

TO:

Thomas Mirow
President
European Bank for Reconstruction and Development

sent by E-Mail, copied to
Alistair Clark
Corporate Director, Environment and Sustainability

Bulgaria:

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

Czech Republic:

Centrum pro dopravu a
energetiku
Hnutí 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.

November 17, 2009

Dear President Mirow,

I am writing you with the request to take immediate action concerning the conflict situation that has erupted in the last few days concerning the implementation of the EBRD funded Odessa High Voltage Grid Upgrade project in Ukraine.

The purpose of this project is to construct a 330 kV transmission line from Adjalyk to Usatove substation, as well as the rehabilitation of both substations. Although the project was approved in 2005 its actual implementation started only in 2008.

The project sponsor, the state owned Ukrenergo company, has altered the initially intended route of the transmission line and, instead of bypassing the villages of Nerubayske and Usatove near Odessa, has decided to construct the line in the same corridor as existing lines that cut through these villages. These intentions have not been welcomed by local villagers and they started opposing the construction activities in September this year. These people were not consulted in 2005 as the initial project design was different.

Yesterday I personally witnessed the outbreak of the conflict when Ukrenergo relied on police forces to free up space for the project's construction workers. Inhabitants of the village were violently forced out of the construction site for one of the electricity towers by more than 300 policemen and unidentified civilians that wore worker's uniforms. It should be mentioned that this temporary construction site was set up mainly on private plots of land owned by two villagers, with only 119 square metres of this overall area belonging to Ukrenergo - only the land under the bottom of the tower. As a result of the police behaviour, five women - including one juvenile - subsequently sought medical assistance.

On November 2 this year, the representatives of Usatove villagers for the first time approached me at National Ecological Centre of Ukraine and I

helped them to raise their concerns with the Environmental and Sustainability Department of the EBRD.

I subsequently continued to provide information updates to the department and, as a result of these communications, the EBRD's Social Specialist is expected to arrive in Usatove tomorrow in order to conduct an inspection of the situation onsite.

We in NECU and CEE Bankwatch Network highly appreciate such engagement from the bank's side; however, given the current dramatic situation it does not seem sufficient enough. Therefore I urge the EBRD to use its influence with the Ukrainian government to find a way to immediately bring an end to the simmering violence in Usatove to and implement the project according to the design agreed with the EBRD and sealed by the loan agreement ratified by the Ukrainian Parliament.

I also would like to bring to your attention that currently Ukrenergo is seeking a further loan of EUR 170 million loan from the EBRD for another new transmission line project and public consultations are going on. Our organisation has already criticised deficiencies in the organisation of the consultations for this project. In our view, the present brutal behaviour of this company in Usatove, with its blatant disregard for the terms of the loan already received from the EBRD, raises the question of its general eligibility for any further financial support from your institution.

Should you or your staff need any additional information or video evidence from the site, please contact me by phone or e-mail.

With kind regards,
Yury Urbansky,
National Ecological Centre of Ukraine,
National coordinator of CEE Bankwatch Network in Ukraine.

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