

Chad/Cameroon Oil Development Project

Fact Sheet — August, 2007

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Roll Back Malaria, community compensation and the HIV/AIDS prevention education programs.

Compensation

- Since the project's compensation program began, over \$20 million in cash and in-kind payments have been distributed to over 14,000 individual land users. Funds disbursed include:
- A supplemental community and regional compensation program addresses potential project effects beyond the direct impacts on land use and crops.
 - A total of 354 communities participated in the program, 88 in Chad and 266 in Cameroon. (Expenditures for these programs totaled over \$5 million).
 - Micro-development projects have been chosen by the eligible communities following a consultation process.
 - Example projects include water towers and wells, schools, granaries, village markets and community gathering places.

Overall
Economic
Benefits

- Project spending during the three year construction phase yielded significant positive economic effects in Chad and Cameroon, as shown by Gross Domestic Product (GDP) statistics.
 - In Chad, for example, annual GDP growth reached over 10% in 2001, 2002 and 2003, up sharply from a yearly growth rate of 1% just prior to construction.
 - In 2004 when oil revenues began to flow, annual GDP soared to over 35% in Chad, since then GDP growth rate has averaged over 10% per year.
- Road improvements, including the new M'beré River bridge international crossing, provide opportunities for new economic development through trade between Chad and Cameroon.
- The project has given Chad and Cameroon access to the pipeline system's fiber optic cable. The cable has the potential to improve business and other international communications for both countries.
- Chad instituted an historic and unique oil revenue management plan with assistance from the World Bank.
 - Revenue management funds have been allocated to over 150 poverty alleviation projects for roads, agriculture, education and health care throughout Chad.
 - As of mid-2007, over \$2 Billion had been paid by the project to the Government of Chad in the form of royalties and income taxes.

Local Business
Development

- The project has spent more than \$1.5 billion on local purchases of goods and services since construction began in October 2000, and:

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- About \$900 million of these expenditures have been in Chad.
- About \$600 million have been in Cameroon.

Employment & Training

- The project's local business spending has been spread broadly throughout the business community. More than 2,200 businesses have received payments for goods and services, including:
 - Over 1,000 Chadian businesses.
 - Over 1,200 Cameroonian businesses.
- During the course of construction, over 35,000 Chadians and Cameroonians gained employment with the project for varying lengths of time.
- At the peak moment, project-wide total employment during construction exceeded 13,000 people in November 2002.
 - In Chad, peak employment reached over 7,600 in November 2002.
 - In Cameroon, peak employment reached nearly 6,900 in July 2002.
- The total direct local workforce at mid 2007, stood at nearly 7,500 workers, 1,200 in Cameroon and 6,300 in Chad.
- Wages paid to workers employed by the project since construction began have totaled nearly \$180 million for both Chad and Cameroon.
- During the construction phase, the project provided over 200,000 hours of high level skills training to its workers. The project has expended \$60 million for worker training since 2001.
- The project's commitment to hire Chadians and Cameroonians has yielded good results.
 - At all times during construction, citizens of Chad and Cameroon made up at least two-thirds of the total work force.
 - At mid 2007, local workers held 85-90% of the job positions in the project's total work force.
 - 65% of the local worker jobs were classified as semi-skilled, skilled, and supervisory positions.

Community Donations

The project has donated approximately \$8.75 million to a wide range of community projects, many of them relating to disease prevention, education and environmental protection.

- Most recently, the ExxonMobil Foundation has funded the Africa Health Initiative and the Women and Girls Program. In Chad and Cameroon the focus is on malaria prevention, cholera prevention,

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and refurbishment of schools and health clinics. Funding so far totals more than \$1.8 million.

- During the construction phase, the Roll Back Malaria program distributed nearly 75,000 anti-mosquito bed nets in partnership with the World Health Organization and the health ministries of Chad and Cameroon.
- HIV/AIDS public health education programs have covered the entire project area in the oilfield area villages and the villages along the pipeline route, one of the most extensive HIV/AIDS public health education programs in the history of central Africa.
- Over 80 pump-style water wells in Cameroon and Chad have been donated to help provide safe drinking water in villages.
- More than 30 nurses were trained to work in communities in southern Chad with tuition covered by the project.
- Logistics support has been provided for the Chadian annual national vaccination programs for polio and sleeping sickness.

Environment

- Groups commissioned by the World Bank provide external monitoring of the project: the External Compliance Monitoring Group, the International Advisory Group and the Inspection Panel. These groups have praised the project for its ability to achieve a remarkable standard for implementation of its environmental commitments.
- A staff of professional environmental and safety monitors are stationed throughout the project area.
 - The monitors check compliance with the provisions of the Environmental Management Plan as work proceeds.
 - They conduct a rigorous program of monitoring water quality and consumption, waste management and traffic safety.
- A proactive early warning system was implemented by the environmental monitoring force to catch and correct issues at an early stage. The vast majority of environmental non-compliances were detected at Level 1, the lowest level, indicating no permanent environmental damage occurred.
- The project donated \$3.5 million in initial funding to help create the Foundation for Environment and Development in Cameroon.

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- Biodiversity protection and enhancement programs are underway at two new national parks through contracts with the Wildlife Conservation Society (Mbam and Djérem National Park) and the World Wildlife Fund (Campo-Ma'an National Park).
- A set of four initiatives has been completed as a beginning to the Indigenous Peoples Program for the Bagyeli/Bakola people.

Quality of Life
Study in Chad

- In 2004 the Project provided funding to an independent NGO to conduct a study of living conditions for people in the oilfield area and along the pipeline route versus villages not impacted by the project. The study may be the most extensive survey of socioeconomic impacts ever conducted for an industrial development project in Africa.
- Survey results show that the project's presence in the oilfield area in Chad has contributed to an improvement in the living conditions of the local population.
- The socioeconomic index scored the presence or absence of quality of life indicators in each household. The data was then compared to control villages outside the project area.
- Those households who had the most direct economic connection with the project through employment and compensation were found to score highest, generally double the non-impacted villages.