

GREENPEACE

ГРИНПИС

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November 22, 2012

President of the World Bank,
Dr. Jim Yong Kim

Esteemed Sir,

From information available on the World Bank's MINIS project website (<http://www.minis.mn/eng/>), we learned about the Bank's plans to finance the development of Mongolia infrastructure, namely the following projects: the construction of the Shuren Hydro Power plant on Selenga River, with all necessary ancillaries and a gross capacity of 300MW; and the diversion of water from the Orkhon River (a tributary of Selenga) to the Gobi Desert. While we are aware that the Bank is only funding the feasibility studies for these projects at this time, we believe that by performing these studies the Bank is implicitly approving these projects for future development, regardless of intent.

Our organization is highly concerned with these plans. In the first place, we are concerned with the future influence of the hydropower plant on the UNESCO World Heritage Site - Lake Baikal, which receives 50% of its inflow from the Selenga. Such large-scale projects are surely at odds with the international regulations defined in the UNESCO Convention for Protection of the World Cultural and Natural Heritage, ratified by both Russia and Mongolia. In accordance with Part 3 of Article 6 of the Convention, "Each State Party to this Convention undertakes not to take any deliberate measures which might damage directly or indirectly the cultural and natural heritage referred to in Articles 1 and 2 situated on the territory of other States Parties to this Convention." No sufficient scientific research has been performed to identify the possible impact of these projects either on river sections at the dam sites or on all Selenga basin around the planned dam. The Selenga River, which provides a major part of the inflow to Lake Baikal, as well as massive fish migration and spawning, is definitely a crucial habitat for Baikal sturgeon and other endangered hydrobiont species. Moreover, it serves as a primary source of ecosystem services for Baikal and its basin. The cumulative impacts of two dams on the most important streamflows in the basin will most probably lead to large-scale disruptions in its aquatic ecosystems, including Ramsar wetlands and the UNESCO World Heritage Site - Lake Baikal.

In the MINIS documents available to us, there is no information on the influence on and possible damages to Lake Baikal and its ecosystem, the impacts on the ecosystems of the Selenga valley along the whole length of the river and on the local population who depend on traditional agriculture. Thereby the decision of the Bank to support the construction of dams in Baikal basin through these feasibility studies appears to be unreasonable, not thoroughly estimated and rather dangerous. The World Bank, as the project's sponsor, will be automatically responsible for all negative consequences that may appear in subsequent years. Any support to the feasibility studies will be seen as Bank's endorsement of the projects.

Moreover, the World Bank is possibly infringing upon its own principles of work with countries and economic sectors. Large hydroeconomic infrastructure objects are not being considered in the new World Bank's Mongolia Partnership Strategy; thus the MINIS project, which was initially created to develop infrastructure for mining complexes in the Gobi Desert region, was not designed to support hydraulic works such as the Shuren Hydro Power plant. The MINIS Environmental and Social Management Framework definitely states that these funds are aimed at Gobi development and are not destined for large hydroeconomic projects, which require the application of environmental and social impact assessment and mitigation stipulated by the Bank's operational policies. As such, the Shuren Hydro Power project should not have been included in the MINIS portfolio to begin with, as the project is not within the scope of either the MINIS project in particular or the World Bank's strategy for Mongolia in general.

It is not only Greenpeace Russia that has expressed its concern about the Shuren Hydro Power Plant project and the Orkhon-Gobi project thus far. These concerns were also raised during the International NGO Forum on Protection of World Heritage Properties. This Forum was held on the 22nd-24th of June 2012, preceding the 36th session of UNESCO World Heritage Committee that took place in Saint Petersburg. The Forum assembled over 100 delegates from 26 countries and approved 6 resolutions. Resolution SPB/5 states that “the Government of Mongolia is planning to build several hydropower stations in the Selenga’s river basin (half of the water flowing into Lake Baikal), with funds coming from the World Bank and Kuwait Fund. Consequences will harm the freshwater ecosystems of the Lake, especially in the delta of the Selenga river which is an internationally important wetland protected by the Ramsar Convention.” This resolution was handed over to the World Heritage Committee (please see the attachment).

In light of these serious concerns, Greenpeace Russia earnestly asks the World Bank to stay away from interference into the Lake Baikal biodiversity, renounce the planned financing of the Shuren Hydro Power project on Selenga river and the Orkhon-Gobi project, as they appear questionable, have no underlying scientific rationale, no ecological and economic appraisal, and would exert influence on Lake Baikal, a UNESCO World Heritage Site. We would also like to ask you to provide us with the names and positions of the Bank’s employees who approved the inclusion of the above-stated projects in the initiatives supported by MINIS, as well as the reasons underlying this odd decision.

Sincerely yours,
Executive Director



S.A. Tsyplenkov