



Letter to Editor regarding the article “Near a Dam, But No Power” published 14 June 2012 on the RFA website (<http://www.rfa.org/english/news/laos/nam-theun-2-06142012192729.html>)

Dear Sir/Madame:

I am writing on behalf of The World Bank, Lao PDR regarding the article published on the Radio Free Asia website on June 14, 2012, “Near a Dam, But No Power.” The article contains numerous inaccurate and highly misleading claims. The degree of inaccuracy suggests that your reporters have likely not visited the resettlement site. The reporter certainly made no attempt to verify the information with World Bank staff or other key stakeholders involved in Nam Theun 2 implementation. As a result, your readers were given incorrect information about an important topic.

Firstly, kindly note that **every resettlement village** on the Nakai plateau, and every household in those villages, **has an electricity connection and improved water supply**, as part of a comprehensive compensation package to people affected by inundation of the reservoir. If your correspondent had visited any of the resettlement villages or spoken to any of the 1,200 or more affected families entitled to compensation, this fact would have been immediately apparent.

Secondly, **there is no village named Ban Sang** that was affected by the reservoir inundation, and there is no resettlement village called Ban Sang. No affected person was relocated by the project to a village in Gnommalath called Ban Sang. There is one village called Ban Sang in Gnommalath, but that village is **more than 64km from any impact area of the project**, and could not have experienced the sort of flooding impacts described in your article. It is possible that your correspondent got the name of the village wrong. However, we would like to be clear that NT2 does not exacerbate the natural flood in Xe Bang Fai downstream area since it ceases power production when the river reaches a predefined level. Had your correspondent read any background media coverage of last year's flood, you would have seen that NT2 ceased generation for several weeks last August.

Thirdly, there were a small number of families who **voluntarily chose not to relocate to the resettlement villages** but rather to receive cash compensation and to choose by themselves where they would relocate. These families were provided significant cash compensation

Nam Theun 2 is a complex development project for Lao PDR. It will generate around USD \$2 billion in government revenues for poverty reduction and environmental protection through the sale of electricity to Thailand and also supplies electricity to the Lao grid. NT2 required the resettlement of around 6,300 people in 15 villages on the Nakai Plateau in Khammoune Province in Lao PDR. The project's commitment to resettled communities extends **beyond compensating them for the move**, and includes helping villagers to develop significantly **better livelihoods and living standards** than they had before the project.

Given the importance of the project, and the level of inaccuracy of the article, we expect your organization to issue a public retraction of the article on your domain in a timely manner, to ensure your readers are notified about the misleading and incorrect information.

If RFA is interested in learning about the reality of the NT2 Project, we would be happy to discuss it further. Please do not hesitate to ask for any additional information. I look forward to receiving your timely reply.

Meriem Gray, World Bank Communications Specialist, Lao PDR