



European Investment Bank (EIB)

Luxembourg, 08/10/2021

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name: GNF NATURAL GAS NETWORK EXPANSION
 Project Number: 2014-0604
 Country: Spain
 Project Description: Investments under the promoter's 2015-2018 business plan to expand and reinforce natural gas distribution networks throughout Spain.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

This was a large gas distribution project applying standard technologies and implemented by an experienced Promoter.

The majority of the investments was dedicated to the extension of the low pressure distribution network, including the installation of stand-alone Liquefied Natural Gas (LNG) regasification stations. The remaining of the investments related to network robustness improvements of the network and to the reinforcement and extension of medium and high pressures local transmission pipelines. By their technical characteristics, medium and high pressures gas transmission systems fall under Annex II of the EIA Directive, as transposed into the Spanish legislation.

Four pipeline sections, Getafe-Usera, Fuencarral, Eje de la Sierra and Refuerzo Albacete were screened in at appraisal, using screening criteria from Madrid region, including the vicinity to Natura 2000 sites. The first two sections were implemented as part of the Project, with an already approved EIA at the Bank's appraisal. The other two sections were cancelled due to complexity in design, which resulted in the lack of authorization to proceed.

The finance contract also contains a condition to cover cases where an EIA may be requested by the competent authority for a project component. The condition requires that the promoter completes any EIA and/or appropriate assessment and receives approval from the competent authorities prior to allocating the Bank's funds to the project component, and that copies of the relevant documents, including the decisions, are provided to the Bank. This clause was not activated as no other project component required an EIA and/or appropriate assessment over the course of the project implementation.

The main impacts, associated with the gas distribution networks construction works, were temporary in nature and mitigated according to established practices in the sector.

The Promoter is ISO 9001, ISO 14001 and OSHAS 18001 certified, and implemented a quality, health, safety and environmental policy as part of its transformation strategic plan.

Based on the information provided by the Promoter up to Project completion, no significant environment or social issues were noted.



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The operation provided environmental benefits mostly through the substitution of more polluting fuel sources by natural gas, resulting in an estimated savings of 326 kton CO₂-eq/year¹.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter during Construction that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.

¹ Lower than estimated at appraisal due to lower project deliverables