



LIETUVOS RESPUBLIKOS APLINKOS MINISTERIJA
THE MINISTRY OF ENVIRONMENT OF THE REPUBLIC OF LITHUANIA

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**REGARDING THE POSITION OF THE REPUBLIC OF LITHUANIA ON THE
TRANSBOUNDARY IMPACT ASSESSMENT FOR THE NORD STREAM 2 PROJECT**

We would like to thank Denmark, Finland, Germany, Russian Federation and Sweden for submission of the environmental impact assessment (hereinafter – EIA) documentation (Espoo Report and Espoo Atlas) for the Nord Stream 2 project and the commenced consultations regarding the transboundary EIA for this Project.

The Ministry of Environment of the Republic of Lithuania, as an authority coordinating the transboundary EIA process in accordance with the UNECE Convention on Environmental Impact Assessment in a transboundary Context (hereinafter – Espoo Convention), published the received EIA documentation on its website, spread this information to the Lithuanian media, environmental nongovernmental organisations and distributed the EIA documentation to the interested national authorities, higher educational institutions, operators of gas and electricity transmission systems. All interested stakeholders had the possibility to submit comments regarding the mentioned documentation to the Ministry of Environment of the Republic of Lithuania by 22 June of this year.

On 8 June, the Ministry of Environment of the Republic of Lithuania organised a public hearing meeting of the transboundary EIA documentation at its premises. In addition to representatives of the developer *Nord Stream 2 AG* and the EIA consultant *Ramboll Group A/S*, the public hearing meeting was attended by representatives of national authorities, public and private entities, higher educational institutions. During the meeting, the developer and EIA consultant delivered presentations on the purpose of the Espoo Report; undertaken environmental studies; assessment of transboundary impacts focussing on Lithuanian waters; enhancement of European Energy security. The participants' comments and questions were related to the lack of route alternatives (e.g. onshore route through Ukraine); Nord Balt cable crossing; emergency response measures in case of damaging dumped chemical munition; prevention and management of the gas leaks in case of accidents; genotoxic impacts; compensations to the fishermen; lessons learned from the Nord Stream project.

The Ministry of Environment of the Republic of Lithuania, upon evaluating the questions raised at the public hearing meeting, comments and opinions of the governmental authorities and scientific

institutions regarding the Nord Stream 2 project as well as the concerns raised during transboundary EIA procedure for the Nord Stream project is presenting the following position:

1. Permitting of Nord Stream 2 project. Lithuania is deeply concerned with Nord Stream 2 project. These concerns are geopolitical, legal and environmental. Nord Stream 2 project in our view goes against the aims of European Union (hereinafter – EU) policy on climate change mitigation, energy security, Energy Union and gas supply diversification. Lithuania maintains its consistent position that all energy infrastructure projects with European relevance needs to be compatible with EU law (incl. EU Third Energy Package) and EU energy policy objectives. Lithuania supports European Commission's view that Nord Stream 2 would facilitate expansion of Gazprom's position on EU's main gas markets and increase Europe's dependence on one supplier and on one route. Lithuania also supports European Commission's position that Nord Stream 2 project contradicts EU's core energy policy objectives – energy security and diversification of routes and of sources – and that there is no need in the EU for such additional infrastructure.

The implementation of this project would allow the single supplier (Russian Federation) to dominate the European gas market, undermining regional energy security. It will merely add one more route from the same supplier and will increase already great EU dependence on this supplier. The assumptions made by the developer regarding the necessity to increase the capacity of EU natural gas import are not enough justified, as the current EU gas import capacity is twice the annual demand for natural gas import. Moreover, after the implementation of the planned natural gas import infrastructure projects in the EU, the total EU natural gas import capacity would be three times higher than the annual EU demand for gas import. Therefore, a full-scope analysis, that would clearly identify all economic and social estimations assessing the impacts of the Nord Stream 2 project on the balance change of natural gas suppliers in the EU; the dominance of single natural gas supplier in the EU gas market and the need for another natural gas route from the same supplier should be carried out prior the permitting of the project. A more detailed analysis of the Nord Stream 2 impact to the current and alternative gas supplies (gas flows) should be carried out to ensure that Nord Stream 2 would not create any adverse effects to market access for alternative gas suppliers, also to maintain a balanced level of capacity for the gas supply from Russia for EU internal gas market. Also, a more detailed project's assessment against the EU regulatory and policy framework is needed to justify its compliance with EU law and energy policy objectives.

The project should be permitted only if such analysis provides undeniable evidence of its economic validity and compliance with EU climate and energy policy taking into account EU Third Energy Package requirements, the objectives set out in the Energy Union Strategy such as free third party access to the natural gas transmission networks in Europe, increasing competition between gas suppliers, diversification of resources, as well as the goals of 2020 Climate and Energy Package, 2030 Climate and Energy Framework and a Roadmap for Moving to a Competitive Low Carbon Economy in 2050. On the 9th of June 2017, the European Commission have asked the Member States for a mandate to negotiate with Russia an agreement on the Nord Stream 2 gas pipeline project. Lithuania urges all Parties of origin to proceed with any permit granting procedures only when (and if) such negotiations will be concluded.

2. Assessment methodology. Impacts of Nord Stream 2 project have been mainly assessed using only qualitative criteria (i.e. negligible, small, medium or large). Such approach does not reflect the real impacts that can be estimated using quantitative criteria. In most cases, the environmental impacts are assessed as negligible or small, however application of quantitative criteria may lead to different assessment results and identification of unforeseen adverse effects.

3. Alternatives. Lithuania still believes that the gas pipeline land route (e.g. onshore route through Ukraine) is a viable alternative of the gas supply from Russia to Europe taking into account the likely long-term impacts and the sensitivity of the Baltic Sea. Therefore, the land alternatives should be subjected to detailed analysis in the EIA documentation and their impacts should be compared with the

impacts of the sea alternative, in order to justify that offshore pipeline is the optimal choice from the environmental, socioeconomic and technical point of view.

4. Fisheries. EU legislation regulating fisheries in the Baltic Sea allows the Member States to fish in the exclusive economic zones of other countries (hereinafter – EEZ), therefore the negative impacts on the fish stocks in any EEZ will also negatively affect the business of Lithuanian fishermen. Increased noise and water turbidity during construction and operation of the pipeline, possible oil spillage and the spread of toxic substances in the water after the movement of seabed sediment or the damage of the dumped chemical munitions will have adverse impacts on fauna, flora and fish stocks by affecting spawning, causing malformations, intoxicating fish, and damaging the fish nutritional base. The direct and long-term negative impacts on the fishing industry in Lithuania will also be caused by the loss of fishing areas, longer fishing routes, higher fishing costs due to bypass of the pipeline routes. Therefore, Espoo Report should contain methodology and procedure on calculation of losses for fishermen and the size of damages.

5. Genotoxic impacts. Sections of the Espoo Report on biota assessment include and describe only general biological parameters (fauna, flora, fish, birds, etc.) which are not very informative in assessing the early and long-term biological changes that may occur as a result of the construction, testing or operation of the gas pipeline. Long-term (2001-2017) environmental genotoxicity studies in 395 research stations in the Baltic Sea revealed a tremendous increase in genotoxicity in open sea areas in 2010-2016 compared with the period of 2001-2008. In the open areas of the Baltic Sea from the Gulf of Finland to the south, dominates a particularly high environmental genotoxicity risk degree for the survival of fish populations (Baršienė et al., 2012, 2014, 2015, 2016). In 2016 the decrease of environmental genotoxicity risk is observed only in some littoral areas of Estonia, Latvia, Poland and Sweden. The implementation of the Nord Stream 2 project will very likely provoke a new wave of environmental degradation for a period of 5-7 years, which will undoubtedly have a negative impact on the functioning of marine organisms, in particular fish, populations. During the construction phase the gas pipeline will be laid not only in the areas where the collision with the chemical or conventional munitions is possible, but also in the accumulation zones of the various pollutants (such as heavy metals and organic pollutants). However, the Espoo Report does not provide clear information, whether the early biological effects of the secondary pollution caused by environmentally harmful substances (due to seabed intervention works in such areas) are assessed. In addition, the Espoo Report does not define the long-term ecotoxicological consequences of the secondary pollution. It is unclear which indicators will be used to monitor the ecosystem health in such areas and whether the long-term projections of pollution and biological effects correlation will be well targeted.

Ecotoxicological impact assessment using sensitive bio-indicative and bio-testing methods is necessary in the secondary pollution zones. The determination of changes in the genotoxicity of the environment should be carried out in the areas of dumped munitions and pollution accumulation zones in order to correctly assess the adverse impacts on the Baltic Sea ecosystem. Moreover, such assessment should take into account the ecotoxicological consequences of the implementation of the Nord Stream project.

6. Natura 2000 sites. In order to verify the analysis of impacts on the Natura 2000 sites, we kindly ask to obtain a preliminary opinion from the European Commission on project implementation, pursuant to the provisions of Article 6(4) of Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (Habitats Directive).

7. Safety and actions in case of emergencies. In the Espoo Report it is stated that the developer will prepare and implement an emergency response plan which will also cover cooperation and coordination with relevant Baltic Sea emergency response agencies, however, no details are provided how this cooperation/coordination will be organised (i.e. who will do what and when). As all countries may be affected in case of accidents, a detailed framework covering all countries of the Baltic Sea should be developed in order to ensure that the responsive measures will be taken in the most effective way.

8. Compensation of damages. It should be clear that the developer will be liable for the adverse effects on the Baltic Sea ecosystem caused by the implementation of the Nord Stream 2 project; therefore it would be useful to develop a framework for compensation of damages (resulting from the project implementation) which would include legal measures and financial guarantees prior the permitting procedure.

9. Monitoring of the environment. The relevant comments and proposals received during transboundary consultation process should be taken into account when preparing the final environmental monitoring programme.

10. Crossings of infrastructure (cables and pipelines). It should be clear that measures will be taken in order to prevent disruption of operation of existing infrastructure in the Baltic Sea (e.g. power and communication cables) as well as restriction of the implementation of the planned infrastructure projects (e.g. gas pipelines and electricity links) during the construction and operation of the Nord Stream 2.

We kindly ask you to take into account Lithuanian position during transboundary consultations in accordance with Article 5 and decision making in accordance with Article 6 of the Espoo Convention and to provide written feedback on the raised issues. We would like to note, that decision regarding the necessity for additional consultations could be made only after the consideration of the written feedback.

Sincerely yours,

Vice-Minister
Martynas Norbutas

