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Liability for Environmental Damage and the World Bank's Chad-Cameroon Oil and Pipeline Project

SERGE A. BRONKHORST, Ed., NETHERLANDS COMMITTEE FOR IUCN, AMSTERDAM, July 2000. Pp. 1-128.

Reviewed by Stephen McCaffrey*

An oil pipeline that will run from the interior of Chad to the port of Kribi in Cameroon has aroused international controversy, particularly in the environmental and human rights communities. The pipeline, which will be 1,070 kilometers long¹ when complete, is being constructed by a consortium of multinational oil companies to transport oil extracted under a 1988 concession agreement with Chad. The consortium includes Exxon, Chevron and Petronas. Two of the original consortium members, Shell and Elf, withdrew from the project after it came under heavy criticism from environmental and human rights groups.² Chad and Cameroon applied for a loan from the World Bank to help finance the project. After postponing action in May 2000 to give its board more time to consider the project, the Bank acted favorably on the application in June of that year³ despite what have been described in the media as "widespread concerns about the potential for corruption and environmental damage." Work on the pipeline began in October 2000 with the inauguration of the project by the presidents of Chad and Cameroon.

The volume under review considers the liability of the parties involved in the pipeline under both national and international law. It consists principally of papers presented at a symposium held in February 2000, at the Netherlands Institute of

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LIABILITY FOR ENVIRONMENTAL DAMAGE AND THE WORLD BANK'S CHAD-CAMEROON OIL AND PIPELINE PROJECT 8 (Serge A. Bronkhorst ed., 2000) [hereinafter Bronkhorst].

^{2.} Paul Brown, Short Urged to Reject Funding for Chad Oil Pipeline, THE GUARDIAN, May 20, 2000, available at http://www.guardianunlimited.co.uk (last visited Feb. 25, 2001).

^{3.} To view the project documents, the Bank's Environmental Management Plan, and other environmental impact reports, see http:// www.worldbank.org/afr/ccproj/environment/index.htm. The Bank stated that approval would not be given without "clear commitments from Chad that resources would be used to improve the lives of the poor . . . and . . . mitigate any damage to the environment." See http://www.worldbank.org/afr/ccproj/project/pro_concept.htm (last visited Feb. 25, 2001) (copy on file with The Transnational Lawyer). The Bank later, in February 2001, established the International Advisory Group, a watchdog for the project. See http://wbln0018.worldbank.org/news/devnews.nsf (last visited Feb. 25, 2001) (copy on file with The Transnational Lawyer).

^{4.} Norimitsu Onishi, *Pygmies Wonder if Oil Pipeline Will Ease Their Poverty*, N.Y. TIMES, July 10, 2000, available at http://www.nytimes.com (last visited Feb. 25, 2001). See also Christopher Marquis, \$3.5 Billion Africa Pipeline Expected to Pass, N.Y. TIMES, June 6, 2000, available at http://www.nytimes.com (last visited Feb. 25, 2001).

^{5.} Associated Press, Major Oil Pipeline Project Is Begun in Chad, N.Y. TIMES, Oct. 19, 2000, available at http://www.nytimes.com (last visited Feb. 25, 2001).

International Relations, under the sponsorship of the Netherlands Committee for IUCN/the World Conservation Union. Although the IUCN is highly regarded as a professional and responsible Non-Governmental Organization, its sponsorship of the meeting that produced this work suggests that the work will take an environmentalist perspective. This indeed seems to be the case.

The book contains chapters on The Chad-Cameroon Oil and Pipeline Project and Its Environmental Risks, by Reinout Post of the Netherlands Commission for Environmental Impact Assessment; The Chad-Cameroon Oil and Pipeline Project Plans for Environmental Monitoring: Multilayered Conflicts of Interest?, by Korinna Horta of Environmental Defense, Washington, D.C.; The Chad-Cameroon Oil and Pipeline Project: Liability for Environmental Damage under the National Laws of Chad, by Deoukoubou Christophe, Commission Justice et Paix, Chad; Regulations Governing Liability for Environmental Damage in Cameroon: An Analysis in the Light of the Chad-Cameroon Oil Project, by Samuel Nguiffo, Centre for Environment and Development, Cameroon; Obligations and Possible Liabilities Resulting from the COTCO Convention of Establishment, by Susan Leubuscher, FERN, UK; The (Lack of) Responsibility of Multinational Oil Companies in the Proposed Chad-Cameroon Pipeline, by Saman Zia-Zarifi, Erasmus University, Rotterdam; Responsibility of States for Environmental Damage that May Result from the Chad-Cameroon Pipeline Project, by André Nollkaemper, University of Amsterdam; The Legal Mandate of Multilateral Development Banks As Agents for Change Toward Sustainable Development, by Günther Handl, Tulane University School of Law; and Final Remarks, by S.A. Bronkhorst, The Netherlands Committee for IUCN. Also included are four annexes, the most notable of which is Annex I, Report of the Amsterdam International Law Clinic: International Legal Norms Applicable to the Chad-Cameroon Oil and Pipeline Project. All of the papers included in the volume except the one by Handl were presented at the symposium.

The picture painted by the papers is not a particularly bright one. According to one of the authors, "there is effectively very little legal recourse for any individuals in Chad or Cameroon whose person or property may be damaged by the activity of [the multinational companies involved]," because they "can operate with impunity" due to "shortcomings" in the domestic law of the two countries. As far as state responsibility for environmental damage is concerned, another author—who is well known in the field of international environmental law—points out that "the most significant barrier" to the establishment of such responsibility is that there must be an "injured state;" but there be no such state here with regard to environmental damage, assuming that no transboundary pollution would result from the project.

^{6.} This piece has also been published as a law review article. See Günther Handl, The Legal Mandate of Multilateral Development Banks As Agents for Change Toward Sustainable Development, 92 AM. J. INT'L L. 642 (1998).

^{7.} Bronkhorst, supra note 1, at 42 (quoting from the article by Zia-Zarifi).

^{8.} Id. at 58-59 (referencing the article by Nollkaemper).

Therefore, none of the environmental treaties to which the two countries are parties would apply, according to this author. He notes, however, that human rights treaties would permit other states to make claims, since "all states party to the human rights treaty concerned would be ... injured parties." But the likelihood of this occurring is very low, since states typically do not make such claims, at least outside the context of United Nations human rights mechanisms. As the final paper concludes, "from a liability perspective the project still seriously lacks a consistent body of law, effective institutions and procedures to provide access to the law. In fact, the project parties will barely face any liability for causing damage to the environment in Chad and Cameroon." In part for this reason, it is questioned whether the World Bank "should postpone or refuse its participation in projects such as the Chad-Cameroon oil and pipeline project." Such a refusal can "carry a potent symbolic message: it may very well discourage other potential lenders, be they private or public entities. from going ahead with an investment project that has been found wanting in light of the environmental and social development criteria that the Bank is obliged to follow as a matter of public international law and policy."12

This volume provides an overview, from an environmental perspective, of the legal and policy considerations applicable to the Chad-Cameroon pipeline and similar projects. It is valuable as a case study, since it brings together papers concerning a number of different aspects of, and actors in, such projects. The papers are, for the most part, quite brief and lack the thorough documentation one might find in an American law review article. But they are informative, and shed interesting—if not altogether comforting—light on the question of liability for environmental damage arising from the Chad-Cameroon pipeline project.

^{9.} *Id.* at 59.

^{10.} Id. at 98 (quoting from the article by Bronkhorst).

^{11.} Id. at 99.

^{12.} Id

^{13.} See supra note 6 (mentioning the exception of the Handl article, which was originally published as a law review article).

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