Luxembourg, 18 December 2015

Environmental and Social Data Sheet

Overview

Project Name:	BIOM BIODIESEL CROATIA
Project Number:	2015-0574
Country:	Croatia
Project Description:	The project consists of the construction and operation of a biodiesel plant in Croatia, with an annual production capacity of 100,000t of biodiesel. The feedstock of the process is composed by used cooking oil (UCO) and nonedible animal fat. The operation will be intermediated mainly through the Croatian Bank for Reconstruction and Development (HBOR) and other acceptable Banks
EIA required:	yes
Project included in Carbon Footprint Exercise[1]:	yes

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project falls under Annex I of the Directive 2011/92/EC and the Industrial Emission Directive 2010/75/EU. The promoter submitted a full EIA study to the competent authority and received the environmental permit for the biodiesel plant in December 2013. The public consultation was carried out in October and November 2013. The building permit for the implementation of the biodiesel plant was granted in January 2015. The construction permit for the waste water treatment plant still has to be obtained. The project will be implemented in an existing industrial port in the vicinity of a site of nature conservation. Nevertheless, no significant impacts are expected and appropriate mitigation measures and monitoring programs are in place.

The impact on the environment is expected in terms of emissions to air, effluents to water, increased traffic as well as impacts during construction. The project will result in the production of 100,000 tons per year of biodiesel which will substitute fossil fuel and, thus, contribute to the renewable energy targets set by the EU. In addition, the project will have environmental benefits because of the utilization of used cooking oil and animal fat as feedstock to the process and contribute to climate action due to greenhouse gas emission savings.

The following conditions need to be satisfied by the promoter:

- The promoter shall provide evidence of having received the permit for the construction and operation of the waste water treatment plant.
- The promoter shall provide evidence (Form A) from the competent environmental authority regarding the impact of the project on site of nature conservation.
- The promoter undertakes to execute, to the satisfaction of the Bank, a Hazard and Operability Study for the biodiesel plant and related utilities. A copy of the study shall be submitted to the Bank.
- The promoter undertakes to execute, to the satisfaction of the Bank, detailed emergency preparedness plans as required under the Seveso Directive. A copy of these plans shall be sent to the Bank.

[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 100,000 tons CO_2e/year absolute (gross) or 20,000 tons CO_2e/year relative (net) – both increases and savings.

- The promoter undertakes to start procedures to be accredited to meet the standards ISO 9001, ISO 14001, OHSAS 18001 and EMAS schemes. A copy of the quality schemes shall be provided to the Bank.

Taking into account the conditions on the project, the capacity of the promoter and the systems in place to manage environmental and social impacts and issues, the project is acceptable for Bank's financing in environmental and social terms.

Environmental and Social Assessment

Environmental Assessment

The project is subject to local Environmental legislation (Environmental Act of 2013). The EIA procedure was carried out by the local competent environmental authority (i.e. Ministry for the Protection of the Environment and Nature) and concerns the impact on the environment, nature, air, water and sea as well as dealing with noise, cultural heritage, dangerous materials and handling of waste. The environmental permit covers both the implementation and operation phases, and contains a list of conditions that must be met (limits on noise, air emissions, decommissioning and similar aspects). The application for the building permit for the biodiesel plant was done in April 2014 at the Ministry of Construction and Planning, which granted the authorization in January 2015. The Location Permit was granted in February 2014 including connection to the water supply system and electricity network. The permit for the construction of the waste water treatment plant still needs to be obtained.

Emissions to air from the process and the boilers as well as the effluents to water from the plant (i.e. process waste water, waste water from utilities), are the main impact of the project. The project includes the construction of a waste water treatment plant that will treat the effluents from the new biodiesel production plant. The impact on traffic is due to the increased transport of feedstock and products by road and is mitigated by the possibility of using alternative options (i.e. railway and ships).

EIB Carbon Footprint Exercise

In accordance with the Bank's Carbon Footprint methodology, it is calculated that the total estimated annual emissions reduction of project are 174kt CO_2e/year. The production of the operation (biodiesel) will substitute fossil fuel based diesel. In addition, a by-product from the process will substitute fossil fuel in an industrial boiler. The project emissions considered in the calculation are due to the electricity and heat needed to operate the plant. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be attributed as a proportion of project cost on a pro rata basis according to the EIB lending amount signed that year.

Social Assessment, where applicable

The project will create around thirty new jobs. After the start of operations, the promoter is planning to obtain the accreditation to meet the standards ISO 9001, ISO 14001, OHSAS 18001 and EMAS schemes. In addition, the promoter will execute detailed emergency preparedness plans (as required under the Seveso Directive) and carry out Hazard and Operability Study.

Public Consultation and Stakeholder Engagement, where required

The public consultation was carried out from October 10th, 2013 to November 8th, 2013. The complete Environmental Impact Assessment Report and its Non-Technical Summary were made available to the public in city of Ploče. A number of questions and comments from the interested public were received and answered.

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Other Environmental and Social Aspects

The project will be implemented in an existing industrial port in the vicinity of a Natura 2000 site. The impact on fauna and flora is negligible. Relevant mitigation measures, including a monitoring program on the bird population, have been put in place in order to mitigate the identified impacts of noise and lighting.