Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Four Quarter 2014

Prepared by the EMP Department
January 2015

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List of Acronyms & Terms Used in this Report

BBS	Basic Business Skills Training
CAO	Compliance Advisor Ombudsman
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
EFC	Eligibility Factor Class
HH	Household
HHH	Head of Household
HHM	Household Member. Include the CdM and all its' dependents, regardless of their age.
IDO	Independent humanitarian non-governmental organization whose primary objective is to help rural communities, in developing countries, builds sustainable drinking water supplies.
IFC	International Finance Corporation
IAT	Improved Agriculture Training
KSC	Kome Social Committee
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 of a household.
WBG	World Bank Group

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 Four Quarter 2014 (4Q14) Village Impact summary:

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

During the Fourth Quarter 2014 Danmadja moved in front of Poutouguem becoming the most impacted village (high Impact Category), Missimadji moved from the moderate impact category to the top of the approaching high category and Kairati moved from the low to the moderate category.

Also during this quarter, eight (8) villages saw an increase in the Project's footprint six (6) saw a reduction and fifteen (15) remained unchanged (Table 2, page 10). The village which saw the biggest net increase in 4Q14 was Danmadja with an increase of 16 ha. During this quarter the village of Dildo Bayande saw a reduction of the project's footprint of 12.8 ha.

The primary accomplishments of the fourth quarter 2014 (4Q14) are:

General

- Implemented strategies to promote for theft and vandalism mitigation synergy between various EEPCI departments managing socio-economic activities in communities of the OFDA.
- Participated in a series of field visits and mediation meeting with a group of local NGO's under the guise of the CAO.
- Continued Community Engagement Program at Kome and Miandoum Sub-prefecture.
- Supported the Kome Social Committee campaign in communities of the OFDA for school supplies, Christmas and End of year donation.
- Conducted the Annual Independent EMP Compliance Assessment with D'APPOLONIA.

EMP and EMP-IS

- Progressed follow up of households impacted by the project, using the improved impact survey process. Focus efforts on at risk households, and villages targeted for SSP review. 337 surveys completed during this quarter.
- Completed Q3-2014 Village Impact report and Posted onto ESSO-CHAD website.
- Integration of community compensation data into EMP-IS data base.
- Set up community compensation portfolio map.

Resettlement Program

- 21 eligibles (2013 promotion) advancing in the post training portion of the Improved Agriculture Training program.
- IAT ongoing with 32 individuals making up the 2014 promotion and rainy season equipment distributed.
- Finalized list of resettlement eligible individuals for 2015 promotion.
- Held sessions on steps of reflection for 2015 eligible promotion. 14 eligible persons were invited to participate. All selected Improved Agricultural Training as an option of choice.

Community Compensation and Supplemental Community Compensation Program

- Preparation of signs for community compensation infrastructures.
- Trained water-well management committees and staff in the operation and maintenance of wells and pumps (villages of Bemira 1 and Bemira 4)

Grievance management

- Grievances initiated during Q4-2014: **114**
- Grievances paid during Q4-2014: **72**
- Grievances closed during Q4-2014: **138**
- Backlog as of December 31st 2014 : **12**

Community Relation

1. Community consultation

- **102** meetings held
- **4477** participants
- Main topics:
  - Using of well pad and other facilities as support for harvest
  - Control measures of surface and underground water
  - Theft and vandalism acts
  - Using of stagnant water and risks associated

2. Relation with NGOs

Meeting was held with NGOs and IDO at Moundou. The purpose was to assess all activities performed by the Project year to date and looking forward about the collaboration with the said NGO.

After discussions and exchanges we agreed on the following:

1. Putting in place a new strategy of communication with NGOs.
2. Working together on the public communication plan concerning the equipment and buildings delivered by the Company to communities.
3. Helping the communities to understand the effort done by the Company in term of Community Compensation.
4. Emphasize the ownership of equipment's by villagers and their sustainability.
5. Working together with NGOs and being visible on the site visit on a quarterly basis
6. Provide to the NGO the chart of the realization (Houses, water well, flour mills etc.)

3. Donations

- 10 truck load of wood donated in Bero Canton.

Work Plan for First Quarter 2015(1Q15)

- 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 Q4-2014 Village Impact report and Post onto ESSO-CHAD website.
- Advance a review of the SSPs for village of Madjo and Danmadja.
- Complete integration of Community Compensation Documentation into EMP-IS database
- Continue Land Return Campaign.
- Follow up intervention strategy for theft and vandalism mitigation in local communities.
- Launch BBS of 14 eligibles for 2015 promotion.
- Complete Annual Individual Livelihood Restoration Report 2014

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.

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.

Missimadji moved from Moderate to the top of the Approaching High list, following the establishment of a new borrow pit. It must be noted that while the actual land take which took place in Missimadji was relatively small, 8.7 ha, it had a significant impact on this very small community. The footprint of the project in Missimadji almost doubled, growing from 4.9% of the village's territory to 9.7%. Kairati moved from the Low to the Moderate category following an increase in the number of at risk individuals. While no other village actually changed category during the Fourth Quarter 2014, Danmadja moved in front of Poutouguem becoming the most heavily impacted village (high Impact Category). This change in the relative position of Danmadja is due to the fact that 22.4 % of HH were found to be Non-viable on the basis of impact and land return surveys completed during the last quarter, and significant Project footprint (11.9%).

Since the onset of 2014, the Quarterly Village Impact reports 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 8), 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 8). In all villages where SSPs were completed and fully implemented (18/18 villages), only low residual impacts are believed to remain.

A review of the SSPs of recently impacted communities, with SSPs older than four years, was ongoing during the fourth quarter, with the villages of Madjo and Danmadja, in order to establish whether the land take which recently took place in these communities would warrant new support strategies.

Table 1 : Village Classification Last Quarter 2014

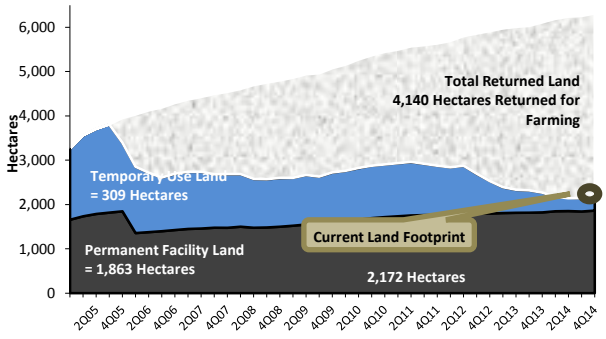
Categories	Villages – 4Q14	Villages – 3Q14
High	• **Danmadja** • **Poutouguem** • **Madjo**	• **Poutouguem** • **Danmadja** • **Madjo**
Approaching High (Watch List)	• **Missimadji** • **Bero** • **Dildo-Bayande** • **Dokaidilti** • **Ngalaba** • **Mouarom** • **Moundouli**	• **Béro** • **Dildo-Bayande** • **Dokaidilti** • **Ngalaba** • **Mouarom** • **Moundouli**
Moderate	• **Bela** • **Benguirakol** • **Ndoheuri** • **Begada** • **Mbanga** • **Maikeri** • Mainani • **Bemira** • Kaïrati	• **Missimadji** • **Bela** • **Ndoheuri** • **Begada** • **Maïkéri** • **Mbanga** • **Benguirakol** • Maïnani • **Bemira**
Low	• Maikiro • Kome-Ndolobe • Madana Nadpeur • Maïmbaye • Meurmeouel • Miandoum • Morkete • **Naïkam** • Bendo • Koutou Nya	• Maikiro • Kome-Ndolobe • Madana Nadpeur • Maïmbaye • Meurmeouel • Miandoum • Morkete • Kaïrati • **Naïkam** • Bendo • Koutou Nya
Low (Declared low through other processes)	• Bedara • Bekia 2 • Bekia 3	• Bedara • Bekia 2 • Bekia 3

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

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.

Figure 1: LAND USE FOOTPRINT FOR THE OVERALL PROJECT



As shown in figure 1, the footprint of permanently and still temporarily occupied land has **increased** by 32 ha, or slightly more than 1.5 %, during the Q4-2014.

This represents a reversal of the trend, after 9 quarters of continuous reduction in the Project's footprint. Notwithstanding this situation, the footprint as it stood on December 31st, 2014 (2172 ha) remains one of the lowest points it has been since data is published on the matter.

The land returned is not the only factor that can compensate in part if not completely for new land take. One can also note 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.

During the fourth quarter of 2014, eight (8) villages saw an increase in the Project's footprint while six (6) saw a reduction and fifteen (15) remained unchanged (Table 2 above). The three villages which saw the biggest net increase in 4Q14 were respectively: Danmadja with an increase of 16 ha, Begada with 10.1 ha and Missimadji with 8.7 ha. During this quarter the three villages which saw a reduction of the project's footprint were respectively Dildo-Bayande with 12.8 ha, Bero with 5.3 ha and Mbanga with 4.6 ha. We can further note that Missimadji, which has a relatively small land base, was affected in a significant fashion by this land take. This village's footprint now representing 9, 7% of the available land base, an increase of 4.8%

Table 2: Land Use by Village in OFDA

Village	Total village area (ha)	Maximum land use (ha)	Land use Q3 2014		Land use Q4 2014		Delta
			%	(ha)	%	(ha)	(ha)
Danmadja	480	69.6	8.6%	41.2	11.9%	57.2	16
Missimadji	181	60	4.9%	8.9	9.7%	17.6	8.7
Dildo-Bayande	1890	203	9.9%	187.1	9.2%	174.3	-12.8
Béro	5772	664.6	9.0%	520.5	8.9%	515.2	-5.3
Dokaïdilti	690	157	8.1%	55.9	8.1%	55.9	0
Mouarom	1359	159	7.5%	101.9	7.8%	105.5	3.6
Ngalaba	2122	330	7.2%	152.1	7.2%	152.1	0
Poutouguem	562	62	7.0%	39.3	6.9%	38.7	-0.6
Béla	2200	225	6.1%	133.8	6.3%	138.1	4.3
Bégada	3282	348	5.4%	176.3	5.7%	186.4	10.1
Madjo	2139	148.8	5.1%	109.4	5.0%	107.6	-1.8
Maïkéri	1245	112.8	4.7%	58.8	5.0%	61.7	2.9
Maïnani	1413	90	4.5%	64	4.8%	67.8	3.8
Benguirakol	1068	80.5	4.3%	45.6	4.3%	45.6	0
Mbanga	3059	253	4.2%	127.8	4.0%	123.2	-4.6
Moundouli	1151	82	3.8%	43.2	3.8%	43.2	0
Ndoheuri	811	50.6	3.0%	24.4	3.0%	24.1	-0.3
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	1.2%	9.5	1.2%	9.5	0
Naïkam	1450	28	1.0%	14.4	1.2%	17.8	3.4
Mainbaye	420	4.1	0.9%	3.8	0.9%	3.8	0
Meurmeouel	1128	22	0.8%	9.4	0.8%	9.4	0
Miandoum	4028	62	0.8%	32.9	0.8%	32.9	0
Kaïrati	187	6	0.7%	1.4	0.7%	1.4	0
Komé Ndolobe	2448	81	0.7%	17.4	0.7%	17.4	0
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	3376.9	4.6%	2005.5	4.7%	2032.9	27.4

* Land use = permanent + temporary not returned

As the Impact and Land-Return Survey processes became fully operational, the eligibility factor of 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 2014 (14 individuals in total), have been integrated into the roster of the 2015 Resettlement Promotion. They are presently going through 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 10), the data presented below (Table 3 on page 11) shows that returned land did not compensate for new land take, resulting in a net footprint increase of slightly more than 32 ha. During this quarter 26.5 ha of land were returned to the communities, by the Project, while 58.7 ha were compensated for. Overall, this resulted in 32.2 ha of net land take during this period.

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

	Land Use by project				
	Total Area (Ha)			4Q14	
Land Use Type	**Compensated**	**Returned**		**Compensated**	**Returned**
Sub-Total- Permanent with Public Access	1494.8	631.1	42%	10.6	0.6
Sub-Total- Permanent with no Public Access	1149.9	151	13%	9.6	0
Total Permanent	**2644.7**	**782.1**	**30%**	**20.2**	**0.6**
Borrow pit	681.3	520.7	76%	24.7	12.3
Others	47.0	33.6	71%	1.6	0.2
Sub-Total – Temporary returned without restriction	**728.3**	**554.3**	**76%**	**26.4**	**12.5**
Underground facility	1773.9	1716.5	97%	4.2	6.4
OHL	480.9	463.3	96%	-0.8	-0.9
Well pad	684.2	624.3	91%	8.7	7.9
Sub-Total – Temporary returned with restriction	**2939**	**2804.1**	**95%**	**12.1**	**13.4**
Total Temporary	**3667.3**	**3358.4**	**92%**	**38.5**	**25.9**
Total All Land Use Types	**6312.0**	**4140.5**	**66%**	**58.7**	**26.5**

- 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.
- "4Q2014: Compensated" shows the total hectares compensated during the quarter covered in this report.
- "4Q2014: 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).

A significant portion (65.6%) of the land compensated during the fourth quarter was for temporary use and has already started to be returned. It must also be noted that land returned in the temporary category (25.9 ha) was less than new temporary land take (38.5). The Project had a net increase in its temporary land use of 12.6 ha during the quarter. The main contributing factor to the expansion of the Project's footprint was the expansion of two existing borrow-pits located respectively in Danmadja and Missimadji.

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.

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

Total non-viable individuals today	Value Now %	Made non-viable by project	Value Now %
Kaïrati	22.6	Maïmbaye	2.4
Madana Nadpeur	17.3	Madana Nadpeur	1.4
Koutou Nya	12.4	Bendo	1.1
Miandoum	6.9	Miandoum	0.4
Bendo	2.6	Merméoul	0.1
Maïmbaye	2.4	Kairati	0.0
Merméouel	1.8	Koutou Nya	0.0
Morkété	N/A	Morkété	N/A

Table 5 presents the data originating from the VLUS and now incorporates the information from the impact and land return surveys. Generally we can conclude that only changes of limited consequences, in terms of their effect on overall village classification, have taken place when these results are compared to those of the previous quarterly report. We can nonetheless note that:

- Bela saw an increase by (0.9%), resulting in this village moving from the low to the moderate social impact classification.
- Danmadja saw an increase of 4.8%, resulting in this village moving to the top of the social impact classification ahead of Poutouguem.
- Poutouguem saw a reduction of 3.5% and became second in the social impact classification.
- Mbanga saw an increase of 1.7% with no significant impact on its ranking.
- Madjo saw a reduction of 1.9%, not far from moving down into the social impact classification.

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
Danmadja	22.4%	4.8%
Poutouguem	19.7%	-3.5%
Madjo	15.4%	-1.9%
Moundouli	12.3%	0.0%
Béro	12.2%	-0.1%
Ngalaba	10.4%	0.0%
Missimadji	9.7%	0.0%
Dildo-Bayande	8.7%	0.0%
Bémira	8.4%	0.0%
Benguirakol	8.3%	0.0%
Dokaïdilti	6.9%	0.0%
Béla	6.7%	0.9%
Ndoheuri	6.6%	0.0%
Mbanga	5.5%	1.7%
Komé Ndolobe	3.7%	0.0%
Maïkéri	3.5%	0.0%
Maïnani	3.4%	0.0%
Bégada	3.1%	1.5%
Mouarom	2.2%	-1.7%
Naïkam	0.0%	0.0%

This reflects the ability of the Project to monitor the status of project affected household in the OFDA in real time. The limited number of households and size of the population of certain villages explains why certain villages may see fairly significant changes from one quarter to another. One household falling below the viability threshold is often enough to explain what appears to very significant changes in the percentage of non-viable project individuals.

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
		Q4-2014	Total	Q4-2014	Total	Q4-2014	Total		
Bégada	**262**	6	**220**	49	**295**	0	**8**	21	**798**
Béla	**145**	10	**151**	0	**46**	0	**9**	8	**350**
Bémira	**145**	0	**0**	0	**0**	0	**0**	10	**155**
Benguirakol	**106**	0	**0**	0	**0**	0	**0**	7	**113**
Béro	**600**	31	**431**	7	**287**	1	**92**	92	**1410**
Danmadja	**102**	22	**107**	35	**93**	2	**24**	30	**332**
Dildo-Bayande	**276**	0	**47**	0	**28**	2	**19**	31	**382**
Dokaïdilti	**85**	0	**16**	1	**2**	0	**19**	21	**124**
Komé	**200**	0	**30**	0	**0**	1	**3**	3	**233**
Madjo	**130**	5	**150**	34	**175**	0	**20**	35	**490**
Maïkeri	**141**	1	**90**	0	**36**	0	**10**	5	**272**
Maïnani	**111**	0	**66**	0	**17**	0	**4**	8	**202**
Mbanga	**269**	4	**249**	53	**203**	0	**14**	29	**750**
Missimadji	**24**	0	**4**	0	**1**	0	**3**	7	**36**
Mouarom	**85**	2	**47**	41	**72**	0	**5**	3	**207**
Moundouli	**178**	0	**0**	0	**0**	0	**3**	18	**196**
Naïkam	**54**	0	**6**	0	**1**	0	**0**	0	**61**
Ndoheuri	**95**	0	**75**	0	**15**	0	**4**	10	**195**
Ngalaba	**251**	0	**178**	0	**106**	3	**19**	41	**576**
Poutouguem	**61**	6	**66**	14	**52**	0	**6**	11	**190**
Other villages	**18**	1	**28**	0	**4**	0	**44**	158	**208**
Total	**3338**	88	**1961**	234	**1433**	9	**306**	548	**7280**

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. Eighty height (88) new impact surveys were completed and integrated during this quarter. Most of these surveys (60%) were related to the villages of Bero and Danmadja. As mentioned above, two villages have experienced in this quarter an intensive land take and return

activities (Danmadja with an increase of 16 ha and Dildo-Bayande with 12.8 ha of footprint reduction on Borrow Pit (KBP4 Ext6)).

In the case of Missimadji we find no impact surveys even if the Project's footprint increased by 12.8 ha, such discrepancies, which are not uncommon, arise because of the following reasons:

- The infill drilling process 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. This would result in a limited number of new Impact surveys even if significant amounts of new land have been taken up by the Project.
- Although the Project is now operating in real time, surveying impacted individuals shortly after the land take, there may still be situations were up to three weeks may elapse between the land take and the survey.
- 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: Six (6) monitoring surveys were completed during the fourth 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 2014 covered still at risk associated with 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 2014 Land Return Survey campaign was focused on at risk villages that will be targeted for reviewed SSP's, being Begada, Danmadja, Madjo, Mbanga and Mouarom. During this process, households who have received land as per the land return process in 2013 and early 2014 will be surveyed in order to measure the extent to which this has helped them recover. Two hundred and thirty four (234) Land Return surveys were completed during the fourth quarter. During this process at-risk households were visited in 8 villages, 91% of which in the five target villages.

3.0 **Milestones of Q4-2014**

3.1. 4Q2014 Social Committee Schools Supplies Donation

In 4Q2014, around 1,000 pupils from 11 primary schools were selected to receive school supplies donated by Kome's Social Committee. Kome's Social Committee is made up of employees of EEPCI and its' contractors. This group collected funds and donations in kind from other staff members in order to support various charitable actives to be implemented in the OFDA such as the donation of school supplies.

EEPCI matched employee contributions in equal amount. This led to a total of about 7 million CFA being collected.

Supplies to pupils at ACT school of Bero

Traditional chiefs meet EEPCI's leadership after the donation of supplies at ACT school

The distribution of school supplies took place in the later part of October 2014. In the picture above, pupils are showing school supplies (notebooks, slates, pencils, erasers and chalks) they received from Social Committee donation.

After the donation to pupils, the canton chief of Bero Mr. Daingar Ndingambaye and his six village chiefs expressed their gratitude and encouraged the project and its' workers to continue with this good initiative to the Kome social committee delegation directed by Kome Operation superintendent.

After the donation to Bedaman's Official School in the village of Miandoum 5, the chief, Mr. Djibe Edmond, said that he is very happy to see the children of his community benefit from such generosity. For that he wished to forward his best wishes and blessings on the employees and contractors of EEPCI as well as the company which make this action possible. He also hopes that such kind of action will continue to sustain many others who are in need.

Miandoum 5 village chief Mr. Djibe Edmond

3.2 Training of community based fountain managers for villages of Bemira 1 & 4

Bemira 4's water well

During the third quarter of 2014 the Villages of Bemira 1 and 4 each received a water-well as per the supplemental community compensation program.

The management committee of each village designated two individuals to be trained in the management and maintenance of these new facilities, in order to ensure their sustainability. The objective is to allow them to repair the pumps when a problem arises, especially in case of breakdown of the foot pump.

The village chief of Bemira 4 and the two trainees gave their impression a few days after the training.

Bemira 4's chief, Mr. Beuryo

Bemira 4 village chief, Mr. Beuryo Antoine, stated on behalf of his population that it is with a lot of pride that they have received this well, as all they had before was water from the stream. "As we have endured this problem for many years, we are making all efforts possible to safeguard and sustain the gift granted to us."

Trainee Julien from Bemira 4

"It is why we have selected ten heads of household to make up the management committee. Their role will be to manage the facility on a daily basis and meet on a monthly basis to discuss the outcome and challenges of the previous months. Urgent meetings will be called when anything out of the ordinary occurs. The funds generated by these assets will not be used or borrowed by anyone except for the purpose of maintaining or enhancing these facilities. The selection of the trainees was made on the basis of their existing skills and to ensure that they will have the best chance of ensuring the sustainability of their water supply system."

Trainee Kisito from Bemira

Tamadjenodji Julien from Bemira 4, farmer and fisherman, was designated as a trainee in maintenance of the water well in our village. "I am now able to solve any problems that may arise with the internal components of the pump. As soon as I receive the required tools, I will be able to repair breakdowns in our village and other surrounding villages. I am happy to have received this training which will give me access to other sources of income."

Djessandjim Kisito from Bemira 1, farmer, fisherman, community teacher and secretary of the village was designated for this training program. "Following this training program I am now able to dismantle and assemble a pump in its various components. This will give me yet another source of income. Overall we should be able to manage our water-well and pump in a sustainable fashion. I am really proud having this training. "

3.3 Kome Social Committee Christmas Donation

Kome's Social Committee organized a Christmas drive in the later part of 2014. During this period it received numerous donations in kind and cash, totaling 3,973,955 XAF (7,947.91 USD). The cash portion was used to buy more toys, clothes, shoes, etc. These items have been distributed to babies, children, elderly women, teachers, chiefs and some villagers. 917 children, 40 old women, 16 teachers, 8 chiefs, a few other villagers and more than 100 babies benefitted from these donations.

Mr. Ngarkandje Bernard, chief of Bela 1 village:

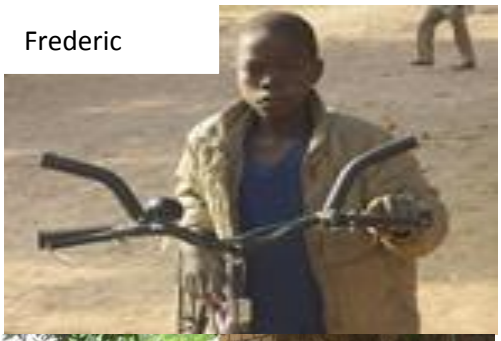
"I must be appreciative for this act of generosity which touches our hearts. The moment chosen for the donation, on the eve of an important celebration, was very opportune. These gifts touch the entire population, as all ages were concerned (babies, children, elderly women, parents and chiefs of villages)."

Children and the elderly women beneficiary of the donation

It will also encourage the children to persevere in their daily activities. Even jerseys and a ball for soccer have been given for the young. "I would like take this opportunity to thank to workers and the company who have made it possible for this initiative to take place and ask God to bless them abundantly in return."

Mr. Ngarkandje, village's chief of Bela

Frederic



Robert, Frederic's father

Matoguebeye Frederic, from CM2, is the first in his class at the exam of the first quarter. To encourage him, he was awarded a bicycle in addition to the shirt and the trousers that the other received. "I didn't expect to get a bicycle one day, but here it is. I am really happy and thank all those who contributed to this gift and I pledge to continue to study hard".

Frederic's father, Mr.Nodjiassem Robert stated that the gift would have been beyond his means. He added his word of thanks to those of his son and exhorted the workers and project to continue this act of generosity.

3.4 Steps of reflection campaign with locales authorities concerning 2015 eligible

When individuals or households become eligible for resettlement, they go through the steps of reflection. This process is designed to ensure that eligible impacted individuals understand the resettlement program, the expectations, the benefits, the goals and the code of conduct that goes along with this program.

Bero Canton Chief Mr. Daingar Dingambaye

The steps of reflection start with local authorities and leaders of the villages concerned. During this meeting they are made aware of the selection of some of their villagers, the different options associated with the resettlement program and of the expectations placed on the individuals and village leadership in order to make this program successful.

The Bero and Kome canton chiefs and some concerned village chiefs have unanimously shown their appreciation for the resettlement program.

They said that it is a good initiative to help vulnerable people to regain their livelihood if they take care of their granted equipment and put the skills learned into practice.

Village leaders have noted that some beneficiaries sell of their assets shortly after receiving them. Kome Canton Chief, stating that this is an unacceptable behavior, suggested the introduction of an additional rule in the code of good conduct would help them in putting a stop to such practices.

Local authorities present at the meeting have unanimously confirmed that they would support the Project in enforcing the code of conduct to ensure the success of these initiatives.

Kome Canton Chief Mr. Naniasngar Ndolebe

Conclusion

The fourth quarter saw the completion of the installation of safety equipment in 10 flour mills of the OFDA, being Missimadji, Mainani, Begada 1, Bekia 2, Bekia 3, Maimbay, Morkete and Ndoheuri and the pursuit of the new "Community Engagement initiative", in addition to a number of ongoing activities. While these activities have had significant positive impacts, on villagers and their communities, only time will allow us to measure their level of performance.

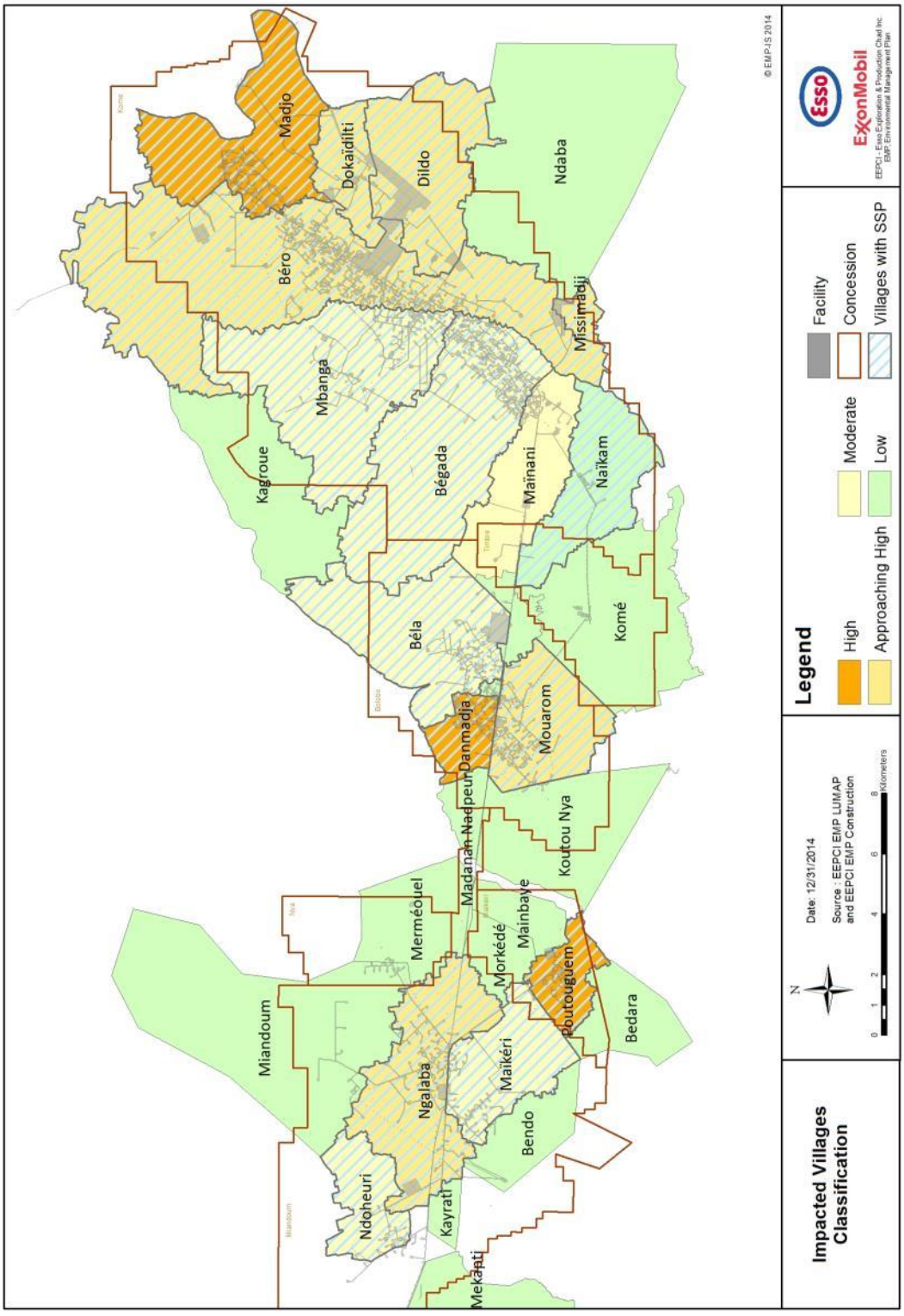
From this report we can make the following conclusions:

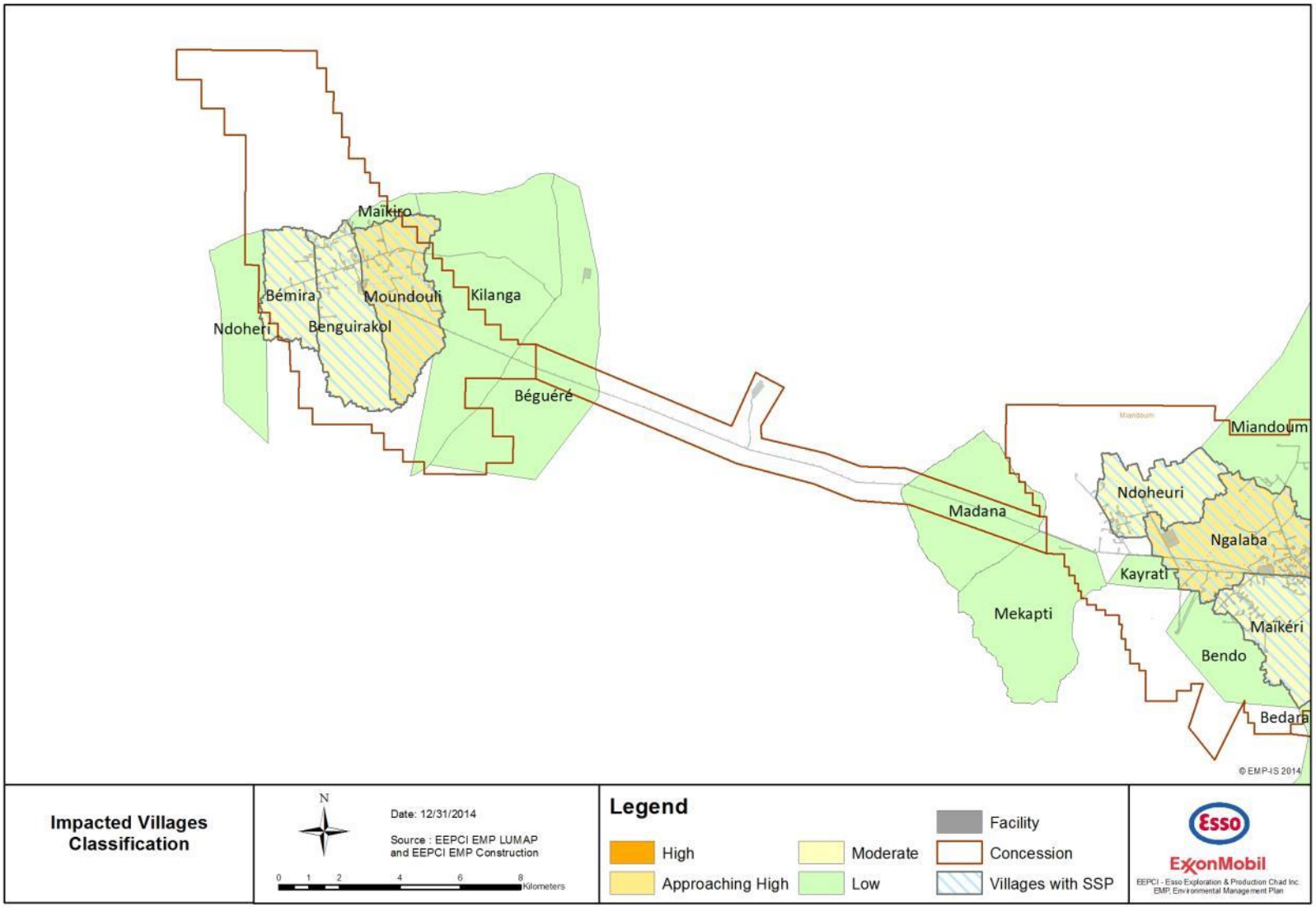
1. Project's footprint increased by 32 ha, or slightly more than 1.5 %, during the Q4-2014.
   This represents a reversal of the trend, after 9 quarters of continuous reduction in the Project's footprint.
2. 21 eligibles (2013 promotion) are continuing the post training portion of the Improved Agriculture Training program.
3. Monitoring surveys completed with 43 still at risk individuals from previous promotions. This process will make it possible to identify potential recipients for reinforcement in 2015.
4. 32 eligibles making up the 2014 promotion are completed the rainy season portion of the Improved Agricultural Training Program and have started to participate in the optional (dry season) portion of the program.
5. 14 eligible impacted individuals of the 2015 promotion went through the steps of reflection and selected the Improved Agricultural Training Program as their option of choice.
6. Community management committees of Bemira 1 and 4 were trained in order to ensure the sustainable use of these two wells.
7. Pursuit of Community Engagement Process for theft and vandalism mitigation.

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




Maïkiro
Bémira
Moundouli
Kilanga
Ndoheri
Benguirakol
Béguéré
Miandoum
Madana
Ndoheuri
Ngalaba
Kayrati
Mekapti
Maïkéri
Bendo
Bedara
© EMP-IS 2014
Impacted Villages Classification
N
Date: 12/31/2014
Source : EEPCI EMP LUMAP and EEPCI EMP Construction
0 1 2 4 6 8 Kilometers
Legend
High
Approaching High
Moderate
Low
Facility
Concession
Villages with SSP
Esso
ExxonMobil
EEPCI - Esso Exploration & Production Chad Inc.
EMP, Environmental Management Plan

Annex 2: Village Classification Criteria's

Land Use Criteria

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

Calculation of Land Use Impact

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

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

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

Initial Classification with Compensation Data

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

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

Rule:

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

Threshold:

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

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

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

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

Rule:

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

Threshold:

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

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

Criterion 3: Reclassification with Village Survey data

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

Rule:

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

*This statistic excludes non-viable households with resettlement options

Threshold:

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