

Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Fourth Quarter 2013

Prepared by the EMP Department

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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	
2.1. Surveys: Status Update	13
2.2. Results from the VLUS of Bemira	14
2.3. Results from the VLUS of Benguirakol	15
2.4. Results from the VLUS of Moundouli	16
3.0. Milestones of Q4-2013	
3.1. Monitoring of 29 reinforced eligibles	17
3.2. Communication strategy concludes	18
Conclusion	19
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.
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 Fourth Quarter 2013 (4Q13) Village Impact summary:

- 1 High impact villages (Poutouguem)
- 10 Approaching high villages
- 5 Moderate impact villages
- 12 Low impact villages

Only one (1) village changed classification during this quarter. Bela moved up from a moderate to an approaching high classification.

Four (4) villages saw an increase in the Project's footprint while thirteen (13) saw a reduction (table 2, page 8). The village which saw the biggest net increase in 4Q13 was Kome-Ndolobe with an increase of 6.7 ha. During this quarter the village of Mouarom saw a reduction of the project's footprint of 17.7 ha, while the percentage of individuals made-non-viable by the Project's land take rose slightly. It must be noted that the Project's overall footprint was **reduced** by 46.9 ha during the 4Q13 (Table 3, page 9).

The primary accomplishments of 4Q13 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.
- Completed Q3-2012 Village Impact report and Posted onto ESSO-CHAD website.
- Preparation of the SSP for Bemira, Benguirakol and Moundouli ongoing.
- Finalized list of eligibles to be resettled in 2014, Identified 32 individuals who are eligible to the resettlement program.

Resettlement Program

- 29 eligibles (2012 promotion) in process of the post training portion of the Improved Agriculture Training program.
- 21 eligibles (2013 promotion) in process of completing the Improved Agriculture Training with the rainy season crops production portion of the program and started the dry season or optional portion of the program.
- 2013 reinforcement program implemented for 14 individuals, monitoring ongoing.
- 29 individuals who completed reinforcement in Q3-2013 where surveyed/monitored in order to evaluate their situation post reinforcement.
- Monitoring process completed with 72 previously trained eligibles, 30 were selected for reinforcement in 2014.
- Completed the steps of reflection with the 32 previously identified eligible individuals, all of whom have chosen the IAT program as a resettlement option.

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

Grievance management

- Grievances initiated during Q4-2013: 91
- Grievances paid during Q4-2013: 43
- Grievances closed during Q4-2013: 103
- Backlog as of Dec 31st, 2013 : 13

Community consultation and awareness campaign

- 81 meetings
- 2 729 participants
- Main topics
 - Procedure of quitus signature;
 - Reclamation procedure;
 - Theft and vandalism acts in project installations;
 - Cadastral activities awareness;
 - Malaria awareness campaign;
 - Safety on roads;
 - Risks of taking bath in borrow pits and other stagnant waters
 - Risks of well pads bolts removal/Thefts;
 - Risks of used of well pads court yards for agricultural use.

Work Plan for First Quarter 2014(1Q14)

- Continue implementation of reinforcement process with 14 identified eligibles.
- Launch implementation of reinforcement process with up to 30 other identified eligibles
- Launch BBS for 32 eligibles from 2014 promotion.
- Complete Q4-2013 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.
- Implement the training program for fifteen (15) animal health auxiliaries.

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 – 4Q13	Villages - 3Q13
High	<ul style="list-style-type: none"> • Poutouguem 	<ul style="list-style-type: none"> • Poutouguem
Approaching High (Watch List)	<ul style="list-style-type: none"> • Danmadja • Béro • Dildo-Bayande • Madjo • Dokaidilti • Ngalaba • Ndoheuri • Missimadji • Mouarom • Bela 	<ul style="list-style-type: none"> • Danmadja • Béro • Dildo-Bayande • Madjo • Dokaidilti • Ngalaba • Ndoheuri • Missimadji • Mouarom
Moderate	<ul style="list-style-type: none"> • Begada • Maïkéri • Mbanga • Maïnani • Madana Nadpeur 	<ul style="list-style-type: none"> • Bela • Begada • Maïkéri • Mbanga • Maïnani • 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"> • Kome-Ndolobe • Meurmeouel • 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 one village changed classification during this quarter. Bela moved up from a moderate to an approaching high impact level situation.

As per the LUMAP, the Site Specific Plan (SSP) was developed to monitor the state of the most impacted villages (15 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 (15/15 villages), only low residual impacts remain.

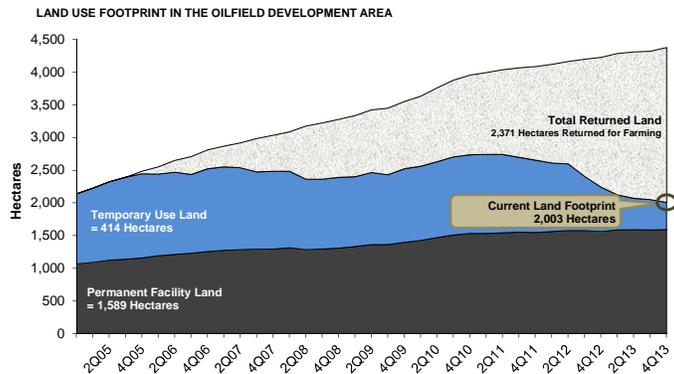
During the last quarter, implementation of the site specific plans (SSPs) for the villages of Dokaidilti and Bero 3 were completed. While the construction of the selected supplemental community compensation item (rice fields) has started in 2012 and was completed in the second quarter of 2013, some further activities associated with Improved Rice Production Training were completed in December 2013.

While some information regarding three villages of the Nya-Moundouli field are presented within this report, these villages are not yet incorporated into the village classification and other aggregate statistics. A one-time adjustment will take place in the next quarterly report following which all information regarding these communities and some others will be incorporated within the report. The report will thereon reflect the impact of the project on all communities in ESSO controlled oil producing areas of Chad.

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 46.9 ha, or about 2.3 %, during the Q4-2013. The footprint as it stood on December 31st 2013 (2003 ha) 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 fourth quarter of 2013, 13 villages saw an actual reduction in the Project's footprint on their territory, 8 saw no change and 4 villages were affected by an increase of the Project's footprint. The village which saw the biggest net increase was Kome-Ndolobe with an increase of 6.7 ha while the village of Mouarom saw a net reduction of 17.7 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 Q3 2013		Land use Q4 2013		Delta (ha)
			%	(ha)	%	(ha)	
Poutouguem	562	62	10.5%	59.1	9.8%	55.1	-4
Dildo-Bayande	1890	203	9.3%	175.2	9.1%	172.3	-2.9
Ngalaba	2120	330	8.7%	184.4	8.8%	185.6	1.2
Béro	5713	664.6	8.6%	493.3	8.5%	485.2	-8.1
Danmadja	480	69.6	9.1%	43.7	8.3%	39.9	-3.8
Mouarom	1350	159	8.6%	116.5	7.3%	98.8	-17.7
Dokaïdilti	689	157	7.8%	54	7.3%	50.3	-3.7
Béla	2200	225	6.9%	151.3	7.0%	153.9	2.6
Maïkéri	1245	112.8	6.1%	75.9	6.1%	75.9	0
Ndoheuri	812	50.6	6.2%	50.6	5.9%	48.2	-2.4
Bégada	3272	348	6.1%	200.3	5.9%	194.1	-6.2
Madjo	2138	148.8	5.9%	125.9	5.6%	120.6	-5.3
Missimadji	181	60	4.9%	8.9	4.9%	8.9	0
Maïnani	1386	90	5.0%	69.6	4.8%	66.9	-2.7
Mbanga	3044	253	4.1%	123.3	4.0%	122.6	-0.7
Madana Nadpeur	295	17.3	3.1%	9	3.1%	9	0
Komé Ndolobe	2441	81	1.2%	30.1	1.5%	36.8	6.7
Meurmeouel	1128	22	1.2%	14	1.2%	14	0
Naïkam	1445	28	0.8%	12.2	1.1%	16	3.8
Mainbaye	420	4.1	1.0%	4.1	1.0%	4.1	0
Miandoum	4061	62	0.9%	35.0	0.8%	34.4	-0.6
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	0.3%	5.2	-3
Morkété	440	7	0.1%	0.5	0.1%	0.5	0
Total	40078		5.1%	2050.1	5.0%	2003.3	-46.8

* 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, 24 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 2013 (32 individuals in total), have been integrated into the roster

of the 2014 Resettlement Promotion. They are presently going through the literacy training program (BBS) and will start the improved agriculture training (IAT) program during the Q2-2014.

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

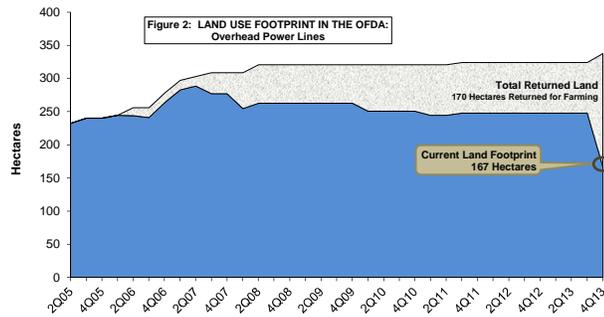
Land use type	Total area (hectares)			4Q13 (hectares)	
	Compensated	Returned		Compensated	Returned
Sub-Total - Permanent with public access-	746.8	66.9	9%	5.0	-0.6
Sub-Total – Permanent with no Public access	1039.3	129.7	12%	12.8	13.3
Sub-Total Permanent	1786.1	196.6	11%	17.8	12.7
Borrow Pit	576.1	469.8	82%	9.9	-2.0
Others	34.7	18.8	54%	0.6	-0.1
Sub-Total – Temporary returned without restriction	610.8	488.6	80%	10.5	-2.1
Underground facility	1056.6	998	94%	4.7	2.1
OHL	337.6	170.4	50%	9.2	94.2
Well Pad	583.2	517.4	89%	12.4	-5.4
Sub-Total – Temporary returned with restriction	1977.4	1685.8	85%	26.2	90.8
Sub-Total Temporary	2588.2	2174.4	84%	36.7	88.7
Grand Total	4374.3	2371.0	54%	54.5	101.4

- 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 54.5 ha of land were compensated for, by the Project, while 101.4 ha were returned to the communities. Overall, this resulted in 46.9 ha of net land return during this period.

Although 9 villages were affected by new land take during the fourth quarter of 2013, the emphasis put on land return resulted in only 4 villages seeing an increase in the project’s footprint.

During the fourth quarter of 2013 a new process was implemented in order to expedite the return of lands associated with overhead power lines (OHL). This new process resulted in the return of 94.2 ha in addition to the return of 7.2 ha through normal processes or a grand total of 101.4 ha of land being returned during the quarter. Figure 2 illustrates the Project's footprint as it relates to underground facilities. The impact of the land return process implemented since October 1st 2013 is clearly illustrated by figure 2 (page 10). While 337 ha have been acquired by the Project for the establishment of overhead power lines, 170 ha have already been returned, 55% of which in the last quarter.



Most (67%) of the land compensated during the fourth quarter was for temporary use and has already started to be returned. It must be noted that land returned in the temporary category (88.7 ha) exceeded new temporary land take (36.7). The Project actually had a net reduction in its temporary land use of 52.0 ha during the quarter.

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 completed 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	Miandoum	0.4
Miandoum	7.1	Merméouel	0.1
Bendo	2.6	Kairati	0.0
Maïmbaye	2.4	Koutou Nya	0.0
Merméouel	1.8	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.

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 presents the data originating from the VLUS and now incorporates the information from the impact and land return surveys. First we must note that while no village has changed risk rating category five villages have changed ranking within the table. Mouarom and Kome-Ndolobe moving up within the low impact category while Begada, Mbanga and Maikeri moved down.

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

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	26.4%
Madjo	14.0%
Dokaïdilti	13.5%
Ndoheuri	12.6%
Danmadja	11.9%
Béro	10.6%
Missimadji	10.3%
Ngalaba	8.3%
Dildo-Bayande	5.0%
Béla	4.3%
Mouarom	3.9%
Komé Ndolobe	3.5%
Bégada	2.8%
Mbanga	2.7%
Maïkéri	2.5%
Maïnani	0.9%
Naïkam	0.0%

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

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
		Q4-2013	Total	Q4-2013	Total		
Bégada	262	2	209	16	240	19	730
Béla	145	2	117	0	46	6	314
Béro	600	5	304	23	275	90	1269
Danmadja	102	0	81	0	57	28	268
Dildo-Bayande	276	0	40	8	16	29	361
Dokaïdilti	85	0	9	1	1	19	114
Komé	200	4	12	0	0	1	213
Madjo	130	3	140	4	140	33	443
Maïkeri	141	1	75	1	36	5	257
Mainani	111	0	63	0	17	8	199
Mbanga	269	0	207	14	127	28	631
Missimadji	24	0	4	0	1	7	36
Mouarom	85	9	42	0	29	3	159
Naïkam	54	0	2	0	1	0	57
Ndoheuri	95	0	75	0	4	4	178
Ngalaba	251	7	173	0	97	41	562
Poutouguem	61	6	57	0	30	9	157
Other villages	447	0	22	2	3	146	618
Total	3338	39	1632	69	1120	476	6566

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. Thirty nine (39) new impact surveys were completed and integrated during this quarter. While almost 50% of all the villages were visited during the quarter, most of these surveys were related to the villages of Mouarom, Ngalaba and Poutouguem. In the case of Kome Ndolobe there appears to be a discrepancy between the fact that it was the most impacted village (net land take of 6.7 ha) while relatively few 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 small 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 9 villages where land was taken during the quarter only 4 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 9 Impact surveys while the Project's footprint was reduced by 17.7 ha.

Monitoring: Seventy two (72) monitoring surveys were completed during the fourth quarter. It should be noted that 45 previously trained eligible households were interviewed during this period. These interviews made it possible to identify 30 households that are slated to receive reinforcement during the first and second quarters of 2014. 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 fourth 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). Sixty nine (69) Land Return surveys were completed during the quarter. Most of the surveys were related to land return activities in the villages of Bero, Begada and Mbanga. In view of the magnitude of the task at hand, priority will be given to land units previously associated with at risk households and communities currently being impacted.

2.2 Bemira (Nya-Moundouli satellite oil field) summary of findings

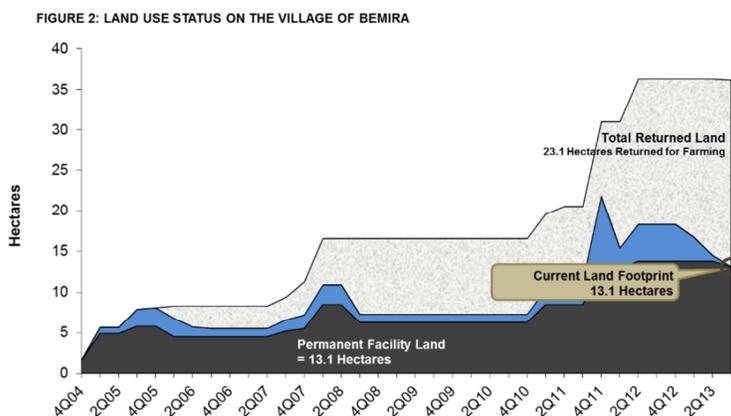
With a total area of only 651 ha, Bemira (Mbaïkoro canton) is one of the small villages surveyed, in fact it ranks 21st out of 28 in terms of area. It has a relatively high population density with 145 households and 777 residents. The village has been impacted by the development of the satellite oil field known as Nya-Moundouli.

While the original land take was fairly small (about 8 ha)

and remained low for a number of years, the development of the Nya-Moundouli satellite field resulted in a significant increase in the project's footprint. If we do not account for recent land return the project has touched 36.2 ha,

representing 5.6 % of the

village's area. 23.1 ha have since been returned or 64% of the overall land-take. At present the Project's land take stands at 13.1 ha or 2 % of the village area.



It must be noted that the initial community compensation (School director house and some school furniture) was a compensation for the original land take, a number of additional land takes have taken place since then. The above figure indicates that a significant amount of land has been returned during the latter part of 2011 and the first half of 2012.

Table 7: Distribution of Households and Individuals by Eligibility Factor

Range	Nbr HH	Nbr Individual
0.000 – 0.667	22 (15 %)	135 (17 %)
0.668 – 0.999	19 (13 %)	126 (16 %)
1.000 – 2.499	72 (50 %)	407 (52 %)
2.5000 -	32 (22 %)	109 (14 %)
Total	145 (100 %)	777 (100 %)

With an average household size of 5.4 persons and an average population age of 19, it is in general fairly representative of the villages of the region (OFDA average is 5.5 persons per HH (see annex 3)). Some notable facts can nonetheless be outlined:

- 15.2% 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) is 12.8 %.
- 111 individuals or 14.3% 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 Project's activities have been concentrated in a relatively small part of the village affecting only a small number of relatively large land owners.
- 94 % 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 8.38 cordes or 1.55 cordes of farm land per family member.

- With 8.4 % (65 individuals) of its population which is made up of non-viable project affected individuals, this village is considered to be a moderate impact category for the socio-economic criteria.

If one considers the fact that only 8.4% (65 individuals) of the population was identified as project affected non-viable. The analysis conducted confirmed that Bemira is in the moderate impact category in terms of the social criterion and in the low impact category in terms of the land take criterion.

Table 8: Number of Non-viable households as per declarative vs VLUS data

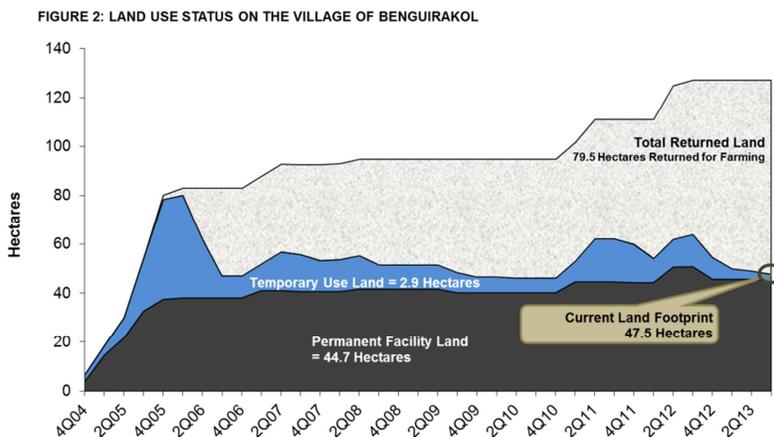
	Total non-viable	Non-viable project affected
Declarative data	N/A	N/A
VLUS data	15.2%	6.2%

From table 1 (page 5) we can, nonetheless, note that 85% of Bemira’s households are viable, in fact the non-viable category is made-up of only 22 households (9 households non-viable project affected).

2.3 Benguirakol (Nya-Moundouli satellite oil field) summary of findings

With a total area of only 1068 ha, Benguirakol (Miladi canton) is one of the small villages surveyed, in fact it ranks 17th out of 28 in terms of area. It has a relatively small population density with only 95 households and 514 residents. The village has been impacted by the development of the satellite oil field known as Nya-Moundouli.

While the original land take was important (about 78 ha) and lowered down to around 50 ha for a number of years, the new activities held in 2011 and 2012 on the Nya-Moundouli satellite field resulted in a small net increase in the project’s footprint. If we do not account for recent land return the project has touched 127 ha representing 11.9 % of the village’s area.



Approximately 79.5 ha have since been returned or 63% of the original land-take. At present the Project’s land take stands at 47.5 ha or 4.4 % of the village area. It must be noted that the initial community compensation package (water well, school directors house, Community hall and community grain storage) was a compensation for the original land take, a number of additional land takes have taken place since then. The above figure nonetheless indicates that a significant amount of land has been returned during the latter part of 2011 and the first half of 2012

With an average household size of 6.3 persons and an average population age of 19, it is slightly over the average of the villages of the region (OFDA average is 5.5 persons per HH (see annex 3)). Some notable facts can nonetheless be outlined:

- 20.8% of households are headed by women. This is higher than what is found in comparable villages. The average number of women headed households in small villages (less than 150 households) is 12.8 %.

Table 9: Distribution of Households and Individuals by Eligibility Factor

Range	Nbr HH	Nbr Individual
0.000 – 0.667	11 (10 %)	80 (12 %)
0.668 – 0.999	15 (14 %)	86 (13 %)
1.000 – 2.499	44 (42 %)	290 (44 %)
2.5000 -	36 (34 %)	209 (31 %)
Total	106 (100 %)	665 (100 %)

- 186 individuals or 36.2% 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.
- 93 % 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 18.58 cordes or 3.44 cordes of farm land per family member.
- With 5.7 % (44 individuals) of its population which is made up of non-viable project affected individuals, this village is considered to be a moderate impact category for the socio-economic criteria.

Contrary to what has 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 6.5% to 10.4 %) of households that are deemed to be non-viable (below 0,67 cordes per household

Table 10: Number of Non-viable households as per declarative vs VLUS data

	Total non-viable	Non-viable project affected
Declarative data	N/A	N/A
VLUS data	10.4%	5.7%

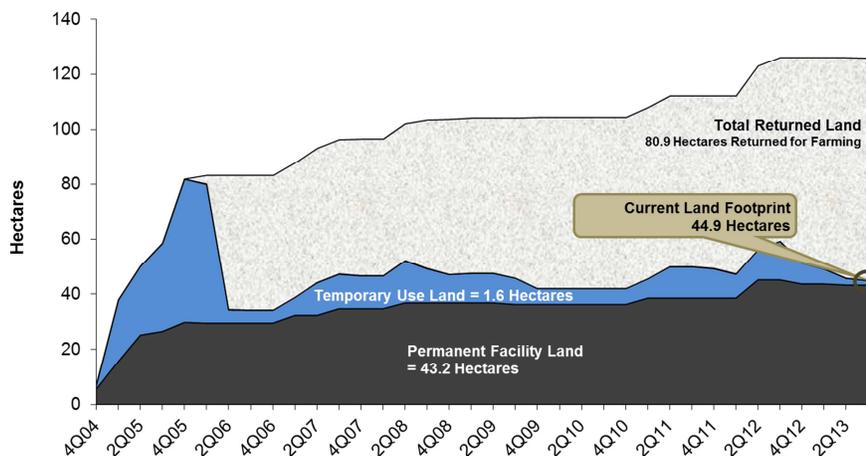
member). This increase was not as dramatic as one may expect, if one considers the fact that only 8.3% (55 individuals) of the population was identified as project affected non-viable. The analysis conducted confirmed that Benguirakol is in the moderate impact category in terms of both the social and land take criterion. From table 1 we can, nonetheless, note that 90% of Benguirakol's households are viable, in fact the non-viable category is made-up of only 11 households (6 households non-viable project affected).

2.4 Moundouli (Nya-Moundouli satellite oil field) summary of findings

With a total area of only 1151 ha, Moundouli (Miladi canton) is one of the middle sized villages surveyed, in fact it ranks 15th out of 28 in terms of area. It has a relatively high population density with 178 households and 1084 residents. The village has been impacted by the development of the satellite oil field known as Nya-Moundouli.

While the original land take was relatively important (about 82 ha) emphasis on land return limited the project's footprint to about 48 ha. New activities held in 2011-2012 on the Nya-Moundouli satellite field resulted in a small increase in the project's footprint. If we do not account for recent land return the project has touched 125.8 ha representing 10.9 % of the village's area. Approximately 80.9 ha have since been returned or 64% of the original land-take. At present the Project's land take stands at 44.9 ha or 3.9 % of the village area.

FIGURE 2: LAND USE STATUS ON THE VILLAGE OF MOUNDOULI



It must be noted that in addition to the 3 class room building given to the community as a compensation measure, Moundouli has also received a number of very significant donations among which two three room school building, capable of accommodating a complete primary grade cycle, a water well and sanitary facilities. While the pump of the donated has broken down, the well granted as compensation measure has ensured an adequate supply of potable water. These donations were made by the Chad Project Management Team in charge of the Nya-Moundouli satellite field Project.

The above figure nonetheless indicates that a significant amount of land has been returned during the latter part of 2011 and the first half of 2012.

With an average household size of 6.1 persons and an average population age of 19, it is made-up of slightly more households than the other villages of the region (OFDA average is 5.5 persons per HH (see annex 3)). Some notable facts can nonetheless be outlined:

Table 11: Distribution of Households and Individuals by Eligibility Factor

Range	Nbr HH	Nbr Individual
0.000 – 0.667	27 (15 %)	190 (18 %)
0.668 – 0.999	22 (12 %)	156 (14 %)
1.000 – 2.499	85 (48 %)	541 (50 %)
2.5000 -	44 (25 %)	197 (18 %)
Total	178 (100 %)	1084 (100 %)

- 13.5% of households are headed by women. This is lower than what is found in comparable villages. The average number of women headed households in big villages (more than 150 households) is over 20 %.
- 167 individuals or 15.4% 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 11.83 cordes or 1.93 cordes of farm land per family member.

- With 12.6 % (137 individuals) of its population which is made up of non-viable project affected individuals, this village is considered to be an approaching high impact category for the socio-economic criteria.

If one considers the fact that 12.6 % (137 individuals) of the population was identified as project affected non-viable. The analysis conducted showed that Moundouli is in the **approaching high impact category** in terms of the social criterion and in the **moderate impact category** in terms of the land take criterion. From table 1 (page 5), we can note that more than 85% of Moundouli's households are viable, in fact the non-viable category is made-up of 27 households (15 households non-viable project affected).

Table 12: Number of Non-viable households as per declarative vs VLU data

	Total non-viable	Non-viable project affected
Declarative data	N/A	N/A
VLU data	15.2%	8.4%

3.0 Milestones of Q4-2013

3.1. Results of the 2013 community contact and awareness campaign

The Project has put in place a communication and awareness strategy targeting communities of the Oil Field Development Area. The main objective of this initiative is to foster the development of a mutually beneficial relationship between local communities and the Project, through the creation of an environment conducive to the sharing of information and discussions.

In 2013, 273 such meetings, gave the Project's staff, an opportunity to communicate key messages concerning 24 topics to the population of the surrounding villages. While the level of participation varied according to the topics being addressed and the availability of the population, almost 14 000 participants attended these presentations. Of the topics discussed a number were of considerable interest to both the local population and the project.

Table 13: Communications and awareness activities by quarter for 2013

Quarter	Sessions/Villages	Participants
Q1	44	2,219
Q2	47	2,395
Q3	101	6,627
Q4	81	2,729
Total	273	13,970

- Review of the Project's grievance process: In general participants confirmed that they are aware of project grievance procedure and understand that grievances must be directed to the Local Community Contact (LCC) as soon as possible after the event.
- Awareness campaign on malaria: As an adjunct to the Malaria no-more program being supported by the Exxon Mobil foundation and EEPIC's Public Affairs department the Project has been running a series of awareness session in order to promote practices that have proven to prevent the spread of Malaria. The main strategy presented was the use of bed nets, mainly for children. While the population of the area is in general reluctant to sleep under bed nets, the distribution of bed nets and encouraging words is bringing about a change.
- Theft and vandalism: It appears that most of thefts in the area were perpetrated by people outside from the area with the complicity of some residents. We've had the contribution of village chiefs to handle the issue and down theft cases. The presence of any new comer in any village should be known by the local administration, canton chief or DSPP. Behavior of gendarmes who mistreated innocent villagers and arbitrary arrested them was also raised by local dignitaries. Issue was discussed with gendarme chiefs and sub-prefect;
- In addition to a host of other topics such as: Socioeconomic and cadastral activities; Land take reclamation; Pipeline row survey; Community compensation; Land return and reclamation procedure with quitus signature; OHL electrocution risks; Taking care of mango tree plantation; Safety on the road; Repair of Bero bridge; Risks for having bath in borrow pits and other stagnant waters;

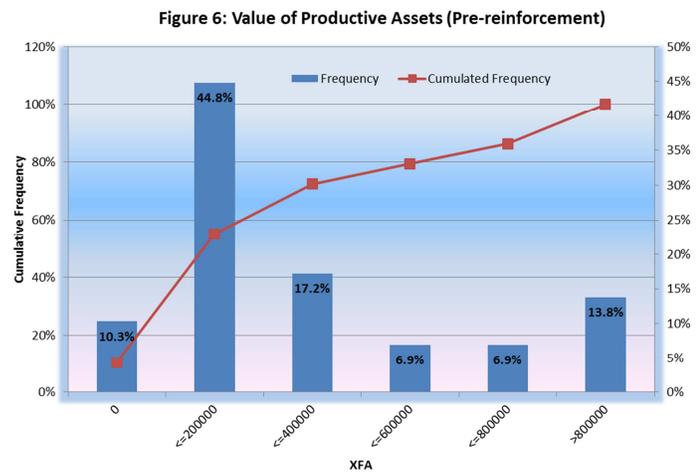


3.2 Impact of reinforcement program on beneficiaries

One of the key components of resettlement program is the monitoring of project affected at-risk individuals and households at all stages of the livelihood restoration process, impact survey (determination of eligibility to resettlement), monitoring (1, 2 and 5 years after resettlement, determination of eligibility to reinforcement) and finally after reinforcement is concluded in order to ensure that eligibles are engaged on the path to recovery.

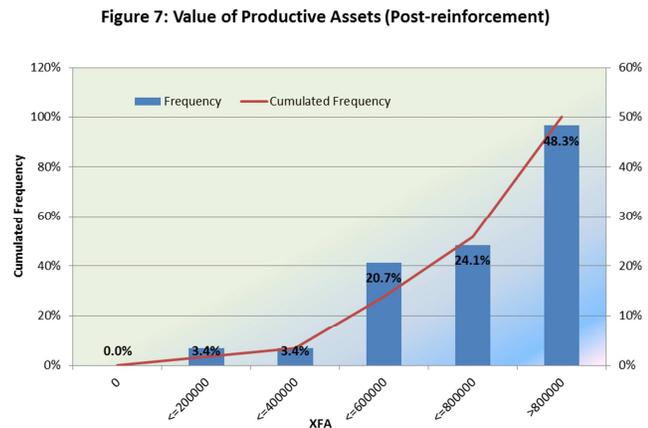
As reinforced households are considered to be at-risk (less than 2/3 cordes of land per household member) and usually have limited assets in terms of buildings, it was decided to focus the evaluation on productive assets, being: Farm equipment, livestock and transportation equipment. As this asset class reflects their ability to generate income and sustenance from their limited land base and other potential economic activity (commerce, food processing...). The present survey targeted 29 individuals reinforced during the first part of 2013.

Figure 6 presents the distribution of households (frequency) based on the value of productive assets they held before the implementation of the reinforcement strategy. We can note that about 72% of households had a productive asset pool worth less than 400,000 XAF (about 800 USD). This illustrates the reality that these household had few productive assets to depend on. In fact some 10% of them had no equipment.



Through the reinforcement process, the household can receive grants in the form of equipment, livestock and/or training. This is defined in the individualized strategy that was developed and implemented with each of them. It is thus expected that the productive asset pool would increase following reinforcement mostly if the household head has retained the granted assets and has invested the income generated by the activity into more productive assets.

Figure 7 illustrates that the situation has changed dramatically only a few months after the start of the reinforcement process. Not only are there no households left without productive asset pool, but more than 93% of all surveyed households have productive asset pools worth more than 400000 XAF (about 800 USD) or more, a clear indication that the reinforcement process is meeting its main goal, making at-risk households more able to meet their own needs.



As few households have sold off the assets received through the reinforcement program, we can safely conclude that the beneficiaries have taken ownership of the assets and of the productive activity they have selected.

Conclusion

A number of new activities were ongoing during the fourth quarter such as the 2013 rainy season Improved Agriculture Training program, delivering the reinforcement to a second group of selectees and the strategy implemented in order to expedite the return of lands associated with overhead power lines. 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.

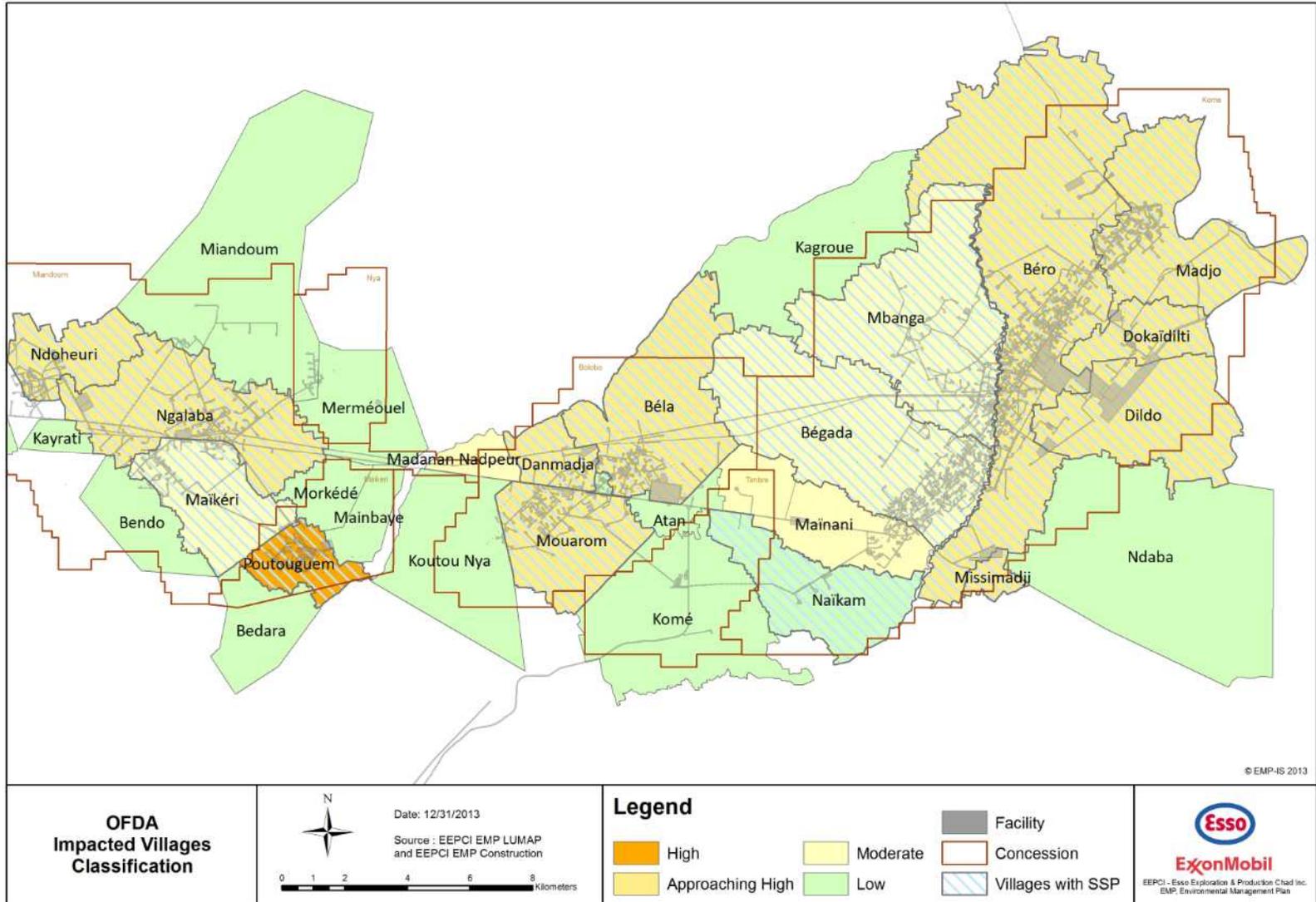
From this report we can make the following conclusions:

1. Project's footprint reduced by 46.9 ha.
2. Only one (1) village changed classification during this quarter. Bela moved up from a moderate to an approaching high classification.
3. 21 eligibles (2013 promotion) continued the Improved Agriculture Training with the optional dry season production portion of the program.
4. 29 eligibles (2012 promotion) continued the post training portion of the Improved Agriculture Training Program.
5. 14 eligibles completed the reinforcement process.
6. 30 eligible impacted individuals identified for reinforcement in 2014.
7. Identified 32 individuals who are eligible of resettlement in 2014.
8. Launched a new process to accelerate the return of lands associated with overhead power lines.
9. Progressed Land Return Survey process for parcels returned in 2012 and early 2013 ongoing.
10. Started the preparation of Site Specific Plan's for three villages of Nya-Moundouli oil field.

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%