

7th February 2019

EIB complaint summary

Why was the EIB's assessment of its loans to the Southern Gas Corridor incorrect?

This complaint lodged to the EIB's Complaint Mechanism makes the following claims on the climate impact assessment of loans to the Trans-Adriatic Pipeline (TAP) and Trans-Anatolian Pipeline (TANAP) approved by the Bank in 2018:

Incomplete:

- Only some limited sections of the Southern Gas Corridor were assessed:
 - The project promoter's ESIA's assessment only looked at some individual elements of the pipeline i.e. TAP and TANAP. This means that the climate impact of the extraction of gas and the pipeline sections crossing Turkmenistan, Azerbaijan and Georgia were excluded from the assessment.
- Significant greenhouse gas emissions were not assessed:
 - The ESIA's assessment failed to fully include fugitive gas emissions associated with the exploration, production, processing, transmission, storage and distribution of gas flowing through the Southern Gas Corridor. It also failed to include the largest set of emissions from the burning of the fuel.
 - The EIB's carbon footprint failed to assess the climate impacts of the project over its full lifetime. The assessment only assessed the potential annual emissions of the pipeline, and not over the full lifetime of the project, knowing that gas pipelines can last for more than 50 years and methane accumulate in the atmosphere for 12 years.
 - Greenhouse gas emissions were not assessed for when the capacity of the pipeline will be increased to its designed parameters – which is a stated goal of the project's owners and the European Union.
- The significant impact on Albania's greenhouse gas inventory was not mitigated
 - When fully operational in 2023 and reaching the capacity of 20 bcm annually, TAP's direct emissions will reach the level of the entire anticipated energy-related emissions for Albania. This impact has not been mitigated or compensated.

Incoherent:

- Some greenhouse gas emissions were measured for certain parts of the pipeline and not for others. This is the case for TAP, for which emissions were not calculated in Italy while it was done in Greece and Albania.
- The amount of greenhouse gasses calculated in ESIA's for TAP is 3.5 times higher, and for TANAP 2.5 higher than calculations made by the EIB's carbon footprint assessment

Unscientific:

- The bank used out of date science - understating the climate impact of the pipeline under its carbon footprint assessment and calculation methodology. This was especially the case regarding the underestimation of the global warming potential of methane. This resulted in a clear underestimation of the level of greenhouse gasses emissions of the Southern Gas Corridor.

Therefore the EIB failed to meet the requirements from its own standards (the so-called EIB's Environmental and Social Practices Handbook), and failed to require the project promoters to do so. By doing so, the EIB also failed to comply with the provisions of the United Nations Framework Convention on Climate Change, in particular given the significant impact of TAP on the national emissions level of Albania.