

## Public

# Environmental and Social Data Sheet

### Overview

Project Name: BEH IGB INTERCONNECTOR  
Project Number: 2014-0376  
Country: Bulgaria  
Project Description: Financing of the Greece-Bulgaria gas interconnector (IGB Interconnector) to provide another direct link between the national natural gas systems of Greece and Bulgaria.

EIA required: yes

Project included in Carbon Footprint Exercise<sup>1</sup>: no

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

### Environmental and Social Assessment

The Project consists of the construction of a 182km cross-border bidirectional pipeline between the natural gas systems of Greece (31km), including a connection to the Trans Adriatic Pipeline (TAP), and Bulgaria (151km). It will connect the existing Greek national gas pipeline near the network (DESFA) at Komotini to an existing pipeline near the Bulgarian town of Stara Zagora. The IGB Interconnector is an associated facility of TAP. It will be a key contribution to the N-1 security of supply objective<sup>2</sup> for Bulgaria and it will ease the diversification of supply sources and price reduction on gas imports.

#### Environmental Assessment

The Project falls under Annex I of the Environmental Impact Assessment Directive 2011/92/EU). An ESIA for each of the two countries was prepared during 2012, as required by the respective national legislation and EU requirements and the development consents were issued on February 6, 2013 (Bulgaria) and on October 29, 2013 (Greece).

The EIB's due diligence reviewed IGB's E&S policies and documentation as well as their implementation against EIB's Environmental and Social Standards and requirements. As the EPC contractor is in the process of being procured required E&S management plans and systems have not been developed. Prior to construction start, these plans will need to be developed to the satisfaction of the EIB.

<sup>1</sup> 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<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

<sup>2</sup> With Regulation 994/2010, the N-1 rule stipulates that Member States shall ensure the continuity of supply even if any major supply of the country were suddenly interrupted.

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The ESIA's included an assessment of cumulative impacts arising from the construction and operation of IGB and other projects, either crossing, connecting or adjacent to the pipeline route and whose areas of impacts intersect with IGB. On the Bulgarian side, a number of projects have been identified as having a moderate potential for cumulative impacts, including roads, railways and irrigation channels. Mitigation measures have been identified for each project and will be implemented as part of the Environmental and Social Management Plan (ESMP).

The key environmental and social impacts from construction and operation of the pipeline are related to air, water quality, waste and sanitation, noise, erosion and sedimentation, biodiversity, worker and community health and safety as well as economic displacement. These impacts will be managed, avoided, reduced or mitigated through measures identified in the respective ESIA's and related management plans, consistent with national legislation, EU requirements, as well as EIB Environmental and Social Standards.

**Ambient air quality** is expected to be affected by dust emissions from construction activities. The major sources of dust emissions during construction are: excavation, blasting and earthworks; loading/unloading, handling, storage and transport of materials or wastes; and vehicle movements. Emissions from vehicle exhausts used for the transportation of workers, construction material, vehicles and equipment will be minimised through good practices e.g. proper maintenance, restriction on idling and running of vehicle engines only when required. Dust suppression measures will be implemented, as identified in the ESIA's, including: mist spraying on dusty areas, suspending earthworks in high winds, covering payloads, appropriate storage of loose/friable materials, covering excavated piles and watering using collected rainwater and construction wastewater.

**Noise:** During construction, noise will be generated by construction vehicles on site, excavation, pipeline laying, etc. Noise mitigation measures to be implemented include control and timing of construction activities to avoid noise emitting activities at night-time, information campaigns to affected communities in case of activities occurring after daylight hours, and maintenance and inspection of vehicles and equipment. The EPC contractor will be required to carry out noise monitoring levels on a daily basis at selected sites.

**Surface Water and water crossings:** Surface water quality may be affected by sedimentation due to river crossing activities and the release of sewage and wastewater. Sewage and wastewater will be treated in wastewater treatment plants before being discharged. The pipeline does not cross any rivers on Greek territory. In Bulgaria, construction activities at the river crossings will be limited to periods of low flow and mitigation measures set forth in the ESIA will be implemented. Any abstraction of freshwater required for hydro-testing will be agreed with local authorities and comply with local and national requirements including those of the relevant Basin Directorates.

**Biodiversity:** The Project will pass through areas of natural, semi-natural and modified habitats, both in Bulgaria and Greece. The selected pipeline route has avoided areas of natural habitats and sensitive sites. On the Bulgaria section, the pipeline transects six Natura 2000 sites (5 designated under the Habitats Directive and 1 under the Birds Directive). An appropriate assessment has been carried out for all 6 sites in line with Art. 6.3 of the Habitats Directive and the competent authority has confirmed that there are no significant effects on the respective sites. Precautionary and mitigation measures have been included so as to ensure that the Project will not deteriorate the ecosystem integrity.

On the Greek section there are no Natura 2000 sites along the pipeline route. However, the pipeline does transect a wild animal shelter and a nationally protected forest as well as an Important Bird Area. Furthermore Greek side of the Rodopi mountains is a natural habitat though it has no protection status unlike on the Bulgarian side. No biodiversity surveys nor critical habitat assessment were carried out.

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A conservative approach to critical habitat identification was adopted on the Bulgarian section. The pipeline routing exercise was carried out to avoid critical natural habitat as much as possible, although, given the linear nature of the Project, some areas were unavoidable. According to the studies, potential impacts on these habitats and the identified Species of Conservation Concern (SCC) are primarily limited to temporary impacts during construction (i.e. land and vegetation clearance, noise and vibration, presence of workforce, etc.). The Project is not expected to result in permanent adverse impacts on critical habitats, on the biodiversity values or on the SCC. However, residual impacts on critical habitats have not been assessed nor quantified and the viable offsets to compensate for these impacts to achieve No Net Loss and/or Net Gain have not been identified. As a result, the bio-restoration plans falls short of being fully in line with EIB's Standard on Biodiversity.

Although no long term or permanent impacts are expected, it is possible that alien invasive species may be introduced to the areas where construction activities are performed and may cause the loss of biological diversity. Therefore, an "Alien Invasive Species Guidance Document" has been prepared, defining measures and procedures to minimize the risk of invasive species.

Mitigation measures as defined in the ESIA are deemed sufficient and IGB's construction contractors will have to prepare an extensive reinstatement and biodiversity monitoring plans which identify detailed actions for the bio-restoration of non-critical and critical habitats. This includes specific reinstatement and restoration goals and monitoring parameters for each habitat.

**Cultural Heritage:** A cultural heritage assessment was conducted as part of the ESIA, and culturally sensitive areas were avoided to the extent possible for the route selection. A Cultural Heritage Plan will be developed by the EPC contractor to minimise impacts. A chance finds procedure in line with respective national requirements will be applied by IGB and all contractors. In Bulgaria, IGB has contracted the National Archaeological Institute who will be responsible for conducting the salvage excavations under the supervision of the Ministry of Culture.

## Social Assessment

The process of establishing right-of-way and land acquisition in Bulgaria for the Project for Gas Interconnector Greece – Bulgaria was carried out in the period of 2013-2015. 3 640 properties are affected of which 85% of land taken is agricultural and 11% is forest. All owners were identified through the elaboration of the Detailed Spatial Plan for the project. They were duly informed of the land easement and acquisition process through dissemination of information through the local media, municipal administrations, mayors, public disclosure and direct engagement with affected stakeholders. The process of compensation was fully based on the principle of open market transaction as required by national legislation. All easement rights have been established. All grievances received have been addressed and closed.

In Greece the land acquisition and easement process has just been initiated. For the purposes of the IGB project an official cadastral data analysis was conducted. According to this analysis 324 privately owned land plots will be affected by the Project. 42% of the affected land parcels are state-owned (42%), consisting either of forest or other public (municipal) owned areas. 58% are privately owned.

The negative livelihood impacts of the Project's land acquisition activities will be short term and derive primarily from disturbance caused by construction. Impacts include temporary loss of and reduced access to agricultural land, loss of standing crops, and impacts on community

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assets and infrastructure. Positive impacts include local employment opportunities, which will boost the local economy.

Impacts related to land acquisition will be included in the monitoring framework required by the Bank. Once these activities are completed, a completion audit will be conducted by an external party to confirm the outcome of the implementation of the easement process, including compensation and livelihood restoration.

**Grievance Mechanism:** The project has not established a project-specific grievance process for each country to deal with any grievances arising as a result of the construction, operations of the pipeline and livelihood restoration process. The grievance mechanism should be designed to address and respond on a timely manner to all grievances submitted by the affected third parties and individuals. The grievance mechanism should also incorporate a tracking system for recording grievances received by the Project either directly or through the EPC contractor, The EPC contractor will be required to have a worker grievance mechanism in place.

**Community health and safety:** For the construction phase, Community Safety Plans shall be in place, with the purpose of reducing risks and impacts on local communities from land preparation and construction activities. Protection zones will have to be enforced along the RoW, where no other construction will be permitted to minimise the risk of accidents. Further management practices and requirements will be described in the Traffic Management, Waste Management and Community Health Plans. The plans will clearly identify roles and responsibilities, relevant regulatory requirements, training and procedures (including training on interaction with the communities and cultural awareness) to comply with the commitments related to community health and safety in the ESIA.

## **Public Consultation and Stakeholder Engagement**

The promoter organised public consultations in accordance with the national, EU and international environmental legislation as part of the EIA process both in Greece and Bulgaria which included consultation at scoping stage. Extensive consultations with statutory stakeholders, NGOs and affected communities were carried out and results were incorporated into the design of the pipeline. During the land acquisition process in Bulgaria extensive stakeholder engagement was carried out and a grievance process was put in place.

The consultation procedure between Greece and Bulgaria has been carried out according to the Espoo convention. In that framework, the respective competent Ministries have liaised in 2011 and have jointly agreed the EIA procedure regarding the transboundary context of the project. The competent authority of Republic of Greece has expressed its intention to participate in the transboundary EIA procedure, in accordance with the provisions of Article 3 of the ESPOO Convention and Article 3 of Directive 85/337/EC amended by Directives 97/11/EC, 2003/35/EC and 2009/31/EC. The Project, during the phase of construction or operation does not cause significant, long and irreversible impacts on the physical and artificial environment both on Bulgarian and Greek territory, which are considered transboundary effects.

## **Other Environmental and Social Aspects**

The Promoter's capacity and procedures to ensure compliance with safety, environmental and biodiversity regulations and the relevant Directives is satisfactory.

The promoter is not aware of any outstanding environmental issue that could raise opposition from stakeholders involved.

## Conclusions and Recommendations

With the following conditions in place, the Project is acceptable for financing in environmental and social term:

- Recruit and steer an International Environmental and Social Consultant, to the satisfaction of EIB, to conduct monitoring of the Project on quarterly intervals during construction and annually during operations. The Project will be monitored against project commitments made in the respective national ESIA's and various management plans and against the conditions set out for this Project.
- Prior to any construction activity, develop, to the satisfaction of the EIB the Land Acquisition and Livelihood Restoration Plan for the Greek section of the pipeline.
- Prior to any construction activities in Greece, carry out a critical habitat assessment on the Greek section.
- Develop the biorecovery plans for Greece and Bulgaria taking into account residual impact and no net loss and net gain requirements to the satisfaction of the Bank;
- Develop and implement a comprehensive Environmental and Social Management Plan (which includes all the required plans) to the satisfaction of the Bank including the associated Environmental and Social Management System.
- Maintain during construction and operation of the Project an Integrated Project Management Structure consisting of IGB and relevant external and local international experts;
- Ensure that the Project (including all works performed by the EPC contractor) is carried out in accordance with the provisions contained in the ESIA documents, the ESMP and associated management and action plans;
- Develop a project-specific stakeholder engagement plan which includes provisions for information disclosure to affected communities and the public, to the satisfaction of the Bank, for the construction phase of the project;
- Establish a project-level grievance mechanism for both the Greek and Bulgarian sections and include an independent appeal grievance redress committee for addressing complaints not resolved by IGB's grievance mechanism related to the implementation of the ESIA packages including livelihood restoration in both Bulgaria and Greece and land acquisition and easement in Greece.
- Provide confirmation from the relevant national competent authorities (in Greece and Bulgaria) that no protected areas nor sites of conservation importance have been significantly impacted by the Project;
- Develop and provide to the satisfaction of the EIB a Biodiversity Offset Strategy that (a) quantifies residual impacts to priority biodiversity features and critical habitats as defined in the ESIA in Bulgaria and in critical habitat assessment in Greece (b) identifies specific biodiversity management actions in accordance with the mitigation hierarchy to achieve No Net Loss/Net gain outcomes of these species and habitats of conservation importance; (c) quantifies No Net Loss/Net gains based on the successful implementation of the above actions over a reasonable time frame.

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- A completion audit will be conducted by an external party to confirm the outcome of the implementation of the easement process, including compensation and livelihood restoration.
- Update the ESMS and relevant plans, policies and procedures no later than 3 months prior to commencement of the operation phase