



18 October 2017

**Ms. Annabel Perreras**  
Policy Coordinator  
NGO Forum on ADB

**Re: Letter from NGO Forum Regarding the Gas Cylinder Incident at Nam Ngiep 1 Hydropower Project**

Dear Ms. Perreras,

Thank you for the letter dated 18 September 2017 regarding the explosion at the Nam Ngiep 1 Hydropower project in the Lao People's Democratic Republic (Lao PDR). This letter provides a detailed response as advised in ADB's initial letter of 22 September 2017.

**Summary of the Incident Response**

The incident at the Nam Ngiep 1 Hydropower Project (the Project) occurred at 21:50 hours on Friday 28 July 2017. The incident involved 13 Vietnamese nationals from Song Da 5, one of the main civil subcontractors of the Project employed by Obayashi Corporation (Obayashi). Investigations concluded that two workers were manually carrying an oxygen cylinder when it was dropped or otherwise ruptured, causing a subsequent explosion. Six workers died, two workers were treated in hospital for non-life threatening injuries, and an additional five workers received treatment for less serious injuries in the days after the event.

Immediately following the incident, the contractor contacted Nam Ngiep 1 Power Corporation (NN1PC), the Lao PDRs police, and within 24 hours ADB were also informed. Works on site ceased immediately and remained closed throughout investigations. Organizations involved in investigations included the Department of Energy Management, police, fire department and the Lao PDR army. Obayashi launched their own investigations, including independent testing of the burst cylinder and other cylinders on site. The burst cylinder was found to be corroded and structurally unsound, although no other cylinder tested from the site was found to be faulty. As a precaution, all gas cylinders on site were removed and replaced with new units from a certified supplier. Obayashi also implemented new off-site filling procedures, and new on-site storage and transport measures. Obayashi has also provided training for all site personnel. NN1PC prepared a comprehensive Fatal Accident Report and Corrective Action Plan that was issued to ADB on 25 August 2017.



ADB has verified that the families of the six deceased and two more seriously injured personnel have been provided monetary compensation. The payments made surpass the requirements of applicable laws. In addition, all surviving workers on site at the time of the incident were given all necessary medical treatment including hearing and eye tests, and were provided psychological counseling. NN1PC have confirmed that all injured workers have since returned to full-time work on site.

### **ADB Mission**

ADB fielded a mission to the NN1PC construction site on 26 to 27 September 2017. ADB staff attended a NN1PC health and safety briefing held on 27 September 2017, which included a discussion of the incident, site investigations, and outcomes. The briefing included a review of health and safety reporting, monitoring procedures, and incident and near-miss statistics. In addition, there was a separate meeting held with NN1PC management to discuss the incident in depth and to review the Corrective Action Plan. ADB confirmed that all proposed actions have been implemented, with relevant evidence provided by NN1PC where applicable. The mission also verified that the new cylinder transport measures are being employed on the site by workers.

### **Outcomes**

ADB is satisfied that NN1PC, its contractors, and sub-contractors are committed to adherence to ADB safeguards policies and core labor standards in its operations. This has been demonstrated by the implementation of occupational health and safety and core labor standards on site, including a high standard of health and safety management and reporting.

While the incident is deeply regrettable, a thorough investigation has been undertaken by both the Lao PDR authorities, the contractor and site owner, and appropriate remedial actions have been put in place to prevent the incident from recurring.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Thieme'.

Christopher Thieme  
Deputy Director General, PSOD