

Environmental and Social Data Sheet

Overview

Project Name:	DEPA LNG Bunkering Vessel
Project Number:	20190313
Country:	Greece
Project Description:	The project concerns the construction of a new liquefied natural gas (LNG) bunkering vessel. The vessel will be based at the Port of Piraeus (Core TEN-T port) and will be used to deliver gas to LNG fuelled vessels (ship-to-ship bunkering) mainly in the vicinity of the Port of Piraeus, but also across other smaller ports in the Aegean and East Mediterranean Sea. The vessel will be constructed and operated in compliance with EU and IMO regulations and will operate under an EU Member State flag.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Promoter is the Public Gas Corporation of Greece S.A. (DEPA). DEPA is the public natural gas utility in Greece, active in the wholesale, trading and supply of natural gas to large end-users and is the largest importer and supplier of natural gas in the region.

The project concerns the construction of a new liquefied natural gas (LNG) bunkering vessel that will be based at the core TEN-T Port of Piraeus. The new vessel will be loading LNG mainly from the existing Revithoussa LNG import terminal and will be used to fuel vessels in the Ports of Piraeus, Heraklion and other Greek and EU Ports in East Mediterranean Sea.

The project does not require an Environmental Impact Assessment (EIA) under the Directive 2014/52/EU amending the EIA Directive 2011/92/EU.

The vessel will be constructed and operated in compliance with EU and International Maritime Organisation (IMO) regulations and will operate under an EU flag. The vessel will be classed by an internationally recognised classification society, member of the International Association of Classification Societies (IACS).

The Promoter has put in place a Project Implementation Unit (PIU) to manage the development and supervise the implementation of the project. This is supported by both internal (DEPA) and external technical advisors and experts. The PIU personnel will be based both in the Promoter's offices in Greece and during construction on site at the shipyard across the different phases of the project. Contract signature with the shipyard is expected by the end of H1 2020 and vessel delivery and start of operations by the end of 2022.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 20,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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The vessel will be operated through a third party specialised ship management company based in the EU (either in a joint venture partnership with the Promoter or through complete vessel technical management outsourcing), certified for compliance with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code).

By providing a flexible LNG bunkering option and promoting LNG as an alternative fuel source, the project is expected to have a positive environmental impact due to emissions reduction from maritime transport in the wider region. The use of LNG as shipping fuel can have the following average reductions in emissions compared to traditional shipping bunkers (approximate):

- NOx emissions reduced by up to 85%
- SOx emissions and Particle Matter almost completely eliminated

The vessel itself will be equipped with a dual-fuel engine that will predominantly use LNG as the primary source of energy, significantly reducing the emission of air pollutants compared to a traditional diesel engine.

Other Environmental and Social Aspects

The Promoter will procure works and services related to the project in accordance with EU directives on public procurement. The tender process for the selection of the shipyard for the construction of the new vessel has not yet commenced.

Potential risks arising due to the project are: (i) poor occupational and community health and safety during construction; and (ii) poor application of relevant labour standards related to employee working conditions during construction.

These will be addressed primarily through the inclusion of contractual obligations for the first tier suppliers and contractors, setting forth minimum workplace standards and business practices expected of any supplier or contractor, including on occupational and community health and safety standards and labour conditions. The application of these will be monitored and reported by the Promoter's supervisory team throughout project implementation.

The project is expected to have positive effects on employment during vessel construction and operation.

The project's overall residual risks are expected to be minor and manageable and thus acceptable for EIB financing.

Conclusions and Recommendations

Disbursement Conditions

None

Undertakings

- The Promoter shall ensure that all primary contractors and first-tier suppliers will operate consistently in accordance with the conditions and standards stated in the Bank's Environmental and Social Handbook and that these are monitored during project implementation by an independent member of the Promoter's supervisory team or a certified body, acceptable to the Bank.

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- The Promoter shall notify the Bank of any social and/ or environmental observations or incidents during the works.
- The Promoter shall ensure that the vessel shall at all times be registered under an EU country flag and operate in compliance with all EU and International Maritime Organisation (IMO) regulations.

Subject to the above conditions and undertakings being met, the project is acceptable for EIB financing in environmental and social terms.

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