



Orsolya Szekely  
Accountability Mechanism Secretary  
World Bank

May 31, 2024

**Case No. 22/03/DRS**

## NOTICE OF DISPUTE RESOLUTION AGREEMENT

### **Cameroon: Nachtigal Hydropower Project (P157734) and Hydropower Development on the Sanaga River Technical Assistance Project (P157733)**

1. On October 19, 2022, the World Bank Board of Executive Directors approved an Inspection Panel recommendation to investigate the Nachtigal Hydropower Project (P157734) and Hydropower Development on the Sanaga River Technical Assistance Project (P157733) in Cameroon.
2. On October 26, 2022, the AM Secretary wrote to the Parties in this case, offering the opportunity for dispute resolution, pursuant to paragraph 11(a) of Resolution No. IBRD 2020-0005/Resolution No. IDA 2020-0004 (the “AM Resolution”) and paragraph 30 of Resolution No. IBRD 2020-0004/Resolution No. IDA 2020-0003 (the “Panel Resolution”). On December 1, 2022, the AM Secretary informed the Executive Directors, the Inspection Panel and Bank Management that the Parties had voluntarily agreed to pursue dispute resolution, pursuant to Paragraph 11(b) of the AM Resolution and Paragraph 31 of the Panel Resolution.
3. Pursuant to Paragraph 12(g) of the AM Resolution, on November 30, 2023, the AM Secretary informed the Executive Directors, the Inspection Panel and Bank Management that with the agreement of both Parties, and recognizing the Parties’ commitment and progress, the AM Secretary extended the dispute resolution process, for an additional period of up to six months.
4. The dispute resolution process concluded on May 30, 2024, with a signed Dispute Resolution Agreement. The signatories have stated that the Agreement is reached in full and final settlement of their dispute. The signatories chose to keep the details of the settlement confidential.
5. As required by Paragraph 12(h) of the AM Resolution, at the end of the dispute resolution process, the Dispute Resolution Service (DRS) prepares a report for the Executive Directors to be issued through the Accountability Mechanism Secretary, informing them of the outcome. This report is issued as an annex to this notice. Pursuant to Paragraph 13(d) of the AM Resolution, when the Inspection Panel receives the report of the Accountability Mechanism Secretary, it takes the steps set forth in Paragraph 33 of the Inspection Panel Resolution, which states that if the Accountability Mechanism Secretary informs the Executive Directors that the Parties have reached agreement and signed a Dispute Resolution Agreement, the case shall be considered closed. The Panel shall issue a memorandum closing the case and take no further action with respect to the request.

Yours sincerely,

The Executive Directors and Alternates  
International Development Association

Mr. Ajay Banga, President  
International Development Association

Mr. Mark Goldsmith, Chairperson  
Inspection Panel

## **Annex: Outcome Report**

## Dispute Resolution Service

### Outcome Report: Case No. 22/03/DRS

*Cameroon: Nachtigal Hydropower Project (P157734) and Hydropower Development on the Sanaga River Technical Assistance Project (P157733)*

This report, prepared by the Dispute Resolution Service (“DRS”) and issued by the Accountability Mechanism Secretary (“AM Secretary”) pursuant to Paragraph 12(h) of the [AM Resolution](#), and paragraph 20 of the [AM Operating Procedures](#), informs the Executive Directors, the Panel and Bank Management of the core process steps, outcomes and the rationale for concluding the dispute resolution process in the above-mentioned case.

#### 1. Procedural background

On October 19, 2022, the World Bank Board of Directors approved an Inspection Panel recommendation to investigate the *Cameroon Nachtigal Hydropower Project (P157734) and Hydropower Development on the Sanaga River Technical Assistance Project (P157733)* in Cameroon (“[Report and Recommendation](#)”), in response to a request for inspection. On October 26, 2022, the AM Secretary offered the Parties an opportunity to participate in an independent and voluntary dispute resolution process, facilitated by the DRS, pursuant to Paragraph 11(a) of the AM Resolution and Paragraph 30 of the Panel Resolution. Consistent with Paragraph 11 of the AM Operating Procedures, between November 3 and November 5, 2022, the AM Secretary led a delegation including Dispute Resolution Service staff, to meet in person with the Parties, their representatives, and advisors in Cameroon to inform them of their options and to ensure that they were enabled to make a fully informed decision on whether to enter a dispute resolution process facilitated by the Dispute Resolution Service.

On December 1, 2022, the AM Secretary informed the Executive Directors, the Inspection Panel and Bank Management that the Parties voluntarily agreed to pursue dispute resolution (“[Notice of Agreement to Pursue Dispute Resolution](#)”), pursuant to Paragraph 11(b) of the AM Resolution and Paragraph 31 of the Panel Resolution. December 1, 2022, marked the commencement of the dispute resolution phase. The process was conducted according to the AM Operating Procedures.

Pursuant to Paragraph 12(g) of the AM Resolution, on November 30, 2023, the AM Secretary informed the Executive Directors, the Inspection Panel and Bank Management that with the agreement of both Parties, and recognizing the Parties’ commitment and progress, the AM Secretary extended the dispute resolution process, for an additional period of up to six months, with a final deadline on May 31, 2024.

The Requesters also submitted formal complaints to the independent accountability mechanisms of the African Development Bank--the International Recourse Mechanism (IRM)—on June 21, 2022 and the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA)--the Compliance Advisor Ombudsman (CAO)--on April 19, 2022. After consultations with the Parties, the three mechanisms involved—AM, CAO and IRM—agreed to co-manage a single dispute resolution process between the Parties. To that end, after extensive deliberation on a coordinated process, on April 13, 2023, the AM Secretary signed a Memorandum of Understanding with the other mechanisms outlining the scope and principles of the collaboration.

## **2. Missions, communications, and engagement**

DRS conducted frequent mission travel to Cameroon. This is important to establish and maintain trust and relationships with the Parties and other key stakeholders, to support the local mediation team, and to understand the context and complexity of the issues and local dynamics. Mission travel is supplemented by regular online meetings and communications, maintaining a constant channel of communication with the Parties and other stakeholders. Moreover, the DRS team meets regularly with the other mechanisms co-managing the case in order to align on strategy and approach.

## **3. Process**

### *a. Appointing mediators*

Following consultations between the DRS and the Parties, which allowed the Parties to assess the qualifications and experience of the proposed DRS mediator, and either reject or accept the candidates, the Parties agreed to Brenda Brainch as the DRS mediator in February 2023. Ms. Brainch served as co-mediator together with a local Cameroon-based CAO mediator. Additional consultants provided interpretation and logistical support.

### *b. Process Design and Dispute Resolution Framework*

The Requesters chose a 10-person group of representatives with 5 alternates that represent the complainant communities and the socio-professional groups and taking into account age and gender diversity. In parallel, the Nachtigal Hydro Power Company (NHPC) assembled a team to represent them in the mediation process. Engagement and trust between the Parties was further established through separate (bilateral) meetings, which led to the opening of face-to-face dialogue and a series of joint mediation sessions that were facilitated by the mediation team between February 2023 and May 2024. The mediation process also included capacity building sessions, which were conducted with the Parties to help build trust and confidence in the mediation process.

The mediation was conducted according to a Dispute Resolution (DR) Framework agreement, which was drafted and agreed by the Parties on April 27, 2023, consistent with Paragraph 12 of the AM Operating Procedures. The DR Framework established the parameters of the dispute resolution process, including the scope of the mediation, the key issues to be addressed, representation of Requesters and affected community members, roles of advisers and observers, and the agreement that the process would be bound by confidentiality requirements to create an atmosphere of trust and facilitate an open discussion between the Parties. The DRS also agreed not to disclose any information shared by the Parties during the dispute resolution process.

### *c. Signing an Interim Agreement*

During the course of the mediation, the parties have progressively reached agreements on some of the issues, and on September 13, 2023, the Parties signed an interim agreement. The interim agreement covered issues related to the census, sacred sites, involvement of local suppliers, and training and employment. The Parties also agreed to create a Joint Monitoring Committee (JMC), comprised of representatives from both Parties, to monitor the implementation of the interim agreement. The JMC met frequently, with support from the mediation team as needed, between September 2023 and April 2024. In early May 2024, both Parties confirmed the successful implementation of the Interim Agreement.

#### **4. Role of Bank Management**

As per the three mechanisms' procedures, and as per the DR Framework, the Parties agreed in January 2024 to invite one representative of from the lenders group (World Bank, IFC, MIGA, and AfDB), to participate as observer for the remainder of mediation process.

Throughout the process, and as needed, Bank Management provided DRS, the mediation team, and the Parties with project-related information regarding the project, this included technical information as well as information regarding procedural issues and the Bank's supervisory role. Bank Management also supported the DRS and AM Secretary in understanding the Cameroonian political and cultural context, as well as facilitating DRS missions, as required by Paragraph 16 of the AM Resolution.

The independence of the DRS process from Bank Management was ensured throughout the process, and Bank Management are similarly bound by confidentiality requirements related to the process, pursuant to Paragraph 14 of the AM Resolution.

#### **5. Conclusion of the Dispute Resolution Process**

During May 2024, the Parties reached agreement within the stipulated period, and on May 30, 2024, signed a Dispute Resolution Agreement, in line with paragraph 23 of the AM Operating Procedures. This concludes the dispute resolution process according to paragraph 19.2 of the AM Operating Procedures. The process lasted 18 months and settled after intensive discussions, which continued until the final days of the extended timeframe. On the Requesters side, the 10-person complainant representative group signed the agreement. The representatives informed DRS that they consulted directly with the communities through focus groups set up to facilitate communication during the process; the socio professional associations concerned; and traditional means such as community "General Assemblies". On the Borrower side, the agreement was signed by the Deputy Managing Director of NHPC<sup>1</sup>.

During the course of the dispute resolution process, all the issues in the original Request and summarized in the September 27, 2022 Inspection Panel Report and Recommendation were explored and discussed, and in some instances, reframed and reprioritized by the Parties. Among other topics, the final Agreement includes provisions related to:

- livelihood restoration and supplementary support for fisherfolk, fishmongers and sand workers;
- collective community livelihood restoration benefits;
- promotion of cultural heritage;
- measures related to support for pupils and students, training and employment;

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<sup>1</sup> As per the AM Resolution and AM Operating Procedures, the Government of Cameroon is one of the formal Parties as the "Borrower" and recipient of World Bank financing and technical assistance. After consultation with the Ministry of Water and Energy, the Ministry of Economy, Planning and Regional Development and NHPC, it was agreed that the Government of Cameroon, as a NHPC shareholder, would participate in the dispute resolution process via its representation in the NHPC Board of Directors.

- opportunities for local service providers; and
- health and environmental projects.

The Requesters confirmed that the issues and concerns in their original Request have been addressed to their satisfaction and that the DR Agreement is a full and final settlement of their claims.

In furtherance of Paragraph 15(a) of the AM Resolution, the Parties have exercised the option to keep their Agreement confidential. Observers and Parties' advisers who engaged in the mediation process did so based on respecting its confidentiality. According to paragraph 20.3 of the AM Operating Procedures, the Accountability Mechanism will thus treat the Agreement as confidential, and it shall not be published. The Parties did agree on a mechanism by which they will jointly decide on how to publicly communicate elements of the Agreement and related community benefits in the future.

## **6. Implementation and Monitoring**

In line with paragraph 24 of the AM Operating Procedures, the Parties agreed on implementation and monitoring arrangements. At the request of the Parties, the AM DRS will monitor the implementation of the Agreement in collaboration with CAO and IRM. Furthermore, the Parties agreed to create a Joint Monitoring Committee of the Agreement (JMCA) as the formal mechanism for communication between the Parties on the implementation of obligations under the DR Agreement.

Washington, D.C., May 31, 2024