



European Bank
for Reconstruction and Development

Thomas Mirow
President

Lidija Živčič
Focus
Trubarjeva 50, 1000 Ljubljana, Slovenia

Nina Štros
Greenpeace
Trubarjeva 50, 1000 Ljubljana, Slovenia

Piotr Trzaskowski
CEE Bankwatch Network
Na Rozcesti 1434/6
190 00 Praha 9 – Liben, Czech Republic

16 April 2012

Dear Mrs Živčič, Mrs Štros and Mr Trzaskowski

Thank you for your letter dated 16 March 2012, in which you expressed a number of concerns related to the Sostanj Thermal Power Plant project.

Regarding the allegations of corruption, in accordance with the Bank's Enforcement Policy and Procedures (EPPs) for processing allegations of fraud, corruption, collusion or coercion in relation to activities and projects financed by the Bank, and in cooperation with Termoelektrarna Šoštanj, the Slovenian national authorities and the European Investment Bank, the Chief Compliance Officer of the Bank is conducting a preliminary assessment of the matters to determine the applicability of the EPPs and the reliability of the information received. The Board of Directors has been informed of the ongoing investigations and will be informed of its conclusions in due course. Disbursements are suspended until the Bank is satisfied that all conditions for such disbursement are met, which include conclusions from this investigation satisfactory to the Bank.

Regarding the alleged gaps in the environmental and social due diligence, the review of the complaint that Focus and CEE Bankwatch submitted to the Bank's Project Complaint Mechanism (PCM) is ongoing and the report will be published in due course. I invite you to contact our PCM Officer should you have any questions on this process.

Let me reiterate the EBRD's full commitment to meet the highest environmental, social and governance standards in all of the projects it finances.

Yours sincerely,

cc: Emyr Quinones, Chief Compliance Officer
Anoush Begoyan, Project Complaint Mechanism Officer