Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

First Quarter 2015

Prepared by the EMP Department
April 2015

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List of Acronyms & Terms Used in this Report

BBS	Basic Business Skills Training
CRCP	Chad Resettlement and Compensation Plan
CdM	Household Chief (Chef de Ménage)
EEPCI	Esso Exploration & Production Chad Inc (the Project)
Eligible	Generic term to designate an individual that may be eligible to the EMP Resettlement Program.
EMP	Environmental Management Plan
EMP-IS	EMP Information System: manages Land Acquisition, Socioeconomic and Land return data.
ECMG	External Compliance Monitoring Group
HH	Household
HHH	Head of Household
HHM	Household Member. Include the CdM and all it dependents, regardless their age.
IFC	International Finance Corporation
IAT	Improved Agriculture Training
LCC	Local Community Contact
MARP	Participatory Rural Assessment process
NGO	Non-Governmental Organization
Potential Eligible	Individual that may be eligible to the EMP Resettlement Program. Analysis must be completed.
Project Footprint	Total area occupied by the project at a given time (e.g. Compensated but not returned land)
True Eligible	Individual eligible to the EMP Resettlement Program.
VLUS	Village Land Use Survey previously called Cadastral survey. Refer to the measurement of every field, fallow & house of households.
WBG	World Bank Group
EFC	Eligibility Factor Class
KSC	Kome Social Committee

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 First Quarter 2015 (1Q154) Village Impact summary:

- 2 High impact villages (Danmadja & Poutouguem)
- 8 Approaching high villages
- 8 Moderate impact villages
- 14 Low impact villages

Two villages actually changed category during the First Quarter 2015 Madjo moving down from the high category to the approaching high category while Missimadji moving up from the moderate impact category to the approaching high category.

During the first quarter of 2015, six (6) villages saw a slight increase in the Project's footprint , these increases generally representing less than 0.2%, while eleven (11) saw a reduction and twelve (12) remained unchanged (Table 2 page 10). The village which saw the biggest net increase in 1Q15 was Begada with an increase of 3.2 ha. During this quarter the village of Bero saw a reduction of the project's footprint of 12.9 ha.

The primary accomplishments of the first quarter 2015 (1Q15) are:

General

- Implemented strategies to promote synergy between various EEPCI departments managing socio-economic activities in communities of the OFDA.
- Participated in a series of fields visit and mediation meetings with a group of local NGO's under the guise of the CAO.
- Continued Community Engagement Program on theft mitigation at Bero, Kome and Miandoum Sub-prefecture. What.
- Completed annual livelihood Restoration Report 2014.
- Completed Q4-2014 Village Impact Report

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. 353 surveys completed during quarter.
- Integration of community compensation data into EMP-IS data base.
- Set up community compensation folio map.
- Completed integration of Community Compensation Documentation into EMP-IS database

Resettlement Program

- 21 eligible persons (2013 promotion) completed the post training portion of the Improved Agriculture Training program.
- Monitoring surveys ongoing with 50 still at risk individuals from previous promotions. This process will make it possible to identify potential recipients for reinforcement in 2016.
- IAT ongoing with 32 individuals making up the 2014 promotion and rainy season equipment distributed.
- BBS ongoing for 14 eligible persons making up the 2015 promotion and large number of auditors.
- Base line surveys complete for 14 eligible persons making up the 2015 promotion.
- Completed distribution of dry season equipments for 32 eligible persons of the 2014 promotion.

Community Compensation and Supplemental Community Compensation Program (ISM)

- Launched a review of the status of Community Compensation Initiatives completed over the last ten years of the Project.

Grievance management

- Grievances initiated during Q1-2015: **172**
- Grievances paid during Q1-2015: **69**
- Grievances closed during Q1-2015: **100**
- Backlog as of March 31st 2015 : **11**

Community consultation and Relation with NGOs

Community consultation

- **146** meetings
- **6376** participants
- Main topics:
    - Using of well pad and other facilities as support for harvest
    - Theft and vandalism acts
    - Claim procedure
    - Safety on roads

Relation with NGOs and governmental agencies

1. Meeting with local authorities for land take/return
2. Meetings, field trips and discussions with CTNSC Representative on Site
3. SEWAC meeting held with P&GA

Donations

- Two truckloads of wood donated to village of Bero in February.
- EEPCI women association (ASFET) drilled 2 water wells for the communities of Koutou-Nya and Ndaba-Bebo.

Work Plan for Second Quarter 2015 (2Q15)

- Continue Public Consultation and Awareness Campaign.
- Ongoing Improved Agricultural Training program for 32 eligibles from 2014 promotion.
- Complete Q1-2015 Village Impact report and Post onto ESSO-CHAD website.
- Completed the SSPs for village of Madjo, Mouarom, Mbanga, Ngalaba and Danmadja.
- Continue Land Return Campaign.
- Follow up intervention strategy for theft and vandalism mitigation in local communities.
- Launch reinforcement program for 30 former eligible persons.
- Complete BBS of 14 eligible for 2015 promotion.
- Launch IAT for 14 eligible for 2015 promotion.

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 house hold member 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.

Two villages actually changed category during the First Quarter 2015 Madjo moving down from the high category to the approaching high category while Missimadji moved up from the moderate impact category to the approaching high category. (table 1 page 8)These changes the relative position of certain villages are the consequences of the following factors:

- Madjo has 14.8 % of Non-viable HH (table 5 page 13) in the community on the basis of impact and land return survey, and significant Project footprint (4.8%) (table 2 page10).
- Missimadji had a significant land take in Q4-2014 because of a Borrow pit.

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 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 (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, is underway for the Madjo, Ngalaba, Mouarom, Mbanga 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 First Quarter 2015

Categories	Villages – 1Q15	Villages – 4Q14
High	• **Danmadja** • **Poutouguem**	• **Danmadja** • **Poutouguem** • **Madjo**
Approaching High (Watch List)	• **Madjo** • **Bero** • **Dildo-Bayande** • **Missimadji** • **Dokaidilti** • **Ngalaba** • **Mouarom** • **Moundouli**	• **Bero** • **Dildo-Bayande** • **Dokaidilti** • **Ngalaba** • **Mouarom** • **Moundouli**
Moderate	• **Bela** • **Ndoheuri** • **Begada** • **Maïkéri** • **Benguirakol** • **Mbanga** • **Maïnani** • **Bemira**	• **Missimadji** • **Bela** • **Ndoheuri** • **Begada** • **Maïkéri** • **Benguirakol** • **Mbanga** • Maïnani • **Bemira**
Low	• Maikiro • Kome-Ndolobe • Madana Nadpeur • Maïmbaye • Meurmeouel • Miandoum • Morkete • Kaïrati • 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

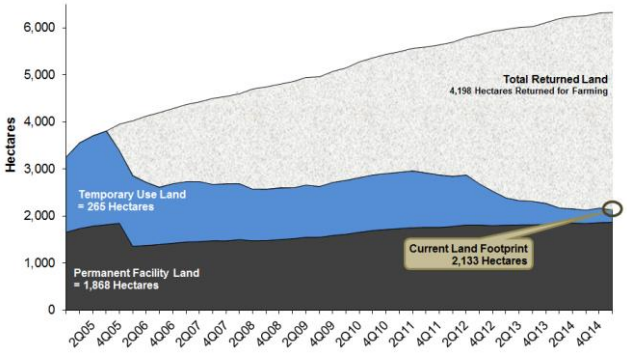
Villages in bold print have had a Site Specific Plan (SSP) performed.

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.

As shown in figure 1, the footprint of permanently and still temporarily occupied land (in all of Chad) was **reduced** by 38.4 ha, or about 1.8 %, during the Q1-2015.

Figure 1: LAND USE FOOTPRINT FOR THE OVERALL PROJECT



This represents a return to a downward trend after only one quarter of increase. The Project's footprint will have gone down 10 of the last 11 quarters. Notwithstanding this situation, the footprint as it stood on March 31st, 2015 (2133 ha) is at 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.

When we consider the information presented in Table 2, below, we find that in addition to the three original fields (Kome, Bolobo and Miandoum), there is also the newer development areas of the OFDA (Maikeri, Timbre and Nya oil fields). But for the 1Q2015, we can easily note that the actual increasing in the area occupied by the Project is only limited to the case of villages located in field of Kome and Miandoum.

During the first quarter of 2015, six (6) villages saw an increase in the Project's footprint while six (6) saw a reduction and eleven (11) remained unchanged (Table 2 below). The two villages which saw the biggest net increase in 1Q15 were respectively: Begada with an increase of 3.2 ha and Bendo with 2.3 ha. During this quarter the three villages that saw the biggest reduction of the project's footprint were respectively Bero with 12.9 ha, Mbanga with 10.0 ha and Madjo with 6.3 ha.

Table 2: Land Use by Village in OFDA

Village	Total village area (ha)	Maximum land use (ha)	Land use Q4 2014		Land use Q1 2015		Delta
			%	(ha)	%	(ha)	(ha)
Danmadja	480	69.6	11.9%	57.2	11.9%	57.3	0.1
Missimadji	181	60	9.7%	17.6	9.2%	16.7	-0.9
Dildo-Bayande	1890	203	9.2%	174.3	9.2%	173.4	-0.9
Béro	5772	664.6	8.9%	515.2	8.7%	502.3	-12.9
Mouarom	1359	159	7.8%	105.5	7.8%	106.1	0.6
Dokaïdilti	690	157	8.1%	55.9	7.7%	53.1	-2.8
Ngalaba	2122	330	7.2%	152.1	7.2%	152	-0.1
Poutouguem	562	62	6.9%	38.7	6.9%	38.5	-0.2
Béla	2200	225	6.3%	138.1	6.3%	137.6	-0.5
Bégada	3282	348	5.7%	186.4	5.8%	189.6	3.2
Maïkéri	1245	112.8	5.0%	61.7	5.0%	61.8	0.1
Maïnani	1413	90	4.8%	67.8	4.8%	67.8	0
Madjo	2139	148.8	5.0%	107.6	4.7%	101.3	-6.3
Benguirakol	1068	80.5	4.3%	45.6	4.3%	45.6	0
Moundouli	1151	82	3.8%	43.2	3.8%	43.2	0
Mbanga	3059	253	4.0%	123.2	3.7%	113.2	-10
Ndoheuri	811	50.6	3.0%	24.1	3.2%	25.6	1.5
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
Bendo	761	17	1.2%	9.5	1.6%	11.8	2.3
Madana Nadpeur	295	17.3	1.4%	4.1	1.4%	4.1	0
Naïkam	1450	28	1.2%	17.8	1.2%	17.8	0
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%	16.7	-0.7
Koutou Nya	1819	9.4	0.3%	5.2	0.3%	5.2	0
Morkété	440	7	0.2%	0.7	0.1%	0.6	-0.1
Total	43196	3376.9	4.6%	2005.5	4.6%	2005.3	-27.6

* Land use = permanent + temporary not returned

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 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 will start the improved agriculture training (IAT) program during the second Quarter of 2015.

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 (57.7 ha) compensated for new land take (19.3 ha) resulting in a net footprint reduction of slightly more than 38 ha.

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

	Land Use by project				
	Total Area (Ha)			1Q15	
Land Use Type	**Compensated**	**Returned**		**Compensated**	**Returned**
Sub-Total- Permanent with Public Access	1497.2	631.1	42%	2.4	0
Sub-Total- Permanent with no Public Access	1153.1	151	13%	3.2	0
Total Permanent	**2650.3**	**782.1**	**30%**	**5.6**	**0.0**
Borrow pit	687.7	537.9	78%	6.4	17.2
Others	47.0	33.6	71%	0.0	0.0
Sub-Total – Temporary returned without restriction	**734.7**	**571.5**	**78%**	**6.4**	**17.2**
Underground facility	1778.3	1740	98%	4.4	23.5
OHL	480.4	462.8	96%	-0.5	-0.5
Well pad	687.6	641.8	93%	3.4	17.5
Sub-Total – Temporary returned with restriction	**2946.3**	**2844.6**	**97%**	**7.3**	**40.5**
Total Temporary	**3681.0**	**3416.1**	**93%**	**13.7**	**57.7**
Total All Land Use Types	**6331.3**	**4198.2**	**66%**	**19.3**	**57.7**

- 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.
- "1Q2015: Compensated" shows the total hectares compensated during the quarter covered in this report.
- "1Q2015: 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 (70.9%) of the land compensated during the first quarter was for temporary use and has already started to be returned. It must also be noted that land returned in the temporary category (57.7 ha) was more than new temporary land take (13.7). The Project had a net reduction in its temporary land use of 44 ha during the quarter. The main contributing factor to the reduction of the Project's footprint was the return of a number of underground facilities and well pads and of one Borough pit. A number of initiatives are presently underway to rehabilitate and return areas previously used for Borrow pits.

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 cords 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 cords 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	23.6	Maïmbaye	2.4
Madana Nadpeur	17.3	Madana Nadpeur	1.4
Koutou Nya	12.4	Miandoum	0.4
Miandoum	6.8	Merméoul	0.1
Maïmbaye	2.4	Bendoh	0.0
Merméouel	1.8	Kairati	0.0
Bendoh	1.6	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.

During the last quarter (1Q-2015) three villages actually changed category, being:

- Madjo Moving down from high impact category to approaching high, due to a reduction in the % of non-viable project affected individual from 17.2% to 14.8%.
- Ngalaba moving down from approaching high to moderate impact category, due to a reduction from 10.4% to 9.6% of non-viable project affected individual.
- Bela moving down from moderate to low impact category due to a reduction from 6.7% to 4.2% of non-viable project affected individual.

These changes reflect interactions between the Project and one or a limited number of 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 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.

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	22.1%	-0.3%
Poutouguem	18.2%	-1.5%
Madjo	14.8%	-0.6%
Moundouli	12.3%	0.0%
Béro	11.7%	-0.5%
Ngalaba	9.6%	-0.8%
Dildo-Bayande	9.2%	0.5%
Missimadji	9.2%	-0.5%
Bémira	8.4%	0.0%
Ndoheuri	8.3%	1.7%
Benguirakol	8.3%	0.0%
Dokaïdilti	6.5%	-0.4%
Mbanga	4.9%	-0.6%
Béla	4.2%	-2.5%
Maïkéri	4.0%	0.5%
Komé Ndolobe	3.6%	-0.1%
Bégada	3.3%	0.2%
Maïnani	3.3%	-0.2%
Mouarom	3.2%	1.0%
Naïkam	0.0%	0.0%

2. Socioeconomic monitoring

2.1. Village Surveys and Monitoring

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
		Q1-2015	Total	Q1-2015	Total	Q1-2015	Total		
Bégada	**262**	17	**237**	42	**337**	3	**11**	21	**857**
Béla	**145**	5	**156**	31	**77**	6	**15**	11	**389**
Bémira	**145**	0	**0**	0	**0**	0	**0**	10	**155**
Benguirakol	**106**	0	**0**	0	**0**	0	**0**	7	**113**
Béro	**600**	25	**456**	71	**358**	8	**100**	98	**1512**
Danmadja	**102**	4	**111**	3	**96**	0	**24**	32	**341**
Dildo-Bayande	**276**	0	**47**	10	**38**	0	**19**	32	**393**
Dokaïdilti	**85**	1	**17**	5	**7**	0	**19**	21	**130**
Komé	**200**	0	**30**	0	**0**	0	**3**	3	**233**
Madjo	**130**	6	**156**	3	**178**	2	**22**	36	**500**
Maïkeri	**141**	11	**101**	4	**40**	4	**14**	5	**287**
Maïnani	**111**	6	**72**	31	**48**	2	**6**	8	**239**
Mbanga	**269**	2	**251**	11	**214**	0	**14**	30	**764**
Missimadji	**24**	2	**6**	0	**1**	0	**3**	7	**38**
Mouarom	**85**	2	**49**	3	**75**	0	**5**	3	**212**
Moundouli	**178**	0	**0**	0	**0**	0	**3**	18	**196**
Naïkam	**54**	1	**7**	0	**1**	0	**0**	0	**62**
Ndoheuri	**95**	2	**77**	0	**15**	0	**4**	10	**197**
Ngalaba	**251**	0	**178**	1	**107**	0	**19**	41	**577**
Poutouguem	**61**	2	**68**	7	**59**	0	**6**	11	**199**
Other villages	**18**	1	**29**	4	**8**	1	**45**	158	**213**
Total	**3338**	87	**2048**	226	**1659**	26	**332**	562	**7607**

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 also surveying impacted HHs and integrating this information into the EMP IS on a real time basis. As shown in the table 6 below, eighty seven (87) new impact surveys were completed and integrated during this quarter. Most of these surveys (55%) were related to the villages of Bero and Begada.

In the case of Bero the fairly large number of surveys completed (25) may not reflect the fact that the project's footprint did not increase but decreased by 12.9 ha. Such discrepancies, which are not uncommon, arise because of the following phenomenon:

- 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.

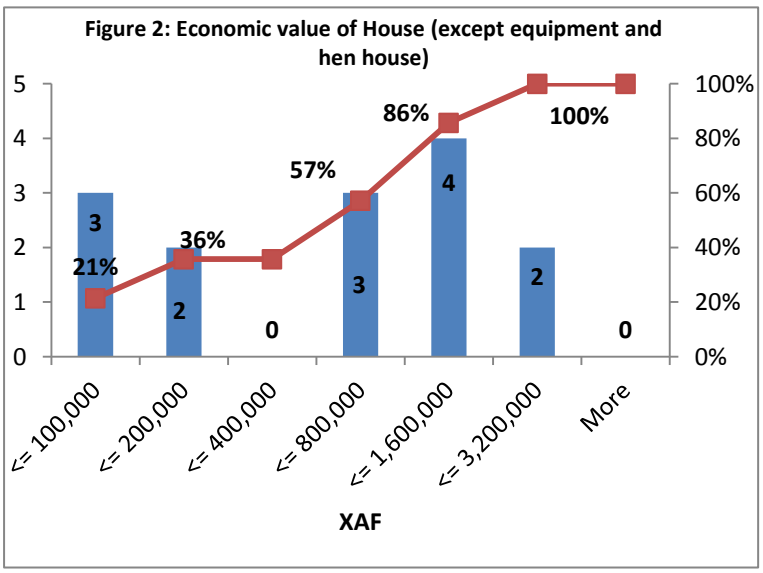
Monitoring: Fourteen (14) monitoring surveys were completed during the first quarter. The interview process makes it possible to identify an individualized reinforcement strategy best suited to the needs of the target households. These surveys were performed with the 14 eligible impacted individuals that make up the 2015 promotion. This data will give us an indication of their situation before they receive any support.

The 50 monitoring surveys to be conducted in the last 3 quarters of 2015 will cover still at risk individuals associated with the promotion of 2009 and 2010. 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 Land Return Survey campaign started during the first quarter. During this process, at-risk households who have received land as per the land return process in 2013 and 2014 will be surveyed in order to measure the extent to which this has helped them recover. Two hundred twenty six (226) Land Return surveys were completed during the first quarter of 2015. During this process at-risk households were visited in a number of villages including Bero, Begada and Mainani.

2.2 Base Line Survey of 2015 Promotion

As a precursor to embarking into the resettlement program each eligible household were interviewed to collect base line data against which their performance will be measured.



Normally we would expect, eligible households, considered to be at risk, to have in terms of assets. To our surprise this was not confirmed by the results of the survey. In fact it indicates that only 36% of the 14 households making up the 2015 promotion have accumulated less than 400 000 XAF's in terms of capital assets. As these households have access to a limited land base and often have limited productivity they cannot manage to generate the surpluses required to accumulate value in their homestead. These results are not consistent with the findings of surveys completed over the last three years with similar groups.

This can probably be explained by the fact that individuals who have limited land base have diversified their sources of income. As such they have in some part been able to accumulate some wealth in the form of capital assets.

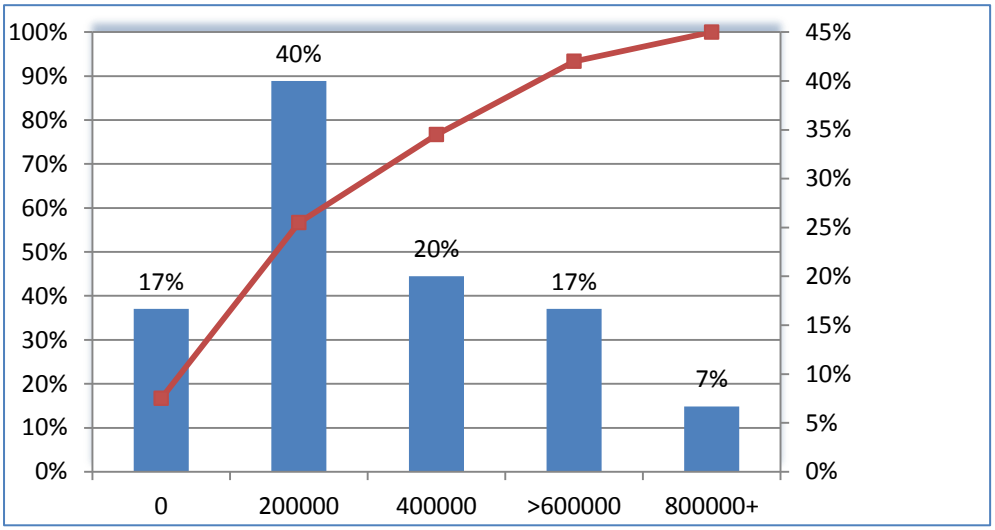
2.3. Reinforcement Monitoring

The reinforcement program as it is presently being implemented is a fairly recent initiative. As such we felt it was important to monitor its performance and mainly evaluate the performance of the beneficiaries. To do so we must evaluate the situation of the target population before and after reinforcement has taken place. Monitoring was thus conducted for 30 eligible persons selected for the reinforcement during the 2014 campaign.

It takes into account data regarding production assets: plows, carts, oxen, taking account of their economic value. The choice to select this class of asset as an indicator of their ability to sustain themselves relates to the fact that:

- These assets are directly related to the ability of individuals to be productive;
- Help us measure the extent to which have taken ownership of the initiative and of the equipment.

Figure 3: Assets value before reinforcement



The figure 3, above shows that 57% of households trained have equipment or production tools worth 200,000 XAF or less while less than 7% have production tools worth more than 800,000 XAF. This is indicative of the fact that most households have very limited productive capacity to start with.

During reinforcement each eligible individual receives support in the form of training and equipment as required to support his individual customized project. He is also asked to make a tangible contribution in order to foster ownership. The level of contribution is reflective of the ability to pay or contribute of each household and would not normally represent a barrier, for those willing to invest themselves, being in time and effort.

Figure 4, below, shows that following reinforcement 93% of households have equipment worth more than 600,000 XAF. This is a significant difference to the situation that existed before reinforcement. This indicator reflects the contribution of reinforcement program to HH.

Figure 4: Assets value following reinforcement

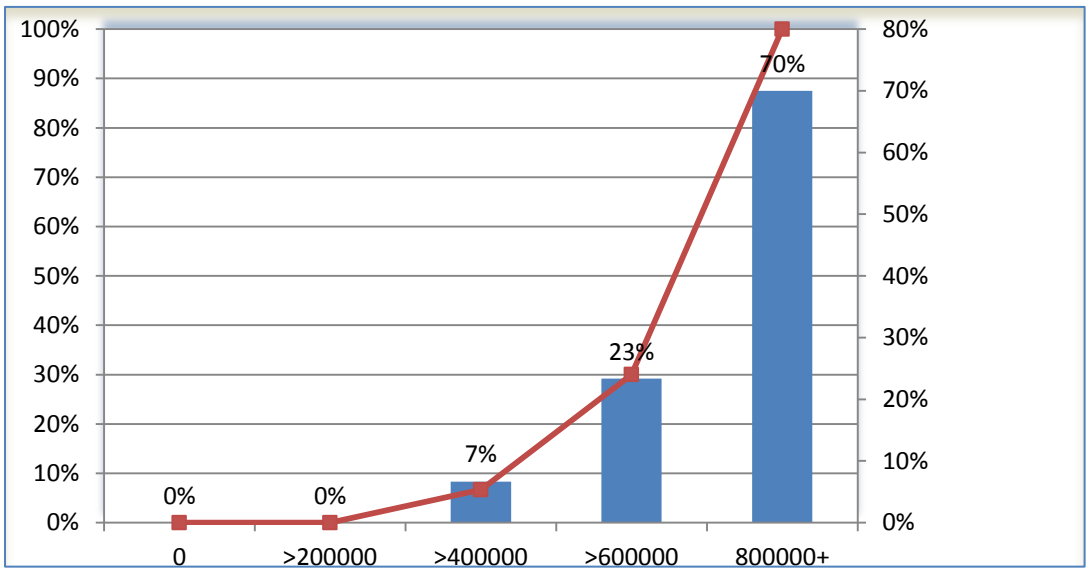


Figure 4 (page 17) presents data regarding the combined value of the assets owned by the household before any support was received, goods received during the initial resettlement training

and finally the assets offered for reinforcement. Over 70% of participants had assets valued at more than 800,000 XAF following reinforcement.

Small equipment received during the reinforcement program such as peanut paste machine and handcarts can also generate additional income for these households, handcarts can be leased for 500 XAF a day and grinding 1kg of peanuts can generate 100 XAF. Apart from agriculture, some perform secondary activities such as fishing, farming or trading.

Combining this equipment, to the skills previously learnt through Improved Agricultural Training and the new skills learnt as part of the reinforcement process should help these households in recovering their pre-impact livelihood level. We note a significant improvement in living standards for these households: improved housing, motorcycles for some, improved ability to pay for his children's education and health, and food self-sufficiency.

For example: Dingam Ndoloum Célestin an eligible person from Poutougueum used the profits generated by the activities supported by the reinforcement program, to buy a portable grain mill. He generates additional income by offering custom milling services to three neighboring villages, being: Ngalaba II, Bendoh and Doholo.

3.0 **Milestones of Q1-2015**

3.1. Danmadja community compensation and donations

Danmadja is a fairly significant community that occupies a central position in the OFDA. Over the years it has benefited from a number of initiatives from the project in the form of donations and various levels of Community Compensation.

Danmadja Market

In 2005, Danmadja received an initial community compensation, in the form of a market. Unfortunately, it was actively used only shortly as merchants were discouraged by the floods that frequently isolate Danmadja during the rainy season and the competition from Kome Atan.

Established in 1994 the village of Kome Atan was spontaneously created in the early part of the development of the Bolobo oil field. It has since grown significantly, becoming a regional center with many shops and a weekly market. In 2014 it became a town. Over the years many merchants have chosen to favor Atan over Danmadja and other local communities. Although the market infrastructure established in Danmadja as not been used for many years it is still in pristine conditions.


Village Chief Danmadja

Djimrabey Emmanuel, village chief of Danmadja since 2006 "I thank the project for the completion of numerous initiatives in our community. Among them the construction of three two-classroom buildings in the village as a donation, which enabled us to have a full cycle primary school. The School was founded in 1987, long before the Project. It's one of the oldest schools in the area and is recognized through out the region for the excellence of its teachers and educational program. This donation allowed it to grow and offer a better learning environment to its pupil."

In 2008, a strong wind with heavy rain blew off the roofs of all three buildings, making the six classes unusable. Villagers, through their effort, managed to recover two buildings with four classes and the third building fell to ruin, deteriorated because of lack of means.


Directeur ecole de Danmadja

In 2009, following the supplemental community compensation, villagers wished to expand the school because of rising number of pupils coming from neighboring villages. Esso built a new building of one classroom. This later building was offered to the community as per the Supplementary Community Compensation Program following the establishment of a series of new wells resulting from the in fill drilling process.

Director of the school, Mr. Kalnonet Patelet Jerome "The construction of these schools by Esso contributed to the education of our children. One of our first pupils is now at university in Ndjamena. It is a pride for us. Today the school has 215 students. To encourage parents to enroll their children, registration has been reduced to 1,500 XAF francs instead of 2,000 XAF. Our priority

now is to supply the school with a water well and to repair damaged building".

3.2. BBS for Danmadja and Bela

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.

In 2015 a total of 14 resettlement eligible individuals in addition to a number of auditors took advantage of this program. The establishment of literacy training center in both the villages of Bela and Danmadja, a first since this strategy has been implemented, attracted a fair amount of interest on the part of population. Following some land take which took place in 2014 four impacted individuals were found to be eligible to participate in the resettlement program, respectively two each for the villages of Danmadja and Bela.

The two impacted individuals of Danamadja that were4 deemed eligible to resettlement training were joined by 2 of their spouses and 22 auditors. The village chief of Danmadja stated that "We have requested the establishment of a training center in the village, despite a small number of eligible, only 2 in Danmadja, to give a chance to those spouses and free auditors to benefit from training. In addition to what they will learn literacy of parents can also allow them to understand the importance of education and favor enrolment of their children at the local school ".

Lartabe Miriame, Auditor from Bela

As was the case in Danmadja, Bela's two resettlement eligible persons village were joined by a large number of auditors, being 42. While these two individuals could potentially have incorporated the class offered in Danmadja the village made a plea to have its own center for reasons that are similar to those stated by Danmadja' chief.

If one considers the registration of 66 auditors and spouses in these two centers the plea made by the village chiefs reflected the interest of their respective communities.

As stated by Ms. Lartabe Miriame "I have not had the chance to have access to school when I was child. The BBS program gives me the chance to learn so much. Enrolling my children in school is a priority. As I have not had the chance to go, I want to give the opportunity I did not have to my children. "

Fidele Rangar, Literacy agent

Mr. Fidele Rangar, Literacy agent stated that the people of Bela had made a big deal about getting a center of their own, and not be merged with Danmadja as was originally planned. . The pupils are very keen to learn and appear to put the new skills in practice. He also noted that some of the pupils appear to pass on these skills to other villagers who could not participate. While only 2 pupils were

per say admissible, its impact will have touched more individuals and households than we had anticipated.

3.3 Donation by women of EEPCI

EEPCI's women employees' association (ASFET) is a non-profit organization created to improve the living conditions of the people of Chad in the field of education, training and health.

Terry Schrow, Operations Superintendent

Despite the Government of Chad's efforts and those of its development partners to ensure water supply, a large part of the population is still struggling to find drinking water.

For that reason and to realize their objective to provide drinking water in rural areas, EMP Department supported ASFET to establish two drinking water wells in Koutou-Nya and Ndaba Bebo.

Mme Ramatou Mahamat, présidente de l'AFSET

During her speeches addressed to the people of these two communities, gathered in large numbers to attend official handover ceremonies; Ms. Ramatou Mahamat, president of the association highlighted the situation of rural women and importance of drinkable water.

"We are pleased by the fact that the people of Koutou-Nya and Ndaba-Bebo will no longer have to walk long distances for water of poor quality. Water gives life and drinkable water ensures to live it in good health. "

Mr. Jules NGARDIGAL, Koutou-Nya village chief. "The village established in 1990 has over 500 inhabitants but we only have one single open water well in the whole village, and only supplies poor quality water. We had no other choice than to drink this water. A request for a water well was sent to Esso in 2011, finally the village has had its news met. Since three days, women are singing, dancing and shouting for joy. We say thank you to EEPCI and women of EEPCI. "

Mr. Ngardigal Jules, chef de village de Koutou-Nya.

Ndaba-Bebo and Koutou-Nya inhabitants gathered in large numbers to welcome EEPCI women delegation which came down from Ndjamena to hand over officially these donations. During his speeches in both localities, Doba Operations Center Superintendent, Mr. Terry Schrow and his staff reiterated that the company's commitment to continue its efforts to improve quality of the lives of the people in the area.

The Sub-prefect's representative and EEPCI participants provided advice on the sustainability, operation and maintenance of

these assets for the benefit of their population.

3.4. Cattle distribution during the optional training for 2014 promotion

Improved Agricultural Training the offered through the resettlement program. The 32 elligible individuals enlister as part of the 2014 promotion have all selected this option. Within Improved Agricultural Training they can also select an area focus for the dry season portion of the training, all of them chose large ruminants production (cattle).. The other options are market gardening and small ruminants. As per this option each participant receives a cow and a bull, some basic equipment and some training. This brief articile relates to the distibution of livestock that took place on February 12th, 2015 in Ngalaba.

Mr. Djimadoumgar Edmont village chief of Poutouguem and Eligible

It should be noted that eligible were satisfied with the quality of animals received. Mr. Djimadoumgar Edmont, eligible and Poutouguem village chief stated that "It's a chance to be eligible. I learned a lot during training, on row seeding for example, is difficult because there is a lot to do, but it gives a good yield. In health, we learn about the body and environmental hygiene which protects us from disease. Training received with my wife brought us closer. We are no longer arguing as before. We have always something to share, we speak more than before. "

Mr. Ramadane Djimet, cattle merchant and breeder

Mr. Edmont chose the breeding of big ruminants because it is profitable economically and socially, a prestige to have a significant number of cattle heads. He is fully aware that being a farmer is not easy, but it will put into practice what he has learned during training and he thinks, he will succeed in his project with the equipment and the training received.

Mr. Ramadane Djimet, livestock supplier in the resettlement program since 2008. "It is good to work with ESSO. This is not all the time I win. Like everything, there are ups and downs. I do not earn much but overall, it's good for me. During the last year, I have provided 186 big ruminants and 500 small ruminants".

Conclusion

The first quarter of 2015 saw the launch of the BBS training for the 2015 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.

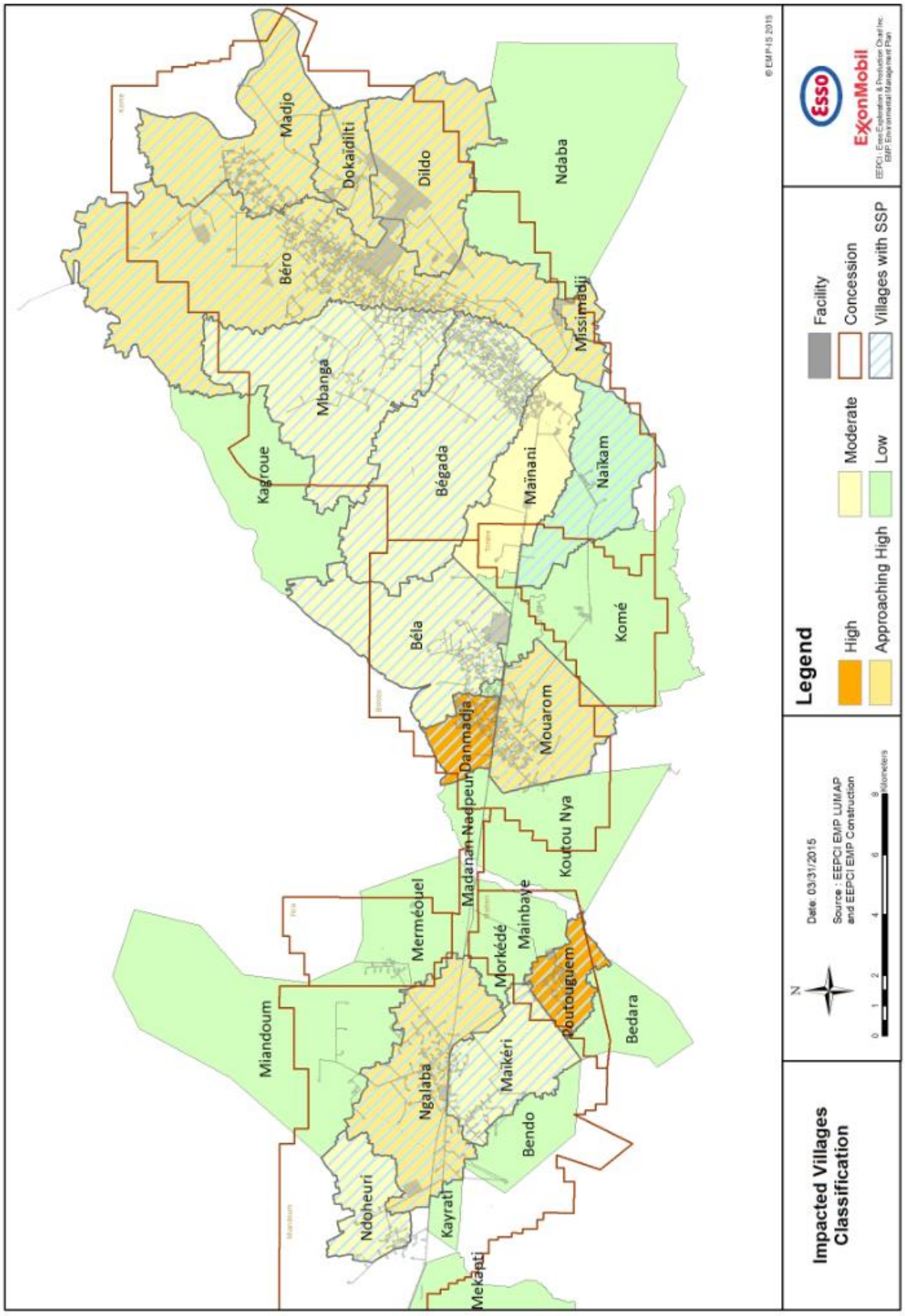
From this report we can make the following conclusions:

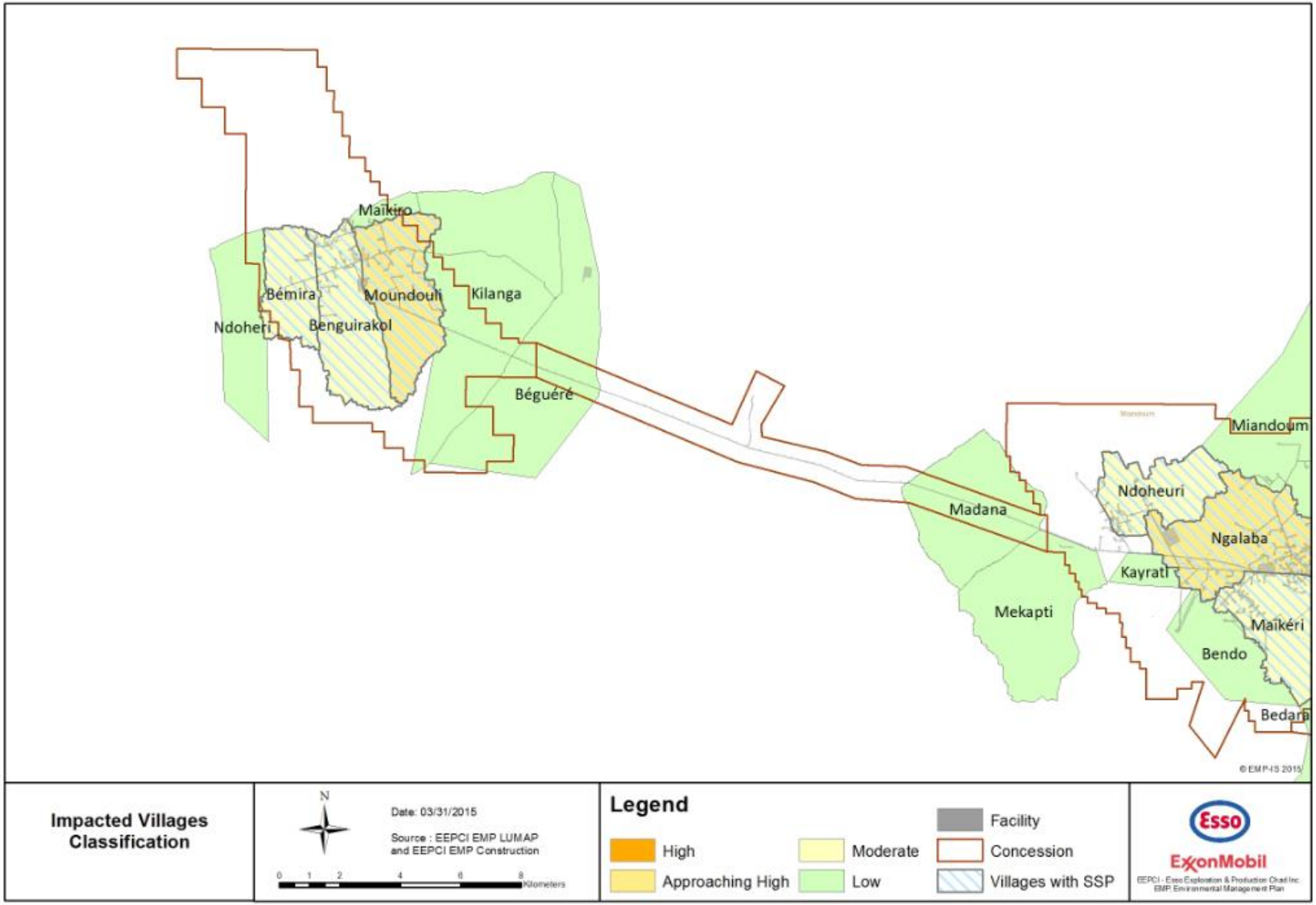
1. **Project's footprint reduced by 38.4 ha.**
2. **21 eligible participants (2013 promotion) completed the post training portion of the Improved Agriculture Training program.**
3. **Base line Monitoring surveys completed with 14 eligible participants making up 2015 promotion still at risk individuals from previous promotions. This process will make it possible to identify potential recipients for reinforcement in 2015.**
4. **32 eligible participants making up the 2014 promotion have completed the dry season portion of the IAT.**
5. **14 eligible participants making up the 2015 promotion have started the BBS program.**
6. **Completed visit and review of 88 previously constructed Community and Supplemental Community Compensation Projects.**
7. **Pursuit of Community Engagement Process for theft and vandalism mitigation.**
8. **Continued implementation of the Community Engagement Initiative.**

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




Maikiro
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Miandoum
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Madana
Ngalaba
Kayratl
Mekapti
Maikéri
Bendo
Bedaro
© EMP-IS 2015
Impacted Villages Classification
N
Date: 03/31/2015
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 cords).

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%**