

## **5.0 LAND ACQUISITION III: COMPENSATION FRAMEWORK**

### **5.1 INTRODUCTION**

This section discusses the compensation that individuals, households, and groups will receive who are directly affected by the Project's land needs. Compensation will be based on land status, usage and improvements, official rates and rates from market surveys and is intended to meet the intent of World Bank Operational directives concerning compensation. Community compensation will be based on negotiated agreements at fixed facility sites as discussed in Section 5.7. Compensation for concessions will be based on negotiated agreements as discussed in Section 5.8.

Most Project land needs were identified during the CLS. Additional inventory work is still to be completed in areas where road improvements will be made.

The Republic of Cameroon and COTCO representatives will inform affected individuals and communities of estimated future timelines when land will be needed by the Project in a timely manner. This information is updated during regularly-scheduled meetings held once every two months at each village along the Land Easement. This process is designed to provide as much advance notification as possible to limit impacts.

During both its design phase and the site surveys conducted to select the pipeline route and fixed facility sites, the Project has been concerned with ensuring that lands requested are selected in such a way as to avoid involuntary resettlement of people.

The majority of the compensation is concerned with compensation for crops and other resources.

Based on field observations, Project Land Easement requirements in most cases will affect only a minor portion of an individual's fields, and/or a few structures will need to be removed. In this case, compensation will provide for replacement and structures in different, but nearby, locations - in other terms, structures will be "relocated." Individual compensation in such cases will include labor costs and will provide for cash and/or in-kind compensation.

### **5.2 GENERAL COMPENSATION PRINCIPLES**

In order to meet the intent of World Bank directives, the following general compensation principles have been adopted concerning supplemental compensation due as per individual and group entitlements.

Republic Of Cameroon	COTCO Supplemental Compensation
<ul style="list-style-type: none"> <li>• Compensation will be made in cash.</li> <li>• Compensation shall be made at the rates accorded by applicable legislation.</li> <li>• The compensation covers crops, forestry products, wild resources, fish, buildings, and any other improvement ascertained by the Verification and Valuation Commission.</li> <li>• The ROC will participate in COTCO supplemental compensation as described in Section 6.0.</li> <li>• Road Easements: compensation for expropriated or evicted land users on public or newly created or existing road easements will be provided in accordance with Cameroonian law. On existing road easements and/or other Public Property of the State, the date of entitlement for compensation shall be the date of the DPP.</li> <li>• The effective date for taking into account investments, improvements or land is the date of signature of the arrêté declaring the works to be of public utility.</li> </ul>	<ul style="list-style-type: none"> <li>• Individual compensation will be made in cash and/or in-kind.</li> <li>• All community compensation will be in-kind.</li> <li>• Supplemental compensation only applies to items specified in the Plan and is the difference between the amount due under applicable Cameroon legislation and the amount due to meet World Bank directives concerning compensation. COTCO will perform this evaluation and:                         <ul style="list-style-type: none"> <li>- will compensate on the basis of replacement and/or local market value,</li> <li>- will consider bush and forest products not covered under Republic of Cameroon compensation legislation related to expropriation.</li> </ul> </li> <li>• Additional data will be collected for houses and structures.</li> <li>• Valuations will be tested by sampling except as otherwise noted in this Plan.</li> <li>• COTCO will not provide compensation for any building or field created on a piece of land after notification of its use by the Project has been given during the Centerline Survey.</li> <li>• Road Easements: Individuals potentially eligible for supplemental compensation as discussed in this Plan, will be provided supplemental compensation only if their compensable resources are physically affected by COTCO works.</li> </ul>

### 5.3 ENTITLEMENTS FOR LAND BASED ON LAND CLASSIFICATION

Table 5-1 summarizes responsibilities of how land will be acquired and is based on specific terms agreed upon between the Republic of Cameroon and COTCO. Compensation for the Land Easement in accordance with applicable legislation is the sole responsibility of the Republic of Cameroon.

This table lists actions to be taken by the Republic of Cameroon to make land available to the Project. In certain cases, COTCO is responsible for negotiating lease payments for their temporary occupation of the land on private property.

COTCO will not pay for land provided by the Republic of Cameroon to the Project for the Cameroon Transportation System Land Easement. In only one circumstance will COTCO consider payment towards the purchase of land, and that is in the case where Republic of Cameroon rates are not sufficient to meet current market value. (See following Section.)

In the majority of cases, land will be acquired through expropriation and eviction as described in Section 3.2. However, there are two circumstances under which the Republic of Cameroon will issue COTCO an authorization to occupy the land (see Table 5-1 at the end of this Section). These are:

- Where land is needed for only a short time period during construction.
- When land needed for the construction and the operation and maintenance of the Cameroon Transportation System is Public Property.

### 5.3.1 Private Title Land

Less than one percent of all land surveyed during the CLS is Private Title Land. This land consists of about 21 individual properties. Most of this land originally came from the National Land or the old procedure of registering customary land rights. This land will be acquired through an expropriation/eviction procedure by the Republic of Cameroon. Compensation will be as follows:

Situation	Method
<ul style="list-style-type: none"> <li>• In the case of land obtained by virtue of procedure of registering customary rights, or by a statement of improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• A compensation which shall not exceed the minimum official price of undeveloped State land in the affected area. The normally applicable prices for State land are those defined in Decree No. 66-385 of December 30, 1966 to increase minimum prices of State land.</li> <li>• See Appendix I for official rates.</li> </ul>
<ul style="list-style-type: none"> <li>• In the case of lands held by virtue of a normal transaction under ordinary law or the acquisition of Private Property of the State.</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation shall be equal to the purchase price plus the administrative costs of the purchase (notary honorarium and cost of registration and recording).</li> </ul>

The Republic of Cameroon has chosen compensation for land to be monetary. If this compensation is not equal to the current market value of the land, COTCO will provide for the potential gap compensation for Private Land compensation providing:

- Private land compensation would be limited to files identified during the CLS to avoid speculation.
- Current market values would be established by a third-party advisor who would conduct a study and provide current market rates for Private Land parcels under consideration.
- COTCO would contract the study by the third-party advisor.

### **5.3.2 Private Property of the State**

Land will be acquired for the Project through an allocation process. Only one parcel was identified during the CLS as Private Property of the State. No compensation will be paid for land itself.

### **5.3.3 National Land**

Many of the lands are traditional use lands. No compensation will be paid for land itself. The users will be evicted by the Republic of Cameroon. However, as per Section 3.3.1 the Republic of Cameroon will not object to pre-construction users reusing the land again, subject to some restrictions, in the System Easement.

### **5.3.4 Public Property**

No compensation will be paid for Public Property land. Bona Fide owners and occupants who hold rights on Public Property lands since before 8/5/74 (Date when Ordinance n° 72.2 of 7/6/74 took effect) are compensated in the same way as owners of expropriated lands.

## **5.4 ENTITLEMENTS FOR STRUCTURES, CROPS, AND OTHER IMPROVEMENTS BASED ON LAND CLASSIFICATION**

Section 5.3 discussed compensation for land based on the type of land under Cameroonian law. In the same manner, compensation for structures, crops, and improvements varies by:

- Land classification, and
- Project use of that land.

Table 5-2 summarizes responsibilities of the Republic of Cameroon to pay legal compensation, and COTCO to pay supplemental compensation based on land classification and Project use of the land.

### **5.4.1 Private Title Land**

In case of expropriation, the Republic of Cameroon will pay for structures, crops, and all other improvements as per applicable Cameroon legislation.

COTCO will evaluate the difference between the total value and total due to the account of the Republic of Cameroon and determine any supplemental compensation due by COTCO to meet World Bank Group guidelines.

#### **5.4.2 Private Property of the State**

In the case of land freed, the Republic of Cameroon will pay compensation for structures, crops, and other existing improvements as per applicable Cameroon legislation.

In addition, compensation for changes made by the Republic of Cameroon regarding Private Property of the State previously allotted to third persons will be made in conformity with the acts allowing allocation.

COTCO will evaluate the difference between the total value and total due to the account of the Republic of Cameroon and determine any supplemental compensation due by COTCO to meet WBG guidelines.

#### **5.4.3 National Land**

In the case of land freed, the Republic of Cameroon will pay for structures, crops, and other existing improvements as per applicable Cameroon legislation.

COTCO will evaluate the difference between the total value and total due to the account of the Republic of Cameroon and determine any supplemental compensation due by COTCO to meet WBG guidelines.

#### **5.4.4 Public Property**

Compensation will be paid by the Republic of Cameroon for structures, crops, and other improvements on Public Property to those owners and occupants who hold entitlements on the date of the Declaration of Public Utility.

COTCO will evaluate the difference between the total value and total due to the account of the Republic of Cameroon and determine any supplemental compensation due by COTCO.

In the case of road easements, individuals potentially eligible for supplemental compensation as discussed in this Plan will be provided supplemental compensation only if their compensable resources are physically affected by the Project land needs.

### **5.5 VALUATIONS AND PRINCIPLES FOR COMPENSATION FOR INDIVIDUAL AND GROUP ENTITLEMENTS FOR STRUCTURES, CROPS, AND CULTURAL HERITAGE SITES**

#### **5.5.1 Introduction**

In the previous Section, entitlements provided under Cameroon law, and those resulting from usual and customary practices, were discussed. In many cases supplemental compensation

will be provided by COTCO to meet the intent of WBG directives concerning the range of individual and group entitlement. These may be summarized as follows.

The Plan describes several different types of compensation which will be implemented to mitigate adverse impacts to individuals and communities as a result of Project land needs.

	<b>Temporary Land Need<sup>17</sup></b> (About 3350 ha)	<b>Permanent Land Need at Fixed Facility Sites<sup>18</sup></b> (About 125 ha)
<b>Individuals</b>	Compensation will be fair and equitable if: <ul style="list-style-type: none"> <li>• Republic of Cameroon follows laws in force.</li> <li>• COTCO pays supplemental compensation to meet intent of World Bank Directives.</li> <li>• Basis of compensation is current local market value of products.</li> <li>• Process recognizes losses associated with Republic of Cameroon expropriation process.</li> <li>• Any structures directly impacted by the Project are replaced.</li> <li>• Crops, trees, and individually owned wild resources are compensated.</li> <li>• Labor invested in preparing fields, etc. are compensated.</li> </ul>	Compensation will be comparable to temporary land need, as well as: <ul style="list-style-type: none"> <li>• COTCO to provide relocation assistance.</li> <li>• Need based on socioeconomic studies at fixed facility sites.</li> </ul>
<b>Communities</b>	Implementation of in-kind, regional compensations. <ul style="list-style-type: none"> <li>• Takes into account temporary loss of communal forest resources.</li> <li>• Offset temporary disturbances associated with construction activities.</li> </ul> Process includes: <ul style="list-style-type: none"> <li>• Identification of suitable compensations based on consultation with the Republic of Cameroon, regional administrative officials, NGOs, and other interested parties.</li> </ul>	Implementation of in-kind community compensations at fixed facility sites. <ul style="list-style-type: none"> <li>• Takes into account permanent loss of customary usage of land.</li> </ul> Process includes: <ul style="list-style-type: none"> <li>• Identification of eligible communities;</li> <li>• Joint participation by the Republic of Cameroon.</li> <li>• Community discussion to jointly identify the types of suitable compensation(s).</li> <li>• List of options to be provided.</li> </ul>

### 5.5.2 Valuation Methodology

Valuations used by the Republic of Cameroon are based on rates payable under existing legislation and usual and customary practices as set forth in this Plan.

Methodologies used by COTCO are explained in greater detail at the end of each of the following subsections.

<sup>17</sup> Land within the Land Easement, primarily for pipeline construction corridor. Most land needed 30- to 90-days. Pre-construction land users may continue to use land for the life of the Project with some restrictions.

<sup>18</sup> Fixed facility sites include pump stations, airstrips, and storage yards used by the Project for more than one-year.

### 5.5.3 Structures

#### 5.5.3.1 Compensation Principles

Compensation will be paid for any house, building or structure, including fences, bathing facilities, latrines, wells, gazebos, storage buildings, water and other utility systems, outbuildings, or other associated improvements, that are destroyed as a result of direct Project impacts.

Compensation will be paid to the individual who has primary rights to the structure, as defined in Appendix A. This individual will be responsible for compensating any other users of the structure, not the ROC or COTCO. In the case of communally owned structures and improvements, in-kind replacement compensation will be provided.

People will receive legal compensation according to Cameroonian law and COTCO will pay supplemental compensation where applicable. Structures impacted by the Project will be either replaced by an equivalent structure or compensated in cash and/or in-kind at local regional rates.

The style and cost of the new structure to be built by the recipient will be at the discretion of the recipient. However, compensation will be limited to the value of the impacted structure. Anyone who plans to build a new dwelling must respect dates established for abandonment of structures and/or associated facilities.

Any houses rebuilt will be equipped with a new latrine as per World Bank requirements.

The owner or inhabitant may reclaim for salvage any materials s/he can. The COTCO Designated Representative (CDR) will arrange for transport, or the payment for transport, of household items such as furnishings, grain, animals, and equipment. The CDR will establish a time frame in which salvage and transfer of household effects must be complete.

### 5.5.3.2 Basis of Compensation

Republic of Cameroon	COTCO Supplemental Compensation
<ul style="list-style-type: none"> <li>• A compensation evaluated on the basis of Arrêté 832/Y.15.1/MINUH/D000 (Nov. 20, 1987), which defines the basis for computing the market value of structures expropriated for a public purpose (Appendix I).</li> <li>• Usual compensation rates for resources such as ancillary facilities, traditional structures, construction materials, and relocation of utilities (Appendix I).</li> <li>• No compensation shall be paid for timeworn houses or on the verge of collapse or those constructions made in violation of town planning regulations or of the provisions relating to land tenure.</li> </ul>	<p>Will estimate the value of the existing structure based on:</p> <ul style="list-style-type: none"> <li>• Drawings and photos of individual's homesteads and all its related structures and accouterments.</li> <li>• Average replacement cost of different types of buildings and structures based on collection of information on the numbers and types of materials used to construct different types of structures (e.g., bricks, rafters, straw, doors).</li> <li>• Prices of these items in regional markets.</li> <li>• Estimates of construction labor required.</li> <li>• For cash-only compensation, compensation will be determined by the cost of a replacement structure using current local market prices for construction materials, prefabricated building parts, and labor.</li> <li>• When cash and in-kind compensation is requested, the recipient will always receive the cash costs, of labor to construct a similar replacement structure. The materials for the replacement structure will be provided either in cash or in-kind.</li> <li>• Gap compensation will be made for timeworn houses or those on the verge of collapse.</li> </ul>

### 5.5.3.3 Calculation of Compensation

Compensation for structures and associated facilities will be calculated as follows:

- The Republic of Cameroon will determine the amount due based on applicable regulations discussed in Section 5.5.3.2 above.
- COTCO will gather information in regional markets to assess the replacement value of structures and associated facilities and to calculate the cost of supplies, materials, and labor. The Republic of Cameroon will be invited to participate in the information gathering.
- COTCO will calculate the total replacement cost.
- COTCO will evaluate the difference between the total value and total due to the account of the Republic of Cameroon and determine the compensation due by COTCO.
- COTCO will review these estimates with the Republic of Cameroon for their input prior to payment of compensation and make adjustments as appropriate.

#### 5.5.3.4 Methodology for Calculation of Compensation for Structures

##### Republic of Cameroon

As per legal rates and usual compensation rates as set forth in Section 5.5.3.2 above.

##### COTCO Supplemental Compensation

COTCO will gather information in regional markets to assess the replacement value of structures and associated facilities and to calculate the cost of supplies, materials, and labor. At the time of the preparation of this version of the Compensation Plan, only two granaries had been identified in the Land Easement which would require relocation or replacement. It is anticipated a few houses in the direct impact zone in the official road easement will need to be removed and a replacement house built outside of the roadway easement.

#### **5.5.4 Crops, Cultivated Trees, Cleared and Fallow Fields**

##### 5.5.4.1 Compensation Principles

Payments will be made based on the following compensation principles:

- Compensation will be paid on the basis of local market rates and include both crops and cultivated trees.
- Compensation will be paid to the individual, who holds primary rights to the resource. This individual will be responsible for settling with anyone else who may also use the resource, not the Republic of Cameroon or COTCO. For questions concerning primary rights, the village leaders and membership opinions will be requested.
- People will receive legal compensation. Supplemental compensation will be paid where appropriate.
- Compensation will recognize the value of field labor<sup>19</sup> (for cleared or fallow fields) as well as crop loss. For this reason, "field" is defined as an area:
  - In cultivation,
  - Being prepared for cultivation, or
  - Was cultivated during the last agricultural season.

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<sup>19</sup> This definition recognizes that in most cases the biggest investment farmers make in producing a crop is their labor. Therefore, compensation relating to a field will cover the market price of labor invested. This approach also allows assignment of values to the previous year's fields. These are fields in which a farmer has already invested labor that will yield a crop in the current year and fields that have been planted but have not yet sprouted.

- Supplemental compensation will recognize the value of the labor to replace fields. Fields cultivated the preceding agricultural season, but not yet replanted, will be compensated as per the rate in Appendix I and adjusted on a local or regional basis as appropriate. Of the total compensation, labor costs for preparing a replacement field will be paid in cash to the farmer.
- The compensation for crop value will be paid in cash and/or in-kind. As per WBG guidelines, advantages of in-kind compensation include:

Lower prices and/or access to improved varieties of seeds and grafted saplings	<ul style="list-style-type: none"> <li>• In isolated rural areas grain or other items can be purchased in bulk from more distant markets at lower prices.</li> <li>• In-kind compensation allows farmer's access to improved seeds and grafted trees that may not be locally available.</li> </ul>
Reduced likelihood of theft or mismanagement of funds	<ul style="list-style-type: none"> <li>• In-kind compensation reduces the likelihood of theft, as well as the pressure on recipients to lend out cash or treat others, and the difficulty in managing money.</li> </ul>

- Compensation for removal of tree limbs will be prorated based on the number of square meters of surface area removed. The total surface area of the tree will be calculated using the following formula:  $(1/2 \text{ diameter of canopy})^2 \times 3.14$ .
- Agro-industrial concession crops are addressed in Section 5.8.

#### 5.5.4.2 Basis of Compensation

Republic of Cameroon	COTCO Supplemental Compensation
<ul style="list-style-type: none"> <li>• Compensation for crops shall be as follows: A Compensation evaluated on the basis of Ministerial Order No. 058, dated August 13, 1981, and Order No. 13 dated February 19, 1982 issued by the Ministry of Agriculture, and defining compensation rates for lost crops and cultivated trees.</li> <li>• See Appendix I for rate sheets.</li> <li>• The ROC will participate in supplemental compensation as described in Section 6.0.</li> </ul>	<ul style="list-style-type: none"> <li>• A Market Survey (GEPFE 1997) established market rates for almost all crops and cultivated trees found along the transportation easement. Compensation rates presented incorporate the value of crops and the value of the labor invested in preparing a new field. Payments for crops will be made based on the nearest square meter, or per plant, as set forth in the compensation schedule. (See Appendix H.)</li> <li>• The study also established values for some crops that are not included on Republic of Cameroon rate sheets.</li> <li>• COTCO tested market prices for crops identified during the Centerline Survey and will make future adjustments to prices as necessary and inform the affected population.</li> </ul>

#### 5.5.4.3 Calculation of Compensation

Compensation for crops and cultivated trees:

- Information will be gathered as described in the preceding Section to assess the current market value.

- COTCO will calculate the total market cost due for crops and labor.
- The Republic of Cameroon will determine the amount due based on applicable regulation discussed in Section 5.5.4.2 above.
- COTCO will evaluate the difference between the total value and total due to the account of the Republic of Cameroon and determine the total supplemental compensation due by COTCO.
- COTCO will review these estimates with the Republic of Cameroon for their input prior to payment of compensation and make adjustments as appropriate.

#### 5.5.4.4 Methodology for Crops and Cultivated Trees

##### Republic of Cameroon

As per legal rates as set forth in Section 5.5.4.2 above.

##### COTCO Supplemental Compensation

In July-August 1997, a market survey was conducted to determine appropriate compensation rates for potential damages to crops incurred during land clearing for the Project's CLS. COTCO was responsible for payment of all compensation related to damages incurred to people's assets and investments during the CLS.

This study was conducted for COTCO by GEPFE, and the final report is entitled *Cameroon Market Survey, Kribi to Meiganga, Republic of Cameroon*. It was prepared by a an experienced team of nutritionists, anthropologists, and economists with the assistance of several Cameroonian government ministries and agencies (including the Ministry of Agriculture, the Ministry of Urbanism and Housing, and the Institute of Agricultural Research for Development).

The 1997 market survey entailed three weeks of field survey work and several weeks of collecting baseline information and consulting with knowledgeable individuals. The study looked at the principal variables that determine the value of a crop in the field: market price of the crop, average yields of cropland in an area, and labor required for clearing and other farming activities.

To study market price, markets were visited in 11 villages and towns along the intended pipeline route from Kribi on the west to Meiganga in the northeast. Both buyers and sellers were interviewed about prices of various crops. To determine crop yields, farms were visited and observations were made on densities of planting and other pertinent parameters including fertilizer and seeds.

In addition to supporting fair compensation to be paid by COTCO during the CLS survey, the 1997 market survey has provided the foundation for determining fair and appropriate supplemental compensation to be paid to affected parties during Project construction.

Based on feedback received during the CLS, prices for selected crops will be re-evaluated prior to payment of compensation. Prices for these resources will be tested, and if necessary, updated with any necessary supplemental information collected on current market values at the time compensation is paid. Results will be communicated to impacted parties as necessary and in an appropriate manner.

### 5.5.5 Cultural Sites

#### 5.5.5.1 Compensation Principles

Ongoing efforts are being made to limit potential impacts to cultural sites. Because this information is often known only to a few individuals, information was collected during the CLS about the locations of sites to be avoided or moved.

Several adjustments were made in the proposed Transportation System's easement to avoid cemeteries, tombs, and other sacred sites and trees. In other cases, the locations of sacred sites were not specifically identified, but villages were asked to assist in selecting an alternative route around a settlement which would limit potential impacts to valuable resources, including sacred sites.

Compensation principles will be based on:

Tombs and burials	Compensation for displaced burial sites is intended to cover the costs associated with the traditional and/or religious ceremony, the burial of remains, and, if necessary, the rebuilding of the tomb.
Sacred and Ritual Sites	Sacred sites include altars, initiation sites, and natural features in which spirits live. Sacred sites may be considered individual and/or community property depending upon the ethnic group. Compensation for the site will be negotiated on a case-by-case basis with the individual, or community as appropriate.
Sacred Objects	Spirits may be inherent in objects that can be moved, with appropriate sacrifices and formalities, to another place. Compensation will cover the traditional ritual costs of moving the object.

## 5.5.5.2 Basis of Compensation

<b>Cultural Site</b>	<b>Republic of Cameroon</b>	<b>COTCO Supplemental Compensation</b>
Tombs and Burials	<ul style="list-style-type: none"> <li>A set rate is used by the Republic of Cameroon for compensation for tombs and burials.</li> <li>See Appendix I.</li> </ul>	<ul style="list-style-type: none"> <li>COTCO will provide supplemental cash payment equal to 25 percent of the compensation due by the Republic of Cameroon.</li> </ul>
Sacred and Ritual Sites	<ul style="list-style-type: none"> <li>None according to Cameroon legislation.</li> </ul>	<ul style="list-style-type: none"> <li>To be negotiated case-by-case based on traditional ceremonial processes.</li> </ul>
Sacred Objects	<ul style="list-style-type: none"> <li>None according to Cameroon legislation.</li> </ul>	<ul style="list-style-type: none"> <li>To be negotiated case-by-case based on traditional ceremonial processes.</li> </ul>

## 5.5.5.3 Calculation of Compensation

- Information was gathered during the CLS.
- For tombs and burials, the rate used by the Republic of Cameroon administration will be applied. COTCO will provide supplemental compensation equal to 25 percent of the Republic of Cameroon rate.
- For sacred and ritual sites, as well as sacred objects, COTCO will negotiate an appropriate compensation on a case-by-case basis based on traditional ceremonial processes.
- COTCO will review these latter estimates with the Republic of Cameroon for their input prior to payment of compensation and make adjustments as appropriate.

## 5.5.5.4 Methodology for Cultural Heritage Sites

Republic of Cameroon

As per usual procedures set forth in Section 5.5.5.2 above.

COTCO Supplemental Compensation

This compensation will be based on case-by-case negotiations, except for tombs and burial sites (see 5.5.5.2).

**5.6 VALUATIONS AND PRINCIPLES FOR COMPENSATION OF WILD RESOURCES****5.6.1 Introduction**

The WBG has stated that individuals and communities are entitled to compensation for loss of individually and communally owned wild resources. The WBG further states compensation for communal resources may be satisfied through environmental offsets and through community compensation on a regional basis.

In addition Article 8 of the 1994 Forestry Law no. 94/01 of January 20, 1994 of Cameroon calls for compensation for the loss of the right to use the forest, wildlife, and fishery resources by riparian population. It states:

Section 8: (1) Within the context of this law, logging or customary right means the right which is recognized as being that of the local population to harvest all forest, wildlife and fisheries products freely for their personal use, except the protected species.

(2) The Ministers in charge of forestry, wildlife and fisheries may, by reason of the public interest, and in consultation with the populations concerned, temporarily or permanently suspend the exercise of logging rights, when necessary.

Such suspension shall be done in consonance with the general regulations on expropriation by reason of public interest.

(3) The conditions for the exercise of logging rights shall be laid down by decree.

As a consequence Republic of Cameroon compensation under the Forestry Law shall be made under the same conditions as in the case of expropriation.

Types of resources and individual versus communal ownership varies along the pipeline route. Resources are largely defined based on ecological zones. Individual versus group ownership of resources varies considerably based on ethnic and social group organization.

During the CLS, wild resources identified by individuals and communities were noted on individual inventory forms or on community inventory forms. Approximately 50,000 trees and plants, representing over 600 individual species were recorded. Analysis of these data indicated over 85 percent of all wild resources recorded during the CLS are community resources, mostly in the Departments east of Yaoundé.

### **5.6.2 Compensation Principles**

- Compensation principles concerning natural resources meet the intent of World Bank Operational directives.
- Individually and communally-owned natural resources will be compensated including resources such as beehives, medicinal plants and trees, individually owned wild trees, and fisheries.
- Compensation for firewood will be fully mitigated by access of the local population to wood which will be felled and stacked on the side of the ROW during construction.
- Information on resources eligible for compensation by the ROC that was collected during the CLS is currently being further evaluated by the DVVCs as described in Section 5.6.5.1. Payment for these resources by the ROC will be made directly to the individual or community that "owns" the resource.

- In-kind regional compensation for communal resources will be made by COTCO. The regional compensation must directly benefit communities whose land is needed for the Land Easement.
- COTCO will provide gap compensation for individually owned wild resources. This compensation will take into consideration: information collected during the CLS, results of the inquiries of the DVVC, advice of experts, and information collected during the participatory consultation process described in 4.5.

The list of resources is:

Beehives	Beehives are placed in various locations by individuals for honey gathering. <ul style="list-style-type: none"> <li>• Beekeepers can move them and will be compensated by the value of one season's production of honey from the number of hives moved.</li> </ul>
Wild Useful Trees	<ul style="list-style-type: none"> <li>• These trees belong to the person or community who protected and cared for the trees. They may be found in the bush, forests, or in fallow or actively cultivated fields.</li> <li>• Individual compensation will be paid for wild trees "owned" and used by individuals.</li> <li>• Other wild, useful trees may belong to the community and may be eligible for compensation.</li> </ul>
Fisheries	Compensation associated with fisheries is expected to be minimal. Nevertheless, compensation will be paid for: <ul style="list-style-type: none"> <li>• Any defensibly demonstrated decline in subsistence and market catch will be compensated for based on applicable market rate.</li> <li>• Fishing areas that are "owned" and used by individuals or communities and impacted by the Project will be compensated for on a case-by-case basis.</li> </ul>
Community Owned Bush and Forest Resources	Compensation will be made for communities who own and use resources such as woody or non-woody vegetation.
Medicinal Plants and Herbs	Compensation will be made for individuals and for communities who own and use the resources.

### 5.6.3 Basis of Compensation

<b>Republic Of Cameroon</b>	<b>COTCO Supplemental Compensation</b>
<ul style="list-style-type: none"> <li>• User or customary rights (Law 94/01 on forests) of riparian populations which use natural resources for their own consumption (forest products woody or non-woody vegetation, wildlife, and fish, with the exception of protected species) shall be recognized. These rights can be suspended in compliance with the general rules of expropriation for a public purpose.</li> <li>• Compensation will be computed according to the general rules of expropriation for a public purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional compensation for communities will be in-kind only.</li> <li>• Compensation for individually owned resources using information described above in Section 5.6.2.</li> </ul>

#### 5.6.4 Calculation of Compensation

- The Republic of Cameroon will calculate the total amount due based on applicable legislation according to the methodology set forth in Section 5.6.5.1 below.
- COTCO will provide information gathered in the CLS related to these resources for ROC consideration.
- COTCO will calculate regional community compensation according to the methodology set forth in Section 5.6.5.2 below.
- COTCO will provide gap compensation for individually owned wild resources based on information collected as described above.
- COTCO gap compensation will not be based on COTCO gap compensation for crops and cultivated trees as described in Section 5.5.4.

#### 5.6.5 Methodology for Valuation of Natural Resources

##### 5.6.5.1 Republic of Cameroon

The Republic of Cameroon has stated they will pay for wild resources as follows:

In accordance with Law No. 94/01 of 20 January 1994 laying down Forestry, Wildlife and Fisheries regulations, logging or customary right means the right which is recognized as being that of the local population to harvest all forest, wildlife, and fisheries products freely for their personal use, except the protected species.

The forest products shall comprise mainly wood and non-wood products as well as wildlife and fishery resources derived from the forest.

The conditions for the exercise of logging right are laid down by decree No. 95/531/PM of 23 August 1995. This decree provides the exploitation norms in the forests. Article 26, part 1 stipulates that: The populations living around State forests shall maintain their usufruct consisting in carrying out within these forests their traditional activities such as collecting secondary forest products, notably raffia, palms, bamboo, cane or foodstuff and fire wood. (See Note 1 at the end of this Section.)

By reason of public interest, the exercise of these logging rights must be temporarily or permanently suspended, when necessary.

The Verification and Valuation Commissions will identify all the forest products.

The compensation for these forest products will be calculated based on the by-law No. 58/MINAGRI of 13 August 1981 providing the amendments for the compensation rates to be paid to the landowner in case of any destruction of his cultivated tree and food stuff.

For the secondary forest products, namely raffia, bamboo, cane or foodstuff, the National Verification and Valuation Commission (VVC), in accordance with the land law regulations, will appoint an *ad hoc* Committee. This Committee will classify those products, function of their usage, and botanic characteristics in the categories of products listed in the above-mentioned by-law.

Their compensation rates will be calculated based on the same range products and either with the same usage, or with the same botanic characteristic or even similar functions.

Some forest products such as ebony, ivory, wild animals horns, as well as certain animal, plant and medicinal species, or those which are of particular interest, shall be classified as special.

The list of special forest products shall be fixed, as and when necessary, by the competent Ministry.

Through the decree No 95/531/PM of 23 August 1995, Articles 87 and 88 related to the License for the harvest of special forest products provide their exploitation norms. (See Note 2 at the end of this Section.)

#### 5.6.5.2 COTCO

COTCO will make its best efforts to contract with an independent third party to establish the value per hectare of Non-Timber Forestry Products (NTFPs) along the right-of-way in a timely manner. This valuation will:

- Include a range of values recognizing no formal recognized values now exist for each major ecological/agricultural zone.
- Recognize that many parts of the Land Easement have no active market in bush products, and hence only subsistence valuations shall be used.

Adjustments to the base valuation may be made to account for:

- The fact that many of the resources typically included in NTFP valuations per hectare are compensated as part of this Plan under rate sheets established for crops and cultivated trees as described in Section 5.5.4. Examples include safou, kola, African wild mango, oil palms, raffia palms, Voacanga, and Yohimbe.
- Recognize that direct construction impacts may affect only a small portion of the total community wild resources available.

- In many locations along the pipeline route, only a small portion of the total available resources are actually collected, and most of the value of the product is in the labor to process and harvest the resource.

In the event that such valuations cannot be obtained in a timely manner, COTCO will use an alternative methodology. This alternative methodology will be submitted to the WBG for review and comment prior to implementation. This will be implemented as part of the change management process outlined in Section 6.7 of the Plan.

The actual in-kind regional compensations to be made based on this assessment will be discussed during the participatory evaluation process and implemented as described in Section 6.5.1.2.

## **5.7 SUPPLEMENTAL COMMUNITY COMPENSATION AT FIXED FACILITY SITES FOR PERMANENT LOSS OF LAND**

COTCO will pay in-kind community compensation on a case-by-case basis to communities permanently losing land use to the Project for pump stations and storage yards. It also addresses the loss of wild communal resources at these locations. Additional information on the community compensation process is presented in Section 6.5.

### **5.7.1 Compensation Principle**

Community compensation will be paid if construction of pump stations and storage yards results in the permanent loss of customary rights to use land from the communal land pool.

- Each community will receive a one-time community compensation.
- Compensation will constitute an in-kind improvement project for the local community as a whole.
- Compensation will address the loss of community rights to permanent use of the land.
- Each community will be involved in selecting the type of in-kind project. The community as a whole will consider options for village-level compensation, which will be discussed as part of the negotiation process.
- The compensation will be based on the level of direct impact, and can be made up to the equivalent of a well and pump or a standard school building. If the community makes another suggestion that would meet an outstanding need and is of similar value, that suggestion will be considered.

**5.7.2 Basis of Compensation**

<b>Republic of Cameroon</b>	<b>COTCO</b>
<ul style="list-style-type: none"> <li>• None.</li> <li>• The Republic of Cameroon will participate in supplemental compensation as described in Section 6.0.</li> </ul>	<ul style="list-style-type: none"> <li>• Information will be gathered in each community where a pump station or storage yard is to be constructed to determine the community's eligibility for community compensation.</li> <li>• This information will be gathered during the socioeconomic surveys and Centerline Survey at fixed facility sites.</li> </ul>

**5.7.3 Calculation of Compensation**

- COTCO will negotiate with the community on a case-by-case basis.
- The value of the compensation will be equivalent to either a standard school building or well and pump.
- COTCO will review these compensations with the Republic of Cameroon for their input prior to final agreement on the compensation.

**5.8 COMPENSATION FOR CONCESSIONS**

**5.8.1 Compensation Principle**

- Responsibilities for negotiation of compensation for agro-industrial, mining, and forestry concessions are set forth in the Project's Convention of Establishment and summarized below.
- Compensation will be considered fair if the parties are able to reach an agreement on a fair and reasonable compensation

**5.8.2 Basis of Compensation and Responsibilities**

<b>Concession</b>	<b>Republic Of Cameroon</b>	<b>COTCO Supplemental Compensation</b>
Agro-Industrial, and Mining Concessions	<ul style="list-style-type: none"> <li>• The regulation granting or allocating these concessions will be modified by the Republic of Cameroon to take into account COTCO's rights on this land.</li> <li>• The Republic of Cameroon will pay no compensation.</li> </ul>	<ul style="list-style-type: none"> <li>• COTCO, with the participation of the Republic of Cameroon, will negotiate, with the concession holders concerned, the conditions and terms of the release of these lands.</li> <li>• Compensation will be borne by COTCO.</li> </ul>
Forestry Concessions	<ul style="list-style-type: none"> <li>• Will negotiate, with the participation of COTCO, the compensation for loss of rights by concession holders due to the installation of the Cameroon Transportation System.</li> <li>• Compensation will be borne by the Republic of Cameroon.</li> </ul>	<ul style="list-style-type: none"> <li>• COTCO's participation in these negotiations will be for the sole purpose of explaining the technical aspects of the Project and the applicable mitigation measures described in the EMP.</li> <li>• COTCO will pay no compensation.</li> </ul>

### 5.8.3 Calculation of Compensation

#### 5.8.3.1 Agro-Industrial and Mining Concessions

- COTCO, with the participation of the Republic of Cameroon, will negotiate with the concession holders. Compensation will be borne by COTCO.

#### 5.8.3.2 Forestry Concessions

- This compensation will be borne by the Republic of Cameroon, and will be negotiated in accordance with applicable domain and forestry legislation and the pre-established contractual terms between the Republic of Cameroon and the Concession Holders.

### 5.9 SPECIAL PROVISIONS: ANALYSIS OF VULNERABLE GROUPS

The vulnerability analysis conducted as part of the October 1997 version of the EA, to comply with World Bank directives on impacts to vulnerable groups, has allowed the identification of specific groups which should benefit from special measures.

#### 5.9.1 Pastoralists and Transhumants Rights

##### 5.9.1.1 Mitigation Principle

- The primary objective is that Project activities not adversely affect cattle movements within transhumance corridors and use of grazing lands.
- In order to meet World Bank directives that affected transhumants continue their activities without economic losses, mitigation measures defined in the EMP-Cameroon Portion will be implemented.
- As discussed in October 1997 version of the EA, no direct impact on herders is anticipated as a result of Project activities. The ability of migratory herds to cross construction areas in a variety of locations and in a timely manner was considered.
- During collection of information for completion of village information questionnaires, additional information was gathered to confirm the locations of major transhumant routes crossing the pipeline route and adjacent grazing areas. Using this information, COTCO will construct crossings to permit transhumance access across construction zones where appropriate.

##### 5.9.1.2 Compensation

Republic of Cameroon	COTCO Supplemental Compensation
• None.	• None.

5.9.1.3 Mitigation Measure

- The Republic of Cameroon and COTCO will implement mitigation measures as set forth in this EMP-Cameroon Portion. See "Socioeconomic Topic #8, Semi-Sedentary and Transhumant Cattle Movements" in Appendix D.

**5.9.2 Bakola Pygmies**

5.9.2.1 Mitigation Principle

- Bakola Pygmies are considered vulnerable people by the World Bank. Mitigation and accompanying measures are defined in this EMP-Cameroon Portion, so that affected individuals can continue their activities under normal conditions. In addition, Volume 4: Indigenous Peoples Plan describes measures which will be undertaken to offset any potential adverse impacts and provide a means for improvements in the health, education, and agriculture of Pygmy settlements affected by the Project.

Compensation issues of Bakola Pygmies related to payment for improvements are discussed in Appendix C.

5.9.2.2 Compensation

<b>Republic of Cameroon</b>	<b>COTCO Supplemental Compensation</b>
<ul style="list-style-type: none"> <li>• According to Cameroonian law, no specific compensation is expected for vulnerable groups.</li> </ul>	<ul style="list-style-type: none"> <li>• None.</li> </ul>

5.9.2.3 Mitigation Measure

- The Republic of Cameroon and COTCO will implement mitigation measures as set forth in this EMP. For mitigation measures refer to the table entitled "Socioeconomic Topic #10, Indigenous Peoples" in Appendix D.
- Funding and implementation of measures described in Volume 4: Indigenous Peoples Plan.

**Note 1:**

Decree No. 95/531/PM of 23 August 1995, Chapter II: Non-Permanent Forest, Section I, State Forests, Article 26 states:

The populations living around State forests shall maintain their usufruct rights consisting in carrying out within these forests their traditional activities such as collecting secondary forest products, notably raffia, palms, bamboo, cane or foodstuff and fire wood.

**Note 2:**

Articles 87 and 88 of Decree No. 95/531/PM of 23 August 1995; Chapter II: Exploitation of Non-Permanent Forest; Section I, Exploitation of State Forests; Paragraph II, Exploitation Permits; A-- Exploitation Permits For Special Forest Produce

Article 87 states:

- 1) Exploitation permits for special forest produce shall be granted upon presentation of a file in ten copies, with one original and nine certified true copies, comprising the following documents:
  - (a) a stamped application stating:
    - the full name and address of the applicant, if he is a natural person,
    - the name, articles of association, head office, registered capital and its distribution as well as the name of the Director, in the case of a corporate body.
  - (b) a certified true copy of the act of approval;
  - (c) proof of committed or available financial resources;
  - (d) investments foreseen: this concerns particularly available transport and processing facilities to ensure the proper preservation of produce, existing or planned warehouses, provisions taken or existing for local processing of all or part of the output;
  - (e) a tax certificate;
  - (f) a technical form established by the local official of the forestry services, specifying the species to be exploited, the quantity of produce intended for harvesting, as well as the place and conditions of harvesting;
  - (g) where necessary, the certificate(s) of verification and attestation of payment of forestry taxes on any exploitation act previously acquired;
  - (h) a receipt proving payment of the file charges, the amount of which shall be determined in accordance with the law governing the financial system of the State;
  - (i) an attestation of payment of National Social Insurance Fund contributions.
- 2) The application file for an exploitation permit for special forest produce shall be submitted, against a receipt to the provincial representative of the forestry services of the area of exploitation, who shall forward it with a reasoned recommendation to the Minister in charge of forests, for the follow up.
- 3) Signature of the permit shall be subject to the presentation of proof s of payment of the corresponding taxes and fees.

Article 88 states:

- 1) The exploitation permit for special forest produce shall state particularly:
  - the species to be exploited;
  - the quantity of produce to be harvested;
  - the exploitation area,
  - the conditions of local use, and possibly or exportation of produce.
- 2) The specifications attached to the exploitation permit for special forest produce shall state particularly:
  - the conditions of resource renewal;
  - the conditions of produce exploitation;
  - the conditions of transportation;
  - the conditions of payment of taxes and duties.
- 3) At the end of exploitation, the permit holder shall submit a report of his activities to the provincial representative of the Ministry in charge of forestry of the area(s) of exploitation.

Table 5-1. Summary of Land Acquisition Process Based on Land Classification

<i>Land Classification</i>	<b>PROJECT LAND EASEMENT [Estimated 3,500 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Expropriation, Eviction, and Allocation	Payment of Gap Market Value as per Section 5.3.1
Private Property of the State	Allocation and Evictions	No payment for land
National Land	Evictions, Incorporation into Public Property of the State and Allocation	No payment for land
Public Property	Issue Authorization to Occupy; Remains Public Property.	No payment for land

<i>Land Classification</i>	<b>TEMPORARY OCCUPATION [Estimated &lt; 200 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Issue Authorization to Occupy if negotiation fails	Negotiate Lease Payment
Private Property of the State	Issue Authorization to Occupy	No Payment for Land
National Land	Issue Authorization to Occupy	No Payment for Land
Public Property	Issue Authorization to Occupy	No Payment for Land

<i>Land Classification</i>	<b>INFRASTRUCTURE IMPROVEMENTS - Existing or New Permanent Public Road Easements [Estimated &lt; 400 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Expropriation, Classification into Public Property, Eviction	No Payment for Land
Private Property of the State	Classification into Public Property, Eviction	No Payment for Land
National Land	Classification into Public Property, Eviction	No Payment for Land
Public Property	Eviction	No payment for Land

<i>Land Classification</i>	<b>INFRASTRUCTURE IMPROVEMENTS -Temporary Occupation Easements for Work Site Facilities, Borrow Pits, and Detours [Estimated &lt; 100 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Issue Authorization to Occupy if negotiation fails	Negotiate Lease Payment
Private Property of the State	Issue Authorization to Occupy	No Payment for Land
National Land	Issue Authorization to Occupy	No Payment for Land
Public Property	Issue Authorization to Occupy	No Payment for Land

<i>Land Classification</i>	<b>CONCESSIONS (Agro-Industrial and Mining) [Estimated &lt; 50 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Not Applicable	Not Applicable
Private Property of the State	Modify concession	No Payment for Land
National Land	Modify concession, incorporate into Private Property of the State	No Payment for Land
Public Property	Not Applicable	Not Applicable

<i>Land Classification</i>	<b>CONCESSIONS (Forestry)</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Not Applicable	Not Applicable
Private Property of the State	Modify concession	No Payment For Land
National Land	Modify concession, incorporate into Private Property of the State	No Payment For Land
Public Property	Not Applicable	Not Applicable

**Table 5-2. Basis of Compensation for Structures, Crops, and Improvements Based on Land Classification and Use by the Project**

<i>Land Classification</i>	<b>PROJECT LAND EASEMENT [Estimated 3,500 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Pays compensation in accordance with legislation.	Pays supplemental as per Plan
Private Property of the State	Pays compensation in accordance with legislation.	Pays supplemental as per Plan
National Land	Pays compensation in accordance with legislation.	Pays supplemental as per Plan
Public Property	Pays compensation as per entitlement on the date of the DPP.	Pays supplemental as per Plan

<i>Land Classification</i>	<b>TEMPORARY OCCUPATION [Estimated &lt; 200 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Pays no compensation	Pays compensation as per Plan
Private Property of the State	Pays no compensation	Pays compensation as per Plan
National Land	Pays no compensation	Pays compensation as per Plan
Public Property	Pays no compensation	Pays compensation as per Plan

<i>Land Classification</i>	<b>INFRASTRUCTURE IMPROVEMENTS - Existing or New Permanent Public Road Easements [Estimated &lt; 400 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Pays compensation in accordance with legislation.	Pays supplemental as per Plan
Private Property of the State	Pays compensation in accordance with legislation.	Pays supplemental as per Plan
National Land	Pays compensation in accordance with legislation.	Pays supplemental as per Plan
Public Property	Pays compensation as per entitlement on the date of the DPP.	Pays supplemental compensation due in direct construction impact zone, as per Plan

<i>Land Classification</i>	<b>INFRASTRUCTURE IMPROVEMENTS -Temporary Occupation Easements for Work Site Facilities, Borrow Pits, and Detours [Estimated &lt; 100 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Pays no compensation	Pays compensation as per Plan
Private Property of the State	Pays no compensation	Pays compensation as per Plan
National Land	Pays no compensation	Pays compensation as per Plan
Public Property	Pays no compensation	Pays supplemental compensation due in direct construction impact zone, as per Plan

<i>Land Classification</i>	<b>CONCESSIONS (Agro-Industrial and Mining) [Estimated &lt; 50 ha]</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Not Applicable	Not Applicable
Private Property of the State	No compensation, but participation in negotiations	Negotiates all compensation due
National Land	No compensation, but participation in negotiations	Negotiates all compensation due
Public Property	Not Applicable	Not Applicable

<i>Land Classification</i>	<b>CONCESSIONS (Forestry)</b>	
	<b>Cameroon</b>	<b>COTCO</b>
Private Property	Not Applicable	Not Applicable
Private Property of the State	Negotiates and settles all compensations due according to current laws and contractual terms between the concession holders and the Republic of Cameroon.	Pays no compensation
National Land	Negotiates and settles all compensations due according to current laws and contractual terms between the concession holders and the Republic of Cameroon.	Pays no compensation
Public Property	Not Applicable	Not Applicable