

Environmental and Social Data Sheet

Overview

Project Name:	TRANSGAZ BRUA GAS INTERCONNECTION PROJECT
Project Number:	(2014-0240)
Country:	Romania
Project Description:	Investment to build the Romanian section of the Bulgaria-Romania-Hungary-Austria (BRUA) natural gas transmission corridor, thus allowing better market integration and increasing security of supply.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The project consists of a 478 km high pressure gas transmission pipeline with the related above ground installation including three compressor stations. The Project is an EU Project of Common Interest (PCI 6.24.2).

An Environmental Impact Assessment (EIA) report, including Appropriate Assessment (AA) study was prepared by a local certified consultant taking into consideration the requirements of the local legislation, which transpose the related EU Directives. The EIA report and the Appropriate Assessment study were initially submitted to the Competent Authority (CA) in March, 2016. Following some comments of the CA, the EIA report and the Appropriate Assessment study had been revised. The latest revision of the documents was submitted to CA in July, 2016. The permitting process is ongoing; the decision of the environmental authority and the permit is expected in November 2016.

As defined in Regulation (EU) No 347/2013 of the European Parliament and of the Council at national level "priority status" should be given to projects of common interest to ensure rapid administrative treatment. Projects of common interest should be considered by competent authorities as being in the public interest. Accordingly, the so called BRUA Law was adopted on the plenary meeting of Romanian Parliament and was sent to the President of Romania for promulgation in September, 2016. The entry into force of the BRUA Law is expected in the nearest future.

Impacts that can be typically expected are mainly temporary by their nature and relate to construction works (clearing of rights of way, noise, dust, increased traffic, temporary access restrictions, construction camps and lay-down areas, waste disposal, crossing of highways, rails and water ways). These impacts can usually be effectively managed by appropriate mitigation measures in order to avoid unacceptable nuisance to other parties and the public.

Since the construction of a pipeline is a linear work, the project area will be affected only locally and temporarily in its different sections (a few weeks per section). For this reason, no

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 CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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section will be affected for the entire duration of the construction period, which significantly reduces the negative impacts of this phase.

The ESIA studied different routing alternatives for the pipeline project to determine which of them would bring less negative impacts on the environment, and also on the socio-economic conditions of the citizens. The conclusion of the ESIA concerning the preferred route option is to be confirmed by the environmental authority in the environmental permit.

The pipeline route will be generally parallel to existing pipeline sections belonging to the national system of natural gas transportation. Some of the older segments will be replaced by the new pipeline. During construction stages there will be 10 pipeline storage areas and 5 construction camps.

A large portion of the project's area is cultivated agricultural land. Permanent and temporary losses of land and crops are expected from the project. Vegetation with short roots, like vegetables, cereals and pastures will be replanted after the construction works are finished. Forest trees, orchards and vineyards cannot be replanted.

The pipeline route crosses seven Natura 2000 areas (six designated for Habitats and one for Birds) and a national protected area, as well as passes in vicinity of other four Natura 2000 sites.

The project is not intended to serve incremental gas demand; it only provides diversification of gas supply routes and sources. Therefore no changes in CO₂ emissions are associated with the project.

Social Assessment, where applicable

The main expected social impacts relate to the compensations for losses incurred by the set easements and protection area of the pipeline, including losses for destroyed crops and cut forest. All land owners affected by project will be identified and compensated according to the national law and the international requirements.

No involuntary resettlement is expected due to the project.

Special archaeological studies are being prepared for the pipeline route. The studies include desktop research and non-intrusive field surveys. Locations of potential archaeological interest will be defined and recommendations concerning intrusive surveys to be carried out before construction works will be made.

The project is expected to have both short term and long term positive socio-economic impacts. The temporary employment opportunities are considered as short term positive impact and improved access to gas, the security of supply and the improved competition in the gas market are the long term positive impacts.

Public Consultation and Stakeholder Engagement

The EIA and AA process involved stakeholder engagement and included comprehensive public consultations. Public consultation meetings were held in May 2016 concerning the AA study and in August - September concerning the updated ESIA. The ESIA and AA were published on the website of the regulator.

Other Environmental and Social Aspects

The Promoter implements policies for Quality and Environment, Human Resources management and for Corporate Social Responsibility. The Promoter is accredited to meet the standards of ISO 9001, ISO 14001 and OSHAS 18001. The site visit demonstrated the appropriate implementation of health, safety, security and environmental standards.

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Conclusions and Recommendations

The EIA and the AA conclude that the Project will have limited or no impact, including Natura 2000 sites crossed by or located in the vicinity of the pipeline. If the proposed mitigation and reinstatement measures are implemented no residual impacts are expected.

The following environmental related conditions have to be fulfilled.

- Prior to the first disbursement the environmental and social impact assessment, including appropriate assessment, as well as the related authorization processes have to be completed to the satisfaction of EIB.
- The Promoter undertakes that the mitigation measures outlined in the ESIA, appropriate assessment or Form A/B, environmental and construction permits will be fulfilled and complied with in all respects as per conditions. The compliance with those requirements should be confirmed in both the Project Progress Reports and the Project Completion Report according to the reporting criteria defined in finance contract.

Based on the information provided by the Promoter, and in case of fulfilling the defined environmental conditions, the project is expected to be acceptable to the Bank in environmental terms.

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