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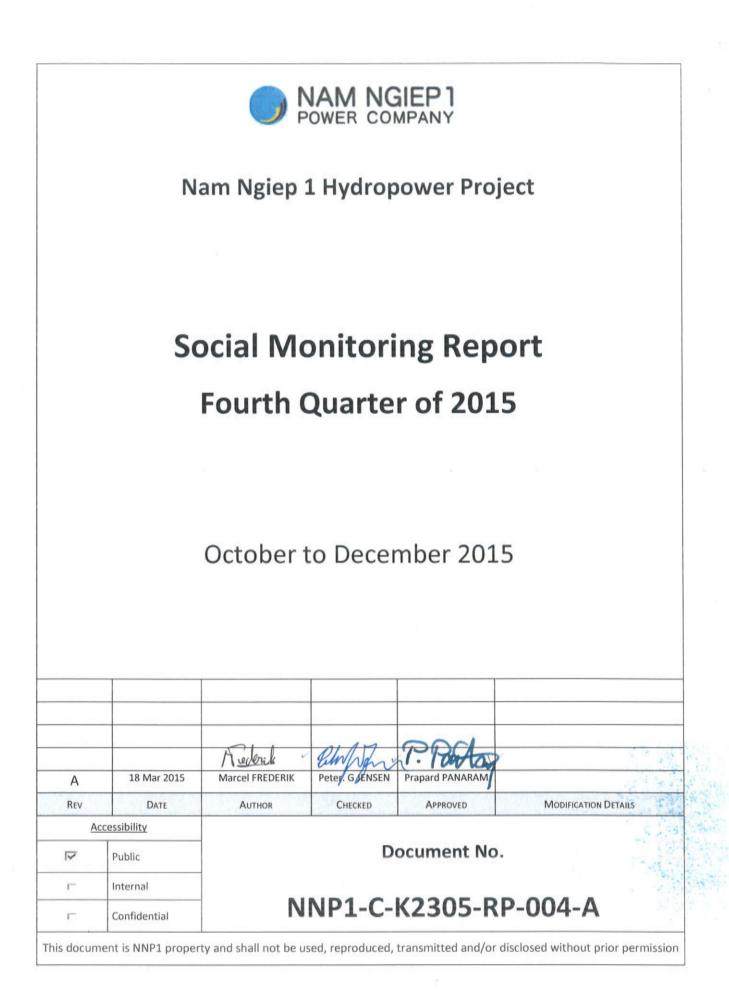
Nam Ngiep 1 Hydropower Project (Lao People's Democratic Republic)

Quarterly Monitoring Report 2015 – Q4 Social

Prepared by Nam Ngiep 1 Power Company Limited for the Asian Development Bank

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This Quarterly Progress Report of the Nam Ngiep 1 Power Company has been published on the Company as well as ADB Website and is also available in the Company's Information Centres.

Scope This document reports on the on-going works, implementation of the Project's plans to achieve Project standards and targets, disclosed in the Project's environmental and social safeguards documents.

Hierarchy This quarterly report presents work-in-progress and any comment in this report shall not supersede any plans or obligations outlined in the Project's environmental and social safeguards documents. In case of inconsistencies, the latter supersede.

Targets Also, targets for the next quarter, presented below, may be changed based on the Project's Adaptive Management Approach and the Project is not liable towards those targets but solely towards the plans and targets outlined in the environmental and social safeguards documents. This holds also true for drawings, maps, and technical specifications, which shall be considered drafts if not explicitly stated otherwise.

Executive Summary

This Social Quarterly Monitoring Report covers the period from 1 October to 31 December 2015.

During this quarter, SMO focused on asset registration and compensation, which are critical issues; and SMO has now completed the asset registration of the Transmission Line corridor, Houay Soup Resettlement Site and the upper reservoir area of Zone 2 (Zone 2UR). The dissemination of the compensation unit rates and the compensation policy was undertaken immediately after they had been issued by the PRLRC, and the compensation of the area along the 230 kV Transmission Line has progressed as planned.

SMO launched a general information campaign in the project area and organized exhibitions in targeted villages to inform the communities about the Project and its resettlement and compensation programmes.

In preparation for the choice surveys, SMO arranged focus group consultations with representatives of the Project Affected Persons (PAPs) and conducted consultations with individual affected households to make sure that they were well informed and ready to make a decision on the compensation options presented to them. All the PAPs of Ban Hat Gniun and Ban Somseun, who own 60% of the land entitled to be compensated in Houay Soup Resettlement Site, chose to take cash for the compensation. During the indicative choice survey, the Project Affected Households of Hatsaykham were not pleased with the land for land policy, and did not want to make any decision; self-resettlement or resettlement to Houay Soup Resettlement Area. This resulted in a delay in the compensation for land in the resettlement site. As a result, the construction of housing, infrastructure and agricultural area had to be rescheduled to start in February 2016.

The Livelihood programmes continued to gain more confidence from PAPs, with a combined 257 Livelihood activities being implemented in Zone 2LR, Z3 and Z5. Several activities promoted have come to a full cycle – involving the introduction of new techniques, new programmes, reducing production losses, increasing the yields, and marketing connecting buyers and sellers. Earlier programmes such as mushroom cultivation, vegetable cultivation, etc. were repeated and more PAP decided to join. Part of the produce and product were sold to the market and the workers or owner's camps.

At the end of the quarter, SMO reached agreement with four candidates for the positions as Deputy Managers for the Social Development Department, Safeguards and Monitoring Department (previously Monitoring and Knowledge Management), Resettlement Infrastructure Department and Resettlement Z3 and 2LR Department. These key human resources will support the management, planning and reporting that SMO had been lacking for the most of 2015.

The Independent Advisory Panel (IAP), the Lenders Technical Advisors (LTA), members and consultants of ADB, conducted a joined monitoring mission to the Project from December 7-12, 2015. The IAP and LTA reports with findings will be posted on the company and ADB websites.

OVERALL PROJECT ACTIVITIES

Overall Policies, Standards, and Procedures.

During quarter 4, each team in SMO was finalizing their DRAFT Annual Implementation Plan 2016 (AIP 2016). There were several rounds of meetings and discussions. The plan indicates clear activities, budgets and timelines for each programme for the upcoming year. This document will be shared with lenders and monitoring agencies in the first quarter of 2016.

Zone specific updates of the REDP for Zone 3, 5 and 2LR where drafted and submitted to ADB for review.

Asset Registration and Compensation.

During November and December, the security situation in Xaysomboun province influenced and delayed asset registration work in Hom District (2LR) and That Hom District (2UR). Management was concerned about the safety of field staff when working on asset registration in the field. The security situation had to be evaluated day-by-day, and local security guards from the communities were requested to accompany the staff in the field. On specific sections of the road, vehicles had to travel in convoy and staff had to report back to the field office at 4.30 PM. As a result, the asset registration work was slower than planned.

Additional resources (both human and materials) where allocated to the Asset registration effort and despite the difficulties mentioned above, the asset registration has been completed in the upper section of the reservoir (Zone 2UR) of That Hom District, and in two villages, Ban Sopyouak and Ban Houaypamom, in the lower section of the reservoir (Zone 2LR). To speed up the task, the teams from Zone 3 & 5 and Zone 2UR moved to join with the team at 2LR where most of the impacts are. The registration at 2LR is expected to be completed by March 2016. One of the issues faced by the team is a group of 48 households from the Lor Clan, who refuse to participate in the asset registration. NNP1 has been working closely with the Resettlement Management Unit (RMU), District Coordinating Committee (DCC), and Village Development Committee (VDC) to solve this issue through a mutually agreeable solution to be reached through further direct consultations with these households.

The compensation along the 230 kV transmission line has progressed as planned. 78% of the area has been compensated. The compensation of the area in Houay Soup also progressed. Compensation agreements have been made with 94 out of 144 households comprising 65% of the landowners and 60% of the area. The challenging issue here is that the Project Affected Persons of Hatsaykham are not pleased with the land-for-land policy. Hence, compensation agreements and choice surveys could not be finalized. Bolikhamxay RMU and NNP1 have been working hard to solve the issue. Compensation is expected to be paid in the next quarter

PROJECT AREAS SPECIFIC ACTIVITIES

2UR Program

The Upper Reservoir team continued to build strong working relationships with Thathom District's Coordinating Committee (DCC), as well as with the VDCs from the three villages of Ban Pou, Ban Hatsamkhone and Ban Piengta in Thathom District.

The project activities regarding resettlement and livelihood restoration, and activities via the Project's Social Development & Monitoring Teams are on-going.

Additional staff joined the 2UR Team, completing the recruitment of the 2UR team.

Livelihood activities expanded with the additional staff following the arrival of additional staff with livelihood backgrounds.

Livelihood activities

Livelihood activities continued in Zones 2LR, 3, and 5, with a variety of activities such as rice production, cultivation of wet seasonal vegetables, sweet corn, rattan growing, rattan nursery, pineapple, and production of frogs, fish and ducks, integrated farming, forage, earthworm production, rice experiments with soil improvement treatment, and promotion of handicraft activity. The team also identified and prepared other potential long-term livelihood activities such as pig and cattle raising, handicraft and bamboo processing, marketing and micro-finance.

Key highlights of the livelihood activities in this quarter are the harvesting of rain fed rice in all target villages, as well as at Houay Soup Resource Centre. The rice yield was quite satisfactory. Some villagers were pleased to see that the flood resistant rice variety introduced this rainy season helped them out after the recent flood in the area destroyed the local varieties. Mushroom production came to the stage that villagers were able to produce the mushroom bags locally. Workshops on trade networks were conducted in Zone 3 & 5. Buyers from NNP1 workers' camps met with villagers and agreed on

plans for buying their products. Villagers sold vegetable, chicken, ducks, and pigs according to these agreements. Some villagers initiate an idea of a slaughterhouse, for facilitating the hygienic preparation of meat according to GoL standards.

The implementation of the programmes have so far resulted in transfer of know-how, strengthening of relationships between the Project and the PAPs. More villagers were eager to participate, seeing their neighbour start to yield income. The success of the pilot programmes demonstrated and persuaded PAP from other areas to learn and follow the same path.

Construction Area and Host Communities

In the construction area, the implementation of the Social Management Action Plan was of key importance. The team continued implementation of the camp followers programme, including awareness campaign in drug control and STD/HIV/Aids. In addition to the programmes implemented in the communities of Z3 and Z5, the team also conducted such campaigns in the workers' camps. The support to the police and labour officers permanently stationed in Ban Hat Gniun continued success fully; this included improving the office building and support to operational expenses.

The construction of the rural water supply systems for Ban Hat Gniun and Ban Thahuea was completed. The systems use a gravity fed network with household meters installed at each house. As part of the Operation and Maintenance training the village water supply committees went on a study tour on village water supply management at the Theun Hinboun Expansion Project. The villagers themselves will operate the systems in a sustainable manner.

Houay Soup Resettlement Area

Towards the end of December 2016, MONRE granted the land use rights for 3,715 hectares forested area to be used exclusively as an area for the PAPs. With this final allocation, NNP1 has secured all the land in the Resettlement area (6,108 hectares) for the purpose of developing the resettlement site.

230 kV Transmission Line

The Company has compensated 303 households out of 482 households along the Transmission Line corridor, and made final agreement with another 30 households. The plan is to complete all compensation payments in March 2016.

SOCIAL DEVELOPMENT PROGRAMME ACTIVITIES

Education The first set of scholarships was awarded to 18 students during the 2014/15 school year. In the 4th quarter of 2015, the second set of scholarship was awarded to 31 students for the 2015/16 school year, of whom 7 are female students.

The non-formal education (literacy) program supported 24 students (21 female) from the 2UR area during this quarter. In total, there were 48 (43 female) local PAPs attending non-formal education from all zones.

Vulnerable Households The Vulnerable Team worked closely with relevant stakeholders, such as the PAPs, the RMUs, the DCCs, and the VDCs. The final listing of vulnerable households was reviewed and approved by the VDCs and the DCCs. Specialists from the Centre of Medical Rehabilitation (CMR) conducted physical examination of 12 disable persons.

Health The team worked with relevant Health Officers from all zones, preparing sub-plans of the Heath Action Plan, and discussed about proper support for each area. These sub-plans will be part of the updated PHAP, scheduled for disclosure in Q2 of 2016. The key programme, iWASH (integrated Water, Sanitation and Hygiene Programme) is on-going.

Gender and Ethnic Development The Gender and Ethnicity Officer continued working with relevant Government Agencies, which included RMUs, DCCs, and VDCs to better review collected data about gender activities from all zones. Also the Gender Officer continued to work with other teams to review project implementation to support participation of women and ethnic minorities. **Community Relations** The Government & Community Relations team worked closely with the RMUs of both Bolikhamxay and Xaysomboun, coordinating all tasks related to the government and the PAPs. Besides monthly meeting with DCC, the team and RMU arranged workshops on roles, and duties of the government counterparts for DCCs of Hom District (1 workshop), Thathom District (1 workshop); and Bolikhan District (1 workshop); and prepared a plan for the upcoming tasks. The Government & Community Relations team also worked hard to meet the targets agreed in the CA.

MONITORING

Internal Monitoring The monitoring team implemented the On-going Socio-Economic Monitoring (OSEM). The monitoring team has continued to work closely together with different teams within SMO to better understand the different components. The On-going Social Economic Monitoring for 2LR, 2UR, Zone 3 and Zone 5 was completed with participation of 445 households. Data analysis will be conducted in Q1 of 2016, and reported in the SMO Quarter 2 report in 2016.

The Fish Catch monitoring programme continued to work with relevant local stakeholders in all zones as planned. The team have continued to conduct household interviews based on catch assessments in all zones. The team has selected candidate households for daily fish catch monitoring from all zones based on the household fisheries information (See Table 1 in section 2.6).

Grievance Redress Mechanism Since the start of road compensation in early of 2014, the villagers lodged a total of 56 grievance cases of which 35 cases have been closed. The team is working on the 21 remaining cases and expects to conclude these cases in the next quarter.

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Abbreviations

	Full Name
ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency syndrome
СА	Concession Agreement
CRD	Community Relations and Development
COD	Commercial Operations Date
DCC	District Coordination Committee
DGC	District Grievance Committee
DGRC	District Grievance Redress Committee
EdL	Électricité du Lao
EDP	Ethnic Development Plan, one component of the REDP
EGAT	Electricity Generating Authority of Thailand
EGATi	EGAT international
EIA	Environmental Impact Assessment
ЕМО	Environmental Management Office
EMU	Environmental Management Unit
ESD	Environment and Social Division
GIS	Geographical Information System
GOL	Government of Lao PDR
GPS	Global Positioning System
На	Hectare
IAP	Independent Advisory Panel
IEE	Initial Environmental Examination
IFC	International Finance Corporation
IMA	Independent Monitoring Agency
IMF	International Monetary Fund
IMR	Infant mortality Rate
IOL	Inventory of Loss
IPDP	Indigenous Peoples Development Plan
IPP	Independent Power Producer
IRR	Internal Rates of Return
IRRI	International Rice Research Institute
IUCN	World Conservation Union (The International Union for Conservation of Nature)
JBIC .	Japan Bank for International Cooperation
JICA .	Japan International Cooperation Agency
JSC .	Joint Steering Committee
KANSAI	The Kansai Electric Power CO.,INC.
LACP	Land Acquisition and Compensation Plan
LAK	Lao Kip
LAR	Land Acquisition and Resettlement
LHSE	Lao Holding State Enterprise

LIRP	Livelihood and Income Restoration Plan
LNFC / LFNC	Lao National Front for Construction / Lao Front for National Construction
LSHE	Lao Holding State Enterprises
LTA	Lenders' Technical Adviser
LWU	Lao Women Union
MAF	Ministry of Agriculture and Forestry
MEM	Ministry of Energy and Mines
МОН	Ministry of Health
МоМ	Minutes of Meeting
MoNRE	Ministry of Natural Resources and Environment
MOU	Memorandum of Understanding
N/A	Not Applicable
NAFRI	National Agriculture and Forest Research Institute
NGO	Non-Government Organization
NNP1	The Nam Ngiep Hydropower Project 1
NNP1PC	Nam Ngiep 1 Power Company
NPA	National Protected Area (the preferred term is NBCA) or Non-Profit-Organization (see context)
NTFP	Non-Timber Forest Product
OHS	Occupational Health and Safety
РАР	Project Affected People
PGRC	Provincial Grievance Redress Committee
PRLRC	Provincial Resettlement and Livelihood Restoration Committee
RDA	Rural Development Agency, an NGO
REDP	Resettlement and Ethnic Development Plan
RMU	Resettlement Management Unit
SCADA	Supervisory Control and Data Acquisition
SDM	Social Development and Monitoring Section
SDP	Social Development Plan
SIA	Social Impact Assessment
SMAP	Social Management Action Program
SMO	Social Management Office
SPS	Safeguard Policy Statement
SPS 2009	Social Policy Statement 2009 (ADB)
STD	Sexually Transmitted Disease
STEA	Science, Technology and Environment Agency
STI	Sexually Transmitted Infection
t/km²/yr; (ton/km²/year)	tonnes per square meter per year
T/L	Transmission Line
UXO	Unexploded Ordnance
VDC	Village Development Coordination Committee
VGRC	Village Grievance Redress Committee

1 DEVELOPMENT OF POLICY, STANDARDS, AND PROCEDURES

1.1 SOCIAL DOCUMENTS AND COMPLIANCE

Progress

- The Project finalized the preparation of the zone specific REDP update for Hatsaykham, the REDP U3. The document was submitted to ADB for review on 16 December 2015 and after making required revisions, ADB approved the document.
- The Project finalized the preparation of the zone specific REDP update for the Host Communities of Hat Gnuin and Thahuea, the REDP U5. The document was submitted to ADB for review.
- The Project prepared the draft zone specific REDP update for the four communities in 2LR, REDP U2LR. The draft document was submitted to ADB for review. Finalization of this document is only possible after completion of the Asset Registration in 2LR and the indicative choice survey for 2LR (scheduled for March-April 2016). The document is therefore scheduled to be completed in April 2016.
- The Project prepared the draft zone specific REDP update for the three communities in 2UR, REDP U2UR. Further consultation with the DCC and VDC are required to update the document prior to submission to the ADB. The REDP U2UR is scheduled to be completed in April 2016.

Challenges. The Project was not able to recruit all management positions in accordance with the timeline agreed in the finance agreements and is currently working on the rectification of this issue through recruitment for vacant positions. At the end of the quarter, the Project reached agreement with four candidates for the positions as Deputy Managers for the Social Development Department, Safeguards and Monitoring Department (previously Monitoring and Knowledge Management), Resettlement Infrastructure Department and Resettlement Z3 and 2LR Department. These key human resources will support the management, planning and reporting that SMO has been lacking for the most of 2015.

Next Quarter. Finalize the zone specific REDP for 5 based on ADB's review and post these documents on the NNP1PC website. Update the REDP for Zone 2UR.

2 SOCIAL DEVELOPMENT PROGRAMMES ACTIVITIES

2.1 EDUCATION

Progress. Meetings have been conducted with the RMU and Provincial and District Education Departments to discuss the guideline of NNP1's Scholarship Programme, finalizing the selection criteria and establish the selection committee. The team also conducted training of 41 students who intend to continue their higher education, to prepare them for the university entrance examination, and teach them how to apply for other scholarships programs, such as the AusAid Scholarship. Consultations with schoolteachers and related village authorities were also done to raise awareness regarding scholarship programme options and application requirements.

The programme collected and reviewed progress of the 18 students who as the first group received scholarships in the 2014/15 academic year; and if the results are satisfactory, they will continue to receive support.

For the 2015/16 academic year, NNP1PC has started to support 31 students; the second group to receive scholarships.

Data was collected on the number of adults in zone 2LR and Zone 2UR who are interested to participate in the second round of Adult Education (literacy and numeracy classes), scheduled to start in 2016. One hundred and three (103) people expressed their initial interest to join the activity. Final confirmation of participation will occur prior to the classes starting in 2016.

Challenges. None.

Next Quarter. Start data collection on the number of students who will graduate in 2016 and be eligible to apply for the scholarships of the 2016/17 academic year.

Start Adult literacy classes in Zone 2LR and 2UR.

2.2 PUBLIC HEALTH

Progress. The health team completed an analysis on the Integrated Water, Sanitation and Hygiene (iWASH) programme including the Community Total Led Sanitation (CLTS) and School Total Led Sanitation (SLTS) programmes. The outcome was that the programme should first start in Zone 2UR.

The team prepared a manual for training on Integrated Management of Child Illness (IMCI); and trainers from the Central Mother and Child Institute, Vientiane trained 23 health staffs from Xaysomboun and Bolikhamxay Provinces in the use of the manual.

The team met with Xaysomboun Provincial Health and Thathom District Health in Thaviengxay and discussed options for the renovation of the health centre in Piengta Village. It was agreed to replace the roof and roofing structure, put tiles on the floor of the delivery room and repaint the walls.

With intervention of NNP1PC, the public health increased its mother and child health programme and primary health care outreach activity from the regular three months schedule to once per month to meet the standard requirements.

Pakxan public health facility agreed to maintain its role as a surveillance system for Zone 4 downstream villages starting from 2016 until COD.

Challenges. There are gaps of understanding about commitment of NNP1PC, its obligation and the requests from the PAPs and local authorities.

Next Quarter. Updating the sub-plan for the Health Action Plan.

2.3 GENDER

Progress. Presented overall Gender and Ethnic Action Plan and it's time frame to SMO staff and continued the assessment of gender situations and supported the other SMO teams on data collection for compensation, resettlement, livelihood programme, health, socioeconomic status, and community relations.

NNP1 donated 2,000,000 kips to Bolikhamxay Province for a programme on the elimination of all forms of violence against women and children.

The team coordinated with Oxfam and the National Women Centre to provide information on gender-mainstream training for company staff.

Challenges.Gender issues are involved in almost all the programmes and there is a need to have clear targets and to ensure that the stakeholders have common understanding of the issues.

Next Quarter. Beside the programme with PAPs, conduct training for SMO staff and related GOL authorities.

2.4 ETHNICITY

Progress. Continued assessment together with other teams on consultation, implementation, data collection, and monitoring.

Challenges. The PAPs were more interested in the compensation than in the other social programmes.

Next Quarter. Make sure that ethnicity is carefully considered and dealt with during the consultations on resettlement choice survey, livelihood restoration, and social development.

2.5 VULNERABLE HOUSEHOLDS SUPPORT

Progress. The team together with relevant Government Officials consulted with the vulnerable households and collected information on the vulnerability indicators detailed in the SDP from all zones. A list of vulnerable households was prepared for approval by the GOL and future use in the various programmes. Following the approval by the GOL, a summary of the information will be reported in the QMR₁ 2016

Specialists from the Centre of Medical Rehabilitation (CMR) visited disabled persons and conducted physical examination.

The Project facilitated two disabled people of Ban Thahuea to visit the Centre of Medical Rehabilitation (CMR) for obtaining leg prosthesis.

Challenges. It is challenging to bring the vulnerable households up above the poverty line in a short period of time.

Next Quarter. The team will integrate aspects of vulnerable households into the other programmes with clear targets and indicators.

2.6 MONITORING

Progress. The Social Development Team focused on improving social issues that are vital to the PAPs in all zones. The team monitored NNP1's project activities with respect to gender issues, vulnerability, education, health, and livelihood development. The team also worked with livelihood restoration and resettlement, to make sure that the Project is in compliance with lender's requirements.

During this quarter, the On-going Social Economic Monitoring (OSEM) was completed. The programme surveyed households of Zone 2UR (145 households), Zone 2LR (206 households), Zone 3 (81 households), Zone 5 (23 households) and Zone Downstream (approximately 120 households).

In terms of fish catch monitoring, the Daily Catch Logbook (DCL) forms collected data from 5,768 forms/month. The number of households participating in the daily catch survey is now 162 households. Data will be analysed after a full one year cycle of data collection, scheduled for Q3 of 2016.

Fisheries Zone	Villages	Total HH	DCL HH Sample	DCL Sample %	Verification Sample	Verification Sample %
Upstream (US)	6	933	30	3.2%	22	2.4%
Upper Reaches (UR)	3	352	20	5.7%	19	5.4%
Lower Reaches (LR)	5	521	20	3.8%	29	5.6%
Downstream (DS)	10 ¹	2209	72	3.3%	60	2.7%
Overall	24	4015	142	3.5%	130	3.2%
Mekong (MK)	2	466	20	4.3%	24	5.2%

Table 1. DCL and verification sample size by zone for Nam Ngiep basin.

Difficulties: None.

Next Quarter. Conduct the On-going Social Economic Monitoring in other zones, and analysis of the On-going Social Economic Monitoring of the whole programme.

3 CATCHMENT AREA (Z1)

Progress. The Fish Catch Monitoring Team continued to work with local stakeholders collecting data on catches in the area.

Challenges. Some of the already trained local fish catch monitoring families cannot perform their duties as required. Therefore, it is necessary to select other motivated local families to take part in the fish catch monitoring.

Next Quarter. The Fish Catch Monitoring will continue to work with relevant local stakeholders to better monitor the fish varieties in Zone 1.

4 UPPER RESERVOIR AREA (2UR) – RELOCATION AND LIVELIHOOD DEVELOPMENT

4.1 **OVERALL DEVELOPMENT**

Progress. The Project activities regarding resettlement and livelihood and income restoration in 2UR have commenced as planned. The team also continued to work with Government in Thathom District to process renovation of a permanent office in Ban Thavingxay; worked closely with the consultant to finalize and update the REDP for 2UR; recruited a Marketing & Value Chain Officer to be based in That Hom District; consulted with relevant DCC members in preparation for the up and coming Participatory Rural Appraisal (PRA) in early January 2016; and, conducted the VDC's Monthly Meeting with head of the VDCs from the three villages as planned.

Challenges. With rapid development in the area, work plan has to be flexible to match with the needs

Next Quarter. Continue consultations and work closely with PAPs, village authorities, and district authorities to elaborate the necessary details regarding the development program in 2UR.

4.2 PROJECT LAND REGISTRATION & CASH COMPENSATION

Progress. Asset registration in 2UR started in mid-October 2015 and was completed on 16 December 2015.

However, some PAPs in Ban Pou have claimed more graves. The additional claims of 195 graves at 2UR (Ban Pou) needs consideration and advice of the RMU and DCC of Thathom District. Initial consultations with the PAPs have been conducted.

Challenges. It is difficult to validate the claims for additional graves because very often there are no physical signs.

Next Quarter. The team will consult with the RMU, DCC, VDC and the PAPs about the results of asset registration, and the next steps of the compensation process.

4.3 INFRASTRUCTURE DEVELOPMENT IN 2UR

Progress. The Project conducted an assessment of existing infrastructure in 2UR that needs to be renovated or built. The main interests are on water supply, and internal village roads.

Challenges. Need to ensure common understanding among the PAPs, GOL and NNP1PC about the infrastructure development commitments of the Project.

Next Quarter. Further consultations with the PAPs, using Participatory Rural Appraisal (PRA) to get holistic view of the development in the area.

4.4 RELOCATION PREPARATION AND AGRICULTURAL AND OFF-FARM LIVELIHOOD EXTENSION WORK

Progress. Selected PAPs including 37 households of 2UR continued to work on the rice cultivation programme and tried out different varieties of rice seedlings, and pest control via integrated pest management (IPM) techniques. Another group of 6 PAPs has joined the mushroom cultivation programme. Initial discussions were done with VDC and DCC, including the Lao Front for National Construction on the development of a sustainable Microfinance Development or Village Savings & Credit Funds (VS&CFs); off-farm livelihood, marketing, and value chain activities.

Challenges. With the schedule of compensation is to be done in 2016, the relocation plan and the livelihood restoration plan must be made clear to all concern parties.

Next Quarter. Continue to support the PAPs. Further consultation with the PAPs using Participatory Rural Appraisal (PRA).

4.5 PUBLIC HEALTH

Progress. Worked closely with Provincial and Districts' Health Departments, on detailed subplan of the Health Action Plan. Renovation options for Piengta Health Centre were discussed with DCC, and VDC; including related GOL counterparts. It was agreed to replace the roof and roofing structure, put tiles on the floor of the delivery room and repaint the walls.

Challenges. There are gaps of understanding about commitment of NNP1PC, its obligations and the requests from the PAPs or local authorities..

Next Quarter. Prepare for the CLTS and the SLTS programmes to be presented and implemented in the 2UR. Continue to consult with district health staff to elaborate on specific interventions in the three core project villages of Thathom District.

4.6 EDUCATION

Progress. Conducted scholarship preparation training for students who were graduating. Consultations were made with three (3) technical schools to bring in potential local PAPs for training in their field of interest.

Challenges. Next Quarter. Follow-up on potential candidates for the scholarship programme.

4.7 ETHNICITY AND GENDER

Progress. The ethnicity and gender officer continued joining the monitoring team to collect data at the village level in 2UR. Additional questions related to gender were included in the on-going social economic monitoring.

Challenges.

Next Quarter. Continue ethnicity and gender analysis and assessment of possible interventions.

4.8 VULNERABLE HOUSEHOLDS SUPPORT

Progress. List of vulnerable households have been concluded and acknowledged by GoL. Specialists from the Centre of Medical Rehabilitation (CMR) visited the disabled persons, and conducted physical examination.

Challenges.

Next Quarter. Continue to work closely with relevant Government Counterpart and SMO's Teams to better serve local vulnerable households in 2UR Area.

5 LOWER RESERVOIR AREA (2LR) – RESETTLEMENT PREPARATION

During the quarter, the PAPs in the area had high interest in the finalization of the compensation process. The livelihood programme has introduced new livelihood options to the PAPs. The asset registration in the area has continued and is scheduled to be completed by March 2016.

In addition to the regular activities, NNP1PC also helped repairing the water supply system, which was broken during the flood in Sopyouak and Namyouak; supported the renovation of Namyouak Secondary School, and repaired the suspension bridge at Sopyouak. NNP1PC also arranged the Hmong New Year party at Ban Sopphouane for all four communities.

5.1 COMMUNITY CONSULTATIONS

Progress. The Project staff permanently based in Sopyouak Village has undertaken community consultations. These consultations included consultations on grave registration, asset registration, and compensation unit rates in addition to day-to-day communication during the implementation of the various Project activities.

During 16-19 of November 2015, NNP1PC held exhibitions at each village presenting the social development programmes, asset registration, compensation, infrastructure development, livelihood restoration and the progress of the Project, Project impacts and mitigation measures. This whole day event drew a large crowd of people who came to see the displays, models, posters, leaflets, and listen to the presentations; and exchange ideas and information face to face.

The team also conducted 17 focus group meetings and home visits to discuss about compensation, resettlement and other related topics. Noteworthy, in October 2015 members of the National Assembly also visited the area and consulted directly with the PAPs.

Challenges. Some PAPs still have concerns about the compensation. Some of the PAPs that want to self-resettle have not yet decided where they would like to establish their new home.

Next Quarter. Continue consultations on compensation and choice of resettlement in addition to on-going day-to-day consultations with the PAPs and the government counterparts.

5.2 PROJECT LAND REGISTRATION & COMPENSATION 2LR

Progress. The field asset registration in Sopyouak and Houaypamom was completed, but is still on-going in Namyouak and Sopphouane. The asset registration is expected to complete by the end of March 2016. The asset registration was delayed due to the security situation in the area during November and December.

In Ban Namyouak, 48 households refused to have their assets registered. These households are not satisfied with the resettlement choice, and would like the government to find land

for them elsewhere, instead of Houay Soup Resettlement Site. The RMU, DCC and VDCs consulted with the PAPs, PRLRC and central government on several occasions. However, the PAPs continued to refuse.

Challenges. Forty-eight households of Ban Namyouak did not want to have their assets registered. Additionally, several PAPs did not agree to have their assets registered area by area. Instead, they requested to have their assets registered household by household. This method is time consuming because each household has assets in several different places far away from each other.

Next Quarter. To finish asset registration in 2LR, and start compensation process for graves. Choice survey on resettlement options will be started.

5.3 RESETTLEMENT PREPARATION IN 2LR

Progress. The site office at Ban Sopyouak in 2LR was expanded made to accommodate more staff, who work in the area both short and long term. Together with district drug control and district police, the team organized drug control campaigns in 4 villages of 2LR and one school in Namyouak. The team supported and arranged the Hmong New Year Party for all 4 villages in 2LR at Sopphouane during 15-16 December 2015.

Challenges. Provide clear information to the PAPs about the self-resettlement process, including land allocation by GOL in case of self-resettlement as a group.

Next Quarter. Continue to work with local authorities to better serve the PAPs.

5.4 LIVELIHOOD EXTENSION WORK

Progress. The following livelihood activities have been implemented during this period:

- i. Rice: Experts on rice cultivation (from NAFRI) continued working with the project as consultants. The 8 farmers who were using new seeds from improved rice varieties, including flood tolerant rice, are satisfied with the outcome. They have also learned about integrated pest management techniques including how to eliminate pests without using chemicals.
- ii. **Crops:** Mushroom cultivation and vegetable cultivation are the main crops. Fourteen households participated in the vegetable cultivation programme.
- iii. Livestock and Poultry: There were 13 active village veterinary workers in the area. In November 2015 a total of 827 cows, 150 buffaloes, 767 pigs, 219 ducks, and 2,596 chickens were vaccinated. Twenty-six households of 2LR attended the workshop on fodder production.
- iv. **Aqua culture**: Continued the program on raising catfish and frogs. Seven (7) farmers started to expand their aquaculture activities using their own investment funds.
- v. **NTFP promotion**: The PAPs received training support on rattan cultivation and other NTFP products. Twelve households (8 female) participated in the bamboo handicraft training.

Challenges.

Next Quarter. Continue to implement livelihood activities as planned. Share lessons learned with other projects.

5.5 PUBLIC HEALTH

Progress. The Project continued to support vulnerable patients with Systemic Lupus Erythematosus from Ban Sopphouane to be treated at Mahosot Hospital. The support included transportation, accommodation and psychological support during the stay of the patient and the family in the Capital. The Project also supported emergency transportation

to the hospital of a woman from Namyouak with breast mastitis and another pregnant woman from Sopyouak to deliver her baby. The team also worked with Hom District's Health Office, developing sub-plan of the Public Heath Action Plan.

Challenges.

Next Quarter. Continue to develop and implement sub-plan of the Health Action Plan with relevant GOL and PAPs.

5.6 EDUCATION

Progress. The communities in Zone 2LR continued to be informed about the scholarship programme for students. The team also disseminated application procedures for the next year scholarship programme to the students who would soon finish high school.

The Non-Formal Education Programme continued to be introduced to interested villagers in 2LR. The District Education Office continued to support the Project by identifying teachers who will be in charge of teaching.

Challenges.

Next Quarter. Prepare the third group of scholarships.

5.7 GENDER & ETHNIC

Progress. The Gender and Ethnicity Officer continued to support the monitoring team to collect data at the village level in Zone 2LR. The team collected data from related teams on improvements in women's income and household status.

Challenges.

Next Quarter. Continue with the village-specific interventions based on the Gender and Ethnic Action Plan as per SDP .

5.8 VULNERABLE HOUSEHOLDS

Progress. The basic profile has been established for the remaining vulnerable households in Zone 2LR. The team continued to work with relevant DCC and VDCs to collect data and made visited the potential vulnerable households.

Challenges. None

Next Quarter. Continue to work with relevant local authorities to review and authorize list of vulnerable households in 2LR.

6 CONSTRUCTION AREA (Z3) – RESTTLEMENT PREPARATION AND SOCIAL MANAGEMENT

6.1 **OVERALL DEVELOPMENT**

Progress. Several social development activities have been implemented in Hatsaykham with a dual focus: early resettlement and related livelihood programmes on the one hand and mitigation of project impacts due to construction works and worker and camp follower influx on the other. The latter, via the implementation of the Social Management Action Plan, included awareness campaigns on drug control and STD/HIV/Aids as well as condom distribution to at risk groups. Furthermore, material and equipment have been provided to the District Police for their new post in Hat Gniun (6 police officers; 4 male, 2 female).

Continued to conduct consultation meetings with villagers in Hatsaykham regarding safety regulations near the construction area and identification of alternative routes around the construction sites to ensure continued access to agricultural lands. The Project has supported necessary works including upgrade of access paths and the establishment of a small barge service.

To ensure compliance with Project standards on workers' rights as well as enhancement of employment of local work force, the Project is supporting two officers from the Lao Federation of Trade Unions as well as from the Provincial Department for Labour and Social Welfare to be based in Hat Gniun.

The resettlement program continued with the implementation of quick income livelihood activities on production of vegetables, mushrooms, chicken, fish, poultry and livestock.

Challenges. Although, the livelihood programme is progressing well, and gradually gains trust from the PAPs, several other issues surrounding asset registration, compensation, and limitation of access to cultivation area via normal route, need continuous attention from all parties.

Next Quarter. The project will continue the implementation of the Social Management Action Plan. Also, livelihood activities will continue, providing inputs to model farmers. Continuing consultations and cooperation between the Project and the PAPs is necessary to allow for good neighbourhood relations between the communities and the construction sites of the Project.

6.2 COMMUNITY CONSULTATIONS

Progress. Community consultations in Hatsaykham are of key importance to address issues between the villagers and the Project. In order to maintain and improve the good and constructive climate between the villagers and the Project, it is necessary to constantly exchange information about the Project activities, not least due to the increasing safety risks with the commencement of the main construction works close to the village. The Project has increased its capacity to handle such issues, including the operation of an entrance gate at the construction site and the appointment of key senior village relation staff of the Company to engage with the grievance redress committee as well as the day-to-day activities of the different social teams. PPE was distributed to all Hatsaykham households to be used when they pass through the construction site to reach their agricultural fields. To facilitate villagers to cross the Nam Ngiep River, initially a village operated barge was installed at Hatsaykham village (operation started on 10 March 2015), which was replaced with a larger barge able to carry small agricultural hand tractors used by the villagers as well as a project pick-up truck. This larger barge started operating on 21 August 2015.

Official consultations and focus group meetings were conducted often including with respect to the master plan of the resettlement site development, compensation policy, choice survey on resettlement and safety when passing across the construction site.

Challenges. Ensuring continued safe access of the villagers to their lands in Houay Soup. Ensuring that the PAPs have a good understanding of the compensation and resettlement measures, before making their decision.

Next Quarter. Continue to engage with the villagers on a regular basis.

6.3 PROJECT LAND REGISTRATION & COMPENSATION

Progress. Asset registration was completed in Zone 3; however, the PAPs were not satisfied with the land-for-land policy. Thus, they refused the whole package, and did not want to make a decision. The Vice-Governor of Bolikhamxay Province, as the head of Bolikhamxay Provincial Resettlement, Livelihood Restoration and Compensation called for a meeting with

its members and key villagers of Hatsaykham to expedite the compensation of the land in Houay Soup Resettlement Area. The main consultation was about the issue of villagers who have refused to accept the land-for-land policy. It was agreed that Bolikhan District must take the lead together with the Resettlement Management Unit and NNP1PC, and work closely with villagers to help them understand the policy and the rationale behind it.

Challenges. Further consultations are needed, and all concerned parties have to make coordinated efforts.

Next Quarter. Work with Bolikhan District and Bolikhamxay Province, and related GOL counterparts, including natural leaders to communicate and consult closely with the PAPs to reach mutual understanding. Compensation for the priority area in Houay Soup Resettlement Site is urgently needed.

6.4 **RESETTLEMENT PREPARATION**

Progress The third round of resettlement choice surveys was carried out. A draft agreement on splitting households of Resettlers was submitted to the RMU and DCC. Discussions was held on preparation for the transitional period, including the rice support programme. A plan to establish the village relocation committee was proposed. The framework and protocol for self-resettlement and the project influence zone as detailed in the REDP U3¹ was accepted by the DCC.

Challenges. The PAPs have difficulties comprehending the resettlement process, which make them reluctant to accept the compensation.

Next Quarter. Close consultation with the PAPs in small groups to complete the choice survey and the compensation.

6.5 LIVELIHOOD EXTENSION WORK

Progress. The resettlement program continued with the implementation a variety of quick income livelihood activities; for example, mushroom cultivation, vegetable cultivation, chicken and pig raising, catfish and frog raising, veterinary vaccination networks, and support to NTFP and rattan-based activities. This includes provision of training, support materials, and study tours. Also the soil improvement programme continued with preparation for the improvement of the agricultural lands in Houay Soup.

The livelihood programmes gain remarkable interest from every household of Hatsaykham. Each household at least participate in one programme.

The livelihood programmes for Zone 3 are normally implemented together with those of the host communities (Zone 5), Ban Hat Gniun and Ban Thahuea. This section reports the progress of both zones.

i. Rice: Due to limited availability of paddy rice fields in Hatsaykham, only 1 farmer from Hatsaykham participated actively in this programme. Other families from Hatsaykham will benefit from the information sharing and study tours, including towards the paddy rice fields in Thahuea, where more farmers are involved in the activity. The rice experiment of Zones 3 and 5 involved 19 households (Hatsaykham 1 household, Thahuea 18 households). The rice cultivation at Houay Soup Resources Centre and the farmers own field

¹ The REDP U3 is available on the Company and ADB website.

experiments gave the best yield. The PAPs of Hatsaykham observed the trials and were pleased with the results. This helped convince them that the rice cultivation in the resettlement site will provide sufficient rice.

ii. **Crops and Mushroom:** Thirty-three households (22 female) attended the training on vegetable cultivation. Thirteen households joined the vegetable production programme. The villagers sold most of the production at the market and the workers' camps; the remaining they used for their own consumption.

The mushroom cultivation programmes started the fourth round. The villagers produced 9,300 mushroom bags.

iii. Livestock and poultry: Vaccination materials and equipment was purchased and handed over to the Village Veterinary Workers. Following training and handover of equipment, a vaccination program was implemented. There are 9 active Village Veterinary Workers in the area. In November 2015, a total of 113 cows, 24 buffalos, 133 pigs, 76 ducks, and 183 chickens were vaccinated. The food waste programme provided 4-5 tons of feed each month to the villagers.

The fodder programmes started to yield results. The fodder was collected from villager's backyard gardens, up to 12 tons/month. This was fed mostly to cattle, and pigs.

Nine households were active in poultry raising (chicken and ducks).

iv. **Aquaculture**: Continued the programme on raising catfish in plastic sheet lined ponds. Due to high interest from the PAPs, the programme was expanded to include new activities: frog raising and integrated farming, using the water from the catfish pond to water vegetables and feed vegetable waste to the cat fish.

The PAPs who had gained experience from the previous rounds gave technical advice and guidance to their peers.

v. **NTFP promotion**: Rattan cultivation and handicraft were the two main activities. Around 6,000 rattan seedlings were transferred from seedbeds to plastic bags. Nine households planted rattan in their fields. Twelve households participated in this programme.

The second round of training on bamboo handicraft was conducted in zone 3 and 5. Twelve people participated in this training, of which 7 were female.

- vi. **Soil improvement:** Nine households (4 female), up from four, participated in the earthworm composting production. Twenty-five households (18 women) participated in compost production activities. Thirty-two households (25 female) participated in the training on bio-extract for compost and pesticide. Twenty-four villagers of Hatsaykham observed the harvesting and evaluation of the experimental programmes in the resources centre.
- vii. **Selling of products:** More than forty batches of agriculture produce collected from farms of Zone 3 and Zone 5, were sold to workers' camps. The produce included: Chilli, eggplant, mushrooms, chicken and ducks.
- viii. **Marketing:** Meetings between traders and suppliers of meat and vegetables were arranged. Thirty-nine households participated, and thirteen households committed to the farming for market programme.

Challenges. Ensuring the sustainability of the programmes.

Next Quarter. The Project will continue to implement livelihood activities, providing inputs to model farmers. An extension of the programmes to additional farmers is envisaged, given the success of the early rounds of activities.

6.6 PUBLIC HEALTH

Progress. Health baseline survey results were shared with the PAPs.

Challenges. None.

Next Quarter. Implement the zone-specific Health Programmes with district health staff and other key counterparts.

6.7 EDUCATION

Progress. The school bus system of the road safety campaign is now a fully local endeavour. Two vans from Hatsaykham are used to transport children to school.

Challenges. None.

Next Quarter. Continue to provide support for the programme.

6.8 **GENDER AND ETHNICITY**

Progress. As in the other zones, the gender and ethnicity officer has supported the monitoring team to collect data, amongst others noting the different perceptions related to change and resettlement.

Challenges. None.

Next Quarter. Continue to work with other teams and GOL staffs to integrate gender and ethnic aspects into each programme. Work with related GOL offices to organize training on gender and ethnicity for stakeholders.

6.9 VULNERABLE HOUSEHOLDS SUPPORT

Progress. The team collected data and made home visits to the potential vulnerable households. The authorities certified list of vulnerable persons and households.

Challenges. None.

Next Quarter. Develop household-specific plans for vulnerable households.

6.10 SOCIAL MANAGEMENT ACTION PLAN

Progress. The implementation of the Social Management Action Plan was conducted with significant technical and financial resources. Senior project staff has cooperated with GOL authorities to minimize possible social disturbances, and on continued awareness campaigns on drug control, STD/HIV/Aids and distribution of condoms to at risk groups in communities, camp follower area, and worker camps. The police and labour officers were supported; including with an office building at Ban Hat Gniun, equipment and motorbikes. The Project implemented restrictions on workers entering communities and camp follower areas. Several criminal cases including theft were reported and solved by the police in Hat Gniun.

Challenges. Although the plan has worked satisfactorily, regular moving in and out of workers, and camp followers requires intensive attention.

Next Quarter. The project will continue the implementation of the Social Management Action Plan.

7 HOUAYSOUP RESETTLEMENT SITE

OVERALL DEVELOPMENT

Progress. MONRE issued 2 agreements for NNP1 for the land category transformation and the land allocation of 648 hectares in Houay Soup area.

In addition, NNP1PC had requested for MONRE's endorsement of the sole use by Houay Soup re-settlers of 3,715 hectares within protected forest for their livelihood and re-forestation purposes.

A meeting at the Department of Land Administration (DOLA), Ministry of Natural Resources and Environment was held to review related documents and regulations about how to allocate the area 3,715 hectares to NNP1. It was agreed that the required document was sufficient. Field visit by government counterparts took place right after.

At the end of December 2016, NNP1PC received the land use rights for the 3,715 hectares.

Challenges. Lack of final choice surveys.

Next Quarter. Infrastructure development for the priority area should start. Experiments at the Houay Soup Resource Centre will continue as will the conduction of site visits for people from 2LR to the construction site and livelihood programs in the area.

7.1 PROJECT LAND REGISTRATION & COMPENSATION AT THE RESETTLEMENT SITE

Progress. Asset registration data collection of Houay Soup resettlement area outside the protection forest, and the additional 648 hectares has been concluded. The information was used to conduct choice surveys with affected households.

Dissemination of the compensation policy for Somseun was conducted in October 2015, and the choice survey was completed for the PAPs of Hat Gniun and Somseun. All households losing land in Houay Soup, choose cash compensation.

After a series and repeated consultations, compensation agreement with affected households was completed for 94 households (28 households in Ban Somseun and 66 in Ban Hat Gniun) out of total number of 144 households. The agreements cover 60% of the total area.

Choice survey in Hatsaykham was difficult due to villagers refusing the land-for-land policy. They want their land to be compensated and to get the land in Houay Soup for free.

Challenges. The compensation of the Hatsaykham PAPs is at a critical stage, because 25 households that have land assets within the priority area are objecting to the land-for-land compensation policy.

Next Quarter. Provide compensation payment to the PAPs of Hat Gniun and Somseun villages who accepted the compensation agreement.

7.2 PUBLIC INFRASTRUCTURE IN HOUAY SOUP

Progress. Detailed designs of roads, transmission line, water supply, solid waste disposal site and irrigation in the Houay Soup resettlement site were done. Members of PRLRC, RMU, DCC and related GOL departments acknowledged the general plan. Detailed plans need to be consulted further with related departments.

Contracts for bridge construction across the Nam Ngiep River, and the paddy field development were awarded. Construction of the bridge across Nam Ngiep was started on the left bank, the area that has already been compensated.

Challenges. Limited time for construction, due to compensation of the Houay Soup Resettlement Site has not finished.

Next Quarter. Further consultation among contractors, related GOL departments, and PAPs about the design, work schedule, and monitoring.

7.3 OPERATIONS AND MAINTENANCE OF COMMUNITY INFRASTRUCTURE

Progress. Within this reporting period no activities were scheduled under this item and none are planned for next month.

Challenges.

Next Quarter. No activities are currently scheduled for the next Quarter.

7.4 HOUSE DEVELOPMENT IN HOUAY SOUP

Progress. Contract with the construction company was concluded. The construction is awaiting the compensation to be done.

Challenges. Uncertainties of the number of PAP who will be resettle to Houay Soup Resettlement Site.

Next Quarter. Start the construction for the first group of Resettlers.

7.5 IRRIGATION DEVELOPMENT IN HOUAY SOUP

Progress. The detailed design of the irrigation system in Houay Soup was done in cooperation with the design consulting company. The topographic survey for additional paddy field areas has been completed. Related GOL departments acknowledged and agreed to work closely during pre-construction and construction period.

Challenges. Until the final choice survey is concluded, there is still uncertainty of the number of households which will resettle to Houay Soup. The agricultural area to be developed has to correspond to the number of households.

Next Quarter. Start the construction to support the first group of Resettlers.

7.6 **RESOURCE CENTRE (DEMONSTRATION FARM)**

Progress. On-going experiments were conducted at the demonstration farm, including but not limited to soil fertility improvement, small livestock and home gardening.

Hatsaykham villagers were extremely satisfied witnessing the yield of rice production in Houay Soup. They are pleased with the soil improvement demonstration, and the overall livelihood improvement programme. They no longer feel that the rice cultivation could not be carried out in Houay Soup.

Challenges. None.

Next Quarter. The Project will continue experiments conducted at the demonstration farm.

7.7 AGRICULTURAL AND OFF-FARM LIVELIHOOD EXTENSION WORK

Progress. Within this reporting period no activities were scheduled under this item. Activities will start with the first people moving to Houay Soup (see reporting on 2LR and Z3 for the meantime).

Challenges.

Next Quarter. No activities are currently scheduled.

7.8 PUBLIC HEALTH

Progress. Architectural drawings have been finalized for the Public Health infrastructure. Related GOL departments were consulted. Together, they adjusted the design slightly to fit local needs and still be in line with the regulations of the Ministry of Public Health. Bolikhamxay Health Department was satisfied with minor adjustment of the design of the health centre at Houay Soup Resettlement;

Challenges. None

Next Quarter. Cooperate with related GOL departments on detailed elements of the health centre.

7.9 EDUCATION

Progress. Architectural drawings have been finalized. The drawings were presented to members of PRLRC, RMU, DCC, including representatives of Department of Education and Department of Public Works.

Challenges. None

Next Quarter. Start construction of school for the first phase of the resettlers.

7.10 ETHNICITY AND GENDER

Progress. Baseline information of the affected communities, its history and identity was collected and is currently being analysed.

Challenges. A detailed concept regarding the purpose and design of the cultural centre and library is required.

Next Quarter. Detailed discussions with ethnicity and museum experts will be conducted together with the gender and ethnicity officer to allow an integrated process based on the PAPs' life stories.

7.11 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Within this reporting period no activities were scheduled under this item. Activities will start with the first people moving to Houay Soup (see reporting on 2LR and Z3 for the meantime).

Challenges.

Next Quarter. No activities are currently scheduled.

7.12 RICE SUPPLEMENT PROGRAM

Progress. Within this reporting period no activities were scheduled under this item. The Rice Supplement Program preparations will start in the quarter before resettlement.

Challenges.

Next Quarter. No activities are currently scheduled.

8 HOST COMMUNITIES (Z5) – COMPENSATION AND RESOURCE SHARING

8.1 LIVELIHOOD EXTENSION WORK

The livelihood programmes of the host communities and those of Hatsaykham (Zone 3) have been implemented together, considering close locations, and efficient use of resources. See section 6.5

8.2 PUBLIC INFRASTRUCTURE DEVELOPMENT

Progress. Construction of Ban Hat Gniun and Ban Thahuea water supply systems was done. Village Water Supply Committees were established and participated in a study visit to a similar programme of the Thuen Hinboun Expansion Project. Training on water supply maintenance and management was carried out.

An assessment of the school buildings was conducted to identify the needs for repair/upgrades of these structures. Designs for an upgrade was done.

Challenges. None.

Next Quarter. Monitor and provide support to the community.

8.3 PUBLIC HEALTH

Progress. The outcome of the baseline survey was disseminated to the communities. The Health Team also worked closely with a local Non-governmental organization, the Rural Development Agency (RDA), to introduce a project call "IWASH" to The PAPs.

Challenges. None.

Next Quarter. Develop and implement the zone-specific Health Program with district health staff and other key counterparts.

8.4 EDUCATION

Progress. The school bus support as part of the road safety campaign has been a fully local endeavour. Two vans from local communities were used to transport children to school. The Hat Gniun Elementary School was surveyed and evaluated for possible renovation during the next school break.

Challenges. None.

Next Quarter. To work closely with the teachers and the PAPs, providing necessary support.

8.5 ETHNICITY AND GENDER

Progress. As in the other zones, the gender and ethnicity officer supported the monitoring team to collect data, amongst others noting the different perceptions related to change and resettlement by the different ethnic groups. Intervention were made via other programme i.e. livelihood restoration, education, health, and etc. As host communities, observation on factors from influx of workers and camp followers was on going.

Challenges. None.

Next Quarter. To work closely with other teams and GOL making sure that ethnicity and gender are taken into consideration during compensation, livelihood restoration, or any other social development programme for the host communities.

8.6 VULNERABLE HOUSEHOLDS SUPPORT

Progress. The team collected data and made home visits to the potential vulnerable households. GOL counterparts acknowledged the list of vulnerable households. Attention was given specifically to vulnerable persons during implementation of livelihood restoration program. Noteworthy, the project facilitated two disabled people of Ban Thahuea to the Centre of Medical Rehabilitation (CMR) for obtaining leg prosthesis.

Challenges. None.

Next Quarter. To work closely with other teams and GOL, making sure that vulnerability is taken into consideration during compensation, livelihood restoration, and other social development programmes.

9 DOWNSTREAM (Z4)

9.1 COMMUNITY CONSULTATIONS

Progress. Consultation with DCC and VDC of Pakxan was made, the discussion covered possible impacts of NNP1, and mitigation measures. The audience were mainly interested in how the project would support the water supply system, compensation along 230 kV, and the livelihood programmes.

Challenges. None

Next Quarter. To consult further with the PAPs on water supply and other issues.

9.2 WATER SUPPLY

Progress. Together, with Provincial Department of Water Supply, survey of water sources of 6 downstream villages was done. TOR for hiring consulting company to design the water supply system for Ban Somseun, Ban Nampa and Ban Thongnoi was concluded.

Challenges. None.

Next Quarter. To arrange further consultations on water supply with communities downstream and Pakxan District. Hire a consulting company to design the water supply system for 3 villages: Somseun, Nampa and Thongnoi.

9.3 **RIVER BANK GARDENS**

Progress. Continued Analysis, categorization, and mapping of data

Challenges. None.

Next Quarter. Analysis, categorization, and mapping of data.

9.4 PUBLIC HEALTH

Progress. Baseline health survey was completed. The team worked with Department of Health, Bolikhamxay Province on sub-plan of the Heath Action Plan.

Challenges. None.

Next Quarter. Develop and implement the zone-specific Health Program with district health staff and other key counterparts.

10 TRANSMISSION LINES

Progress. There are 482 households affected by the 230 kV Transmission Line. They have all been consulted. The compensation has been implemented since early September 2015 and is planned to be completed in March 2016. So far, it has progressed as planned.

Nevertheless, there is a need for specific compensation unit rates for the impacted area inside Vientiane Capital.

Hence, in November 2015, there was a joined consultation meeting on compensation unit rates among Xaysomboun, Bolikhamxay RMUs and Vientiane Capital and 6 villages; Veunkabao, Xienglea tha, Xienglea na, None, Thakohai and Nabong. It is expected that Vientiane Capital will issue the compensation unit rates by February 2016.

During this quarter compensation payments (hand-over of bankbooks) were made to 45 Households along the 230 kV Transmission Line (PI 16-18), in 2 villages; Ban Phonesavanh and Ban Thabok, and 53 households along (PI 15-16) in 4 villages; Ban Gnoihai, Namlo, Sisomxay and Nakham, all in Thaphabath District. Five households of Thaphabath District were not satisfied with the compensation, initially. After consultation, they had clear understanding and agreed with the compensation.

Challenges. Some of the households were not willing to provide information to prepare bankbook until they are well aware of the compensation amount they will be receiving. Further consultation is need.

Next Quarter. Pay compensation to the remaining households.

11 FISHERIES CO-MANAGEMENT

Responsibility has been shifted to EMO. For details on its implementation please refer to the progress reporting by EMO.

12 LABOUR MANAGEMENT

12.1 OVERALL DEVELOPMENT

Progress. Discussions with labour-related authorities were successful and the Project is now supporting an officer of the Provincial Department of Labour and Social welfare as well as an officer of the Lao Federation of Trade Union to work and be based in Hat Gniun. The Project also supports the provision of necessary equipment and provides training. The two officers ensure monitoring of compliance with labour standards as outlined in the Labour Management Plan (LMP), as outlined in Chapter 5 of the SDP. They also support the hiring of local labour, ensuring fair treatment and proper payments.

The Hat Gniun police post was expanded to provide additional accommodation and work space (including equipment) from 6 to 8 GOL staff; 6 police officers, 1 from Provincial Trade Union, and 1 from Provincial department of Labour and Social Welfare.

Challenges. None.

Next Quarter. The Project as well as the officers will continue to monitor and support contractors and subcontractors to comply with the Project's LMP. Also, support to job placements will continue. In addition, the Company intends to establish employee representatives within it; in compliance with the Lao Labour Law.

12.2 LOCAL LABOUR RECRUITMENT (INCL. CLS NO CHILD LABOUR RECRUITMENT AND NO FORCED LABOUR) AND SKILLS TRAINING PROGRAM

Progress. More than 50 workers of local communities are now linked to the Project. While some are hired as trained workers, most people work as unskilled labour. Of the 50 workers, 16 work with Nam Ngiep 1 directly, as per table below.

The Civil Works Contractor, Obayashi Corporation provided the details on the manpower, segregated by nationality as listed in the table below.

			Lao Na	ational			Foreigner						First
Local BKX/XSB Other					Total	Japan	Thailand	China	Vietnam	Other	Total	Total	Aider
	Male		16	14	30	15	6		71	12	104	134	
OBAYASHI Corporation	Female	1	9	1	11		1		6	1	8	19	11
Colporation	Total	1	25	15	41	15	7		77	13	112	153	
	Male			5	5	1	4				5	10	
Goshu Kohsan Co., Ltd.	Female												
[Turbid Water Treatment]	Total			5	5	1	4				5	10	
Keochaleun	Male			3	3		3				3	6	
Electrical Engineering Co.,	Female												
Ltd. [Electrical Work]	Total			3	3		3				3	6	
Lao Security	Male			9	9							9	
Services	Female												
Co., Ltd. [Gate Security]	Total			9	9							9	
Pang - Keoonphan	Male		1	2	3		3				3	6	
Construction Sole	Female												
Co., Ltd. [Owner's Base Camp]	Total		1	2	3		3				3	6	
Phoukhong	Male	20	66	63	149		3		5		8	157	
Construction	Female	17	4	5	26		-		-		-	26	3
Sole Company [Road Works & Others]	Total	37	70	68	175		3		5		8	183	1
Dh t	Male		7	2	9				Ŭ				
Phoutone Electrical	Female			-	-							-	
Co., Ltd. [Electrical Work]	Total		7	2	9							9	
	Male	4	28	42	74		52		15	4	71	145	
Right Tunnelling Co., Ltd.	Female	1	20	8	11		8		10		8	19	6
[Diversion Tunnel]	Total	5	30	50	85		60		15	4	79	164	Ŭ
	Male	3	35	37	75			72	19		91	166	
Sinohydro Bureau 8 & TCM Engineering	Female	2		5,	2			10	10		10	100	7
Joint Venture [Aggregate Plant]	Total	5	35	37	77			82	19		101	178	
Song Da 5 J.S.C	Male	17	42	28	87			02	925		925	1,012	
[Main Dam Excavation, RCC Production &	Female	5	42	1	6				29		29	35	16
Placement, Re-regulation Dam	Total	22	42	29	93				954		954	1,047	10
Construction]]	Male	3	42	29	93 20			2	504	9	954	31	
TCM Engineering	Female	3	14	3	20		1	2		9	2	31	2
Co., Ltd. [Road Works & Others]	Female Total	3	16	3	2		1	2		1	13	4	
		2			22		1	2	25	10			
V&K Concrete	Male	2	3	20					25		25	50	2
Sole Co., Ltd. [CVC Production]	Female	-	1	2	3				1		1	4	2
	Total	2	4	22	28				26		26	54	
	Male	49	212	228	489	16	71	74	1,060	25	1,246	1,735	
Total	Female	26	18	17	61		10	10	36	2	58	119	47
	Total	75	230	245	550	16	81	84	1,096	27	1,304	1,854	

Summary of Manpower and First Aid

Challenges. Obtaining detailed segregated information from the contractors on the location of origin of their manpower based on position level.

Next Quarter. Cooperation with the Livelihood Team in providing further training programs.

Company Name w/Service provider: Nam Ngiep 1 Power Company										
Date: December 2015										
			Lao (Total)							
Position Level	PAP		BKX/	/XSB	Other P	rovinces	Total	E		
	Total	Female	Total	Female	Total	Female	Total	Female		
DMD/MD/M/DM	0	0	0	0	6	0	6	0		
Engineer	0	0	3	0	9	0	12	0		
Supervisor/Team Leader	0	0	1	0	15	3	16	3		
Technician/Mechanical	0	0	0	0	0	0	0	0		
Survey	0	0	0	0	0	0	0	0		
Foreman	0	0	0	0	0	0	0	0		
SO/OF/OF Asst.	5	1	19	8	106	37	125	45		
Driver/Operator	0	0	13	0	29	0	42	0		
House keeper/cook	9	7	14	12	3	3	17	15		
Skilled worker	0	0	0	0	0	0	0	0		
Semi Skilled worker	0	0	0	0	0	0	0	0		
Unskilled worker	0	0	0	0	0	0	0	0		
Security	2	0	2	0	0	0	2	0		
Total	16	8	52	20	168	43	220	63		

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12.3 PROTECTION OF WORKERS' RIGHTS (INCL. CLS NO DISCRIMINATION AND FREEDOM OF ASSOCIATION)

Progress. Provided support to the Provincial Trade Union, and Provincial department of Labour and Social Welfare enabling each of them to base 1 staff full time at Hat Gniun.

These staff from the Provincial Trade Union, and Provincial department of Labour and Social Welfare conduct regular inspections at the Construction camps, ensuring that contractors and subcontractors are respecting workers' rights, that there is no discrimination in all aspects and that they are providing salaries and benefits in accordance with labour laws.

Challenges. None

Next Quarter. See 12.1.

12.4 **OCCUPATIONAL HEALTH AND SAFETY SUBPROGRAMS IMPLEMENTATION**

Following discussions within the company, responsibility for the Occupational Health and Safety Subprograms was re-assigned to the Technical Division. Please refer to progress reporting by the Technical Division (Safety) and EMO (Occupational Health). The Project supports also awareness campaigns, amongst others on STIs, within workers camps as outlined in the section 5.10 on the SMAP.

13 **OVERALL MONITORING**

Progress. The health and socioeconomic baseline survey has been analysed. The village history, cultural identity data collection was conducted. Fish catch monitoring is on-going, with several assistant staff hired to be based in the villages for data collection.

Challenges. None.

Next Quarter. Continue the monitoring as planned.

13.1 SURVEYS AND TESTS

Progress. Fish catch monitoring has commenced. After successful hiring of local staff, data collection could start successfully. As outlined above, the baseline Health Survey is completed, as is the baseline Socio-Economic Survey. Detailed village meetings have been conducted by the monitoring team to collect in depth views including qualitative data on the current status within the village. Reports on the baseline survey were finalized.

Challenges. None.

Next Quarter. A continuous monitoring program is implemented under supervision of a part time specialist.

13.2 OVERALL RIVER MONITORING

Progress. River Bank Garden data collection is transferred to EMO.

Challenges. None.

13.3 SMO PROGRESS INDICATORS

Progress. Progress and Reporting Indicators have been drafted and its feasibility currently discussed.

Challenges. None.

Next Quarter. Integrate the indicators into the Annual Implementation Plan.

13.4 EXTERNAL MONITORING

Progress. The Independent Advisory Panel (IAP), the Lenders Technical Advisors (LTA), members and consultants of ADB, all conducted a monitoring mission during December 7-12, 2015.

Challenges. None

Next Quarter. Continuing exchange with the IAP, and ADB social safeguards specialists.

13.5 COOPERATION WITH OTHER STAKEHOLDERS INCL. CIVIL SOCIETY AND NGOS

Progress. A not-for profit association, the Rural Development Agency (RDA) is working with NNP1 and government counterparts to implement the Community Lead Total Sanitation (CLTS), School Lead Total Sanitation (SLTS) and Water Safety Plan (WSP) under the Integrated Water, Sanitation and Hygiene Programme.

Challenges. None.

Next Quarter. The program is on-going.

13.6 INSTANCES OF NON-COMPLIANCE AND OTHER REPORTING EVENTS

Incidences.

Next Quarter.

14 UNANTICIPATED SOCIAL RISKS AND OPPORTUNITIES

14.1 LAND ACQUISITION AND RESETTLEMENT, ETHNICITY, GENDER EQUITY AND VULNERABLE HOUSEHOLDS

Progress. In the 4thQuarter, there were no unanticipated social risks.

Challenges

14.2 IN-MIGRATION AND RESOURCES COMPETITION

Progress: The implementation of the SMAP has resulted in relatively low in-migration into the area. The implementation of the zero-tolerance policy has further reduced the influx of camp follower businesses.

Challenges. None.

Next Month: The Project will continuously monitor the implementation of the SMAP and related developments.

15 GRIEVANCE REDRESS MECHANISM

Progress. With grievance procedures in place, the team worked with the Village Grievance Committees (VGCs) and the District Grievance Committee (DGCs) solving grievances from the PAPs and Non-PAPs in all zones in accordance with the rules and regulations.

Up to date 56 grievances have been filed; all of them are in Zone 3 (construction area), Zone 5 (host communities), or along the transmission line. These are the area where the construction takes place. The team processed and completed 35 cases with a total payment close to 200 million LAK. Twenty cases are under the grievance process.

Challenges. Lack of dedicated staff to process grievances issues. Recruitment is on-going.

Next Quarter. SMO will continue to engage with the VGCs to discuss with the PAPs to quickly solve issues via direct consultations. Outstanding cases shall be discussed by the different grievance committees with the aim of fair, transparent, and if possible win-win solutions.

	Summary Grievance List.									
		Previous Quarter(Q3)				This Quarter(Q4)				
No	Grievance categories	Total	# Grievance received	# Closed	# Pending	Total	# Received Grievance	# Closed	#Pending	
1	Not satisfied with compensation and request for additional compensation	22	1	0	5	26	4	2	7	
2	Request to compensate due to construction site extend over original area	7	0	0	1	7	-	-	1	
3	Construction disturbed/damaged by construction activities	10	0	0	2	10	-	-	2	
4	Request to consider the asset type to match with compensation condition	2	0	0	1	2	-	-	1	
	Total		1	0	9	45	4	2	11	
	Updated 31 December 2015									

Summary Grievance Table

16 MANAGEMENT OF SMO

16.1 BUDGET

Progress. In the 4th quarter, the team prepared the Annual Implementation Plan (AIP) for 2016, and an outline for the next three years from 2016 through 2018.

Challenges.Budget procedures have to be streamlined, including a policy on budget reallocations. Possible budget increases result from increasing costs of infrastructure and compensation rates.

Next Quarter.

16.2 STAFFING

Progress. Concluded recruitment of the Deputy Managers for the Social Development Department, Safeguards and Monitoring Department (previously Monitoring and Knowledge Management), Resettlement Infrastructure Department and Resettlement Z3 and 2LR Department. The Deputy Managers of Resettlement Infrastructure, Resettlement Z3 and 2LR and Safeguards and Monitoring have started working. The former Deputy Manager of Resettlement Z3 and 2LR was transferred to be Deputy Manager of Safeguards and Monitoring. The new Deputy Manager of Social Development will start in February 2016.

Challenges. The year 2016 is the most crucial for social programs. It needs good management to handle the tasks.

Next Quarter. Continue recruitment for any vacant position.

16.3 OPERATION POLICY DEVELOPMENT

Progress. Within this reporting period no activities were scheduled under this item.

Challenges. N/A.

Next Quarter. No activities are currently scheduled for the next quarter.

17 ADMINISTRATION AND DATA

17.1 OFFICE & EQUIPMENT

Progress. Office facilities in 2LR have been upgraded and prepared for the staff based there, and for the asset registration team. At Thathom, the team is working in a temporary office, while the permanent office is being renovated. Satellite offices in Hom District and at Hat Gniun Village are in operation. In Pakxan, the joined ESD office was ready to be moved in by the end of December 2015.

Challenges. None.

Next Quarter. Continue to operate all office as required.

17.2 VEHICLES

Progress. SMO is operated with existing vehicles. Only a few rentals were needed from time to time.

Challenges. Some areas cannot be reached by car.

Next Quarter. Manage the vehicle use with flexibility and correspond with the need in the office and in the fields.

17.3 DATABASE AND GIS DEVELOPMENT

Progress. Both the database and the GIS team continued to improve and develop a sustainable data base systems to be used and monitored by relevant management team. The team continued to update Asset Registration Database for 2LR, 230 kV Transmission Line, Inundated Area, and Houay Soup Resettlement site. The team also worked on improving Grave Registration Database with photos and maps in all zones.

Challenges. Integration of EMO database requirements shall facilitate better cooperation between EMO and SMO.

Next Quarter. Implement an automated document approval sheet system.

17.4 KNOWLEDGE MANAGEMENT AND DATA ANALYSIS

Progress. A Community Contact database is completed and accessible for all SMO staffs to give an input in order to keep records of all contacts made between SMO staffs and the PAPs, GOL etc. Setup a document management system in order to facilitate teamwork through the easy sharing of documents.

Challenges. None.

Next Quarter. Continue to improve filing system. Preparation of documents. Continuing support of other teams. Plans are to combine EMO and SMO document control and stronger integrate also with the company-wide filing system.

18 GOL RELATIONS

18.1 COORDINATION PROGRESS WITH PRLRC, RMU, DCC AND VILLAGE ORGANIZATIONS

Progress. During the 4th quarter, SMO worked closely with the RMU, DCC and VDC to implement priority programmes; asset registration in 2UR and 2LR, compensation along the 230 kV Transmission Line, compensation of the construction area, and Houay Soup Resettlement Site, livelihood restoration, community development, among others. These required a lot of support from the government counterparts.

To strengthen the relationships and share the same understanding among the concerned parties, workshop on roles and duties of the RMU, DCC and VDC were held at each district, Thathom, Bolikhan and Hom. The participants recognized the tight timetable ahead and agreed to put efforts on the implementation of the NNP1 programmes.

The GOL authorities were participated in both implementation of programmes and during consultations; in particular with respect to dissemination of compensation unit rates, and compensation policy (all done for both Xaysomboun and Bolikhamxay Provinces), preparation of the PAPs for the compensation choice survey; solving issues surrounding asset registration at 2LR, and on land-for-land policy of Hatsaykham.

Challenges. There were gaps of experiences and understanding among GOL authorities on resettlement, compensation and livelihood restoration of the Project.

Next Quarter. Continue supporting and coordinating with the RMU, the secretariat for GOL counterparts. Arrange PRLRC annual meeting.

18.2 PROGRESS ON LAND TITLING

Progress. Within this reporting period no activities were scheduled under this item.

Challenges. N/A

Next Quarter. Discussions with GOL on the land titling process.

19 SUMMARY OF CORRECTIVE ACTION PLANS (CAPS)

Progress. Within this reporting period no activities were scheduled under this item. **Challenges.** None.

Next Quarter. Follow up on the implementation of corrective actions.

20 OTHER INFORMATION

Within this reporting period no other relevant information is available.

21 ATTACHMENTS

Attachment 1. Pictures of Social Activities during Q4 2015

22 ATTACHMENT 1. PICTURES OF SOCIAL ACTIVITIES DURING Q4 2015



Asset registration in Zone 2LR in December



In Zone 2LR, extension of 2LR office was done (top left); Hmong New Year at Sopphuane (top right); students attend road safety awareness campaign (bottom left); and donation of a generator to Sopyouak Village (bottom right).



Photographs of the training for Village Water Committee of Ban Hat Gniun and Ban Thahuea, on management and maintenance of their rural water supply system, supported by NNP1



Hatsaykham villagers participate in the earthworm cultivation program



Mushroom culturing at Ban Hat Gniun, and Ban Thahuea (top). A farmer was preparing the dry season vegetable plot (bottom).



Training on vegetable growing technique to farmers of Zone 3, and Zone 5



Food waste from the camps were collected and used for pig feed in Hatsaykham



Bamboo handicraft training in Zone 3, and Zone 5

Disable people of Ban Thahuea receive leg prosthesis in the CMR, Vientiane.



Hmong New Year celebration at Sopphuane village, during 15-16 December 2015



Consultations and exhibition at village level, Zone 3 and Zone 2LR



Exhibition on the progress of NNP1, the compensation, livelihood restoration, social and infrastructure development, Zone 2LR



Photographs of water supply construction final inspection in Ban Hat Gniun and Ban Thahuea; and the study tour in Khammuan Province on village-managed rural water supply



Fisheries mapping and fish name survey during 9-13 November 2015 at Zone 2LR



Repairing of suspension bridges at Sopyouak village, 19 November 2015



Observing the rice harvest, and soil improvement programme at the Houay Soup Resource Centre, during 13-14 October 2015.



Outcome of the bamboo handicraft programme at Ban Thahuea and Ban Hat Gniun



Villagers of the three villages of 2LR are receiving training on bamboo handicraft



Daily catch logbook survey during 12 to 17 October 2015 at Zone 3 and Zone 5



Fish sampling during 9 to 10 October 2015 at Zone 2UR