



Mr. Pham Văn Tăng, General Director
Viet-Lao Power Joint Stock Company (VLPC)
Tầng 9 Tháp B Tòa nhà Tập Đoàn Sông Đà
Đường Phạm Hùng, Hà Nội
Việt Nam

Mr. Lê Văn Ton, Chairman of the Board of Directors
Viet-Lao Power Joint Stock Company (VLPC)
Tầng 9 Tháp B Tòa nhà Tập Đoàn Sông Đà
Đường Phạm Hùng, Hà Nội
Việt Nam

Monday March 18th, 2013

Re: Xekaman 1, 3 and 4 and Dak E Muele Hydropower Projects in Lao PDR

Dear Mr. Pham Văn Tăng and Mr. Lê Văn Ton,

I am writing on behalf of International Rivers to raise specific concerns about the Xekaman 1, 3 and 4 and Dak E Muele hydropower projects in the Attapeu and Sekong provinces of Lao PDR. International Rivers is a non-profit organization that monitors the impacts of dam projects and advocates for affected communities. We would greatly appreciate your attention to the issues raised in this letter, as well as your response.

The concerns in this letter were conveyed to International Rivers by village headmen and families in affected communities along the Xekaman River in February 2013. Related questions below are based on relevant legal provisions stipulated by the Government of Lao PDR, including the 2005 *Decree On Compensation and Resettlement* and the 2010 *Decree on Environmental Impact Assessments*. Since these projects are being considered as part of the proposed Lao PDR-Vietnam Power Interconnection (Hatxan-Pleiku) Project in the Greater Mekong Subregion, it is our understanding that compliance with the safeguard policies of the Asian Development Bank will be required.

Xekaman 1 Hydropower Project

International Rivers visited Ban Hindam and Ban Donekhen, both Alak villages, in May 2012 and February 2013. Both of these villages remain within a few kilometers of the construction site. For nearly a decade, families in both villages have been living in makeshift housing, after being instructed to vacate upland areas that would be within the project's inundation zone. Despite being moved off of their ancestral lands, they still identify as subsistence farmers who fish, cultivate rice and garden vegetables, and collect wild foods. However, people we interviewed say that their food and livelihood security is becoming increasingly uncertain. The fluctuating and unpredictable river levels due to ongoing dam construction and the clearing of land for project development has meant the space for cultivating staple crops and vegetables is becoming more limited. Villagers say they have not been compensated for the losses of fields and rice paddies that have resulted from construction activities and the inundation due to the reservoir and rising river levels.

The people of Ban Hindam and Ban Donekhen have heard that they may be resettled in the future to the housing compounds at the rubber plantations near the district centre of Attapeu. Although they have heard that they will earn daily wages on the plantations, villagers are uncertain how they will cope without land to cultivate and how they will be able to make sure that there is food security for their families. They have

not been provided with access to information about where or when they will be relocated, nor how they will be able to regain a sense of self-sufficiency. This situation appears to be in direct violation of the provisions outlined in the 2005 *Decree On Compensation and Resettlement*, including Article 4 (Obligations of Project Owners to Address Adverse Social Impacts), Article 6 (Compensation Principles), Article 11 (Local Culture & Practices), Article 9 (Restoration and Repair) and Article 12 (Public Participation and Consultation).

- We would greatly appreciate if you could provide a copy of the environmental impact assessment and resettlement action plan for Xekaman 1, as required by Lao law?
- Can you let us know what the plans are for restoring the livelihoods of villagers in Ban Hindam and Ban Donekhen and how these plans will be communicated to the affected villagers?
- How will affected families be compensated for the losses they report have happened during project construction, including the loss of land for growing rice and vegetables?

Xekaman 3 Hydropower Project

During our field mission to the Xekaman River, International Rivers undertook interviews with headmen and families in villages upstream and downstream of the Xekaman 3 Hydropower Project, including Ban Dakman, Ban Daktaok-Nyai, Ban Daktaok-Noy, Ban Dakmoan, Ban Dak-Eoy, Ban Dakdin, Ban Daknoy, Ban Kunsai, Ban Rak and Ban Daksuan. Families report significant declines in fish catches of around 90-95% since construction activities began. They say that it has become necessary to abandon traditional fishing methods because of the low numbers of fish, the changes in the river level and flows, and the concentration of debris in the water. None of the villages listed above received information about estimated losses to fisheries, wild foods and land prior to construction. As a result, village headmen report that people were not prepared for these losses and were not offered compensation either before or after construction began. They also report ongoing problems with accessing clean water due to changes to water quality and depth. In particular, the headman and village families in Ban Dakman say that over the past two years, they have written letters to Song Da personnel to request the building of a gravity-fed pump that could provide a source of potable water. They never received a reply, and are still waiting for information about whether their request will be met.

- Can VLPC please provide a copy of the environmental impact assessment and resettlement action plan for Xekaman 3, as required by Lao law?
- Is your company aware of the villagers' concerns that lost assets have not yet been compensated? Can you please explain how your company plans to respond to this situation?
- Are there any livelihood restoration programs planned to compensate for the losses in fisheries, wild foods and land as a result of Xekaman 3? Can you please explain these plans?
- Is VLPC aware of the request from Ban Dakman for a water pump? Can you explain what your response is to their request?

Xekaman 4 and Dak E Muele Hydropower Projects

With regards to Xekaman 4 and the Dak E Muele projects, village headmen upstream of Xekaman 3 say that they had heard vague information about the plans to develop these dams in the future. However, they

say they are frustrated by the lack of information and consultation to date. They would like to know how the land where they currently cultivate rice, vegetables and coffee will be affected, and how the river, the surrounding forests, and neighbouring villages will be impacted by the projects. The ethnic minority peoples of these villages, a majority of whom are Triang, say that they feel very uncertain about their future, and whether they will have to move away from their ancestral lands.

Based on these findings, International Rivers would like to request the following information:

- Have an environmental impact assessments and resettlement action plans been completed for Xekaman 4 and Dak E Meule? If so, could you please provide copies of the respective environmental impact assessments and resettlement action plans, as required by Lao law? If not, when do you think they will be completed?
- Will any of the villages along this stretch of the Xekaman River or the Dak Emun tributaries be resettled? If so, can you please let us know which villages will be moved and when, and when this will be communicated to the affected villagers?

We look forward to receiving a response in a timely manner and hope that this communication will lead to productive outcomes for the affected communities. I can be reached by email at tlee@internationalrivers.org or alternatively, by mail. Thank you for your kind attention.

Sincerely,



Tania Lee
Lao Program Coordinator
International Rivers

Cc:

Mr. Duong Khanh Toan, Chairman of the Board of Directors, Song Da Holdings
Mr. Anthony Jude, Director, Energy Division, Southeast Asia Department, Asian Development Bank
Mr. Jong-Inn Kim, Lead Energy Specialist, Energy Division, Southeast Asia Department, Asian Development Bank
Mr. Nessim J. Ahmad, Director, Environment and Safeguards Division, Asian Development Bank
Mr. Christopher Morris, Head, Nongovernment Organization and Civil Society Center