

ANNEX 2: CONSULTATION MEETINGS

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Brainstorming Meeting

A brainstorming meeting was held May 19, 2004. (Before the study commenced). The purpose of the meeting was to focus the study by identifying the main issues for analysis and discussion.

The meeting was held in the World Bank Office, Vientiane. Representatives of GOL, NTPC, ADF, WB and ADB participated.

The main outcomes of the meeting were:

Clarifications on Lead Agency

- MIH will be the lead counterpart;
- As it is interdisciplinary, the study will also necessitate collaboration with other entities such as MAF, STEA and Department of Electricity.

Clarifications on Process and Timing:

- The development of the recommendations of the study should be an interactive process with perhaps 2-3 meetings with crucial government institutions to share drafts and information;
- A draft report is scheduled to be completed at the end of June;
- A broader consultation workshop would be held in July;
- Final draft would be completed by a target date of July 30;
- The report needs to be completed before appraisal of NT2 and this schedule would allow for that.

Clarifications on Scope:

- As it is a sector wide study, it would not focus on prescribing mitigation measures or impacts for specific ongoing or planned projects, rather it would look at major policy challenges and recurrent problems within the sector;
- Much of the background material would rely on previously completed studies including the Hydropower Develop Strategy, Analysis of Alternatives and Cumulative Impact Assessment as well as existing reviews of past projects.
- The major new material would be recommendations which are categorized by: (i) "mitigation plan" which would include broad options for the sector to mitigate impacts of its development including not only types of project mitigation measures but also aspects of policy reform, improvements in planning and decision making and improved enforcement; (ii) "environmental and social management and training" which would outline the focus for capacity building within the sector; and (iii) "environmental and social monitoring plan" which would outline approaches to monitoring in the sector;
- The focus of the study would be on the Lao hydropower sector as apposed to regional hydropower development or the NT2 project.

Policy and Institutional Issues

- One important outcome of the sector EIA would be that it could provide a policy for the GOL to solicit financial support for prioritised hydropower projects.
- The question was raised of how to practicably apply the donors policies and approaches to hydropower policy in Lao. Some of the issues that were mentioned in this regard were:

- How to apportion responsibility for impacts in the case where there are more than one hydropower plant on the same river system;
 - How to define and delimit project impact areas and how to delimit responsibilities for social and environmental impacts and their mitigation;
 - Harmonization of donor policies;
 - How to develop flood prevention measures in terms of operational regimes and temporarily suspending power generation;
 - How to address biodiversity issues with respect to baseline impact assessments;
- Another policy issue that could be addressed is the intact river concept, briefly mentioned in the NT2 EIA;
 - The issue of how to categorize projects for environmental assessment by size of project or impact level is also being contemplated in Lao and could be addressed for hydropower within the study;
 - Enforcement of environmental and social plans was also brought up as an issue;
 - STEA is also involved with preparation of different sector plans, and the sector EIA should provide some recommendations concerning possible procedures, institutional set-up and responsibilities in connection with this;
 - It was also suggested that the study should review experiences within the sector and devote a chapter to presenting good practice examples that may be useful in policy or project implementation.

Hydropower Planning

- The issue of ranking of projects can be approached from different angles as it may be argued that it is first and foremost a political question based on power demand and market possibilities, while on the other hand, there are important reasons for taking environmental, social economic efficiency into account;
- The sector EIA should look at and give recommendations on how to improve system planning as, presently, this is, to a large extent, done by external consultants and typically needs reconsideration as projects and circumstances develop. The study could for instance try to identify some easily updatable criteria and parameters on which such decisions could be based;
- Sensitivity analysis was mentioned as a possible tool or methodology for better decisions in sector planning.

Assessing Baseline Situation and Environmental Impacts

- The study should assess and comment on biodiversity conservation opportunities in connection with hydropower development;
- It would be important to distinguish between the different types of hydropower projects in the assessment of impacts, such as for instance peaking versus base-load facilities;
- The sector EIA should review the experiences with existing hydropower projects in Lao PDR in relation to environmental and social impacts, including the Theun-Hinboun, Nam Leuk and the NT2 projects;

Consultation

- One important issue the sector study could address is the consultation process in terms of presenting best practice examples and recommending improvements to streamline the process.

Sources of Information for the Study

- STEA is in the process of reviewing their EIA and environmental guidelines to make regulations more specific and based on a categorisation of different types of projects. It would be important for the sector study to keep in close contact and communication with STEA to get all relevant and useful information on the present and future regulatory framework situation;
- Today the requirement for Departments to establish their own sector specific environmental guidelines has been met only by the Department of Roads and the Department of Electricity. The development of guidelines for the Department of Electricity was assisted by ADB through a TA and it would be important to review the experiences in connection with this process;
- Another important source of information is the technical working group established by STEA to review experiences in connection with implementation of EIA studies in Lao PDR;
- MAF has a cooperation program with the MRC on Mekong Fisheries. The results of this might be useful.

Draft Final Report Review Meeting

A workshop reviewing the draft final report was held in World Bank Office, August 16. 2004-11-18

Representatives from the following institutions attended: MIH; MAF; EdL; STEA; WMPA; Care international; IUCN; Theun Hinboun Power Company; Nam Mang III Project; Nam Theun 2 Power Company; Lao MRC; ADB; AFD; and WB.

The World Bank task manager presented the background and purpose of the study and the consultant gave a PowerPoint presentation of the structure, content and main finding of the study.

All participants were asked to give their comments or questions for clarification to the report.

The main points tabled were:

- There are limited resources available for monitoring and management of the NBCAs: How can the power companies contribute to such monitoring? (Use NT2 as an example);
- More specifics on financing principles should be given. Discuss the impacts of Governmental ownership;
- How much revenue should go from hydropower sector to conservation;
- The importance of MRC programmes should be mentioned;
- The EIA processes should be simplified and repetition avoided;

- More environmental and social indicators for the individual projects would have been useful. Need to come out with recommendations for better C-B analysis as an outcome of the EIA process;
- HIV/AIDS issues should be mentioned;
- Clarify who are addressed in the recommendations;
- Important to stress the cross sector capacity building for EIA;
- Baseline data system must be established;
- In case of monitoring indicate what the developer should finance. What is his reasonable contribution;
- Thailand is now demanding environmental and social studies as part of their discussion of agreements with hydropower developers;
- Standardisation of EIA terms and definitions are very important;
- Government does not need training in EIA preparation – this is for consultants – they need training in reviewing and monitoring;
- Clarify “standards for EMP” as there is no single fix to problems;
- There is no “scientific” base for setting Environmental Minimum Flow. There are only definitions, principles (political) and definitions;