Esso Exploration & Production Chad Inc.

Village Impact Quarterly Report

Land Use Mitigation Action Plan

Third Quarter 2015

Prepared by the EMP Department
October 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 third Quarter 2015 (3Q15) Village Impact Summary:

- 2 High impact villages (Danmadja, Poutouguem)
- 8 Approaching high villages
- 9 Moderate impact villages
- 13 Low impact villages

The pause of drilling activities which characterized a reduction or an interruption of land takes from the project resulted in a further reduction of the footprint. Six villages actually saw an increase in the Project`s footprint but remained within their respective categories during the third quarter of 2015. Mostly, we can see villages like Danmadja, Bero and Mouarom moving down in the high impact and approaching high categories.

During the third quarter of 2015, six (6) villages saw a slight increase in the Project's footprint, these increases generally representing less than 0.2%, while seven (7) saw a reduction and sixteen (16) remained unchanged (Table 2 below). The village which saw the biggest net increase in 3Q15 was Dildo with an increase of 2 ha. During this quarter, the villages of Bero, Danmadja and Madjo saw a reduction of the project's footprint of respectively 7 ha, 2.4 ha and 2.4 ha. Despite the land returned over the last two quarters, 3.8 hectares, Danmadja village did not change category and remains highly impacted. Bendo village, which lies in the low impact category, has also experienced in this quarter a significant land return case of 2.2 ha.

The primary accomplishments of the third quarter 2015 (3Q15) are:

General

- With the pause of drilling activities, continued implementation of strategies to promote synergy between various EEPCI departments managing socio-economic activities in communities of the OFDA.
- Participated in a series of mediation meetings with a group of local NGO's under the support of the CAO.
- Continued Community Engagement Program at Bero, Kome and Miandoum Sub-prefecture.
- Completed Q2-2015 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. 124 surveys completed during quarter.
- Progressed in integration of land return for community agricultural use.

Resettlement Program

- Post-IAT ongoing with 32 individuals for the 2014 promotion until March 2016.
- IAT for 14 eligible persons ongoing for the 2015 promotion until March 2016.
- Reinforcement Program completed with the 30 eligible individuals identified through 2014's monitoring process with additional training and equipment.

Community Compensation and Supplemental Community Compensation Program (ISM)

- Completed Public Consultation Process (MARP) with community of Madjo-Bero to select Supplemental Community Compensation option of Choice. Community Choice was a Multipurpose Flour Mill which is under construction.
- Completed Public Consultation Process (MARP) with community of Danmadja to select Supplemental Community Compensation option of Choice. As for Madjo Bero, Danmadja Chose a Multipurpose Flour Mill, under construction.

Grievance management

- Grievances initiated during Q3-2015: **69**
- Valid grievances paid during Q3-2015: **43**
- Not valid grievances during Q3-2015: **22**
- Grievances solved during Q3-2015: **65**
- Backlog as of September 30th 2015 : **22**

Community Consultation and Relation with NGOs

- **Community consultation**

- **106** meetings
- **5461** participants
- Main topics:
    - Used of well pad to dry agricultural products
    - Malaria public prevention awareness
    - Children schooling
    - Road safety
    - Animals wandering on sites
    - Risk of swimming in open pits
    - Use of land return with restrictions
    - Risk of electrocution in project facilities

- **Relation with NGOs and governmental agencies**

1. Meeting with local authorities for land take/return;
2. Meeting with local authorities for organization of MARP sessions and Supplemental Community Compensation Process;
3. Meetings, field trips and discussions with CTNSC Representatives on Site;
4. SEWAC meeting and social committee meetings to reinforce community collaborations;
5. Meetings held with local NGOs (ASDECAB and ADICAM) at Bero and Miandoum cantons to share reasons of drilling activities pause;
6. Meetings held with CAO and NGOs at Ndjamena on the status of discussion on the light impact on crops and the presentation of Nya River Hydrologic Study Report;
7. Meeting with Secretary Executive of CTNSC to reinforce collaboration with the project.

Donations

- 38 truckloads of waste wood donated to Communities of Bero Canton during the third quarter of 2015;
- Distribution of 350 Mosquito nets in 8 villages of OFDA (Bolobo, Mainani, Bero and Missimadji).

Work Plan for Fourth Quarter 2015 (4Q15)

- Continue Public Consultation and Awareness Campaign.
- Post-IAT program ongoing for 32 eligible impacted individuals from 2014 promotion.
- IAT for 14 eligible impacted individuals of 2015 promotion ongoing.
- Dry season equipment distribution for 14 eligible individuals of the 2015 promotion
- Complete Q3-2015 Village Impact report and Post onto ESSO-CHAD website.
- Complete the Construction of Supplemental Community Compensation for Danmadja and Madjo Bero and deliver to the two villages
- Continue Land Return Campaign to community for agricultural need.
- Follow up intervention strategy for theft and vandalism mitigation in local communities.
- Finalize list of 2016 eligible to the reinforcement training
- Finalize list of 2016 resettlement eligible.

1. 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.

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.

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). Should be noted that new revised SSPs have been prepared, approved and under completion for villages of Madjo and Danmadja. The decision was made to make them eligible for supplemental community compensation, multipurpose mill as a supplemental community compensation item. Three SSP reviews are ongoing for the three selected villages (Ngalaba, Mainani and Mbanga). Those reviews were prepared in order to ascertain whether the land take which recently took place in these communities would warrant new support strategies. In the 13 other villages where SSPs were previously completed and fully implemented, only low residual impacts are believed to remain. No review of the SSP is deemed necessary for these communities.

New methodology was implemented during Q3-2015 in order to rank villages as per the overall impact of the Project (see table 1). While this change in methodology did not result in a change in the Village Impact category assigned to a community (being; a high impact village will remain so) it could affect the relative ranking of villages within categories. This change was brought about in order to standardize and simplify the process thus ensuring that conclusions of the report will not be affected by staffing changes.

Table 1 : Village Classification Third Quarter 2015

Categories	Villages – 3Q15	Villages – 2Q15
High	• **Danmadja** • **Poutouguem**	• **Danmadja** • **Poutouguem**
Approaching High (Watch List)	• **Béro** • **Missimadji** • **Dildo-Bayande** • **Madjo** • **Moundouli** • **Ngalaba** • **Dokaïdilti** • **Mouarom**	• **Missimadji** • **Dildo-Bayande** • **Béro** • **Mouarom** • **Dokaïdilti** • **Ngalaba** • **Madjo** • **Moundouli**
Moderate	• **Benguirakol** • **Béla** • **Ndoheuri** • **Bégada** • **Bemira** • **Maïkéri** • **Mbanga** • **Maïnani** • Kaïrati	• **Bela** • **Bégada** • **Maïkéri** • Maïnani • **Benguirakol** • **Mbanga** • **Ndoheuri** • **Bemira** • Kaïrati
Low	• Komé Ndolobe • Maikiro • Madana-Nadpeur • **Naïkam** • Bendo • Mainbaye • Meurmeouel • Miandoum • Koutou-Nya • Morkété	• Maikiro • Madana-Nadpeur • Bendo • Naïkam • Meurmeouel • Mainbaye • Miandoum • Komé Ndolobe • Koutou-Nya • Morkété
Low (Declared low through other processes)	• Bedara • Bekia 2 • Bekia 3	• Bedara • Bekia 2 • Bekia 3

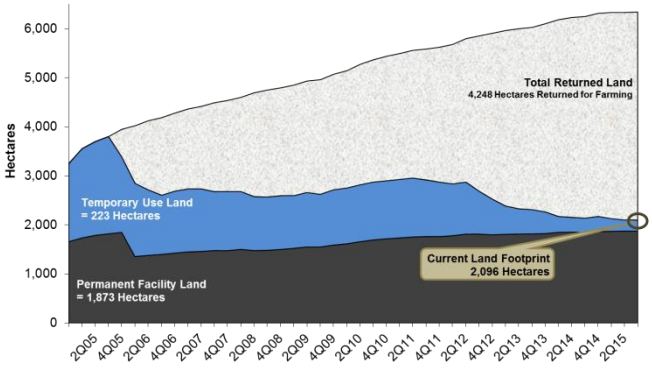
Villages in bold print have had a Site Specific Plan (SSP) performed.

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 12.4 ha, or about 0.6 %, during the Q3-2015.

Figure 1: LAND USE FOOTPRINT FOR THE OVERALL PROJECT



This represents the maintenance of a downward trend after only one quarter of increase (Q4-2014). The Project's footprint will have gone down 12 of the last 13 quarters. Notwithstanding this situation, the footprint as it stood on September 30th, 2015 (2,096 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 next page, we found 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 3Q2015, we can easily note that the actual slightly increase in the area occupied by the Project is only limited to the case of villages located in Kome, Bolobo and Miandoum fields.

During the third quarter of 2015, six (6) villages saw an increase in the Project's footprint while seven (7) saw a reduction and sixteen (16) remained unchanged (Table 2 below). The village which saw the biggest net increase in 3Q15 was Dildo with an increase of 2 ha. During this quarter, the villages of Bero, Danmadja and Madjo saw a reduction of the project's footprint of respectively 7 ha, 2.4 ha and 2.4 ha. Bendo village, which lies in the low impact category, has also experienced in this quarter a significant land return case of 2.2 ha.

Table 2: Land Use by Village in OFDA

Village	Total village area (ha)	Maximum land use (ha)	Land use Q2 2015		Land use Q3 2015		Delta
			%	(ha)	%	(ha)	(ha)
Danmadja	480	69.6	11.6%	55.9	11.1%	53.5	-2.4
Dildo-Bayande	1890	203	9.2%	173.4	9.3%	175.4	2
Missimadji	181	60	9.2%	16.7	9.2%	16.7	0
Béro	5772	664.6	8.3%	477.6	8.2%	470.6	-7
Dokaïdilti	690	157	7.7%	53.1	7.7%	53.1	0
Mouarom	1359	159	7.7%	104.5	7.6%	103.8	-0.7
Ngalaba	2122	330	7.1%	151.6	7.1%	151.7	0.1
Poutouguem	562	62	6.9%	38.5	6.9%	38.5	0
Béla	2200	225	6.5%	142.4	6.5%	143.2	0.8
Bégada	3282	348	5.8%	191.5	5.8%	191.9	0.4
Maïkéri	1245	112.8	5.0%	61.8	4.9%	60.6	-1.2
Madjo	2139	148.8	4.8%	102.3	4.7%	99.9	-2.4
Maïnani	1413	90	4.8%	67.8	4.7%	66.2	-1.6
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	3.7%	113.2	3.7%	113.2	0
Ndoheuri	811	50.6	3.0%	24.2	3.1%	24.9	0.7
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
Naïkam	1450	28	1.1%	16.5	1.3%	18.3	1.8
Bendo	761	17	1.3%	9.6	1.0%	7.4	-2.2
Meurmeouel	1128	22	0.9%	9.7	0.9%	9.7	0
Mainbaye	420	4.1	0.9%	3.8	0.9%	3.8	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%	16.7	0.7%	16.7	0
Koutou Nya	1819	9.4	0.3%	5.2	0.3%	5.2	0
Morkété	440	7	0.1%	0.6	0.1%	0.6	0
Total	43196	3376.9	4.6%	1980.3	4.6%	1968.6	-11.7

* 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 have completed the literacy training program (BBS) in the second quarter of 2015 and started the improved agriculture training (IAT) program during the third 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 compensated for new land take resulting in a net footprint reduction of slightly more than 12 ha. During this quarter, 20 ha of land were returned to the communities, by the Project, while 7.7 ha were compensated for. Overall, this resulted in 12.3 ha of net land return during this period.

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

	Land Use by project				
	Total Area (Ha)			3Q15	
Land Use Type	**Compensated**	**Returned**		**Compensated**	**Returned**
Permanent with Public Access	1498.3	631.2	42%	0.0	0.1
Permanent with no Public Access	1156.1	150.8	13%	-0.1	0
Total for Permanent Land Use	**2654.4**	**781.9**	**29%**	**-0.1**	**0.1**
Temporary without restriction	734.9	593.9	81%	0.5	4.8
Temporary with restriction	2955	2872.6	97%	7.3	15.1
Total Temporary Land Use	**3689.8**	**3466.6**	**94%**	**7.8**	**19.9**
Total All Land Use Types	**6344.2**	**4248.5**	**67%**	**7.7**	**20**

- 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.
- "3Q15: Compensated" shows the total hectares compensated during the quarter covered by this report.
- "3Q15: Returned" shows the total hectares returned during the quarter covered by this report.
- Incorporates all of the activities of the project (all oil fields, roads, facilities, the pipeline and associated infrastructure).

Almost all of the land compensated during the third quarter was for temporary use and has already started to be returned. It must also be noted that land returned in the temporary category (19.9 ha) was more than twice new temporary land take (7.8 ha). The Project had a net reduction in its temporary land use of more than 12 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. While during the quarter, land returned have more than compensated for new land takes, it must be noted that 15 ha of the land returned was returned with certain restrictions as to the use these land can be put. It must thus be anticipated that even after land is returned to communities some residual effects of the Project`s presence will remain.

1.3. Socio-economic Criteria

Village impact level 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	23.6	Maïmbaye	2.4
Madana-Nadpeur	17.3	Madana-Nadpeur	1.4
Koutou-Nya	12.4	Miandoum	0.4
Miandoum	6.7	Merméoul	0.1
Merméouel	5.8	Bendoh	0.0
Bendoh	2.6	Kairati	0.0
Maïmbaye	2.4	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 3Q2015, four villages received significant amount of land back from the project, but because of the socio-economic criteria their actual status remain in the same category:

- Danmadja remains in the same position, high category with a percentage of 19.2% however;
- Poutouguem moved down with slight reduction not allowing him to change category, 17.9% to 17.8% of non-viable project affected individual.
- Madjo moved up in the same category, approaching high due to an increase in the % of non-viable project affected individual from 10.1% in previous quarter to 11.4%;
- Béro and Ndoheuri moved down in the moderate category, with a slight reduction of % 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.

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	19.2%	0.0%
Poutouguem	17.8%	-0.1%
Moundouli	12.2%	0.0%
Madjo	11.4%	1.2%
Béro	9.5%	-0.3%
Ndoheuri	8.8%	-0.5%
Bémira	8.4%	0.0%
Benguirakol	8.3%	0.0%
Ngalaba	7.2%	0.0%
Missimadji	6.6%	0.1%
Dildo-Bayande	6.1%	0.0%
Dokaïdilti	5.1%	0.0%
Mbanga	4.5%	0.8%
Komé Ndolobe	4.3%	0.0%
Béla	3.8%	0.0%
Mouarom	3.1%	-0.1%
Bégada	3.1%	0.0%
Maïkéri	2.9%	-0.5%
Maïnani	2.4%	0.0%
Naïkam	0.0%	0.0%

It must also be noted that while returned land is removed from the Project's footprint immediately upon signing of the Quitus, it is only added to a household's land basket during the following production season. This ensures that the land has effectively been put back into production and who has taken advantage of the land return. As Land Return Surveys can only be performed during the ensuing cropping season, a village may remain in a higher risk category for 1, 2 or even 3 quarters after land has been returned to its population. It is only after the completion and integration of the Land Return surveys that the full impact of the returned land on the community will be reflected on its classification.

2. Socioeconomic monitoring

2.1. **Village Surveys and Monitoring**

The objective of village monitoring 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, thirty seven (37) new impact surveys were completed and integrated during this quarter. Most of these surveys were related to the villages of Bero (27% of surveys), Bela and Mouarom with a rate of (16% of surveys each).

Table 6: 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
		Q3-2015	Total	Q3-2015	Total	Q3-2015	Total		
Bégada	**262**	0	**247**	2	**341**	1	**13**	22	**885**
Béla	**145**	6	**168**	8	**91**	1	**19**	11	**434**
Bémira	**145**	0	**0**	0	**0**	0	**0**	10	**155**
Benguirakol	**106**	0	**0**	0	**0**	0	**0**	7	**113**
Béro	**600**	10	**477**	19	**442**	1	**113**	110	**1742**
Danmadja	**102**	0	**112**	1	**98**	0	**24**	32	**368**
Dildo-Bayande	**276**	0	**47**	2	**40**	1	**21**	32	**416**
Dokaïdilti	**85**	0	**17**	8	**16**	0	**19**	24	**161**
Komé	**200**	0	**31**	1	**3**	0	**5**	3	**242**
Madjo	**130**	1	**163**	11	**192**	2	**28**	39	**552**
Maïkeri	**141**	0	**103**	0	**40**	0	**14**	5	**303**
Maïnani	**111**	0	**74**	0	**51**	0	**6**	10	**252**
Mbanga	**269**	1	**252**	10	**224**	0	**14**	31	**790**
Missimadji	**24**	0	**6**	10	**12**	0	**4**	7	**53**
Mouarom	**85**	6	**56**	5	**81**	1	**6**	3	**231**
Moundouli	**178**	0	**0**	0	**0**	0	**3**	18	**199**
Naïkam	**54**	4	**11**	0	**1**	0	**0**	0	**66**
Ndoheuri	**95**	3	**82**	1	**16**	0	**4**	10	**207**
Ngalaba	**251**	1	**179**	0	**107**	0	**19**	41	**597**
Poutouguem	**61**	0	**68**	0	**59**	1	**7**	13	**208**
Other villages	**18**	5	**57**	1	**10**	0	**47**	162	**294**
Total	**3338**	37	**2150**	79	**1824**	8	**366**	590	**8268**

At Bero, the fairly large number of land return surveys completed (19) reflects the fact that the project's footprint decreased by 7 ha and that the non-viable project affected individuals was also reduced by 0.3%, represented a net reduction of 10 individuals.

In the case of Dildo-Bayande, the absence of impact surveys may not reflect the fact that the project's footprint did increase by 2 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;
- Although the Project is now operating in real time, surveying impacted individuals shortly after the land take because of the pause drilling activities and resource availability;
- 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.

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. Sixty one (79) Land Return surveys were completed during the third quarter of 2015. During this process at-risk households were visited in a number of villages including Bero and Madjo.

3. Milestones of Q3-2015

3.1. **Ngalaba – the Mitigation of the Project Impact on the Community**

Ngalaba 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 various levels of Community Compensation. In January 2005, Ngalaba received an initial community compensation, in the form of a two class rooms school building (pictured below). In 2007 the 5% committee funded the construction of six additional class rooms, with a water-well dedicated to the school and fenced the school's yard.

The 5% committee is a governmental institution established to fund the construction of various public infrastructure and initiatives in the oil production area. This institution is financed through a portion (5%) of the government's income arising from the oil Project. The establishment of this campus as made it possible to offer a complete primary grade program and the first four years of the high school program. It should be noted that two of the four high-school classes are housed in temporary straw structures.

As expressed by Mr Benadji Ngonbé, Assistant Director of Ngalaba's primary grade school: "the establishment of this campus as had a great impact on the population of the village and the region as a whole. At present it welcomes 473 primary grade students and many more high school students. 96% of our graduating class pupils have successfully completed the primary grade program in 2015, and have thus become admissible to high school (sixth grade in Chad). "

Ngalaba (1)'s chief, Mr Madjitoloum Zakhari, further added that: "Education is a necessity. It will, not only, help the pupils themselves have a better life but it will help the village move forward. Many of our children have moved on to complete their high-school and are now enlisted in university and various technical or specialized schools. Some are starting to return with these new skills for the benefit of all."

In 2009, following the supplemental community compensation, villagers of Ngalaba I, which had by then split in two communities, selected a community hall (to the left). While it has not had much use it is occasionally used for community meeting and to host activities held by local groups. Efforts made to put in place a user fee structure were unsuccessful and were abandoned. Even if it is still in relatively good shape the inability to generate some income from the structure may hinder its sustainability in the long term.

In 2009, Ngalaba II also became eligible to supplemental community compensation. The members of the community chose a basket of assets comprised of a house for the school's director, a drilled water well and furniture and supplies to equip one class room.

The house (To the right) is presently used by the director of the high school. The assistant director of the primary grade school, Mr Benadji Ngonbé, suggested that such housing would be of great benefit to the director of the primary grade school and

himself as they both live outside the village and have to go through a significant commute on a daily basis.

Notwithstanding the two drilled wells present in Ngalaba (one each in Ngalaba 1 and 2) (pictured below) water supplies remains a significant challenge. The communities have established a pay for use system by which each family pay 100XFA per month to have access to the well. This money is then set aside and used for repairs and maintenance. The village also sought the assistance of IDO (an international NGO supported by both EEPCI and Schlumberger (one of EEPCI's subcontractor)) to obtain support in sustaining their water supply system. While IDO brings forth logistical support and coaching, villagers must take ownership of their water supply and pay for parts and required labor when a break down occurs.

The village explained that such a situation occurred recently, and that IDO was instrumental in resolving the problem and ensuring that the community has a proper water supply system. The chief expressed that: "Traditional dug wells are open to the air and can easily be contaminated by contaminants carried by the wind or runoff. As such they cannot be viewed as an acceptable alternative to a drilled well. It helps prevent diseases that can threaten the population of the village."

Globally the community is thankful for the support from the Project and continues to work together with the Project.

3.2. **Danmadja and Madjo-Bero Supplemental Community Compensation**

The original land take in Danmadja village (2005) led to an initial community compensation, taking the form of a public market place. Further land takes that took place between 2005 and 2009 made this community eligible to a Supplemental Community Compensation Package, a one-class-room school building, complementing a two-class-room school building made available through a donation. Since then a number of additional land takes have taken place these new land takes triggered the preparation of a Site Specific Plan.

As in the case for Danmadja, Madjo Bero is a fairly important community that occupies a key location near the project camp. It's the 6th village of importance in terms of project related facilities located within its territory, harboring 107 facilities (6.5% of all project related facilities). It must also be noted that a critical manifold is located within the village. 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.

In 2005, Madjo Bero received initial community compensation, in the form a two class room school building. A one class room school building was further awarded to the village as a Supplemental Community Compensation in 2009, for additional land take that had taken place between 2005 and 2009.

In 2009, the project financed an initiative in order to evaluate the technical and socio economic feasibility of the production of rice with improved varieties and practices in low lying flood prone areas of the OFDA. The ultimate objective of this program was to enhance the productive value of lands that had little and in this way create new farm land to replace some of the land taken up by

the project. A project was thus initiated with AfricaRice and the ONDR to establish three demonstration plots in the OFDA, two of these plots were established in the territory of Madjo Bero and the last one in the territory of Danmadja and Madana Nadpeur.

As such the purpose of Danmadja – Madjo Bero's SSP was to establish whether villages as a whole has been able to offset its land losses to the Project in view of the compensation received by individual land users (in the form of compensation and resettlement training) and the community as a whole. The conclusion of this process was that villages of Danmadja and Madjo Bero should become eligible to receive a supplemental compensation.

The selection of a specific compensation item is made by the villagers through a participative process, the mini-MARP. During this process participants were divided into three separate groups of women, men and youths; to discuss and attempt to reach if possible a concerted decision as to what compensation package best suits the need of the communities.

For the group of women, the absolute priority must be the establishment of a flour-mill. It is without any surprise that the other two groups also came to the same conclusion.

During his allocution Mr Djimrabaye Emmanuel, village chief of Danmadja 2, stated that:

> «This meeting was a great success, and by God's grace, ESSO will be giving us a mill. The profits made by the will in turn help us to repair the roofs of four classes damaged by a wind storm in 2008. If they are sufficient we will also use them to establish a small medical center, as the closest one is in Kome Ndolebe, eleven kilometers from here».

The event was closed with chants, music and dancing. All joining in, even the Kome Chief of Canton M. Alhadji Ahmat Ndolobe who shared in the happiness of his constituents. Women were particularly happy with this decision, as a flour mill greatly reduces their daily shores, and allows them to devote some time for more enjoyable tasks.

Mr. Alhadji Ahmat Ndolebe, Canton Chief of Kome, celebrating with his constituents.

The construction of the two flourmill buildings of Madjo Bero and Danmadja which launched on July 2015, has been delayed especially that for Danmadja. The contractor, responsible with the construction, noted this reality and mobilized teams to finish the construction of Madjo Bero first, then they will go back to complete the construction of Danmadja's mill.
This change in strategy has enabled the company to make some headway, which is now clearly visible (pictured below).

Madjo Bero flourmill building under construction

Danmadja flourmill building under construction

3.3. **Follow up of an eligible person – Ms. Louise Nodjihoudoum case**

Louise Nodjihoudou (pictured in the right) was an eligible person of the 2009 promotion. She is the mother of six children and lives in Ngalaba village in Miandoum canton. While three of them are married and live away in their respective homes. She currently takes care of the other three, a boy and two girls. They attend Ngalaba School. The boy is in the seventh grade while the two girls, are respectively in fifth grade (CM1) and in third (CE1).

Louise Nodjihoudou was negatively impacted twice by the project`s land take, in November 2010 and March 2012. But, she also had two positive impact, taking the form of land return in October 2012 and March 2014. Despite the positive impact of land returned she remains at risk with an eligibility factor of less than 0.663 hectares per household member, the viability threshold.

Nodjihoudou Louise once selected eligible was trained in improved agricultural technics, in the care of small ruminants and the management of agricultural products. Therefore, she had received all necessary equipment to perform these activities. These are a plow, an ox cart, a hand cart, a peanut huller and breeding Stock including 1 male for 5 females' goats and sheep and one bull for large ruminants. A shelter was built to protect these animals.

From the interview held at Ngalaba during the Project's visit on August 17, 2015, it was noted that the animal shelter was changed into a house that Louise shares with her children. There are four sheep pegged in the courtyard. According to her, they were in the number of 10, before six sheep having died during an epidemic February 2015. She gave the plow to her eldest son who is married with two children. The peanut huller is broken. Women, who used to borrow the machine for husking, paid in kind. For a peanut bag husked (forty coros), they gave her a peanut coro husked. One cattle is kept at hers nephew`s house that uses it for its field work. The other one was sold at 100,000 XAF in 2010, when her mother died. The rest of the money spent for food. She also gave some money to her ex-husband, the father of her children living at Makapti village. He pays her visit often, also to see his children. Her ex-husband used to support them, sharing some of his harvest, a bag of millet, a little peanut or sesame. He stopped stopped his support two years ago. She is the only one to care of her children.

To support herself and her three children (one boy and two girls), Louise Nodjihoudou works in the fields of

others. The day is paid 250 XAF. Just to allow her to buy salt and sugar, for the sauce and tea. When we arrived at her house, she had just come back from the field, where she works. Because of the rain she said, she returned early today, "If it was not the rain, I would still be in the field."

Last year, from her field, Louise collected only one bag of millet sorghums and a little peanut those are finished since April 2015. It was difficult last year, but this year she set all 3 cords (1.5 ha) that she inherited from her late father. She hopes to have more harvest than last year.

Learned farming techniques are difficult to apply. They are not effective because the earth is poor and there are many weeds that kill the crops, she said. Upon their removal, weeds return rapidly to invade the harvest, she adds.

Louise Nodjihoudou is asking again for help from the project. When asked, how can the Project help you, if the advices given to you were not applied and the supplied equipment was given away? She lowers her head, followed by a long silence and then she said "thanks Esso for supporting me until today. Then she adds, if I gave away this equipment elsewhere, it is because I do not earn any money from the equipment. People came to borrow the equipment and on only thanked me “thank you Louise” leaving nothing tangible in return.

Conclusion

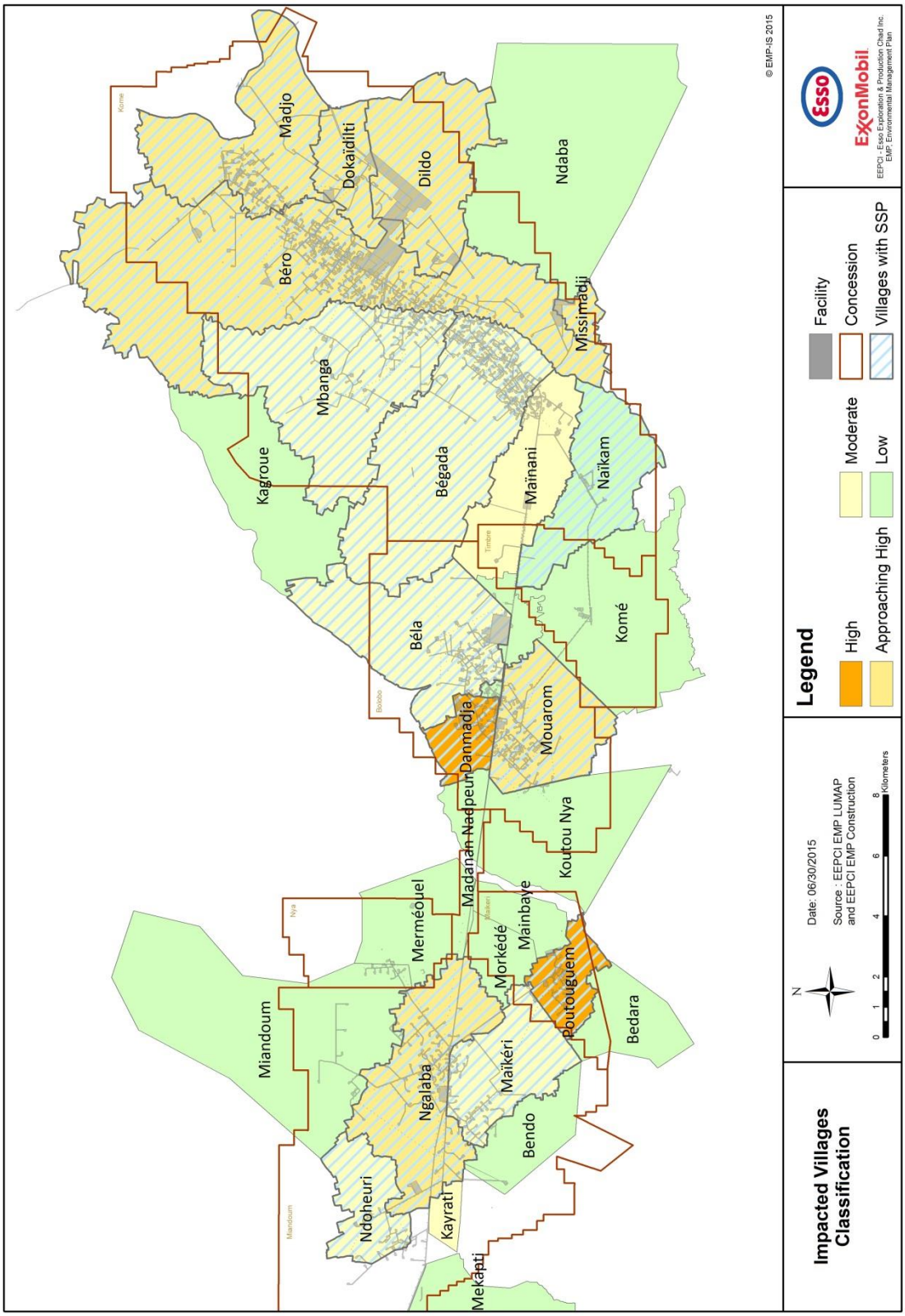
The third quarter of 2015 saw the launch of IAT training with the 14 eligible persons of 2015 promotion who went through BBS and former ones; they spend more of their time on fields. ISM regularly monitor work in the groundnut demonstration plots with new eligible, focusing on weeding. Recently rainfall cadency was very good and not like at the beginning of the season. 7 ha were cultivated at demonstration plots. While these activities have had significant positive impacts, on villagers and their communities, only time will allow us to measure their level of performance.

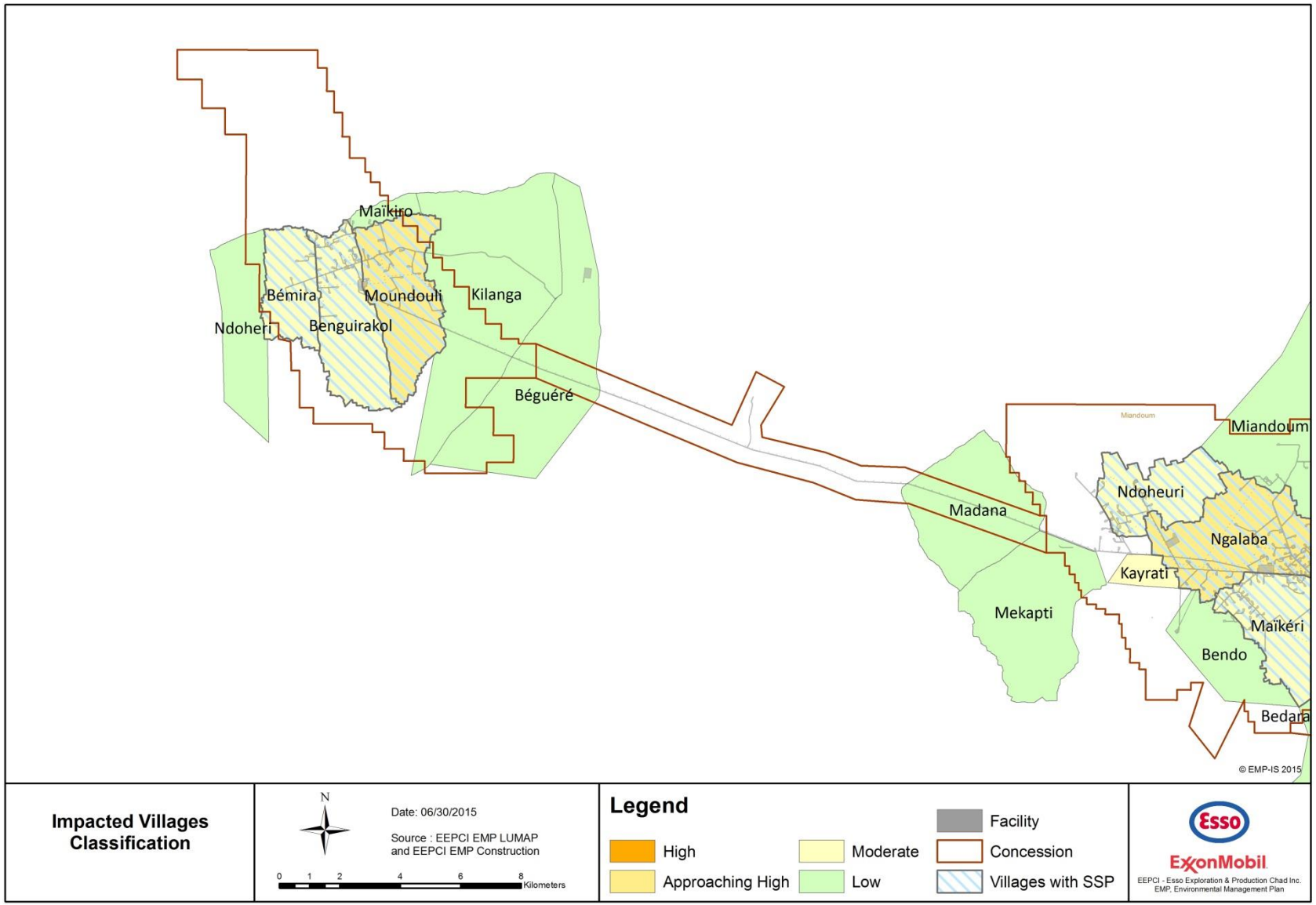
From this report we can make the following conclusions:

1. **Project's footprint reduced by 12.4 ha.**
2. **32 eligible participants (2014 promotion) ongoing in the post training portion of the Improved Agriculture Training program, until March 2016.**
3. **IAT for 14 eligible persons ongoing for the 2015 promotion until March 2016.**
4. **32 eligible participants making up the 2015 promotion have completed the dry season portion of the IAT.**
5. **Reinforcement Program completed with the 30 eligible individuals identified through 2014's monitoring process with additional training and equipment.**
6. **Pursuit of Community Engagement Process for theft and vandalism mitigation.**
7. **Continued implementation of the Community Engagement Initiative.**

The pause of drilling activities which characterized a reduction or cancellation of land take from the project and land return program resulted with a significant reduction of the footprint. Seven villages actually had a change within the categories. Mostly, we can see villages like Danmadja, Bero and Madjo moving down in the high impact and approaching high categories.

Annex 1: OFDA Village Impact Maps




Maïkiro
Bémira
Moundouli
Kilanga
Ndoheri
Benguirakol
Béguéré
Miandoum
Miandoum
Ndoheuri
Madana
Ngalaba
Kayrati
Mekapti
Maïkéri
Bendo
Bedara
© EMP-IS 2015
Impacted Villages Classification
N
Date: 06/30/2015
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:

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

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:

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

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:

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

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:

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

*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%**