

Attachments to the appeal against the non-disclosure of the Environmental Assessment and information on public consultations regarding the ADDY locomotive project, Azerbaijan submitted to the European Bank for Reconstruction and Development (EBRD) on May 4, 2007

Attachment No.1.

> From: Sona Taqiyeva [mailto:staqiyeva@gmail.com]
> Sent: Thu 08/03/2007 09:11
> To: Caloianu, Doina
> Subject: ADDY: Locomotive

Dear Doina

I hope you are doing well. I am attaching below the answers on my requests:

On 3/6/07, Info <Info@ebrd.com> wrote:

Dear Ms Taghiyeva,

Thank you for your continuous interest in ADDY: Locomotive project. Please be informed that European Bank for Reconstruction and Development does not disclose feasibility studies relating to potential Bank investments. The Feasibility Study for the ADDY: Locomotive project is part of the Bank's internal due diligence and this can therefore not be disclosed to your organisation. The tendering process is yet to start, therefore no information on the bidding is available.

Please be advised that all the information accessible for public regarding ADDY: Locomotive project is established on our web site at www.ebrd.com/projects/psd/psd2005/30584.htm.

Best regards
EBRD, Communications Department

On 3/7/07, Info <Info@ebrd.com> wrote:

Dear Ms Taghiyeva,

Thank you for your continuous interest in the EBRD's project in Azerbaijan. We regret to inform you that the Bank is not able to disclose the Environmental analysis of the ADDY: Locomotive project as this is information of a confidential nature.

To refer to the EBRD's PIP confidential information please visit our web site at www.ebrd.com/about/policies/pip/clarify.htm.

Please be repeatedly advised that all the publicly available information regarding ADDY: Locomotive project is established on our web site at www.ebrd.com/projects/psd/psd2005/30584.htm.

Best regards
EBRD, Communications Department

But according to the EBRD's policies, the Bank can currently release the Environmental Analysis. Especially considering the fact that this project has already attracted the attention of our society and we are all strongly interested in such a sensitive and important project for Azerbaijan I am asking to disclose it for the public along with the General Conditions on the Bid Procedure and a Bid Instruction Document.

Personally I can not even imagine what kind of confidential information might be in Environmental Analysis of this Project. And if there is any we are in double interest to obtain it and to provide our suggestions on how to waive from certain types of problems from which our nature might be affected.

In light of the fact that General Conditions on the Bid Procedure and Bid instruction Document should be widely expanded through the mass media I do really think you are able to provide our organization with it.

Looking forward to your answer
Best regards
Sona Taghiyeva

Attachment No. 2.

On 3/9/07, Sona Taqiyeva <staqiyeva@gmail.com> wrote:
Dear Lin O'Grady

I am the representative of Azerbaijan NGO: Oil Industry Workers Rights Protection Organization. I am very interested in EBRD project : ADDY: Locomotive which is pending Board approval. I would be very glad to obtain Feasibility Study and Environmental Analysis of this project.

Your early reply will be very much appreciated
Best regards
Sona Taghiyeva

Attachment No. 3.

----- Forwarded message -----

> From: Caloianu, Doina <CaloianD@ebrd.com>
> Date: Mar 26, 2007 9:30 PM
> Subject: RE: ADDY: Locomotive
> To: Sona Taqiyeva <staqiyeva@gmail.com>
> Cc: Klara Schirova <klara.schirova@bankwatch.org>, Olexi Pasyuk
> <opasyuk@bankwatch.org>, Mirvari Gahramanli <gmirvari@azeronline.com>

Dear Sona,

The attached document, prepared by the project team, comprises comprehensive information about the Trans-Caucasian Rail Link and the ADDY Locomotive projects.

I hope that this will provide answers to your questions.

With kind regards,

Doina Caloianu

Doina Caloianu, Manager of Outreach and NGO Relations, European Bank for Reconstruction and Development, One Exchange Square, London EC2A 2JN, Tel: +44 20 7338 6620; Fax:+44 20 7338 6102, <http://www.ebrd.com/oppo/ngo/index.htm>

Azerbaijan: Trans-Caucasian Rail Link Project

In October 1999 the EBRD agreed a loan in the amount of USD 20.2 million. The loan enabled Azerbaijan State Railways to rehabilitate and modernise parts of the trans-Caucasian railway line and to improve the efficiency and environmental performance of its oil tanker wagon washing facilities. This will facilitate the increasing traffic moving between Central Asia and the Georgian Black Sea Ports. The project also supported a number of commercial initiatives to assist in the transition of Azerbaijan State Railways to market conditions.

This project was classified B/1 requiring an Environmental Analysis of the overall environmental impacts of the operation and an environmental audit carried out on the Balajari Wagon Washing Plant. The audit, which was undertaken by international environmental consultants, revealed the existence of serious environmental problems associated with the past and present operations of the plant, which has been in existence since 1937. As a result of the audit, it was agreed to include the rehabilitation and modernisation of the Balajari plant as part of the overall investment thus ensuring the attainment of significant environmental benefits. A condition of the Bank's involvement in the financing of the investments also included a requirement for the Azerbaijan Railways to develop an in-house capacity for environmental management and to implement a specific Environmental Management Plan for the Balajari Wagon Washing Plant, the most environmentally significant component of the project. The Environmental Management Plan outlined a number of specific actions to reach regulatory compliance in the areas of air emissions, waste management, materials handling and storage, as well as energy conservation, waste reduction, occupational health and safety and emergency response. The results of these actions can be seen in the positive changes to the Washing Station shown in the photographs below.

ADDY: Locomotive

Since 1999 rail traffic has continued to increase with freight traffic in 2005 expected to be nearly 25 million tonnes. As a consequence of the increased demand, and with little investment in its locomotive fleet since 1990, ADDY is encountering problems in ensuring the transport demand can be met. It has therefore approached the EBRD to finance the purchase of new electric locomotives and track machinery, the refurbishment of linehaul and shunting locomotives and the provision of equipment to a number of locomotive depots where repair works are undertaken. The EBRD loan to ADDY will finance: (a) the purchase of new electric locomotives and track

maintenance machinery and overhaul of 19 diesel shunting locomotives; (b) the overhaul of 10 electric linehaul locomotives; (c) the overhaul of four linehaul diesel locomotives; (d) workshop equipment; and (e) track machinery comprising a ballast cleaner and tamping equipment.

The environmental investigations, which included a site visit by EBRD's Environmental Specialist, confirmed that there are **no** significant direct environmental issues associated with the project. Such effects as there are will be positive, as the improved efficiency of the new and overhauled locomotives will be less noisy and consume less energy, both electricity and diesel fuel. The Project is also likely to increase safety and efficiency of ADDY's railway operations and to reduce risk of oil spills particularly as the transport of oil and oil products constitutes about 75 percent of Azeri freight traffic. The proposed project will assist ADDY in meeting the increasing demand for oil and oil products traffic primarily along the east-west trans-Caucasian railway line.



Balajari Wagon Washing Plant: *Before*



Balajari Wagon Washing Plant : *After*





Attachment No. 4.

-----Original Message-----

- > From: Sona Taqiyeva [mailto:staqiyeva@gmail.com]
- > Sent: 27 March 2007 17:06
- > To: Caloianu, Doina
- > Subject: Re: ADDY: Locomotive

Dear Doina

Thanks a lot for the document but I hope that in the case we would have any questions your team will be able to answer on them.

Best regards
Sona Taghiyeva

Attachment No. 5.

On 3/30/07, Caloianu, Doina <CaloianD@ebrd.com> wrote:
Dear Sona,

We hope that the document provides you and your colleagues with a broad picture about the projects and answers to the questions you had.

Doina Caloianu

Attachment No. 6.

**НЕФТЧИЛЯРИН
ЩЦГУГЛАРЫНЫ
МЦДАФИЯ
ТЯШКИЛАТЫ
ИЪТИМАИ
БИРЛИЙИ**



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Азърбайъан Дювлят Дямир
Йол
Идарясинин ряиси ъянаб
Ариф Яскярова

Нефтчилярин Щцгугларыны Мцдафия Тяшкилаты Иътимаи Бирлийи артыг цч илдир ки, Бейнялхалг Малийя Гурумларынын Азърбайъандакы фяалийятляринин мониторингини апарыр. Бу мягсядля дя, НЦМТ бир нечя лайищя реаллашдырмышдыр. Бу ил щяйата кечирилян лайищялярдян бири дя Авропа Йенидянгурма вя Инкишаф Банкы вя Дцнйа Банкы тяряфиндян кредит айрылмасы нязардя тутулмуш «Локомотив» лайищясинин малийяляшмя просесинин мониторингидир. Бу мягсядля тяшкилатымыз мцвафиг гурумларла эюрцшляр кечирмиш вя йазышмалар апарыр. Лайищя щяйата кечириляркян ортайа чыхан бязи суаллара ъаваб алмаг вя АДДИ –йя аид олан мцяййян сянядляря таныш олмаьымыз цчцн Сизя мцраьият етмяли олдуг.

Ъянаб ряис!

Бунунла ялагядар тяшкилатымызын БМГ-лярин ишиня иътимаи нязарят департаментинин рящбяри Сона Таьыйеваны гябул етмяниси Сиздян хащииш едирям.

Айыраьаьыныз вахт цчцн яввялягядян Сизя тяшяккцр едирям!

Щюрмятля;

Тяшкилатын рящбяри

Мирвари Гящраманлы
11. 02. 2007

Translated version of the fax sent the head of ADDY

To
Head of Azerbaijan State
Railways
Mr. Arif Askerov

Oil Workers Rights Protection Organization Public Union (OWRPOPU) has been holding monitoring of International Financial Institutions activity in Azerbaijan for more than 3 years. OWRPOPU has already realized several projects for this purpose. One of the projects which OWRPOPU implements this year is monitoring of "Locomotive" project financing process on which European Bank for Reconstruction and Development and World Bank are planning to allocate loans. We have already met with appropriate institutions and continuing our correspondence.

We are applying to you because we need to get acquainted with certain documents and receive answers on several questions which have raised out during the project implementation. In this regard I am kindly asking you to meet with Sona Taghiyeva head of our organization's department on public control over the International Financial Institutions activity.

In advance I would like to appreciate you for the time that you are going to devote to us. Attached you can find information about our organization

Respectfully

Head of Organization

Mirvari Gahramanli
11. 02. 2007

The official letter was sent by post with the same content on February 13 2007.

The original of official letter and fax are attached.

Attachment translation:

Description of the activities of the organization: _

_1. Conducts educative works among oil workers;

- Implemented educative program on study of Azerbaijan Labor Code among oil workers due to funds of Great Britain Westminster Fund, America Eastern Europe Institute, the Netherlands Embassy, Royal Norwegian Embassy to Azerbaijan in 1999, 2000 and 2002;
- Renders free legal aids to oil workers, implements monitoring of judicial processes, makes disclosures to the domestic and international community on the offences made by judges during the trial and corruption cases happened. In 2006 as a result of legal aid and court protection of the Organization defence of 15 local employees was organized, suits

of 13 of them were met. In 2005 3 suits that were not met in Azerbaijan courts were taken into execution of European Human Rights Court. These suits include complaints against BP Azerbaijan company, BOSS SHELF Company, contractor in PHASE-1,2,3 on full scale exploitation of ACG fields and SOCAR.

- Renders legal aids to local employees working in contractor and subcontractor companies involved in oil projects implemented in oil sector of Azerbaijan in field of creation trade unions. Just as a result of this in 5 foreign companies participating in oil projects local employees created their trade unions.

2. Implements public control on projects funded by IFI, holds monitoring:

- Organization held monitoring in 2003, 2004 and 2005 on impact of BTC oil pipeline on socio-economic problems in districts of Azerbaijan (financial support by Open Society Institute – Assistance Foundation and Global Greengrants Fund), attended the audit of the results of the monitoring held on impact of BTC oil line on environment (2005-2006), held BTC monitoring in territories of Turkey and Georgia in frame of international missions.
- Organization is currently involved in monitoring of ADB's financed Urban Water Supply and Sanitation Project (financial support by Global Greengrants Fund).

3. Takes active part in fight against corruption in the country:

- Organization implemented in 2004 due to funds of Royal Norwegian Embassy to Azerbaijan the project 'Obligations of Republic of Azerbaijan before European Council: Corruption and poverty', as a result of which 98 corruption facts were declared to the community within 6 months.
- The Organization held monitoring due to funds of Eurasia Foundation and Royal Norwegian Embassy in 6 districts of the republic in order to study the state of implementation of State Program for 2004-2006 on fighting the corruption adopted by the government to fight the corruption. The results of the monitoring were disclosed to the domestic and international community and State Committee on fight against corruption.

4. Monitors activity of IFB in Azerbaijan:

- For this purpose Organization implements 'Monitoring of activity of IFB in Azerbaijan' project started in 2003 that is continued at the moment due to financial support of CEE BANK WATCH. Head of the Organization attends since 2004 the training organized by BANK WATCH. Head of the Organization attended in 2004-2006 the annual sittings of EBRD Executive Directors in London-Belgrade-London, tried for resolution of different problems concerning the projects funded by EBRD.
- Since 2005 the Organization cooperates with NGO Forum implementing public control on Asian Development Bank and is member of the Forum. Head of the Organization attended this year annual meeting of ADB Executive Directors in Hyderabad.
- Organization implements 'Monitoring of activity of IFB in Azerbaijan' project started in 2007 that is continued at the moment due to financial support of CEE BANK WATCH.

5. Trying to create transparency in oil revenues expenditures:

- For this purpose Organization participates as a partner in the implementation of the project “Public consultation on delay of SOCAR audit and its activity transparency” since 2006. Financial support Novib Oxfam.
- Since October 2006 Organization starts implementation of the Project “Monitoring of the projects financed from oil revenues and public consultations of the results”. Financial support Novib Oxfam.
- Implementing Public control over oil companies activities in the regions of Azerbaijan. 2007. Financial support: Open Society Institute – Assistance Foundation.

The Organization is member of ‘Growth of transparency in mine industry’ NGO coalition, ‘Transparency in spending of oil revenues’ NGO coalition, Azerbaijan Human Rights Organizations Federation

Attachment No. 7.

-----Original Message-----

> From: Sona Taqiyeva [mailto:staqiyeva@gmail.com]
 > Sent: 13 March 2007 15:53
 > To: Caloianu, Doina
 > Cc: Mirvari Gahramanli
 > Subject: Consern on ADDY Project

Dear Doine

I would like to inform you about current situation with our request to meet with Arif Askerov (head of ADDY) in relate of Locomotive Project.

Last week we have called to Mr. Askerov's office and talked with his secretary. She has promised us to talk with Mr. Askerov but we were not informed about the results of this conversation. Then we were advised by Mr. Askerov's assistant to send a fax with explanation of our request. After sending the fax we made a call again and had faced with such a rude and cynical answer: "Who are you for asking us to meet with you. We are not going to spend our time for meeting with NGOs". I was really regret because of the fact that Bank did not make its borrower aware of its Policies which oblige the Borrower to inform Public about their activity concerning the Project. Once again I want to remind you about your kind promise to facilitate the meeting with ADDY which was given us during our last meeting in resident office. So I would very appreciated if you help us to arrange a meeting with Mr. Askerov.

Looking forward to your answer
 Best regards
 Sona Taghiyeva

Attachment No. 8.

On 4/12/07, Caloianu, Doina <CaloianD@ebrd.com> wrote:
 OK, thanks, Sona. I'll follow up oon this and let you know about the

progress.

Best regards,
Doina