

Nam Ngiep 1 Power Company Limited Response to Independent Advisory Panel Report

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

Nam Ngiep 1 Power Company Limited Response to Report Number 4 of the Independent Advisory Panel on the Nam Ngiep 1 Hydropower Project, Lao PDR during the Fourth Site Visit, 7-14 December 2014

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

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**NNP1 Response to Report Number 4
of the Independent Advisory Panel
on the Nam Ngiep 1 Hydropower Project,
Lao PDR
Fourth Site Visit, 7-14 December 2014**

12 March 2015

Part 2: Summary of IAP issues, requirements, and recommendations

Summary of Resettlement Issues

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
R1	Site visits: 4-11 May 2014 7-14 December 2014 Houay Soup Resettlement Area Initial Environmental Examination	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 continues to demonstrate that rice and cash crops can be cultivated successfully at Houay Soup without using chemical fertilizers. Many PAP in Zone 2LR have visited the Pilot Plan farm and are familiar with farm activities, 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 the ADB considers the recently completed IEE for Houay Soup to be "irrelevant." This indicates to the IAP that the IEE will need to be either significantly revised or totally repeated; after completion of a revised land use plan for the Houay Soup area, which was delivered to the Technical Department at end November 2014. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that NNP1PC continue to conduct overnight visits to the Pilot Plan farm at Houay Soup. These visits should be organized with a focus on women, widows, young men and women, and vulnerable, especially poor, families. The IAP recommends that NNP1PC either revise or re-do the IEE for the Houay Soup area following final settlement of the area available for resettlement. 	High	<ul style="list-style-type: none"> Visits to the Project's Resource Center have already been intensified and will continue over the following months. The IEE has been produced based on the originally agreed TOR between Project and external monitoring and the quality of the IEE for this TOR was not in question (from NNP1's understanding) but an extended scope requested. The Project already planned an update of the IEE following the finalization of the resettlement infrastructure designs and the updated land use planning for the resettlement site. An updated IEE will be drafted within Q2 of 2015. The Final IEE satisfactory to ADB will be submitted by end July 2015.

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R2	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	Need to upgrade an estimated 500 ha of land designated for grazing of large livestock; prior to arrival of PAP with their cattle and buffalo	<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 husbandry and pasture development. 	<ul style="list-style-type: none"> • The IAP has recommended that the Developer contact NAFRI to obtain recommendations for appropriate tropical grasses and legumes to establish in the grassland/ grazing areas at least one year prior to resettlement. • The IAP is confident that NNP1PC will undertake this task prior to PAP resettlement. • The IAP recommends that NNP1PC should continue working on this task. 	Low	<ul style="list-style-type: none"> • Noted with thanks.

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R3	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> • Designation of the Houay Soup area as a resettlement site by provincial and district authorities • Current occupants and land users at Houay Soup resettlement area • Results of the IEE undertaken for the Houay Soup resettlement area 	<ul style="list-style-type: none"> • A GOL certificate has been granted for 30% of the Houay Soup resettlement area. • Asset registration has been completed in the Houay Soup resettlement area. • The IEE for Houay Soup has been completed and revealed several important points, including: <ul style="list-style-type: none"> • A National Protection Forest overlaps with an estimated 70% of the resettlement area • Electricity transmission lines cross the area • Five small dams will be built on the two streams that drain the area • In principle, the cut-off-date for the entire project area has been set at 11 April 2014. This date has not yet been made public by key GOL officials in some project areas. • The Xaysomboun RMU has not yet approved the unit rates of compensation for assets in the project area (separate from the rates used for the access road) 	<p>Recommendations</p> <ul style="list-style-type: none"> • The IAP observed during a meeting with the director-general of the Department of Land Administration Department that mentioning that Houay Soup was included in the NNP1 Concession Agreement had a visible effect on him. Thus, the IAP recommends that NNP1PC lawyers should clarify the legal status of the Houay Soup resettlement area in the Concession Agreement. Clarification should be discussed with appropriate GOL land authorities and an agreement reached on how to manage the 70% of the Houay Soup area that is protection forest. • SMO should review the land use plan prepared for Houay Soup resettlement area and revise the IEE to reflect the new plan. • The cut-off-date for establishment of new assets should be disseminated publically throughout the project area immediately. • The unit rates of compensation for PAP assets should be finalized and approved / authorized by GOL authorities immediately. 	High	<ul style="list-style-type: none"> • Noted with thanks. The DMD ESD is working together with all stakeholders in the development of a joint approach for the sustainable usage of the protection forest by the resettlers. For the purpose of degazetting, by the end of March 2015, the indicative survey will be completed. From the data collected NNP1 will know how many people will move to Houay Soup, which will impact how much area will be needed. NNP1PC/ESD is working together with an experienced local consultant company with international specialists to complete a Land Use Plan and a Houaysoup Forestry Management Plan by 20 April 2015 to define different land use options in the different areas. This will be used to support the consultation with MoNRE regarding which additional land needs to be converted. • The planning on the forest protection use is intended to be a sustainable scheme, which needs to be done in a participatory method, requiring extensive consultations. The initial phase with regards to the participatory land use planning will be conducted with Hatsaykham, the first resettlers, and is expected to be completed in July 2015. • As noted in R1, the IEE will be updated accordingly. • The Project has technically and logistically supported the GoL in their task of disseminating the Cut-Off-Date Decree by the PRLRC. The official decree will be disseminated by PRLRC along with

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						<p>the unit rates for compensation by 20 April 2015. At this time, the issuance is pending and hinges on the finalization on the unit rate of rubber trees and paddy fields. The issuance of the unit rates is expected on 10 April 2015.</p> <ul style="list-style-type: none"> The Project has developed a flow-chart and is currently implementing it to address the outstanding steps to finalize, establish, and disseminate the compensation unit rates by supporting the PRLRC in accordance with the responsibilities outlined in the CA and along the Project standards to develop unit rates based on replacement values.

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R4	Site visit: 7-14 December 2014	A large number of PAP in Zone 2LR have stated repeatedly that they prefer not to resettle at the Houay Soup resettlement area.	<ul style="list-style-type: none"> • Self-resettlement options include: <ul style="list-style-type: none"> • Moving to urban areas to live with family • Moving up hillsides as the NNP1 reservoir water rises • Returning to live at locations occupied prior to moving to 2LR, including: Saam Liam, Phou Saam Sao, Saan Phou Toey, Gnot Houay Nam Tong • Xaysomboun provincial and Hom district officials and the RMU have approved of self-resettlement as an option 	<p>Recommendations</p> <ul style="list-style-type: none"> • NNP1PC should work with provincial, district, and RMU officials to urgently undertake the scoping of alternative sites in Muang Hom district • The RMU should either rule out or include the self-resettlement sites by end January 2015 • NNP1PC should conduct a Choice Survey of PAP in Zone 2LR to allow PAP to choose self-resettlement or resettlement to Houay Soup (Choice Survey) • Prior to the Choice Survey, NNP1PC social staff should provide PAP in Zone 2LR with a comparison between cash compensation and a resettlement package (for Houay Soup) 	High	<ul style="list-style-type: none"> • The Project has prepared an evaluation form to support a joined assessment of alternative sites in Hom District and is currently supporting GoL and participants in setting up the necessary structures. • A GoL working group has been set up for the assessment and preparations are ongoing. Reports of the final assessment of the feasibility of the suggested sites as alternative resettlement sites should be available realistically by beginning of March 2015. • On 20 April 2015 NNP1PC will commence with an indicative preliminary choice survey together with GoL by consulting with every household regarding the options already integrated in the Detailed Entitlement Matrices regarding resettlement and self-resettlement. NNP1PC will implement the survey following the dissemination of results of the final unit rates and the alternative resettlement site scoping. • A comparison will be presented, including short and long-term benefits to allow PAPs an informed choice in line with the principles outlined in the detailed entitlement matrices.
R5	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	Impacts and disturbance of PAP in Ban Hatsaykham from construction of the Developer's base camp and construction of the dam access road.	<ul style="list-style-type: none"> • The Developer is preparing a site-specific REDP for Ban Hatsaykham PAP prior to their move to Houay Soup. • PAP have not been informed why they are not resettling during the 2014-2015 dry season. 	<ul style="list-style-type: none"> • The dam access road is located some distance from the hamlet and was observed as having a less significant direct impact on the hamlet than originally expected. • District officials and the RMU are aware of harassment and attempted rapes of Ban 	High	<ul style="list-style-type: none"> • The Project has attempted and put all efforts onto early resettlement rather than temporary resettlement to avoid additional resettlement challenges at the temporary place, which also would have been close to the construction area (even though 8km further away than the current village) and where agricultural lands and according

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			<ul style="list-style-type: none"> • NNP1PC reports that SMO staff are visiting Ban Hatsaykham weekly. • A health baseline survey has been undertaken and health training has been provided. • The village water supply has been upgraded. • Although the cut-off-date has been announced, village households have increased from 37 to 41. • Ban Hatsaykham PAP have been compensated for assets located at the Houay Soup resettlement site. PAP therefore do not know if they can cultivate crops on their old lands at Houay Soup during the 2015 growing season. • More than one case of attempted rape has been reported by Ban Hatsaykham PAP by construction workers. 	<p>Hatsaykham women by construction workers and have assigned additional police (including women officers) to the area.</p> <ul style="list-style-type: none"> • The IAP was informed that Ban Hatsaykham cannot be moved to the Houay Soup resettlement site until late 2015 / early 2016. The IAP is very disappointed that a temporary relocation was not undertaken to remove the village from direct impacts of the construction camp and the dam access road as the IAP recommended in 2013. <p>Recommendations</p> <ul style="list-style-type: none"> • The IAP requires that NNP1PC makes every effort --- and documents every effort --- to ensure social protection of Ban Hatsaykham PAP until resettlement of the PAP has been achieved. This includes intensifying visits by SMO staff, including meeting frequently with PAP women to determine how NNP1PC can be more effective at social management. • The RMU and NNP1PC should explain to Ban Hatsaykham PAP why they are not moving during the 2014-2015 dry season. • PAP should be allowed to cultivate short duration crops on their old lands at Houay Soup, but should be informed that they are not eligible for additional compensation. 		<p>access paths would still be passing the current settlement area.</p> <ul style="list-style-type: none"> • The Project has integrated a Social Management and Mitigation Plan (SMAP) into its Social Development Plan disclosed in June 2014. In addition, the Project has prepared a Social Management Action Program which outlines further details on how to mitigate adverse impacts from construction which is currently being implemented. Many activities have commenced to reach the five objectives of the SMAP. This includes, but are not limited to, establishment of a district police office in Hat Gniun Village where 6 District Police staff are based, including two females. The code of conduct has been translated, disclosed and signed by all workers. A barrier has been placed on T5 road and all workers have been instructed not to enter Hatsaykham Village. Information Dissemination Campaigns have been conducted on Lao Law, STDs and road safety. In addition, constant interaction with the PAPs of Hatsaykham allows adaptive management to address unforeseen impacts. • Clarification on IAP status and comment on the attempted rape case: This is a camp follower issue and not a Hatsaykham villager issue, though the severity of the case and the response of the project is not diminished due to this fact. To clarify, one official case of attempted rape has been reported on the outskirts of Ban Hatsaykham between a construction worker and

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						<p>a camp follower (wife of construction worker). Unofficially, one additional case has been reported, the victim being the same camp follower but a different construction worker (two attempts).</p> <ul style="list-style-type: none"> • The Project will explain to Hatsaykham and the RMU that land acquisition in Houaysoup is delayed because the compensation rates have not been finalized and that the necessary infrastructure would not be ready to allow early resettlement in 2015 as initially planned. • The Project's Livelihood Team, Infrastructure team, RMU, DCC, and PAPs defined areas where agricultural activities are possible during the cultivation season of 2015.

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R6	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	Commercial development by camp followers around the Developer's base camp and other labor camps (for construction of roads and other project facilities) will have a significant negative impact on PAP in host villages located near those construction camps.	<ul style="list-style-type: none"> • The IAP was informed that a code of conduct has been formulated by the Developer and has been included in the REMDP. • NNP1PC staff and contractor and sub-contractor staff are being given an orientation to the code of conduct in several languages. • The number of restaurants and beer bars continues to increase along the dam access road that runs through Ban Hat Gniun and Ban Hatsaykham. Some bars continue to sell alcohol immediately adjacent to the primary school. • NNP1PC SMO staff is implementing social awareness activities among impacted communities. 	<ul style="list-style-type: none"> • The IAP discussed the issue of unethical and immoral social behavior by camp followers and laborers with the RMU and the newly appointed district governor of Bolikhan District. <p>Recommendations</p> <ul style="list-style-type: none"> • Required: The IAP requires that the Developer work to implement a zero tolerance policy toward unethical and immoral social behavior by all employees of the Developer (including consultants and advisors), the Contractors, and all sub-contractors. • The experienced staff mobilized by SMO should implement a Social Management Action Program (SMAP) (modeled on a similar program at THXP) to protect vulnerable groups and all impacted villages. 	High	<ul style="list-style-type: none"> • The zero-tolerance policy is outlined in several documents, including the social development plan, the code of conduct which is attached to every contract, and in the instruction by the District Governor of Bolikhan District. • NNP1 has in addition developed a social management action program (see also R5), and hired competent staff to implement this policy and cooperate on the different issues with the stakeholders, including workers, youth, elders, women, vulnerable households, restaurant owners and staff, etc.

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R7	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	Relocation of PAP in three villages in Zone 2UR	<ul style="list-style-type: none"> The PAP at 2UR had earlier reported to the IAP that they would relocate within their villages and diversify livelihood activities with support from the Developer. Some households have completed self-relocation of their 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. 	<ul style="list-style-type: none"> The IAP did not visit this area during the site visit in December 2014. The previous recommendation is repeated. <p>Recommendation</p> <ul style="list-style-type: none"> The IAP recommends that a mini-RAP (relocation action plan) be formulated in a participatory manner with PAP and district and <i>kum baan</i> officials; ensuring participation by women and youth. 	Low	<ul style="list-style-type: none"> The Project is currently recruiting several competent staff and expects to set up an office by March 2015.
R8	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> Organizational and institutional issues related to both NNP1PC and the GOL PAP report that construction is having significant impacts on PAP and villages along the access road to the NNP1 dam site. 	<ul style="list-style-type: none"> A RMU coordination office is needed at Anouvong District, Xaysomboun Province to improve coordination and follow up to resettlement issues at Zone 2LR NNP1PC has field offices in Ban Sopyouak, Zone 2LR, and in Thathom District, Zone 2UR that can be shared with RMU staff Per diem for village headmen working on project activities has been reduced. 	<ul style="list-style-type: none"> The project is well underway and progress is being made in many areas. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that the RMU has a stronger presence in the field, particularly in Zones 2LR and 2UR. This can best be achieved by providing the RMU with an office at Anouvong to improve coordination with NNP1PC and sharing of NNP1PC field offices with RMU staff at Ban Sopyouak, Zone 2LR and at Thathom District, Zone 2UR. PAP consultations and village visits by NNP1PC staff and the RMU should be better organized and scheduled. Since cooperation and assistance from village headmen is critical to grassroots participation and success of NNP1PC programs, headman per diems should be restored to previous levels. 	Medium	<ul style="list-style-type: none"> The RMU administrated budget includes expenses for establishing offices for the RMU. This is the case for Anouvong and Paksan, where the RMU already have different offices separate from the Project. Meanwhile, in the field offices of the Project, office space is shared. The Sopyouak office is already established and finalization of rental agreement and implementation of necessary repairs for the offices in Palavaek and Thaviengxay is targeted for 2015 Q2. Noted. Before the establishment of Financial Close, no standardized per diem rates were defined. After FC, such standard rates were established in cooperation between RMU and Company, with the RMU being responsible for such budget. Following a first implementation period, adaptations are currently implemented, which include an increase of per diem rates for village headmen.

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R9	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> Internal institutional structures needed to organize, manage, and implement the resettlement program The flow of funds to support important and time-sensitive field operations is being obstructed by some financial staff 	<ul style="list-style-type: none"> Several experienced staff has been recruited -- and continues to be recruited -- to undertake tasks related to public consultation, resettlement, asset surveys, community health and safety, grievance management, infrastructure development, etc. Organization charts and terms of reference have been prepared and accepted by the ADB --- an important prerequisite for financial close. Some staff do not have contracts; some for as long as 3 months. 	<ul style="list-style-type: none"> The IAP is disappointed with the departure of Mr Francois Demoulin, Senior Social Manager, whose experience and leadership was exemplary and who was well-regarded by Lao staff, as well as by the IAP and senior ADB staff. His loss may result in lower SMO efficiency and productivity and staff morale. NNP1PC now has in place a significant number of Lao and ethnic Hmong personnel and professional staff of other nationalities that also require a high level of modern and professional management. A higher level of commitment is needed by management to ensure staff effectiveness and success of costly NNP1PC social and environmental programs. It is therefore important to maintain the morale of all staff. The Developer has an obligation to monitor the activities of all NNP1PC contractors and sub-contractors and impacts of construction activities at all NNP1 construction sites. <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that modern and professional management measures be used to supervise the talented NNP1PC staff. The IAP recommends that all staff be provided with contracts prior to beginning work; and, as contracts expire, extensions should be provided on a timely basis – without excessive delays. 	High	<ul style="list-style-type: none"> The DMD ESD together with the Project's MD will support their staff and keep morale high. The Project is working hard on keeping track with the tasks ahead and the DMD ESD is taking over Mr. Francois Demoulin's responsibilities until a new SSM can be recruited. The Project will follow the Lao Labour Law in this regard and guarantee that all staff has regular contracts and if contracts will be terminated, then according to the regulations outlined in the law. The Project has agreed in its Financial Agreements not to agree on any material changes to any Organisational Chart included in these agreements without consulting with ADB prior to such changes. While adaptive management is necessary, the Project attempts to follow IAP's suggestion and will also consult with IAP in case of necessary changes.

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				<ul style="list-style-type: none"> The IAP recommends that the organization chart and terms of reference for environment and social management staff submitted to ADB to achieve financial close be used to operate NNP1PC programs for at least 18-24 months before any significant modifications are made. This organization chart reflects NNP1PC's professional capacity to meet legal commitments to the ADB. 		
R10	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	The Developer is expected to contribute to capacity building of MONRE and assist in establishing the EMU staffed by provincial and district representatives from project affected areas	IAP discussions with provincial and district officials indicate that the role and responsibilities of the EMU are unclear.	This is not a resettlement issue but an environmental issue that is now covered by the IAP Environment Specialist.	Closed	N/A.
* Level of Concern: <ul style="list-style-type: none"> Low - action recommended within 6 months Medium - action recommended within 1-2 months High - immediate action recommended. 						

Summary of Social Issues

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	Reply by NNP1
S1	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> • Changing the Hmong lifestyle is not easy and will take time • Agricultural produce market 	<ul style="list-style-type: none"> • Many Hmong men and women are self-motivated and interested in operating small businesses • No agricultural market in the area 	For sustainable development, the GOL and the Project should identify markets for PAP agricultural outputs. This is a strong recommendation from the Xaysomboun Governor, as well.	High	<ul style="list-style-type: none"> • The Project is hiring a marketing officer for this purpose in accordance with the organizational chart.
S2	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> • Hmong culture and identity • Hmong kinship or clan system • Language • Beliefs and spiritual ceremonies • Marriage and family • Funeral ceremonies • Hmong clothing 	The Hmong in this area still practice Hmong traditional culture	The Hmong graveyards must be moved first, at least one year prior to moving PAP from the 4 villages of Zone 2LR	High	<ul style="list-style-type: none"> • The Project's Community Relations and Development Team has consulted with the villagers the proper procedures (including first ideas regarding costs), which will be implemented starting in the first half of 2015. Final budgeting will need the approval of the PRLRC, similar to the establishment of compensation unit rates that are still currently pending. Issuance of the unit rates by the PRLRC including the rate for graveyards is anticipated on 10 April 2015.
S3	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> • The area for PAP resettlement at the Houay Soup resettlement area needs to be clarified 	The total land of Houay Soup Resettlement Site is 6,000 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.	<ul style="list-style-type: none"> • The Xaysomboune 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. • 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"> • Noted (see R3).

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4	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<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 	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	<ul style="list-style-type: none"> • The IAP recommends the Developer makes every effort to ensure that PAP will have enough food for their families. Methods include support for the following: vocational training, jobs, compensation payments, scholarships for youth education, credit for small business, and protecting PAP rights. 	High	<ul style="list-style-type: none"> • Noted. The Project has integrated such activities in its resettlement and social development plans and commenced with its implementation. The Project committed also to provide the necessary funds for these activities as outlined in the REDP (June 2014).
S5	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> • There are more people moving in from outside both Hmong and Lao Loum • A small shop was selling alcohol sold all day. Many young males and females both Hmong and Lao Loum drink and sing songs. Young men always ask young women to come drinking at the shops. 	The small shop in Ban Hatxaykham has been closed.		Closed	N/A

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S6	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<p>The social and vulnerability issues in Zone 3 include:</p> <ul style="list-style-type: none"> • 15 bars in Zone 3 • About 30 prostitutes provide services near the main camp site • 3 attempts of rape in Ban Hatxaykham • PAP report an increase in the trading of drugs (amphetamines) in Ban Hat Gniun; an increase from 20 incidents in 2013 to 44 cases in 2014 • Dust and traffic result from camp site construction at Ban Hat Gniun • Fighting between sub-contractors' workers and youth of Ban Hat Gniun • Young Hmong girls dress in see-through skirts and trousers • A survey of vulnerable families is needed 	These factors will lead to sexual assault, sex abuse, crime, disputes, and conflicts among people	<ul style="list-style-type: none"> • The IAP recommends that the GOL enforce Lao law. A minimum requirement is to have a police presence in Ban Hat Gniun and near the main camp. • Workers from all companies should be registered with the police, relevant district offices, RMU, and village headmen. • The IAP recommends that vulnerable groups should be surveyed and plans be proposed on how to provide additional services to them as needed. 	High	<ul style="list-style-type: none"> • As outlined above, since mid of December the Project supports the district of Bolikhan, stationing 6 police officers in a satellite office in Hat Gniun including two female officers. The Project also has supported the establishment of this office including respective equipment. • The Project will provide such information about NNP1 employees living in the area and inform also its Contractors and Subcontractors of their obligations in writing. In addition, starting February 9, 2015, the project is supporting the stationing of 2 labour staff from the Provincial Office of Labour and Social Welfare and the Lao Trade Union in Hat Gniun to ensure constant monitoring of the implementation of the Lao Labour Law, including the reporting of workers. NNP1 will provide a written notice to Obayashi and its subcontractors by 15 April 2015. • The Project has registered all vulnerable households in the Project Area and is currently assessing individual options of support. • As outlined above, the Project has also developed social management and mitigation plans and programs, which are currently implemented to address potential issues (See R5 and R6).

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	Reply by NNP1
S7	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	Compensation and unit rates	Calculation and consideration of unit rates of compensation are ongoing, but the rates currently being considered are unacceptable to many PAP. PAP have complained that proposed unit rates are very low.	<ul style="list-style-type: none"> The IAP recommends that additional negotiations and discussions among 4-5 parties are required: included should be the GOL, PAP, NNP1PC, ADB, and an independent, neutral organization. The IAP recommends that negotiations be based on Lao law. However, as circumstances change, all parties should be open to discussion and finalize the unit rates for compensation as soon as possible. 	High	<ul style="list-style-type: none"> Additional consultations to complement the previous ones will be conducted. Compensation unit rates in accordance with Project Standards represent replacement values and are as such outcome of a transparent process including multi-party consultations to assess such replacement values rather than negotiations between different parties. The Process is in accordance with national and international standards, including ADB safeguards.
S8	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<p>Around 80% of the Hmong PAP of Zone 2LR still insist on self-resettlement.</p> <p>Xaysomboun provincial officials now will allow PAP in Zone 2LR to freely self-relocate within the province.</p>	Some PAP will self-resettle in old villages in the mountainous areas close to Ban Houaypamom and Ban Sopphuane. The names of the old villages include: Houay Hin Daeng, Houay Pha Khaw, Yod Houay Nam Tong, Phu Sam Liam, and Phu Sam Tuey.	The IAP recommends that the Xaysomboun Provincial Governor and NNP1PC set up a committee to survey the PAP and inventory the self-resettlement sites. This is to ensure that PAP are allowed to inhabit the areas and they are able to survive and have access to social and economic development assistance.	High	<ul style="list-style-type: none"> As replied in the previous report, numbers are changing depending on interviewed person, time, and place of asking. However, the Project has recognized the need for further communications and assessments as outlined in R4. It also committed to monitor self-resettlers and provide assistance as outlined in the detailed entitlement matrices. However, if alternative sites are assessed not suitable by the joined assessment teams based on GoL development policy and international safeguards, then the Project bears no responsibility for livelihood developments in such unsuitable places. The Project will meanwhile continuingly develop the Houaysoup resettlement site, which has been assessed suitable several times.
S9	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	Polluted water in Ban Hatsaykham (Zone 3)	NNP1PC has installed wells for use by PAP in Hatsaykham hamlet		Closed	N/A

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	Reply by NNP1
S10	Site visits: 17-24 November 2013 4-11 May 2014 7-14 December 2014	The project is required to work closely with the GOL at the national and local levels.	<ul style="list-style-type: none"> • Many Hmong officials serve at high levels at national and local levels of government. Working with them would benefit the project. • The Xaysomboun Provincial Governor (Dr.Sombut Yialeeher), the Deputy Governor (Mr. Lo Pao Xong) and the Chief of Lao National Front Construction of the province are Hmong ethnics. • The Xong Clan, the largest clan of the Hmong in Ban Namyouak (Zone 2LR), belongs to the Deputy Governor, Mr.Lo Pao Xiong's relatives. • This is a great opportunity to work with the PAP. These GOL officials are able to convince the PAP and the PAP will listen to them, as well as they are able to work with the Project. 	<ul style="list-style-type: none"> • NNP1PC should work with Hmong officials in the GOL to convince people to cooperate with the project. • If necessary, NNP1PC should seek a national or local government decree with implementing regulations to convince PAP to move to the Houay Soup resettlement site. • The IAP recommends that NNP1PC have periodic meetings with high-ranking GOL Hmong officials at all levels to seek support for the project. This may facilitate project implementation and reduce unnecessary payments. • The current Xaysomboun Province's Governor (Dr.Sombut Yialeeher) is interested and has strived to address PAP and Project issues. He is the chairman of the Resettlement Committee. He has visited the villages of Zone 2LR twice to meet villagers and observe and study the issues. The Hmong leaders in the 4 villages of Zone 2LR listen and respect him and his provincial officials. • The IAP recommends that the Project work closely with the Xaysomboun Governor and his officials to deal with critical PAP issues; and with the new Hom District governor (Mr.Khampong Khamseeda), who supports the Project. 	<p>Low</p> <p>High</p> <p>High</p>	<ul style="list-style-type: none"> • Noted. The Project works with different GoL authorities on central, provincial, district, and village level together to implement the resettlement, ethnic, and social development programs. Meetings take place on a regular basis.
S11	Site visits: 4-11 May 2014 7-14 December 2014	Poor collaboration with the Xaysomboun Province	NNP1PC has no office in the province. The Governor of Xaysomboun is the GOL Chairperson of the Resettlement Committee for the NNP1 project	The IAP recommends building an NNP1PC office in Xaysomboun province and sending staff to be stationed in the province. The office should be shared with the RMU.	High	<ul style="list-style-type: none"> • The establishment of the office in Anouvong (Provincial Capital of Xaysomboun) will be ready within the next month, with at least a GoL-relations officer stationed there. Furthermore, the project has an office in Sopyouak (Hom District) and will establish in the first quarter of 2015, additional offices in Thaviengxay (Thathom District) and Palaveck (District Capital of Hom). These offices will house technical staff to implement the project's social programs.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	Reply by NNP1
S12	Site visits: 4-11 May 2014 7-14 December 2014	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. Now (December 2014) there are 30 of Hmong staff in the social team. This is a good reputation for the project since most directly PAP are Hmong ethnic group.	Medium	<ul style="list-style-type: none"> Noted with thanks.
S13	Site visits: 7-14 December 2014	Cut-off-date for PAP compensation	Many PAP are not aware of the cut-off-date.	The IAP recommends that there should be an official announcement and dissemination of the cut-off-date to the PAP in the villages throughout the project area.	High	<ul style="list-style-type: none"> Noted. See R3. The official decree will be disseminated by PRLRC along with the unit rates for compensation by end March 2015. Issuance of the unit rates by PRLRC is anticipated on 10 April 2014.
* Level of Concern: <ul style="list-style-type: none"> Low - action recommended within 6 months Medium - action recommended within 1-2 months High - immediate action recommended. 						

Summary of Environmental Issues

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
E1	ESIA of NNP1 Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	The multiple dams on the Nam Ngiep (NNP1 and upstream NNP2) and Nam Xan Rivers will impact on river and ecological flows, water quality, fisheries and other downstream aquatic life.	<ul style="list-style-type: none"> • A Cumulative Impact Assessment____(CIA) was undertaken by the ERM consulting company for all the hydropower projects in the Nam Ngiep River Basin and other developments that would impact on the same natural resources in the project area using a rapid assessment method. The CIA was submitted to NNP1PC and ADB for review in Jan 2014. • ADB sent comments to NNP1 and ERM in March 2014. The updated version, Revision 1, dated May 2014, includes responses to ADB comments. • ERM has stated that data from other hydropower projects in the basin were minimal due to inaccessible documents and lack of public awareness websites. 	<ul style="list-style-type: none"> • MONRE is not interested in a CIA for all hydropower projects in the Nam Ngiep River Basin and continues to prefer to work with each development project separately. • Management of the river basin should continue along established divisions of GOL responsibility, namely central, provincial and district agencies. • This issue now being followed up under E2 and E3 below. 	Closed	/

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
E2	National Policy on Environmental and Social Sustainability of the Hydropower Sector in Lao PDR, No. 561/CPI, June 2005	<ul style="list-style-type: none"> 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 watershed resources and enable communications and cooperation among hydropower companies. 	<p>MONRE prefers to manage natural resources based on established levels of government administration, namely, national, provincial and district levels. However, overlapping concessions, cumulative and trans-boundary impacts from the hydropower and other development projects necessitate GoL authorities to consider developing an integrated management plan and monitoring arrangement.</p> <ul style="list-style-type: none"> 	<ul style="list-style-type: none"> The IAP recommends that NNP1 continues its efforts to contact all project proponents of the four hydropower projects being developed along the Nam Ngiep and suggest an annual meeting be organized by NNP1 during the first quarter of each year to discuss sharing water flow and water quality data among the four projects; and, discuss other issues of concern. 	Low	<p>NNP1 welcomes the recommendation: NNP1 is in the preliminary stages of organizing the annual meeting. A meeting shall be held in February to share the results of the Climate Change Vulnerability Assessment for the Nam Ngiep River Basin, in which NNP1 shall have more detailed discussions on how best to proceed in setting up the annual meeting between the four hydropower projects.</p>

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
E3	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	The Developer is expected to contribute to capacity building of MONRE and assist in establishing the EMU staffed by provincial and district representatives from project affected areas	IAP discussions with provincial and district officials indicate that the role and responsibilities of the EMU are unclear due to (1) there are new departments and duties in MoNRE and (2) this project has impacts in three provinces and numerous districts. •	<ul style="list-style-type: none"> • The IAP met with Peter Jensen and Mr Lonkham Atsanavong, Deputy DG of the Department of Environmental Quality Promotion (DEQP). It was agreed that MONRE would prioritize the proposed integrated spatial planning (ISP) for Xaysomboun Province as soon as a letter from the Governor to MONRE was received requesting ISP for his province. This letter was <i>still outstanding</i> 11 months after it was first discussed with NNP1PC and 6 months after NNP1PC had committed to financially support the training program to develop an ISP for the province. • Dr. Souane agreed to prepare a draft letter and meet personally with the Provincial Governor to convince him of the importance of the ISP and ensure that a letter would follow from Xaisomboun Province to MONRE. Indeed this occurred thanks to Dr. Souane's inputs, but the DEQP received a letter from the Head of Xaisomboun PONRE indicating that PONRE has misunderstood the role of MONRE in the ISP preparation, which is technical assistance, guidance and training, and not financial assistance which would come from NNP1PC. So the letter needs to be cleared-up, but DEQP should be able to set-up a meeting with DONRE, Xaisomboun Province, and NNP1PC, and agree to move forward. • The IAP recommends that NNP1PC continues to follow up on this issue to ensure that ISP moves forward quickly to enable DEQP to start the technical assistance, guidance, and 	High	<ul style="list-style-type: none"> • Following the mission of IAP/ADB, NNP1 has organized the meeting with ISP/DEQP for better understanding of the overall program and how to work together for the integrated management of the Nam Ngiep watershed. The meeting was conducted on the 8th of December 2014. • PONRE Xaysomboun has committed to draft a new letter and re-submit to ISP/MONRE on first week of February 2015. The meeting between DEQP and DONRE Xaysomboun will also be organized under the collaboration of Watershed team/EMO/NNP1. • Introduction workshop between DEQP/ISP and Watershed Team/EMO/NNP1 conducted on 26th December 2014.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
				training programs.		
E4	<p>Site visits: 4-11 May 2014 7-14 December 2014</p> <p>Annex C to the CA</p>	<p>Villagers of Hatsaykham have complained during this IAP site visit that “construction crews of the Dam Access Road Contractor have polluted their water supply by using the river for their toilet needs and disposal of trash”. Their children are contracting diarrhea and dysentery from contaminated water.</p> <p>The CA Annex C Social and Environmental Commitments requires NNP1PC to provide safe water supply for all communities affected by Project activities.</p>	<ul style="list-style-type: none"> Construction camps of the Dam Access Road Contractor have adequate toilet facilities for workers and temporary solid wastes collection and storage facilities. However work areas along the temporary road to the temporary bridge and across the river, which work areas are less than a kilometer from Ban Hatsaykham, do not have such facilities. 	<ul style="list-style-type: none"> The IAP is satisfied with the new borehole water supply system provided to Hatsaykham village. The water quality results proved to be good and the water safe in terms of all key quality parameters. It is recommended that the results of water sample analyses are reported to villagers so that they understand about the quality and safeness of their water supply. 	Closed	/

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
E5	Site Specific ESMMP for T12 Road Site visits: 17-24 November 2013 4-11 May 2014 7-14 December 2014	Site- Environmental Social Monitoring & Management Plans are required of all Contractors for project construction works. The site specific ESMMP produced by Obayashi Corporation for the Dam Access Road construction works contain only general guidelines for managing environmental issues and do not contain site-specific details.	The ESMMP for the Access Road to the dam site produced by Obayashi Corporation does not contain the site-specific plans and details to describe the protective and corrective measures to be used by the Head Contractor to protect against environmental impacts along each section of the access road to the dam site. Instead the ESMMP contains only general guidelines which will be used for managing environmental issues, such as erosion, sediment control, waste management, and worker safety and awareness.	<ul style="list-style-type: none"> Considerable improvement was made to road drainage systems, embankment slopes, site specific vegetation restoration, and erosion control. No serious erosion problems occurred during the previous rainy season and the contractor continues to implement vegetation restoration along key sections of the access road where needed. Erosion control mitigation measures are being implemented to handle potential future points of concern all along the access road to the dam site. 	Closed	/

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
E6	Site visits: 7-14 December 2014	The management of wastes from construction sites and camps of sub-contractors are not in compliance with the guidelines of the ESMMP-CP	<p>Two violations of the standards were evident:</p> <p>(1) Solid wastes (mixed with some hazardous wastes) were being sent to the Paksan landfill for disposal by sub-contractors. The Paksan Urban Development Administration Authority and Obayashi have agreed that all solid waste from the camps are to be disposed of at the Paksan provincial landfill site. This is unacceptable to the IAP as Paksan operates the provincial landfill site without formal supervision and environmental management. The Paksan landfill does not meet any Lao or international standards for solid waste disposal and the NNP1 should forbid any project wastes being sent to this site.</p> <ul style="list-style-type: none"> (2) Septic tanks wastes from the subcontractor septic tanks are being collected and disposed of by outside contractors. This is not permissible until the disposal site(s) and disposal methods are documented and approved by NNP1 as meeting international standards. 	<ul style="list-style-type: none"> The IAP recommends that Obayashi appoints an Environmental Manager for the duration of the construction period. The Environmental Manager should be supported by a team of inspectors who are trained to follow up on the commitments of the ESMMP-CP. Work needs to proceed quickly on the construction and operation of the sanitary landfill for the NNP1 project. The IAP recommends that all sub-contractors must store all solid wastes on site at their construction camps and worksites in a safe and protected manner until the project sanitary landfill to be built and operated by Obayashi for the NNP1 project. Likewise NNP1PC must follow the same restrictions and move the construction and operation agreement for the project landfill forward as soon as possible. Secondly, NNP1PC must not permit collection and disposal of septic tank wastes from the sub-contractors to be hauled away by outside contractors until the disposal site(s) and disposal methods are documented and approved by NNP1PC as meeting international standards. These wastes can be handled in the future on project lands when lime treatment is included according to USEPA or other international guidelines and when disposal is supervised by EMO. 	High	<ul style="list-style-type: none"> NNP1 has raised all issues from the IAP's comments during the weekly meeting on 23 January 2015 and have provided OC with a copy of the IAP report for OC to cooperate with NNP1 to achieve the objectives. The Obayashi organisation chart shows the position of Chief Engineer (Safety and Environmental) reporting directly to the Project Manager. The Chief Engineer has two Safety and Environmental Officers and one Australian Environmental Specialist. They are responsible for following up on the commitments of the ESMMP-CP. <p>Waste disposal at the Pakxan landfill</p> <ul style="list-style-type: none"> NNP1 continues to discuss this issue and did so again during the weekly meeting on Friday, 23 January 2015. The chosen landfill area has been cleared and leveled. 2 pits have been excavated to receive waste during the dry season of 2015. Based on the updated SSESMMMP-CP for Waste Disposal, lining and leachate ponds will be constructed before the wet season 2015. As soon as the SS-ESMMP is approved for the operation of the landfill, the 2 current pits can be used. The 2 pits have been considered ready to receive waste and all site waste will be required to be disposed of at this location.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
						<p>Waste from holding tank disposal</p> <ul style="list-style-type: none"> • NNP1 had previously informed the camp managers that any removal of black-water/sewage from the camps should be notified to NNP1 in advance prior to transport offsite. After notification, NNP1 and Contractors will mutually agree on the disposal point and provide lime treatment, as recommended, when required. NNP1 has submitted the emergency sewage disposal procedure to OC. This method shall be utilized until a proper sewage treatment plant is installed on-site. NNP1 will closely monitor the tanks at all construction camps. When any of the holding tanks are nearly full, NNP1 will request an emergency sewage disposal plan from OC to ensure that they prepare an emergency sewage disposal plan prior to it being needed.
<p>* Level of Concern:</p> <ul style="list-style-type: none"> • Low - action recommended within 6 months • Medium - action recommended within 1-2 months • High - immediate action recommended. 						

Summary of Biodiversity Issues

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
B1	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	Options for implementing a biodiversity offset	<ul style="list-style-type: none"> • ERM offset option review • Phou Khao Khouay NPA has high biodiversity value but weak management • Ongoing ERM survey • ERM study 	<ul style="list-style-type: none"> • The ERM team should review a diversity of biodiversity offset options • Additional studies are required as follows: <ul style="list-style-type: none"> • Data on species of NTFPs • The Developer should invest in strengthening protection and management in national protected areas (preferably multiple sites), specifically in the Phou Khao Khouay NPA, by supporting NGO work; and, explore options for cumulative biodiversity offset fund (with ADB and GoL and other donors). • To implement the biodiversity offset, simple institutional mechanisms should be operated through MONRE or the Environment Protection Fund. Mechanisms should reflect lessons learned and criteria from other funds. • Concerns remain over choice of biodiversity offset 	High	<ul style="list-style-type: none"> • EIA has been completed by ERM and endorsed by GOL, which includes options for biodiversity offset areas. • Biodiversity baseline report is also found in the EIA, the study has been done by ERM with focus on future inundation areas, resettlement area, and access road to the dam site; a desktop review was conducted on the options for biodiversity offset areas. • The Biodiversity Offset Framework (BOF) has been developed by ERM and approved by GOL on April 11, 2014. This BOF proposed NNP1 watershed and Phou Khao Khouay NPA as candidate sites for the biodiversity offset program; • As required under the ADB FA, the BOF was to be updated and submitted to ADB; • Following the review and approval of GoL, the updated BOF was submitted to ADB on December 30, 2014; however, additional work has been requested by ADB before they accept the updated BOF; • To ensure the NNP1 achieves the biodiversity conservation objective, more offset sites will be explored for a possibility of both conservation and offset activities in addition to the Phou Khao Khouay NPA and NNP1 watershed area that were proposed in the original BOF. The offset sites will be determined once the biodiversity survey is completed. • ERM has developed a biodiversity baseline survey method, conservation needs assessment methods, and the TOR for the consultant team to undertake a biodiversity baseline survey and conservation needs assessment. • The biodiversity baseline survey will be conducted as soon all required approvals have been made, which is expected to be by mid February 2015.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
						<ul style="list-style-type: none"> Biodiversity conservation activities were included in the NNP1 watershed management plan as part of mitigation measures. It is highlighted in the BOF, and will be implemented by GOL (MoNRE, PoNRE of Xaysomboun and Bolikhamxay provinces).
B2	Site visits: 7-12 January 2013 17-24 November 2013	<ul style="list-style-type: none"> Activities along the dam access road need to be managed to reduce impacts 	<ul style="list-style-type: none"> Degradation and logging along access road due to EdL village electrification program 	<ul style="list-style-type: none"> NNP1PC to minimize environmental and social impacts by liaising with the district forest office to (i) limit clearing; and, (ii) reforest using native species. Check points and spot checks should be arranged for vehicles and workers to prevent illegal removal of logs, NTFPs, wildlife 	Medium	<ul style="list-style-type: none"> NNP1PC have provided initial support for an amount of \$48,000 for awareness raising, establishment of checkpoint, and forest patrolling. A request from PoNRE for additional support for the checkpoint, forest patrolling, and biodiversity survey in Houay Ngua PPA has been submitted to NNP1. Discussions within NNP1 are currently ongoing on how to address the situation. Propose to utilize a portion of NNP1 budgets provided to EPF for protection of the Houy Ngua PPA.
B2 (continued)	Site visit: 4-11 May 2014	Activities along the dam access road need to be managed to reduce impacts	<ul style="list-style-type: none"> NNP1 supporting Provincial and District Forest Office with checkpoint and funding for patrols 	<ul style="list-style-type: none"> Monitor effectiveness of Houay Ngoua checkpoint Work with provincial authorities to limit forest clearance along new dam access road 	High	<ul style="list-style-type: none"> Monthly reports have been submitted by PoNRE on the Houy Ngoua PPA activities which include activities and expenses. NNP1 to discuss with EPF and PoNRE of Bolikhamxay province to utilize EPF fund received from NNP1 for continuing the support of Houay Ngua conservation activities.
B4	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014 7-14 December 2014	<p>Data on NTFPs collected</p> <p>Quantities of NTFPs to be collected that are controlled annually by the district where "quotas" are issued to the villages</p>	<ul style="list-style-type: none"> ERM and socio-economic survey to give more data on NTFP use Surveys ongoing in 	<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. ERM and SMO to work together to survey NTFP use, especially in 	Medium	<ul style="list-style-type: none"> 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

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
			December 2014	Houay Soup		<p>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.</p> <ul style="list-style-type: none"> Additionally, the Project's livelihood team is currently working with interested pilot farmers in Zone 3 and 5 to establish domesticated NTFP gardens for, for example rattan, to reduce the pressure on natural resources.
B5	Site visits: 7-12 January 2013 17-24 November 2013	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	<ul style="list-style-type: none"> 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"> NNP1 currently has a code of conduct which is in place for the employees of the Developer and all Contractors and Sub-contractors. NNP1 will continue to monitor compliance on the zero tolerance policy.
B6	Site visits: 7-12 January 2013 17-24 November 2013 4-11 May 2014	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 	<p>The Developer should check to make sure that the proposed species to be introduced are NOT potentially invasive</p> <ul style="list-style-type: none"> Need careful review to ensure no introduction of exotic species with likely negative impact on native fish fauna. 	Low	<ul style="list-style-type: none"> NNP1 has a number of plans developed (Biodiversity Offset Management Plan, Watershed Management Plan and the Resettlement and Ethnic Development Plan). NNP1 will ensure that all activities within these plans do not introduce exotic nor invasive species. Monitoring activities will be put in place.
B7	Site visits: 7-12 January 2013 17-24 November 2013 7-14 December 2014	<ul style="list-style-type: none"> NTFPs used by PAP for food security and cash income 	<ul style="list-style-type: none"> PAP at all impacted villages are highly dependent on NTFPs 	<p>Protect sufficient natural forest within and adjacent to the resettlement sites for villagers to harvest NTFPs or provide alternative sources of income</p> <ul style="list-style-type: none"> Identify potential of Houay Soup forests for NTFPs and assess opportunities for domestication in agroforestry systems 	High	<ul style="list-style-type: none"> 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, especially those from Hatsaykham 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. The NTFP survey for Houay Soup area will be planned for in Q1 of 2015 and implemented within Q2 of 2015.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
						<ul style="list-style-type: none"> • Additionally, the Project's livelihood team is currently working with interested pilot farmers in Zone 3 and 5 to establish domesticated NTFP gardens for, for example rattan, to reduce the pressure on natural resources. • Forest area is currently being identified for resettlers in Houy Soup area. • Natural forest is a key component for biodiversity conservation, hence, it is included as one component in the watershed management plan. It is highlighted in the updated BOF.
B8	Site visits: 7-12 January 2013 17-24 November 2013	<ul style="list-style-type: none"> • Awareness of importance of natural forests to the quality of life of PAP 	PAP have a low awareness of the importance of the quality of forest to their lives and livelihood	<ul style="list-style-type: none"> • Raise awareness among resettled villagers of the value of natural forests for protecting water quality and other ecosystem services 	Low	<ul style="list-style-type: none"> • In collaboration with the 2 provinces, a consultation/workshop on environmental protection has been carried out in the 2 provinces with 5 districts and 48 villages. • Once the watershed management plan is finalized, additional awareness programs will be conducted in specific target areas. • Natural forest is a key component for biodiversity conservation, and is included in the watershed management plan. It is highlighted in the updated BOF. Consultation will include the forest protection aspect.

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
B9	Site visits: 7-12 January 2013 17-24 November 2013	<ul style="list-style-type: none"> Monitoring of biodiversity Capacity of provincial and district EMUs for monitoring Community engagement in monitoring	<ul style="list-style-type: none"> Biodiversity values are not monitored by anyone EMUs in project provinces have limited capacity and resources Hmong villagers have good local knowledge 	Reservoir will give access to new areas above water line Recommendations: <ul style="list-style-type: none"> Additional wildlife surveys should be undertaken in the upper watershed during construction to define protection and monitoring needs Hmong villagers should be hired to assist with monitoring biodiversity within resettlement areas and nearby forests Strengthen capacity of provincial EMUs to monitor impacts on biodiversity and environment. 	Medium	<ul style="list-style-type: none"> The baseline biodiversity survey which will be conducted in February 2015 shall incorporate these concerns; Local Hmong villagers will be included in the biodiversity survey team. Capacity building activities are being undertaken to strengthen the EMU's biodiversity compliance monitoring capabilities. Natural forest is key component for biodiversity conservation, it is one of main components in the watershed management plan. It is highlighted in the update BOF.
B10	Site visits: 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> Realistic baselines for biodiversity monitoring 	Continued degradation of Houay Ngua and other watershed forests Out of date faunal information for watershed – need updating based on field surveys	Need accurate status of forest conditions at start of construction phase Get satellite imagery and map accurate remaining forest areas for Houay Ngua and other watershed forests Still Outstanding – should include Houay Soup protection forests	Very high	<ul style="list-style-type: none"> The high resolution image has been ordered by NNP1, which covers Houay Soup, Houay Ngua and other watershed forests. NNP1 will conduct reconnaissance forest survey of the NNP1 watershed forest area in order to update the faunal information. The Biodiversity Baseline Survey is planned to commence in Feb for the NNP1 watershed area. The time-bound action plan has included requirements for the BOF in the survey.
B11	Site visits: 4-11 May 2014 7-14 December 2014	<ul style="list-style-type: none"> Suitability of Watershed as Biodiversity Offset 	Developer and MONRE propose to manage watershed for biodiversity offset but area has large number of conflicting developments. Current proposal unlikely to lead to credible offset with permanent biodiversity outcomes	Delay decision on Biodiversity Offset to await further field data from the watershed and continue to review alternative options Recommend separating commitments to MONRE for investment in watershed from need to establish credible biodiversity offset. No discussions to be held with villagers regarding offset activities until appropriate sites are selected	Very high	<ul style="list-style-type: none"> A NNP1 watershed management plan is being developed by GOL with support from NNP1; The Watershed management plan will be reflected in the land use plans for Houay Soup. The biodiversity baseline survey is to be conducted in February 2015 and shall conclude whether the NNP1 watershed is suitable for the biodiversity offset or not; The Watershed Management Plan and the Biodiversity Offset Management Plan are being planned as separate entities, which supports the recommendation of separating commitments to MoNRE as provided in the

No.	Reference Document	Issue	Status	IAP comments and recommendations	Level of concern*	NNP1 Reply
						<p>comments and recommendations.</p> <ul style="list-style-type: none"> As recommended, no discussions will be conducted with the villagers until the Biodiversity Offset Plan is in place.
B12	<p>Site visits: 4-11 May 2014</p> <p>7-14 December 2014</p>	<p>Appropriate and integrated Watershed management activities</p> <ul style="list-style-type: none"> 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>Work with MONRE and environmental offices in XSB to develop ISP for province to guide development activities and watershed management investments</p> <p>Now urgent to gain better understanding of options for watershed and biodiversity management.</p>	Very high	<ul style="list-style-type: none"> NNP1 had initiated the discussion with MoNRE and XSB province; Please refer to B1 for more details However, ISP is for the whole province and it will take at least two years to complete; The results of the ISP will be integrated into the Watershed Management Plan.
B13	<p>Site visits: 4-11 May 2014</p> <p>7-14 December 2014</p>	<ul style="list-style-type: none"> Construction activities and increased access will lead to further habitat loss in watershed and along ROW for transmission lines 	<ul style="list-style-type: none"> Villagers already clearing forests around dam site to expand agricultural activities 	<p>Develop guidelines and mitigation plans to minimise habitat loss due to construction activities and for restoration and rehabilitation of impacted areas.</p> <p>ROW route will avoid elephant habitat in Phou Khao Khouay national protected area</p>	High	<ul style="list-style-type: none"> The ESMMP-CP contains mitigation plans and guidelines to minimize habitat loss due to construction activities. NNP1 will continue to monitor compliance of the contractors with the ESMMP-CP.
B14	Site visit 4-11 May 2014	<ul style="list-style-type: none"> Working with MONRE to manage watershed management activities 	<ul style="list-style-type: none"> Current budget request from MONRE focuses mainly on vehicles and salary supplements, – need to refocus on actions 	<p>Budgets allocated to MONRE should be based on agreed, targeted and activities that can be monitored for watershed management.</p>	High	<ul style="list-style-type: none"> The recommendation is acknowledged and accepted. NNP1 is working closely with the GoL to promote that the allocated budget for the activities under the watershed management plan are utilized accordingly.
B15	Site visit 4-11 May 2014	<ul style="list-style-type: none"> Capacity of environmental units at MONRE to manage watershed management activities 	<ul style="list-style-type: none"> MONRE has very limited capacity at all levels (especially at province and district levels). 	<p>Developer's EMO to work with MONRE to seek capacity and mentoring opportunities (e.g., involvement of provincial officers in XSB ISP)</p>	High	<ul style="list-style-type: none"> Activities have been initiated together with MoNRE, PoNRE from Bolikhamxay and Xaysomboun provinces as part of capacity building; Additional training programs have been planned under the watershed management program for capacity building and similar activities will be planned under the BOMP. The ISP Program will commence with activities to build the capacity of XSB Provincial Officers conducted the activities.

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B16	Site visit 4-11 May 2014 7-14 Dec 2014	<ul style="list-style-type: none"> Alternative options for credible, realistic, and manageable biodiversity offsets 	<p>Watershed area not suitable for biodiversity offset because of conflicting development issues.</p> <ul style="list-style-type: none"> Continue to review options other than watershed 	<p>Follow up with Environmental Protection Fund (EPF) to assess suitability for biodiversity offset window, targeting funds to proposals with biodiversity outcomes that can be monitored.</p> <p>Use EPF funds to test mechanism for delivering biodiversity offset outcomes</p>	High	<ul style="list-style-type: none"> Additional biodiversity offset sites such as that within Bolikhamxay province have been proposed by the ADB. However, the conclusion of the biodiversity offset site/s will be determined after the biodiversity baseline survey is completed; Continuous discussion with EPF on possibility of using EPF to test the mechanism for delivering biodiversity offset outcomes.
B17	Site visit 7-14 Dec 2014	<ul style="list-style-type: none"> 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 	Essential to appoint credible committee as soon as possible. Biodiversity cannot be a subset under watershed management committees	Very high	<ul style="list-style-type: none"> It was agreed that: A Biodiversity Offset Management Committee (BOMC) will be established at the provincial level to oversee the program implementation; The BOMC is set to be established by March 2015. MoNRE will oversee the implementation of the Biodiversity Offset Management Program. A Biodiversity Offset Advisor Committee (BOAC) is being established to provide technical advice for the biodiversity offset management program. This committee will be comprised of biodiversity experts, both national and international.
B18	Site Visit 7-14 Dec 2014	<ul style="list-style-type: none"> Watershed Management Plan should include Houay Soup forests and be integrated with ISP for XSB 	<ul style="list-style-type: none"> MONRE require 4,250 ha of protection forest in Houay Soup resettlement area to remain as forest 	EMO and SMO to work together to identify options for forest management within Houay Soup	High	<ul style="list-style-type: none"> NNP1, both EMO and SMO, will closely collaborate with GoL in regards to the watershed area for forest management purposes. The Houay Soup resettlement area is not under XSB provincial authority but that of Bolikhamxay.
B19	Site Visit 7-14 Dec 2014	<ul style="list-style-type: none"> Collaboration with NNP2 on watershed management 	<ul style="list-style-type: none"> Developments at NNP2 impact on watershed, including water quality and aquatic biodiversity 	Initiate immediate contact with NNP2 to facilitate collaboration and complementarity of watershed management	High	<ul style="list-style-type: none"> Noted with thanks. NNP1 shall proceed to contact NNP2 to facilitate collaboration.
B20	Site visit 7-14 Dec 2014	<ul style="list-style-type: none"> Maintain distinct Biodiversity Team in EMO 	<ul style="list-style-type: none"> Biodiversity Offset cannot be subsumed under watershed management 	Biodiversity team to be responsible for Biodiversity Offset process and biodiversity monitoring both within Watershed and Biodiversity Offset area	High	<ul style="list-style-type: none"> Noted.

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B21	Site visit 7-14 Dec 2014	<ul style="list-style-type: none"> Improve communication and information sharing within EMO and with SMO 	<ul style="list-style-type: none"> Currently lack of report sharing within team and with SMO 	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	High	<ul style="list-style-type: none"> Noted. NNP1 ESD has initiated regular meetings to ensure more effective collaboration between the teams.
B22	Site visit 7-14 Dec 2014	<ul style="list-style-type: none"> Strengthen collaboration and information sharing between EMO and SMO 	<ul style="list-style-type: none"> Overlap of information collection 	Need better collaboration especially on surveys of NTFPs, fisheries, monitoring of water quality, and soil erosion	High	<ul style="list-style-type: none"> Noted. NNP1 ESD has initiated regular meetings to ensure more effective collaboration between the teams.
* Level of Concern: <ul style="list-style-type: none"> Low - action recommended within 6 months Medium - action recommended within 1-2 months High - immediate action recommended. 						