# **Independent Advisory Panel Report**

Project Number: 41924 August 2014 Document Stage: Final

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

Report Number 3 (Social) of the Independent Advisory Panel on the Nam Ngiep 1 Hydropower Power Project, Lao PDR including Nam Ngiep 1 Power Company Responses Third Site Visit, 4-11 May 2014

Responses provided by the Social Management Office of Nam Ngiep 1 Power Company for the Asian Development Bank

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# Report Number 3 (Social) of the Independent Advisory Panel on the Nam Ngiep 1 Hydropower Project, Lao PDR including NNP1PC responses

Third Site Visit, 4-11 May 2014

Members of the Project's Independent Advisory Panel:

- Mr. Anthony Zola Resettlement Specialist (Social)
- Dr. Songwit Chuamsakul Social Specialist (Social)
- Dr. Richard Frankel Environment Specialist (Environment)
- Dr. Kathy MacKinnon Biodiversity Specialist (Environment)

Responses provided by the Social Management Office of NNP1PC / Vientiane, Lao P.D.R.

# Part 2 (Social): Summary of IAP issues, requirements, and recommendations

# **Summary of Resettlement Issues**

No	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern *	NNP1 comments
R1	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	Depleted and degraded soil at the Houay Soup resettlement site is the single most important issue for PAP to be resettled	<ul> <li>The Developer's Pilot Plan farm is demonstrating that rice and cash crops can be cultivated successfully at Houay Soup without using chemical fertilizers.</li> <li>NNP1PC informed the IAP that soils designated for paddy (approx. 420 ha) at Houay Soup will be upgraded prior to the resettlement of PAP.</li> <li>The IEE for Houay Soup is underway.</li> </ul>	The IAP looks forward to seeing the results of the IEE for the Houay Soup river.	Medium	<ul> <li>Noted. Draft IEE Houay Soup has been completed early June 2014.</li> </ul>
R2	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	Need to upgrade an estimated 500 ha of land designated for grazing of large livestock; prior to arrival of PAP with their cattle and buffalo	NNP1PC informed the IAP that soils designated for grazing of PAP large livestock (approx. 500 ha) will be upgraded and planted with pasture grasses and legumes before the resettlement of PAP.	The IAP     recommends that     the Developer     contact NAFRI to     obtain     recommendations     for appropriate     tropical grasses and     legumes to     establish in the     grassland/ grazing     areas at least one     year prior to     resettlement.	Low	<ul> <li>NAFRI has been contacted. A plan for pasture improvement is being developed for implementation this coming wet season.</li> <li>Ongoing trials of Stylo, Ruzi and Elephant grasses at the demonstration center of the pilot farm.</li> <li>Pasture development officer in the process of being recruited.</li> <li>Pasture to be prepared before resettlement added as project obligation to the DEM (Detailed Entitlement Matrix )</li> <li>PLUP will assess total amount of grazing land to be used (integrated in REDP)</li> </ul>
*Leve	Medium - action reco	ended within 6 months ommended within 1-2 months ion recommended.				

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R3	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	<ul> <li>Designation of the Houay Soup area as a resettlement site by provincial and district authorities</li> <li>Current occupants and land users at Houay Soup resettlement area</li> </ul>	<ul> <li>The IAP was informed that the EIA approved by GOL/MONRE indicates that the Houay Soup area is the designated NNP1 resettlement area.</li> <li>In principle, the cut-off-date for the entire project area has been set at 11 April 2014. This date has not yet been finally approved by key GOL officials.</li> <li>Official transfer of Houay Soup area to NNP1PC is on-going within the GOL.</li> <li>Topographic survey and infrastructure design is on-going for structures at Houay Soup.</li> <li>Asset registration and compensation process at Houay Soup had begun in May 2014.</li> </ul>	<ul> <li>These are significant advances by NNP1PC.</li> <li>Careful follow-up is needed to ensure timely approvals by GOL officials at the central government level.</li> <li>Survey and compensation of current occupants of the Houay Soup area are important milestones and should be completed on a timely basis.</li> </ul>	High	<ul> <li>The cut-off-date for the whole Project. has been issued by GoL on May 16, 2014 with the date of April 11, 2014, based on the decision by the PRLRC; NNP1 is following up closely to finalize the issue together with GoL counterparts on district, provincial, and central level. Provincial level designation obtained. NNP1PC targets to obtain central level confirmation as soon as possible.</li> <li>Noted.</li> </ul>
R4	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	Impacts and disturbance of PAP in Ban Hatsaykham from construction of the Developer's base camp and construction of the dam access road.	<ul> <li>The Developer has accepted the IAP recommendation and now plans to resettle PAP at Ban Hatsaykham to the Houay Soup resettlement area in early 2015.</li> <li>The Developer is preparing a site-specific RAP for Ban Hatsaykham PAP.</li> </ul>	<ul> <li>The dam access road is located some distance from the hamlet and was observed as having a less significant direct impact on the hamlet than originally expected.</li> <li>The IAP recommends that NNP1PC SMO staff monitor impacts of construction crews on Hatsaykham hamlet several times each week.</li> <li>The IAP will inspect community health and safety reports during the next IAP visit.</li> </ul>	High	<ul> <li>Noted.</li> <li>A Camp Followers Team Leader has just started work and more recruitment is ongoing. A monitoring questionnaire is being developed for different involved parties.</li> <li>NNP1PC is preparing an updated subplan for Zone 3 as per the REDP. This is equivalent to a site-specific RAP for Ban Hatsaykham PAP.</li> </ul>
*Leve	el of Concern: Low - action r					
•		on recommended within 1-2 iate action recommended.	months			

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 comments
R5	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	Commercial development by camp followers around the Developer's base camp and other labor camps (for construction of roads and other project facilities) will have a significant negative impact on PAP in host villages located near those construction camps.	<ul> <li>The IAP was informed that a code of conduct has been formulated by the Developer and has been included in the REMDP.</li> <li>NNP1PC staff and contractor and sub-contractor staff are being given an orientation to the code of conduct in several languages.</li> <li>Restaurants and beer bars are being constructed along the access road. Some of these bars are serving alcohol immediately adjacent to the public primary school.</li> <li>The IAP discussed the issue of unethical and immoral social behavior by camp followers and laborers with the deputy district governor of Bolikhan District on 8 May 2014.</li> <li>NNP1PC has recruited SMO staff to implement social awareness activities among communities.</li> </ul>	<ul> <li>The IAP has the impression that NNP1PC's Community Health and Safety staff are not effective.</li> <li>The IAP's recommendation remains unchanged (from IAP report no.1) as follows: <ul> <li>Required: The IAP requires that the Developer work to implement a zero tolerance policy toward unethical and immoral social behavior by all employees of the Developer (including consultants and advisors), the Head Contractor, and all sub-contractors.</li> </ul> </li> <li>Additional IAP recommendations include: <ul> <li>NNP1PC should support Bolikhan District officials in maintaining law and order at bars and restaurants along the access road and at all NNP1PC, contractor, and sub-contractor camps.</li> <li>This support should include training of bar and restaurant owners regarding: opening and closing hours; sale of beer and alcohol to laborers and minors; holding bar and restaurant owners responsible for customers' behavior when the customer is at the bar or restaurant.</li> </ul> </li> <li>The experienced staff being mobilized by SMO should develop and implement a Social Management Action Program (SMAP) (modeled on a similar program at THXP) to disseminate social protection measures to vulnerable groups and all impacted villages.</li> </ul>	High	<ul> <li>Noted.</li> <li>A social management and mitigation program is integrated into the SDP including such a zero tolerance policy as well as pro-active measures to mitigate adverse impacts.</li> <li>During its meeting on 11 June, the PRLRC was suggested to adopt regulations regarding the camps and the camp followers. PRLRC suggested to implement instead existing legislation.</li> <li>SMO will work with Bolikhan District and especially the newly created District Coordination Committee (DCC) on the social and administrative / police measures to be taken</li> <li>SMO will be discussing with all stakeholders and other projects what can be used / adapted to NNP1, including sharing experiences of the SMAP approach of THPC.</li> <li>Dedicated staff is being recruited.</li> </ul>
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\*Level of Concern:

- Low action recommended within 6 months
- Medium action recommended within 1-2 months
- High immediate action recommended.

	ent	Issue	Status	I	AP comments and recommendations	Level of concern*	NNP1 comments
thre	th	Relocation of PAP in hree villages in Zone 2UR	<ul> <li>The PAP at 2UR had earlier reported to the IAP that they had decided not to resettle at the Thong Nam Pha resettlement site. Instead, they would relocat within their villages and diversify livelihood activities with support from the Developer. Some households have completed sel relocation of their residences.</li> <li>NNP1PC has agreed to support land development and alternativi livelihood activities beginning in January 2015.</li> <li>Issues related to use of drawdown zones (DDZ) will nee to be addressed.</li> </ul>		The IAP recommends that a mini-RAP (relocation action plan) be formulated in a participatory matter with PAP and district and <i>kum baan</i> officials; ensuring participation by women and youth.	Low	<ul> <li>Noted. A mini- RAP will be prepared near the end of the year when the NNP1 Team is setup at 2UR</li> </ul>
•	ï	PAP and GOL officials are eager to begin the resettlement process, considering that work on the NNP1 was initiated in 1989. Construction is beginning to have observable impacts on PAP and villages along the access road to the NNP1 dam site.	<ul> <li>The asset survey along the access road to the NNP1 da site has been completed and some 90% of compensation payments have reportedly been processed.</li> <li>Construction has begun on sections of the access road.</li> <li>Provincial RMUs have been created and are inter-acting well with the Developer.</li> </ul>	n •	The project is well underway and progress is being made in many areas. Based on the most recent site visit, the IAP notes that there is an urgent need for more intensive monitoring of impacts on PAP and of community health and safety issues. The IAP recommends that NNP1PC intensify its monitoring of community health and safety to prevent damage to the company and its reputation, with special attention being paid to (i) engagement of under-age workers; (ii) the danger of human trafficking of village children and under-age sex workers; and, (iii) illegal activities and illicit behavior at bars and restaurants along the access road to the NNP1 dam.	Medium	<ul> <li>Camp followers TL and Community Relations staff are already in place and investigating any issues</li> <li>NNP1 is recruiting its staff for the camp followers / labour management and social development as well as the health team</li> <li>Staff is scheduled to be in place before main construction works start</li> </ul>
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No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 comments
R8	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	The Developer has yet to provide details of the internal institutional structures that needed to organize, manage, and implement the resettlement program	<ul> <li>Staff has been recruited and continues to be recruited to undertake tasks related to public consultation, resettlement, asset surveys, community health and safety, infrastructure development, etc.</li> <li>Organization charts and terms of reference have been prepared and disseminated.</li> <li>Some staff do not have contracts, some for as long as 6 months.</li> <li>Although good faith negotiations have begun in Hatsaykham hamlet, significant improvement is needed in company presentations to ensure understanding of important project procedures by PAP.</li> </ul>	<ul> <li>The IAP is pleased with the organization of the SMO and the capability and experience of the professionals hired to work with the Developer.</li> <li>The IAP notes with concern that community health and safety is weak and requires significant and immediate attention.</li> <li>The IAP recommends that the Developer intensify monitoring of the NNP1PC contractor and all subcontractors and the impacts of their construction activities on PAP and villages along the access road to the NNP1 dam.</li> <li>The IAP recommends that all staff be provided with contracts prior to beginning work at NNP1PC; and, as contracts expire, extensions should be provided on a timely basis – without excessive delays.</li> <li>The presentations made at the good faith negotiations observed by the IAP were inadequate. Practice sessions should be held prior to making presentations to PAP on important issues like entitlements and the resettlement process.</li> </ul>	High	<ul> <li>Thanks.</li> <li>Discussions with Bolikhan District are starting.</li> <li>Recruitment is ongoing. Monitoring will increase with more staff being in place.</li> <li>Noted.</li> <li>Noted with thanks. Capacity of Hmong Consultation team members will be improved through such practice sessions.</li> </ul>
R9	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	The Developer is expected to contribute to capacity building of MONRE and assist in establishing the EMU staffed by provincial and district representatives from project affected areas	IAP discussions with provincial and district officials indicate that the role and responsibilities of the EMU are unclear.	MONRE will be supported by the EMSP directed by Peter Jensen. The focus will initially be on Xaysomboun Province, involving all project affected districts in an integrated land use map building and environment awareness training program. The provincial and district EMUs will be created as a result of support from this program	Low	EMO to respond

No	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 comments
S1	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	<ul> <li>Changing the Hmong lifestyle is not easy and will take time</li> <li>Agricultural produce market</li> </ul>	<ul> <li>Many Hmong men and women are self-motivated and interested in operating small businesses</li> <li>No agricultural market in the area</li> </ul>	For sustainable development, the GOL and the Project should identify agricultural markets for PAP agricultural outputs. This is a strong recommendation from the Xaysomboun Governor, as well.	High	• Marketing will be a key issue in all discussions that the project will have with the PAPs. Furthermore, a marketing officer is already included in the staffing plan
S2	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	<ul> <li>Hmong culture and identity</li> <li>Hmong kinship or clan system</li> <li>Language</li> <li>Beliefs and spiritual ceremonies</li> <li>Marriage and family</li> <li>Funeral ceremonies</li> <li>Hmong clothing</li> </ul>	The Hmong in this area still practice Hmong traditional culture	The Hmong graveyards must be moved first at least one year prior to moving the PAP. (in the 4 villages of Zone 2LR)	High	<ul> <li>A first estimate by NNP1 – SMO is that graveyard ceremonies should start in the first quarter of 2015. This will be confirmed / reviewed in the coming months with the communities; Commitments are integrated in the entitlement matrices and the social documents</li> </ul>
1*Lev	vel of Concern:	1				
•	Medium - action rec	mended within 6 months commended within 1-2 mon ction recommended.	ths			

No	Reference Document	Issue	Status		IAP comments and recommendations	Level of concern*	NNP1 comments
53	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	<ul> <li>Originally, according to the Hmong, soils in Houay Soup are poorer quality than the soils in the 5 affected villages.</li> <li>Land size is inadequate</li> </ul>	<ul> <li>All villagers of Ban Namyouak, 80% of villagers of Ban Sopyouak and 23 households of Ban Sopphuan wanted to move Ban Nam Awk Hu, Burapa District, Khammuan Province. It is said that the GOL allow them to move there. They went there to observe and they really wanted to move to Ban Nam Awk Hu.</li> <li>Around 40 hh of Ban Sopphuan and 32 hh of Ban Houaypamom will resettle up to their old villages at Phu Sam Liam, Houay Hin Daeng, and Houay Pha Khao. There will be 6 hh of Ban Houaypamom will move to Houay Soup.</li> </ul>	•	In the ADB Consultation Meeting in Pakxan, Bolikhamxay Province on May 9, 2014, the Governor of Xaysomboun Province, as the Chairperson of the Project from the GOL (Dr. Sombut Yialeeher) mentioned that the GOL will not allow the PAP move to Ban Nam Awk Hu, Khammouane Province. The IAP strongly recommends the Developer to work closely with the Governor of Xaysomboun Province to find a solution. Dr. Sombath is an ethnic Hmong. He knows the Hmong in the area. And importantly, he has power as the governor of the province. He is able to convince his people and the Hmong listen to him.	High	<ul> <li>The consultation meeting with GoL and affected people was held by NNP1PC (ADB only as observers).</li> <li>Noted; It should also be noted that the Governor of Xaysomboun Province, acting as the Chairperson of the NNP1PC Provincial Resettlement and Livelihood Restoration Committee explained to PAPs that the site in Khammouane Province, which is about 400 or 500km away, is already allocated to other GOL initiatives; the numbers are different from opinions expressed to the Project during other occasions, so the Projects notes that PAPs are still not sure about their final choices and it is also difficult to get reliable numbers. PAPs also request that a participatory survey be conducted so that each household decides which relocation option to take. The Project will work closely together with PAPs on finding appropriate solutions for every individual household. Development of Houay Soup will further convince the PAPs about the suitability and sustainability of the resettlement site and the sincerity of the Project.</li> </ul>

High - immediate action recommended.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 comments
S4	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	<ul> <li>Food security is a major concern of the PAP.</li> <li>Soils at Houay Soup need improvement.</li> <li>Additional investigations are needed on the use of the whole resettlement site.</li> </ul>	The Pilot Plan site / demonstration farm is managed by a professional Hmong manager who understands Hmong customs and traditions and can demonstrate how PAP can prosper at the Houay Soup resettlement site.	The IAP recommends that the Developer makes every effort to ensure that the PAP will have enough food for their families. Methods include support for the following: vocational training, jobs, compensation payments, scholarships for youth education, credit for small business, and protecting PAP rights.	Medium	All methods     recommended are part     of the REDP or SDP     and commensurate     budgets have been     booked
S5	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	<ul> <li>There are more people from outside both Hmong and Lao Loum</li> <li>A small shop have opened recently. Alcohol is sold all day. Many young males and females both Hmong and Lao Loum drink and sing songs. Young men always ask young women to come drinking at the shops.</li> </ul>	This may lead to sexual assaults, sexual abuses, and crimes, especially at night.	<ul> <li>Required:</li> <li>The Developer must work with district officials to prevent prostitution, drug dealing, gambling, and other social crime at the Developer's camp and anywhere near Ban Hatsaykham hamlet.</li> <li>A zero tolerance policy needs to be enforced by the Developer, in close cooperation with local government officials; particularly the provincial and district governors, police, health officials, education officials, and social development officials.</li> </ul>	High	Noted. See response above to R7
*Level •	of Concern: Low - action recomment Medium - action recomment High - immediate action	ded within 6 months nended within 1-2 months				

No.	Reference Document	lssue	Status	IAP comments and recommendations	Level of concern*	NNP1 comments
S6	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	PAP compensation entitlements	<ul> <li>Many PAP indicated that they had not yet been informed about their compensation entitlements.</li> <li>Good faith negotiations have begun at Ban Hatsaykham hamlet.</li> </ul>	<ul> <li>The IAP recommends that details of compensation should be provided to PAP as soon as possible, to curtail the current building of new houses and buildings.</li> </ul>	High	<ul> <li>The entitlements in the compensation policy or detailed entitlement matrix have been explained to PAPs in all the impact zones during good faith negotiations in April 2014. A copy of the compensation policy in local language is being finalized and will be made available to PAPs. PAPs instead are more interested to know the compensation rate – how much in Lao kip will they receive. NNP1 has been discussing with RMU on the way to disseminate further the information on compensation entitlements</li> <li>It should be clarified that consultations are continuing in Hatsaykham throughout the next years; Good Faith Negotiations according to ADB definitions have been concluded already</li> </ul>
*Level	of Concern: Low - action recommen Medium - action recomr High - immediate action	mended within 1-2 months			1	

Site visits:       Interest in self-resettlement is related to         7-12       resettlement by         January       many Hmong PAP         2013       for the entire year for many Hmong         17-24       November         2013       4-11 May         2014       Institutional issues:	The IAP recommends that the Project must work closely with the new provincial Governor and his senior officials. This is a great opportunity for the Project.	High	Noted.
Site visits: Institutional issues: The Governor (Dr.Sombath •			
<ul> <li>7-12 January 2013 17-24 November 2013 4-11 May 2014</li> <li>• The new Xaysomboun Province has been created and includes the four directly affected villages of Zone 2LR</li> <li>• There are more Hmong ethnic staff in the Project</li> <li>• There are more Hmong ethnic staff in the</li> <li>• There are more</li> <li>• The</li></ul>	The current Xaysomboun Province's Governor is interested and has strived to solve problems between the PAP and the Project. He also is the Chairman of the Project from GOL. He went to the 4 villages of Zone 2LR twice to meet villagers and observe the issues. Based on IAP interviews in Zone 2LR, the Hmong listen and respect him and his officials. The IAP recommends that the Project must work closely with the Xaysomboun Governor and his officials to deal with any PAP issues. The new Hom District Chief (Mr.Khampong Khamseeda) also supports the Project. The IAP recommends that this is a great success and reputation for the Project and the Project is able to deal with any issues of the Hmong ethnic group in the areas. The IAP recommends that the Project should have more Hmong females to fulfill and complete its missions.	High	<ul> <li>Noted.</li> <li>NNP1 has made many efforts to find female Hmong employees, but with limited success so far. More efforts will be done in future advertisements.</li> </ul>

No.	Reference Document	lssue	Status	IAP comments and recommendations	Level of concern*	NNP1 comments
S9	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	Polluted water in Ban Hatsaykham (Zone 3)	PAP drink water from Nam Ngiep River	• The IAP recommends that the Project must investigate and find the facts immediately and then solve problems carefully.	High	<ul> <li>EMO to respond on water quality issue.</li> <li>SMO has been discussing with GoL and communities and have agreed on the water supply to be installed rapidly. SMO is in the procurement process.</li> </ul>
*Leve	Medium - a	on recommende	ed within 6 months ended within 1-2 months ecommended.			

No.	Reference Document	Issue	Status		IAP comments and recommendations	Level of concern*	NNP1 comments
S10	Site visits: 4-11 May 2014	Community participation	The number of issues has increased in each community	•	The IAP recommends that more community participation is needed to prevent issues (e.g., crime) in Ban Hatsaykham hamlet, which may lead to more conflict among people. Any conflict occurs should be resolved with participation of the Lao Front for National Construction. In Ban Hatsaykham hamlet, the representative of the Lao Front for National Construction is willing to assist with conflict resolution between his villagers and the Project and others.	High	<ul> <li>The Project is regularly consulting with the community.</li> <li>Conflicts between the Project and the communities or individuals are settled through the Grievance Redress Mechanism. The Village Grievance Committee includes the Lao Front for National Construction representative based on the decision of the PRLRC</li> </ul>
S11	Site visits: 4-11 May 2014 of Concern:	Hmong language: The Hmong elders and women cannot understand Lao sufficiently; whereas the most directly affected PAP are Hmong.	In some situations, the IAP observed that only Lao and English were being provided.	•	Hmong spoken and written language must be used in any meeting: this means there will be three languages are used in every meeting; Lao, Hmong and English. This is a crucial issue for the Hmong PAP who are the directly PAP, especially Hmong women and elders who cannot speak, cannot read and cannot write Lao and English.	High	• Hmong language (together with Lao, and sometimes English) is normally used in all meetings involving Hmong people. Written Hmong (with Latin letters) is rarely used because people illiterate in Lao are also illiterate in Hmong.
"Level • •	Low - action recomm	ended within 6 months ommended within 1-2 mon ion recommended.	ths				