

**Public**

## **Environmental and Social Data Sheet**

### **Overview**

Project Name: CYPRUS GAS IMPORT FACILITY (CYPRUSGAS2EU)  
Project Number: 2018-0481  
Country: CYPRUS  
Project Description: The investment is to introduce natural gas to Cyprus via the construction of LNG import, regasification, storage and pipeline infrastructure.

EIA required: yes

Project included in Carbon Footprint Exercise<sup>1</sup>: yes

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### **Environmental and Social Assessment**

The project consists of the construction of LNG import, storage, regasification and gas transmission facilities including associated jetty facilities in Cyprus, in the Vasilikos area, a coastal area dedicated to industrial infrastructure and energy (power generation and petroleum storage).

It is an EU Project of Common Interest (PCI). It will introduce natural gas to the island, enhancing its energy security, as well as reducing carbon and pollutant emissions thus allowing compliance to EU regulatory requirements, especially EU Directive 2010/75/EU on industrial emissions (IED).

Environmental permits for the project are in place.

#### **Environmental Assessment**

The developments in the area of Vasilikos fall under the SEA Directive 2001/42 and the decision of the competent authority concerning the Strategic Environmental Assessment has been issued in July 2016 subsequent to the underlying Vasilikos Area Master Plan issued in May 2015.

The environmental impact assessment (EIA) of the project has been carried out and submitted to the relevant Cypriot Authorities in order to obtain the necessary Environmental Permits. After the public consultation process, the competent authority issued the environmental permit on the 4<sup>th</sup> of October 2017.

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<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

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As required, the environmental analysis included, among other studies, the examination of the impacts to marine biodiversity, the safety of the facility and emergency response planning and possible impacts to existing fishing activities in the area.

The main impacts on biodiversity are related to marine flora and fauna disturbed by construction works (sediment suspension and water turbidity) and the navigation and mooring of vessels at the operational stage. Mitigation measures include a Biodiversity Management and Monitoring Plan including provisions for Marine Mammals and Turtles.

During operation of the LNG gasification system, there may be small variations in water temperature in a limited area around the project, due to seawater circulation. These variations have a negligible impact on seawater environment.

The onshore facilities will be fenced and the access restricted. The FSRU and associated project equipment will have safety systems in place to identify and prevent safety risks (emergency shutdown, leakage limitation, fire protection, flood control and crew escape as well as any other security system and equipment required by the competent authorities and good industry practice).

In collaboration with the Cyprus Port Authority, the promoter will prepare a Marine Traffic Management Plan for the FSRU integrating the mitigation measures identified in the EIA, including a safety zone around the FSRU, to minimise collision risk and occupational and community health and safety risks.

The switch to natural gas will also contribute significantly to the reduction of SO<sub>2</sub> and particulate matters in the area around Vasilikos Power Station.

### **EIB Carbon Footprint Exercise**

The sources of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions are from the operations of the FSRU to generate electricity for its operation. The estimated absolute annual emissions are 33 kt CO<sub>2</sub>e from FSRU operations. The baseline is considered to be the emissions from the Vasilikos Power Station that are caused by the liquid fuels (heavy fuel oil and gas oil), 2521 kt/y of CO<sub>2</sub>e, that are substituted by natural gas, 1762 kt/y of CO<sub>2</sub>e. The overall relative annual emissions are therefore an emission savings of 726 kt CO<sub>2</sub>e.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

### **Public Consultation and Stakeholder Engagement**

No concerns were raised by third parties during the public consultation process that was publicly announced in two national newspapers with the EIA itself uploaded on the Environmental Department website.

### **Other Environmental and Social Aspects**

The promoter shall provide evidence there being an organisation in place that is able to manage the implementation of the project including evidence of sound practice with respect to environmental management and confirmation that the project is assessed for environmental impact including the impact on sensitive areas, which include nature conservation sites.

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The design complies with the Seveso directive. The Bank requires that the promoter shall provide proof of a qualified health, safety and environmental management team, with details on the team's responsibilities, and the approach envisaged to ensure ISO and OSHAS certification during construction. Operations will be monitored for a period after start-up, including for the FSRU.

The FSRU is required to be EU flagged, as such compliance with EU regulations is mandated and regular monitoring will be undertaken for a period after start-up to confirm FSRU working standards.

The area of the project includes a small area with legacy contamination (phosphor-gypsum lagoon) from previous industrial activities in the area (fertiliser plant). The project will have positive impacts as remediation of the phosphor-gypsum lagoon area will be completed by the Government of Cyprus prior to the commencement of Works for the project.

## **Conclusions and Recommendations**

Based on the environmental impact assessments undertaken, and on the condition below, as well as conditions on the capacity of the promoter to provide evidence there being an organisation in place that is able to manage the implementation of the project, including evidence of sound practice with respect to environmental management, the project is acceptable for Bank financing in environmental terms.

Prior to first disbursement, the promoter shall confirm that there is no risk of significant effect, in compliance with the provisions under the EU Habitats and Birds Directives, by sending Form A, or an equivalent declaration by the competent authority to the Bank.