

To:

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From:

Jean Henri Tsogo and Nkwelle Ekane,

IFI Synergy Group

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Date: Yaoundé, 23rd of September 2020

Re: FMO's investment in the Nachtigal Project

Dear Ms. Van Ulden,

We would like to thank you for the response to our questions on the Nachtigal Hydropower project financed by FMO. In this letter we would like to ask for further clarification and voice several concerns on what we have heard during our latest community visits in august this year.

Questions on FMO's response

In the response it is mentioned that FMO is aware of issues during the time of reservoir inundation and that timelines are being discussed.

What are the issues FMO is aware of? What measures is FMO planning to implement and what are the timelines?

We have so far been unable to get access to the full environmental and social impact studies, the Environmental and Social Management Plan and the resettlement and compensation action plans (PAR), the livelihood restoration plan (PRME), the Biodiversity action plan and the archaeological resource management plan.

We would therefore like to ask FMO to share these with us, or to ensure that the company NHPC makes these public. More importantly, we urge FMO to make sure the affected communities get access to these documents. According to IFC Performance 1, the client should provide communities access to relevant information.

Can FMO share the above mentioned documents with us? Can FMO make sure that NHPC makes the abovementioned documents public? And most importantly, can FMO make sure the affected communities get access to these documents?

We would like to better understand the human rights due diligence and assessment that FMO has implemented. From FMO's response we understood that the outcomes of the assessments observed issues on intimidation/freedom of speech, and pressure on land and water.

How did FMO select the actors consulted for the human rights due diligence and why have national civil society groups not been part of this consultation? What did FMO ask of their client to ensure safe spaces were created to speak out? How did FMO ensure the project did not contribute to pressure on land and water? Have there been specific agreements made with the company on these topics? Can FMO share the human rights risk assessment and the human rights action plan with us?

In the response it is explained that FMO has an early warning system in place for risk of oppression or violence.

Could FMO clarify how the described engagements with communities differ from or are something extra to the IFC Performance Standards?

NHPC organized consultation meetings in the communities and with social bodies from 2015 onwards. Communities have been informed about the project, its benefits and the impacts they will suffer. FMO states that the majority of the population was supporting the project.

How did FMO establish that the majority of the population supported the project? How did FMO verify that community members had access to the needed information, were able to voice concerns in safe spaces, and had enough time to analyse the information they received?

Concerns in the communities

Community members tell us that NHPC made promises during the consultations that yet to be complied with. For example, NHPC promised to recruit locals to work in the project but so far the percentage of locals working for NHPC is low - young fishermen and sanders are unemployed. We have no access to the information that states agreements on how many locals would be recruited by NHPC, and neither do the communities. Furthermore, NHPC promised to asphalt roads. However, NHPC does not have the capacity to asphalt roads, and communities now understand these promises as manipulation.

During consultations, the population has been overwhelmed by officials in their communities. Community members did not have the impression that they had anything to say about what was going to happen. During our community visits, in 2019 and August 2020, the most pressing concern voiced by communities was compensation. Community members did not have any room to negotiate or disagree with what had been offered to them. Furthermore, several community members complain that during the inventory of properties, as well as during the payment of compensation, they were absent. Fisherfolks report that they are still waiting to receive compensation, even though they already lost access to fishing grounds. Many fisherfolks as well as fishmongers feel that the promised compensation is too low. Additionally, loss of access to clean water, sacred sites, and Djansang (medicinal plants) from the forest can not easily be compensated with money. IFC Performance Standard 5 requires the project to improve, or restore the livelihoods and standards of (economically) displaced persons. The current situation that community members are in are a degradation of their livelihood.

According to the information we received in different communities during our visits, communities are indeed aware of the grievance mechanism put in place by NHPC. However, the mechanism so far has not delivered any resolutions. Several letters have been sent to NHPC with complaints on the compensation process. Other than a confirmation of receipt, none of these complaints letters have been replied to. Communities have not been made aware of the existence of FMO's grievance mechanism.

We ask FMO to provide us with further clarifications on the questions asked above. Furthermore, we urge FMO to use their existing leverage in the project to ensure the demands of the communities are met:

- Meet NHPC's original commitment to allow former sand quarry restorers to sell food at the dam construction sites;
- Recruit local youth as laborers, drivers or technicians in the dam construction project;
- Clearly outline the participatory process of reconversion of fishermen, sandblasters and fishmongers within the framework of the dam project;

- Provide electricity to villages when the dam becomes operational;
- Respect all the promises and compensatory measures contained in the plan to restore the livelihoods of communities and socio-professional bodies;
- Restart discussions with communities and socio-professional bodies in a participatory manner;
- Review through a participatory approach the compensation amounts imposed by the NHPC to ensure that the impacted population gets fair remedy.

We would welcome further clarification from FMO and would appreciate to further discuss the issues mentioned in this letter directly with FMO staff.

Kind regards,

IFI Synergy Group