



CEPF Final Project Completion Report

Organization Legal Name	International Rivers Network
Project Title	Ensuring better biodiversity and community outcomes in the Nam Ou, Lao PDR
CEPF Grant or Number	CEPF-063-2016 (IUCN Ref.) / SG73240 (CEPF Ref.)
Date of Report	October 2017

CEPF Hotspot: Indo-Burma

Strategic Direction: SD6 – “Engage Key Actors in Mainstreaming Biodiversity, Communities and Livelihoods into Development Planning in the Priority Corridors”.

Investment Priority 6.1 – “Support civil society efforts to analyze development policies, plans and programs, evaluate their impact on biodiversity, communities and livelihoods and propose alternative development scenarios and appropriate mitigating measures where needed”.

Grant Amount: USD 20,000

Project Dates: October 2016-September 2017

PART I: Overview

1. Implementation Partners for this Project

For this project, International Rivers’ main engagement was with PowerChina Resources, which is investing in and building the Nam Ou Cascade Hydropower Project. This grant provided the opportunity to put together a substantive report with recommendations and to increase the quality of meaningful interaction with the company. Ultimately, our aim is to reduce the impacts of the dams included in phase 2 of the cascade. The discussions with PowerChina Resources and our recommendations centered on grievances and complaints; community outreach and communications; timeline of resettlement; and impact management on the Phou Den Din National Park Area.

2. Summarize the overall results/impact of your project

International Rivers has been following the Nam Ou Cascade Hydropower Project since pre-dam period in 2012, and shared findings and suggestions with PowerChina Resources by way of reports, letters and meetings. We have engaged PowerChina Resources, China’s and the world’s largest dam builder, in an ongoing dialogue on environmental policy issues and specific overseas projects.

The Nam Ou Cascade Hydropower Project is PowerChina Resources’ biggest investment to date in its overseas dam building portfolio, and the Government of Lao PDR’s largest hydropower river cascade. The cascade includes seven dams and the total capacity is 1,156 mega-watts. The first phase of the project was completed in October 2016 and consists of Nam Ou 2, 5, and 6, and has

a combined capacity of 540MW. Construction of the second phase, which consists of Nam Ou 1, 3, 4, and 7, has begun, with plans to be completed in 2020.

This project provided the opportunity to impact one of China’s overseas projects that has significant environmental and social footprints.

In the long term, we aim to connect the way companies respond to fragile and sensitive environments and enable local populations to play an important and meaningful role in engaging with Chinese companies and keeping companies accountable to minimize environmental and social impacts.

3. Briefly describe actual progress towards the overall project goal (as stated in the small grant contract)

Description of the overall project goal (as stated in the small grant contract)	Summary of actual progress towards this goal
<p>PowerChina Resources adopts development plans for the Nam Ou cascade which maximize biodiversity protection and minimize negative impacts on local communities.</p>	<p>Maintained regular communication with, met and presented research finding and raised critical questions and recommendations to PowerChina Resources.</p> <p>With regards to the evidence that any of the recommendations have been adopted, International Rivers hope to have an impact over the longer term. This will require continued engagement with PCR during the construction and operation of the cascade (29 year concession).</p> <p>The type of engagement and “trust” that we have been building with PCR through regular communications, presenting to a senior team in Luang Prabang and going on a site visit which they arranged for us, puts us in a stronger position to monitor take up of recommendations made.</p> <p>At the end of the grant, there is no evidence that our recommendations have been adopted. It is possible that PCR will act on one of our recommendations to add solar panels to a school in Had Hin, a village right by Nam Ou 7. The school has 250 students, including from neighboring villages. PCR might do a couple of Corporate Social Responsibility projects in the village, despite the fact that they do not believe that this is a community that is impacted by the cascade.</p>

4. Describe the success or challenges of the project toward achieving its overall goal

International Rivers has been researching and interacting with PowerChina Resources on the Nam Ou cascade for the past five years. This grant benefited from our earlier work in having an established engagement MOU with the company; initial literature review and regular fact-findings in the field. We have consistently made recommendations and messaging to the company in the areas of grievances and complaints; community outreach and communications; timeline and compliance to standards of resettlement; and impact management on the biodiversity-rich Phou Den Din National Park Area. One of our continued concerns over the years has been the planned inundation of sections of the Phou Den Din National Park Area which is pristine forest covering both sides of the Nam Ou. In fact, the construction of the upper-most dam (7 in the cascade) violates PowerChina Resources' own environmental policy which restricts the company from being involved in hydropower developments in national parks. However, on visits as part of this grant the company is now saying that the upper cascade dams are not having impact on the park. We are continuing to discuss this with PCR.

Our engagement with the company has strengthened due to our long-term experience and credibility, that has allowed us to have robust dialogue on sensitive issues. We hope to secure funding to allow us to remain in contact throughout the final stages of construction and implementation of Phase 2 to monitor the operationalization of the cascade and to make recommendations that would minimize the social and environmental impacts incurred during Phase 2 of the project construction and operation.

5. Were there any unexpected impacts (positive or negative)?

By engaging more deeply in this work, we have read reports from and interacted with other organizations and researchers who have been engaging on improving the social and biodiversity outcomes for the Nam Ou Cascade and have also been engaging with PowerChina Resources. These groups include Water Land and Ecosystems (WLE) and the International Financial Corporation (IFC). Discussions with these groups have been beneficial in coordinating and targeting our approach.

PART II: Project Objectives and Activities/Deliverables

6. Objectives.

Objective 1: Develop an analysis on the effectiveness of PowerChina Resources' current management plans.		
Activity description	Deliverable(s)	Summary of actual progress/results for this activity
Activity 1: Based on information obtained during previous communications with PowerChina Resources, analyze the projects' Environmental Impact Assessments (EIAs), Environmental Management Plans (EMPs), and Resettlement Plans, and use our existing field data to identify inconsistencies in these practices. Identify whether any local laws have been violated, commitments unfulfilled, and any deviations from international best practices.	Identify whether there are violations of local laws, unfulfilled commitments based on the company's policy and what gaps there are with international best practices.	Research completed in November 2016, clarifying questions were asked to representatives of PowerChina Resources.

Objective 2: Engage with PowerChina Resources, and recommend ways to improve the implementation of their policy commitments, based on international best practices.		
Activity description	Deliverable	Summary of actual progress/results for this activity
<p>Activity 2: Present research findings to PowerChina Resources project team in Laos, highlight any implementation gaps in their biodiversity protection and livelihoods restoration practices, suggest alternative development plans, and recommend impact mitigation measures based on international best practices. Visit the Nam Ou hydropower project to verify whether the information in our report and comments from the company reflect reality on the ground.</p>	<p>Research findings and recommendations presented to PowerChina Resources.</p>	<p>Prepared Chinese and English report with analysis and recommendations on grievances and complaints; community outreach and communications; timeline of resettlement; and impact management on the Phou Den Din National Park Area. We met with the following individuals from PowerChina Resources: social staff for Nam Ou stage I (responsible for resettlement issues), Director of the Legal & Risk Department, Executive Vice-President, (responsible for PCR's projects in Laos) and General Manager for Nam Ou River Basin hydropower Co, Ltd.</p>

Objective 3: Report and publicly share findings to build accountability and transparency, and monitor the Nam Ou projects for improvements in the implementation of mitigation strategies to increase pressure on the company to improve its practices.		
Activity description	Deliverable(s)	Summary of actual progress/results for this activity
<p>Activity 3.1 Share the findings of our work with local NGOs, in order to help them hold the company accountable.</p>	<p>Presentation of Chinese investments and the Nam Ou Cascade at EarthRights International small workshop on Chinese investments. Shared project findings with Chinese Association for NGO Cooperation.</p>	<p>We changed our strategy in terms of sharing our findings with local communities in Laos. Therefore decided not to translate our report to PowerChina Resources into Lao, and to stick with English and Chinese versions. We plan to present our work on Chinese overseas investments, including on the Nam Ou cascade to groups from the Mekong during the October meeting of WLE "2017 Greater Mekong Forum on Water, Food and Energy." Int. Rivers presented as part of Session 15 "Ensuring standards and safeguards for outbound hydropower investments in the Mekong and Salween Basins" at the WLE</p>

		Greater Mekong Forum. https://wle-mekong.cgiar.org/2017-greater-mekong-forum-on-water-food-and-energy/
Activity 3.2: Publish the findings of our work (our research, and the outcomes of engaging with the company) on our website.	Publish results of the findings on our website.	We plan to publish the results of our findings in the fourth quarter of 2017, as we still plan to participate in meetings with partners and would like to have their input in order to present a more comprehensive document.

7. Please describe and submit any tools, products, or methodologies that resulted from this project or contributed to the results.

Our methodology built upon International Rivers' work to monitor the environmental and social impacts of the Nam Ou dam cascade, which began in 2012. During this grant period, we continued to develop our understanding of the Nam Ou Cascade Hydropower Project and its evolution by reading, remaining in contact and meeting with the company in order to better understand their objectives. We subsequently prepared a report with recommendations that were shared with the company (attached in English and in Chinese). The individuals from the company who were briefed included environmental and social staff for the Nam Ou Project who are responsible for resettlement issues, the Director of the Legal & Risk Department, the Executive Vice-President for PowerChina Resources' projects in Laos) and the General Manager for Nam Ou River Basin hydropower Co. Ltd. Our concerns and recommendations centered around grievances and complaints; community outreach and communications; timeline of resettlement; and impact management on the Phou Den Din National Park Area.

PART III: Lessons, Sustainability, Safeguards and Financing

Lessons Learned

8. Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building.

Consider lessons that would inform:

- *Project Design Process*
- *Project Implementation*
- *Any other lessons learned relevant to the conservation community*

This project was simple and with very tangible deliverables. International Rivers actually did make concrete recommendations to PCR and also maintained the overall general priorities that the organization has been advocating since 2011. It would have been valuable for us to make even more concrete recommendations to PowerChina Resources. If the recommendations that we made were too general, it might have made it too difficult for them to take action. Seeing as this small grant is part of our organizations' longer term strategy to influence the hydropower projects of PowerChina Resources, it is important for us to evaluate how the engagement during this project feeds into our organizations' broader strategy for corporate engagement.

International Rivers has a new strategic plan for 2018-2022 which includes 6 goals. The second strategic goal is to "ensure corporations are accountable in policy and practice", especially with regards to respecting human rights of communities and preserving river basin ecosystems.

The Nam Ou 6 dam in this cascade is one of the case studies for a benchmarking report on the global hydropower sector which is expected to be published in 2018.

If we can secure new funding, we will continue to monitor the project as it moves towards operationalization in 2020. We will review internally what outcomes we have observed and will re-think about how to most effectively engage with PCR so that we can have an impact. Our emphasis will be on establishing commitments to downstream flow outcomes (environmental, social and cultural) and pushing for improved performance in operation of community engagement and responding to grievances.

Sustainability / Replication

9. Summarize the success or challenges in ensuring the project will be sustained or replicated, including any unplanned activities that are likely to result in increased sustainability or replicability.

International Rivers has been following the Nam Ou Cascade Hydropower Project since 2012 and shared findings and suggestions with PowerChina Resources by way of reports, letters and meetings.

It has been important for International Rivers to ensure that corporations involved in developing water infrastructure projects respect the human rights of communities and preserve river basin ecosystems. We have found that many Chinese hydropower companies involved in overseas projects see themselves as immune from local criticism because they have been invited by the government to participate in projects and see no need for a "social license" to operate. It is therefore important to create expectations for them to perform well on social and environmental mitigation measures.

To date, each time that International Rivers has engaged with corporations has required significant time and resources from our small team.

Our engagement has typically focused on projects that are already under construction or in the

final stages of construction. This means that if the company decides to enact any changes, they can end up seeming cosmetic or minor. We hope that our improved connections with PowerChina Resources enables us to engage with the company at earlier stages of project development. We hope to engage the company in mitigation and adaptive management expectations especially around ongoing engagement with local communities, and achievement of management regimes for operating the infrastructure that mitigates some environmental impacts – such as committing to, and delivering an environmental flow regime. PowerChina Resources is in the initial stages of Phase 2 for Nam Ou so we hope that our advice to improve community outcomes and to minimize environmental impacts might mean that action by the company have bigger impacts.

Ensuring the accountability of corporations in policy and in practice is one of International Rivers' goals in our Strategic Plan for 2018-2022.

Safeguards

- 10. If not listed as a separate Project Component and described above, summarize the implementation of any required action related to social or environmental safeguards that your project may have triggered.**

N/A

Additional Funding

- 11. Provide details of any additional funding that supported this project and any funding secured for the project, organization, or the region, as a result of CEPF investment**
- a. Total additional funding (US\$) None.**
 - b. Type of funding**
Please provide a breakdown of additional funding (counterpart funding and in-kind) by source, categorizing each contribution into one of the following categories:

Donor	Type of Funding	Amount	Notes
N/A			

Additional Comments/Recommendations

- 12. Use this space to provide any further comments or recommendations in relation to your project or CEPF.**

Thank you for your support and for your guidance, especially on considering the gender component to this project. International Rivers is now prioritizing the creation of a gender policy for our organization.

International Rivers has been closely following the construction process of the Nam Ou Hydropower Cascade for five years and we have continued this work since the end of this grant from CEPF.

PART IV: Impact at Portfolio and Global Level

CEPF requires that each grantee report on impact at the end of the project. The purpose of this report is to collect data that will contribute to CEPF’s portfolio and global indicators. CEPF will aggregate the data that you submit with data from other grantees, to determine the overall impact of CEPF investment. CEPF’s aggregated results will be reported on in our annual report and other communications materials.

Ensure that the information provided pertains to the entire project, from start date to project end date.

Contribution to Portfolio Indicators

N/A

- 13. If CEPF assigned one or more Portfolio Indicators to your project during the full proposal preparation phase, please list these below and report on the project’s contribution(s) to them.**

Indicator	Narrative
N/A	

Contribution to Global Indicators

Please report on all Global Indicators (sections 14 to 21 below) that pertain to your project.

- 14. Key Biodiversity Area Management
Number of hectares of Key Biodiversity Areas (KBA) with improved management**

Please report on the number of hectares in KBAs with improved management, as a result of CEPF investment. Examples of improved management include, but are not restricted to: increased patrolling, reduced intensity of snaring, invasive species eradication, reduced incidence of fire, and introduction of sustainable agricultural/fisheries practices. Do not record the entire area covered by the project - only record the number of hectares that have improved management.

If you have recorded part or all of a KBA as newly protected for the indicator entitled “protected areas” (section 17 below), and you have also improved its management, you should record the relevant number of hectares for both this indicator and the “protected areas” indicator.

Name of KBA	# of Hectares with strengthened management *	Is the KBA Not protected, Partially protected or Fully protected? Please select one: NP/PP/FP
Phou Den Din National Park Area	220,000	NP

PCR told International Rivers that Nam Ou 7 is not located within the Phou Den Din National Park Area and that the project does not impact the national park. Our research and fact finding does not support this, so we are continuing to discuss this with the company.

15. Protected Areas

Number of hectares of protected areas created and/or expanded

Report on the number of hectares of protected areas that have been created or expanded as a result of CEPF investment.

Name of PA*	Country(s)	# of Hectares	Year of legal declaration or expansion	Longitude**	Latitude**
N/A					

16. Production landscape

Please report on the number of hectares of production landscapes with strengthened biodiversity management, as a result of CEPF investment. A production landscape is defined as a landscape where agriculture, forestry or natural product exploitation occurs. Production landscapes may include KBAs, and therefore hectares counted under the indicator entitled "KBA Management" may also be counted here. Examples of interventions include: best practices and guidelines implemented, incentive schemes introduced, sites/products certified and sustainable harvesting regulations introduced.

Number of hectares of production landscapes with strengthened biodiversity management.

Name of Production Landscape*	# of Hectares**	Latitude	Longitude	Description of Intervention

17. Beneficiaries

CEPF wants to record two types of benefits that are likely to be received by individuals: formal training and increased income. Please report on the number of men and women that have benefited from formal training (such as financial management, beekeeping, horticulture) and/or increased income (such as tourism, agriculture, medicinal plant harvest/production, fisheries, handicraft production) as a result of CEPF investment. Please provide results since the start of your project to project completion.

17a. Number of men and women benefitting from formal training. N/A

# of men benefitting from formal training	# of women benefitting from formal training
0	0

17b. Number of men and women benefitting from increased income.

# of men benefitting from increased income	# of women benefitting from increased income
0	0

17c. Total number of beneficiaries - Combined

Report on the total number of women and the number of men that have benefited from formal training and increased income since the start of your project to project completion.

Total # of men benefitting*	Total # of women benefitting*
0	0

18. Benefits to Communities

CEPF wants to record the benefits received by communities, which can differ to those received by individuals because the benefits are available to a group. CEPF also wants to record, to the extent possible, the number of people within each community who are benefiting. Please report on the characteristics of the communities, the type of benefits that have been received during the project, and the number of men/boys and women/girls from these communities that have benefited, as a result of CEPF investment. If exact numbers are not known, please provide an estimate.

18a. Please provide information for all communities that have benefited from project start to project completion.

Name of Community	Community Characteristics (mark with x)							Type of Benefit (mark with x)							# of Beneficiaries			
	Subsistence economy	Small landowners	Indigenous/ ethnic peoples	Pastoralists / nomadic peoples	Recent migrants	Urban communities	Other*	Increased access to clean water	Increased food security	Increased access to energy	Increased access to public services (e.g. health care, education)	Increased resilience to climate change	Improved land tenure	Improved recognition of traditional knowledge	Improved representation and decision-making in governance forums/structures	Improved access to ecosystem services	# of men and boys benefiting	# of women and girls benefiting
None																		

*If you marked "Other" to describe the community characteristic, please explain:

18b. Geolocation of each community

Indicate the latitude and longitude of the center of the community, to the extent possible, or upload a map or shapefile. Give geographic coordinates in decimal degrees; latitudes in the Southern Hemisphere and longitudes in the Western Hemisphere should be denoted with a minus sign (example: Latitude 38.123456 Longitude: -77.123456).

Name of Community	Latitude	Longitude
None		

19. Policies, Laws and Regulations

Please report on change in the number of legally binding laws, regulations, and policies with conservation provisions that have been enacted or amended, as a result of CEPF investment. “Laws and regulations” pertain to official rules or orders, prescribed by authority. Any law, regulation, decree or order is eligible to be included. “Policies” that are adopted or pursued by a government, including a sector or faction of government, are eligible.

19a. Name, scope and topic of the policy, law or regulation

No.	Name of Law, Policy or Regulation	Scope (mark with x)			Topic(s) addressed (mark with x)														
		Local	National	Regional/International	Agriculture	Climate	Ecosystem Management	Education	Energy	Fisheries	Forestry	Mining and Quarrying	Planning/Zoning	Pollution	Protected Areas	Species Protection	Tourism	Transportation	Wildlife Trade
1	None																		

19b. For each law, policy or regulation listed above, please provide the requested information in accordance with its assigned number.

No.	Country(s)	Date enacted/ amended MM/DD/YYYY	Expected impact	Action that you performed to achieve this change
1	None			

20. Best Management Practices

Please describe any new management practices that your project has developed and tested as a result of CEPF investment, that have been proven to be successful. A best practice is a method or technique that has consistently shown results superior to those achieved with other means.

No.	Short title/ topic of the best management practice	Description of best management practice and its use during the project
1	Keeping corporations apprised and accountable of their environmental and social impacts.	Report writing and reporting back to PowerChina Resources in order to keep them engaged and informed so that they can improve the implementation of their policy commitments, based on international best practices.

21. Networks & Partnerships

Please report on any new networks or partnerships between civil society groups and across to other sectors that you have established as a result of CEPF investment. Networks/partnerships should have some lasting benefit beyond immediate project implementation. Informal networks/partnerships are acceptable even if they do not have a Memorandum of Understanding or other type of validation. Examples of networks/partnerships include: an alliance of fisherfolk to promote sustainable fisheries practices, a network of environmental journalists, a partnership between one or more NGOs with one or more private sector partners to improve biodiversity management on private lands, a working group focusing on reptile conservation. Please do not use this tab to list the partners in your project, unless some or all of them are part of such a network / partnership described above.

Note: International Rivers used this small grant to leverage existing connections, especially the PowerChina Resources responsible for Phase and Phase 2 of the Nam Ou Hydropower Cascade. We strengthened trust and therefore improved information sharing channels with relevant actors within the organization. We did not create new networks or partnerships.

No.	Name of Network/ Partnership	Year established	Country(s) covered	Purpose
1				

Part V. Information Sharing and CEPF Policy

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned, and results. Final project completion reports are made available on our Web site, www.cepf.net, and publicized in our newsletter and other communications.

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