

FROM:

Ms Pippa Gallop
Research Co-ordinator
CEE Bankwatch Network
c/o Zelena akcija
Frankopanska 1, pp.952
10 000 Zagreb
Croatia

TO:

Mr Hakan Lucius
Head of Division
Public Information and Relations
with Civil Society
European Investment Bank
98-100, boulevard Konrad
Adenauer
L-2950 Luxembourg

Bulgaria:
Centre for Environmental
Information and Education (CEIE)
For the Earth!

Czech Republic:
Centrum pro dopravu a energetiku
Hnuti Duha

Estonia:
Estonian Green Movement-FoE

Georgia:
Green Alternative

Hungary:
Nature Protection Club of Eotvos
Lorand University (ETK)
National Society of
Conservationists-FoE (NSC)

Lithuania:
Atgaja

Macedonia:
Eko-svest

Poland:
Polish Green Network (PGN)
Institute of Environmental
Economics (IEE)

Russia:
Sakhalin Environment Watch

Slovakia:
Friends of the Earth - Center for
Environmental Public Advocacy
(FoE-CEPA)

Ukraine:
National Ecological Centre of
Ukraine (NECU)

CEE Bankwatch Network's
mission is to prevent
environmentally and socially
harmful impacts of international
development finance, and to
promote alternative solutions and
public participation.

26 November 2009

Dear Mr Lucius,

M10 Road PPP (km 15 - 58), Russia

We are concerned to hear that the EIB is considering financing the Moscow - St. Petersburg motorway PPP, as we understand that it will have a damaging impact on the Khimki Forest, a unique wildlife area in the heavily built up Moscow region.

We have been contacted by Ms Evgenia Chirikova from the Save Khimki Forest initiative from Khimki, which is undertaking a vigorous local campaign to defend the forest, and, following on from the letter sent by the Save Khimki Forest initiative on 14.10.2009, we would like to ask the EIB some questions relating to the project.

- 1) How does the EIB plan to ensure adequate stakeholder consultations on the environmental impact of the motorway before any decision is taken to finance it?
- 2) What actions does the EIB intend to take to ensure that the perpetrators of the November 2008 beating of local journalist Mikhail Beketov are brought to justice and that those raising their voices in defence of Khimki Forest or on other aspects of the motorway are not threatened or physically attacked?
- 3) What guarantees does the contract for the project give to the concessionaire if the traffic and therefore toll income levels are below those expected? Approximately how many vehicles would have to use the motorway daily to achieve the planned incomes? How much compensation is promised if this traffic level fails to materialise, and from which budget line will it be taken?
- 4) What operational risks does the contract allocate to the concessionaire, apart from availability risk? Does the concessionaire bear some financial operational risk?
- 5) Was an option to build the motorway through public procurement assessed, including an option with a turnkey contract? If so, is the calculation available to the public?
- 6) Has the EIB ascertained whether the procurement procedure met EU standards? As there is rather little information publicly available about it, we would be interested to know whether it proceeded according to the EIB's standards.
- 7) Is the contract for the project to be made publicly available, to ensure that the public is able to assess that appropriate allocations of risk and rewards have been made?
- 8) The project appears surprisingly expensive. What price rises have taken place in the project since 2004 and what were the reasons for these?

9) The Environmental Impact Assessment is only available on the EIB's website in Russian. We assume that in order for the EIB to assess it, it must have been translated into a working language of the Bank. Therefore we would like to ask you to provide the EIA in the Bank's working language in order to enable all interested stakeholders to review the document.

I thank you for your time and look forward to hearing from you,

Yours sincerely,



Ms Pippa Gallop
Research Co-ordinator
CEE Bankwatch Network