

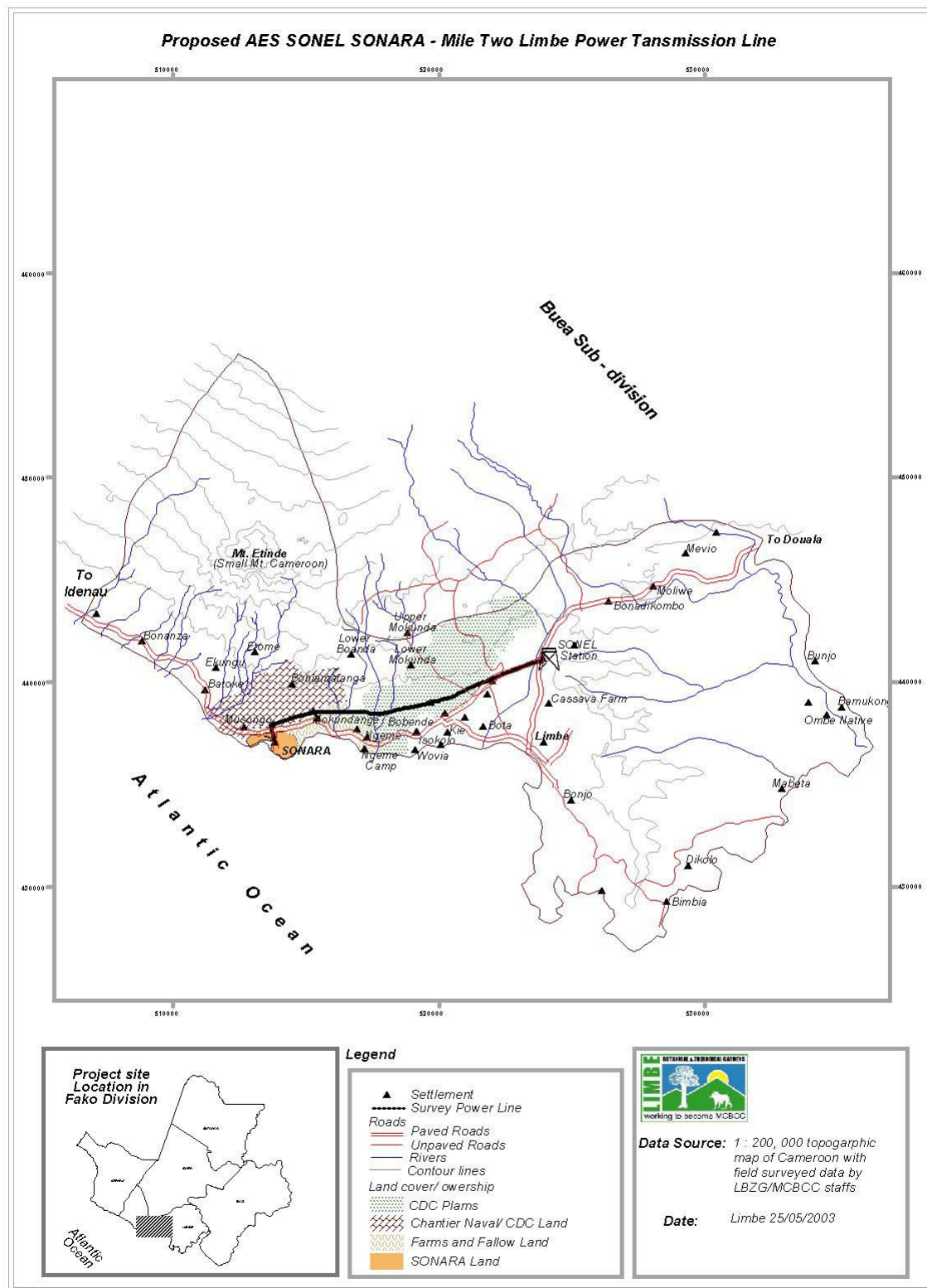
## **CAMEROON LIMBE POWER PROJECT (LPP): COMPENSATION ACTION PLAN**

**August 2003**



Map of Western Cameroon

## TRANSMISSION LINE ROUTE MAP



**KEY CONTRIBUTORS**

The following people have played integral roles in the compensation related activities which were fundamental to the drafting of this report.

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To the project affected people in and around the Limbe area, and the local administration, we are appreciative of your support and look forward to continuing our positive relationship with you and your community.

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**LIST OF ACRONYMS**

|        |                                                 |
|--------|-------------------------------------------------|
| AESS   | AES-SONEL                                       |
| ARSEL  | Argence de Regulation de Secteur Électricité    |
| CDC    | Cameroon Development Corporation                |
| EIA    | Environmental Impact Assessment                 |
| FCFA   | French Cameroonian Franc                        |
| GoC    | Government of Cameroon                          |
| HFO    | Heavy Fuel Oil                                  |
| IFC    | International Finance Corporation               |
| IRAD   | Institute of Agronomic Research and Development |
| LBZG   | Limbe Botanical and Zoological Gardens          |
| LPP    | Limbe Power Project                             |
| MINEF  | Ministry of the Environment and Forestry        |
| PAP    | Project Affected Person                         |
| SDO    | Senior Divisional Officer                       |
| SONARA | Société Nationale de Raffinage                  |

**DEFINITIONS**

‘Project Affected Person’, ‘Project Affected People’: an affected asset owner(s); the only affected assets in the context of this project are land and crops.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION**

AES-SONEL has commenced development of a new power generation project which will address the urgent electricity shortage in Cameroon. The project will include a power plant, a 90kV over-head transmission line, and the construction of a new substation and modification of an existing electrical substation. All project components will be located in the southwestern region near the town of Limbe.

The plant will utilize heavy fuel oil to produce 80 MW of new power supply. It will be situated adjacent to the SONARA oil refinery which will provide the necessary fuel. Approximately 4ha of vacant land has been leased to AES-SONEL by the Government of Cameroon for the plant site. A public utility decree has been obtained for the transmission line corridor (way-leave). The transmission line will be 11.6 km long and follow an existing high voltage line which is parallel to the main road and passes north-west between a substation in Limbe and the proposed plant site.

AES-SONEL will be the sole owner of the project which will cost approximately \$70 million and be 100% debt financed. The financing for the project is still under negotiation and will come from both local and international banking institutions.

Contracts have been negotiated with Wartsila for the construction of the plant and with Alstom for the transmission line. With the support of these contractors the plant is planned to be operational by March of 2004.

### **LEGISLATURE AND POLICIES**

AES-SONEL will comply with the requirements of Cameroonian law, while ensuring compliance with the applicable stipulations presented by the international financing community.

AES-SONEL will seek to compensate all appropriate parties regardless as to whether title to the lands in question has been received.

### **KEY PARTIES**

The compensation process will be conducted by AES-SONEL in conjunction with a commission of local administrative officials and the input from an independent valuation firm.

AES-SONEL has created a dedicated socio-economic team to address all compensation related activities. The AES-SONEL team will work together with a Compensation Commission which has been established according to the procedures set forth under Cameroonian law. This Commission is comprised of local government representatives, village chiefs and notables, as well as representatives from AES-SONEL. The Compensation Commission will conduct field activities along the proposed route of the transmission line. A record of land and crop owner boundaries, as well as crop types and numbers will be recorded in order to make appropriate

compensation payouts. An independent evaluator will assist AES-SONEL to fulfill the compensation guidelines presented by the International Finance Corporation (IFC).

## **SOCIO-ECONOMIC MANAGEMENT PLAN**

AES-SONEL recognizes the necessity of capturing data regarding the affected population and community in order to appropriately mitigate and compensate for the impacts that may result from the project. To this end, AES-SONEL has developed a socio-economic management plan which has provided information necessary for the implementation of an appropriate compensation process. The management plan draws on AES's previous experience conducting similar projects in Africa as well as participatory methods suggested by IFC.

## **CONSULTATION AND PARTICIPATION**

The project consultation programme is on-going, and active participation with the people who are directly and indirectly affected by the project, as well as other interested parties, will continue throughout the development of the project. The compensation related consultation activities are part of this broader project consultation programme.

## **SOCIO-ECONOMIC STUDIES**

Results from the social surveys conducted by the independent evaluation firm, Limbe Botanical and Zoological Gardens (LBZG), shows that 97% of the project affected people support the project.

The following localities will be affected by the line route:

- Bobende
- Botaland
- Mokindi
- Mokundange
- Ngeme
- Mile 2 (Limbe)

There are 172 land owners and 164 identified crop owners who will be affected by the project.

## **TOPOGRAPHICAL STUDIES**

The land required for the power plant is 4.3 hectares and was secured by AES-SONEL from the state (Private Property of the State) through an arête by the Department of Lands and a 20 year lease from the office of the SDO in the FAKO Division at Limbe.

The land required for the transmission line way-leave has a surface area of 52.3 hectares and its rights to use were obtained with a Public Utility Decree from the Department of Lands in Yaounde.

In order to evaluate the land requirements and agriculture areas in question, AES-SONEL and the Compensation Commission undertook topographical studies of the surface areas of the way-leave and the land and agricultural plots which fell within its boundaries.

## **CULTURAL PROPERTIES**

Upon initial discussions with government officials and local chiefs, no sites of cultural significance were noted within the project area. Further research has identified a single grave which falls in the way leave, but will not need to be disturbed.

## **MARKET VALUE**

The process of determining market value has sought to establish appropriate compensation figures so that the affected population is able to restore their standards of living to levels “at least as good as or better than” than they were prior to the project.

Where the Government rates do not provide for this standard of value, AES-SONEL with the technical support of the independent evaluator, will calculate and adjust the compensation figures according to these principles.

## **COMPENSATION**

Compensation will be for both affected land and agricultural assets.

Due to the linear nature of the project, the relatively small impact on any individual land holder, and the selection of the line route to avoid all structures - no physical displacement will occur.

Additionally, AES-SONEL anticipates very few, if any, cases of economic displacement. The need for economic displacement may occur if the impacts to the plot as a result of the project make the affected persons economic base no longer economically viable.

## **GRIEVANCE AND DISPUTE RESOLUTION**

It is possible that some grievances associated with family disputes, rates of compensation and eligibility criteria may arise. If so, AES-SONEL will coordinate with the compensation committee to resolve all conflicts in a mutually beneficial timely manner.

## **MONITORING AND EVALUATION**

AES-SONEL will report on the effectiveness of the compensation process implementation, including the progress of resettlement (if necessary), the disbursement of compensation, the effectiveness of public consultation and participation activities, and the sustainability of income restoration and development efforts among affected communities. The monitoring program will also provide AES-SONEL with feedback on the implementation and identify problems as well as successes as early as possible for timely adjustment of procedures.

**VULNERABLE PEOPLE**

Special attention will be given to the determination of vulnerable project affected people. This group may include households headed by women, households victimized by AIDS/HIV, child headed households, households made up of the aged or handicapped, households whose members are impoverished, or households whose members are socially stigmatized (as a result of traditional or cultural bias) and economically marginalized households.

# **1 INTRODUCTION**

This working document addresses the compensation plan for the proposed AES-SONEL heavy fuel oil (HFO) power project in Cameroon. The design and content of the document are intended to follow the suggested guidelines as set forth in the International Finance Corporation (IFC) – *“Handbook for Preparing a Resettlement Action Plan”*.

The information contained in this report was compiled by AES-SONEL (the project company), agricultural and social experts from the Limbe Botanical and Zoological Gardens, as well as government administration personnel appointed to participate in the compensation related exercises.

The Compensation Action Plan specifies all forms of project affected asset ownership or rights to use among the affected population and the compensation strategy for offsetting the partial or complete loss of those assets resulting from the project development and associated land expropriation.

## **1.1 Field Studies**

The following studies form the basis for the Compensation Action Plan:

- Sociological Surveys
- Topographical Surveys
- Asset Inventories
- Asset Valuations

## **1.2 Equity and Transparency**

The Compensation Action Plan for the Limbe Power Project (LPP) has been developed and carried out with the goal of achieving “equity” and “transparency” in all activities.

## **1.3 Compensation Principles**

The principles described in the document are intended to meet the needs of the Cameroonian government as well as those of the international financing community. AES-SONEL has enhanced the compensation requirements under Cameroonian law to fulfill the guidelines of international financing and the goal of equity and fairness where appropriate.

## **1.4 Financing**

AES-SONEL is seeking external funding for this project, with the International Finance Corporation (IFC). The IFC has defined the project as a Category ‘A’ development.

## 2 PROJECT DESCRIPTION

AES-SONEL has commenced development of a new power generation project which will address the urgent electricity shortage in Cameroon. The project will include a power plant, a 90kV over-head transmission line, and the construction of a new substation and modification of an existing electrical substation. All project components will be located in the southwestern region near the town of Limbe.

### 2.1 The Plant and Substation

The plant will utilize heavy fuel oil to produce 80 MW of new power supply. It will be situated adjacent to the SONARA oil refinery which will provide the necessary fuel. Approximately 4.3 ha of vacant land has been leased to AES-SONEL by the Government of Cameroon for the plant site.

### 2.2 The Transmission Line

A public utility decree has been obtained for the transmission line corridor (way-leave). The transmission line will be 11.6 km long and will follow an existing high voltage line which is parallel to the main road and passes north-west between a substation in Limbe and the proposed plant.



Figure 3 – View of the Proposed Line Route from the AES-SONEL Substation in Limbe



AES SONEL will be the sole owner of the project which will cost approximately \$70 million and be 100% debt financed. The financing for the project is still under negotiation and will come from both local and international banking institutions.

Contracts have been negotiated with Wartsila for the construction of the plant and with Alstom for the transmission line. With the support of these contractors the plant is planned to be operational by March of 2004.

### **3 APPLICABLE IFC POLICIES**

The following IFC policies have been instrumental to the development and implementation of the environmental mitigation strategies outlined in the Compensation Action Plan.

#### **3.1 OD 4.30 – Involuntary Resettlement (June, 1990)**

This policy stipulates that people affected by the project must be:

- Consulted regarding resettlement activities
- Provided with timely compensation for lost assets at full replacement cost
- Provided with alternative sites for relocation
- Restored to livelihoods whose standards compare with, and preferably exceed, those that prevailed before resettlement.

#### **3.2 OP 4.01 - Environmental Assessment (October, 1998)**

The main consultation and disclosure requirements of the IFC for Category ‘A’ projects are:

- Public consultation each, at the ‘scoping’, EA review and construction and operation stages of a project; all to be conducted in a culturally appropriate manner;
- Careful documentation of all public consultation activities and issues;
- Public disclosure of Environmental Assessment documentation both at the World Bank Info-shop and in the country where the project is proposed for specified time periods;
- Demonstrated responsiveness by project sponsor to issues raised during consultation.

#### **3.3 OD 4.2 – Indigenous Peoples**

As defined in OD 4.2, no indigenous peoples will be affected as a result of the project.

#### **3.4 OPN 11.03 – Cultural Property (September, 1986)**

There is one grave which has been identified as falling within the transmission line corridor. Careful attention will be taken to avoid disturbing the grave site. As a result it will not be necessary to relocate it.

#### **3.5 Harmful Child and Forced Labor (March, 1998)**

No child or forced labor will be used in the development of the LPP project.

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For a complete review of IFC's project development guidelines and policies consult the World Bank Info-shop website at [www.worldbank.org](http://www.worldbank.org).

## 4 LEGAL FRAMEWORK

The Compensation Action Plan and its implementation have synthesized the applicable stipulations presented by the IFC, while ensuring compliance with the requirements of Cameroonian law.

### 4.1 Public Utility Decree

A Public Utility Decree has been granted to AES-SONEL by the government of Cameroon for the lands necessary for the transmission line route. This decree granted all rights to the lands within the corridor to AES-SONEL.

See **Appendix "A" and "B"** for a copy of the **"Public Utility Decree"** (English translation and French original).

### 4.2 Expropriation Procedure

The issuance of the Public Utility Decree does not abdicate AES-SONEL from the responsibility of satisfying the requirements of compensation for the expropriated lands.

Prefectural Order number 50, dated February 24<sup>th</sup>, 2003 - issued by the Senior Divisional Officer (SDO) Fako Division - established a commission (of which AES-SONEL is a member) to carry out studies for the:

- Identification of project affected asset owners
- Valuation of project affected assets.

The order instructs that:

- The sub-commission present the results of their field work to the main Commission for deliberation and adoption
- AES-SONEL undertake negotiations with owners and rightful claimants of Land Certificates
- AES-SONEL communicate to the Commission the results of such negotiations
- The work of the commission be forwarded to the Minister of Housing and Town Planning for further action.

This procedure follows Law No. 85/009 dated July 4<sup>th</sup>, 1985 concerning expropriation for public utility purposes and terms of compensation.

See **Appendix "C"** for a complete review of the applicable Cameroonian legislature concerning compensation and expropriation.

## 5 KEY PARTIES

The Compensation Action Plan is being carried out by AES-SONEL in conjunction with a commission of local administrative officials (Compensation Commission), and the input from an independent valuation firm (LBZG).

### 5.1 AES-SONEL

AES-SONEL has created a dedicated socio-economic team to address all compensation related activities. The AES-SONEL team will carry out the following tasks prior to the commencement of project construction:

- Coordinate with the Government of Cameroon to establish the Compensation Commission
- Determine the methodology for recording ownership details in a clear and transparent way
- Determine socio-economic information about the affected people and the community
- Determine the appropriate levels of compensation (value, cash or payment in kind)
- Determine an appropriate and transparent method for payment of compensation / make payment for expropriated lands
- Determine a mechanism for receiving and addressing complaints
- Determine monitoring and evaluation procedures / conduct monitoring – respond accordingly



Figure 4 – AES-SONEL Environmental Team Members

## **5.2 Independent Evaluator**

The Limbe Botanical and Zoological Gardens (LBZG) have been contracted by AES-SONEL to provide independent land and crop asset inventories, market rates, and to conduct the requisite socio-economic studies.

## **5.3 Compensation Commission**

According to the procedures set forth under Cameroonian law, a Compensation Commission has been established. This Commission is comprised of local government officials, affected community members, and representatives from AES-SONEL.

The Compensation Commission has conducted field activities along the proposed route of the transmission line. A record of land and crop owner boundaries, as well as crop types and numbers has been recorded in order to make appropriate compensation assessments for each affected asset owner.

Refer to **Appendix “D”**, for the prefectural orders and associated official government communication establishing the members and mandate of the Compensation Commission.

## 6 SOCIO-ECONOMIC MANAGEMENT PLAN

AES-SONEL has developed a socio-economic management plan which will provide specific data necessary for the implementation of an appropriate mitigation strategy.

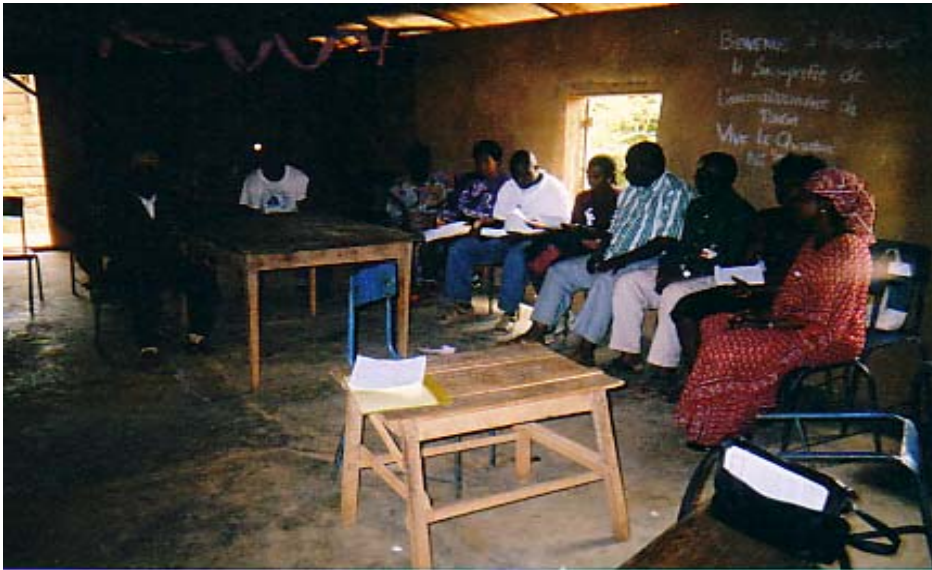
The management plan draws on AESS's previous experience conducting similar projects in Africa as well as participatory methods suggested by IFC and the legislative requirements of the GoC.

The socio-economic management plan will include the following action items:

- i. **Consultation** with affected populations regarding mitigation strategies and development opportunities
- ii. **Project Census** that enumerates the affected people and registers them according to location
- iii. **Socio-Economic Studies** of affected people
- iii. **Asset Inventory** of lost and affected assets at the household, enterprise, and community level
- iv. **Topographical Maps** which identify such features as population settlements, infrastructure, natural vegetation areas, water resources, and land use patterns
- v. **Analysis of Surveys and Studies** to establish compensation parameters, to design appropriate income restoration and sustainable development initiatives, and to identify baseline monitoring indicators

## 7 CONSULTATION AND PARTICIPATION

Active participation with the project affected people, as well as other interested parties, will continue throughout the development of the project.



Figures 3 & 4 – Public Consultation Meetings at Ngeme and Mokindi Villages

AES-SONEL recognizes that consultation with the affected people, local government officials, community leaders, and other representatives of the affected population is essential to gaining a comprehensive understanding of the types and degrees of project effects to the community.

The Consultation and Disclosure program for the LPP was developed with an awareness of the location of the proposed site and the urgency of the development timeline.

## 7.1 Identification of Consultees

Consultees within the study area can be separated into those associated with the proposed power generation plant site, those associated with the transmission line route and those having an interest in the project, from both a statutory and non-statutory perspective.

Within the vicinity of the power generation plant site there are two properties approx. 650 meters from the proposed site - a club house and a SONARA-owned guesthouse. There are also a number of residential properties located along the minor road leading to the power generation plant site.

The route of the transmission line has been selected to avoid settlements/ individual houses. Although the study area is characterized by a limited number of properties that are affected by the project, AES-SONEL has consulted with all relevant affected/ interested parties in accordance with the IFC guidelines. Consultation is ongoing with those landowners/ tenants who will have affected land/ crops as a result of clearance for the way-leave and right of way for the transmission line.

The table below describes the Consultees:

| Consultee type              | Consultees                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Power generation plant site | <ul style="list-style-type: none"> <li>▪ the club house and guesthouse in the vicinity of the proposed power generation plant site.</li> <li>▪ Residents along the access road to the power plant site.</li> <li>▪ Local Chiefs.</li> <li>▪ SONARA.</li> </ul>                                                                                                                                                                        |
| Transmission line site      | <ul style="list-style-type: none"> <li>▪ CDC (Cameroon Development Corporation), commercial plantation owner along the route of the transmission line.</li> <li>▪ Chantier Naval (navy).</li> <li>▪ Local land/crop owners/tenants along the transmission line route.</li> <li>▪ Villagers in the villages near the transmission line route.</li> <li>▪ Private and public organisations near the transmission line route.</li> </ul> |



| Consultee type | Consultees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Generic        | <ul style="list-style-type: none"> <li>▪ Local chiefs.</li> <li>▪ Provincial Delegate of the Ministry of Environment and Forestry (MINEF) based in Buea.</li> <li>▪ Limbe Senior Divisional Officer.</li> <li>▪ NGOs.</li> <li>▪ Other interest parties.</li> <li>▪ ARSEL (Argence de Regulation de Sectuer Électricité, set up under the Electricity Act to regulate the industry). AES Sonel has set up a working team with ARSEL to address all aspects of AES Sonel's operation. ARSEL has been informed of developments in the LPP through this team, and has therefore not been considered further with respect to consultation for the EIA.</li> </ul> |

## 7.2 Consultation Objectives

The objectives of the consultations have been:

- General project and program information dissemination to project affected people and other interested parties;
- Opportunity for AES to record comments / opinions of project affected people / interested parties;
- Provide information and answer questions regarding the location of the power generation plant and the transmission line;
- Discuss areas of concern / confusion;
- Comply with IFC safeguard policies on Consultation and Disclosure;
- Comply with the Government of Cameroon's requirements for environmental impact assessment.

Consultation is an ongoing process, and AEISS will ensure that consultees continue to be kept well informed during construction and, where appropriate, operation. This will be achieved through direct input by AEISS and through the auditing of Contractors to ensure that they fulfil their contractual requirements with regard to consultation.

Refer to **Appendix "E", Consultation Guidelines and Procedures** for the details of consultation meeting guidelines and logistics.

The following table provides a brief outline of the methods that have been employed in the consultation process.

| Method                           | Consultees                                                                                                                         | Reason                                                                                                                                                                                                                                                                                             |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Methods of communication:</i> |                                                                                                                                    |                                                                                                                                                                                                                                                                                                    |
| <i>Letters</i>                   | Divisional officers                                                                                                                | Sensitization.                                                                                                                                                                                                                                                                                     |
| <i>Advert/<br/>Messengers</i>    | Affected persons<br>Interested parties<br>NGO(s)                                                                                   | To advertise public meeting(s).<br>All posters have been prepared in French and English.                                                                                                                                                                                                           |
| <i>Methods of consultation:</i>  |                                                                                                                                    |                                                                                                                                                                                                                                                                                                    |
| <i>Meetings</i>                  | Provisional Delegate of<br>MINEF<br>Compensation Commission<br>CDC<br>Chantier Naval<br>Affected persons<br>NGO(s)<br>Local Chiefs | Agree Terms of Reference of EIA.<br>Sensitization.<br>Address specific issues relating to affected persons for the power plant site and the transmission line route.<br>To communicate how affected persons issues will be/have been addressed.<br>To request meetings.                            |
| <i>Public Meeting</i>            | Affected persons<br>Interested parties<br>NGOs                                                                                     | To communicate the EIA scope of works.<br>To ensure that all affected persons and interested parties have the opportunity to be involved in the communication process and to ensure that their views are made publicly.<br>To communicate how affected persons issues will be/have been addressed. |
| <i>Surveys</i>                   | Affected persons along the route of the transmission line.                                                                         | To inform about compensation issues and to record socio-economic details of affected persons.                                                                                                                                                                                                      |

### 7.3 Cultural Sensitivity

AES-SONEL has followed Cameroon protocol and used culturally appropriate methods for undertaking public consultation activities. Where appropriate either French or English has been used for consultation purposes. In situations where it has been necessary, the local dialect (pidgin) has been used in the dissemination of information.

**Appendix “F”**, sets out a Consultation Program for the project and the compensation process. In summary, for consultees associated with the power generation plant site, meetings have been arranged with the owners of the oil refinery, SONARA and with the owners of the guesthouse, the club house and the residential properties located along the minor road leading to the power generation plant site.

The Compensation Commission has conducted sensitization meetings at each of the affected villages.

In addition to the village level meetings, a general consultation has been held to discuss the project and to record any concerns/ comments raised by the general public.

Affected asset owners were present at the time of asset inventorying and have been consulted regarding any concerns they might have with the land acquisition process.

Comments and suggestions have been recorded, and appropriate strategies to address them have been developed by AES-SONEL in conjunction with the Compensation Commission.

#### **7.4 Consultation Logs**

A record of all consultations has been kept. Refer to **Appendix “G”**. All responses to consultees have been recorded on this form and a copy of all correspondence held in filing at the AES-SONEL offices.

The AES-SONEL project team will continue to ensure that all comments are reviewed and addressed as appropriate throughout the project development.

#### **7.5 Disclosure of information**

Formal disclosure of the EIA report was undertaken at the following stages:

- *Development of scope of works* - liaison with the IFC and the Provincial Delegate of MINEF to agree the scope of works for the EIA;
- *Draft EIA report stage*: submission of draft EIA report to the IFC and posting of the report on the World Bank Info-shop. Availability of draft EIA report at the Provincial Delegate’s office for review.

#### **7.6 Confidentiality**

Confidentiality has been observed at all times. Confidentiality will continue to be addressed as part of the compensation payment procedures

## 8 SOCIO-ECONOMIC STUDIES

AES-SONEL has contracted social development specialists from the Limbe Botanical and Zoological Gardens (LBZG) to undertake a general baseline study of the socio-economic situation in the project area as well as household level surveys of the affected population.

Refer to **Appendix “H”**, for the Limbe Botanical and Zoological Garden’s Socio-Economic Methodology and **Appendix “I”** for the **“Household Survey Form”** used to capture data concerning the affected people and their families.

The household survey captured census information as well as social data, such as mortality, fertility, household size, incidence of disease, literacy, affected cultural properties, and economic information on household level income streams and expenditures.

Results from the survey show that 97% of the project affected people support the project - given that the following measures are considered:

- Allowance made for existing crops to be harvested
- Compensation is paid before construction commences
- Underground cabling
- Allowance for the planting of annual crops under the constructed transmission line
- Employment opportunities be provided to youths of the affected communities
- There is improvement in power supply to eradicate frequent power failures
- An alternative route for the transmission line

The communities believe that the transmission line will have a positive impact on:

- Electricity supply
- Community development
- Construction of houses
- Improvement of roads
- Influx of people
- Standard of living - as a result of an increase in commercial activities

The following localities will be affected by the project:

- Mokundange
- Ngeme
- Bobende
- Botaland
- Mokindi
- Mile 2 (Limbe)

## 8.1 Land Owners

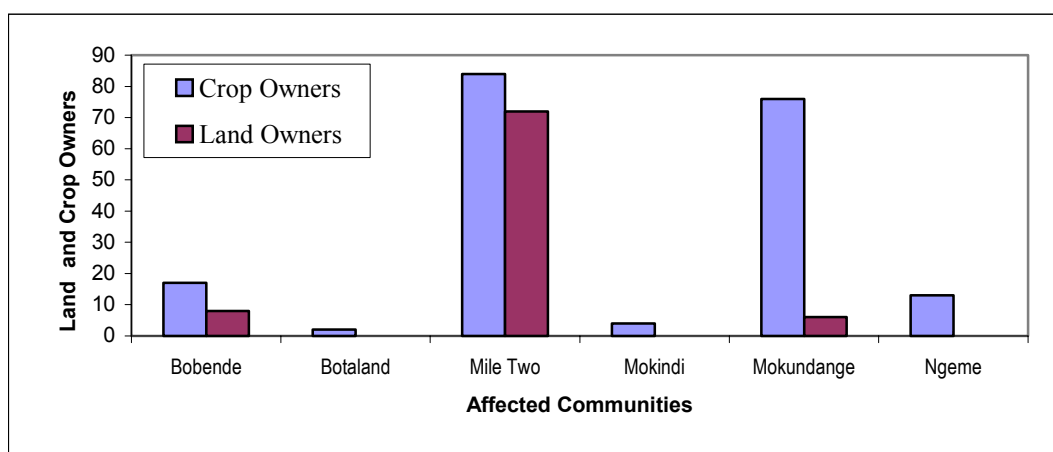
There are 172 land owners who will be affected by the project. This figure includes the government parastatals -CDC, SONARA and Chantier Naval. CDC is the single most affected land owner along the transmission line way-leave. Roughly 50% of the 11.6 km line route is occupied by the CDC palm plantations.

## 8.2 Crop Owners

There are 164 identified crop owners (including CDC) who will be affected by the project. An additional 23 agricultural plots have been noted, but to date the owners of these crops have not been identified.

It is important to note that the crop owners are not necessarily the same individuals who own the land where the crops are situated.

The distribution of affected land and crop owners is represented in the table below.



**Figure 5 - Affected people by Location**

Information from the social studies shows that 51% of the affected people are male and 49% are female. It also indicates that 60% of the affected population is comprised of non-indigenes<sup>1</sup> - although, the area near Mile 2 has a fairly homogenous population of Bamilekes and Bassas.

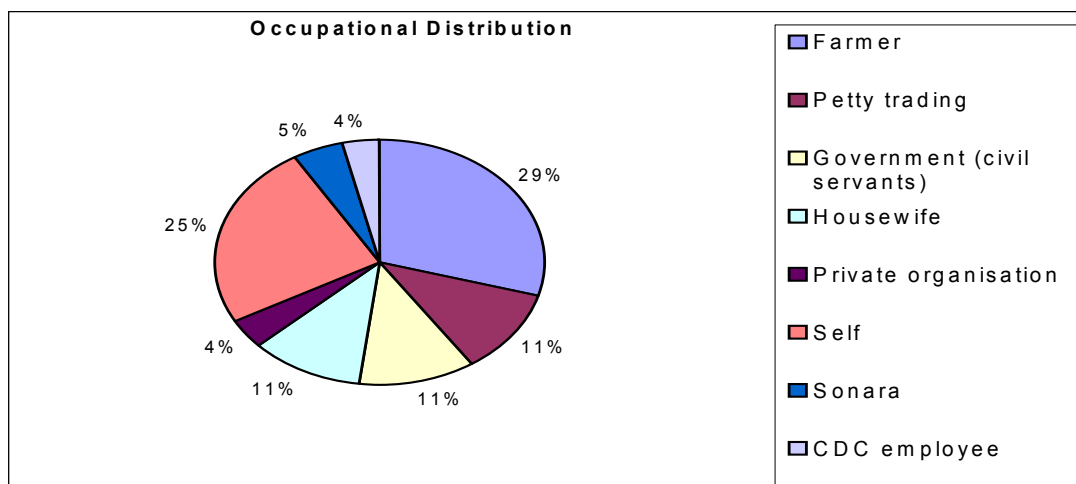
Average household size ranges from 3 - 10 people and 70 % of the affected people are married with the men acting as the household heads.

1. Non indigene - describes Cameroonians who are not from the local area.

### 8.3 Occupation

The main occupations in the affected area include farming, petty trading, and civil service.

The chart below illustrates the occupational distribution of the affected asset owners.

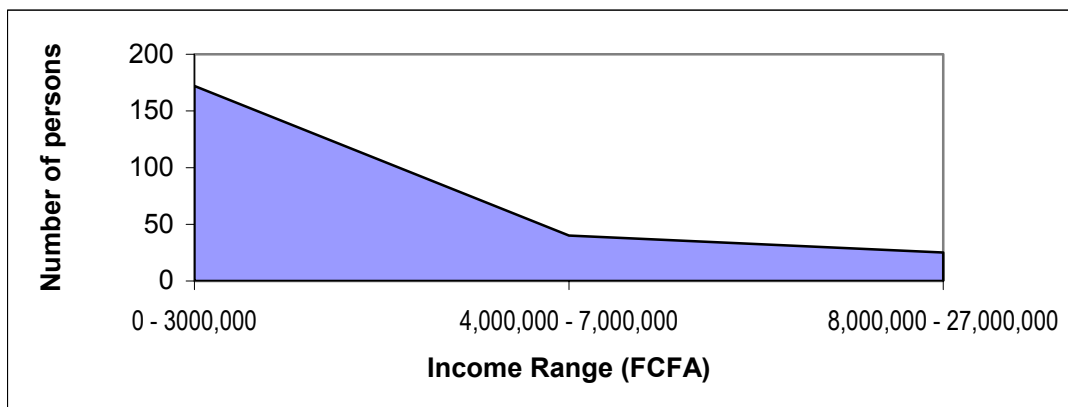


**Figure 6 - Occupation**

**Note:** **Self** (self employed) is representative of mechanics, drivers, plumbers, carpenters, bricklayers, traditional healers, welders, and herdsmen. **Private organization** is representative of employment with the church and security providers.

### 8.4 Stated Annual Income

Total stated annual monetary income for the affected population ranges from nearly zero (0) to 27,000,000 FCFA (600 FCFA ~ \$1.00).



**Figure 7 – Stated Annual Income**

This stated income figure is considerably higher than the figure provided by the Ministry of Finance - which suggests that the per capita GDP is 430,000 FCFA.

### 8.5 Stated Income from the Affected Land

Agricultural land rental is a fairly common practice in the areas around Bobende and Mokungange. 37 crop owners were identified as renting farmland. Rents range from 5,000-15,000 FCFA per year for agricultural land.

The stated total annual income generated from agricultural production and land rental on the affected land ranges from 2,500 – 1,844,000 FCFA.

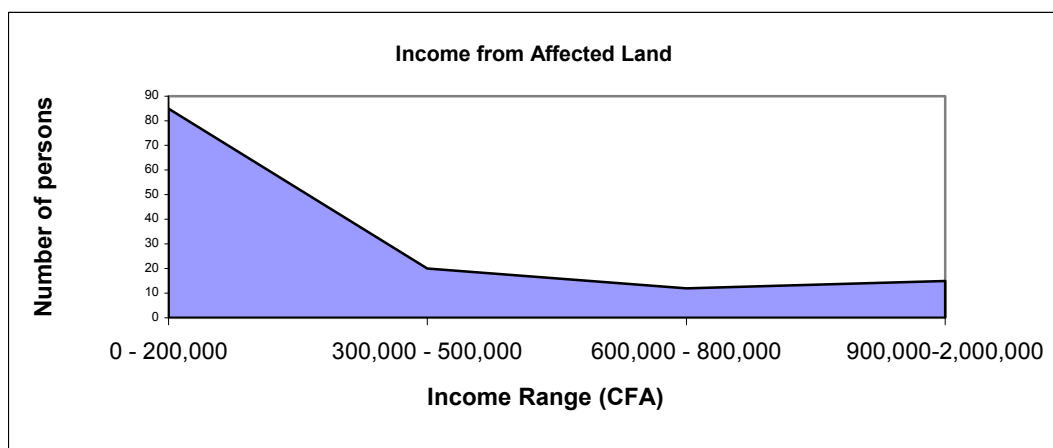
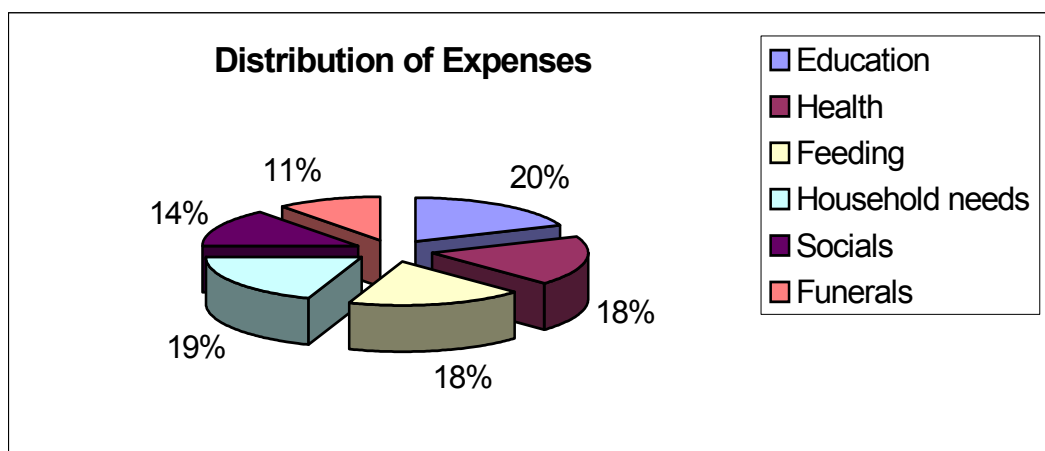


Figure 8 – Stated Annual Income from the Affected Land

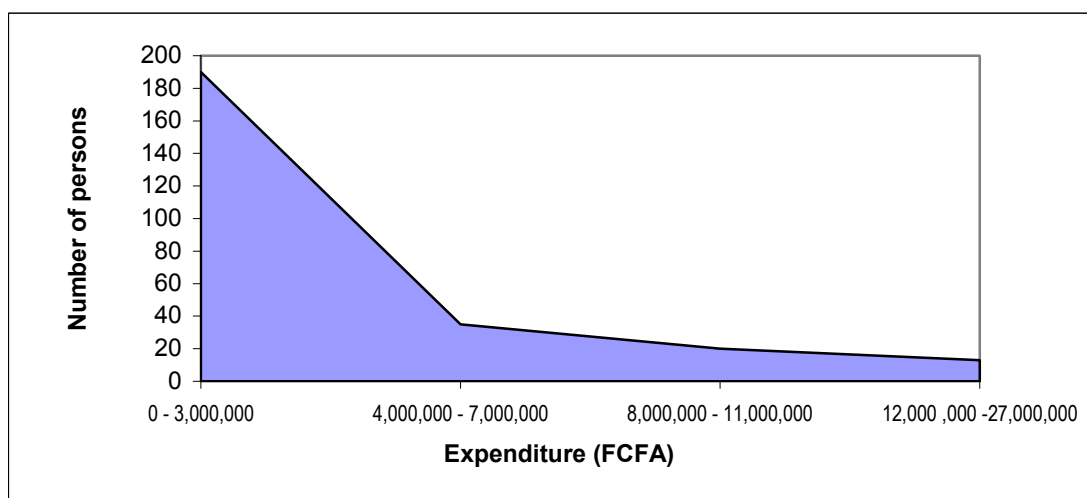
### 8.6 Expenditure

Education, health, household needs (including housing payments and utilities), food, socials, and funerals constitute the major expenses identified by affected individuals. A significant proportion of income is spent on education of children in private primary, secondary and high school. Health related expenditures are prevalent in all the communities and are incurred as situations arise.



**Figure 9 - Distribution of Expenses**

Annual expenditure ranges from 2,500 to 26, 330,000 FCFA. 85% of the affected population falls within the range of 0-3,000,000 FCFA for annual expenditure.



**Figure 10 - Annual Expenditure**

## 8.7 Health Issues

A number of health problems are prevalent in the affected communities; malaria, respiratory, gastric / side pains (stomach), and eye problems.

All of the project affected people identified malaria as a common illnesses which frequently occurs within the household. Illnesses such as; cough, fever, and stomach problems are common with children - while illnesses such as; rheumatism, hypertension, and gastric problems are common with adults. Disabilities such as; mental disorders,



physical handicaps (amputees, deafness, blindness) were identified in relatively few households.

The table below illustrates the common diseases experienced and incidents found in each village among the affected population.

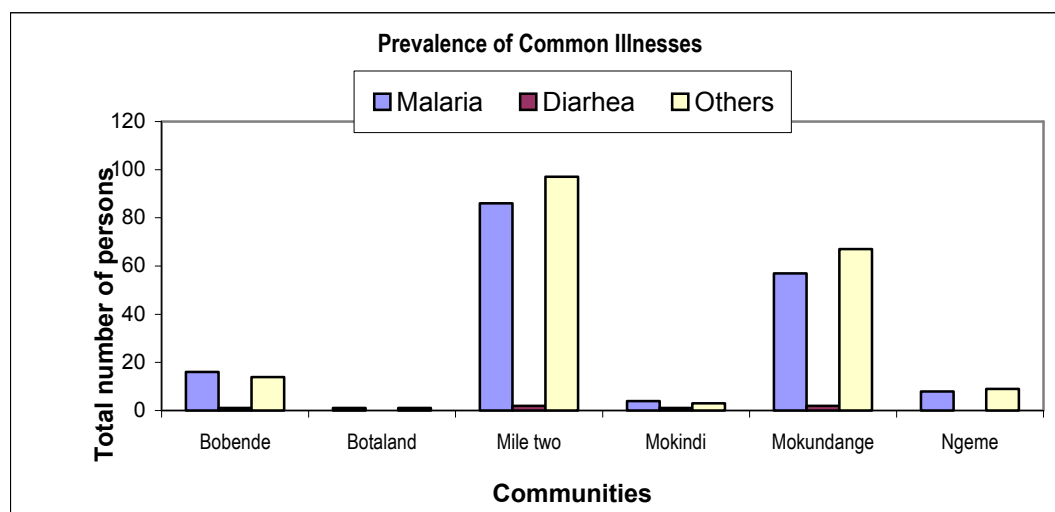


Figure 11 - Prevalence of Illness

## 8.8 Health Facilities

Children below 18 years of age in Botaland, Mokindi and Ngeme are taken to the CDC clinic since the majority of affected individuals living here are working with CDC or are retired CDC workers. Those above 18 years are taken to the Provincial hospital Limbe. Most of the affected population in Bobende and Mokundange go to Batoke health center for minor cases (malaria fever, stomach ache, cough, body rash) while major cases (surgery, hypertension, bronchitis, difficult delivery etc) are taken to the Provincial hospital Limbe.

A few affected people in these communities attend private clinics (Ndifor clinic Limbe, Mbingo Annex Mutengene, Manyemene Annex Limbe). Many of the Mile 2 affected people who are treated at the Provincial hospital or in private clinics.

## **9 TOPOGRAPHICAL SURVEYS**

The Compensation Commission has completed the identification and mapping of all affected lands along the line route.

### **9.1 Power Plant Site**

The land required for the power plant site is 4.3 hectares and was secured by AES-SONEL from the state (Private Property of the State) through an arête by the Department of Lands and a 20 year lease from the office of the SDO in the FAKO Division at Limbe.

Previously this land was leased to the SONARA oil refinery by the GoC. The land is vacant - free of any agricultural or other activities. All rights to use over this land have been transferred from the SONARA refinery to AES-SONEL by the GoC.

### **9.2 Transmission Line**

The land required for the transmission line way-leave has a surface area of 52.3 hectares and was secured through an arête (Public Utility Decree) from the Department of Lands.

In order to evaluate the impacts to the individually owned land and agricultural areas falling inside the way-leave, AES-SONEL and the Compensation Commission undertook a topographical demarcation and mapping.

### **9.3 Maps**

A complete set of topographical maps of the site and transmission line have been produced and are available for public review and consultation at the Divisional Offices in Limbe.

Upon request, copies of the project development maps can be obtained from AES-SONEL.

## 10 AFFECTED ASSETS

In order to fulfill both Cameroonian law and the international financing guidelines, AES-SONEL coordinated the efforts of the Compensation Commission (including interested community members – Chiefs, notables and neighbors), the independent evaluation firm LBZG, and the project affected asset owners to undertake an affected asset inventory along the line route corridor. The Compensation Commission, community members, and affected asset owners were all involved in the decision making process concerning the determination of ownership and inventorying. All affected assets were included in the exercise and whenever possible all of these interested parties signed the associated documents.

### 10.1 Land

The table below describes the ownership of land along the transmission line corridor.

| Land Owner       | Way-leave<br>Surface Area<br>(m <sup>2</sup> ) | Category of Ownership                        |
|------------------|------------------------------------------------|----------------------------------------------|
| CDC              | 254,043                                        | Private Property of the State                |
| SONARA           | 44,804                                         | Private Property of the State                |
| Chantier Naval   | 39,232                                         | Private Property of the State                |
| AES-SONEL        | 2,784                                          | Private Property of the State                |
| Private Parties  | 64,733                                         | Private Property belonging to<br>Individuals |
| Customary Owners | 42,387                                         | National Lands                               |
| Vacant Land      | 60,931                                         | National Lands                               |
| Access Ways      | 13,644                                         | National Lands                               |
| <b>Total</b>     | <b>522,558</b>                                 |                                              |

Refer to **Appendix “J”** for a complete list of the project affected land owners and their associated affected area measurements.

#### 10.1.1 Land Ownership

The affected land can be characterized with the following legal definitions:

- Private Property of the State (PPS)
- Private Property belonging to Individuals (PPI)
- National Land (NL)

### 10.1.2 Private Property of the State

Private property of the State is moveable and immovable property acquired by the State for reasons of public use and private purposes (purchase and gift) following the rules of expropriation. The land title is held by the State (articles 10 and 11) of ordinance No. 74-2 of July 6<sup>th</sup>, 1974), which lays down the rules governing land ownership and its amendments.

### 10.1.3 Private Property belonging to Individuals

Private property belonging to individuals is registered and has title. It is land that is subject to an order allocating State land as compensation, an order approving a sale by mutual agreement, an act of disposal of a piece of State landed property held as private property or an order allocating a piece of the national land to be developed (see articles 2 to 15 of Decree No. 76-167 of April, 27<sup>th</sup>, 1976, which lay down the modalities relating to the management of the private property of the State).

Only one land title (2,465m<sup>2</sup>) has been recognized concerning the project affected land (BOB-LO-012 title No. 02152/Fako26/06/01).

Ownership and access to land in Mile 2 previously occurred via local government allocation. The acquisition process followed a written request forwarded to the Senior Divisional Officer for allocation of a plot in the area.

This process was accompanied by the following land documents:

- Ministerial Decision
- Receipt from principal revenue collector
- Deed of Sale (conveyance)
- Issuance of land certificate

The following table provides a description of the status of the Mile 2 land.

| Status                              | Project Affected People |
|-------------------------------------|-------------------------|
| Land Certificate                    | 0                       |
| Deed of Sale                        | 3                       |
| Decision and Full / Partial Payment | 27                      |
| Decision Only (no payment received) | 22                      |
| Administrative Letters or Site Plan | 78                      |
| <b>Mile 2 Land Status</b>           |                         |

Over several years prior to the issuance of the Public Utility Decree, The Limbe Town Council, which has jurisdiction over the Mile 2 area, allocated 130 parcels of land to various parties (see Article 8 of Decree No. 76-167 referenced above pertaining to sale by the private treaty). Each individual who was allocated land was required to pay the sum of 750 FCFA/m<sup>2</sup>.

As of the date of evaluation, most of the Mile 2 project affected people had not made the full payment and none had received a Land Certificate - which would complete the transfer of ownership process from the State.

#### **10.1.4 National Land**

National land is made up of lands that do not fall in the public domain, the domain of the State held as private property, or in private property of individuals (see article 14 of ordinance No. 74 of July 6<sup>th</sup> 1974).

There are 42 instances of “customary” ownership of National Land. Survey results show that ownership of national land is through inheritance, gifts, and purchase. Inheritance in the Cameroonian context is transferred through a lineage system following the traditional customs and norms. Men normally inherit land from their fathers, while women traditionally do not inherit but can own land through purchase – as is the case in Mile 2.

For non indigenes, ownership and access to land is through purchase from the landowner who has to be channeled through the village authority that has the powers to declare control over a piece of land. A sales agreement is then issued to the new landowner.

#### **10.1.5 Land Use**

Land in the area is classified by the local administration as urban. Even so, the project affected land is comprised exclusively of agriculturally cultivated land, fallow land (unutilized) and oil palm plantations.

The CDC land contains a monoculture of oil palms with a few patches of subsistence farmland within abandoned plantations. It was observed that retired CDC workers, current employees, and those who have an affiliation with CDC carry out farming activities within CDC plantations. Most of these individuals cultivate more than one piece of farmland.

### **10.1.6 Absentee Landowners**

During the field exercises it was noted that a number of land owners sent representatives in their place. This was due to the fact that the affected land owners reside outside the area (Douala, Yaounde, and abroad).

### **10.1.7 Land Rental**

Data from the field studies indicates that land rental is not a common phenomenon for the communities farming in Botoland, Ngeme, and Mokindi. Access to agricultural land is free though the overseer and the traditional council authorities in charge annually require a token payment of 2,000 FCFA per farmer. This is not a legally recognized practice - since no receipt is issued. This differs from other communities like Bobende and Mokundange where farmers do rent. Three (3) farmers in Bobende and thirty four (34) in Mokundange were found paying rents for agricultural land. Agricultural land rents vary from 5,000-20,000 FCFA annually. Negotiation for payment is dependent upon the individual and also on personal relationships.

Tenancy is common with non-indigenes and foreigners (Nigerians) who form a majority of the agricultural population in this area. Tenancy is limited only to the cultivation of annual crops. Tenancy in Mile 2 is virtually non existence because landowners don't know those farming on their lands, as most of them are resident elsewhere in Cameroon or abroad.

## **10.2 Agriculture**

The affected agricultural areas occupied by individual farmers ranged from 7 - 3,439 m<sup>2</sup>. The affected surface area for the CDC palm plantations are 254,043 m<sup>2</sup>. In terms of agricultural impact, CDC is the single most affected agricultural asset owner.

### **10.2.1 Agricultural Characteristics**

Agriculture affected by the project can be grouped into two primary categories.

- Annual
- Perennial

The principal annual crops found to be affected were; cassava, maize, egusi and cocoyams. Other annual crops such as; plantains, bananas, yams, potatoes, and garden vegetables were also present. At the time of the agricultural survey the annual crops were between two weeks to ten months of age. In Botoland, Mokindi, Bobende and

Mokundange, cassava, plantains, maize, cocoyams, yams, egusi and groundnuts are the principal subsistence crops generating income at the household level.

The perennial crops encountered along the line were; orange, apple, njangsang, pear, guava, jackfruit, African plum, guava, coconut, oil palm, papaw and cypress.

### 10.2.2 Agricultural Inventory

The following table represents the crops that were commonly noted in the project affected area.

| Local / Common Name    | Scientific Name                                    |
|------------------------|----------------------------------------------------|
| <b>Annual Crops</b>    |                                                    |
| Maize                  | <i>Zea mais</i>                                    |
| Cassava                | <i>Manihot spp</i>                                 |
| Yam                    | <i>Dioscorea spp</i>                               |
| Sweet potato           | <i>Ipomea batatas</i>                              |
| Pigeon pea             | <i>Cajanus cajan</i>                               |
| Okra                   | <i>Abelmoscus esculenta</i>                        |
| Cocoyams / colocasia   | <i>Xanthosoma sagitifolium/Colocasia esculenta</i> |
| <b>Vegetables</b>      |                                                    |
| Waterleaf              | <i>Talisum triangulare</i>                         |
| Egusi                  | <i>Citrulus vulgaris</i>                           |
| Fluted pumpkin         | <i>Telfairia occidentalis</i>                      |
| Bitter leaf            | <i>Vernonia amygdalina</i>                         |
| <b>Perennial Crops</b> |                                                    |
| Pineapple              | <i>Ananas comosus</i>                              |
| Pawpaw                 | <i>Carica papaya</i>                               |
| Orange                 | <i>Citrus spp</i>                                  |
| Mango                  | <i>Mangifera indica</i>                            |
| Pear/avocado           | <i>Persea Americana</i>                            |
| Plum                   | <i>Dacryoides sp.</i>                              |
| Plantain               | <i>Musa paradisiacal</i>                           |
| Coconut                | <i>Cocos nocifera</i>                              |
| Sugar cane             | <i>Saccharum sp.</i>                               |
| Oil palm               | <i>Elaeis guiniensis</i>                           |
| Apple                  | <i>Eugenia melacceneis</i>                         |

Refer to **Appendix “K”** for a complete list of project affected agricultural owners and their associated crop inventories.

### 10.2.3 Agricultural Practice

The affected area is characterized by mixed crop farming. Farmers along the transmission line typically own more than one agricultural plot of land. Farm sizes are generally less than 1 hectare for annual crops and 4 hectares for perennial crops.

For the affected communities other than the Mile 2 area, the distances from residences to the affected plots of agricultural land vary from a few meters up to 1km. For the Mile 2 area agricultural owners live up to 10km away from their agricultural plots.

In most of the affected agricultural plots, mixed cropping was observed - as is the case in other rural communities involved in subsistence agriculture. The number of crops per agricultural plot varied, with as many as 14 different crops in some farms. Crops were not often found of the same age, as they were planted at different times (relay cropping). Since the crop counts were conducted during the planting season, most of the short cycle crops like maize were still young unlike the longer cycle ones like cassava, plantains, etc. which were mature or near maturity age. Most of the crops encountered in plots where the agricultural owners did not own the land were annuals.

In the Limbola area (area taken over by Chantier Naval), cropping was uniform. Perennial crops were completely absent in this area. The main mixture of agriculture was maize and melon (egusi).

The crop density for oil palms within smallholder plantations was generally higher than in CDC plantations. This may be due to the diversity of the utilization of the output from the oil palm by the local population (palm wine, palm oil, broom, thatches, etc.)

The following chart represents the primary crops planted by project affected people within each village.

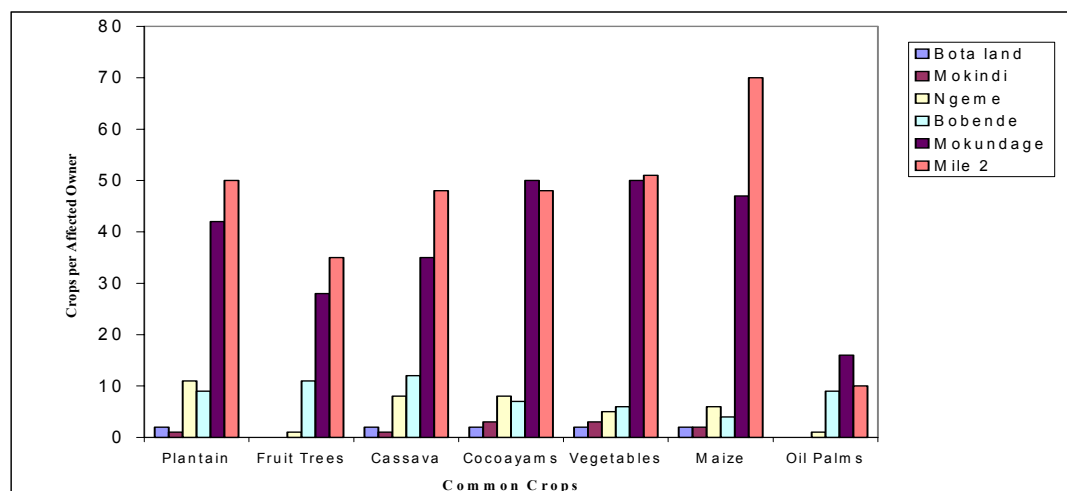


Figure 12 – Prevalence of Common Crops



#### 10.2.4 Crop Count / Measurement

The following procedure was used to calculate the number of crops and stands.

The number of crop stands per project affected agricultural owner was calculated using the surface areas determined by the survey team. For each agricultural plot several sample density measurements were made by crop type. Average density figures were calculated to give the number of each specific crop per square meter. This number was then multiplied by the total surface area of the agricultural plot to give the total crop count (for that crop) for the plot.

For vegetables and other creeping plants surface areas were directly measured in the field and note was taken of the age of the plants.

For the CDC oil palm plantation, the affected surface areas were measured. The palms were all found to be uniformly planted 9 m apart. Due to the uniformity of planting it was possible to calculate the surface area occupied by one palm. The area of the equilateral triangle formed by three trees gives the area occupied by one tree - i.e.  $\frac{1}{2}$  base x height (H).



**Figure 13 - CDC Palm Plantation**

Therefore, H is given by the formula:

$$H = \frac{A\sqrt{3}}{2}$$

H= Interline distance bisecting two trees on the same line

A= Distance between adjacent trees on different lines i.e. 9m

From this calculation (which was also verified with measurements made in the field),  
H= 7.79m. This then gives the total area occupied by one palm as 70m<sup>2</sup>.

## 11 CULTURAL PROPERTIES

The selection of the line route by AES-SONEL attempted to avoid all cultural properties. Upon initial discussions with government officials and local chiefs, no sites of cultural significance were noted within the project area.

After further studies, a single grave was found to be situated within the way-leave. It is located on National Land and is not held in title. In order to minimize the disturbance to the grave as well as the family of the deceased, AES-SONEL will clearly mark the grave and avoid it during construction activities. No negative impacts to the grave site as a result of the over-head transmission line are anticipated. Therefore, it will not be necessary to relocate the grave.

If the grave (or any other site of cultural significance) is found to be affected by the project during construction or at a later date as a result of the project, AES-SONEL will make all necessary efforts to protect, move, or (if necessary) restore the cultural property. In this case, mitigation measures will be developed in collaboration with the Provincial Delegation of the **Ministry of Culture** in Limbe.

The relocation of artifacts and / or spirits associated with religious worship will only occur after consultation with ritual practitioners. These practitioners and the project affected people will be compensated for both the logistical and ritual costs of exhuming family graves and transferring remains to a new site.

## **12 MARKET VALUE**

The methodologies that were used to determine the values for both land and agriculture were based on the principles of “fair market value”. Where the Government rates did not provide for this standard of value, AES-SONEL with the technical support of the independent evaluator (LBZG), calculated and adjusted the compensation figures according to this principle.

### **12.1 Land**

The value of land was looked at from the perspective of the government and the fair market.

#### **12.1.1 Government Land Rates**

No official government rates for land exist. The local councils have lands that periodically are sold to outside parties at rates which are in practice often considerably less than their fair market value.

#### **12.1.2 Market Research**

The following actions were taken to obtain information relevant to the development of fair market value for land:

- Field data collection concerning - slope, rockiness, water availability, proximity to electricity, accessibility, proximity to telephone lines was conducted. Any developments such as; wells, construction of foundations, landscaping etc. were noted.
- Documentation was collected concerning land certificates and agreements.
- Documentation was collected concerning expenses incurred by the landowner in the acquisition and development of the plot.
- A search was conducted in lawyers’ chambers, the Taxation office, and Town Planning and Housing Services in the Limbe locality to collect information about prices of land recently bought or sold in the project affected area or its vicinity, and to check on the authenticity of documents collected from the field pertaining to the various lands.
- Information was collected from the various administrative offices concerning the identification of plot owners in the Mile 2 area.
- A literature search was conducted to review current legislation on land tenure in Cameroon.

- Informal interviews were conducted with land owners in the local vicinity who will not be affected by the project in order to obtain comparative figures concerning the cost of land.

### **12.1.3 Market Rates - Land**

Declared purchase prices per square meter of land in the area received from the Taxation office range from 750 FCFA in Mile 2 to 2,000 FCFA in Bobende and Mokundange.

The rate given for land in the informal interviews was approximately 5,000 FCFA per square meter of land. This figure is deemed by the Compensation Commission to be considerably higher than the fair market value for the land in the area.

## **12.2 Agriculture**

Agricultural values were looked at from the perspective of government and fair market value.

### **12.2.1 Government Agricultural Rates**

Article 10 of Law No. 85/009 dated July 4<sup>th</sup>, 1985 concerning expropriation for public utility purposes and terms of compensation states that the terms for determination of the value of damaged crops shall be laid down by decree.

Refer to **Appendix “L”** for a list of the “Government Agricultural Valuation Rates”.

Due to the lapse in time since these rates were calculated, it has been determined that the government rates are not sufficient to satisfy the current fair market value of the affected crops.

AES-SONEL will uplift these rates to market levels. The difference between the rates set down by government decree and the AES-SONEL rates will be described as Uplift. Refer to **Appendix “M”** for a comparison of the government and AES-SONEL rates

### **12.2.2 Market Research - Agriculture**

During the valuation exercise local markets as well as roadside retailers were visited to get current prices of agriculture. The markets visited included Mile 17, Big Mop (cassava farm Limbe), Muea, and Limbe food markets. All these markets are within the project affected area and its vicinity. In each market, prices of crops identified within the corridor of the transmission line were obtained from the retailers - locally

called “Buyam Sellams”. Sample weights of produce sold in groupings called “heaps” were taken. The average weights of these heaps (approximately 1 kilo) have been used as an element in the development of the rates for fruit trees.

Three different prices were obtained per heap of each fruit. These prices were based on availability of the fruit (period of scarcity, mid level abundance, and abundant-harvesting). For crops which were not sold as heaps, the agricultural evaluation team noted the local units of measurement (basin, truck, etc.) and then converted these figures into standardized units of measurement. This conversion was researched and documented in a leaflet by the Institute of Agronomic Research for Development (IRAD), and the Extension Service of the Ministry of Agriculture.

For maize a simple counting of the number of cobs per heap was employed - weight was not a factor in the rate development for this crop.

The Department of Agricultural Statistics of the Ministry of Agriculture was also visited to get price variations of agricultural produce within the last ten years.

For plantation agriculture, statistics were collected from ‘PLANTATION PAMOL DU CAMEROON’, CDC, and smallholder farmers in the local area.

### 12.2.3 Market Rates - Agriculture

The calculations for crop rates were based on current market prices and independent of the value of the land on which the crops were cultivated. Therefore, each crop unit had the same rate irrespective of where it was identified along the transmission line.

***To determine the crop rates*** two scenarios were considered: one for the annual crops and the other for perennials. Annual crops were considered as subsistence crops and the valuation was based solely on market prices. This also applied to perennials intercropped with other agriculture such as oranges, avocado, plums, etc.

***At the market level***, average prices were considered at different periods during the past 5 years. The form in which the crops are commonly sold as well as the local measurement unit was also considered. This information was used to give the average unit price for the crop in the form in which it is sold.

***For oil palm*** (the only commercial crop along the line) the cost of processing the marketable products i.e. palm kernel and palm oil was deducted from the total revenue to give the rate per tree.

***Information on crop yield per hectare*** was obtained through literature review. This information was used to determine the rates per square meter for crops valued in terms

of surface area. This information was equally useful where the number of stands per square meter had been determined from density calculations.

The yield per unit area is based on yield at farmers' conditions within the project affected area. Crop researchers and Agricultural Extension Workers have collected this data over a number of years. For crops under domestication (e.g. African plum) there exists little or no information on their production. These crops have been rated on the same basis as similar crops (like other fruit trees).

**Unique rates** were used for all agriculture. To ensure that immature crops did not have the same rates as mature ones, note was taken of the inventory age (X) as well as the maturity age (N). The ratio  $X/N$  when multiplied by the rate gives the rate at any given time. In order to maintain the ratio  $X/N$  at a value equal to or less than 1, X was made equal to N where the plant's age during inventory was greater than the maturity age. This was particularly important for perennials that are harvested yearly and also for some mature annuals that were not yet harvested at the time of inventorying.

Annual crop rates were based on the present market prices while perennials the rates include the production cost of a similar crop elsewhere and the income lost while the crop owner awaits the maturity of the newly planted agriculture.

Some of the commercial crops, such as orange trees, that are not cultivated on a large scale were simply rated on the basis of their market prices. In the field it was noted that these crops were not given the same importance by farmers as oil palms and were merely intercropped with other food crops as a way of diversifying production, reducing risks and / or spreading farm income.

Refer to **Appendix "N"** for the independent evaluators detailed "Valuation Methodology".

Refer to **Appendix "O"** for examples of the rate development for annual and perennial crops.

Refer to **Appendix "P"** for the rate development and supplementary information for oil palms.

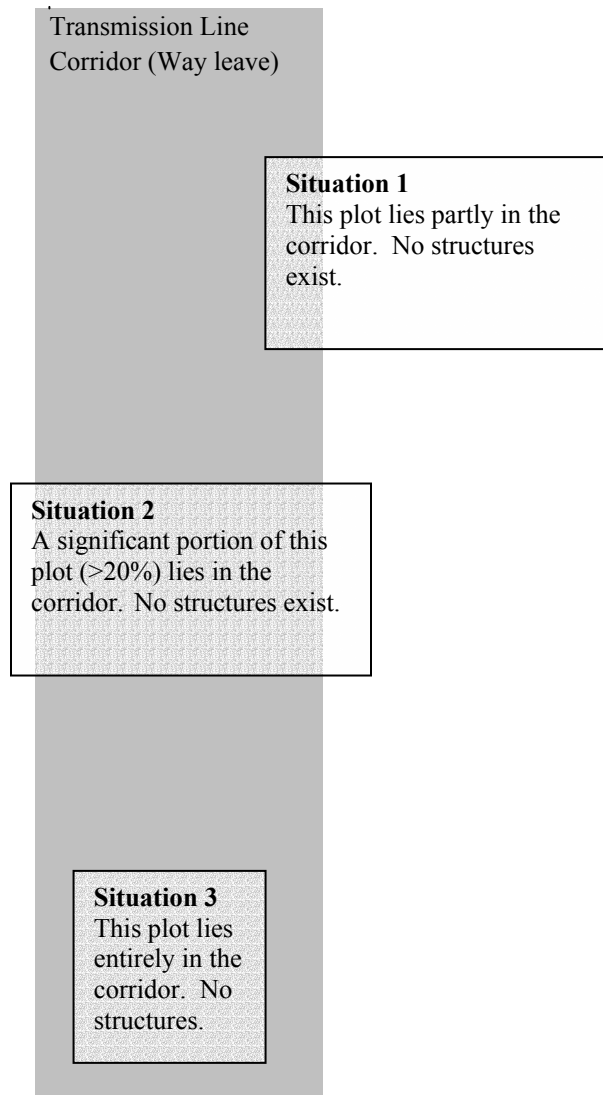
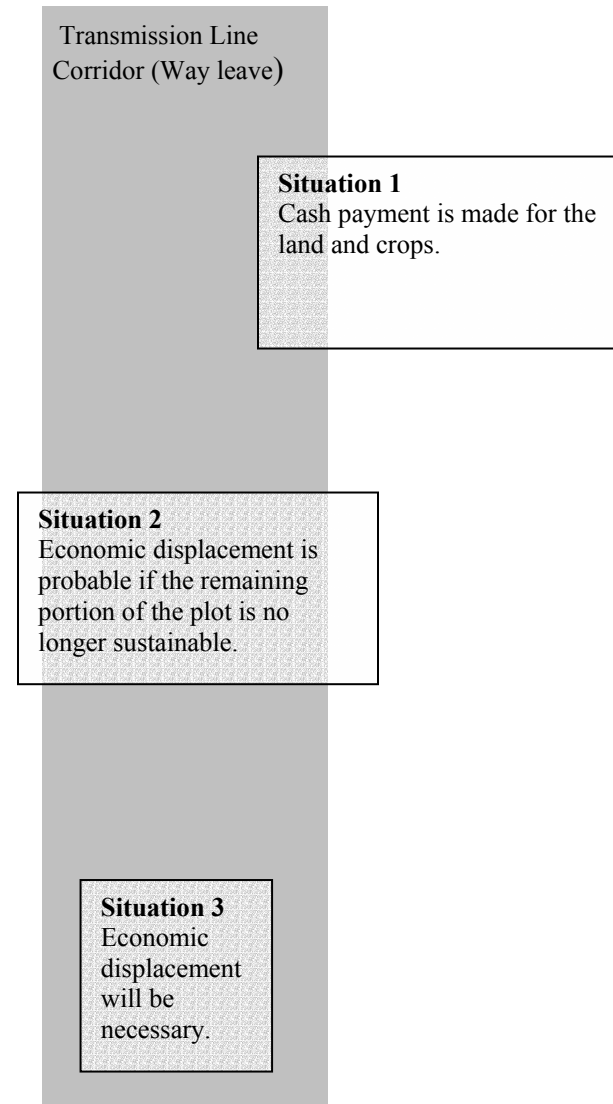
### 13 COMPENSATION

There is no differentiation under Cameroon law for right of way and way leave, therefore it is anticipated that either the plot will be partially or wholly affected as a result of the project. In situations where the plot is partially affected and the remaining portion of land is no longer economically viable and / or the whole plot has been affected, resettlement may be necessary. In these situations either cash compensation or land for land or both will be offered.



Figure 14 – Line-Route



**Linear Land Situational Analysis****Ownership Situations****Figure 15****Strategies for Compensation**

## **13.1 Displacement**

Displacement as a result of infrastructure projects can occur as a result of either physical or economic factors.

### **13.1.1 Physical Displacement**

Due to the linear nature of the project, the relatively small impact on any individual land holder, and the selection of the line route to avoid all structures - no physical displacement will occur as a result of the project or related construction activities.

### **13.1.2 Economic Displacement**

AES-SONEL anticipates very few, if any, cases of economic displacement. The need for economic displacement may occur if the impacts to the plot as a result of the project make the affected persons economic base no longer economically viable.

Economic displacement will occur where the “loss of income streams or means of livelihood resulting from land acquisition or obstructed access to resources (land, water, or forest) resulting from the construction or operation of a project or its associated facilities”.

The land categorized as Private Property belonging to Individuals does not represent a significant source of income for the land owners. These project affected land owners live primarily out of the area (Mile 2 land owners) - and neither rent nor farm the land. Therefore there is little to no economic displacement anticipated for this category of land.

The National Land that is held “customarily” is under review by the Compensation Commission and if required will be considered for further action.

If economic displacement does occur, AES-SONEL will undertake the following actions on behalf of the affected people:

- Inform affected people of their options and rights concerning resettlement
- Provide technically and economically feasible options for resettlement based on consultation with affected people and assessment of resettlement alternatives
- Provide affected people with prompt and effective compensation at full replacement value for loss of assets due to project activities
- Provide affected people with transitional financial support
- Where necessary, provide affected people with development assistance in addition to compensation for lost assets

### 13.2 Land

The land compensation agreements will be settled between the Compensation Commission and the project affected landowners on a case by case basis.

### 13.3 Agriculture

Refer to **Appendix “Q”** for a summary of compensation by agricultural crop type.

### 13.4 Procedural Notes

- A minimum of 9 months will have passed from the time of the issuance of the public utility decree (and commencement of the sensitization activities) to the clearance of the crops from the way-leave. The annual crops found on the project affected land have a maturation period between 1 and 9 months – which would be a sufficient time frame in which to harvest the annual crops. And therefore, compensation for these crops would not be the most appropriate course of action.

In recognition of the fact that the project affected people may not all have received notification at the commencement of the sensitization process, AES-SONEL has considered compensating a percentage of the market rate for annual crops. This mitigation strategy is intended to ensure compliance with the standard of “fair and adequate” compensation and the “no worse off – better off” policy, which was employed throughout the process. For future projects, extended sensitization efforts will be made, prior to the commencement of the field activities, in order to minimize the need to compensate annual crops.

- The value of regeneration has been factored into the final rates for perennial crops.
- The rates in this report do not reflect the rates elsewhere in Cameroon. Differences in rates from other areas in Cameroon can be attributed to the differences in prevailing local market prices.

### 13.5 Entitlement

The entitlement matrix below identifies:

- The categories of affected people, including property owners and land right holders, tenants, and squatters
- The types of loss associated with each category
- The types of compensation and assistance to which each category is entitled

| Category of PAP / Entity                          | Title Holders                                                                                     | Title Application in Process                                                                      | No Title                                                                                          | CDC /CNC                                                                                          |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>Type of Loss</b>                               | Land                                                                                              | Land                                                                                              | Land – Case by case analysis                                                                      | Land                                                                                              |
|                                                   | Crops                                                                                             | Crops                                                                                             | Crops                                                                                             | Crops                                                                                             |
|                                                   | Other Assets                                                                                      | Other Assets                                                                                      | Other Assets – Case by case                                                                       | Not Applicable                                                                                    |
| <b>Compensation for loss of Structures</b>        | Not Applicable                                                                                    | Not Applicable                                                                                    | Not Applicable                                                                                    | Not Applicable                                                                                    |
| <b>Compensation for loss of Land</b>              | Fair Market Value / Replacement Cost                                                              | Fair Market Value / Replacement Cost                                                              | Fair Market Value / Replacement Cost                                                              | None Required (Under Public Utility Decree)                                                       |
| <b>Compensation for loss of Crops</b>             | Fair Market Value                                                                                 | Fair Market Value                                                                                 | Fair Market Value                                                                                 | See Business Income                                                                               |
| <b>Compensation for loss of Cultural Property</b> | Avoidance where possible. According to the requirements of local ceremonies customs and practices | Avoidance where possible. According to the requirements of local ceremonies customs and practices | Avoidance where possible. According to the requirements of local ceremonies customs and practices | Avoidance where possible. According to the requirements of local ceremonies customs and practices |
| <b>Compensation for loss of Business Income</b>   | Not Applicable                                                                                    | Not Applicable                                                                                    | Not Applicable                                                                                    | To be Negotiated                                                                                  |
| <b>Moving Allowance</b>                           | Not Applicable (No physical displacement situations)                                              | Not Applicable (No physical displacement situations)                                              | Not Applicable (No physical displacement situations)                                              | Not Applicable (No physical displacement situations)                                              |

Entitlement Matrix

AES-SONEL will compensate all legal owners of land and crops as well as those “owners” who do not have legal rights to compensation under Cameroonian law, but can demonstrate “ownership” through physical or financial investment in the land.

The government of Cameroon will provide the lands belonging to SONARA, CDC, and Chantier Naval without payment for expropriation of the land. As majority held government entities, no compensation for lands are required. CDC will receive payment for palms affected as a result of the transmission line clearance.

### **13.6 Beneficiary Capping**

No transactions or new developments, such as planting and structures will be considered for compensation which occurred after the date of the signing of the Public Utility Decree. This date was communicated to the communities upon the signing of the decree, and has been reiterated throughout the consultative process. AES-SONEL will make every effort to allow for the harvest and / or replanting of any crops in the line corridor - to locations outside of the corridor - prior to line clearance.

## **14 FORM OF COMPENSATION**

Cash compensation will be offered to all project affected land and crop owners. If any cases of economic displacement occur, AES-SONEL will take appropriate steps to make the land for land option available as a form of compensation payment.

### **14.1 Cash Compensation**

In situations where cash compensation is appropriate or has been selected by the project affected person upon consultation, AES-SONEL will calculate and pay compensation according to the following principles:

- Compensation rates will be calculated in consultation with representatives of affected populations to ensure that rates are fair and adequate
- Compensation for land and crops will be sufficient to enable affected people to restore their standard of living
- Compensation payments will be made before any acquisition of assets or physical resettlement takes place unless those payments are staggered to enable affected people to begin preparation of new sites

### **14.2 In-Kind Compensation**

If land for land is selected as the form of compensation, payment will be delivered according to the following principles:

- New land will be equivalent or superior in productive potential to the land from which people will be displaced
- New land will be provided free of any “transaction costs” such as registration, fees, transfer taxes, or customary tributes
- New land will be prepared for productive levels similar to those of the land from which people will be displaced

## **15 PAYMENT**

Payment for loss or impact to assets as a result of the project will be conducted upon complete analysis of the socio-economic studies, land and agriculture survey work and the appropriate valuation of the assets.

### **15.1 Compensation Documents**

A set of compensation documents specific to each project affected asset owner will be completed, signed and a copy provided.

### **15.2 Cash Payments**

Cash payments will be made by cheque or deposited to a local bank in the name of the project affected asset owner - in order to minimize fraud and ensure the safety of the compensation recipients. In situations where the project affected persons do not have the ability to cash a cheque, efforts will be made at the expense of AES-SONEL to ensure that project affected people have cheque cashing capabilities (bank accounts).

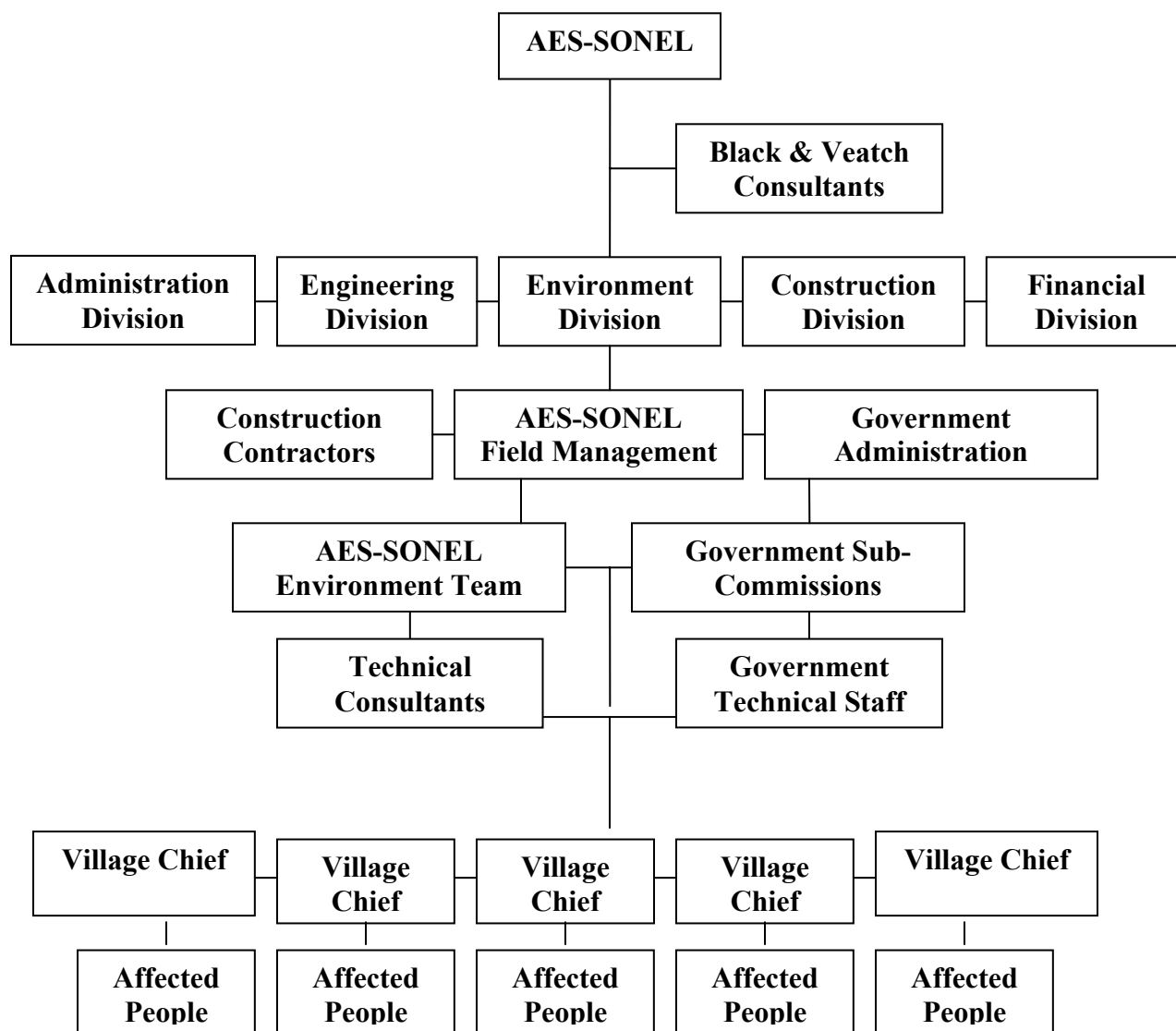
### **15.3 Disbursement Sites**

AES-SONEL has offices in Limbe which may be used for conducting payments. These offices fulfill the following criteria:

- Close proximity to the project affected land
- Convenience for the project affected people
- Security for the project affected people
- Security for AES-SONEL and the Compensation Commission.

## 16 ORGANIZATIONAL FRAMEWORK

The project development received the input, participation and coordination of a wide range of technical and administrative expertise. The chart below outlines the major roles and responsibilities associated with the project and the associated land acquisition and compensation processes.





## **17 GRIEVANCE AND DISPUTE RESOLUTION**

It is possible that some grievances associated with family disputes, rates of compensation and eligibility criteria may arise. If so, AES-SONEL will coordinate with the Compensation Commission to resolve all conflicts in a timely manner.

### **17.1 The Legal Procedure**

In section III Article 12 of Law number 85/009;

- In case of dispute over the amount of compensation, the expropriated party shall lodge its complaint with the Ministry in charge of Lands.
- Where its request is not satisfied, the expropriated party shall refer the matter to the appropriate court of the area of the property concerned, within one month, as from the date of notification of the disputed decision.
- Pursuant to the procedure and subject to the normal course of appeal, the court shall either; confirm, reduce, or increase the amount of the compensation in accordance with the evaluation terms laid down in this law and its implementation instruments.

In section IV under miscellaneous provisions Article 14 states: Any cases pending ruling or subject to dispute, and any other real actions shall neither halt the expropriation process nor prevent its effects. The complaint shall be transferred onto the compensation and the law concerned relaxed.

Grievances and disputes may arise from project affected people who either hold title to their land or those who do not.

### **17.2 Grievances Involving Titled Land**

For project affected people who have title to their land the following actions will be taken to resolve disputes:

- All grievances will be recorded by AES-SONEL and addressed to the Compensation Commission
- Amicable resolution will be sought between the Compensation Commission and the project affected person
- Where amicable resolution can not be achieved, the case will be forwarded to the courts for resolution
- Compensation will be paid upon resolution of the grievance or dispute

### **17.3 Grievances Involving Customary Land**

For those individuals who do not hold title, an alternative dispute resolution strategy will be taken:

- All grievances will be recorded by AES-SONEL and addressed to the Compensation Commission in a timely manner
- Amicable resolution will be sought between the Compensation Commission and the project affected person

### **17.4 Point of Contact**

A contact name has been given at public meetings so that affected persons can declare any grievances. A project team member has kept a record and managed the database of grievances claims, and informed the relevant AES project manager so that, if required, further action could be taken.

### **17.5 Grievance Capturing**

Affected residents have had several opportunities to voice any concerns over the project or compensation process. Ongoing feedback will be noted at the sensitization meetings and will also be documented. Affected individuals will have another opportunity to voice any comments or concerns at the one on one compensation agreement / payment meetings.

### **17.6 Accidental Damages**

During the construction phase of the project, AES Sonel will monitor the Contractors activities to ensure that there is no damage to land or crops outside of the designated working areas. If damages do occur outside of the designated areas, the affected person or persons will be compensated in line with the approach outlined in this document. As outlined in section 17.4, a contact name has been given at public meetings so that affected persons can declare any grievances.

## **18 MANAGEMENT INFORMATION SYSTEM**

AES-SONEL will keep specific project related records pertaining to compensation.

### **18.1 Record Keeping**

Records of all consultations, surveys, grievances, disputes, and resolutions will be kept on file at the AES-SONEL offices in Douala.

The management information system will also maintain records of:

- Project documents and technical studies,
- Project affected assets (land and crops) by owner
- Compensation payments
- Monitoring and evaluation

### **18.2 Identity Cards**

Upon completion of the project census, Cameroonian identity cards will be used to verify project affected people.

Project identity cards will be created if it is determined that the majority of project affected people do not have Cameroonian identity cards or that they are subject to falsification.

Digital photographs will be taken of all project affected people and maintained in the compensation files.

### **18.3 Database**

An electronic database will be created capturing information specific to each project affected owner / head of household, the lost assets, rates of compensation and total compensation figures, as well as data captured in the household survey and any grievances.

## **19 MONITORING AND EVALUATION**

AES-SONEL will report on the effectiveness of the implementation, including the progress of resettlement (if necessary), the disbursement of compensation, the effectiveness of public consultation and participation activities, and the sustainability of income restoration and development efforts among affected communities. The monitoring program will provide AES-SONEL with feedback on the implementation and identify problems as well as successes as early as possible for timely adjustment of procedures.

### **19.1 Performance Monitoring**

Performance monitoring will allow AES-SONEL to measure physical progress against milestones. Progress will be reported against a schedule of actions. These actions will include:

- Public meetings held;
- Census, assets inventories, assessments, and socio-economic studies completed;
- Grievance redress procedures in place and functioning;
- Compensation payments disbursed;
- Income restoration and development activities initiated;
- Monitoring and evaluation reports submitted.

Performance monitoring will be integrated into the overall project management to ensure that all activities are synchronized. Performance monitoring reports will be prepared at the commencement of resettlement activities (if required) or compensation payment which ever comes first and will be undertaken semiannually the first year and annually the following two years.

### **19.2 Impact Monitoring**

As suggested in the compensation framework above, due to the;

- linear nature of the project;
- the relatively small impact on any individual land holder; and
- the selection of the line route in avoidance of all structures,

No physical displacement and very few, if any, cases of economic displacement are anticipated.

If displacement does occur, these cases will be monitored and appropriate mitigations will be developed to offset the specific difficulties faced by the project affected family. AES-SONEL will conduct impact monitoring at the commencement of resettlement activities (if required) or compensation payment, which ever comes first, and will undertake semiannual reporting the first year and annual reporting the following two years.

### **19.3 Completion Audit**

An audit of the compensation payment will be undertaken when all payments have been delivered to the project affected people. This audit will bring to closure AES-SONEL's liability under the compensation plan.

## **20 VULNERABLE PEOPLE**

Special attention has been given to the determination of vulnerable project affected people. This group may include households headed by women, households victimized by AIDS/HIV, child headed households, households made up of the aged or handicapped, households whose members are impoverished, or households whose members are socially stigmatized (as a result of traditional or cultural bias) and economically marginalized households.

Care will be taken to ensure that these households benefit from the compensation. In the case of women, it will be encouraged that husbands and wives attend all sensitization meetings and receive compensation jointly. In the case of households with members who are ill, handicapped and / or elderly, extra efforts will be made to ensure that they are able to attend all meetings and private consultations will be given when and where necessary. Child headed households will be required to identify guardians. These guardians will be encouraged to open bank accounts in the name of the children and compensation funds to be used to contribute directly to the child's welfare.

## 21 SCHEDULE OF ACTIVITIES

The following is a schedule of the main activities related to the compensation program that either have or will be completed prior to its conclusion.

| Task                                                                                                                                                                                                                                                                                                          | Representatives                                                      | Start                        | End                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------|------------------------------|
| Determination of line route                                                                                                                                                                                                                                                                                   | AES-SONEL                                                            | May 2002                     | June 2002                    |
| Application for Public Utility Decree                                                                                                                                                                                                                                                                         | AES-SONEL                                                            | Mid July 2002                | Oct.29 <sup>th</sup> 2002    |
| Organizing of Compensation Commission                                                                                                                                                                                                                                                                         | Division Office                                                      | Mid Nov. 2002`               | Mid Nov. 2002                |
| Consultation <ul style="list-style-type: none"> <li>• CDC</li> <li>• Local Population</li> </ul>                                                                                                                                                                                                              | AES-SONEL<br>Comp. Commission                                        | Mid Nov. '02<br>Mid Dec. '02 | Mid Nov. '02<br>Mid Dec. '02 |
| Appointment of Independent Evaluator <ul style="list-style-type: none"> <li>• Valuation</li> <li>• Social Information</li> </ul>                                                                                                                                                                              | AES-SONEL / IFC                                                      | Feb. 2003                    | Feb. 2003                    |
| Initial Mapping / Survey Work <ul style="list-style-type: none"> <li>• CDC Lands</li> <li>• Other Lands (non CDC)</li> </ul>                                                                                                                                                                                  | CDC/ Commission<br>CDC/ Commission                                   | Feb. 2003<br>March 2003      | March 2003<br>March 2003     |
| Registration Review of Project Lands (Office of Registry)                                                                                                                                                                                                                                                     | Comp. Commission (Chief of Lands / AES)                              | March 2003                   | March 2003                   |
| Sensitization – Concerning Upcoming Field Work <ul style="list-style-type: none"> <li>• Transmission Line</li> <li>• Plant</li> </ul>                                                                                                                                                                         | Comp. Commission<br>Comp. Commission                                 | March 2003                   | March 2003                   |
| Public Consultation Meeting                                                                                                                                                                                                                                                                                   | AES-SONEL                                                            | March 2003                   | March 2003                   |
| Field Work Preparation Meeting (to organize logistics, team design, etc. for field work)                                                                                                                                                                                                                      | Comp. Commission / LBZG                                              | March 2003                   | March 2003                   |
| Field Work <ul style="list-style-type: none"> <li>• Social Survey</li> <li>• Mapping / Survey <ul style="list-style-type: none"> <li>◦ Other Lands (non CDC)</li> <li>◦ Crop Ownership</li> </ul> </li> <li>• Valuation <ul style="list-style-type: none"> <li>◦ Land</li> <li>◦ Crops</li> </ul> </li> </ul> | AES-SONEL / LBZG<br>Commission / LBZG<br><br>Comp. Commission / LBZG | March 2003                   | May 2003                     |
| Field Work Conclusion Meeting                                                                                                                                                                                                                                                                                 | Comp. Commission / LBZG                                              | May 2003                     | May 2003                     |
| Preparation of Field Work Results                                                                                                                                                                                                                                                                             | Comp. Commission / LBZG                                              | May 2003                     | July 2003                    |
| Completion of Impact Report                                                                                                                                                                                                                                                                                   | Comp. Commission                                                     | July 2003                    | Aug. 2003                    |
| Sensitization of Affected Communities                                                                                                                                                                                                                                                                         | Comp. Commission                                                     | Aug. 2003                    | Aug. 2003                    |
| Payment <ul style="list-style-type: none"> <li>• Notify Community</li> <li>• Conduct Payment</li> </ul>                                                                                                                                                                                                       | Comp. Commission<br>Comp. Commission                                 | Aug. 2003<br>Sept. 2003      | Aug. 2003<br>Sept. 2003      |
| Monitoring and Evaluation                                                                                                                                                                                                                                                                                     | AES-SONEL                                                            | Ongoing                      | Ongoing                      |

**22 COMPENSATION BUDGET**

| <b>Affected Asset</b> | <b>Amount (FCFA)</b> | <b>Amount (US Dollars)</b> |
|-----------------------|----------------------|----------------------------|
| Land                  | 350,000,000          | 575,000                    |
| Agriculture           | 250,000,000          | 425,000                    |
| Structures            | 0                    | 0                          |
| Cultural Properties   | 0                    | 0                          |
| Other Assets          | 0                    | 0                          |
| <b>Total</b>          | <b>600,000,000</b>   | <b>1,000,000</b>           |

Note: 600 FCFA ~ \$1.00



## 23 LESSONS LEARNED

There were two noteworthy challenges which presented themselves during the course of the field studies:

- There was difficulty organizing and obtaining information as well as participation from the relevant government services.
- Project affected agricultural owners had inordinately high expectations concerning the value of their crops.

Several cases of fraud were identified by the Commission during the field activities. In each instance the situation was noted and dealt with promptly either on the field or at the administration offices in Limbe by the Commission Chairman (Divisional Officer).

### Ngeme Village

- A project affected crop owner took advantage of the absence of her neighbor to claim the neighbor's crops. The rightful owner came to the field the following day. The issue was referred to the chairman of the commission who summoned the wrongful claimant to his office where she was seriously cautioned.
- Another project affected crop owner purposefully misidentified his agricultural plot's boundary. Again, the project affected person took advantage of his neighbor's absence and misled the Commission by stretching his farm boundary into his neighbor's plot. When the neighbor came to the site the situation was identified and corrected.

### Mokundange (Chantier Naval)

- A project affected crop owner claimed ownership to land belonging to Chantier Naval (shipyard). The case was identified and handled accordingly.
- A number of crop owners planted young oil palm seedlings and other perennial crops the week prior to the Commission's arrival - in anticipation of the evaluation exercise. Residents of Mukondange conversant with a similar valuation exercise completed previously in the Chantier Naval area, sought to increase the value of their compensation. The crops in question were not registered for compensation.
- Several persons from the surrounding area who were not affected by the project presented themselves as project affected agricultural owners. No crops were recorded as affected for these individuals.

