



# **Environmental Compensation in the Mining Sector in Cameroon: The WWF Experience**

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## THE POLICY CONTEXT

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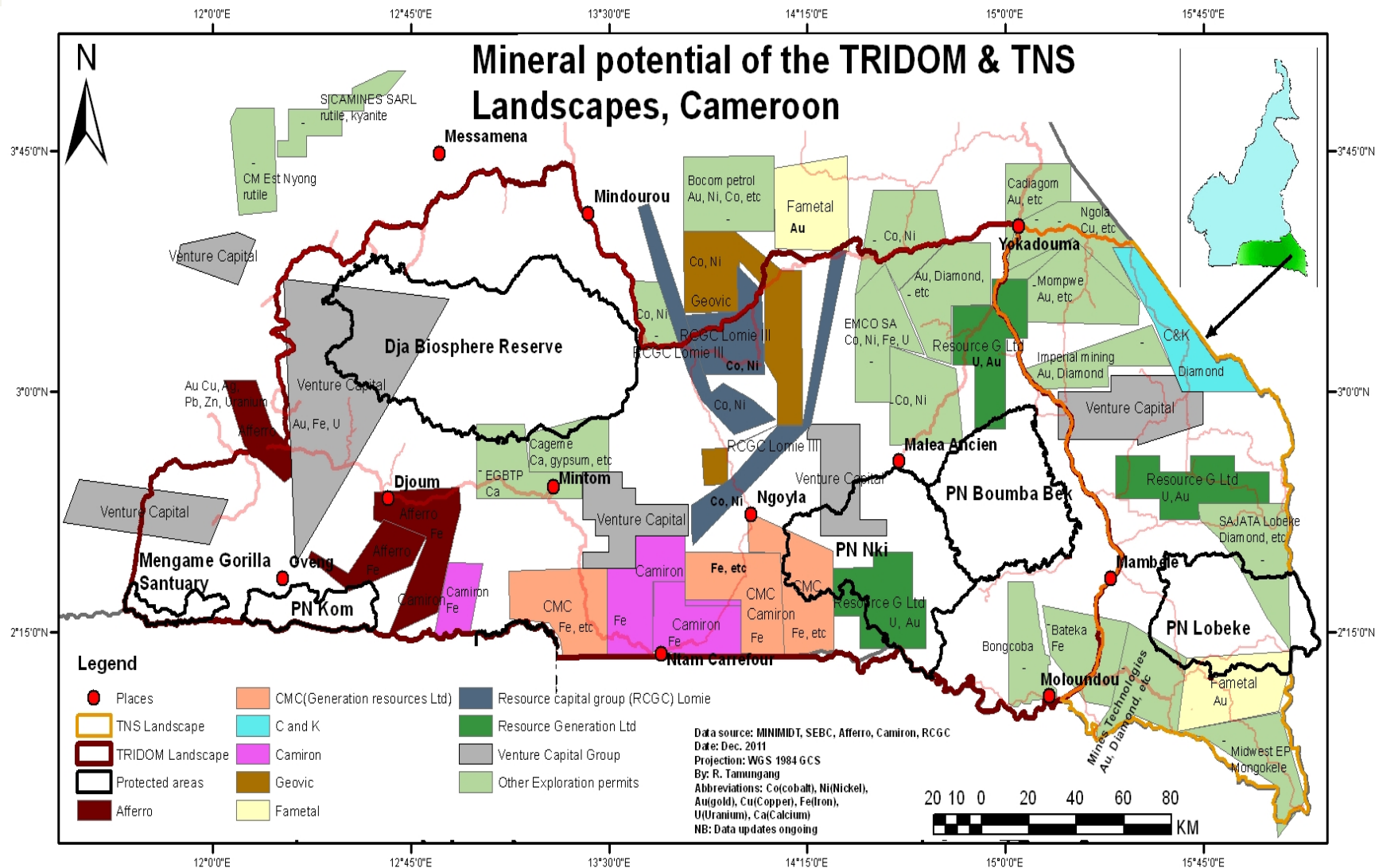
- WWF and REPAR of the National Assembly in 2009 organized the first national forum for the integrated management of Cameroon's forestry and mineral resources
  - The forum recommended the need to revise the different sector based laws to ensure consistency and coherence in the spirit and letter of the laws
  - In May 2012, WWF in partnership with two other national NGOs published a report depicting the extent of the overlaps between mining permits and other lands uses especially protected areas
  - In 2011, the Government adopted the framework law on land use with the objective of elaborating an integrated land use plan that shall consider the different land uses and protect the country's biodiversity
  - The regulatory framework on mining and forestry in Cameroon requires that certain areas shall remain closed to all mining activities
  - All mining projects are expected to elaborate an ESIA with an articulation on how to avoid, mitigate or compensate for their impacts
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# MINING AND BIODIVERSITY

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- . Cameroon is in the midst of a potential mining boom including expanding agriculture especially in the Southeast region
- . This Region is also home to Cameroon's rich tropical forest which is an integral part of the TRIDOM interzone
- . WWF has an EU funded project in this region (Ngoila Mintom Forest Block) to ensure the conservation of biodiversity and maintenance of carbon stocks through the promotion of REDD+ pilot activities
- . WWF interest also include the promotion of best environmental and social practices for industrial development activities including mining exploration and exploitation



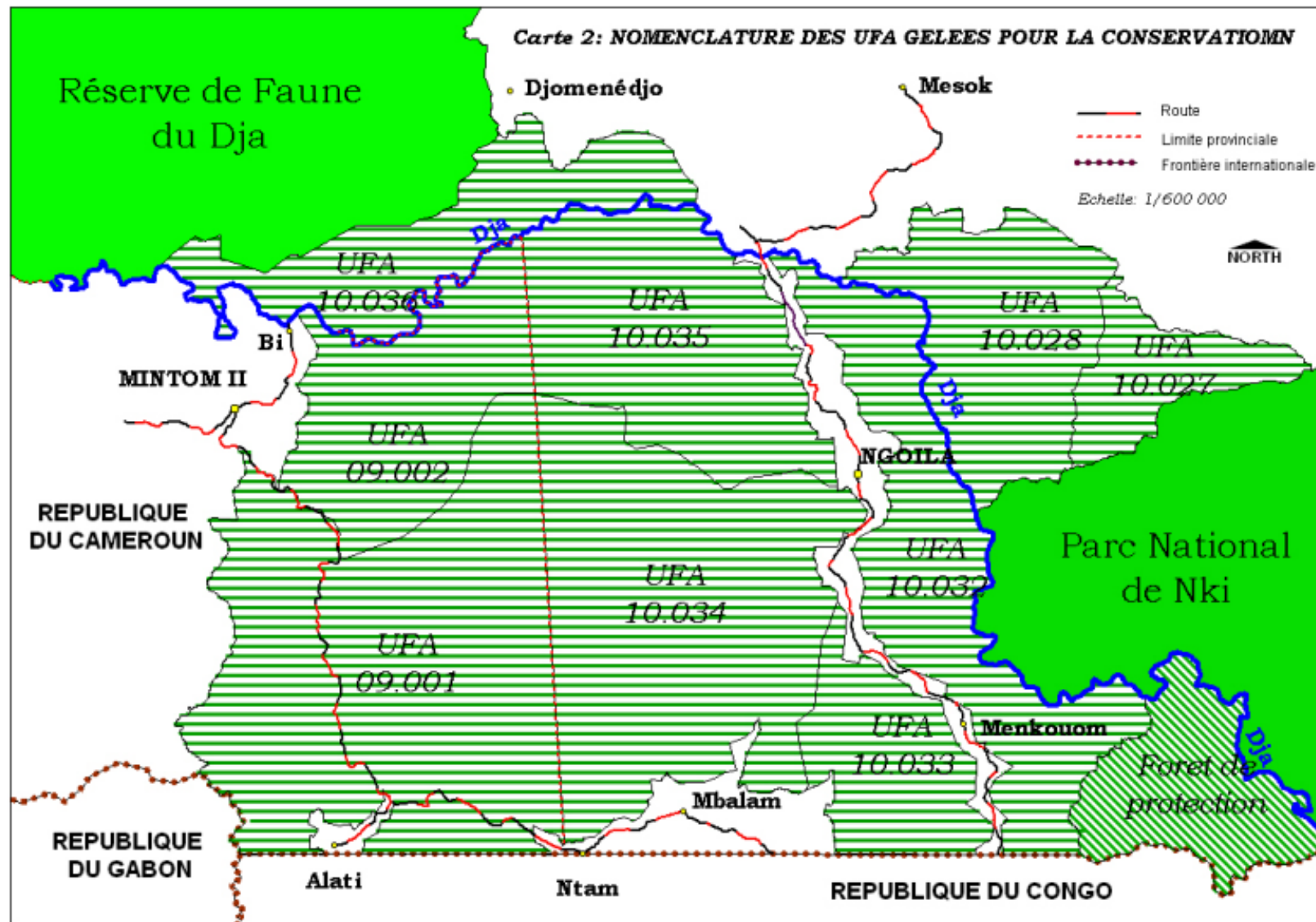


## The CamIron Environmental Compensation Scheme

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- . In 2005 Cam Iron SA, a wholly owned subsidiary of Sundance Resources was attributed an exploration permit for the development of the Mbalam iron ore deposits
- . In 2010 it submitted its ESIA to the Ministry of Environment as well as its ESMP on the management of the projects generated impacts
- . Some of the identified impacts include increased poaching, and transportation of bush meat, diminution of wildlife, creation of barriers across wildlife migration corridors, displacement of wildlife due to noise and vibration, acceleration of land clearing due to people influx, etc.
- . The company to offset/compensate for the potential wildlife impacts opted to secure one of the 9 FMUs (FMU 10 034) in the NM forest block and adjacent to the proposed mining area for conservation

Carte 2: NOMENCLATURE DES UFA GELEES POUR LA CONSERVATION



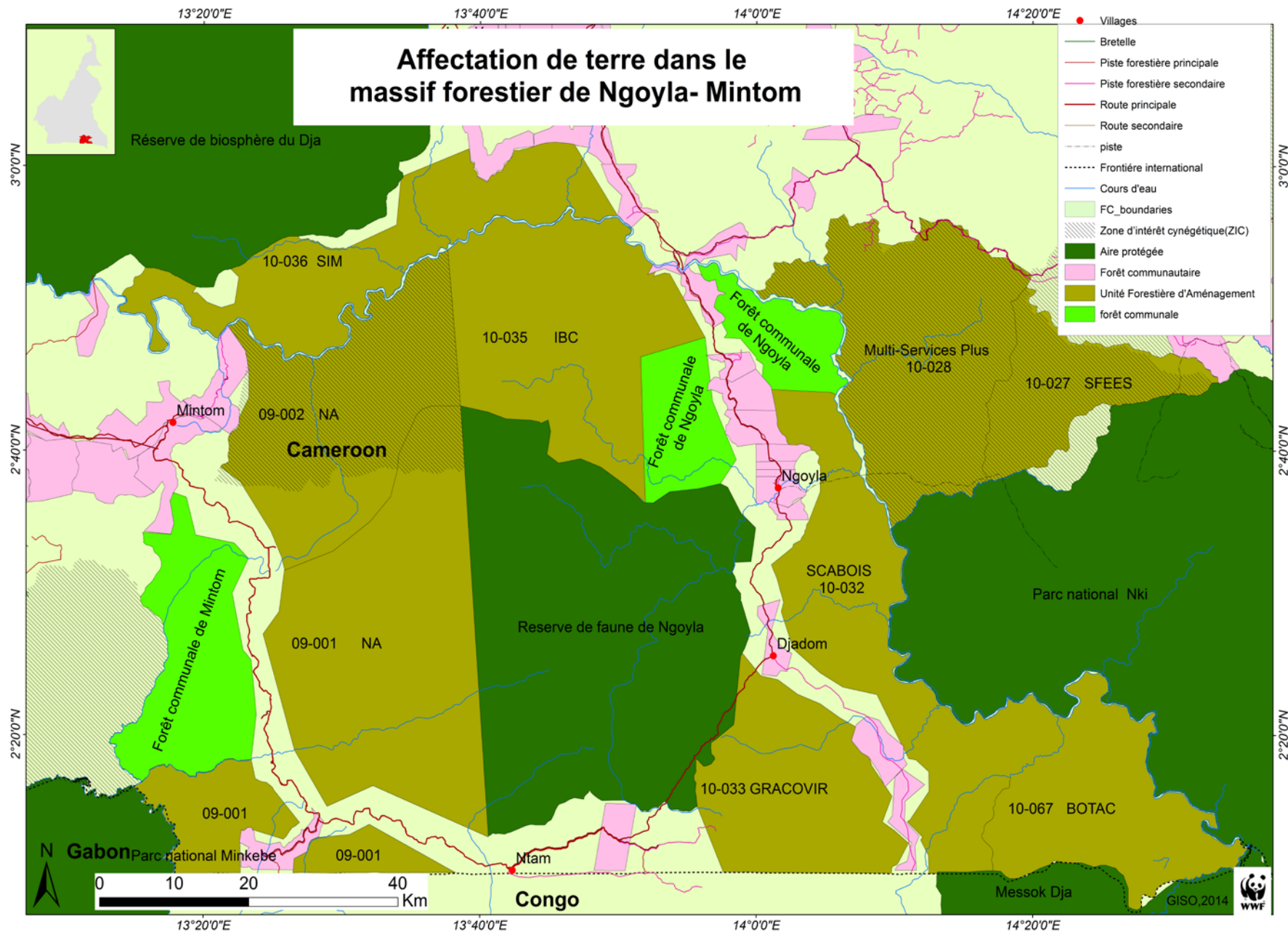


## The Current Process.

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- . The security of the FMU 10 034 as an offset for the mine project was made an integral part of the Mbalam Mining Convention 10 034 but its management was to subjected to a separate agreement to be signed between the Government and Cam Iron
- . The security of this FMU 10 034 signals the real first experience in Cameroon on the trade-off between economic growth and forest and wildlife protection
- . There is a draft conservation agreement outlining provisions on how this FMU is to be managed
- . There are three main objectives listed in the conservation agreement; conserve and manage biodiversity, develop ecotourism activities and management of carbon stocks.









## Process Challenges

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- . One of the challenges is whether this scheme qualifies as a biodiversity offset according to the applicable standards in the industry with regard to mitigating impact from mining
- . The Mbalam Convention requires the company to utilize the carbon credits associated with the FMU
- . This provision is included in the draft conservation agreement providing CAMIRON with the option to carry out REDD+ projects and to benefit from any financial gains thereto
- . This raises some serious issues like allowing the company to get direct financial benefit from its own compensation/offset
- . What is suggested is that revenue from carbon credits be reinvested in the management of the concession and for any funds above these to be invested in community development



## Unresolved Issues

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- . Could companies be allowed to benefit from their own compensation schemes?
- . To ensure that this remains a compensation/offset conditions for a REDD+ project need to be identified in a separate agreement
- . Should CAMIRON take full responsibility for the management of the concession



## The way forward

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- . Biodiversity offset should only be considered after all other options of mitigation with significant residual impact have been considered
- . Careful considerations as not to provide mining companies with a “blank check” to impact biodiversity with always a possibility of taking an offset option
- . There is a strong business case for biodiversity offset but only when such is embedded in the business practices;
  - . It contributes to a company’s license to operate,
  - . Regulatory goodwill and to the company’s reputation
  - . It eases company’s access to capital
- . Routine biodiversity offsets into development practice will result in long term and globally significant conservation outcomes



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