



December 11, 2002

Mr. Giovanna Grillo
Mr. Sergio De Trizio
Via G. Matteotti, 30
70056 Molfetta, BA
ITALY

Messrs. Grillo and De Trizio:

Baku- Tbilisi-Ceyhan Oil Pipeline Project

Thank you for your letter of December 6, 2002 to Mr. Wolfensohn expressing your concern about the Baku-Tbilisi-Ceyhan pipeline project. Mr. Wolfensohn has asked me to respond on his behalf.

You may be aware that we have not yet completed our due diligence process, and our environmental and social specialists are still in the process of reviewing the Environment and Social Impact Assessments (ESIAs). Once the ESIA documentation review has been completed and the documents have been found to be satisfactory to IFC, the ESIA package will be released to the World Bank Group InfoShop. Further to the InfoShop release, there will be a public comment period of at least 120-days.

IFC will base its decision to recommend the project to its Board only if we are completely satisfied that the ESIAs meet IFC's safeguard policies and standards. Prior to any approval of the project, IFC will satisfy itself that the project is financially and technically viable, economically beneficial for the respective countries, and environmentally and socially compliant and sustainable. If those requirements are met, IFC may participate in the project, subject to approval by its Board of Directors; if those requirements are not met, IFC would be unable to participate.

Thank you once again for your letter.

Sincerely,

Yasmin Tayyab
Corporate Relations

cc: Mr. James D. Wolfensohn, President, World Bank Group