



Theun-Hinboun Power Company Limited

24 May 2012

Ame Trandem
Southeast Asia Program Director
International Rivers
2150 Allston Way, Suite 300
Berkeley, CA 94704-1378
USA


Subject: THPC Expansion Project

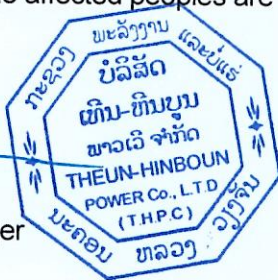
Dear Ame Trandem:

We refer to your letter, dated 3 February 2012, regarding the THPC Expansion Project. We have reviewed your letter and the attached document as well as reviewing the actual situation within the Project area, and accordingly, please find attached our responses to the issues raised in your letter.

We firmly believe that the THPC Expansion Project is undertaking international best practice in terms of environmental and social sustainability. Moreover, the THPC management is determined to ensure that all obligations to the affected peoples are fulfilled by THPC.

Sincerely,

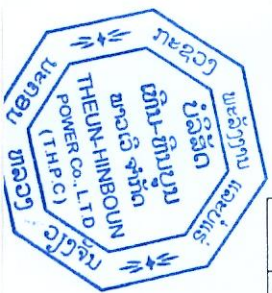

Robert Allen Jr.
General Manager



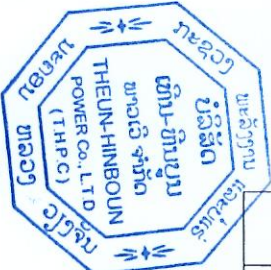
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IR COMMENTS AND THPC RESPONSES – APRIL 2012

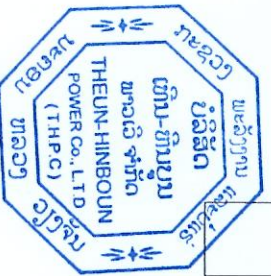
Ref.	International Rivers Comments: February 2012	THPC Responses: April 2012
1 a)	<p>The THXP Project's Resettlement Action Plan (RAP), Part 3, Section 20.1, Page 8, states very clearly that for Zone 3a, "Some villages will require (backward) relocation or complete resettlement to an area outside the village while the majority will require livelihood restoration in the form of alternative livelihood production systems." However, from our meeting with you on September 28, 2011, and from discussions with villagers, it now appears that all villages in Zones 3a are being moved in contradiction to the Resettlement Action Plan.</p>	<p>Please note that in the detailed section regarding Relocation, Section 23.3, 37 villages had indicated a preference for relocation during the first phase of public consultations with the villages. Then in 2008, pursuant to consultations with villagers and local government authorities, including village authorities, it was agreed that 22 villages out of 33 villages in Zones 3a, 3b and 3c would be relocated to 9 relocation sites. Three villages out of 11 villages in Zone 3a (Nam Hai and confluence with the Nam Hinboun) will not be relocated: Nakham, Namsanam and Nahin (Khounkham). Acknowledging that the project may incrementally add to natural flood events the relocation program involves moving villages to flood safe areas, improvement of food security through enhancement of dry season irrigation and other livelihood interventions, and improvement of services.</p>
	<p>In addition, during our meeting with you, you indicated that all villages in Zones 3b and 3c will also be moved in the coming one to two years. Again, this contradicts the Resettlement Action Plan, which states in Part 3, Section 20.1, Page 3 that no resettlement or relocation will be required for villagers in Zones 3b and c.</p> <p>In other words, it appears that the Theun-Hinboun Power Company is relocating all villages in Zones 3a-3c, despite having stated in the RAP that only some villages in Zone 3a would be moved and that no villages in Zones 3b or 3c would have to be moved.</p> <p>While THPC has consistently claimed that the relocation that it is carrying out will be "within village territories", and therefore of less disruption to relocatees than resettlement, it is clear that this is not the case. The three relocation sites we visited are all consolidations of multiple villages, and some of these villages have moved up to 8 km</p>	<p>The minimum size of housing plots in relocation sites is 500 square meters according to the RAP, and where possible, THPC has provided housing plots in excess of 500 square meters. This is sufficient for allowing for the development of gardens and keeping and penning of small livestock. Penning of animals is encouraged as it is an improvement in terms of village sanitation and livestock management, but keeping of animals in the relocation villages is not prohibited in any way. THPC is promoting small livestock in the relocation villages through revolving funds for small livestock and vaccination programs.</p> <p>With regard to compliance with IFC Standards and Equator Principles the RAP provides a framework for relocation but the detailed planning is done through a participatory</p>



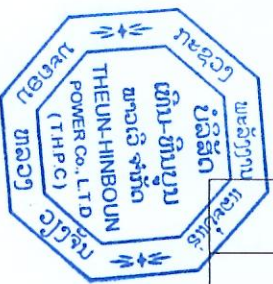
<p>away from their original locations. The relocation sites have minimal land around the houses for gardens, animals are apparently not allowed in them, and as of September villagers had not received replacement rice fields nearby. It is hard to see how this could be considered a “milder disruption” than resettlement, as THPC has claimed in the past.</p> <p>Furthermore, project relocation is being done in the absence of any public plan that articulates which villages will be moved, where they will be moved to, how the resettlement will be conducted and what entitlements these villagers will have. In this respect, THPC is in direct violation of the International Finance Corporation (IFC) Performance Standard (PS) 5.1, and therefore of the Equator Principles. Clearly, there has been no attempt to avoid or minimize displacement (PS 5, Paragraph 7). Indeed, it is still not clear how many people will be moved in the downstream areas and where they will be moved to. This is also a violation of the Equator Principles (PS 5, Paragraph 12), which specifies that a Resettlement Action Plan needs to be prepared for all people that will be displaced by the project.</p> <p>International Rivers has been asking for a number of years about how many villages downstream will be moved; which villages will be moved; where these villages will be moved to and what is the schedule for moving these villages.</p>	<p>process through which the villagers are proposing and approving relocation sites themselves. A detailed entitlement policy and implementation framework for the downstream relocation areas was also developed. THPC therefore disagrees with the contention that the company is in breach of the IFC PS 5 or the Equator Principles.</p> <p>After the identification in 2008 of the 22 villages that will be relocated THPC disseminated this information in all the concerned villages. In the process that followed the villagers took part in the selection of relocation sites. The selected location of the relocation sites are shown in a public document (Theun-Hinboun Expansion Project: From Inception to 2010) which already has been put on the THPC web site. A schedule for the relocation of the 12 villages that will be moved in the period up till 2017 has now been agreed with the Khammouan province authorities.</p> <p>The details of entitlement in terms of compensation, transport and reconstruction is determined on the basis of the above mentioned entitlement policy and agreed with all households in advance. For each relocation site, THPC will establish an Action Plan, which will be based upon the RAP, that provides the schedule for relocation and implementation of key infrastructure for such site. In addition, the Action Plan will include all entitlements for villagers. Such Action Plans will be available to all PAPs, posted at public information centers and on THPC’s website.</p>
<p>1 b)</p> <p>As noted on numerous occasions in correspondence from International Rivers to the Theun-Hinboun Power Company (THPC), the distinction between relocation and resettlement remains problematic, and results in serious questions about compliance with the Equator Principles. International Rivers is very concerned about the situation in the relocation sites we visited. People were given uneven and unfair amounts of compensation for their houses, and were expected to construct their new houses themselves. Many have gone into debt and have still not completed their houses. The compensation for fruit trees</p>	<p>The Lenders, IFA and the Government of Laos have all agreed to the distinction between resettlement (completely new area and livelihood package with full support) and relocation (move within or nearby existing site and enhancing existing livelihoods). The Lenders and IFA have approved of these plans and definitions from the start of the project, and have found them in compliance with IFC standards and EPRs.</p> <p>The compensation arrangements follow strictly the principles outlined in the entitlement policy and implementation framework. These principles are explained to the villagers in meetings prior to the relocation and again during the presentation of the calculated</p>



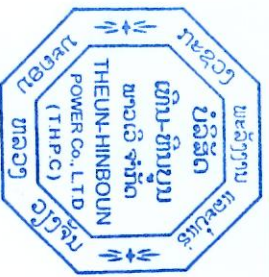
<p>also appeared to be inconsistent and unfair. Many villagers have not received replacement land and do not know where they will be able to cultivate rice, and there is mass confusion about the dry season rice program and what kind of support THPC will be providing. There have been very few livelihood programs implemented so far, and villagers are receiving very little relocation assistance. The IFC's Performance Standards have two definitions of resettlement: "physical displacement" and "economic displacement" (PS 5). Under IFC's definition, both relocation and resettlement villagers affected by the Theun-Hinboun Expansion Project are considered to be physically displaced. Under these standards, THPC is obliged to follow PS 5's requirement for physical displacement for both relocation and resettlement people. By continuing to offer fewer entitlements to relocated communities, we believe that THPC continues to be in violation of the IFC's PS 5, and therefore the Equator Principles, in the following ways:</p> <ul style="list-style-type: none"> For the downstream relocation sites, we found that adequate replacement housing has not been provided and cash compensation for housing is not at full replacement cost in violation of PS 5, Paragraph 6. In addition, people stated that they were not given a choice of options for adequate housing in violation of PS 5, Paragraph 8. According to our interviews and as confirmed in our meeting with you, people have been given cash compensation for their old houses but have been required to build their new houses themselves. Many households, although not all, were provided with roofing, concrete posts, nails and some rice for work to complete fences around their properties. However, many people stated that they had spent all of their compensation money on their house and/or had gone into debt to construct their new houses, and many people have half-finished houses that they are unable to complete as they have run out of money. This is likely to greatly impact the 	<p>compensation amounts after the survey of their actual fixed assets. The principles for calculating compensation, set out in the entitlement policy, have been applied for all relocated villages in Zone 3A and Zone 3B, and will be applied for Zone 3C, Middle Hinboun.</p> <p>Relocation involves a detailed calculation of value of the old house, cost to dismantle, cost to rebuild, and estimate of materials lost in dismantling process. This results in fair compensation for all households according to their existing assets. Cash compensation includes cost of labour to dismantle and rebuild, and allows households to decide whether to build themselves to save the money or use the funds provided to hire labour. All households have been provided with materials and assistance in equal measure according to the entitlement policy. Household with non-permanent houses in their old village have received wood to enable them to build a permanent house.</p> <p>Currently, there are four households that have decided to postpone the full construction of their house as they are undertaking other full-time commercial activities (producing wood flooring and seasonally migrating to seek work elsewhere). These four households have informed THPC that they will finish their houses shortly. In addition, there are two vulnerable households that THPC is currently assisting under the vulnerable household support policies.</p> <p>It should also be noted that the choice to slowly finish a house, once a secure foundation, wall frames, roof, and floor are in place, is a normal house building strategy in the region. Some households that want to build a larger house may therefore chose to finish their house gradually over some time and according to the funds available to the household. After the first relocation, THPC has learned to be more proactive in advising households not to try to build a bigger house that may be beyond their financial means; as such households then enter in debt for the sole desire to have a bigger house. THPC does not agree that households are unable to finish their houses based upon the support provided by THPC.</p>
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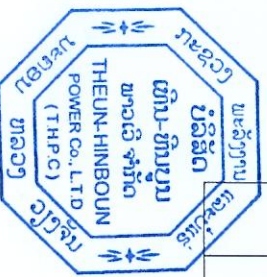
<p>ability of relocatees to meet THPC's income targets, not to mention the serious disruption in their lives.</p>	
<ul style="list-style-type: none"> • There are serious problems with land allocation in the relocation sites. Villagers are uncertain about where they will be able to cultivate rice in the future. We understand that some villages are expected to go back to their old village to cultivate dry season rice and others will be provided with new land. However, some villagers reported to us that their old land was six to seven kilometers away from their relocation sites, a distance that is too great for them to sustain. This should certainly be considered outside the bounds of village territory, as claimed by THPC. We are concerned that this failure to provide adequate replacement land is in violation of PS 5, Paragraph 8, and would like to urge THPC to take immediate steps to rectify the situation before a food security situation emerges. In our discussion, you mentioned that every village that had moved more than two kilometers away from the old village would be given land-for-land compensation. The wide and varying reports we heard indicates that this has not yet occurred, and needs to be rectified as soon as possible. 	<p>An assessment of each relocation site and existing land use has been undertaken by THPC. The solutions for food security look at existing production and potential. In cases where the distance from original fields is considered too great, new land is provided. This was the case for one of the villages that were relocated to Phoumakneng. For the villagers of Phoumakneng, the dry-season irrigation scheme enhancement at Vangdao provides land to all who require it. The distance from Phoumakneng is 4 km and a good all weather road link the irrigation scheme to the village.</p> <p>THPC does thus not agree that it is in violation of the requirements of PS5 as adequate replacement land indeed has been provided to relocated households.</p>
<ul style="list-style-type: none"> • THPC is renegeing on its commitment to subsidize electricity for dry season irrigation pumps for the life of the Concession. The Resettlement Action Plan Part 3, Section 24.4.2, Page 42, states that: "Where pump irrigation remains the only means to ensure PAPs have an opportunity to cultivate rice, the cost of pump irrigation (installation and energy) will be borne by THPC until end of Concession Period." As noted in the appendix, several 	<p>THPC is presently subsidizing all electricity costs for dry-season irrigation and providing key inputs. An assessment of the economic viability of the new systems will be undertaken in terms of food security once production levels are stable. THPC will continue to subsidize in order to ensure food security. It should be noted that pumps will also be used for other types of productions, such as cash crops.</p>



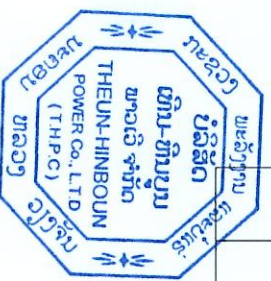
<p>villagers told us that they would have to pay 50% of the electricity costs for dry season irrigation. This was confirmed by you in our meeting.</p>	
<ul style="list-style-type: none"> • Very little relocation assistance was provided to relocated communities (IFC PS 5, Par 16), meaning that people got little assistance from the company to physically move their houses and other assets. In addition, they have not been getting any transitional food or other support from the company (PS 5, Paragraph 20). 	<p>Careful and extensive assistance was provided to all relocating households according to the entitlement policy. This included materials for new houses, transportation costs and labour costs for rebuilding, in addition to cash compensation for fixed assets. Food support was not provided, except for vulnerable families, as agricultural production continued on existing lands during this period. All inputs for irrigated rice production were provided.</p>
<ul style="list-style-type: none"> • Compensation for fruit trees has been poorly handled, inconsistent and often unfair with wide variations in compensation. Many people stated that they did not receive cash compensation at full replacement value, as required by IFC PS 5, Paragraph 8. People are unclear on why they received what they did, as the methodology for determining 	<p>Fruit tree compensation is calculated on the basis of the productivity of the trees and the price of fruits. Compensation for fruit trees not yet producing is based on the price of the seedlings, the maintenance cost and the age of the tree. These different factors can result in different compensation values for the same type of fruit trees as well as for different fruit tree species.</p> <p>The calculation of fruit tree compensation is thus complex and this could cause compensation to be perceived as inconsistent by the villagers. THPC will continue to implement in-depth consultations throughout the compensation process to ensure villagers understand the methods used. The prices used in the calculations are fixed by the local government authorities.</p> <p>Fruit tree seedlings (mango, jackfruit etc.) have been provided for free to all relocated households.</p>
<ul style="list-style-type: none"> • Compensation was poorly explained. 	<p>Consultations have been extensive with villagers in cooperation with the RMU and District authorities regarding entitlements. All households have signed agreements and the entitlement policy has been explained clearly.</p>



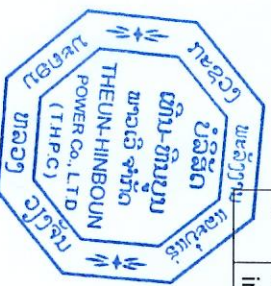
<p>All of the above violations stand in contrast to the entitlements given to those resettled from the reservoir area, who received new houses that were built for them by the company, were able to choose from a range of housing options, and who were provided with transitional relocation assistance. Those resettled from the reservoir area also received replacement land, although there appears to be serious concerns about the quality of this land, as outlined below. But nevertheless, there is a clear distinction between how “resettlers” and “relocatees” are being treated, and there is no justification for this differentiation under the Equator Principles</p>	<p>The entitlements for relocatees are different from resettlers given the extent of impacts from the project. The project is only one of the many factors regarding flooding along the Hinboun – natural floods, deforestation and changing land use also contribute significantly. Nevertheless, THPC has agreed to manage a full relocation and livelihood restoration process with income targets and responsibility for food security. The justification is clear in the RAP and has been approved by the Government of Laos, Lenders and LTA as compliant with the Equator Principles and in line with IFC standards.</p>
<p>1 c) Other concerns at the relocation site Villagers also reported to us a range of other concerns that they were facing at the relocation sites. Some of these are as follows:</p> <ul style="list-style-type: none"> • Many people were ordered by THPC officials to complete their houses by the end of 2011. This is problematic since many people have run out of money to complete their houses. 	<p>THPC is encouraging, not “ordering” people to complete their houses and providing technical assistance. The aim is to ensure that relocatees use money on rebuilding as per agreements.</p>
<ul style="list-style-type: none"> • Some villagers had to pay 50% of the cost for electricity connections to their houses, despite the fact that this was supposed to be free. 	<p>All households, regardless of whether their house in the old village had installed electricity or not, have been provided with a standard electricity meters and connection to the local grid free of charge. Households that desire to have meters with higher capacities than the standard have to pay for the price difference themselves. As for internal wiring and installations, if households had installed electricity in the old village then this item is provided for free, while those who previously did not have electricity installed is required to pay half of the wiring and installation costs, if such household desires such electrical installation.</p>
<ul style="list-style-type: none"> • In Ban Phoumkneng, there is concern about the flooding of the road levees that often occur as a result of just one day of heavy rain, which has the effect of cutting off the village, leaving people stranded. 	<p>During heavy rains the submersible bridges on the Phoumkneng road may flood for short durations (no more than 1-3 days). The current road access provided by THPC still represents a considerable improvement compared to the road access to the old village locations.</p>



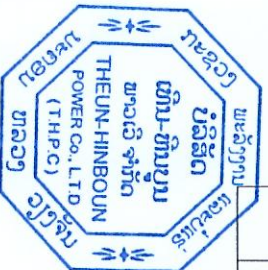
<ul style="list-style-type: none"> • Livelihood programs are behind schedule. The only program reported in our interviews was that of frog and fish ponds, and this program is of such a small scale that it is of limited livelihood benefit. • The grievance mechanism does not appear to be functioning well. People were either unclear of the process for making grievances, or afraid to make a complaint. 	<p>The livelihood activities mentioned are those initiated in the past in the old villages. These activities have continued to date and are being steadily expanded. However, it needs to be noted that the 250 hectares of irrigated rice fields at Vangdao also is a part of the relocation livelihood support program. Other significant livelihood support activities includes establishment of house gardens, livestock vaccination, provision of fruit trees and agricultural extension support. In the Annual Survey for 2011 99% of the households reported that they were participating in THPC livelihood activities.</p> <p>The process is very clear and has been used extensively. Consultations about grievance have been carried out in all villages. THPC teams will continue to work closely with villages regarding all problems.</p>
<ul style="list-style-type: none"> • Villagers received mixed messages and unclear commitments about who would be responsible for paying the cost of electricity for their houses. 	<p>THPC pays for the cost of electricity for all households during the reconstruction so that electric tools and electric light can be used to speed up the house building process. When most of the houses have been rebuilt a cut-off date for the provision of free electricity is announced. After the announced date relocated households are responsible for paying their own bills for domestic electricity as other households in Laos.</p>
<p>2 Ban Nongxong Resettlement Site</p> <p>International Rivers visited Ban Nongxong (a resettled village and a host village). Due to the limited time, only six households were interviewed. Whilst this is a small sample of the people living in this village, we would like to draw your attention to the following issues of concern reported to us by these people. These include:</p> <ul style="list-style-type: none"> • Problems with the quality of land provided to resettled people. The soil quality is poor and the preparation of the land by THPC was inadequate. The terracing was done unsuitably and the canals for irrigation are poorly constructed and not sufficient for the needs of growing crops. It was reported to us that 55 of the 108 households had not accepted the land as part of their 	<p>THPC is aware of the challenges regarding the soil quality and productivity in Nongxong. As it normally takes time to develop a good performing paddy field, work to improve soil fertility and yield potential continues through improvement of rice field bunds, digging of irrigation channels and application of organic and chemical fertilizers. THPC is committed to staying at Nongxong until rice harvests are successful and food security is achieved. There were 53 resettler households that did not accept their allocated land in 2011 and insisted on cash compensation for land instead. However, this is against Lao Resettlement Policy which prioritises land for land compensation in line with IFC standards. Presently, 27 of the 53 households have decided to start cultivating their land this year while many others are considering doing the same. THPC and the District authorities are continuing to engage with the non-participating households to get all households to accept their allocated land.</p>



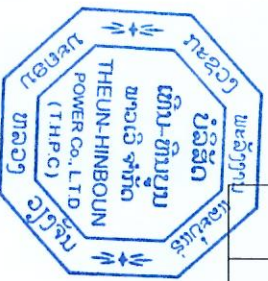
<p>compensation due to its poor quality.</p>	<p>THPC has already initiated a detailed soil analyses to determine the appropriate actions to be taken to improve the soils for the livelihood program as well as reviewing the livelihood programs to determine if changes should be made to improve the programs to ensure sustainable livelihoods for the PAPs. Results of such undertakings will presented and discussed with the villagers and local GOL officials.</p>
<ul style="list-style-type: none"> Ban Nongxong was promised a market and temple, as well as tables and chairs for the village hall, as per the Resettlement Action Plan. These have still to be completed. 	<p>The entitlements set out in the RAP requires replacement of community infrastructure meaning that that villages that previously had a temple and/or a market must receive one in return. Neither of the two villages (Somboun and Prabang) that were resettled at Nongxong had a temple or a market. The majority of the resettled villagers are not Buddhists and to build a temple that can be used by only by one of the ethnic groups in the village would constitute a preferential treatment for one group over the other.</p> <p>Experience from other development and hydropower projects in Laos has shown that establishment of markets in villages often is a failure due to lack of demand for it. THPC may consider contributing to a market in the future if such an initiative is taken by the villagers themselves.</p> <p>Tables and chair are often not found at village meeting halls in Laos as it is customary to sit on the (finished) floor for meetings.</p>
<ul style="list-style-type: none"> Stoppage of rice support: the villagers from Ban Nongxong could not understand why rice support was stopped between January to March 2011 and then restarted again in April. 	<p>The original period of rice support was for one year, but this was reassessed as the project was delayed in providing one hectare of paddy land to all resettled households. First, the Company agreed to provide rice for another 3 months (last quarter of 2010) and after a hiatus of 3 months where further negotiations and assessment of food security were conducted, and additional 6 months of rice support was granted.</p>
<p>Recommendations:</p>	<p>See comments above explaining the fundamental difference between resettlement and relocation.</p>
<p>1 Relocated villages should be given the same rights, entitlements and compensation as that of the resettled villages.</p>	<p>This has been addressed already by providing land at the Vangdao irrigation scheme for villagers from Ban Khen whose land was located around 8 km away from Phoumakneng.</p>
<p>2 Land compensation in relocation areas needs to be addressed immediately. For any person whose old land is more than two</p>	<p></p>



<p>3 kilometers away, compensation should be paid in the form of 'land for land' of equivalent size and productivity. THPC needs to redress and rectify the issue of who has received land compensation and who has not. This should be done by an independent assessment of land in old villages in consultation with villagers, to be presented to THPC, village chiefs, funders and the relocated community.</p>	<p>THPC does not agree that an independent assessment of land in old villages is necessary. All villages in Zone 3a and 3b except for Ban Khen have land that are located less than 5 km away from the relocation site.</p>
<p>4 THPC must commit to supply free electricity for dry season irrigation for the life of the concession, as outlined in the RAP. In addition, THPC needs to establish a consistent policy about what other subsidies it will give for dry season rice.</p>	<p>THPC has provided full support for the cost of electricity for irrigations systems, and as new systems are introduced and tried, full support for the cost of electricity will be provided. Over time, an assessment of the degree of support will be made and more comprehensive support policy will be developed to ensure sustainability of livelihoods</p>
<p>5 THPC has stated on a number of occasions that electricity connection to houses in the relocation areas was to be free. THPC should investigate the issues that we have raised on this matter and reimburse those who had to pay a connection fee.</p>	<p>Connections and standard meters were provided for free. Wiring was installed for free in case of replacement and subsidized 50% in case of new electrification (no connection in the old village). Relocatees pay their domestic electricity bill once the construction period is over. THPC will continue to monitor this matter and if any issues arise, then PAPs will be advised that they should submit a grievance through the existing grievance procedures.</p>
<p>6 THPC should review their education and information programs to all resettlement and relocation villages to ensure people are aware of what they are eligible for in terms of land, electricity and water costs, building materials and toilets. In addition, financial planning and education should be an integral part of the package.</p>	<p>Consultations and dissemination of the entitlement policy have been extensive. Information and support is provided on a continual basis by THPC staff posted to and residing at the relocation sites.</p>
<p>7 THPC should redress the fruit tree compensation so that it is fair and equitable. An independent evaluation of fruit tree compensation should be conducted to ensure that people receive compensation in accordance with their entitlements under the RAP, and that THPC sets up systems to ensure that future compensation is handled equitably. We also recommend that as a matter of good faith THPC starts a small fruit tree nursery in each new village and makes these trees available to all at no cost.</p>	<p>Fruit tree compensation is based on rates fixed by the government and compensation amounts are calculated according to the methodology set out in the entitlement policy. Compensation for fruit trees is paid to all that had fruit trees in their old village. In addition new fruit tree seedlings are supplied to relocatees and settlers alike at no cost. THPC and government staff will take extra care to fully explain and publicize the methodology used for calculating fruit tree compensation.</p>
<p>8 For houses that are in the process of being completed, financial and labor support should be given to help villagers finish building their</p>	<p>THPC is providing technical assistance for completing the houses and has paid labour costs and provided materials to all relocatees, including posts and roofs. Currently</p>



<p>8</p> <p>THPC should resolve the issue of all-weather road access to the resettlement and relocation sites. In particular, the causeway at Ban Phoumakneung should be upgraded this dry season so that it can withstand at least normal wet season rain.</p>	<p>houses. We also urge THPC to resolve inconsistencies around who received building materials (poles and roofs); who had the cost deducted from their compensation; and those who received nothing at all. People who have not yet begun the process of constructing their houses should be provided with new houses built by the company or provided with labor and financial support to ensure that they have the necessary resources to build their new houses.</p> <p>consultations are ongoing with village leaders about support to vulnerable households with unfinished houses. THPC staff will continue to work closely with households with unfinished houses on a case by case basis until their housing is secure.</p> <p>The issue is resolved. Access is all-weather and can more than withstand normal wet season rain. For extreme events like 2011 some sections were flooded for several days but the road and bridges were not damaged.</p>
<p>9</p> <p>THPC should work with the people from Ban Nongxong to rectify the problem of poor quality land and poor quality terracing. THPC should conduct an independent review into agricultural land allocated to people who have been resettled. The review should incorporate soil quality, preparation of land by THPC, and irrigation systems (including sustainability and quality of canals).</p>	<p>THPC is in regular contact with resettlers in Nongxong and discussions with the households that have rejected their allocated paddy land continue with the involvement of the District authorities and RNU. So far 27 of the 53 non-participating households have decided to accept the land.</p> <p>Soil fertility improvement activities have been initiated, guided by soil analyses and mapping of poorly performing land plots. The irrigation scheme is now ready for use in the upcoming wet-season. An independent review is not considered to be required.</p>
<p>10</p> <p>THPC should fulfill its promises that are in the Resettlement Action Plan, including a market and temple and tables and chairs for the village hall in Ban Nongxong.</p>	<p>Markets established in villages by other projects have proved to be of limited significance as instruments for promoting socioeconomic development as use by the villagers have been limited. Ban Nongxong did not have a temple and neither did the villages moving in. Only a minority of the villagers are Buddhists. A site has been cleared and foundations laid but villagers have not raised the issue of a temple with the Company. THPC will consider providing support if there is an expressed interest among the majority of host and resettler population in Nongxong.</p>
<p>11</p> <p>THPC should commit to rice support for all resettled and relocated people until they are able to grow sufficient rice to feed their families and reach income targets.</p>	<p>THPC has provided rice support for one year to all resettlers and continued this support due to low rice harvests. Food for work programs and support for vulnerable families continue. For relocatees, food production continues on existing land and on new areas prepared by the Project. Vulnerable families in relocation sites receive rice support. THPC will continue to monitor this issue, particular for vulnerable families, and provide</p>



<p>Finally, in our discussions with you in September, we were told that THPC is making a list of entitlements for the relocated villagers that you said you would provide us with. Could you please send us these entitlements?</p>	<p>appropriate support to ensure food security. A detailed entitlement policy was established prior to the start-up of the relocation program. The policy has been translated into Lao and distributed to local government authorities and the RMU. The entitlements are presented at village meetings before assets surveys and calculation of compensation is initiated. The entitlements correspond to those outlined in the RAP. The English version of the entitlement policy will be posted on the THPC website.</p>
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