

James Gallagher  
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Mr Nick Hildyard  
The Corner House  
Station Road  
Sturminster Newton  
Dorset  
DT10 1YJ

19 June 2007

Dear Mr Hildyard,

#### **ENVIRONMENTAL INFORMATION REGULATION REQUEST, EIR(07)02**

Thank you for your request for information dated 20 May 2007, under the Environmental Information Regulations ("EIRs"), asking for information relating to ECGD's support for the Sakhalin II project. Our answers follow below.

1. All records generated by ECGD containing project site monitoring information for the Sakhalin II project.

ECGD has interpreted this part of your request to mean the reports generated by ECGD staff who have visited Sakhalin Island to monitor project sites. I am currently checking these visit reports.

In this case, I regret that we must extend the time limit for responding by 20 working days because of the volume of material involved in dealing with your request.

I hope to let you have a response by 13 July 2007; we will keep you informed of any further delay.

2. All records submitted to ECGD by the lenders' independent environmental consultants containing information related to project environmental and social impacts. This includes, but is not limited to records generated by AEA Technology and its subcontractors.

An initial search of ECGD's systems indicates that there are in excess of 800 individual records which have been submitted to ECGD by AEAT and/or its subcontractors. ECGD considers this too large a volume of information to analyse to find information relevant to the

request. ECGD will therefore not disclose the information for the reason provided in Regulation 12(4)(b) of the EIRs, namely that the request for information is manifestly unreasonable. If you were to come back to us with a request for information with a narrower scope, we would re-consider the matter.

In applying the above exception, we have had to balance the public interest in withholding the information against the public interest in disclosure. We consider that the public interest in not diverting a significant amount of ECGD's limited specialist resources away from its other work outweighs the public interest in disclosing the information.

3. All records containing information indicating the project's non-compliance with ECGD's environmental procedures and guidelines.

ECGD has interpreted this part of your request to mean the records generated by ECGD's staff as part of their assessment of the project. ECGD is not releasing this information under the exceptions contained in Regulation 12(4)(d) (the request relates to material which is still in the course of completion, to unfinished documents or to incomplete data), and Regulation 12(4)(e) (the request involves the disclosure of internal communications).

In this context, ECGD has assessed the public interest in releasing the environmental information to you. For important issues relating to sensitive projects, such as the Sakhalin II project, it is critical to ECGD that officials have the ability to hold open discussions on all relevant information and to provide frank opinions and evaluations in respect of relevant information, in order to ensure that there is a candid and rigorous assessment of all risks relating to a particular case, including environmental risks. Officials also need to be able to provide and receive frank advice on how to respond to issues raised by the public in respect of the environmental aspects of the project. The effect of disclosure of the opinions and advice contained in the records which have been withheld would be to inhibit future ECGD assessments of environmental issues by making officials more circumspect in expressing their assessments and advice.

Parts of the information are also being withheld as they contain information and advice which was received as part of ECGD's due diligence process in evaluating the environmental issues associated with the project. Releasing the information would mean that in future ECGD may not be provided with such candid and frank information and advice by third parties and ECGD would not be able to conduct its due diligence process properly. ECGD would lose important sources of information about the risks ECGD is considering whether to underwrite.

Although we acknowledge that there is a public interest in giving assurance that ECGD has robust procedures in place in assessing new business and that sensitive issues (in this case, the environmental concerns) are properly considered before making a decision in respect of a project, there is also a powerful public interest in ensuring that there is a space within which ECGD officials are able to discuss case-related issues freely and frankly, based on all relevant information and full and candid advice. This enables them to make informed and rigorous assessments of projects that ECGD is considering for support.

We therefore consider that the balance of the public interest is in favour of non-disclosure of the records requested. ECGD expects that the process of assessing the project and making its decisions may be completed in the second half of this year.

4. Notifications of Environmental Incidents and HSE or Social Harm and related information provided to ECGD.

Please can you clarify what you mean by “HSE or Social Harm”?

If you are unhappy with the result of your request for information, you may request an internal review within two calendar months of the date of this letter. If you wish to request an internal review please contact the Senior Information Officer (Steve Roberts-Mee, Senior Information Officer), ECGD, PO Box 2200, 2 Exchange Tower, Harbour Exchange Square, London E14 9GS, or email: [information.access@ecgd.gsi.gov.uk](mailto:information.access@ecgd.gsi.gov.uk) if you wish to complain.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

If you have any queries about this letter, please contact me. Please remember to quote the reference number above in any future communications.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Gallagher', written in a cursive style.

James Gallagher  
Information Officer