

Public

Environmental and Social Data Sheet

Overview

Project Name:	BELARUS SUSTAINABLE ENERGY SCALE-UP
Project Number:	2018-0013
Country:	BELARUS
Project Description:	The project consists of investment in biomass-based heat generators, district heating grid modernisation and in thermal renovation of multi apartment buildings.
EIA required:	Investment Programme, some schemes may require EIA
Project included in Carbon Footprint Exercise ¹ :	yes

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

Environmental and Social Assessment

The project concerns the replacement of inefficient and obsolete gas-fired boilers with biomass boilers (270 MW_{th}) in 34 district heating systems, auxiliary investments in the district heating systems (the installation of new gas-fired peak boilers, modernization of grids), as well and thermal renovation of multi-apartment buildings of around 500 000 m² floor area. The Promoter will be the Energy Efficiency Department (EED) of the State Committee for Standardization (SCS) and its Project Management Unit (PMU). The EED is responsible for the implementation of national energy efficiency (EE) and renewable energy (RE) programs.

Environmental Assessment

If located in the EU, the investments in heat distribution systems included in the programme would fall within the Annex II of the EIA Directive 2011/92/EC, as amended by Directive 2014/52/EU, thus requiring a review by the competent authorities at the planning/consent stage with due regard to the necessity for environmental and biodiversity impact and appropriate assessments. By its technical characteristics, however, and also according to the Promoter's evaluation, the majority of schemes will not require an EIA under national law. In case the EIA is required, the EIB will review the outcome of the full EIA process, including the public consultation. The Belarussian ESIA legislation in general follows the EU legal framework, including information disclosure and public consultations.

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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The project is not expected to have a significant negative impact on the environment. Appropriate mitigation measures will be implemented to minimise investments' impacts during construction and operation. Minor negative impacts during construction are expected. The operation of the biomass-fired boilers and gas-fired peak boilers will result in some, mostly airborne, emissions within the legal limits. Overall anticipated environmental and social impacts of the operation are deemed positive. Minor negative impacts will be compensated by social and environmental benefits - more efficient heat supply, reduced environmental pollution and improved quality of life.

The project has very strong CO₂ mitigation potential because of the investments in biomass boilers replacing gas-fired units, the investments in the DH system emitting less CO₂ than the individual heating systems in buildings and because of the investment in the thermo-renovation of multi-apartment buildings.

Other Environmental and Social Aspects

The Promoter is experienced in environmental management and assessment and has the capacity to mitigate the impacts of its activities to an acceptable level. During the implementation of the project, the Promoter will follow the Environmental and Social Management Framework developed for this investment.

EIB Carbon Footprint Exercise

The project's absolute emissions amount to 70 000 t of CO₂ per year. The estimated emission savings due to the project are expected to reach 225 000 t of CO₂ per year. 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.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the Promoter including its organisation, processes and procedures, and deemed them to be good. Based on the information available, the Project is expected to have negligible residual impacts and thus is acceptable for Bank financing from an environmental and social perspective.

1. 12 month after contract signature, the Promoter will deliver to the Bank, for Bank's review and to the Bank's satisfaction, an analysis of the past 5 years and of the current situation in Belarus concerning accidents resulting from forestry operations (timber and primary processing). The study will include the mortality rate, number of injuries, number of days of work interruption and also suggested mitigation measures (equipment, procedures, trainings, etc.) trends of casualties, and stakeholder engagement among other issues.
2. To the extent possible, the Promoter will ensure that the biomass purchased for heat generation will be of high quality including its moisture content preferably below 40% and standard size.



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3. All the wood sourced as a fuel for the project need to align with the EU biomass sustainability criteria principles, as defined in Directive 2009/28/EC and with the EU Timber Regulation (EU/995/2010).
4. Wood supply chain and the underlying forest management practices are to be certified, or if not yet certified, they have to be aligned with the standards so as to be certifiable by internationally accredited certification schemes (e.g. FSC or PEFC).
5. In the event that a programme component to be financed with the Bank's funds requires an Environmental Impact Assessment, the Promoters undertake not to allocate the Bank's funds to such component until the EIA has been finalised, approved by the competent authority and reviewed by the Bank to its satisfaction. In such cases, the Promoters undertake to send an electronic copy of the Environmental Impact Statement to the Bank for publication on its website.