

Overview

Luxembourg, 03/09/2018

Public

Environmental and Social Data Sheet

Project Name: Project Number: Country:	Gas Network Upgrade in Slovakia II 2017-0894 Slovakia
Project Description:	The Project is part of the Promoter's investment programme to upgrade the gas distribution networks in Slovakia for the period 2019-2022. The investments envisaged by the Promoter include mainly the replacement of old pipelines and the refurbishment of regulation stations. Other components include the upgrade of information technology systems and metering equipment. The investment schemes are located in various parts of the country, mostly classified as cohesion priority regions.
EIA required:	no
Project included in Carbon Foo	tprint Exercise ¹ : yes

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

Environmental and Social Assessment

Environmental Assessment

The Project comprises typical gas distribution network investments, applying proven technologies:

- (i) rehabilitation and upgrade of distribution networks;
- (ii) installation/replacement of gas meters; and
- (iii) supplementary investments to optimize and to increase the efficiency of network management. The upgrading works are planned on existing systems.

The characteristics of the Project components are such that they typically fall under Annex II of the Environmental Assessment Directive 2011/92/EU (amended 2014/52/EU)², leaving it up to the national competent authority to determine whether an environmental impact assessment is required according to criteria defined in Annex III of the Directive. The Promoter also confirmed that none of the Project component is impacting Natura 2000 sites nor protected areas under the Habitats and Birds Directive, and screen-out decisions from relevant District Offices of the Environment were provided 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 CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings. ² Transposed into Slovak legislation under Act No. 543/2002 Coll.



Luxembourg, 03/09/2018

The main environmental impacts occur during construction and are temporary in nature. The impacts that can typically be expected relate to noise, dust and traffic nuisance and disturbance during construction, and tend to be minimal and temporary in nature. These will be mitigated according to established practices in the sector. Deep trenching or horizontal directional drilling will be realized where necessary for refurbishments of pipelines crossing water courses and around inhabited areas. Old meters replaced as part of the Project will be disposed of by certified contractors in waste storage sites located in the vicinity of the areas of works. Environmental state authorities will also inspect waste production and disposal.

The Project will be implemented throughout the Promoter's distribution networks, which covers multiple regions. Wherever the Project will be undertaken, permits from the Slovak Monument Board will be requested in order to approve works close to certain sensitive areas such as inhabited quarters, monuments, public networks.

No work is planned within archaeological or urban heritage sites. If during reconstruction there is any archaeological finding, procedures are followed under Act No. 49/2002 Coll of the Slovak Legislation. The Monument Board must be involved in the decision/permission for the next steps.

The upgrading of the distribution system allows for continuous supply of gas in the residential and commercial sectors, reduces the potential for gas leakages and maintains/restores safety levels. The replacement of old distribution steel pipelines is justified from a safety point of view due to their age and possible corrosion. The systematic replacement of these by polyethylene pipelines is expected to bring a reduction in gas leaks and thus is an environmental benefit.

EIB Carbon Footprint Exercise

The estimated annual absolute emissions of the Project in a standard year of operation are 11 kt CO2eq. The estimated emissions savings are 47 kt CO2eq/year. The calculations only cover the fugitive methane emissions related to the replacement polyethylene pipelines in SPP-D's local network subject to the Project scope. The baseline comprises the fugitive methane emissions related to the corresponding steel pipelines to be replaced.

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.

Social Assessment, where applicable

The Promoter's quality, health, safety and environmental plans are following OSHAS 18001 recommendations and are compatible with ISO 9001:2008 and 14001:2004. However, the Promoter is not certified under any of these management systems.

Public Consultation and Stakeholder Engagement

The Promoter has confirmed at appraisal that no Project component was subject to local and/or NGO's opposition. There was also no unsolved Right of Way nor Right of Construction issues at the time of appraisal.



Luxembourg, 03/09/2018

Other Environmental and Social Aspects

The Promoter has provided evidence of sound practice with respect to environmental management and confirmed that all new Projects are assessed for environmental impact including the impact on sensitive areas which include nature conservation sites.

The Promoter has developed an environmental management plan applied to both its employees and contractors and has established an action plan to follow up its implementation by means of a set of indicators to achieve year on year continuous improvement.

Site visits demonstrated the Promoter's capabilities regarding health, safety, security and environmental compliance.

Conclusions and Recommendations

The Project will allow the Promoter to reinforce its gas distribution networks to enhance safety and reliability. The Project will provide environmental benefits through a reduction of gas leaks.

At the stage of appraisal, the investments did not include any components that require Environmental Impact Assessments (EIA).

The Promoter undertakes, however, to provide to the Bank, if requested, any screening decisions related to the Project components. If for any reason at a later stage any of the Project components were screened in and required an EIA the Promoter undertakes not to allocate the Bank's funds to those components of the Project until the EIA and/or the necessary nature assessments have been finalized and approved by the competent authority in form and substance satisfactory to the Bank. For any screened-in components once available, the Promoter will provide the Bank with the EIA report, Form A or Form B (if applicable) and the approval from the national authorities for publication on the Bank's website.

Based on the environmental and social information provided by the Promoter, and considering the technical characteristics of the Project as well as the Promoter's undertaking, the Project is acceptable for EIB financing in E&S terms.