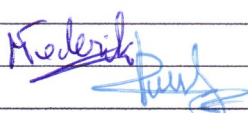
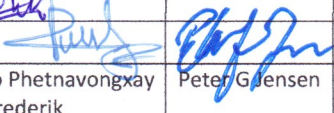
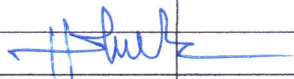




## Nam Ngiep 1 Hydropower Project

# Response to the Independent Advisory Panel Report Number 10 of 13 December 2017

### Site Visit 12-19 November 2017

					
					
A	2 January 2018	Viengkeo Phetnavongxay Marcel Frederik	Peter G. Jensen	Vilayhak Somsoulivong	Final
REV	DATE	AUTHORS	CHECKED	APPROVED	MODIFICATION DETAILS
Accessibility		<b>Document No</b>  <b>NNP1-C-B1105-DG-005-A</b>			
<input checked="" type="checkbox"/>	Public				
<input type="checkbox"/>	Internal				
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## Response to the Independent Advisory Panel Report Number 10 of 13 December 2017 (Site Visit 12-19 November 2017)

### Introduction

This document contains the response of Nam Ngiep 1 Power Company to the findings and recommendations of the Independent Advisory Panel (IAP) expressed in their Report No 10 of 13 December 2017. It should be noted that where NNP1PC is silent about a statement, comment or recommendation of IAP, this does not imply acceptance or agreement.

The Nam Ngiep 1 Power Company is committed and obligated to strictly comply with the environmental and social safeguards of ADB and the Government of Lao PDR. In particular, as a borrower of loans from ADB, the Company, in accordance with the ADB Safeguard Policy Statement of 2009, is required to engage an Independent Advisory Panel to monitor the project and provide balanced and objective technical opinions on the Project's compliance with the environmental and social safeguard requirements of ADB and the Government of Lao PDR.

In the period from 12-19 November 2017, the IAP conducted their tenth monitoring mission to the Nam Ngiep 1 Hydropower Project. The findings and recommendations of the IAP are publicly available and their reports can be downloaded from the website of Nam Ngiep 1 Power Company, <http://namngiep1.com/>

The Nam Ngiep 1 Hydropower Project is located on the Nam Ngiep River, which flows about 160 km from the mountainous area of Xieng Khuang Province in the centre of Lao PDR through Xaysomboun Province to the plains of Borikhamxay Province until its confluence with the Mekong River. The Project consists of a 167 m high main dam and a smaller 20 m high re-regulating dam downstream of the main dam. The Project will have two powerhouses, one at the main dam with an installed capacity of 272 MW and the other powerhouse at the re-regulating dam with an installed capacity of 18 MW. The main dam will form a 70 km long and 67 km<sup>2</sup> large reservoir which will inundate four villages in the lower part of the reservoir and impact agricultural land belonging to three villages in the upper part. The re-regulating pond formed by the small dam will inundate one village.

The construction works started in August 2014 and the overall progress of work is about 90 % complete. The inundation of the reservoir is planned to start in May 2018 and the Project will commence generation of electricity by February 2019.

The Company is working closely with the Government of Lao PDR at all levels, international organisations and local people to adhere to the Company's obligations under the Concession Agreement, national legal framework, Lenders' environmental and social safeguard policies and international best practices. The ultimate goal is to avoid and minimise the Project's footprint on the environment, and in line with the policies laid down in the National and Provincial Socio-Economic Development Plans, contribute to the long-term sustainable development of the country and in the Provinces where the Company operates.

For further reading and understanding about the environmental and social management of the Project, please visit the Company Website <http://namngiep1.com/> where detailed information about the design and progress of implementation of the environmental and social management plans and programmes are available.

Nam Ngiep 1 Power Company's Response to Report Number 10, dated 13 December 2017 of the Independent Advisory Panel on the Nam Ngiep 1 Hydropower Project, Lao PDR

Independent Advisory Panel Tenth Site Visit, 12-19 November 2017

Summary of Resettlement Issues

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern <sup>1</sup>	NNP1PC Response
R4	Many PAP in Zone 2LR stated repeatedly they prefer not to resettle at the Houay Soup resettlement area; that instead they will self-resettle.	<ul style="list-style-type: none"> <li>Based on CA, NNP1PC is responsible for: (i) resettling PAP at Houay Soup; or, (ii) paying cash to PAP for self-resettlement based on unit compensation rates</li> <li>Official cut-off-date for the project area is 11 April 2014</li> <li>As of mid-November 2017, NNP1PC reports: 84.5% of PAHs opted for self-resettlement, 10.6% opted to resettle at HSRA, the remaining 4.9% or 22 hh had not decided: 21 families refuse to register their assets; 13 households refuse to sign asset notifications; and, 9 households choose not to self-resettle. The GOL is negotiating.</li> </ul>	<p>NNP1PC and the GOL continue to make significant progress in resolving resettlement issues.</p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>The IAP recommends that NNP1PC should continue to work with GOL officials to resolve all resettlement issues in zone 2LR, with GOL officials taking the lead.</li> <li>The IAP recommends that NNP1PC continue to work with RMU to accelerate consideration of self-resettlement plans and payment of compensation.</li> </ul> <p>NNP1PC should work with GOL officials to develop a mechanism for managing Community Development Funds to support PAP development in key Project villages following COD. Depending on the availability of funds and the implementation arrangements, villages where many PAP have self-resettled could be considered for use of some of these funds.</p>	High	<ul style="list-style-type: none"> <li>NNP1PC will continue to work with GOL officials to resolve all resettlement issues in Zone 2LR, with GOL officials taking the lead.</li> <li>NNP1PC will continue to work with RMU to accelerate consideration of self-resettlement plans and payment of compensation.</li> <li>NNP1PC has planned for this, as described in detail in Section 8.5 of the REDP-U2LR, available on the Company and ADB websites. The scheduled timeframe is: "The Company will initiate discussions with the Government on the fund management procedures and plan for the utilization of the funds early in 2018 – and at</li> </ul>

<sup>1</sup> Level of Concern: Low - action recommended within 6 months; Medium - action recommended within 1-2 months; Urgent/Very High/High - immediate action recommended

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern <sup>1</sup>	NNP1PC Response
		For PAP refusing to decide, GOL will require resettlement at HSRA			least not later than six months before COD. Training of the respective committees involved is intended to start after finalization of these procedures and could start as early as in the second half of 2018”.
<b>R5</b>	Outstanding grievances of PAP self-resettlers from Hatsaykham	<ul style="list-style-type: none"> <li>100% of households from Zone 3 have been paid compensation</li> <li>20 + 4 split PAP households from Ban Hatsaykham have moved to HSRA</li> <li>18 + 4 split PAP households have been successfully self-resettled</li> </ul> <p>Some resettlers from Hatsaykham interviewed by the IAP reported that they continued to be confronted by previous occupants of land at HSRA; previous occupants both from Hat Gniun and Hatsaykham. The Hatsaykham resettlers being confrontational also were resettlers.</p>	<ul style="list-style-type: none"> <li>Resettlers from Hatsaykham are generally satisfied with conditions at HSRA.</li> <li>Confrontation between resettlers and previous occupants of land at HSRA creates tension and potential conflict among residents.</li> <li>HSRA resettlers who are confronted by previous land occupants suffer from anxiety, lack of confidence, and concern about their future at HSRA.</li> </ul> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>The IAP recommends that E&amp;S management support the GOL to resolve outstanding grievance issues. Not having done so before now is causing social tension and may lead to conflict as well as non-compliance with the CA.</li> </ul> <p>The IAP recommends again that resettlement infrastructure at HSRA, specifically housing and water supply should be inspected by NNP1PC before the sub-contractors’ warranties expire.</p>	Medium	<ul style="list-style-type: none"> <li>Noted. SMO management has increased its focus on completing compensation and will continue to do so until compensation is completed. NNP1 obtained access to a new, innovative Geographic Information System, using a large database of historic satellite images, which will facilitate the closure of the still outstanding grievances during Q1-2018.</li> <li>Conducting final inspections of infrastructure prior to the expiry of a defects warranty period is a standard practice in construction works, which NNP1PC applies for all infrastructure constructed by NNP1PC.</li> </ul>
<b>R7</b>	<ul style="list-style-type: none"> <li>Livelihood restoration of PAP</li> </ul>	<ul style="list-style-type: none"> <li>The livelihood restoration program is progressing well.</li> </ul>	<b>Recommendations</b>	Medium	<ul style="list-style-type: none"> <li>The Reservoir Management Plan is currently being drafted</li> </ul>

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern <sup>1</sup>	NNNP1PC Response
	<p>in three villages in Zone 2UR</p> <p>Policy level clarification is needed related to use of islands and drawdown zones in the NNP1 reservoir</p>	<p>During the Final Choice survey, 99.5% of all PAPs in 2UR expressed preference for cash compensation over replacement land. NNP1PC considers the case on replacement land closed after cash compensation payments have been completed.</p>	<ul style="list-style-type: none"> <li>• NNP1PC Technical Division should consult with district officials and inform PAP about policies related to claiming and developing islands and drawdown zones in the NNP1 reservoir. The IAP is not aware of this issue being addressed.</li> </ul> <p>A fisheries management plan for the NNP1 reservoir should be drafted for discussion with PAP and concerned GOL officials.</p>		<p>and due consideration will be given to the items raised.</p> <ul style="list-style-type: none"> <li>• Fisheries management is part of the Reservoir Management Plan currently being developed.</li> </ul>
<b>R8</b>	<ul style="list-style-type: none"> <li>• Effectiveness of the Xaysomboun RMU</li> <li>• Effectiveness of the Hom District Coordinating Committee (DCC)</li> </ul>	<ul style="list-style-type: none"> <li>• The Xaysomboun RMU has been restructured. Support and guidance is provided by the governors and vice governors from both XSB and BKK provinces; GOL effectiveness has improved significantly.</li> <li>• In 2LR, 21 families refuse to register their assets; 13 households refuse to sign asset notifications; and, 9 households choose not to self-resettle</li> <li>• The GOL has established a Special Task Force for 2LR that is stationed full-time in 2LR villages.</li> <li>• PAP self-resettlers from 2LR wishing to move to Bolikhamxay Province continue to face delays relocating due to a strict moving approval process.</li> </ul>	<ul style="list-style-type: none"> <li>• Tensions continue to be addressed by GOL.</li> <li>• NNP1PC continues to facilitate negotiation, arbitration, and cross-provincial communication processes led by the GOL</li> </ul> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• The IAP recommends that E&amp;S management continue to focus on resolving outstanding compensation and grievance issues with PAP holdouts.</li> <li>• NNP1PC should continue to support GOL's lead to resolve issues in 2LR.</li> <li>• NNP1PC should continue to facilitate communications between Xaysomboun and Bolikhamxay officials on issues related to self-resettlers from 2LR to Bolikhamxay Province.</li> <li>• NNP1PC staff should encourage PAP self-resettlers from 2LR to resettle at Pakyong, a resettlement site with many benefits in Thathom District, Xaysomboun Province.</li> </ul>	High	<ul style="list-style-type: none"> <li>• Noted. SMO management has increased its focus on completing compensation and will continue to do so until compensation is completed.</li> <li>• SMO is working closely with the RMU from both provinces to continue the communication between both provinces regarding issues related to self-resettlers from 2LR to Bolikhamxay Province.</li> <li>• Self-resettlers at Zone 2LR are encouraged to resettle at Pakyong. However, it remains the decision by each household where they choose to resettle.</li> <li>• Noted.</li> </ul>

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern <sup>1</sup>	NNNP1PC Response
		Financial support to the RMUs and PRLRC continues to facilitate mobilization of GOL resources.	The IAP recommends that NNP1PC operate as a clearing house to review self-resettlement plans before the plans are submitted to RMU.		
R10	<ul style="list-style-type: none"> <li>• Outstanding grievances from PAP at Ban Hatsaykham (Zone 3)</li> <li>• Outstanding grievances from Hat Gniun (Zone 5)</li> </ul> <p>Significantly delayed compensation payments and slow resolution of PAP grievances continue to cause tension in Zone 5 and at HSRA</p>	<p>Reported by NNP1PC in mid-November 2017</p> <ul style="list-style-type: none"> <li>• Zone 3: 38 HHs resettlers + 1 non-resettler: <ul style="list-style-type: none"> <li>○ Compensation of inundated area and HSRA: Completed except 2 hh who do not accept compensation policy No. 192;</li> <li>○ Compensation of 18 self-resettler hh for land outside the inundated but inaccessible because of reservoir and HSRA: Completed except 2 hh who do not accept compensation</li> </ul> </li> <li>• Zone 5: 94 hh affected by land acquisition for HSRA: <ul style="list-style-type: none"> <li>○ Completed</li> </ul> </li> </ul> <p>2 hh pending during last IAP visit received compensation in August 2017</p>	<p>Although the IAP believes that the situation is significantly improved, quiet confrontation continues that cause tension and stifles enthusiasm of resettlers at HSRA.</p> <p><b>Recommendations</b></p> <p>The IAP recommends that NNP1PC encourage the BKX RMU to allocate some unimpacted land above 179 m.a.s.l in Zone 3, to Zone 5 PAP, for which resettlers to HSRA and self-resettlers already have been compensated by the Project.</p>	Low	<ul style="list-style-type: none"> <li>• Noted. NNP1PC will bring the suggestion from the IAP to the relevant GOL authorities.</li> </ul>

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern <sup>1</sup>	NNNP1PC Response
R11	Quality of life and livelihood restoration of self-resettler households in the Project Area	<ul style="list-style-type: none"> <li>Many self-resettlers from Zone 2LR have received large amounts of compensation. Rarely having had so much money, they have joined the ranks of consumerism with enthusiasm. Traditional livelihood patterns are no longer attractive. Social issues derived from non-traditional lifestyles and behavior are likely to emerge.</li> </ul> <p>NNP1PC has committed to implementing program to monitor the long-term development of self-resettlers in the project area.</p>	<ul style="list-style-type: none"> <li>NNP1PC is obligated by the CA and REDP to assist all PAP entitled to income restoration and rehabilitation to meet target net incomes (see Appendix 7 of the CA).</li> </ul> <p><b>Recommendations</b> The IAP recommends that NNP1PC consider using some post-COD community development funds to assist disadvantaged and vulnerable self-resettlers.</p>	Medium	<ul style="list-style-type: none"> <li>Noted. As responded to R4, NNP1PC will be working closely with the relevant GOL departments on the mechanisms for the allocating of the Community Development Funds, made available post COD. The recommendation made by the IAP will be included for consideration into this mechanism.</li> </ul>
R12	Loss of common resources by villages in Zone 4 and Zone 5: loss of clean water in the Nam Ngiep, for household use, livestock, and loss of fisheries; resulting from flushing of sediment from the NNP1 re-regulating dam that was impacted by collapse of the Nam Ao Dam	<ul style="list-style-type: none"> <li>The Nam Ao earthen dam collapsed on 11 September 2017.</li> <li>Massive amounts of sediment were deposited behind the NNP1 re-regulating dam.</li> <li>NNP1PC reports that about ½ of the sediment was flushed out from behind the dam and released downstream into the Nam Ngiep river, with permission from GOL</li> <li>NNP1PC reports that ½ of the sediment deposited remains behind the re-regulating dam</li> </ul>	<ul style="list-style-type: none"> <li>The IAP recommends that NNP1PC consider taking legal action against Nam Ao owners to obtain funds that would be paid to PAP in downstream villages along the Nam Ngiep (Group 3 and 4 villages -- Hat Gniun, Somseun, Nampa; Zones 4 and 5) for losses: fisheries, potentially for livestock; and, for water resources development – additional deep-water wells to off-set the un-usability of Nam Ngiep by households and livestock.</li> <li>The IAP recommends that NNP1PC review the Cumulative Impacts Assessment (CIA) in the EIA to</li> </ul>	High	<ul style="list-style-type: none"> <li>The flushing of the re-regulation reservoir did not cause any significant impacts on fisheries or water supply.</li> <li>NNP1PC has prepared and submitted the Nam Ao Dam Break Damage Report to GOL. Taking legal action is likely to be a futile endeavor.</li> <li>NNP1PC does not intend to carry out any additional flushing of sediments from the re-regulation reservoir.</li> <li>NNP1PC will carry out its own studies and investigations to assess potential risks of</li> </ul>

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern <sup>1</sup>	NNNP1PC Response
	<p>No assessment of potential impacts from release of sediment into the Nam Ngiep river was undertaken before the flushing of sediment from the NNP1 re-regulating dam</p>	<ul style="list-style-type: none"> <li>• PAP in downstream villages along the Nam Ngiep (Group 3 and 4 villages -- Hat Gniun, Somseun, Nampa; Zones 4 and 5) reported:</li> <li>• A fish-kill (fish die off) in the Nam Ngiep for 3-4 days following collapse of the Nam Ao Dam as reported in the NNP1 Nam Ao Dam Break Damage Report, 13 October 2017.</li> <li>• Continuation of turbid water for several days after the dam break left the Nam Ngiep unusable as a water source for household use and livestock drinking water; and, insufficient fish for PAP whose livelihood depend on fisheries</li> </ul>	<p>determine if it needs updating; and, coordinate with other hydropower and mining projects in the NNP basin to engage suitable specialists to prepare a more comprehensive CIA taking into consideration recent authorized and unauthorized developments in the Nam Ngiep basin.</p> <ul style="list-style-type: none"> <li>• The IAP recommends that NNP1PC intensify and accelerate its social, economic, and livelihood development activities in downstream villages along the Nam Ngiep (Group 3 and 4 villages -- Hat Gniun, Somseun, Nampa; Zones 4 and 5); to offset the significant negative impacts on these villages, including loss of fisheries livelihood, loss of water for livestock, and loss of water for household use.</li> <li>• The IAP recommends that additional flushing of sediment from the NNP1 re-regulating dam should be preceded by a thorough social and environmental impacts assessment that should include a detailed plan to implement mitigation measures.</li> </ul>		<p>impacts caused by other existing or likely future projects. This will be done in the context of the watershed management activities and will involve relevant government organizations and will include establishing systems and procedures for cooperation with other relevant projects in the basin.</p> <ul style="list-style-type: none"> <li>• The construction of waters supply systems in the downstream communities is on schedule to be completed prior to the impounding of the main reservoir.</li> </ul>



## Summary of Indigenous Peoples' Issues

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern <sup>2</sup>	NNNP1PC Response
S1	<ul style="list-style-type: none"> <li>Livelihood Programs</li> <li>Agricultural products and markets</li> </ul>	<p>According to PAP of Ban Pou, and Ban Phiengta, Zone 2UR, they raise frogs, fish, ducks, and grow vegetables. They appreciate these livelihood programs. They gain several millions kip per year per family, whereas the IP Hmong PAP who chose self-resettlement to Thaviengxay, Zone 2UR, requested the Project to provide and support them about fruit seedling and vegetable seeds to plant in the village, so they can feed their families. They also require handicrafts and marketing training. According to PAP in Ban Pakyong, Zone 2UR, they require fish and frog raising and vegetable growing, as well as handicraft activities and marketing training. According to PAP in HSRA, Zone 3, they require marketing training and market places.</p>	<p><b>Recommendation</b></p> <p>The IAP recommends that the Project should continue to support PAP to improve their quality of life and to maintain the image of the Project.</p>	High	<ul style="list-style-type: none"> <li>Noted. NNP1 will continue its Livelihood program in 2018 and expand the Livelihood team with a team dedicated to reaching out to Self-Resettlers. Recruitment for the new positions is ongoing in Q1-2018</li> </ul>
S2	Hmong graves removal and compensation	<ul style="list-style-type: none"> <li>There remain 9 IP Hmong graves in Ban Namyouak of Zone 2LR that are unresolved because 7 households still</li> </ul>	<p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>The IAP supports GOL and NNP1PC solutions for this issue.</li> </ul>	Very High	<ul style="list-style-type: none"> <li>Noted</li> </ul>

<sup>2</sup> Level of Concern: Low - action recommended within 6 months; Medium - action recommended within 1-2 months; Urgent/Very High/High - immediate action recommended

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern <sup>2</sup>	NNNP1PC Response
		refuse to allow asset registration by the Project.	<ul style="list-style-type: none"> <li>Communication, collaboration, cooperation, and soft strategies should continue to be used with the 7 PAP hold-out households.</li> </ul> Any strong measures with the PAP should be avoided.		

### Summary of Social Issues

No.	Social Issue	Status	IAP comments and recommendations	Level of concern <sup>3</sup>	NNNP1PC Response
S4	Food security is the most important issue for IP Hmong at all sites. Rice is the most important staple food for the IP Hmong.	During the 10th site visit, PAP resettlers in HSRA, Zone 3, the self-resettlers in Thaviengxay, Zone 2UR and self- resettlers in Pakyong, Thathom District, still requested rice support (in cash) from the Project. They complained about the delay of the rice support payments.	<b>Recommendation</b> Rice support (in cash) should be provided to the PAP quickly since many PAP cannot grow rice this year.	Very High	<ul style="list-style-type: none"> <li>Noted. Rice support in cash is provided after Self Resettlers have informed the project they have resettled to their new location. Some self-resettlers are in transition between their old village and new location.</li> </ul>
S5	Dust in the villages	The 10th site visit was undertaken at the end of the wet season and dust was not a problem in the sites.		Low	
S6	Drug abuse, prostitution, crime, etc. in Zone 3.	According to Bolikhan District authorities: drug abuse is a global issue. The situation in Bolikhan District (including	<b>Recommendation</b> The IAP recommends that NNP1PC collaborate and cooperate with local administration and health authorities to	High	<ul style="list-style-type: none"> <li>Noted. NNP1PC will continue its camp- followers program throughout 2018, working closely together</li> </ul>

<sup>3</sup> Level of Concern: Low - action recommended within 6 months; Medium - action recommended within 1-2 months; Urgent/Very High/High - immediate action recommended

No.	Social Issue	Status	IAP comments and recommendations	Level of concern <sup>3</sup>	NNP1PC Response
		<p>HSRA and Zone 3) is under control. The GOL focus on strengthening families as a crucial social unit to tackle drug abuse and protect family members first. If the family cannot deal with the issue, then the GOL will intervene. The IAP observed and was informed that some PAP at HSRA use drugs and have created problems among PAP and with NNP1PC as well.</p>	<p>address drug issues. Education in schools and training outside of schools for PAP is required. Lao laws to control drugs should be strictly enforced and complied.</p>		<p>with the Police based in the Hat Gniun police station to support the GOL to address the situation.</p>
S7	Compensation and unit compensation rates	<p>During the 10<sup>th</sup> site visit, asset compensation had been paid to most PAP. The priority concern is the 7 households in Zone 2LR, Hom District, who refuse to engage with the Project, and PAP waiting for compensation following resolution of grievances. According RMU, NNP1PC will accelerate payment of outstanding compensation. PAP are expected to move out from the sites as soon as possible; prior to the impounding date on 1 May 2018.</p>	<p><b>Recommendation</b> The IAP recommends that NNP1PC and the GOL discuss and seek better solutions in consultation with 7 PAP households in Ban Namyouak, Zone 2LR. Any strong-arm measures should be avoided. NNP1PC should accelerate the remain compensation payments so PAP can move out from sites.</p>	Very High	<ul style="list-style-type: none"> <li>• Noted.</li> </ul>

No.	Social Issue	Status	IAP comments and recommendations	Level of concern <sup>3</sup>	NNP1PC Response
S8	HSRA	<ul style="list-style-type: none"> <li>• Currently, 80 households (86 families with 509 PAP) from all Zones have moved to HSRA, Zone 3, Bolikhan District, Bolikhamxay Province.</li> <li>• Some PAP complain about house roofs and windows.</li> <li>• Some PAP complain about floors of their houses; floors are too low and create problems in the wet season.</li> <li>• Some PAP complain about land fill in home plots; soil is of poor quality.</li> </ul> <p>Dust in HSRA will become an important issue in the near future.</p>	<ul style="list-style-type: none"> <li>• PAP are satisfied with HSRA because the Project provides houses, infrastructure, facilities, schools, a health center, and good soil.</li> <li>• PAP are satisfied with rice yields; using some fertilizer in their paddy land and saying that paddy land will be improved year by year. This ensures that lives in HSRA will be better in the future.</li> <li>• The biggest concern for PAP in HSRA is land disputes with Hat Gniun villagers who come to HSRA to reclaim old lands. PAP are threatened not to use allocated land in HSRA. PAP are not confident on their land in HSRA. They believe that after the end of the Project, Hat Gniun villagers will return to claim their old lands. This has created insecurity and conflict between the PAP and Hat Gniun villagers. Mr. Su Vaj (PAP from Sopphuane, Zone 2LR) who moved to HSRA 3 months ago decided to choose self-resettlement back to Phalavaek, Hom District because of this issue. According to Mr. Tu Xiong (PAP from Hatsaykham, Zone 3), there will be conflict between PAP and Hat Gniun villagers after termination of the Project because of land disputes.</li> </ul>	Very High	<ul style="list-style-type: none"> <li>• Enforcement of the Lao law is the sole prerogative of the Government of Laos. NNP1PC will continue to work closely with the DCC and RMU to solve the issue of encroachment into the Phouhomxay Village by Hat Gniun people.</li> </ul>

No.	Social Issue	Status	IAP comments and recommendations	Level of concern <sup>3</sup>	NNP1PC Response
			<ul style="list-style-type: none"> <li>A Special Task Force has been appointed by the GOL to tackle this issue by January 2018</li> </ul> <p><b>Recommendation</b> The IAP strongly recommends that all parties comply with the CA, otherwise the issue will impact people at local and national levels.</p>		
<b>S8 (continued)</b>	Self-resettlement	<ul style="list-style-type: none"> <li>IP Hmong in the 3 self-resettlement locations visited by the IAP during the site visit chose self-resettlement because they wanted to move closer to access roads, markets, better soils, and better infrastructure; and, they want to move closer to their relatives.</li> <li>They have bought paddy land, garden land, grazing land, and now most of them have built houses.</li> <li>IP Hmong self-resettlers chose their own resettlement sites. They have spent a lot of money on land and houses. Some of them bought vehicles. Whereas, some bought small agricultural tractors.</li> <li>These IP Hmong never learned to spend the</li> </ul>	<ul style="list-style-type: none"> <li>The IAP visited self-resettlers in 3 villages: Thaviengxay and Pakyong villages in Zone 2UR, Thathom District, Xaysomboun Province; and Phamouang village in Bolikhan District, Bolikhamxay Province.</li> </ul> <p><b>Recommendation</b> The IAP recommends the Project as follows: (1) to provide occupational training on fish raising, frog raising, mushroom growing, fruit seedlings, vegetable seeds, modern IP handicrafts making, and marketing training, etc. for the PAP in Pakyong, and Thaviengxay villages, Zone 2UR, Thathom District, Xaysomboun Province. (2) to teach/train PAP IP Hmong to use their money properly. The PAP are afraid of losing their money and cannot get it back. The PAP require lesson learned and occupational skills.</p>	Very High	<ul style="list-style-type: none"> <li>Noted. As stated in S1, NNP1 will continue its Livelihood Program in 2018 and expand the Livelihood team with a team dedicated to reaching out to Self-Resettlers. Recruitment for the new positions is ongoing in Q1-2018</li> </ul>

No.	Social Issue	Status	IAP comments and recommendations	Level of concern <sup>3</sup>	NNP1PC Response
		<p>money properly. They are concerned about losing money and they cannot get the money back.</p> <ul style="list-style-type: none"> <li>• PAP in Pakyong and Thaviengxay need occupational training on livelihood programs: such as fish raising, frog raising, mushroom growing, handicraft making, and marketing training (how to trade).</li> <li>• According to PAP, they are not used to modern lifestyle in new locations, lowland resettlement areas, that everything must depend on the money. They say that they are familiar in the Hmong traditional style.</li> </ul>			
S9	In Zone 2LR in Ban Namyouak: 7 PAP households still refuse to have their assets registered with the Project.	This 10 <sup>th</sup> site visit, the IAP did not have a chance to meet the 7 hold-out households in Ban Namyouak, Zone 2LR due to security at the site. However, as discussed with GOL and the NNP1PC staff, resolving their issues appears more positive. These 7 households may cause the delay of the Project.	<p><b>Recommendations:</b></p> <p>The IAP recommends that legal and soft strategies be used with the PAP 7 households. Communication and collaboration among related organizations to find solutions are most important and are required. Any hard measures should be avoided with the PAP in the Project.</p>	Very High	<ul style="list-style-type: none"> <li>• Noted</li> </ul>

No.	Social Issue	Status	IAP comments and recommendations	Level of concern <sup>3</sup>	NNP1PC Response
S10	Collaboration with the GOL	<ul style="list-style-type: none"> <li>According to the RMU and NNP1PC staff, collaboration between the Project and RMU has been improved.</li> </ul> <p>The collaboration between the GOL, the 2 provinces (Xaysomboun and Bolikhamxay Provinces) is satisfactory.</p>	<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>The IAP recommends the Project to continue closely collaborating with the GOL.</li> </ul> <p>Collaboration between senior provincial officials of Xaysomboun and Bolikhamxay provinces should continue. This will lead and enhance the progress and success of the Project.</p>	Very High	<ul style="list-style-type: none"> <li>NNP1 will continue closely collaborating with the GOL on its activities.</li> </ul>
S13	Community participation	<ul style="list-style-type: none"> <li>PAP participation with Project and GOL has improved. Activities have moved forward, specifically: assets survey and registration, IP graves registration, and livelihood programs.</li> <li>PRLRC followed a participatory process to establish unit rates consistent with ADB requirements</li> </ul> <p>NNP1PC has good staff to engage PAP to participate in all activities.</p>	<ul style="list-style-type: none"> <li>Recommendation</li> </ul> <p>Continue to encourage PAP to participate at all levels of activities with the Project and the GOL.</p>	Medium	<ul style="list-style-type: none"> <li>NNP1PC continuous to involve PAPs in the various livelihood and social programmes</li> </ul>
S14	Grievance issues	<p>The resolution of grievance issues has progressed. Many important issues have been resolved.</p>	<p><b>Recommendation</b></p> <p>The IAP recommends the Project to continue the Grievance issues as fast as possible.</p>	Very high	<ul style="list-style-type: none"> <li>NNP1 obtained access to a new, innovative Geographic Information System, using a large database of historic satellite images, which will facilitate the closure of the still outstanding Grievances.</li> </ul>