

To: **Khun Banthoon Lamsam**
Chairman of the Board and Chief Executive Officer
KASIKORNBANK PCL.
Soi Rat Burana 27/1
Rat Burana Road
Khwaeng Rat Burana
Khet Rat Burana
Bangkok 10140
Thailand

Cc: **Mr. Predee Daochai, President**
Mr. Teeranun Srihong, President
Kasikornbank Pcl.,

01st April 2014

Subject: Careful consideration advised for bank's funding Xayaburi dam

Your Excellency,

We are representatives from Viet Nam including scientists, research institutes, experts, non-governmental organisations and civil society organisations who would like to express our grave concern regarding the lending by Thai banks, especially Siam Commercial Bank, for the construction of the Xayaburi dam. We respectfully urge you to halt the loan, taking into account the serious environmental impacts, financial risks and damage to your bank's corporate reputation that is being incurred.

As you know, the Xayaburi hydropower project currently under construction is one of 11 potential dams that are proposed on the lower Mekong mainstream. However, the project violates the 1995 Mekong Agreement signed by Cambodia, Lao PDR, Thailand and Viet Nam. The dam has been designed, and is being constructed, without complying with the Mekong River Commission's Procedure of Notification, Prior Consultation and Agreement (PNPCA), which is mandatory for all mainstream projects on the lower Mekong River. On 15th April 2011 Viet Nam officially requested that the construction of the Xayaburi dam, as well as all other planned hydropower projects on the lower Mekong mainstream, be deferred for at least 10 years in order to conduct more studies in support of decision making.

A meeting to share concerns about (i) the Xayaburi hydropower project and its impact on the Mekong Delta; (ii) impact analysis of Xayaburi dam and hydropower ladder on the Mekong mainstream towards the Lower Mekong countries including Lao PDR, Cambodia and Viet Nam; and (iii) related parties' views and future direction for the development of hydropower projects on the Mekong mainstream was held on 28th March 2014 in Hanoi by the People's Aid Coordinating Committee (PACCOM), a Vietnamese agency working to support civil society organizations in Vietnam and reporting to the Prime Minister's office.

Experts in the meeting advised that more research be conducted to better understand the potential impacts of the Xayaburi project so that decisions on hydropower projects on the Mekong mainstream can be made based on sound science. According to experts, the Xayaburi project will constitute the greatest trans-boundary threat to date to food security, environment, biodiversity, sustainable development and regional cooperation in the Lower Mekong.

The conclusion of all participants in the meeting was to call on the Lao government to suspend construction of Xayaburi dam on the Mekong mainstream to allow time for further studies of its impact, and to request the Thai government to act responsibly and cancel its premature power purchase agreement until there is regional consensus on hydropower projects on the lower Mekong mainstream. In addition, the Thai banks financing the project need to reconsider their risk assessments, give more importance to sustainable development and pay more attention to the government of Viet Nam, where your bank is currently trying to expand its business.

Therefore, we would like to urge your Bank to seriously reconsider your loan for the construction of Xayaburi dam project and are willing to have a dialogue between the Bank and our representatives in Vietnam to share our further concerns on the negative impacts of the Xayaburi project.

Proposed time: the 2nd or 3rd week of April 2014 (about 2 hours)
Venue: Ha Noi – Vietnam
Facilitated by: People’s Aid Coordinating Committee (PACCOM)

We are looking forward to your response.

Yours respectfully,



Ms. Lam Thi Thu Suu

Director of Centre of Social Research and Development (CSR D)

Representative of Vietnam River Network (VRN)

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Enclosures:

- Media note of the meeting
- List of VRN’s key members
- List of Participants on Meeting on 28th March 2014 in Hanoi