

Date: 28.11.2007

To: Peter Thomson
Department Director
Europe and Eastern Asia Infrastructure and Energy

Copy to: Herman Wijffels,
World Bank Executive Director

Paul Bermingham,
Country Director, The World Bank mission for Ukraine, Belarus and Moldova

Dejan Ostojic
Senior coordinator for Energy and Infrastructure, World Bank

Agnes Kiss, Lead Biodiversity Specialist
Environmentally and Socially sustainable development, World Bank

Subject: Letter of concern regarding the Dniester project concept review on Dec 3rd

Dear Mr. Thomson,

CEE Bankwatch Network Member Groups would like to address you regarding the Dniester Hydropower Project concept review scheduled by the World Bank for December 3, 2007. We would like to express our deep concern with this project and with the World Bank's possible involvement in it. **We request your thorough attention to Dniester Hydropower's deficiencies prior to your decision on the project's future vis-a-vis the World Bank.**

The Dniester Pumped Storage Plant (Dniester PSP) is a part of the Dniester Hydro Power Complex developed in the 1970s and is thus technologically outdated. PSP technology due to its inefficiency is reckoned to cause large losses of electric power – it returns into the integral power network only about 75-80 percent of the consumed energy. Such losses are unjustified, especially in the global context of fuel shortage and the dangers of climate change.

The Dniester PSP's construction and operation have and will cause numerous ecological and social risks. Water flow reduction in the lower Dniester course will lead to the damage of wetlands that are protected by the Ramsar Convention and drinking water shortages in the Odessa region. There is a high risk of man-made catastrophe due to high seismic activity and complicated geological conditions in the region of the construction. Local people have already been experiencing the problem of disappearing drinking water from wells, the destruction of households and roads, yet they have not succeeded in receiving at least compensation for such impacts.

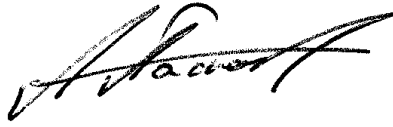
In addition we would like to underline that the Dniester PSP is part of the dubious and highly criticised "Energy Strategy of Ukraine up to the year 2030", which was also assessed by the World Bank as ambitious and very expensive. According to the strategy, **Dniester PSP is being constructed to support and enable unwarranted nuclear power development in Ukraine.**

We strongly oppose the development of nuclear power on European territory. There are already too many unsolved problems with existing plants and nuclear waste in Ukraine, and the Bank should be very cautious before taking any steps to assist the development of additional nuclear problems for the country and society as a whole.

Once again we would call on you to consider all the negative impacts of the project, including the potential risks, and ultimately **not support the Dniester PSP project.**

Would you have any questions, don't hesitate to contact us at +38-050-647-67-00 or irynd@bankwatch.org

On behalf of signatories of the letter -



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