



November 9, 2007

By email and fax

Mr. Viraphonh Viravong
Director General, Department of Energy
Promotion and Development
Minister of Energy and Mines
Nong Bone Road, Vientiane
Lao PDR

Dr. Viengsavanh Douangsavanh
Director General, Department of
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Water Resources and Environment Agency
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Dear Mr. Viraphonh and Dr. Viengsavanh,

International Rivers commends the Government of Lao PDR (GoL) for recently re-affirming its commitment to the sustainable development of the hydropower sector at the “High Level Forum on Lao-Thai Partnership in Sustainable Hydropower Development.” We appreciate that the GoL is making efforts to improve the quality of hydropower projects in Lao PDR through the implementation of the National Policy on the Environmental and Social Sustainability of the Hydropower Sector. As stated in our previous letter (September 2006), the Policy contains many important principles that support the long-term interests of the Government and the people of Lao PDR.

International Rivers would like to better understand how the National Hydropower Policy is being implemented, and therefore would appreciate your response to the following questions:

1. What divisions of the Water Resources and Environment Agency (WREA) and the Ministry of Energy and Mines (MEM) are responsible for implementation of the National Hydropower Policy? Who are the most appropriate contact people in these divisions for questions about the Policy’s implementation?
2. Have guidelines been issued concerning “free, prior and informed consultations” with project-affected communities that are “meaningful, balanced and transparent” (Section 4)? If so, how may we obtain a copy of these guidelines?
3. International Rivers received a response to our January 2007 letter from the former Lao National Committee for Energy noting that environmental and social impact studies and reports for the “Nam Ngum 2 and Xe Kaman 3 Hydropower project which are now under construction...have become available at STEA offices for inspection or review.” However, when I visited the STEA office on two occasions in March 2007, I was told that these documents were confidential. International Rivers would like to again request a copy of the Nam Ngum 2 and Xe Kaman 3 projects’ environmental impacts assessments (EIAs). Where have these documents been publicly disclosed, as required by the Policy (Section 5), and how may we obtain a copy?
4. It is our understanding that EIAs for the Nam Ngum 3, Nam Theun 1, Theun-Hinboun Expansion Project, Nam Tha and Don Sahong projects have also been received by

WREA/STEA. International Rivers would like to request a copy of these documents. When and how will these EIAs be disclosed?

5. Have project consultation reports, resettlement/social development plans and monitoring reports been publicly disclosed, as required by the Policy (Section 5)? What system is in place to ensure timely disclosure of these documents, along with the EIAs mentioned above?
6. Has a third-party monitoring body been established? What are the procedures for third-party monitoring, as required by the Policy (Sections 1, 8)?
7. The Policy notes that “Detailed procedures and supporting decrees (if any) for implementing the environmental and social guidelines set forth in this Policy Statement, and an institutional framework for GoL monitoring and oversight will be issued by the end of 2006” (Section 9). Have these procedures and decrees been issued yet?
8. Has an annual “Status of the Environment, and Social Compliance Report detailing the performance of all hydropower projects in planning, design, construction and operational phases” been issued yet, as required by the Policy (Section 10)? When will this report be available?
9. What is the status of the Environment Protection Fund? What agreements have been established with hydropower projects to ensure that a portion of revenues from each project are allocated to this fund, as required by the Policy (Section 7)?
10. Have costed plans and timelines to bring the Theun-Hinboun, Houay Ho and Nam Leuk projects into full compliance with the Policy (Section 8) been developed yet? If so, how may we obtain a copy of these plans?

International Rivers believes that the National Hydropower Policy will make an important contribution towards improving the sustainability of the sector in Lao PDR. We are interested to see that the policy is successfully implemented so that people affected by hydropower projects receive just compensation and the environment is protected.

Thank you for your attention to these questions. We look forward to your response.

Sincerely,



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Cc: Mr. James Nugent, Asian Development Bank Country Director for Lao PDR
Mr. Patchamuthu Illangovan, World Bank Country Manager for Lao PDR