

**The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

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November 11, 2005

Ms. Aviva Imhof  
Campaigns Director  
International Rivers Network  
1847 Berkeley Way  
Berkeley, CA 94703

Ms. Shannon Lawrence  
International Policy Analyst  
Environmental Defense  
1875 Connecticut Avenue NW, Suite 600  
Washington, DC 20009

Dear Mmes. Imhof and Lawrence,

*Lao PDR: Nam Theun 2 (NT2) Hydroelectric Project*

Thank you for your letter dated September 23, 2005, addressed to my predecessor Mr. Robert Mertz, requesting information on the arrangements for monitoring and document disclosure pertaining to the NT2 project. Your letter has been forwarded to my attention and I am pleased to respond to your questions.

Disclosure of Documents

In the interest of transparency, quite a number of documents guiding the NT2 implementation and reporting on its progress are being disclosed to the public. These go well beyond what is required by the World Bank's Disclosure Policy, and include:

- a summary of the Concession Agreement (CA) and select CA sections (please note that the final versions are available on NTPC's website);
- the Project Implementation Plan (PIP), providing an overview of the implementation arrangements and elaborating Schedule 4 of the Concession Agreement and the safeguards documents, which is expected to be disclosed via the NTPC website in January 2006;
- a semi-annual project progress report, to be disclosed by NTPC via their website, with the first one due in mid-December 2005 (and subsequent ones on a mid-June and mid-December cycle);
- two parallel reports, prepared by the Government of Lao PDR, will also be disclosed updating progress on implementation activities of the Watershed Management Protection Agency and on Revenue Management arrangements; and,

- semi-annual joint reports to the respective Boards of the World Bank and the Asian Development Bank (next report is planned for February 2006).

Several additional reports and plans that you requested are utilized in ongoing, day-to-day management and monitoring efforts by the parties most closely involved in the implementation of the Project. These are detailed operational documents, written for the purpose of guiding the work of a large number of technical staff and managers working on the Project, and often subject to revision in response to evolving circumstances. These include the NTPC monthly progress reports, the quarterly reports of the Lenders' Engineer, and the Annual Implementation Plans. The Head Construction Contractor's Environmental Monitoring and Management Plan (HCCEMMP), which you also request, is a proprietary document of the Contractor. Similarly, the Common Terms Agreement is a proprietary commercial document, which NTPC and the lenders do not plan to release to the public. We will communicate to the Government your interest in learning about the Community Forestry Plan and Salvage Logging Plan, when these become available.

#### Composition of IAG, POE, DSRP and the IMAs

The International Advisory Group (IAG), convened by the World Bank, presently has three active members: Mr. Dick De Zeeuw, Convenor, and Messrs. David McDowell and Emil Salim, Members. The World Bank is in the process of expanding the IAG's membership to include expertise in revenue management and public participation. The TORs for the IAG will be made public and posted on our website ([www.worldbank.org/lao/nt2](http://www.worldbank.org/lao/nt2)). As in the case of the identification of the members of the IAG for the Chad Cameroon Pipeline, a list of potential IAG candidates will be developed based on proposals for candidates made to the Bank by the management, Board and civil society. This list will be provided to the President who will review, select and appoint the new members of the NT2 IAG. Proposals for candidates for the new positions on the NT2 IAG should be sent to Mr. Ian C. Porter, Country Director for Lao PDR. The expected timing is to have the new members in place during early 2006 and for the website to become active in the same timeframe. The reports of the IAG will be disclosed, upon receipt, on the IAG and World Bank websites.

The Panel of Environmental and Social Experts (POE) includes Messrs. Lee Talbot and Ted Scudder and the Dam Safety Review Panel (DSRP) includes Messrs. Art Stukey, John Gummer and Paul Back. It is anticipated that an additional expert will be appointed to the POE in early 2006 and also an additional expert to the DSRP by the end of 2005 (to replace Mr. Back, who has announced his decision to retire from the Panel). The POE and DSRP are convened by the Government of Lao PDR (GOL) and NTPC, respectively. Each makes one visit a year (with the possibility of ad hoc visits, as needed, if special issues arise) and issues a report to the respective organization that established it, following the site visit. The practice previously followed of disclosing the POE reports will be continued during project implementation – the Government, NTPC and financing institutions will be given an opportunity to discuss the draft reports of the Panel before the final reports are made public. The DSRP issues reports following their formal meetings and visits, but these are very technical in nature and are not routinely disclosed. Requests for these reports should be directed to the GOL.

The Independent Monitoring Agencies (IMAs) convened by the GOL are in the process of being contracted and are expected to be functional by the end of the calendar year. The IMA that will oversee the performance of the Resettlement Management Unit (RMU) will issue quarterly reports to the GOL; the IMA that will review performance of the Environmental Management Unit (EMU) and the Watershed Management Protection Authority (WMPA) will issue annual reports. The information from these reports will be made public through the periodic progress reports of the GOL. In addition, you may also want to know that the status of the "Nam 2 Catchment Management and Protection Authority" (the formal name of the WMPA used in Article 32 of Decree 39) provides that the Authority "shall distribute annual

progress reports and annual monitoring reports and audit reports to the government, donors and stakeholders at their request.”

The work of the IAG, POE, DSRP and the IMAs will be used by all parties to support effective implementation of the project and information on the actions taken to respond to their recommendations will be provided in the reporting documents prepared by the Government, NTPC and financing institutions. In the case of the World Bank, these issues will be addressed, as the recommendations are received, in coordination with the Government and NTPC, and information on the actions taken will be provided in the semi-annual joint reports (which will be publicly disclosed) to the respective Boards of the World Bank and the Asian Development Bank.

Contact Persons at the World Bank

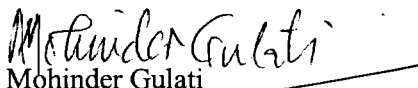
Should you require further information from the World Bank, kindly direct your inquiries to the following primary contact persons, who will ensure that the appropriate specialists are engaged as needed:

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As has been our practice, we will continue to update our website, [www.worldbank.org/lao/nt2](http://www.worldbank.org/lao/nt2) on a regular basis to ensure members of the public have continued access to information regarding progress of implementation.

We appreciate your inquiry and I am pleased that you will be traveling to the project site to see how implementation is progressing. We look forward to hearing your feedback from the visit.

Sincerely,



Mohinder Gulati

NT2 Project Manager  
Energy and Mining Sector Unit  
East Asia and Pacific Region

cc: Mr. Woochong Um, Asian Development Bank