

November 30, 2020

Mr. Le Hai, General Manager

Vietnamese An Binh Commercial Joint Stock Bank
No.36 Hoang Cau
O Cho Dua Ward
Dong Da District
Hanoi, Vietnam

Dear Mr. Le Hai,

Re: Request for Assistance to Address Community Concerns about the Lower Sesan 2 Hydropower Project, Stung Treng Province, Cambodia

We, community members affected by the Lower Sesan 2 Hydropower Project (the “Project”) in Stung Treng Province, Cambodia, are writing to you to seek your assistance in addressing our ongoing concerns about the Project and the impacts it has caused to our lives.

We understand that Vietnamese An Binh Commercial Joint Stock Bank (ABBank) is a key shareholder in EVN International JSC (EVNI), which holds a 10% stake in the Lower Sesan 2 Hydropower Project. We are writing to urge your company to exercise its influence in the Project to ensure that our communities are able to have a meaningful dispute resolution process to address our ongoing concerns and needs, facilitated by the International Finance Corporation's (“IFC”) Compliance Advisor/Ombudsman (“CAO”). This request is discussed in further detail below.

Community Concerns

The Project is located on the Sesan River, below the confluence of the major Sesan and Srepok tributaries and about 25km from the Mekong River. Construction of the \$816 million, 400-megawatt project began in 2014, and the project completed construction and commenced operations in 2018.

As communities impacted by the Project, our lives depend on land and natural resources. The Project has and will continue to cause major adverse impacts to our ancestral land, our livelihoods and traditional practices. These impacts have not been properly addressed or compensated.

The dam’s 340-square-kilometer reservoir resulted in the relocation of approximately 5,000 people. The majority of our communities are indigenous and ethnic minority people. Many people in the project-affected communities opposed construction of the project due to concerns over its impacts on our lives. Our communities were not appropriately consulted during the project’s planning and development process, including during the environmental impact assessment and the development of the compensation and resettlement plan. Some communities, including those located upstream and downstream of the

project, were not consulted at all. This has been documented in studies of the environmental impact assessment and resettlement process.¹

Following sustained pressure on our communities to accept the relocation and move to the resettlement sites, hundreds of families from our villages moved to the new villages. However, over a hundred families in two villages have continued to refuse to relocate and accept the compensation offered by the project developers. In addition to displacement, our communities continue to face major adverse social and environmental impacts as a result of the Project. Some of these issues are distinct and unique to our different villages, but they include: access to land, security of tenure including communal land title, compensation for lost assets and livelihoods, water access and quality, livelihoods support and restoration, and maintenance and replacement of poor quality infrastructure. Communities in the reservoir area, and up and downstream of the project, are also seeking a comprehensive impact assessment on fish, farmland, local livelihoods and emergency preparedness.

Project's Lack of Compliance with National Laws and International Standards

The Project has failed to comply with its obligations under Cambodian law and international standards, including breaches of Cambodian laws governing the requirements for environmental impact assessment, development-induced displacement and resettlement, and the rights of indigenous peoples.

Additionally, the Project has not complied with the IFC's environmental and social performance standards. As the Project has ties to IFC financing, the Project should have been properly implemented and monitored in its compliance with IFC's Performance Standards, namely: Performance Standard 1 (Assessment and Management of Environmental and Social Risks and Impacts); Performance Standard 4 (Community Health, Safety, and Security); Performance Standard 5 (Land Acquisition and Involuntary Resettlement); Performance Standard 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources); and Performance Standard 7 (Indigenous Peoples).

ABBank's Corporate Obligations

As one of the first banks to adopt the Bank of Vietnam's directive to promote green credit growth and manage environmental and social risks in financial operations, ABBank has committed to being a leader in "supervis[ing], manag[ing], and evaluat[ing] the social environment system in which ABBank operates and works with partners to raise awareness of environmental and social issues."²

¹ See, Ian G Bard, 'Best Practices in Compensation and Resettlement for Large Dams: The Case of the Lower Sesan 2 Hydropower Project in Northeastern Cambodia', Rivers Coalition in Cambodia, May 2009. Available at [www.academia.edu/1049246/Best Practices in Compensation and Resettlement for Large Dams The Case of the Planned Lower Sesan 2 Hydropower Project in Northeastern Cambodia](http://www.academia.edu/1049246/Best_Practices_in_Compensation_and_Resettlement_for_Large_Dams_The_Case_of_the_Planned_Lower_Sesan_2_Hydropower_Project_in_Northeastern_Cambodia).

² The UNEP Finance Initiative website states that "ABBANK has integrated sustainability into its risk management and credit granting processes. It has established a team to supervise, manage, and evaluate the social environment system in which ABBANK operates and works with partners to raise awareness of the relevant environmental and social issues. The team will also build the capacities of staff on reorienting ABBANK to become a "green credit bank". Available at: <https://www.unepfi.org/news/industries/banking/abbank-becomes-first-unep-fi-member-in-vietnam/>.

We call on this important commitment by ABBank to request that you assist our community to access a meaningful dispute resolution process to address our ongoing concerns and needs, through the IFC's Compliance Advisor/Ombudsman Independent Dispute Resolution process.

IFC's Independent Dispute Resolution Process

We are seeking an independent mediation process to address our concerns through the CAO,³ which is the independent accountability mechanism for one of the project's financiers (the IFC). Our communities filed complaints to the CAO regarding the IFC's financial ties to the Project. In July 2018, the CAO found our complaints admissible, referred our case to independent dispute resolution, and reached out to government and corporate stakeholders.⁴ The CAO received a response from the Cambodian Ministry of Interior that the provincial authorities had declined to participate in the dispute resolution process. The authorities have acknowledged that issues remain with the Project's impacts on local people, however, we are under pressure from the authorities to accept a resolution that does not meet our needs or address our concerns.

We are therefore seeking the support of your company to help us engage in constructive dialogue with all Project stakeholders to rectify the ongoing environmental and social issues of the Project. We urge you to exercise your power and influence to ensure that affected communities are able to have a meaningful dispute resolution process facilitated by the CAO, with the good faith participation of all relevant stakeholders, including provincial authorities.

Continuing the Project without addressing our grievances would result in reputational harm and potential financial risks. Hydropower Lower Sesan 2 Co. Ltd. will manage the project for the 45 year concession and good relations with local people are essential. Engaging with affected people and addressing our ongoing concerns will help to ensure a smooth relationship with the local population.

We request your response by 31 December 2020. For additional questions of information, please contact us at [sesancommunities@gmail.com]. We look forward to hearing from you soon.

Sincerely,

The people of

Old Srekor village, Stung Treng Province

Punong indigenous people from Old Kbal Romeas village, Stung Treng Province

New Kbal Romeas village (Resettled Community), Stung Treng Province

Communities along the Srepok and Sesan Rivers upstream of the Lower Sesan 2 Hydropower Project in Taveng, Lumpath, Kounmom, Angdong Meas and Veun Sai districts, Ratanakiri Province

³ www.cao-ombudsman.org/.

⁴ www.cao-ombudsman.org/cases/case_detail.aspx?id=1275.

** Please note that a copy of this letter has been sent to financial stakeholders in the Project, including:

China Huaneng Group

Huaneng Lancang River Hydropower Co. Ltd

Hydropower Lower Sesan 2 Co. Ltd.

Vietnam Electricity (EVN)

Vietnam Electricity International Joint Stock Company

China Development Bank

Industrial and Commercial Bank of China (ICBC)

Agricultural Bank of China

Bank of Communications of China

Bank of Ningbo

China Construction Bank

China Everbright Bank

China Merchants Bank

Shenwan Hongyuan

Vietnamese An Binh Commercial Joint Stock Bank (ABBank)

Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank)

Crédit Agricole

Credit Suisse

Standard Chartered

APG Groep NV

Norges Bank Investment Management (NBIM)