



International Rivers Network
Linking Human Rights and Environmental Protection

CORRECTIONS TO “RESPONSE OF THE WORLD BANK AND ASIAN DEVELOPMENT BANK TO THE NAM THEUN 2 TRIP REPORT AND PROJECT UPDATE (MAY 2007) OF THE INTERNATIONAL RIVERS NETWORK”

1. **Income targets for Nakai Plateau Resettlers:** Contrary to what the World Bank-ADB Response asserts, the Panel of Experts argues that “lower priority continues to be given to livelihood development to the extent that it is unlikely that Household Income Target will be reached by the beginning of year 5 of the Resettlement Period, as required by the Concession Agreement” (POE, 11th Report, February 2007, p. 11).
2. **Village Forestry Association:** IRN has been informed by multiple sources close to the project: 1) that the VFA is in crisis; 2) that illegal logging has removed many large trees from the community forest area; and 3) that the VFA has not received the revenues it is due from the sale of timber from the resettlement area.
3. **Project Lands:** Villagers lost land and resources more than one year ago, and problems with compensation have still not been resolved. Aside from unequal and confusing compensation payments for lost land, most of the villagers with whom we spoke had not received compensation for a number of other losses, such as fisheries and forest products. As the resettlement action plan has not been disclosed, it is not clear if any replacement land is available and has been provided to villagers, and what alternative livelihood restoration measures have been implemented or are being planned in other cases.
4. **Xe Bang Fai Downstream Program:** In meetings with IRN in March, the World Bank and NTPC said the downstream program was designed with the “worst-case scenario” of 85% fish losses for parts of the Xe Bang Fai in mind. For affected people estimates, the IRN report cites 2001 independent research: “According to statistics from district offices, recent research, and the study team’s interviews with villagers, an estimated 120,000 to 150,000 people are currently deriving significant and important livelihood benefits from the Xe Bang Fai River.”¹
5. **WMPA/Nakai-Nam Theun National Protected Area:** In its February 2007 report, the Panel of Experts repeats observers’ assessments that the National Protected Area is “bleeding rosewood” (p. 27). The POE also details the significant scope of the mining operation that the Update refers to as ‘small-scale:’ “On June 7, 2006, the then-Deputy Prime Minister signed a notice allocating six hectares within the [National Protected Area] above Ban Nakadok for artisanal mining. When the POE visited the area, we found about 700 people involved with mining, some of where were local villagers but others were Vietnamese.... A very few were using the traditional artisanal gold panning, but most were digging lateral or vertical shafts, many using diesel pumps, pneumatic drills and other forms of mechanized equipment. Some of the shafts were around 50 meters deep. One group who said they were a company sponsored by the Lao Army had a Chinese foreman and was using a backhoe and other mechanical equipment. In addition to the mining activities presumably in the allocated six hectares, we found mining shafts and exploratory digging extending over a much larger area...” (p. 26).

¹ Shoemaker, Baird and Baird, *The People and their River: A Survey of River-Based Livelihoods in the Xe Bang Fai River Basin in Central Lao PDR*, November 2001, p. xi and Appendix 2.

The operations of the WMPA were beyond the scope of IRN's investigation as IRN is unable to follow all project-related issues.

6. **Biomass Clearance:** Contrary to what the World Bank-ADB Response claims, the 2005 Nam Theun 2 Environmental Assessment and Management Plan, approved by the World Bank and the ADB, states: "Vegetation will be removed before flooding the reservoir...The priority shall be to clear the vegetation from all areas which will be permanently flooded." (EAMP, Ch. 3, p. 107).
7. **Information Disclosure:** As of June 10, 2007, Resettlement Action Plans for Project Lands and the Downstream Program have not been publicly disclosed, in violation of ADB and World Bank policies.

For further information, contact:

Shannon Lawrence
Lao Program Director
International Rivers Network
1847 Berkeley Way
Berkeley CA 94703

shannon@irn.org
+1-202-470-0131