



JAMES ANDERSON
Country Manager for Mongolia
The World Bank

October 14, 2016
Ref No.194/16

Mr. Alexander Kolotov
Coordinator
Rivers without Boundaries Coalition
Post Office Box 6066 (Alexander Kolotov)
Krasnoyarsk, 660017
Russia

Dear Mr. Kolotov,

Subject: Your letter of October 6, 2016

I am writing to respond to your letters of October 6, 2016, addressed to Mara Warwick and Lakshmi Shyam-Sunder. We have also received another letter from Rivers without Boundaries dated September 23, 2016, and our team is preparing a reply to that letter. In the interest of time, however, I wish to clarify an important issue raised in your letter of October 6.

You expressed concern that an announcement on the MINIS website suggested that the bidding has begun for the Regional Environmental Assessment (REA) and the Environmental and Social Impact Assessment (ESIA) for two sub-projects (flow regulation on Orkhon River and construction of the reservoir complex, as well as Shuren Hydro on the Selenge River). I would like to assure you that the bidding process has not begun. Rather, a call for Expressions of Interest was initiated, which we explain below.

Most importantly, I would like to assure you that procurement will not proceed without consultations in Russia. The MINIS Project Management Unit (PMU), with World Bank support, is preparing to host these consultations in Russia in the near future and the TORs will be revised following the consultations. We view the consultations as critical to ensuring that we receive feedback from communities and to helping those communities understand the scope and purpose of the studies. We recently received approval from the Russian Government to conduct the consultations and the PMU is now finalizing the consultation materials, including summaries, project briefs, presentations, and fact sheets, and ensuring high-quality translation into Russian.

As noted above, a call for Expressions of Interest is not a request for bids. Consulting firms responding to a call for Expressions of Interest typically provide a brief proposal to demonstrate that they have the technical capacity and experience to undertake the studies. In order to do this, the firms refer to an early draft TOR as a basis to determine the broad scope of work and the complexity of the studies. The technical quality of these firms is assessed and those that are determined to be of sufficient technical quality/capacity to do the work are "pre-qualified" in the procurement process. It is standard practice to issue a call for Expressions of Interest prior to the completion of a consultation process. Once the TOR has been revised to reflect the input and feedback provided by stakeholders during consultations, the final Request for Proposals (RFP) is sent to the prequalified firms for a full proposal based on the final TOR.

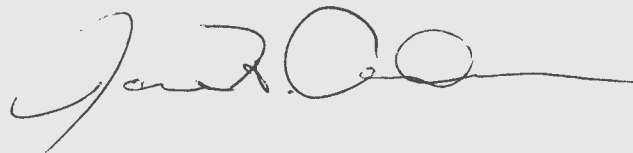
The calls for Expressions of Interest for these studies were posted on both the World Bank's website and the MINIS website, the latter of which also posted the draft TORs. Although the MINIS website indicated that the TORs would be finalized after consultation, this was not conveyed in a prominent way. Moreover, the documents do not indicate that they are in draft form and the calls for Expressions of Interest should explicitly state that the draft TORs are still subject to amendment based on feedback and input that will be collected during the upcoming consultations in Russia. Your letter helped us recognize these shortcomings quickly and we will strive to communicate more clearly on the steps involved in the procurement process and how the consultations will inform that process.

The World Bank and the MINIS PMU are undertaking a number of actions to improve the website to make the process clear for all stakeholders and we will outline those measures in future correspondence. We will also address the other concerns raised in your letters of September 23 and October 6, 2016, in a separate letter from the task team.

Finally, I would like to update you on the World Bank team: Mara Warwick and Khairy Al Jamal have moved to other jobs in the World Bank Group. Future correspondence may be addressed to the new Task Team Leader for MINIS, Mr. Yuriy Myroshnychenko, Senior Energy Specialist, or to me. Our email addresses are ymyroshnychenko@worldbank.org and janderson2@worldbank.org, respectively.

Thank you again for your valuable insights.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yuriy Myroshnychenko', with a long horizontal line extending to the right.

Cc:

Gonzalo Castro, Chairperson of the Inspection Panel, World Bank

Lakshmi Shyam-Sunder, Vice President and WBG Chief Risk Officer

Yuriy Myroshnychenko, Task Team Leader for MINIS Project, World Bank