

Local Employment

Construction worker demobilization is now well underway in both Chad and Cameroon, a natural consequence of the impending completion of pipeline construction and the rapidly approaching completion of other components of the Project. Total direct Project employment at the close of the first quarter of 2003 was 10,134 workers, down from the peak total of 13,156 in November 2002.



Hundreds of Chadian workers report every day to the construction site for the central oilfield facility near Komé, Chad.

Local Hiring Commitment

- It is evident that the Project's commitment to local hiring has been fulfilled. Even though demobilization has already significantly reduced the size of the construction phase work force, over 7,000 Chadian and Cameroonian workers were on the job at the end of the quarter. This level is well above the original peak employment

projections of around 4,000 local workers, and is the result of the Project's decision to accelerate the construction schedule for some facilities.

- Another confirmation that the Project has fulfilled its commitment to local hiring has been the success of the lottery program to select villagers for temporary unskilled positions for construction work in their area. The philosophy behind this unskilled work lottery was to ensure that jobs were well distributed and to maximize the number of people who would directly benefit from the Project. By a conservative estimate, more than 35,000 workers have had jobs with the Project since construction began in October 2000.

Wage Payments Wages paid to Chadian and Cameroonian workers in the first quarter of 2003 totaled more than 6.6 billion FCFA (\$10.1 million).

- Total wage payments to Chadian workers exceeded 3.9 billion FCFA (\$6.0 million) in the first quarter.
- Total wage payments to Cameroonian workers in the first quarter were over 2.7 billion FCFA (\$4.1 million).

Worker Demobilization in Chad Long before construction actually commenced, planning was underway for the inevitable demobilization of thousands of workers at the end of the Project's construction period. So far, the worker demobilization process has gone well. Several waves of demobilization have already taken place in Cameroon and Chad as the road upgrade contractors completed their work. Pipeline construction workers have already been demobilized in Chad, and another wave of demobilization is now under way in Cameroon as the pipeline contractor finishes its work.

Worker demobilizations to date have gone well for a number of reasons.

- In both countries, the temporary nature of the construction jobs on the Project was emphasized in public consultation sessions throughout the Project area.
- Contractors have complied with all local labor laws as they released workers.

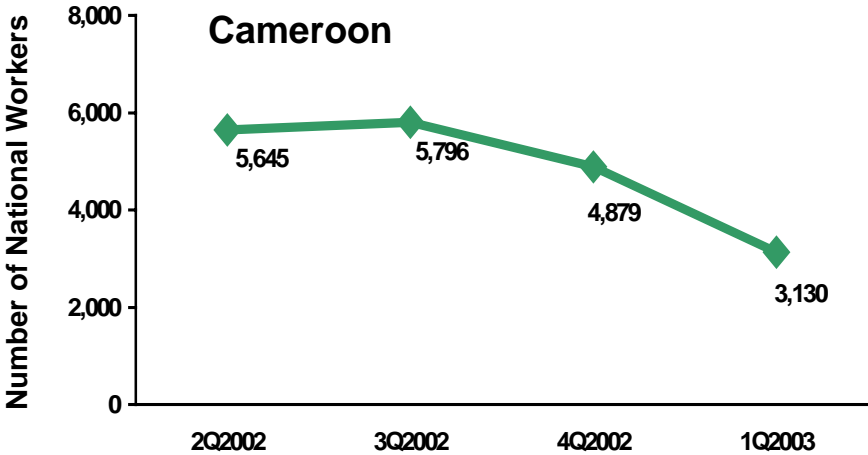
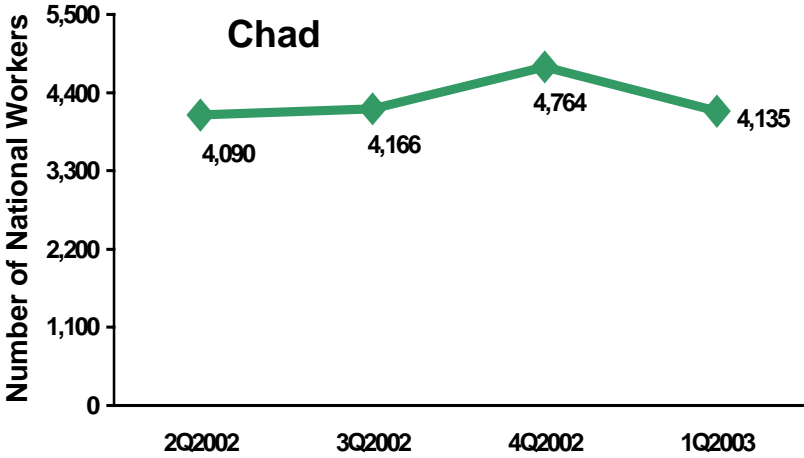
The Project's socioeconomic plans assign responsibility to the government for addressing the overall social effects of demobilization. However, the Project has taken some steps to augment this effort, particularly in Chad where the economy makes worker demobilization particularly challenging.

- The largest of the Project's contractors in Chad, TCC, has launched an information campaign for its Chadian employees to ensure they know and understand the timing of demobilization so they can prepare for it. TCC plans to reduce its staff to less than one-fourth of its current level in the fourth quarter of 2003.
- In addition, TCC has negotiated an agreement with its Chadian workers to provide them with up to three months severance pay at the end of their work contracts. This will help give workers time to find other work or to return to their traditional farming lifestyle.
- The Project's EMP Group has initiated a public information campaign in the oilfield area to prepare people and communities for the demobilization.
- Contractors will provide each local employee with a certificate of employment experience and training, signed by the Minister of Employment, which should aid the individual in finding new employment based on skills they have gained through work on the Project.
- The Project has made strong efforts to advance two programs that will be constructing new projects in the oilfield area, and thus generating new jobs for those leaving the Project workforce.
 - The first steps in the Project's community compensation program have nearly been completed and work will soon begin on the construction of the improvements chosen by some 80 villages.
 - The Regional Development Plan to be executed by the government of Chad with the assistance of the World Bank Group will soon initiate a series of projects and improvements that will require workers.

Local Employment Tabulation	◀ End of Quarter Workforce Tally (Rolling 12 Months)			
	<i>End of 2nd Qtr 2002</i>	<i>End of 3rd Qtr 2002</i>	<i>End of 4th Qtr 2002</i>	<i>End of 1st Qtr 2003</i>
Chad				
Nationals	4,090	4,166	4,764	4,135
Expatriates	1,261	1,751	2,357	2,378
Total Chad	5,351	5,917	7,121	6,513
Cameroon				
Nationals	5,645	5,796	4,879	3,130
Expatriates	761	761	701	491
Total Cameroon	6,406	6,557	5,580	3,621
Project Total	11,757	12,474	12,701	10,134

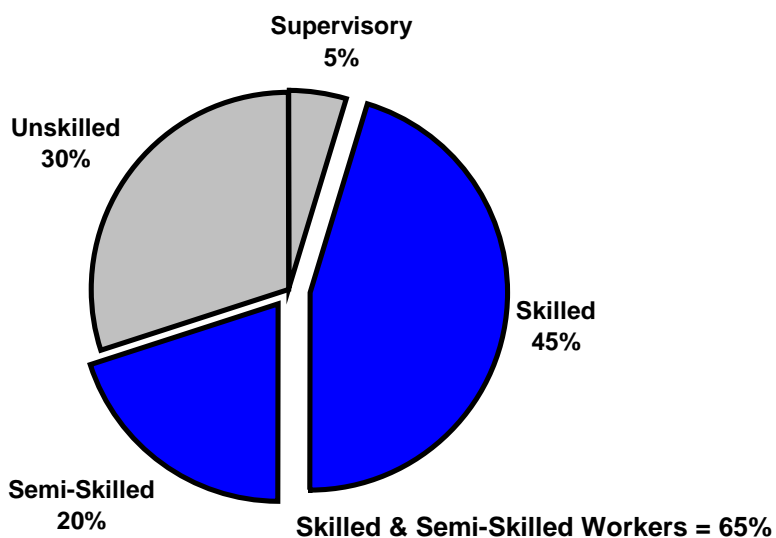
Overall, Chadians and Cameroonians make up almost 72% of the Project's total direct workforce. The percentage in Chad is 63% and in Cameroon it is 86%. In Chad, the Project's facilities construction contractor has hired a significant number of experienced skilled workers from the Philippines with the assistance and approval of the National Coordination of the Republic of Chad and ONAPE (Office Nationale d'Appui a la Promotion de l'Emploi) in order to accelerate the pace of construction and ensure that oilfield area facilities are built in accordance with the Project's rigorous quality standards.

◀ National Employment Level Trends by Country



◀ **Employment Category Levels by Country**
(1st Quarter 2003, National Project Workers Only)

	<i>Supervisory</i>	<i>Skilled</i>	<i>Semi-Skilled</i>	<i>Unskilled</i>
Chad	122	2,536	503	974
Cameroon	213	757	945	1,215
Project Total	335	3,293	1,448	2,189



The majority of Chadians and Cameroonians hired by the Project are working in skilled or semi-skilled jobs. Skilled jobs include such positions as archaeological aides, two-way radio repair technicians, and welders. Examples of semi-skilled jobs include food service assistants and welder helpers. Together, these two categories amount to about 65% of the national workforce assembled for the Project. Another 5% of the national employees hold supervisory jobs.