Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Fourth Quarter 2012

Prepared by the EMP Department
February 2013

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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 it 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 EEPCI Oil 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 Fourth Quarter 2012 (4Q12) Village Impact summary:

- **2** High impact villages (Missimadji & Poutouguem)
- **6** approaching high villages
- **7** moderate impact villages
- **11** low impact villages

Two Villages changed classification during this quarter. Danmadja moved down from a high to an approaching high impact situation and Maikeri moved down from an approaching high to a moderate impact situation. While not changing category two other villages went down on the risk rating ranking. All of these changes are a result of the emphasis put on land return, by the Project during the last two quarters.

Three villages saw an increase in the Project's footprint (table 2). The village which saw the biggest net increase was Madjo with an increase of 5.2 ha. It must be noted that the Project's overall footprint was **reduced** by slightly more than 166 ha during the 4Q12 (Table 3).

The primary accomplishments of 4Q12 are:

EMP and EMP-IS

- Continue Implementation of a new strategy to accelerate the return of flow-lines through a bundling process addressing in this way, EEPCI's will to accelerate the reduction of our footprint and to a large extent the fragmentation issue. Over this quarter 167.7 ha of land associated with flow lines was returned to communities.
- Continue the follow up of households impacted by the project, using improved impact survey process.
- Completed Land Return Survey process for parcels returned in 2011, 217 surveys completed in 2012.
- Completed revision of land management manual.
- Established list of eligibles for 2013 promotion.
- Established list of eligibles to receive reinforcement in 2013
- Hosted mission to prepare Project Report (Winner & Associates' mission)
- Donation of Moundou camp to the local community

Resettlement Program

- 29 eligibles completed the rainy season portion of their training program.
- 29 eligibles started the dry season training program
- Completed steps of reflection program with 21 eligibles of the 2013 promotion
- All 90 eligibles of the 2011 promotion continuing in the second year of the Improved Agricultural Training Program.

Community Compensation and Supplemental Community Compensation Program

- Held community consultation (mini-MARP) in order to select Supplemental Community Compensation initiative preferred by Ndoheuri's population. Consensus was reached resulting in the selection of a one classroom school.
- Construction of school ongoing in Ndoheuri.
- Harvest completed in Dokaidilti on a portion of the rice fields established as part of their Supplemental Community Compensation.

Interaction with World Bank

- Completed Q3-2012 Village Impact report.
- Completed preparation of evidence book for 2012 ECMG/IFC.
- Hosted 2012 ECMG/IFC mission.

Work Plan for First Quarter 2013(1Q13)

- Launch BBS program with 21 eligibles of 2013 promotion.
- Complete delivery of dry season equipment complement for 2012 class.
- Complete second year of IAT training for 90 eligibles of 2011 promotion.
- Complete implementation of reinforcement process with 18 identified eligibles.
- Start implementation of reinforcement process for 15 previously trained eligibles who were selected for reinforcement in 2013 these will be added to the 29 other previously identified eligibles that could not be integrated in the 2012 reinforcement program.
- Complete Q4-2012 Village Impact report
- Complete Annual Individual Livelihood Restoration Report for 2012
- Contribute to preparation of Semi-Annual Project Update Report (second semester 2012)
- Complete establishment of Bero III's Supplemental Community Compensation (Rice field)
- Complete establishment of Dokaidilti's Supplemental Community Compensation (Rice field)
- Complete establishment of Ndoheuri's Supplemental Community Compensation (School)
- Continue to move forward with accelerated land return process (Flow Line Project).
- Review and comment on report from ECMG/IFC mission.
- Launch cadastral surveys in three villages of the Nya Moundouli field.

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 socio-economic 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 – 4Q12	Villages - 3Q12
High	• **Poutouguem** • **Missimadji**	• **Poutouguem** • **Danmadja** • **Missimadji**
Approaching High (Watch List)	• **Danmadja** • **Bero** • **Dokaïdilti** • **Ngalaba** • **Dildo-Bayande** • **Bela**	• **Bero** • **Dokaïdilti** • **Ngalaba** • **Bela** • **Dildo-Bayande** • **Maïkéri**
Moderate	• **Maïkéri** • **Madjo** • **Mbanga** • Maïnani • Madana Nadpeur • **Begada** • **Ndoheuri**	• **Madjo** • **Mbanga** • Maïnani • Madana Nadpeur • **Begada** • **Ndoheuri**
Low	• Bendo • **Mouarom** • Meurmeouel • Kome • Ndolobe • Miandoum • Kaïrati • Morkete • Naïkam • Maïmbaye • Koutou Nya	• Kaïrati • Bendo • **Mouarom** • Meurmeouel • Kome • Ndolobe • Miandoum • Morkete • Naïkam • Maïmbaye • Koutou Nya
Low (Declared low through other processes)*	• Bedara* • Bekia 2 • Bekia 3	• 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 should be noted that two Villages changed classification during this quarter. Danmadja moved down from a high to an approaching high impact situation and Maikeri moved down from an approaching high to a moderate impact situation. While not changing category two other villages

went down on the risk rating ranking scale. All of these changes are a result of the emphasis put on land return, by the Project during the last two quarters.

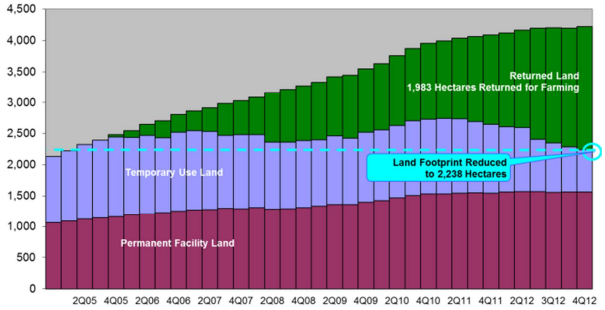
A Site Specific Plan (SSP) was completed and is presently being implemented for the village of Ndoheuri which is the village that saw the largest footprint increase by the project over the last two consecutive quarters.

As per the LUMAP, Site Specific Plans (SSP) were developed for the most impacted villages (14 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 (11/14 villages), only low residual impacts remain.

Site specific plans (SSPs) have been fully implemented in all but three (3) communities. For two of the villages concerned with this process (Dokaidilti and Bero 3) the construction of the selected community compensation item (rice fields) has started in 2012 and should be completed in the first quarter of 2013. The village of Ndoheuri selected a one room school which is presently being construction. The infrastructure associated with all 3 ongoing initiatives should be delivered by the end of the present quarter (Q1-2013).

1.1 Land Use Criteria and Trends

Figure 1 : Land Use Status on the 6 fields impacted villages



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 six fields of the OFDA) was **reduced** by almost 170 ha, or 7 %, during the Q4-12. The footprint as it stood on December 31st 2012 was the lowest it has been in 7 years, (Q2-2005).

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 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 fourth quarter of 2012, 16 villages saw an actual reduction in the Project's footprint on their territory, 6 saw no change and 3 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 5.2 ha. Ndoheuri which again saw the project's footprint during the fourth quarter should receive its community compensation item by the end of Q1-2013.

Table 2: Land Use by Village in OFDA.

Village	Total village area (ha)	Maximum land use (ha)	Land use Q3 2012		Land use Q4 2012		Delta
			%	(ha)	%	(ha)	(ha)
Missimadji	181	60	11.4%	20.7	11.4%	20.7	0
Béro	5713	664.6	10.7%	609.9	10.4%	592.4	-17.5
Danmadja	480	69.6	11.1%	53.2	10.2%	48.9	-4.3
Dildo-Bayande	1890	203	9.5%	180	9.5%	179.8	-0.2
Ngalaba	2120	330	11.1%	235.3	9.2%	195.8	-39.5
Dokaïdilti	689	157	9.1%	62.7	9.1%	62.7	0
Mouarom	1350	159	9.1%	122.7	8.1%	110	-12.7
Béla	2200	225	8.3%	183.3	7.8%	171.1	-12.2
Poutouguem	562	62	8.3%	46.8	7.3%	40.8	-6
Bégada	3272	348	7.8%	256.1	7.3%	238.8	-17.3
Maïnani	1386	90	6.5%	90	6.5%	90	0
Maïkéri	1245	112.8	8.3%	103	5.9%	73.1	-29.9
Mbanga	3044	253	5.7%	174.3	5.5%	166	-8.3
Madjo	2138	148.8	5.0%	106.9	5.2%	112.1	5.2
Ndoheuri	812	37.1	3.4%	27.9	4.0%	32.2	4.3
Madana Nadpeur	295	17.3	3.1%	9	3.1%	9	0
Naïkam	1445	28	1.3%	18.3	1.3%	18.5	0.2
Meurmeouel	1128	22	1.3%	14.2	1.2%	14	-0.2
Miandoum	4061	62	1.3%	53.1	1.0%	42.1	-11
Komé Ndolobe	2441	81	0.9%	21.7	0.9%	21.7	0
Kaïrati	187	6	2.9%	5.4	0.7%	1.4	-4
Bendo	761	17	0.9%	7	0.5%	3.6	-3.4
Koutou Nya	1818	9.4	0.5%	9.4	0.5%	8.4	-1
Mainbaye	420	1.3	0.3%	1.3	0.3%	1.2	-0.1
Morkété	440	7	0.1%	0.5	0.1%	0.5	0
Total	40078		6.0%	2412.7	5.6%	2254.8	-157.9

* Land use = permanent + temporary not returned

OFDA = Concessions of Kome, Timbre, Bolobo, Miandoum, Maïkeri 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, 24 of the 25 villages on which such data is presented in table 2 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, presently completing the literacy training program (BBS).

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. It has contributed to further integrate all of the EMP team members involved in the process such as the Local Community Contacts (LCC), the Socio-economic Monitors and Coordinators, 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 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

	Total area (hectares)			4Q12 (hectares)	
Land use type	Compensated	Returned		Compensated	Returned
Sub-Total - Permanent with public access-	723.7	59.4	8 %	4.1	13.2
Sub-Total – Permanent with no Public access	1007.9	111	11 %	3.4	4.9
Sub-Total Permanent	**1731.6**	**170.4**	**10 %**	**7.5**	**18.1**
Borrow Pit	558.0	448.5	80%	13.3	0.0
Others	29.1	21.4	74%	0.6	0.6
Sub-Total – Temporary returned without restriction	**587.1**	**469.9**	**80%**	**13.9**	**0.6**
Underground facility	1021.8	761.8	75%	0.0	167.7
OHL	328.9	80.3	24%	0.3	0.0
Well Pad	552.6	501.1	91%	6.3	8.3
Sub-Total – Temporary returned with restriction	**1903.3**	**1343.2**	**71%**	**6.6**	**176.0**
Sub-Total Temporary	**2490.4**	**1813.1**	**73%**	**20.5**	**176.6**
Grand Total	**4222.0**	**1983.5**	**47%**	**28.0**	**194.7**

- 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.
- "4Q2011: Compensated" shows the total hectares compensated during the quarter covered in this report.
- "4Q2011: Returned" shows the total hectares returned during the quarter covered in this report.
- 6 fields = Kome, Bolobo, Miandoum, Maïkeri, Nya and Timbre
- 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 land returned more than compensated for new land take with a net footprint decrease over the quarter. During the last quarter 28 ha of land was compensated for, by the Project, while 194.7 ha

were returned to the communities. Overall, this resulted in 166.7 ha of net land return during this period.

Although 9 villages were affected by new land take during the fourth quarter the emphasis recently put on land return resulted in only 3 villages seeing an increase in the project's footprint. For example in the case of Ngalaba the return of 51.6 ha of land more than compensated for 12.1 ha of new land take, in fact it made it possible to achieve a net reduction of the projects footprint or 39.5 ha.

This new process (flow line return) resulted in the return of 167.7 ha in addition to the return of 27 ha through normal processes or a grand total of 194.7 ha of land being returned during the quarter.

Most (73%) of the land compensated during the third quarter was for temporary use and has started to be returned during the last months as improved weather conditions have made rehabilitation possible. It must be noted that land returned in the temporary category (176.6 ha) exceeded new temporary land take (20.5), by more than eight folds. The Project actually had a net reduction in its temporary land use of 156.1 ha during the quarter. An initiative started during the third quarter in order to accelerate the return of land associated with underground facilities (mainly flow lines) was maintained and resulted in most of the net gain made. As 560.1 ha are still to be returned in the temporary category, returning but a portion of this area would have a significant impact on the project's footprint.

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	7.3	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 %
Dokaïdilti	13.5 %
Danmadja	11.9 %
Madjo	11.2 %
Béro	10.6 %
Missimadji	10.3 %
Ndoheuri	8.7 %
Ngalaba	7.5 %
Dildo-Bayande	5.0 %
Mouarom	4.1 %
Béla	3.9 %
Bégada	2.8 %
Mbanga	2.7 %
Maïkéri	2.6 %
Komé Ndolobe	2.2 %
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. Two major changes have occurred over the last quarterly report. First we must note that incorporation of the impact studies performed in Ndoheuri over Q4-2012 confirms that this village falls in the moderate risk level category. Inversely, the compilation of the land return questionnaires prepared in Danmadja, a community where a lot of land return has taken place, confirms the downgrade from a high to an approaching high risk level category. Similarly the proportion of Madjo's, Ngalaba's, Bela's, Begada's and Mainani's populations made up of non-viable project affected individuals went down during the fourth quarter. This change was not sufficient to justify a downgrade of 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 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. It must 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 profited from the land return.

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
		Q4-2012	Total	Q4-2012	Total		
Bégada	**263**	10	**206**	45	**199**	13	**681**
Béla	**145**	3	**114**	3	**46**	6	**311**
Béro	**602**	28	**280**	61	**189**	53	**1124**
Danmadja	**102**	3	**80**	6	**57**	27	**266**
Dildo-Bayande	**276**	3	**38**	0	**7**	23	**344**
Dokaïdilti	**85**	0	**9**	0	**0**	12	**106**
Komé	**200**	0	**3**	0	**0**	0	**203**
Madjo	**131**	9	**82**	21	**87**	22	**322**
Maïkeri	**141**	3	**67**	14	**33**	4	**245**
Maïnani	**112**	33	**58**	7	**17**	6	**193**
Mbanga	**270**	3	**205**	42	**89**	24	**588**
Missimadji	**24**	0	**4**	0	**1**	6	**35**
Mouarom	**85**	0	**15**	4	**29**	3	**132**
Naïkam	**54**	0	**2**	0	**1**	0	**57**
Ndoheuri	**95**	23	**23**	4	**4**	1	**123**
Ngalaba	**251**	7	**160**	34	**88**	36	**535**
Poutouguem	**61**	0	**31**	1	**26**	0	**118**
Other villages	**18**	4	**21**	0	**2**	103	**144**
Total	**2915**	129	**1398**	242	**875**	339	**5527**

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. 129 new surveys were completed and integrated during this quarter. Most of these surveys were related to the villages of Maïnani, Bero, Ndoheuri and Begada. In the case of Bero there appears to be a discrepancy between the fact that no new land was taken (net land return of 12.7 ha) while of 28 impact surveys were completed. This situation, which is not uncommon, arises because of the following phenomenon:

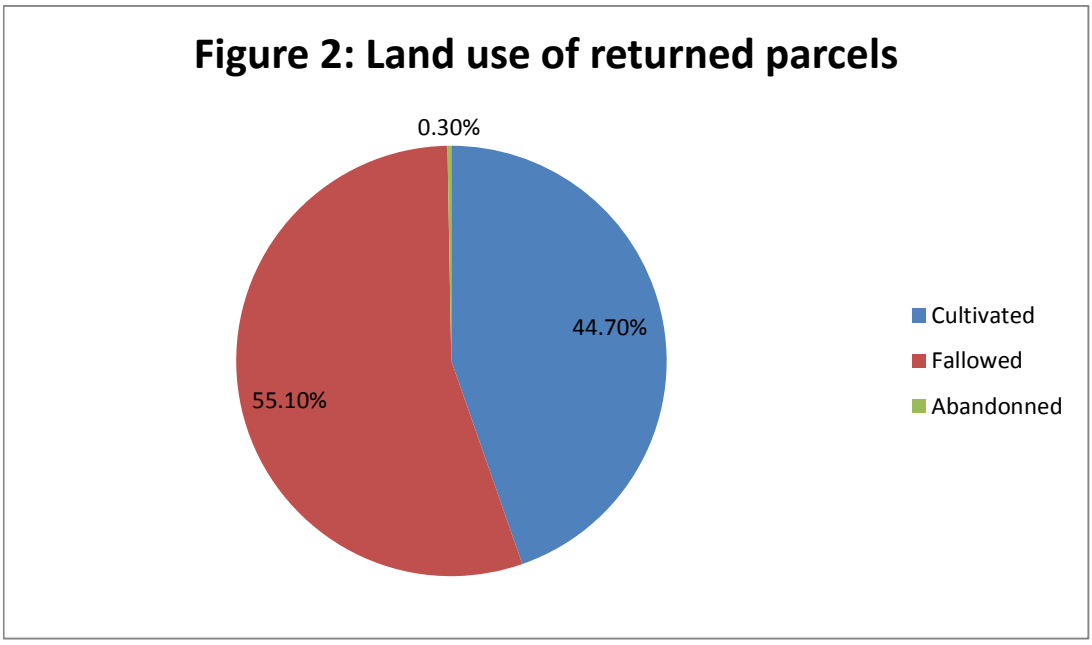
- Although the project is now operating in real time, surveying impacted individuals shortly after the land take, there may still be situations were up to three weeks may elapse between the land take and the survey. In the case of Bero most of the land take took place in late September, too late for surveys to be completed within the second quarter.
- Furthermore the land process presently being implemented results very large quantities of land that may simply exceed the amount of land taken. As explained earlier out of 9 villages where land was taken only 3 actually saw an increase in the project's footprint.

2.2 Results from land return surveys 2012

As is the case for the impact surveys the land surveys are presently being done in real time, or during the next production season following land return. 242 Land Return surveys were completed during the quarter. Most of the surveys performed during the last quarter were related to land return activities in the villages of Maïnani, Bero, Ndoheuri and Begada.

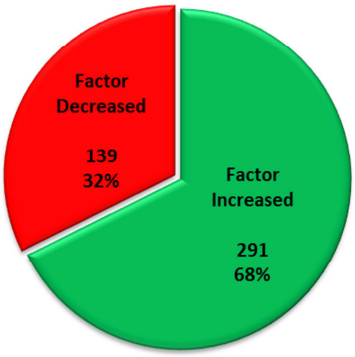
Over 2012 we will thus have identified the beneficiary and level of use of the land associated with the return of 217 facilities. In view of the fact that the return of one facility may benefit multiple households the interview process collected information on the state of 353 households.

An analysis of the information collected indicated that 99.7% of the return land was incorporated into the land basket of the surveyed households. While 44.7% of the returned was put into production immediately, 55.1% of the land was left in fallow to be brought into production in the near future. The remainder, or 0.3%, is slated to be abandoned. It must be noted that the decision to classify a returned parcel of land as fallow (thus usable for agriculture) or abandoned (unusable for agriculture) is left solely to the discretion of the beneficiary. (see figure 2)



As one household may receive land from a number of facilities the status of one household may have been measured a number of times during the year. As some of these 353 households have been surveyed more than once, we have monitored 430 distinct impacts.

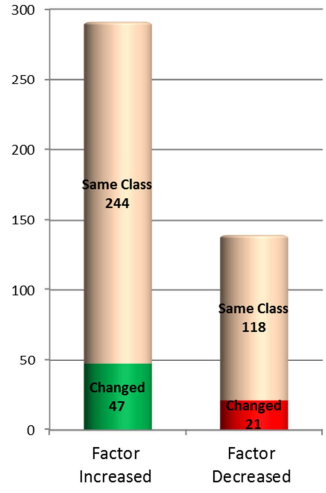
Figure 3: Eligibility Factor Evolution



Before we take a closer look at the results regarding the impact of land return on households we must note that land ownership is a very fluid process as land moves fairly readily from one household/individual to another. This may result in situations where a household's eligibility factor may have decreased notwithstanding the fact that a household may have recovered land from the project. In fact this was the case for 139 households (32% of surveyed HHs). In 68% of cases (291 cases) the household's eligibility factor was improved following the land return process.

A change of the eligibility factor may not necessarily result in corresponding change in the household's eligibility classification. The change in the eligibility factor may simply not have been sufficient to nudge the household above or below the threshold for the next class. In fact only 16% of 68 changed classification. As illustrated in figure 4, the trend is similar whether the eligibility factor went up or down.

Figure 4: Eligibility Factor Classification



As was discussed in previous reports land take and land returned by the project most often will not drive a change in eligibility factor classification. Most of the time changes in the eligibility factor classification of households occur as they gain or lose members or as land moves from one household or individual to another.

3.0 Milestones of Q2-2012

3.1. Steps of reflection: Eligibles choose their resettlement option.

One of the highlights of the third quarter was the selection of the eligibles of the 2013 class and the various activities associated with the steps of reflection. Ensuring that the eligibles make an informed choice as to the resettlement option best suited to their need is a critical aspect of the resettlement process. Making the wrong decision at this point may result in wasting time and resources that could potentially be better invested somewhere else.

The **first** of four meetings is dedicated to the information of the chief, the elders of the village and the sub-prefect. Their role is essential in guiding the eligibles and understanding both the project's commitment toward their community but also the commitment that must be made by the eligibles themselves if this process is to succeed. The level of implication of the community's leadership is a key factor in the success of the process. One of the main objectives of this meeting is to seek a commitment from the village's leadership that they will actively participate in all meetings to take place.

The **second** stage of the process involved the eligibles of the community, under the watchful eyes of their leadership. During this meeting, representatives of the project outlined the process to take place over the next few weeks and described the various options available to eligibles. The two main options outlined, were:

- Improved agriculture: Description of skills to be acquired and of the equipment complement available to eligibles. In addition to a thorough description of the curriculum of the rainy season portion of the program each of the dry season options was outlined (livestock husbandry, small ruminant's husbandry, food processing, vegetable production…..).
- Various relocation and land management options that may assist an eligible in using remote resources or acquiring more land.

During the **third** session eligibles who have successfully completed their resettlement option in previous years outlined the key success factor required in order to succeed, and the opportunities available in the various fields of training available. Eloi Natodjingar outlined what he has gained by following the Improved Agriculture Training Program. While he explained that the practices, skills and tools that would be offered to them had the potential to greatly improve their lives this would only take place if they put them in practice. The key to success was mainly their willingness to make the effort to adapt and progress.

Figure 5: Eloi Natodjingar eligible of Madana Nadpeur

During the **fourth** and final session the eligibles selected their resettlement option. Those that chose Improved Agriculture training were also called on to select an option amongst the various program offered. Considering their individual situation and the area of training best suited to their needs all 21 eligibles selected Improved Agricultural training as their Resettlement option, while 20 selected cattle production, only one selected sheep production.

3.2 Ndoheuri's Public Consultation (Mini MARP)

The Project, with the support of the Local Community Contact (LCC) used various social tools such as the MARP (a participative consultation process) to help the village of Ndoheuri to evaluate its assets, abilities, liabilities in the light of the Project's impact. The community had to evaluate its needs, the costs of maintenance, assess its capacity to sustain the investment and to ensure the upkeep of the new community improvement. The community as a whole makes a choice among the options available to a village with a similar level of Project Impact (in this case the village could choose between 5 options (School, grain storage, shea butter extraction unit, peanut oil extraction unit and a water well)). The pros and cons are discussed with the Project's team and government representatives as part of the consensus seeking process. The participation of representatives of the government is essential in order to ensure the proposed project is in harmony with government policies and Chadian legislation.

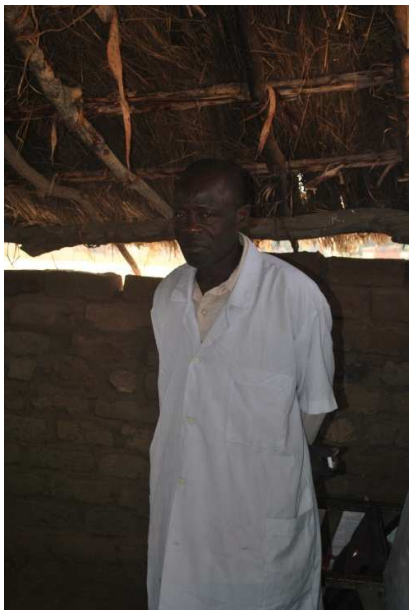


Figure 6: Luc Reouhigim, head master Ndoheuri School

On November 17th, 2012 65 members of this community, representing the villages leadership, women groups and even children chose a one room school building by unanimous decision.

As expressed by Luc Reouhigin, head master at Ndoheuri's village school, this choice was justified by:

⇒ Low level of literacy in the community;

⇒ Existence of a registered school in the village;

⇒ Poor state of repair of the existing school buildings;

⇒ Ngalaba's school is too far for their children in general (2 km) and mainly for the little ones;

Figure 7: One of Ndoheuri's existing school building

Figure 8: CP1 And CP2 class of Ndoheuri

⇒ Sustaining the existing building is a major recurring task, as materials are difficult to gather.

⇒ Teaching conditions in existing buildings are poor at best.

The new building which is presently under construction should be available before the next school year, offering a good start to the little ones of this community.

3.3 Reinforcement for 2012, where are we at.

Resettlement eligible persons who have received prior training in Improved Agriculture or Off Farm skills, who have been assiduous in applying their training, but who need either more training or support in an area that will make a true impact on their livelihood may be eligible to a form of reinforcement. It is hoped that with at least some training in a sector that can be sustained in the context of the OFDA they will be able to restore or surpass their former level of livelihood. Restoring or surpassing the previous level of livelihood is the prime objective of the CRCP.

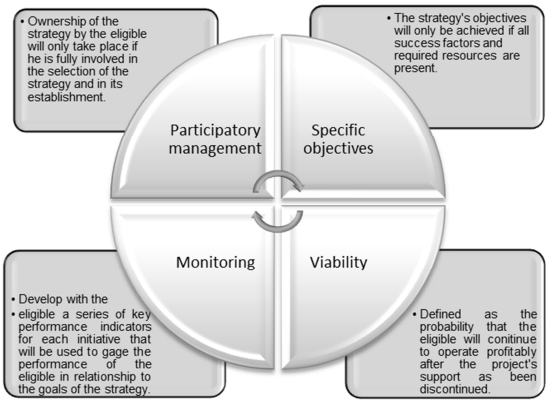


Figure 9: Individualized / participative reinforcement process.

In order to be effective, such an effort must be unrestricted and address the needs of the eligible in a viable activity. The Project thus opted for an individualized or case-by-case approach.

As illustrated in figure 9, all participants must take ownership of their own recovery process in order for this approach to be successful. The eligible be a key player in the development of his own strategy but he also has to demonstrate that he is able and willing to make a tangible contribution in terms of time, effort, energy and even assets in order to achieve what must be his goal. The Project would than take a support role rather than a leadership role.

In early 2012 Benjamin Nadjiwanan was identified as being eligible to reinforcement. While he had graduated from the Improved Agriculture Training (IAT) Program (sheep production option) in 2010 and had demonstrated the willingness to help himself he had not yet achieved the desired level of livelihood recovery.

Figure 10: Benjamin Nadjiwanan of Dildo

Having maintained his sheep barn, implemented the practices learned during the AIT and slightly expanded his original herd was ample demonstration that he had the will to move forward. The interview process confirmed that sheep farming was a suitable endeavor for him but that his herd was too small to get going.

He requested 5 additional ewes in order to accelerate the development of his herd. In exchange he made the commitment to build a second sheep barn and to accumulate sufficient quantity of forages to feed his herd and their new born during the dry season.

Over the last year he has more than doubled the size of his herd going from 7 to 15 and has only sold one ram. The proceed from this sale made it possible for him to pay for the tuitions of his children and buy a young ewe in replacement of the ram he had sold, thus maintaining his herd and diversifying its' genetic. When asked of his vision, he says that one day he hopes to have a herd of more than 100 that will help to sustain his family.

Conclusion

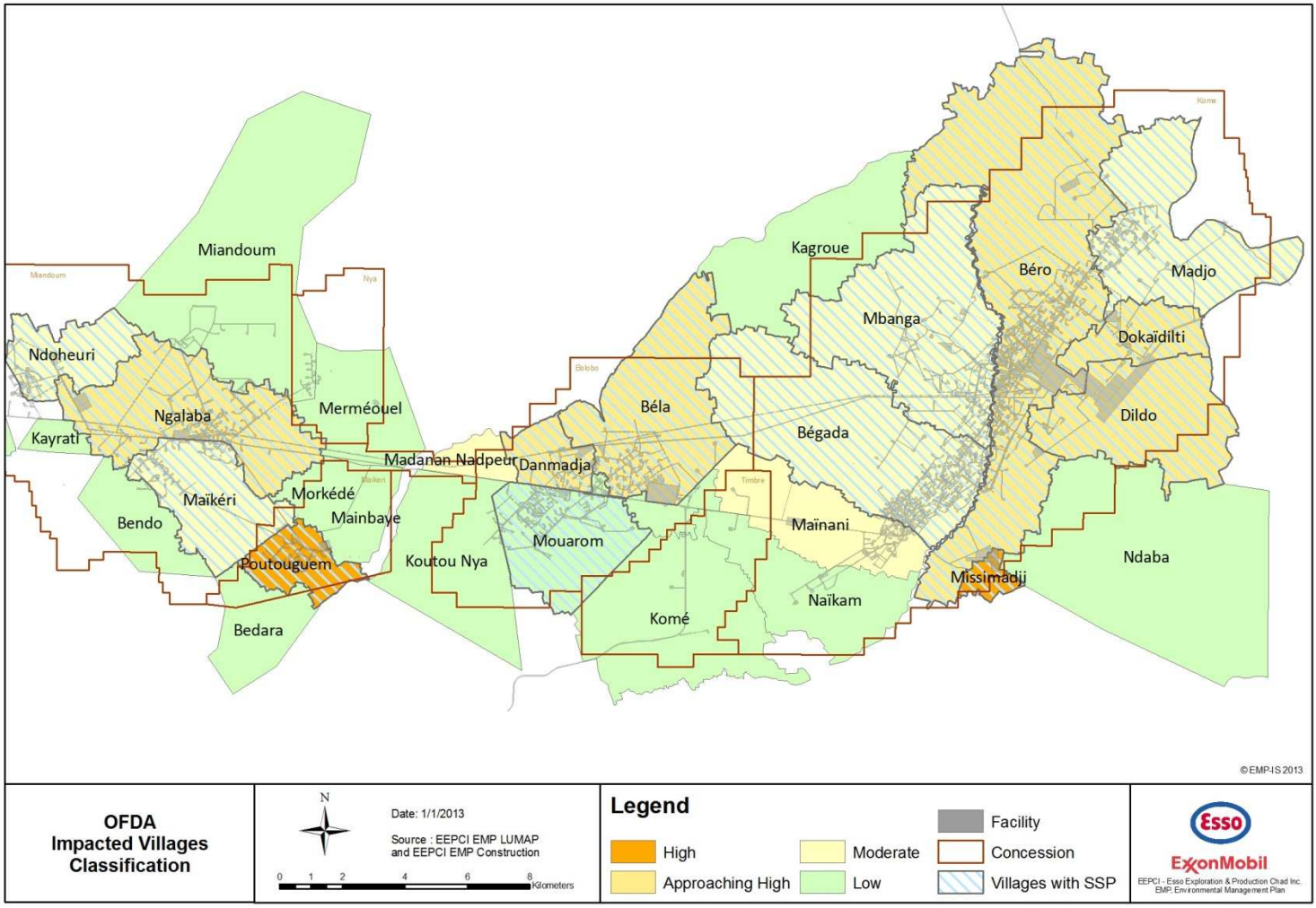
A number of new activities were ongoing during the Fourth quarter such as the 2012 rainy season Improved Agriculture Training program, delivering the reinforcement to a first group of selectees and the underground facilities (flow line, underground cable etc.) return strategy. While these activities 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 166.7 ha following the return of 167.7 ha of flow lines and underground facilities.
2. Finalized list of 21 eligibles to receive resettlement in 2013.
3. Steps of reflection process for 2012 was completed with 21 eligible villagers.
4. Ndoheuri completed the selection of their Supplemental Community Compensation item (a school). Launched construction of one room school building.
5. Launched construction of Bero III's Supplemental Community Compensation initiative.
6. Harvest for first rice crop was completed in Dokaidilti's new rice fields. (Supplemental Community Compensation)
7. Two Villages changed classification during this quarter. Danmadja moved from a high to an approaching high impact situation and Maikeri moved from an approaching high to a moderate impact situation. While not changing category two other villages went down on the risk rating ranking. All of these changes are a result of the emphasis put on land return, by the Project during the last two quarters.
8. The project continues to have important positive effects on communities and many individuals whether they are Project affected and eligible for resettlement or not.
9. 15 previously trained eligibles were selected for reinforcement in 2013 these will be added to the 29 other previously identified eligibles that could not be integrated in the 2012 reinforcement program.
10. Completed land return surveys for parcels returned in 2011 and early 2012 and finalized integration of data in EMP IS
11. Completed review of revision 8 of the Land Management Manual.

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:

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

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:

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

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%**