

Social Monitoring Report

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

Quarterly Monitoring Report 2015 – Q3 Social

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

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Nam Ngiep 1 Hydropower Project

Social Monitoring Report Third Quarter of 2015

July to September 2015

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

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

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

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

Executive Summary

This Social Quarterly Monitoring Report covers the period from 1 July to 30 September 2015.

This quarter is the peak of the rainy season and over the course of the quarter, the rain damaged roads, deterred access, and made travelling to most of the project area rather difficult. The social teams continued to implement the programmes as best as possible under the sometimes difficult circumstances. In addition, during this period, flood monitoring was part the regular activities.

SMO focused on issues surrounding asset registration and compensation including special efforts to have the Provincial Resettlement, Compensation and Livelihood Restoration Committee (PRLRC) issue the compensation policy and compensation unit rates. These are critical issues because without a clear policy and compensation rates endorsed by the PRLRC, the registration of the PAPs' assets, and subsequent calculation and payment of compensation cannot be completed.

With the asset registration and compensation a high priority, SMO recruited consultants to assist with the registration work in Zone 2LR, Zone 3 and 5, and Zone 2UR, in parallel.

Unfortunately, the Company has still not been able to find suitably qualified candidates for the three key deputy manage positions in SMO i.e. for social development, monitoring and knowledge management, and resettlement infrastructure. These positions have been vacant for 3 months, 4 months and 7 months, respectively. The lack of these key human resources causes difficulties in management, planning and reporting.

OVERALL PROJECT ACTIVITIES

Overall Policies, Standards, and Procedures

On 21 August 2015, after a series of consultations at all levels, the PRLRC issued the NNP1 project-wide compensation unit rates. Furthermore, on 29 September 2015 the PRLRC also issued the compensation policy to facilitate the implementation of the compensation. The policy defines the eligibility for compensation and determines the entitlement packages for each zone with respect to the different kinds of impacts. The compensation policy and the compensation unit rates form the main project specific legal reference for compensation.

Asset Registration and Compensation

Priority was given to asset registration and preparation for compensation by accelerating compensation on the 230 kV Transmission Line, the Houay Soup development area, improvement of existing roads and the Hatsaykham development site.

Dissemination of the compensation unit rates and cut-off-date were carried out in most villages, except those along the 230 kV Transmission Line which are inside Vientiane Capital and for which the Capital will issue its own unit rates.

An exhibition on Hatsaykham Resettlement and Houay Soup Development for Project Affected Persons, representatives of concerned Government organizations and other stakeholders at village, district and provincial level was arranged at Bolikhan District and in Hatsaykham. The exhibition covered a complete picture of the social programmes, background of the community, asset registration and compensation, the resettlement process, resettlement site development, social development, monitoring, and livelihood restoration. The exhibition helped disseminate information to the concerned parties.

The compensation for the villages along the selected higher priority construction sections of the 230 kV Transmission Line went well. Several sections were handed over to the contractor to start construction. However, the compensation for land in the inundation area of the re-regulation pond and in the resettlement site in Houay Soup is still pending. The resettlement choice survey conducted

at Hatsaykham could not be completed because the villagers objected to certain elements of the land-for-land policy, although the policy is in line with the Decree on Compensation and Resettlement No. 192. As a result, the SMO team together with government counterparts reacted immediately by taking villagers of Hatsaykham to visit the resettlement programme of the Theun- Hinboun Expansion Project, to give them a first-hand experience about the compensation and livelihood restoration programmes of the project. Following this, the Governor of Bolikhamxay Province visited the village, and SMO conducted a number of focus group consultations with the villagers to prepare them for the next round of resettlement and compensation choice surveys.

PROJECT AREA SPECIFIC ACTIVITIES

2UR Programme

In 2UR, NNP1PC has established a temporary satellite office and the Upper Reservoir team continued to build strong working relationships with the Thathom District Coordinating Committee (DCC), as well as with the Village Development Committees of the three impacted villages. The 2UR Team, DCC, and VDCs now understand their respective roles and responsibilities and they are now actively working together to assist the project affected households in the three villages of Ban Pou, Ban Hatsamkhone and Ban Piengta in Thathom District.

The 2UR Team has been supplemented with two additional staff members including a Senior Crop & Cultivation Officer and a Government & Community Relation Officer. Several other positions will be filled within the next quarter.

Livelihood activities

The livelihood activities commenced in 2LR, Z3 and Z5 encompassing a variety of activities, including mushroom cultivation, chicken raising, catfish raising, veterinary vaccination and support to rattan-based activities. The Team also continued trials on soil fertility improvement, rice varieties, small livestock raising and home garden cultivation for the PAPs.

The villagers were eager to participate and some villagers were pleased that the flood resistance rice variety helped them out after the recent flood in the area destroyed the local varieties.

The Project Affected Persons (PAPs) from Thathom, Zone 2UR, visited the construction site and the livelihood programme in Zone 3 and 5. The success of the pilot programmes demonstrated and persuaded the PAPs from other areas to learn and follow the same path.

The livelihood programmes have progressed well transferring knowhow, generating income for the PAPs and strengthening the relationship with the Project. Some villagers also started to invest their own funds in the programmes.

An expert on rice cultivation (from NAFRI) continued working with the Project as consultant. Together with the team, the consultant will assist farmers on improving their rice production in Zone 2UR, Zone 2LR, Zone 3, and Zone 5. The aim for this year is to demonstrate the benefits of using seeds from improved rice varieties, including flood tolerant rice.

Construction Area

In the construction area, the implementation of the Social Management Action Plan was of key importance. The team continued the implementation of the camp followers programme, including awareness campaigns on drug control and STD/HIV/Aids both for the communities of Z3 and Z5 and for the workers' camps. The support to the police and labour officers of Bolikhan District including support to office building, equipment and motorbikes proceeded as planned.

Concerning water supply, NNP1PC awarded a contract to a construction company for the construction of water supply systems in Ban Thahuea and Ban Hat Gnuin.

In August 2015, there was a flash flood in Ban Thahuea, some parts of Ban Hat Gnuin and Ban Hatsaykham. The team provided basic aid to the community. The access road to Ban Hatsaykham was

damaged by strong stream flow. NNP1 provided the necessary repair work within a very short period of time.

Houay Soup Resettlement Area

The Ministry of Natural Resources and Environment (MONRE) agreed to transform the requested additional 648 hectares in Houay Soup from National Protection Forest to become part of the resettlement site and be used for infrastructure development and agriculture. In addition, NNP1PC is working with MONRE to obtain the land use rights to the remaining 3,715 ha National Protection Forest in Houay Soup for the purpose of supporting the livelihoods of the resettlers in Houay Soup.

230 kV Transmission Line

SMO completed the compensation of 93 out of a total of 472 households along the transmission line.

SOCIAL DEVELOPMENT PROGRAMME ACTIVITIES

Education

Meetings have been conducted with the RMU and the Provincial and District Education Departments to discuss the guideline for the NNP1PC Scholarship Programme. The team also conducted training, for students who intend to continue their higher education, preparing them for the University entrance examinations.

Consultations have also been conducted in the target zones to gauge the interests in adult literacy courses. The non-formal education program received 24 students from 2UR. In total for all zones, 48 PAPs are now attending non-formal education.

Vulnerable Households

The Vulnerable Household Team worked closely with the PAPs, the RMUs, the DCCs, and the VDCs. The final listing of vulnerable households was reviewed and approved by the VDCs and the DCCs.

Health

The Health Team has conducted health checks in Hatsaykham as part of the Health Team's Action Plan for 2015. The team also met with relevant Health Officers from all zones and discussed the design of the health centres. The Health Team kicked off its key programme, iWASH (integrated Water, Sanitation and Hygiene Programme) with a two-day training workshop. An NGO, related GOL authorities and NNP1PC staff shared knowledge and developed a work plan for the programme. The workshop also focused on Community Led Total Sanitation (CLTS) and School Led Total Sanitation (SLTS) to be implemented in the near future in all zones.

Gender and Ethnic Development

The Gender and Ethnicity Officer continued to work with relevant Government Agencies including RMUs, DCCs, and VDCs to review the collected data about gender activities from all zones. Also the Gender Officer continued to work with the Monitoring Team to review the participation of women and minorities in the implementation of the Project.

Community Relations

The Government and Community Relations Team continued to work with the Government counterparts including the RMUs and the DCCs from Hom, Thathom, and Bolikhan Districts, to provide a platform for smooth collaboration between NNP1PC and the Government. The Government and the Community Relations Team also worked hard to ensure that the Project complies and meets all targets agreed in the Concession Agreement and other relevant documents. The team also worked with relevant Government teams on finalizing the compensation unit rates and the compensation policy. The team also conducted meetings with local PAPs and DCCs to conclude grave registration in all zones.

Monitoring

The Monitoring Team started implementing the first round of data collection for the “On-going Socio-Economic Monitoring” (OSEM1). The monitoring team has continued to work with different teams in SMO to better understand the different components and to improve the internal quality monitoring. The findings of the OSEM1 will be presented to the SMO Management and the relevant SMO Teams.

The Fish Catch monitoring program continued to work with relevant local stakeholders in all zones as planned for the 3rd quarter. The team continued conducting household interviews on fish catch in all zones as planned and based on the interviews the Team has selected candidate households for daily fish catch monitoring representing all zones.

Grievance Redress Mechanism

Since the start of road compensation in earlier of 2014, the villagers have lodged a total of 41 grievance cases of which 32 cases have been closed. One new case was received in quarter 3. The team is working on the 9 remaining cases and expects that they will be concluded in the next quarter.

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Abbreviations

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

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

1 DEVELOPMENT OF POLICY, STANDARDS, AND PROCEDURES

1.1 SOCIAL DOCUMENTS AND COMPLIANCE

Progress.

The Update of the REDP with Zone specific sub-plans started during the 3rd Quarter. The first zone specific REDP update will be the plan for Hatsaykham, the REDP U3. It is scheduled to be completed in the 4th quarter of 2015.

Challenges. NNP1PC continues to look for suitable candidates for the vacant key positions in SMO.

Next Quarter. Finalize the Updates of the REDP for Zone 3, Zone 5, Zone 2LR and 2UR.

2 SOCIAL DEVELOPMENT PROGRAMMES ACTIVITIES

2.1 EDUCATION

Progress Continued with data collection of adult literacy. The Government counterparts at the Provincial, Districts, and Village level, continued to review the scholarship contracts for potential students from all zones. The Education Team is preparing the dissemination of the scholarships for the second round of scholarships. This involves data collection on potential candidates for the school year 2015 – 2016. The team also provided guidance to the students on how to apply for other scholarships programmes, such as the AusAid Scholarship.

Challenges The school year has commenced but the policy, standards and procedures which are being developed together with the concerned GOL counterparts still lag behind the enrolment schedule.

Next Quarter Continue with the development of the education programme and adjust the schedule to correspond with the school year.

2.2 PUBLIC HEALTH

Progress In the third quarter, the Project Health Team reviewed the results from the Health Survey and analysed and disseminated the information to both government counterparts and NNP1PC staff. The health team worked closely with local NGOs, such as Rural Development Agency (RDA) to introduce new health projects in all zones, including the Community Led Total Sanitation (CLTS) and School Led Total Sanitation (SLTS) programmes.

Challenges Continued with the limited management support due to vacancy of the Deputy Manager.

Next Quarter Continue to develop local Health Programmes with GOL and other key counterparts.

2.3 GENDER

Progress Continued the assessment of the gender situation and supported related data collection on health, socioeconomic status, and community relations. Presented an overall Gender and Ethnic Action Plan including the time frame for implementation to the SMO. Continued to work closely with consultant to identify key performance indicators, especially indicators for women participation in project activities in all zones as required.

Challenges Limited management support due to vacancy of the Deputy Manager.

Next Quarter Continue to work closely with management team and consultant to come up with detailed activity list within the next quarter. Ensure GOL involvement in the gender development programme.

2.4 ETHNICITY

Progress Continued the assessment of ethnic issues and supported other related data collection on health, socioeconomic status, and community relations. Similar to the Gender Action Plan, the Officer continued to work closely with consultant to identify key performance indicators, especially indicators on the participation of ethnic groups in the project activities in all zones.

Challenges Limited management support due to vacancy of the Deputy Manager.

Next Quarter Work closely with management team and consultant to come up with detailed activity list within the next quarter.

2.5 VULNERABLE HOUSEHOLDS SUPPORT

Progress The Vulnerable Households Team continued the identification of vulnerable households and their current status in all zones. The team together with relevant Government Officials from all three districts consulted with the vulnerable households in all zones and collected information. The Team was able to produce a list of all vulnerable households, which was then approved by the concerned Government counterpart and provided to the other SMO teams as a basis for the activity planning.

Challenges Limited management support due to vacancy of the Deputy Manager.

Next Quarter The Vulnerable Households Team will continue to work closely with the Monitoring Team to obtain more information, translation into English and develop the Vulnerable Household Procedure and Plan.

2.6 MONITORING

Progress In the 3rd quarter, the social development and monitoring team continued to work closely with the other SMO Teams, especially with the Livelihood Team, to identify livelihood projects that best support the PAPs of all zones.

The Team continued to monitor the participation of vulnerable households in the livelihood projects.

In addition, the Monitoring Team started implemented the first round of data collection for the “On-going Socio-Economic Monitoring” (OSEM1).

Challenges The rainy season has brought difficulties in transportation and project implementation in all sites.

Next Quarter Complete data collection for OSEM1.

3 CATCHMENT AREA (Z1)

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

Challenges Some of the previously trained local fish catch monitoring families cannot perform their duties as required. So selection of other motivated local families to support with the fish catch monitoring has to be done.

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

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

4.1 OVERALL DEVELOPMENT

Progress The Project activities regarding resettlement and livelihood and income restoration in 2UR have commenced as planned. Rental agreement for a Temporary Office in Thathom District has been signed for the next six months. The team also continued to work with Government officials of Thathom District to process renovation of a permanent office in Ban Thavingxay.

Challenges There is still the need for staff with respect to Relocation Preparation and Livelihood Restoration Activities to support both the Government counterparts and the PAPs.

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

4.2 PROJECT LAND REGISTRATION & CASH COMPENSATION

Progress Prepared a plan for asset registration in 2UR. It is a priority that the asset registration in 2UR is completed in the 4th quarter of 2015.

Challenges Staff recruitment is necessary to cope with the work load on asset registration to ensure that the work can be concluded within 2015.

Next Quarter Identify suitable candidates for recruitment, issue contracts and complete the asset registration. Finalize budget for accommodation renovation and rental agreement.

4.3 INFRASTRUCTURE DEVELOPMENT IN 2UR

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

Challenges There is a need to ensure that NNP1PC, the PAPs and the concerned Government counterparts in 2UR have the same understanding on the infrastructure development that the Project will support to address the potential impacts of the Project in line with NNP1PC's commitments in the Concession Agreement.

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

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

Progress Selected PAPs of 2UR participated in the rice cultivation programme and tried out different varieties of rice seedling, pest control via integrated pest management (IPM) techniques. Another group of PAPs joined the mushroom cultivation programme.

DCC and VDCs from Thathom District (2UR area) visited the livelihood activities in zone 3 and 5 with a total of around 50 people, 15 of them female. They learned first-hand about the livelihood activities that NNP1PC has started in these zones.

Challenges More livelihood activities are needed in the area - both short term and long term. However, the programmes must fit the needs of the PAPs. At the same time, all concerned parties must be aware of how to run the programmes in a sustainable manner.

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

4.5 PUBLIC HEALTH

Progress Worked closely with the Provincial and Districts' Health Departments, on detailed sub-plans of the Health Action Plan.

Challenges It is necessary to make a decision on either renovating the Health Centre in Piengta Village or provide support to the major Health Centre nearby. The affected villages are located too close to a major Health Centre, to have another one in the village.

Next Quarter Commence implementation of the CLTS and SLTS programmes in Zone 2UR. Continue to consult with district health staff to elaborate specific interventions in the three core project villages of Thathom District.

4.6 EDUCATION

Progress Conducted scholarship preparation training for students who graduated this school year. Consulted with relevant technical schools to bring in potential local PAPs for training in their field of interest.

Challenges Tight time schedule and diverse application processes for entrance to different higher education institutions.

Next Quarter Review and analyse secondary school students and identify gaps in requirements for scholarship system.

4.7 ETHNICITY AND GENDER

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

Challenges The Deputy Manager position is still vacant.

Next Quarter Continue the ethnicity and gender analysis and assessment of possible interventions to support project activities as outlined in the Ethnic Development Plan and the Gender Action Plan.

4.8 VULNERABLE HOUSEHOLDS SUPPORT

Progress Vulnerable Households data information continued to be collected with the support from local VDCs from all three villages in zone 2UR. List of vulnerable households have been prepared and reviewed by the Government counterpart.

Challenges The Deputy Manager position is still vacant.

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

5 LOWER RESERVOIR AREA (2LR) – RESETTLEMENT PREPARATION

During the quarter, the PAPs in the area had high interest in the finalization of the compensation unit rates. A series of consultations were carried out. The livelihood programme has introduced new livelihood options and new techniques to the PAPs in the area. Asset registration in the area has been ongoing and is targeted to be completed by the end of the year.

5.1 COMMUNITY CONSULTATIONS

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

With respect to the compensation unit rates, there were several rounds of meetings with PRLRC and RMU. However, several new items were proposed and the negotiations will continue in the next quarter.

Challenges Some of the PAPs in 2LR have different opinions on the Compensation Unit Rates; and some are not confident that the rates will be implemented.

Next Quarter Continue consultations on the asset registration, compensation unit rates and resettlement options in addition to the on-going day-to-day consultations with PAPs and government counterparts.

5.2 PROJECT LAND REGISTRATION & COMPENSATION 2LR

Progress Continued asset registration of housing land and structures within village areas in 2LR. Additional accommodation next to the site office is rented in Sopyouak village to accommodate the additional asset registration staff assigned to the asset registration tasks.

The land asset registration has been completed for 1,365 land plots out of a total number of approximately 4,000 land plots or 34% of the land plots.

The asset registration of structures has been completed for 3,471 fixed structures out of total number of approximately 3,700 structures, 94% of the total number.

Challenges Close to 68 households from Ban Namyouak refused to have their assets registered. They are not satisfied with the resettlement choice, and, they claimed that if they allowed the registration of their assets to go-ahead, they would have less negotiating power. However, later a few changed their minds and agreed to participate.

Next Quarter Continue asset registration work in Zone 2LR; and start the registration in Zone 2UR.

5.3 RESETTLEMENT PREPARATION IN 2LR

Progress Implemented Road Safety Awareness and Land Traffic Law dissemination campaign in 4 villages and 1 school. Approximately 1,660 villagers attended. Another dissemination was on the Drug Control Law. There were several study tours for different target audiences to learn from “Communities who are successful in their development.” The team expanded its site office in 2LR at Ban Namyouak, to accommodate more staff who will work in the area both short and long term.

Challenges Several issues are repeatedly raised by the PAPs. Hence, there is a need to improve the communication with the PAPs and the GOL counterparts.

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

5.4 LIVELIHOOD EXTENSION WORK

Progress The implementation of the Livelihood activities have continued as follows:

- i. **Rice:** An expert on rice cultivation (from NAFRI) continued working with the project as a consultant. The consultant will assist local farmers on improving their rice production. The consultant initial intervention for this year will be demonstrating the benefits of using seeds of improved rice varieties, including flood tolerant rice. Four (4) types of rice seed varieties of stage R1 (TDK-8; TDK-11; TDK1-Sub1; XBF-2) with a total amount of 766 kg were distributed to 70 pilot farmers in 7 target villages of 2LR and Zone 3 and 5.
- ii. **Crops:** Commenced activities with mushroom farming and wet season vegetable plantation. Identified interested households to participate in 2015 wet season crop programme. Next stage of mushroom farming training, producing the mushroom bags locally, will be introduced to the PAPs.
- iii. **Livestock and Poultry:** The Team implemented a vaccination programme in Zone 2LR; distributed 300 ducklings and 220 chickens to 25 farmers. The chickens were of an improved variety. A study trip was made to Xieng Khuang on fodder production and cattle rearing. The last batch of inputs have been provided to 2LR in terms of fish, frog and duck raising for 55 households in three villages. Distributed 520 chickens and small ducks (Ducks-300 and chickens-220) to 25 farmers in 3 villages of 2LR. Conducted training on poultry raising technique and poultry health care for 25 farmers. Vaccination of poultry was also organized.
- iv. **Aqua culture:** Continued the program on raising catfish and frogs. After another round of training and material support was provided to the participants in the programme, several farmers started to expand their aquaculture activities using their own funds.
- v. **NTFP promotion:** Local PAPs received training support on rattan cultivation and other NTFP products.

Challenges Although, the programmes were received with interest and participation from the PAPs, more still has to be done to ensure that each programme is sustainable.

Next Quarter Continue to implement livelihood activities as planned. Conduct farmer exchanges and share lessons learned from programmes in other areas, including rice cultivation experiments, fodder crop plantation establishment, NTFP promotion, and aqua culture.

5.5 PUBLIC HEALTH

Progress The Project continued to assist vulnerable people to access health services in Vientiane for treatment, including transportation as well as material, technical, and psychological support during the stay of the patient and the family in the Capital. The team also worked with Hom District's Health Office, developing sub-plans of the approved Health Action Plan.

Challenges To strike a suitable balance between improving the health facility in Sop Yuak, realizing that the health post will stop operating in the near future when the communities will relocate.

Next Quarter Continued to develop sub-plans of the Health Action Plan with relevant GOL counterparts and the PAPs.

5.6 EDUCATION

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

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

Challenges The scholarship concept is new to students and parents. Several of them are not familiar with the guidelines, selection process, and procedure that are in place to ensure that the award of scholarships is a fair and equally distributed.

Next Quarter The team will finalize an official guideline in collaboration with the Department of Education, Schools and PAP representatives.

5.7 GENDER & ETHNIC

Progress The Gender and Ethnicity Officer continued to join the monitoring team to collect data at the village level in Zone 2LR as required. Additional questions related to gender were included and qualitative observations were made by the officer in the villagers through the on-going Social Economic Monitoring (OSEM).

Challenges Gender issues can only be taken-up gradually in the strong Hmong culture.

Next Quarter Continue with the village-specific interventions based on the gender action plan.

5.8 VULNERABLE HOUSEHOLDS

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

Challenges Supporting program for vulnerable households is an integrated approach. Other teams have to work together sharing the same target, but with different contribution.

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

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

6.1 OVERALL DEVELOPMENT

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

Continued consultation meetings were conducted with villagers in Hatsaykham regarding safety regulations near the construction area and identification of alternative routes around the construction sites to maintain access to their agricultural lands. The Project has

supported necessary works including upgrade of access paths and the establishment of a small barge service.

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

The resettlement programme continued with the implementation of quick income livelihood activities on vegetable production, chicken raising, fish raising, mushroom cultivation etc.

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

Next Quarter The project will continue the implementation of the Social Management Action Plan, including training of the Hat Gniun based District Police staff. Also, livelihood activities will continue, providing inputs to model farmers on fish raising, mushroom cultivation, and other agricultural activities. Continuing consultations and cooperation between Project and PAPs is necessary to allow a good neighbourhood of communities and constructions site.

6.2 COMMUNITY CONSULTATIONS

Progress Community consultations in Hatsaykham were of key importance to address issues between villagers and the Project. While in general the climate between villagers and Project is constructive, it was necessary to constantly exchange of information on Project activities, above all in relation to the increasing safety risks due to the commencement of the main construction works close to the village. The Project has increased its capacity to handle such issues, including the operation of an entrance gate to the construction site and the appointment of senior community relation officers to assist with solving grievances and help with the day-to-day activities of the different social teams. PPE was distributed to all Hatsaykham households, to be used in case they want to cross the construction sites to enter their agricultural fields. A village operated barge was installed at Hatsaykham village to facilitate villagers to cross the Nam Ngiep River.

Due to the PAPs of Hatsaykham hold most of the land in the high priority area of the Houay Soup Resettlement Site, asset registration and compensation were also the main topics among a series of consultations with the PAPs. Official consultations and focus group meetings were conducted often.

Right after the issuance of the compensation unit rates, NNP1PC and GOL held an exhibition on every aspects of the social programmes in the village.

Challenges Balancing the need to ensure that the PAPs continue to have access to their lands and the community resources such as forests upstream of the construction site - with construction safety regulations to avoid harm towards villagers and workers is a continuing challenge for the Project.

There is a pressing need to ensure that the PAPs understand the overall process of compensation and resettlement, so they can make an informed decision.

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

6.3 PROJECT LAND REGISTRATION & COMPENSATION

Progress Asset registration was done in Zone 3. The team supported compensation Information, Education and Communication (IEC) materials (models of houses, paddy field, housing land, etc.) for the exhibition at Bolikhan District and Hatsaykham .

Challenges. The gaps in understanding the compensation unit rates and the compensation policy may cause a problem when launching compensation activities.

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

6.4 RESETTLEMENT PREPARATION

Progress Exhibitions on resettlement were held at Bolikhan District and at Hatsaykham, targeting the resettlement of 40 households in April 2016. A huge crowd of stakeholders at village, district and provincial level attended. The exhibition covered a complete picture of the social programmes, background of the community and the resettlement site, asset registration and compensation, the resettlement process, resettlement site development, social development, monitoring, and livelihood restoration.

Challenges The PAPs mainly pay attention on compensation. Most of them cannot visualize the resettlement process, or are unwilling to discuss the details until the compensation is paid.

Next Quarter Close consultation with PAPs in small groups with respect to household preparation for the resettlement and how to manage the transitional period.

6.5 LIVELIHOOD EXTENSION WORK

Progress The resettlement programme continued with the implementation of a variety of quick income livelihood activities, including production of mushrooms, chicken and catfish, and veterinary vaccination networks, and support to NTFP and rattan-based activities. The support included provision of training, materials, and study tours. Also the preparation of the soil improvement programme for the agricultural lands in Houay Soup continued.

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

The livelihood programmes for Zone 3 are normally implemented together with those of host communities (Zone 5), Ban Hat Gniun and Ban Thaheua. The livelihood activities have usually been trailed there, which have attracted the attention of farmers from other villages of the district, who were interested in the success of the techniques applied.

This section reports the progress of both Zone 3 and 5.

- i. **Rice:** Due to limited availability of paddy rice fields in Hatsaykham, only one farmer from Hatsaykham participates actively in this programme. Other families from Hatsaykham will benefit from the information sharing and study tours, including towards the paddy rice fields in Thaheua, where more farmers are involved in the activity. 19 households (Hatsaykam 1 household, Thaheua 18 households) participated in the rice experiments of Zones 3 and 5. During the last rainstorm, 2 plots of paddy field were damaged significantly (around 85%) and 15 plots were damaged slightly (around 5-10%). Impressively, the flood resistant rice variety in the experiment demonstrated that it could survive the major flood.

Training on Integrated Pest Management in rice paddy field was conducted at Thaheua. The trainers were from NAFRI (National Agriculture and Forestry Research Institute).
- ii. **Crops and Mushroom:** The produce of the wet season vegetable production was partly consumed by the involved households, and partly sold at the market and to the worker's camps.

The mushroom cultivation programme started the second round with more households joining after seeing the benefits of the first round. 26 households attended a three-day workshop at Ban Thaheua on mushroom production. Most of the PAPs were women (23).

A household in Hat Gniun decided to invest its own money in mushroom production.

Pineapple cultivation was introduced to Hat Gniun villagers. More than 4000 high quality seedlings were handed out as a pilot project.

- iii. **Livestock and poultry:** Vaccination materials and equipment were purchased and handed over to the Village Veterinary Workers (VVs). Following the training and handover of equipment, the vaccination programme was implemented. Started on the job training on fodder production techniques and distribution of fodder seeds.

Three headmen and six VVs supervised the vaccination programme for Zone 3 and Zone 5. Some households of Zone 3 participated in the livelihood improvement study tour to Xieng Khuang and Vientiane Provinces.

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

Nine households in both zones were active in poultry raising – chicken and ducks.

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

Fifteen households of Hatsaykham, and seventeen from the host communities participated in the third round of the fish production programme. The PAPs who had gained experience from the first two rounds gave technical advice and guidance to their peers.

- v. **NTFP promotion:** Rattan cultivation and handicraft were the two main activities. Around 6,000 of rattan seedlings were transferred from the seedbed to plastic bags. Nine households planted rattan in their fields. Pakwan (*Melientha Suavis*) another NTFP was also on trial at Ban Thaheua.

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

- vi. **Soil improvement:** Four households participated in earthworm production. Rice seeds were sown in seedbed of Houay Soup Resource Centre for soil improvement experiments.

Thirty-two villagers of Hatsaykham attended consultation on soil improvement techniques. Seventeen villagers received training in compost production.

- vii. **Selling of products:** Twenty-one batches of agriculture produce that were collected from farms of Zone 3 and Zone 5, were sold to the worker's camps. The produce included: Chilli, Eggplant, Vegetable, Mushroom, Chicken and Duck.

- viii. **Marketing:** The team and the PAPs consulted with responsible people from the worker's camps and the Owners Site Office and Village on demand and supply for meat, vegetable, etc.

- ix. **Livelihood exchange programme:** Villagers of Hatsaykham went on a three day visit to Theun Hiboun Power Company's livelihood programmes: Sopphuan Agricultural Centre, Sopphuan Village, Nongxong Village, Phou Makneng Village, and exchanged experiences with villagers and staff of the project, directly. The PAPs also learned about the implementation of compensation and resettlement.

Challenges. Although, the PAPs adopted the programmes rather satisfactorily, it remains a challenge for all involved to ensure the long term sustainability of the programmes.

Next Quarter. NNP1PC will continue to implement the livelihood activities, providing inputs to model farmers. An extension of the programmes to additional farmers is envisaged, given the success of the early rounds of activities.

6.6 PUBLIC HEALTH

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

Challenges. None.

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

6.7 EDUCATION

Progress. The school bus system under road safety campaign is now a fully local endeavour. Two vans from Hatsaykham are used to transport children to school. In Hatsaykham data collection on current enrolment in secondary school has been conducted.

Challenges. None.

Next Quarter. Secondary school data will be reviewed and analysed to develop the necessary interventions to facilitate an integrated school program by the Project as a key program of the livelihood and income restoration plan.

6.8 GENDER AND ETHNICITY

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

Challenges None.

Next Quarter Continue to work with other team and GOL staffs to ensure that gender and ethnic aspects are integrated into each programme. Work with related GOL offices to have training on gender and ethnicity for stakeholders.

6.9 VULNERABLE HOUSEHOLDS SUPPORT

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

Challenges None.

Next Quarter Develop household-specific plans for vulnerable households.

6.10 SOCIAL MANAGEMENT ACTION PLAN

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

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

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

7 HOUAYSOUP RESETTLEMENT SITE

OVERALL DEVELOPMENT

Progress Based on the updated Houay Soup resettlement site layout prepared in the last quarter, in this quarter the team focused on the preparation of the detailed designs. The current availability of 1,750 ha is sufficient for the development of important infrastructure and houses for Hatsaykham as well as the development of the irrigation system. There was a break-through regarding de-gazetting of additional land inside the Houay Soup Resettlement Site. The Department of Land Administration under the Ministry of Natural Resources and Environment agreed in principle to designate an additional 648 hectares of land for infrastructure development and agriculture. Additional surveys are required to confirm the boundary of the area.

The layout and the size of the public infrastructure and the agricultural land take into account the confirmation census data of July 2014 according to which up to 520 households need to be resettled. Trails at the Houay Soup Resource Centre on soil improvements, rice cultivation and other livelihood activities are ongoing. Asset Registration data collection has been completed outside the protection forest area.

Challenges The ratio of Resettlers to self-Resettlers continues to be difficult to establish, given ongoing negotiations with villagers from 2LR. The Project works with several scenarios, including a maximum scenario of all households resettling to Houay Soup.

Next Quarter Infrastructure specifications shall be concluded for most of the infrastructure. Trails at the Houay Soup Resource Centre will continue as will the conduction of site visits for people from 2LR to the construction site and livelihood programmes in the area.

7.1 PROJECT LAND REGISTRATION & COMPENSATION RESETTLEMENT SITE

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

Challenges The PAPs are not ready for the choice survey. Several of them felt overwhelmed with information regarding impacts, asset inventories, entitlements, compensation unit rates, and compensation policy.

Next Quarter NNP1PC, PRLRC, RMU, DCC and VDC have to work together extensively to ensure that the PAPs have the same understanding and can make informed decisions.

7.2 PUBLIC INFRASTRUCTURE IN HOUAY SOUP

Progress The detailed designs of roads, transmission line, water supply, solid waste and irrigation in the Houay Soup resettlement site have been under preparation. The designs for housing and community buildings were presented to members of PRLRC, RMU, DCC and related GOL departments. The general plan was acknowledged and the detailed plans have to be consulted further with related departments.

The contracts for the bridge construction across the Nam Ngiep River, and the paddy field development were awarded.

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

Next Quarter Start construction of the bridge in the area outside Houay Soup. Further consultation among contractors, related GOL departments, and the PAPs about the design, work schedule and monitoring.

7.3 OPERATIONS AND MAINTENANCE OF COMMUNITY INFRASTRUCTURE

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

Challenges. N/A.

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

7.4 HOUSE DEVELOPMENT IN HOUAY SOUP

Progress The detailed house designs continued after consultations with villages of Hatsaykham and 2LR on the overall house design. The detailed designs were taken for consultation with the PAPs. In general, the PAPs prefer a single storey design reflecting Hmong culture, but with several rooms, and using modern materials; the roof structure should be made from Aluminium-Zinc, covered with tile roofing; the walls should be made from brick and plaster; and the structure should be placed on a cement floor.

Challenges Costs of houses continue to be higher than expected due to nation-wide increasing prices in the construction business.

Next Quarter Commencement of contracting and bidding processes for the first phase of construction (Hatsaykham houses).

7.5 IRRIGATION DEVELOPMENT IN HOUAY SOUP

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

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

Next Quarter Finalization of irrigation system specification and budgeting of costs and commencement of the bidding process.

7.6 RESOURCE CENTRE (DEMONSTRATION FARM)

Progress On-going trials were conducted at the demonstration farm, including soil fertility improvement, small livestock and home garden production. The rice trials is the major ongoing activity in the centre. Overall factors indicated that the yield of this season was among the best yet.

Challenges None.

Next Quarter The Project will continue to undertake trials at the demonstration farm, including soil fertility improvement, rice varieties, small livestock and home garden.

7.7 AGRICULTURAL AND OFF-FARM LIVELIHOOD EXTENSION WORK

Progress. Within this reporting period no activities were scheduled under this item. Activities will start with the first people moving to Houay Soup (see reporting on 2LR and Zone 3 for the general progress so far).

Challenges N/A.

Next Quarter No activities are currently scheduled.

7.8 PUBLIC HEALTH

Progress Architectural drawings have been finalized for the Public Health facilities. Related GOL departments were consulted. Together, they adjusted the design slightly to fit with the local needs and still be in line with the regulations of the Ministry of Public Health.

Challenges None

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

7.9 EDUCATION

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

Challenges None

Next Quarter Cooperate with related GOL departments on details elements of the school.

7.10 ETHNICITY AND GENDER

Progress Baseline information of the affected communities, their history and identity was collected.

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

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

7.11 VULNERABLE HOUSEHOLDS SUPPORT

Progress Within this reporting period no activities were scheduled under this item. Activities will start with the first people moving to Houay Soup (see also reporting on 2LR and Zone 3).

Challenges N/A.

Next Quarter No activities are currently scheduled.

7.12 RICE SUPPLEMENT PROGRAM

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

Challenges N/A.

Next Quarter No activities are currently scheduled.

8 HOST COMMUNITIES (Z5) – COMPENSATION AND RESOURCE SHARING

8.1 LIVELIHOOD EXTENSION WORK

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

8.2 PUBLIC INFRASTRUCTURE DEVELOPMENT

Progress Ban Hat Gniun and Ban Thaheua water supply systems are being constructed and is more than 50% complete.

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

Challenges None.

Next Quarter To complete the water supply systems for the host communities.

8.3 PUBLIC HEALTH

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

Challenges None.

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

8.4 EDUCATION

Progress The school bus system has been a fully local endeavour. Two vans from local communities were used to transport children to school. The Hat Gniun Elementary School was surveyed and evaluated for possible renovation.

Challenges None.

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

8.5 ETHNICITY AND GENDER

Progress As in the other zones, the gender and ethnicity officer has joined the monitoring team to collect data, amongst others noting the different perceptions related to change and resettlement by the different ethnic groups. As host communities, observation on factors from influx of workers and camp followers was on going.

Challenges None.

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

8.6 VULNERABLE HOUSEHOLDS SUPPORT

Progress The Team collected data and made home visits to the potential vulnerable households. GOL counterparts acknowledged the list of vulnerable households. Attention

was given specifically to vulnerable persons during implementation of livelihood restoration program.

Challenges None.

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

9 DOWNSTREAM (Z4)

9.1 COMMUNITY CONSULTATIONS

Progress Consultations were on asset registration and compensation for PAPs of Ban Somsuen. Consultations were conducted with other village authorities about water supply.

Challenges None

Next Quarter To consult further with the PAPs of Ban Somsuen on compensation of their land in Houay Soup, and with other communities on water supply.

9.2 WATER SUPPLY

Progress Together, with Provincial Department of Water Supply, survey of water sources of 6 downstream villages was done.

Challenges None.

Next Quarter To arrange further consultations on water supply with communities downstream and Pakxan District.

9.3 RIVER BANK GARDENS

Progress Continued analysis, categorization, and mapping of data

Challenges None.

Next Quarter Analysis, categorization, and mapping of data.

9.4 PUBLIC HEALTH

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

Challenges None.

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

10 TRANSMISSION LINES

Progress There are 472 households affected by the 230 kV Transmission Line. They were all consulted. Information on bank accounts was completed for 456 households or 96%. The compensation was focused on the area of Thaphabath District. There were 310 plots of 228 households; and the asset inventory was validated by all authorized parties. Ninety-three households already received their bankbook, which completes the compensation.

Challenges Some of the households were not willing to provide information to prepare bankbook until they are well aware of the compensation amount they would receive. Further consultation is needed.

Next Quarter Consultation with individual households affected along the 230 kV

11 FISHERIES CO-MANAGEMENT

Responsibility has been shifted to EMO. For details on the implementation please refer to the Environment Quarterly Monitoring Reports.

12 LABOUR MANAGEMENT

12.1 OVERALL DEVELOPMENT

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

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

Challenges. None.

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

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

Progress. More than 50 workers of local communities are now linked to the Project. While some are hired as trained workers, most people work as unskilled labour. Of the 50 workers, 15 work with Nam Ngiep 1 directly, as per table below.

Company Name w/Service provider: Nam Ngiep 1 Power Company								
Date: September 2015								
Position Level	Lao						Lao (Total)	
	Local people/PAP		BKX/XSB		Other Provinces (Total)		Total	Female
	Total	Female	Total	Female	Total	Female		
DMD/MD/M/DM	0	0	0	0	7	0	7	0
Engineer	0	0	3	0	9	0	12	0
Supervisor/Team Leader	0	0	1	0	13	3	14	3
Technician/Mechanical	0	0	0	0	0	0	0	0
Survey	0	0	0	0	0	0	0	0
Foreman	0	0	0	0	0	0	0	0
SO/OF/OF Asst.	4	0	18	8	94	34	112	42
Driver/Operator	0	0	11	0	22	0	33	0
House keeper/cook	9	7	14	12	3	3	17	15
Skilled worker	0	0	0	0	0	0	0	0
Semi Skilled worker	0	0	0	0	0	0	0	0
Unskilled worker	0	0	0	0	0	0	0	0
Security	2	0	0	0	0	0	2	0
Total	15	7	47	20	148	40	197	60

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

Summary of Manpower and First Aid

As of 30th September 2015

		Lao National				Foreigner						Total	First Aider
		Local	BKX/XXB	Other	Total	Japan	Thailand	China	Vietnam	Other	Total		
OBAYASHI Corporation	Male		17	12	29	17	6		64	11	98	127	10
	Female	1	10	1	12		1		6	1	8	20	
	Total	1	27	13	41	17	7		70	12	106	147	
Goshu Kohsan Co., Ltd. [Turok Water Treatment]	Male			5	5	1	3				4	9	
	Female												
	Total			5	5	1	3				4	9	
Keochaleun Electrical Engineering Co., Ltd. [Electrical Work]	Male			3	3		3				3	6	
	Female												
	Total			3	3		3				3	6	
Lao Security Services Co., Ltd. [Gate Security]	Male			8	8							8	
	Female												
	Total			8	8							8	
Pang - Keonphan Construction Sole Co., Ltd. [Owner's Base Camp]	Male		2	20	22		14		2	1	17	39	1
	Female			2	2							2	
	Total		2	22	24		14		2	1	17	41	
Phoukhong Construction Sole Company [Road Works & Others]	Male	14	57	61	132		3				3	135	2
	Female	2	2	4	8							8	
	Total	16	59	65	140		3				3	143	
Phoutone Electrical Co., Ltd. [Electrical Work]	Male		6	2	8							8	
	Female												
	Total		6	2	8							8	
Right Tunnelling Co., Ltd. [Diversion Tunnel]	Male	12	88	104	204		98		16	14	128	332	8
	Female	2	3	11	16		16				16	32	
	Total	14	91	115	220		114		16	14	144	364	
Sinohydro Bureau 8 & TCM Engineering Joint Venture [Aggregate Plant]	Male	15	15	17	47			73	75		148	195	6
	Female	3			3			10			10	13	
	Total	18	15	17	50			83	75		158	208	
Song Da 5 J.S.C [Main Dam Excavation, RCC Production & Placement, Re-regulation Dam Construction]	Male	21	60	52	133				795		795	928	11
	Female	22	1	1	24				23		23	47	
	Total	43	61	53	157				818		818	975	
TCM Engineering Co., Ltd. [Road Works & Others]	Male	14	24	29	67			1		16	17	84	2
	Female		2	4	6		1			2	3	9	
	Total	14	26	33	73		1	1		18	20	93	
V&K Concrete Sole Co., Ltd. [CVC Production]	Male		3	12	15				24		24	39	1
	Female		1	2	3				1		1	4	
	Total		4	14	18				25		25	43	
Total	Male	76	272	325	673	18	127	74	976	42	1,237	1,910	41
	Female	30	19	25	74		18	10	30	3	61	135	
	Total	106	291	350	747	18	145	84	1,006	45	1,298	2,045	

36.5%

63.5%

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

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

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

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

The staff from the Provincial Trade Union, and Provincial department of Labour and Social Welfare conducted regular inspections at the Construction camps, ensuring that contractors

and subcontractors are respecting workers' rights, that there is no discrimination in all aspects and that they are providing salaries and benefits in accordance with the labour laws.

Challenges None

Next Quarter See 12.1.

12.4 OCCUPATIONAL HEALTH AND SAFETY SUBPROGRAMS IMPLEMENTATION

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

13 OVERALL MONITORING

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

Challenges None.

Next Quarter An integrated approach in collecting fisheries data together with EMO is being developed.

13.1 SURVEYS AND TESTS

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

Challenges None.

Next Quarter A continuous monitoring program will be developed together with a part time specialist.

13.2 OVERALL RIVER MONITORING

Progress River Bank Garden data collection is transferred to EMO.

Challenges None.

13.3 SMO PROGRESS INDICATORS

Progress Reporting Indicators have been drafted and they are currently being discussed.

Challenges None.

Next Quarter Finalized Progress and Reporting Indicators need to be explained to the different teams and simple ways of data collection established to allow constant monitoring on these indicators.

13.4 EXTERNAL MONITORING

Progress None

Challenges None

Next Quarter Continuing exchange with ADB social safeguards specialists as necessary.

13.5 COOPERATION WITH OTHER STAKEHOLDERS INCL. CIVIL SOCIETY AND NGOS

Progress A not-for profit association, The Rural Development Agency (RDA) is working with NNP1PC staffs and government counterparts to implement the Community Lead Total Sanitation (CLTS), School Lead Total Sanitation (SLTS) and Water Safety Plan (WSP) programmes.

Challenges None.

Next Quarter The program is ongoing.

13.6 INSTANCES OF NON-COMPLIANCE AND OTHER REPORTING EVENTS

Incidences NNP1PC has reached an agreement with the Lenders to extend the deadline for filling of the key positions in SMO to 31 December 2015, provided that the Project implements a number of other requirements. The Project puts its effort in hiring specialists with a strong expertise in the social field to ensure the successful implementation of the social programs.

Next Quarter Recruitment of necessary staff in accordance with the finance agreements will be facilitated. Compliance monitoring will continue and in case of incidences, CAPs developed and implemented.

14 UNANTICIPATED SOCIAL RISKS AND OPPORTUNITIES

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

Progress In the 3rd Quarter, there were no unanticipated social risks and opportunities have to be reported for the reporting period.

Challenges N/A.

14.2 IN-MIGRATION AND RESOURCES COMPETITION

Progress Implementation of the SMAP resulted in relatively low in-migration into the area. The implementation of the zero-tolerance policy could not just halt but reduce again the influx of camp follower businesses.

Challenges None.

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

15 GRIEVANCE REDRESS MECHANISM

Progress With grievance procedures ready, the Team worked with the local grievance teams (VGCs) and the district grievance teams (DGCs) and solved grievances from the PAPs and the Non-PAPs in all zones in accordance with the rules and regulations.

Up to date the grievance number is 41 cases filed by people from Zone 3, Zone 5, and near the construction areas. The team processed and completed no cases this quarter. One new Grievance was received and 9 grievances are pending. Pending grievances continue to be investigated by local authorities (VGC and DGC) with the support of the Project.

Challenges Lack of staff to process grievances issues. Recruitment is ongoing.

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

Summary Grievance Table

Summary Grievance List								
No	Grievance categories	Previous Quarter(Q2)			This Quarter(Q3)			
		# Total	# Closed	# Pending	Total	# Grievance received	# Closed	# Pending
1	Not satisfied with compensation and request for additional compensation	21	17	4	22	1	0	5
2	Request to compensate due to construction site extend over original area	7	6	1	7	0	0	1
3	Construction disturbed/damaged by construction activities	10	8	2	10	0	0	2
4	Request to consider the asset type to match with compensation condition	2	1	1	2	0	0	1
Total		40	32	8	41	1	0	9

16 MANAGEMENT OF SMO

16.1 BUDGET

Progress In the 3rd quarter, the management team continued working on the revised budget for Annual Implementation Plan for 2015, as well as the overall budget forecast until COD has been implemented. Increasing costs for several E&S components were addressed.

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

Next Quarter Preparing the Annual Implementation Plan 2016

16.2 STAFFING

Progress ESD announced its new organizational structure on July 1, 2015.

Challenges Three (3) positions of Deputy Managers (DM-Resettlement Infrastructure, DM-Social Development and Monitoring, DM-Information and Document Management) of the SMO are still vacant.

Next Quarter Recruitment and restructuring of the organization

16.3 OPERATION POLICY DEVELOPMENT

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

Challenges N/A.

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

17 ADMINISTRATION AND DATA

17.1 OFFICE & EQUIPMENT

Progress Office facilities in 2LR have been upgraded and prepared for the staff based there and in addition for the asset registration team. Temporary Office's rental agreement based in Thathom District completed as planned for six month, starting from the end of June 2015. In Pakxan, the management team continued to look at options for a joined ESD office.

Challenges Office spaces in Paksan's Office is limited for both SMO and EMO. Management team considered looking for a bigger office building to house both SMO and EMO staff in one location.

Next Quarter Seeking to a new joined ESD office in Pakxan.

17.2 VEHICLES

Progress The SMO's team added five more vehicles to the current fleet, in September 2015.

Challenges There is the need for transportation in the field for the asset registration team, which only motorbike or tractor is suitable.

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

17.3 DATABASE AND GIS DEVELOPMENT

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

Challenges None.

Next Quarter Integration of EMO database requirements shall facilitate better cooperation between EMO and SMO. And continued working on planning- and reporting database will be established.

17.4 KNOWLEDGE MANAGEMENT AND DATA ANALYSIS

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

Challenges None.

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

18 GOL RELATIONS

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

Progress Houay Soup Certificate: MONRE issued 2 agreements for 648 ha in Houay Soup area permit NNP1 to develop as its resettlement site. This was in addition to the already issued land use certificate of 1,745 ha and 1,385 m2 to the project.

Compensation Unit Rates and Compensation Policy: On 21 August 2015, after a series of consultations at all levels, the Provincial Resettlement, Compensation and Livelihood Restoration Committee (PRLRC) issued the NNP1 project-wide compensation unit rates. Furthermore, on 29 September 2015 the PRLRC also issued the compensation policy to facilitate the implementation of the compensation. The policy defines the eligibility for compensation and determines the entitlement packages for each zone and the different kinds of impacts. The compensation policy and the compensation unit rates form the main project specific legal reference for compensation.

During the period, the team worked intensively with the RMUs, DCCs and VDCs implementing various programmes at the office and in the field. NNP1 coordinates and continues providing support to GOL via the RMUs of both provinces.

Challenges DCCs of Thathom District and of Hom District were quite new to the duty. There were gaps of experience and understanding towards resettlement, compensation and livelihood restoration of the Project.

Next Quarter To coordinate with the RMUs arranging an orientation workshop for related GOL officers, including members of DCCs and VDCs.

18.2 PROGRESS ON LAND TITLING

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

Challenges N/A

Next Quarter Discussions with GOL on the land titling process.

19 SUMMARY OF CORRECTIVE ACTION PLANS (CAPS)

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

Challenges None.

Next Quarter Follow up on the implementation of corrective actions.

20 OTHER INFORMATION

Within this reporting period no other relevant information is available.

21 ATTACHMENTS

Pictures of SMO activities.

Pictures of SMO activities during Q3 2015



Asset Registration at zone 2LR.



Compensation activities along the 230 kV Transmission Line



22nd of September 2015, in the afternoon, during the Women/Elderly/and Disabled's Monthly Meeting, which was held at Ban Pou (Buddhist Temple).



Rice field inspection at Zone 2UR, part of the rice variety experiment and the integrated Pest Management programme



Water supply construction in Ban Hat Gniun and Ban Thaheua



Training on preparation of mushroom bags for PAP of Zone 3 and Zone 5



Experiment plots of the rice production in Thahuea village, left hand site is farmer variety and right hand site is XBF1, the flood resistance variety after the flood in August 2015.



Progress of poultry raising program in zone 2LR



Fodder promotion, villagers in 2LR cut and carry to feed their pigs and cattle; Forage plot in 2LR in growing stage



The bamboo handicraft training in Thaheua and Hat Gniun



The current soil improvement demonstration on rice field in Houay Soup Resources Centre



Earthworm vermicomposting raising and using earthworm water for garden and animal feed (Thaheua village)



The Doctor from Shelter Disability Centre health check of disability person in Hatsaykham and Thaheau villages.



Photographs of Zone 3 activities: food donation to 3 villages, exhibition and safety awareness training in Hatsaykham.