

APPENDICES

**with the
World Bank's handling of social and environmental
issues in the proposed Nam Theun 2 hydropower
project in Lao PDR**

(appendices 1 to 7)

APPENDIX 1

Composition of IAG and technical resource persons

International advisory group

Mr. Dick de Zeeuw,	Deputy Chairman of Netherlands Commission for Environmental Impact Assessment (Convenor)
Mr. David McDowell,	Director General of IUCN-The World Conservation Union
Mr. Emil Salim,	Former Minister of Environment for Indonesia
Mr. Kazuo Takahashi,	Director of the International Development Research Institute, Japan
Ms. Meg Taylor,	Former Ambassador of Papua New Guinea to the United States
Mrs. Ineke Steinhauer,	Technical secretary to the IAG

Technical Resource persons

Mr. Manish Bapna (WB)
Mr. Christopher Chamberlin (WB)
Mr. Robert Goodland (WB)
Mrs. Anita Gordon (WB)
Mr. Lars Lund (WB)
Mrs. Kathryn McPhail (WB)
Mr. Arend Jan van Bodegom (independent)

APPENDIX 2

Note on International Advisory Group on Bank Hydropower Projects

Purpose of IAG

1. The purpose of establishing an International Advisory Group (IAG) is to obtain the best available expertise and experience to guide the Bank on how it can improve its handling of environmental and social issues in the hydropower projects it supports worldwide. As an initial phase of this activity, the Bank will request the IAG to provide an evaluation of its handling of these issues in the proposed Nam Theun 2 project and specific recommendations on how to address them appropriately. The Group would consist of 4-6 eminent personalities in the field of environmental and social development; one of the Advisors would be appointed as convenor of the group and would assume responsibility for providing the Group's secretariat. The Bank has invited the following individuals to participate on the IAG: David McDowell (Director General of IUCN), Emil Salim (former Minister of Environment for Indonesia), Kazuo Takahashi (Director of the International Development Research Institute, Foundation for Advanced Studies in International Development), Meg Taylor (former Ambassador from Papua New Guinea), and Dick de Zeeuw (Deputy Chairman of Netherlands Commission for Environmental Impact Assessment in Utrecht).

Scope of Work

2. The IAG would initially be requested to provide independent assessment and recommendations to the Bank on its handling of environmental and social issues related to the proposed Nam Theun 2 hydropower project. This would include an assessment of risks to the Bank posed by involvement in Nam Theun 2, and advice on what measures the Bank should take to address these risks. As part of this process, the IAG would also advise the Bank on the proposed project's compliance with the Bank's environmental and social Operational Directives in both letter and spirit. The IAG would incorporate the concerns and expectations of key Bank stakeholders and advise the Bank on steps to be taken to build international consensus on the proposed Nam Theun 2 project.
3. At a later stage the Environment Department would also seek the advice of the IAG on how to improve hydropower development in an environmentally and socially sustainable manner for Bank-supported projects worldwide. Here, the IAG would draw upon the lessons learned from the ongoing experience with Nam Theun 2 and to the extent possible, Bank experiences with other hydropower developments. The concerns and expectations of key Bank stakeholders would also inform this critique.

Reporting Arrangements

4. The IAG will provide its findings and recommendations to the Vice-President of the East Asia & Pacific Region with a copy to the Chair of the Bank-wide Steering Committee on Nam Theun 2 (Director of EA1) regarding work related to this project (see paragraph 2). The IAG would also begin discussions with the Director of the Environment Department regarding improving hydropower development worldwide (see paragraph 3).

Process and Outputs

5. The IAG would assemble in Bangkok in late May, 1997 where they would be briefed on the project by Bank technical staff and management. The IAG would then proceed to Vientiane where meetings with the Government, private developers, and other important stakeholders would be arranged. A field visit to the project site would be organized where a deeper understanding of the proposed project, and in particular, of the environmental and social impacts can be developed. After the site visit and following further discussion with Government and other stakeholders, the IAG would prepare a summary note to the Bank on (i) their evaluation of how the Bank has handled the environmental and social issues posed by the proposed Nam Theun 2 project; (ii) their recommendations on what further measures the Bank should undertake to improve their handling of the environmental and social issues of the project. This note, accompanied with a written Bank response, will be made available to the public within 45 days after delivery to the Bank. Shortly after preparing this note, the IAG (or a subset of the Group) would visit Bank HQ to discuss their findings and recommendations with the Bank-wide Steering Committee on Nam Theun 2. During the above visit to Washington, the IAG would discuss with senior Bank management broader issues of the Bank's involvement with environmentally and socially sustainable hydropower development worldwide and finalize arrangements for effectively carrying out the role that would be assigned to IAG.

APPENDIX 3

Working programme of IAG

Wednesday 28 May		Arrival of IAG members in Bangkok
	17.00 hrs	Meeting of the convenor of the IAG with Mr Shivakumar and Mr Bapna of World Bank
	19.30 hrs	Welcoming cocktail IAG and Bank technical team
Thursday 29 May	09.00 hrs	Technical briefings with Bank staff (Mr Shivakumar, Mr Bapna, Mr Chamberlin, Mr Goodland)
	13.00 hrs	Lunch break
	13.45 hrs	Conference call with Mr Talbot (panel of experts)
	14.00 hrs	Technical briefings with World Bank continued (Mr Lund and Mrs McPhail)
	16.00 hrs	Briefing with Project Developers (Mr Iverach, Mr Philippe and representatives of 3 Thai firms), presentation held by Mr Iverach
	19.30 hrs	Dinner with Mr and Mrs Arnaud of World Bank Regional Mission in Bangkok
Friday 30 May	09.00 hrs	Technical briefing on Study of Alternatives by Lahmeyer by Mr Oud
	10.30 hrs	Brief introduction on the Environmental and Social Action Plan for NNT Watershed by Mr Chamberlin
	11.00 hrs	Short overview of results of Economic Impact Study by Mr Bapna
	12.00 hrs	Lunch break
	13.30 hrs	Charter flight Bangkok - Nakhom Phanom, cross river and passport clearance
	17.00 hrs	Arrival at Thakhek in Lao PDR
	19.00 hrs	Dinner with Provincial Officers of Khammouane province
Saturday 31 May	09.00 hrs	Take off from Thakhek by helicopter, follow Xe Bang Fai, overfly Mahaxai, fly to Nakai Neua (see map)
	10.00 hrs	Land at Nakai Neua to visit Resettlement site seedling farm and visit township
	11.00 hrs	Depart Nakai Neua
	11.15 hrs	Land at Theun Douane Test Farm, visit to test farm
	12.00 hrs	Lunch break
	13.00 hrs	Fly to South Eastern NBCA, fly over catchment area, visit townships of Ban Theung and Ban Tai Po in catchment area
	16.30 hrs	Land at Lak Sao
	17.00 hrs	Meeting with Mr Cheng Sayavong of BPKP group (Bolisat Phathana Khet Phoudoi)
	19.00 hrs	Dinner with IAG, Bank staff, BPKP and provincial officers
Sunday 1 June	09.00 hrs	Take off from Lak Sao
	09.30 hrs	Visit to Hmong village

	10.30 hrs	Fly over Nakai Plateau, with visit to Sop Phene and Mak Feuang
	13.30 hrs	Land in Lak Sao, lunch and refuel
	15.00 hrs	Take off and fly to Vientiane following: Fly over Nam Theun II dam site, Nam Theun downstream of Theun Hinboun to Pakkading, overfly Muong Kao, Phalavek, to the North eastern catchment area of Nam Ngum Dam and reservoir
	17.00 hrs	Arrival Vientiane
	18.30 hrs	First internal meeting of IAG and outline of programme
Monday 2 June	08.30 hrs	Attendance to public consultation workshop on the draft Resettlement Action Plan, presentations by Mr Iverach (NTEC) and Mr Bouathong Phounsarith, president of Nam Theun II Resettlement Committee Participation in small group discussions
	14.00 hrs	Presentation of Regional Context and the Basis for Planning the RAP, Public Health Issues by Mr Sparks and Mr Storey
	14.30 hrs	Meeting with Mr Soulivong Dalavong, Minister of Industry and Handicraft and Vice Minister, Mr Khammone Phonekeo
	16.00 hrs	Meeting with Mr Souli Nanthavong, president of STENO (Science, Technology and Environment Organization) and other representatives
	20.00 hrs	Briefing on Country Assistance Strategy by Mr Chamberlin and Mrs Schneider of World Bank
Tuesday 3 June	08.00 hrs	Public consultation and Participation workshop on Draft Resettlement Action Plan, presentations by Mr MacKay on Selection of Resettlement Sites and Livelihood Options for Resettlers and by Mr Damrong Phomdouangsy on Irrigated Agriculture Development
	09.00 hrs	IUCN presentation on the NNT-NBCA Management Plan, Mr Watling, Mr Chape and other representatives of IUCN
	12.00 hrs	Lunch with Mr Soulivong Dalavong, Minister of Industry and Handicraft and Mr Khammone Phonekeo, vice-minister
	14.30 hrs	Meeting with Mr Yao Phonvantha, vice-minister of Finance
	16.00 hrs	Meeting with Mr. Bouthone Saisida, deputy director of Forestry Department
	17.15 hrs	Meeting with NGOs to request views on Nam Theun II (see separate list of representatives)
	18.30 hrs	Cocktail hosted by Mr Rich, Ambassador of Australia
	21.00 hrs	Meeting with Mr Iverach and Mr Philippe of NTEC on economic and financial issues of the project
Wednesday 4 June	08.00 hrs	Continuation of meeting with NGOs
	10.00 hrs	Meeting with Mr Mattsson, UN Resident Coordinator
	11.30 hrs	Meeting with Mr Chantaviphone Inthavong, Director of Center for Protected Areas and Watershed Management, CPAWN
	13.30 hrs	Explanation by Mr Bapna on Economic Impact Analysis
	14.30 hrs	IAG-meeting and discussion on first draft
	19.00 hrs	Drafting IAG

Thursday 5 June	08.00 hrs	Drafting time
	11.00 hrs	Meeting with Mr Siene Saphantong, Minister of Agriculture and Forestry
	14.30 hrs	Meeting with Mr Boungang Vorachit, vice prime-minister
	15.45 hrs	Meeting with Mr Bouathong Vonglorkham, President of the State Planning Committee
	21.00 hrs	Meeting IAG on second draft
Friday 6 June	All day drafting time	
Saturday 7 June	09.00 hrs	Meeting IAG on final draft
	11.00 hrs	Departure

NGO representatives:

CARE international	Art Crisfield
Cooperation International pour le Developement et la Solidarite	Khankeo Oupravanh
Concern Worldwide	Jan Rotte
Consortium	Martin Dunn
CUSO	Lisa ter Woort
International Red Cross and Res Crescent	Prudence Lambert
Oxfam Belgium	Nico Bakker
Quaker Service Laos	Hollyn Green, Michael Ernst
Save the Children Fund Australia	Cecily Dignan
Save the Children Fund United Kingdom	Pauline McKeown
Volunteer Service Abroad	Shamali Guttal
World Education International	Rolf Samuelson
SIDA	

APPENDIX 4

Reference documents used (this list may not be complete)

PROJECT DOCUMENTATION PROVIDED BY THE WB BEFORE VISIT TO LAOS

I. OVERVIEW (confidential)

General Overview

- A. Background Note on Nam Theun 2 (September, 1996)
- B. Minutes of NT2 Steering Committee Meeting (October, 1996)
- C. Status Update on Nam Theun 2 (March, 1997)
- D. Minutes of NT2 Steering Committee Meeting (April 1997)

Chronological Review of Key Missions

- E. Letter Responding to Government Request on Nam Theun 2 (August, 1995)
- F. Technical Mission: Aide Memoir (November, 1995)
- G. BTO Report - General (July, 1996)
- H. BTO Report - Environmental / Social Issues (August, 1996)
- I. BTO Report - Public Consultations / Government Studies (September, 1996)
- J. BTO Report - Environmental Assessment (September, 1996)
- K. BTO Report - Social and Environmental Project (December, 1996)
Background Papers on Environment, Resettlement, Public Health, Construction Management
- L. BTO Report - Social and Environmental Project (March, 1997)
Background Papers on Resettlement, Livelihood, Downstream Environmental Impacts, and Watershed Management Institution
- M. BTO Report - Public Consultations (March, 1997)

Other Important Documents

- N. Use of IBRD Guarantee (October, 1996)
- O. Memorandum to Executive Directors on Guarantees - Draft (April, 1997)
- P. BTO Report - Hydropower Development Strategy (October, 1996)
- Q. Technical Panel of Experts - Environmental and Social Issues (February, 1997)

II. NGOs AND MEDIA

Sample of NGO letters and press clippings on Nam Theun 2

NGO Correspondence

- A. Australian Council for Overseas Aid
- B. Probe International
- C. Community Aid Abroad
- D. Environmental Defense Fund
- E. International Rivers Network

Press Clippings

- A. Selection of Press Clippings from International Media

III. BANK OPERATIONAL DIRECTIVES

Relevant Bank Operational Directives

- A. Operational Directive 4.01: Environmental Assessment
- B. Operational Directive 4.20: Indigenous People
- C. Operational Directive 4.30: Involuntary Resettlement
- D. Operational Policy 4.04: Natural Habitats
- E. Operational Directive 4.00 Annex A - Environmental Assessment

IV. ENVIRONMENTAL STUDIES

List of environmental studies that have been prepared by PDG or GoL

V. SOCIAL STUDIES

List of social studies that have been prepared by PDG or GoL

VI. STUDY OF ALTERNATIVES

- A. Terms of Reference
- B. Inception Report (*some sections are confidential*)
- C. Review of Progress Report #2 (Progress Report #2 available upon request) (*confidential*)

VII. ENVIRONMENTAL AND SOCIAL ACTION PLAN FOR WATERSHED

- A. Terms of Reference
- B. Inception Report (*some sections are confidential*)
- C. Progress Report #1 (*confidential*)

VIII. ECONOMIC IMPACT STUDY

- A. Terms of Reference
- B. Inception Report (*some sections are confidential*)
- C. Alternative Review of Project Economics (commissioned by IRN)

DOCUMENTATION USED DURING VISIT TO LAOS

The 'key-studies'

1. **(SOA)** Study of alternatives (Lahmeyer)- only copies of sheets were handed out;
2. **(CAMP)** Nakai Nam Theun Conservation Area Management Plan (IUCN/WCS-study): on May 26 an incomplete draft was provided;
3. **(EIS)** Economic Impact Study (Louise Berger International)- a draft final report of April 1997 was provided as well as an Executive Summary and Overall Economic Assessment (June 1997);
4. **(EAMP)** Environmental Assessment and Management Plan (SEATEC)- Draft final report Available (May 1997) and Request for Submissions (Oct. 1996);
5. **(RAP)** Resettlement Action Plan - Draft final report available;
6. **(NTSEP)** Nam Theun Social and Environment Project- Pre-assessment Mission of Public Health aspects (5-20 May), Preparation Mission on Resettlement (12-28 May), Environmental Training, Education and Communication (May 28), Second Preparation Mission, NTSEP Aid Memoire (June 3).

APPENDIX 5

Field visit May 30 - June 1, 1997

FINDINGS

Villages to be Resettled (2 villages were visited, Nakai Neua and Theun Douane About 20 women were interviewed in each village - most minding small children)

Ethnic Composition: Lao Lum, Tai Bo, Brou and Lao Teung

Reasons for moving/potential benefits: "I want to see the dam before I die."

"We are not moving to another village." New resettlement sites are close by. Increased opportunities for fishing. We are used to being flooded every year.

Health: Principal problems are maternal mortality (1-2 women die in childbirth each year), respiratory disease, fever. Few protein sources but eat fish daily (Nakai Nua). Few or no doctors visit. Half the children in Theun Douane village were wearing no clothing although they ranged up to 5-6 years old.

Education: no school, 1 in Nakai Nua)

Institutions: In Nakai Nua decisions were made by consensus with women having equal voice. In Theun Douane village, village elders made decisions; women were also village elders.

Lao Women's Union was represented in both villages but meetings were not substantive.

Consultation Process: Few seemed to understand the impact the dam would have on their village ("Life will be better"). Others had forgotten the messages given by the consultation teams. None had seen models of the dam or videos.

Inside the Nakai Nam Theun NBCA (3 villages visited. Notes are from Navang (2 women) and Mak Pheuang (about 20 women interviewed), since the third village Ban Theung had few people and none spoke Lao - this village had 4 generators at the river)

Ethnic Composition: Brou

Benefits: All villagers in Ban Ma Pheuang are planting vegetables, chili and plan to raise chickens to sell to construction workers.

Agricultural practices: Irrigated padi (not Ban Ma Pheuang); upland rice interplanted with corn; taro. Fishing, Forest products.

Trade: Vietnamese visit Ban Ma Pheuang 2-3 times per month in groups of 6-7 people to barter kitchen utensils, clothes for sandalwood, cypress wood, turtles, tortoises and small deer. Traders come up from Lax Sao and pay cash for sandalwood (7,000 kip for 1 kg although Market prices is US\$3,000 per kg)

Health: Dr visits Ban Ma Pheuang 2-3 times per month

Education: 1 school in village but did not look adequate for number of children. 2 grades.

Institutions: LWU but no substantial meetings.

Consultation: Villagers in Ban Ma Pheuang had heard about the dam.

Outside the NBCA Phon Sa-at (Hmong Village, about 5-7 women were interviewed)

Benefits: Not heard about the dam, although they use the Nam Theun river every day for fishing.

Agricultural practices: upland rice, cassava, chili, corn; squash, ginger. Substantial livestock.

Household incomes: In addition to agriculture as a source of income, this Hmong Village also receives remittances from the US. This has enabled one woman interviewed to set up a shop in the past year, close to a road. Customers come from both the village and the road.

Health: Dr visits once per year

Education: 1 school in village but children also travel 2 hours per day to attend school at the much larger Hmong village of Thong Pae.

CONCLUSIONS AND RECOMMENDATIONS

Resettled Villages

The conditions on the Nakai plateau confirm the need for a resettlement and development approach with investment in human resources development, particularly schools and health facilities.

We recommend that village institutions (eg LWU) will need strengthening in order to cope with the resettlement process. Village credit institutions should be explored to ensure that the benefits circulate at the community level.

Consultation. There is little understanding among the women we interviewed of the impact of the dam on their village. *We recommend* better communication methods:

- use of models of the dam, videos;
- field testing of visual materials.

There is little recall about the messages from the consultation process. *We recommend* that messages are clear and simple, that they are appropriately designed for the target population and that teams check comprehension of the messages.

APPENDIX 6

(i) **Compliance of the Resettlement Action Plan with Operational Directives (OD 4.20 and 4.30)**

OD 4.20: Indigenous peoples

- The people of the Nakai Plateau are identified as 'indigenous people'. Main criteria being that plateau people have a distinct social and cultural identity in comparison to dominant lowland Lao people.
- The RAP has identified characteristics of indigenous people (4.20) e.g.
 - attachment to the natural resources of the area and a sense of ancestral territory;
 - all groups define themselves as distinct cultural groups by name;
 - identification of indigenous languages- although they are being replaced by Thai dialects which are intelligible for lowlanders;
 - the presence of customary social and political institutions exist: however have been reduced with the integration into the Lao state;
 - communities are primarily subsistence orientated including wildlife for sale, growing upland rice, caring for livestock and collecting forest products.
- 4.20 requires an Indigenous People's Development Plan. Observation relating to the resettlement of people on the Nakai Plateau. Stephen Sparkes treats all peoples on the plateau as 'indigenous peoples'. The consultative process for resettlement and treatment of 'indigenous peoples' complies with conditions of OD 4.20 par.14 Development Plan Prerequisites.
- With regard to Nam Theun II, 4.30 Involuntary Resettlement is treated together with 4.20 Indigenous People.

Contents of Development Plan:

- a) Legal framework:
 - legal status of the groups defined in Article 8 of the Constitution (August 14, 1991), this recognises ethnic groups;
 - access to effectively use the legal system and protect the use of their land and access to their natural resources such as forests, wildlife and water;
 - decree on land no. 99 (Dec. 19, 1992) refers to all Lao citizens, not specifically to indigenous peoples having the right to possess and use land, receive title inter alia;
 - forestry law no. 009 (Oct. 11, 1996) Article 30. General reference to traditional use of forests, not specific to 'indigenous peoples';
 - law on water and water resources, no. 005 (Nov. 11, 1996) General reference to use of water resources. Not specific to use by 'indigenous people';
- b) Baseline Data
 - accurate, up to date maps and aerial photographs of the area of project influence and the areas inhabited by indigenous peoples provided. Sparkes report has ground mapping. Aerial photograph provided. Page 3 specifically identifying village spirit and terrestrial boundary;
 - analyses of the social structure and income sources of the population. Chapter 11 covers formal and informal village structure (Sparkes report). Chapter 6 covers income sources in the treatment of livelihood system (Sparkes report);
 - the relationship of indigenous peoples to other local and national groups. Refer 4.4 Ethnic Groups surrounding the Plateau (Sparkes). Site visits by PRA Teams;

- c) Land tenure
 - Refer Decree on Land No 99 (Dec 19, 1992) refers to all Lao citizens having the right to possess and use the land. Article 6 allows individuals to receive titles, transact the right of possession, receive compensation in case state withdraws the right of land use.
- d) Strategy for local participation
 - Strategy in RAP Chap 13, Sparkes Chap 12- active participation of communities through village mapping by men and women and combined groups to prepare resettlement and livelihood models.
- e) Technical Identification of Development of mitigation activities NTSEP currently being prepared for the NT Social and Environmental Project
- f) Institutional capacity

GoL institutions assigned responsibility for indigenous peoples

 - State Planning Committee (SPC)
 - Resettlement Committee (RC)
 - Resettlement Management Unit (RMU)

Inputs from district and provincial resettlement group.

There is also a Grievance Committee which has direct access to both RMU and RSC.

 - availability of funds for investments and field operations: approximately \$US 30 m funded by NTEC;
 - adequacy of experienced professional staff: RMU has carried out training needs assessment and training unit will be held to develop implementation capacity needed;
 - ability of indigenous people's own organization, local administration authorities and local NGOs to interact with specialised government institutions- not yet identified;
 - ability to mobilize other executing agencies involving in the plan's implementation: RAP identifies Provincial authorities, Lao Women Union, Village organizations, BPKP, NTEC;
 - adequacy of field presence: all agencies already represented in the field;
- g) Implementation schedules
 - RAP Chap 10.3 Programm Activities for 1997, 10.4 RMU Training Program for 1997, 1998. Table 10.9 is Resettlement Schedule
- h) Monitoring and evaluation
 - RAP chapter 11.7 External Monitoring refer to the recruitment of the external monitoring team. Will be set up August 1997. Duration minimum 5 years. Report to RSC and WB. No mention of 'indigenous peoples' representation.
- i) Cost estimates and financing plan
 - RAP Chap 9 Resettlement related costs covers: Resettlement on Nakai Plateau, Farmlot facilities, Community Facilities, Livelihood components, Community Development and Management, Contingencies

Cost Estimate for Regulating Pond and Downstream Channel See Table 9.3 Nam Theun II Resettlement and Compensation Cost Estimate

Project processing and documentation: Project not yet entered Bank project pipeline.

OD 4.30: Involuntary resettlement

Policy objectives:

3a Minimizing Involuntary Resettlement

The Reservoir

- Lowering of reservoir heights in an attempt to reduce the number of families requiring resettlement was examined. Refer RAP.
- Reservoir study suggested that project would be uneconomic with lower maximum operating levels of the reservoir.
- Approach was to optimize the economic performance of the project as it could fund a well planned and successful resettlement program.

The Downstream Channel

- The 35 kilometer-long downstream channel is designed to transfer the water from the regulating pond to the Xe Bang Fai river, rather than the Nam Kathang to avoid relocation of approximately 180 families.
- Exact alignment of channel is not known. Consultation with villages continues.

3b All involuntary resettlement should be conceived and executed as development program with resettlers provided sufficient investment resources and opportunities to share in project benefits

Reference Appendix 6 OD 4.20 Indigenous People, page i and ii.

Contents of Development Plan for Indigenous People:

Plateau

Development programs involuntary resettlement and share in project benefits.

- (i) Compensation for losses at full replacement cost prior to actual move.
- Compensation with cash has been avoided.
- Measures to rehabilitate the affected households through the introduction of either new or improved production systems, and the allocation of new land. Costs itemised RAP - chapter 9.

Downstream Channel

- No compensation is included for unoccupied lands belonging to the State.
- Once the exact alignment of the channel is known, a full assessment of compensation will be made.
- Consultations within villages continue.

Zone 10 Upper Xe Bang Fai

Potential damage to rice crops from floods in this area will be made worse by the project.

- Discussions with potentially affected villages in the area have concluded with a request for electricity and irrigation pumps as a compensatory measure.
- Assistance and training for a period of about 5 years to adjust to different rice varieties, rice farming techniques, etc. Cost estimates are being refined \$ 1 m allocated for compensatory measures.

- 10 MW for local electricity supply will be provided at the powerhouse. \$ 2 m has been allocated to the mitigation program for this zone because of the proposal to provide irrigation pumps in the area.

Other zones

Zone II: The exact nature of the changes in river regime, and any consequent loss of land and production not known precisely at this time.

- Total resettlement and compensation estimate including planning, but excluding committed operating costs, is approximately \$ 29.5 m

(ii) Displaced persons to be assisted with the move and supported during the transition period in the resettlement site:

- RAP chapter 10.
Implementation program deals in great detail with the resettlement program activities and designating responsibility of different agencies. However still in planning stage. Refer table 10.1 and 10.2.
- No distinct reference to displaced persons. All resettlers are inhabitants of the project region.

(iii) Assistance in efforts to improve the former living standards, income earning capacity, and production levels of resettlers, particularly to the poorest of groups.

- Refer table 10.3 RAP Economic and production development planning stage.
- Table 10.4 Economic rehabilitation and production development implementation stage.
- Attention to women
Refer table 10.5 Community and Social Development, table 10.6 Community and Social Development Planning Stage, idem Implementation Stage e.g. Development workshops in villages for women, with attention to needs of women, community facilities.

3c Community participation in planning and implementing resettlement

- Program of activities of 1997. Refer RAP 10.3
 1. To co-ordinate and assist the process of developing the resettlement action plan for Nam Theun 2.
 2. To organise extensive village consultation sessions in order to ensure that the resettlement action plan meets the expectations of the resettlers.
 3. To develop a series of institutions strengthening workshops and training activities, for getting Resettlement Management Unit (RMU) district working groups and village development groups and representatives.
- Strategy in RAP chapter 13 and PRA chapter 12.
Active participation of communities through village mapping by men and women and combined groups to prepare resettlement and livelihood models.

Appropriate patterns of social organisation should be established and existing social and cultural institutions of resettlers and their hosts should be supported and used to the greatest extent possible.

Refer PRA chapter 8: Moving the cosmos, chapter 9: Moving villages, chapter 11: Village organisation

In depth work conducted to address the issues.

3d Integration socially and economically with host communities so that impact on host communities is minimized

- In planning process
Through Public Consultation and Participation Program (PCPP)
 1. Information collection and dissemination
 2. Eliciting Stakeholder Concerns
 3. Active Involvement in Community Development
- Inventory by Lao women's Union 1995
- Survey by CARE International 1996
- PRA (Stephen Sparkes) 1997
- PCPP to build on and update existing information extending areas of focus to include all people directly affected in Nakai Plateau, Downstream channel, Xe Bang Fai, Nam Phit, Transmission line.

3e Land housing infrastructure provisions. RAP chapter 7. Site selection, Household Pilot Design

- a result of PRA visits to villages on Nakai Plateau
- no mention of downstream relocation sites
- PRAP to be conducted
- title to hand only, reference in RAP is Decree on land no 99 (December 19, 1992) refers to all Lao citizens having the right to possess and use the land. Article 6 allows individuals to receive titles, transact the right of possession, receive compensation in case state withdraws the right of land use.

4 Resettlement Planning

Reference to land based on settlement strategies for people dislocated from agricultural settings.

- Refer RAP livelihood options for resettled villagers:
 1. Intensification of current land use activities;
 2. Diversification into new land use activities.
- Concentration on irrigated agriculture, reservoir fishery, animal husbandry, forestry
- Employment opportunities in:
 - forestry
 - fisheries
 - with NTEC
 - in tourism and park management

5 and 6 Plan Content and Organisational Responsibilities

Refer RAP chapter 10 Implementation Program.

- 10.2 Resettlement Program Activities Development of general work program which indicates the role of the RMU (Resettlement Management Unit) and its district working groups.
- RMU and district working groups will work together with NTEC in developing resettlement action plan and organizing the consultation with affected villages.
- Reference is also made to Technical Assistance Groups (TAG) which will be hired by RMU to carry out various resettlement tasks.

7 and 8 Community Participation with Host Population

Refer PRA chapter 8.

- consideration to be given to the territorial spirit before any resettlement.
- moving must be according to spirit.
- if village resettled outside traditional spiritual territory consideration must be given to absence of 'other spirit' or accept protection of territorial spirit of other village if location is close by.
- on Plateau, due to the mobility of the population and the disruption caused by war and invasion, there are few items of historical and cultural importance.

Village Boundaries and Social Groupings

Refer PRA chapter 4.

- Traditional village territories follow natural features of the landscape. These territories have cosmological dimension.
- Selection of sites should be within existing traditional territories.

Refer Resettlement Map in PRA.

Figure 7-1 RAP illustrates that most villagers should be able to be resettled within their cultural and socio economic boundaries.

Refer RAP chapter 12, PRA, chapter 13 RAP.

- identification of stakeholders.
- consultation underway through RAP, EAMP, Protected Area Planning.

Local level collection and dissemination of information is advanced

- Refer Lao Women's Union Inventory 1995, CARE International Survey 1996, RPA (Rapid Rural Appraisal, PRA 1997 - Concentration on Families in Reservoir Area
- attention now on communities on the Nakai Plateau, Downstream channel area, Xe Bang Fai, downstream of the Nam Phit and along transmission line.
- object of exercise also to identify village development committee to administer development in own villages.

9 Gender

- Refer RAP and PRA aspect of Nam Theun 2 which directly affect women addressed
 1. Improved labour opportunities in the resettled villages
 2. Labour opportunities in forest management
 3. Dispensaries
 4. Schools
 5. Availability of clear water
 6. New roads
- Also refer Appendix 6 OD4.20
- Refer 11.4 PRA
- Refer IAG Interviews in the field
- Comment by Sparkes in PRA reflects findings of IAG meetings with women
- Despite information concerning Nam Theun 2 project discussed with district representatives and project personal, many village people, especially women, knew little or nothing about the implications of the building of the dam and resettlement.
- Re issue of host communities Refer to point 7.

10 Transfer of responsibilities from settlement agencies to the settlers themselves

Local leaders to assume responsibility for environmental management and infrastructure maintenance.

- Resettlement agencies clearly identified.
- Only issue raised is village structure and leadership, and reference to resettlement village development committees, individuals and families.

11 Socio Economic Survey

Refer RAP Baseline Surveys

1. The census for inundated losses, including different types of land area, population, houses (different structures), fruit trees, cattle, wells, roads, etc. which form the basis for calculating compensation for individuals, households or villages.
2. The Socio-cultural and economic survey of the affected villages and people (including age, ethnic background, income and health status) which forms the basis for developing the economic target and the livelihood rehabilitation plan for resettlers.
3. Assessment of the productive capacity of the proposed new resettlement areas (in terms of both the land and water resources) and the subsequent identification of land use options and selection of resettlement sites.

NTEC has also contracted other studies with relevance to resettlement:

- . cultural survey;
- . socio economic survey data;
- . livelihood systems of villages;
- . review of CARE report (fig. 4-1 Cash and Imputed Income);
- . health status, facilities and services;
- . education facilities and services;
- . flood studies;
- . land use capability;
- . irrigation capability;
- Village names have been recorded both in RAP - PRA.
- Evidence of individual names not cited by IAG.
- Affected population area the Nakai Plateau and lowland people and Indigenous people.
- Further examination will be undertaken of forestry and fisheries resource.
- Extensive survey of health facilities conducted.

Refer RAP tables 4-8, 4-9, 4-10.

12 Legal framework

Refer RAP chapter 5.

- Comprehensive work has been done on legal and policy framework
- Reference to laws and decrees relevant to resettlement in Lao PDR
- The Constitution (August 14, 1991)
- Decree on land, no. 99 (December 19, 1992)
- The forestry law, no. 004 (October 11, 1996)
- Law on water and water resources, no. 005 (November 11, 1996)
- Decree on environmental protection (draft 1996)
- Agro-forestry related acts and policies
- Legal framework for preservation of national cultural heritage.
- Procedure for arbitration, court of appeal and complaints

Refer to RAP - Regulations under the resettlement policy for major projects in Lao PDR

- Lao PDR resettlement policy.
- Among other rights, the right to receive compensation for land withdrawn by the State is paramount.
- Article 4 compensation policy - extensive
- Article 6 implementation - agencies responsible listed

Needs to be improved to comply with OD 4.30

13 Alternative site and selection

- Refer RAP chapter 7.
- Consultations with villagers. Strong indications of preference to be near the future reservoir and to new roads.

Refer PRA mapping sessions culminated in the sketching of 'dream' maps for future villages:

PRA villagers preferences:

- orientation of the village along roads and each house having access to the road;
- improvements such as electricity, access to running water and toilets in villages;
- non-residential buildings such as the school, dispensary, pumphouse, village hall, etc. located outside the village as in traditional villages;
- surrounding the village was paddy or fields for growing crops such as corn, sugar cane, etc. Some maps showed forests and grazing areas.

Refer RAP 7.2 criterias for identification of potential resettlement areas.

- suitability of land for agricultural development e.g. (soil suitability etc.);
- the area should be easily accessible;
- availability of the year round water supply;
- the land should be located near the reservoir area.

Refer 7.3 Detailed site investigation and identification

Refer 5-1 Categories of eligible persons of entities

(b) · Refer 10.6 Resettlement implementation schedule

(c) · Refer Draft resettlement policy for major projects in Lao PDR

Article 2 legal framework

Article 6 management of resettlement

Article 1 implementation of the policy

No clear comment on transfer of title of land. Process needs to be made clear.

(d) - Possibility of landspeculation

No mention of policy to prevent speculation. May not be applicable.

14 Valuation of and compensation for host assets

Refer RAP Appendix C Draft resettlement policy for major project in Lao PDR

Refer Article 3 Principle of the policy
3.5 Compensation for loss at replacement value
3.6 Principles for compensation
Article 4 Rights of compensation

Again reference to transfer of title not available.

Criteria for determining the resettlement eligibility of affected households.

Refer RAP Regulations under the resettlement policy for major projects in Lao PDR.

Reg 1.1 Population survey and registration determination of the numbers of households and persons which will be affected by the implementation of the project.

Early recordings of families or households to be relocated were completed.

15 Refer RAP chapter 11 Livelihood model

16 Households headed by women and the issue of compensation

No specific mention if households headed by women and compensation need for specific policy

17 Land tenure acquisition and transfer

No definition of land tenure in legal terms. Identification of land, land use and possession connected to physical natural boundary and territorial spirit. This is reflected in PRA and maps drawn up for resettlement.

Grievance procedures:

- project grievance committee mandated by regulation
- access to court after grievance committee but seen as a last resort
- informal dispute resolution mechanisms
- process needs to be clearly defined
- landsurveys. Spiritual boundaries as indicated in resettlement map is well thought out and follows traditional and spiritual boundaries. Further mapping may be necessary.

18 Access to training employment and credits

Refer RAP Education training and extension programs.

- Focus on agriculture based development

19 Shelter infrastructure and social services

The issue of shelter addressed in consultation with villages and designs chosen.

RAP chapter 10.1 shows traditional house designs

7.5 shows plot design and sample house designs

Community and social development infrastructure

PRA chapter 7 deals with health and education and makes recommendations.

RAP chapter 10.2.5 discusses community and social development planning

Chapter 10.6 implementation

Reference to population growth is unclear, needs to be specifically addressed.

20 Environment protection management

Awaiting information

21 Implementation schedule, monitoring and evaluation

RAP 10.6 refers to Resettlement implementation schedule

table 10-9 refers to monitoring program commencing November 1999

22 RAP 11.7 refers to External monitoring by independent institutions

- main focus of the monitoring and evaluation will be on the changes in social and economic considerations of individual households.
- monitoring and evaluations will last for a minimum of 5 years.

(ii) Compliance of the Environmental and Social Management Plan for Nakai-Nam Theun Catchment and Corridor Areas and the Social Action Plan for the same areas with OD 4.20 Indigenous Peoples

- = Information available
- * = Information missing

Definition

- The people of the Nakai-Nam Theun Catchment and Corridor areas are identified as indigenous people. Main criteria being that Catchment and Corridor area inhabitants have distinct social and cultural identity in comparison to dominant lowland Lao people.
Communities have been grouped according to ethno-linguistic classes: Vietic, Brou and Tai/Sek Hmong.
Vietic groups most at risk. Specifically the groups like Atel, Thémrou and the Miengbrou.
- The EMSP has identified characteristics of indigenous people (as in (i) above, app. 6 page 1) .
- * The presence of indigenous institutions is not clearly identified in the EMSP

OD 4.20 - 14: Indigenous Development Plan

- ESMP identifies the role of Local Communities;
- Identifies major issue as food security, therefore addresses the issue of improved livelihoods (Refer to Table 9.2);
- Table 9.3 provides an overview of some of the envisaged livelihood changes which will lead to more stable and sustainable agriculture and natural resource use;
- Livelihood options is intended to avoid creating a dependency on project entities over a period of time;
- Table 12.6 identifies programmes for the most vulnerable group, the Vietic;
- * The Development Plan for indigenous communities is not comprehensive unless the ESMP and SAP are read as an entity. Need pulling together and inclusion of programmes for all groups.

a - Legal Framework

ESMP does not address OD 4.20 requirements re legal status of the groups. Their ability to access and use the system to defend their rights, specifically to protect the use of their land and access to their natural resources such as forests, wildlife and water.

- * Legal framework needs to be addressed to comply with OD 4.20

b - Baseline Data

- Accurate up-to-date maps and aerial photographs of the area of project influence is provided as part of the Conservation Area but maps do not identify areas of habitation by Indigenous Peoples
- * Map showing areas where all groups of indigenous peoples live must be supplied to comply with OD 4.20

- * Baseline data on population distribution of those dependent on the catchment area needs to be assessed.
- Analyses of the social structure and income sources of the population. Chapter 6 of ESMP covers social organization in an ethno-economic context, and identifies income source in the treatment of livelihood systems.
- The relationship of indigenous people to other local and national groups. Reference is covered in a broader context. Chapter 6 and 7 put the relationships into ethno-economic context and villager livelihoods and the current use of natural resources.

c - Land Tenure

Chapter 7.3. Customary tenure arrangements make paddy land and residential land sacrosanct across ethnic groups. Land can be passed onto ones descendants. Government pays attention to customary tenure as states in the land law.

- * Reference should be made to legal status of land:

Refer Decree on Land No. 99 (December 19, 1992). All Lao citizens having the right to possess and use land. Article 6 allows individuals to receive titles, transact the right possession, receive compensation in case state withdraws the right of land use.

- * This highlights vulnerability of indigenous land-owning rights.

d - Strategy for Local Participation:

Refer 9.6.4 Co-Management, 9, 6, 4.1Inholder Communities, 9.7Improved Livelihoods
All efforts to involve local participation.

e - Technical Identification of Development or Mitigation Activities

- * Not addressed
- * Need for compliance with OD 4.20 and therefore detailed descriptions should be prepared and appraised for such proposed services as education, training health credit and legal assistance.
- * Technical descriptions to be included for the planned investments in productive infrastructure.
- * Need to draw on indigenous knowledge in drawing up plans.

f - Institutional Capacity

Refer Chapter 12

Treatment of Indigenous People is a part of the broader management of the NNT conservation Area through the establishment of the Nam Theun Watershed Conservation Authority. Refer Figure 11.1.

- Availability of funds for investments and field operations. NT2 has offered \$ 1 million p.a. over a period of 30 years.

Refer 11.2.4: Establishment of Trust Fund

- * Further information required on funding sources, and availability of funds.

- (ii) Adequacy of experienced professional staff.
Training and institutional strengthening will be an ongoing processes.
Experienced professional staff - refer 12.2.
- (iii) Ability of indigenous peoples' own organizations, local administration authorities, and local NGOs to interact with specialized government institutions.

Refer 12.2.1.4: Local Level Coordination

- * Will need further investigation re the following:
 - * Presence of local NGOs in Laos
 - * Indigenous peoples organizations
 - * Attitude of local authorities and specialized government institutions toward indigenous people.
- (iv) Ability of the executing agency to mobilize other agencies involved in the plan's implementations. Refer 11.2.3 Nam Theun Watershed Conservation Authority, is the administrative centre and has lead role in organization and management for conservation. It's role is also coordinator and facilitator of other agencies.
- (v) Adequacy of field presence.
 - Refer 11.2.3.1: Personnel/Implementation of programmes to be undertaken by existing implementing and enforcing agencies such as national ministries and agencies, provincial and district agencies, local communities BPKP, NGOs private contractors international agencies and consultants.
 - Refer 12.1.1: Staffing
 - Table 12.2: Full operational capacity for the authority to reach 200.
- * Capacity of national ministries and agencies not ascertained. Capacity of provincial district and local communities BPKP, NGOs - not ascertained. Quality of capacity needs to be identified.
- * Major weakness as identified by IAG has been capacity of government institutions
- * Further clarification needed on ability of government agencies to implement development agenda
- * Information missing

g - Implementation schedule

- * Not addressed.

h - Monitoring and Evaluation

- Refer 12.5: Monitoring Research Habitat Management. Reference is more in particular to wildlife not indigenous peoples programmes.
- 12.5.3: Refer Habitat management, some reference to animal/human conflict.
- * No reference to monitoring of indigenous people development plan. Requirement of OD 4.20 re Monitoring and Evaluation has not been addressed.

i - Cost Estimates and Financing Plan

Table 12.7: Five-Year Indicative Budget for NNT Conservation Area management

- 1.1.5: 5.5 Community Development
- 1.1.6: 5.6 Cultural Preservation of ethnic Minorities
- * No detailed costs in Development Plan for Indigenous Peoples Programmes.