

**International Rivers NT2 Questions and Responses from NTPC
January 2008**

Resettlement

1. How many permanent houses have been constructed? How many are left to be completed, and by when?

Approximately 800 houses finished to date (27 January), remainder to be completed at by the end of March 2008.

2. How will the new agriculture approach work?

A combination of rain fed and irrigated agricultural plots (both available to each household, cropping patterns and general approach modified to suit individual locations.

Is there a plan that will be disclosed?

Yes, there are detailed plans outlined in the Social Development Plan (SDP) and obligations clearly defined in the Concession Agreement..

Where will the 3 ha for forage and the 5 ha for pasture come from?

From community forest areas, and possibly from an additional area of land at the north end of the plateau being allocated to the resettlers.

When will irrigation systems be established for the 0.6 ha plots?

In 2008 the first irrigation schemes outside the Pilot Village will commence operation. Irrigation schemes will continue to be developed until all 0.66 Ha plots are covered.

What was the experience of villagers using the drawdown zone for rice cultivation this year?

Reasonable – 365 hectares were planted, with an average yield of 735 kg/Ha

How many hectares of rice were affected by flooding?

Approximately 60 Ha around the drawdown zone.

What are villagers being encouraged to cultivate in the next rainy season? What land will be available for rice cultivation?

All the 0.66 ha plots will be cultivated in 2007 wet season, with proportions cultivated in rice.

What are the plans for livestock reduction?

Over the past 3-4 years there has been a natural trend towards overall reduction –

possibly somewhat related to anticipation of reduced grazing land but also due to changing lifestyles. It is now expected that a sustainable herd population of approx. 3000 head will be reached by 2009.

How many buffalo and cattle will each household be allowed to keep?

There has been no maximum number set. There are some large herd owners who will be offered alternative savings / investment alternatives.

Where and when will these sales occur and how will the project guard against a reduction in the price villagers receive for their animals?

Sales are not expected to reach a level that will significantly affect market price. Facilities for slaughter are being provided and small scale community meat processing is to be trialled for development as part of the livelihood development program.

What is the project doing to counsel villagers regarding the use of those proceeds?

Village savings schemes are in place and the community development teams are being restructured and additional staff recruited to enable more focus to be placed on sustainable use of resources, community management of facilities, and monitoring of living standards.

3. When will the reservoir fisheries plan and impoundment strategy be disclosed?

Decrees governing the Reservoir management Authority and the Reservoir Fisheries Association have recently been finalised and are being issued by GOL.. A Fisheries Team Leader has been appointed and the fisheries plan will be officially finalised in the coming months. However manufacture and distribution of small boats for household subsistence level fishing has commenced.

4. What is the status of VFA activities? Has the productive forestry component been affected by illegal logging in the community forest area?

Following significant capacity building and provision of infrastructure, VFA is preparing to enter the second phase of its development, with increased commercial operations. Regular dividends expected to be paid to villagers by 2009.

Illegal logging is always a threat – however District, and Provincial authorities are cooperating to keep this to a minimum.

What is being done to prevent this problem? How will the new land allocations (3 ha and 5 ha) affect other uses of the community forest area and the viability of the VFA plans?

Community forestry goes hand in hand with the agro-ecological agricultural approach advocated for the 3 Ha and other additional areas.

5. Which villages are still receiving protein and rice support and for how much longer? Some villages reported to us that protein support stopped a few months ago, but that rice support continues – is that correct?

Rice support is on-going for all families. This will continue until it is demonstrated that harvests/incomes are sufficient – but at least until the end of 2008.

Why has 37 weeks been selected as the cut-off date for this support? How does this meet the Concession Agreement requirement that his support be provided until resettlers can “attain and sustain the household income target”?

37 weeks happened to be the time that the villagers from Sop On (the first village to move apart from the pilot village) took to establish sufficient income from other activities to be able to provide for their own protein (note that vulnerable are still provided with protein and that rice is provided to all). It was considered that other villages would not take nearly as long (as the early “teething” problems with the resettlement process had been overcome – however, to avoid any jealousies or feelings of inequality, the Resettlement Committee passed a resolution to set the period at 37 weeks for all villages. Note that there is no duration specified in the CA.

6. What is the process for determining a final location and livelihood program for Vietic villagers from old Sop Hia?

Numerous and extensive consultation have been held with the Vietic Sop Hia, both by NTPC and also by Independent Specialists contracted by the World Bank, lenders, and others. Most recently, independent consultations were conducted over a two week period in May 2007, at which it was decided that the families would stay in their current location (moved up hill away from the water), but that the “doors would remain open” for them to join the NT2 Nakai resettlement program at a later date (not specified) if they wish. In the meantime, improved houses have been constructed (at their current location), protein and rice distributed, regular health checks ongoing, house gardens established and supported, water supply augmentation planned, small school house established and teacher provided. More livelihood consultations planned for 2008 aimed at improving their living standards and subsistence lifestyle at their current location.

Biomass

1. What is the clearance plan?

The CP focuses on areas of interest for the development of livelihood programs. As a priority, areas below MOL will be cleared, for (i) access corridors and (ii) fishing areas. A total of 3000 is identified for this purpose, will be clear of any ligneous vegetation by impoundment. Vegetation will be cut (30 cm above ground) and burnt. Activity will be carried out by MAF, with NTPC financial support. After this operation, more than half of the area below MOL, upstream of Ban Thalang will be clear of vegetation. However, the largest part of biomass will still remain in the soils, not affected by this clearance.

What alternatives were considered?

Improvement of water quality in the reservoir will be achieved by 2 years of fill and flush (2008 and 2009), and to a lesser extent by selective vegetation removal.

How was this plan selected? Was there any review of the plan by independent scientists?

Impoundment Optimization study was carried out in 2007, and its results discussed with GoL and IFIs. GoL took an official position on the strategy in December 2005, and defined with NTPC the areas to be cleared.

Are those reviews available to the public?

Not yet.

2. What are the water quality implications of the selected plan for the reservoir and the downstream areas?

Water quality improvement relies much more on the Fill and Flush procedure, which allows to reach the soil biomass (highly degradable), rather than the selective vegetation clearance.

What are the predictions for greenhouse gas emissions from the reservoir of the selected clearance plan?

GHG emission by the cut and burn clearance is not assessed. Nor is the marginal decrease of GHG emissions of the reservoir due to this removal, after impoundment. This is to our knowledge not feasible.

Will water quality (reservoir and downstream) and GHG emissions be monitored, and for how long?

Water Quality Monitoring is being ongoing since 2005, and will continue for the whole concession period. A strong emphasis (through reinforcement of the program) will be put during the next wet season on the reservoir and the Nam Then areas. GHG will be monitored, but since this is not standard measurements, an ad'hoc procedure is being developed, with the support from EDF experts with similar experience on South American tropical reservoirs.

Project Lands

1. What is the status of compensation payments for villagers in Mahaxai and Gnommalat districts?

This activity is presently ongoing.

What payments have not yet been administered?

- Spoil area expansion payments
 - Additional PAHs that have been found to be classified as less than 10%
 - PAHs affected more than 10% that have requested to receive final cash compensation through the grievance procedure.
 - Pending grievance payments
2. How was compensation for common property resources administered (eg – directly to households, or to village savings funds)? Common Property Resources compensation by Project Lands is provided to the village and not to individual households. This does not go into the village savings fund, but is allocated by the village to invest in community assets agreed through consultations with villagers and the Village authorities and GOL District.
 3. How many hectares of land are still required to replace the land lost by the approximately 300-400 significantly affected households? The land for land option

through direct acquisition and development by NTPC has proven to be unsuccessful and a different approach to land replacement is being utilized.

The land for land option was unsuccessful due to the lack of available equivalent land within an acceptable radius of the PAHs residence and other fields. Land that could be economically developed (irrigated land) was outside PAHs range and did not meet PAHs standards of replacement land due to the walking distance and other factors.

Note that number of significantly impacted PAPs has been revised down from this figure following very close revision of the impact assessment, the final designs of the constructions sites as well as the PAPs assets as registered during the baseline studies prior to land hand over.

How many of these households will receive replacement land of the same size and productive value? 6 PAHs, who have received land of at least equal size or larger than the land they lost.

Why wasn't the availability of adequate replacement land determined before villagers' land was taken? Certainly availability of replacement land was investigated and assessed as available and the GOL well aware that such land would have to be found for PAPs. However, acceptability of replacement land could not be forecasted. What was assessed acceptable land back at FC often is no longer acceptable to PAPs but the company's obligation remains to find land for land replacement where this is the wishes of the PAPs. The PL Team has worked very hard with communities to propose acceptable land but in the end, the PAPs choose to source such land themselves, rather than involving NTPC. NTPC is of course involved in the purchase.

4. What is the status of livelihood restoration activities for significantly affected villagers in Mahaxai and Gnommalat districts?

Livelihood restoration activities in Gnommalath are presently ongoing and are generating income for the PAHs. There are no Project Lands LRAs in Mahaxai as there is no LRA programme there being handled by the Project Lands office. All severely affected PAHs in Mahaxai have requested and received final cash compensation.

What activities have been successful? In general, all activities are proving to be successful however there may be isolated incidents where unexpected adverse occurrences happen. For example, one delivery of juvenile frogs died after they were released in the PAH frog tanks. In this instance, PL will provide replacement juvenile frogs at the suitable time (in 2008) for raising frogs.

Are all inputs for these activities being provided by NTPC, or are villagers using part of their compensation or savings and credit funds to initiate these projects? As per NTPC Project Lands Livelihood Restoration Activity policy, NTPC provides all necessary inputs to initiate these LRA.

5. What villages in Mahaxai and Gnommalat districts have received or will receive water supply systems (such as new wells)?

The water supply program in Mahaxai and Gnommalath is coordinated by the DS Program. All PL affected wells have been replaced or compensated for (relating to PAHs who lose their individual well). In incidences where wells with hand pumps have been constructed within PL areas, these details can be found in the water supply reports of Nakai or DS. Therefore the DS program list includes all PL constructed wells.

6. How many grievance complaints have been filed, and how many have been resolved? Grievances are filed with the Village Grievance Committee, who then investigates its validity and resolves the grievance at the village level, if possible. Should there be inconsistencies or concerns, the VGC can then forward the grievance to the District Grievance Committee. The Project Lands office does not have the exact numbers of grievances and those that have been resolved and is presently strengthening communication mechanisms between GOL and NTPC and record keeping to deal with the situation. Note that these numbers are not static as people register grievances month by month and some are withdrawn or resolved.

Downstream Program

1. Why hasn't the downstream livelihood and asset restoration plan been disclosed? When will it be released to the public?

Please consider that information release on planning and implementation has been amply undertaken and continues to be done real time to the public that matters most....the people living in the DS area. Such information dissemination occurs daily through the extensive community development teams working now in over 20% of the villages of the DS area. A "western" style planning document is almost not useful at all for the public of the DS areas. Much more meaningful dissemination must be done in order to ensure public involvement in the programme and this is what we focus on.

However, recall also that the SDP contained an entire volume of discussion of the project and its impacts and what the GOL and NTPC intend to address. This was reported on websites, translated into Lao and provided to GOL agencies at all levels. Secondly, a DSIP was developed, also translated into Lao and provided to the GOL complete with Workshop and various levels of GOL present from Ministries, Province and District people. Thirdly, the annual public forum which lasts an entire week provides planning information as well as update on progress, and responses to public on issues of concern. Fourthly, the IFIs provide regular public updates of the project on their websites.

2. What is the plan and timeline for scaling-up the program to all 223 villages in the Xe Bang Fai area?

NTPC and GOL are now working on the operational aspects of scaling up. Agreement is reached with all concerned authorities that GOL at District level will be a major player in the expansion of the programme to all villages beyond the pilot phase. Having demonstrated many successful aspects, the pilot phase will be used as the basis for the implementation of subsequent phases. The timeline is obviously from now until COD with priorities agreed on Khamkerd area and riparian areas along the XBF as well as with sectoral interventions such as WASH. The DSP is currently active in 42 villages. During 2008 the program is expected to expand and be active in all riparian villages. In 2009 it is expected that preparations will be made to expand the program into the remaining hinterland villages, with activities commencing in late 2009.

3. How will NTPC address the income gap that will arise once impacts are experienced at COD (or earlier, depending on reservoir flushing) and before livelihood projects are generating sustainable income for villagers?

NTPC and GOL has put in place a livelihood development programme as well as infrastructure programme to address impacts of the DS areas. This programme is aimed at village level but targets HHs that will be impacted. At the same time, we are expanding the socio economic programme to define current status of incomes and track HHs that are impacted, the nature and extent of impacts....this will be complete post COD. It is not expected that the livelihood programmes will be late in the DS XBF areas. In the KK area, fast track programme is currently being agreed with communities and GOL to ensure villagers keep the same standard of income as prior to dam closure. The programme approach will be similar to DS XBF.

4. What has been the experience to date with the various pilot projects?

An evaluation is currently underway but our initial findings and confirmed by many monitoring missions is that the pilot village experience is positive including the micro finance component and the livelihood activities. Institutional organization has to be fine tuned to ensure full GOL participation as they are a central partner in the scaling up process as noted above.

5. Why are villagers bearing the risk of these pilot projects and being required to pay back the loans to the village savings fund even when these projects fail?

My understanding is that in case of failure, reasons are investigated and if mis handling can be demonstrated then payment is expected. But if the failure is "legitimate". The PAPs are not charged for the investment. There is in fact a built in grievance and community based evaluation into the VDCCs and we maintain that such failure is probably exceptional. A recent survey by ADB of micro credit demand and supply in Laos confirms the demand to be up to 40 times higher than the supply.

The risk is therefore totally on NTPC.

6. When will the results of the fish catch monitoring be disclosed?

We have collected data in DS areas for over 2 years and the results are being reviewed now as well as the FCM approach fine tuned to ensure improved methodology of collection. The full process will be integrated with the GOL FCM system so that Districts would play an enhanced role in the process of the FCM for years to come as well as TA to villagers associated with the livelihood fisheries programmes. The current data is being reviewed in early 2008. Beyond that, web based reporting may be envisaged by GOL.

7. How many and which water gates will NTPC rehabilitate and what plans are there for mini-polder construction and other flood protection measures by COD?

NTPC has currently identified 15 water gates in the lower XBF. Selection of which gates will be rehabilitated prior to COD will be done in consultation with district and provincial authorities. The mini polder approach is being piloted. While back flooding which annually occurs and damages many crops in DS XBF areas is a proven culprit to the current difficulties faced by many farmers, the implementation of mini polders to rectify this problem is not simple. Community participation can be expected but needs much management. It is likely some of the work will be contracted. When the full benefits of the pilot are assessed,

the approach will be replicated to other areas. Beyond this, the GOL has finalized flood and irrigation infrastructure pre-FS being discussed with IFIs now.

8. What is the compensation and livelihood restoration plan for affected villages downstream of the dam that use the Nam Theun?

NTPC and GOL has put in place a livelihood development programme as well as infrastructure programme to address impacts of the DS areas. This programme is aimed at village level but targets HHs that will be impacted. At the same time, we are expanding the socio economic programme to define current status of incomes and track HHs that are impacted, the nature and extent of impacts....this will be complete post COD. It is not expected that the livelihood programmes will be late in the DS XBF areas. In the KK area, fast track programme is currently being agreed with communities and GOL to ensure villagers keep the same standard of income as prior to dam closure. The programme approach will be similar to DS XBF.

9. What is the fill-flush strategy for the reservoir? Where and when (Nam Theun or XBF) will those releases occur?

Note that the Fill / Flush approach is related to the reservoir impoundment management and not to the DS areas.

Response to International Rivers:

Summary of Concerns and Recommendations Expressed by Nam Theun 2-Affected Villagers November/December 2007

Comments by M. J. Beauchamp 28/1/08

Issue Raised	Applicable Villages:	Comment / Response:
Rice Support	All	Rice support is to continue AT LEAST until the end of 2008. Withdrawal of rice support will be closely linked to rice harvests by villagers as well as income derived from livelihood development.
Water Supply	All	It is acknowledged that some villages do not yet have fully adequate water supply – notably Sop Phene. However, it should be pointed out that the coverage at all villages ranges between 1 well per 5 houses to 1 well per 8 houses – which is within the Lao national guidelines. Having said that, NTOC recognizes the need to further develop water supplies at all villages until the CA agreed coverage rate of 1 to 5 has been achieved. NTPC has commissioned the drilling and equipping of more than 200 boreholes and drilling resources are limited. Therefore, the policy has been adopted that it is better to start with insufficient coverage in many villages and then improve the coverage, than to provide immediate adequate coverage in some villages and none in others.
Timber houses	All	Timber houses will be fully complete by April 2008
Fruit trees	Done, Sop On	Some fruit tree seedlings dying can be expected, and there are particular difficulties with southern villages of Sop On and Done regarding soil fertility in general. The Agriculture Team are committed to finding the most appropriate mix of irrigated and rained cropping to suit individual locations.
“Ineligible Resettlers”	Raised in relation to Phonesavang bit applicable to	These are households who moved into the area after the 2003 census which served as the cut off date for eligibility – except for cases of marriage, relatives returning from outside the area and other . Sanitation

Issue Raised	Applicable Villages:	Comment / Response:
	several villages.	facilities are being provided and discussions are also in progress with RMU and District as to how to assist these (voluntary) resettlers who have mostly come from the WMPA area. Assistance is likely to be of the form of more permanent housing and possible livelihood assistance.
Pilot Village issues	Nong Boua	The Pilot Village, as the first village to be resettled, are the first village to realize the benefits of relocation, including markedly improved health, education, and increased incomes. However they are also the first to experience the “post resettlement” downturn, as labour opportunities diminish and maintenance of community managed facilities requires focus (especially irrigation). Handover strategy and sustainable operation through trained community groups will constitute the main efforts as infrastructure is completed.
Vietic (Ahoe, old Sop Hia) households	Old Sop Hia	<p>Comments on this village were provided in the other response:</p> <p>Every efforts has been made to find alternative sites acceptable to all parties, especially to the Ahoe. It is a very long story and plenty of reports are available. At the current time the only viable ones appear to be 1> stay where they are, maintaining a traditional lifestyle and 2> joining the resettlement program on Nakai. Many other alternatives were proposed but none viable, for a variety of reasons but primarily they were unacceptable to the Ahoe.</p> <p>They are currently still in their original location, but moved uphill of the inundation area to improved housing – not quite the full resettlement house but sturdy frames and roofs with bamboo walls. Efforts are being made to improve the standard of living through augmenting the water supply, providing household gardens, etc. NTPC is proceeding at village level on the basis that they will remain in their current location indefinitely, thought the final decision on their status must be agreed by GOL.</p> <p>There are, however, certain limitations arising from</p>

Issue Raised	Applicable Villages:	Comment / Response:
		the choice made by the Ahoe to remain in a traditional set-up in the protected corridor area. Road access will need to remain very limited, and electricity highly infeasible.