1. KEY POINTS TO COVER

- WHAT FEDEC IS?
- HOW IT CAME ABOUT?
- PURPOSE OF FEDEC
- AMOUNT OF CAPITAL ALLOCATED
- HOW THE MONEY MUST BE USED?
- FEDEC PARTNERS
- WHAT HAVE BEEN ACHIEVED?
- WHAT OPTIONS?
- CONCLUSION

WHAT FEDEC IS?:

- An environmental compensatory mechanism
- Part of a broader Environment Management Plan of Chad-Cameroon pipeline project

HOW FEDEC CAME ABOUT:

- FRUIT OF NEGOTIATIONS between:
  - World Bank
  - ExxonMobil-Chevron-Petronas consortium
  - Government of Cameroon
  - Cameroonian Civil Society supported by international community
- FEDEC was created and registered in the Hague, the Netherlands, on 29 March 2001
- Pipeline Company allocated FEDEC start-up capital of $3.5 million US dollars available upon Cameroon granting it charity status (on 16 November 2001, on which date it officially came into being and began to function.).
PURPOSE OF FEDEC

- Assistance for environmental protection and biodiversity conservation activities in the Campo-Ma’an (709,760 ha) and Mbam-Djerem (350,000 ha) National Parks;

- Assistance for the development and self-promotion activities of the Disadvantaged Indigenous People living between Lolodorf-Bipindi-Kribi.

- This is to be done in a twenty-eight years period

IS THE AMOUNT OF MONEY ALLOCATED SUFFICIENT?

- the revenue generated by the placement of 3,5 million Us dollars is clearly insufficient to cover administrative and operational costs of a fully functional environmental foundation

- the amount of this revenue is significantly lower than financial resources required to protect the ecological biodiversity of two national parks

- To cover operational the needs, the amount of money required is up to 12 millions US dollars

The challenge is to do the best possible with the funds currently available

⇒ In so doing, the aims of the Board of Directors are:

- identify FEDEC as an independent and autonomous funding body, and

- a good channel for the provision of funding of various origins for environmental protection and biodiversity conservation.

This new vision requires that FEDEC acquire an Institutional Development Plan.

HOW THE MONEY MUST BE USED

- The money available now is a restricted fund to be used as defined in the By-Laws

- However, FEDEC can raise other funds and use them according to its needs

- The capital is invested with a Swiss Bank in Switzerland (UBS)
FEDEC PARTNERS

- Chad-Cameroon pipeline project partners (WB, COTCO/ExxonMobil, Cameroon)
- Implementation Organisations
- Local NGOS, Communities and Associations, individuals.

Results and Benefits

To date, the activities of FEDEC, with the assistance of its strategic partners, have produced significant results.

- The Board of Directors have been set up
- The permanent staff is in place since May 2002
- 2 funding agreement of 500,000 US dollars each signed since January 2003 with WWF for Campo-Ma'an and WCS for Mbam-Djerem national parks
- The Indigenous People Plan activities are running on the field by the CDF
- The two IOs will contribute at the average of 104,000 US dollars for WWF and 350,000 US dollars for WCS

The Indigenous People Plan (IPP)

The pilot activities begun since September 2002 have so far led to:
- the issuing of 300 national identity cards for the Bakol/Bagyeli at a total cost of about 5,000 US dollars;
- assistance in the creation of 100 farms for 1,000 Bakola/Bagyeli at a total cost of 5,000 US dollars;
- the provision of 3 health centres with medicine and supplies at a total cost of about 20,000 US dollars;
- the distribution of school needs to 250 Bakola/Bagyeli school children at a total cost of about 3,000 US dollars.

The Cameroonian Government:

- The Cameroon Government promised to provide financial assistance to the tune of 37,500 USD.
- FEDEC has since drafted a Memorandum of Understanding, which aims to set out the respective responsibilities of each party regarding the promotion of conservation in the Mbam-Djerem and Campo-Ma'an National Parks.
The World Bank

In particular respect to its capacity building, FEDEC:

- obtained the non-objection of the World Bank concerning access to CAPECE funds;
- sent an official request for financial assistance to the World Bank for developing a resource mobilisation strategy.

WHAT OPTIONS FOR FEDEC?

- Use the money available as a sinking fund during 28 years and close up
- Renegotiate with Chad-Cameroon pipeline project partners to increase the fund
- Match funds available with those coming from other stakeholders working in biodiversity conservation in Cameroon
- Attract other Donors by managing smoothly the funds allocated and become a very credible Organisation
- Raise others funds from other sources

CONCLUSION

- Chad-Cameroon pipeline project partners agreed to insufficiently capitalise FEDEC
- FEDEC is currently take initiatives to reduce the gap
- In that line our hope is that WPC 2003 Congress makes some general and/or specific recommendations for structures which are in such a difficult situation like FEDEC.