

Environmental and Social Monitoring Report

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

Quarterly Monitoring Report 2015 – Q1 Social

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

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Nam Ngiep1 Hydropower Project

Quarterly Social Monitoring Report 2015Q1

(as of 31st March 2015)



31 July 2015

Nam Ngiep 1 Power Company Limited

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

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

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

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

Executive Summary

The period covered by this Quarterly Monitoring Report from 1st of January to 31st of March 2015 was characterized by a successful progress of asset registration as well as livelihood and social development activities based on high performance by the implementing teams, while key challenges required the full attention of management staff.

OVERALL PROJECT ACTIVITIES

Overall Policies, Standards, and Procedures. The Final Land Acquisition and Compensation Plan for the 230kv transmission line (LACP/TL230kv) has been produced, incorporating ADB requested changes on the draft plan as well as data from asset registration. On the original alignment, 557 plots of 437 households will be impacted, with most of the impact being temporary during the construction of the TL. The Plan has been provided to ADB for review and approval. The Social Management Action Plan (SMAP) based on the Social Management and Mitigation Plan as outlined in the Project's Social Development Plan has been finalized, outlining activities, timelines and budgets. Further assessments have been done in preparation of the update resettlement plans for 2LR, Z3, and Z5. These included preliminary reports on alternative resettlements sites (see below). A position paper on Houaysoup land use and remaining issues on the use of the forestry in the area has been developed together with EMO. Replies on the IAP Report 4 have been finalized and provided for public disclosure.

Asset Registration and Compensation. Asset Registration work could present high performance and success during this quarter. Data collection for Houaysoup outside the protection forest, the Re-regulation pond inundation area, and the 230 kV line could be concluded. Furthermore, asset registration commenced successfully in 2LR. Plans for 2UR have been established, including the establishment of staff and office necessities to conclude all asset registration data collection in 2015. A continually challenging issue is the outstanding agreement on compensation unit rates. Several meetings on management and technical level with GoL as well as villagers took place, but progress was slower than expected. Additional consultations will be conducted with communities in 2LR and the establishment of compensation unit rates by the Provincial Resettlement and Livelihood Restoration Committee (PRLRC) had to be shifted to 2015Q2.

PROJECT AREAS SPECIFIC ACTIVITIES

2UR Program. The Project activities regarding resettlement and livelihood and income restoration in 2UR commenced following the recruitment of a 2UR Deputy Manager, a senior Lao expert with several decades of experience, and a Livelihood Team Leader. Several officer positions will be filled within the next quarter, supported by existing Company staff. Plans to rent and upgrade office facilities from GoL have been established and will be implemented in the following quarter. The Project management is aware of the urgency of the activities in 2UR and a site visit has been conducted with top management in February. General activities via the Project's Social Development Program are on-going.

2LR Resettlement/Assessment of alternative resettlement sites: The PRLRC has established a working group to investigate alternative resettlement sites as suggested by communities in

2LR. The working group, led by the Resettlement Management Unit (RMU) for Xaysomboun, conducted field investigations on two areas within Hom District (Phousamliem and Xamteuy area) together with village and company representatives from 8 - 26 Feb 2015. While the results have still to be confirmed by the PRLRC, the initial reports show limited suitability of these areas due to (a) limited carrying capacity (residential as well as agricultural land), (b) distance from public infrastructure (roads, secondary schools, etc.), and (c) location within the watershed and high-value biodiversity areas. Meanwhile, also in 2LR, social program activities are on-going, including livelihood activities, study tours, and drug awareness campaigns.

Livelihood activities. Livelihood activities, as commenced in 2LR and in Z3/Z5, encompass a variety of activities, including mushroom raising, chicken raising, catfish raising, veterinary vaccination networks, and NTFP support on rattan-based activities. Diverse crop-production activities focused on rice varieties assessments and wet-season vegetable production. Activities included provision of training, support materials, and study tours. A new conceptual plan for the resource centre, focusing on integrated farming, was established. On-going experiments included amongst others soil fertility improvement, rice varieties, small livestock and home garden.

Construction Area. In the construction area, the implementation of the Social Management Action Plan was of key importance. Awareness campaigns on drug control, STD/HIV/Aids and condom distribution to at risk groups were conducted. Material and equipment has been provided to the District Police for establishing a new police station in Hat Gniun. The fugitive sexual offender, a former worker of one of the subcontractors, was apprehended by the Police of Khamkeut and brought to the Bolikhan District Court with support by the Project. Stricter regulations have been implemented, including restrictions for workers to enter Hatsaykham. At the meeting between the Provincial Department of Labour and Social Welfare, the Lao Federation of Trade Union, and NNP1 the Project agreed to support next to the police also one staff of each labor-related department as representatives on-site in Hat Gniun. They will ensure compliance with labour rights as outlined in the Lao Labour Law, congruent with international standards. Another major focus were consultations with villagers and the following implementation of safety plans elaborated by TD, including the establishment of alternative routes around construction sites, to allow PAPs continuingly access to their agricultural lands. Amongst others, 40 villagers of Z3 and Z5 have been newly hired as labourers by the Project this quarter.

Houaysoup Infrastructure. Topographic survey and detailed house designs could be concluded, as was the UXO clearance under water to facilitate the bridge construction. Construction permission for the bridge was requested from GoL and the bidding process for the bridge construction commenced. UXO clearance for residential areas could be contracted. Bidding processes for detailed designs for roads, transmission line, water supply, waste disposal as well as the irrigation system could be completed and according contracts established. After the conclusion of the overall design, bidding for the detailed design contracts were implemented successfully for Roads, Transmission line, Water, Solid Waste and Irrigation in the Houaysoup resettlement site. Detailed designs for housing were prepared in-house.

Transmission Lines. As outlined above, asset registration is completed including digitalization. The collection of bank book opening details and collection of vulnerable household information is on-going. However, given the delays of the compensation unit rates, temporary alternatives to involuntary land acquisition have been assessed, i.e. the establishment of individually negotiated rental agreements with six households for a section of the first phase (not currently used for livelihood activities), with the main focus on establishing access to non-privately held GoL land for bush clearing activities on a long stretch of degraded forest area.

SOCIAL DEVELOPMENT PROGRAM ACTIVITIES

Education. The Scholarship Program Manual is currently being finalized. Meetings have been conducted with the RMU and Provincial and District Education Departments to discuss the contents of the manual. This manual is expected to be finalized in April and the first disbursement of funds to the 21 scholars shall be provided after Lao New Year. Consultations have also been conducted in the target zones in relation to interests in adult literacy courses. 58 persons have expressed interest in attending adult literacy courses in Zone 2LR and 2UR. Hatsaykham hamlet have not opted for adult literary courses for this period, citing that they are currently busy with agricultural activities and shall attend such courses once they move to Houaysoup. Ban Thahuea and Hat Gniun have declared their villages literate.

Vulnerable Households. The Vulnerable Household Officer, together with the Health Team has assisted a vulnerable person requiring surgery. In addition, the VH Officer has been collecting data on the extended family of proposed vulnerable households to understand the family dynamics better.

Health. The health team has conducted health check activities in Hatsaykham. This information, and the health survey data, will be used to identify At Risk households. The health team has also assisted a woman who was diagnosed with lupus who gave birth prematurely to an underweight child. The team has been working together with Vientiane Rescue team to provide assistance.

Gender and Ethnic Development. The Gender and Ethnicity Officer has collected data on the female headed households along the transmission line and has continued to gather data on gender related activities with the other teams of SMO. The officer has also led on the task of the two corrective action plans (CAPs) related to a sexual assault case and the fatality case in which a widow is to receive compensation. With regards to the case of the sexual assault, the offender has been apprehended and is now in custody in Bolikhan.

Community Relations. Grave registration has commenced in 2LR. The CRD team is also assisting different teams in conducting consultations and meetings at the village level.

MONITORING

Internal Monitoring. Both Health and Socio-Economic Monitoring activities have been completed and the data is currently being analysed by senior experts. Data analysis on health and socioeconomic survey is on-going and reporting scheduled for March. The monitoring team has been mainly focused on collecting data on the identified poor of the Socio-Economic Survey, completing the profiles of Zones 2LR, 2UR, 3 and 5. The monitoring team has also joined different teams within SMO to better understand the different components to aid in the development of our internal quality monitoring. A first presentation on the results of the socioeconomic survey has been prepared during a field visit by the related consultant. The

Fish Catch monitoring program commenced after hiring staff for regular data collection in the villages. Several fisheries maps have been developed. Discussions with EMO proceeded successfully on streamlining a NNP1 fisheries programme under the lead of the SMO Monitoring Deputy Manager. Finally, individual staff has been assigned to work as direct community liaison with the different villages of Z3 and Z5.

External Monitoring. Following up from the large ADB/IAP/LTA mission in December 2014, the LTA focused during its visits in January and March above all on workers camps and the resettlement site. The SMO planning was satisfying to the LTA. Noted were the delays in overall Project agreements (unit rates, cut-off-date, resettlement) as well as the continuing challenge to find strong management personnel. The LTA reiterated their request for strong support of the Social Management Action Plan to address workers-camp followers-community relations which was confirmed by the Project.

Grievance Redress Mechanism. Training and procedures for the formal sections of the grievance procedure could be provided to the village and district grievance committees, responsible for Project-affected villages in Bolikhan District, where the construction site and the resettlement site are located. Thus, now grievances can be solved also on levels 1 and 2, following up on cases which can not be solved on Level 0 (consultation step). Village and district grievance committee hearings commenced. Grievances were continually tried to solve already at the onset via constant presence of project staff in the communities above all in Z3 and Z5. Consultations to address limited access due to path interruptions by the construction site have been conducted, complementing the establishment of alternative routes as outlined above, guaranteeing safety of villagers. After village grievance hearings in February, four grievance cases have been discussed by the District Grievance Committee of Bolikhan. All four cases are filed with PAPs rejecting the categorization of acquired land and related compensation values. A ruling on these cases and its implementation is expected in April.

Non-Compliance Issues and CAPs. The CAP for a fatal accident at the construction site was developed and activities related to this were put into place. A follow-up paper on CAP#03 has been prepared with detailed instruction how to proceed and conclude the case. Furthermore the Project developed a CAP for an accident in the diversion tunnel. The non-compliance regarding outstanding recruitment of essential staff as required by the finance agreements could not be remedied yet. The Project committed to additional program milestones to guarantee the successful implementation of the program.

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Abbreviations

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

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

1 DEVELOPMENT OF POLICY, STANDARDS, AND PROCEDURES

1.1 SOCIAL DOCUMENTS AND COMPLIANCE

Progress.

- The Project prepared the Final Land Acquisition and Compensation Plan for the 230kV Transmission line based on the asset registration of the transmission line corridor between the Project's power house in Bolikhan District and Nabong Substation in Pak Nguem District. The plan outlines the Project's compensation procedures for the different impacts along the transmission line, i.e. temporary impacts during construction and necessary permanent land acquisition for the tower footings. The procedures follow the overall compensation policy described in the Project's REDP, disclosed in June 2014. Comments on the draft document have been integrated and the document provided to ADB in March for their final review on compliance with international standards and approval of it.
- Together with inputs from the social development and the camp followers team, the Project prepared a Social Management Action Plan (SMAP) outlining in detail the activities of the project to mitigate social impacts by construction works, worker camps, and workers onto local communities in Hatsaykham, Hat Gniun, and Thahuea; the three villages close to the construction site. The SMAP also contains timeline and budgets and has been acknowledged by the ADB.
- Several documents have been developed for the assessment of alternative resettlement sites as requested by some communities of Hom District. The decisive one is a report by the working group established by the PRLRC, following site visits by this working group. The report is currently being discussed by the PRLRC. The proposed alternative resettlement sites are close to old settlements on the mountain slopes not impacted by the reservoir and therefore suggested by the community elders. However, the assessment also shows that development of such sites is difficult due to limited access to these areas and also limited opportunities for socioeconomic development due to: (a) limited amount of productive agricultural and residential land, (b) distances to public infrastructure like secondary schools, other services, and markets, and (c) environmental regulations regarding the protection of biodiversity and waterways.
- Regarding the further development of the Houaysoup resettlement site, a position paper on sustainable Houaysoup land and forestry use has been developed as a joint task of the Project's social and environmental officers.

Challenges. The Project was not able to recruit all management positions in accordance with the timeline agreed in the finance agreements and is currently working on the rectification of this issue.

Next Quarter. Updates of the REDP for Zones 3 and 5 will be implemented, including asset registration details on Project impacts due to construction, resettlement site

development, and inundation of the re-regulation pond in compliance with regulations in the financial agreements. The LACP-TL 230kV will be published.

1.2 EDUCATION

Progress. Data collection on the next round of adult literacy is on-going. The scholarship manual has been developed and meetings have been held with the District and Province regarding its content. Scholarships for the first batch are being organized for dissemination in parallel. Data collection on incoming potential scholars ongoing in preparation for the school year 2015 – 2016.

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

Next Quarter. Further development of the education program and public celebration of the handover of scholarship awards.

1.3 PUBLIC HEALTH

Progress. Health Survey completed, analysis ongoing to develop the Health Action Plan. Results from the Health Survey are currently being analysed. Data will feed into the Health Program Plan.

Challenges. None.

Next Quarter. Develop Health Program with GoL and other key counterparts. Plan development with key GoL counterparts. Present

1.4 GENDER

Progress. Empirical activities see below. Continuing assessment of gender situations and supporting other data collection by the Project regarding health, socioeconomic status, and community relations. Specific focus is on the assessment of households along the 230kV line and in Hatsaykham. Details on implementation see below.

Challenges. None.

Next Quarter. Develop detailed activity list within the next quarter.

1.5 ETHNICITY

Progress. Review of SDP and REDP conducted to better understand the requirements. Empirical activities see below. Continuing assessment together with and supporting other data collection by the Project regarding health, socioeconomic status, and community relations. Specific focus is on the assessment of households along the 230kV line and in Hatsaykham. Details on implementation see below.

Challenges. None.

Next Quarter. Develop detailed activity list within the next quarter.

1.6 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Identification of vulnerable households and their current status has continued. A basic profile has been developed for each household. The development of the Vulnerable Household Procedure has been delayed due to lack of support from the envisaged consultant whose contract was not renewed.

Challenges. Loss of consultant with sufficient experience to review VH status and work together with DM has delayed progress.

Next Quarter. Translation of vulnerable household profiles and development of household-specific plans for vulnerable households. Join Vulnerable Household and Monitoring team together to obtain more information, translation into English and development of the Vulnerable Household Procedure and Plan are on the agenda.

1.7 LIVELIHOOD DEVELOPMENT & RESETTLEMENT PREPARATION

Progress. In order to plan interventions into the various livelihood production systems, an in-depth assessment of these most important systems (rice, cattle, pigs, etc.) is required in order to understand current processes used, identify their weak components or the overall suitability of the systems to the future conditions of Houay Soup Resettlement Area. These assessments continued throughout the project area. Discussions with PAPs and GoL took place to identify extension steps to be taken and to implement them for improving livelihood prior to resettlement and preparing PAPs to quickly use such improved systems in the resettlement area.

Difficulties: Establishment of the related implementation management system encompassing all company divisions still outstanding.

Next Quarter. Conclusion of assessments and preparation of updated livelihood plans for the different zones shall take place in the next two quarters.

2 CATCHMENT AREA (Z1)

Progress. The analysis of the Health Survey data is ongoing after completion of the data collection.

Challenges. None.

Next Quarter. Develop Health Program with GoL and other key counterparts based on the results of the health survey.

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

3.1 OVERALL DEVELOPMENT

Progress. The Project activities regarding resettlement and livelihood and income restoration in 2UR are commencing. The position of 2UR Deputy Manager has been filled with a senior Lao expert with several decades of experience; also a Livelihood Teamleader position was filled. Office options have been assessed and plans for repairing the chosen location developed. General activities via the project's Social Development Program are on-going.

Challenges. Commencement of the implementation of the 2UR program was delayed for several weeks. However, having been able to recruit senior and eager staff, it is expected that catching up with the original timeline is likely.

Next Quarter. First priority of the 2UR team are consultations with PAPs and village and district authorities to elaborate the necessary details regarding the development program in 2UR. This includes discussions on land development, livelihood activities, and infrastructure improvement.

3.2 PROJECT LAND REGISTRATION & CASH COMPENSATION

Progress. Staff necessities for enhanced asset registration in 2UR have been assessed and management agreed on the necessary recruitment. Cost estimation for renting and renovation accommodation have been conducted.

Challenges. Short-term staff recruitment is necessary to cope with the work requirement to allow asset registration to be concluded within 2015.

Next Quarter. Identify suitable candidates and start the contracting process. Finalize budget for accommodation renovation and rental agreement.

3.3 INFRASTRUCTURE DEVELOPMENT IN 2UR

Progress. The Project conducted an assessment of existing school infrastructure in 2UR. As outlined above, also office repair plans have been developed.

Challenges. As assessed during a field visit by top management, additional engineers shall be hired to expedite the implementation of infrastructure development in 2UR.

Next Quarter. Commencement of designs for different infrastructure upgrade following consultations with villagers.

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

Progress. The livelihood team focusing on 2LR and Z3/5 has visited the area and conducted a first assessment, based on which cooperation with the new livelihood team leader for 2UR is possible, combining expertise while at the same time having enough resources to allow a program implementation close to villagers and district authorities.

Challenges. Further livelihood officers need to be hired to allow a strong commencement of the livelihood program in 2UR, essential to mitigate Project impacts following the decision by the PAPs to remain in the current villages rather than to resettle; focusing on alternative livelihoods.

Next Quarter. Continuing recruitment and commencement of activities.

3.5 PUBLIC HEALTH

Progress. Health survey have been completed with the analysis ongoing to develop the Health Action Plan.

Challenges. None.

Next Quarter. Consultations with district health staff to elaborate specific interventions in the three core project villages of Thathom District.

3.6 EDUCATION

Progress. Handbook for scholarship program has been prepared, translated, and consulted with the education authorities. Preparations have been conducted for handing over scholarships to 21 students, including students from 2UR. Engineering analyses of schools have been conducted to identify needs for repair.

Challenges. None.

Next Quarter. Review and analyse current statistics of secondary school and identify gaps in requirements for scholarship system. Provide DAS for repair of school buildings.

3.7 ETHNICITY AND GENDER

Progress. The ethnicity and gender officer has joined the monitoring team to collect data at the village level. Additional questions related to gender were included and the officer observed villages from a gender perspective.

Challenges. None.

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

3.8 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Basic profiles have been compiled and are continuingly under review.

Challenges. None.

Quarter. Translate household profiles and develop household-specific plans for vulnerable households.

4 LOWER RESERVOIR AREA (2LR) – RESETTLEMENT PREPARATION

Progress. On-going relationship building program, upgrade of site office and preparation for livelihood activities have been conducted. First quick income activities commenced, including cat fish raising and vegetable production. Asset registration commenced with the registration of housing plots and structures on these plots. In response to the request by PAPs and as recommended by the IAP and ADB, a scoping of alternative resettlement sites proposed by PAPs in Xaysomboun was conducted together with GoL and PAPs and a working group report was prepared by the RMU in addition to the Company's internal assessment. Planning related to registration of graves is on-going.

Challenges. None.

Next Quarter. Continue relationship building program, asset registration and implementation of quick income generating livelihood activities. Report on scoping of alternative resettlement sites will be finalized and provided to the PRLRC.



Figure 1: Study trip on Rattan growing at Gnommalat/Khammouan Province

4.1 COMMUNITY CONSULTATIONS

Progress. Community consultations are ongoing with Project staff permanently based in Sopyouak. Cut-off date has not yet been disseminated. Consultations on grave registration, asset registration, and compensation unit rates have been conducted in addition to day-to-day communication during the implementation of the different outlined activities. Also, health awareness campaigns were implemented.

Challenges. None.

Next Quarter. Continuing consultations on the compensation unit rates and resettlement options will be conducted next to on-going day-to-day consultations.

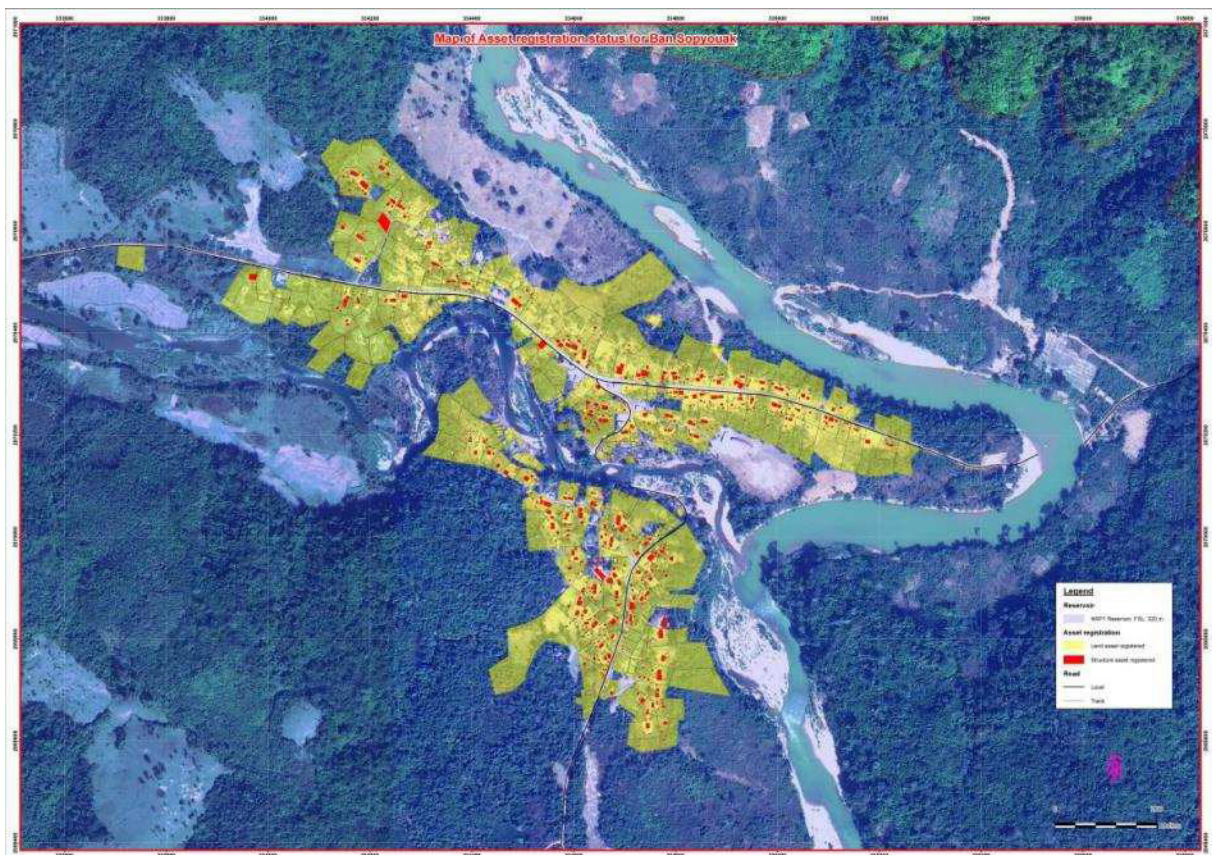


Figure 2: Asset Registration in Sopyouak / 2LR

4.2 PROJECT LAND REGISTRATION & COMPENSATION 2LR

Progress. Started asset registration of housing land and structures within village areas in 2LR.

Challenges. None.

Next Quarter. Continue asset registration work in 2LR communities with focus on areas not accessible during rainy season.

4.3 RESETTLEMENT PREPARATION IN 2LR

Progress. Upgrade of site office in Sop Youak could be concluded. A road safety campaign and a drug control awareness campaign have been conducted. Assessments of alternative resettlement sites conducted together with PAPs, GoL, and Company (see above). Study tours to the resettlement area of Houaysoup, to Thongnamy, and to Vientiane market/vocational schools were implemented.

Challenges. None.

Next Quarter. Study tours will be continued with different focus groups (women, youth, vulnerable households). IEC materials will be prepared, also based on these study tours.



Figure 3: 2LR study tour with youth

4.4 LIVELIHOOD EXTENSION WORK

Progress. Livelihood activities have been implemented during this period as following:

- i. **Crop:** [1.] Commencement of activities with mushroom/vegetable groups study trip. [2.] Identified interested HHs to participate in wet season crops 2015. [3.] Conducted second round consultation in 3 villages with 30 HHs confirming to join in 5 activities: rice experiment (new variety: Xebangfai 2.3)-10HHs; Maize-7HHs; Sesame-4HHs; Sweet corn-2HHs, and Wet season vegetable- 7HHs.
- ii. **Livestock:** [1] Conducted second round consultations in 3 villages; 24 HHs proposed to raise poultry. [2.] Start of activities with those 24 HHs via a study tour. [3.] Assessment of an Animal Disease Prevention Network; 6 people in the 4 villages are participating in the network (HPM-1; SP-1; SY-2; NY-2). They have purchased vaccination and operate the injection in the village (provide vaccination twice a year).
- iii. **Aqua culture:** [1.] Raising of fish in plastic sheet: Conducted on the job-training on fish raising technique in 3 target villages of 2LR. 25 farmers attended the training including 6 women. 10 HH will join these as main activities, receiving plastic sheet for preparing ponds.
- iv. **NTFP promotion:** [1.] Conducted NTFP consultations in 3 villages. 18 HHs proposed for making bamboo handicraft; 9 people opted for bamboo processing.

Challenges. Cat fish fingerlings are difficult to find during cold and dry season.

Next Quarter. Implement livelihood activities as planned. Conducting study trip and training on 4 subjects (crop, livestock, NTFP and aqua culture); support material, tools for activities as necessary.

4.5 PUBLIC HEALTH

Progress. Health Survey completed with the analysis ongoing to develop the zone-specific Health Action Plan. The Project has assisted a family to access health services in Vientiane for the treatment of their child, including transportation as well as material, technical, and psychological support during the stay of the patient and the family in the Capital.

Challenges. None.

Next Quarter. Develop Health Program with GoL and other key counterparts.

4.6 EDUCATION

Progress. A handbook for the scholarship program has been drafted and discussed with the education authorities. and is currently being translated. Meanwhile, meetings have been conducted with the RMU to prepare for handing over scholarships to 21 students. Data collection on current enrolment in secondary school has been conducted. Also, together with the infrastructure team, an analysis of the current status of school buildings and related needs for repair has been implemented.

Challenges. None.

Next Quarter. The organization of the scholarship system will be finalized and scholarships handed over to the qualified students. Current statistics of secondary school will be reviewed and analysed to identify gaps in the education program, including long-term activities to close gaps to the scholarship programs, given that a first assessment has shown that drop-out rates in secondary school narrow the potentials of the scholarship program for tertiary education. Contracts for school building repairs shall be processed.

4.7 ETHNICITY & GENDER

Progress. The Gender and Ethnicity Officer has joined the monitoring team to collect data at the village level. Additional questions related to gender were included next to qualitative observations conducted by the officer in the villagers.

Challenges. None.

Next Quarter. Village-specific interventions based on the gender action plan and the additional data available will be defined before implementation will commence.

4.8 VULNERABLE HOUSEHOLDS

Progress. Basic profile has been established for the remaining households. One household has continuingly been assisted as described under 4.5.

Challenges. None.

Next Quarter. Translate household profiles and develop household-specific plans for vulnerable households.

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

5.1 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 worker and camp follower influx on the other. The latter, via 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). Consultation meetings were conducted with villagers in Hatsaykham regarding safety regulations near construction area's and identification of alternative routes around construction sites, to continue access to agricultural lands. Necessary works including upgrade of access paths and the establishment of a small barge service have been supported by the Project. 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 program continued with the implementation of quick income livelihood activities on vegetable production and chicken raising. Study tours have been conducted on mushroom production and fish raising similar to the program outlined under 0.

Challenges. None.

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.

5.2 COMMUNITY CONSULTATIONS

Progress. Community consultations in Hatsaykham were of key importance to address occurring issues between villagers and the Project. While in general the climate between villagers and Project is constructive, it was necessary to constantly engage in the exchange of information on Project activities, above all in relation to increasing safety risks with the commencement of main construction within the construction site. The Project has increased its capacity on handling such issues, including the installation of a gate toward the construction site and the appointment of key senior village relation staff amongst the Company team next to on-going engagement of the grievance redress staff and day-to-day activities of the different social teams within the Company.

Challenges. Harmonizing the necessity of continuing access of villagers to their lands, above all to community resources 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.

Next Quarter. Continuing engagement with villagers on a regular basis.



Figure 4: 2LR study tour to mushroom growing activities in Hatsaykham

5.3 PROJECT LAND REGISTRATION & COMPENSATION

Progress. Inundation area of regulation dam asset registration data collection has been completed and digitized. Data is now available for impacts on Hatsaykham villagers due to the construction site and access road, inundation of the re-regulation pond, Houaysoup resettlement site development, and the 230kV Transmission Line.

Challenges. None.

Next Quarter. Finalizing the related paperworks and commencement of compensation in Houaysoup following the establishment of the compensation unit rates by the PRLRC.

5.4 RESETTLEMENT PREPARATION

Progress. As outlined above, several rounds of consultation meetings have been organized between the villagers and the Company, including dam construction teams to address the different interests regarding access to and via the construction area. Alternative routes have been identified, solutions and necessary works agreed on, and implementation of these solutions concluded.

Challenges. See 5.2 on harmonizing safety and access requirements.

Next Quarter. Company staff will continue to monitor the new regulations and adjust, if necessary, the procedures and facilities together with PAPs and contractors.

5.5 LIVELIHOOD EXTENSION WORK

Progress. The resettlement program continued with the implementation of quick income livelihood activities on vegetable production and chicken raising. Study tours have been conducted on mushroom production and fish raising similar to the program outlined under 0. The area became in the meantime also destination of farmers of other villages of the district, being interested in the success of the used techniques.

Challenges. None.

Next Quarter. The Project will continue to implement livelihood activities, providing inputs to model farmers. An extension of the programs to additional farmers is envisaged, given the success of the first round of activities.



Figure 5: Study trip on Rattan growing at Gnommalat/Khammouan Province

5.6 PUBLIC HEALTH

Progress. As in the other zones, the Health Survey has been completed, with the analysis ongoing to develop Health Action Plan. Health issues in addition to the social management and mitigation plan (see below) are responded to as they arise.

Challenges. None.

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

5.7 EDUCATION

Progress. As discussed above, the scholarship program is being further stabilized and implemented. The school bus system is now a fully local endeavour. Two vans from Hatsaykham are used to transport children to school. As outlined under 4.6 also in Hatsaykham data collection on current enrolment in secondary school has been conducted.

Challenges. The overall Company 30-day payment system needed repeated explanations to school bus drivers, as they considered this a delay of their payments, causing some friction with the bus drivers/owners. The Project agreed to modify procedures for this case and expedite payments to the local service providers.

Next Quarter. As for the other project zones, the scholarship system will be finalized and scholarships paid to the first batch of students. Also, 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.

5.8 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 by the different ethnic groups. Direct assistance to 2 women were provided along the provisions described in the CAPs on Sexual Assault and the truck accident (see below).

Challenges. None.

Next Quarter. Follow up on the implementation of the corrective actions regarding the two incidences and continue gathering information to get a better understanding of gender and ethnicity situations and eventual positive and adverse changes.

5.9 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Basic profiles have been compiled and are under review. The development of Vulnerable Household Procedures has been delayed.

Challenges. The loss of a consultant with extensive experience to review vulnerable household status and work together with DM has delayed the progress.

Next Quarter. Development of the Vulnerable Household Procedure and Plan.

5.10 SOCIAL MANAGEMENT ACTION PLAN

Progress. The implementation of the Social Management Action Plan as developed first in the Social Development Plan and then as a stand-alone document at the end of the last quarter was conducted with significant technical and financial resources. This included senior staff and cooperation with GoL authorities in the implementation amongst others of awareness campaigns on drug control, STD/HIV/Aids and condom distribution to at risk groups in communities, camp follower area, and worker camps. 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). The Project also implemented restrictions on workers on entering communities and camp follower areas, leading to a reduction of camp followers.

Challenges. None.

Next Quarter. The project will continue the implementation of the Social Management Action Plan, including training of the Hat Gniun based District Police staff.



Figure 6: Road Safety Campaign in communities close to the construction area

6 HOUAYSOUF RESETTLEMENT SITE

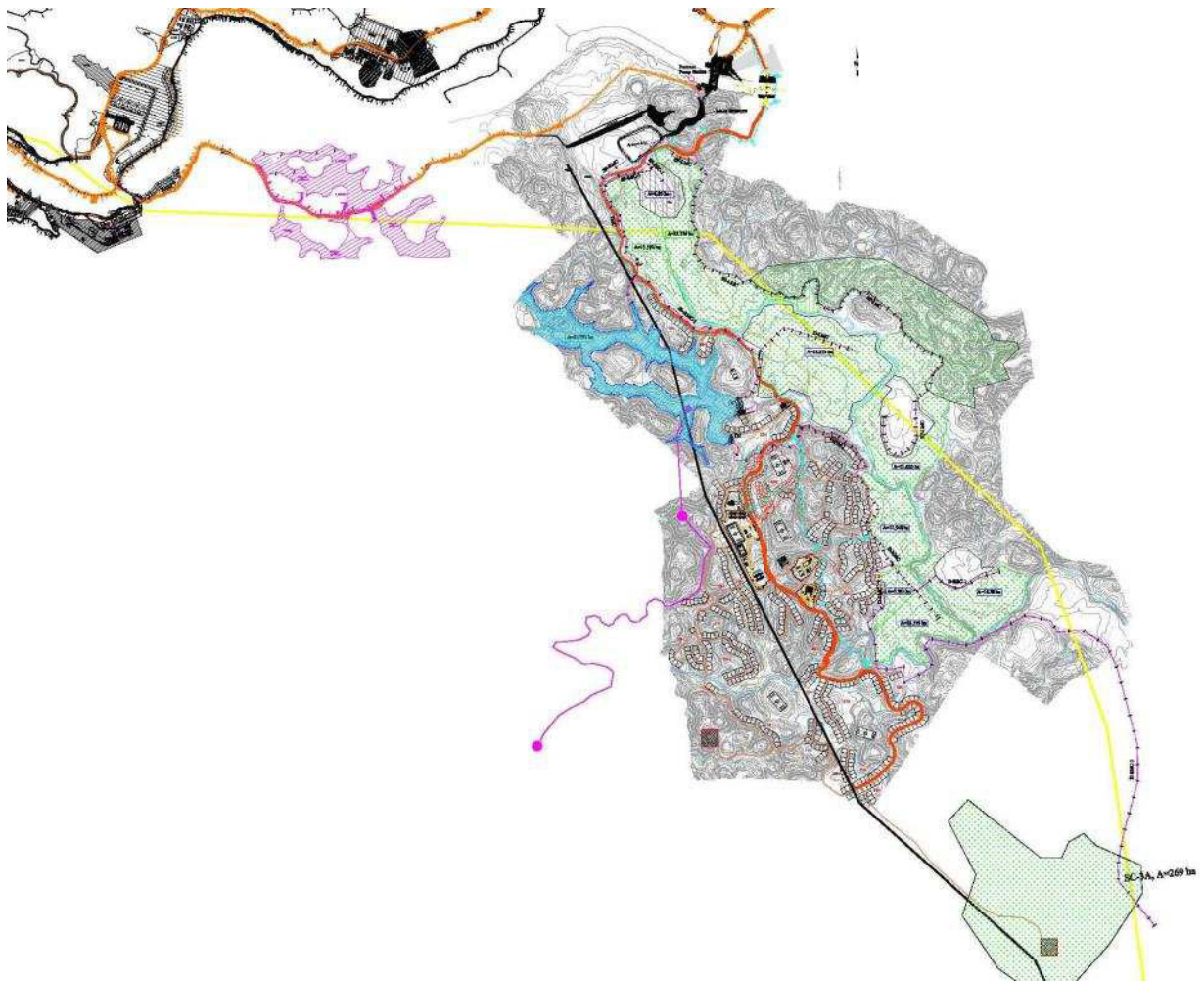


Figure 7: Overall Resettlement Site Design in Houaysoup

6.1 OVERALL DEVELOPMENT

Progress. Based on the updated Houaysoup resettlement site layout prepared in the last quarter, in this quarter the team focused on the preparation of detailed designs; partially in-house, partially handed over to respective specialized companies. The current availability of 1,750 ha allows the start of development of important infrastructure and houses for Hatsaykham as well as the development of the irrigation system. The layout and the size of public infrastructures and agricultural land is developed taking into account the confirmation census data of July 2014 that establishes the number of households to be resettled at 520 with possibility of splitting for a number of them. Experiments at the Houay Soup Resource Center on soil improvements, rice cultivation and other livelihood activities are ongoing. Asset Registration data collection has been completed outside the protection forest area.

Challenges. The ratio of resettlers and self-resettlers is continually 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 Houaysoup to be prepared for all developments.

Next Quarter. Infrastructure specifications shall be concluded for most of the infrastructure. Experiments at the Houay Soup Resource Center will continue as will

the conduction of site visits for people from 2LR to the construction site and livelihood programs in the area.



Figure 8: Soil improvement experiment made by organic fertilizer in the Houaysoup Resource Centre

6.2 PROJECT LAND REGISTRATION & COMPENSATION RESETTLEMENT SITE

Progress. Asset registration data collection of HS resettlement area outside the protection forest has been concluded already in the last quarter. Data has been digitized and is currently being confirmed with PAPs.

Challenges. The establishment of the compensation unit rates is still on-going and thus the compensation process could not commence.

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

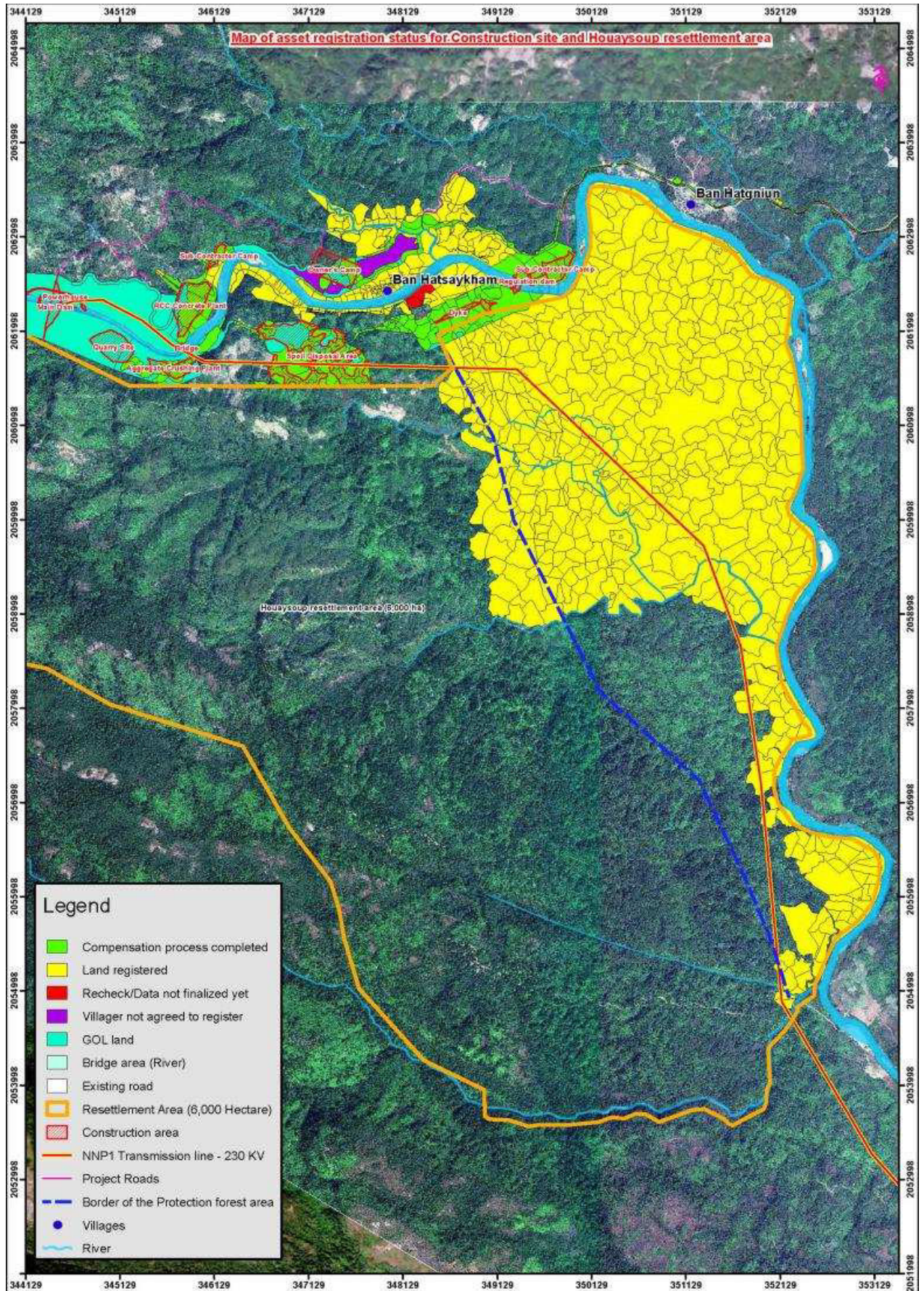


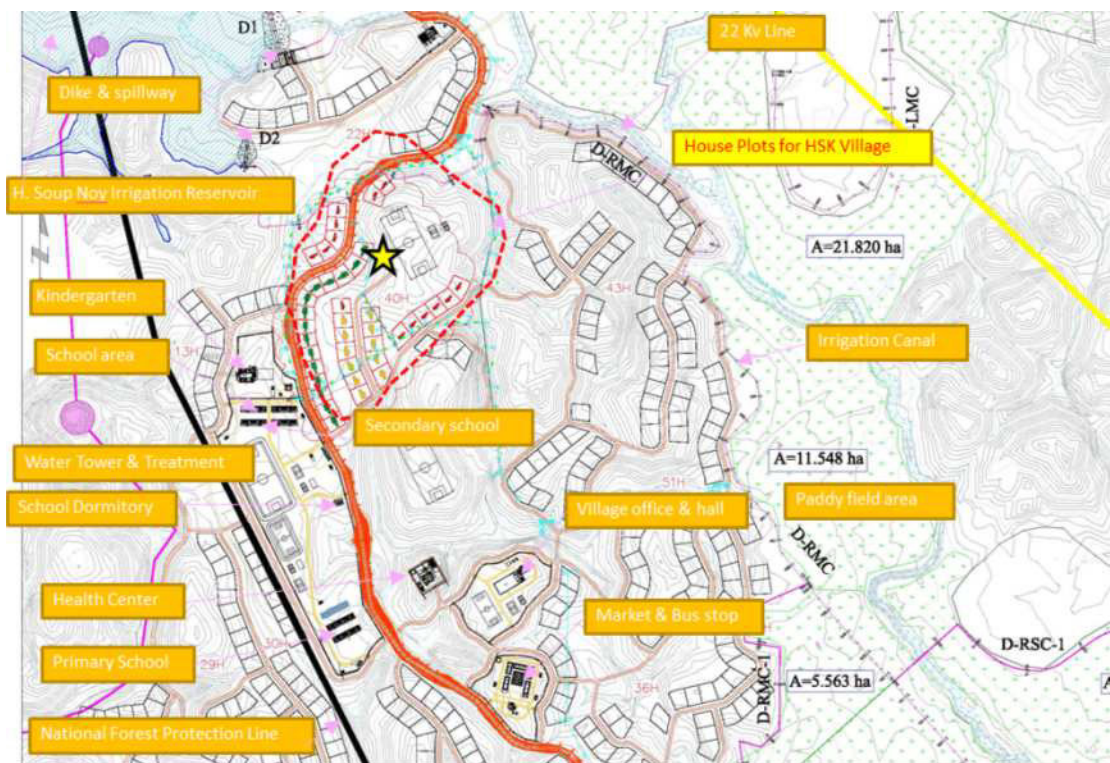
Figure 9: Asset Registration in Houaysoup

6.3 PUBLIC INFRASTRUCTURE IN HOUAY SOUP

Progress. Preparation of detailed designs have commenced, with public buildings and housing designed in-house, while other public infrastructure has been outsourced to specialized companies. The bidding process for the bridge construction commenced. An additional topographic survey was implemented for the extended paddy rice field area. UXO clearance under water could be completed.

Challenges. Continuingly, to allow cost-efficient construction achieving high project standards via the usage of efficient and modern techniques regarding materials, logistics, and management is a key target to tackle increase of construction costs in the country as a whole. The new Deputy Manager for Resettlement Infrastructure resigned and as an interim solution, the Project's Technical Division supports the infrastructure team to ensure high-quality work and speeding up of the preparation and implementation process.

Next Quarter. A new Deputy Manager for Resettlement Infrastructure need to be found. Detailed designs including technical specifications as base for the development of bidding documents and contracts need to be concluded before constructions can start after the 2015 rainy season. UXO clearance will commence in the key areas.



1Figure 10: Overall Layout of Planned Public Infrastructure in Houaysoup

6.4 OPERATIONS AND MAINTENANCE OF COMMUNITY INFRASTRUCTURE

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

Challenges. N/A.

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

6.5 HOUSE DEVELOPMENT IN HOUAYSOUP

Progress. Overall house designs have been finalized after consultations with villages of Hatsaykham and 2LR in the last quarter and this quarter elaboration of detailed designs specifications commenced in-house. Improved house construction techniques have been assessed to reduce costs, while continually following agreed standards. Once internal agreement is reached on the designs, the detailed designs will be taken for further consultation with PAPs.

A detailed documentation of consent or broad community support of PAPs to these changes will be presented in the relevant REDP subplans for review and approval by IAP, LTA and ADB.

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

Next Quarter. Seeking approval of the House Designs by the PRLRC and commencement of contracting and bidding processes for the first phase of construction (Hatsaykham houses).

6.6 IRRIGATION DEVELOPMENT IN HOUAYSOUP

Progress. The detailed design of the irrigation system in Houaysoup continued in cooperation with the design consultancy company. The topographic survey for additional paddy field areas has been completed. Revision of designs and budget adaptations were repeatedly necessary to develop a functional system with low maintenance requirements and reasonable costs, based on the use of adapted best techniques and synergy effects with other infrastructure (road, transmission line). This process is not concluded yet and further options are currently being assessed.

Challenges. Increasing construction costs following detailed specifications led to the need for looking at further options while continually ensuring the sustainable functioning of the system.

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

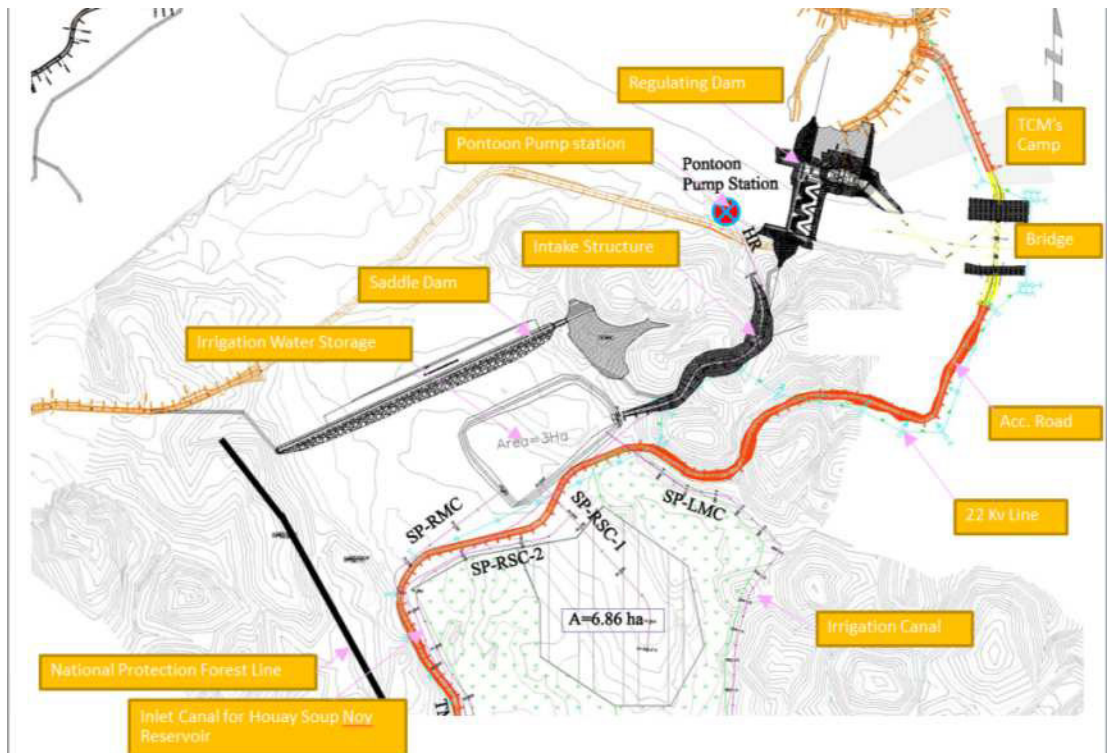


Figure 11: Irrigation System – Water Intake

6.7 RESOURCE CENTER (DEMONSTRATION FARM)

Progress. On-going experiments were conducted at the demonstration farm, including but not limited to soil fertility improvement, small livestock and home garden. The rice experiment as the major activity in the centre is on-going (growing stage). A new conceptual plan for the Houaysoup Centre has been discussed and revised, based on an "integrated farming" model.

Challenges. None.

Next Quarter. The Project will continue experiments conducted at the demonstration farm, including but not limited to soil fertility improvement, rice varieties, small livestock and home garden.



Figure 12: Compost producing for Soil improvement experiment in the Houaysoup Resource Centre

6.8 AGRICULTURAL AND OFF-FARM LIVELIHOOD EXTENSION WORK

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

Challenges. N/A.

Next Quarter. No activities are currently scheduled.

6.9 PUBLIC HEALTH

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

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

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

6.10 EDUCATION

Progress. Architectural drawings are still being finalized.

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

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

6.11 ETHNICITY AND GENDER

Progress. No progress could be made during this reporting period due to other priorities of the team. A meeting is still to be scheduled with ethnicity and museum specialists.

Challenges. A detailed concept regarding the purpose and design of the cultural center 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.

6.12 VULNERABLE HOUSEHOLDS SUPPORT

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

Challenges. N/A.

Next Quarter. No activities are currently scheduled.

6.13 RICE SUPPLEMENT PROGRAM

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

Challenges. N/A.

Next Quarter. No activities are currently scheduled.

7 HOST COMMUNITIES (Z5) – COMPENSATION AND RESOURCE SHARING

7.1 LIVELIHOOD EXTENSION WORK

Progress. Quick income livelihood activities on vegetable production, chicken raising, mushroom production, and fish raising; with great success and support from the villagers. Also, field feasibility for families engaging in NTFP production have been conducted.

Challenges. Cat fish fingerling were initially not available due to the cold season. Improvement of coordination between fast adapting livelihood activities and admin and finance procedures are necessary.

Next Quarter. Continue implementation of livelihood activities and provide inputs to model farmers on fish raising and mushroom cultivation; group discussion among vegetable group on lessons-learned on marketing.



Figure 13: Vegetable gardens in Hat Gniun

7.2 PUBLIC INFRASTRUCTURE DEVELOPMENT

Progress. Consultations have been finalized and designs for an improved water supply system in Hat Gniun and Thahuea prepared. Also an assessment of school buildings was conducted.

Challenges. None.

Next Quarter. The bidding process for the water supply system will be finalized and designs for an upgrade of schools realized before the summer school holidays.

7.3 PUBLIC HEALTH

Progress. Health Survey complete, analysis ongoing to develop Health Action Plan. Health issues in addition to the social management and mitigation plan (see below) are responded to as they arise. At this time the development of the Public Health Program is on-going.

Challenges. None.

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

7.4 EDUCATION

Progress. As discussed above, the scholarship program is being further stabilized and implemented. The school bus system is now a fully local endeavour. Two vans from Hatsaykham are used to transport children to school. As outlined under 4.6 also in

Hatsaykham data collection on current enrolment in secondary school has been conducted.

Challenges. The overall Company 30-day payment system needed repeated explanations to school bus drivers, as they considered this a delay of their payments, causing some friction with the bus drivers/owners. The Project agreed to modify procedures for this case and expedite payments to the local service providers.

Next Quarter. As for the other project zones, the scholarship system will be finalized and scholarships paid to the first batch of students. Also, 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.

7.5 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. Direct assistance to 2 women was provided along the provisions described in the CAPs on Sexual Assault and the truck accident (see below).

Challenges. None.

Next Quarter. Follow up on the implementation of the corrective actions regarding the two incidences and continue gathering information to get a better understanding of gender and ethnicity situations and eventual positive and adverse changes.

7.6 VULNERABLE HOUSEHOLDS SUPPORT

Progress. Basic profiles have been compiled and are under review. The development of Vulnerable Household Procedures has been delayed.

Challenges. The loss of a consultant with extensive experience to review vulnerable household status and work together with DM has delayed the progress.

Next Quarter. Development of the Vulnerable Household Procedure and Plan.

8 DOWNSTREAM (Z4)

8.1 COMMUNITY CONSULTATIONS

Progress. The Project conducted downstream consultations on sediments and high turbulency in the river, caused by other projects' activities upstream of NNP1. Water test results before and after the NNP1 construction site highlight that the Project is not responsible for these impacts.

Challenges. Explaining villagers that impacts are caused by third parties needs detailed assessments and demonstrations; for them to understand and trust in the Project's communication.

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

8.2 WATER SUPPLY

Progress. The Project continued its assessment of the existing water supply systems based on data collection in the previous quarter.

Challenges. None.

Next Quarter. Preparation of an action plan to support functioning water supply systems in these villages.

8.3 RIVER BANK GARDENS

Progress. The first round of River Bank Garden monitoring was conducted with video- and photo-cameras as well as GPS equipment.

Challenges. None.

Next Quarter. Analysis, categorization, and mapping of data.

8.4 PUBLIC HEALTH

Progress. Health Survey complete, analysis ongoing to develop Health Action Plan. Health issues in addition to the social management and mitigation plan (see below) are responded to as they arise. At this time the development of the Public Health Program is on-going.

Challenges. None.

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

9 TRANSMISSION LINES

Progress. For the TL230Kv, asset registration data collection and digitalization could be concluded in February earlier than expected, following agreed weekend work by staff of the asset registration, GIS, and database teams. Also, in January, village consultations in preparation of the LACP were concluded. Consequently, the Project was able to provide the final LACP-TL230Kv including impact data to external monitoring in March for their comments as outlined above. The collection of bank book opening statements is ongoing.

Challenges. The original alignment crossed a large eucalyptus plantation, which was avoided by shifting the line towards more unproductive lands further into the hills. Some households refuse to open a bank account as long as details on compensation unit rates are not disclosed (which also for the transmission line still await approval by the PRLRC). Unit rates in general are a challenge for the Project's transmission line component as for all other areas. There is strong pressure from the contractor to allow commencement of works, a request the Project cannot comply with before compensation, following Project standards. Furthermore, for two districts close to Vientiane Capital, differentiated compensation unit rates shall just be established following the establishment of the compensation unit rates for the Project's core zones.

Next Quarter. Given the delays of the compensation unit rates, temporary alternatives to involuntary land acquisition are assessed, i.e. the establishment of

individually negotiated rental agreements with six households for a section of the first phase, with the main focus on establishing access to non-privately hold GoL land for construction activities. However, establishment and dissemination of the unit rates is essential to allow compensation in some sections of the transmission line and consequently commencement of major works on the transmission line.



Figure 14: Village Consultations along the 230Kv Transmission Line

10 FISHERIES CO-MANAGEMENT

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

11 LABOUR MANAGEMENT

11.1 OVERALL DEVELOPMENT

Progress. 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 supports also the provision of necessary equipment as well as provides trainings. The two officers ensure 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.

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 of job placements will continue. In addition, the Company attempts to establish employee representatives within it; in compliance with the Lao Labour Law.

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

Challenges. None.

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

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

Progress. See 11.1. the agreement with the Trade Union and Department for Social Welfare and Labour will increase the monitoring and supervision of protection of workers rights.

Challenges. Identification of suitable candidate for the position of Labour senior officer was not successful during previous rounds of recruitment.

Next Quarter. See 11.1.

11.4 OCCUPATIONAL HEALTH AND SAFETY SUBPROGRAMS IMPLEMENTATION

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

12 OVERALL MONITORING

Progress. The health and socioeconomic baseline survey was completed and digitalized. The analysis of the data is on-going and reports will be available early next quarter. Fish catch monitoring is on-going, with several assistant staff hired to be based in the villages for data collection.

Challenges. None.

Next Quarter. Baseline reports will be finalized and provided to management and GoL for review. An integrated approach in collecting fisheries data together with EMO is being developed.

12.1 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.

Challenges. None.

Next Quarter. A continuous monitoring program will be developed together with a part time specialist. Reports on the baseline survey will be finalized.



Figure 15: Health team activities

12.2 OVERALL RIVER MONITORING

Progress. River Bank Garden data collection for this season could be implemented with video- and photo-cameras as well as GPS equipment. Data management and analysis of the resulting material commenced.

Challenges. Cooperation procedures between several teams on this cross-cutting topic had to be developed.

Next Quarter. Conduct the riverbank garden survey in which video and still photos will be taken of the left and right bank of the Nam Ngiep.

12.3 SMO PROGRESS INDICATORS

Progress. Progress and Reporting Indicators have been drafted and its feasibility currently 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. Details to be included as “Numbers” section at the beginning of consequent quarterly reports (delayed for this QMR).

12.4 EXTERNAL MONITORING

Progress. Regular virtual exchange with the Asian Development Bank on social works continued. Presentations and discussions with the LTA during their January as well as their March mission focused on workers camps, Houaysoup resettlement site development, and new milestones agreed on with ADB. Replies to the 4th IAP report were formulated and disclosed. As outlined above, the Provision of the Final LACP-TL 230kV was provided to ADB for review.

Challenges. A strong focus on written communication requires much time and results in delayed communication.

Next Quarter. Continuing exchange with ADB social safeguards specialists on resettlement planning development are necessary. In early May, a large mission including IAP, ADB, and LTA social experts will be conducted, which will provide essential input for the future direction of the activities.

12.5 COOPERATION WITH OTHER STAKEHOLDERS INCL. CIVIL SOCIETY AND NGOS

Progress. Further planning with non-for-profit-organizations on the implementation of social development work took place. A project proposal for a WASH program with a non-for profit association was finalized.

Challenges. None.

Next Quarter. Signing of agreements with at least two non-for-profit-organizations on cooperation with the Project in implementing a WASH and an STD mitigation program.

12.6 INSTANCES OF NON-COMPLIANCE AND OTHER REPORTING EVENTS

Incidences. The outstanding filling of management positions in accordance with the Finance Agreements by mid December had kept the Project in non-compliance with

this clause of the agreements before the deadline was postponed in exchange for detailed implementation milestones for 2015. 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. Also, the Project prepared and implemented two Corrective Action Plans regarding accidents: the employee of a sand supply company was the victim of a fatal accident in January 2015, when his truck run into a second truck. A second worker was harmed when working in the diversion tunnel, being hit by falling shot-crete. In the first case the Project follows up on the provision of assistance in accordance with Project standards to the widow and her children. In the second case the Project ensured proper treatment of the worker's injuries.

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.

13 UNANTICIPATED SOCIAL RISKS AND OPPORTUNITIES

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

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

Challenges. N/A.

13.2 IN-MIGRATION AND RESOURCES COMPETITION

Progress: As outlined above, a SMAP has been finalized, with implementation continuingly under way. For further details, please refer to 5.10. The implementation of the zero-tolerance policy could not just halt but reduce again the influx of camp follower businesses.

Challenges. None.

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

14 GRIEVANCE REDRESS MECHANISM

Progress. Training and provision of procedures for the formal sections of the grievance procedure could be provided to the village and district grievance committees, responsible for Project-affected villages in Bolikhan District, where the construction site and the resettlement site is located. Thus, now grievances can be solved also on levels 1 and 2, following up on cases which can not be solved on Level 0 (consultation step). Village and district grievance committee hearings commenced. Grievances were continuingly tried to solve already at the onset via constant presence of project staff in the communities above all in Z3 and Z5. Consultations to address limited access due to path interruptions by the construction site have been conducted, complementing the establishment of alternative routes as outlined above, guaranteeing safety of villagers. After village grievance hearings in February, four grievance cases have been discussed by the District Grievance Committee of Bolikhan. All four cases are filed with PAPs rejecting the categorization of acquired

land and related compensation values. A ruling on these cases and its implementation is expected in April.

Challenges. None.

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

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

Progress. Grievance trainings have been prepared, including grievance guideline booklets and then conducted throughout February for the District Grievance Committee of Bolikhan and Village Grievance Committees for Hat Gniun, Thahuea, Hatsaykham, Nonsomboun, Sisawath and Somseun. Grievance forms (Form A) + Receipt sheet, Initial examination (Form B), Minutes of grievance hearing (Form C) and village grievance log book (Form D) have been discussed and provided.

Challenges. None.

Next Quarter. On the job training will be required to enhance their capacity on grievance processing like form filling, case investigation, understanding compensation procedure.

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

Progress. Discussion of grievances due to unforeseen usage of land outside the compensated area along the roads were conducted. 16 cases have been assessed in consent and remedial actions are in process. Limitations on right to access resources north of the construction sites have been assessed by establishing alternative access routes as discussed above.

Challenges. Several cases could not be resolved and need to be forwarded to GRM Level 1.

Next Quarter. Continuing engagement with villagers to address grievances early on will be conducted.

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

Progress. Village grievance examination and Village grievance hearing meetings were done for 13 cases (2 claims in HGN and 11 claims in HSK). 4 cases were discussed by the District Grievance Committee.

Challenges. N/A.

Next Quarter. Continuing cooperation with VGC and DGC in addressing outstanding grievance claims will be implemented by the grievance team.

15 MANAGEMENT OF SMO

15.1 BUDGET

Progress. Continuing work on the budget 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 increased costs of infrastructure.

Next Quarter. Finalization of budgets for approval by BOD.

15.2 STAFFING

Progress. The Project continues to streamline and enhance the SMO organizational chart. Several positions are still outstanding, while the nucleus of the 2UR team could be hired. Outstanding SMO management positions could be filled partially.

Challenges. The Resettlement Infrastructure Team needs further enhancement and guidance. An increase of staff for the asset registration team is necessary to comply with the tight timeframe for 2015.

Next Quarter. Further identification of officers and managers according to the agreed staffing plan.

15.3 OPERATION POLICY DEVELOPMENT

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

Challenges. N/A.

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

16 ADMINISTRATION AND DATA

16.1 OFFICE & EQUIPMENT

Progress. A rental agreement for an office in Annouvong has been elaborated. Office facilities in 2LR have been upgraded and prepared for the staff based there and in addition for the asset registration team. Further analysis of necessary works for upgrading offices in 2UR was conducted (before renting). In Paxkan, options for a joined ESD office have been assessed.

Challenges. None.

Next Quarter. The office rental agreement for Annouvong will be signed and upgrading works will commence in the other offices.

16.2 VEHICLES

Progress. 4 motorbikes are now ready for use. Cost comparisons on different kind of car allocation (renting, purchase) have been conducted.

Challenges. None.

Next Quarter. Rental agreements shall be re-arranged and car purchases targeted.

16.3 DATABASE AND GIS DEVELOPMENT

Progress. Asset registration data has been collected and respective forms updated. Health Survey data has been integrated, as well as fish-catch-monitoring data. Maps have been produced for asset registration in Houaysoup and along the 230kV transmission line. Asset registration data entry along the 230kv transmission line has been concluded and continues for 2LR. Health Survey data has been checked as well as fish-catch-monitoring data continuingly be integrated. Maps have been produced for asset registration along the 230kV transmission line. Coordination with EMO started to integrate databases.

Challenges. GIS staff needs further increase to cope with work requirements.

Next Quarter. Hiring of additional staff is necessary to continue work on data entry. Integration of EMO database requirements shall facilitate better cooperation between EMO and SMO. A planning- and reporting database will be established.

16.4 KNOWLEDGE MANAGEMENT AND DATA ANALYSIS

Progress. Discussion with other Departments on a Document Control Center and Filing policy have been conducted. The current filing system was maintained continuingly. Internal translation and information support for other teams have been provided. The community contact database contains more than 500 entries, while data collection is still being improved. The team supported, in addition, the other teams with IT trainings; extended also to the police in Hat Gniun.

Challenges. None.

Next Quarter. Improvement of 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.

17 GOL RELATIONS

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

During the reporting period, several key activities were conducted:

- Highlevel meetings of MD, DMD, SM and Xaisomboun RMU with Xaisomboun Provincial Governor initiated a series of consultations on the compensation unit rates, with above all PAPs from 2LR demanding an increase of compensation unit rates, while PAPs from Bolikhan District and Thathom District agreed in general on the rates suggested by the PRLRC. These consultations were conducted on provincial, district, and village level.
- Two main different alternative new resettlement sites (Phousamliem and Xamteuy areas were proposed by the PAPs from Ban Sopphuane and Ban Houaypamom) and assessed by the RMU Xaysomboune, Hom District authorities, NNP1 and PAPs from three villages: Ban Sopyouak, Ban Sopphuane and Ban Houaypamom from 8 - 26 Feb 2015. A report was provided by the working group led by the RMU (see above).
- The major event was the successful Project site visit by the President of the National Assembly. She consulted also with PAPs, pointing at the potentials

for social development, and urging close cooperation between PAPs and Project.

- Consultations with MoNRE on degazetting 648ha additional lands for residential plots, water supply system, and agricultural use continued successfully; with final results expected for mid of 2015.

Challenges. Several changes in GoL positions at Hom District required restart of explanations and coordination. The compensation unit rates could not be finalized with the challenge to combine several legal standards and stakeholder interests.

Next Quarter. Constant follow-up on the establishment of compensation unit rates is necessary. A steering committee meeting will take place, where key challenges of the social programs will be addressed.



Figure 16: Alternative resettlement site scoping survey

17.2 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.

18 SUMMARY OF CORRECTIVE ACTION PLANS (CAPS)

Progress. As outlined above, the Project addressed a fatal accident, where the driver of a sand supplier lost his life when crashing into a parked truck. The social components of the developed CAP on this fatal accident include an assessment of necessary compensation payments in accordance with the Lao Law as well as an assessment of necessary actions to address the vulnerability of the household. Furthermore, SMO supported TD on the establishment of a CAP for an accident in the diversion tunnel, ensuring support of the injured worker.

Challenges. None.

Next Quarter. Follow up on the implementation of corrective actions.

19 OTHER INFORMATION

Within this reporting period no other relevant information is available.

20 ATTACHMENTS

2 CAPs as noted in Chapter 18.