

## **Talking Points Nam Theun 2 Update Report Briefing December 14, 2007**

### Introduction

- Thank you for being here today.... This is an update on progress in the Nam Theun 2 Hydroelectric Project. The World Bank and Asian Development Bank provide an update on the project ever six months.
- Nam Theun 2 is a development project that aims to generate revenues for poverty reduction in Lao PDR.
- The project is jointly implemented by the Nam Theun 2 Power Company (NTPC) and the Government of Lao PDR and supported by financing from 27 parties, including the World Bank and Asian Development Bank.

### Country Context

- Lao PDR is one of the poorest countries in East Asia. Landlocked and mountainous it has few development options, and hydropower is one of them.
- The World Bank has been working in Lao PDR for the last thirty years, and our focus is currently on helping the Government maintain strong economic growth, promote private sector development, deliver social services such as health and education, build the capacity of its institutions and people and soundly implement the Nam Theun 2 Project.
- Some of the work that we have been doing, closely related to Nam Theun 2, is helping the Government to undertake important public financial management reforms. These reforms will put in place mechanisms that can help the Government manage NT2 revenues in a more transparent and accountable manner and effectively target them to poverty reduction and environment protection programs.
- We have also been working with the Lao and Thai governments to put in place measures that will allow Lao PDR to sustainably develop its hydropower resources. The Lao-Thai Hydro Forum, held last September, was a clear illustration to develop hydropower in a responsible and sustainable manner.

### On Progress NT2:

- I, personally, have been working on Nam Theun 2 for over five years, interacted with many and I have seen us progressively take on challenges and overcome them
- There have been many of us visiting Nam Theun 2 over the years. Actually, I believe many of you present here today have been to the site and see the progress for yourself.

- On average, there is a visitor to monitor, supervise, oversee or assess NT2 at least on a weekly basis, if not more – whether it's by monitors such as the Panel of Experts and Independent Agencies, the company, independent consultants, NGOs, the Lao Government, representatives from other governments, academics, media and, of course, the ADB and World Bank.

On Progress in the Last Six Months:

- Over the last six months, considerable progress has been made in many aspects of the project but significant challenges also remain.
- One important thing to always keep in mind is that there are two very distinct timelines in this project: One is the construction, which has a 5-year timeline; and a second is the social and environmental programs, which have a 12-year timeline.
- On construction, works are proceeding well on schedule, with over 71 percent of electromechanical works completed half-way through the five year timeline.
- On the social and environmental programs, I will let my colleague in Vientiane, the World Bank Country Manager for Lao PDR, Patchamuthu Illangovan, share with you a more detailed update of progress 2-years into the 12-year timeline.