

On the letterhead of the Ministry of Economy of the Republic of Uzbekistan

CF-1-2/8-47

March 07, 2014

Ms. Laura Tuck
Vice-President
Europe and Central Asia
World Bank

Dear Ms. Tuck:

First of all thank you for your direct involvement and assistance in the CASA-1000 Project expertise.

As you are aware the conclusion of the qualified experts of the Uzbek side on this Project had been sent to Mr. Jim Yong Kim, World Bank Group President, by the letter from the Ministry of Economy No CF-1-2/8-37 on December 11, 2013.

In response to our letter we have received comments from your side and from Mr. Saroj Kumar Jha, World Bank Regional Director for Central Asia, in the letters from January 7, 2014, and January 16, 2014, accordingly. Regretfully in the received comments we do not see complete and thorough reasonings and supported arguments to our validated evidence on critical shortcomings, distortions and errors in the Project. Our concerns about big risks in implementation of this Project still remain as a result of the erroneous conclusions; this has been emphasized in the meeting on January 8, 2014 between the First Deputy Prime Minister of the Republic of Uzbekistan Mr. R. S. Azimov and World Bank Country Director for Central Asia Mr. Saroj Kumar Jha.

In this context during the last two months there were active discussions by the parties of the arguments and comments formulated by the Uzbek party. Thus in the video-conference on February 12, 2014, with the participation of the qualified Uzbek experts some of the issues formulated by us have been discussed (deficit of “surplus” energy for export and selection of the period for hydrological observations) but substantiated explanations from the World Bank experts have not been received. According to the reached agreement (after appropriate analysis of our comments on these issues resent to you on February 28, 2014, in the working order) we are waiting for the next round of discussions to consider the rest of the Uzbek party arguments. We have not been informed about the dates of the next round.

Taking these facts into consideration we are deeply concerned about the reports of a number of Tajik online media with the reference to your statements about decision taken about the start of actual implementation of the Project from July 1, 2014 (news.tj and avesta.tj).

From our side we consider it strongly unacceptable to tolerate such “informational injections” taking into account the incomplete process of discussions. Thereby, besides the issues mentioned above, such an important issues of the Project like technical condition of the current hydraulic works, tariff policy, construction route, etc. remain not fully explicit and well-grounded, but they are influencing the costs of the Project which are underestimated manifold. These issues have geopolitical and social importance not only to Uzbekistan but to the other countries downstream of transboundary rivers.

Taking all the above into account we once again state readiness to conduct next round of discussions with the relevant World Bank experts on CASA-1000 Project and we hope for your understanding in assisting of the prevention of rash and ill-considered actions from the Republic of Tajikistan.

Sincerely Yours,

Galina Saidova
World Bank Governor for the Republic of Uzbekistan
Minister of Economy of the Republic of Uzbekistan