



LATVIJAS REPUBLIKAS VIDES MINISTRIJA
MINISTRY OF THE ENVIRONMENT
OF THE REPUBLIC OF LATVIA

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Rīgā, 04.09.2006, Nr. 9-09/6410

Mr. David Barnden
Mr. Victor Ricco

Center for Human Rights and Environment
General Paz 186, 10A
Cordoba 5000, Argentina

Subject: Request for Environmental Information concerning the Nordic Investment Bank's Involvement in Uruguayan Pulp Projects

Latvian Ministry of the Environment has considered your letter (No. 9-6410; 09.08.2006.) in relation to Pulp Mill projects on the River Uruguay and within reply concerns only our field of competence. Please, find our answers for each question respectively:

A) What is Latvia's position regarding the provision of support, financial or otherwise, to projects with a high risk of producing environmental degradation and/or cause human rights violations?

For projects that may leave harmful impacts on the environment an environmental impact assessment (EIA) is required. EIA is a multi-stage procedure, which includes a set of measures, which envisage a review of the state of the environment at the given territory, a review of the environmental impact of the facility, preparation of proposals for reduction or prevention of negative impacts, as well as development of necessary monitoring requirements for monitoring of remaining impacts. And before supporting a project it is necessary to evaluate all relevant negative and positive impacts it can produce, taking into account all three aspects of the sustainable development – economical, social and environmental.

Latvia is a Member State of the European Union therefore existing legislation in our country is in conformity with relevant EU directives. In the case, which is mentioned in your letter, primary applies Council Directive of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment 85/337/EEC, and Council Directive 97/11/EC of 3 March 1997 amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment.

For instance, the environmental impact assessment procedure was applied to the Pulp Mill Project in Latvia near the River Daugava in 2004. (Mill production capacity – 600 thousand tons per year.). At the end of the EIA procedure Environment State Bureau (which is a Competent Authority) has set obligatory requirements for this project. For example instead of chlorine bleaching total chlorine-free methods were required. After considering the conclusions of the Environment State Bureau, „Baltic Pulp” – the initiator of the mill construction – has postponed realization of the project. It can be added that „Baltic Pulp” is owned also by the State of Latvia.

Additional information on Latvian EIA procedure and projects can be found – <http://www.vidm.gov.lv/ivnvb/Eivn.htm>

B) What is Latvia's position regarding the provision of support, financial or otherwise, to the Botnia and/or ENCE projects, both of which may produce environmental degradation and contribute to human rights violations, and are cited in submissions currently under consideration by regional and international tribunals, as well as international financial institution access to justice mechanisms?

As the answer to the question A) indicates, we are in favour of projects that are environmentally and socially responsible. It applies also in respect of our neighbouring countries as Latvia is a party of the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 1991). The Projects mentioned in the question, are too specific matter, therefore we can not provide comments.

C) Is the Nordic Investment Bank involved in any form, be it financial or otherwise, in the Orion Pulp Mill (Botnia) and/or the Celulosas M'Bopicuá Pulp Mill (ENCE)? Involvement refers to a previous or continuing relationship with either or both companies, including a speculative relationship which may be under consideration.

Here, we would recommend you to seek the answer from the Nordic Investment Bank's administration. This is not the competence of Ministry of the Environment.

We hope that you will succeed in your efforts to prevent harmful impacts on the environment!

Faithfully,

Minister



R. Vējonis