

Bulgaria:
For the Earth
CEIE

Czech Republic:
Hnutí Duha
Centrum pro dopravu a energetiku

Estonia:
Estonian Green Movement – FoE

Georgia
Green Alternative

Hungary:
ETK
National society of Conservationists

Lithuania:
Atgaja

Macedonia
Eco-sens

Poland:
Polish Green Network
Institute for Environmental
Economics

Romania:
TERRA Mileniul III

Russia:
Sakhalin Environmental Watch

Slovakia:
Center for Environmental Public
Advocacy - FoE

Ukraine:
National Ecological Centre of
Ukraine

NATIONAL ECOLOGICAL CENTRE OF UKRAINE
PO Box 89, Kyiv, 01025, Ukraine; Tel.: +380 44 5070616, Fax: +380 44 5070617
e-mail: necu@i.kiev.ua; iryna@bankwatch.org

Date: Kiev, September 15, 2008

To: Andre Kuusvek
Country Director
The Ukraine resident office of EBRD
27/23 Sofiyvska Street, 01001 Kiev, Ukraine

Dear Mr. Kuusvek,

National Ecological Center of Ukraine (NECU), a non-governmental environmental organisation, would like to congratulate you on your new position and to welcome you to Ukraine.

As a member group of CEE Bankwatch Network, NECU has been monitoring the EBRD's operations in Ukraine since 1996. We have focused in particular on projects that have the potential to result in large environmental and social impacts, and we have brought public concerns regarding such projects to the attention of the EBRD.

In recent years most of our concerns have arisen due to projects in the energy sector and due to Ukraine's "Energy Strategy up to the year 2030".

As you may know, this highly controversial and widely criticised document prioritises nuclear energy and coal thermo power energy production, gives almost no space to renewable energy development and pays too little attention to Ukraine's potential for increased energy efficiency. In this respect, we very much welcomed the EBRD's position in May 2008 not to consider the financing of the Kaniv pumped storage plant, an environmentally dangerous and economically unfeasible project which NECU has been advocating against since autumn 2006. We hope EBRD will maintain this position vis-a-vis this project in the future and will not consider giving public money to promote the development of nuclear energy in the country, either through the direct financing of construction and life extension of nuclear reactors or through the financing of supporting infrastructure.

Rather we would hope that under your direction the EBRD in Ukraine will promote the development of those directions that are consistent with the EBRD's strategic priorities and also correspond with European trends. We would hope that the EBRD, as a development institution, will actively support the development in Ukraine of such highly promising but yet challenging directions as dramatically increasing national energy efficiency and supporting much greater development of renewable energy. The EBRD should start working with the Ukrainian government towards boosting the latter's understanding of the benefits that can accrue from better management of energy demand rather than increasing energy supply. On renewable energy development, existing obstacles preventing private investment need to be removed and projects, for example, in small hydro plants rehabilitation and wind turbine construction should be pro-actively identified and supported.

Our country is also preparing for a major sporting event. We appreciate the role that the EBRD is playing in the preparation for Euro 2012 in Ukraine. We welcome the loans that have been given for the development of public transport in Kiev (Kyiv City Transport: Metro Loan), as we consider it to be a prerequisite for the sustainable development of a modern city. We hope that the EBRD will consider supporting such initiatives in other cities in Ukraine. At the same time we would like to ask the Bank not to support the projects connected with the extension of the road infrastructure as in the city this measure does not solve the problem of traffic jam and only leads to further increase of number of private cars.

NECU has analysed the program of preparation of the city of Kiev for the Euro-2012 and has discovered that a number of activities will irreversibly damage green and recreational parts of the city. NECU has sent a letter to Michel Platini, the Head of UEFA, where we have expressed our concerns and submitted the list of the objects and zones that are set to be destroyed (<http://www.necu.org.ua/lyst-platini/>). The main targets in the "black list" are the Trukhanov island, the Druzhby Narodov park, the green zones around the National Exhibition Center - in total about 250 hectares of Kiev's green zones . We appeal to the EBRD not to support such destructive projects and to consider the possible environmental damage they can cause.

The upcoming European Championship has also served as a catalyst for massive plans for airport development across Ukraine. The very tight time restrictions will not allow for proper analyses of the planned airports' effects on the environment and local people. Resettlement and compensation for lost property are seen as one of the most complex issues in this. We believe that the EBRD should not consider involvement in these airport expansion projects and instead give preference to railway projects, as with the Rolling stock renewal project.

Such a major international event as Euro 2012 requires significant improvements in road infrastructure. However, we would like to stress that in order to preserve nature and to prevent negative social consequences, it would be more beneficial not to construct new roads but to renovate and upgrade existing roads with due environmental consideration.

We hope, finally, that collaboration with the EBRD will help various state owned companies to raise their level of accountability and openness towards civil society.

Yours sincerely,

Iryna Holovko

National Coordinator for Ukraine
National Ecological Centre of Ukraine / CEE Bankwatch Network