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Dr. Kendyl Salcito
Executive Director
NomoGaia
1900 Wazee Street
Ste. 303 Denver, CO 80202
United States of America

Dear Dr. Salcito

World Bank consultations on social issues in Myanmar Thaton Power Station area

I would like to provide the World Bank's findings, enclosed, concerning the issues raised in NomoGaia's report on the Thaton Power Plant component of the World Bank-financed Myanmar Electric Power Project.

We have discussed these findings with our clients, the Myanmar Government Ministry of Electric Power (MOEP) and Myanmar Electric Power Enterprise (MEPE). We will continue to work with them to implement World Bank safeguards requirements for this project, as well as the proposed World Bank-financed Myanmar National Electrification Project, which aims to help increase electricity access in Myanmar and has identified the Thaton District, particularly the villages near the power station, as a priority activity.

We appreciate your interest in these issues.

Yours Sincerely,



Abdoulaye Seck
Country Manager, Myanmar
The World Bank

World Bank consultations on social issues in Thaton Power Station affected area

The International Development Association (IDA)-financed Myanmar Electric Power Project (MEPP) (P143998) involves supply and installation of a combined-cycle gas turbine (CCGT) to rehabilitate and upgrade the power plant at Thaton, Mon state, and related technical assistance activities. In January 2015, World Bank staff visited the Thaton power plant site and surrounding area to: (i) understand the social aspects of the safeguards management system that will be prepared for the power station upgrade¹; (ii) prepare for the forthcoming Poverty and Social Impact Assessment (PSIA) field work and consultations for the proposed Myanmar National Electrification Project (NEP) (P152936); and (iii) be able to respond to a risk assessment report for the Thaton power station by civil-society organization NomoGaia.²

The visit included meetings with key staff of the power plant (Executive Engineers, Assistant Engineer, and Sub-Assistant Engineer); a tour of the plant; meeting with members of the two Village Electrification Committees in the Thaton area; and informal discussions with several villagers in the surrounding villages. The mission also met with two individuals who had provided information for the NomoGaia report and the consulting firms involved in the Environmental and Social Impact Assessment (ESIA) for the power plant project.

The NomoGaia report asserts that the ESIA and consultation process “*failed to meaningfully engage with Karen stakeholders.*” The report criticizes that the ESIA was conducted in Burmese although many “*only speak the Karen language fluently*” and therefore “*focused predominantly on the concerns of the relatively advantaged ethnic Burmans who have compound in local villages.*”

While the World Bank’s review conducted in January indicates that the way in which the sampling and consultations were conducted gave slightly more emphasis to the Bamar, the ESIA and consultations provide a credible assessment of project impacts and community views.

The ESIA undertaken during project preparation involved field work, including focus group discussions and interviews, in the 3 villages close to the Thaton power plant. It involved a random sampling size of 10% of the population in these villages: Than Ban, Kyar Pan and Nyuang Wyne. This sampling covered 40 households with connections to power supply and 45 without any connection. Among the 45 households without connection, the vast majority (73%) were Karen (Kayin) and 11% Bamar (Burmese). The 40 households with power connections included Bamar (52%), Karen (20%), Mon (5%), Pa’O (3%), Shan (3%) and Bamar Muslim (3%). The public consultations on the draft ESIA for MEPP, held in Thaton on May 20, 2013, involved 50 stakeholders, including 13 villagers from Than Ban, Kyar Pan, Nyuang Wyne and Htaung Hmu villages. These were predominantly from the Village Electricity Committees and Bamar.

The ESIA and consultations, and the Bank’s January review, document a strong wish to expand the power grid to include all households in the villages in the vicinity of the power plant. This will be supported through the proposed NEP. Also, going forward with the refurbishment of the Thaton Power Station, under MEPP, and the proposed NEP, the World Bank will encourage both MOEP and MEPE to pursue an inclusive and culturally appropriate social assessment and consultation process. This will involve a proper and inclusive sampling of community members included in interviews, surveys and consultations; involvement of a broader section of local civil society organizations; and measures to

¹ An environment, health and safety management system will be developed for the existing and the new facilities at the Thaton plant, including health and safety measures and guidelines. The procurement process for consultants to prepare the system is ongoing.

² *Human Rights Risk Assessment conducted by NomoGaia, evaluating The Electric Power Project (P143998), the World Bank-funded refurbishment of the Thaton Power Station, in Mon State, Myanmar, August, 2014.*

consider local languages (for instance, ensuring that a member of the social assessment and consultation team speaks the language of ethnic minorities in the project area or that the team secures support from local people who can function as interpreters or as integrated members of the assessment and consultation team). For NEP, the Environmental and Social Management Framework will include such provisions.

The recommendations included in NomoGaia's Report raises a number of issues that are being considered in the manner set out below, either as part of MEPP or as part of the proposed NEP.

Recommendation 1: *"Conduct an IP assessment that engages local Karen, Pa'O and other people on their perceptions of the project and their interest in receiving electricity."* Bank Response: The ESMF for the NEP will include provisions to address requirements of the World Bank's policy on Indigenous Peoples (OP 4.10). This includes an assessment, community engagement and consultation process for subprojects financed under the NEP, including for the commitment to support rural electrification for villages in the vicinity of the Thaton power station. For the implementation of the Environmental and Social Management Plan (ESMP) for the Thaton Power Station a consultation approach will be developed to ensure an appropriate consultation and engagement process with a broad section of community members in the surrounding villages.

Recommendation 2: *"Develop an inclusive grievance mechanism for all local political, ethnic authorities and residents."* Bank Response: A Grievance Redress Mechanism (GRM) is already required under the Environmental and Social Management Plan (ESMP) that has been prepared under the Myanmar Electric Power Project. The ESMF for NEP will also include a GRM.

Recommendation 3: *"Provide rural electrification to communities surrounding the Thaton power station, as a priority for NEP, and as a demonstration that community concerns are heard, respected and addressed."* Bank Response: Rural electrification of villages near the Thaton Power Station will be prioritized under the NEP following procedures being developed for the project, including the ESMF.

Recommendation 4: *"Conduct water and soil sampling for hydrocarbons and other contaminants that could affect drinking and irrigation water for surrounding communities."* Bank Response: The ESMP for Thaton prescribes an environmental due diligence audit for the development of an Environmental, Health and Safety (EHS) Management System for the operation of the Thaton Power Station. The due diligence audit includes environmental site investigations including water and soil sampling.

Recommendation 5: *"Modify environmental management plans and Thaton refurbishment construction plans according to findings from water and soil sampling."* Bank Response: The results of the due diligence audit (including water and soil sampling) will inform the Thaton refurbishment and the ESMP includes provisions for adaptive management framed by the EHS Management System based on monitoring of environmental and social impacts during the refurbishment construction and operation of the power plant.