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To: Suma Chakrabarti  
European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A2JN  
United Kingdom

cc:  
Nandita Parshad  
Head of Energy and Natural Resources

Prot. N. 12611

Melendugno, May 28th 2018

Dear President,

thank you for the EBRD response dated April 25th, that we received on May 14th 2018. The letter refers to our notification letter dated March 14th 2018 concerning alleged violations of the Italian law concerning the operations of TAP AG in Melendugno, Italy, for the construction of the Trans Adriatic Pipeline, which is being investigated by the public prosecutor in Lecce.

We take the opportunity to raise our concern on the poor EBRD inquiring on the specific matter and on the lack of a full, in depth independent assessment of the project by the EBRD management.

We understand that during the “direct follow up in Lecce on April 5th” to which your letter refers, the EBRD staff have not met any of the competent local institutions and technical commission.

We were surprised to be contacted for a meeting by the Italian Executive director office in Rome, and not by the EBRD staff directly. We understand that the internal policy of the EBRD specifies that the management is in charge of the due diligence in the project appraisal phase, and that the Executive directors should not be involved in such delicate phase. However, like media reported<sup>1</sup>, the Italian executive director was part of the EBRD delegation in Lecce and was communicating with my office about the organization of the meeting.

We were also surprised to know that the meeting took place in Lecce and organised under very short notice. As mayor of Melendugno, I had prearranged institutional commitments that did not allow me to be in Lecce on the proposed date and time. I have suggested to the Italian ED office (who was mediating for the EBRD) an alternative time for the EBRD delegation to come to Melendugno, however my proposal was not accepted, and no other alternative option to the original one was provided to me.

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1 <http://www.trnews.it/2018/04/05/finanziamenti-a-tap-le-istituzioni-locali-chiudono-la-porta-a-bers/212626>

I want to highlight to you, as President of this European public institution, that my community, Melendugno, is where TAP operations are taking place, and where there is all the evidence of the impacts, including the violations that we have notified to the public prosecutor and to the European institutions involved. By refusing to travel the last 20km south of Lecce, in a 2300 km trip from London, the EBRD delegation missed the opportunity to acquire very relevant information about the Trans Adriatic Pipeline case. We understand that the representatives of the Province of Lecce and of the Region Apulia refused to meet with the EBRD delegation, and only the local business association accepted to meet the EBRD.

We wonder if this is a usual practice for EBRD's due diligence. We have a much higher expectation for a financial institution driven by a public mandate and supposed to benefit citizens of territories where it operates.

We find all the most surprising that the arguments used in your reply are the ones you received from the TAP promoter, while TAP claims are currently subject to complaints and procedures on the same matter. Also, we are concerned that you are pointing out to TAP grievance mechanisms while this mechanism has proved unable to seriously deal with the numerous concerns raised over the last years.

In your letter you refer to your assessment of the TAP project towards the EBRD's Environmental and Social Policy (2014) and related Performance Requirements. To this purpose, we want to flag the negative outcome of such assessment by Ramboll Environ consulting, available on the Trans Adriatic Pipeline website<sup>2</sup>. After reading the report, and after reading the civil society assessment published by BankTrack in February 2017<sup>3</sup>, also negative, we even more strongly request the EBRD to do a full, independent assessment of the project towards the EBRD policy and Performance Requirements that involves interviews of responsible local institutions in Italy, residents and field visit to the project construction site.

We thank you for your attention and look forward to your response



IL SINDACO  
Ing. Marco POTI

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<sup>2</sup> [https://www.tap-ag.com/assets/07.reference\\_documents/english/Project%20Finance%20Disclosure/Executive%20Summary%20of%20TAP%20Site%20Visit%20Monitoring%20Report%20Spring%202017\\_UK2222080\\_Issue\\_01a.pdf](https://www.tap-ag.com/assets/07.reference_documents/english/Project%20Finance%20Disclosure/Executive%20Summary%20of%20TAP%20Site%20Visit%20Monitoring%20Report%20Spring%202017_UK2222080_Issue_01a.pdf)

<sup>3</sup> [https://www.banktrack.org/download/the\\_transadriatic\\_pipeline\\_project\\_identified\\_noncompliance\\_with\\_the\\_equator\\_principles/the\\_tap\\_project\\_identified\\_noncompliance\\_with\\_the\\_equator\\_principles.pdf](https://www.banktrack.org/download/the_transadriatic_pipeline_project_identified_noncompliance_with_the_equator_principles/the_tap_project_identified_noncompliance_with_the_equator_principles.pdf)