

Nam Ngiep 1 Power Company Limited Responses to Independent Advisory Panel Report No. 5 and Lenders' Technical Advisor Quarterly Implementation Progress Report No. 3

Project Number: 41924-014
August 2015

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

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

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**NNP1 Responses to Report Number 5
of the Independent Advisory Panel
on the Nam Ngiep 1 Hydropower Project,
Lao PDR, LTA Report Number 3
Site Visit, 3-10 May 2015**

18 August 2015

List of acronyms and abbreviations

ADB	Asian Development Bank
BKY	Bolikhamxay Province
CA	Concession agreement
CIA	Cumulative impacts assessment
DEQP	Department of Environmental Quality Promotion
DFO	District forestry office
DFRM	Department of Forest Resources Management
DG	Director-general
DONRE	District office of natural resources and environment
E&S	Environment and social
EGAT	Electric Generating Authority of Thailand International Company
EIA	Environmental impacts assessment
EMP	Environmental management plan
ESMMP-CP	Environmental and social management and monitoring plan construction period
EMO	Environmental Management Office
EMU	Environmental Management Unit
EPF	Environmental Protection Fund
ERM	Environmental Resources Management (consulting company)
ESD	Environment and Social Division
ESIA	Environmental and social impacts assessment
GOL	Government of Lao PDR
ha	Hectare
IAP	Independent Advisory Panel
IFC	International Finance Corporation, World Bank Group
IP	Indigenous people
ISP	Integrated spatial planning
<i>Kum baan</i>	Group of focal development villages
LR	Lower reservoir
MEM	Ministry of Energy and Mines
MONRE	Ministry of Natural Resources and Environment
MRC	Mekong River Commission
NAFRI	National Agriculture and Forestry Research Institute
NBCA	National biodiversity conservation area / conservation forest
NNP1	Nam Ngiep 1 hydropower project
NNP2	Nam Ngiep 2 hydropower project
NNP1PC	Nam Ngiep 1 Power Company
NPA	National protected area
NTFP	Non-timber forest product
NTPC	Nam Theun Power Company
PAP	Project affected people
PFA	National protection forest area
PONRE	Provincial office of natural resources and environment
PP	Project proponent
PPA	Provincial protected area
PRMLCRC	Provincial Resettlement Management and Living Condition Restoration Committee
REMDP/REDP	Resettlement and Ethnic Minority Development Plan
RMU	Resettlement Management Unit
ROW	Right-of-way
SEA	Strategic environmental assessment
SMO	Social Management Office
TD	Technical Department of NNP1PC
THPC	Theun-Hinboun Power Company
UR	Upper reservoir
USEPA	United States Environmental Protection Agency
XSB	Xaysomboun Province

Summary of issues, requirements, recommendations and NNP1 corresponding response

Summary of Environmental Issues

No.	Organization	Issue	Status	Comments and Recommendation	Level of Concern	NNP1 Reply
E1	IAP	There are four hydropower projects under construction that will affect water quality, water use and water availability along the Nam Ngiep river. An organizational arrangement is needed to manage the watershed resources and enable communications and cooperation between the hydropower companies	<ul style="list-style-type: none"> MONRE prefers to manage natural resources based on established levels of government administration, namely, central, provincial and district levels. Overlapping concessions, cumulative and trans-boundary impacts from hydropower and other development projects necessitate GoL authorities to consider developing an integrated management plan and monitoring arrangement for the Nam Ngiep watershed. NNP1PC plans to convene a meeting with MONRE, together with provincial and district officers, to discuss future management issues of the watershed, together with representatives of Project Proponents. The outputs of the meeting are to develop a plan and budget for watershed management and implementation, and how participants can share data and improve 	Recommendation The IAP recommends that NNP1PC continues its efforts to contact all Project Proponents of the four hydropower projects being developed along the Nam Ngiep River and organize an annual meeting to be hosted by NNP1PC during 2015 to discuss sharing water flow and water quality data among the four Project Proponents and any other issues of interest or concern to the four Project Proponents	Low	The coordination meeting or working group including related GoL agencies will be established before start of NNP2 operation at the end of 2015.

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			<p>communications between stakeholders.</p> <ul style="list-style-type: none"> A meeting was scheduled for February 2015 to share results of the Climate Change Vulnerability Assessment for the Nam Ngiep River Basin, at which NNP1 would have discussions on setting up an annual meeting among the four hydropower projects. No information or follow up was made in the NNP1PC February or March 2015 Monthly Progress Report. 			
E2	IAP	NNP1PC 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	<ul style="list-style-type: none"> IAP discussions with the EMU of Bolikhamxay indicate that NNP1 is a priority project for GOL and EMU would like to join in monthly monitoring site visits to contractors' camps and construction sites. No funds have been received from NNP1PC to start compliance monitoring. NNP1PC confirmed that the first payment for capacity building was made in February to MONRE (US\$189,440), but MONRE has not distributed funds back to Bolikhamxay EMU even though both PONRE and DONRE have accounts. 	<p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC contact MONRE to enquire about distribution of capacity building funds to the EMUs of Bolikhamxay and Xaysomboun so that NNP1PC can develop a training program for both Provincial EMUs, which should include copies of EMO Monthly Monitoring Reports and relevant Compliance and Monitoring Reports which show environmental issues that need to be improved by the Contractor. The EMU should be invited to join in the monthly joint inspections made by the EMO together with the Contractor and be informed of the proposed changes by the Contractor to correct the environmental issues and outstanding non- 	Medium	<ul style="list-style-type: none"> Fund has been transferred from MoNRE to the provinces in middle of June. Three missions visited to the project activities by EMU BLX in May, and XSB in June and Jul 2015. A meeting planned by the end of Jul to discuss the plan for a joint regular monitoring between NNP1 and EMU. NNP1PC is proposing MONRE to organize such workshop, as it should be organized by MONRE. NNP1 has discussed with EMU on their involvement to review the watershed management activities. A workshop will be conveyed in December to discuss with EMU on the

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			<ul style="list-style-type: none"> The EMSP, MONRE, funded by the Finland Ministry of Foreign Affairs, sponsored an EMU capacity building workshop in Vientiane in February 2015 based on “lessons learned” from Nam Theun 2 and Theun-Hinboun hydropower projects. Three reps from Bolikhamxay attended but no invitation was sent to Xaysomboun Province. The IAP also visited the newly formed EMU of Xaysomboun Province. No capacity building funds have been received there either; the EMU lacked copies of project documents (Annex C of CA and ESMMP-CP which were distributed by the EMO that day). Xaysomboun has not received any NNP1 monitoring reports and unfortunately there has been no training program organized to include the Xaysomboun EMU in compliance monitoring and site inspections 	<p>compliances. The EMU can thus witness the compliance and monitoring approach used by EMO to ensure that the Contractor and all Sub-contractors meet with the conditions of Annex C of the CA and the ADB SPS.</p> <ul style="list-style-type: none"> The IAP again recommends that NNP1PC convene a workshop combining the EMUs of both provinces and MONRE to review duties of the EMU for Nam Ngiep watershed. MONRE should be invited as workshop organizer to review “lessons learned” from Nam Theun 2 and the Theun-Hinboun projects, and include the expanded mandate of MONRE to oversee integrated environmental conservation interests of water, forest, and biodiversity protection at the regional and district levels. It is believed that this training emphasizing “lessons learned” from the two most important EMUs in hydropower development in Lao PDR will serve as a very effective topic to begin capacity building of the EMUs. This should be followed by a planned visit to the Theun-Hinboun hydropower project in Bolikhamxay Province together with the EMU for the Theun-Hinboun project to review their responsibilities, their learning experiences, weaknesses, strengths, and to include field exercises with them to witness 		<p>Watershed Management Plan.</p> <ul style="list-style-type: none"> NNP1 discussed with DESIA/MONRE the possible workshop in November to discuss lessons learned from Nam Theun2 and Theun Hinboun projects.

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				mitigation measures, review their experiences, and findings. The workshop would greatly benefit the Company and the capacity building efforts of the project. Funds spent for this workshop would be well spent and beneficial to all parties		
E3	IAP	The management of the Environment is not in compliance with (1) the CA Obligation 2.2 Obligation to Implement Environmental Measures which states that the Company (NNP1PC) must ensure that the HCCEMMP is prepared by the Head Construction Contractor in accordance with the Concession Agreement . . . , and ensure that the Head Construction Contractor implements the approved HCCEMMP; and (2) the ADB Safeguard Requirements 1: Environment, Section 2. Environmental Planning and Management, para. 15, which states that when a third party's involvement (meaning a contractor, or an operator of an	<ul style="list-style-type: none"> The Main Contractor (CWC) has not hired an experienced Environmental Manager to manage and oversee the environmental obligations of the CWC and its Sub-contractors (e.g. solid wastes and hazardous wastes management, wastewater collection and treatment systems, erosion and sediment control, etc.) in accordance with the CA and the ADB Safeguards. The IAP has met twice with the CWC and mentioned this requirement, but finds again that the Construction Manager is assigned to be the Environment and Safety Manager for the CWC as well. Thus, supervision of environment affected activities of the CWC and its Sub-contractors are not being done by CWC in accordance with best practices and 	<p>The IAP believes that the CWC is non-compliant with ADB's Environmental Safeguards and IFC Performance Standards. However, CWC's non-compliance is the borrower/client's non-compliance as far as ADB and other lenders are concerned.</p> <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1 comes to an agreement promptly with the CWC to carry out its environmental management obligations in accordance with best practices. This means that the Technical Department (TD) of NNP1 should have a supportive cooperative working relationship with the EMO and not be in conflict with their requests for improved CWC environmental responsibilities to oversee and manage their sub-contractors. The IAP recommends that TD urgently locates an environmental engineering consultant that can provide the technical inputs needed to resolve design and operation problems with the solid waste 	Very High	<ul style="list-style-type: none"> The CWC has a strengthened its Health, Safety and Environmental (HSE) section. This now comprises a replacement Japanese construction manager with HSE management experience (a change made in June 2015); a Laos chief HSE engineer (no change); a consultancy arrangement with a specialist Laos environmental company to second a full-time Laos/Australian environmental specialist (no change since one year ago); advice and direction to OC by the senior partner (a change not previously, but now openly declared by OC); one Laos environmental officer as assistant to the specialist (recruited about 6 months ago), two experienced Philippine HSE professionals (brought in after May 2015) and one Laos HSE Officer (recruited in the last 6 months). The whole CWC team is a manager (reporting directly to the CWC PM) plus 6 persons. Each Subcontractor has at least one HSE officer. Greater commitment to more effective cooperation between

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		associated facility) will influence implementation of the EMP, the borrower/client (meaning NNP1PC) has control or influence over the actions and behavior of the third party, and will collaborate with the third party to achieve the outcome consistent with the requirements for the borrower/client.	<p>the Contractor is in violation of the ESMMP-CP.</p> <ul style="list-style-type: none"> CWC is dependent upon NNP1 to provide all technical inputs, monitoring, and reporting, plus meeting with the Sub-contractors to implement acceptable solutions to environmental issues. CWC is not operating in accordance with ADB Safeguards or IFI Performance Standards 	<p>management (landfill) and the wastewater treatment systems of the sub-contractors. The EMO should obtain a copy of the USEPA Guidelines for design and operation of landfills.</p> <ul style="list-style-type: none"> The IAP again insists that the CWC be required to appoint an Environmental Manager for the duration of the construction period. The Environmental Manager should be experienced in environmental management and familiar with Annex C of the CA, ADB SPS guidelines, and the ESMMP-PC. He needs to be supported by a team of inspectors who are trained to follow the commitments of the ESMMP-CP 		<p>the CWC and the Owner has been addressed at a very senior level in Japan and by corporate visits to Site by Kansai and Obayashi. EMO recognize the source of the problem and are working inclusively with TD to construct a good working relationship with the CWC at all levels for site inspections, management and monitoring of problems.</p> <ul style="list-style-type: none"> During the recent visit the LTA supported the NNP1PC collective view that the CWC had taken sufficient measures to strengthen its HSE team and that there was improvement in mutual cooperation. It was also recognized that, once the improvements to the camp waste water systems and solid waste disposal facility as advised by the IAP-recommended specialist consultants employed to advice on these matters, the remaining day-to-day and extraordinary environmental problems that arose could be well managed by the respective teams of Owner and CWC. Regular weekly and monthly safety inspections of the Site now encompass environmental matters at the same time and participation by EMO is now positively encouraged by the CWC.

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E4	IAP	<p>Management of wastes from construction sites and camps of sub-contractors is not compliant with guidelines of the ESMMP-CP and do not meet the requirements of Annex C to the CA. NNP1 has not prepared and approved a SSES MMP for the Landfill Management Plan and submitted it to MONRE prior to commencing construction work covered by the SSES MMP (see <i>Clause 68 of Annex C to the CA</i>)</p> <p>NNP1PC has obligations to minimize and recycle waste (see <i>Clause 57 of Annex C, CA</i>)</p>	<p>Several violations of the standards were evident:</p> <ul style="list-style-type: none"> • Solid wastes were being dumped into the temporary pit of the NNP1PC landfill without being inspected for hazardous materials and without separation of recyclable wastes for reuse or sale to recycle firms; • The temporary pit was unlined and did not have a leachate collection system. The pit should be covered and protected from rainwater seeping or draining into the pit; and, • Septic tanks wastes from sub-contractor septic tanks are temporarily being collected and disposed of by outside contractors. Disposal requests are being managed by NNP1PC and disposal sites and lime treatment is approved by NNP1 until a proper sewage treatment plant is installed on-site 	<p>The Main Contractor, Obayashi, must understand it is responsible to ensure all sub-contractors meet waste treatment and waste management standards agreed upon in the CA and EMP for all types of construction and worker wastes (air, liquid, solids and hazardous wastes).</p> <p>Recommendations</p> <ul style="list-style-type: none"> • The IAP recommends that TD obtains the services of an experienced licensed environmental engineer to design the NNP1PC landfill. The design was made without reference to international standards and should have a compacted clay lining to encircle the pit and minimize seepage plus an impervious liner below a leachate collection system (<i>standard for landfills receiving mixed construction, industrial, domestic wastes; see USEPA Guidelines</i>). The leachate drains to a treatment system or series of ponds to maximize evaporation during wet season. • Work should proceed quickly on completing the final design, then concurrence with the CWC to complete construction and operation of the sanitary landfill for the NNP1 project 	Very High	<ul style="list-style-type: none"> • Refer to E3 • NNP1 (TD) has made a contract with specialist of waste treatment and landfill design who is recommended by IAP on 22 June 2015 and they had a site visit from 22 to 24 June 2015 in which TD and EMO took them to all the worker's camp, contractor's camp and owner's base camp and provided required information. Site visit report has been submitted. • NNP1 has requested the consultant to participate in a wrap up workshop session in August before report finalization. Upgrade of the landfill is expected to be completed by the 4th quarter of 2015.
E5	IAP	<ul style="list-style-type: none"> • Poor cooperation and support from TD to implement 	<ul style="list-style-type: none"> • Visits to construction camps and work sites by the IAP and LTA 	Review of EMO Monitoring and Inspection Team activities and reports shows that closer	Medium	<ul style="list-style-type: none"> • EMO Management already join the bi-weekly inspection and monthly environmental and safety inspection. This practice

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		<p>corrective actions by CWC and sub-contractors on outstanding environmental issues</p> <ul style="list-style-type: none"> The DM of Compliance & Monitoring is not accompanying staff on field visits to foster capacity building, improve timely responses, and develop appropriate solutions to outstanding environmental issues and non-compliances 	<p>Environmental Specialists illustrated that numerous environmental issues exist throughout the project footprint.</p> <ul style="list-style-type: none"> Too much communication time for the cycle of inspection monitoring is being taken for: the process of report filing, meeting contractors to discuss issues at a scheduled meeting time, finding an agreeable solution and timeframe for implementation, getting TD to approve and transmit environmental issue or non-compliance reports to the CWC, and getting back a response with the agreed upon corrective action and time frame for its implementation 	<p>cooperation and support from TD are needed to implement corrective actions by CWC and sub-contractors on outstanding environmental issues.</p> <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC environment managers visit field activities at least once each week. Managers must use inspections and field visits to build capacity within EMO and environmental support staff of contractors. References should be provided to contractors to clarify needed pollution control systems. The monitoring program is key to measuring progress, reducing adverse environmental impacts, and announcing success of implemented mitigation measures. Dedicated environmental staff by CWC would improve both the monitoring system and compliance to environmental safeguards and best practices. An Environmental Manager of CWC should be inspecting all work sites and camps of subcontractors to ensure environmental performance standards. 		<p>will continue.</p> <ul style="list-style-type: none"> Contractor's environmental activities will be recorded in the coming Monthly Progress Report corresponding to the recommendation by EMO. Refer to E3
E6	LTA Recommendations 7.28	Standards to be applied in environmental management of the site.		Equator Principles, IFC and Lao national standards apply to the project. The strictest apply.		Understood. This is also a Concession Agreement requirement.

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E7	LTA Recommendations 7.28	Waste water treatment systems not meeting standards		Design of WWTS to be reviewed by a WWTS Engineer.		NNP1 have recruited and mobilized a WWTS specialist to review all camp WWTS. Report expected in July. Upgrade expected in the 3 rd quarter.
E8	LTA Recommendations 7.28	Ensuring WWTS effectiveness		EMO needs to increase monitoring to assess WWTS effectiveness		The expert review report of WWTS will also include a monitoring plan for the contractor to monitor the effectiveness of WWTS.
E9	LTA Recommendations 7.28	Camp WWTS design		Camps be provided underground pipes sewage systems		NNP1 have recruited and mobilized a WWTS specialist to review all camp WWTS. Report expected by the end of July.
E10	LTA Recommendations 7.28	Solid waste and recycling.		Implementing a proper separate collection systems that will allow to recycle more of the waste		NNP1 has implemented an Integrated Solid Waste Management Program that includes a recycling program at all CWC camps and offices, and NNP1 offices in Paksan and Vientiane.
E11		NNP1 Landfill		Solid waste that cannot be recycled must be placed in a separate area that is compliant with LTA recommendations		<ul style="list-style-type: none"> As early as November 2014 NNP1 has selected a site and developed detailed plans for a solid waste landfill facility. NNP1 have recruited and mobilized a Solid Waste Management specialist to review NNP1 Landfill Site Plan and the main contractor alternative plan. Report expected in July 2015. The Specialist has received LTA recommendations
E12	LTA	The present staffing of the EMO.				<ul style="list-style-type: none"> By the date of this report was updated, the organization structure provided in the report # 3 is outdated. Currently, the key position of Watershed Team

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						Leader and Biodiversity Team Leader have been filled. EMO is progressing of recruitment of the Biomass Clearance Team.
E13	LTA	The LTA's general impression is still that the whole EMO structure is over staffed; probably the number of people working in the EMO could be significantly reduced, creating a smaller, more efficient group.				<ul style="list-style-type: none"> • EMO staff are currently fully engaged. This can be validated by a review of weekly reports and staff schedules. NNP1 will periodically review programs and phase out or transfer position to other areas as required. • See also E14
E14	LTA	This is particularly true because the EMO is spending most of its time in the office instead of being at site monitoring the compliance of the environmental measures: such a significant amount of personnel could be justified only if the environmental officers would spend most of their time at site, moving around the construction area to verify that the environmental management measures are properly applied by the Contractors and their Subcontractors				<ul style="list-style-type: none"> • The Compliance and Monitoring (C&M) Team are the focal point of contact for ensuring safeguard compliance for all construction related matters. • Currently, there are 15 staff who are separated (but integrated) into the three functional areas of Waste Management, Environmental Monitoring, and Compliance Inspection. Weekly schedules of staff indicate that all are otherwise fully occupied ensuring safeguard compliance by our contractors.

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E15	LTA	Accordingly, it is recommended to improve the site inspection frequency and effectiveness by means of proper testing equipment.				<ul style="list-style-type: none"> • EMO conducts construction site inspections at least 3-4 days per week as well as participate/coordinate in the Bi-weekly Joint Inspection (Sub Contractor, Contractor, TD). This has been the standard procedure since July 2014. • For each inspection, visit results and photographic evidence are recorded on a database. Observations of Non Compliance, and Non Compliance Reports are issued to contractors as required, and then progress is followed up by NNP1 staff.
E16	LTA	It is also very important that EMO continues (as it is partially already doing) trying to involve as much as possible EMU in the monitoring activities and in the site visits. However it would be also very important to verify what is happening at central level (with MONRE) to the funds already paid by the company and why such funds have not been distributed to the PONRE, affecting the EMU independent monitoring capability.				<ul style="list-style-type: none"> • PoNREs have received, just after the May mission, the NNP1 fund channeled through the Ministry of Finance and the Ministry of Natural Resources and Environment. Jointly, three missions have been conducted by EMU and EMO, one in May (BLX), another one in Jun (XSB), and recent one just completed in early Jul. • EMU is planning to meet EMO by the end of July to discuss the work plan for a monthly joint monitoring programs.

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Summary of Biodiversity Issues

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B1	IAP	Options for implementing a biodiversity offset	Still a need to identify realistic biodiversity offset options. ERM offset options review and the Biodiversity Offset Framework emphasize XSB watershed for potential offset sites but may need to find sites outside the watershed. New deadline for Offset sites is 30 September 2015.	Recommendations <ul style="list-style-type: none"> • There is a critical need to assess real biodiversity values of watershed and identify alternative options for offset sites see below 	Very High	<ul style="list-style-type: none"> • NNP1 will follow up the recommendation to have offset site outside NNP1 watershed. A number of candidate biodiversity offset sites outside the NNP1 watershed are being considered in the province of BKY and XSB. The selection criteria has been provided in the BOF. The discussion has been initiated with these two provinces on final selection of sites among the potential candidate sites.

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B2	IAP	Activities along the dam access road need to be managed to reduce impacts (on-going issue)	<ul style="list-style-type: none"> Degradation, logging and forest clearance for agriculture along access roads. NNP1C provided some support to Provincial and District Forest Offices for checkpoints and patrols but forest clearance continues at Houay Ngua 	<p>Recommendations</p> <p>Work with provincial authorities to limit forest clearance along new dam access road (still an issue). Monitor effectiveness of Houay Ngoua checkpoint</p>	High	<ul style="list-style-type: none"> NNP1PC monitors the implementation of the SSEMMMP for the access road. NNP1 support Bolikhamxay province during June 2015 meetings at Bolikhan district and villages on restriction the encroachment into Houay Ngoua PPA boundary, including the area along the Dam access road. There was recent discussion on Houay Ngua protection program in early June 2015 with PONRE BLX, relevant district and village authorities, and NNP1 EMO team. As Houay Ngoua PPA is in the area of NNP1 watershed, strengthening institutional capacity was underlined as priority to improve such effectiveness in monitoring and patrolling activity planned under NNP1 watershed management program. NNP1PC will continue to follow up with this recommendation point.

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B3	IAP	Poor knowledge of wildlife populations and distribution in project area.	Information on wildlife in watershed largely based on literature surveys and limited primate survey (ERM report). Critical need for additional biodiversity surveys.	Recommendations <ul style="list-style-type: none"> The need for more detailed surveys of wildlife in lower NNP watershed has been identified since the 1st IAP visit in Jan 2013, and is now urgent. 		<ul style="list-style-type: none"> Work is on progress. The biodiversity baseline survey Consultant was recruited since late April 2015 The survey design including methodology, team of specialist, and time schedule were shared during ADB mission visit on May 2015 The Consultant has started the field work from early June 2015 for camera trap installation and specific species survey (flora and fauna). It is expected that the first round of field survey will be completed by end of July 2015. The report is expected to be produced on August 2015. There will be no decision on offset site until this survey is completed.
B3, 8.1.2	IAP, LTA	Surveys in Nam Ngiep watershed are needed to determine a) suitability of area for offset and b) needs for mitigation activities.	<p>BIORAP team finally identified but still not mobilized</p> <p>Mobilize team immediately – data will inform watershed management plan</p>			

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B4	IAP	<ul style="list-style-type: none"> Data on NTFPs collection Quantities of NTFPs to be collected that are controlled annually by the district where "quotas" are issued to the villages 	<p>ERM and socio-economic survey to give more data on NTFP use</p> <p>Surveys ongoing in December 2014</p>	<p>Recommendations</p> <ul style="list-style-type: none"> The Developer should work with PAP to test the NTFP quota system among villages based on a "sustainable yield" study in the designated areas of natural forest used for to permit villages to continue earning disposable income from collection and sale of NTFPs. EMO and SMO to work together to survey NTFP use, especially in Houay Soup (ongoing) 	Medium	<ul style="list-style-type: none"> NNP1 have gathered the information on general NTFPs resource collection within the NNP1 watershed area. The management of NTFP in the NNP1 watershed area will be incorporated into WMP. The consultant (Earth System) has been on board in June for development of an Integrated Natural Resources Management Plan (INRMP) for Houay Soup, this plan will include the NTFP management issue. 1st draft report (Field Report) has been provided to NNP1.
B5	IAP	Workers and construction traffic removing forest resources, illegal logs and wildlife	Prohibition of illegal harvesting and trade is covered in the Developer's Code of Conduct	The Developer should enforce a zero tolerance policy on illegal logging, hunting and wildlife trade by the employees of the Developer, Contractor, and all sub-contractors	High	<ul style="list-style-type: none"> NNP1PC will continue to implement zero tolerance policy within the Project area. This is supported by the contractor and subcontractors

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B6	IAP	Introduction of potentially invasive species as part of reforestation, agriculture schemes	<ul style="list-style-type: none"> Frogs to be raised by PAP should NOT be exotic species Plans for aquaculture in reservoir to improve livelihoods Vetiver grass used for soil stabilization along access roads 	Recommendations <ul style="list-style-type: none"> The Developer should check to make sure that the proposed species to be introduced are NOT potentially invasive Need careful review to ensure no introduction of exotic species with likely negative impact on native fish fauna. Check that vetiver grass is non-invasive form 	Low	<ul style="list-style-type: none"> This view point will be incorporated into Integrated Fishery Management Plan which will be developed by Consultant and will form a sub-plan for NNP1 watershed management plan. NNP1 agrees to ensure sure that the proposed species for livelihood activities are NOT potentially invasive The Vetiver grass <i>C. nemoralis</i> variety used at site is native to Lao PDR, Thailand, Myanmar and Cambodia. It was collected locally from Paksan – local provenance.

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B7	IAP	NTFPs used by PAP for food security and cash income	PAP at all impacted villages are highly dependent on NTFPs	Recommendations <ul style="list-style-type: none"> Protect sufficient natural forest within and adjacent to the resettlement sites for villagers to harvest NTFPs or provide alternative sources of income Identify potential of Houay Soup forests for NTFPs and assess opportunities for domestication in agroforestry systems 	High	<ul style="list-style-type: none"> Please refer to B4 regarding the INRMP. NNP1 welcomes the suggestion of the IAP to work together with the PAPs on the sustainable management of natural resources, with one of the possibilities to discuss with the communities being a quota system to prevent over exploitation. NNP1 will coordinate internally to arrange a NTFP inventory of the Houay Soup area, which will function as a baseline for the forest management plan (FMP), which will be established following the participatory approaches and guidelines of the Government of Laos for such plans. It should however be realized that, for the Houay Soup area, all Resettlers will need to be involved in this process and revision to an initial FMP shall be made following the arrival of the Resettlers in the area. Additionally, the Project's livelihood team has started to work together with interested farmers to establish domesticated NTFP gardens (rattan) to reduce the pressure on natural resources

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B10	IAP	<ul style="list-style-type: none"> Realistic baselines for biodiversity monitoring (unresolved issue) 	<ul style="list-style-type: none"> Continued degradation of Houay Ngua and other watershed forests Out of date faunal information for watershed – need updating based on field surveys 	<p>Need accurate status of forest conditions at start of construction phase</p> <p>Recommendations</p> <ul style="list-style-type: none"> Get satellite imagery and map accurate remaining forest areas for Houay Ngua and other watershed forests Updated satellite imagery to be used for baseline maps – share with PONRES 	Closed	<ul style="list-style-type: none"> The purchased of recent satellite (November 2014) imagery also covers Houay Soup and Houay Ngua protection forest – The entire Nam Ngiep catchment.
B11	IAP	<ul style="list-style-type: none"> Suitability of Watershed as Biodiversity Offset (unresolved issue) 	<ul style="list-style-type: none"> Updated BOF still identifies XSB watershed as potential offset site –critical to get biodiversity assessment underway as soon as possible to determine suitability. 	<p>Recommendations:</p> <p>Delay decision on Biodiversity Offset to await further field data from the watershed and continue to review alternative options</p>	Very high	<ul style="list-style-type: none"> Noted. There is no decision yet for offset site selection as of now It is clear from Concession Agreement as well as Biodiversity Offset Framework on the distinct between watershed and biodiversity offset investment. NNP1PC will ensure that there is no misconception from GoL related to the implementation of future watershed and biodiversity offset management plans.

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B12	IAP	<ul style="list-style-type: none"> • Appropriate and integrated Watershed management activities • Initiate development of ISP for XSB 	<ul style="list-style-type: none"> • The watershed now falls mainly within the boundaries of XSB Province which lacks an integrated spatial plan 	<p>Recommendation</p> <p>Work with MONRE and environmental offices in XSB to develop ISP for province to guide development activities and watershed management investments (starting May 2015). Critical input to watershed management plan</p>	Very high	<ul style="list-style-type: none"> • NNP1PC continues to follow up with ISP program for XSB Province. • The kick-off meeting between MONRE DEQP and XSB Province was made in early June 2015. • It is now entering the training session for XSB Provincial staff in parallel with setting up the XSB ISP technical committee. • Overall program is in line with Lao PDR ISP guideline.
B13	IAP	Construction activities and increased access will lead to further habitat loss in watershed and along ROW for transmission lines	Villagers already clearing forests around dam site to expand agricultural activities	<p>ROW route will avoid elephant habitat in Phou Khao Khouay national protected are</p> <p>Recommendation. Develop guidelines and mitigation plans to minimise habitat loss due to construction activities and for restoration and rehabilitation of impacted areas.</p>	High	<ul style="list-style-type: none"> • The IEE for the 230kV transmission line is completed. It concluded that no conservation areas, including Ban Na Elephant Conservation Zone, were to be impacted by the ROW. This was confirmed by additional assessments by ERM Consultants in November 2014. • Noted and construction activities is to comply with requirement under updated IEE to minimize impacts on habitat. EMO and TD will monitor the construction. • SSESMMMP has been developed by contractor and approved by NNP1. NNP1 will monitor the implementation of approved SSESMMMP.

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B14	IAP	Working with MONRE to manage watershed management activities	Current budget request from MONRE focuses mainly on vehicles and salary supplements; need refocus on actions Watershed Management Action Plan prepared and budget s released to PONRE.	Recommendations <ul style="list-style-type: none"> Budgets allocated to MONRE should be based on agreed, targeted and monitorable activities for watershed management. Revise and simplify action plan in line with PONRE mandates and capacity(see below) 	Very High	<ul style="list-style-type: none"> Please refer to B24 and B25
B15	IAP	Capacity of environmental units at MONRE to manage watershed management activities	MONRE has very limited capacity at all levels (especially at province and district levels).	Recommendation Developer's EMO to work with MONRE to seek capacity and mentoring opportunities (e.g., involvement of provincial officers in XSB ISP)	High	<ul style="list-style-type: none"> NNP1PC works with MoNRE (DESIA, DFRM and DEQP) to provide on the job training on related activities, such as, watershed management planning, environmental monitoring, and ISP. It is help to strengthen MoNRE capacity. NNP1 will continue this practice.
B16	IAP	Alternative options for credible, realistic, and manageable biodiversity offsets	Watershed area not suitable for biodiversity offset because of conflicting development issues. Continue to review options other than watershed	Recommendations <ul style="list-style-type: none"> Follow up with Environmental Protection Fund (EPF) to assess suitability for biodiversity offset window, targeting funds to proposals with monitorable biodiversity outcomes. Use EPF funds to test mechanism for delivering biodiversity offset outcomes Discuss with EPF potential to target EPF funds to biodiversity offset site outside NNP1 watershed 	Closed	<ul style="list-style-type: none"> The fund (\$180K) has been transferred to EPF on June 2, 2015. NNP1 will continue the discussion with EPF on the use of fund, including, possibility to use the fund for the biodiversity offset management.

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B17 8.1.2	IAP	Appoint Biodiversity Offset Committee of technical experts with appropriate expertise	<ul style="list-style-type: none"> Outstanding issue Required by 31 December 2014 according to financial agreement with ADB 	Recommendation Essential to appoint credible committee as soon as possible. Biodiversity cannot be a subset under watershed management committees (<i>still outstanding</i>)	Very high	<ul style="list-style-type: none"> NNP1PC has already constituted the BAC. The BAC was established on 31 May 2015 by having contractual agreement between NNP1PC with three BAC members whom their qualification received no objection from ADB and IAP
B18	IAP	Watershed Management Plan should include Houay Soup forests and be integrated with ISP for XSB	MONRE require 4,250 ha of protection forest in Houay Soup resettlement area to remain as forest	Recommendations <ul style="list-style-type: none"> EMO and SMO to work together to identify options for forest management at Houay Soup. Activities in Houay Ngua and Houay Soup to be implemented and funded under Watershed Management Plan. 	Very High	<ul style="list-style-type: none"> Houay Soup Integrated Natural Resource Management plan is being developed to address this issue. The overall forest protection program within watershed area will also be incorporated into NNP1 Watershed Management Plan. The development of NNP1 Watershed Management plan will also consider this issue.
B19	IAP	Collaboration with NNP2 on watershed management	Developments at NNP2 impact on watershed, including water quality and aquatic biodiversity	Recommendation Initiate further contact with NNP2 to facilitate collaboration and complementarity of watershed management	High	<ul style="list-style-type: none"> NNP1PC will continue to follow up with this issue. NNP1EMO Internal discussion also highlights the potential for MONRE supervision particularly from Department of Water Resource Management (DWRM) on the overall Nam Ngiep River Basin management that will link all the developers within Nam Ngiep River Basin in different Province administrative area (BLX, XSB and XKH).

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B20	IAP	Maintain distinct Biodiversity Team in EMO	Biodiversity Offset cannot be subsumed under watershed management	Recommendation Biodiversity team to be responsible for Biodiversity Offset process and biodiversity monitoring both within Watershed and Biodiversity Offset area (agreed)	Closed	
B21	IAP LTA	Improve communication and information sharing within EMO and with SMO	Currently lack of report sharing within team and with SMO	Recommendation Essential that all members of teams share relevant information including IAP reports. Also need senior staff to make regular visits to field including with IAP	Closed	
B22	IAP	Strengthen collaboration and information sharing between EMO and SMO	Overlap of information collection	Recommendation Need better collaboration especially on surveys of NTFPs, fisheries, monitoring of water quality, and soil erosion	Closed	
B23	IAP	Biodiversity Offset Frame-work and Choice of Offset Site	Not new issue but important to reopen discussions on potential offset site beyond watershed	Recommendation Advise MONRE and PONRE that need to review potential offset sites outside watershed	Very High	See B26

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B24 8.2.2	IAP LTA	Watershed Management Plan	Not yet started but decisions already made on budget and resource allocations	Recommendation Initiate preparation asap, recruiting consultants and utilizing relevant inputs, including data from BIORAP and ISP.	Very High	<ul style="list-style-type: none"> NNP1 Watershed Consultant is on board since early June 2015. The Consultant made a short visit in middle of June to have more insights on current situation in watershed area as well as the comments and recommendation from relevant stakeholders from previous workshop/discussion/mission visit, to discuss the approach for option analysis, and to formulate the time table activity for plan development. The Consultant has planned second visit to NNP1PC (EMO) on September 2015 when the outcomes from BIORAP and progress of ISP can be viewed and linked for the plan development.

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B25	IAP	Watershed Management Action Plan	Action plan and activities agreed before Watershed Management Plan in place	Recommendation <ul style="list-style-type: none"> • Prioritize activities in line with PONRE mandates and capacity. • avoid duplications and clearly identify roles and responsibilities; • focus priorities e.g. monitoring illegal logging, protecting forest • reduce, simplify and integrate the sub-plans and the consultancies. 	Very High	<ul style="list-style-type: none"> • It is understood that the action plan was focused on actions over the initial two years of the program (2015-16), with an emphasis on planning, agency establishment and early actions. • Once the NNP1 watershed management plan in place then this action plan will be superseded • Noted. The Consultant has been briefed with this issue and to be further followed up. In parallel, NNP1PC will communicate the update progress with GOL.
8.2.2	LTA					
B.10	ADB		During the safeguards review mission in December 2014, it was agreed that NNP1PC will help the government to develop the WMP for NNP1 watershed and while developing the plan care will be exercised to ensure that the WMP does not conflict with the elements of the biodiversity offset plan within the NNP1 watershed. During the Mission, it was informed that MoNRE has prepared a WMP (This is entitled "Action Plan for the Nam Ngiep 1 Watershed Management for Period 2015-2018). While preparing the WMP, though MoNRE consulted with NNP1PC (EMO), ADB was not involved	<p>The Mission therefore expressed a reservation on compatibility of WMP with the biodiversity offset objectives that need to be achieved within the NNP1 watershed and emphasized that the WMP should be revised on availability of the results of rapid biodiversity survey and the species survey. NNP1PC agreed to the Mission's suggestions and indicated that the current WMP will be used as interim measure and will be updated on availability of results of these surveys. Updating of WMP is scheduled to commence in June 2015 with the appointment of a consulting firm by NNP1PC. ADB concur with this proposition.</p> <p>The updated WMP will include an Integrated Spatial Plan (ISP) for Xaysomboun province which is being developed by PoNRE and is scheduled for completion in January 2016. The biodiversity baseline assessment of the NNP1 watershed (scheduled for completion in September 2015) will feed into the ISP as one of the mapping data layers</p>		<ul style="list-style-type: none"> • Noted. The Consultant has planned to visit NNP1PC (EMO) on September 2015 when the outcomes from BIORAP and progress of ISP can be viewed and linked for the plan development.
B.11						

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B26	IAP	Potential Offset Site outside Watershed	Reopen discussion for offset site outside watershed but within XSB	Recommendation <ul style="list-style-type: none"> Likely not to be suitable offset site in watershed. In parallel to BIORAP surveys, prepare options paper for other potential and realistic offset sites within XSB/BKX NNP1PC has agreed that a biodiversity offset options paper that shortlists and prioritizes the biodiversity offset sites for selection be prepared by the ADB staff consultant, in collaboration with NNP1PC. The options paper - based on the rapid biodiversity baseline survey - will rank the potential biodiversity offset sites within the NNP1 watershed and will also identify suitable offset sites outside the NNP1 watershed, based on criteria that will include (i) manageability of the site (a viable and effective management unit, minimal / manageable threats, etc), (ii) high biodiversity value, (iii) likelihood of support by the government, the community and major conservation NGOs. These sites will preferably be located in Xaysomboun and Bolikhamxay provinces. The biodiversity offset options paper will be completed by August 2015. The BAC will review and provide inputs into the biodiversity offset options paper. Before finalization, this paper will be discussed in a workshop with relevant stakeholders including the government agencies and NGOs in September 2015 	Very High	<ul style="list-style-type: none"> Noted for the proposed offset options paper. NNP1 will initiate the discussion with XSB and BLX for potential offset site outside watershed but still within XSB and BLX province administrative area.
A.6	ADB					
8.1.2	LTA					
A.8						

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B27	IAP	Biodiversity Offset Management Plan	Too many rushed decisions leading to confusion over biodiversity offset and use of resources	Recommendation Develop realistic time frame for plan depending on results from watershed surveys and review of other offset options	High	<ul style="list-style-type: none"> NNP1 has consulted to relating counterparts to adjust the realistic mile stones especially the steps of which the other results are needed.
B28	IAP	Budgets for Watershed Management and Biodiversity Offset	Modest budgets allocated but decisions And allocations already being made before adequate plans in place	Recommendations <ul style="list-style-type: none"> Funding to be allocated according to clear objectives and outcomes. Once plans developed, review need for supplemental funding 	High	<ul style="list-style-type: none"> NNP1 do agree on that and the budget will be revised according to the related outcomes.
B29	IAP	Staffing for Watershed Management and Biodiversity team	Still vacant positions	Recommendation Fill team positions, with competent staff and work more closely with other EMO and SMO staff to avoid constant need to outsource activities to consultants.	High	<ul style="list-style-type: none"> Watershed Team Leader, Biodiversity Team Leader, and Senior Watershed Team Leader position have been filled.
B30	IAP	Financial flows and procurement issues	Serious delays on contracting essential activities e.g. BIORAP survey and BOAC due to procurement delays	Recommendation Finance Dept needs to work with EMO to facilitate contracts and speedy mobilization of activities	Urgent	<ul style="list-style-type: none"> Issue has been resolved. EMO and procurement teams will work closely on procurement matter.

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B31	LTA	The company replied that the current structure was recently approved by BOD, maintaining the Biodiversity Team. Thus Watershed and Biodiversity is managed by a separate EMO Deputy Manager. However, according to the most recent organizational chart, there is a Deputy Manager for the Watershed Management (Dr. Hendra Winastu), but not a Deputy Manager for Biodiversity. The company should clarify this discrepancy.				<ul style="list-style-type: none"> EMO was structured to have two main sub-departments: 1) compliance and monitoring and 2) watershed and biodiversity management that lead by 2 Deputy Managers. The current structure under watershed and biodiversity management clearly defines that the technical working team comprises of 1) watershed management; 2) biodiversity management; and 3) biomass clearance. Currently, the vacant key position of Watershed Team Leader and Biodiversity Team Leader have been filled, and EMO is ongoing recruitment process for biomass clearance team.

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Summary of Resettlement Issues

No.	Organization	Issue	Status	Comments and recommendations	Level of concern*	NNP1 Reply
R1	IAP	<ul style="list-style-type: none"> Depleted and degraded soil at the Houay Soup resettlement site is the single most important issue for PAP to be resettled Need to redesign land use in the Houay Soup resettlement area 	<ul style="list-style-type: none"> The Developer's Pilot Plan farm at Houay Soup continues to operate. Many PAP in Zone 2LR report that visits to the Pilot Plan farm continue, but most are not convinced that the area is adequate to meet food security needs 	<ul style="list-style-type: none"> The IAP notes that ADB considers the current IEE for Houay Soup "irrelevant." The revised IEE needs to reflect revised land use plans for Houay Soup area; delivered to Technical Department in November 2014. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends again that NNP1PC continue to conduct overnight visits to Pilot Plan farm at Houay Soup. Visits should be organized with a focus on, widows, young men and women, and vulnerable families. The IAP recommends that IEE for Houay Soup area be completed before beginning construction of access roads or other facilities. The IAP recommends that mitigation measures proposed in the IEE be implemented at the Houay Soup resettlement site. 	High	<ul style="list-style-type: none"> NNP1 will continue its commitment to implement the program of organized field visits for PAPs from 2LR to relevant locations. This program already paid specific focus on, widows, young men and women, and vulnerable families and will continue to do so. The IEE for Houay Soup resettlement area is being prepared by NNP1. The IEE is expected to complete by the end of Sep 2015. NNP1 is committed to implement mitigation measures at the Houay Soup resettlement site, as proposed in the revised IEE.
R2	IAP	<ul style="list-style-type: none"> Need to upgrade up to 500 ha designated for grazing of large livestock; prior to arrival of PAP with cattle and buffalo 	<ul style="list-style-type: none"> The IAP was informed 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. New experienced staff has been engaged from other hydropower projects in Lao PDR with previous experience in animal 	<ul style="list-style-type: none"> The IAP will visit Houay Soup resettlement site during site visit in December 2015 to inspect site development and observe mitigation measures being implemented according to the revised IEE. The area for pasture development will be determined after "choice survey" at 2LR determines number of PAP families and livestock to be resettled. <p>Recommendations:</p> <ul style="list-style-type: none"> The IAP recommends that tropical grasses and legumes be used to 	Low	<ul style="list-style-type: none"> NNP1 will use tropical grasses and legumes to establish improved grazing areas in Houay Soup. Due to the requirement to provide compensation prior to impacts and the need for a complete IEE of the Houay soup Resettlement area, this activity will however not be possible until the wet season in 2016. NNP1 is currently demonstrating the effectiveness of fodder

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			husbandry and pasture development	<p>establish grazing areas during the 2015 wet season.</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC establish fodder gardens in residential areas of the Houay Soup resettlement area that can be used as cut-and-carry fodder for resettled livestock immediately upon arrival. 		<p>gardens in residential areas in the communities of zone 3, zone 5 and Zone 2LR, which will be used as cut-and-carry fodder for livestock.</p> <ul style="list-style-type: none"> NNP1 will consider establishing communal fodder gardens at strategic locations in the residential areas of the Houay Soup resettlement area designated to 2LR Resettlers, to allow cut-and-carry fodder for resettled livestock immediately upon arrival. Such sites shall be established in the 2016 wet season.
R3	IAP	<ul style="list-style-type: none"> Designation of the Houay Soup area as resettlement site by GOL authorities Revision of the Houay Soup IEE Inclusion of adjusted size and land use plan for Houay Soup in revising the IEE Significantly smaller size of Houay Soup area that is available for PAP resettlement Preliminary village layout for Hmong village at Houay Soup Size of PAP houses at Houay Soup resettlement area 	<ul style="list-style-type: none"> GOL certificate granted to NNP1PC for 1,745 ha at Houay Soup resettlement area outside national protection forest area (PFA); additional 648 ha to be degazetted from PFA by MONRE. Total area for resettlement is 2,393 ha 3,715 ha remains in PFA; will be managed through an integrated Natural Resources Management Plan Asset registration completed in Houay Soup area. PAP have not been compensated for assets because Xaysomboun Governor has not approved unit compensation rates (separate from the rates used for the dam access 	<p>Recommendations</p> <ul style="list-style-type: none"> The unit rates of compensation for PAP assets should be finalized and approved by GOL authorities immediately. Unit compensation rates should be based on consultations with PAP in impacted zones 2LR, 2UR, 3, and 5. New land use plan should be prepared for the Houay Soup resettlement area and the IEE revised to reflect the new plan <u>BEFORE</u> any construction activities begin including construction of any access roads. The IAP recommends that careful attention be given by the social and technical departments on the layout of the Houay Soup village; consultations with PAP are necessary to ensure the village layout is acceptable. The proposed layout of the Houay Soup resettlement village should be reviewed and approved by the LTA. 	High	<ul style="list-style-type: none"> NNP1 is working closely with the relevant GoL authorities at all levels to assist the PRLRC to finalize the unit compensation rates as soon as possible. There has already been an agreed 4 step methodology to determine unit rates which was explained to PAPs in 2014 and agreed with them as being both fair and transparent. The methodology is described in the REDP and will be used to finalize the unit rates with PAPs. This methodology includes consultation with PAPs. The IEE for Houay Soup resettlement area is being prepared by NNP1. The IEE is expected to complete by the end of Sep 2015.

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			<p>road used in 2014)</p> <ul style="list-style-type: none"> Bolikhamxay RMU is following up with Xaysomboun RMU on unit compensation rates and may proceed to compensate Houay Soup PAP using unit rates applied for dam access road approved in 2014. Adjustments can be made following approval of new unit compensation rates IEE for Houay Soup needs to be revised and updated to include 648 ha to be degazetted from the PFA and use of remaining PFA 	<ul style="list-style-type: none"> The IAP requires that PAP housing at Houay Soup be according to the CA: with kitchens and bathrooms separate from and outside the main house structure. NNP1PC social management staff should be very careful on this matter. Housing plans should be reviewed by the LTA. 		<ul style="list-style-type: none"> Consultations with PAPs on the Houay Soup village layout are ongoing aspects of the consultations with PAPs. The proposed layout of the resettlement site will be provided to the LTA for review and approval. NNP1 will construct housing and community infrastructure at the Houay Soup Resettlement site as per CA specifications. Draft housing designs will be provided to the LTA for their review and comments, prior to finalization
R4		A large number of PAP in Zone 2LR have stated repeatedly that they prefer not to resettle at the Houay Soup resettlement area; that instead they will self-resettle	<ul style="list-style-type: none"> Xaysomboun provincial and Hom district officials and the RMU have approved of self-resettlement as an option According to the CA, NNP1PC is responsible only for two options, namely: (i) resettlement of PAP to Houay Soup; or, (ii) paying cash to PAP for self-resettlement based on unit compensation rates approved by the PRMLCRC; the Governor of Xaysomboun Province is chairman Official cut-off-date for the project area is 11 April 2014; this date has been disseminated among PAP 	<ul style="list-style-type: none"> NNP1PC should clarify to stakeholders that it is responsible for implementing provisions of the CA only, namely: resettlement at Houay Soup or cash compensation for self-resettlement. The IAP expects resettlement will take place one year before reservoir inundation. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC make clear to all stakeholders that NNP1PC is responsible only for (i) resettlement to Houay Soup; or, (ii) paying cash for self-resettlement. Prior to undertaking a Choice Survey, NNP1PC social staff should provide PAP in Zone 2LR with a graphic comparison between cash compensation for self-resettlement and the resettlement 	High	<ul style="list-style-type: none"> NNP1 will make it clear to all stakeholders that NNP1PC is responsible only for (i) resettlement to Houay Soup; or, (ii) paying cash for self-resettlement. As part of the overall approach to the informed choice between resettlement to the Houay Soup resettlement area or self-resettlement, the NNP1 will conduct an appropriate information campaign and meaningful consultations. A graphic comparison between cash compensation for self-resettlement and the resettlement package for Houay Soup will be one of the tools used. NNP1 will conduct a Choice

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			<ul style="list-style-type: none"> PAP at 2LR interpret the cut-off-date as being the day they receive compensation payment for assets PAP assets survey is underway at 2LR 	<p>package for Houay Soup.</p> <ul style="list-style-type: none"> NNP1PC should conduct a Choice Survey in Zone 2LR to allow PAP to choose self-resettlement or resettlement at Houay Soup. The survey will determine the level of development needed at Houay Soup and allocation of land to PAP from Zone 2LR and Zone 3 (to Zone 3 PAP who have not yet received compensation for assets at Houay Soup). The IAP recommends that the assets survey at 2LR should be completed as soon as possible. The IAP recommends that updated resettlement action sub-plans be prepared in consultation with PAP based on the REDP for zones 2LR, Zone 3-HSK, and 2UR and should be reviewed by the LTA 		<p>Survey in Zone 2LR to allow PAP to choose self-resettlement or resettlement at Houay Soup.</p> <p>Development of the Houay Soup resettlement site will be adjusted based on the outcome of such survey.</p> <ul style="list-style-type: none"> NNP1 will allocate additional human resources to speed up the assets survey at 2LR and complete it as soon as possible. NNP1 will prepare zone specific updates of the REDP over the next several months and make these publically available on our website, after they have been reviewed by the ADB.
R5	IAP	<p>Impacts and disturbance of PAP in Ban Hatsaykham hamlet from Developer's base camp, dam access road, and construction of dam and powerhouse.</p> <p>Positive impact from livelihood activities throughout Zone 3</p>	<ul style="list-style-type: none"> A social management and mitigation plan and livelihood development activities are being implemented in Ban Hatsaykham A police sub-station has been established at Ban Hat Gniun village with 6 district police assigned to the unit Construction workers are prohibited from entering Ban Hatsaykham A social management action program (SMAP) is being implemented at Ban Hat Gniun village and Ban 	<p>The IAP has recommended since 2013 that PAP at Ban Hatsaykham be moved early to the Houay Soup resettlement area or be relocated temporarily to another part of Ban Hat Gniun village to minimize impacts from construction activities. This move has not taken place for various reasons. The IAP is very disappointed that a temporary relocation was not undertaken.</p> <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC make every effort to ensure social protection of Ban Hatsaykham PAP until resettlement of the PAP has been achieved. The IAP recommends that NNP1PC prepare a site-specific REDP for PAP from Ban Hatsaykham, prior to 	Medium	<ul style="list-style-type: none"> NNP1 remains committed to the social protection of Ban Hatsaykham PAPs, both before and after their relocation to Houay Soup Resettlement Site, as committed to in the Social Management Action Plan. NNP1 will prepare zone specific updates of the REDP over the next several months and make these publically available on our website, after they have been reviewed by the ADB. NNP1 had made payment to PAPs along the extra land use due to slightly change of

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			<p>Hatsaykham hamlet</p> <ul style="list-style-type: none"> NNP1PC SMO has frequent contact and a good working relationship with Ban Hatsaykham PAP Ban Hatsaykham cannot be moved to the Houay Soup resettlement site until late 2015 / early 2016 Areas of Houay Soup to which PAP from Ban Hatsaykham have access have been defined and PAP informed 	<p>resettlement. This REDP should be reviewed by the LTA and the ADB. The REDP is different and separate from the revised IEE for Houay Soup.</p> <ul style="list-style-type: none"> The IAP expects that NNP1PC will pay compensation to Ban Hatsaykham PAP immediately for extra land used along the right of way (ROW) of the Dam Access Road when PAP are compensated for agriculture land. . The IAP recommends that the livelihood team be strengthened to continue very positive work that is on-going in Zone 3 villages. Specifically: (i) hire two additional technicians already listed on the SMO organization chart: off-farm income technician and marketing technician. Also, NNP1PC management should encourage use of both Lao and Hmong speaking university students as summer interns to assist with livelihood development activities. 		<p>alignment of the road.</p> <ul style="list-style-type: none"> NNP1 is currently recruiting for the mentioned vacant positions. 4 students from the University of Laos are currently following the NNP1 Internship program, working with livelihood development activities. NNP1 will make a concentrated effort to expand this internship program next year, to be able to receive an increased number of interns
R6	IAP	Commercial development by camp followers around the Developer's base camp and other labor camps will have a negative impact on PAP in host villages located near those construction camps	<ul style="list-style-type: none"> The "zero tolerance" policy has been adopted by the Developer. A code of conduct is attached to every contract and emphasized by an instruction from the Bolikhan District Governor on social behavior by construction workers A SMAP is being implemented Experienced social staff are employed to implement social management activities among PAP and 	<ul style="list-style-type: none"> The IAP is satisfied that sufficient actions have been taken by all parties to reduce unethical and immoral social behavior by all employees of the Developer (including consultants and advisors), the Head Contractor, and all sub-contractors. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC holds regular meetings with police and law enforcement officials to review unethical and immoral social behavior by all employees and to discuss and implement plans for providing social protection for communities and workers. The IAP recommends that small upgrades be undertaken at the police sub-station in Ban Hat Gniun to ensure 	Low	<ul style="list-style-type: none"> The recommendation by the IAP to hold regular meetings with the Police are part of the SMAP, which is currently being implemented. NNP1 will improve the reporting of these activities to demonstrate that these activities are ongoing. NNP1 is currently discussing with the police based in Hat Gniun on small improvements to the facilities there.

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			camp followers <ul style="list-style-type: none"> The number of restaurants and beer bars has decreased at Ban Hat Gniun and Ban Hatsaykham A police sub-station has been established to provide law enforcement 	high morale and efficiency of police services.		
R7	IAP	<ul style="list-style-type: none"> Demarcation of fully supply level of the Nam Ngiep 1 reservoir Water supply system for NNP1 impacted villages Relocation and livelihood restoration of PAP in three villages in Zone 2UR 	<ul style="list-style-type: none"> Demarcation of the full supply level of the Nam Ngiep 1 reservoir is the highest PAP priority Development of village water supply in each village is a high priority The PAP earlier reported to IAP that they would relocate within their villages and diversify livelihood activities with support from NNP1PC. Some households have completed self-relocation of residences. NNP1PC has agreed to support land development and alternative livelihood activities beginning in January 2015 Issues related to use of drawdown zones (DDZ) need to be addressed The new NNP1PC livelihood development team is in place 	Recommendations <ul style="list-style-type: none"> Demarcation of the full supply level of the Nam Ngiep 1 reservoir by NNP1PC engineers should be completed as a high priority. The IAP recommends NNP1PC conduct consultations with PAP to develop a community-based village water supply system that provides a year-round supply of potable water to impacted villages with support from NNP1PC. The IAP recommends that a mini-RAP (<i>relocation action plan that includes a livelihood restoration plan</i>) be formulated in a participatory matter with PAP and district and <i>kum baan</i> officials; ensuring participation by women and youth. The mini-RAP should be based on individual household consultations on developing sustainable alternative livelihoods that are linked to markets. The IAP recommends that the assets survey at 2UR should be completed before the next IAP visit in December 2015. The IAP recommends strong management support for and strengthening of the livelihood 	Medium	<ul style="list-style-type: none"> The 2UR team is currently coordinating with TD regarding the demarcation of the boundary for the acquisition of assets. NNP1 made the commitment to improve existing village water supply systems in the REDP, Chapter 17.3.4 Community Resources & Infrastructure, and item 8.b bullet point 3. The timeframe for improvement of community infrastructure in 2UR is from 2015-2017. NNP1's water supply engineer is currently focusing on improved access to water for the host communities and several downstream communities. When resources are available they will be assigned to assist the 2UR communities. See comments to R5. NNP1 will prepare zone specific updates of the REDP over the next several months and make these publically available on our website, after they have been reviewed by the ADB.

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				development team at 2UR.		<ul style="list-style-type: none"> NNP1 will allocate additional human resources to speed up the assets survey at 2UR and complete it as soon as possible. NNP1 is currently recruiting for the vacant positions of the 2UR livelihood team
R8	IAP	<ul style="list-style-type: none"> Organizational and institutional issues related to both NNP1PC and the GOL Coordination between NNP1PC director and Xaysomboun RMU Familiarization of Hom District officials with NNP1 issues and procedures 	<ul style="list-style-type: none"> Xaysomboun RMU reports lack of coordination by NNP1PC director with RMU Hom District officials report lack of knowledge of NNP1 project details 	<ul style="list-style-type: none"> The project is making progress in many areas. Lao staff recruited by the former senior social manager (Mr. Francois Demoulin) are implementing the pre-resettlement plans that he prepared and are being guided well by experienced professionals recruited from NTPC and THPC. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC directors, managers, and team leaders identify key official contacts at the provincial, district, and village levels and coordinate more closely with those individuals, particularly in Xaysomboun province. The IAP recommends that NNP1PC managers and team leaders provide orientation and familiarization to recently appointed Hom District officials to facilitate NN P1PC's ability to work in the area. <p>The IAP recommends that NNP1PC assign an experienced staff member to begin development of a framework for the 2016</p> <p>Annual Implementation Plan (AIP); as an integrated document prepared in</p>	Medium	<ul style="list-style-type: none"> NNP1 will continue to strengthening its working relationship with key officials in Xayxomboun. NNP1 will organize a project orientation for District staffs from Hom. NNP1 will organize a timely start of the development of a framework for the 2016 Annual Implementation Plan (AIP)

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				consultation with appropriate GOL officials		
R9	IAP	<ul style="list-style-type: none"> Internal management and institutional structures needed to organize and implement the resettlement program are weak The flow of funds to support important and time-sensitive field operations is being obstructed by some financial staff Some SMO, EMO, and Technical Department staff are reportedly unfamiliar with NNP1PC financial procedures 	<ul style="list-style-type: none"> Several experienced staff planned to leave NNP1PC during May and June 2015; with poor working conditions given as the reason for their departure Release of funds for SMO and EMO field activities continues to be delayed by finance department staff resulting in delays in field operations related to preparations for resettlement 	<ul style="list-style-type: none"> The IAP has pointed out that the multi-cultural, multi-ethnic, multi-national, and experienced staff working at NNP1PC requires management using modern and professional procedures and processes. A higher level of commitment is needed by NNP1PC senior management to ensure the effectiveness both staff efforts and costly NNP1PC social and environmental programs. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC engage a management consultant to assist with overcoming current management challenges that negatively affect morale, performance, and effectiveness of staff and NNP1PC funded field activities. The IAP recommends that the management consultant introduce modern and professional management measures to improve the flow of funds and integration of TD, SMO, and EMO. 	High	<ul style="list-style-type: none"> NNP1PC recognize the importance of keeping experienced staff working for the company. Currently NNP1PC high management is revising management strategies to overcome the issues, such as extending the duration of staff contracts to longer periods (multi-year assignments), improving communication mechanisms between high management and mid-level management staff, improving facilities, creating a better work environment and living condition. A team building event using a professional organizer is scheduled to be organized in December 2015. This event will help with harmonizing management of NNP1, which consists of a large group of multicultural professionals. Document approval and financial approval systems are currently being revised, to facilitate better flow of funds. New forms and procedures have been developed and training of staff on the application will be implemented in July 2015. If these measures prove insufficient to tackle the issue,

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						then the company will engage a consultant to assess the cash flow procedures, recommend further improvements and facilitate the introduction of them

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Summary of Social Issues

No.	Organization	Issue	Status	Comments and recommendations	Level of concern*	NNP1 Reply
S1	IAP	<ul style="list-style-type: none"> Changing the Hmong lifestyle is not easy and will take time Agricultural and handicraft products and the market 	<ul style="list-style-type: none"> In Ban Hatsaykham and Ban Thaheua of Zone 3, livelihood programs have been initiated including fish and chicken raising and vegetable and mushroom growing. The volume of products is still small compared to local demand from communities and construction workers. In Zone 2UR PAPs are concerned about markets for their products, especially handicrafts. 	<p>The Deputy Governor of Thathom District and the Women Group Chairperson of Thathom District recommended the Project to find agricultural and handicraft markets for PAP products.</p> <p>Recommendation</p> <p>For sustainable development, the GOL and NNP1PC should identify markets for PAP agricultural outputs. This is a strong recommendation also from the Xaysomboun Governor.</p>	High	<ul style="list-style-type: none"> NNP1 recognizes the importance of marketing. It is considered in the REDP, where also special consideration are provided to Gender and marketing, as stated in paragraph 228. NNP1 is currently recruiting 2 staff for marketing activities, one person to be based in 2UR and one in Paksan.
S2		<ul style="list-style-type: none"> Hmong graves survey 	<p>The IP (the Hmong) graves have been surveyed and registered 90% of them in Zone 2LR. Currently, the Project has started to survey the Hmong graves in Zone 2UR. The discussion on establishing the grave compensation unite rate is ongoing.</p>	<p>Recommendation</p> <p>The IAP recommends that lessons learned from other related projects be considered. The GOL must participate in negotiation and reach agreement, especially RMU; the Governor of each province and each district, Lao Front for National Construction of each district, province and national levels. Negotiations also can be done through elders of each clan. Several small graves within the same clan can be performed by a single grave ceremony.</p>	High	<ul style="list-style-type: none"> The compensation Unit rate for graves will follow the same process as for other compensation unit rates, using the agreed 4 steps methodology, as indicated in the REDP. Since the rate is issued by the PRLRC, after close consultation with PAPs, both the GoL and the PAPs are closely involved in this process.

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S3		<ul style="list-style-type: none"> The area for PAP resettlement at the Houay Soup resettlement area needs to be clarified 	<p>The total land of Houay Soup Resettlement Site is 6,108 ha of which a significant portion is inside a protection forest. The land outside the protection forest is 1,745 ha, of which some 808 ha will be allocated to PAP; remaining 937 ha land will be used for livelihood restoration; of which 88 ha (5%) is unusable. PAP are aware of the amount of land available at Houay Soup.</p>	<ul style="list-style-type: none"> The Xaysomboun Province Head of the Lao Front for National Construction and the Head of the RMU and the Director of the Department of Land Administration, and the Head of RMU of Bolikhamxay Province are all aware of this issue. <p>Recommendation</p> <ul style="list-style-type: none"> The IAP recommends that usable land at the Houay Soup area available for livelihood restoration should be clarified to the PAP as soon as possible. 	High	<ul style="list-style-type: none"> All 6,108 ha of the resettlement site is allocated for resettlement. NNP1 is currently working closely with the relevant Authorities to clarify the area's within the Resettlement area which will be made available for resettlement infrastructure development, agricultural development and which area should remain under forest cover. Land classified as protection forest is still accessible under national law for livelihood activities such as NTFP collection. A Forest Management Plan will be established with Resettlers for the sustainable use of this area. The resettlement site, as every rural village in Laos, will have a large part of the village territory under forest cover for use by the community.
S4	IAP	<ul style="list-style-type: none"> Food security is a major concern of the PAP Soils at Houay Soup need improvement Additional investigations are needed on the use of the whole resettlement site 	<ul style="list-style-type: none"> The Pilot Plan site / demonstration farm is managed by a Hmong manager who understands local customs and traditions; he can demonstrate how PAP can prosper at Houay Soup Livelihood Programs have been initiated in Zone 3. The programs such as, fish and chicken raisings, mushroom and vegetable growing are undertaken at the site. The PAPs both Hmong and Lao Loum appreciate the programs 	<p>Recommendation</p> <p>The IAP recommends that the Project should initiate the livelihood programs in Zone 2LR and Zone 2UR as soon as possible. The PAPs in the 2 zones are waiting for such programs for a long time. This will build trust between the Project and the PAPs. At the same time the programs can generate income and support more food for PAPs.</p>	High	<ul style="list-style-type: none"> NNP1 appreciated the recognition of the ongoing Livelihood program, aimed at increasing the knowledge of livelihood activities of Resettlers prior to physical relocation, to increase their resilience and prepare for the opportunities available at the Resettlement site. The livelihood team has expanded it's activities in 2LR already, with several activities being successfully implemented there. Livelihood activities in 2UR have started with on-farm plot trails on the benefits of improved rice varieties.

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S5		<ul style="list-style-type: none"> • Drug abuse spreads among IP (the Hmong) youth in Ban Hatsaykham of Zone 3 and the number is increasing; according to the elder, several Hmong youth have started to use amphetamines in the village. • There are more newcomers of IP (Hmong) moved into Ban Pou of Zone 2UR and Ban Hatsaykham of Zone 3 	<ul style="list-style-type: none"> • Drug use has caused crime, fighting, and theft in Hatsaykham causing concern among Hmong elders • The village headman can do nothing since newcomers come to visit their clans; but stay and do not return to their village 	Recommendation <ul style="list-style-type: none"> • The IAP recommends the Project discusses and solves the issue with village leaders, local committees, police, and Bolikhan authorities. If not, drug abuse will impact not only Hatsaykham but Project workers and Lao Loum communities; this issue requires close observation and investigation • The IAP recommends that it is required to enforce the Lao Laws. The Project has to work closely with the village headmen, the district and provincial authorities. 	High	<ul style="list-style-type: none"> • Law enforcement is the responsibility of the Lao Government, which the company is facilitating through the support provided to district and provincial police, including the construction of a police post in Hat Gniun village. This police post enables 6 police officers to be based there full time. • Furthermore, the company has a zero tolerance policy to the use of drug by our staff, contractor and sub-contractors.
S6	IAP	<u>Compensation and unit rates</u> Unit Compensation Rate: The PAP in Zone 2LR cannot accept the unit rate. According to the PAP, the unit rate that proposed by the GOL on 14 July, 2014 was very low	The Deputy Governor of Xaysomboun Province promised PAPs that a new official unit rate will be proposed around May 15, 2015. According to Deputy Governor, the official unit rate will be the same in both Xaysomboun and Bolikhamxay. The delay in issuing the unit rate is due to poor cooperation among the Project, RMU, the districts and provinces, as well as different cost of the unit rates between the 2 provinces. It is required to discuss among related organizations. According to the headman of Ban Sopphouan and his villagers, the paddy land unit rate in his village must be the same as Zone 2UR because resettlement is required by the GOL, not the PAP.	Recommendation The IAP recommends that negotiation and discussion with PAP follow the methodology outlined in the REMDP and be used to finalize unit compensation rates.	High	<ul style="list-style-type: none"> • The establishment of the compensation unit rates follows an agreed 4 step methodology to determine unit rates which was explained to PAPs in 2014 and agreed with them as being both fair and transparent, as described in the REDP. Since the rate is issued by the PRLRC, after close consultation with PAPs both the GoL and the PAPs are closely involved in this process. • This process has already been agreed on and NNP1 considers that changing the methodology at this stage would not be helpful.

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S7		176 households of PAP of Ban Sopyuoak, Ban Sopphuane, and Ban Houaypamom in Zone 2LR have insisted to self-resettle.	The PAP have insisted to self-resettle to their old villages. Some will move to Houay Sai Samsao, a Hmong village nearby. Some will move to Nam Joi in Bolikhamxay. PAP say that only 1,745 ha is available for resettlement at Houay Soup which may be inadequate for the PAP. This has created tensions and pressures for them. According to the Vice President of the Lao Front for National Construction, the Deputy Governor of Xaysomboun Province, and other higher officials, the PAP of Ban Sopyuoak insist not to resettle to Houay Soup because many of them are decorated heroes of the civil war.	Recommendation The IAP recommends that land use planning in Houay Soup resettlement area be clarified. Cash payment for compensation for the PAP should be clarified to resolve the resettlement issue. This is also a strong recommendation from the Vice President of the Lao Front for National Construction.	High	<ul style="list-style-type: none"> • See our response to R4 and S3 regarding the clarification of the Houay Soup Resettlement site. • • Each affected household's compensation payments will be clearer when the final unit rates are issued, which will enable PAPs to compare the Houay Soup package and cash compensation package, enabling them an informed choice to decide which resettlement option to select.
S8		Collaboration with Xaysomboun Province has improved. However, better collaboration with the province and the PAP is needed in Zone 2LR. Project officials must understand the PAP and their issues.	The RMU of Xaysomboun Province requires 3 officials from the Project to be stationed and work at with the RMU, as well as 2 officials from the Project to be posted to Hom District Office, including company staff working in finance, administration, and field operations.	The IAP recommends that the Project work through the RMU, Vice Governor, and Governor of Xaysomboun Province; this is legally required. Whenever Project staff visit the site, they should inform the Governor of Hom District and related officials in the district. In addition, Project personnel should visit village leaders, Hmong elders, head of the women's group, and head of the youth group in the villages. This is also a strong recommendation from the Vice President of the Lao Front for National Construction.	High	<ul style="list-style-type: none"> • NNP1 appreciate to engage the guild line suggested by IAP as a work instruction especially to coordinate to multi-stake holders for better outcomes.

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S9		Hmong staff	Additional Hmong staff have been engaged by NNP1PC to work on the project.	The IAP is pleased that NNP1PC has made progress on this issue. This is a good reputation for the project since most directly PAP are Hmong ethnic group.	Medium	<ul style="list-style-type: none"> NNP1 appreciates the recognition of the company's efforts to employ Hmong staff to work with the PAPs.
S10		Cut-off-date	<ul style="list-style-type: none"> The previous cut-off date was announced on July 14, 2014 and it was not effective because the unit rate was not accepted by the PAP, especially in Zone 2LR. According to the Deputy Governor of Xaysomboun Province, the cut-off date will be announced to each household after the asset registration has been finalized. 	There should be an official announcement and dissemination of the cut-off-date to PAP in the villages.	High	<ul style="list-style-type: none"> Bolikhamxay province, through the RMU, announced the cut-off date officially in the villages in Bolikhamxay. The project is still awaiting the Xaysomboun province, through their RMU, to announce the cut-off date in the communities in Xaysomboun.

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Other Issues raised

No.	Organization	Issue	Status	Comments and recommendations	Level of concern*	NNP1 Reply
LTA1	LTA	Hiring qualified, competent and experienced key staff is being difficult and will cause further delay of the required resettlement activities.		<ul style="list-style-type: none"> LTA recommends a review and audit of what is really happening within the SMO organization. Why are key staff departing the project? Why are key positions still vacant? How long will it take for NNP1PC to fill-up the vacated and vacant positions? This is one of the causes for the delays in fulfilling the social safeguards requirements and social development activities. Imposition of additional working hours without consultation and without additional compensation is against the international labour policy of the standard 40 hours per week. NNP1PC should clarify this feedback. IFC Performance Standard #2 requires that NNP1PC set-up a Grievance Redress Mechanism "for workers (and their organizations, where they exist) to raise workplace concerns. The client will inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution. The mechanism should also allow for anonymous complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be 	High	<ul style="list-style-type: none"> NNP1 Management has conducted an internal evaluation to identify key reasons of contributing to staff resigning from NNP1. Several different reasons were identified, including: professional gaps among the team which contributing to the hardship to achieve the target, communication problem between management and operational staff and uncertainty of project implementation plan. To overcome the issues, NNP1 high management has decided to organize periodically higher management meetings (MD, and DMDs), to evaluate the situations and underlying causes of such problems. The first such meeting was arranged on July 13rd, 2015. To overcome the issue of vacancies of key positions, NNP1 not only engaged the standard procedures of recruitment, but also directly contacted potential candidates recommended through several professional networks. This provided the NNP1 with a large number of candidates for all key position. NNP1 plans to finish interviewing promising candidates by the end of July 2015 and subsequently fill all vacant positions by the end of September 2015, ensuring the required staff is available to meet all of the company's obligations. NNP1s HR Policy has just been approved by the BOD, despite a minor issue is still pending the review, but the majority is in place for us to use as a reference. Clause 10.6 and clause 10.7 are about working hours, working days and overtime. Presently an international consultant is still working on some procedures. The company's HR policy is mainly in line with Lao Labor Law, and the company is sure that our policy does not have any section against international law. Please re-check, if there are

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- Low - action recommended within 6 months
- Medium - action recommended within 1-2 months
- High - immediate action recommended.
- Very High/Urgent – Highest priority for action

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				available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.”		<p>any clauses going against international labour policy, please inform the company, so it can be adjusted accordingly.</p> <ul style="list-style-type: none"> Clause 19 of HR policy is about grievance, there is procedure recently developed by our international consultant but still not officially announced for generally use yet. As soon as management approved, we are going to make it accessible to all of our staff.
LTA2	LTA	Limited collaboration between EMO and SMO		<ul style="list-style-type: none"> Action Required: NNP1PC to improve communications and information sharing within the EMO and between the EMO and SMO, including development and implementation of joint planning and monitoring of issues of common concern, such as forestry and watershed management in the Houay Soup resettlement site, fisheries monitoring, and community issues arising from environmental impacts from construction. 		<ul style="list-style-type: none"> The ESD is establishing working groups where one issue is tackled by the working group, consisting of members from different units and technical backgrounds. Weekly ESD meetings are organized where issues of both EMO and SMO are raised and discussed together. See also B21
LTA3	LTA	There is good coordination between the RMU of Bolikamsay and the project according to the District Governor of Bolikhan. However, this is not the case with Xaysomboun. The ViceGovernor complained that they don't clearly understand the role of the RMU and its relationship with PONRE and the District government. RMU likewise complained that PONRE has been		<ul style="list-style-type: none"> Action Required: Although some of the complaints are valid, there seems to be some “malicious intent” on the side of the RMU’s complains about PONRE and NNP1PC. This still needs to be further investigated. However, feedbacks and complaints of the Vice Governor, such as clarifying the roles of PONRE, RMU and the District government offices are valid. Another important complaint to be addressed by NNP1PC is the work schedule of the staff at the project area. The staff should start settling in the project area where they can be available 		<ul style="list-style-type: none"> A refresher training to the project and GoL organizational structures and responsibilities as outlined in the CA, annex C, Appendix 5 “GOL Organizations on Social Matters” will be organized for Xaysomboun. The NNP1 has a site office in 2LR and is establishing one in 2UR. Project staff is available and accessible to the communities. To streamline the asset registration process, modified working schedules are currently have been discussed, negotiated and agreed between the asset registration staff and the company.

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		overstepping RMU's role because NNP1PC coordinates more with PONRE rather than with the RMU of Xaysomboun.		and accessible to the communities.		

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