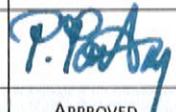




Nam Ngiep 1 Hydropower Project

Response to the Lenders' Technical Adviser's Report Number 5, February 2016

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Nam Ngiep 1 Power Company's Response to the Implementation Progress Report No. 5 Environmental & Social Aspects, February 2016 of the Lenders' Technical Adviser

Introduction

This document contains the response of Nam Ngiep 1 Power Company to the findings and recommendations of the Lenders' Technical Adviser (LTA) expressed in their Report No. 5 of February 2016.

The Nam Ngiep 1 Power Company is committed and obligated to strictly comply with the environmental and social safeguards of its Lenders and the Government of Lao PDR. In particular, in accordance with the loan agreements, a team of experts i.e. the Lenders' Technical Adviser or LTA will monitor the compliance of the Company with ADB Safeguards and other legal requirements.

In the period from 7-13 December 2015, the LTA conducted their fifth monitoring mission to the Nam Ngiep 1 Hydropower Project. The findings and recommendations of the LTA 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 148 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 32%. The inundation of the reservoir is planned to start in May 2018 and the Project will commence generation of electricity by January 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.

Response Matrix

	LTA Recommendations/Required Actions	NNP1 Response
1.1.1	EMO Compliance Team LTA strongly advise to prepare a new organization chart that identifies the staff based at the Project site, in Paksan, in the affected villages and in Vientiane. Moreover, to adequately achieve the compliance monitoring goals the EMO should be provided with proper testing equipment and an adequate laboratory to make more effective the monitoring activities	<ul style="list-style-type: none"> - All the members of the EMO Compliance Team are based in Pakxan and work at the Owner's Site Office (OSO). The organization chart will be included in the Environmental QMR Quarter 4, 2015. - The Water Quality Lab is being designed and will be established at the OSO; equipment and instruments are being procured to enhance the monitoring activities. The lab is planned to be constructed by July 2016 and fully operational by the end of 2016 following necessary testing and training.
1.1.1	the environmental team shall stay permanently at site to monitor the compliance of the environmental measures	<ul style="list-style-type: none"> - EMO Compliance Team has office space at the OSO and carries out daily inspection of the construction sites jointly with staff of the Technical Division and Obayashi Corporation.
1.1.4	Capacity building for the EMU LTA fully agrees with the comments already given by the IAP, recommending that the company convenes a workshop combining the EMUs of both provinces and MONRE to review the duties of the EMU for the Nam Ngiep watershed. MONRE should be invited as workshop organizer to review "lessons learned" from Nam Theun 2 and Theun-Hinboun projects	<ul style="list-style-type: none"> - NNP1PC has informed the EMU of their future involvement in the Watershed Management Program. NNP1PC Watershed Management Team has joined and presented watershed activities during EMU missions. - NNP1PC discussed with EMU (MONRE) on the need for workshop with Nam Theun 2 and Theun-Hinboun Expansion Projects, and it was a positive discussion. NNP1PC will continue on this matter.
5.2	It is also very important that EMO continues (as is partially already doing) trying to involve as much as possible EMU in the monitoring activities and in the site. Such involvement should include also the activities related to the Biomass Removal Plan	<ul style="list-style-type: none"> - The EMU has joined environmental monitoring activities in the past and this good practices will be continued. - The biomass removal field activities will commence in February 2016. The first meeting with GOL was conducted on 14-15 January 2016, the second meeting will be held in Xaysomboun Province on 29 January, where the EMU is invited

	LTA Recommendations/Required Actions	NNP1 Response
1.1.5	Compliance of the Contractor it' is an important good news that OC has established an E&S by appointing the relevant specialists and by hiring experts on specific issues, however it shall be underlined that if OC trusts its own experts, they should follow their indication	- Noted. The EMO will continue to supervise/monitor, so that the expert's advice are fully addressed by the contractors.
1.1.5	NNP1PC should stress the need for Obayashi to regularly check the subcontractors' performance on environmental aspects, particularly wastewater treatment and waste management, and record construction related grievances and social problems of the local population of the near-by villages	- Noted. Efforts have been made in the past, the EMO will continue to work with the Technical Division to improve the water treatment systems and waste management at all construction areas and workers' camps.
1.6	Where there is a non-compliance by Obayashi or its subcontractors, notices will be issued by NNP1PC and further actions shall be taken by NNP1PC against the Civil Contractor and its subcontractors if they are not promptly following the EMO indications referring to Environmental issues identified, discussed and agreed actions	- Noted. Joint site inspections are conducted every second week. The EMO Compliance Team also works at site with the Technical Division and Obayashi Corporation on a daily basis, this practice will be continued. - The EMO follows-up weekly on noncompliance notices. In case EMO identifies a noncompliance, EMO will either issue an Observation of Non-Compliance (ONC) or a Non-Compliance Report (NCR) depending on the severity of the noncompliance. ONCs/NCRs are closed once the Contractor has implemented the agreed corrective actions to the satisfaction of the EMO. This practice will continue.
6.1.2	NNP1PC should stress the need for Obayashi to: <ul style="list-style-type: none"> - Implement as soon as possible EMO recommendations; - To regularly check the subcontractors' performance on environmental aspects, particularly wastewater treatment and waste management, - Record construction related grievances and social problems of the local population of the near-by villages, - To make sure that the professional advices required on some specific issues (i.e waste water treatment systems, solid waste management, etc.) are duly implemented 	- Noted. It has been normal practice and will continue.
6.2.1	NNP1PC shall request information about environmental organisation of all the subcontractors as soon as possible, before relevant field activities start	- Noted. The information will be included in the Environmental QMR Quarter 1, 2016.

	LTA Recommendations/Required Actions	NNP1 Response
1.2 and 7.3.2	<p>Wastewater treatment The EMO should push the Contractor to strictly implement the design prepared by the expert on one hand and on the other should check more frequently and in different hours the effluents to verify the treatment systems effectiveness.</p> <p>All waste water coming from toilets, kitchens and all other water using activities performed at the camps should be treated by proper water treatment systems.</p> <p>The Contractor has not followed adequately the instructions of the expert. Most of the wastewater treatment system do not work properly mainly because the ponds' bottoms have not been provided with an adequate watertight membrane (as recommended in the expert's report, thus allowing the seepage of the polluted water into the underground water circulation system. Moreover, the water coming out at the end of the process is dispersed into the local environment (soccer fields, sprayed on the roads, on the slopes that need to be revegetated, etc.) without making any analysis to assure that the required standards are met.</p> <p>Owner's Waste Water treatment system: Contractor has not duly followed the expert's indications. The result is that the WWTS is not working well.</p> <p>The filtration bed has not been built adequately: sewage pipes should not be located on the surface of the filtration bed, but should be covered with geotextile, surrounded by gravel and buried underground into a proper drainage trench</p>	<ul style="list-style-type: none"> - Noted. EMO will check and make sure that the upgraded Waste Water Treatment Systems follow the designs suggested by the expert. - Effluent discharges have been and will continue to be monitored by the EMO Compliance Team. - The dispersing of waste water into the local environment will be suspended until the quality is checked and proved within the national standards. <p>These issues will be addressed in the Environmental QMR Quarter 1, 2016.</p>
1.2 and 7.3.3	<p>Solid waste management Reduce the amount of undifferentiated solid wastes by implementing a proper separate collection system that will allow to recycle most of the wastes: paper, aluminium cans, plastic, iron and other metals, used tires</p> <p>Recycling shall be enhanced by joint initiatives between EMO and SMO, trying to find with the local communities possible re-uses of wastes like used tires, food wastes etc.</p> <p>The sanitary landfill design prepared by the expert meets the requirements, but it's construction shall not be delayed anymore. LTA strongly recommends to finalise the landfill design and proceed with the construction as soon as possible. It is of clear evidence that wet season conditions have complicated the leachate</p>	<ul style="list-style-type: none"> - Noted. Solid Waste separation training was conducted to all workers' camps and project teams; a waste bank has been established for local villages and a pressing machine has been installed. The food waste program is running well and will be expanded to involve more villagers. These practices will be continued and enhanced to make sure that the solid waste is properly managed. - The design of the NNP1 landfill has been completed and NNP1PC is evaluating the bids for the construction works. - The location of the landfill for the resettlement area has been selected and the landfill has been designed

	LTA Recommendations/Required Actions	NNP1 Response
	management at the landfill site, therefore the landfill should be finalized before the next rainy season comes	
1.2 and 7.3.4	<p>Slope stability A careful revision of the slope stability in the project area should be carried out to identify potential unstable areas and to identify the relevant stabilization measures (if and where needed).</p> <p>Some loose soil stabilization measures were implemented since the LTA's previous visit which have partially improved the safety of the working areas and partially reduced the visual impact (silt fences downstream the dam axis). These remedial measures should be carefully monitored because in the LTA's opinion their long lasting stability is not guaranteed. Moreover, there are several locations with loose rocks and boulders on steep slopes that deserve attention to prevent the risk of rock falling and to reduce safety risks for people moving around in the roads located below</p>	<ul style="list-style-type: none"> - Noted. NNP1PC (Technical Division and EMO) regularly inspects and observes slope stability in the project area in order to implement measures to stabilize unstable slopes
1.2 and 7.3.6	<p>Quarry Sites The Contractor shall prepare and submit to NNP1PC the quarry exploitation and final recovery plan as soon as possible, as well as the spoil disposal area filling procedures that shall include also a final recovery plan for the area.</p> <p>Borrow pits should be avoided as much as possible and whenever necessary should be located in the future reservoir area. If it's necessary to locate some borrow pits in other areas not permanently covered by the main reservoir or by the re-regulation reservoir a final recovery and rehabilitation plan should be prepared by the Contractor and submitted to NNP1PC</p>	<ul style="list-style-type: none"> - Noted. EMO will discuss with the Technical Division and Obayashi Corporation on closure plan development and will include the result in the Environmental QMR Quarter 1, 2016.
1.2	<p>Site rehabilitation A final recovery plan is necessary for the construction areas that will be abandoned at a certain point of the construction activities and that are not located below the Full Supply level of the main reservoir or of the re-regulation reservoir</p>	<ul style="list-style-type: none"> - Noted. EMO will discuss with the Technical Division and Obayashi Corporation the rehabilitation plan of construction area and will include the result in the Environmental QMR Quarter 1, 2016.
7.3.5	<p>The Contractor has identified a main spoil disposal area (close to the wastes landfill), such area looks suitable from geological, morphological and hydrological point of view, but the Contractor should provide a design of the operation phases of such area together with a final recovery plan</p>	<ul style="list-style-type: none"> - Noted. EMO will discuss this issue with the Technical Division and Obayashi Corporation and will include the result in the Environmental QMR Quarter 1, 2016.

	LTA Recommendations/Required Actions	NNP1 Response
1.2 and 7.3.7	<p>Dust from Crushing Plant The Civil Contractor shall consider all the necessary measures to suppress the dust emission in the crushing plant to acceptable level as per the existing regulations.</p> <p>Considering that the use of waster sprinklers is the most common, effective and fast system to reduce the dust emissions, it is worth recommending that the installation of such device shall include also an adequate de-silting system to reduce the sediment load concentration in the water before it is discharged into the natural water circulation system.</p>	<ul style="list-style-type: none"> - Noted. Water sprinkler has been installed at the crushing plant to suppress the dust emission - Workers have been trained on using PPE at the site. - Dust emission has been regularly monitored by the Environmental Monitoring Team at the workers' camp and villages near to the aggregated plant.
1.3	<p>Biodiversity Offsets In accordance with the recommendations made by the Biodiversity Experts (IAP and ADB) the LTA agrees that:</p> <ul style="list-style-type: none"> - Watershed is not suitable for offset, but some interesting populations (e.g. Lao Newt, Northern White-cheeked Gibbon, Owston civet) deserving conservation interests, were found; - The three areas assessed (Phou Sod, Phou Xe and Phou Sithone extension) are not suitable for the purpose of biodiversity offset; - The new offset options are: <ul style="list-style-type: none"> ▪ Nam Mouane (that represents the priority option, but has some constraints for access); ▪ Locate the offset area in other provinces (e.g. Khoun Xe Nong Ma, Xe Sap); ▪ Funding through Environmental Protection Fund; ▪ Xaysomboun province parallel options on potential offsets outside watershed (in Xaysomboun or Bolikhamxay provinces) should be explored as well. <p>The Biodiversity Offset shall be developed as per the following steps:</p> <ul style="list-style-type: none"> - Step 1: survey 2 sites (expert Lao and International team) by March 2016; - Step 2: Biodiversity Advisory Committee shall review TORs and draft reports; - Step 3: by June 2016 the offset sites shall be valued and next steps agreed; 	<ul style="list-style-type: none"> - It was agreed during IAP, ADB and LTA mission in May 2015 that the Biodiversity Offset Site has to be outside of the NNP1 Watershed Area. Therefore, the offset site survey was conducted for Phou Sod, Phou He and Phou Sithone extension areas. Based on the results of the surveys, it was concluded that none of these sites are suitable for as offset site. - Based on agreement with the Bolikhamxay government, and in accordance with recent suggestion by IAP and ADB; the biodiversity survey will be commenced in February 2016 in Nam Mouane Watershed area. If it is found that this site is not suitable as an offset site, then NNP1PC will discuss again with GOL to decide and agree on further surveys at other candidate sites including sites outside Bolikhamxay and Xaysomboun provinces. - We noted the recommended steps for development and implementation of the Biodiversity Offset Management Plan.

	LTA Recommendations/Required Actions	NNP1 Response
	<ul style="list-style-type: none"> - Step 4: choose the offset site (by September 2016); - Step 5: Institutional arrangements; - Step 6: Proposed fund flow for the Biodiversity Offset. 	
8.2.2	<p>Watershed Management It is important at this stage to keep monitoring the water quality upstream of the construction site for at least one full hydrological year, to obtain data about the water quality of the river in natural conditions: without this it will be impossible to accurately estimate the impact of the project on the water quality of the river. We understand that the EMO is regularly monitoring the water quality.</p> <p>Moreover, as recommended by the IAP, it is important to:</p> <ul style="list-style-type: none"> - to reduce, simplify and integrate the sub-plans and the consultancies; - to include the inputs expected from the Integrated Spatial Planning of the Xaysomboun Province, which has been delayed; - to include the inputs from the Biodiversity surveys, to be completed by March 2016; - prioritize the activities in Watershed Action Plan against PONRE/WMO capacity; - avoid duplications and clearly identifying roles and responsibilities; - focus priorities e.g. monitoring illegal logging, protecting forest 	<ul style="list-style-type: none"> - NNP1PC has noted the recommendations. The biodiversity management sub-plan is being consolidated into the Watershed Management Plan (WMP). NNP1PC is supporting Integrated Spatial Planning for Xaysomboun Province and this will be integrated into the Watershed Management Plan. The biodiversity survey in NNP1 watershed was completed in Sep 2015 and the biodiversity management will be included in the WMP. - Watershed Action Plan has been discussed and prioritized during the meeting on Jan 14 to 15 2016. - Roles and responsibilities of the concerned parties will be discussed as part of WMP development. - The illegal logging and forest protection are likely priority issues in the Watershed Management Plan.
7.5	<p>Ambient Water Quality The trends show that NNP1 site is not contributing significant discrepancies of water quality conditions at the project site. Levels are about the same above and below the site. Trends also follow dry-wet season cycles. In some measurements, the Chemical Oxygen Demand (COD) and Total Coliform (20 times) and Faecal Coliform (100 times) exceeded Lao government water quality standard. However, these higher values are most probably not related to the Nam Ngiep 1 Project construction activities. Other remaining parameters met with Lao government surface water quality standards.</p> <p>Although other parameters met with guidelines following the latest sampling event, LTA recommended that water quality parameters of COD, BOD and NH3-N,</p>	<ul style="list-style-type: none"> - Noted. The effluent discharge is and will continue to be monitored at all workers' camps.

	LTA Recommendations/Required Actions	NNP1 Response
	Total and Faecal coliform to be measured from the discharge water at workers' camps	
8.4.3	Transmission Line Construction LTA recommends that EMO monitors that the corridor clearance takes place only inside the corridor designated area	- EMO Compliance Team is regularly monitoring the construction of the transmission line and will make sure that the clearance is within the designated area.
8.4.3	<p>Biomass Clearing The plan looks well-structured and rationally organized and the EMO has the experience of the similar activities carried out in Nam Theun 2. However some discussions are still necessary to adequately define the areas to be cleared form vegetation taking into account: the need to remove as much as possible all the biomass that is going to be submerged by the water during the reservoir impoundment (to reduce relevant GHG emissions and the decay of the water quality), the constraints related to the accessibility to the clearing sites (it is mandatory to avoid the opening of any new access to the area) and the need of preserving some vegetation in the buffer zone area to reduce the risks of slope instabilities induced by the periodical water level variation in the reservoir.</p> <p>A positive point is the fact that NNP1PC intends to reuse the removed biomass for biochar to improve soil fertility in the Houay Soup resettlement site. This is a very good solution and opportunity to reuse the biomass and to reduce/avoid the use of chemical fertilizers. However, the quantity of biomass removed that is going to be used for such purpose is only a fraction of the whole biomass present in the submerged area. Therefore, other possible reuses of this biomass shall be evaluated</p>	- Noted. Discussion is being held with provincial aurorities on the reuse of the remaining biomass. This includes the collection of valluable timber, bio-char for resettlement area, and firewood for local communities.
9.1.4	Housing construction in the resettlement Site Two actions are planned to resolve the issue on the housing construction in the resettlement: Conduct of indicative choice survey in 2LR by 31 March 2016 and submission of the draft REDP sub-plan to ADB on specific dates. The result of the choice survey will indicate the number of houses to be constructed and ADB's approval of the sub-plan will warrant the release of funds part of it for the preparation of the resettlement site. The LTA recommends to strictly keep the deadline and to beef up internal capacity with outside expertise if needed to complete the documents on time	- NNP1PC is fully aware of the importance and urgency of making sure that the construction of the resettlement housing can be completed as planned; and that the underlying REDPs duly and timely completed. In this regard, the completion of the indicative choice survey is important because it will provide a strong indication of the number of houses that need to be constructed. Such information is necessary in order to complete the relevant REDP. However, in order for the PAPs to be able to make a choice, the asset registration and the comparative compensation have to be completed – and this is a

	LTA Recommendations/Required Actions	NNP1 Response
		<p>delicate process which is hard for NNP1PC to control and keep within fixed time frames. This process also needs to be completed in order to finalize and submit the relevant REDP Sub-Plans to ADB.</p> <p>It is not a process that can be forced through by adding more resources. The approach that NNP1PC is implementing involves group meetings and a careful household by household consultation process led by the Management of the Company's Environmental and Social Division to ensure that all PAPs have a clear understanding of the concepts, compensation policy and relevant principles including applicable laws and regulations. In turn, this also serves to make sure that NNP1PC pays full attention to issues and concerns raised up by PAPs.</p>
9.1.4	<p>Compensation Rates The issues raised by the PAPs will not be fully resolved given the limitations of the national law and ADB policies as well as the project's capacity to pay. The task is to deepen the understanding of the PAPs on the following: legal limitations in setting the unit rates, valuation and computation methods used, contribution of over-and-above benefits to meeting their aspirations and making use of the grievance mechanism. The steps taken to carry out these tasks include various information dissemination activities, VDC meetings, study tours and the transference of staff activities to Paxan and Thathom. The LTA encourages NNP1PC to carry further this transference of staff and functions, including procurement, to the project site to increase efficiency and speed. It also recommends the strengthening of the grievance mechanism in expectation of the number of cases that may arise given the level of dissatisfaction over the compensation. The issue of PAPs decision between the resettlement site and self-resettlement is expected to be resolved by the result of the choice surveys</p>	<ul style="list-style-type: none"> - NNP1PC recognizes the need to improve internal procedures including procurement as well as to prepare for effective management of grievances. - In order to further strengthen coordination and communication internally as well as externally, NNP1PC is setting-up the following four Task Forces: 1) Task Force for development of Houay Soup, 2) Task Force for development of infrastructure at 2UR, 3) Task Force for negotiation of villagers of Zone 3, and 4) Task Force for negotiation of villagers of Zone 2LR - NNP1PC has successfully reached agreements with the PAPs on compensation unit rates of most items particularly on agriculture land and rice provision. The unit rate for agriculture land for zone 3 and 5 is 1,200 LAK/m² of which 500 LAK/m² is used to buy new agriculture land in Houay Soup while 700 LAK/m² is paid cash to the PAPs. The rice provision to PAPs is also reviewed and revised from 0.7 kg of un-milled rice to 0.7 milled rice based on negotiations and agreement with the PAPs. Other items that are not covered by the compensation policy are still under technical discussion and approval process. Once

	LTA Recommendations/Required Actions	NNP1 Response
		<p>the remaining compensation unit rates have been agreed, this will be disseminated to PAPs in all villages.</p> <ul style="list-style-type: none"> - The grievance mechanism has been set-up at village and district levels. This includes approved grievance manual, establishment of grievance committee and training to committee members. The manual and relevant forms are made available to the grievance committee in all affected villages. Grievance officers from NNP1PC help and assist the PAPs with filling the forms. The NNP1PC Grievance Team is being strengthened with more staff and improvements to the community relations work.
9.1.4	<p>Health One is the difficulty in implementing the PHAP due to the resignation of the DM for Social Development and Monitoring. Hiring the Team Leader for Health partly addresses the first issue. He has two staff under him.</p> <p>The LTA recommends that the Health Team will update the PHAP in the light of past accomplishments and changes in the ground situation, including the self-resettlement of a substantial number of households. In the updated plan there is a need to translate the objectives of each subprogram to quantifiable targets and in turn into actionable activities and resource allocation. This recommendation is envisioned to ease implementation, monitoring and evaluation</p>	<ul style="list-style-type: none"> - The new Deputy Manager for the Social Development was recruited and started his assignment on 15 February 2015. - The Health team noted that the PHAP and the community Development Plan need to be updated to reflect the new working environment. It is expected that the plan will be finalised by the end of May 2016. In addition to the revision of the above plans, the objectives and quantifiable targets will be developed and updated for better monitoring
9.1.4	<p>Medical Facilities Another issue is the inadequate medical facilities and qualified medical staff in the construction site and in the labourers. The LTA recommends that the project and its contractors will meet the standards set in the Lao Labour Law. The project must also estimate the spell over demand that is taken care of by the district and provincial hospitals. Based on the demand, it can implement corresponding and appropriate support measures based on the type of cases brought to these hospitals from labour camps.</p>	<ul style="list-style-type: none"> - NNP1PC is absolutely committed to complying with the Lao Labour Law. - NNP1 will pay attention to the issues raised and will monitor if the Project is causing any significant increased pressure on the district health services. The monitoring activity will be part of the updated Social Development Plan
9.2.4	<p>Social Management Action Plan Update the SMAP based on the changes in the operating environment. The update requires the identification of new and emerging impacts as well as the persistent impacts. These impacts as much as possible must be translated into quantified data which will serve as the baseline of the updated plan. The data will be gathered through the records of the contractors</p>	<ul style="list-style-type: none"> - NNP1PC will update the SMAP as part of the upcoming updates of the Community Development Plan, which is scheduled to be finalized by 30 May 2016.

	LTA Recommendations/Required Actions	NNP1 Response
	<p>and the government offices, estimates given by persons working for the contractors and the government, records of the SMO and physical observations. The baseline data is needed to set quantifiable targets and to ensure that the same indicators will be used in monitoring progress. The indicators used and data gathered in this mission can serve as the initial component of the set of indicators and baseline data. The updating will also be an opportunity to strengthen the plan by doing the following: (i) eliminate the sub-activities which are no longer applicable, (ii) ensure that all sub-activities are concrete and actionable, (iii) translate the tasks into quantifiable targets, (iv) merge the activities and sub-activities because their difference is not readily discernible, and (v) sharpen the dovetailing between tasks and sub-activities through the targets</p>	
9.2.4	<p>Village skills training The third recommendation is to strengthen the village skills training component in the SMAP and move the implementation of its component activities much earlier. The purpose is to enable the PAP to take advantage of the opportunities provided by the construction period in employment and market.</p> <p>Also recommended to enhance the attainment of two target outputs: employment of at least 500 Lao workers and purchase of local goods</p>	<ul style="list-style-type: none"> - NNP1PC recognizes the importance of implementing a proactive approach to encourage and attract local labour to the employment opportunities that the Project is offering. - For example, in accordance with the request from Xaysomboun Provincial Governor, NNP1PC has instructed the Biomass Removal Contractor to hire local labour as much as possible. The Contractor and NNP1PC have consulted with the villages in Zone 2LR, and the villages can mobilize 300 workers for the biomass removal during 2016. The Contractor has 150 positions and the work will therefore be rotated among the available workers
9.3.3	<p>Joint PAP-Contractor Committee Form and convene a Joint PAP-Contractor Committee instead of the Joint PAP-Workers Committee envisioned in the SDP The contractors are in better position to address the impacts of their operation on the communities than the workers. One of the tasks of the JPCC is to monitor SMAP implementation. A monitoring sheet can be prepared using the indicators derived from the targets. The sheets will be filled up periodically and the data will be compared to the baseline data to track the progress and problems in implementation.</p> <p>The amount of the purchase is not presently monitored but this can be one of the items that the PAP-Contractor Committee can do. This can be part of the monitoring sheet that the contractors will fill up periodically. Through the</p>	<ul style="list-style-type: none"> - NNP1PC will take this recommendation into consideration and consult with representatives of the contractors and the PAPs as part of the updating of the Labour Management Plan

	LTA Recommendations/Required Actions	NNP1 Response
	committee, a mechanism to match and link the suppliers and buyers can be designed and implemented so that the production of the PAPs can be more attuned to the needs of the labour camps	
	Tripartite Monitoring Committee Form and convene a tripartite monitoring committee instead of a Contractors Compliance Committee prescribed in the SDP. The purpose of the committee is to monitor compliance to labour standard, assist the contractors to comply and find solutions to problems in non-compliance. A compliance monitoring sheet can be prepared to be filled up periodically by the contractors. The monitoring sheet can serve as a tool for the committee to validate compliance. The SMO may serve as the secretariat to collect and store the sheets	<ul style="list-style-type: none"> - NNP1PC will take this recommendation into consideration and consult with representatives of the contractors and the PAPs as part of the updating of the Labour Management Plan
1.4.1 9.1 and 9.1.3	<p>The PRLRC can only issue the zone-by-zone cut-off date upon completion of the on-going asset registration.</p> <p>Not Resolved: A cut-off date was issued on 11 April 2014 but the PRLRC will issue another cut-off date for each zone after the completion of asset registration.</p>	<ul style="list-style-type: none"> - The Project's Provincial Resettlement and Livelihood Restoration Committee (PRLRC) declared an eligibility Cut-Off Date for all compensation phases on 11 April 2014. However, as it took the PRLRC more time than anticipated to finalise compensation unit rates, the PRLRC declared 21 of August 2015 as the revised and updated Cut-Off-Date. - The use of the term Cut-off Date among government officials is not always consistent and is not always in line with the official definition of the term applied in the Project. In the Project, the Cut-off Date means the date announced by the PRLRC of commencement of the census of PAPs in the project area and this is the date of eligibility for entitlements and other assistance. There may be different Cut-off Dates for different zones/areas, but there is only one valid Cut-off Date per zone/area. Unfortunately, the Cut-off Date is sometimes confused with the date of completion of the asset registration – this may be a translation issue or because of unawareness of the significance of the official definition; therefore, when the LTA has encountered the mentioning of a second Cut-off Date, it is most likely intended to mean the <i>date that marks the completion of the asset registration for that zone</i>.

List of Acronyms

ADB	Asian Development Bank
CA	Concession agreement
ESMMP-CP	Environmental and social management and monitoring plan construction period
EMO	Environmental Management Office
EMU	Environmental Management Unit
GOL	Government of Lao PDR
IAP	Independent Advisory Panel
LTA	Lenders' technical adviser
MONRE	Ministry of Natural Resources and Environment
NNP1	Nam Ngiep 1 hydropower project
NNP1PC	Nam Ngiep 1 Power Company
OC	Obayashi Corporation
OSO	Owner's Site Office
PAP	Project affected people
PONRE	Provincial office of natural resources and environment
REDP	Resettlement and Ethnic Development Plan
SMO	Social Management Office
TD	Technical Division
WMP	Watershed management plan