

## 1. EXECUTIVE SUMMARY

### Project Background

This report is a Stakeholder Engagement Plan (SEP) developed for the Xekaman 1 Hydropower Plant Project (hereinafter as “the Project” or “XKM1”). The Project is invested and developed by Viet Lao Power Joint Stock Company (VLPC) (the “Sponsor”) through Xekaman 1 Power Company Limited (the “Project Company”, the “Project Owner”, or “XKM1 PCL”) and is currently being considered for financing by the Natixis and Asian Infrastructure Investment Bank (AIIB) (hereinafter referred to as “the Banks”).

Xekaman 1 Hydropower Project (XKM1 HPP) was constructed on the downstream areas of Xekaman River, Xanxay District, Attapeu Province, Lao People's Democratic Republic (PDR) from 2011 to 2017 and started operation since 2018. The HPP has a total capacity of 322 MW and an average power output interval of 1.2 billion kWh, including two levels: the upper level is Xekaman 1 Hydropower Plant and the lower level is Xekaman Sanxay Hydropower Plant.

This SEP is a living document designed to guide the Project's stakeholder engagement efforts throughout its operational phase, ensuring compliance with both national regulations and international standards, particularly those set by the AIIB.

### Stakeholder Identification and Analysis

Stakeholders are defined as individuals or groups who are potentially affected by or interested in the Project. The Project has identified a wide range of stakeholders, including:

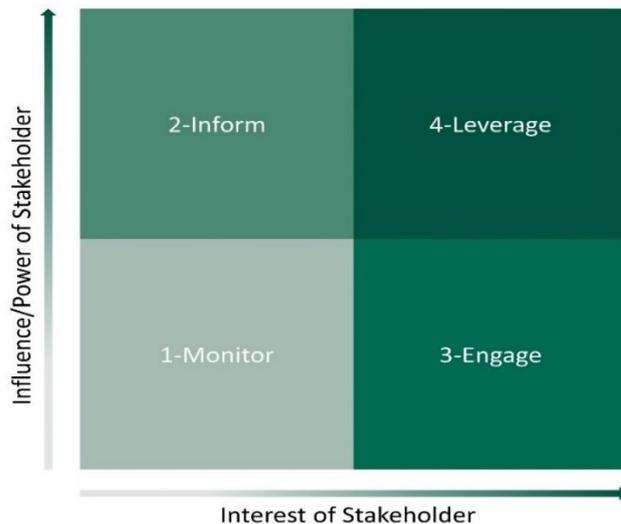
- Affected villages: i.e. the villages located within and in the surrounding areas of the Project footprint (Figure 1.1) including:
  - Souksavang Dakbou resettlement site,
  - Hindam, Donkhen and Tangeu villages in the Houy Doum resettlement site,
  - 17 villages in the downstream of the power plant: Fudeng, May Nakkor, Mixay, Soumbun, Tat Kum (Xanxay District), Fang Deang, Phoxay, Kaeng Yai, Khamakong, Sayxi, Thad Pha Xay, Touy, Vat Luong, Xai, Xomkhod (Xaysettha District), Houy Keo and Samakchi (Samakchixay District)
- Government agencies: Ministries and departments at both national and local levels involved in the Project's approval and oversight.
- Internal stakeholders: VLPC, EVN, AIIB, Natixis, contractors, consultants.
- Other interested parties: NGOs, community groups, other hydropower plants, industries, academic groups, media, foreign governments, and multilateral agencies.



**Figure 1.1 Location of the affected villages (as of October 2022)**

Stakeholder analysis and mapping involved profiling stakeholders based on their concerns (environmental, social, technical) and mapping them according to their level of influence and interest in the Project. This analysis helps determine appropriate engagement strategies for each stakeholder group. The matrix presented in Figure 1.2 categorises stakeholders based on their interest in and influence over the Project.

- Influence: Refers to the power stakeholders have over a project, including the ability to affect or influence decisions and facilitate its implementation.
- Interest: Refers to the priority given by the company to considering and accommodating the stakeholder’s needs and interests.



**Figure 1.2 Stakeholder Mapping Matrix**

The outcome helps determine the level of engagement and the types of tools that will be used to consult with different stakeholders/stakeholder groups. The mapping exercise categorises stakeholders in four groups as follows:

1. **Leverage:** including the stakeholders that appear in the top right quadrant, who identified as having high influence and high interest in the Project. This group of stakeholders is often the most important to the Project as they have the ability to influence Project outcomes and also have a high level of interest in aspects of impact assessment. Stakeholders in this group should be managed closely through proactive engagement on a regular basis.
2. **Engage:** low influence and high interest. This group is also an important group and includes those groups or organisations that are not adversely affected, but whose interests determine them as stakeholders. As such, this group should be kept engaged and the Project should maintain an open channel of communications with this group throughout Project phases. Typically, this group would include local communities not directly affected by the Project and authorities who have limited influence on the Project.
3. **Inform:** high influence and low interest. From an impact assessment perspective, these are stakeholders that have the potential to influence Project outcomes but may not have a specific interest in impact assessment related issues. Stakeholders in this group should be kept informed on the progress of the Project development and usually include statutory consultees.
4. **Monitor:** low influence and low interest. Typically, this group includes those who have limited interest and influence on the Project including the media and non-governmental organisations (NGOs).

The results of the preliminary stakeholder identification and mapping process to date (October 2022) are presented in Table 4.1 of this Report. The stakeholder list as well as stakeholder analysis and mapping will continue to be revised according to the ongoing receipt of comments and input from stakeholders directed to the Project.

### Stakeholder Engagement to Date

Previous stakeholder engagement has been conducted during various stages of the Project's development, including the preparation of the Environmental Impact Assessment (EIA), Resettlement Action Plan (RAP), and other relevant plans. Consultations with local authorities and affected communities have been carried out to inform them about the Project, gather feedback, and address concerns.

During the development of the Social Development Due Diligence (SDD) and Community Development and Indigenous Peoples Plan (CD-IPP), consultations were conducted with local authorities and affected communities through meetings, focus group discussions, key informant interviews, and household surveys. These consultations aimed to update stakeholders on the Project's progress, gather information on socio-economic conditions and indigenous peoples' development, and obtain feedback on the Project's impacts and proposed development schemes.

### **Future Engagement Plan**

The Project's future engagement plan focuses on maintaining and strengthening relationships with stakeholders throughout the Project's operational phase. Key activities include:

- Ongoing information dissemination about the Project's Grievance Redress Mechanism (GRM).
- Disclosure and consultation on the draft and final CD-IPP.
- Annual disclosure of the Environmental and Social Monitoring Report (ESMR).
- Disclosure and consultation on any future management plans.
- Timely communication of any major changes in the Project's development.
- Regular review and update of the stakeholder list and engagement strategies.

The Project will utilize various communication methods, including meetings, official correspondence, phone calls, local contacts, media, and online platforms, to ensure effective engagement with all stakeholders.

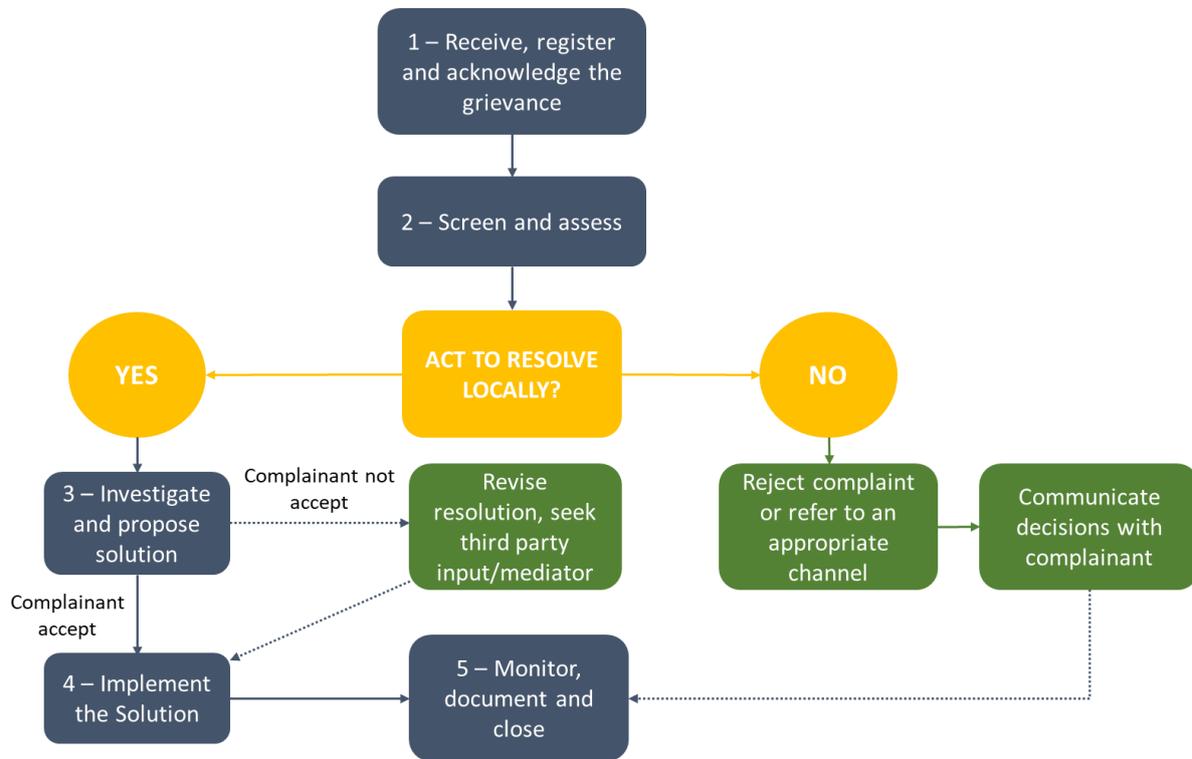
### **Grievance Redress Mechanism (GRM)**

The Project has established a GRM to address grievances raised by external stakeholders related to the Project's activities. The GRM aims to:

- Address grievances promptly, effectively, and transparently.
- Provide a culturally appropriate and accessible process for all affected parties.
- Build trust within the community.
- Identify emerging issues for corrective actions and pre-emptive engagement.

The GRM includes a grievance procedure with steps for receiving, acknowledging, screening, assessing, investigating, and resolving grievances (Figure 1.3). It also outlines the roles and responsibilities of the Project's Grievance Redress Unit (PGRU) in managing the grievance process.

## COMMUNITY GRIEVANCE PROCEDURE



**Figure 1.3 Grievance Procedure**

### Resources and Budget

The implementation of the SEP will be led by the XKM1 Environmental and Social (E&S) Manager and Project Director, with support from the XKM1 E&S members. The Project will also consider engaging a third-party expert to ensure objective and culturally appropriate consultation and grievance management.

The budget for stakeholder engagement activities will be included in the Project's financial plan and allocated annually based on the specific activities planned for each year.

### Monitoring and Reporting

The Project will continuously monitor stakeholder feedback and grievances through surveys, meetings, and one-on-one interactions. Separate reports will be compiled for stakeholder engagement activities and grievances, and the results will be included in the annual ESMR. The ESMR will be submitted to the AIIB for review, and additional ad-hoc monitoring may be conducted as required by the AIIB.