

Chad Petroleum Development and Oil Pipeline Project/
IFC A Loan of US\$100 million

Complaint from Local Inhabitants and Communities
in the Chad Project Area
to
Compliance Advisor/Ombudsperson of the International Finance
Corporation (IFC) of the World Bank Group



Dying Trees in the Nya Valley



Water Supply: Traditional Wells



Cattle Licking Oil Waste and Dying

**By the Groupe de Recherches Alternatives et de Monitoring du Projet pétrole Tchad-Cameroun
(Chad-Cameroon Petroleum Development Project Monitoring and Alternatives Group GRAMPTC)
and other civil society organizations (ADICAM, CPPL, ROSOC, RESAP)**

On behalf of the complainants

N'Djamena, October 10, 2011



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COMMISSION PERMANENTE
PETROLE DE N'DJAMENA
(N'DJAMENA STANDING
COMMITTEE ON OIL CPPN)



COMMISSION PERMANENTE
PETROLE LOCALE
(LOCAL STANDING COMMITTEE ON OIL CPPL)



RESEAU DES ORGANISATIONS
DE LA SOCIETE CIVILE
(NETWORK OF CIVIL SOCIETY
ORGANIZATIONS ROSOC), DOBA



RESEAU DE SUIVI DES ACTIVITES LIEES
AU PETROLE AU MOYEN-CHARI
(NETWORK FOR THE MONITORING OF
PETROLEUM-RELATED ACTIVITIES IN MOYEN-CHARI)

ENTENTE DES POPULATIONS DE LA ZONE PETROLOIERE
(ALLIANCE OF THE INHABITANTS OF THE OIL FIELDS DEVELOPMENT AREA EPOZOP)

**ASSOCIATION POUR LE DEVELOPPEMENT ET
LA DEFENSE DES INTERETS DU CANTON MIANDOUM**
(DEVELOPMENT AND ADVOCACY ASSOCIATION
FOR THE CANTON OF MANDOUM ADICAM)

Introduction

This complaint concerns the Chad-Cameroon Petroleum Development and Pipeline Project approved in June 2000 by the Executive Board of the World Bank, to which the IFC contributed an A Loan in the amount of **US\$100 million**.

This overall complaint is submitted on behalf of 25,220 persons belonging to 4,107 households, living in 25 villages in the Doba basin oil field development area in Chad who wish to remain anonymous (Table 1: Socio-demographic Status of the Complainants and Types of Complaints).

Table 1: Socio-demographic Status of the Complainants and Types of Complaints

Cantons	Villages	Population	Households	Complaints	
				Community	Individual
Miandoum	Maikeri	798	134	1	11
	Ngalaba I and II	1,527	49		15
	Bendoh	1,541	127	1	6
	Kairati II	344	62	1	3
	Pouteguem	251	45	1	5
	Meurmeouel	1,435	256	1	15
	Dogoi ¹	200	36	1	4
	Ndoheuri	353	63	1	3
	Miandoum 5	872	156	1	0
	Miandoum 7	1,527	273	1	0
Komé	Komé I	780	139	1	1
	Komé II	932	167		0
	Mainani	752	134	1	2
	Bela I and II	848	144	1	5
	Bégada	1,219	259		5
	Mouarom	453	81	1	2
	Madana Nadpeur	496	89	1	0
	Danmadja I and II	570	94	1	8
Béro	Mbanga I and II	543	97	1	3
	Béro	4,223	755	2	10
	Madjo	252	50	1	2
	Dokaidilti	432	72	1	3
	Dildo and Bayandé	1,682	255	1	5
Miladi	Moundouli I and II	1,439	257	1	3
	Maïnkiri	992	177	1	4
	Béguirakoel I and II	759	136	1	5
Other				1	5
Total		25,220	4,107	25	125

All of the complainants have been affected in various ways by the project, both as communities and as individuals, throughout all phases of its implementation (construction, operations and export). The cumulative medium- and long-term impact could be even more serious and have an

¹ Since the start of the project on land belonging to this village, a dispute has arisen between the cantons of Bébédjia and Miandoum as to which is administratively responsible for this village. No solution has been found.

ongoing negative effect on the life of the local communities and inhabitants. The most serious real and potential impacts include:

- exacerbation of poverty in Chad in general and in the project area in particular;
- pressures on land and loss of sustainable means of livelihood for the local population;
- social impacts for communities and individuals resulting in damages for which reparations have not been received;
- irreversible environmental impacts;
- weak mechanisms or no mechanisms at all for supervision, surveillance and monitoring of environmental and social aspects.

Adequate reparations have not been provided for these impacts until now. Moreover, the proposal to connect the Doba pipeline with the pipelines of other projects, with no guarantee of the respect of contractual obligations (Section 4.10 of the loan agreement of March 29, 2011), does not augur well for better results in the future.

By way of illustration, the various types of impacts and effects discussed below are supported by facts and evidence.

I. Exacerbation of poverty in Chad, particularly in the oil fields development area

The World Bank Group justified its participation in the Export Project by the objective of reducing poverty, specifically improving infrastructure, education and health. To achieve this objective it provided financing for a capacity-building project (MDP, IDA Credit 3373-CD: **US\$23.7 million**) and a project for the management of the petroleum economy (GEEP, IDA Credit No. 3316-CI: **US\$17.5 million**), which accompany the Chad petroleum development and oil pipeline project (**IBRD Loan 4558-CD US\$39.5 million, IFC A Loan US\$100 million**).

Apart from its financial involvement, the political and moral seal of approval of the World Bank Group was more than critical for the development of Doba crude and the outlook for the development of other oil basins in which it became involved during the life of the project (**Section 4.10, Loan Agreement of March 29, 2001**).

According to the project appraisal document for the capacity-building project, the value-added of the World Bank Group's support consisted of the physical execution of the Doba petroleum project and significant improvements to institutions, both for the management of the petroleum sector and for environmental management.

Ultimately, the responsibility of the World Bank Group as lender is to ensure that contractual commitments are respected by the Consortium, so that the Chad Export Project can provide an opportunity for reducing the poverty of the dispossessed populations of the Doba region, i.e., to make it a model project.

Ten years on, what is the status of the Consortium's obligations, and have the World Bank's safeguard policies been respected? Is the development of Doba crude contributing to poverty reduction?

1.1. Findings and analysis of the situation

Based on the facts and evidence provided in support of the complaints of the local inhabitants and communities, the project has exacerbated poverty, resulting in numerous problems, including:

- poor sustainable human development indicators;
- lack of real trickle-down effects for the producing region and surrounding population;
- lack of transparency regarding output, sales, revenues and the real costs of operations, etc.

1.1.1. Poor sustainable human development indicators

Under the petroleum development project, the companies paid the Government of Chad more than US\$4.3 billion, or about CFAF 2,000 billion, in oil revenues between 2003 and 2008 according to the International Advisory Group (IAG), largely exceeding initial estimates. This amount represents 250 percent of the revenues expected over the planned 25 years of development of the region's reserves. It should be noted that these amounts do not take into account indirect revenues, which are in fact double the amount of the royalties.

Moreover, during the period from 2004 to 2011, the Government's budget increased from under CFAF 300 billion to more than CFAF 1,572.482 billion, enabling it to substantially increase its expenditure, although that increased expenditure is widely disputed because misappropriations, corruption, extortion and bad practices have marred the expenditure process, reducing its real impact on the population. However, the living conditions of the 11 million Chadians have not improved; Chad was ranked 163rd in the world based on its poor human development indicators, with a human development index (HDI) of 0.295 and a life expectancy of 49.2.²

According to the United Nations Development Programme (UNDP) (2008), per capita gross domestic product (GDP), which was US\$650 in 2007, declined to US\$550 in 2008. The inflation rate rose to 8.1 percent, well above average inflation in the other countries of the Central African Economic and Monetary Community (CAEMC), of which Chad is a member.

Even worse, despite the resources mobilized, Chad will have difficulty reaching some of its Millennium Development Goals (MDGs) (see Chart 1).

² Human Development Report, UNDP, 2010.

Chart 1: Status of the MDG Indicators for Chad

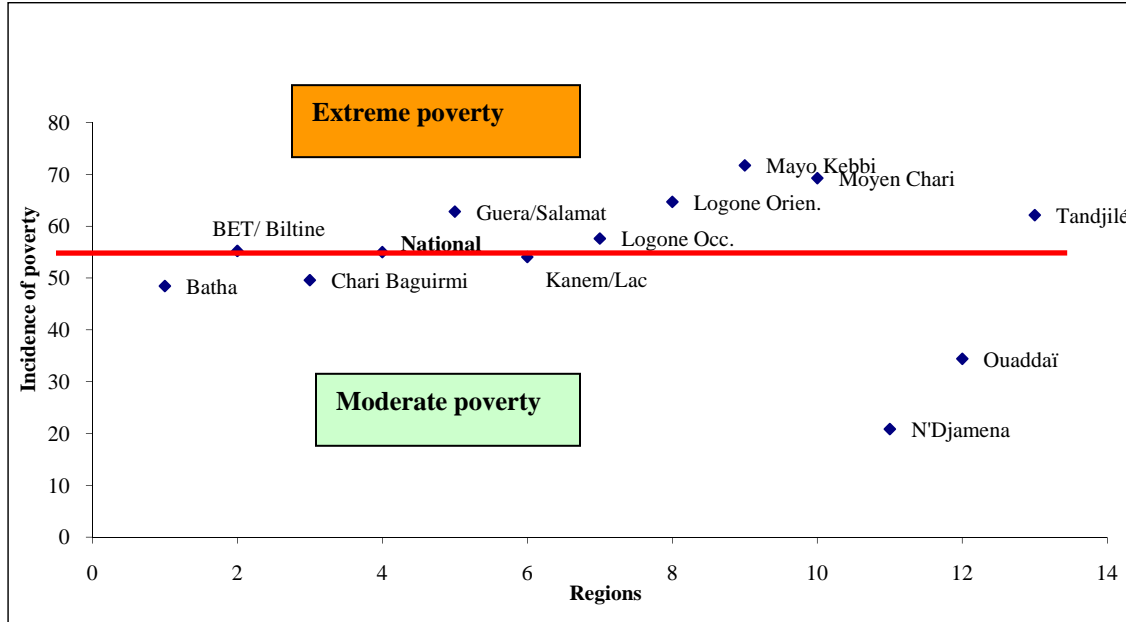
MDG 1	Eradicate extreme hunger and poverty	Not on track: per capita GDP is too low and irregular to reduce poverty or malnutrition significantly.
MDG 2	Achieve universal primary education	Partially on track: primary education is (officially) free of charge; gross primary school enrollment rate is around 80 percent, but completion and quality of education are poor.
MDG 3	Promote gender equality and empower women	Not on track: there has been little progress in making the gender equality approach common practice; the Family Code has not been approved.
MDG 4	Reduce under-five mortality	Not on track: poor implementation of the policy and ineffective management of the sector have led to stagnation of the mortality rate since 1998.
MDG 5	Improve maternal health	Not on track: poor implementation of the policy and ineffective management of the sector led to an increase in the mortality rate between 1998 and 2004.
MDG 6	Combat HIV/AIDS, malaria and other diseases	Partially on track: substantially increased awareness as a result of information campaigns and access to free treatment for ARVs.
MDG 7	Ensure environmental sustainability	Partially on track: courageous policies have been implemented to combat desertification and to clean up large urban centers.

1.1.2. No real trickle-down effects for the producing region

Under the Petroleum Revenue Management Program and in accordance with the provisions of Law 002/PR/2006 amending Law 01/PR/1999 of January 11, 1999 on the management of petroleum revenues, 5 percent of direct revenues (royalties) is allocated to the producing region, 65 percent to the priority sectors, and 30 percent to government operations.

Despite the mobilization of the resources corresponding to the 5 percent share of petroleum revenues since 2005 (CFAF 38 billion), the Logone Oriental producing region was the third poorest region in Chad (64.7 percent poverty) behind Moyen Chari (69.3 percent poverty) and Mayo Kebbi (71.7 percent poverty), according to the 2008-2011 Poverty Reduction and Growth Strategy Paper (PRSP2) (see Figure 1).

Figure 1: Position of the Regions in Comparison with the National Incidence of Poverty



Almost none of the 26 villages submitting community complaints, which have been seriously affected by the petroleum development activities, have any socioeconomic infrastructure at all (drinking water supply, schools, dispensaries, roads, etc.). The sizable footprint of the project reduces and destroys a large proportion of land suitable for agriculture. The land that has been reclaimed and restored to farmers has totally lost its fertility as a result of the serious erosion that has occurred. Crop yields have been declining year after year while no assistance is provided to help the local inhabitants retrain when they can no longer make a sustainable living from their land, as they could before the petroleum development activities began (see below).

In fact, the project has destroyed the local system of production and has left the rural population disoriented. It has caused wild animals to flee and has killed fish and destroyed fish populations, etc.

In the meantime, the mechanisms to manage the socioeconomic impact of the project are not working properly, or indeed at all.

The Management Committee for the 5 percent share of revenues allocated to the producing region has suffered from a number of problems that have led the central authorities to change its members more than three times. The revenues are badly managed: poor distribution, failure to take account of the priorities of the recipients in investment decisions, etc. A large proportion of this 5 percent share (62.61 percent of the total amount) has been invested in large urban centers to the detriment of the villages that are most impacted, whose inhabitants continue to drink river water polluted by waste from Consortium operations, owing to the channels designed to drain the runoff into rivers and streams.

Of the 1,027 villages in the producing region, barely 3 percent have benefited from the investment of the 5 percent share of petroleum revenues, with the construction of schools that are

unequipped, have no teaching staff, and do not respect the school districting map prepared by the Ministry of Basic Education. A study prepared by the Local Standing Committee on Oil (CPPL), an association of organizations that are members of the oil network at the local level, showed that decisions on the use of the 5 percent of petroleum revenues allocated to the producing region are taken at the highest level (Office of the President of the Republic or Ministries) with no participation by the communities concerned. It follows that the infrastructure created does not meet or scarcely meets the priority needs of the recipient populations, and more often than not the infrastructure is not functional. Moreover, the study shows that the results in the area of microfinance are disappointing. Operations have been started without any basis on existing capacities. Poor governance has led to a waste of the available funds (in particular, very high unit costs for infrastructure).

The Oil Revenue Monitoring and Oversight Board established to ensure the proper use and management of oil revenues is no longer performing its role since the withdrawal of the World Bank from the project. It has been over a year since the last of the periodic reports on oil revenue management monitoring and oversight was published. Moreover, without some connection with one of the board members, it is impossible to access information. As a result, the public no longer has a full understanding of the total revenues received and allocated to the various sectors.

These poverty levels impact the living conditions of the local communities and populations, who are the main victims of the project and are the disenfranchised as far as the 5 percent of oil revenues is concerned (see 1.3).

1.1.3. Lack of transparency regarding output, sales, revenues and the real cost of operations

Transparency is an issue in the Doba petroleum development project in three respects: (i) transparency regarding the real cost of operations; (ii) transparency regarding profits and the calculation of revenues; and (iii) lack of information on the quantities produced and sold.

Firstly, there is a total lack of reliable information on the quantities produced and exported to show the Chadian people exactly how many barrels are produced and exported daily. Initially estimated at between 225,000 and 250,000 barrels per day from 301 wells, average daily output during the past five years has ranged between 115,000 and 122,500 barrels per day, according to data provided by the Consortium, while the number of wells has almost quadrupled (1,112 wells, according to test counts).

What is worse, the Chadian authorities themselves state that they do not know the volume of petroleum actually produced, exported and sold. The figures used to calculate the royalties paid to Chad are those of the Exxon-Mobil Consortium.

Moreover, Chad has no data on the project operating costs (calculation of the discount, transportation costs, and other costs). This reduces Chad's share (12.5 percent and 14.25 percent), while the Consortium reaps enormous profits. Finally, there is no appropriate

assessment of the potential cumulative environmental and socioeconomic impact of the project on the regions.

1.2. Nature and types of complaints

The complaints concern various aspects, including the exacerbation of poverty in Chad in general and in the oil fields development area in particular, when in fact the project was supposed to improve the population's living conditions. This is reflected in the weak human development indicators, the lack of social and economic trickle-down effects in the area, the lack of adequate assistance for the population affected, the poor distribution of revenues, and the injustice suffered by the population most affected by the project in comparison with other regions.

Other grievances relate to the lack of transparency in the assessment of the cost of operations, which has reduced Chad's share of the profits, and the Consortium's refusal to allow local towns and villages to benefit from the 120 megawatts of electricity being produced.

There are two types of complaints: individual complaints and community complaints. The individual complaints relate to direct damages suffered by inhabitants of the villages surrounding the oil facilities who have not been adequately compensated or compensated at all. The community complaints relate to the collective damages suffered by the land, village or canton and the damages suffered by the country as a result of the project.

1.3. Recommended measures and proposed solutions

In light of the above, we recommend measures relating in particular to the weak sustainable human development indicators, the lack of trickle-down effects for the producing region, and the lack of transparency regarding output, sales, revenues and the real cost of operations.

1.3.1. Weak sustainable human development indicators

We recommend:

- a priority allocation of revenues to the social sectors and basic essential services in full accordance with the recommendations of the poverty reduction strategy framework;
- equitable distribution of revenues according to a key defined for each sector and for the population as a whole to ensure social justice for all;
- improvement of the justice system as an independent authority to guide the actions of the Ministry for the Promotion of Good Governance and Elimination of Corruption to track misappropriations of public funds and prosecute the guilty parties.

1.3.2. Lack of trickle-down effects in the producing region

We recommend and demand:

- a detailed assessment of the state of poverty in the producing region;
- an audit of investments in basic social services in the region;

- the development of a program of investment in the productive and labor-intensive sectors;
- prior publication of the forecast cost of operations, showing the real costs and profits of the project;
- the connection of towns and villages near the project to the Consortium's electricity grid to enable SMIs/SMEs and local inhabitants to benefit from the affordable energy they need to develop income-generating activities;
- the development of socioeconomic infrastructure, i.e., roads, hospitals and dispensaries, and a safe drinking water supply for the villages most impacted;
- finalization, adoption and implementation of the regional development plan to guide investments in the producing region;
- financing of the development and implementation of local development plans (LDPs) to promote the rational management of resources in the region and accelerate the decentralization process.

1.3.3. Lack of transparency regard, output, sales, revenue and the real cost of operations

In light of the lack of transparency in the management of the project, particularly regarding output, sales, revenues and the real cost of operations, it is urgent:

- that a comprehensive audit be carried out to calculate profit-sharing, in particular Chad's share for poverty reduction, and the distribution of revenues on the basis of the areas genuinely impacted by the project activities;
- that revenues be reassessed and, if the shortfall suffered by Chad because of the haphazard and faulty methods for the measurement of quantities has resulted in payment discrepancies, that reimbursement and payment of damages and interest be required;
- that the meter be installed in Komé rather than Kribbi and that Chadian experts be involved in calibrating the meter in order to remove any suspicion of fraud;
- that a mechanism be put in place to measure the quantities produced and quantities sold;
- that Chad be involved in the calculation of the discount for Chadian crude;
- that the forecast cost of operations be routinely published in advance, showing the real costs and profits of the project, and that a comprehensive audit be conducted to calculate profit-sharing, in particular Chad's share for poverty reduction, and to determine the distribution of revenues on the basis of the areas genuinely impacted by the project activities.

II. The local communities and inhabitants are the main victims of the project

2.1. Findings and analysis of the situation

The inhabitants of the surrounding villages or communities directly impacted by the project are excluded from the economic and social trickle-down effects of the development of oil. In almost all of the 25 communities where most of the oil is being developed, the impact of the project is considerable, particularly the footprint of the facilities, works and activities.

The land of the inhabitants of the project area is occupied by platforms, site facilities, operations centers, main and secondary pipelines, site roads, roads connecting the various fields, and high

tension wires. These oil facilities occupy cultivable land and reduce the local population's vital living space. The following oil facilities are located in the 25 villages that are trapped/under siege, i.e. the stakeholders:

Table 1: Oil Facilities in the 25 Villages/Communities

Village	Number of wells	Number of manifolds	Number of collection units	Number of quarries
Maïkeri	60	2	1	2
Ngalaba 1 and 2	110	2	0	3
Poutouguem	20	1	0	0
Danmadja 1 and 2	30	2	0	2
Mouarom	65	6	0	2
Bégada	228	4	0	2
Madjo Béro	200	1	0	0
Dokaidilti	16	2	2	0
Mbanga 1 and 2	120	1	0	1
Ndoheuri	16	1	0	0
Bendoh	12	0	0	0
Mermeouel	13	1	0	4
Komé 1 and 2	2	0	0	1
Maïnani	32			
Moundouli I and II	23	1	1	1
Bénguirakoel I and II	27	0	0	0
Bemira	4			
Maïkiro	1	0	0	0
Béla I and II	58	1	1	4
Madana Nadpeur/ Koutou Nya	4	0	0	0
Dodang/Béro	26	1	1	10
Dildo and Bayandé	7		0	1
Kairati II	10	0	0	1
Dogoï	15	0	0	0
Maindoun	13	1	0	0
Total	1,112	27	6	34

Source: GRAMPTC (test count).

Main roads, roads connecting oil fields, main and secondary pipelines, and high tension wires break up the land into small parcels.



The population and the oil facilities are thus competing for space, and fields under cultivation and oil facilities are intermingled. This has been noted in all of the land plans prepared on the basis of participatory mapmaking, of which a sample of a dozen or so are annexed to this complaint (see Annex A).

III. Land pressures and loss of sustainable means of livelihood for the local population

3.1. Findings and analysis of the situation

3.1.1. Land pressures and the project footprint

The land set aside for infrastructure and the forecast number of wells to be drilled have been greatly exceeded. According to the Environmental Management Plan (EMP), well pads must be partially reclaimed. After final reclamation, they must measure between 58 x 47 m (2,700 m²) and 97 x 47 m (4,400 m²). The reclaimed portion must be returned to its pre-construction users. According to the project estimates, the total land take in the oil fields development area was distributed as follows:

- land needed for construction: 2,043 ha;
- land needed on a permanent basis for operations: 666 ha;
- land to be reclaimed and returned to its preconstruction users: 1,377 ha;
- of which, land available without restriction: 786 ha.

The reality shows that the footprint of the well pads is greater than forecast in the EMP (8,250 m² rather than 4,400 m²). The total land take measures approximately 4,000 ha today. The ECMG report indicates on page seven: “With respect to this particular topic, therefore, the Consortium is noncompliant with the EMP, without clear corrective action. According to the ECMG, the project footprint has exceeded the forecasts of the estimated land take for the construction of production and crude transportation infrastructure by more than 40 percent. Large areas of land have been occupied and the population has lost its sustainable means of livelihood, notwithstanding the compensation provided. Furthermore, the ECMG is still unable to assess the

potential compliance of the final well pad size with dimensions provided in the EMP.” This incapacity of the national and international monitoring structures gives the Consortium free reign to further exploit the land to the detriment of the population and without adequate compensation.

Moreover, the proposed reclamation of degraded land and quarries has not been respected. Quarries that have not been closed are scattered here and there, accumulating rainwater and thus creating ideal conditions for the development of mosquitoes—vectors for malaria, which is already endemic in the area—and constituting a hazard for the livestock of farmers and nomadic herders. Several children and animals have died in such quarries. Some reclaimed quarries do not respect best practices. They have simply been filled with blocks of reinforced concrete, wood scraps, dirt, etc.

3.1.2. Breakdown of the production system

The real problem lies in the cohabitation of two systems in the same space: on one hand, the “operating system” of the local communities, which has two purposes, to create a living space (residences) and a living environment (land under cultivation, fallow land, bush and forests), and on the other, ESSO’s industrial operating system, which also has two purposes, to serve as a production base (Komé base and Komé 5) and a production environment, including the collection points, the pipeline system, roads and highways, the electrical system, the system of drilling platforms and wells, etc. With the Chad-Cameroon petroleum development project, Esso has severed the link between the “forests, bush, and fallow land” area and the “land under cultivation” area. Farmers can no longer freely use fallow land or collect fruits in the forest as they wish either because certain parts of the “forests, bush, fallow land” area are occupied by wells, quarries or collection points or because some remaining parts of the areas are enclosed by the oil facilities and are therefore difficult to access. The inhabitants can no longer produce as much as they previously did and have been unable to adapt to a new environment that is radically different from the one they knew.

The villages impacted include Maïkeri, where the situation is a matter of particular concern. We call such villages “trapped villages” or “villages under siege.” The breakdown is evident as soon as you enter the village. Located within the industrial enclave, the inhabitants of the villages of Maïkeri and Poudougouem cohabit with difficulty with the wells scattered among the houses and fields and in the bush. Their forests and bush have been torn up from one end to the other by heavy machinery. In these villages, which are caught within the footprint of the oil facilities, farming and animal herding activities have almost disappeared because the farmers’ fields are enclosed by the wells, the tracks and roads leading to drilling platforms, the complex pipeline network and, in particular, the stringent security around the facilities that makes the image of “villages under siege” particularly apt.

Finally, from an agronomic point of view, it has been shown that to be productive, fields must measure a certain minimum size, called the UFS (useful farm space). In the petroleum development area, the UFS per person can be estimated as the 0.5 ha cultivated each year by the most impoverished. Findings in the field show that parcels between wells, pipelines and high tension wires do not reach the necessary cultivable size and farmers are obliged to abandon them. A single field is easy to maintain and is more productive than small scattered plots.

3.1.3. Life cycle disruptions in crop plants

In the project area, as we have indicated, crops cohabitate with the oil facilities. According to the local population, the crucial problem is that of yield. During the growth cycle, stem elongation occurs as usual. The surprising thing is that it takes longer than normal, so that flowering and setting of the fruit occur outside the growing season (rainy season). As a result, the plants have no fruits when harvest time comes and can be used only for forage. The most plausible explanation is the continuous light on the plants. We know that photosynthesis takes place in daylight. At night, the plant transforms the carbon dioxide captured by photosynthesis during the day into nutrients that nourish it as it grows. If the plant is exposed to light continuously, photosynthesis is also continuous, so that the plant grows but it does not have the time it needs to transform the carbon dioxide into nutrients to allow it to flower and set fruits.

3.2. Nature and types of complaints

Both the collective or community complaints and the individual complaints concern the loss of a sustainable means of livelihood for the surrounding population. According to the participatory mapping carried out in the communities concerned, as well as project data, more than 60 percent of cultivable land in the project area is occupied by the oil facilities. Likewise, there has been a gradual decline in farm yields as a result of the gas flares and lights, preventing completion of the photosynthesis process, which is necessary for normal plant growth.

3.2.1. Community complaints

As shown, the land of the communities filing complaints is crisscrossed by roads connecting oil wells and by secondary pipelines, and a substantial portion is occupied by the well pads. As a result, the inhabitants' sustainable means of livelihood, i.e., the land, has been taken away from them. Compensation cannot offset this loss in the long term. Examples are the villages of Ngalaba, Maïkeri and Bégada, which suffer from the restrictions placed on the inhabitants' movements on their land. They report that their land is polluted because the companies bury their used equipment in landfill sites. They also report that they are never informed of anything officially, but obtain news via the grapevine. They say that their farm output has declined and that they have not benefited from the infrastructure constructed by the project. They conclude by saying that they were made many promises, but few have been fulfilled.

In some villages, traditional crops are no longer sufficient because of the degradation of the land (reclaimed quarries, soil erosion as a result of quarries that have not been reclaimed, etc.).

Finally, the petroleum development project has resulted in substantial migration into the area. Persons seeking jobs, which are rare, end up settling down, creating shantytowns such as Atan, Moudoudoigne, etc., which are a major factor in the deterioration of the environment (see Komé community complaint).

3.2.2. Individual complaints

We were informed of a farmer in Danmadja 1 and 2 with four *cordes** of millet that produced no harvest and whose application to ESSO went unanswered. The abnormal development of nitrogen-fixing plants can be linked to the presence of nitrogen in the air. An excess of nitrogen in the air can result in this kind of abnormal development.

About two dozen individual complaints were submitted by farmers in Danmadja, Ngalaba, Maïkeri, Béla, Dokaidilti, Bégada, Mermeoul and Béro regarding the occupation of the land and the decline in agricultural yields.

3.3. Recommended measures and proposed solutions

3.3.1. Regarding the breakdown of the production system

- Reduce the project footprint in favor of farms and pasturelands.
- Create social infrastructure to handle migrants and rising population levels.
- Recover nitrogen from recovered flare gas and process it into fertilizer for the modernization of farming.
- Train the inhabitants of these villages in improved agricultural methods and provide them with modern production tools.
- Adequately reclaim land occupied temporarily by the project.

3.3.2. Regarding life cycle disruptions in crop plants

As discussed above, the stage is set for a decline in yields. Observation of this phenomenon throughout a crop year would provide data and lead to appropriate proposals. All of these hypotheses, while plausible, require in-depth research before they can serve as the basis for action.

- Provide farmers with adequate means of production to offset the limited availability of cultivable land.
- Limit flaring and electrification, which prevents photosynthesis and reduces productivity.
- Carry out an independent study on the productivity declines.

IV. Lack of direct (the 5 percent share of revenues) and indirect trickle-down effects for the surrounding inhabitants and communities

4.1. Findings and analysis of the situation

4.1.1. Local populations: bypassed in the allocation of the 5 percent share

By way of example, no schools, dispensaries or drinking water supplies have been constructed using the 5 percent of revenues allocated to the producing regions, much less the 65 percent of revenues that was to be allocated to the priority sectors in the villages of Maïkeri, Poutougouem,

* Translator's note: the *corde* is a traditional land measure equaling about ½ hectare (5,040 m²).

Danmadja 1 and 2, Mouarom, Bégada, Madjo Béro, Dokaidilti and Mbanga, which have more than 6,000 inhabitants and 1,000 households. All of the 25 communities filing complaints have been similarly bypassed.

And yet, the main purpose of the 5 percent allocation is to help offset the direct and indirect negative impact of the project on the surrounding population. Paradoxically, in villages not directly affected (Mbaikoro and others), two K-12 schools were constructed in a single village of under 1,000 inhabitants because it is located along the paved road and is thus visible as an example of a positive impact. This is an injustice.

Moreover, because of the existence of the 5 percent share for the producing region, the Government has focused its own investments in other regions. Luxury schools, hospitals and dispensaries are constructed in low-density areas and areas where there are no pupils or patients, much less doctors and teachers. At the same time, densely populated areas suffer from a lack of such social infrastructure. For the inhabitants of the petroleum producing area, this is a flagrant injustice that must be rectified, for, as they indicate, the petroleum is extracted from their land, the land of their ancestors, and, although the Government owns the land, it is unjust that they are mired in poverty while other areas disproportionately enjoy the resources of their land.

The measures to mitigate the predictable impacts are inadequately implemented or not implemented at all. Some examples are:

- FACIL (Fonds d'Actions Concertées d'Initiative Locale), a fund for coordinated actions based on local initiatives, prematurely ceased operations.
- Programs and projects did not produce the anticipated results.
- The Regional Development Plan (RDP) for the producing region—developed by consultants, validated by the parties to the agreement, and financed at a cost of millions—was never approved by the Government or implemented. The Regional Development Plan, which was prepared so that resources could be channeled appropriately to the needy areas, has not yet been adopted. And yet it has cost millions of CFA francs to prepare, financed from funds intended for the producing region.

4.1.2. Lack of project trickle-down effects for the surrounding communities

The Consortium currently has four turbines, the energy production capacity of which exceeds 120 megawatts, about triple the energy produced by the Chad Electricity Company. This energy, only one-third of which is consumed, could be used to connect the main cities in the region, whose energy needs are under 60 megawatts, in order to promote the development of small- and medium-sized enterprises. However, the Consortium uses the supposed contract with Chad as an excuse to refuse to share this energy with the local communities. The inhabitants believe that the Chadian authorities have deliberately refused to accept this solution, which could favor these regions over the other regions of the country. They believe that this is discrimination on the part of the authorities that is detrimental to the development of the southern regions of the country.

4.2. Nature and types of complaints

The inhabitants of the villages in the producing area have filed individual and community complaints regarding the 5 percent share of revenues and other petroleum resources (for example, Bégada, Mbanga, Ngalaba, Béguirakoel and Moundouli, which alone house more than 500 oil wells but which have not benefited from the petroleum resources). The same is true for villages in the canton of Béro, which houses most of the oil facilities but does not benefit from the project-related opportunities and which is seeking reparations.

Community complaints were filed by all of the inhabitants of the 25 villages regarding the lack of trickle-down effects. Three individual complaints were recorded in Bégada, Moundouli and Béro.

4.3. Recommended measures and proposed solutions

4.3.1. Regarding the exclusion and lack of impact of the mitigation measures

- Conduct a social audit of the project, evaluating its impact on the surrounding population and communities.
- Repair damages that have occurred.
- Have the parties update the RDP by means of a wide-ranging consultation in the region and implement it as quickly as possible.
- Help the local inhabitants and communities to develop their Local Development Plan (LDP) and finance its implementation with revenues from the project (5 percent, 65 percent).
- Invest the 5 percent and 65 percent of petroleum revenues in Logone Oriental, particularly in the cantons of Komé, Béro, Miandoum and Miladi, which house the old and new oil fields and the project's surface facilities.

4.3.2. Regarding the lack of indirect trickle-down effects and other secondary effects

- Connect the main cities and urban areas in the south to the electricity networks that use the Komé gas and other products and interconnect these cities and towns.
- Publish the mechanism for the use of the gas and other byproducts.

V. Individual and community social impacts and unrepaired damages

5.1. Findings and analysis

5.1.1. Restrictions on mobility and lack of security

Village inhabitants report that they feel under siege: with the deployment of site police and private security guards, it is difficult to move around freely and go about their business. There are serious restrictions on the freedom of movement of the local inhabitants. It can be risky to decide to visit a brother in another village because one could be accused of being a bandit or thief. Many of those who have undertaken such visits say that they have been arrested and

beaten by the police on more than one occasion, accused of theft, and forced to pay substantial fines for their release. This has happened in the villages of Mouarom, Madjo-Bero, Dokaidilti, Danmadja, Maikeri, Bendoh and Ngalaba, where the village chiefs also report being beaten by the soldiers who provide security at the oil facilities. Not a day passes that one of the chiefs is not called upon to pay for the release of one of the villagers, arrested in their fields.

This massive police presence in the oil fields development area and around the wells is also a source of serious violations of the economic and social rights of the population. One of the consequences is the abnormal behavior of the security forces: arbitrary arrests, physical abuse, attempted rape of women, confiscation of the goods of peaceful citizens, formal curfews after 4 p.m. or 5 p.m. and/or prohibitions on going out to the fields twice a day (individuals who remain in the fields after 5 p.m. cannot return to the village unless the village chief formally provides evidence and recognizes them as belonging to the village), night time curfews, and frustration and humiliation of the population.

5.1.2. Management of quarries

The reclamation of borrow pits (quarries), where the sand and gravel needed for the project is obtained, is not always carried out in accordance with the Environmental Management Plan or indeed at all. Rainwater accumulates in these pits, which can be very deep, making them a real hazard for the general population, and for children and animals in particular.

There have been several instances of children drowning in quarries opened by the project in the Béro, Bam, Bolobo and Bébédjia areas.



Quarry in Béro Canton in which children have drowned.



A team of GRAMPTC researchers trying to save a cow drowning in a quarry.

5.1.3. Lack of job opportunities for young people in the project area and the problem of those eligible for compensation

Although project directives grant priority to local inhabitants for unskilled jobs, the reality in the field is very different. Very few opportunities have been granted to young people from the area. The contracts of those who were recruited during the construction phase were cancelled when the project entered the production phase and no outplacement efforts were made. These people have for the most part become “dispossessed.” The rare jobs that we saw in a few villages where new fields have opened up have been for the position of “flagman.” There is no adequate training or care infrastructure for the young people and therefore no jobs.

The situation of those eligible for compensation is becoming an increasing concern. Although these vulnerable individuals have each received training, this program has not achieved its objectives. Almost none of those eligible for compensation are exercising their new trades and thus are not living as the program said they would.

No longer having sufficient land and at the same time unable to exercise their new trades, these persons are disoriented and abandoned to their fate. These are the new “deadbeats” created by the project. The men have virtually abandoned their responsibility as the head of household and therefore primary breadwinner, placing their heavy family responsibilities on their wives. When questioned regarding their husbands, the women simply reply that the training has taught their husbands laziness. Some of those eligible for compensation do not have income-generating activities, while others do not have raw materials to process, much less customers seeking their services, reflecting the inadequacy of the training given to them and the failure of the entire program.

5.1.4. Lack of a socio-professional retraining and reintegration plan for demobilized workers

As part of the Doba petroleum development project, the Government of Chad contracted an IDA credit (3373-CD) from the World Bank for capacity building. This credit was to be used to find solutions to the problems of the social, moral, professional and physical reintegration of workers in the Chadian Export Project when their contracts ended. However, the Government has done nothing to bring this social project to a successful conclusion and this has led to the state of crisis seen among the former workers.

As a result of the failure of the reintegration programs and the nonpayment of entitlements, former workers of Tchad-Cameroun Constructors (TCC) have filed legal actions against ESSO and have won their cases. ESSO was sentenced to pay CFAF 6.2 billion to 4,013 former TCC employees.

The problems of these ex-workers have today reached a crisis point. They are claiming [CFAF] 9 million per ESSO employee from the Government and are calling on ESSO to pay project completion bonuses, wage differentials and relocation grants.

5.2. Nature and types of complaints

As seen from the description of the situation, villages are under siege in the oil fields development area. The inhabitants report that they can no longer move about freely when they wish and suffer abuses of various kinds on the part of the police deployed in the area (arbitrary arrests, fines, torture, acts of destruction, harassment, humiliation, etc.).

Moreover, children and cattle have drowned in the quarries opened for the project without appropriate damages being paid to the victims. According to the population, legal actions taken by the victims have been unanswered because of the influence of the regional administrative authorities in collusion with the project operator.

Those eligible for compensation report that they have lost their purchasing power as a result of the project. No longer having cultivable land, their main source of subsistence, they feel deceived and abandoned by the project. The real reason for their selection for the off-farm training program was to enrich the subcontracting companies involved.

In response, the local inhabitants have filed complaints against the operator of the Chad petroleum development and oil pipeline project, but have had no response. This has resulted in the individual and community complaints.

5.2.1. Collective or community complaints

The complaints of the inhabitants of Dokaidilti, Madjo-Béro, and Béro relate to the various problems mentioned because appropriate measures have not been taken by the operator, much less its subcontractors.

5.2.2. Individual complaints

In addition to the community complaints described above, individuals belonging to these communities have filed 15 individual complaints.

5.3. Recommended measures and proposed solutions

Given the problems described above, a series of measures and solutions can be recommended, based on the concerns expressed.

5.3.1. Regarding the issue of restrictions on mobility and lack of security

- Withdraw the soldiers deployed in the area.
- Recruit local young people and train them to provide security for the oil facilities on their lands.
- Assess the cost and consider the relocation of villages where the living environment is seriously affected by the project.
- Respect the right of access of farmers to their means of livelihood (access to the land in particular).

- Install security teams made of local young people; this would solve the problem of youth unemployment and would restore confidence between ESSO and the surrounding population.
- Respect the freedom of movement of the population.
- Reduce the number of police on the sites.
- Apply severe penalties to police who have committed the following actions (arbitrary arrests, physical cruelty, attempted rape, confiscation of the goods of citizens, etc.).
- Replace law enforcement officials with private security guards.
- Properly close quarries (to avoid drownings).

5.3.2. Regarding quarry management

- Reclaim quarries in accordance with the EMP.
- Completely close dangerous quarries.
- Compensate the victims in case of drownings and other damages resulting from the failure to reclaim quarries.

5.3.3. Regarding jobs for young people in the project area and the matter of those eligible for compensation

- Review the system of compensation for eligible individuals.
- Subcontract eligible individuals whose training has a link with the project activities (e.g., tailors for the workers' clothing).
- Help those who have received training obtain the raw materials they need for processing.
- Review the training and care structures.
- Establish a training mechanism for young people (scholarships for deserving students).
- Recruit young people from the villages concerned for subsistence jobs.

5.3.4. Regarding the socio-professional retraining and reintegration of demobilized workers

- Enter into negotiations with the Consortium to find a fair solution to the situation of former workers.
- Prepare a genuine plan for the socio-professional retraining and reintegration of demobilized workers.

VI. Direct and indirect community impacts

6.1. Findings and analysis of the situation

6.1.1. Infrastructure cost overruns

As part of the community compensation, infrastructure is created for communities directly or indirectly affected by the project works. The infrastructure constructed is chosen by the communities. During the discussions that precede this decision, the inhabitants are often advised

of the amount of the allocation intended for the village, but when the work is actually completed it does not reflect that amount.

In the village of Mbanga, for example, GTZ built a school consisting of two classrooms, an office and a storeroom in 2003-2004 for CFAF 14 million, while in the same village JMN constructed a building housing a single classroom in 2009-2010 for CFAF 23.5 million.

6.1.2. Community compensation not received

The compensation plan mentions that the project will pay compensation in kind for two types of impacts that can affect the community: a decrease in the overall volume of land and bush in the community and changes in its population as a result of the relocation of some members of the community.

Suggestions were made for such in-kind compensation: construction of schools, wells or pumps, market place, roads, warehouse. However, it was indicated that if a village made a suggestion that responded to a specific important need, this suggestion would also be taken into account.

Moreover, any village that was not eligible for community compensation on the basis of the population or permanent loss of land criteria would also receive compensation to be determined by the head of the canton, in coordination with the village chiefs.

In addition to the villages directly eligible for compensation, each subprefecture would receive compensation that would be proportional to the number of cantons affected within the subprefecture. The subprefect would coordinate with the heads of the cantons and, via the heads of the cantons, with the village chiefs to decide what was to be done in the cantons and in the subprefecture. Moreover, additional village compensation would be given to the prefecture of Logone Oriental.

The community compensation process would provide an opportunity to improve village infrastructure and also to spur the development of the community as a whole.

Community compensation was distinct from the grants made by the corporation via EEPCI (Esso Exploration and Production Chad Inc.) and TOTCO (Tchad Oil Transportation Company S.A.), which were used to provide schools, wells and infrastructure improvements for communities.

The temporary land take would be restored to the communities that used that land originally, in recognition that the community, as an entity, had rights to the use of these lands. The restrictions on the use of these lands would be clearly stated at the time of the public consultations and when the lands were handed over. Thus:

- 2,124 ha were required for construction;
- 299 ha for the improvement of public infrastructure;
- 457 ha permanently closed to public access: processing unit, electricity plants, collection statements, pads of closed well;

- 774 ha of land restored for all “preconstruction” users;
- 594 ha of land reclaimed and available with certain restrictions.

The cumulative effect of the project has led the operator to pay additional community compensation. After the discussion and the choice of infrastructure, a declaration was signed between ESSO, the population, the consultant, and the local administrative authorities for its construction. Unfortunately, it appeared that ESSO, after signing the agreement, decided to impose infrastructure other than that initially selected by the communities. As a result, some villages that objected to the new works imposed by the operator have not received compensation. This is the case of Dokaidilti, where an agreement was signed between the community, ESSO, JMN and the local authorities for the development of rice-growing facilities in June 2009. The project has not as yet been carried out.

6.1.3. Disconnect between the needs of the population and the works carried out

The discussions with the population for the selection of their choice of infrastructure or development project based on the problems identified were intended to make the compensation program efficient and effective. Unfortunately, it appears that in most of the villages selected for additional community compensation, the choices made by the inhabitants were not respected by ESSO/JMN Consultants when the selected projects were carried out. For example, in the village of Ndoheuri, which had selected a school or an agricultural cooperative, ESSO in the end decided to construct a house for the school principal—this when the village was using three old sheds as classrooms.



Two of the three sheds used as classrooms in Ndoheuri, in place of which ESSO proposed to construct a house for the school principal.

Similarly, Kilaga, a village in the Moundouli area, chose a school, but ESSO decided to construct a house for the school principal close to the home of the village chief—this when in fact the village had no educational infrastructure. Likewise, in Maïkero, which chose a tractor to cultivate its vast fields, ESSO decided simply to develop 10 ha of maize. The inhabitants of Miandoum IV chose a school or agricultural equipment, but ESSO decided to construct housing for the school principal. In Madjo, the inhabitants chose rice-growing facilities, and ESSO instead imposed a one-room building. In Berguereu, the school is a straw hut, but the project

chose to construct a house for the school principal. In Manboye, the inhabitants chose to construct a school with the additional community compensation, but in the end the Consortium insisted on windmills.

6.1.4. Land disputes and divisive relations between migrants in shanty towns and local inhabitants and between neighboring communities

The arrival of the petroleum development project in the area has been cited as the main cause of land disputes. These disputes are often between members of a single family or between families and neighboring communities. In fact, the petroleum development project has brought a kind of mafia to the area, which controls the management and use of natural resources in general and land in particular.

Naturally, disputes of this kind existed in these communities before the project. However, they were quickly settled or squelched when they arose. Today, the money involved in the form of project compensation makes family and village authorities virtually ineffective in settling disputes. These disputes have both arisen among the local inhabitants and pitted the local inhabitants against new arrivals in the area.

Examples include the case of farmers in the villages of Mékab and Madana, who were refused access to their cultivable lands by the inhabitants of Komé Mbairabétolé because they were accused of being ungrateful for the compensation that was paid to them by the project, and the dispute that arose between the cantons of Bédédjia and Maindom regarding the administration of the village of Dogoï. The inhabitants of Mouaroum/Bemou are at daggers drawn with the migrants from Atan, who are accused of being the main cause of their woes (they steal from the project facilities and we are the ones who suffer, say the local inhabitants). The villages of Pouteguem and Betodé are fighting over cultivable land, and relations between Ngalaba and Maikéri have deteriorated because of claims related to the ownership of the area that houses the oil collection units for the Miandom oilfield.

6.1.5. Management of toxic waste

The project, by its very nature, produces toxic waste. The rules for the management of this waste are defined in the EMP. Based on observations in the field and comments from the local inhabitants, the management of this waste is a problem. Communities have reported several cases of the poisoning and death of animals after they drank polluted waters in quarries or licked toxic products around the well pads. The most recent cases occurred in the villages of Ngalaba, Maikeri and Danmadja, where farmers lost their teams of oxen.



Cattle licking oil waste and dying (2010)

6.1.6. Disappearance of animal and plant species

The Nya, Pendé and Loulé Rivers are the main waterways that are the source of water for the entire project area. They are also a source of fish, and during the dry season the riverbeds are used for market gardening and for growing rice and maize. All along these waterways, forests have grown up with plant species that are very useful to the local population.

Since the start of the project, unusual phenomena have been reported in these areas. The water levels no longer drop, trees are withering, fish are disappearing, and ever-larger areas of cultivable land are being flooded. This deprives farmers of a large portion of their source of output. The communities of Pouteguem, Danmadja, Madana Nadpeur and Mouaroum are most affected by this phenomenon and are complaining.



Loss of plant species along the main waterways in the project area.

6.2. Nature and types of complaints

Several grievances have been filed by the victims. They feel that the Consortium imposed a catalogue of five infrastructures on them as compensation without really allowing them to make a selection based on their priority needs. What is more, they report that the quality of the infrastructure built was not in accordance with regulations and standards and that not all eligible villages were compensated. As well, they indicate that the cumulative impact is affecting their living conditions for the long term, without adequate reparations.

The communities of Pouteguem, Danmadja, Meurmeouel, Madana Nadpeur and Mouaroum are the ones most affected by the problems discussed in this section. They have filed five community complaints and 30 individual complaints.

6.3. Recommended measures and proposed solutions

6.3.1. Regarding the infrastructure cost overruns

- Eliminate the subcontracting process, which really enriches only the subcontractors to the detriment of the population.
- Directly involve grassroots organizations in managing the funds allocated for community compensation.
- Pay the communities the difference with the initially estimated costs for use in other projects.
- Carry out an independent audit of the execution of the works.

6.3.2. Regarding unpaid community compensation

- Carry out the projects for the communities concerned as provided in the initial agreement, taking account of damages suffered since that time.

6.3.3. Regarding the disconnect between the needs of the population and the works carried out

- Restore the community compensation for these communities so that the works requested can be carried out.

6.3.4. Regarding the land disputes and divisive relations between migrants in shantytowns and local inhabitants and between neighboring communities

- Relocate demobilized workers living in the area, as provided in the project.
- Define the boundaries of community lands.
- Define transhumance corridors and possible areas where animal herders can settle.

6.3.5. Regarding the management of toxic waste

- Apply the Environmental Management Plan (EMP).
- Pay damages to victims by assessing all injuries suffered and not limiting damages to the value of the animal on the market.

6.3.6. Regarding the disappearance of animal and plant species

- Carry out an independent study to identify the causes of the disappearance of these species.
- Reforest seriously affected areas.

VII. Irreversible environment impact

7.1. Findings and analysis of the situation

7.1.1. Lack of assessment of cumulative effects

The available versions of the EMP define the general principles for conducting project operations in the field in real time. They do not explicitly discuss the principles for management of the cumulative effects of the project, which makes it impossible to assess the cumulative socioeconomic and environmental impact of activities.

The failure to take account of the size of the project footprint and the land take over time (tendency to look at the three deposits and the nominal footprint of the pipeline, when in fact several fields are currently involved and the number of wells has grown to more than four times the 300 wells initially forecast, having now risen to over 1,000).

7.1.2. Contamination of waterways, traditional drinking water wells, and surface and underground water

It should also be noted that pollution of the Pendé, Nya and Loulé rivers, as well as the water table, is often mentioned by the villages concerned. In the case of the Pendé, the canal from Komé 5 that empties into the Pendé north of Dokaidilti is certainly a source of pollution. For the Loulé, the oil spill near the waterway not far from Komé 5 is a potential pollution factor. The same is true for the Thio River, which was contaminated by the first oil spill. Given that these waterways join the Pendé, which then joins the Chari before emptying into Lake Chad, this local pollution can become a national problem. As for air pollution, the presence of the landfill northwest of Dokaidilti could be a source of illness for the village inhabitants whenever the wind turns in the direction of the village.

7.1.3. Hydrocarbon and toxic waste spills

There is no rapid response mechanism in case of accidental spills. Although Esso has indicated that it has put in place a sophisticated mechanism that can automatically detect an accidental spill, in reality this mechanism has proven to be non-existent. This is clear from the fact that

there have been several spills that were discovered by farmers in the area. These spills have taken place in Tiho pond, in the canton of Komé; in Bayandé, less than 50 m from the Loulé River in the canton of Béro; in Komé 5, where the center of operations and residential area are located; and in the canton of Miandoum, where the most recent spill took place in Dogoï on July 13, 2011, with sizable amounts of black oil leaking out as a result of a pipeline break. There again, it was a farmer that found this spill, which polluted the ground beside his home (photo).



Crude oil spill from the Doba basin discovered by a farmer on Wednesday, July 13, 2011, in the village of Dogoï, located between the cantons of Miandoum, Mbikou and Bébédia.

The operator used trucks to remove the soil contaminated by the spill (photo).



Photo: GRAMPTC, July 2011.

To remedy the situation, ESSO is recruiting local inhabitants as “walkers” to walk along the pipelines to check for leaks and inform the company.

7.1.4. Pollution and management of toxic waste

The lines of drainage canals from the bases of operations can be seen in the fields. The flow of water from these canals contaminates surface waters, polluting nearby rivers and streams. Owing to a lack of wells, the local inhabitants and animals drink that water, spreading disease (diarrhea, conjunctivitis, schistosomiasis, roundworm, etc.). In flood-prone areas, large numbers of trees are dying off. Animal deaths as a result of contamination from toxic waste have been reported in several villages (Ngalaba, Maïkëri, etc.). Some have been compensated at prices set unilaterally by ESSO (CFAF 175,000 in Maïkëri and CFAF 180,000 in Ngalaba), while others have simply been denied compensation by the Consortium.

7.2. Nature and types of complaints

The problems of spills of crude oil and toxic waste have been the subject of individual and community complaints in the villages in the oilfields, such as Madjo, Dokaïdilti, Bégada, Dildo/Bayandé, Dogoï, Maïkiro, Kaïriti, and Komé. About a dozen individual complaints have been filed.

7.3. Recommended measures and proposed solutions

As indicated above, the combined effect of the breakdown of production systems and the plant cycle disruptions is exerting considerable pressure on the living conditions of the inhabitants of this area, resulting in an irreversible loss of their sustainable means of livelihood.

7.3.1. Regarding the lack of assessment of the cumulative effects

- Update the EMP and the Environmental Impact Assessment.
- Reassess the real land take of the project (from 301 wells to more than 1,000 wells at present).

7.3.2. Regarding the contamination of waterways, traditional wells, and surface and underground water

- Conduct an independent study of the quality of the water in the oilfields.
- Drill wells and build water towers in all of the surrounding communities.
- Establish an independent mechanism to track water quality, etc.

7.3.3. Regarding the hydrocarbon and toxic waste spills

- Strictly apply the plan for the management of accidental hydrocarbon spills and urgently put in place the ESSO monitoring mechanism.

- Review the measures in place for preventing and managing accidental spills.
- Recruit young people from the villages in the oilfields to monitor their land for spills on a daily basis; they can ensure the security of the facilities instead of the soldiers, who have been abusive.
- Rehabilitate the National Technical Committee for Monitoring and Control (CTNSC) and the statutory missions of the ECMG, etc.

7.3.4. Regarding pollution and management of toxic waste

- Strictly apply the EMP, particularly as regards the management of waste.
- Provide fair compensation following poisonings.
- Compensate the victims of pollution and poor waste management.
- Establish an independent system to monitor and measure pollution.

VIII. Deficient mechanisms for oversight, surveillance and monitoring of environmental and social aspects, or lack of such mechanisms

Through its involvement in the project, the World Bank Group provided guarantees of project success and its determination to ensure project monitoring—i.e., mechanisms for the oversight and monitoring of environmental and socioeconomic impacts to guarantee respect of its own operational directives and policies: the Environmental Management Plan (EMP), the Management of the Petroleum Economy Project (GEEP); the International Advisory Group (IAG); the External Compliance Monitoring Group (ECMG); the National Technical Committee for Monitoring and Control (CTNSC); and other independent mechanisms, such as the Oil Revenue Oversight and Control Board (CCSRP).

8.1. Findings and analysis of the situation

This series of international measures and mechanisms was the guarantee required by the World Bank that argued in favor of the implementation of this project. However, these independent structures responsible for monitoring the project in accordance with the directives and principles issued are advisory councils. They have no power of compulsion to force the parties concerned to respect the jointly-defined standards. Their work is limited to recommendations made to the various parties involved in the project. In most cases, as a result, their recommendations do not result in concrete steps by the monitoring report recipients, despite the insistence of these structures in cases of non-compliance identified in the mission reports.

Unfortunately, despite the public consultations held, the Consortium has failed to publish any baseline studies since 1999, which has raised concerns among some organizations, particularly non-governmental organizations (NGOs), about the quality and comprehensiveness of these studies. These concerns have been partly allayed, as the International Advisory Group (IAG) acknowledged in its final report of September 2009. [However,] *“the absence of some baseline studies, or their lack of depth, and the resulting dearth of information and related standards in the EMP, made monitoring, evaluating and mitigating the Project’s impact in the field more difficult and also meant that some of the Project’s direct and indirect effects will never be fully*

known. This is especially true for the Project's impact on public health in areas near oil facilities (epidemiological data) [. . .] difficult to assess due to insufficient data on initial, pre-Project conditions."

The IAG also noted that *"preparatory work for the Chad Cameroon Project (CCP) also neglected to assess the Project's cumulative effects."* Moreover, the Inspection Panel noted in its report in 2002 its regret at the lack of a Regional Environmental Assessment, considering that the project had an impact on the lives of all of the inhabitants of the area.

Furthermore, we should note that the contractual obligations of the Consortium for environmental protection are set out in Volume 2 of the Environmental Management Plan (EMP). Regarding the reclamation of the land on which project activities took place, the EMP noted: *"Unless ESSO has specified that an area or a part of an area of the Work Site used during the construction phase of the project will also be needed for the operations phase, all affected areas shall be restored by Contractor. These areas [. . .] shall be returned to natural contours [. . . .]"*

Based on the EMP, the reclamation of a quarry after the operations phase involves its full restoration to its original state prior to the works. Specifically, this involves taking account of the toposequence when filling it and restoring the topsoil to the surface (at least for areas with potential for growing the main crops) to make it possible for the land to be reintegrated in the cultivable land in the area over the long term and for crops to be planted once again.

Also, as part of the Environmental Impact Assessment, it was recognized that *"when soils are moved and compacted by heavy equipment, the particle size and porosity can be altered, important soil components such as mycorrhiza and seeds can be destroyed, and a loss of soil nutrients by leaching can occur. Mycorrhiza associated with the root systems of many tropical plants influence nutrient cycling and germination processes. Response activities [. . .] may cause a mixing of soil layers and movement of organic materials. Once mixing occurs, essential nutrients could be leached from topsoil by underlying substrates [. . . .]"*

Following the withdrawal of the World Bank from the project, none of the impact monitoring mechanisms functioned any longer. For example, the IAG mandate ended in 2009, the ECMG's supervision mission is now only sporadic, all of the CTNSC's inspectors resigned after the withdrawal of the World Bank, and the CTNSC no longer has any supervisors on site, etc.

8.1.1. End of the mandate of the International Advisory Group (IAG) and its consequences:

- lack of a formal, periodic framework for the exchange of information among the various parties concerned (governments, Consortium, population and civil society) on the status of project implementation and its impact on the lives of the local inhabitants and their environment;
- lack of an up-to-date report on the socioeconomic and environmental conditions of the inhabitants of the oil fields development area;
- breakdown in the supply of information/external opinions on the project;

- lack of supervision and control of environmental and social compliance in the oil fields development area, etc.

8.1.2. Limitations on the ECMG's role in external monitoring of environmental and social compliance

To help the World Bank Group and the group of lenders verify that the provisions of the EMP were indeed being respected, IFC in 2001 contracted an external agency as the External Compliance Monitoring Group (ECMG) to oversee and assess compliance with the environmental obligations defined in the EMP and in the financial documents and other project documents by COTCO, TOTCO, the Operating System Operator (EEPCI) and the two Governments.

The External Compliance Monitoring Group (ECMG) thus forms part of the mechanisms for monitoring the environmental impacts of the petroleum development project. The ECMG is a working group set up under an agreement signed by the group of lenders, the World Bank and the Consortium with D'Appolonia Group. This agreement was to establish permanent monitoring of the project to ensure compliance of the works with the EMP during the implementation phase. D'Appolonia Group does not look simply at compliance of the works with the EMP. As an oversight structure, the ECMG "has also the obligation to review, comment and report on World Bank technical assistance project compliance throughout the lives of these projects." To this end, ECMG was to conduct two missions per year in the project installation areas. Although one of the ECMG monitoring missions was to be known to the parties concerned, the other was to remain secret.

With a mandate until full repayment of the loans by the Consortium, ECMG provided regular, in-depth external monitoring of project compliance with the EMP starting in 2001. The various recommendations on noncompliance issues made by ECMG were rarely taken into account to guide operations in the field or make corrections.

The withdrawal of the World Bank from the Chad Project in September 2008 and the early repayment of the balance of the IBRD loan and the two IDA loans resulted in the dismantling of the mechanisms for monitoring compliance with the EMP, which it had said it considered to be of the utmost importance. As a result, today:

- ECMG's environmental compliance monitoring and control activities have a very low profile in the field.
- There is little consultation with the local population.
- It is difficult to access the monitoring and control report.
- There is no interaction with local organizations.
- The monitoring and control missions are guided and directed by Consortium staff, etc.

8.1.3. No national mechanism to monitor environmental and social aspects of the project in the field

The National Technical Committee for Monitoring and Control (CTNSC) was created in Chad in July 1997 to monitor environmental and social aspects of the project. This committee was also tasked with supervising implementation of the Petroleum Sector Management Capacity-Building Project (PRCGSP), the main component of which was to finance and develop the capacities of the CTNSC. This national committee, which is under the oversight of the Ministry of the Environment, is responsible for:

- developing the Environmental Management Plan (EMP) and all other reference documents relating to environmental impacts;
- monitoring implementation of the EMP for all petroleum development projects in Chad, particularly socioeconomic, health and ecological aspects;
- monitoring measures to mitigate the aforementioned impacts, particularly compensation, reparations, damages and the relocation of the affected population, in accordance with international standards and practices;
- preventing accidents and disasters.

However, the ultimate findings are rather disappointing. The process for the recruitment of the CTNSC team was lengthy and when it was finally completed in 2002, the lack of training and resources and, to a certain extent, the communications difficulties with the Consortium prevented the CTNSC from conducting government monitoring of the project with the expected professionalism, diligence and regularity.

The training of the CTNSC technical personnel in monitoring activities planned as part of the Petroleum Sector Management Capacity-Building Project (PRCGSP) was minimal or unsuitable. When the PRCGSP ended, the CTNSC's resources were rapidly depleted. The Ministry of the Environment, which oversaw the CTNSC, did not provide it with sufficient appropriations to operate. After a slow decline, the CTNSC disappeared in 2007, leaving Chad unable to provide government monitoring of the environmental and social impact of the project.

This technical structure, which is of capital importance both for the Government and the population, showed serious limitations in the performance of its tasks in practice. It was provided with very few resources to carry out its work, and the resources that it did use made it highly dependent on the Consortium. As a result, it was not possible to monitor the project to verify compliance with commitments and standards on the protection of the human and physical environment.

8.1.4. Weak or no remedies available to the surrounding population and other victims

OP 4.01 requires that “for meaningful consultations between the borrower and project-affected groups and local NGOs [. . .] the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted.”

The initial public consultations were conducted in a context of rebellion in the oil fields development area, with serious human rights offenses. Human rights organizations have data on the massacres committed in the area in 1998 and 1999.

It was reported that during the project construction phase, the inhabitants had access to very little information on their property rights and fair compensation in case of dispossession. The approach and method used by the socioeconomic department with the local population, which is mostly illiterate, only minimally met community information needs.

There is currently a serious lack of consultation of the inhabitants and NGOs in the area. Moreover, some offices have closed (Komé, Bebedjia, MBikou); liaison agents [have departed]; all offices in the pipeline area have closed; and the Béro and Miandoum offices are open only on Mondays. This does not facilitate access to information on the project. ESSO does not consult or provide information to those eligible for compensation. As a result, the inhabitants and NGOs in the project area do not have information on the current number of wells, the compensation plans, etc.

What is more, relevant information on the project is not provided on site at this time. The local population does not have reliable information on the project (the numerous ESSO intermediaries), its progress (number of oil wells already drilled), or its outlook (wells to be drilled, villages that will be affected, etc.).

The liaison offices in Komé, Bébedjia, Mbikou, Timbéri, Ngadjibian, etc., have been eliminated and the inhabitants do not have a nearby spokesperson to make representations on their behalf in case of problems relating to the oil operations.

8.2. Nature and types of complaints:

- local inhabitants left to the mercy of the Consortium, now the only master of the land;
- lack of local recourse for the inhabitants in case of conflicts relating to environmental and socioeconomic compliance (dying trees in the Nya, water pollution, animal deaths, miscarriages of women in Maikéri, drownings of children, claims relating to individual and community compensation that have not been followed up, relocation questions, etc.).

8.3. Recommended measures and proposed solutions

- Establish an independent, representative (government, Consortium, local population and civil society) mechanism for oversight and monitoring of environmental and social compliance.
- Establish a mechanism to allow local communities to freely access information on the petroleum development activities.
- Involve/promote the participation of local communities through their grassroots organizations in the identification, execution and monitoring of community projects.
- Call for the reopening of all closed offices and make them operational to allow the inhabitants to access local redress procedures.

- Define the conditions to assess/anticipate the cumulative impact on the entire area affected by the project, both the nearby communities and the region as a whole, based on various realistic scenarios.
- Take into account the serious disruptions—which are not easily quantifiable—in the daily lives of the people caused by a rapid change in their environment (e.g., the impact of high-tension wires on the landscape, lights that shine all night long, road traffic, dust, possible security problems, and a greater presence of law enforcement officials).
- Develop effective methods for consulting the local population, taking account of the sociocultural context, and ensure that all have a good understanding of all of the project impacts, both negative and positive.
- Provide the public—particularly NGOs and the national scientific community—with the baseline studies, impact studies, the EMP and other public documents on the project, including popularized versions and, at least, a summary in the national languages to ensure that they are understood by all and to maintain an informed debate.

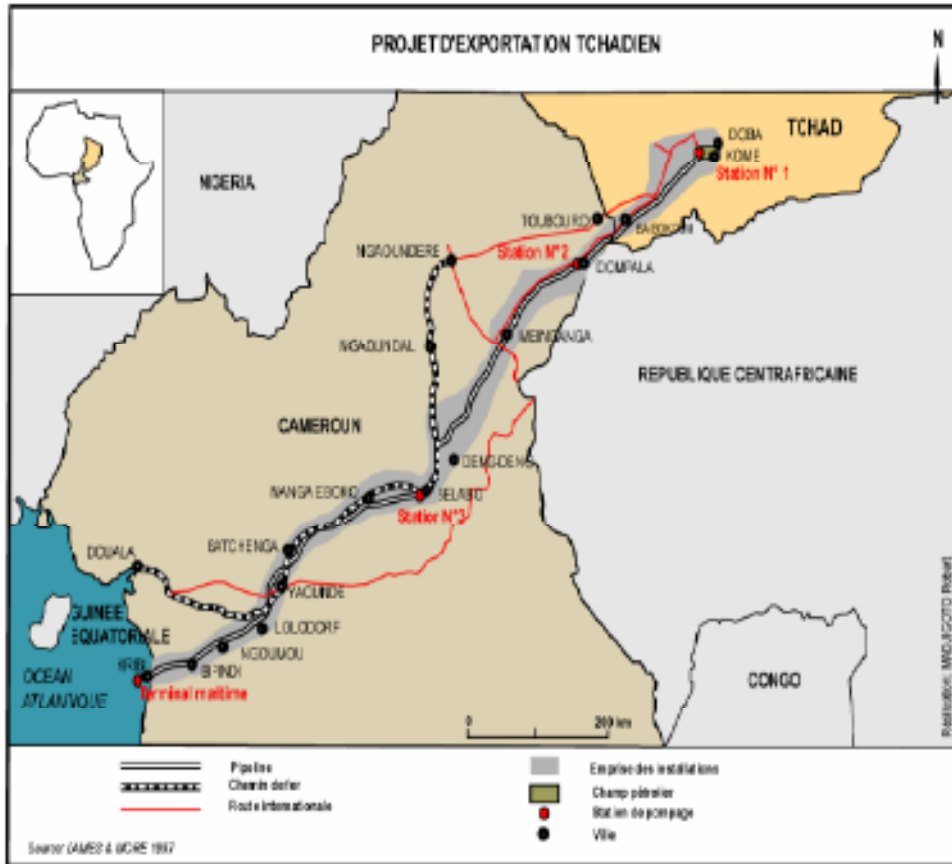
IX. Plans for the interconnection of the Doba pipeline with other projects with no guarantees of the respect of contractual obligations

9.1. Findings and analysis of the situation

Section 4.10 of the Loan Agreement for the Doba project of March 29, 2001 between Chad and the World Bank Group states that: *“the Borrower shall ensure that any oil developed outside the Doba Basin Oil Fields, which is proposed to be transported through any part of the Transportation System in Chad, is developed in accordance with the principles set forth in the EMP with respect to environmental analysis and protection, consultation, information disclosure, resettlement and compensation and with the equivalent legal and administrative approval processes and information disclosure as applied with respect to the oil developed in the Doba Basin Oil Fields.”*

9.11. Chad petroleum development and oil pipeline project

The initial project calls for the production and transportation of oil from 301 wells in Komé, Miandoum and Bologo over a distance of 1,074 km.



Key:

Title: CHAD EXPORT PROJECT

Lines and symbols:

- pipeline
- railroad
- international road

- oil facilities footprint
- oil field
- pumping station
- city

During this phase, an EIA³ and a 19-volume EMP were prepared. Mechanisms for the oversight of socio-environmental aspects were created and established (IAG,⁴ ECGM⁵). These groups produced a number of reports⁶ with relevant recommendations. Subsequently, the extension works in the Doba basin required the connection of the Moudouli and Nya fields to the main pipeline. To this end, partial EIAs and EMPs were carried out by the Consortium.

³ Environmental Impact Assessment.

⁴ International Advisory Group.

⁵ External Compliance Monitoring Group.

⁶ See IAG and ECGM reports: insert sites.

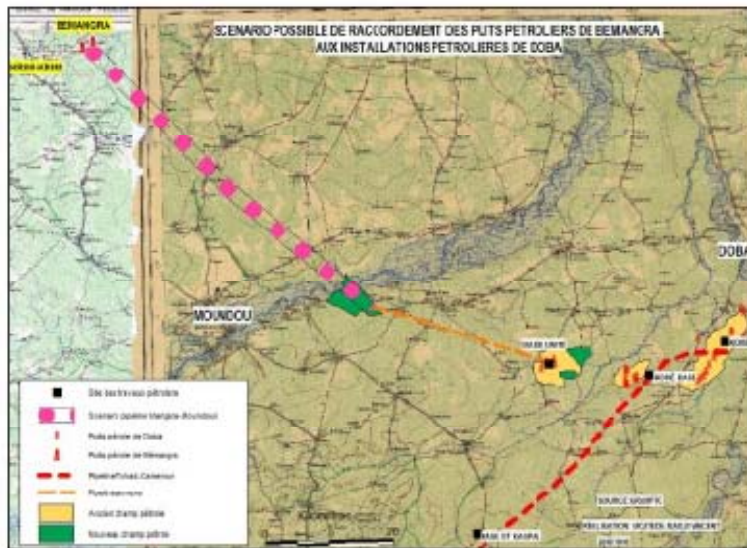


Connection of the Moudouli field at Maindoun and the Nya field at Komé.

Several projects for the connection of various oil fields in other basins with the main Doba pipeline are planned.

9.1.2. National projects for the connection of pipelines are planned with no EIAs or EMPs, as far as the public is aware

In neighboring Logone Occidental, a plan to link the Mangara wells to the main pipeline is planned by the Canadian company Griffiths.



Key:

Title: POSSIBLE CONNECTION OF THE BEMANGRA OIL WELLS TO THE DOBA OIL FACILITIES

Lines and symbols:

- Oil facility sites
- Possible Mangara-Moundouli pipeline
- Doba oil well
- Bémangra oil well

- Chad-Cameroon pipeline
- Secondary pipeline
- Old oil field
- New oil field

Still in Logone Occidental, a project for the possible connection of the Bémiran (Benoye) wells to the main Doba pipeline via Moudouli is planned by the Taiwanese company OPIC.

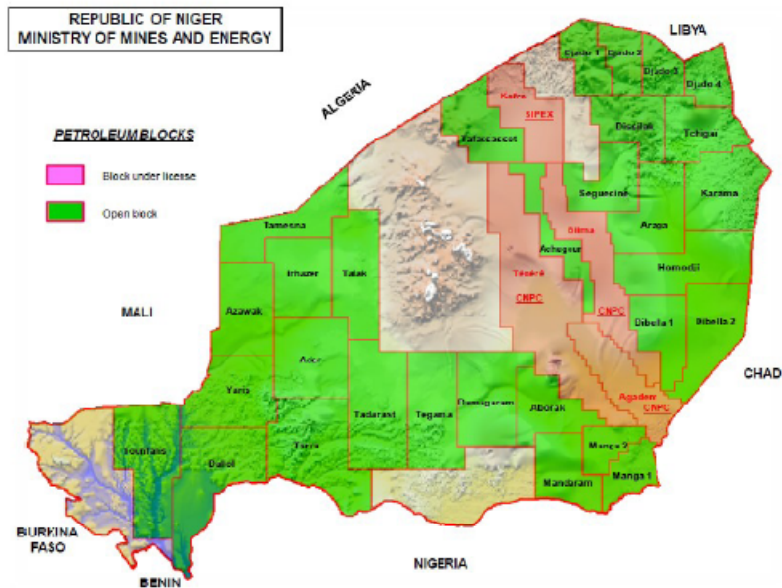
The Canadian company Griffiths also has plans to connect the Dosseo wells in Moyen Chari to the main Doba pipeline.

Nationally, several projects to connect pipelines to the Doba pipeline are planned, including the proposal by the Chinese company CNPCI to link the Rônier wells in the Chari Baguirmi region with the main pipeline. Similar plans exist for the Sédigui wells in the Lake Chad region via the Chinese pipeline.



9.1.3. Regional projects for the connection of oil pipelines with Niger

At the regional level, negotiations are planned for the connection of the oil wells in the Agadem, Tenéré and Bilma regions in Niger, for which the Chinese company CNPCI holds the permits, with the Doba-Kribi pipeline via the Sédigui-Djarmaya-Koudlaw-Doba pipeline.



It should also be noted that possible connections are planned from northern Cameroon and northern Central African Republic to the Doba-Kribi pipeline.

9.2. Recommended measures and proposed solutions

Although the negotiations between the Chinese company CNPCI and the Esso Consortium are quite advanced, no EIA or EMP is being prepared or is under discussion as far as the public is aware. And yet, Operational Policy (OP) 4.01 states in this regard that the EIA must be initiated as early as possible in project processing, along with the economic, financial, institutional, social, and technical analyses, and that the borrower is responsible for carrying out the EIA. Initiation of the EIA as early as possible in project processing makes it possible to ensure that environmental considerations are given adequate weight in project selection, siting, and design decisions.

These concerns have been constantly expressed by civil society, with no response. As the IAG indicated in its September 2009 report: *“The absence of some baseline studies, or their lack of depth, and the resulting dearth of information and related standards in the EMP, made monitoring, evaluating and mitigating the Project’s impact in the field more difficult and also meant that some of the Project’s direct and indirect effects will never be fully known. This is especially true for the Project’s impact on public health in areas near oil facilities (epidemiological data) [. . .] difficult to assess due to insufficient data on initial, pre-Project conditions.”*

The withdrawal of the World Bank from the project, the end of the IAG's mandate, the reduction in the number of ECMG missions, and the disappearance of the CTNSC mean that the issue of the connection of pipelines of other projects with the Doba pipeline is not being addressed in accordance with Section 4.10 of the aforementioned loan agreement of March 29, 2001. This is a violation of the moral and contractual obligations and responsibility of the World Bank Group in the Chad export project.

The following measures are therefore recommended:

- Make the routes of the various oil pipelines to be connected to the Doba pipeline public as soon as possible.
- Help the parties concerned organize information campaigns and local consultations on the oil pipeline routes.
- Carry out Environmental Impact Assessments (EIAs) in the various areas concerned.
- Prepare Environmental Management Plans (EMPs) for the respective areas.
- Complete Regional Environmental Evaluations (REEs).
- Establish a multiparty mechanism to monitor the environmental and social aspects.

X. Conclusion

The impacts discussed above are simply an illustration of the problems suffered by the local population and this complaint cannot be considered to be limited to the problems mentioned above.

Results expected by the complainants

The complainants are hoping for two simultaneous procedures to result from their complaints: ombudsman and compliance audit.

Regarding the Ombudsman

Both the community and individual complaints involve numerous claims for individual and community compensation that have not been met. The same is true of direct and indirect damages for which reparations have not been received.

Regarding the compliance audit

For efficiency's sake and given the indicative nature of the cases cited in this complaint, the complainants would like to be involved in the preparation of the terms of reference for the compliance audit. These terms of reference should:

- consider management of the environmental and social impacts in light of the directives, regulations, policies and standards of the World Bank Group and the IFC in particular;
- examine the listed grievances of the local population and communities included in both the community and the individual complaints;
- look into the lack of community access to a complaints management mechanism or local tribunals;
- renegotiate the contract between the Consortium and the Republic of Chad for more equitable sharing of project revenues, particularly a revaluation of royalties.

The idea is for these two procedures to help the parties concerned to find adequate solutions to this situation, taking into account the various recommended measures and proposed solutions.