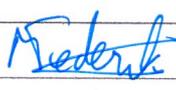
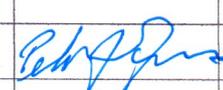
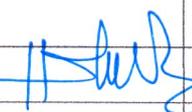


Nam Ngiep 1 Hydropower Project

Response to the Independent Advisory Panel Report Number 11 of 19 June 2018

Site Visit 20-27 May 2018

A	September 2018				
A0	August 2018	Marcel FREDERIK	Peter G JENSEN	Vilayhak SOMSOU LIVONG	
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Response to the Independent Advisory Panel Report Number 11 of 19 June 2018 (Site Visit 20 - 27 May 2018)

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 11 of 19 June 2018. 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 20-27 May 2018, the IAP conducted their eleventh 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 km² 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 96 % complete. The inundation of the reservoir started on 15 May 2018 and the Project plans to start 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 11, dated 19 June 2018 of the Independent Advisory Panel on the Nam Ngiep 1 Hydropower Project, Lao PDR

Independent Advisory Panel Eleventh Site Visit, 20-27 May 2018

Summary of Resettlement Issues

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNP1PC Response
R4	<ul style="list-style-type: none"> Households resettled at PHXRA require significant support for livelihood restoration <p>Community leaders and some resettler households continue to report confrontation with previous land occupants at PHXRA</p>	<ul style="list-style-type: none"> 71 + 11 split hh from 2LR and 20 + 4 split PAP households from Ban Hatsaykham have been resettled at PHXRA; totaling 82 hh NNP1PC provides significant support for transition of resettlers and livelihood restoration <p>NNP1PC, Bolikhamxay RMU, and Bolikhan District Governor report land conflicts at PHXRA have been resolved for paddy land; issues remain unresolved for grazing land</p>	<ul style="list-style-type: none"> The IAP and PHXRA resettlers are pleased with the level of NNP1PC support for livelihood restoration NNP1PC and the GOL continue to make significant progress in resolving grievances and compensation issues. <p>Recommendations The IAP recommends that NNP1PC should continue to work with the RMU and Bolikhan District officials to resolve land conflicts at PHXRA as soon as possible.</p>	Medium	<ul style="list-style-type: none"> NNP1PC will continue to work with GOL officials to resolve land conflicts at PHXRA as soon as possible.
R5	<p>Outstanding grievances of PAP self-resettlers from Hatsaykham</p>	<ul style="list-style-type: none"> 100% of PAP households from Zone 3 have been compensated and resettled House certificates and land titles for resettler 	<ul style="list-style-type: none"> Resettlers from Hatsaykham are generally satisfied with conditions at PHXRA. Confrontation between resettlers and previous occupants of land at PHXRA creates tension, lack of 	Medium	<ul style="list-style-type: none"> NNP1PC established a Participatory Land Use Planning (PLUP) Team which is working closely with the relevant authorities to resolve land

¹ 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 ¹	NNNP1PC Response
		<p>home plots have been presented at PHXRA</p> <ul style="list-style-type: none"> • RMU and DCC have resolved paddy land conflicts • Some resettlers report they are threatened by previous occupants of grazing land at PHXRA <p>Infrastructure failures at PHXRA require investigation, specifically: water supply, electricity, leaking house roofs, and flooding and erosion on agricultural land access tracks.</p>	<p>confidence in land allocated, and has potential for conflict.</p> <p>Recommendations</p> <ul style="list-style-type: none"> • Land conflicts should be resolved following PLUP and with new village administration • The IAP recommends continued support from NNP1PC to the GOL to resolve any remaining grievances of HSK resettlers. <p>The IAP recommends again that resettlement infrastructure at PHXRA, specifically housing and water supply issues should be resolved by NNP1PC.</p>		<p>boundary issues and make land use plans following the national PLUP processes</p> <ul style="list-style-type: none"> • NNP1PC will continue to work with GOL officials to resolve outstanding grievances at all project areas. • 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. If failures are identified then the contractors will be required to repair them. If additional works are required, then NNP1PC will schedule to implement it.
R7	<ul style="list-style-type: none"> • Livelihood restoration of PAP in three villages in Zone 2UR requires continued support 	<ul style="list-style-type: none"> • The livelihood restoration program continues to progress. • 8 hh were relocated at 2UR where new houses were constructed for them 	<p>Recommendations</p> <p>NNP1PC should consult with district officials and inform PAP about official policies for claiming and developing islands and drawdown zones and other management issues in the NNP1 reservoir.</p>	Medium	<ul style="list-style-type: none"> • The Reservoir Management Plan is currently being drafted. Once completed, GoL regulation regarding the Reservoir and it's management will be

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNNP1PC Response
	<ul style="list-style-type: none"> Policy clarification is needed for use of drawdown zones in NNP1 reservoir <p>Management of reservoir fisheries remains unclear</p>	<ul style="list-style-type: none"> Agricultural land access tracks have been completed. <p>A Reservoir Management Plan is being drafted; delivery expected in early June 2018; with implementing regulations.</p>			disseminated to relevant communities by the DCC and RMU, in cooperation with NNP1PC
R8	<ul style="list-style-type: none"> Effectiveness of the Xaysomboun RMU Lack of cooperation by 7 hh in 2LR for asset registration and resettlement 	<ul style="list-style-type: none"> The Xaysomboun RMU and a special provincial task force for 2LR have worked effectively to manage resettlement and the 7 resettler holdouts in 2LR. The 7 holdout hh refused to register assets, chose not to self-resettle. Xaysomboun provincial officials relocated these PAP temporarily to Ban Pakyong, Thathom District, Xaysomboun Province while PAP decide where they finally choose to settle Compensation for assets and land were paid to 7 holdout hh into escrow account that can be claimed by PAP any time. Since completion of the IAP site visit, all 7 holdout hh 	<p>The IAP recognizes that management of the relocation of the 7 holdout households is mainly a GOL issue. NNP1PC should assist and facilitate the relocation process.</p> <p>Recommendations</p> <p>The IAP recommends that NNP1PC should now focus on restoring livelihoods and keeping promises to the self-resettlers and resettlers at the PHXRA. Special attention also may be needed for the 7 holdout households who have decided to participate in the program at long last.</p>	Medium	<ul style="list-style-type: none"> Livelihood programs have been a strong component of the SMO program since 2014, starting to build capacity of PAP in their old village location, even before Resettlers relocated. With the resettlement being completed, NNP1PC will continue the trajectory of livelihood development of PAPs as initiated 4 years ago. Shortly after the IAP field visit, the 7 households agreed with the compensation and moved to their Self-Resettlement locations

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNNP1PC Response
		have been successfully resettled in June 2018			
R10	<ul style="list-style-type: none"> Outstanding grievances from PAP at Ban Hatsaykham (Zone 3) Outstanding grievances from Ban Hat Gniun (Zone 5) Delayed compensation payments and resolution of PAP grievances continue to cause tension in Zone 5 and at PHXRA	<ul style="list-style-type: none"> NNP1PC reports that 18 valid grievances are being processed 1 hh refuses compensation unit rate based on PRLPRC's notification no. 008 Hundreds of other grievances have been resolved and compensation paid BKX RMU and Bolikhan District Governor report that land is being identified for Zone 5 PAP	The IAP feels that the BKX RMU and Bolikhan District Governor will quickly resolve outstanding grievances and identify land for Ban Hat Gniun PAP who lost livelihood land in the PHXRA.	Low	<ul style="list-style-type: none"> Noted
R11	Quality of life and livelihood restoration of self-resettler households in the Project Area	<ul style="list-style-type: none"> Many self-resettlers from Zone 2LR have received large amounts of compensation. Self-resettlers interviewed by the IAP reported purchasing a home plot and livestock grazing land, building 1 or more houses, purchasing 1 or more vehicles, and purchasing additional livestock NNP1PC is developing a program to assist and monitor self-resettler livelihood	<ul style="list-style-type: none"> 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 7of the CA), including self-resettlers Recommendations The IAP recommends NNP1PC consider using post-COD community development funds to assist disadvantaged and vulnerable self-resettlers and provide support for selected community infrastructure at self-resettlement sites in Project Area; in close collaboration with district and local authorities.	Medium	<ul style="list-style-type: none"> 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.

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNNP1PC Response
		restoration in the Project Area.			
R12	<p>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</p> <p>No assessment of potential impacts from release of sediment</p>	<ul style="list-style-type: none"> • The Nam Ao earthen dam collapsed on 11 September 2017 • ½ of the sediment deposited behind NNP1 re-regulating dam was flushed out and released downstream into the Nam Ngiep river, with permission from GOL • NNP1PC reports that ½ of the sediment deposited remains behind the re-regulating dam and may be flushed out later • PAP in downstream villages along Nam Ngiep (Group 3 and 4 villages, 	<p>Recommendations</p> <ul style="list-style-type: none"> • The IAP recommends that ADB support the GOL with preparation of a more comprehensive Cumulative Impacts Assessment (CIA) in Nam Ngiep basin. • The IAP recommends that NNP1PC coordinates with other hydropower (and mining) projects in the NNP basin to exchange information on resource development and management in the Nam Ngiep basin. • The IAP recommends that NNP1PC intensify and accelerate its social, economic, and 	High	<ul style="list-style-type: none"> • NNP1PC would welcome additional support from the ADB to the GOL for improved River Basin Management • NNP1PC is coordinating with other hydropower projects in the NNP basin to exchange information • NNP1PC disagrees with the IAP on the suggestion made that NNP1PC has caused a reduction of viability of a fisheries livelihood. The Nam Ao dam collapse and the resulting fish kill is the sole responsibility of Nam Ao.

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNP1PC Response
	into the Nam Ngiep river was undertaken before the flushing of sediment from the NNP1 re-regulating dam	<p>Zones 4 & 5: Hat Gniun, Nampa, Somseun) reported:</p> <ul style="list-style-type: none"> ○ A fish die-off in the Nam Ngiep for 3-4 days following collapse of Nam Ao Dam, reported in NNP1 Nam Ao Dam Break Damage Report, October 2017. • Turbid water continued for several days after the dam break, leaving the Nam Ngiep unusable by riparian villages • The Hat Gniun and Somseun village development committees did not mention to the IAP any continuing or permanent impacts from the collapse of the Nam Ao Dam and flushing of the NNP1 re-regulating dam. 	<p>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 an increasing level of negative impacts on these villages, including the reduced viability of fisheries livelihood and reduced quality of water for use by households and livestock.</p> <ul style="list-style-type: none"> • 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. 		<ul style="list-style-type: none"> • NNP1PC disagrees with the IAP on the suggestion made that NNP1PC has caused a decline of water quality in the Nam Ngiep River. In addition, the NNP1PC has improved the water supply systems in the host communities and 3 downstream communities. This has not only improved the quality of water available in these communities but also greatly improved the service delivery of water, through household connections. Women and children no longer have to walk to streams and rivers to bath there and collect water to carry to their house. It is now available at their house directly. • NNP1PC does not intent to carry out any additional flushing of sediments from the re-regulation reservoir.
R13	Indirect impacts on down-stream villages in Zone 4:	<ul style="list-style-type: none"> • Environmental flow is insufficient for boats 	The IAP notes that on 18 June 2018, NNP1PC was discharging 15.0 m ³ per second from the re-regulation dam. This is significantly above the required 5.5 m ³	Medium	<ul style="list-style-type: none"> • Whenever it was technically feasible, more water was released. In addition, the EMO Water

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNNP1PC Response
	<ul style="list-style-type: none"> Low water level in Nam Ngiep river PAP at Ban Hat Gniun claim that they are being forbidden from accessing land around the NNP1 re-regulation dam and re-regulation dam powerhouse; no prior consultation or compensation <p>Village water supply insufficient to meet the needs of increased population and enlargement of Ban Somseun village</p>	<ul style="list-style-type: none"> carrying passengers and cargo RMU and Bolikhan District Governor mentioned creation of a fenced off restricted area around the NNP1 re-regulation dam and re-regulation dam powerhouse Village water supply for Ban Somseun was designed by NNP1PC in 2014; water supply became operational in May 2018 and is insufficient to meet current village needs. 	<p>per second environmental flow required by the concession agreement.</p> <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that whenever it is technically feasible, NNP1PC should experiment with different levels of discharge to determine the most viable for both villagers' boats on the Nam Ngiep river and NNP1PC's financial considerations. The IAP recommends that NNP1PC facilitate consultations between PAP impacted by the recently announced restricted area around the NNP1 re-regulation dam and re-regulation dam powerhouse, and the RMU and Bolikhan District Working Committee. The IAP recommends that NNP1PC consider using community development funds post-COD to support expansion of the water supply at Ban Somseun. 		<p>Quality Team has started a weekly monitoring programme travelling by boat from the reregulation dam to the confluence of the Nam Ngiep River with the Mekong and back to check if the water depth is sufficient for boat navigation. The team has confirmed that right after the start of impounding it was more difficult to navigate the boat at a limited number of locations, but still possible. Shortly after the joined IAP/ADB mission, the wet season rains finally started, increasing the water level in the downstream section of the Nam Ngiep River through inflow from its tributaries. Since then, the EMO team did not report any inconvenience in navigation. NNP1PC considers the inconvenience on navigation to have been minor, of short duration and no longer an issue due</p>

No.	Resettlement Issue	Status	IAP comments and recommendations	Level of concern ¹	NNNP1PC Response
					<p>to the increase of water level.</p> <ul style="list-style-type: none"> The re-regulation dam and power house have been a restricted area since the construction works started on these works. If there is an expansion of the area under restricted access, then NNP1PC will follow the principles outlined in the REDP and REDP Zone specific updates including principle on consultation and compensation. Noted

Summary of Indigenous Peoples' Issues

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern ²	NNNP1PC Response
S1	<ul style="list-style-type: none"> Livelihood Programs Agricultural products and markets 	NNP1PC is implementing an effective livelihood restoration program in Zone 2UR	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	High	<ul style="list-style-type: none"> Noted. NNP1 will continue its Livelihood program in 2018 in the project zones. The newly established Livelihood team dedicated to reaching out to Self-Resettlers is currently working with 77 Self-Resettler Households in

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No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern ²	NNNP1PC Response
			<p>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 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 PHXRA, Zone 3, they require marketing training and market places.</p> <p>Recommendation The IAP recommends that NNP1PC should continue to support PAP to improve quality of life and maintain the Project's image.</p>		<p>Hom and Bolikhan Districts. In Thaviengxay District, 27 priority Households are participating in the livelihood programs.</p>
S2	Hmong graves removal and compensation	There remain 9 IP Hmong graves in Ban Namyouak of Zone 2LR that are unresolved because 7 households still refuse to allow asset registration by the Project.	<p>Recommendations</p> <ul style="list-style-type: none"> The IAP supports GOL and NNP1PC solutions for this issue. Communication, collaboration, cooperation, and soft strategies should continue to be used with the 7 PAP hold-out households. <p>Any strong measures with the PAP should be avoided.</p>	Very High	<ul style="list-style-type: none"> The continued efforts by the SMO, working closely together with the Resettlement Management Unit and the District Coordination Committee, have convinced the 7 households from Namyouak who previously did not accept to participate in their asset registration to change their minds, accept the compensation and relocate from their temporary accommodation in Paknyong to permanent locations. The permanent residences are in

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern ²	NNP1PC Response
					3 different districts where the district authorities have allocated housing land plots, and NNP1PC has supported the construction of temporary housing, toilet facilities and connection to the electricity grid.
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 PHXRA, 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.	Recommendation 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"> Noted. Rice support in cash is provided after Self Resettlers have informed the project they have resettled to their new location. The next quarterly cash transfer will be made in July 2018.
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 PHXRA 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	The IAP observed and was informed that some PAP at PHXRA use drugs and have created problems among PAP and with NNP1PC as well. Education in schools and training outside of schools for PAP is required. Recommendation The IAP recommends that NNP1PC collaborate with local administration and health authorities to address drug	High	<ul style="list-style-type: none"> Noted. NNP1PC will continue its camp-followers program throughout 2018, working closely together with the Police based in the Hat Gniun police station to support the GOL to address the situation.

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern ²	NNNP1PC Response
		cannot deal with the issue, then the GOL will intervene.	issues. Lao laws to control drugs should be strictly enforced and complied.		
S7	Compensation and unit compensation rates	<ul style="list-style-type: none"> During the 11th site visit, asset compensation had been paid to all PAP who accepted the Project. However, the IAP was most concerned with 7 households from Zone 2LR who still refused to engage with the Project. Following the IAP site visit, the issues with the 7 holdouts was settled. They have selected self-resettlement sites with support from NNP1PC and GOL officials. 	<p>Comments</p> <ul style="list-style-type: none"> The IAP agrees with the GOL and the Project that these 7 households' assets should be registered, and compensation paid to them immediately. <p>The IAP insists that any strong-arm measures shall be avoided with the 7 households (especially, women and children who are innocent).</p>	Medium	<ul style="list-style-type: none"> Noted. See response to S2
S8	PHXRA land disputes	<ul style="list-style-type: none"> 82 PAP households have moved to PHXRA from 4 villages of Zone 2LR and Ban Hatsaykham, Zone 3 According to the headman and deputy headman of PHXRA and several PAP interviewed, land disputes continue with 7-8 Hat Gniun and 2 former Hatsaykham villagers. This is a concern at PHXRA Some PAP are threatened and told not to use 	<p>Recommendation</p> <ul style="list-style-type: none"> The IAP strongly recommends that the Lao Laws and the CA must be strictly enforced to resolve land disputes in PHXRA. <p>The Project should investigate leaking roofs of PAP housing and landslides underneath PAP houses that could endanger human lives.</p>	Very High	<ul style="list-style-type: none"> 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 outsiders NNP1PC continues to work with it's contractors to make the required repairs to the houses of people and community infrastructure. NNP1PC has not observed any landslides occurring underneath people's houses.

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern ²	NNNP1PC Response
		<p>allocated land in PHXRA. Some have crops destroyed. One PAP showed IAP that he could not build a pig pen next to the former owner who still claims land (a former resident of Hatsaykham).</p> <ul style="list-style-type: none"> • Some PAP complained about leaking house roofs and windows. • Some PAP complained about landslides under their houses. <p>Many PAP are satisfied with the livelihood programs.</p>			<p>At most, there is minor settlement of foundations, resulting in small cracks in the plaster work. Such cracks are cosmetic and do not form structural damage which could endanger human lives. These cracks in are being addressed by the contractors prior to the End of the Defects Liability Period.</p>
S9	<p>Zone 2LR in Ban Namyouak: 7 PAP households refusing to have assets registered with the Project.</p>	<ul style="list-style-type: none"> • The Xaysomboun RMU and a special provincial task force for 2LR have worked effectively to manage resettlement and the 7 resettler holdouts in 2LR. • The 7 holdout hh had refused to register assets, chose not to self-resettle. Xaysomboun provincial officials relocated these PAP temporarily to Ban Pakyong, Thathom District, Xaysomboun Province while PAP decide where 	<p>The IAP understands that finally soft strategies were applied and used with the PAP 7 households, particularly, children and women. The GOL recognized that they are not criminals but uneducated and innocent people; who are backwards and who do not understand the situation well.</p> <p>Recommendation</p> <p>The IAP recommends that NNP1PC should now focus on restoring livelihoods and keeping promises to the self-resettlers and resettlers at the PHXRA. Special attention also may be needed for the 7 holdout households</p>	Medium	<ul style="list-style-type: none"> • Noted. See response to S2

No.	Indigenous Peoples' Issue	Status	IAP comments and recommendations	Level of concern ²	NNNP1PC Response
		<p>they finally choose to settle</p> <ul style="list-style-type: none"> • Compensation for assets and land were paid to 7 holdout hh into escrow account that can be claimed by PAP any time. <p>Since completion of the IAP site visit, all 7 holdout hh have been successfully resettled in June 2018</p>	who have decided to participate in the program at long last.		
S10	Collaboration with the GOL	Collaboration among NNP1PC staff and the GOL -- the 2 provinces (Xaysomboun and Bolikhamxay) -- is satisfactory.	<p>Recommendations:</p> <p>The IAP recommends the Project to continue to collaborate with the GOL and the 2 provinces.</p>	Low	<ul style="list-style-type: none"> • NNP1 will continue closely collaborating with the GOL on its activities.

Summary of Social Issues

No.	Social Issue	Status	IAP comments and recommendations	Level of concern ³	NNNP1PC Response
S13	Community participation	<ul style="list-style-type: none"> • PAP participation with Project and GOL continues to improve. <p>The Project has good staff to engage the PAP to participate in all activities and aspects of livelihood restoration.</p>	<p>Recommendation</p> <p>The IAP recommends the Project to continue to encourage PAP to participate at all levels of activities and aspects with the Project and the GOL.</p>	Medium	<ul style="list-style-type: none"> • NNP1PC continues to involve PAPs in the various livelihood and social programmes

³ 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 ³	NNP1PC Response
S14	Grievance issues	Most grievance issues have been resolved		Low	<ul style="list-style-type: none"> Noted
S15	Cut-off date	All issues resolved		Closed	<ul style="list-style-type: none"> Noted
S16	Asset registration	Item merged with S9	Closed		<ul style="list-style-type: none"> Noted
S17	PAP petition	<p>At PHXRA, 1 PAP resettler complained to the IAP about compensation received for his agriculture land in Ban Hatsaykham, Zone 3.</p> <p>According to the PAP, the compensation he received was not fair. He has filed a grievance, but there is no response from the GOL and the Project.</p>	<p>Recommendation</p> <p>The IAP recommends that the RMU and the Project shall investigate this case immediately and carefully.</p>	Very High	<ul style="list-style-type: none"> NNP1PC has always acted in compliance to the Concession Agreement to its best knowledge and follows the compensation policies set by the PRLRC. If the Grievance procedure does not lead to a satisfactory resolution, then the PAP can take their Grievance to the next step, the district court.

No.	Social Issue	Status	IAP comments and recommendations	Level of concern ³	NNNP1PC Response
S18 (formerly S8 continued)	Self-resettlement	According PAP in Ban Houayxay and Ban Namkhiene villages, Hom District, Xaysomboun Province, all PAP have bought residential land. Many PAP do not have agriculture land.	<p>The IAP observed that self-resettled PAP do nothing in the villages. They spend money every day, especially for food and consumption. The PAP are concerned that in the future when they spend all their money then what will happen to them. Many PAP women cannot read and speak Lao, so, they cannot go to work in the city. The PAP women concern a lot about their uncertain future and food security when all their money has been spent. Livelihood Programs, such as vegetables growing, mushroom growing, fish and frog raising, fruit trees growing, handicrafts making, and marketing training are important for these PAP in the villages.</p> <p>Recommendations</p> <p>The IAP recommends that NNP1PC consider the following: (i) provide vocational training and livelihood programs for the PAP in Ban Houayxay and Ban Nakhienne, Hom District, to generate income and improve PAP quality of life; (ii) PAP should be provided with training on how to spend money properly; and, (iii) formal and informal education should be provided to self-resettled PAP.</p>	High	<ul style="list-style-type: none"> • See response to S1. • Family Financial Training was provided to Self-Resettlers, as part of the support for the preparation of their Self-Resettlement Plan. The Microfinance Officer will provide a refresher training for the Self-Resettlers during the second half of 2018. • Provision of formal education is the sole prerogative of the Ministry of Education. It is the responsibility of parents to enrol their children in educational institutions and ensure their attendance.

Summary of Environmental Issues

No	Environmental Issue	Status	IAP comments and recommendations	Level of Concern ⁴	NNNP1PC Response
E9	Description and analysis of water flow and water quality of drinking water and village household water supply.	<ul style="list-style-type: none"> • NNP1PC is completing construction of water supply systems for PHXRA and improving water supply systems in Nam Ngiep downstream villages. • Minor construction details are being completed including a roof for raw water storage tanks. • The water treatment system is not providing any treatment (improvement) to quality of raw water. The incoming and outgoing water supply look the same and chemical analyses done by NNP1PC Environment Lab does not show any significant improvement in water characteristics due to water treatment. The quality into the system is the same quality distributed to villagers. • All PAP and the village headman complained about the color and taste of the treated water. The color was not clear but yellow, which is often found with decaying 	<ul style="list-style-type: none"> • Detailed design drawings were obtained by NNP1 for the Water Supply System and Detail Water Supply Construction Drawings for PHXRA. The drawings were used to complete construction of the water supply and treatment system now used at PHXRA. The IAP examined the drawings (provided by Lao Rural Water Organization). All construction details seem complete, but no operations manual was provided. The drawings do not provide basic design parameters for sizing of the water supply and treatment system. The village headman said the basis for the design capacity of the PHXRA treatment system is 50 litres per household per month and pipe size, water meter, and other water controls for each individual household is based on that design figure. • The water treatment plant is not functioning correctly. Water treatment expertise is needed to decide on several important issues, namely: <ul style="list-style-type: none"> • Is the sand size selected for the slow sand filters the proper 	High or Very High	NNNP1PC is reviewing the water treatment system design and operation, its capacity and the demand; and NNP1PC is investigating the cause of the colouring and water samples are being analysed by external laboratory.

⁴ Level of Concern: Low - action recommended within 6 months; Medium - action recommended within 1-2 months; Urgent/Very High/High - immediate action recommended

No	Environmental Issue	Status	IAP comments and recommendations	Level of Concern ⁴	NNNP1PC Response
		leaves or biomass in contact with the water source.	<p>effective diameter used typically for such filters? Is the sand depth adequate? Is the size of the gravel used to support the sand bed and keep the filter collection pipes functioning properly?</p> <ul style="list-style-type: none"> • Are depths of media beds correct? Are dimensions of the filter adequate to supply the water supply needs? • What is the load factor used by the Lao Rural Water Supply Agency to design size of slow sand filters? Is that design figure correct? • Where are Operating Guidelines for the village operator? When do they clean the slow sand filter; remove and discard top 10-15 cm of unclean sand from the filter? What is the minimum depth of the slow sand filter? • These design parameters are needed by the Village Headman and the Operator selected to run or operate the filter on behalf of PAP at PHXRA? • How do they know when to clean the top layer (10-15 cm thick layer of contaminated sand on the top of the filter) of sand or change it to continue operations of the slow sand 		

No	Environmental Issue	Status	IAP comments and recommendations	Level of Concern ⁴	NNNP1PC Response
			<p>filter? The Operator needs to know this information to properly and efficiently operate the slow sand filter on behalf of PHXRA. This design and operation information was missing from the materials available with the Headman at the PHXRA Water Supply facility.</p> <p>Recommendations</p> <ul style="list-style-type: none"> The IAP recommends that a technical discussion and detailed site visit be made to the PHXRA Water Supply Treatment Plant. The water quality records done regularly by NNP1PC's Environmental Lab cover all parameters associated with the water supply except color. Parameters tested are generally within the Lao Drinking Water Standards of MONRE. 		

Summary of Biodiversity Issues

No	Biodiversity Issue	Status	IAP comments and recommendations	Level of concern ⁵	NNNP1PC Response
B2	Activities along the dam access road need to be	Degradation, logging and forest clearance for agriculture along	Recommendations	High	<ul style="list-style-type: none"> Noted

⁵ Level of Concern: Low - action recommended within 6 months; Medium - action recommended within 1-2 months; Urgent/Very High/High - immediate action recommended

No	Biodiversity Issue	Status	IAP comments and recommendations	Level of concern ⁵	NNNP1PC Response
B6	<ul style="list-style-type: none"> Appropriate and integrated watershed management activities Initiate development of ISP for XSB 	<p>The watershed now falls mainly within the boundaries of XSB Province which lacks an integrated spatial plan</p> <p>ISP further delayed (Dec 2016) ISP still not finalized but IWMP draft reviewed with XSB</p>	<ul style="list-style-type: none"> Available data included in draft IWMP Draft IWMP includes biodiversity and fisheries subplans. <p>Recommendations</p> <ul style="list-style-type: none"> Draft should be reviewed with government agencies asap IWMP and Provincial Regulation for watershed to be approved urgently 	Urgent	<ul style="list-style-type: none"> ISP workshop will be carried out in August 2018 The Xaysomboun Provincial Assembly endorsed the Watershed Management Regulations with comments on 16 August 2018 NNP1PC
B9	Capacity of environmental units at MONRE to manage watershed management activities	<ul style="list-style-type: none"> MONRE has very limited capacity at all levels (especially at province and district levels). <p>Training on village mapping and watershed boundary demarcation delivered.</p>	Developer's EMO to work with MONRE to seek capacity and mentoring opportunities Ongoing	Medium	<ul style="list-style-type: none"> Noted.
B11	<p>Collaboration with NNP2 on watershed management</p> <p>Breach of Nam Ao dam showing need for cross-collaboration and information sharing</p>	<ul style="list-style-type: none"> Developments at NNP2 impact on watershed, including water quality and aquatic biodiversity <p>Limited recent contact with NNP2</p>	<p>Recommendations</p> <ul style="list-style-type: none"> Continue contact with NNP2 to facilitate collaboration and complementarity of watershed management <p>Establish regular contact with NNP2 and other dams in watershed re environmental and safety management</p>	High	<ul style="list-style-type: none"> NNP2 shares daily discharge data with NNP1PC. NNP1PC has consulted with MONRE and MEM about river basin collaboration.
B15	Biodiversity Offset Management Plan	<ul style="list-style-type: none"> BOMP plan delayed; due Nov 2017 Further delays due to delay on offsets paper BOMP delayed – will focus only on NC/NX 	<ul style="list-style-type: none"> Short, simple plan to be prepared asap. Pre-BOMP activities extended until Feb 2019 <p>Recommendations</p> <ul style="list-style-type: none"> BMOP preparation and pre-activities should start asap <p>Some Pre-BOMP activities initiated – should feed into BOMP</p>	Very High	<ul style="list-style-type: none"> Preparation of the BOMP is ongoing. Implementation of pre-BOMP is ongoing.

No	Biodiversity Issue	Status	IAP comments and recommendations	Level of concern ⁵	NNNP1PC Response
B18	Biomass clearance –	Site plans under preparation and clearance progressing well. <ul style="list-style-type: none"> Delays in clearance 	<ul style="list-style-type: none"> 	Completed	
B20	Collect further data for Nam Chouane-Nam Xang including satellite imagery, any information re conflicting development plans.	Initial results from biodiversity field surveys indicate Nam Chouane-Nam Xang very promising as offset site; begin collating additional information on habitat coverage etc.	<ul style="list-style-type: none"> Collect good baseline data on forest types, extent of shifting agriculture and opportunities to include more ever wet forest within boundaries of proposed site. This information will feed into the BOMP and monitoring plans. 	Completed	
B21	Biodiversity Offset Option paper and final decision on site	<ul style="list-style-type: none"> Biodiversity Offset site has been under discussion for 3 years. Option paper due end July needs to confirm site to meet ADB deadlines. Offsets paper delayed again until August 2017 <ul style="list-style-type: none"> Offsets paper delivered and adapted by NNP1C and BAC Biodiversity Impact Mitigation and Offset Framework approved by ADB 	<p>Recommendations</p> <ul style="list-style-type: none"> Based on current evidence (i.e., forest cover, biodiversity and conservation values, political support), IAP recommends Nam Chouane-Nam Xang as offset site unless there are conflicting development plans for the area. Agreed prep of Offsets paper will not further delay BOMP for Nam Chouane-Nam Xang 	Completed	
B22	NNP1C and PONRE to discuss protection status and institutional mechanisms for Nam Chouane-Nam Xang	<ul style="list-style-type: none"> Biodiversity Offset site currently has no legal status in Laos. Need to clarify how area will be protected and managed. 	<p>Recommendation</p> <ul style="list-style-type: none"> Recommend outlining the steps for area to achieve NPA status. Institutional arrangements should be outlined in BOMP. 	Very High	<ul style="list-style-type: none"> Noted.

No	Biodiversity Issue	Status	IAP comments and recommendations	Level of concern ⁵	NNNP1PC Response
B23	Additional biodiversity surveys in watershed	<ul style="list-style-type: none"> Additional surveys commissioned in Dec 2015 but not yet underway June 2017 still not undertaken New fish surveys planned in watershed 	<ul style="list-style-type: none"> Fisheries management plan integrated in IWMP. New fisheries data to be integrated in reservoir management plan <p>Recommendation Any further biodiversity data for watershed should be used to adapt management under implementation</p>	Completed	
B25	Data on aquatic fauna in Nam Chouane-Nam Xang watershed	<ul style="list-style-type: none"> Lacking information of aquatic fauna and fish data 	<p>Initiate fish survey in NC-NX site</p> <ul style="list-style-type: none"> High priority 	Completed	
B28	Reservoir Management Plan	<ul style="list-style-type: none"> To be prepared as supplement to IWMP Delayed again. 	<ul style="list-style-type: none"> Not completed by December 2017 Must be completed well before inundation in May 2018 <p>Recommendation Now Urgent. Should be short, simple, realistic and reservoir access regulations consistent with CA</p>	Urgent	<ul style="list-style-type: none"> It is important that the plans and regulations dealing with management of the watershed, the reservoir biodiversity are developed in the correct order. Therefore, the Reservoir Management Plan (which is for management after COD) should be finalized after the completion of the Watershed Management Plan and the associated regulations.
B31	Finalise BOMP Updated plan for NNL in watershed and NC/NX	<p>Now BOMP to include two components – management plans for watershed and NC/NX</p> <ul style="list-style-type: none"> BOMP to focus only on NC/NX 	<p>Plans with 10-year budgets to be finalized by March 2018</p> <p>Recommendation</p> <ul style="list-style-type: none"> Need strong TA support and equal focus on BOMP activities in both watershed and NC/NX. 	Urgent	<ul style="list-style-type: none"> The Biodiversity Impact Mitigation and Offset Framework and the associated 10-year budget have been completed and agreed.

No	Biodiversity Issue	Status	IAP comments and recommendations	Level of concern ⁵	NNNP1PC Response
B32	Need to recruit experienced NGO TA asap	No experienced TA at either site	Work is needed at both sites on implementation for at least first 5 years of project Recommendation Recruit TA asap to be onboard no later than Jan 2019	Urgent	<ul style="list-style-type: none"> ADB will recruit the TA
B33	Implementation of Pre-BOMP activities at NC/NX	Continuation of pre-BOMP activities for 2018	Recommendations <ul style="list-style-type: none"> Integrate agreed pre-BOMP survey and patrolling activities into 1st year work plan of BOMP for NC/NX Extend Pre-BOMP activities to Feb 2019	Very High	<ul style="list-style-type: none"> Noted. The pre-BOMP covers the period until 31 March 2019.
B34	GOL is upgrading road from Viengthong District, Bolikhamxay Province to Vietnam border	Road upgrading has started	NNP1C to engage with BKY and military to ensure that upgrading does not enable hunting and trapping of wildlife	Very High	<ul style="list-style-type: none"> Noted.
B35	Provincial regulation of NC/NX	<ul style="list-style-type: none"> Need to prepare protected area management regulations in parallel with action plan, referencing agreed zoning Delayed	Provincial regulations had not been prepared by March 2018 Recommendations The IAP recommends that provincial authorities prepare these regulations asap	Urgent	<ul style="list-style-type: none"> Bolikhamxay Provincial Assembly endorsed the provincial biodiversity management regulations on 17 August 2018.
B36	<ul style="list-style-type: none"> Checkpoints for reservoir and watershed Monitor effectiveness of checkpoints to control access	<ul style="list-style-type: none"> Access to watershed is not controlled 1. Watershed continues to be used by villagers and logging contractor	Recommendations <ul style="list-style-type: none"> Put checkpoints in place prior to reservoir inundation, May 2018 Increase patrols to reduce access and new activities in watershed. Require salvage logs to be moved out of watershed area.	Very High	<ul style="list-style-type: none"> NNP1PC continues to support check point operations at 3 locations: Ban Phou and Ban Houaxay in Xaysomboun Province and Ban Nahan in Bolikhamxay Province.
B37	Realistic budgets for biodiversity activities	<ul style="list-style-type: none"> Revised BOMP provides updated budgets based on real needs for first 10 years of project, including TA 	NNP1C and ADB have agreed on realistic budgets and supplementary funding for effective implementation for NNL	Completed	

No	Biodiversity Issue	Status	IAP comments and recommendations	Level of concern ⁵	NNNP1PC Response
		<ul style="list-style-type: none"> Additional budgets (\$14.8m) agreed over first 10 years 			
B38	Re-designate Samliam production forest for protection status in NNP1 watershed	TPz1 in watershed overlaps production forest	Recommendations Agreements needed on TPZ1 and re-designation of forest to protected status for better protection	Very High	<ul style="list-style-type: none"> Noted.
B39	<ul style="list-style-type: none"> Proposed Nam Theun 4 dam inundating part of offset site NC/NX 	2. Theun Hinboun Power Company undertaking Feasibility	Recommendations Work with Theun Hinboun to ensure minimal impact on offset site and appropriate new offset area as compensation	Very High	<ul style="list-style-type: none"> Noted. NNP1PC Management Team is working with THPC to address the concern.

List of Acronyms

ADB	Asian Development Bank
AIP	Annual Implementation Plan
BAC	Biodiversity Offset Advisory Committee
BKX	Bolikhamxay Province
BRP	Biomass Removal Plan
CA	Concession Agreement
DEQP	Department of Environmental Quality Promotion
DFO	District Forestry Office
DFRM	Department of Forest Resources Management
DOLA	Department of Land Administration
DONRE	District Office of Natural Resources and Environment
EGATi	Electric Generating Authority of Thailand International Company
ESMMP-CP	Environmental and Social Management and Monitoring Plan Construction Phase
EMO	Environmental Management Office
EMU	Environmental Management Unit
ESD	Environment and Social Division
ESIA	Environmental and social impacts assessment
GOL	Government of Lao PDR
IAP	Independent Advisory Panel
IEE	Initial Environmental Examination
IMA	Independent Monitoring Agency
ISP	Integrated spatial planning
LTA	Lenders' Technical Advisor
MEM	Ministry of Energy and Mines
MONRE	Ministry of Natural Resources and Environment
NNP1	Nam Ngiep 1 Hydropower Project
NTFPs	Non-Timber Forest Products
PAP	Project Affected Person
PFA	National Protection Forest
PONRE	Provincial Department of Natural Resources and Environment
REDP	Resettlement and Ethnic Minority Development Plan
RMU	Resettlement Management Unit
SMO	Social Management Office
SSES MMP	Site Specific Environmental and Social Management and Monitoring Plan
TD	Technical Division
WMP	Watershed Management Plan
WWTP	Waste Water Treatment Plant
WRPC	Watershed and Reservoir Protection Committee