

Dear Sir Chakrabarti,

We write to you with our concerns about your client MHP and the construction and expansion of its Vinnytsya poultry facilities, which since 2016 have an impacts in our home of Zaozerne.

When MHP first arrived in the region¹, no one spoke about a second phase of construction to double the capacities of MHP's existing poultry farm. Because of this lack of information, MHP was able to reach an agreement for the construction of 12 poultry rearing facilities that include 38 chicken houses with one and half million broiler chickens each, a slaughterhouse and a wastewater treatment plant.

With living conditions are deteriorating since then in the communities where the company is present – increased occurrences of respiratory diseases because of air pollution, damages to homes in the village next to the roads passed by heavy trucks, wells running dry, and manure causing a stifling odour – we in the Zaozerne community are naturally reluctant to the plans of MHP for a new biogas plant in the community.

The first news about the biogas plant was reported at the beginning of 2017, and on 19 January at the opening of a water supply project in Vasylivka by the MHP's subsidiary, villagers were present for the approval of construction of the biogas plant. In May the draft Spatial plan for the Zaozerne village council territories were presented and the preliminary EIA developed. Yet already In April the tender for construction works on the laying of piping and removal of soil² were conducted by the company.

So the public hearing on the spatial plan and the preliminary EIA organised in June was no more than a formality. The site had already been chosen for the biogas plant, and when signatures collected against the plant were presented during the meeting, these were disregarded as irrelevant.

MHP relies on a strategy of pitting communities against one another. Already once in 2010s plans for the expansion were rejected by the Zaozerne village council, so in 2016 when news broke that public hearings were organised in the neighbouring village of Vasylivka, an initiative group was formed to find out whether in fact Vasylivka was a separate entity from Zaozerne.

It turned out that the two are the same, and dividing these villages in an attempt to split community support over the expansion is a despicable strategy.

In January 2017 we collected 346 signatures against the construction of Brigade 47, compared with just 93 people who attended the Vasylivka hearings. The public hearings themselves were not held by the village council, but by a Vasylivka-based service co-operative, which is not in line with the national legal procedure for public hearings.

To ensure the appeal was recognised, we took the following steps³:

- Appealing to the president in March 2017 about the brigade and future expansions of MHP, and meeting with the president's administration deputy head later in April;
- Opening a criminal case with the Nemyriv rayon prosecutor against MHP for falsification of public hearing results from 2016 on Brigade 47;
- Communicating with the local Zaozerne village council, the Tulchyn rayon administration and MHP.

¹ Tulchyn and Trostyanets yayons, surroundings of Ladyzhyn city, Vinnytsya oblast

² Confirmed by the Tenders announced early April on the official website of MHP

³ Available on request

In May 2017 the Zaozerne initiative group filed a court case against the ruling on the approval of the spatial plan for the Brigade 47.

Pressure on opposition

Those who have been against the illegal and environmentally-harmful construction of the Vinnytsya poultry farm are now regularly surveilled by MHP. Pressure has been placed on our relatives, and complaints to police have been filed. The chairman of Tulchyn rayon administration filed a lawsuit against the initiative group and as well the local website vlasne.info.

While the company has hired mediation consultants and several meetings with selected activists have taken place together with MHP, we do not see the impact on the behavior of the company and its approach to those who oppose its expansion and to public consultations on the projects, even though the recommendations have been proposed to conduct the meetings in the culturally appropriate manner⁴.

Communication with the EBRD

Throughout 2017 we maintained close contact with the bank's environmental and sustainability department⁵ in order to keep it informed of the latest developments on the ground. On 29 September we held a public action in front of the EBRD's offices in Kyiv and communicated with its country director.

EBRD management is aware that the MHP project at this time does not adhere to the requirements of the bank's environmental and social policy, namely paragraph 34 which states '*stakeholder engagement should be carried out bearing in mind the spirit and principles of the UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters*'.

In conclusion, we believe that we have taken all the necessary steps to inform ourselves about the project and to express our concerns during public meetings. However MHP has failed to hold proper public consultations. Meanwhile, the poultry houses are being constructed and biogas plant proposed on our lands without our consent and we do not know what the further impacts will be to our health and that of our children from this massive developments that add to the existing situation with high local air pollution from the local Ladyzhyn coal thermal power station.

For these reasons, we ask the board:

- not to support the proposed loan for the MHP biogas in its current form⁶;
- to motivate bank staff to ensure that MHP complies with the bank's policies and best industry practice by respecting our rights to information and participation in decision-making that concerns our lands, environment, health and well-being;
- to recognize us as stakeholders in the projects MHP and to ensure that the bank and company properly consults us about the project.

Representatives of Zaozerne community Oksana Bazylyuk and Anatolii Antonyshyn

The list of signatures of people against the Biogas plant please, see attached.

⁴ The public hearings should be conducted in each community and village that considers itself to be affected, ballots for voting should be secret, discussions meaningful and informed.

⁵ Through the letters and e-mails from civil society organisations NECU and Ecoaction with the EBRD

⁶ <https://bankwatch.org/blog/a-growing-menace-in-ukraine-as-proposed-loan-to-agribusiness-giant-adds-to-conflict>