

To:

- **Paul Roberts**, Director General, Balykshi LLC
050013, Almaty, 174B Furmanov Str.
- **Zhanibek Kasymov**, Administrative Director, Balykshi LLC
Zhanibek.Kassymov@balykshi.kz
- **Alistair Clark**, Corporate Director, Environment and Sustainability Department:
environmentandsocial@ebrd.com
- **Michaela Bergman**, Senior Social Adviser, Environment and Sustainability Department:
bergmanm@ebrd.com
- **Biljana Radonjic Ker-Lindsay**, Manager, NGO Relations:
RadonjiB@ebrd.com

9 Novemeber 2009

The Kazakhstan International Bureau for Human Rights and Rule of Law is taking this opportunity to assure Balykshi LLC and the European Bank for Reconstruction and Development of its respect and thank for cooperation. Still, the KIBHRRL would like to comment on a few aspects related to the Atash Marine Base Development.

Inara Aldybayeva from the Kazakhstan International Bureau for Human Rights and Rule of Law, together with people from Balykshi LLC and public representative Tolganai Baysbayeva, visited the Atash village. Together, we were visiting houses of the people living in the Amangelda street. Officials from Balykshi LLC provided people with compensations for the damage caused by the Marine Base construction. We were not interested in the amount of money provided to them, but the procedure of its calculation was of great importance for us. According to Zhanibek Kasymov from Balykshi LLC, the compensation calculation was based on the amount of money needed to cure the damage to the people's houses caused by the piles driving. Some people told they needed around KZT 12,000, others claimed KZT 20,000, and the biggest claim was KZT 50,000. The company took this figure as a baseline, and decided that all people would receive the same amount of money so this would prevent new conflicts and improve the people's morale. The money was given to the owners of houses or to persons that had a notarized power of attorney given by the owner. The compensation procedure was in compliance with the Kazakhstan's laws and, according to Z. Kazymov, all relevant taxes will be paid by Balykshi LLC. The Bureau did not contact the local people, but we were incognito present during the money payment procedure. For us, it was important to understand how the people were feeling. We noticed that the overall mood was much better. Some of the people were behaving very calmly, some looked happy, while some showed no emotions at all. Questions about when the people would receive fuel were followed by the Balykshi LLC officer's explanations.

Thus, we are happy to say that the senior managers and officers of Balykshi LLC implemented almost all measures recommended by the EBRD to settle the difficult situation. In particular, in addition to compensations all people living in the Amangelda street in the Atash village have been promised enough free fuel for the coming winter. Balykshi LLC transferred KZT 5 mn to the local administration office's account to procure fuel for the local people (38 houses). According to Z. Kasymov, 1 ton of fuel

costs KZT 32,000, so every house will get more than 4 tons of fuel which is quite enough to heat a house for the whole winter.

Another conflict issue that raised concerns of local people was that the road crossing the village is used by heavy vehicles coming to and going from the Teniz Service Base located near the Atash Base. Z. Kasymov reported that he had met the managers of the said Base, who gave a verbal promise not to use the road crossing the village and use the upper belt road instead. Heavy vehicles serving the construction and operations of the Atash Marine Base will not use the village road either, and will go by a seaside road instead. Thus, one more issue that raised concerns of the local people appears to have been successfully settled.

In addition, we were happy to see that since we last visited the Atash village in June 2009, visible changes have taken place:

1. Water, sewerage and gas lines are being connected from the Shevchenko Fort to the Atash and Bautino villages. In the Atash village, gas pipes run directly to the houses. House connection to the gas pipeline costs about KZT 45,000 (USD 300), local people reported.
2. Two-storey houses at the entrance to the Atash village are being reconstructed, which proves the improvement of the general social atmosphere in the area.
3. New buildings and shops are being built in the village.
4. Many houses in the Amangelda street are being or have already been repaired, and one new house has been built, which shows a more optimistic mood of the people.

The above gives a good proof that the area is developing and some changes are already seen.

Hence, the Kazakhstan International Bureau for Human Rights and Rule of Law found that almost all recommendations of the EBRD and local people have been met, but still, there are some issues that raise our concerns:

1. The Kazakhstan International Bureau for Human Rights and Rule of Law has no possibility to see the Stakeholders Engagement Plan developed by Balykshi LLC and the EBRD. The Kazakhstan International Bureau for Human Rights and Rule of Law has been told by Balykshi LLC that the Plan contains confidential information of commercial nature, however as far as we understand a Stakeholder Engagement Plan is by its nature a public document and it is unclear why confidential information should have been included. We therefore request the disclosure of the plan. We have sent a request for the same to CaspiEcology LLC.
2. One more point raising our concerns is that the issue with the employment of the local people has not been settled so far. In spring, Balykshi LLC gave to MOBI lists of unemployed people (as resolved at the general meeting in April), but local people said that nobody had been invited for an interview.

Recommendation: publish the existing vacancies including the required qualifications on the information desk at the Atash village library.

Inara Aldybayeva
Head of Public Office
The Kazakhstan International Bureau for Human Rights and Rule of Law
2009