCE AND RESISTANCE OF THE AFFECTED GRASSROOTS COMMUNITIES.

Since the construction of the Chad-Cameroon Pipeline (CCP) project in the early 2000s across the Deng-Deng community of the East region of Cameroon, the inhabitants of this particular affected community have demonstrated a strong sense of resilience and resistance regarding sustaining their livelihood. Besides the lack of paved roads and social amenities like:

- 1- Health centers,
- 2- Portable water,
- 3- Decent housing,
- 4- Well built and equipped schools,
- 5- Tarred roads from Belabo to Lom-Pangar
- 6- Track Way
- 7- Improved paths between Villages
- 8- Create a shopping center, etc.



It is unbelievable that the Deng-Deng people have proven to be happy even when they live in shacks and barely survive with a daily income of less than 200 FCFA per day. With the advent of the Lom-Pangar hydroelectricity project, there was greater hope inciting that things will improve for the better. To our dismay, the Deng-Deng people have been forbidden from fishing and hunting respectively from the Lom-Pangar river banks and Deng-Deng forest reserves in return for no compensation package to date. This loss of livelihood has not been compensated to date which goes to buttress how resilient and resistant the Deng-Deng people could be. However these inhabitants of the affected community must be subject to the respect of the ESIMP by the due date per all stakeholders' memorandum of understanding upon the agreement to undertaken the Lom-Pangar Dam Project











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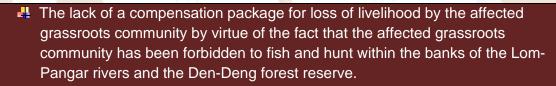


7. KEY OUTCOME REGARDING THE ASSESSMENT OF THE SOCIAL AND ENVIRONMENTAL ISSUES AFFECTING THE GRASSROOTS COMMUNITY (THE DENG- DENG PEOPLE):

During our field trip to Lom-Pangar Dam, we organized:

- One key Informant Interview with Para-Mount Chief of the Deng-Deng people.

The above allow us to collect data, facts, and to gather issues around the Lom-Pangar dam project that led to the identification of the following alleged violations of the ESIMP by the project owner(EDC) which are pending solutions (or further investigations) to date:



- Limited compliance to the original Environmental and Social Impact Plan(ESIMP) regarding the provision of social amenities such as schools, health and potable water project undertaken by the project owner (EDC) as a comprehensive social responsibility package to the affected grassroots communities.
- ♣ Lack of protection for cultural treasures and assets especially constructing a
  museum or archeological facility to preserve discoveries that resulted from
  excavation of the Lom-Pangar zone.
- There is no compensation package to the affected communities regarding the construction of the electricity grid across their farmland.
- ♣ Increased airborne diseases caused by the lack of a befitting paved road to Lom-Pangar project site has led increased medical health burden for the affected grassroots communities especially for their children.
- The issue of degradable soil fertility that shall be caused by the Lom-Pangar dam has not been discussed as well as proposed solutions to farmers in order to foster a sustainable transition from their current farming practices to something else.







## I-WATCH

The affected grassroots communities do not have a profound insight and knowledge into their social, cultural and economic rights.



## LPV5 DENG DENG LP: FOCUS GROUP DISCUSSION PLACE - 1

Your video will be live at: <a href="http://youtu.be/jAMwMc-Q-DU">http://youtu.be/jAMwMc-Q-DU</a>

Today inhabitants of Deng Deng are worrying about their daily livelihood. It will only get with the environmental and social implication of the construction of the DAM at Lom Pangar about 30kM





## LPV6 SAKOUDI LP: FOCUS GROUP DISCUSSION PLACE -2

Your video will be live at: http://youtu.be/\_uFGUMUm4XM

This Sakoudi situated about 117km NE from Bertoua is the nest of deep poverty in Cameroon. The construction of the Dam will expose these inhabitants to numerous environmental and social challenges that are not yet urgent preoccupations to the Dam's owner and partners.





## I-WATCH







## 8. RECOMMENDATIONS:

The recommendations of this report resulted from two major categories: the first came from the affected grassroots community (the Deng-Deng people) and the second came from the Investment Watch team that carried out the survey thus:



## 8.1 RECOMMENDATIONS FROM THE DENG-DENG COMMUNITY:

According to the findings of the survey, the community representative in capacity of the Paramount-chief of the Deng-Deng community made the following recommendations:

- Provide a sustainable compensation package to the affected grassroots community regarding their livelihood in return for being forbidden from fishing and hunting in the Lom-Pangar river banks and the Deng-Deng forest reserve.
- Compensate affected grassroots community for the construction of the electricity grid across their farmland and houses.



## I-WATCH

- Build basic social amenities such as schools, portable water projects and health facilities for the affected grassroots communities.
- Finalize the access road into Lom-Pangar in order to reduce airborne diseases across the affected grassroots community.
- Build the capacity of the Deng-Deng people regarding their social, cultural and economic rights.
- Build a comprehensive agricultural program to facilitate the transition from classical farming methods into new practices like rice farming in order to sustain their livelihood.



## 8.2 RECOMMENDATIONS FROM THE SURVEY TEAM:

According to the outcome of the survey, we strongly recommend the following as to mitigate the tense climate between the affected grassroots community and the project owner (EDC):

- Conduct at minimum ten (10) independent assessments on a yearly basis with stakeholders in order to audit the compliance status regarding the original Environmental and Social Impact Plan (ESIMP) of the Lom-Pangar project.
- Mobilize additional financial resources to accompany the grassroots communities in terms of providing basic social amenities (health facilities, schools and drinkable water) to them.
- Advocate for the effective implementation of the ESIMP as originally agreed between the affected grassroots community and the project owner (EDC).
- Procure ESIA's equipments including 4x4 SUV CAR/VAN and electronic accessories to facilitate field work and to regularly conduct independent assessment audits for all major investment projects that negatively affect communities in Cameroon.







## 9. CONCLUSION

This assessment report is not a judgment passed on any stakeholder involved with the Lom-Pangar dam project but rather a situational appraisal regarding the mid-term evaluation of the ESIMP. It is for this reason that we intend to utilize this assessment report to lobby and advocate for effective collaboration between stakeholders through continual assessments and mediation between parties as to provide sustainable solutions to the aforementioned issues. The best way forward is to seek for best possible ways to implement the aforementioned recommendations that resulted from this assessment report.











**Annex1: Full gallery of Videos and Photos** 

1- Videos: PLEASE CLICK HERE FOR THE VIDEO: https://www.youtube.com/watch?v=e9nHJsWu23Y

Other videos can be found in the following links:

## LP1 out of Belabo

Your video will be live at: http://youtu.be/-cLN96jq-tY Less than 5km from Belabo to Lom-Pangar on Jan 20th 2014

### LP2 80km to LP

Your video will be live at: <a href="http://youtu.be/-EV154JBMvk">http://youtu.be/-EV154JBMvk</a>
We traveled on the MOTOTAXI for many km on the dusty road

## LP3 dusty road to LP

Your video will be live at: <a href="http://youtu.be/DqRAOCKj2cM">http://youtu.be/DqRAOCKj2cM</a>
It is very risky to swallow the dust for long hours on a bike

## LP4 Truck in poor villages

Your video will be live at: <a href="http://youtu.be/bHF9sNb-d1k">http://youtu.be/bHF9sNb-d1k</a></a>
Inhabitants around Pangar live in very poor conditions

## LP5 50km to LP on gravel path

Your video will be live at: <a href="http://youtu.be/z4mz6aJXi">http://youtu.be/z4mz6aJXi</a> 8
Slippy gravel path to Lom Pangar

## LP6 no tar to Deng Deng

Your video will be live at: <a href="http://youtu.be/U1Mimu\_RjF0">http://youtu.be/U1Mimu\_RjF0</a>
No sign of tarred road to Lom Pangar

## LP7 travel on bike to LP

Your video will be live at: <a href="http://youtu.be/39Ft9mfirqU">http://youtu.be/39Ft9mfirqU</a>
Travel on bike is not easy

### LP8 Nichola Abade at LP

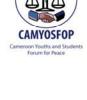
Your video will be live at: <a href="http://youtu.be/\_3njOXKSM\_U">http://youtu.be/\_3njOXKSM\_U</a>
Team member Nicolas Abade Mevaa

## LP9 Napi Tagnidoung at LP

Your video will be live at: <a href="http://youtu.be/bm16MQEv7KY">http://youtu.be/bm16MQEv7KY</a>

Team member Napi Tagnidoung

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## LPV2 WATER PRO IN BELABO LP

Closed to 400km from Yaounde

Your video will be live at: <a href="http://youtu.be/bR8P4A">http://youtu.be/bR8P4A</a> hkG8

Water is oil in Belabo

## LPV3 EN ROUTE LP

Your video will be live at: <a href="http://youtu.be/07bhkyS2rVM">http://youtu.be/07bhkyS2rVM</a>
Travelling on Bike from Bertoua to Lom Pangar

LPV4 CROSSING DD LP

Your video will be live at: <a href="http://youtu.be/TktrC6XNCIU">http://youtu.be/TktrC6XNCIU</a>

This is Deng Deng with no cleaned water

## LPV5 DENG DENG LP: FOCUS GROUP DISCUSSION PLACE - 1

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Today inhabitants of Deng Deng are worrying about their daily livelihood. It will only get with the environmental and social implication of the construction of the DAM at Lom Pangar about 30km north.

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## LPV6 SAKOUDI LP: FOCUS GROUP DISCUSSION PLACE -2

Your video will be live at: <a href="http://youtu.be/">http://youtu.be/</a> uFGUMUm4XM

This Sakoudi situated about 117km NE from Bertoua is the nest of deep poverty in Cameroon. The construction of the Dam will expose these inhabitants to numerous environmental and social challenges that are not yet urgent preoccupations to the Dam's owner and partners.



## 2- Photos:

Check the following link: <a href="https://www.youtube.com/watch?v=0\_h4-Djh9Kk">https://www.youtube.com/watch?v=0\_h4-Djh9Kk</a>

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## **Annex 2: Sources of information**

- a) The Para-Mount Chief of Kpere Deng-Deng people, His Majesty, Mr. Kassala Dan Roger Innocent (00237 97 20 21 28 and 00237 76 46 22 04).
- b) MINEPAT's website
- c) The World Bank's website
- d) The African Development bank's website
- e) The Ministry of Public Works website
- f) The European Investment Bank website
- g) Environmental and Social Assessment(ESA) of the Long-Pangar dam-March 2001







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