

Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Second Quarter 2012

**Prepared by the EMP Department
August 2012**

Table of Contents

	Page
Executive Summary	4
1.0. Village Classification	6
1.1. Land Use Criteria and Trends	7
1.2. Compensated and Returned Land by Land Use Type	9
1.3. Socio-Economic Criteria	10
2.0. Socio-Economic Monitoring	12
2.1. Surveys: Status Update	12
2.2. Cadastral survey of Ndoheurie Dogoi (Miandoum NW)	13
3.0. Milestones of Q1-2012	
3.1. Kome Base transfers its Buckaroo to the Village of Kome	15
3.2. From crop residues to a cow, a farmer's hopes	16
Conclusion	17
Annex 1: OFDA Village Map	
Annex 2: Village Classification Criteria's	

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 it dependents, regardless their age.
IAT	International Finance Corporation
IFC	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 EEPCI Oil Project (Project) 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 Second Quarter 2012 (2Q12) Village Impact summary:

- **3** High impact villages (Poutouguem, Danmadja and Missimadji)
- **6** approaching high villages
- **5** moderate impact villages
- **15** low impact villages

No village changed category during the last the second quarter of 2012.

Seven villages saw an increase in the Project’s footprint (table 2). The village which saw the biggest increase was Bela with an increase of 17 ha. It must be noted that the Project’s footprint was **reduced** by slightly more than 15 ha during the 2Q12.

The primary accomplishments of 2Q12 are:

EMP-IS

- Put in place, in partnership with EMP-Land Take team, a strategy to accelerate the return of flow-lines through a bundling process addressing in this way our will to accelerate the reduction of our footprint while addressing to a large extent the fragmentation issue.
- Completed cadastral survey for Ndoheuri and Dogoi (Miandoum NW).
- Continue the follow up of households impacted by the project, using improved impact survey process.
- Started Land Return Survey process for parcels returned in 2011.
- Revision of land management manual.

Resettlement Program

- Held a workshop in order to review the performance of the Five Steps of Reflection held in November and December 2011.
- Held a workshop in order to review the performance of the Improved Agriculture Training Program in 2011.
- Organize a workshop to review the performance of the Basic Literacy program (BBS).
- 29 eligibles completed the 2012 basic literacy program (BBS) and started the rainy season portion of their training program.
- All 90 members of the 2011 promotion completed the dry season portion of the Improved Agriculture Training Program (optional program).
- Completed the distribution of grant equipment associated with optional dry season program of the 2011 promotion.

- Implemented the new Livelihood Restoration Monitoring survey program, developed and tested by ISM-Consult. This process is based on a series of interviews used to identify the reinforcement process most appropriate for the previously trained eligibles, which are deemed to be at risk.
- Completed monitoring survey for 50 previously trained eligibles.
- Completed the monitoring survey with the 29 eligible from the 2012 promotion in order to establish a baseline. This base baseline will serve as a reference point against which the results of the post training monitoring will be compared.

Community Compensation and Supplemental Community Compensation Program

- Completed the mini-MARP process for Missimadji; they selected a flour mill.
- Started the preparation of a SSP for the village of Ndoheuri, on the basis that the data collected in the cadastral survey be completed during the quarter.
- Implemented a review of the 53 water supply systems (drilled wells) constructed in the OFDA over the last 10 years.

Interaction with World Bank

- Completed preparation and publication of the Annual Individual Restoration Report for 2011.
- Completed and published Q4-2011 Village Impact report.
- Completed and published Q1-2012 Village Impact report.
-

Work Plan for Third Quarter 2012(3Q12)

- Complete implementation of reinforcement process with 18 identified eligibles and complete interview process with 45 other at-risk individuals.
- Complete and publish SSP for Miandoum NW (Ndoheuri-Dogoi)
- Complete construction of Missimadji's flour mill
- Hold workshop with Cedifop
- Progress rainy season portion of the IAT program with the 2012 promotion.
- Distribute equipment and livestock complement for 2012 promotion.
- Advance and if possible complete Land Return Survey process.
- Move forward with accelerated land return process (Flow Line Project). Achieve by the end of 2012 reduction in footprint of 200 ha for 6 oil fields of OFDA as presented in this present report.
- Prepare evidence book for ECMGs fall mission.
- Finalize and publish Naikam's SSP report. (Miandoum NW)
- Continue with the revision of the Land Management Manual (revision 8).
- Complete preparation of framework for Nya Moundouli's Cadastral Survey.

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 – 2Q12	Villages - 1Q12
High	<ul style="list-style-type: none"> • Poutouguem • Danmadja • Missimadji 	<ul style="list-style-type: none"> • Poutouguem • Danmadja • Missimadji
Approaching High (Watch List)	<ul style="list-style-type: none"> • Bero • Dokaïdilti • Ngalaba • Bela • Dildo-Bayande • Maïkéri 	<ul style="list-style-type: none"> • Bero • Dokaïdilti • Maïkéri • Ngalaba • Dildo-Bayande • Bela
Moderate	<ul style="list-style-type: none"> • Madjo • Mbanga • Maïnani • Madana Nadpeur • Begada 	<ul style="list-style-type: none"> • Madjo • Mbanga • Maïnani • Madana Nadpeur • Begada
Low	<ul style="list-style-type: none"> • Ndoheuri • Kaïrati • Bendo • Mouarom • Meurmeouel • Kome • Ndolobe • Miandoum • Morkete • Naïkam • Maïmbaye • Koutou Nya 	<ul style="list-style-type: none"> • Ndoheuri • Kaïrati • Bendo • Mouarom • Meurmeouel • Kome • Ndolobe • Miandoum • Morkete • Naïkam • Maïmbaye • 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 have a Site Specific Plan (SSP).

* 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 must be noted that a reduction of the project's footprint in Bero resulted in the village moving from the high to the approaching high category. The decision to reduce the project's impact level category at this time is also based on the fact that very significant tracks of land should be returned to this community over the next quarter possibly resulting in further downward trend of the Project's potential impact.

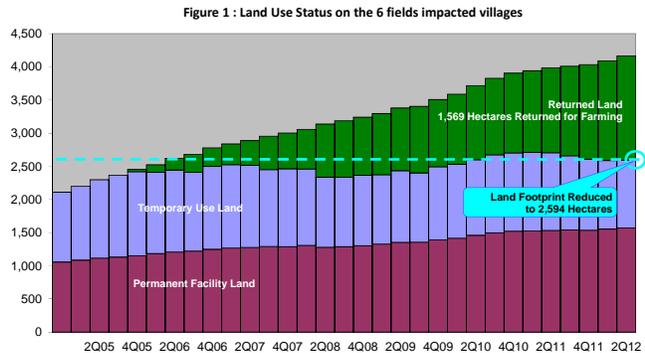
As per the LUMAP, Site Specific Plans (SSP) were developed for the most impacted villages (12 villages). Villages for which an SSP was prepared are presented in bold in Table 1 (page 6). In all villages where SSPs were completed and fully implemented (10 villages), only low residual impacts remain. While no villages changed category some adjustment in the ranking took place reflecting the increased level of land take in Bela and reduced level of land use by the project in Maikeri.

Site specific plans (SSPs) have been fully implemented in all but two (2) communities. For two of the villages concerned with this process (Dokaïdilti and Bero 3) the construction of the selected community compensation item is ongoing in Dokaïdilti and should start at the end of the rainy season in Bero III.

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 acquired land (in the three original fields) was **reduced** by slightly more than 15 ha during the 2Q12. Generally speaking the Project's footprint has maintained a downward trend over the last 7 quarters in spite of the establishment of new facilities.



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 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 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 it also reflects the situation of villages located in the newer development areas of the OFDA (Maikeri, Timbre and Nya oil fields).

During the second quarter 2012, 11 villages saw an actual reduction in the Project's footprint on their territory, 7 saw no change and 7 villages were affected by an increase of the Project's footprint. While Bela was affected by an increase in the Project's footprint of 17.4 ha we must note that the area occupied by the project at present is lower than the peak land use in this village (presently 195.9 against a maximum of 225 ha). In the case of Danmadja the net footprint growth 8.9 ha results

in an increase of the maximum land take which presently stands at 63.6 ha or 14.5% of the area of the village. **The fact that the Project's impact during this quarter was mainly focused on few villages does reflect the reality associated with the infilling process.** Similarly land return mainly took place in Mouarom, Begada, Dildo, Ngalaba, Maikeri and Mbanga, five villages targeted in the two first quarters of 2012 for infill drilling.

Table 2: Land Use by Village in OFDA.

Village	Total area (ha)	Maximum land use (ha)	Land use Q1 2012		Land use Q2 2012		Delta (ha)
			%	(ha)	%	(ha)	
Danmadja	480	69.6	12.6%	60.7	14.5%	69.6	8.9
Ngalaba	2120	330	12.0%	254.8	11.8%	249.1	-5.7
Missimadji	181	60	11.4%	20.7	11.4%	20.7	0
Béro	5713	664.6	10.9%	621.1	10.8%	618.8	-2.3
Mouarom	1350	159	11.4%	153.7	10.5%	141.7	-12
Dokaidilti	689	157	10.5%	72.3	10.4%	71.5	-0.8
Dildo-Bayande	1890	203	10.0%	188.4	9.5%	179.5	-8.9
Bégada	3272	348	9.5%	310.4	9.2%	300.8	-9.6
Béla	2200	225	8.1%	178.5	8.9%	195.9	17.4
Maikéri	1245	112.8	9.0%	111.7	8.5%	106.1	-5.6
Poutouguem	562	62	8.3%	46.8	8.3%	46.8	0
Mbanga	3044	253	6.8%	207.5	6.7%	203.2	-4.3
Madjo	2138	148.8	6.1%	129.5	6.0%	127.4	-2.1
Mainani	1386	86.3	5.9%	81.5	6.0%	82.5	1
Madana Nadpeur	295	17.3	5.7%	16.7	5.9%	17.3	0.6
Kairati	187	6	2.9%	5.4	2.9%	5.4	0
Ndoheuri	812	37.1	2.8%	22.8	2.9%	23.4	0.6
Meurmeouel	1128	22	1.9%	21.4	1.9%	21.5	0.1
Miandoum	4061	62	1.5%	59.6	1.5%	59.6	0
Naikam	1445	28	1.1%	16.4	1.1%	16	-0.4
Komé Ndolobe	2441	81	1.0%	25.2	1.0%	23.9	-1.3
Bendo	761	17	0.9%	6.9	0.9%	6.9	0
Koutou Nya	1818	9.4	0.5%	8.9	0.5%	9.4	0.5
Mainbaye	420	1.3	0.3%	1.3	0.3%	1.3	0
Morkété	440	7	0.1%	0.5	0.1%	0.5	0
Total	40078		6.5%	2622.7	6.5%	2598.8	-23.9

* Land use = permanent + temporary not returned

OFDA = Concessions of Kome, Timbre, Bolobo, Miandoum, Maikeri 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. Sections 2.2 highlight the impact of this updated information on the situation of the villagers of Ngalaba.

If we consider the maximum land use of the Project, each of the 25 villages, on which such data is presented in the table 2, has known a reduction of its footprint in relation to its land use peak. It should be noted that although 7 villages have seen the project's footprint increase, during the last quarter, the Project has returned more land over the last few years than it is presently taking.

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, have been integrated into the roster of the 2012 Resettlement Promotion, presently undergoing literacy.

As we forge 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 a thorough review of the processes leading to and including the Five Steps of Reflection. This revised process was used in the later portion of 2011. It resulted in a further integration of all of the EMP team members involved in the process such as the Local Community Contacts (LCC), the Socio-economic Monitors, EMP IS System Administrators and Database Specialists, the survey teams (Synergy, Impact, Fragmentation and Land Return), Socioeconomic Advisor, and EMP Socioeconomics Supervisors and the resettlement and community compensation contractor management firm (ISM Consult). In doing so our goal was 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 Process sustainably 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.

As was presented in Table 2 (page 8) the data presented below (Table 3 on page 11) confirms that land returned more than compensated for new land take with a net footprint decrease over the quarter. During the last quarter 46.2 ha of land was compensated for, by the Project, while 61.6 ha were returned to the communities. Overall, this resulted in 15.4 ha of net land return during this period.

Most (69%) of the land compensated during the second quarter was for temporary use and should be returned in the fall as soon as weather conditions make rehabilitation possible. It must be noted that land returned in the temporary category (58.2 ha) exceeded new temporary land take (32.0), by a significant margin. The Project actually had a net reduction in its temporary land use of 26.2 ha during the quarter. A number of initiatives have started during this quarter in order to accelerate the return of land associated with underground facilities (mainly flow lines). As 926.1 ha are still to be returned in these two categories, returning but a portion of this area would have a significant impact on the project's footprint. While it is still early to judge the level of success of these initiatives, preliminary results for the month of July are fairly positive with more than 100 ha having been returned.

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

Land use type	Total area (hectares)			2Q12 (hectares)	
	Compensated	Returned		Compensated	Returned
Sub-Total - Permanent with public access-	715.1	40	6 %	9.1	1.6
Sub-Total – Permanent with no Public access	999	102.9	10 %	5.1	1.8
Sub-Total Permanent	1714.1	142.9	8 %	14.2	3.4
Borrow Pit	545.9	421.6	77%	12.0	-4.1
Others	25.7	17.4	68%	-0.2	-0.0
Sub-Total – Temporary returned without restriction	571.6	439.0	77%	11.8	-4.1
Underground facility	1005.3	421.0	42%	13.0	51.0
OHL	328.9	80.2	24%	-0.5	-0.5
Well Pad	543.3	485.9	89%	7.6	11.8
Sub-Total – Temporary returned with restriction	1877.6	987.1	53%	20.2	62.3
Sub-Total Temporary	2449.2	1426.1	58%	32.0	58.2
Grand Total	4163.3	1569.0	38%	46.2	61.6

- 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.
- "1Q2011: Compensated" shows the total hectares compensated during the quarter covered in this report.
- "1Q2011: Returned" shows the total hectares returned during the quarter covered in this report.
- 6 fields = Kome, Bolobo, Miandoum, Maikeri, Nya and Timbre
- Negative numbers indicate corrections to the data.

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.

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 village is open to reclassification only the current but accurate criterion of currently non-viable HH (compensated and not compensated) has been used.

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

Total non-viable individuals today	Value Now	Made non-viable by project	Value Now
Kaïrati	17.2	Madana Nadpeur	1.4
Madana Nadpeur	16.3	Merméouel	1.0
Koutou Nya	13.9	Miandoum	0.6
Miandoum	8.2	Kaïrati	0.0
Bendo	4.1	Koutou Nya	0.0
Merméouel	2.7	Bendo	0.0
Benguirakol	2.6	Benguirakol	0.0
Maïmbaye	2.1	Maïmbaye	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

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.

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

Village	Non-Viable project affected individuals
Poutouguem	17.5 %
Danmadja	16.0 %
Dokaïdilti	13.5 %
Madjo	10.9 %
Béro	10.7 %
Missimadji	10.3 %
Ngalaba	8.6 %
Dildo-Bayande	5.0 %
Béla	5.0 %
Ndoheuri	4.3 %
Mouarom	3.9 %
Bégada	3.3 %
Mbanga	3.1 %
Maikeri	2.6 %
Komé Ndolobe	2.2 %
Maïnani	1.2 %
Naikam	0.0 %

Table 5, presents the data originating from the VLUS and now incorporates the information from the impact and land return surveys. You will note that following the completion of a cadastral survey in Ndoheuri between March and May it has been removed from table 4 to be incorporated in table 5. In view of this new data we can confirm that Ndoheuri is considered to be a low impact village both in terms of land take and the proportion of at risk individuals affected by the project.

It must be noted that while the proportion of non-viable project affected individuals living in Bela was reduced from 5.1% to 5.0% this was sufficient to move it from a moderate to a low risk village in terms of the socio-economic criteria in use. The proportion of Danmadja's population made up of non-viable project affected individuals went down slightly during the second. 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 household made non-viable through land take or made viable through the return of some land. This reflects the ability to monitor the status of project affected household in the OFDA in real time.

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 Surveys completed total	Total HH Survey completed
		Q2-2012	Total	Q2-2012	Total		
Bégada	263	5	181	0	138	13	595
Béla	145	1	78	1	32	6	261
Bero	602	15	214	2	91	53	960
Danmadja	102	9	66	0	40	27	235
Dildo-Bayande	276	0	34	0	7	23	340
Dokaïdilti	85	0	9	0	0	12	106
Komé	200	1	3	0	0	0	203
Madjo	131	0	73	2	61	22	287
Maikeri	141	5	61	0	18	4	224
Mainani	112	1	21	0	3	6	142
Mbanga	270	2	195	0	26	24	515
Missimadji	24	1	4	0	1	6	35
Mouarom	85	4	15	0	23	3	126
Naikam	54	2	2	0	1	0	57
Ndoheuri	95	0	0	0	0	1	96
Ngalaba	251	10	150	0	47	36	484
Poutouguem	61	0	31	0	25	0	117
Other villages	18	0	17	0	1	105	141
Total	2915	56	1154	5	514	341	4924

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.

Cadastral surveys: As outlined earlier a cadastral survey of Ndoheuri was completed during the second quarter of 2012. This effort required the survey of 95 households. This new information will make it possible to abandon the declarative data previously used and have a far more accurate understanding of the impact the project has had on this community and its residents.

Impact surveys: The Project is now surveying impacted HHs and integrating this information into the EMP IS on a real time basis. 56 new surveys were completed and integrated during this quarter. Most of these surveys were related to the villages of Bero, Ngalaba and Danmadja. In the case of Bela there appears to be a discrepancy between the amount of land taken (17.4 ha) and the number of surveys (only 1). This situation, which is not uncommon, arises because of two phenomena:

- 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. In the case of Bela most of the land take took place in late June, too late for surveys to be completed within the same quarter.

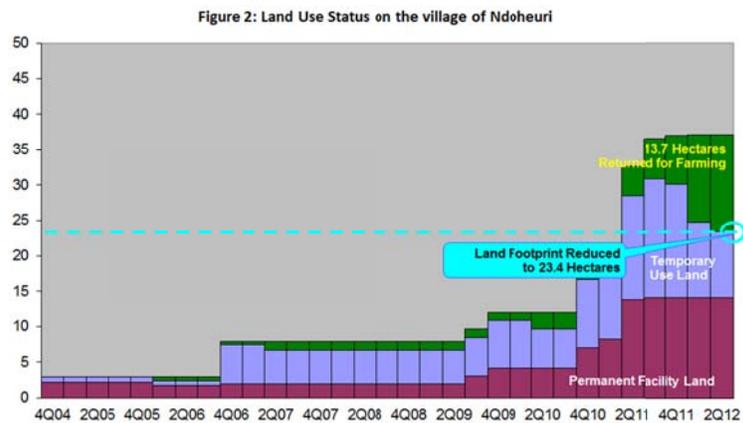
- There is also a boundary effect when wells are built at the limit of a village. While the land may be taken from one village, in this case Bela, the land users may in fact be residents of the neighboring village. An analysis of the data shows that this may also be the case as 5 impact surveys were completed in Mouarom, a contiguous village to Bela, while this village saw a reduction of the projects footprint (-12 ha).

Land Return: As is the case for the impact surveys the land surveys are presently being done in real time. 64 Land Return surveys were completed during the quarter. Most of the surveys were related to land return activities in the villages of Begada, Bero, Madjo and Bela. The fact that 20% of these surveys took place in Madjo is related to the reduction in the project’s footprint and the ensuing improvement of the village impact classification.

Livelihood Restoration Monitoring: The first stage of the monitoring process is now completed. 68 individuals were interviewed and have identified the type of reinforcement which is best suited to their need, of these 18 have started their reinforcement process. The monitoring process for 2012 has been launched. During the last quarter 79 individuals were surveyed. Of this number, the 29 that make up the 2012 promotion will be surveyed in an effort to create a baseline or reference point from which we will be able to measure our progression in the future.

2.2 Ndoheurie (Miandoum NW) summary of findings

Ndoheuri (Miandoum canton) is the latest of 17 OFDA villages to be surveyed. While it was affected only in a limited fashion by the development of the oil fields in the initial stages of the drilling program, it was targeted in 2010 following the identification of a small field known as Miandoum NW. A number of wells and service facilities have since been established in this community. As of June 30th these facilities occupied 23.4 ha out of a village land area of about 700 ha, or about 2.9% of the village’s area. Although the Project as occupied 37.1 ha of land at one time or another the rehabilitation and return of unneeded land as made it possible to maintain the footprint at as low a level as possible. At present Ndoheurie is considered to be a low impact village both in terms of project land use and its impact on the population of this community.



With an average household size of 5.4 persons and an average population age of 19.5 it is in general fairly representative of the villages of the OFDA. Some notable facts can nonetheless be outlined:

- 15% of households are headed by women. This is slightly higher than what is found in comparable villages. The average number of women headed households in small villages (less than 150 households) averages 12.8 %.

Table 8: Distribution of Households and individuals by Eligibility Factor

Range	Nbr HH	Nbr Individual
0.000 – 0.667	11 (12%)	75 (15 %)
0.668 – 0.999	7 (7 %)	61 (12 %)
1.000 – 2.499	49 (52 %)	265 (52 %)
2.5000 -	28 (29 %)	113 (22 %)
Total	95 (100 %)	514 (100 %)

- 90 individuals or 17.5% of the population have received a form of compensation at one time or another. This is much lower than the situation in the OFDA region where about 70% individuals have received a form of compensation. This probably reflects the fact that the development has been concentrated in a relatively small part of the village affecting only a small number of relatively large land owners.
- 92 % of the area of the village is either actively cultivated or being fallowed. Although residents of this village farm very little land outside its limits they still have access to 15.98 cordes or 2.96 cordes of farm land per family member.
- With only 4.3 % of its population which is made up of non-viable project affected individuals, this village is considered to be a low impact category for the socio-economic criteria.

Contrary to what as generally occurred moving from far less accurate declarative data to the declarative data resulted in a significant increase rather than reduction in the percentage (going from 2.0% to 15.0 %) of households that are deemed

Table: 9 Number of Non-viable households as per declarative VS VLUS data

	Total non-viable	Non-viable project affected
Declarative data	2.0%	0.0%
VLUS data	15%	4.3%

to be non-viable (below 0,67 cordes per household member). This increase was not as dramatic as one may expect, if one considers the fact that only 4.3% of the population was identified as project affected non-viable. The analysis conducted confirmed that Ndoheurie remains in the low impact category in terms of both the social and land take criterion. Notwithstanding this fact we recommend that an SSP should be prepared for this village and reviewing the need for a supplemental compensation. This recommendation is based on the fact that our footprint has grown by a fairly significant margin over the last few years to the point where this village is at the upper limit of the low category in terms of land-take. If we make abstraction of the land returned over the last two quarters this village would be in the Moderate impact category rather than the low impact one, which was the case in late 2011.

3.0 Milestones of Q2-2012

3.1. Kome Base transfers its Boukarou to the Village of Kome

Over the first two quarters of 2012, EEPIC embarked into an ambitious surplus inventory disposal program. As part of this program all kinds of items, ranging from cooking utensils to beds and mattresses, were identified, collected and distributed to various grass roots organizations in the

region. In the selection of the recipients' priority was given to health, educational and other community based non for profit organizations located in or servicing the OFDA. Since the start of this program, over 30 containers of material have been distributed to hundreds of such organization for the greater benefits of the people of the OFDA and surrounding areas. For example as a result of this initiative hundreds of beds were distributed to local health centers where patients used to lay on the ground.

As a part of this initiative, more substantial surplus assets were also identified. One of these is the Boukarou located next to Kome Base. A few weeks ago this structure was handed over to the community of Kome. As expressed by Mr. Theophile Pinabei, Superintendent EMP of ESSO, during the ceremony: "This modest donation is a sign of the appreciation of the partnership that has existed between the villagers of Kome village, their traditional representatives, local Administrative authorities, the government of Chad and ESSO."

The participants, representing the traditional, administrative and civil authorities, expressed the wish that this building will benefit the village of Kome as a whole and other surrounding communities. With good care it will benefit the community for many years to come, and will hopefully be a focal point for its development



3.2 From crop residues to a cow, a farmer's hopes.

An eligible from the 2011 promotion, Mathieu Ndjedanoum has a small farm where he focuses his energy on the production of Sorghum and a small flock of sheep. While land base agriculture



Mathieu's sheep barn and flock as granted by Project

contributes to the dietary needs of his household in a major way he recognizes that he must seek other means of sustaining his and his family's needs. His project is to acquire a cow and start a small cattle breeding herd.

While this strategy is a sound one and will further diversify him away from land base agriculture, he must first find a way to gather up the capital required to buy a cow. To do so he must first increase the income generated by his limited land base. With more income from his crops he will be able to save up some money and buy the desired livestock.

He feels confident that he will achieve his goal by using the new techniques he learned during the

Improved Agricultural Training Program. One of the practices he is focusing on is composting. Mathieu is convinced that the production of compost from corn cobs, peanut shells, crop residues, cow dung and droppings from his sheep will generate a high quality soil fertilizer/amendment that will boost his yields. If he manages to meet his sorghum requirements on a smaller area he will be able to produce more peanuts, a very profitable cash crop.

In a 1.5 X 2 meter hole he applied successive layers of leafy material, of dung and of food/crop residue. With the support he received from a technical advisor, paid



Mathieu and his EEPCI advisory team by his compost pit



Mathieu in front of his Sorghum field

by the project, he was able to produce 20 wheelbarrows worth of compost, which he then applied to his fields. During a monitoring visit, which took place a few days ago, Mathieu was very proud to show the project's monitoring team the extent of his success. His sorghum stands at more than 2 meters after only a few weeks. He is very confident that he will get an excellent yield. If he does manage to save enough to buy a cow he will gain a new source of income but also a new source of dung with which he will make more compost to make his land even more fertile. Already he has started to prepare a new compost

pit for next year's crop. With the birth of a number of new lambs, a good looking sorghum crop the potential of a cow, he is feeling fairly optimistic about the future even if new challenges are bound to occur.

Conclusion

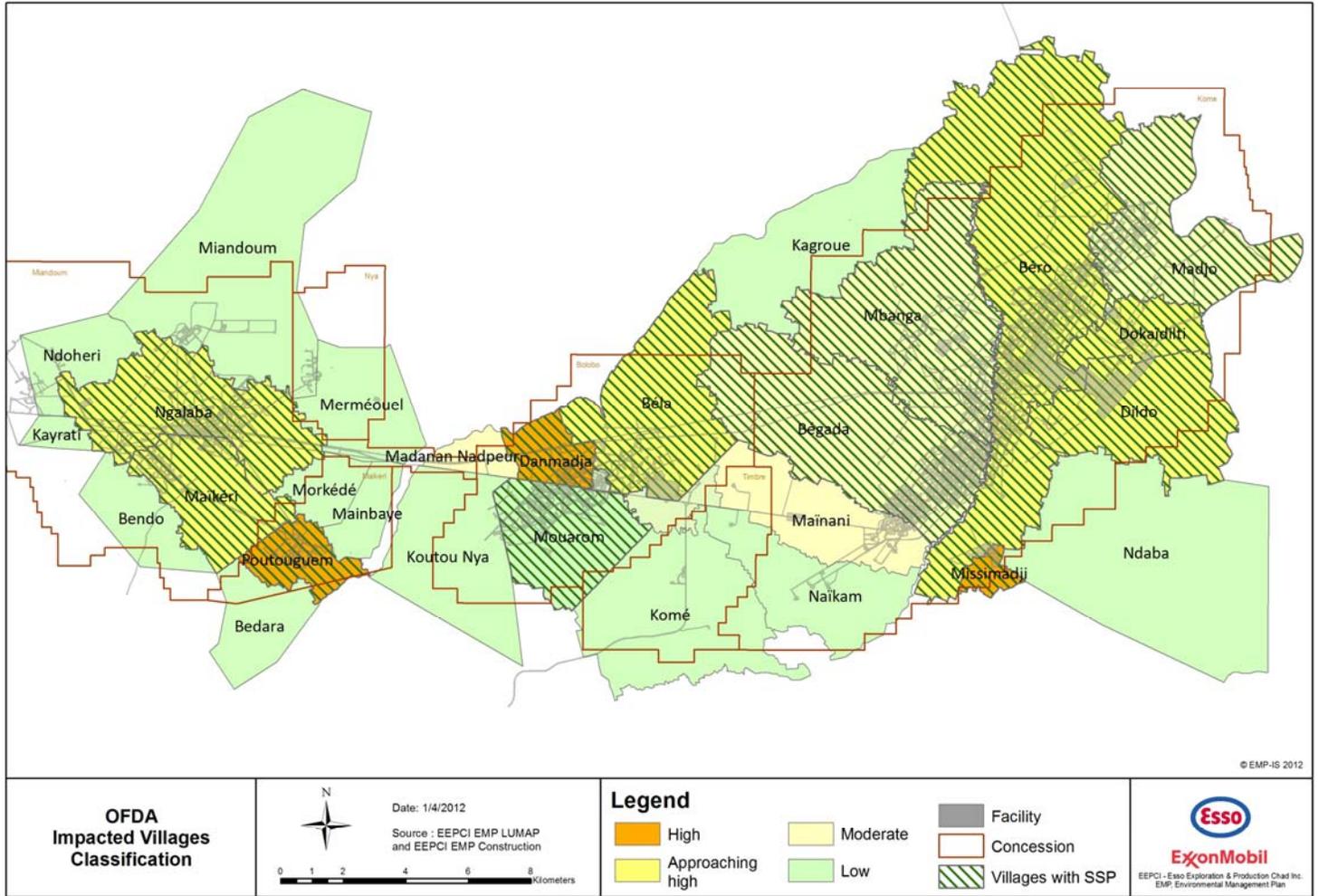
A number of new activities were started in the second quarter such as the 2012 rainy season Improved Agriculture Training program, delivering the reinforcement to a first group of selectees and the flow line return strategy. While these activities bode well for the future of our programs it is as yet too early to measure their performance and impact on villagers and their communities. The completion of a cadastral survey in yet another village as made it possible to get a clearer picture of the true impacts of the project. The management of the survey information on a real time basis, one of the great achievements of 2011, continues to have great impacts on our efficiency in dealing with situations when needed.

From this report we can make the following conclusions:

1. Land reclaimed and returned has exceeded the Project land take net reduction of 15 ha in the projects footprint.
2. Site Specific Plan for the village of Ndoheurie is underway.
3. Village of Missimadji selected their Community Compensation Option through the Mini-MARP process. Construction of the flour mill they opted for was well underway by the end of the Quarter.
4. While some minor changes took place in their "Village Impact Classification" no village changed category.
5. The project continues to have important positive effects on communities and many individuals whether they are Project affected and eligible for resettlement or not.
6. 215 villagers, of which 29 eligibles, completed the post-literacy program which ended in late March.
7. All Community Compensation Management Committees established during the 2011 campaign have received training and support in terms of cash, inventory, and human resource management.
8. Monitoring of 50 previously resettled eligibles completed, data being processed. Results should be available within third quarter.
9. Completed the monitoring survey of the 29 eligible from the 2012 promotion in order to establish a baseline. This base baseline will serve as a reference point against which the results of the post-training monitoring will be compared.
10. A new initiative was launched in the second quarter of 2012 in order to accelerate the return of land associated with flow lines and other underground facilities.

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 land 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%