

(Comments on Chad-Cameroon Pipeline Project's Impact on Bakola Pygmy Indigenous People's Plan, May 1999.)

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Background

An Exxon-led consortium is undertaking a 3.0 billion US\$ oil export pipeline project to export up to 225,000-250,000 barrels per day of crude oil from Chad to the marine terminal near Kribi, Cameroon. The Cameroon Oil Transport Company (COTCO) will build the 500-mile Cameroon segment of the 30" pipeline as well as 3 pump stations and offshore loading facilities. COTCO is currently owned by Exxon (32%)(operator), Shell (32%), Elf (16%), the Cameroon government (15%), and the Chad government (5%). For more information see http://www.edf.org/pubs/Reports/c_chadcam.html.

Forty-three Bakola Pygmy settlements are located within 2 kilometers of the proposed pipeline easement and on/near its access road. The Indigenous Peoples Plan (IPP) is an environmental requirement of the private sector arm of the World Bank, the International Finance Corporation (IFC) and the International Development Association (IDA) who are potential financiers of this Project as part of its standard requirements for approval of a loan. Toward that objective, COTCO prepared this IPP as part of its Environmental Management Plan of May 1999. The standards for an acceptable IPP are set in the World Bank Operational Directive on Indigenous Peoples (OD 4.20). In its IPP, COTCO's defines how it intends to mitigate the project's impact on the Indigenous populations. Commonly, this Plan is folded into a confidential legal agreement between the IFC and the lender.

Although I claim no ethnographic experience on the Bakola Pygmy people, I have been asked to comment on the Plan from the perspective of a specialist in involuntary resettlement, human rights and Indigenous peoples development. I have over 25 years consulting and research experience working with the social impact of development in over a dozen countries. I am also a former consultant to the International Finance Corporation (IFC) on the use of private sector-led, indigenous development foundations for mitigating infrastructure impacts on local populations.

The Plan shows promise. It correctly recognizes that the proposed pipeline and its associated activities include short-term, construction related impacts and then extend beyond the construction phase. The Plan also recognizes that impact mitigation requires sustainable institutional and financial arrangements. A close examination reveals, however, that it fails to measure up to Bank and IFC standards, has eight serious methodological flaws and fails to provide for routine short-term and long-term impact mitigation measures. A resettlement plan, as per Bank Policy, is also missing. In short, the Plan is unfinished.

1) Incomplete risk assessment

The Bank Indigenous Peoples policy calls for all efforts to be made to complete studies that anticipates adverse impacts likely to be induced by the project. Without this assessment, it is technically impossible to evaluate whether or not a Plan mitigates the anticipated risks. Methodologically, risk assessment is routinely accomplished by determining the likelihood that well-established risks will occur in a particular socio-cultural, economic and environmental situation. The risks associated with the proposed project are identified for the area of potential influence. Once identified, the means to avoid or mitigate harm are given. The allocation of resources, indicated in the IPP, is expected to be proportionate to the identified risks.

The Policy also calls for the affected population to be made aware of the potential risks as part of their right to be informed participants. Once informed of the risks, the affected population works with the IPP team on possible avoidance or mitigation options - using a culturally appropriate form of consultation. For socio-cultural groups lacking centralized decision-making and who depend consensus, such as the Bakola Pygmy people, risk identification, assessment, and planning can be expected to take some time and be technically demanding. To accelerate the process by substituting an NGO or other alien spokesman risks violating the human rights of the group and violating the intent of the Directive. The IPP's inability to accommodate to the decision-making pattern of the affected group, in and of itself, is a first-order compliance with the Policy.

Using The World Bank Group's own knowledge and risk assessment standards, the IPP falls short of a minimal assessment. Since 1994, the Bank has recognized eight impoverishment risks that are applicable to assessment of the impact of projects on people. The relative severity and

intensity of these risks varies from project to project. These include a risk of loss of access to common resources, loss of employment, increase food insecurity, loss of income, loss of housing, marginalization, loss of health status, loss of productive resources, and social disarticulation. These risk elements emerged from a review of The World Bank's entire portfolio. A summary paper on this model is located at <http://www.policykiosk.com/policy/cer1.html>. To these, I have added a ninth dimension - the risk of loss of civil and human rights. An extensive literature has emerged on risk assessment, building on this knowledge.

2) Improper method to designate potential area of socio-environmental and economic impact

Socio-economic risk and impact analyses have, as their minimal initial step, the designation of the potential area of influence. The boundaries of this area are based on socio-economic criteria related to the livelihood needs. Here too, the IPP has a serious methodologically flaw. It uses lineal distance from the pipeline, ignoring social, economic and ecological dimensions. No environmental or social risk assessment of the proposed infrastructure on the Bakola Pygmy can be considered minimally acceptable without identification of their use of the environment - through a properly constituted cultural ecological analysis, complete with identification of hunting territories and seasons.

3) Lack of baseline, impact information

The baseline survey was not done in tandem with project preparation and before appraisal, as called for in the OD. Quantitative estimates based on Participatory Rapid Rural Appraisal methodologies were not conducted - falling short of standard practice. Without such information and adjustment of the plan accordingly, the likelihood of the Plan's failure is very high. After claiming that the area has been changing, the IPP draws on 20-year-old ethnographic data and 12-year-old census material for assessment of possible impacts and the development of the IPP. The IPP proposals to conduct a baseline survey after the investment is approved and then charge it as a project "benefit" to the Bakola Pygmy is socially inappropriate accounting.

4) Lack of cultural ecology impact assessment on hunting territories

The IPP's claim of 30-60 day impact on hunting seems unrealistic. Scale of impact on wildlife depends on time of year as well as the Bakola Pygmy

hunting territories (as yet undefined). Estimates are needed for the potential environmental impacts on deforestation - including that associated with the increased access to the region as a result of the project, exchange with the Bantu, entrance of substantial numbers of outsiders into the Bakola Pygmy, and long-term impacts on their hunting territories.

5) Unsupported, socio-psychological characterization

Given the absence of baseline data, including demographics of the impacted population, the IPP claim to have identified deep social psychological issues - a Bakola Pygmy lack of "self-confidence" - as a development problem that demand attention is outrageous. The hesitancy of the Bakola Pygmy to forcefully interact with the planners might be attributed to numerous other factors, including lack of education, training, poor presentations by the planners, and so on. Without solid cross-culturally valid testing to back up this conclusion, this finding might be interpreted by many as racist.

6) Inadequate monitoring and evaluation

The IPP also falls far short of the World Bank's monitoring and evaluation standards used in its other projects. The Community Development Facilitator (CDF), who plays a key part of the proposed Plan, monitors him/herself from "time to time". No provisions are made for independent evaluation of the overall IPP by experienced social science professionals as called for in the Bank OD. This provision is particularly applicable since the new EF has no previous management history working with the Bakola Pygmy. Likewise, no provision is made for monitoring by representatives of indigenous peoples' own organizations. Provisions should be made for all monitoring and evaluation reports should be reviewed by the Bank and made available to the public.

7) Lack of consideration of Project disruption on the mitigation efforts

Finally, the IPP fails to consider the anticipated impact of the proposed Foundation and NGO projects themselves on the Pygmy. Rather it simply assumes that all their actions will "inevitably" be beneficial. The IPP social and economic development planning took place in the absence of project disturbances. If the disruptions of the pipeline prove significant, especially if the impacts are not adequately mitigated (see below), experience has shown that more pressing survival issues surface, making the pre-construction, development consultations and planning less relevant. Under the present methodology, it seems likely that resources designated for the

Foundation may well be diverted to deal with unanticipated construction/access impacts rather than development.

8) "Inevitable" change assumption

Improperly planned and executed activities in development programs may have no results or even negative results. An assumption made in the IPP makes it appear its authors misunderstand the Operation Directive, as well as introductory sociology/anthropology/economics. The IPP twice makes reference to "inevitable" cultural change - an expression that also appeared with reference to the Pehuenche Indians in the planning documents for the IFC sponsored Pangué dam. This assumption is pure hogwash. All cultures change. But the issue in Indigenous Development is not whether cultures change, but the amount of self-determination that a group has over its own destiny in directing these changes. It is culturally and anthropological naïve, bordering on malpractice, to support a plan based on the "inevitability" that these people were going to change anyway, with or without the project.

Lack of a Resettlement Plan as per World Bank OD 4.30.

The IPP finds that there is "*a potential for the Bakola Pygmy settlements to move because of the project.*" *If the project disturbances may result in the relocation of the Bakola Pygmy - an involuntary resettlement plan, as per Bank policy, is absolutely necessary.* Placing a pipeline through their territory is not comparable to an urban easement. The phrasing of the clause to suggest that the Bakola Pygmy may "decide to move" their own settlements does not relieve the Company and lenders of this Bank requirement. If the project had not taken place, then they would have not been forced to relocate. The resettlement is, by Bank standards, involuntary - even if the Bakola Pygmy "decide to move" on their own. I cannot imagine, given the international recognition of the social fragility of the Pygmy as Indigenous Peoples, that the Bank staff would waive this requirement.

Short-term mitigation measures

A major impact will be the presence of outside construction crews in a remote area. The anticipated impacts fail to identify the most obvious threats to the local population from the construction crews - including increased drinking, physical violence, and prostitution. Normally, Company's have a detailed mitigation plan (which may have not been presented to me for analysis). This plan involves details such as limited access of workers to the local population, especially the women and young children (lockdowns), extended work hours with 3 days off far from the site, video game access for workers to relieve tension, and so on. Some of these have

long-term impacts and provisions should be included in the plan in case they fail. In the case of the IFC sponsored Pangué dam in Chile, all single Indigenous women who worked for ENDESA or its contractors ended up pregnant from outsiders and the welfare load of these single-mothers is now borne by the Chilean welfare agencies. The destruction to normal domestic cycle of development caused by this "short term event" cuts deep into the social fabric and undermines the ability of the population to recreate its family structure. The absence of such provisions is very surprising for transnational Companies and multilateral lenders who have already witnessed - and occasionally mitigated - these problems on countless other occasions and normally embrace proactive, mitigation methodology.

Long-term mitigation and development plan

A cornerstone of the long term Plan is an Endowment Fund (EF) managed by a corporate entity. Previous IFC attempts to use such foundation-like mechanisms shows that it has potential, but because it is experimental, it demands close attention and frequent monitoring and evaluation. This foundation option was attempted by the International Finance Corporation (IFC) in Chile in 1992 to mitigate the impact of the Pangué dam on the Pehuenche Indians. The IFC experience is critical to this case. That case showed that good intentions and anticipation of "inevitable" success - as this IPP calls it - did not also lead to successful development.

In the case of the Pehuenche, the high expectations created by IFC and Company's own publicity were not met. The EF continues to be at the center of an international Endowment controversy. A summary of the participatory evaluation of this IFC experiment is available on-line and offers valuable guidance to what may go right and wrong with a EF such as the one proposed for this project - see http://www.azstarnet.com/~downing/Peheunche_summay.htm.

Funding

The IPP is one of three components financed by a 3.5M US\$ Environmental Trust Fund (ETF) established by a one time payment. COTCO selects the initial members of the ETF Management Board. From the 3.5M US\$ fund, 600K US\$ is allocated to the Indigenous Peoples Plan via a Endowment Fund - or approximately 50 K US\$ per year for 24-28 years. Anticipated recurrent annual expenses for the ETF Board exceed the amount allocated to the IPP. The IPP lacks a budget of the flow of funds to the Bakola Pygmy and Bantu. Nor is there any estimate of administrative costs. Assuming there are 4500 Bakola Pygmy and 40% administrative costs (from the experience of the Pehuen Foundation), this works out to less than 3

US\$/person/year - not allowing for inflation. If an undisclosed number of Bantu are also beneficiaries, the per capita benefit is reduced. I anticipate the first 1-3 years will substantially draw down the EF reserves, as the Community Development Facilitator (CDF) initiates activities. Without replenishment, any draw down shortens the lifespan of the EF, which is unlikely to continue without funds. Missing is an estimate of the anticipated government investment in the same region, to place this benefit in perspective.

To what extent will the Bakola Pygmy benefit from fund? The Plan does not provide information to determine the expected impact of its proposed expenditures in terms of the risks and government plans. Some of the costs associated with this Plan should not be considered benefits to the population. For example, the costs of updating the census and an epidemiological survey is information primarily intended for administrative use by the Company and its CDF subcontractor.

The miniscule finance proposed for the IPP Endowment Fund is not linked to a clear analysis of project risks. How will the Company respond if it is discovered that the costs to the Bakola Pygmy and Bantu exceed these small "benefits" and the bottom line - from the perspective of the local peoples - reveals that they are giving up more than they are getting - in effect, subsidizing the pipeline? The IPP's complaint that the 8-11K US\$ costs of drilling potable water wells is too expensive is shocking, considering the size of the anticipated returns on investment for the multilaterals and Companies. From the perspective of health care, which the Plan claims to be a primary objective, safe water yields high rates of return and, may reduce the costs of health care.

Institutional arrangements

1) Governance and authority patterns.

The Environmental Trust Fund and its associated, Endowment Fund's (EF) institutional arrangements are not based on a clear understanding of the authority patterns and human rights of the Bakola Pygmy. Governance of the EF is a critical issue. The Bakola Pygmy are not included in either the ETF or Fund's 's management. This represents a significant step backward from the IFC Pehuen Foundation and other private sector led initiatives.

2) Conflict of interest and disclosures to the Bakola Pygmy

Since COTCO sits on the proposed 4-person board overseeing the EF for the IPP, the potential for a conflict of interest exists. Too many questions are unanswered. Is this an Indigenous development foundation or will it be used to further Company

agendas and maintain their "public relations" in the region? Will Bakola Pygmy communities, which disagree with COTCO actions or policies, be treated impartially? Are the concerned stakeholders and the Bakola Pygmy aware of and in agreement on how the EF will be funded, governed, audited, and evaluated? Have the lenders and borrowers made any undisclosed agreements regarding the EF, which have not been made public, as occurred in the Pehuen Foundation in Chile? Who appoints the ETF management board, the NGO that supposedly speaks for the Bakola Pygmy, or designates the Community Development Facilitator? Will the Bakola Pygmy be provided with full access to all financial statements in a format that they can understand? What is the relationship of the EF to on-going government programs and plans? Will the public, especially the Bakola Pygmy, have a right to a transparent, participatory, independent evaluation of the EFT, EF, or CDF on a regular basis?

The document is inconsistent in terms of the types of activities, which might and might not be undertaken by the EF board. At one point, the IPP appears to limit the EF projects to health, education, and agriculture. In the case of the Pehuen Foundation, the corporate charter of the Foundation precluded certain activities. For example, would the Bakola Pygmy be able to use Foundation funds to hire legal representation to deal with the Pipeline? Or determine whether the pipeline has stimulated deforestation?

3) Missing Indigenous Training Component

Apart from formal schooling, I find little evidence that proposed EF has activities to increase the institutional capacity of a people so that they may survive under increased, external pressures. To assure that the people can assume a more active role in the EF after 1-3 years, as stated in the plan, intensive Indigenous People's training should have been programmed, including contact with successful Foundations in other areas.

The IPP concludes that the people are incapable of taking on any responsibilities in their own self-defense, save listing their needs and identifying projects. It plans for outside intermediaries to speak for the people as a substitute for informed participation, indigenous peoples training, and other well-established methods for informed participation. For example, almost ten years ago, at the Zimapan and Aguamilpa dams in Mexico, the government, working under another World Bank Group financed project, took potentially impacted Indigenous and non-Indigenous populations to areas in which comparable impacts had occurred and permitted them to spend several days with affected peoples. Based on this experience, they were better able to participate in the consultation.

4) Need for culturally appropriate, informed participatory development

A critical part of any IPP is a clear definition of what information will and will not be shared with the local population. Under the doctrine of informed consent, the Bakola Pygmy should have access to all information and control any decisions concerning their destiny. To do otherwise will be a violation of the Bakola Pygmy human rights, as a group, and might bring forth undesirable complications for the Company and its lenders. I wonder if the minutes of the April 1999 consultation were distributed to the participants in a culturally appropriate manner? Or broadcasted on local radio? Or distributed by cassette tape and player? Were any or all of the 7 studies backing up this IPP distributed, in a culturally appropriate manner in the local area back to the people?

Given the consensual nature of decision-making and authority among these peoples, this places a special burden on the Companies and the proposed Endowment Fund Board to extensively distribute information in a culturally appropriate manner. Representation is not easily determined - and unless the concept of "representative" is clearly understood and defined - very serious misunderstandings may occur. From the group's perspectives, these decisions of externally designated "representatives" are individual opinions, since they may not emerge from the traditional, consensus processes common to band-level organizations. Ambiguity on this point will lead to serious intra-group conflict, which would be a consequence of a poorly designed IPP.

The Plan falls far short on the issue of informed, participatory development. Bank policy on Indigenous People (OD 4.20) requires a strategy for local participation that includes training and development of mechanisms for participation by indigenous people in decision-making throughout project planning, implementation, and evaluation. The main objective of the participatory training initiative is to strengthen indigenous peoples organizations and to increase their capacity to direct their own destiny. A recent Bank review of 72 IPP in Latin America revealed that the more successful projects involved greater intervention of the Indigenous community in the activities of the project through the elaboration of strategies and social evaluation that had as their end to increase their participatory capacity. The Directive and good practice dictates that participation in an initial consultation or meeting. And they strike deeper than the IPP, which focuses on the collection of needs by the Community Development Facilitator. Participatory training of Indigenous Peoples is a well-established part of World Bank Indigenous Peoples activities.

A good Indigenous Peoples Plan should have also considered the extensive social and political impact of EF on the consensual nature of Bakola Pygmy culture. If the EF

commands a significant share of the development resources in this region, then the centralized, hierarchical form of Board representation, project funding and reporting may over-power the non-hierarchical nature of Pygmy communities.

5) Impact on Bakola Pygmy and Pygmy relations.

The IPP fails to clarify how it approaches the sensitive issue of the relationship of the Bantu and Bakola Pygmy. Differences of opinions were identified in their consultations. What is the ratio of benefits between the more directly dependent, Pygmy population and the Bantu? Unquestionably, the injection of funds, people, projects, and activities into this delicate interdependent relationship might lead to significant socio-cultural, economic and environmental changes. Anthropological assessment of potential socio-cultural and economic conflicts, based on scenarios, needs to be identified and options proposed. Both the Bakola Pygmy and Bantu should be informed of these likely impacts - as part of the informed consultations.

Source: Environmental Management Plan Vol. 4, Part III. Indigenous Peoples Plan, May 1999 and Part I: Environmental Foundation Plan.



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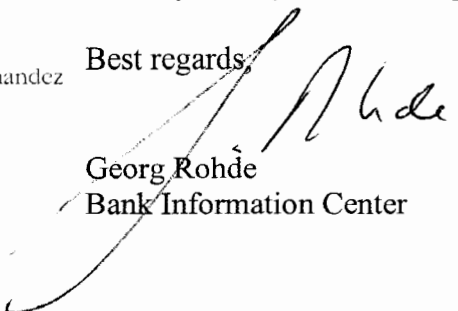
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September 7, 1999

Dear Mr. Downing,

I am enclosing the "Indigenous Peoples Plan" from the Chad-Cameroon Pipeline documentation of the World Bank. The U.S. Treasury Department is pulling its Interagency Response Team together Wednesday next week (09/15). It would be extremely helpful if you could send us some comments on this in time for the meeting. We are especially interested in your opinion how this plan compares to the Bio-Bio case. Thank you very much. For questions, please call Lisa Jordan at (202) 624-0621.

Best regards,


Georg Rohde
Bank Information Center