

Environmental and Social Monitoring Report

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

Quarterly Monitoring Report 2014 - Q4 Social

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

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Nam Ngiep1 Hydropower Project
Quarterly Monitoring Report 2014_Q4

(as of 1st January 2015)

Social



January 2015

Nam Ngiep 1 Power Company Limited

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-going works, implementing 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

The period covered by this Quarterly Monitoring Report from Financial Close to the end of 2014 was characterized by moving from the planning into the implementation phase.

Overall Policies, Standards, and Procedures. Several approved documents as the REDP and the SDP have been updated (available in draft form), with details added; so the resettlement plans for Zone 3 and Zone 5 (internal draft), the Labour Management Plan and the Land Acquisition and Compensation Plan for the 230kv transmission line (provided for review to external monitoring). A scholarship program has been developed, extending to the major Project impact zones.

Surveys and Asset Registration. Updated baseline surveys (socioeconomic survey, health survey, fish catch monitoring) have been implemented in the whole Project Zone in accordance with the requirements of the Concession Agreement to conduct an update following the Effective Date of the CA. Monitoring activities commenced based on these surveys. Census and village profile assessments have been conducted throughout the Project area. Asset registration took place in the inundation area of the re-regulation pond, in Houaysoup, along the 22kV supply line, and along the 230kV transmission line.

Core Project Zones (Zones 2LR, 2UR, Z3, Z5): In the core Project impact areas the relationship building program is ongoing. Livelihood programs started with the assessment of interest in participation into quick income livelihood activities. Such activities were implemented in the later part of the reporting period including trainings and study tours. Following an assessment of the damage to the water supply system in Sop Youak due to the September floodings, materials were provided for the repair. Hmong New Year celebrations took place in 2LR, Palavaek, Hatsaykham, and Anouvong. Adult literacy programs were conducted as well as occupational skill trainings (drivers).

Labour and Camp Followers. The Project commenced with the implementation of the Social Management and Mitigation Plan including awareness trainings and support for the district police to establish a permanent presence in the area. Strict regulations have been implemented, including restrictions for workers to enter Hatsaykham.

Houaysoup Resettlement Site. Ongoing experiments at the Houay Soup Resource Center on soil improvements, rice cultivation and other livelihood activities were conducted. Asset registration data collection of current users of the Houaysoup resettlement site could be concluded. Designing of public and private infrastructure development in Houaysoup could be concluded. The layout and the size of public infrastructures and agricultural land are developed taking into account the updated census data of 2014. In September, GoL formally allocated a large part of Houaysoup for the core resettlement site to the Project; including land for residential areas and the development of paddy rice fields. For the remaining area,

an agreement is envisaged for 2015 to harmonize livelihood and forest support targets under secure tenure for resettlers.

Downstream (Z4). Flood observation was conducted to observe the extend of the flooding during September 2014. Consultations took place with all villages and an inventory of water supply systems was established.

Transmission Line. Along the 230kV line, village consultations took place in 31 villages and asset registration commenced to assess the effective impacts of the establishment of the transmission line following the finalization of the transmission line alignment.

Grievance Redress Mechanism. Several grievance cases could be closed based on consent-oriented solutions between all stakeholders. A study tour to the GRM of Nam Theun 2 (NT2) Hydropower Project was organized.

Administration and Management. Budgets for 2015 and pre-COD as well as possibilities of improved cost-efficiency while implementing all obligations outlined in the Project agreements have been assessed. Increased performance of cooperation between SMO and other project departments could be achieved; further streamlining and improvement of procedures is necessary to reduce workload for all parties in the Company and wider project.

GoL Relations. GoL relations could be further strengthened, with nearly daily engagement between Company and GoL on the diverse social activities of the Project. Of special importance has been the cooperation to establish together with other stakeholders the compensation unit rates (available now in draft form). The setup of the new province of Xaysomboun continues to be a challenge for all involved parties.

Non-Compliance Issues and CAPs. The Project was challenged by two non-compliance cases, one the pre-mature commencement of works by a sub-contractor; the second non-compliance was triggered by missing the deadline of filling all management positions. Respective CAPs have been developed and implementation commenced. Furthermore, the Project developed a CAP regarding an accident on the upgrade of the 22kV supply line.

Loss of Management Staff. In December the Project lost the Senior Social Manager, the Deputy Manager for Project's Lands and 2UR, and the Senior Social Safeguard Expert. With the DM Infrastructure recruitment still not finalized, for the time being and until these positions are filled, the DMD ESD has taken over the responsibilities of the vacant management positions. At the same time, a revision of the ESD organization chart was suggested, which has been rejected by lenders due to incompatibility with the finance agreements.

Allegations of Corruption. Also challenging for SMO was the allegation of corruption in the Project's Land Team, mentioned by an individual of Hatsaykham towards external monitoring. Consequently, the Company's Administrative Division conducted an external investigation, which led to the conclusion that the allegation was not true and was merely a rumour. The villagers of Hatsaykham excused towards the Company, especially the SMO's Project Lands staff, for this false rumour and stated that overall the village is very satisfied with the SMO officers conducting asset registration and compensation. Following this transparent process, the issue has been closed. NNP1PC remains vigilant to ensure that all activities are implemented fair and transparent. The Project is committed to deny any form of corruption, will investigate allegations with uttermost scrutiny and punish any wrongdoing.

Alternative Resettlement Sites. Essential for the Project’s resettlement program is the request by GoL and villagers of Hom District and Xaysomboun Province to re-evaluate alternative resettlement sites in Hom District (previously not acceptable to stakeholders) given new policies of Xaysomboun Province and the lack of strong public support by villagers for the Project’s resettlement site. The Project agreed with GoL and external monitoring to implement rapid assessments in 2015Q1.

Monitoring Missions. A joined monitoring mission of IAP, ADB, and LTA took place in the second week of December (8 to 13). The mission itself was a success, as the SMO team was congratulated for having implemented in one year of work, which could otherwise not be completed in five years.

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Abbreviations

Abbreviation	Full Name
ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency syndrome
CA	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
EMO	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
Ha	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
MOH	Ministry of Health
MoM	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
PAP	Project Affected People
PGRC	Provincial Grievance Redress Committee
PRLRC	Provincial Resettlement and Livelihood Restoration Committee
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

- Prepared a Labour Management Plan – Updated Detailed Version with inputs from TD and EMO. It has been provided to ADB for review together with the updated Public Health Action Plan. Complementary a detailed list of activities and institutionalizations regarding labour management and camp followers has been developed as part of a detailed Social Management and Mitigation Action Plan.
- First updates of the REDP for Zones 3 and 5 have been drafted.
- A Land Acquisition and Compensation Plan for the 230kv transmission line has been prepared and comments from ADB received to be integrated in 2015Q1.
- A structure for the rapid assessment of alternative resettlement sites has been developed as requested by PAPs and provided to GoL for review as the base for the joint assessment.

Challenges. A premature start of works along the 22kv supply line requested the implementation of corrective actions (see below). The Project was not able to recruit the necessary management positions in accordance with the timeline agreed in the finance agreements and is currently working on the rectification of this issue. An assessment of alternative resettlement sites has been requested by stakeholders to further be able to compare the advantages of the Project's current resettlement site.

Next Quarter. Updates of the REDP for Zones 3 and 5 as well as a finalization of the Land Acquisition and Compensation Plan for the 230kv line will be implemented. Outstanding SMO management positions have to be filled; and rapid assessments for alternative resettlement sites will be conducted.

1.2 EDUCATION

Progress. Data collection incl. data on primary school attendance to assess current situation within target villages was finalized in order to develop a targeted implementation plan towards formal education. Drafting of the detailed plan for the education program is currently ongoing. The Scholarship Program has been approved and several students of the Project Area shall be provided with scholarships, namely, 13 students currently in higher education (passed MoXo) and 8 in technical school. Of the 21 students, 6 are female, of which 3 are Hmong. In total, 12 students are of Hmong decent. Eight students are from 2 LR, 9 from 2 UR and 4 from Zone 3 and 5. During the first phase (school year 2014/2015) access to education opportunities are open to any individual with interest and qualifications, but in the future, a competitive system will be put in place for which the targeted quotas as noted in the SDP will become relevant. 2 students have passed to obtain a Laos-Australian Scholarship.

Challenges. School year has commenced and the policy, standards and procedures are lagging behind enrollment schedules at the beginning of the quarter.

Next Quarter. Further development of the education program based on the data analysis and public celebration of the commencement of the scholarship program, handing over the first installment to the awarded students.

1.3 PUBLIC HEALTH

Progress. The overall baseline Health Survey has been developed together with the Project's health adviser and consequently the Health Survey implemented.

Challenges. The health survey has faced a few delays due to delays of purchase of respective equipment and in Xaisomboun due to the slow disbursement of funds to the necessary counterparts for the health team.

Next Quarter. Data Analysis of the Health Survey will lead to the development of the detailed, updated Public Health Program .

1.4 GENDER

Progress. Gender sections of draft updated REDP for Zone 3 and 5 have been developed. Junior Officer hired. Data review and compilation ongoing to assess situation within the target villages.

Challenges. The contract of the senior ethnic and gender adviser has not be renewed by the end of the quarter. The absence of the Social Safeguards Expert shall have an impact on the progress of this policy. A replacement should be identified.

Next Quarter. Strengthened gender policy will be adapted for other zones.

1.5 ETHNICITY

Progress. Strengthening of ethnic development plan (EDP) as part of the REDP Zone 3 has been conducted.

Challenges. See 2.4.

Next Quarter. Strengthened EDP will be adapted for other zones.

1.6 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Identification of all identified vulnerable households and their current status has been conducted. A basic profile is being developed for each household identified. Review of data ongoing. Vulnerable Household Strategy under development, including the establishment of a social safety net. Support of health cases conducted, namely a child with a cleft lip. NNP1 assisted the family to access a free clinic in Vientiane and provided financial and logistical support.

Challenges. The contract of the senior ethnic and gender adviser has not be renewed by the end of the quarter. The absence of the Social Safeguards Expert shall have an impact on the progress of this policy. A replacement should be identified.

Next Quarter. Finalization of the development of the Vulnerable Household Strategy and social safety net. Support of health cases continue.

1.7 LIVELIHOOD DEVELOPMENT & RESETTLEMENT PREPARATION

Progress. In order to plan interventions into the various livelihood production systems, an in-depth assessment of these most important systems (rice, cattle, pigs, etc.) is required in order to understand current processes used, identify their weak components or the overall suitability of the systems to the future conditions of Houay Soup Resettlement Area. Discussions with PAPs and GoL will then take place to identify extension steps to be taken and to implement them for improving livelihood prior to resettlement and preparing PAPs to quickly use such improved systems in the resettlement area. Such in-depth assessment will also assist with establishing the baseline to show progress in livelihood development following resettlement. This program could not yet be implemented.

Difficulties: Rice production system assessment postponed.

Next Quarter. Implementation of the rice production systems assessment in zones 2, 3 and 5 with adjusted TOR. Identify other consultants or internal resources for preparing assessment of other key production systems.

2 CATCHMENT AREA (Z1)

Progress. The health survey has been implemented in the catchment area. No further activities were scheduled for implementation.

Challenges. None.

Next Quarter. No activities are scheduled for Quarter 1 of 2015.

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

3.1 OVERALL DEVELOPMENT

Progress. Several 2UR officers have been identified. An investigation for field office in Thaviengxay for approx. 10 people was conducted. Calculations for renovation of proposed office and investigation of alternative options were made.

Challenges. There is lack of qualified and available candidates to fill in key positions. Loss of assigned 2UR Deputy Manager will delay start of program implementation.

Next Quarter. Continue recruitment of 2UR team as well as a Deputy Manager for 2UR and re-establishment of an office. Commencement of resettlement and livelihood restoration program.

3.2 COMMUNITY CONSULTATIONS

Progress. Cut-off date has been disseminated.

Challenges. None.

Next Quarter. Activities shall be conducted as required.

3.3 PROJECT LAND REGISTRATION & CASH COMPENSATION

Progress. Data collection for the Household census and village profiles completed.

Challenges. None.

Next Quarter. Commencement of Asset Registration.

3.4 HEALTH PROGRAMS

Progress. After initial delays, health survey data collection could be conducted.

Challenges. See 3.2.

Next Quarter. TBC.

3.5 INFRASTRUCTURE DEVELOPMENT IN 2UR

Progress. Infrastructure plans and budgets have been updated.

Challenges. None.

Next Quarter. Assessment of the status of existing public infrastructure from an engineering perspective.

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

Progress. Interview process for key staff including Livelihood Team Leader, Relocation Senior officer and officers conducted.

Challenges. Selecting suitable candidates for Livelihood Team Leader has shown to be challenging due to limited availability of skilled and knowledgeable applicants.

Next Quarter. Recruitment of selected candidates and start of relocation preparation program.

3.7 PUBLIC HEALTH

Progress. Health Survey data collection has been conducted.

Challenges. See 3.2.

Next Quarter. Implementation of the Detailed Public Health Program.

3.8 EDUCATION

Progress. Data collection on education data has taken place. 6 students from 2UR could be supported via the Project's scholarship program. An adult literacy assessment will be conducted to identify adults who require classes to be able to read and write.

Challenges. At the beginning of the quarter, the scholarship program was delayed. Once implementation started, the challenge is that students are in different locations due to current school year activities. This causes some difficulties in reaching students.

Next Quarter. Data collection of students currently in secondary school will be conducted to identify the current composition of the student population. This information will be used to determine key activities in 2UR for students that will enter upper secondary that will access the scholarship system of NNP1.

3.9 ETHNICITY AND GENDER

Progress. Data collection activities to better understand the current dynamics in the target villages have been conducted and data review and compilation is ongoing. A basic review of education and health data has also been conducted to understand the current situation. Involvement with the Monitoring team to understand the village dynamics is currently ongoing.

Challenges. None.

Next Quarter. In collaboration with the Monitoring team, the Gender Officer shall collect information at the village level to understand the current dynamics in the target villages.

3.10 VULNERABLE HOUSEHOLDS SUPPORT

Progress. All vulnerable households identified. Basic profiles have been developed for each household and are under review.

Challenges. None.

Next Quarter. Detailed action plan to be developed.

4 LOWER RESERVOIR AREA (2LR) – RESETTLEMENT PREPARATION

Progress. Ongoing relationship building program: including response to the flood event in September. Following an assessment of the damage to the water supply system in Sop Youak, materials were provided for the repair of the system. Following the provision of necessary materials, the villagers implemented the repairs. Resettlement preparation and education and health program implementation has commenced. Project management and staff participated also at several celebrations for Hmong and International New Year as well as the one-year anniversary of the new Province of Xaysomboun. Interest in participation into livelihood activities have been assessed and respective budgets prepared.

Challenges. Lengthy processes for getting necessary budget. Request of re-assessment of alternative resettlement sites.

Next Quarter. Rapid assessments of alternative resettlement sites and choice survey regarding interest in resettlement to the Project’s resettlement site and self-resettlement. Continuing resettlement preparation and livelihood activities.



Figure 1: Water Supply Repairs in Sopyouak Following Flood Damages

4.1 COMMUNITY CONSULTATIONS

Progress. Community consultations are ongoing with Project staff permanently based in Sopyouak. Cut-off date has not yet been disseminated. Consultations on the relocation of spirits have been conducted, next to consultations for the different programs as outlined below.

Challenges. None.

Next Quarter. Expending the office facility in Sopyouak. Choice Survey with each household regarding their preference for resettlement to the resettlement site or self-resettlement.



Figure: Day-to-Day Community Consultations in 2LR

4.2 PROJECT LAND REGISTRATION & COMPENSATION 2LR

Progress. Finalized data collection for the household census and village mapping in 2LR. Supported GoL on consulting PAPs on compensation unit rates.

Challenges. None.

Next Quarter. Start of asset registration.



Figure 2: Conduction of the Confirmation Survey/Census with Project IDs

4.3 RESETTLEMENT PREPARATION IN 2LR

Progress. Support of and participation at the joined celebration of the Hmong New Year.

Challenges. None.

Next Quarter. Several information tours of people from 2LR to Houaysoup Resettlement Site.

4.4 LIVELIHOOD EXTENSION WORK

Progress. Assessment of interest in participation into livelihood activities and preparation of budgets for study tours and training.

Challenges. None.

Next Quarter. Commencement of trainings including study tours.

4.5 HEALTH

Progress. Health Survey has been conducted in 2LR. Meetings have been held with Souksala (Health Center) and Provincial hospital to obtain information that feeds into a gap analysis.

Challenges. See 3.2

Next Quarter. Commence with health activities including a WASH program.

4.6 EDUCATION

Progress. Education Activities have commenced:

- Adult education activities have commenced. All individuals who have been identified as not being able to read or write well have been included. More than 100 individuals expressed interest, of which after 2 months of implementation, 33 individuals (30 female, 3 male) from 2LR remained in the course.

- 8 Students from 2LR who have passed exams to enter Agricultural School, Technical School, Teacher School and University are being considered for the Scholarship program.

Challenges. Scholarship program lagged behind the enrolment schedule as procedures and releasing of funds were delayed. PAPs who expressed interest in literacy lessons have dwindled due to rice harvesting. Current lessons ongoing for remaining students. Additional lessons to be provided at a later date should interest be present.

Next Quarter. Continue to conduct activities as outlined in the SDP.



Figure 3: Adult Literacy Program in 2LR

4.7 GENDER

Progress. Junior Officer hired. Data review and compilation ongoing to assess situation within the target villages.

Challenges. None.

Next Quarter. Detailed action plan to be developed in consultation with female PAPs.

4.8 ETHNICITY

Progress. Junior Officer hired. Data review and compilation ongoing to assess situation within the target villages. Assessment of procedures for the relocation of spirits conducted.

Challenges. None.

Next Quarter. Detailed action plan to be developed in consultation with female PAPs.

4.9 VULNERABLE HOUSEHOLDS

Progress. Identification of vulnerable households and their current status has commenced. A basic profile has been developed.

Challenges. None

Next Quarter. Develop plan for vulnerable households (see Chapter 2).

5 CONSTRUCTION AREA (Z3) – RESETTLEMENT PREPARATION AND SOCIAL MANAGEMENT

5.1 OVERALL DEVELOPMENT

Progress. Several social development activities have been implemented in Hatsaykham. Consultations with community and authorities took place on house designs and education, as well as on the issue of camp followers and the implementation of the social management and mitigation program. Asset registration data collection has been finalized for inundation area of the re-regulation pond. A road safety and awareness campaign as well as the dissemination of Lao laws have been conducted and quick income livelihood activities have commenced. A zoning plan for camp followers has been developed and the necessary Decree by the district governor established.



Figure 4: Community Awareness Campaigns

Challenges. Compensation unit rates not in place yet. Early resettlement had to be postponed, as the necessary site development could not commence in time due to various reasons, including delays of the infrastructure designs and land acquisition.

Next Quarter. Continue implementation of camp followers program, dissemination of Lao laws, road safety and STD awareness raising and prevention program and preparation for Zoning. The livelihood team will conduct training including study tours and coaching for interested villagers in several livelihood activities.



Figure 5: School Bus System

5.2 COMMUNITY CONSULTATIONS

Progress. Community consultations are ongoing. Cut-off date has been disseminated.

Challenges. None.

Next Quarter. Continuing support for CRD requirements of other teams as required.



Figure 6: Community Consultations in Hatsaykham on Infrastructure

5.3 PROJECT LAND REGISTRATION & COMPENSATION

Progress. Data collection for the Household census updates and Village mapping completed. Inundation area of regulation dam asset registration completed and being digitized.

Challenges. More recruitment was necessary to process all raw data. Unit Rates are still missing. Unit rates are not yet officially approved by PRLRC and dissemination could not take place. Another challenge faced by SMO was the allegation of corruption in the Project's Land Team, mentioned by an individual of Hatsaykham towards external monitors. Consequently, the Company's Administrative Division conducted an investigation, which led to the conclusion that the rumour was wrong and the villagers of Hatsaykham excused towards the Company and above all the SMO's Project Lands staff for some of the villagers spreading this false rumour and that overall the village is very satisfied with the SMO officers conducting asset registration and compensation.

Next Quarter. Compensation for cash-compensation-related items..

5.4 RESETTLEMENT PREPARATION

Progress. Several activities including several awareness campaigns as outlined in 6.1.

Challenges. None.

Next Quarter. Continuing implementation of awareness campaigns and resettlement preparation activities.

5.5 LIVELIHOOD EXTENSION WORK

Progress. Initial assessment of interest in participation on quick income livelihood activities with a variety of activities, including mushroom raising, chicken raising, cat fish raising, veterinary vaccination networks, and NTFP support on bamboo-based activities. Diverse crop-production activities focus on rice varieties, maize, sesame, sweet corn, and wet-season vegetable production. Activities commenced first on vegetable production. Also, an analysis of livelihood activities in Houaysoup and agreements on upland rice development areas during the transition period were conducted.

Challenges. None.

Next Quarter. Continuing implementation of quick income livelihood activities and preparation of rice season for 2015.

No.	Village Name	Zone	# HHs in the village	# HHs participating on dry season vegetables activities
1	Hatsaykham	3	38	3
2	Hat Gniun	5	67	5
3	Thahuea	5	50	5

Table 1: Households Participating in Pilot Livelihood Trainings in Z3 and Z5

5.6 PUBLIC HEALTH

Progress. Health Survey has been conducted.

Challenges. See 3.2.

Next Quarter. Data Analysis and adaptation of the detailed Public Health Program.

5.7 EDUCATION

Progress. Activities related to education have commenced:

- Adult education activities have commenced. All individuals who were identified as not being able to read or write well have been included. 6 students finished the course.
- Scholarship program preparation ongoing and the education team has been collecting information from the students.
- School Bus system established for students studying in Hat Gniun to avoid walking on the access road as suggested by ADB and ongoing with no issues. Local bus service provider attended driving training in preparation for providing such service in December, taking over from a company from

Pakxan, to be conducted until the end of the school year. MoU signed between school and service provider.

- Data collection on students who attend formal education to understand enrollment trends.

Challenges. Key issues:

- School year has commenced and the policy, standards and procedures were lagging behind enrollment schedules
- Adults who expressed interest in literacy lessons have dwindled due to rice harvesting. Current lessons ongoing for remaining students. Additional lessons to be provided at a later date should interest be present.
- The Department of Education has requested for continuing the lessons for the students to reach secondary level. This needs to be discussed as the plan is currently to conduct the same lessons to others who have missed the opportunity.

Next Quarter. Review of program, results and attendance will be conducted.

5.8 GENDER AND ETHNICITY

Progress. Junior Officer has been conducting data collection activities. Data review and compilation ongoing to assess the situation to better understand the current dynamics in the target villages. A basic review of education and health data has also been conducted to understand the current situation.

Challenges. None.

Next Quarter. Detailed action plan to be developed. Follow up gender and ethnicity related tasks, including identifying families where daughters have problems to go to school and develop support strategies.

5.9 VULNERABLE HOUSEHOLDS SUPPORT

Progress. All vulnerable households identified. Review of data ongoing. Critical case of two children identified and raised for assistance due to medical condition.

Challenges. The Senior Social Safeguard Expert was involved in this process and the absence of this person will cause delays and Challenges.

Next Quarter. Detailed action plan to be developed. Follow-up on medical assistance cases.

5.10 SOCIAL MANAGEMENT (CAMP FOLLOWERS)

Progress. The Bolikhan District vice governor has signed a notification No. 358/BLK date: 10 Nov. 2014 on services zoning from junction of JICA and P1. Implementation of camp followers program, including study tour to 2 other hydropower companies for sharing lessons learned. Dissemination of Lao laws, road safety campaign, and STD awareness raising and prevention campaign amongst villagers and workers. Support of a satellite police office with 6 police men and women.

Challenges. The camp followers program is facing the challenge of identifying a suitable location for the camp followers zone together with the District and contractors, which is agreeable to all parties.

Next Quarter. Continue implementation of camp followers program, including preparation for Zoning and support to district police. Implementation of stronger rules and regulations regarding camp and labour management, including restrictions on entering Hatsaykham.

6 HOUAYSOUP RESETTLEMENT SITE

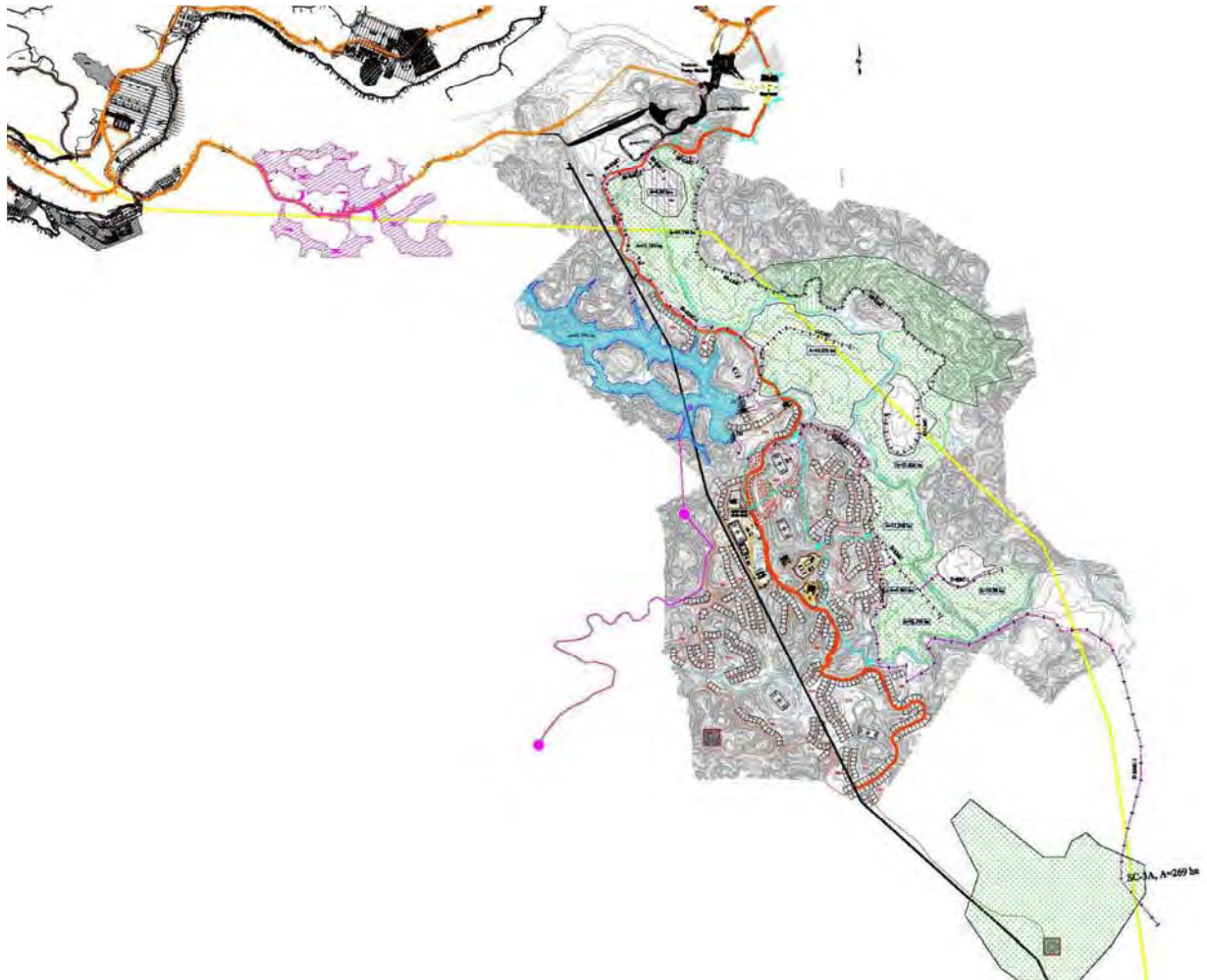


Figure 7: Overall Resettlement Site Design in Houaysoup

6.1 OVERALL DEVELOPMENT

Progress. Layout of Houay Soup has been designed and will be provided with details in the updated REDPs Z3/5. Current availability of 1,750 ha allows the start of development of important infrastructure and houses for Hatsaykham as well as the development of the irrigation system. The layout and the size of public infrastructures and agricultural land is developed taking into account the confirmation census data of July 2014 that establishes the number of households to be resettled at 520 with possibility of splitting for a number of them. Experiments at the Houay Soup Resource Center on soil improvements, rice cultivation and other livelihood activities are ongoing. Asset Registration data collection has been completed outside the protection forest area.

Challenges. Designs received with delays from the consultancy company and had to be revised several times to upgrade its quality. Land use of the remaining part of the Houaysoup resettlement site has still to be agreed on between GoL, PAPs, and the Project. The latter as well as the design, timeline, and budgets are amongst others determined by the number of households choosing to resettle to Houaysoup.

Next Quarter. Conduction of choice survey to assess the number of households choosing resettlement to Houaysoup. Infrastructure specifications will be developed. Experiments at the Houay Soup Resource Center will continue as will the conduction of site visits for people from 2LR, with focus to also invite women and young people, who will strongly gain from the facilities provided at the Houaysoup resettlement site.



Figure 8: Rice Trials in the Houaysoup Resource Center

6.2 PROJECT LAND REGISTRATION & COMPENSATION RESETTLEMENT SITE

Progress. Asset registration data collection of HS resettlement area has been concluded.

Challenges. Asset registration was delayed due to discussions if such registration would have to await the establishment of the compensation unit rates. Following an agreement with the RMU that commencement is possible, and the recruitment of sufficient resources, the implementation of asset registration data collection progressed quickly. Compensation just can commence after unit rates will be established by the PRLRC and asset registration results disclosed to external monitoring.

Next Quarter. Reporting of numbers in the updated resettlement plans and start of compensation.



Figure 9: Asset Registration in Houaysoup

6.3 PUBLIC INFRASTRUCTURE IN HOUAY SOUP

Progress. Design of public infrastructure has been finalized by the consultant design company, including access road and bridge. Designs and related costs of resettlement facilities had to be revised several times to allow cost-efficient construction achieving high project standards via the usage of efficient and modern techniques regarding materials, logistics, and management. UXO clearance contracts have been finalized.

Challenges. Several rounds of adaptations were necessary to comply with agreed standards and at the same time curb unit costs. Overall delays have required a re-scheduling of Hatsaykham resettlement plans.

Next Quarter. A new Deputy Manager for Resettlement Infrastructure will take lead. Overall designs need to be extended into detailed designs including technical specifications as base for the development of bidding documents and contracts, before constructions can start after the 2015 rainy season. UXO clearance will commence in the key areas. An additional topographic survey will be implemented for the extended paddy rice field area.

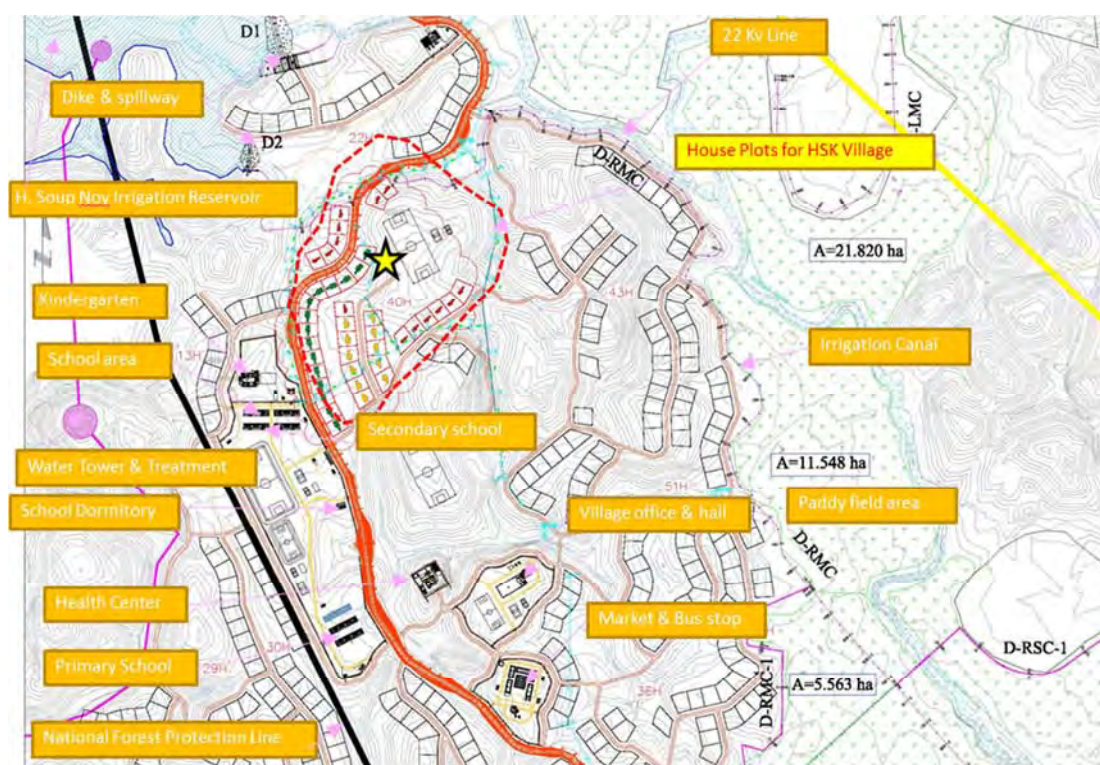


Figure 10: Overall Layout of Planned Public Infrastructure in Houaysoup

6.4 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. N/A.

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

6.5 HOUSE DEVELOPMENT IN HOUAYSOU

Progress. House designs have been finalized after consultations with villages of Hatsaykham and 2LR. Improved house construction techniques have been assessed to reduce costs, while providing agreed standards.

Challenges. Costs of houses were higher than expected due to nation-wide increased costs in the construction business. Optimizing logistics

Next Quarter. Establish BOQ for various house designs before seeking approval of the House Designs by the PRLRC.



Figure 11: Village Consultations on Resettlement House Designs in 2LR

6.6 IRRIGATION DEVELOPMENT IN HOUAYSOU

Progress. The design of the irrigation system in Houaysoup continued in cooperation with the design consultancy company. Revision of designs and budget adaptations were repeatedly necessary to develop a functional system with low maintenance requirements and reasonable costs, based on the use of adapted best techniques and synergy effects with other infrastructure (road, transmission line).

Challenges. Delay of the design work due amongst others to the need of changing water intake location and consideration of necessary water as well as increasing construction costs.

Next Quarter. Finalization of irrigation system design and budgeting of costs as well as preparation of detailed technical specifications.

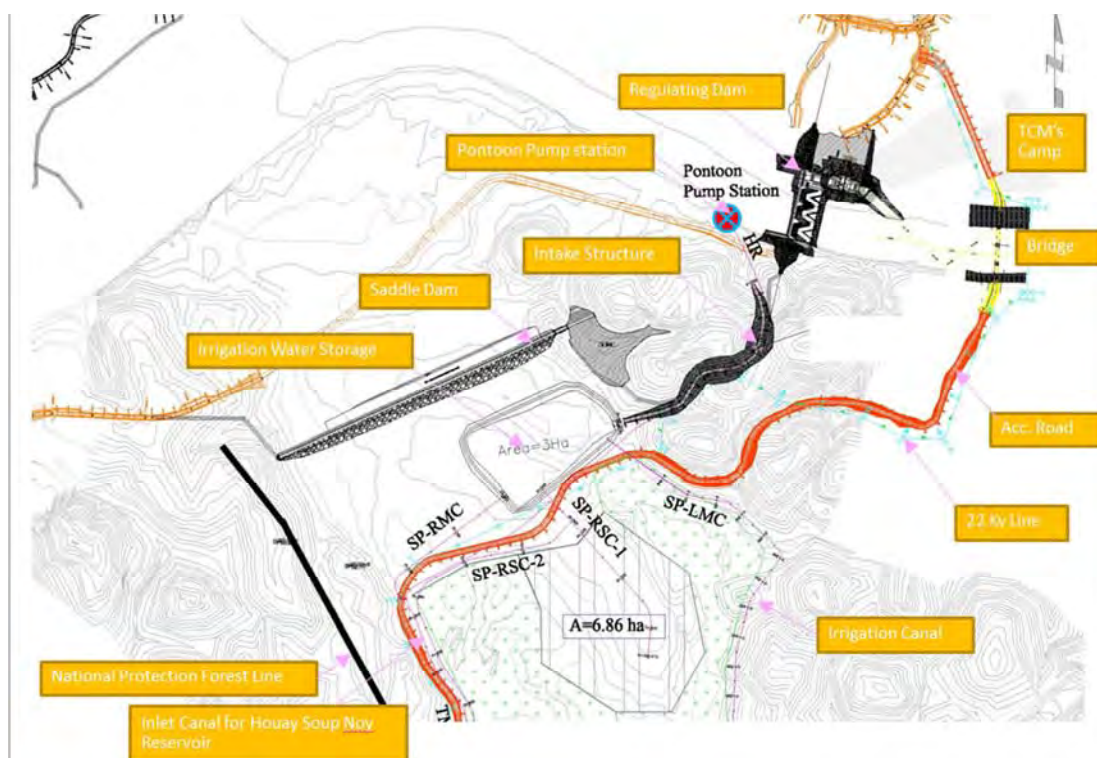


Figure 12: Irrigation System – Water Intake

6.7 RESOURCE CENTER (DEMONSTRATION FARM)

Progress. Ongoing experiments were conducted at the Resource Center (formerly labeled as Demonstration Farm), including but not limited to soil fertility improvement, rice varieties, small livestock and home garden. Dry season rice trials have been prepared.

Challenges. None.

Next Quarter. Continue experiments conducted at the Resource Center, including but not limited to soil fertility improvement, rice varieties, small livestock and home garden.

6.8 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 Houaysoup (see reporting on 2LR and Z3 for the meantime).

Challenges. N/A.

Next Quarter. No activities are currently scheduled.

6.9 PUBLIC HEALTH

Progress. Architectural drawings have been finalized for the Public Health infrastructure.

Challenges. Delays in provision of final drawings to work with have hindered progress.

Next Quarter. Presentation of all drawings shall be made to the Ministry of Health and Department of Public Works to ensure that it adheres to GoL requirements.

6.10 EDUCATION

Progress. Architectural drawings have been still finalized.

Challenges. Delays in provision of final drawings to work with have hindered progress.

Next Quarter. Presentation of all drawings shall be made to the Ministry of Education and Department of Public Works to ensure that it adheres to GoL requirements.

6.11 ETHNICITY AND GENDER

Progress. Initial drawings of cultural center have been made but require further discussion prior to creating a first draft. The cultural center has been proposed to be housed together with the proposed library; further discussions on the functioning of the center have to be conducted together with PAPs and an ethnicity and museum specialists.

Challenges. More vision regarding the purpose and design of the cultural center and library is required to be established together with PAPs via the Cultural Awareness Program.

Next Quarter. Detailed discussion with an ethnicity and museum expert.

6.12 VULNERABLE HOUSEHOLDS SUPPORT

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

Challenges. N/A.

Next Quarter. No activities are currently scheduled.

6.13 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. N/A.

Next Quarter. No activities are currently scheduled.

7 HOST COMMUNITIES (Z5) – COMPENSATION AND RESOURCE SHARING

7.1 OVERALL DEVELOPMENT

Progress. Assets of Hat Gniun households in the Project's resettlement site/Houaysoup have been registered. Hat Gniun has also been included into the consultations on the implementation of the social management and mitigation plan (see section 5.10) as well as in the education program. Planning activities on livelihood options are continuing. Suitable Livelihood Activities which have a quick turn around and can result in quick income for the host community were

implemented. Following the identification, budgets for trainings and study tours were prepared and a first set of trainings conducted. Survey & design works for water supply systems in Thaheua and Hat Gniun have been conducted together with the villagers.

Challenges. Increasing influx of camp followers close to Hat Gniun.



Figure 13: Asset registration in Houay Soup with land owners of Hat Gniun

7.2 LIVELIHOOD EXTENSION WORK

Progress. Continued identification of suitable livelihood activities which have a quick turn around and can result in quick income in the host community as described in 5.4. Following the identification, budgets for trainings and study tours have been prepared and a first set of trainings with villagers of Hat Gniun and Thahuea implemented. The Project started survey and design works for water supply systems in Thaheua and Hat Gniun together with the villagers.

Challenges. None.

Next Quarter. Continuing implementation of suitable livelihood activities to reach project targets.

7.3 PUBLIC INFRASTRUCTURE DEVELOPMENT

Progress. Internal village roads have been developed and improved in the villages of Hat Gniun, Hatsaykham, and Thahuea. A first assessment on improved water supply systems have been conducted together with GoL and PAPs.

Challenges. None.

Next Quarter. Continuing works on an improvement of water supply system.

7.4 PUBLIC HEALTH

Progress. The Health Survey has been implemented as well as awareness campaigns as part of the camp followers program (see above).

Challenges. None.

Next Quarter. Adaptation of the Programs Public Health Action Plan based on the results of the Health Survey.

7.5 EDUCATION

Progress. Activities currently ongoing:

- A school bus system has been established for Thahuea (and Hatsaykham/Z3). Local bus service provider to provide service from December until the end of the school year in place.
- Scholarship program has been approved and students are being notified. Scholarship documents and agreements being drafted.

Challenges. Initial delays in the implementation of the scholarship programs.

Next Quarter. Inspection of current schools for repairs and upgrading. Disbursement of funds for scholarships.

7.6 ETHNICITY AND GENDER

Progress. The Project officer has been conducting data collection activities to assess the situation to better understand the current dynamics in the target villages. A basic review of education and health data has also been conducted to understand the current situation.

Challenges. None.

Next Quarter. The Project will develop the detailed action plan for the specific areas.

7.7 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Identification of all vulnerable households and their current status has been conducted. A basic profile has been developed for each household. The review of data is ongoing.

Challenges. None.

Next Quarter. Develop area-specific plan for vulnerable households.

8 DOWNSTREAM (Z4)

8.1 COMMUNITY CONSULTATIONS

The Project conducted community consultations with down-stream villages with focus on water supply systems. In September, flood observations have been conducted.

Challenges. Flood monitoring procedures still have to be improved to allow consistent time series.

Next Quarter. Continuing support for CRD requirements of other teams as required.

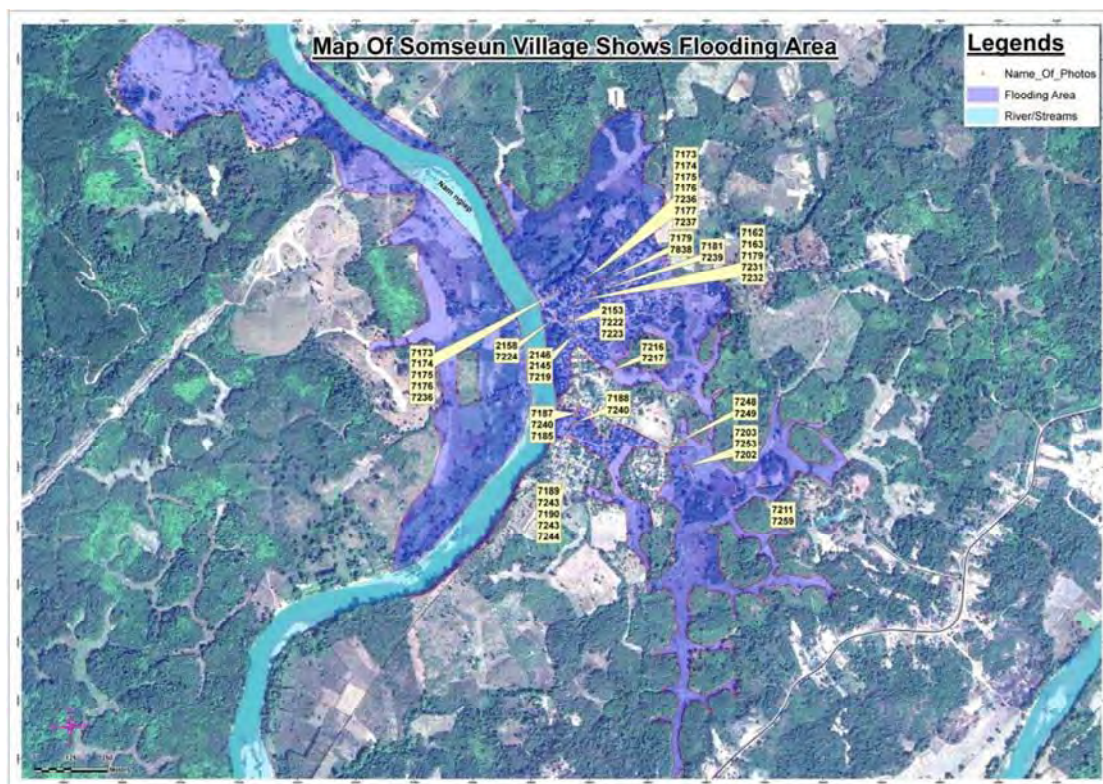


Figure 14: Map of Flooding Area in Somseun in September 2014

8.2 WATER SUPPLY

Progress. The Project conducted consultation meetings with Z4 communities on existing water supply systems with data collection of specifications of supply system, including town water supply systems as well as boreholes.

Challenges. None.

Next Quarter. Preparation of the overall assessment and consequent preparation of action plan to support functioning water supply systems in these villages.

8.3 RIVER BANK GARDENS

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

Challenges. N/A.

Next Quarter. Video-photo monitoring to be implemented.

8.4 PUBLIC HEALTH

Progress. The health survey has been conducted and concluded.

Challenges. None.

Next Quarter. Analysis of health survey data and preparation of area-specific activities.

9 TRANSMISSION LINES

Progress. Asset registration and data entry for 22kV is finalized. The assessment and Audit Report of the 22kV line shows that most sections do not need additional land compensation because the contractor build within the RoW. Risk assessment has

been conducted. Where lines were in critical distance to structures, lines have been adapted. Furthermore, the Project has conducted information disseminations along the 230kV in 31 villages; asset registration has been conducted in the majority of the villages.

Progress. Unit rates are not yet officially approved by PRLRC and dissemination could not take place.

Next Quarter. Finalization of asset registration and commencement of compensation along the 230kV line.



Figure: 22kV line from Pakxan to Nonsomboun

10 FISHERIES CO-MANAGEMENT

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

11 LABOUR MANAGEMENT

11.1 OVERALL DEVELOPMENT

Progress. The detailed Labour Management Plan has been prepared with review by EMO and TD. The Project furthermore prepared an introduction meeting with the Bolikhamxay provincial and Bolikhan district Lao Labour Union representatives.

Challenges. Recruitment process for the position of a labour management officer has been difficult as no suitable candidates applied.

Next Quarter. Commencement of cooperation with and support of the trade unions and establishment of labour representatives in the different project labour units.

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

Progress. Skills training program currently being developed. Initial activities have been focused on driver training (implemented in Zones 3 and 5) as this is the initial need. A list has been compiled of what trainings households are interested in.

Challenges. None.

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

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

Progress. Several advertisements for a Labour management officer were conducted. Preparations of cooperation with trade unions were implemented by the teamleader.

Challenges. Identification of suitable candidates for the position was not successful during previous rounds of recruitment.

Next Quarter. Commencement of the cooperation with trade unions.

11.4 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).

12 OVERALL MONITORING

Progress. Monitoring activities commenced, including the conduction of the Socio-Economic Survey, Health Survey, and Fish Catch Monitoring in collaboration with District Counterparts.

Challenges. Delays of the commencement of activities by several weeks before they could start in October 2014.

Next Quarter. Analysis of baseline data from health and socioeconomic survey. Further implementation of the fish catch monitoring program. Commencement of regular socioeconomic monitoring.

12.1 SURVEYS AND TESTS

Progress. Monitoring activities have commenced. The Socio-Economic Survey has been implemented by a consultancy company with supervision by the Project's socioeconomic survey specialist and the monitoring team. Socio-economic Survey data entry has been completed and analysis started. The start of the health survey lagged behind, but could commence in November. Fish-Catch-Monitoring has been organized and village leader interviews conducted.

Challenges. Preparations delayed.

Next Quarter. Continuing implementation of fish catch monitoring survey and analysis of socioeconomic survey and health survey data.

12.2 OVERALL RIVER MONITORING

Progress. Flood monitoring was carried out over several days in the second half of September after heavy rain in the Project area, which impacted several villages along the Nam Ngiep. Data and documentation material has been collected and integrated into a standardized report.

Challenges. Communication between several Project components has to be improved to allow rapid responses to flood occasions.

Next Quarter. Please refer to the EMO report for further monitoring of river parameters, including water flow and erosion.



Figure 14: Flooding in Thaviengxay / Thathom District in September 2014

12.3 SMO PROGRESS INDICATORS

Progress. Discussions on the adaptations of the progress indicators as outlined in the REDP (June 2014) took place.

Challenges. None.

Next Quarter. Revision of Progress Indicators. Details to be included as “Numbers” section at the beginning of consequent quarterly reports.

12.4 EXTERNAL MONITORING

Progress. Regular exchange with the Asian Development Bank’s Social Safeguards experts before and after Financial Close took place. A mission by the LTA (Social), IAP, and ADB took place in December. The mission was a success, as the Projects social works and catching up on its targets have been positively assessed. External monitoring highlighted the importance of continuing the work of SMO with the institutional strength established throughout 2014. Updated draft social documents have been provided to ADB (see above).

Challenges. None.

Next Quarter. An external monitoring mission by the LTA shall take place in January. Updates of several planning documents shall be agreed on (Updates of REDPs for Zones 3 and 5 and final Land Acquisition and Compensation Plan for the 230kV transmission line).

12.5 COOPERATION WITH OTHER STAKEHOLDERS INCL. CIVIL SOCIETY AND NGOS

Progress. The Project participated at a workshop on Planning/Implementation gaps in the hydropower sector in Lao PDR, organized by a local NPA. Further planning with non-for-profit-organizations on the implementation of social development work took place. Management also participated in a workshop organized by IFC on the development of SESO by MoNRE. ADB was supported in replying international NGOs' information requests.

Challenges. None.

Next Quarter. Agreement with at least two non-for-profit-organizations on cooperation with the Project in implementing social development activities.

12.6 INSTANCES OF NON-COMPLIANCE

Incidences. The Project had to work on one social non-compliance and two accidents. The non-compliance referred to the pre-mature commencement of the upgrade of the 22kV supply line from Pakxan to Nonsomboun by a sub-contractor. A Corrective Action Plan has been prepared and implemented, including an Audit Report. Also, the Project prepared and implemented two Corrective Action Plans regarding accidents: one worker of a subcontractor was harmed during works on the 22kV line in October. The Project assessed responsibilities and ensured the provision of support in line with national and international standards. Also, safety management regulations have been evaluated and adapted. At the end of December, the loss of essential SMO management staff resulted in non-compliance with the finance agreements.

Next Quarter. Continuing monitoring of Project activities on non-compliance issues.

13 UNANTICIPATED SOCIAL RISKS AND OPPORTUNITIES

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

Progress. No unanticipated social risks and opportunities have to be reported for the reporting period.

Challenges. N/A.

13.2 IN-MIGRATION AND RESOURCES COMPETITION

Situation. An unanticipated impact related to camp followers occurred within the reporting period. A sexual assault incident was raised between a camp worker and a camp follower, who is the wife of a camp worker.

Activities. A Social Mitigation Action Program (SMAP) has been prepared, which includes corrective actions regarding a strengthening of social management and

mitigating measures developed in the Social Development Plan. Agreements have been made with Technical Division on how to minimize interaction between the Contractor/Subcontractor and villagers.

Challenges. The number of camp followers is rapidly increasing. A number of contractors' staff is reportedly residing in Hat Gniun Village which may pose both social and environmental problems. Discussions have been held with involved parties to address this issue and with the completion of the workers camps, people will move to the latter.

Next Quarter. Continuing support for the assaulted woman and further monitoring of the implementation of the regulations outlined in the SMAP.

14 GRIEVANCE REDRESS MECHANISM

Progress. The Project's GRM continually improved over the reporting period. The Grievance Committee from Bolikhan District, RMU and staffs of NNP1, totally 12 people, met and exchanged with RMU of NT2, District Grievance Committee of Mahaxay District and Gnommalat District. More than 20 grievance cases were handled and most could be completed with an achieved consent on how to solve the grievances. Several cases are still pending.

Challenges. The pending cases are those that need decision based on the decree on compensation rate for the whole project which has not yet been issued; or need involvement of the DGC which is currently establishing itself.

Next Quarter. Training of GRM committees and solving of outstanding grievance cases.

14.1 STATUS OF FORMATION AND CAPACITY DEVELOPMENT OF GRIEVANCE COMMITTEES (ALL LEVELS)

Progress. Internal GRM structures have been strengthened by the hiring of a second senior grievance officer and the installment of a grievance database. The village grievance committees (VGC) in the project area and district grievance committees (DGC) of Bolikhan district were established in April 2014; and those of Hom and Thathom district in May 2014 and in July 2014 respectively. A site visit to NT2 Project (see above) has been conducted.

Challenges. While committees on all levels are installed, just the lower levels of the GRM are currently functioning, while further institutionalization and training of higher levels is necessary to set up a working system satisfactory for all stakeholders.

Next Quarter. The Project together with PAPs and GoL will finalize the setup of the GRM with further trainings and workshops taking place.

14.2 GRIEVANCES HANDLED BY NNP1PC THROUGH INFORMAL PROCESS (GRM LEVEL 0)

Progress. More than 20 cases could be handled on this step of the GRM, and most of cases closed.

Challenges. Several grievance cases cannot be solved by the Project, as the Project has no authority on the issue, for example compensation unit rates for the access

road, established according to national and international standards and promulgated by GoL at the beginning of the year

Next Quarter. Conclusion of most of the majority of current grievance cases is expected.

14.3 GRIEVANCES HANDLED BY GRIEVANCE COMMITTEES (GRM LEVELS 1 TO 3)

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

Challenges. See section 16.1.

Next Quarter. There is the need to establish a district justice officer to be a single contact point and coordinating person for each district. He or she will handle all the cases deriving from the village level and distribute the tasks to related district offices. He or she also works with staff of the Project, upon providing technical support, and keeping records.

15 MANAGEMENT OF SMO

15.1 BUDGET

Progress. Budget for 2015 has been developed and discussed with the Project management.

Challenges. Budget procedures have to be streamlined, including a policy on budget re-allocations. Possible budget increases result from increased costs of infrastructure.

Next Quarter. Finalization of 2015 Budget for approval by BOD.

15.2 STAFFING

Progress. Several new staff could be hired and the overall majority of the projected positions filled. Overall HR activities regarding local staff are streamlined and work now fast.

Challenges. Several positions are still vacant. Recruitment is urgently needed for several open management positions and senior officers, including positions of Senior Social Manager, Deputy Manager for 2UR, and Deputy Manager for Resettlement Infrastructure. The DMD ESD has taken over the responsibilities of the empty management positions for the transition period.

Next Quarter. Finalization of recruitment of open management positions. Further identification of officers according to the agreed staffing plan.

15.3 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.

16 ADMINISTRATION AND DATA

16.1 OFFICE & EQUIPMENT

Progress. Setup of a new office for SMO in Pakxan and equipment purchased according to the necessities of each staff position. Office options for 2LR and 2UR were continued to be established.

Challenges. Installation of ICT system in the new office was delayed.

Next Quarter. Establishment of offices in 2LR and 2UR.

16.2 VEHICLES

Progress. Motorbikes have been purchased for field work in the resettlement site, 2LR, and 2UR.

Challenges. With new staff arriving and increasing implementation of planned activities, additional vehicles are necessary.

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

16.3 DATABASE AND GIS DEVELOPMENT

Progress. Several new databases could be prepared and installed: socioeconomic survey, health survey, staff, GRM, and fish catch village leader interviews. Also, a community contact database was established. Of key importance was the setting up of the asset registration databases. Databases are linkable through several unique identifiers (households, land plots, etc.). Staff has been trained on these databases. Data entry was conducted for census and village profile data, asset registration in the inundation area and Houaysoup, structures impacted in Hatsaykham, and assets along the 230kV transmission line. The GIS team developed asset registration maps as well as maps on land use, amongst others on fish catch monitoring and current land use in Houaysoup.

Challenges. None.

Next Quarter. Finalization of health survey data entry; support of continuing data entry for 230kv line and Houaysoup asset registration and commencing asset registration for 2LR.

16.4 KNOWLEDGE MANAGEMENT AND DATA ANALYSIS

Progress. Filing system has been further developed. A staff database has been developed. HR and IT/procurement works by Admin have been supported. Basic manual for staff trainings have been developed. The establishment of social documents have been supported by data analysis and provision of necessary information including maps and pictures

Challenges. None.

Next Quarter. Improvement of filing system. Preparation of documents. Continuing support of other teams.

17 GOL RELATIONS

During the reporting period, several key activities were conducted:

- Dissemination of the cut-off-date at village level was conducted in Bolikhamxay area.
- Several meetings and workshops regarding the compensation unit rates were conducted.
- A per diem policy has been established together with the RMU of Xaysomboun and Bolikhamxay.
- The establishment of a budget proposal for GoLs according to CA was supported.
- The RMU of Xaysomboun and Bolikhamxay went for a field study on camp follower programs to Theun-Hinboun Expansion Project and Nam Theun 2 Project.

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

Progress. SMO supported Admin on post-FC regulations for budgets and per diem rates for RMU as well as overall GoL relations approved by the PRLRC. The budget proposal for GoL according to CA was prepared and signed by RMUs & Chair of Provincial Steering Committee for the PRLRC.

A meeting on implementing the per diem policy with GoL counterparts was conducted in October. Representatives from FA, Administrative Division, Technical Division, Environmental Management Office and Social Management Offices met with RMUs.

On November 4-5, 2014 a PRLRC meeting wrapped up the compensation rate for the whole project. Most of the debate was on unit costs of land and rubber trees. However, the meeting was not able to conclude on all categories and items. November 14, 2014; RMU and NNP1 discussed about how to implement the budget, and handling accounting paperwork. November 25-26, 2014; RMU, GoLs representative, SMO manager, and NNP1 GoL relations staffs attended a workshop arranged by DEB at Hongsa District. The workshop was about the role of RMU, and lesson learned from outstanding projects regarding resettlement and livelihood restoration. Valuable lessons can be adapted for NNP1.

In December, the Governor of Hom District met the IAP/LTA/ADB mission – on Dec 9. RMU and Head of Lao Front for Construction of Xaysomboun Province met the mission– on Dec 10. Chief of Bolikhan District met with the mission – on Dec 11. RMU of Bolikhamxay met with mission – on Dec 12. December 19. Meeting between RMUs and NNP1 on implementation of Business Trip Allowance for GoL personnel who working for NNP1; BTA - suggested to increase per diem for village headman, adjust rate for accommodation, set appropriate support for meals during field trip or work outside their working area; set clear protocol for procurement of GoL's tools and equipment; revise how budget under RMU is managed - budget advance, acquittal.

Challenges. Scheduling of meetings between several high level parties are difficult and led to delays of respective meetings. Regarding compensation unit rates, final steps have to be taken to establish the necessary decree.

Next Quarter. The compensation rate for the whole project, and for the impact from transmission lines are to be approved.

17.2 OVERALL RELATIONS WITH OTHER DEPARTMENTS/DIVISIONS

Progress. The project contributed prizes and donations for boat race events, and traditional festival related to the End of Buddhist Lent Day as well as Hmong New Year.

Challenges. Processes have to be further streamlined to allow flexible and rapid implementation of Project activities.

Next Quarter. Support of the establishment of a Company-wide DCC.

17.3 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.

18 SUMMARY OF CORRECTIVE ACTION PLANS (CAPS)

Progress. SMO prepared a CAP for the 22kV line pre-mature commencement of works (see section on non-compliances), encompassing asset registration for the area impacted outside the original right of way, risk assessment of structures close to the line, and eventual penalties for the Subcontractor.

SMO furthermore supported TD in the revision of a CAP regarding a construction accident, where a worker was injured, including provisions for the workers but also general improvement of safety structures within the Project.

In relation to the non-compliance case in section 1 of the 22kv line, the Project conducted a workshop on national and international standards and related Project compliance procedures together with the CWC contractor and one subcontractor, finalized asset and impact registration, and conducted a safety assessment along the 22kv line.

Challenges. Regulations and procedures regarding non-compliance incidences and their identification were not clear and had to be clarified.**Next Quarter.** Following up on the finalization of the implementation of the described CAPs.

19 OTHER INFORMATION

Within this reporting period no other relevant information is available.

20 ATTACHMENTS

2 CAPs as noted in Chapter 18.

Corrective Action Plan – 22kV Line Section 1

Document Number: CAP_NNP1_01
 Date: 19/09/2014
 Providing Unit: NNP1
 Recipient: ADB / PSOD

Gaps/ Issues Identified	Proposed Corrective Action Plan	Target Schedule of Implementation in 2014	Responsible Unit	Budget	Remark
1. IEE not completed	<ul style="list-style-type: none"> Prepare Audit Report Prepare Corrective Action Plan 	<ul style="list-style-type: none"> 19 September 2014 	<ul style="list-style-type: none"> EMO 	10,000USD for Consultancy + standard operating budget	Provided to ADB on 19 September 2014
2. LACP not completed	<ul style="list-style-type: none"> Prepare Audit Report Prepare Corrective Action Plan 	<ul style="list-style-type: none"> 19 September 2014 	<ul style="list-style-type: none"> SMO 		
3. Asset Registration and Compensation not completed	<ul style="list-style-type: none"> Asset Registration: impacted land plots outside the right of way and impacts on land use within the right of way Compensation of impacts 	<ul style="list-style-type: none"> 31 October 2014 	<ul style="list-style-type: none"> SMO / RMU 	Approx. 15,000USD	
4. Safety Impact Assessment	<ul style="list-style-type: none"> Clarify standards and clearance requirements of new line Undertake a risk analysis for the critical areas identified in the Audit Report (Annex A) based on identified regulations above In case of high-risk situations, identify individual solutions with structure owners and potential compensation Communicate height restrictions to property owners 	<ul style="list-style-type: none"> 31 October 2014 for Risk Analysis and individual solutions 31 December 2014 implementation of solutions including compensation 	<ul style="list-style-type: none"> Tech / Contractor / SMO 	Standard operating budget; additional compensation budget depending on results of risk analysis;	

Gaps/ Issues Identified	Proposed Corrective Action Plan	Target Schedule of Implementation in 2014	Responsible Unit	Budget	Remark
5. Outstanding vegetation clearance (safety margin)	<ul style="list-style-type: none"> Continue tree pruning operations to ensure at least 2 m clearance from 22 kV lines; in case compensate private owners; 	<ul style="list-style-type: none"> 31 October 2014 	<ul style="list-style-type: none"> EMO / Contractor 	Standard operating budget	
6. Missing communication between Company, Contractor, and subcontract	<ul style="list-style-type: none"> Workshop with Company, contractor, and subcontractor 	<ul style="list-style-type: none"> 31 October 2014 	<ul style="list-style-type: none"> EMO / SMO/ Tech/ Contractor / Subcontract 	Standard operating budget	
7. Penalty to the contractor	<ul style="list-style-type: none"> The contractor/subcontractor may be penalized for the commencement of construction if any additional cost or delay is incurred by NNP1PC. 	<ul style="list-style-type: none"> 31 October 2014 	<ul style="list-style-type: none"> Tech / Contractor 	N/A	
8. Internal Communication on non-compliance process	<ul style="list-style-type: none"> Develop a flowchart and guidelines on the process on non-compliance assessment 	<ul style="list-style-type: none"> 20 October 2014 	<ul style="list-style-type: none"> MD / DMDs 	N/A	

Corrective Action Plan – 22kV Line Upgrade Works

Document Number: CAP_NNP1_02
 Date: 15/10/2014
 Providing Unit: NNP1
 Recipient: ADB / PSOD

Gaps/ Issues Identified	Proposed Corrective Action Plan	Target Schedule of Implementation in 2014	Responsible Unit	Budget	Remark
<p>a) Safety Management</p> <ul style="list-style-type: none"> • Working procedures were not followed by the injured worker • Working Procedures regarding confirmation of power cut were not sufficient <p>[Facts]</p> <ul style="list-style-type: none"> - The injured worker commenced the work before power cut without direction of team leader - The injured worker did not use safety harness 	<p>1. Analyze root causes and prepare countermeasures</p> <p>[Root Causes]</p> <ul style="list-style-type: none"> - Lack of knowledge and safety awareness of workers - “Work Procedure” that had been prepared by Contractor/Sub-contractor was not described specifically - Safety management activities of Contractor/Sub-Contractor were not sufficient <p>2. Hold EHS Committee Meeting among contractor, sub-contractor and NNPI</p> <ul style="list-style-type: none"> - Discuss training of workers with regard to adequate knowledge and safety awareness to prevent similar accidents 	<p>1. 25 September 2014</p> <p>2. 25 September 2014</p>	<p>1. Contractor / Sub-contractor / NNP1PC</p> <p>2. Contractor / Sub-contractor / NNP1PC</p>	n/a	<p>1. Report provided to ADB on 25 September 2014</p> <p>2. Documentation of meeting to be submitted to ADB (Attachment 3-2 of this report)</p>

Gaps/ Issues Identified	Proposed Corrective Action Plan	Target Schedule of Implementation in 2014	Responsible Unit	Budget	Remark
	<p>3. Improve daily safety management activities for these works</p> <ul style="list-style-type: none"> - Contractor/Sub-contractor confirm work plans of the day and risks of them before starting works every day. Contractor/Sub-contractor instruct workers to avoid accidents during these information disclosure, to be updated with the workers at the beginning of each new activity during the day. <p>4. Strengthen safety management for all CWC works by NNP1PC and Contractor</p> <ul style="list-style-type: none"> - Revise and improve working procedures “Stringing Work Procedure” regulation that had been prepared by sub-contractor to describe them - Revised NNP1PC Safety Action Flow Chart prepared by NNP1PC - Instruct contractor / sub-contractor on instructing working procedure to workers adequately - Undertake daily risk assessment for each works by NNP1PC and Contractor before commencement of them - Head office of Contractor supervises and checks the safety management activities of Site Office of Contractor regularly. 	<p>3.</p> <p>Implement continuously starting immediately (October 1, 2014)</p> <p>4.</p> <p>Revised “Stringing Work Procedure” provided by Subcontractor on October 1 2014;</p> <p>Revised “Safety Action Flow Chart” available from October 1 2014;</p> <p>Other works starting from October 1 and continuously applied throughout construction of the Project</p>	<p>3.</p> <p>Contractor / Sub-contractor</p> <p>4.</p> <p>NNP1PC /Contractor</p>		<p>3.</p> <p>Picture-based documentation to be submitted to ADB in the quarterly report for Q4/2014</p> <p>4.</p> <p>Documents available for external monitoring missions.</p> <p>Picture-based documentation of other activities to be submitted to ADB in the quarterly report for Q4/2014</p>

Gaps/ Issues Identified	Proposed Corrective Action Plan	Target Schedule of Implementation in 2014	Responsible Unit	Budget	Remark
	<ul style="list-style-type: none"> - Hold Safety Meeting and implement Safety Joint Patrol regularly by NNP1PC and Contractor, at least once a month in addition to daily inspections & trainings 				
b) Observance of Facility Agreement safeguards requirements	5. NNP1PC informs Contractor / Sub-contractor of FA safeguards requirements and its internal reporting system	5. Development of IEC material by October 20, disclosure by 31 October 2014 and whenever a new contractor/subcontractor starts working for NNP1	5. NNP1PC	n/a	IEC Material will be provided to ADB. Information on sessions with contractor/sub-contractors to be included in the Quarterly Reports' Safety section
c) Support of the injured Project employee	6. Entitlements provided to the victim in accordance with national regulations and international standards as well as Project policy. The subcontractor will, if not covered by SSO (Social Safety Organization): <ul style="list-style-type: none"> a. Continue payment of wages during the period of rehabilitation b. Pay all medical bills including rehabilitation c. Compensation for permanent disability The Project will: <ul style="list-style-type: none"> d. Provide an initial payment of 2,000,000LAK for expenses (provided on October 6) 	6. Immediate expenses to be provided immediately to the victim to guarantee optimal treatment (within October 31 2014); middle-term entitlements to be provided over the next 6 months (i.e. before 1 st of April 2015)	6. Sub-contractor with follow-up by NNP1PC	To be determined depending on medical condition. (2M LAK has been paid for medical bills by sub-contractor)	Information to be integrated into the Quarterly Reports

Gaps/ Issues Identified	Proposed Corrective Action Plan	Target Schedule of Implementation in 2014	Responsible Unit	Budget	Remark
	e. Follow up on the worker's rehabilitation within 3 months and if necessary support professional reintegration into the labour market (e.g. coverage of expenses of a disability training center activity)				
d) Clarification with ADB on safety-related terminology in the FA	7. Project and ADB agree on a definition of terminology regarding safety-related terminology in the FA	31 October 2014	NNP1PC	n/a	