



PRESS RELEASE

With the achievement of its environmental and social objectives, the Nam Theun 2 Project materializes its ambition to be a model of responsible hydropower development



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In its latest report*, the international Panel of Experts (POE) of the Nam Theun 2 Multi-Purpose Project acknowledges that the provisions of the Concession Agreement relating to the resettlement program have been successfully met and recommends the closure of the Resettlement Implementation Period.

The Nam Theun 2 Resettlement objectives are part of an ambitious Environmental and Social program that was put into place jointly by the Government and Nam Theun 2 Power Company (NTPC), a company funded by EDF, EGCO and Lao Holding State Enterprise, to design, build and operate Nam Theun 2 hydro plant. It included a comprehensive public health program, a development plan for the 100,000-people living downstream, the creation of the largest Biodiversity Protection Area of Laos (4,000 km²) and the Resettlement Program for the 6,300 inhabitants of Nakai District who were directly affected by the impoundment of the 490 km² reservoir.

The overall Environmental and Social Program complies with, and in some cases exceeds, the safeguard requirements of the World Bank (WB) and the Asian Development Bank (ADB). These two agencies are also financiers of the hydropower project, together with Agence Française de Développement, the European Investment Bank and 27 banks from the private sector (the lenders). It was designed in consultation with the local population and implemented in partnership with the Government supported by NTPC. Both implementation and outcomes were monitored by numerous external agencies, including international development organizations, NTPC lenders and the POE since the early stage of the project. Overall, the cost of E&S programs throughout the 25-year concession period exceeds 200 million USD.



Under the Resettlement Program, NTPC supported the construction of houses for all resettlers, two health centres, 32 schools, and the development of diversified economic activities (forestry, agriculture, fisheries etc.) to sustainably improve communities' livelihood and well-being. After 13 years of joint effort by the Government, NTPC and the resettlers themselves, the Nakai District economy has grown significantly. 97% of the resettlers have now achieved the income targets. Moreover, the median consumption level is three times the Government's official poverty line. All members of the community have easy access to healthcare and education, and benefit from a diversified economy.

The shareholders of NTPC are committed to an innovative Corporate Social Responsibility program. Hence, they have established the Nam Theun 2 Development Fund (NT2DF) to further support the long term economic development of the Nakai District. This fund of 750,000USD per year will be co-steered by the Khammouane Province and NTPC. NTPC will also pursue a variety of environmental programs as well as funding initiatives to local agencies until the end of 2035.

*<http://documents.worldbank.org/curated/en/227931535719837867/pdf/129708-WP-P049290-PUBLIC-SEPT-3-5AM-POEReportFinal.pdf>

About the Nam Theun 2 hydroelectric project :

- Construction and operation by NTPC (40% EDF ; 35% EGCO ; 25% Lao Government through the Lao Holding State Enterprise)
- Start of construction in 2005, commissioning in 2010
- 1070 MW of installed capacity
- Impoundment lake of 489 km²
- 39m high dam and 436 meters long
- Average annual production of 6000Gwh; 95% of the production is exported to Thailand, 5% is for the Lao national grid
- 25-year concession period

Press Contact

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