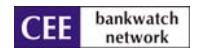




# NATIONAL ECOLOGICAL CENTRE OF UKRAINE

1 Kominternu str., Kyiv – 32, 01032, UKRAINE  
tel.: +380 (44) 238-6260, tel./fax: +380 (44) 238-6259  
necu@necu.org.ua | www.necu.org.ua



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Alistair Clark  
Corporate Director, Environment and Sustainability Department  
European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A 2JN  
United Kingdom

Copies: ERM, Ukrenergo

Dear Mr. Clark,

I am writing to draw your attention to a number of serious deficiencies surrounding the public consultation process for the South Ukraine Transmission Project. This project is expected to be financed by both the EBRD and EIB. The EBRD website lists this project as “South Ukraine Transmission Projects” (project number 40147); the EIB website lists this project as “South Ukraine Power Transmission” (project number 20090117).

Almost two months after the official start of the 120-day consultation and disclosure period, NECU representatives Yury Urbansky and Mykhaylo Petyakh visited (September 29 to October 2) the regions of Kherson Oblast where the project is planned to be implemented. They discovered that the project sponsor National Energy Company Ukrenergo has thus far failed to implement a significant part of the procedures for public consultations on category A projects that the EBRD requires.

According to information posted on the EBRD and Ukrenergo websites, as well as in the Stakeholder Engagement Plan (page 10), the full text of the Draft ESIA report must be available locally in the Ukrenergo office in Nova Kakhovka, the Kherson Oblast State Administration and District (Rayon) State Administrations.

NECU site visits discovered that in Kherson Oblast State Administration no project related documentation was available. Since every visitor has to obtain permission to enter the building and the security guard was not aware about the project, Yury Urbansky had to call the contact number from the list provided by Ukrenergo. This turned out to be the secretary of Borys Silenkov, Head of Administration. Unfortunately she was not able to provide any information regarding the ESIA location and had not heard about the consultation process. The secretary suggested calling two departments that may have been better informed, but this also proved to be fruitless.

In the town of Kakhovka our representatives approached the office of the Head of Kakhovka District State Administration, O. I. Vinnyk. The secretary guided them to the First Deputy Head S. V. Hodos, who questioned the NECU representative's eligibility to obtain project documents and furthermore declined to even say if any documentation was present in the Administration. Explanations about the requirements of the EBRD as well as references to information from Ukrenergo did not help to convince. Therefore, after a long but useless debate, NECU's

representatives had to leave his office.

In the next town, Nova Lepetykha, our colleagues were a bit more fortunate. They met with Deputy Head of the District State Administration, Z. I. Tychkivsky, who was aware about the project and of some documentation provided to the Administration. Unfortunately the only document present and available in this town is the Stakeholder Engagement Plan; the rest of ESIA documentation was missing.

NECU representatives also visited the office of the Ukrenergo subdivision in Nova Kakhovka. It is listed as one of the key locations for the ESIA (Nova Kakhovka, 2 Electromashinostroitelei Str.). In spite of our delegation's expectations, the full copy of the ESIA report was also missing there. The only available documentation was: Stakeholder Engagement Plan, Non-technical Summary and Environmental and social management and Monitoring Plan.

Moreover, there was no specially designated place for visitors to work with the documents, nor were there specially prepared forms or a book for comments. The documentation was locked in someone's office, not present at the time of the visit, and so Yury Urbansky had to return there the following day. The place itself is not the most straightforward for ordinary people to visit as every visitor has to call someone from management in order to obtain a permit to enter the territory.

None of the persons contacted by our representatives during their trip demonstrated even a basic knowledge of the IFIs' requirements for public consultations, other than A. A. Tymchenko from Ukrenergo who was informed about the public hearings scheduled for October 26 – November 2.

The absence of ESIA documentation in designated places in Kherson Oblast oddly contrasts with the situation in Kamyanka Dniprovskya, the town adjacent to the Zaporizka NPP. Our representatives did not visit the latter due to lack of time. However, we have learned from a local contact that the full volume of the project ESIA was provided to their District Administration. We can only suggest that the reason for this could be active participation at the scoping stage by a member of the local community or the proximity to Zaporizka NPP.

The flaws outlined above clearly demonstrate that the public consultations surrounding the South Ukraine Transmission Project have been seriously tarnished. Construction of such transmission lines potentially affects the lives and everyday business of local people. Yet, as we have clearly witnessed, their access to the project information is being restricted.

It is immaterial if this has happened in a pre-meditated or accidental fashion – **NECU urges the EBRD to ensure that these deficiencies, as outlined, are immediately addressed and that the consultation process is recommenced in full accordance with the EBRD's respective policies and procedures.**

Should you need any clarification or further details concerning any of the matters raised in this letter, please feel free to contact me or Yury Urbansky. I would nonetheless appreciate your written response regarding the current situation as described.

Yours sincerely,

Igor Sirenko,  
Head of the National Ecological Centre of Ukraine.