

Environmental and Social Data Sheet

Overview

Project Name:	Piraeus Port Expansion
Project Number:	20170773
Country:	Greece
Project Description:	The project concerns the expansion and upgrade of several areas of the port of Piraeus, Greece. The main project components include the expansion of the car terminal, the improvement of infrastructure of the ship repair zone, the development of a new port logistics centre, the construction of a new cruise passenger handling facility and the acquisition of new container terminal equipment. It also includes the renovation and upgrade of miscellaneous other port and electromechanical (E/M) equipment and installations to achieve the required service levels for the port operations.
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

The project is developed by Piraeus Port Authority S.A. ("PPA"), in the context of the existing concession agreement² between PPA and the Hellenic Republic. According to this agreement, PPA has the exclusive right of use and exploitation of land, building and infrastructure of the port land zone of the Port of Piraeus until 2052.

The project consists of a number of components that PPA will develop according to the provisions of the concession agreement and other components identified by PPA's strategic department for the improvement and upgrade of the coastal area of the port and the services provided.

Specifically, the project includes the construction of a new quay wall and reclamation for the expansion of the car terminal, the construction of new car parking, logistics warehouse and cruise passenger centre buildings, the upgrade of the ship repair zone infrastructure and other smaller scale upgrade interventions in the port area. It also includes the procurement and installation of new port equipment, including electrical passenger ECO buses to interconnect the port's ferry and cruise terminal gates and the upgrade of the port lighting system to a lower consumption LED based system.

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 Agreement between the Hellenic Republic and PPA dated 24.6.2016, ratified by Law 4404/2016 and published in the Official Government Gazette.

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The Promoter's team has recent experience in the implementation of similar projects within the port and has been managing and operating the port facilities for a number of years. The Promoter has established a Project Implementation Unit (PIU) within its organisation. The PIU includes a team of internal PPA experts for the implementation, management and operation of the project that is supported by consultants with international experience, including, among other, in relation with the environmental aspects of the project implementation.

Environmental Assessment

Strategic environmental assessment (SEA)

PPA has recently completed a port masterplan that includes all current operations and proposed project components in the context of the concession agreement. The proposed masterplan was open to public consultation in January 2018 and was submitted to the competent authorities for approval in February 2018. In parallel, PPA elaborated an SEA related to the masterplan that was submitted to the competent authorities together with the masterplan and for which a decision by the Ministry of Environment is pending.

According to the SEA, the proposed projects under the master plan are expected to have a positive strategic impact in the wider area and national transportation network. According to the study, any non-strategic negative environmental impacts can be managed through appropriate environmental terms to be established for each project component by the EIA.

Environmental impact assessment (EIA)

The project falls under Annex I of the Directive 2014/52/EU amending the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on environment (EIA Directive).

For the components of the upgrade of the ship repair zone, the extension of the car terminal and the underground connection of the port with the new logistics area, PPA has submitted amendment requests to the currently valid port environmental terms³. These were originally issued in 2006, following completion of an EIA study completed in 2004 that involved PPA's investment plan at that time. The amendment request for the upgrade of the ship repair zone was approved by the competent authority⁴ in December 2017 with updated relevant environmental conditions. The decisions for the car terminal expansion and the underground connection are currently pending.

Moreover, a full EIA under Annex I of the Directive was carried out by the Promoter in 2017. This includes all existing port operations and planned future projects included in the current PPA's investment programme, including the components for which an amendment to the existing valid environmental terms has been requested. The full EIA was submitted to the competent authorities in September 2017 and the decision and updated environmental terms is currently pending.

According to the EIA, during construction dredging and other similar marine operations (involving excavation, transport, relocation), an increased suspension of sediment is expected to lead to a temporary alteration of the physical characteristics of the water with negative effects on marine and terrestrial habitats, mainly around the location of the works. The removal of the material from the seabed may also involve a temporary resuspension of any pollutants or heavy metals in the sediment. However, according to the EIA, considering that the port habitats have no community of biological interest and the impact is limited only to the

³ Common ministerial decision on the approval of environmental terms 104050/17-05-2006 for PPA's investment plan 2000-2006.

⁴ Ministry of Environment and Energy approval decision 32887/19-12-2017.

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construction phase, the overall impacts are considered to be temporary and recoverable. Furthermore, the EIA also assesses alternative technical solutions for the optimal final treatment and disposal of the dredged material.

Similarly, according to the EIA, the effect of turbidity will also be temporary and limited to the construction phase. To further reduce the turbidity during construction, specific mitigation measures are proposed within the EIA.

Moreover, during construction the project will lead to short-term increase in noise levels and air emissions generated by the works, mainly affecting the neighboring local communities. However, these have been found to be non-significant due to their temporary nature and limited intensity due to the distance from the location of the works inside the port zone with the residential and commercial areas outside the port limits. The EIA also proposes a number of measures to further reduce noise and air quality impact during construction.

During operation, a local increase in air emissions is expected due to the increased volume of port operations. However, according to the EIA this has been assessed to remain within the relevant established operational limits, even under adverse weather conditions.

According to the EIA, the interconnection of the port's ferry gates with the ECO buses together with the completion of the Piraeus new Athens metro line due in 2021 (not included in the project) will ease traffic conditions around the port and overall have a positive impact in the air quality around the port.

The potential impact to the marine environment due to the increased marine traffic is considered to be non-significant since the port already has implemented and operates liquid and solid waste management systems, as well as emergency response processes in case of accidental spills of oil or other dangerous substances.

Overall, according to the EIA, the project impacts on the marine and land environment during operation are expected to be localised and non-significant, mainly due to the absence of significant land based and marine ecosystems in the vicinity of the port.

The EIA also proposes an extensive monitoring program (for seawater, air quality, noise levels, quality of sediment, management of dredged material etc.) to be developed by the Port authority during the construction and the operation phases in order to ensure that all mitigation measures are properly implemented.

Biodiversity issues

According to the EIA, no significant impacts are expected on ecosystems and the flora and fauna of the terrestrial environment during the construction and operation of the project, since all works will be carried out within the existing port boundaries in an area already developed for that use and that has lost its natural characteristics due to long-lasting anthropogenic activities.

Moreover, according to the EIA, the project is not likely to have any adverse effect on a Natura 2000 site, with the closest designated site located at a minimum distance of at least 10 km from the port limits.

Social Assessment, where applicable

Due to the nature of the works to be financed, which mainly involve the expansion and upgrade of existing infrastructure within the port area, no major social impacts are foreseen. According to the Promoter, no resettlement as a consequence of this project will take place, voluntary or involuntary, and no restriction of access to natural resources is expected.

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Public Consultation and Stakeholder Engagement

A public consultation and stakeholder engagement was conducted as part of the aforementioned Master Plan and SEA process in January 2018. Moreover, as part of the ongoing EIA approval process, a new public consultation and stakeholder engagement is planned in accordance with the relevant requirements of the EIA Directive, the results of which will be incorporated into the final EIA documents.

Other Environmental and Social Aspects

The project will have a positive impact in generating employment, both during the construction phase (temporary) and during the operational phase (new permanent positions).

PPA is certified for its activities to the Port Review Environmental System (PERS), supported by the European Sea Ports Organisation (ESPO) and Lloyd's Register. In addition, PPA holds certification in ISO14001:2015 'Environmental Management' and ISO 9001:2015 'Quality Management' that covers the provision of port cruise, ferry, ro-ro and container terminal services, as well as the management of logistics centre and port construction and maintenance projects.

Conclusions and Recommendations

The Bank will condition disbursement related to each project component subject to receipt of the following:

- (i) For (a) the expansion of the car terminal (excluding the parking buildings), (b) the upgrade of the ship repair zone and (c) the underground linkage between the port and the new logistics area:
 1. Delivery of the environmental approval issued by the competent authority, including the updated environmental terms related to these.
- (ii) For (d) the new port logistics centre, (e) the construction of the new cruise passenger handling facility, (f) the construction of the car parking buildings, (g) the upgrade of the container terminal and (h) all other components included in the project.
 2. Delivery of the final approved Strategic Environmental Assessment (SEA) and the relevant decision issued by the competent authority;
 3. Delivery of the final approved Environmental Impact Assessment (EIA) and the relevant decision issued by the competent authority;

The Promoter shall undertake to:

- (iii) Develop for all project components an Environmental and Social Management Plan (ESMP) incorporating all recommendations and mitigation measures identified in the approved EIA and corresponding environmental permits of the related component.
- (iv) Implement the mitigation and monitoring methodology in accordance with the project's environmental authorisations and subject to any further modifications that may be identified during the following project stages.

Subject to the above conditions and undertakings being met, the project is acceptable for EIB financing in environmental and social terms.