



**PERVOURALSKY
NOVOTRUBNY
WORKS**

PNTZ Mini Mill,
Pervouralsk,
Russia

Public Consultation and
Disclosure Plan (PCDP)

February 2007

PNTZ Mini Mill, Pervouralsk, Russia

Public Consultation and Disclosure Plan (PCDP)

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1. INTRODUCTION

Background to the Mini Mill Project

- 1.1 The PNTZ site where the project is to be realised is located in Pervouralsk City, Serdlovsk Oblast, at the border between Europe and Asia in the Ural mountains. The city is located on the Chusovaya River (a tribute of the river Kama), 39 km west of Ekaterinburg and 1,622km east of Moscow. It is an industrial city with a population of approximately 133,000. The company occupies two sites at Pervouralsk; the main site and a subsidiary site. The main site is to the south-east of the city centre, between the Trudposielok and Talica districts. The subsidiary site is located to the west of the city centre.
- 1.2 The major operations on the site are, at present: cold rolling of seamless pipes; production of welded pipes; production of polymer pipes; production of steel cylinders (mainly for fire extinguishers); and finishing processes for the pipes, including winding, calibration, threading, surface treatment and polyethylene coating. The main input material for the pipes is steel billets. At present this is all imported from other steel mills.
- 1.3 The purpose of the proposed mini-mill is the production of steel billets. The mini-mill will supply around 80% of the site's requirements for billets. The mini-mill will be located entirely within the boundary of the existing facility; no additional land is required.
- 1.4 The company produces over 25,000 types of pipes from around 250 steel grades. The output has rapidly risen in the past few years; output was 604,000 tonnes in 2002 and 743,000 in 2005. Around 15% of the output is for export.
- 1.5 The site of the proposed mini-mill development is in the western part of the main site in an area formerly occupied by a workshop and storage areas (see Appendix 1). The design capacity of the mini-mill is 950,000 tonnes per year. The steel billets will be for use at the PNTZ site (from Caster1, capacity 650,000tpa) and at its sister site ChTPZ in Chelyabinsk (from Caster 2, capacity 300,000tpa).



- 1.6 The mini-mill will be fed by scrap supplied by a sister company ChTPZ Meta. The total input of scrap will be around 1 million tonnes per annum. ChTPZ Meta currently operates the scrap facility at the Chelyabinsk site.
- 1.7 A high level overview of the key input process feeding into mini mill and its main operational processes is outlined in a flow diagram in Appendix 2, 2.3.
- 1.8 The new development will be constructed by Gama Company, a Turkish firm. The construction will take 23 months and will require at its peak 1500 construction workers. The workers will come from Turkey, Russia and neighbouring Commonwealth of Independent States (CIS) countries. This is discussed in more detail in 4.24.

Public Communication and Disclosure Plan and Impact Assessment for Funding Purposes

- 1.9 The company is seeking international funding from European Bank for Reconstruction and Development (EBRD). The proposed development is a category ‘A’ project and will require a full Environmental and Social Impact Assessment (ESIA) and a Public Communication and Disclosure Plan (PCDP). This PCDP has been prepared in compliance with the Banks procedures and is the first step and precedes the preparation of the final ESIA.

Figure 1-1 Stages and Documents in ESIA Development and Funding Process

Project Phase	Required documents
1. Site selection, EIA appraisal construction permit authorisation	National EIA (OVOS) and permit applications - initial OVOS review document - consultation meeting - public opinion pole - Final OVOS
2 Funding application (equity stake)	ESIA to meet funding agent requirements: - Public Communications and Disclosure Plan (PCDP) - Scoping report - Draft ESIA report for consultation - Final ESIA report

- 1.10 Environmental and social impact studies are required to help determine the feasibility of the proposed development. Public consultation is an important factor in deciding the scope of the environmental and social studies. Consultation serves to provide an



opportunity for all stakeholders to provide comments and raise any concerns associated with the proposed development projects.

- 1.11 Public consultation should not be seen as a one-off activity. It is an interactive process, one that should begin during the conceptual design of a project and continue throughout construction and operation.
- 1.12 A Public Communications and Disclosure Plan (PCDP) is required by the EBRD as well as being good practice.
- 1.13 A PCDP systematically identifies who might be affected by the proposal and others who may be interested or can provide an informed contribution. It also describes how disclosure and consultation will take place and provides contact details and a schedule of consultation activities. The PCDP should be made publicly available allowing all stakeholders the opportunity to comment or question, support or dissent and contribute both to:
- Aspects of the consultation planning e.g. its accessibility and suitability, as well as
 - The content of the ESIA scoping study, and draft ESIA. Comments and views should be reflected in the final ESIA.
- 1.14 As this Plan has been developed in Phase 2 of the development process (see Figure 1-1), a number of consultations and discussions have already taken place in earlier Phase 1 (as part of the OVOS process). The Plan outlines the meetings and issues raised, and will identify further disclosure and consultation requirements for Phase 2. The ESIA will include a section on communication during the later construction and operational phases.
- 1.15 This initial PCDP has been prepared by WS Atkins International Ltd on behalf of PNTZ. The information is based upon meetings in Pervouralsk, Russia and a site visit undertaken in December 2006 and a further technical visit in January 2007.

Potential Project Impacts

- 1.16 The potential impacts that the scoping study expects to investigate include:
- **Air quality:** An air dispersion study will be undertaken to assess the emissions. The air modelling study will focus on particulate emissions from the main stack, assessing the changes in air quality resulting from the operation of the proposed project.



- **Effluent:** The impacts of the discharges will be assessed in the context of the improvements planned for the site waste water treatment system
 - **Waste:** The waste management regime for both construction and operational phases will be assessed to ensure that impacts are minimised
 - **Energy and greenhouse gas:** The fuel usage and CO₂ emissions will be addressed
 - **Noise:** The impacts of the plant will be assessed against the legal requirements.
 - **Construction phase impacts:** Mitigation measures will be implemented to ensure that impacts associated with noise, vibration, ground contamination, traffic and materials handling are minimised.
 - **Social:** This will focus on employment and labour conditions and impacts. It will also examine arrangements for the work camp to address and minimise any inconvenience or nuisance or other impacts.
- 1.17 Appendix 2 presents brief information on the current knowledge about air quality, pollutants and effluent discharges.
- 1.18 It is emphasised though, that the mill is being built on an existing brown field site, with in the site. No people are living in any sanitary or exclusion zones which relate to the mini mill site.



2. CONTEXT

National Consultation Process Required for an OVOS

2.1 In accordance with Russian legislation¹, responsibilities for the organisation of public involvement in the process are divided between the company (PNTZ) and the Local Authority:

- The company defines the strategy of public involvement and appropriate techniques, drives the total process, provides information, answers the questions, covers all associated costs and has the responsibilities for the final outcome.
- The Local Authority is responsible for organising and facilitating public meetings / hearings, referendums, agreement commissions etc.

2.2 The legal requirements for public consultation require that:

- The Head of the Municipal Council formally signs and organises for publication of a non-technical summary of the draft OVOS and announcement of public consultation meeting through the official public media (newspaper, TV and radio);
- Access to draft documents that are to be discussed in the hearings should be provided 30 days before hand;
- Feedback comment periods should be open for 30 days after public hearings;
- Following the consultation the comments and concerns of the public should be reported and taken into account in the OVOS.

¹ The framework for the OVOS is given in Russian framework law on Environmental Protection No.7-FZ of 10 January 2002 and detailed in Regulation on the Environmental Impact Assessment of the Proposed Development in the Russian Federation (RF) approved by the State Environmental Committee of RF Order No 372 on 16 May 2002



EBRD Requirements

- 2.3 As a potential funding agent, the EBRD has certain requirements that must be met in the ESIA and funding application process. Category A projects, (see Para 1.9) require an Environmental Assessment (including social assessment) to ensure that they are environmentally and socially sound and sustainable. A full Environmental and Social Impact Assessment (ESIA) must undergo a minimum of 60 days public consultation prior to loan approval. The Non-technical summary will be placed on the EBRD website (www.ebrd.com), which will also contain information on where the full ESIA documents will be available and a link to the company's website.
- 2.4 The EBRD holds projects to European Union standards and nationally applicable requirements. In addition, International Labour Organisation requirements regarding forced labour, worst forms of child labour, and discriminatory practices also apply².
- 2.5 The EBRD requires that prior to undertaking an ESIA, the client (the sponsor) or their representative, drafts a Public Consultation and Disclosure Plan (the PCDP). The Plan identifies affected people, details how the sponsor will communicate with them, including a grievance mechanism³ and how the public's views will be considered.
- 2.6 The EBRD requires the project developer to consult meaningfully with stakeholders on the preparation and results of the environmental and social assessment and disclose the results of the environmental assessment process to the public. These requirements translate into open, direct and culturally appropriate communication with individuals and groups who may be affected by its projects. This means upholding the following principles:
- Written and oral communications in local languages and readily understandable formats;
 - Easy accessibility by relevant stakeholders to both written information and to the consultation process;
 - Use of oral or visual methods to explain information in a non technical form;
 - Respect for local traditions of discussion, reflection, and decision-making;
 - Care in assuring that groups being consulted are representative, with adequate representation of women, vulnerable groups, indigenous, ethnic or religious minorities (as appropriate to the locality), and separate meetings of various groups, where necessary; and

² If relevant, the International Finance Corporation (IFC) requirements in 2003 with regard to involuntary resettlement, cultural heritage, and indigenous peoples apply to EBRD projects.



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- Clear mechanisms to respond to people's concerns, suggestions and grievances.
- 2.7 Consultation with affected stakeholders is required as a minimum on two occasions. The first consultation is to provide stakeholders with information on the process and to obtain their views and inputs into the scoping study. The second occasion would require a presentation of the draft ESIA allowing stakeholders to have more information, understand the impacts better and raise any further issues or concerns.
- 2.8 Proposed stakeholder consultation is discussed in Section 5 of this document.

³ i.e. clear information on how the public may comment or raise an issue or a complaint with the company and how these will be taken into account in the planning process



3. INTERNATIONAL BEST PRACTICE

3.1 In defining international best practice it is instructive to reflect on the core values and principles that have been developed by the International Association for Public Participation (IAP2)⁴. The core values and principles have been derived from the membership of IAP2, which consists of more than one thousand members operating in some 22 countries around the world. These are presented below:

- The public should have a say in decisions about actions that affect their lives.
- Public participation includes the promise that the public's contribution will influence the decision.
- The public participation process communicates the interests and meets the process needs of participants.
- The public participation process seeks out and facilitates the involvement of those potentially affected.
- The public participation process involves participants in defining how they participate.
- The public participation process provides participants with the information they need to participate in a meaningful way.
- The public participation process communicates to participants how their input affected the decision.

3.2 Following from these Core Values, the best-practice principles apply to public participation, as well as conflict and dispute resolution processes. These principles ensure that the views of all participants are fairly heard and considered, that the process needs of participants are met and that the process is defensible.

3.3 Key principles are identified below and act as a check list that can be considered in developing the PCDP and in considering the disclosure, consultation and meetings to date. Key principles are listed below:

⁴ IAP2 was established in 1990 as a non-profit corporation to advance the practice of public participation.



- Consultation is inclusive (consultation takes place with all sectors of society, and affords a broad range of stakeholders the opportunity to become involved).
- The opportunity to comment is announced in various ways over a period of time (for example, by way of letters addressed to stakeholders personally, advertisements, documents left in public places, radio announcements, personal visits to previously disadvantaged communities).
- Information is sufficient to allow meaningful contributions, and is accessible (in a language that stakeholders can understand and written in a non-technical way).
- Participation according to ability and interest level (highly technical documents are presented to technically minded people; such documents are simplified for lay people).
- Information is presented in various ways (for example, by way of discussion documents, presentations at meetings and workshops, visual displays, print and broadcast media).
- Special efforts for previously disadvantaged communities and vulnerable groups.
- Enough time is allowed for comment, but time is not wasted on options that are no longer viable.
- There are various opportunities for comment, at various stages in the process.
- There are various ways for stakeholders to comment (written submissions, comment sheets, email, faxing, briefing meetings, workshops, public meetings, personal contact with members of the ESIA team).
- Stakeholders have ample opportunity to exchange information and viewpoints (for example, at workshops and public meetings).
- Stakeholders receive ongoing feedback and acknowledgement, and the opportunity to verify that their issues have been considered, and if not receive an explanation for this.
- Transparency, honesty and integrity on the part of all involved in the process.
- Stakeholders are supplied at an early stage with information that assists them to understand their roles, rights and responsibilities in the process.



4. STAKEHOLDERS

Mini Mill Stakeholders

- 4.1 A matrix of the different stakeholders and their potential interests identified during the initial visit and preliminary meetings is summarised in Table 1 below.
- 4.2 In developing this PCDP, meetings were held in December 2006 with:
- (i) PNTZ staff responsible for the steel mill project,
 - (ii) PNTZ employee organisations:
 - Trade Union;
 - Youth Association and Women’s Group;
 - Retired Employees Association.
 - (iii) Local Authorities:
 - the Head of the council;
 - Municipal Health department;
 - Legislative office (responsible for council budget);
 - Council construction department; and
 - Municipal Environment Department.
- 4.3 In January 2007 (following the public meeting), discussion was held with two NGO groups active in Pervouralsk.
- 4.4 An announcement in the local papers, Vechernij Pervouralsk and Novaya Gorodskaya Gazeta made on 18/01/07 invited all interested members of the public to a public meeting on the 24/1/07. The meeting included a slide



presentation of information on the mini mill was provided in line with Ovov requirements.

4.5 The matrix in Table 1 presents a list of stakeholders and some of their areas of interest.

4.6 Key interest groups include:

Local Residents

4.7 Pervouralsk is an industrial town with a number of metal processing and construction works. The town has a population of approximately 133,000 people. There is a low official unemployment rate of 1.16 % in the town and vacancies exceed job seekers. PNTZ employs 12,500 people and is the largest local employer. Additionally there is approximately the same number of veterans, pensioned PNTZ workers. Indirectly local shops and businesses depend on the economic health of PNTZ to maintain local incomes and purchasing power. PNTZ also make substantial contributions to town social and welfare projects.

4.8 Other large employers include: JSC Pervouralsk Plant of the Tubular Building Constructions (PZTSK) producing and installing metal constructing, wall and roofing panels, Pervouralsk Plant of Complete Metallic Construction, Pervouralsk City Dairy Plant LLC employing 165 people, JSC Pervouralsk Silica Plant (JSC Dinur), one of the biggest refractory plant, manufacturing shaped and monolithic refractories and the only producer of silica bricks in Russia. It employs 3,000 people. Approximately 22,000 people commute to work in Yekaterinburg.

4.9 The average monthly salary in Pervouralsk in 2005 was about \$300 (€ 232), a little lower than the average in the region, which was \$350 (€270, Local Information Centre). The local council report the current average monthly salary is Rub 11,000 or € 320. The average salary in PNTZ is Rub 13,500 (€ 393). The national minimum monthly wage is Rub 1100 (€ 32, introduced May 2006) (ILO minimum wages database and PNTZ confirmation) and unskilled workers in PNTZ monthly earnings are Rub 2,500 (€ 72). Salaries increase by 20-30% year. Inflation in 2006 was 10%.

4.10 The nearest residential area is located 795 m to the south of the site the development and as such would be expected to be outside of the sanitary zone of 500 m.



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- 4.11 Each street has a street representative who can act as a key contact for residents in the street.
- 4.12 People are particularly concerned about environmental issues relating to air quality, the quality of potable water and soil pollution⁵.
- 4.13 However, UralKomplektNauka conducted (on behalf of PNTZ) an opinion poll of approximately 3,000 people asking about the new plant. It found that the Pervouralsk citizens view on the new plant. Their preliminary results indicated that about 80% of those interviewed felt positive about the project.
- 4.14 Under a separate initiative, “Citizen” an NGO (see NGO’s) has established a public enquiry office and have a hot line open for three months (December-February) so people can question and express concerns with the environmental issues in the town. By 24/1/07 there were 950 enquiries registered. The concerns registered related to:
- industrial air pollution (72.5%)
 - low quality of potable water (22.4%)
 - waste management and problems with municipal landfills located within the town (5.1%)
 - the numbers of sick children.
- 4.15 The planned public involvement activities would normally focus on affected local people. In this project, the site being developed is within the existing works site, and no-one is identified as being directly in a zone affected by the project in terms of environmental or sanitary issues or increased traffic or disturbance. All residents including those who live close to the proposed project site have had the opportunity to attend one or more public meetings. Further public consultation will be announced through the local media (Vechernij Pervouralsk and Novaya Gorodskaya Gazeta). Employees of

⁵ An opinion poll held 12/06 in Pervouralsk on social, economic and environmental issues, conducted by the Institute of Sociology of the Russian Academy of Science and supported by a number of local public groups. The poll covered 800 people, 653 of which stated that the environmental situation was the town’s main problem. The state of infrastructure and communal services was in second place (559), followed by housing, third (463), and poverty fourth (411). There were concerns for air quality (41%) and quality of potable water (31%); soil pollution (26%); 62% of people believed the industrial technology modernisation was necessary; 56% thought environmental inspection needed strengthening; 50% thought there was a need to increase the local budget for environmental improvements.



PNTZ or retired employees will be informed through Trade Union routes, or through the Veteran Workers Association and PNTZ newspaper. Representatives of streets nearest to the Mini mill and construction camp will be contacted by letter. The letter will inform them about the PCDP, identify its location on the company website and that hard copies have been lodged with city libraries.

NGOs

- 4.16 Environmental NGO's present at the public meeting of 24/1/07 included "Green Town" and "Citizen", Pervouralsk.
- 4.17 Citizen is a Moscow based foundation and is a member of the international environmental network working in the CIS countries. They are mainly involved with fundraising and some research to support the development of environmental groups across the country. They run pilot environmental awareness raising projects in several cities in all Russian regions. In the Sverdlovsk Oblast they are running such a pilot project in Pervouralsk. They have established a public enquiry office and have a telephone hot line open for three months (December-February). As part of the awareness creation and information provision Citizen have organised public hearings on the implementation of the environmental measures by the Chromium Plant on 19/01/07. They are planning to organise a similar hearing regarding the operation of the Copper Smelting Plant in nearby Revda. The pollution from this plant is widely held to affect Pervouralsk.
- 4.18 The address of the Citizen enquiry office: Pervouralsk, Vatutina St 31, Tel: 6 33 33.
- 4.19 The Pervouralsk Community Foundation is one of a number of community foundations established in Russia⁶ and internationally. It is an umbrella and co-ordinating organisation assisting civil society causes and projects. It helps with establishment, management and sourcing of funds for grant programmes and provides training and support to civil society projects. The Pervouralsk branch is recognised in Russia and outside for establishing an effective and innovative funding mechanism. Commercial and industrial organisations have agreed to fund the NGO giving a percentage of their turn-over. PNTZ is a key funder.
- 4.20 PNTZ, environment section will contact these 3 organisations by e-mail (contact details in Table 1) to inform them of the PCDP and request that

⁶ <http://www2.cafonline.org/cafrussia/default.cfm?page=cafinrussia>



“Citizen” announce it as a news item on their website. A similar process will be undertaken for the draft ESIA document.

Vulnerable people

- 4.21 No specific groups have been identified who would have difficulty in commenting and contributing to the planned consultation described in section 5. However comments on sick children have been noted and will be considered in the scope of the ESIA.

Local Authorities

- 4.22 The City Council plays a coordination role in the public involvement processes and especially in conflict prevention / conflict resolution. It also acts as a regulator and grants permits for construction defining any specific requirements arising either through the technical review and public consultation. It is noted that PNTZ contributes a significant amount to the municipal budget.

Construction Camp Stakeholders

- 4.23 The new development will be constructed by Gama Company, a Turkish firm. The construction will take 23 months and will require at its peak 1500 construction workers. The workers, engineers, technicians and camp staff will come from Turkey and from other regions in Russia and from neighbouring CIS countries. It is planned to engage about twenty two translators to ease any language problems.
- 4.24 These workers and Gama Company staff will be accommodated in a temporary construction camp of prefabricated buildings located adjacent to the construction site. PNTZ has provided the camp with connections to the mains sewer, electric power and water. Workers will live 6-people / room, foremen and technicians will live 2 people / room and engineers in single rooms. A kitchen and dining room and a laundry unit is also included in the camp area. Catering services are to be provided from a local (Turkish) subcontractor.
- 4.25 Other camp facilities include: Recreation facilities including a closed sport saloon are to be available for site workers, foremen and engineers. A small area is set aside for prayer.



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- 4.26 The camp will include a clinic responsible for the health care of the people working on the project. This will be staffed by a doctor and nurse.

- 4.27 The construction camp is potentially significant due to its duration (23 months) and the numbers of foreign workers. The camp and its facilities are fully equipped and arranged in a way to minimise impacts on stakeholders, decrease the numbers of people who may be affected by it and minimise worker interaction with the local community.

- 4.28 Informal discussion on this will be held by PNTZ with near by street representatives to foresee any possible inconveniences or issues that might arise.

- 4.29 Further information will be included in the ESIA on company policy on worker payment, hours, health and safety, and guarantees on worker return to country of origin.


Table 1 Summary Stakeholder Analysis

Sector	Organisation/ representative	Interest /concerns
Resident	PNTZ Retired Workers Association	Pride in ex employer, interest in employment and social policy re income maintenance.
Resident	Residents living adjacent to the plant - street representatives	Concerns for significance and range of environmental impacts and interaction with and inconvenience from foreign worker numbers
Resident	Residents with employment links to PNTZ ;	Positive views re changes in environmental conditions. Interest to ensure standards not exceeded. Interest in new jobs and process for applying
Resident	Other residents in Pervouralsk ;	Mixed views - concerns for environment, scale of industry, interest in jobs
Services	Pervouralsk Town Council - head of council, Mr V Popov, Deputy	Environmental impacts, change in labour and budgetary implications, labour-in migration housing and traffic congestion
Regulator	Sverdlovsk Oblast (Regional)Environmental Inspectorate	Environmental regulatory process and standard setting and enforcement
Regulator	Sverdlovsk Oblast (Regional) Dept. for Public Health	Health implications due to mini mill and also possible disease introduction by foreign workers
Regulator	Sverdlovsk Oblast (Regional) Dept. for Occupational health and Safety	Employment health and safety both in mini mill and for construction site foreign workers
Regulator	Pervouralsk Environmental Dept. Mr V Plusnyn	Environmental regulatory process and standard setting and enforcement
Regulator	Pervouralsk Public Health Dept. Mrs Vyasovchenko	Health issues relating to emissions and possible disease introduction by foreign workers
R&D inst.	Ural State Technical University	New technologies, training of students, need correct certification
R&D inst.	Nizny Tagil training college	New technologies, training of students, need correct certification
R&D inst.	OAO "Uralmash" (Yekaterinburg)	Training for crane operators
R&D inst.	Ural State lycee "Spector"	New technologies, training of students, need correct certification
NGO	'Green town', Boyar Yuriy Pavlovich; Sverdlovsk Oblast, Pervouralsk, Trubnikov St, 34; tel/fax (343 92)677 77, 633 33, 8 922 221 81 95; email: gazeta10000@yandex.ru	Local Environmental group
NGO	"Citizens", Pervouralsk, Vatutina St 31, tel: 6 33 33, Moscow contact : Maksim Andreevich Shingarkin; Russia, 119019, Moscow, PO 211; tel: +7 903 672 6427; fax: +7 (495)475 59 75; email: max.shi@mail.ru	Establishing pilot projects in small towns including Pervouralsk to provide more information, increase awareness and encourage transparency. On going hot line and public hearings
NGO	Pervouralsk community foundation, Vera Ananyina, 43, Vatutina str, (34392) 22663	Raises funds to support local community projects, including training. Promotes civic initiatives & provides information support. ASI representative, funding from local council
Media	Local TV station;	Reporting news and viewer information and interest
Media	Vechernij Pervouralsk and Novaya Gorodskaya Gazeta newspapers;	Reporting news and reader information and interest
Media	Local radio	Reporting news and reader information and interest
Employee	PNTZ Trade Union Organisation, Mr LHaldin	Ensure smooth integration of new workers, establish new TU sub group for mill
Employee	CHTPZ Trade Union	Ensure good opportunities and minimise disruption for workers in Open Hearth Mills
Employee	PNTZ employees (including trade union representation) - TU Chair Mr L Haldin	Employment changes, wage changes, worker welfare
Employee	PNTZ youth association ,Ms. Irina Tomilova	Job opportunity changes, new technology and future opportunities for skilled work and better wages
Employee	PNTZ Women's Association, Ms N Vorobjeva	Womens rights and potential opportunities - opportunities are limited in the new work due to the type of work and national law on heavy work

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Community	Pervouralsk town medical community	Changes in environmental conditions & implications for health. Changes in worker numbers and implications for admissions and new capital investment needs
Community	Pervouralsk Mosque and Imam Denis Hazrat	Potential impact with possible temporary expansion of “congregation” from work camp
Community	Orthodox church representatives e.g. Church of the Holy Tsarist Martyrs, United Methodist Church	Potential impacts of increase in
Commercial	Uralgeprommez (Ural project organisation)	Undertaking National OVOS for PTNZ
Commercial	Other steel mills	Training staff for PNTZ, potential future competition (scrap, markets etc.)



5. CONSULTATION ACTIVITIES

Activities to date

5.1 In January 2006 PNTZ voluntarily initiated meetings with employees and key City representatives and residential groups. It undertook two public meetings. One meeting was with pensioned ex-employees of the firm. This group mainly consisted of members of the Veterans Association, of which there are in the order of 10,000 members. The second meeting involved representatives from schools, hospitals and other such organisations. The meetings were held for purposes of awareness creation, and provision of preliminary information and were attended by an estimated 80 -120 people. They were organised through the Social Projects Administration, PNTZ. Though no formal record of the meetings was kept, the type of issues raised included:

- Concerns over the type and level of emissions
- The number of new jobs and opportunities and salary levels
- What the process of applying for these jobs would be
- The use of additional council income from the new works and the level of income from new works which would fall to the town
- The competitiveness of the new mill and works

5.2 These points will be considered in scoping the ESIA.

5.3 The OVOS is being drafted by “Uralgeprometz” (Ural Project Organisation) a commercial company.

5.4 The necessary construction permits for the site and works can only be provided once the OVOS has been undertaken according to the national requirements for local and regional authorities and has been submitted. The national requirements for the OVOS require public consultation to be undertaken and this is described in 2.1 onwards.



- 5.5 The head of the council signed the documents initiating the OVOS consultation process on 24/12/06. This process included:
- The provision through the media of summary information on the project and an announcement of the public meeting. This was made available to the public in late December 2006 or January 2007.
 - A short article (26/12/06) appeared in the local newspaper "Vechernij Pervourals" reporting that City Mayor approved the public consultation/hearings.
 - A short description of the project and the number of the PNTZ hot line was published in the PNTZ paper "Uralsky Pervotrubnik" (12/01/07).
 - "Uralgepromez" was engaged in January to undertake the public meeting and present the OVOS. It took place on 24/01/07
 - An enquiry or hot line has been established by PNTZ. It is open during working hours. The contact details are:
 - Mr Victor Kuznezov, PNTZ, Torgovaya Street 1, Pervouralsk, 623112, Sverdorsk, Tel. (392) 45067.
 - A basic record of the type of enquiry and the details of the enquirer (type of stakeholder) are logged for future analysis of issues and concerns.
 - These comments and concerns will be passed to PNTZ management to consider in relation to both the temporary construction camp and the mini mill project.
 - Follow up surveys or opinion polls will be undertaken by the Municipal Environment Dept. (MED). These will be undertaken over a period of 6 months. The final OVOS report will be produced to the end of August 2007, when more detailed information specific to the machinery (provided by SMS DMAG) and their operation will be available.
- 5.6 The meeting of the 24/1/07 has been videoed and recorded. There are transcripts and a list of attendees. Early feed back on the meeting suggests that more than 300 people were present, that a presentation was made giving information on nominal and relative changes in levels emissions and pollutants (see for example Annex 2) and discussing the main mini mill process and the availability of technology available to mitigate pollution and waste bi products.



- 5.7 At this same meeting Atkins representatives provided a brief presentation of the process required in undertaking the ESIA being prepared for funding purposes.
- 5.8 Comments raised at the meeting included concerns that:
- There should be an agreement to meet environmental protection/mitigation measures between the local authorities and the plant;
 - Declining population of the city: population is decreasing at a faster rate than national population. More needs to be done to retain the city population;
 - The new plant would add to existing high levels of soil contamination and mass increase of air emissions from the new plant (citing data from the draft OVOS);
- 5.9 In addition the NGO Citizen suggested that a Public Environmental Review should be conducted (it may do this itself);
- 5.10 The Environmental Inspector of the Federal Level (Pakhalchak Galiona Yur'evna) suggested that the plant should invest money in the city public health protection and the treatment of potable water in the city, though this was not necessarily directly related to the new Mini mill development.
- 5.11 These comments will be considered in assessing the scope of the ESIA.
- 5.12 The final OVOS report will be presented to the Russian Regulatory Authorities. This will incorporate:
- Stakeholder feed back and considering the issues raised in the consultation and,
 - The actual performance information on the equipment provided by the DMAG Company (as opposed by best estimates of similar processes).

Public Communication and Disclosure Activities For the ESIA

Grievance Mechanism

- 5.13 The current grievance mechanism /enquiry line established for the OVOS will be continued for the ESIA (see 5.5). Comments, complaints, questions or other



communications on any aspect of the Mini mill development or construction camp can be made either by phone or in writing to Mr Victor Kuznezov, PNTZ.

The telephone enquiry line is open during working hours. The contact details are:

- Mr Victor Kuznezov, PNTZ, Torgovaya Street 1, Pervouralsk, 623112, Sverdorsk, Tel. (392) 45067.
- Written grievances can be made using the form provided in Annex 3. Copies of the form can be obtained the reception of PNTZ.
- The PNTZ environment section will keep a register recording the type of enquiry and the details of the enquirer to review the issues and concerns.
- Any register or document will maintain the confidentiality of the respondents, referring to them for example as 35 year old male resident, or resident of “named” district.
- This review will be provided to PNTZ management on a 2 weekly basis for decisions on the form of appropriate action to be taken.
- The review will also be sent to Atkins to inform the ESIA.
- As from March the receipt of grievances will be acknowledged in writing within 5 working days of their receipt.
- A copy of the review of all grievances with outcomes, will be available from Mr Victor Kuznezov on request at the end of the consultation period (May 2007).

ESIA Document and Exhibition of Results

- 5.14 The full ESIA documentation and a non technical summary (NTS) will both be available in English and Russian at the PNTZ Environment office and in the office of the newspaper “Uralsky trubnik”. The documents will be placed on the PNTZ website. The website address is <http://www.pntz.ru/>. It will be available from the first week of March 2007. The hard copies of the materials will also be available at the EBRD regional offices in Ekaterinburg (Karla Libknekhta, 22, Office 413) and Moscow (6 Gasheka Street; Dukat Place III, 123056 Moscow).
- 5.15 An exhibition to present the results of the ESIA will be organised by PNTZ, assisted by Atkins staff. Information on access to the ESIA and invitations to the public exhibition (with details on the location and dates) will be made through the Vechernij



Pervouralsk and Novaya Gorodskaya Gazeta newspapers, PNTZ newspaper, staff announcements. An e-mail or letter of information will be sent to the local council; the media and to NGO “Citizen” and Green Town, and to street representatives living nearest to the development.

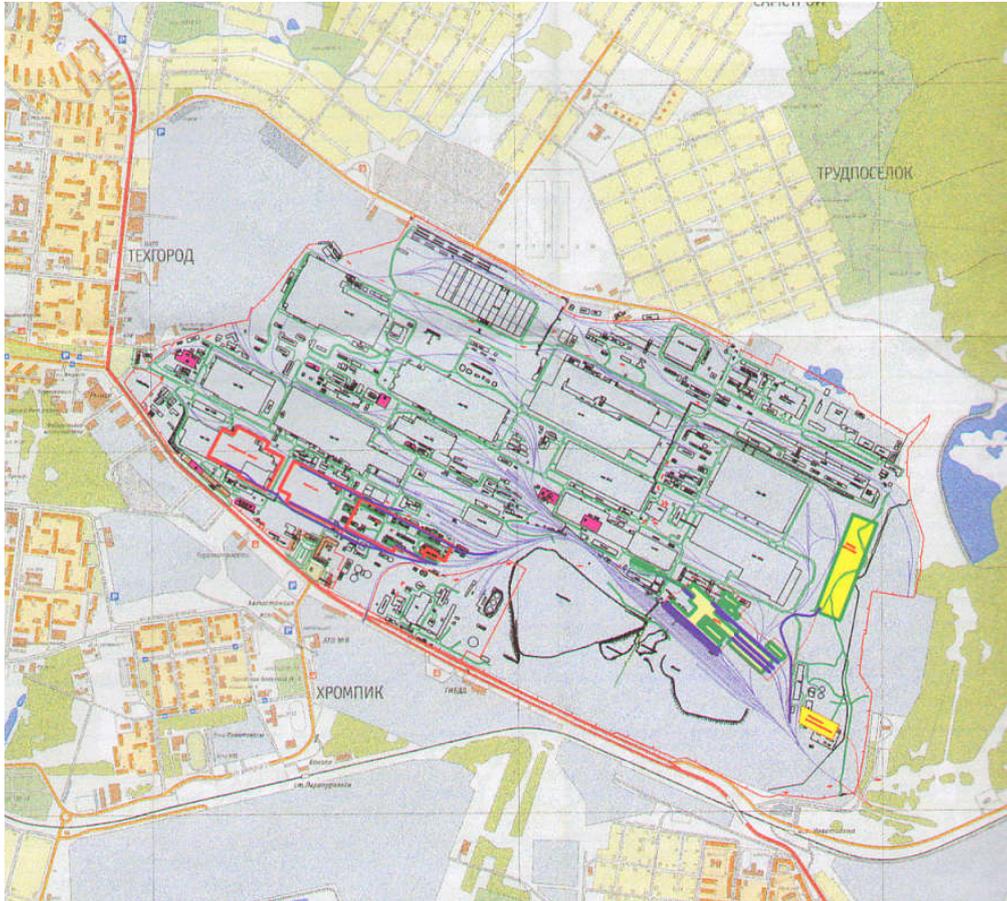
- 5.16 The exhibition will be held in late March / early April over 4 days. A technical representative will be available to give further explanations on the exhibition and ESIA on one day of the exhibition (to be announced in the paper).
- 5.17 Comments in response to the ESIA and or the exhibition will be recorded through:
- Written comments provided by a comment form (Appendix 3);
 - Written or telephone responses to the enquiry line set up by PNTZ;
- 5.18 These comments will be registered and compiled by the Environment section of PNTZ.
- 5.19 This document will be placed on the PNTZ web site (www.PNTZ.ru) and an announcement to the effect will be made via PNTZ newspaper, Vechernij Pervouralsk and Novaya Gorodskaya Gazeta newspaper and the NGO citizen website.



APPENDICES

Appendix 1

Development Location within the PNTZ Site





Appendix 2

Information on selected project impacts

The information is from slides presented at public meeting on 24/1/07 by OAO PNTZ and OAO CHTPZ

2.1 Information on Pollutant Waste and Water Discharges

The shop being designed is provided with the latest systems of discharge disposal along with the equipment designed and used in industrially developed countries.

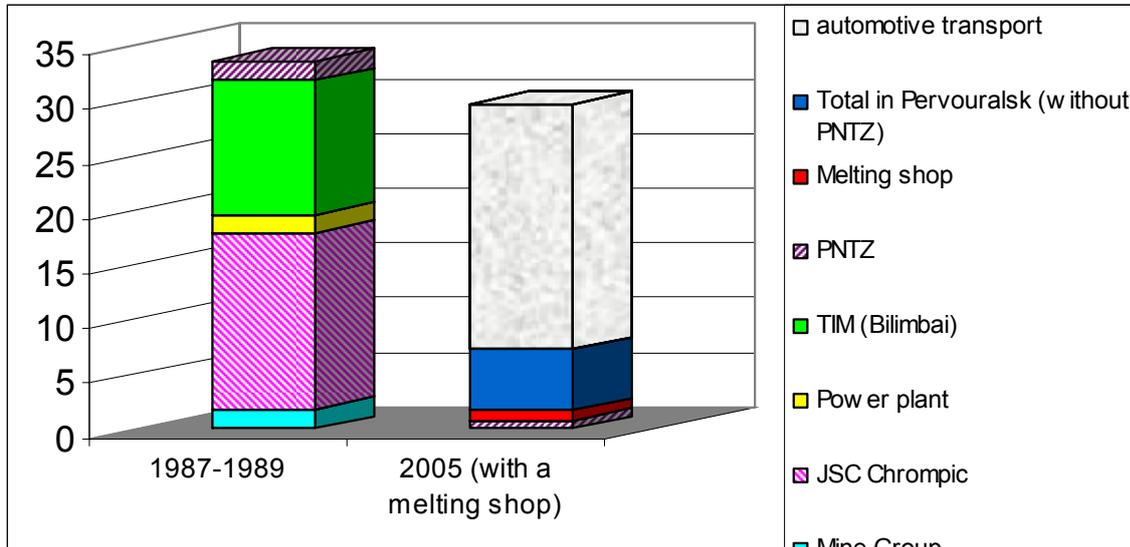
The rate of disposal system performance reached 95-99%.

Thus, an impact of the main pollutants appeared while the shop operating: sublimates of processed metal, dust of charge and slag-forming materials, slag dust appear while steel melting and outside furnace steel processing by means of aspirating system, special covers and conglomeration system and gas treatment is minimal.

To decrease the level of pollutant release into water bodies one is developing a project on modernisation of existing water treatment facilities in OAO PNTZ and on construction of a station of an intense tertiary treatment and water return to a production cycle. Such a strategy will allow not only to decrease the level of the environment pollution due to the melting shop operation but also to decrease significantly an impact of existing production lines.



2.2 Information on Air Pollution

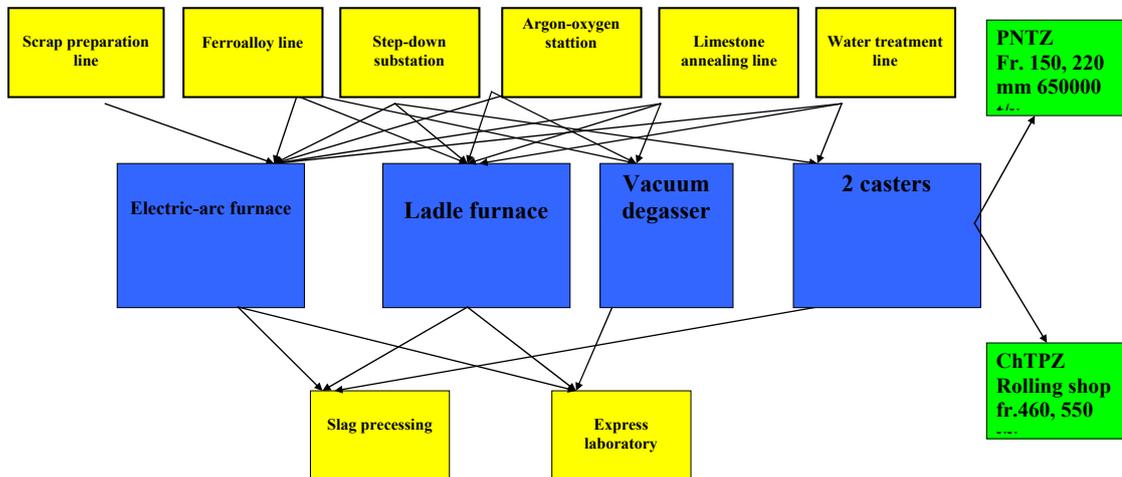


Air emission dynamics in Pervouralsk (тонн/год)

The mill will increase air emissions, however these are a very small amount of current emissions in Pervouralsk or due to cars. Critical limits and potential health impacts will be considered.



2. 3 Overview of Mini mill process



The diagram in 2.3 shows the key input processes (top line in yellow) feeding into the different mini mill stages (middle line in blue), the waste processing (bottom line in yellow) outputs and the final products for use by PNTZ and ChTPZ



PNTZ Public Grievance Form

PNTZ Reference No:	
Full Name	
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____
Preferred Language for communication	<input type="checkbox"/> Russian <input type="checkbox"/> Other – please state
Description of Incident, Grievance or Concern: What happened? Where did it happen? Who did it happen to? What is the result of the problem?	
Date of Incident/Grievance	
	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Signature: _____

Date: _____

Please return this form to: Mr Victor Kuznezov, Environment Manager PNTZ, Torgovaya Street 1, Pervouralsk, 623112, Sverdorsk, Tel. (392) 45067

If you are a resident of Pervouralsk, you can ask your local street representative to submit the form on your behalf.



Appendix 4

Disclosure Plan: Information to be provided on the ESIA undertaken for Funding Purposes

Date	24/01/2007	24/01/2007-1/3/07	01/03/2007	1/3/2007 - 1/5/2007	01/06/2007
Disclosure Plan	EBRD EIA disclosure. RE: Info on process, timing, content. Discussed at meeting 24/1/07	Feedback and information requests	Draft EIA made available to stakeholders (also info on exhibition and feedback)	Feedback post meeting by Stakeholders	Response to stakeholder concerns
Sverdlovsk Oblast (Regional) Environmental Inspectorate Sverdlovsk Oblast (Regional) Dept. for Public Health Pervouralsk Town Council - head of council, Mr V Popov, Deputy PNTZ Trade Union Organisation, Mr LHaldin CHTPZ Trade Union	Letter of information from PNTZ Letter of information from PNTZ Letter of information from PNTZ Letter and TU meeting	Contact with senior management Contact with senior management Contact with senior management Enquiry line or e-mail to consultants Enquiry line or e-mail to consultants	Electronic copy if requested Electronic copy if requested Electronic copy and information on exhibition PNTZ newspaper, staff announcement.Hard copy on line and in PNTZ CHTPZ newspaper, staff announcement. on line www. PNTZ .ru	By comments book at exhibition, PNTZ enquiry line, e-mail to consultants, NGO hotline (to be confirmed)	Analysis of concerns and how these are being incorporated or not, or if further investigation is required should be noted for each topic area or issue. The information should be sent to individuals who respond to the hotline, and should be sent to organisations attending the meeting and to individuals if they left their contact details. Copies should be posted in public places, e.g. libraries and additional copies made available for enquirers from the company or City Hall. The feed back mechanism should be explained when the draft is distributed
Pervouralsk Environmental Dept. Mr V Plusnyn Pervouralsk Public Health Dept. Mrs Vyasovchenko PNTZ employees (including trade union representation) - TU Chair Mr L Haldin PNTZ youth association, Ms. Irina Tomilova	Letter of information from PNTZ Letter of information from PNTZ Letter of information from PNTZ. Disseminated in TU meeting Letter of information from PNTZ	Enquiry line or e-mail to consultants Enquiry line or e-mail to consultants Enquiry line or e-mail to consultants Enquiry line or e-mail to consultants	Electronic copy to council, information on exhibition Electronic copy to council, information on exhibition Summary in each workshop. Detailed copy on request. Info on exhibition in PNTZ paper NTS by post or e-mail. Information on exhibition PNTZ newspaper		
"Green Town" Citizen, (pilot project) Pervouralsk Uralgeprommez (Ural project organisation) Pervouralsk town medical community Ural State Technical University Nizny Tagil training college OAO "Uralmash" (Yekaterinburg)	Public notice Public notice Letter of information from PNTZ Letter of information from PNTZ Letter of information from PNTZ Letter of information from PNTZ	Enquiry line or e-mail to consultants Enquiry line or e-mail to consultants	Electronic copy and e-mail information on exhibition Electronic copy and e-mail information on exhibition Electronic copy and information on exhibition Electronic copy sent to all hospitals, NTS for display Electronic copy Electronic copy Electronic copy		



PNTZ Mini Mill – PCDP

Ural State lycee "Spector"	Letter of information from PNTZ	Enquiry line or e-mail to consultants	Electronic copy		and at the meeting.
PNTZ Retired Workers Association	Letter of information from PNTZ	Enquiry line or e-mail to consultants	NTS by post or e-mail to chairman		
Local TV station;	Letter of information from PNTZ	Enquiry line or e-mail to consultants	NTS by post or e-mail , electronic copy on request. Information on exhibition		
Editorship of local newspapers;	Letter of information from PNTZ	Enquiry line or e-mail to consultants			
Local radio	Letter of information from PNTZ	Enquiry line or e-mail to consultants			
PNTZ Women's Association, Ms N Vorobjeva	Letter of information from PNTZ	Enquiry line or e-mail to consultants	NTS by post or e-mail and in PNTZ paper		
Pervouralsk community foundation, Vera Ananyina, 43, Vatutina str, (34392) 22663	Letter of information from PNTZ	Enquiry line or e-mail to consultants	NTS by e-mail and electronic copy, information on exhibition		
Pervouralsk Mosque and Imam Denis Hazrat	Letter of information from PNTZ	Enquiry line or e-mail to consultants	Media announcement of exhibition/ summary and EIA in library		
Orthodox church representatives e.g. Church of the Holy Tsarist Martyrs, United Methodist Church	Letter of information from PNTZ	Enquiry line or e-mail to consultants	Media announcement of exhibition/ summary and EIA in library		
Residents living adjacent to the plant - street representatives Other steel mills	Letter of information from PNTZ	Enquiry line or e-mail to consultants	Media announcement of exhibition/ summary and EIA in library		
Residents with employment links to PNTZ ;	Letter of information from PNTZ	Enquiry line or e-mail to consultants	Media announcement of exhibition/ summary and EIA in library		
Residents with no employment links to PNTZ ;	Letter of information from PNTZ	Enquiry line or e-mail to consultants	NTS and full copy in library, city hall		
	Letter of information from PNTZ	Enquiry line or e-mail to consultants	NTS and full copy in library, city hall		

NTS non technical summary