

EXECUTIVE SUMMARY

The Xekaman 1 Hydropower Plant was constructed and is currently being operated by the Xekaman 1 Power Company Limited, a subsidiary of Viet-Lao Power Joint Stock Company. The Project was built on the Xekaman river in Sanxay district, Attapeu province. The Project have a total installed capacity of 322 MW, including two levels: XKM1 Hydropower Plant at the upper level and Xekaman Sanxay Hydropower Plant at the lower level. Four villages in Sanxay district were physically displaced in two resettlement areas, including Dakbou village (relocated to Souksavang Dakbou resettlement site), Hindam, Donkhen, and Tangkeu villages (relocated to Houy Doum resettlement site). Three villages of Sanxay district were identified as economically displaced due to the loss of farmland (Soumbun, Mixay, and Fudeng villages). One host community and 14 villages located in the downstream of Xekaman river (in Sanxay, Samakkhixay, and Xaysetha districts) were considered as affected communities.

This Community Development and Ethnic Minorities Plan (CD-EMP) was prepared based on policies and laws of Lao PDR Government, and the Asian Infrastructure Investment Bank (AIIB)'s Environmental and Social Framework (ESF) on Ethnic Minorities (EM). The CD-EMP was based on the findings of the survey and consultations with 19 affected communities conducted in 2022. The CD-EMP sets up the measures to ensure that the local ethnic minorities receive culturally appropriate social and economic benefits, do not suffer adverse impacts as a result of Project, can participate actively in the Project that affects them, and to enhance and contribute to socio-economic development in the Project area through key program interventions.

Discussion meetings with affected communities and local authorities were carried out during the CD-IPP preparation. One consultation with local authorities, meetings with the Project representatives, twenty-one key informant interviews (KIIs), twenty focus group discussions (FGDs), and 161 household interview were carried out during the CD-EMP preparation. Of 161 households engaged in the household interview, there were 70 physically displaced and 91 economically displaced households. Agricultural production was the primary livelihood of all affected households, with the focal crops, such as rice, cassava, and maize. About 67.5% of the surveyed population were ethnic minority people, while the remaining 32.5% were of Lao ethnicity. A considerable percentage of the affected population were illiterate (12.5%), of which four-fifths of the illiterate population were of working age. Roughly 7.5% of the affected households were in poverty. Concerns and proposals raised by the affected communities were elicited and incorporated into the CD-EMP.

The grievance redress mechanism (GRM), which is developed as a part of the Project's Stakeholder Engagement Plan, will be disclosed to affected communities to ensure that affected households' concerns and grievances are addressed and resolved in a timely, culturally appropriate and satisfactory manner. Complaints or grievances related to any aspects of the Project intervention will be received and solved timely and satisfactorily without any fee or payment by relevant agencies as stipulated in the GRM.

The CD-EMP implementation is led strategically by the Corporate Social Responsibility (CSR) Manager and Project Director with support from CSR officers and community liaison officers (CLO), who directly implements the CD-EMP activities, with support from technical experts, organizations, or third parties as recommended. The responsibility for overall monitoring and implementation of the CD-EMP will be subjected to independent external monitoring by a qualified consultant. The communities benefiting from this CD-EMP should be involved in both implementation and monitoring and evaluation to maximize the intended purposes of the CD-EMP.

This CD-EMP will be implemented within the first three years, with a focus on four main programs of agricultural production improvement, water supply, education assistance, and health care. The budget allocation for the first three-year CD-EMP programs for 19 affected villages of Sanxay, Xaysetha, and Samakkhixay districts shall be determined by the Project Owner based on the efficiency of the Project business performance or the contribution to social welfare programs. The budget allocation for the CD-EMP programs for the next implementation phases shall be reviewed and determined after the assessment of local needs and the prior IPP implementation results.