



**Werner HOYER**

President of the European Investment Bank Group  
98-100, boulevard Konrad Adenauer  
2950 Luxembourg

Brussels, Friday 8<sup>th</sup> December 2017

Dear President Hoyer,

We would like to share with you our serious concerns about the **planned EIB loan to the Trans-Anatolian Gas Pipeline (TANAP)**, a project related to the Southern Gas Corridor (SGC) which is supposed to bring gas from Azerbaijan to Italy through Georgia, Turkey, Greece and Albania.

Despite the fact that the European Bank for Reconstruction and Development (EBRD) recently approved a USD 500 million loan for TANAP, we firmly consider that **there is still time** to take into account the following elements before giving the green light to the EIB loan.

First of all, as you already know, **Pedro Agramunt recently resigned as President of the Parliamentary Assembly of the Council of Europe (PACE)**. One of the main reasons why he resigned is his links with the “**Azerbaijani Laundromat**”, also known as the “caviar diplomacy”. Prominent political figures in Europe are on the spotlight for having received large amounts of money through anonymous companies linked to the Azerbaijani government. Eduard Lintner, a German former MP and the Italian former chair of the center-right group in PACE, Luca Volontè are also among the politicians involved. Mr Volontè is currently under investigation **for international corruption and money laundering** by the public prosecutor in Milan.

In that sense, the European Parliament (EP) voted in the September plenary an amendment on the report on “Corruption and human rights in third countries” (2017/2028(INI). This amendment states that the EP “*strongly denounces, following the recent ‘Azerbaijani Laundromat’ revelations, attempts by Azerbaijan and other autocratic regimes in third countries to influence European decision-makers through illicit means; calls for a comprehensive Parliament investigation into the abovementioned allegations and, more broadly, into the influence exerted by such regimes*”.

We are deeply concerned by possible links between the TANAP loan and the “Azerbaijani Laundromat”. One of the expected beneficiaries of the EIB loan for TANAP is the Southern Gas Corridor Joint Stock Company (CSJC)<sup>1</sup>. A member of the state commission and supervisory board of the CSJC<sup>2</sup>, **Yakub Eyyubov - who is also first vice president of Azerbaijan -, is a key person of the Laundromat<sup>3</sup>. He is suspected to have benefited from the scheme in the scale of over 9 million**

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<sup>1</sup> <https://www.delegate.com/content/annualmeeting/2016/documents/Azerbaijan-Afgan%20Isayev.pdf>

<sup>2</sup> <https://www.azernews.az/nation/66804.html>

<sup>3</sup> <https://www.occrp.org/en/azerbajjanilaundromat/>



USD<sup>4</sup>. His name also emerged in the Panama Papers scandal for the same offshore company, Velasco international<sup>5</sup>, linked to his son Orkhan Eyyubov<sup>6</sup>.

Secondly, we want to draw your attention to the **possible strengthening of the oppression in Azerbaijan and Turkey** - countries where civil liberties and the security of individuals are being severely threatened and violated.

The Azerbaijani government continues to violate human rights: arbitrary detention of activists, political opponents and journalists, repression of peaceful protests and use of torture. In that sense, **the Council of Europe formally agreed on the 25th of November to take legal action against Azerbaijan which could lead to its expulsion from the Council**<sup>7</sup>. The Council of Europe reproaches Azerbaijan to not release an opposition politician from jail.

Moreover, the Institute for Reporters' Freedom and Safety (IRFS) calls on the international community to **fully stop financial support for the Azerbaijani authorities** through international financial institutions<sup>8</sup>.

In Turkey, **the state of emergency** is in place for over a year and is used to intensify a crackdown on journalists, civil society and political opponents. It has been extended for the fifth time for 3 additional months on 17<sup>th</sup> October 2017<sup>9</sup>. There are serious restrictions on freedom of expression which have been highlighted by the European Parliament in a resolution adopted on 6<sup>th</sup> July 2017<sup>10</sup>. The European Parliament expressed its concerns about Turkey backsliding in the rule of law, media freedom, the fight against corruption and human rights.

Under such circumstances, we are concerned about the possibility for the public to access information and provide necessary oversight during the construction phase of the TANAP project.

Therefore, **we urge the EIB to suspend the TANAP loan until:**

- **It can be ensured that TANAP's promoters and sub-contractors have not benefited from the "Azerbaijani Laundromat";**
- **It can demonstrate that supporting TANAP does not violate the EIB's standards and its commitment to the EU Charter of Fundamental Rights.**
- **The state of emergency in Turkey is lifted and both Turkey and Azerbaijan demonstrate their respect of the EU Charter of Fundamental Rights.**

We would be glad to hear back from you at your earliest convenience.

Yours sincerely,

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<sup>4</sup><https://www.occrp.org/en/azerbaijanilaundromat/azerbaijans-high-profile-beneficiaries>

<sup>5</sup> <https://offshoreleaks.icij.org/nodes/10132334>

<sup>6</sup><https://www.occrp.org/en/azerbaijanilaundromat/profiles/velasco-international-inc>

<sup>7</sup> <https://www.politico.eu/article/azerbaijan-ilgar-mammadov-human-rights-group-to-take-unprecedented-legal-step-against-azerbaijan/>

<sup>8</sup><https://www.irfs.org/news-feed/irfs-statement-the-european-union-and-the-council-of-europe-must-strongly-respond-to-the-human-rights-violations-committed-by-the-azerbaijani-authorities/>

<sup>9</sup><https://www.dailysabah.com/politics/2017/10/17/turkish-parliament-extends-state-of-emergency-for-an-additional-3-months>

<sup>10</sup><http://www.europarl.europa.eu/news/en/press-room/20170629IPR78637/turkey-meps-raise-the-alarm-on-eu-accession-talks>



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