

September 10, 2008

Mr. John Cooney
Director, Infrastructure Division
South East Asia Department.
Asian Development Bank
PO Box 789
0980 Manila PHILIPPINES

Dear Mr. Cooney,

Nam Song and Nam Leuk Hydropower Projects, Lao PDR

I am writing with regard to the implementation of the Nam Song and Nam Leuk Environmental Mitigation Implementation Plan. I know you are leaving the Bank soon so we hope that you will be able to follow up on these issues prior to your departure.

We recognize the positive steps taken by the ADB and Lao government to mitigate the projects' outstanding impacts since the environmental mitigation plan was approved in January 2007. However, interviews with villagers earlier this year reveal that problems with water supply and fisheries compensation persist.

A researcher visited the affected villages in March 2008 to determine the adequacy of the mitigation activities. This letter outlines outstanding problems in affected villages and makes recommendations to ensure that affected people receive fair compensation in a timely manner. We recognize that as the information presented in this letter dates from March 2008, progress may have been made on some of these issues in the intervening period.

1. Many villagers still do not have reliable year-round water supply

We appreciate EdL's work to ensure that villagers affected by Nam Leuk and Nam Song have reliable water supply systems. EdL wrote in its letter to International Rivers dated April 5, 2007 that it was drafting water supply maintenance guidelines and was organizing village maintenance teams. The researcher found that this work has largely been carried out in affected villages.

EdL also wrote that it "may need to keep close eye in each village on how the maintenance is being run." Interviews with affected villagers reveal that many villages continue to have problems with reliable water supply. EdL and the ADB must take action to fix these problems and establish better monitoring systems to ensure that villagers have adequate water supply.

In some villages, the wells and water supply systems installed by the project have alleviated their dry season water shortages, but in other villages shortages remain. These problems are summarized below. **We urge the ADB and EdL to carefully review the ongoing problems with water supply, visit the affected villages to confirm the findings and implement**

solutions in coordination with affected villagers to ensure that they have reliable year-round water supply.

Ongoing water supply issues in villages affected by Nam Song

Village	Problem	Recommendation
Ban Ponsong	Gravity-fed water system not functioning due to broken water pipes; groundwater well built by EdL does not have sufficient water	Build 2 or 3 additional groundwater wells
Ban Phonthong Neua	Inadequate water supply during dry season.	Build 3 additional groundwater wells.
Ban Somsanouk	3 groundwater wells are broken	Build at least 3 new gravity-fed-water systems or 3 groundwater wells. Fix groundwater well at primary school.
Ban Vangsong	Groundwater wells insufficient; water table is dropping during the dry season and drying up the groundwater wells. Existing water tanks and distribution systems are not appropriate. Some villagers receive more water while others receive less, particularly if they live far from water tanks.	Build at least 4 groundwater wells. Fix water tanks and intake and outtake pipes so water can be evenly distributed.
Ban Nam Pat	One groundwater well is broken and two others do not provide sufficient water. EdL told the village chief that their village is small and they can only support fishpond activities.	Build at least 4 groundwater wells.
Ban Houay Dok May	Unclear whether current groundwater wells will provide adequate water supply.	Monitor situation.

Ongoing water supply issues in villages affected by Nam Leuk

Village	Problem	Recommendation
Ban Tham Din	Villagers do not have enough water in the rainy season.	Build one additional bore well.
Ban Houay Leuk	Villagers do not have enough water during dry season. One well broke and was replaced by a new well in early 2008, but it does not work.	Fix broken wells or build a new one.
Ban Nyang Kheua	One groundwater well does not work because there is no water pump. The villagers still have water shortages during the dry season.	Villagers have asked EdL to raise the water tank higher and supply a new pump. However, there has been no response.

2. Delays in implementing fisheries compensation; concerns regarding viability

We recognize the actions that have been taken to mitigate fisheries impacts on villagers affected by the Nam Song and Nam Leuk hydropower projects. During the March 2008 trip, the researcher found that fish ponds had been constructed as promised. One small demonstration fish pond and one large fish pond had been constructed per village, and most villages had received training in how to manage the ponds.

However, the villagers stated that the fish ponds were too small to replace the fisheries lost to the dam projects; most of the fish ponds were dry; and none of the villages had received fish fingerlings or information about how they were supposed to obtain them. In addition, several of the ponds were leaking water.

Said one villager affected by Nam Leuk dam:

“we are not happy with the fishpond provided by the project because the ponds are small and not able to replace the losses from the dam. We have asked for a larger and sturdier pond but the project did not meet the demand of the villagers.”

This brings up four issues that must be resolved by the ADB and EdL.

2.1. Implement plans in a timely manner

First, fish pond-related mitigation plans must be implemented in a timely manner. Villagers must be provided with fingerlings for as long as it takes for the ponds to become profitable and self-sustaining. Ponds that are leaking water must be repaired or reinforced.

In EdL’s letter to International Rivers dated April 5, 2007, the company stated that “This long-term livelihood development needs a step-by-step and participatory approach.” We ask EdL to fulfill its commitment to affected villagers by implementing plans in a timely manner with the participation of and consultation with affected villagers.

2.2 Develop recourse mechanisms for villagers

Secondly, EdL and the ADB should develop recourse mechanisms for villagers who have problems with mitigation activities. The researcher noted a common problem amongst affected villagers was that they did not know who to contact to resolve problems with broken wells or fish ponds. EdL should outline communication procedures for affected villagers to resolve problems with mitigation activities. These procedures should clearly identify individuals the villagers should contact. These procedures should be shared with villagers.

2.3. Conduct regular monitoring of mitigation activities

EdL and the ADB must carry out regular monitoring trips to villages affected by Nam Leuk and Nam Song to determine whether fisheries mitigation activities are successful, to record outstanding problems and to create an action plan to address outstanding issues. While we recognize the efforts made to construct fish ponds, the ADB and EdL’s obligations to villagers should continue until mitigation activities are established, implemented and are successfully providing villagers with fisheries for their diet and income. To ensure that these obligations are met, regular monitoring trips must be carried out.

2.4. Provide compensation for past fisheries losses and additional fish ponds

Finally, the ADB and EdL should provide compensation to villagers for lost fisheries until mitigation activities are successfully implemented and are replacing livelihoods lost to the hydropower projects. Villagers affected by Nam Leuk and Nam Song projects have suffered fisheries losses for the last 9 and 12 years, respectively. The ADB and EdL have a responsibility to compensate villagers for past losses until the fisheries mitigation activities are successfully implemented. This should be negotiated with villagers directly. In addition, the fish ponds that have been provided are too small to meet the needs of all villagers. The ADB and EdL should help help villagers build more and larger fish ponds to meet the dietary protein needs of all villagers.

Specific problems with fisheries mitigation in villages affected by Nam Song and Nam Leuk are outlined below.

Problems with fish mitigation activities in villages affected by Nam Song

Village	Problem	Recommendation
Ban Ponsong	Villagers do not have fingerlings or info on how to obtain them. Ponds are too small to meet needs of villagers.	Raise the dike higher and enlarge the fishpond. Provide fingerlings.
Ban Phonthong Neua	Villagers do not have fingerlings or info on how to obtain them.	Provide 20,000 to 30,000 fingerlings for their fishpond.
Ban Vang Song	Fishponds are dry and without fish.	Line the pond with concrete so water will stay in pond longer. Provide fingerlings.
Ban Nam Pat	Demonstration fish pond does not have water in it. They have not received fingerlings. Villagers unsure if fish ponds will be useful.	Provide fingerlings. Fix demonstration fish pond.
Ban Vang Khi	Villagers do not have fingerlings or info on how to obtain them. The fish pond has flooded villagers' lands.	Determine whether fish pond should be relocated. Provide fingerlings.
Ban Houay Dok May	Villagers do not have fingerlings or info on how to obtain them. Villagers unsure if ponds will be useful.	Provide fingerlings.

Problems with fish mitigation activities in villages affected by Nam Leuk

Village	Problem	Recommendation
Ban Phou Paman	Fish pond does not have good access to water since it relies on rainwater. Water leaks from pond, and villagers have had to replenish it. No fingerlings received. Problems with pond management since school is in charge of it.	Determine whether pond should be relocated. Provide fingerlings. Discuss management of pond with villagers to come up with better solution.
Ban Tham Din	Training in fishpond management and maintenance has not been conducted.	Provide training. Help set up fishpond management

	Fish food provided by project initially but now is discontinued. There is no food for the fish. No water in big village fish pond. Village fishpond management committee has not yet been set up.	committee. Help villagers set up large fish pond. Provide fingerlings.
Ban Houay Leuk	Training in fishpond management and maintenance has not been conducted. No fingerlings provided for large pond.	Provide training. Help set up fishpond management committee. Provide fingerlings.
Ban Yang Kheua	Villagers do not have fingerlings or fish to release into the big pond and do not know when they will receive them. Dike blocking the river for big pond is not high enough and is damaged easily when the water in the river is high.	Provide fingerlings. Raise dike for large pond.

3. Other issues

EdL also noted in its correspondence that Dr. Montri will conduct further monitoring and prepare an evaluation report of the works after completion. “This will provide EdL and ADB with information on whether the mitigating measures have been implemented effectively, and whether more needs to be done.” Will you please send us a copy of Dr. Montri’s monitoring and evaluation reports and inform us of what actions EdL and ADB are taking in response?

While we recognize the ADB and EdL’s work in mitigating the impacts of the Nam Leuk and Nam Song hydropower projects, we are concerned that this work is not being given the priority, planning or resources to be successfully implemented. We hope you will carefully consider the issues raised in this letter and take concrete and timely action to rectify outstanding problems with water supply and fisheries. We hope that EdL and the ADB will institute mechanisms to ensure that affected villagers do not have to wait another ten years for the mitigation programs to be fully implemented.

We look forward to your response.

Sincerely



Aviva Imhof
Campaigns Director

cc Mr. Anthony Jude, Principle Energy Specialist, SERD, ADB
Mr. Kim Gil-Hong, Lao Country Director, ADB
Bruce Murray, Director-General, Operations Evaluation Department, ADB
Mr. Khammany Inthirath, Managing Director, EdL
Mr. Thongphet Douangneune, Manager, Environmental Office, EdL