

Compensation

As of the end of the second quarter of 2002, the Project has paid over 5.6 billion FCFA (\$8.6 million) in cash and in-kind compensation to individual land users, with over 360 million FCFA (\$550 thousand) added to the total this quarter.

Improved Agriculture Program

ORT, the NGO contracted by the Project to organize the improved agriculture program in the oilfield area of southern Chad, has now begun work in the field. In the initial set of consultations conducted by ORT, the program has been well received based on the early number of sign ups. Fifty-one agricultural associations for cooperative crop marketing have been formed so far, involving more than 220 households.

Twenty-eight of the households participating in the associations are eligible for the Project's resettlement program and have chosen the improved agriculture option instead of resettling to a new location. Learning new agricultural techniques to produce more food on a smaller amount of land is one of three resettlement options available to eligible households. (The other two options are off-farm training in an alternative occupation or resettling the household to a different community.)

This training program and other support will help farmers achieve better yields from a household's land given the traditional seasonal rainfall-based agricultural practices in the oilfield area. The improved agriculture training program focuses on improving crop yields through enhanced soil fertility and better planting and crop care techniques. Agricultural credit has also been arranged for the purchase of improved varieties of seed, plows and other farm equipment, and ox carts. A core element of the program is the organization of agricultural associations in which households join into groups for cooperative marketing of their crops.



A veterinarian from ORT (top left) meets with the residents of Dido village to explain the Project's improved agriculture program. Existing agriculture practices in southern Chad rely almost entirely on manual labor and hand implements. Some fortunate families have ox-drawn plows for tilling and planting.

Regional Compensation Status In addition to the payment of individual land user compensation, the Project's Environmental Management Plan specifies supplemental compensation programs for each of the host countries. The details and even the names of the programs are different between Chad and Cameroon because the impacts of the Project in each country are quite different, as are the cultural and economic circumstances.

Chad

In Chad, the supplemental compensation program is referred to as community compensation. This program is designed to compensate for impacts associated with the construction and operation of permanent Project facilities including the oil wells, the oil processing facilities, and the oil transportation pipeline that have not been dealt with under the Project's individual compensation program.

During this quarter the Chadian office of GTZ, the German-based NGO selected by the Project to oversee the supplemental compensation effort, began its field work. GTZ has finalized arrangements with three Chadian NGOs that will help implement community compensation activities. The implementation contract for the oilfield area goes to ADICAM. The Sara-speaking area along the pipeline will be served by ADESTAL. ASDA will work in the Mboum speaking areas around Bessao and Mbassaye.

Cameroon

In Cameroon, the supplemental compensation programs are called community and regional compensation. These programs are meant to address the more diverse and geographically dispersed impacts related to the construction and operation of the oil transportation pipeline, the two pump stations, and the Pressure Reducing Station that have not been dealt with under the Project's individual compensation program.

In Cameroon, consultation in connection to supplemental compensation has been underway for some time and most communities have already chosen their compensation projects. The next step will be to train community management committees who will help implement the selected projects. The terms of reference have been established for that training process and 24 NGOs have been asked for competitive bids to conduct the training.

Context: Supplemental Compensation Programs Reasons for Supplemental Compensation The array of underlying reasons for the Project's supplemental compensation programs conveys a common purpose. The supplemental compensation programs for each country recognize that the payment of

individual compensation could not completely compensate for some Project-related impacts.

- Many resources are “owned” by communities and not by individuals.
- Over time, people in communities change the location of their fields. Therefore, even though brush land may not be in cultivation when Project facilities are constructed, the Project’s placing of permanent facilities on such land will remove it from the village land pool for a 25-30 year period.
- There will be a general level of inconvenience to some communities during the Project construction period, inconvenience that could not be compensated at an individual level.
- Wild resources could not be completely compensated by an individual compensation approach because many of these resources are not tended as crops. Some examples include wild, fruit-bearing trees, edible insects and mushrooms.
- The use of community land could be restricted in some ways after construction has been completed. For example, although farmers will be allowed to grow crops on the cleared land of the reclaimed pipeline right of way, planting of trees will not be permitted in order to keep the pipeline right of way accessible for maintenance and to allow for periodic visual inspection by aircraft.

Program Principles

Although the supplemental compensation programs in Chad and Cameroon have differences, they share some basic implementation principles.

- Compensation will be in the form of in-kind programs for sustainable community improvement and development, rather than in cash.
- Compensation will be at the village, town and district level and these local groups will collectively decide what type of in-kind compensation program or project is best suited to their situation and in line with their allotment.
- NGOs or local companies will be contracted to help implement the supplemental compensation programs.

Implementation of the Project’s supplemental compensation programs in both host countries will also follow the basic multi-step, consultation-driven model developed for the individual compensation programs.

- First, an information campaign will inform the populace about the objectives and scope of the supplemental in-kind compensation to be provided by the Project, what their allotment is, and how they will be able to convey their choice of a development project to the Project. This step has been completed in Cameroon and has just started in Chad.
- Second, after a time for the villages to consider their options, a return visit will be made for a full two-way consultation session, making sure residents feel free to ask questions and provide input. This second step in the process has been finished for most of the eligible villages in Cameroon.
- Third, another visit will be arranged to receive each village’s in-kind compensation decision, with more opportunities for consultation. This decision declaration step is well underway in Cameroon.
- Fourth, payment of the agreed upon in-kind compensation will be made by constructing the chosen village improvement or implementing the identified development project.

Individual Compensation Tabulation ◀ Compensation Paid This Quarter (Millions FCFA)

	<i>Road Related</i>	<i>Pipeline/OFDA Related</i>	<i>Total</i>	<i>Project To Date</i>
Chad	65.6	129.5	195.1	1,524.5
Cameroon	1.9	165.3	167.2	4,138.5
Project Total	67.5	294.8	362.3	5,663.0

Data for previous quarters has been updated to include late reported data.