# EIA Quality Mark Case Study

## Nord Stream 2, ESIA, Digital SLIP Development

### Key Issues:
- Most SLIPs consist of a traditional report summarising additional works/documents for the lenders or, more often, the lenders’ due diligence consultants to review. They are often accompanied by an electronic data room where the Project proponent will upload hundreds of documents that the lenders/due diligence consultants may wish to see. Instead of following this approach, ERM suggested an innovative, web-based SLIP that is fully interactive and provides a step-by-step walkthrough for the reader so there is full transparency as to what the most significant risks/impacts are and what additional works are planned to understand and manage them.

- This approach provides better client value because it allows the Project to clearly demonstrate to lenders that they understand the key issues and have a clear and appropriate programme in place to manage these issues. This in turn reduces the likelihood that the lenders consultants will suggest different mitigation and/or additional studies that the Project may not have planned/budgeted for and, more importantly, makes it easier to gain lender approval and investment.

### Purpose of the project:

To facilitate lender review and compliance with international finance standards, ERM was commissioned to review the draft impact assessments being prepared in each country and conduct a gap analysis against both national regulatory requirements and IFC Performance Standards. ERM then worked with NSP2 to develop an environmental and social action plan to address identified gaps between the work already completed and what will be expected by the lenders. ERM then prepared an innovative, web-based Supplemental Lenders’ Information Package (SLIP) to help prospective lenders understand the environmental and social risks/impacts associated with the Project and how NSP2 plans to effectively manage these issues in-line with international guidelines/standards.

### Description of the project:

The Nord Stream 2 Pipeline (NSP2) project comprises two pipelines, both subsea and onshore pipeline segments and associated onshore facilities. The pipelines will extend from the Gulf of Finland coast of Russia to the Greifswald area of Germany through the Baltic Sea.

As part of this effort, ERM has also been supporting the project on a number of additional impact assessment studies, including: an alternatives assessment; a social impact assessment; a critical habitats assessment; and supporting the preparation of an ESPOO Report for transboundary impacts.
EIA Learning Outcomes

Lessons learnt:
This approach was especially valuable for the Nord Stream 2 Project, as the national impact assessment documents were all partial draft documents that did not address many of the IFC Performance Standard requirements. Additionally, the Project’s detailed environmental and social management procedures and systems were still being drafted. For these reasons, it was critical that the SLIP provide a clear narrative to step the lenders/due diligence consultants through the Project’s proposed programme to manage environmental and social risks/impacts in-line with the IFC’s Performance Standards.

Lessons learnt continued:
There are a number of concepts included in the digital SLIP work that could be directly applied to impact assessment. These include:

- Use of similar digital reporting for ESIAs and applications such as divestiture due diligence - A digital report can act as a supplement to a hardcopy report (e.g. for regulators) or as the only report (e.g. for lenders).
- Stakeholder engagement – This platform can be used to disclose an interactive Non-Technical Summary (NTS) for external stakeholders. Additionally, ERM has developed template modules to help a project manage stakeholder grievances, including live reporting and mapping of stakeholder feedback.
- Data management – Having a geo-referenced database of all key data used for the ESIA, which is a necessary element that underpins a digital ESIA, means that this data is more accessible for other applications beyond the ESIA.

Contact details
Shana Westfall
Technical Director
Environmental Resources Management
London, UK
0203 207 5383
shana.westfall@erm.com

For access to more EIA case studies and hundreds of non-technical summaries of Environmental Statements visit:
https://www.iema.net/eia-quality-mark/eia-quality-mark-case-studies