

Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Third Quarter 2013

Prepared by the EMP Department

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List of Acronyms & Terms Used in this Report

BBS	Basic Business Skills Training
CRCP	Chad Resettlement and Compensation Plan
CdM	Household Chief (Chef de Ménage)
EEPCI	Esso Exploration & Production Chad Inc (the Project)
Eligible	Generic term to designate an individual that may be eligible to the EMP Resettlement Program.
EMP	Environmental Management Plan
EMP-IS	EMP Information System: manages Land Acquisition, Socioeconomic and Land return data.
ECMG	External Compliance Monitoring Group
HH	Household
HHH	Head of Household
HHM	Household Member. Include the CdM and all its dependents, regardless their age.
IFC	International Finance Corporation
IAT	Improved Agriculture Training
LCC	Local Community Contact
MARP	Participatory Rural Assessment process
NGO	Non-Governmental Organization
Potential Eligible	Individual that may be eligible to the EMP Resettlement Program. Analysis must be completed.
Project Footprint	Total area occupied by the project at a given time (e.g. Compensated but not returned land)
True Eligible	Individual eligible to the EMP Resettlement Program.
VLUS	Village Land Use Survey previously called Cadastral survey. Refer to the measurement of every field, fallow & house of households.
WBG	World Bank Group
EFC	Eligibility Factor Class
V Process	V Process refers to the monitoring of each interaction with an individual. Under this acronym the VX refers to the version of the survey for the specific individual. For example the V2 would refer to the data relating to the second survey for the individual. As a new survey takes place with each interaction/land transaction between individuals and EEPCI we thus have the basis of a continuous monitoring process.

Executive Summary

The Quarterly Village Report provides information to Esso Exploration & Production Chad Inc (EEPCI) management and the International Finance Corporation (IFC) on the progress made in calculating, analyzing and reducing the Project's land use impact on villages and households.

Tracking and analysis of land use impact is the purpose of Village Impact Classification and the "Watch List". The classification follows the movement of a village from one category to another in order to judge the effectiveness of Environmental Management Plan (EMP) Chad Resettlement and Compensation Plan's (CRCP) implementing procedures (e.g. the Land Management Manual) and the system improvements made through the Land Use Mitigation Action Plan (LUMAP) or to signal when ongoing Project land take requires the Project to review the situation and adjust plans as per the Environmental Management Plan (EMP) principles.

The village impact classification (high, approaching high, medium and low) is also used to:

- Improve the targeting of mitigation activities by more clearly defining an OFDA village's specific problems.
- Determine eligibility (actual versus estimated land acquisition) for Supplemental Community Compensation.

The Third Quarter 2013 (3Q13) Village Impact summary:

- 1 High impact villages (Poutouguem)
- 9 Approaching high villages
- 6 Moderate impact villages
- 12 Low impact villages

Three (3) villages changed classification during this quarter. Madjo and Missimadji moved down from a high to an approaching high impact situation while Bela moved down from an approaching high to a moderate category.

Five (5) villages saw an increase in the Project's footprint while nine (9) saw a reduction (table 2, page 8). The village which saw the biggest net increase in 3Q13 was Madjo with an increase of 4.7 ha. During this quarter the village of Bero, the village with the highest decrease in the project's footprint in Q1-2013 (69.8 ha) and Q2-2013 (23.6 ha), saw a further reduction of the project's footprint of 5.7 ha. The village of Missimadji had the biggest net decrease in 3Q13, with a reduction of 11.8 ha; this results from the rehabilitation of a large portion of the borrow pit KBP2, of which only 1 extension remains active. It must be noted that the Project's overall footprint was **reduced** by 16.5 ha during the 3Q13 (Table 3, page 9).

The primary accomplishments of 3Q13 are:

EMP and EMP-IS

- Progressed follow up of households impacted by the project, using improved impact survey process.
- Progressed Land Return Survey process for parcels returned in 2012 and early 2013 ongoing. Process to be completed by February 2014.
- Completed Village cadastral survey in three villages of the Nya Moundouli field. Data entered into EMP IS data base and launched preparation of SSPs for the three villages: Bemira, Benguirakol and Moundouli
- Completed Q2-2012 Village Impact report and Posted onto ESSO-CHAD website.

Resettlement Program

- 29 eligibles (2012 promotion) entered into the post training portion of the Improved Agriculture Training program.
- 21 eligibles (2013 promotion) started the Improved Agriculture Training with the rainy season crops production portion of the program.
- 2013 reinforcement program implemented for 29 individuals, monitoring ongoing.
- Interview process completed for further 14 individuals who could potentially be reinforced in Q4-2013.
- Monitoring process ongoing with 46 previously trained eligibles.

Community Compensation and Supplemental Community Compensation Program

- Bero III's Supplemental Community Compensation Project, 15 ha rice field, was completed during Q1-2013, training support for rice production ongoing.
- Dokaidilti's Supplemental Community Compensation Project, 14.3 ha rice field, was completed during Q1-2013, training support for rice production ongoing.

Other support activities

- Project distributed 41 truckloads (658 m³) of compost in a dozen communities in order to support various activities associated to our Improved Agricultural Training Program and community based initiatives.
- Held meeting with Central SHE and Houston P&GA regarding common investment strategy and alignment.
- Distributed 5343 mango trees to 334 beneficiaries. Each beneficiary also received additional grant equipment and the required training on the planting and care of the mango tree plantings.

Work Plan for Fourth Quarter 2013(4Q13)

- Continue implementation of reinforcement process with 29 identified eligibles.
- Launch implementation of reinforcement process with up to 14 other identified eligibles
- Finalize list of eligibles to be resettled in 2014
- Finalize list of eligibles to receive reinforcement in 2014
- Complete Q3-2013 Village Impact report and Post onto ESSO-CHAD website.
- Complete SSPs for the three villages of the Nya Moundouli field.
- Continue Land Return Survey Process.
- Complete monitoring process with 46 previously trained eligibles.
- Complete Bero III's Supplemental Community Compensation Project training support for rice production.
- Complete Dokaidilti's Supplemental Community Compensation Project training support for rice production.
- Develop strategy for Land Return and Land acquisition surveys taking into account extension of infill drilling process.

1.0 Village Classification

The village classification is calculated using land use (area of temporary and permanent take) and two socioeconomic criteria (see annex 2 for details). Each criterion classifies a village into one of four categories: High, Approaching High, Moderate and Low. It should be noted that the socioeconomic criterion made possible by investigation using the Village Land Use Survey (VLUS) methodology provides a more direct measure of impact, and that this information is continuously upgraded using the data collected through the Impact and Land return Surveys. This process measures land holdings per capita and the number of currently non-viable individuals among the total population of the village. For villages where the survey is not completed or is not being implemented, we have had to rely on declarative data collected during land compensation in past years; therefore the criterion becomes individuals made non-viable by Project compared to the population of the village.

Table 1 : Village Classification Last Quarter

Categories	Villages – 3Q13	Villages - 2Q13
High	<ul style="list-style-type: none"> • Poutouguem 	<ul style="list-style-type: none"> • Poutouguem • Missimadji • Madjo
Approaching High (Watch List)	<ul style="list-style-type: none"> • Danmadja • Béro • Dildo-Bayande • Madjo • Dokaidilti • Ngalaba • Ndoheuri • Missimadji • Mouarom 	<ul style="list-style-type: none"> • Danmadja • Béro • Dildo-Bayande • Dokaidilti • Ngalaba • Ndoheuri • Bela • Mouarom
Moderate	<ul style="list-style-type: none"> • Bela • Begada • Maïkéri • Mbanga • Maïnani • Madana Nadpeur 	<ul style="list-style-type: none"> • Begada • Maïkéri • Maïnani • Mbanga • Madana Nadpeur
Low	<ul style="list-style-type: none"> • Kome-Ndolobe • Meurmeouel • Miandoum • Maïmbaye • Kaïrati • Morkete • Naïkam • Bendo • Koutou Nya 	<ul style="list-style-type: none"> • Meurmeouel • Kome-Ndolobe • Miandoum • Maïmbaye • Kaïrati • Morkete • Naïkam • Bendo • Koutou Nya
Low (Declared low through other processes)*	<ul style="list-style-type: none"> • Bedara • Bekia 2 • Bekia 3 	<ul style="list-style-type: none"> • Bedara* • Bekia 2 • Bekia 3

Villages in bold print have had a Site Specific Plan (SSP) performed.

* Villages added to the list may have received Community Compensation but may not have lost land to the Project. When the resident of a village is impacted by the Project even if impacted field is located in another village the village of residence is automatically classified as being in the low impact category and receives the corresponding Community Compensation.

It should be noted that three villages changed classification during this quarter. Madjo and Missimadji moved down from a high to an approaching high impact situation while Bela moved from an approaching high to a moderate situation.

The reduction of Missimadji's and Bela's, village risk rating classification is mainly the consequence of land being returned over the last quarter, which has resulted in a decrease of the Project's footprint in these communities. Although the proportion of the population which is made up of non-viable project affected individuals has not changed in Missimadji and Bela, they both have moved down the risk rating scale from a land base perspective. Missimadji crossed two classifications moving from a high down to a moderate impact situation from a land base perspective.

Madjo, on the other hand, has moved down the risk rating scale from a high down to an approaching high impact situation on the basis of a reduction of the number of non-viable project affected individuals.

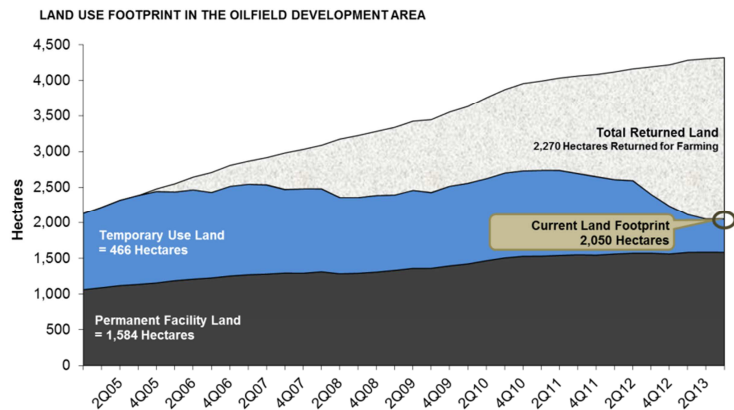
As per the LUMAP, the Site Specific Plan (SSP) was developed to monitor the state of the most impacted villages (17 villages). Villages for which a SSP was prepared are presented in bold in Table 1 (page 6). In all villages where SSPs were completed and fully implemented (16/17 villages), only low residual impacts remain.

Site specific plans (SSPs) have been fully implemented in all but two (2) communities. For these two villages (Dokaidilti and Bero 3) the construction of the selected supplemental community compensation item (rice fields) has started in 2012 and was completed in the second quarter of 2013. Some further activities associated with Improved Rice Production Training are presently ongoing. The village of Ndoheuri selected a one-room school which has been turned over to the community during Q2-2013, the SSP for this community is thus deemed to be complete.

1.1 Land Use Criteria and Trends

From a land use perspective the criterion is the area of the village affected by the project, note that some villages can pass from High to Moderate or Moderate to Low as temporary land is returned, or move up as land is acquired.

As shown in figure 1, the footprint of permanently and still temporarily occupied land (in the six fields of the OFDA) was **reduced** by 16.5 ha, or about 0.8 %, during the Q3-2013. The footprint as it stood on March 31st 2013 was the lowest it has been in 9 years, (Q3-2004).



The land returned is not the only factor that counterbalances the new land take. The second factor is due to the fact that many of the new facilities being established are in areas previously occupied by the project. An area already compensated for an initial facility is simply reused for the new well, if it has not yet been returned, without requiring much additional land acquisition. Using the fault block approach in reclaiming land i.e. postponing reclamation until the work in the fault block has been completed, reduces the risk of wasting top soil by re-acquiring newly reclaimed land. Top soil in certain parts of the OFDA and elsewhere in southern Chad is a scarce resource.

The calculation of additional land acquired is not straightforward as new facilities are now overlapping old facilities. Simple addition or subtraction would compute the same area twice to determine how much land has been acquired or returned (delta column) compared to the previous quarter.

When we consider the information presented in Table 2, below, we can easily note that the actual reduction in the area occupied by the Project is not only limited to the case of villages located in the three original fields (Kome, Bolobo and Miandoum) but is also a reflection of the situation of villages located in the newer development areas of the OFDA (Maikeri, Timbre and Nya oil fields).

During the third quarter of 2013, 9 villages saw an actual reduction in the Project's footprint on their territory, 11 saw no change and 5 villages were affected by an increase of the Project's footprint. The village which saw the biggest net increase was Madjo with an increase of 4.7 ha while the village of Missimadji saw a net reduction of 11.8 ha of the Project's footprint.

Table 2: Land Use by Village in OFDA.

Village	Total village area (ha)	Maximum land use (ha)	Land use Q2 2013		Land use Q3 2013		Delta (ha)
			%	(ha)	%	(ha)	
Poutouguem	562	62	10.3%	57.9	10.5%	59.1	1.2
Dildo-Bayande	1890	203	9.3%	176.1	9.3%	175.2	-0.9
Danmadja	480	69.6	9.1%	43.7	9.1%	43.7	0
Ngalaba	2120	330	8.7%	185.3	8.7%	184.4	-0.9
Béro	5713	664.6	8.7%	499	8.6%	493.3	-5.7
Mouarom	1350	159	8.6%	116	8.6%	116.5	0.5
Dokaïdilti	689	157	7.8%	54	7.8%	54	0
Béla	2200	225	7.0%	154.1	6.9%	151.3	-2.8
Ndoheuri	812	50.6	6.2%	50.6	6.2%	50.6	0
Bégada	3272	348	6.2%	202.9	6.1%	200.3	-2.6
Maïkéri	1245	112.8	5.9%	72.9	6.1%	75.9	3
Madjo	2138	148.8	5.7%	121.2	5.9%	125.9	4.7
Maïnani	1386	90	5.1%	70.4	5.0%	69.6	-0.8
Missimadji	181	60	11.4%	20.7	4.9%	8.9	-11.8
Mbanga	3044	253	4.1%	125	4.1%	123.3	-1.7
Madana Nadpeur	295	17.3	3.1%	9	3.1%	9	0
Komé Ndolobe	2441	81	1.2%	28.4	1.2%	30.1	1.7
Meurmeouel	1128	22	1.2%	14	1.2%	14	0
Mainbaye	420	4.1	1.0%	4.1	1.0%	4.1	0
Miandoum	4061	62	0.9%	35.3	0.9%	35.0	-0.3
Naïkam	1445	28	0.8%	12.2	0.8%	12.2	0
Kaïrati	187	6	0.7%	1.4	0.7%	1.4	0
Bendo	761	17	0.5%	3.6	0.5%	3.6	0
Koutou Nya	1818	9.4	0.5%	8.2	0.5%	8.2	0
Morkété	440	7	0.1%	0.5	0.1%	0.5	0
Total	40078		5.2%	2066.5	5.1%	2050.1	-16.4

* Land use = permanent + temporary not returned

OFDA = Concessions of Kome, Timbre, Bolobo, Miandoum, Maïkéri and Nya

As the Impact and Land-Return Survey processes became fully operational, identification of the impacted land users can be calculated when or shortly after the impact has taken place (real time). Since January 2012, the Impact Survey (both land take and land return) data has been fully integrated into the system, the Project is thus able to make full use of this information at present.

If we consider the maximum land use of the Project, 23 of the 25 villages on which such data is presented in table 2, above, have known a reduction of its footprint in relation to its land use peak.

As the integration of impact survey data was completed, all impacted individuals who are deemed to have been made non-viable by the Project or who were already non-viable before being impacted by the Project, before November 1st 2012 (21 individuals in total), have been integrated into the roster of the 2013 Resettlement Promotion. They completed the literacy training program (BBS) and have continued the improved agriculture training (IAT) program during the Q3-2013.

As we forged ahead to complete the integration of the tools and processes developed under the LUMAP into the daily routine of the EMP's Socioeconomics, we have also completed an exhaustive review of the processes leading to and including the Five Steps of Reflection. This revised process was used in the later portion of 2012 for the benefit of the 2013 Resettlement Promotion. It has contributed to further integrate all of the EMP team members involved in the process and the resettlement and community compensation contractor management firm (ISM Consult). In doing so our goal is and continues to be to further enhance the interconnection between the various players and ultimately improve relations with the communities and eligible individuals to seamlessly deliver the Five Steps of Reflection and the Resettlement processes over time.

1.2 Compensated and Returned Land by Land Use Type

This section presents the compensated and returned areas. Table 3 shows the current portion of each Land Use Type out of the total Compensated Land. The "Returned" column shows the number of hectares returned (on the left) and the percentage of returned area out of the total compensated area (on the right), for each land use type. It should be noted that this data covers all of the land requirements in Kome, Bolobo, Miandoum, Maikeri, Nya and Timbre oil fields.

Table 3: Compensated and Returned Land by Land Use and Facility Type

Land use type	Total area (hectares)			3Q13 (hectares)	
	Compensated	Returned		Compensated	Returned
Sub-Total - Permanent with public access-	741.8	67.5	9%	3.6	5.2
Sub-Total – Permanent with no Public access	1026.5	116.4	11%	0.8	1.8
Sub-Total Permanent	1768.3	183.9	10%	4.4	7.0
Borrow Pit	566.2	471.8	83%	-0.1	11.9
Others	34.1	18.9	55%	0.0	-0.3
Sub-Total – Temporary returned without restriction	600.3	490.7	82%	-0.1	11.6
Underground facility	1051.9	995.9	95%	3.8	4.5
OHL	328.4	76.2	23%	3.4	0.0
Well Pad	570.8	522.8	92%	0.9	5.8
Sub-Total – Temporary returned with restriction	1951.2	1595.0	82%	8.2	10.4
Sub-Total Temporary	2551.5	2085.7	82%	8.1	22
Grand Total	4319.8	2269.6	53%	12.5	29

- The column "total areas in hectares: compensated" shows the total area compensated since the project started up to the end of the quarter covered in this report.
- "Total areas in hectares: returned" shows the total area returned since the project started up to the end of the quarter covered in this report.
- "3Q2013: Compensated" shows the total hectares compensated during the quarter covered in this report.
- "3Q2013: Returned" shows the total hectares returned during the quarter covered in this report.
- 6 fields = Kome, Bolobo, Miandoum, Maikeri, Nya and Timbre, **excluding Moundouli area**
- Negative numbers indicate corrections to the data.

As was presented in Table 2 (page 8) the data presented above (Table 3 on page 9) confirms that returned land more than compensated for new land take with a net footprint reduction over the quarter. During this quarter 12.5 ha of land were compensated for, by the Project, while 29 ha were returned to the communities. Overall, this resulted in 16.5 ha of net land return during this period.

Although 8 villages were affected by new land take during the third quarter of 2013 the emphasis on land return resulted in only 5 villages seeing an increase in the project's footprint.

Most (65%) of the land compensated during the second quarter was for temporary use and has already started to be returned. It must be noted that land returned in the temporary category (22 ha) exceeded new temporary land take (8.1). The Project actually had a net reduction in its temporary land use of 13.9 ha during the quarter.

After having all but completed the return of temporary held land associated with underground facilities (mainly flow lines), the Project is presently devising strategies to accelerate the return of temporary held land associated with Over Head Power Lines (OHLs). This should result in the progressive return of more than 200 ha over the next year.

1.3 Socio-economic Criteria

Village level impact depends both on absolute amounts of land taken or returned and the way in which land resources are allocated within the village. In some villages, people depend mainly on farming for their livelihood. In others, a portion of the inhabitants depend on fishing as well as farming; fishing families in these villages often have (and need) less farmland than in inland villages and may already be below the general threshold of agricultural viability (2/3 cordes per HHM). Others are recently established households who will progressively gain access to land from their family land trust. These households may appear to be non-viable or marginal while in reality they are simply in a transitional phase.

Attributing all non-viable household to Project land acquisition in these villages would overstate the Project's impact.

To distinguish between these two types of situations, the social criteria using compensation database information were initially set according to:

1. The number of people already non-viable before they were impacted by the project and
2. Those that were made non-viable when they lost land to the project.

Completed village land surveys have demonstrated that the declarative data used to calculate non-viability often overstated the number of people dependent on the household's land and understated the amount of land available. Therefore the number of non-viable households found through a village survey presents a more accurate picture of Project impact.

Table 4: Percentage of Individuals Made Non-viable by Project Land Take According to the Declarative Database

Such data was not available when the Land Use Impact list was first calculated but now, as measured data has become available for most villages, the pre-Project non-viability criterion has been dropped. When the survey is complete and the village is open to reclassification only the current but accurate criterion of currently non-viable HH (compensated and not compensated) has been used.

Total non-viable individuals today	Value Now	Made non-viable by project	Value Now
Kairati	17.2	Maïmbaye	2.4
Madana Nadpeur	16.3	Madana Nadpeur	1.4
Koutou Nya	12.4	Merméouel	1.0
Miandoum	7.1	Miandoum	0.4
Merméouel	2.7	Kairati	0.0
Bendo	2.6	Koutou Nya	0.0
Maïmbaye	2.4	Bendo	0.0
Morkété	N/A	Morkété	N/A

While no better tool, than the declarative surveys, is available for the villages presented in Table 4, it must be noted that excessive reliance on this data could lead the reader to some interpretation errors. Please note that the villages in this table are those where no Village Land Use Survey (VLUS) has been performed.

Table 5: Percentage of Individuals Made Non-viable by Project Land Take According to the VLUS and Impact Databases

The number of non-viable households below 2/3 cordes of land per HHM is much more reliable in villages with complete VLUS data given the higher level of accuracy and the fact that the whole village is surveyed versus only Project affected households.

Village	Non-Viable project affected individuals
Poutouguem	24.1%
Madjo	14.1%
Dokaïdilti	13.5%
Ndoheuri	12.6%
Danmadja	11.9%
Béro	10.7%
Missimadji	10.3%
Ngalaba	9.1%
Dildo-Bayande	5.0%
Béla	3.9%
Bégada	2.8%
Mbanga	2.7%
Maïkéri	2.6%
Komé Ndolobe	2.2%
Mouarom	2.0%
Maïnani	0.9%
Naïkam	0.0%

Table 5, presents the data originating from the VLUS and now incorporates the information from the impact and land return surveys. First we must note that incorporation of the land return studies performed over Q3-2013 confirms that Madjo now falls in the approaching high risk level category from a social perspective. Only the proportion of Poutouguem's and Bero's populations made up of non-viable project affected individuals went up during the third quarter. This change was not sufficient to justify a modification to the risk level category.

While changes that occur may sometimes appear to be fairly significant they often result from an interaction between the Project and one or a limited number households made non-viable through land take or made viable through the return of some land. This reflects the ability of the Project to monitor the status of project affected household in the OFDA in real time.

It must also be noted that while returned land is removed from the Project's footprint immediately upon signing of the Quitus, it is only added to a household's land basket during the following production season. This ensures that the land has effectively been put back into production and who has taken advantage of the land return. As Land Return Surveys can only be performed during the ensuing cropping season, a village may remain in a higher risk category for 1, 2 or even 3 quarters after land has been returned to its population. It is only after the completion and integration of the Land Return surveys that the full impact of the returned land on the community will be reflected on its classification.

2. Socioeconomic monitoring

2.1. Village Surveys

Table 6: Total Number of HH Survey by Village

Village	Cadastral Survey Completed	Impact Survey Completed		Land Return Survey Completed		Monitoring Survey Completed	Total HH Survey Completed
		Q3-2013	Total	Q3-2013	Total		
Bégada	262	1	207	25	224	15	708
Béla	145	0	115	0	46	6	312
Béro	600	1	299	51	252	63	1214
Danmadja	102	0	81	0	57	28	268
Dildo-Bayande	276	0	40	1	8	28	352
Dokaïdilti	85	0	9	0	0	13	107
Komé	200	0	8	0	0	0	208
Madjo	130	14	137	36	136	31	434
Maikeri	141	0	74	0	35	5	255
Maïnani	111	0	63	0	17	6	197
Mbanga	269	1	207	19	113	24	613
Missimadji	24	0	4	0	1	6	35
Mouarom	85	4	33	0	29	3	150
Naïkam	54	0	2	0	1	0	57
Ndoheuri	95	0	75	0	4	4	178
Ngalaba	251	1	166	0	97	38	552
Poutouguem	61	2	51	0	30	4	146
Other villages	447	0	22	0	1	130	600
Total	3338	24	1593	132	1051	404	6386

The objective is to use the data generated by these various surveys and investigations to track each community and household over time. Ensuring that the specific impact, whether they be a land take or a land return, are accounted for and that the Resettlement option selected achieved its livelihood restoration goal. Integrating all of this information will allow tracking the communities over time ensuring that each community and individual HHH receives the kind of support which is best suited to his/her situation as well as process and performance indicators regarding the effectiveness of the Chad Resettlement and Compensation Plan (CRCP) implementing procedures.

Impact surveys: The Project is now surveying impacted HHs and integrating this information into the EMP IS on a real time basis. Twenty four new impact surveys were completed and integrated during this quarter. Most of these surveys (14/24) were related to the village of Madjo. In the case of Maikeri there appears to be a discrepancy between the fact that new land was taken (net land take of 3.0 ha) while no surveys were completed. Such discrepancies, which are not uncommon, arise because of the following phenomenon:

- The infill drilling process, which tends to have concentrated impacts in relatively areas, it can occur that few families get impacted in a significant fashion mainly if they have significant land assets.

- Although the project is now operating in real time, surveying impacted individuals shortly after the land take, there may still be situations where up to three weeks may elapse between the land take and the survey.
- Furthermore the land return process presently being implemented results in the quantities of land being returned simply exceeding the amount of land taken. As explained earlier out of 8 villages where land was taken during the quarter only 5 actually saw an increase in the project's footprint. In this way a village facing a significant reduction of the Project's footprint may still have a significant number of new Impact (land take) surveys. For example, during the third quarter Mouarom was targeted for the completion of 4 Impact surveys while the Project's footprint was reduced by 2.7 ha.

Monitoring: Four monitoring surveys were completed during the third quarter. It should be noted that 15 previously trained eligible households were interviewed during this period. These interviews made it possible to identify 14 households that are slated to receive reinforcement during the fourth quarter of 2013. The interview process makes it possible to identify an individualized reinforcement strategy best suited to the needs of the target households.

Land Return: The 2013 Land Return Survey campaign started during the third quarter. During this process over 1000 individual land units returned in 2012 and early 2013 will be surveyed in order to identify the land user and the extent to which this land has been put back into production (farmed, fallowed and abandoned). One Hundred Thirty Two Land Return surveys were completed during the quarter. Most of the surveys were related to land return activities in the villages of Bero, Madjo, Begada and Mbanga.

3.0 Milestones of Q3-2013

3.1. Two mango trees for one

Compensation of mango trees damaged or destroyed by the Project has both cash and in-kind components. Each tree affected is replaced by two young saplings, either simple or grafted, according to the choice of the beneficiary. The cash payment for a mature tree covers the value of mangos that an adult tree would have produced in the six years it takes for the sapling to reach productive age. Technical support and advice is given to the beneficiaries on the plantation and care of the trees in order to ensure that survival rate is maximized.

During the months of June and July 2013 the Project distributed 5343 mango trees to 334 beneficiaries. Each beneficiary was granted some equipment and the required training on the planting and care of the mango tree plantings.

Raymond, a land user from the village of Mbanga, had lost two unproductive mango trees to the project a couple of years ago. He thus became eligible to receive 4 replacement trees.



Raymond Nadjorngar

In May 2013 he received training and some grant equipment so that he could prepare the sites selected for plantation. A few weeks after the training program was completed, the project and representatives of the Deli nursery visited each eligible in order to ensure that they had adequately prepared the plantation areas.

The distribution of the plants got underway with the advent of the rainy season. Immediately upon receipt of his trees Raymond proceeded to plant them. He also installed the required fencing material in order to protect his trees from pasturing goats and cows that enjoy the taste of the green tender leaves of young mango plants.

The fencing material having been stolen the young trees have suffered some damage. He is planning to construct a form of barrier using woven Sorghum stocks. He is convinced that with some care he will be able to nurture these young mango trees and see them grow and become productive. While he acknowledges that this is a lot of work, he believes it is an investment in the future. Even if this investment will to a large extent be to the benefit of the next generation he feels that it will be part of his legacy.



An eligible from 2007, Raymond received training in agroforestry. For him, the new plants also represent an asset, in that they are of an improved variety that he will be able to multiply them and market saplings to his neighbors. Overall he feels that this initiative is an investment in the long term welfare and development of many households that have received the young trees and of the communities where they have been planted.

3.2 Reinforcement: Taking ownership

An eligible from the 2010 promotion Clement Djedanoum (father of 6) has been endeavoring to diversify his farm in a number of productive activities thus reducing his dependency on land base agriculture.

With his compensation, received in 2009, he invested in the purchase of a bull and of 5 cordes of land. This made it possible for him to mitigate to a large extent the immediate impact the Project had on his household and himself. But a review of his situation indicated that this effort was not sufficient to fully restore his livelihood level to pre-impact levels.

As a dry season option he had chosen small ruminant husbandry, for which he received a ram, 5 ewes and a small sheep barn. He maintained the building and expanded his heard to the point where today he has 12 breeding sheep. He has also expanded into poultry production, compost production and sale, and has now three bulls

After a full review and interview process and in view of his efforts and motivation he was believed to be an ideal candidate for participation in the reinforcement program. As a reinforcement measure he requested a new wagon, a bicycle and some additional training in animal husbandry and compost production. These support measures will allow him to:

- Expand his small but productive livestock operation by reducing the occurrence of and dealing with animal health concerns in a timely fashion.
- The profits from his livestock activities, some of which he has deposited with the credit union, will be used to purchase an inventory of peanuts during harvest. He will store these in the community grain storage facility, granted by EEPCI to the village as a community compensation measure. He will liquidate the inventory during the rainy season when the price has peaked thus speculating.
- He will rent the wagon to other farmers generating additional cash income. About 60 000 XFA's per year. This rental income will be used to maintain the wagon and to create an emergency fund for his family (to be used mainly to manage health issues).
- The bicycle will give him easier access to his fields, improving his ability to manage them productively and freeing some time that he can devote to other income generating activities.

Overall Clement is an enterprising individual who has the will to be successful and to take good care of his family. With the additional support he has just received from the project he is confident that he will be able to move on toward self-sufficiently.



Clement Djedanoum and his spouse



Conclusion

A number of new activities were ongoing during the third quarter such as the 2013 rainy season Improved Agriculture Training program, delivering the reinforcement to a first group of selectees and the underground facilities (flow line, underground cable etc.) return strategy. While these activities have started to have significant positive impacts, on villagers and their communities, only time will allow us to measure their level of performance.

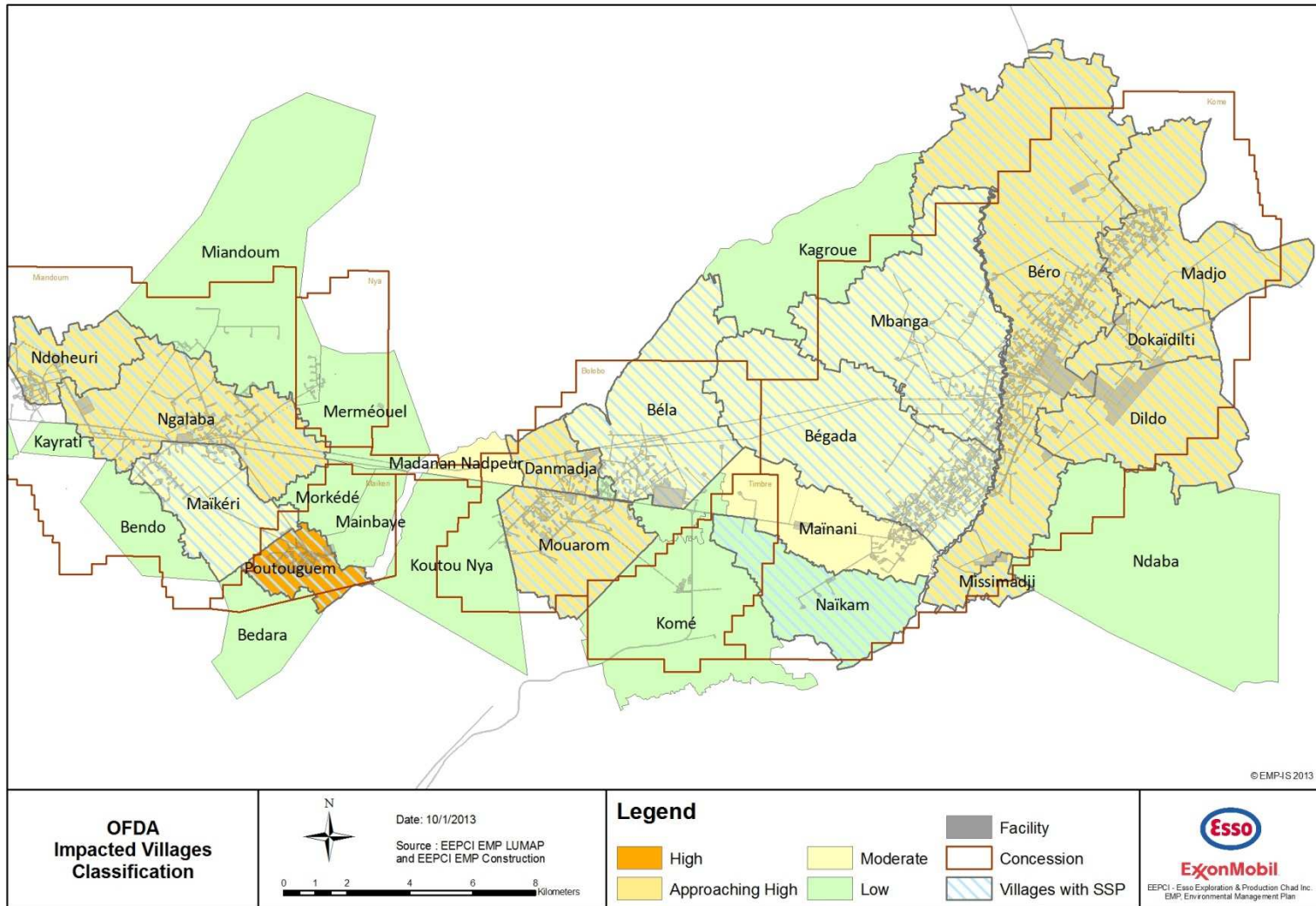
From this report we can make the following conclusions:

1. Project's footprint reduced by 16.5 ha.
2. Three (3) villages changed classification during this quarter. Madjo and Missimadji moved down from a high to an approaching high impact situation while Bela moved also down from an approaching high to a moderate category.
3. 21 eligibles (2013 promotion) started the Improved Agriculture Training with the rainy season crops production portion of the program.
4. 29 eligibles (2012 promotion) entered into the post training portion of the Improved Agriculture Training Program.
5. 14 eligibles started the reinforcement process.
6. 29 eligibles completed their reinforcement process.
7. Monitoring process ongoing with 46 previously trained eligibles.
8. Distributed 5 343 mango trees to 334 beneficiaries. Each beneficiary also received additional grant equipment and the required training on the planting and care of the mango tree plantings.
9. A cadastral survey of three villages, of the Nya Moundouli oil field was completed.
10. Developed and launched a new process to accelerate the return of lands associated with overhead power lines.
11. Progressed Land Return Survey process for parcels returned in 2012 and early 2013 ongoing. Process to be completed by February 2014. 132 surveys Land Return Surveys completed.

The project continues to have important positive effects on communities and many individuals whether they are Project affected and eligible for resettlement or not.

Annex 1

OFDA Village Impact Map



Annex 2: Village Classification Criteria's

Land Use Criteria

The criteria concerning Land Use impact represents the percentage of village area used by the project within each village. The boundaries of the village used to set the village area are not official and are computed based on a global survey of the village limits. The thresholds between levels of impact represent "natural breaks" or large numerical gaps in between villages.

Calculation of Land Use Impact

The final percentage used to classify the village's level of impact is computed by adding the "temporary" land not yet returned to the land permanently used by the project:

$$\frac{\sum \text{Permanent Not Returned} + \text{Temporary Not Returned}}{\sum \text{Village Area}}$$

Thresholds	
High	≥11%
Approaching High	7% - 10.9%
Moderate	3% - 6.9%
Low	0% - 2.9%

Initial Classification with Compensation Data

Criterion 1: % all non-viable individuals/all individuals in the village

Description: Percentage of all project-affected individuals in the village currently below the resettlement factor of 2/3.

Rule:

$$\frac{\sum (\text{All individuals below } 2/3 \text{ cordes after land take})}{\text{Village Population}}$$

Threshold:

Threshold Criteria 1		
	Min	Max
High	50.1%	100%
Approaching High	30.1%	50%
Moderate	20.1%	30%
Low	0%	20%

This criterion includes people who were already non-viable before the Project.

Criterion 2: % individuals in the village made non-viable by project land take/all individuals in village

Description: Percentage of the number of individuals that were economically viable before surrendering land/feeling any project impact (the resettlement factor > 2/3) but who became agriculturally non-viable upon surrendering land/ after project impact (the resettlement factor < 2/3 cordes).

Rule:

$$\frac{\sum (\text{All individuals that were not eligible before land take \& are eligible after Land take})}{\text{Village Population}}$$

Threshold:

Threshold Criteria 2		
High	20.1%	100.00%
Approaching High	15.1%	20.00%
Moderate	9.1%	15.00%
Low	0%	9%

This criterion cannot be calculated with village land survey results and is no longer applied when a change in village impact classification is calculated.

Criterion 3: Reclassification with Village Survey data

Description: When a village reclassification is calculated and village survey data is available, a single criterion is used. This criterion represents all the members of the non-viable compensated households compared to the population of the village:

Rule:

$$\frac{\sum \text{All members of non-viable compensated Households}}{\text{Village Population}}$$

*This statistic excludes non-viable households with resettlement options

Threshold:

Threshold Criteria 3		
High	15.1%	100.00%
Approaching High	10.1%	15.0%
Moderate	5.1%	10.0%
Low	0%	5.0%