

Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Second Quarter 2014

Prepared by the EMP Department

July 2014

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 its partners 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, moderate and low) is also used to:

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

The Second Quarter 2014 (2Q14) Village Impact summary:

- 3 High impact villages (Poutouguem, Danmadja & Madjo)
- 6 Approaching high villages
- 9 Moderate impact villages
- 14 Low impact villages

Three (3) villages changed classification during this quarter, Missimadji moving down from an approaching high to a moderate classification while both Madjo and Danmadja moved up from Approaching high to High Impact.

During the second quarter of 2014, six (6) villages saw an increase in the Project's footprint while fifteen (15) saw a reduction and eleven (11) remained unchanged (Table 2 below). The village which saw the biggest net increase in 2Q14 was Dildo with an increase of 12.8 ha. During this quarter the village of Kome Ndolobe saw a reduction of the project's footprint of 20.4 ha.

The primary accomplishments of second quarter 2014 (2Q14) are:

General

- Development of strategies to promote synergy between various EEPCI related entities managing socio-economic activities in communities of the OFDA.
- Participated in a series of mediation meeting with a group of local NGO's under the guise of the CAO.
- Held the SEWAC caravan in communities of the OFDA, this monthly activity seeks to promote dialogue between the Project and communities in order to identify issues and resolve them in a proactive manner.
- Drilling of a water well for the village of Buna Kaba, as per the plug and abandon program.

EMP and EMP-IS

- Progressed follow up of households impacted by the project, using improved impact survey process. Focus efforts on at risk households. 254 surveys completed during quarter.
- Completed Q1-2014 Village Impact report and Posted onto ESSO-CHAD website.
- Integration of community compensation data into EMP-IS data base.

Resettlement Program

- 29 eligibles (2012 promotion) completed the post training portion of the Improved Agriculture Training program.
- 21 eligibles (2013 promotion) started the post training portion of the Improved Agriculture Training program.
- 2014 reinforcement program completed for 30 individuals, delivery of equipment and livestock and training completed.
- Monitoring surveys ongoing with 32 still at risk individuals from the 2008 promotion. This process will make it possible to identify potential recipients for reinforcement in 2015.
- BBS completed with the 32 individuals making up the 2014 promotion.
- IAT launched with 32 individuals making up the 2014 promotion.

Community Compensation and Supplemental Community Compensation Program

- Drilling of the two water wells selected by the population of Bemira is underway.
- Completed the construction and turned over flour mill to population of Benguirakol.
- Completed the construction and turned over flour mill to population of Moundouli.

Grievance management

- Grievances initiated during Q2-2014: **214**
- Grievances paid during Q2-2014: **101**
- Grievances closed during Q2-2014: **170**
- Backlog as of June 30th, 2014 : **72**

Community consultation and awareness campaign

- **91** meetings
- **5814** participants
- Main topics:
 - Theft & vandalism act;
 - Safety on roads;
 - Land returned with restrictions;
 - Malaria, security and opportunity of business with CIS.

Work Plan for Third Quarter 2014(3Q14)

- Ongoing Post training Portion of the Improved Agricultural Training program for 21 eligibles from 2013 promotion.
- Ongoing Improved Agricultural Training program for 32 eligibles from 2014 promotion.
- Complete Q2-2014 Village Impact report and Post onto ESSO-CHAD website.
- Complete drilling of two water wells for Bemira (Supplemental Community Compensation).
- Start a review of the SSPs of recently impacted villages (SSPs older than four years).
- Continue integration of Community Compensation Documentation into EMP-IS database
- Continue Land Return Campaign.
- Retrofitting of flour mills in order to incorporate various guards to improve safety level for users
- Finalize intervention strategy for theft and vandalism mitigation in local communities.

1.0 Village Classification

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

Table 1 : Village Classification Last Quarter

Categories	Villages – 2Q14	Villages – 1Q14
High	<ul style="list-style-type: none"> • Poutouguem • Danmadja • Madjo 	<ul style="list-style-type: none"> • Poutouguem
Approaching High (Watch List)	<ul style="list-style-type: none"> • Béro • Dildo-Bayande • Dokaidilti • Ngalaba • Mouarom • Moundouli 	<ul style="list-style-type: none"> • Béro • Danmadja • Dildo-Bayande • Madjo • Dokaidilti • Ngalaba • Missimadji • Mouarom • Moundouli
Moderate	<ul style="list-style-type: none"> • Missimadji • Bela • Ndoheuri • Begada • Maïkéri • Mbanga • Benguirakol • Maïnani • Bemira 	<ul style="list-style-type: none"> • Bela • Ndoheuri • Begada • Maïkéri • Mbanga • Benguirakol • Maïnani • Bemira
Low	<ul style="list-style-type: none"> • Maikiro • Kome-Ndolobe • Madana Nadpeur • Maïmbaye • Meurmeouel • Miandoum • Morkete • Kairati • Naïkam • Bendo • Koutou Nya 	<ul style="list-style-type: none"> • Maikiro • Kome-Ndolobe • Madana Nadpeur • Maïmbaye • Meurmeouel • Miandoum • Morkete • Kairati • 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.

Three (3) villages changed classification during this quarter, Missimadji moving down from an approaching high to a moderate classification while both Madjo and Danmadja moved up from Approaching high to High Impact. It should be noted that in both the cases of Madjo and Danmadja they moved up to the high impact category even if the actual footprint of the project went down during the quarter. This is due to the fact that the socio-economic criteria deteriorated during this period. We believe that this situation should correct itself as the land return surveys are completed, allocating returned land to their rightful users. As they retrieve land at-risk households would move out of the at-risk category. The deterioration of the socio-economic criteria is also amplified issues that fall outside of the Project's control, such as:

- The rapid growth of the population and households; created by the rapid growth of the population and of households;
- A traditional land allocation mechanism that doesn't always ensure that returned land is made available to households that need it the most.

Since the onset of 2014, the Quarterly Village Impact reports will now incorporate all facilities associated to the Project. This more inclusive definition of the Project intervention area has given a clearer perspective on the activities of the project in Southern Chad. This change resulted in the incorporation of four new villages in the list of monitored villages (see table 1, page 6), being: Moundouli, Benguirakol, Bemira and Maikiro.

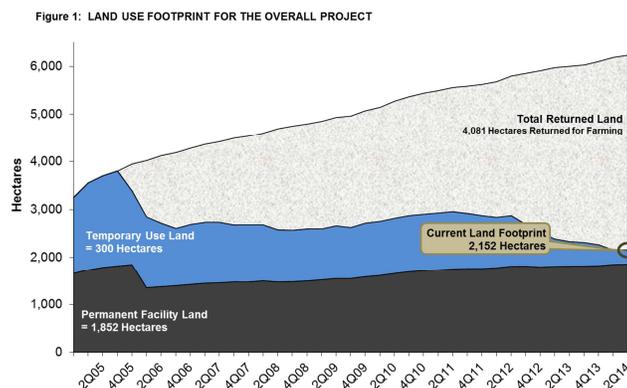
As per the LUMAP, the Site Specific Plan (SSP) was developed to monitor the state of the most impacted villages (18 villages). Villages for which a SSP was prepared are presented in bold in Table 1 (page 6). In all villages where SSPs were completed and fully implemented (17/18 villages), only low residual impacts are believed to remain.

Implementation of two SSPs was finalized during the second quarter. They concern the flour mills for the villages of Benguirakol and Moundouli. This leaves, only the SSP of the village of Bemira which is in the process of being implemented. A review of the SSPs of recently impacted communities, with SSPs older than four years, will be started during the third quarter in order to establish whether the land take which took place recently in these communities would warrant new support strategies.

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 21.1 ha, or about 1 %, during the Q2-2014. The footprint as it stood on June 30st 2014 (2152 ha) was the lowest it has been since data is published on the matter.



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 and returned 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, resulting in an overestimation of how much land has been acquired or returned (delta column) compared to the previous quarter.

Table 2: Land Use by Village in OFDA.

Village	Total village area (ha)	Maximum land use (ha)	Land use Q1 2014		Land use Q2 2014		Delta (ha)
			%	(ha)	%	(ha)	
Dildo-Bayande	1890	203	9.2%	174.3	9.9%	187.1	12.8
Béro	5772	664.6	8.8%	505.6	8.9%	511.4	5.8
Dokaïdilti	690	157	7.7%	53	8.1%	55.8	2.8
Mouarom	1359	159	7.5%	102.1	7.3%	99.7	-2.4
Ngalaba	2122	330	7.2%	153.4	7.2%	152.4	-1
Danmadja	480	69.6	7.4%	35.7	7.2%	34.6	-1.1
Poutouguem	562	62	9.1%	51.4	7.1%	39.8	-11.6
Béla	2200	225	6.6%	145.8	6.0%	132.4	-13.4
Bégada	3282	348	5.4%	176.9	5.4%	175.6	-1.3
Madjo	2139	148.8	5.6%	119.3	5.3%	114.3	-5
Missimadji	181	60	4.9%	8.9	4.9%	8.9	0
Maïkéri	1245	112.8	5.4%	67.5	4.8%	59.8	-7.7
Maïnani	1413	90	4.7%	65.9	4.8%	67.2	1.3
Mbanga	3059	253	4.2%	128.3	4.4%	134.8	6.5
Benguirakol	1068	80.5	4.3%	45.9	4.3%	45.6	-0.3
Moundouli	1151	82	3.9%	44.9	3.8%	43.2	-1.7
Ndoheuri	811	50.6	3.5%	28.4	3.0%	24.4	-4
Maïkiro	145	5.4	2.3%	3.4	2.3%	3.4	0
Bémira	651	21.8	2.0%	13.1	2.0%	13.1	0
Madana Nadpeur	295	17.3	1.4%	4.1	1.4%	4.1	0
Bendo	761	17	0.4%	3.3	1.2%	9.5	6.2
Naïkam	1450	28	1.0%	15	1.0%	14.4	-0.6
Mainbaye	420	4.1	1.0%	4.1	0.9%	3.8	-0.3
Meurmeouel	1128	22	0.8%	9.4	0.8%	9.4	0
Miandoum	4028	62	0.8%	33.4	0.8%	32.9	-0.5
Kaïrati	187	6	0.7%	1.4	0.7%	1.4	0
Komé Ndolobe	2448	81	1.5%	37.8	0.7%	17.4	-20.4
Koutou Nya	1819	9.4	0.3%	5.2	0.3%	5.2	0
Morkété	440	7	0.2%	0.7	0.2%	0.7	0
Total	43196		4.7%	2038.2	4.6%	2002.3	-35.9

* Land use = permanent + temporary not returned

When we consider the information presented in Table 2, above, 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 second quarter of 2014, six (6) villages saw an increase in the Project's footprint while fifteen (15) saw a reduction and eleven (11) remained unchanged (Table 2 below). The village which

saw the biggest net increase in 2Q14 was Dildo with an increase of 12.8 ha. During this quarter the village of Kome Ndolobe saw a reduction of the project's footprint of 20.4 ha.

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, all villages on which such data is presented in table 2, above, have known a reduction of their footprint in relation to their 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 have completed the literacy training program (BBS) and are presently going through improved agriculture training (IAT) program.

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 of the Project in Chad.

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 44.6 ha of land were compensated for, by the Project, while 65.7 ha were returned to the communities. Overall, this resulted in 21.1 ha of net land return during this period.

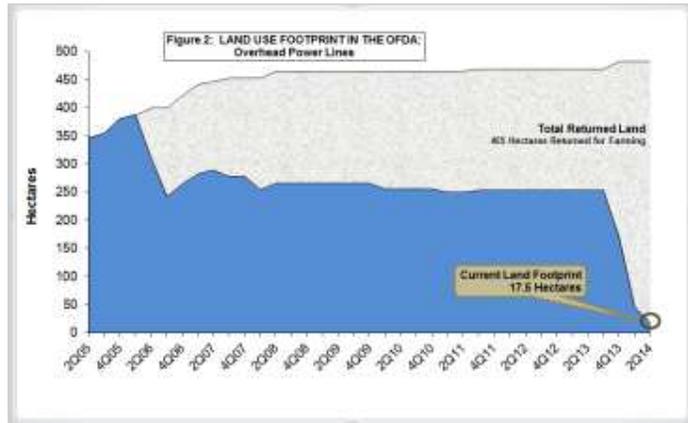
Table 3: Compensated and Returned Land by Land Use and Facility Type

Land use type	Total area (hectares)			2Q2014 (hectares)	
	Compensated	Returned		Compensated	Returned
Sub-Total - Permanent with public access-	1479.0	612.7	41%	6.7	2.9
Sub-Total – Permanent with no Public access	1135.3	149.5	13%	3.6	3.3
Sub-Total Permanent	2614.3	762.2	29%	10.3	6.2
Borrow Pit	656.6	508.4	77%	12.8	2.3
Others	45.4	32.1	71%	0.5	1.2
Sub-Total – Temporary returned without restriction	701.9	540.5	77%	13.3	3.5
Underground facility	1764.7	1705.6	97%	21.8	20.9
OHL	482.4	464.9	96%	-0.9	26.8
Well Pad	670.6	608.3	91%	0.1	8.3
Sub-Total – Temporary returned with restriction	2917.6	2778.8	95%	21.0	56.0
Sub-Total Temporary	3619.5	3319.3	92%	34.3	59.5
Grand Total	6233.8	4081.5	65%	44.6	65.7

- 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.
- “2Q2014: Compensated” shows the total hectares compensated during the quarter covered in this report.
- “2Q2014: Returned” shows the total hectares returned during the quarter covered in this report.
- Incorporates all of the activities of the project (all oil fields, roads, facilities, the pipeline and associated infrastructure).

Most (77%) of the land compensated during the second quarter was for temporary use and has already started to be returned. It must be noted that land returned in the temporary category (59.5 ha) exceeded new temporary land take (34.3). The Project actually had a net reduction in its temporary land use of 25.2 ha during the quarter.

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). The impact of the land return process implemented since October 1st 2013 is clearly illustrated by figure 2 (page 11). While 482.4 ha have been acquired by the Project for the establishment of overhead power lines, 464.9 ha have already been returned, 6% of which in the last 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.

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.

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

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.

Total non-viable individuals today	Value Now	Made non-viable by project	Value Now
Kaïrati	22.6	Maimbaye	2.4
Madana Nadpeur	17.3	Madana Nadpeur	1.4
Koutou Nya	12.4	Miandoum	0.4
Miandoum	6.9	Merméouel	0.1
Bendo	2.6	Kaïrati	0.0
Maimbaye	2.4	Koutou Nya	0.0
Merméouel	1.8	Bendo	0.0
Morkété	N/A	Morkété	N/A

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. Although most villages have changed rating only five have actually changed risk category.

- Missimadji moved down from approaching high to moderate.
- Bela moved down from moderate to low.
- Ngalaba moved up from moderate to approaching high.
- Danmadja moved up from approaching high to high.
- Madjo moved up from approaching high to high.

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.

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	Delta previous Qreport
Poutouguem	23.2%	1.2%
Danmadja	17.5%	3.1%
Madjo	17.3%	2.3%
Moundouli	12.3%	-0.4%
Béro	11.7%	1.6%
Ngalaba	10.4%	1.9%
Missimadji	9.7%	-2.6%
Dildo-Bayande	8.7%	-0.2%
Bémira	8.4%	0.0%
Benguirakol	8.3%	0.0%
Dokaidilti	7.2%	0.0%
Ndoheuri	6.6%	-2.5%
Béla	4.2%	-1.7%
Mouarom	3.9%	0.1%
Mbanga	3.8%	1.5%
Komé Ndolobe	3.6%	0.0%
Maïkéri	3.5%	1.2%
Maïnani	3.4%	0.7%
Bégada	1.6%	0.1%
Naïkam	0.0%	0.0%

It must also be noted that while returned land is removed from the Project's footprint immediately upon signing of the Quitus, it is only added to a household's land basket during the following

production season. This ensures that the land has effectively been put back into production and who has taken advantage of the land return. As Land Return Surveys can only be performed during the ensuing cropping season, a village may remain in a higher risk category for 1, 2 or even 3 quarters after land has been returned to its population. It is only after the completion and integration of the Land Return surveys that the full impact of the returned land on the community will be reflected on its classification.

2. Socioeconomic monitoring

2.1. Village Surveys

Table 6: Total Number of HH Survey by Village

Total Number of HH survey by village									
Village	Cadastral Survey Completed	Impact Survey Completed		Land Return Survey Completed		AtRisk Survey Completed		Monitoring Survey Completed	Total HH Survey Completed
		Q2-2014	Total	Q2-2014	Total	Q2-2014	Total		
Bégada	262	2	213	0	246	3	8	19	740
Béla	145	2	137	0	46	5	9	6	334
Bémira	145	0	0	0	0	0	0	10	155
Benguirakol	106	0	0	0	0	0	0	7	113
Béro	600	31	370	0	280	63	90	91	1341
Danmadja	102	2	85	0	58	20	22	28	273
Dildo-Bayande	276	2	43	0	29	7	17	29	377
Dokaïdilti	85	0	10	0	1	0	19	19	115
Komé	200	6	26	0	0	0	1	2	228
Madjo	130	0	145	1	141	19	20	33	449
Maikeri	141	4	88	0	36	9	11	5	270
Mainani	111	2	66	0	17	3	4	8	202
Mbanga	269	14	224	0	132	12	14	28	653
Missimadji	24	0	4	0	1	1	3	7	36
Mouarom	85	0	45	0	31	5	5	3	164
Moundouli	178	0	0	0	0	3	3	18	196
Naïkam	54	3	6	0	1	0	0	0	61
Ndoheuri	95	0	75	0	15	2	4	10	195
Ngalaba	251	5	178	0	106	14	16	41	576
Poutouguem	61	0	59	0	38	1	6	12	170
Other villages	18	0	28	0	4	13	34	146	196
Total	3338	73	1802	1	1182	180	286	522	6844

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 achieves 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. Seventy three (73) new impact surveys were completed and integrated during this quarter. While almost 53% of all the villages were visited during the quarter, most of these surveys were related to the villages of Bero and Mbanga. In the case of Bero the fairly large number of surveys completed (31) may not reflect the fact that the project's footprint did not increase dramatically (5.8 ha). 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. 17.9 ha were added to the project's footprint in Bero during the first quarter of 2014.
- Furthermore the land return process presently being implemented results in the quantities of land being returned simply exceeding the amount of land taken. In this way a village facing a significant reduction or a limited increase of the Project's footprint may still have a significant number of new Impact (land take) surveys.

Monitoring: Only two (2) monitoring surveys were completed during the second quarter. The interview process makes it possible to identify an individualized reinforcement strategy best suited to the needs of the target households. Monitoring surveys to be conducted in the later part of 2014 are being limited to the promotion of 2008. As this is the last monitoring survey mandated for this group of eligible, we opted to wait later in the year in order to get a perspective of the potential impact of the upcoming cropping season.

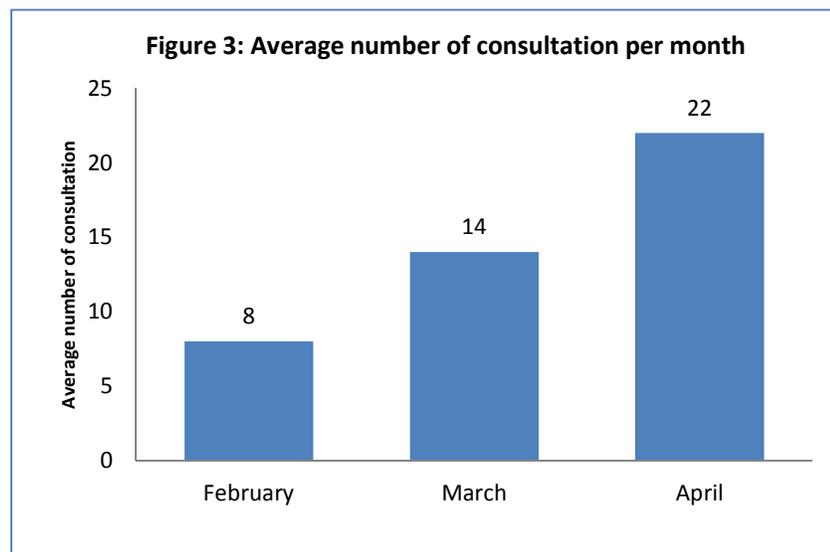
Land Return: The 2013 Land Return Survey campaign started during the fourth quarter. During this process, at-risk households who have received land as per the land return process in 2012 and early 2013 will be surveyed in order to measure the extent to which this has helped them recover. One hundred and eighty one (181) Land Return surveys were completed during the quarter. During this process at-risk households were visited in 16 villages, the villages of Bero, Danmadja and Madjo getting the most attention.

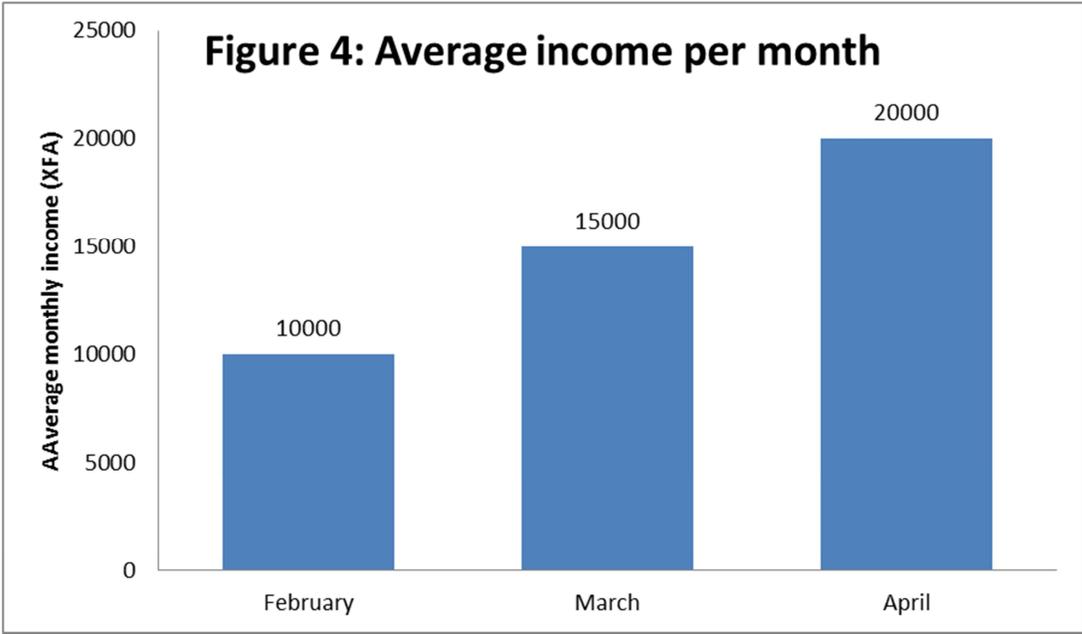
2.2 Evaluation of animal health auxiliaries' initiative

During the first and second quarter of 2014 a study was completed in order to evaluate the effects of this training program on the beneficiaries and their communities. During this period, 10 auxiliaries out of 15, representing 10 villages and three cantons, were interviewed. Each participant covers a territory that includes a minimum of 4 villages; overall, the initiative has benefited about 60 villages. They may thus travel between 1 and 7 km by foot or bicycle for each consultation, depending of the village of residence of the client. The main animal health issues dealt with is related to parasites, lack of appetite and anemia.

As presented in figures 3 and 4 (below) the demand for their service has been increasing steadily, both in terms of numbers of consultation and income generated. In April they performed an average of 22 consultations and

generating an average 20 000 XAF each. This reflects the fact that the level of trust between these new animal health service providers has been increasing steadily. The synergy established between the animal health auxiliaries and representatives of the various governmental agencies involved in animal production as also contributed to their acceptance by local communities.





3.0 Milestones of Q2-2014

3.1. Community of Moundouli receives their flour mill.

The original land take in Bemira village (2005) was relatively large and was reduced progressively over a number of years. This land take led to an initial community compensation (Three room school building and a water well). Since then a number of additional land takes have taken place, most of them in 2011, these new land takes triggered the preparation of a Site Specific Plan.

The purpose of a Site Specific Plan (SSP) is to define the village's situation and identify a set of measures that mitigate the specific issues the village's population is encountering within their own village area. This exercise made it possible to conclude that new measures, taking the form of a supplemental community compensation package, were required in order to fully mitigate these new land takes.

Community consultations were held during the first quarter of the year leading to the selection of a flour mill as a compensation item. During the last quarter:

- The mills were built and tested;
- Millers were trained in the operation and basic maintenance of the mills;
- The management comity was formed and trained in management of such a facility;
- Various supplies, fuel and parts needed to operate of about 6 months, were delivered and stored in the mill.

The mill was handed over to the community June 27th, 2014. During this ceremony the chief of Moundouli 2 outlined that the mill would support the long term development of the community. He further added that the profits generated by the mill would help support other important activities in the community, for example by contributing to the payment of the salary of community based teachers.



Madjinaibey Alxis and Yossanem Clement (chiefs of Moundouli 1 & 2) receive keys to the mill from Montoingar Dimanche of EEPCI



Ngon-nanemgoto Helene,
Client of the mill

Hélène Ngon-nanemgoto one of the mills client explained that the construction of this mill will greatly reduce her burden. Not only will it significantly reduce the distance she had to travel to have her grain milled but it also eliminates the work load associated with hand milling grain when the other mill was not operating. Overall this will result in a few more hours per day that she will be able to spend with her family, rather than working at chores. She appreciates the fact that the entire community supported this choice even if the main beneficiaries will be women.

3.2 Closure of an oil well results in a new water well for the village of Bouna - Kaba

During the exploration phase of the Project consideration was given to offer water wells to the nearest communities once the exploration wells were no longer of use. The objective of this initiative was to mitigate some of the effect of the Project's presence on communities and leave a tangible sign of development by giving them access to clean water.

The decision was then made to offer a new well specifically drilled and equipped as a source of drinking water to the closest village, when exploration wells are plugged and abandoned, the name given to the process of closing down a well. The village of Bouna-Kaba is one of the latest villages to have benefitted from this program.

On June 6th, 2014, a ceremony was organized to officially turn over the newly drilled well to the community. The chiefs of the village and of the canton, and the president of the management comity took this opportunity to thank EEPCI on behalf of their community and of the village elders who had gathered in large numbers.

While a clean water supply system is of great benefit to a community it must be managed from both a technical and a financial point of view if it is to be sustainable.

EEPCI's team with the support of the contracting firm explained at length some of the key issues leading to the sustainability of the initiative, being:

- Proper use and operation;
- Financial management to ensure availability of funds for eventual repairs;
- Maintaining the area clean in order to maintain optimal sanitary conditions;

While these considerations all have their importance it was clearly outlined that sustainability would only be achieved if the members of the community took ownership of this asset.



Bouna-Kaba's village chief



Demonstration in the proper use of the pump

3.3 BBS : 2014 promotion

Literacy training or the Basic Business Skills (BBS) Training is a requirement to gain entry into the IAT or the off-farm training programs available through the resettlement program. The main objective of the BBS is to give the eligible individual and auditors, who may choose to participate, a working knowledge of reading and writing in Ngambaye, management, home economics, self-reliance, hygiene and basic health.

Started in early January the literacy training program concluded this year's activities in early June. During the closing ceremony, 113 individuals, of whom all registered resettlement eligible individuals (32), graduated from the program. In fact over 90% of participants succeeded at their final exams.

The following observations can be made after 5 months of training:

- Overall, skills have been assimilated by participants. Previously illiterate individuals can now read and write.
- The method used made it possible to ensure participation by all who wanted and the graduation of most.

The village chief of Moundouly, Clement Yossanem, took this occasion to underscore the importance of education and encourage all of the stakeholders that made this training possible, being EEPCI, ISM and CEDIFOP, continue their work with participants so that one day they too may become teachers.



Clement Yossanem, village chief
Moundouly

In Benguirakol, participants through their chief saluted the patience of the trainers during this challenging program. They also forwarded their appreciation to the Project's team who made all efforts possible to ensure that the program would achieve its objectives.

As a conclusion we can note that over the five years since the establishment of this program, over 1500 individuals have successfully graduated from this program.



Closing ceremony of the BBS in Moundouly



Closing ceremony of the BBS in Benguirakol

3.4 Community health center of Moundouli area.



Guemdoudje Julien, Village chief of Benguirakol

In December 2012, 11 villages of the Moundouli area created a regional health center in the main building of EEPCI's Moundouli Camp. That had recently been turned over to the community. As explained by the chief of Benguirakol five of these villages donated 100 000 XAF each in order to purchase the required supplies. Inventory would be maintained by a small fee paid by patients. This is indicative of the importance given by the local leadership to basic health services.

After only a few months of operation the managers of the clinic noted that the maintenance of such a large wooden framed building could not be supported by the clinic. This initial strategy would simply not have been sustainable. With the support of local leadership, they decided to sell the structures they had received from EEPCI and build a more suitable building with the proceeds.

The new structure was erected in 2013 to the satisfaction of the Clinic's manager. They have since received a donation, made up of bed frames, mattress and furniture, from EEPCI through AfriCare and World Vision. The center's manager outlined that such donations have greatly alleviated the pain and suffering of the more than 300 patients they treat every months and of the local population.



Beloumgoutou Jarius Health Center Manager



Conclusion

A number of new activities were ongoing during the second quarter such as the launching of the IAT program for the 2014 promotion, construction of three supplementary compensation projects and the SEWAC caravan. 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.

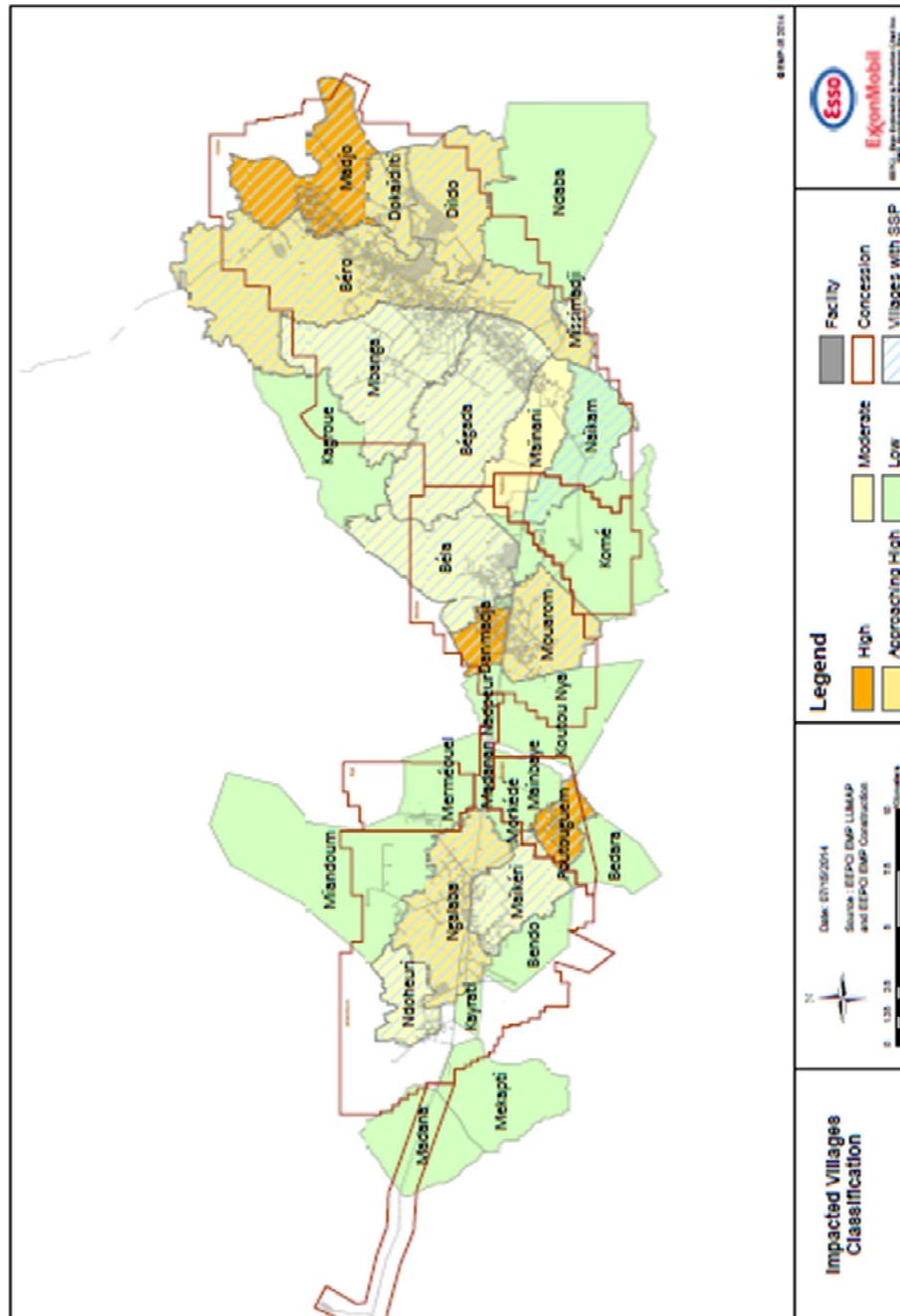
From this report we can make the following conclusions:

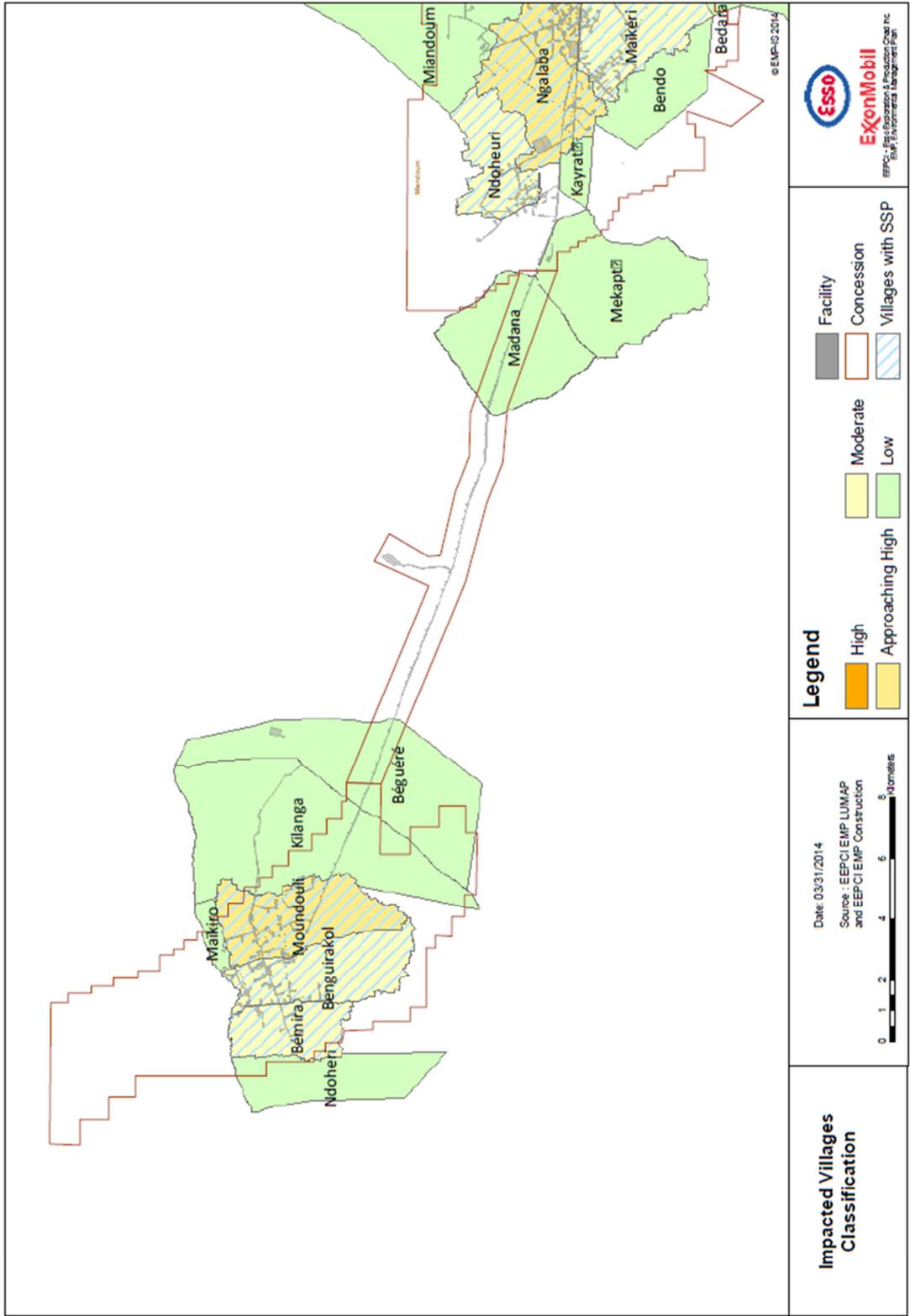
1. Project's footprint reduced by 21.1 ha.
2. 29 eligibles (2012 promotion) completed the post training portion of the Improved Agriculture Training program.
3. 21 eligibles (2013 promotion) started the post training portion of the Improved Agriculture Training program.
4. 2014 reinforcement program completed for 30 individuals, delivery of equipment and livestock and training completed.
5. Monitoring surveys ongoing with 32 still at risk individuals from the 2008 promotion. This process will make it possible to identify potential recipients for reinforcement in 2015.
6. BBS completed with the 32 individuals making up the 2014 promotion.
7. Monitored the effects of the training program for fifteen (15) animal health auxiliaries previously trained.
8. Drilling of the two water wells selected by the population of Bemira is underway.
9. Completed the construction and turned over flour mill to population of Benguirakol.
10. Completed the construction and turned over flour mill to population of Moundouli.

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 Maps





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%