# **EBRD** and Wind Energy

Climate Investment Funds

"Managing the Impact of Wind Energy Development
on Birds and Bats"

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#### **EBRD** and wind

- EBRD is owned by 60 countries, including Egypt, and operates in 29 countries, soon to include Egypt.
- Projects have been proposed or approved for finance in nine of EBRD's 29 Countries: Bulgaria, Estonia, Croatia, Hungary, Jordan, Mongolia, Poland, Romania, Turkey, Ukraine
- Debt and equity financing of projects from 10MW to over 240MW
- Due diligence on >>1500MW, financing >1000MW,
- Portfolio is expanding rapidly



#### Key environmental issues

- Construction: vegetation removal, potential erosion, noise, traffic, wildlife displacement, etc.
- Operations:
  - Visual disturbance
  - Bird mortality: turbines AND transmission lines
  - Bat mortality: turbines
  - Habitat disruption: turbines, transmission lines and roads
- Others: land acquisition (resettlement, damages), aviation/radar interference, lighting, etc.



#### **Benefits of wind farms**

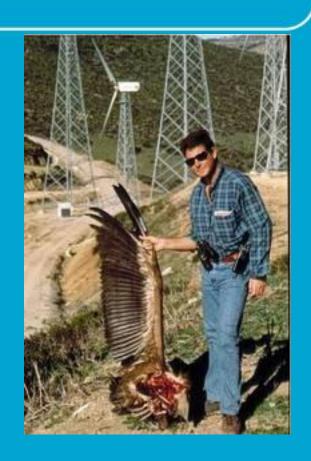
- Clean renewable energy
- Reduced reliance on fossil fuels





# Issues raised by concerned NGOs

- Most important and knowledgeable NGO: Birdlife International (and RSPB)
- Birds and Bats: migratory, seasonal or year-round residents
- Cumulative impacts are of special concern Public consultation

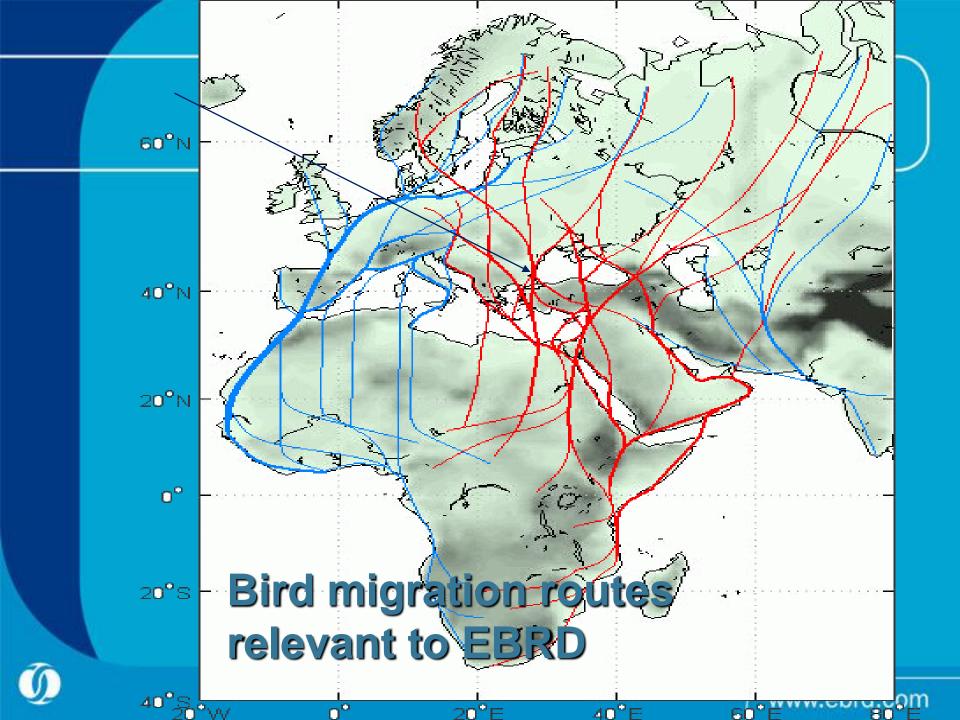




# Why is Egypt important?

- Huge wind potential
- Major bird migration routes
- Rich local bird and bat fauna





## **EBRD Performance Requirements**

(2008 Environmental and Social Policy)

- Clients are subject to 10 Performance requirements (similar to IFC)
- Most important for wind projects:
  - PR1: Environmental and Social Appraisal and Management
  - PR6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
  - PR10: Information Disclosure and Stakeholder Engagement



#### **Environmental and social appraisal (PR1)**

- All EBRD projects are subject to appraisal of potential environmental and social impacts
- A-Category projects undergo "special formalised and participatory assessment processes", generally an ESIA (environmental and/or social impact assessment)
- B-Category projects also undergo due diligence process to identify and assess potential future impacts



#### PR1: Appraisal (2)

- Is it Category A or B?
  - Some EU countries use number of turbines and/or megawattage as thresholds
  - Formerly rule of thumb was "A" for > 50MW. now threshold is roughly 100MW (and under discussion)
  - Transmission lines can trigger A category
- EBRD has few hard and fast rules
  - We can usually tell an "A" when we see it, or a "B". Not always.
     Automatic A if direct effect on protected area (or on major migration pathway not subject to strategic assessment)
  - Otherwise, decision generally based on consideration, location, size (MW), and associated facilities.



### PR 6: Living Natural Resources

- Committed to Biodiversity Mitigation Hierarchy that encompasses the precautionary principle
- Guided by applicable international law and conventions and relevant EU Directives (even in non-EU countries such as Turkey)
  - Key EU Directives: EIA Directive, SEA Directive, Habitats Directive, and Birds Directive
  - EU Guidance: Wind energy developments and Natura 2000
    - Screening assessment (potential significant effects?)
    - Detailed assessment ("appropriate assessment")
    - Compensation if needed



### PR6: EBRD due diligence (1)

- Always require independent ornithologist to assess risks to birds and bats, regardless of proximity known protected/sensitive areas
- Require independent ornithologist to assess available data, including previous monitoring and possible cumulative impacts
- Always consult with nature protection authorities. When possible, consult with local affiliates of Birdlife International or other experts
- Along Via Pontica flyway, EBRD provided funding SEA in Bulgaria and has funding for SEA in Romania.



# PR6: EBRD due diligence (2)

- Sponsored strategic assessment for renewables, including wind, in Ukraine
- Beginning similar SEA in Kazakhstan
- May consider SEA for other countries, including SEMED



#### PR6: EBRD challenges

- EU guidance calls for four seasons of monitoring data.
  - Two issues:
    - Are data for 4 seasons sufficient to assess impacts and significance?
    - Are all the data needed before approval?
  - Post-approval monitoring and independent evaluation of results are ALWAYS required, including several years of operation
- EBRD applies its own Policy even if authorities require less



## PR6: EBRD challenges (2)

- Difficult to ensure coverage of all project and cumulative impacts:
  - Phased construction
  - "Salami-slicing"
  - Multiple regional developments
  - Associated facilities (transmission lines, substations, control center, roads), some of which may be developed by others
  - Other area developments tourism, industrial development, etc.



#### PR6: Future challenges and opportunities

- Consolidated monitoring data
  - Pre-construction
  - Post-construction
- Regional approaches
  - Multi-country SEAs along migration routes?
  - Multi-sponsor radar systems within countries?



### PR 10: Stakeholder engagement

- Aarhus Convention
- Stakeholder Engagement Plan required for preconstruction, construction, operation
- For biodiversity, key stakeholders include
  - National authorities EIA, nature protection, land management
  - Regional authorities regional outposts of national ministries
  - Local authorities (municipality, town, village)
  - Academics with relevant expertise
  - Civil society (notably, local affiliates of Birdlife International and bat protection societies
  - Potentially affected people and other interested parties



### Key issues

- Lack of strategic assessment and therefore definition of no-go areas, "be careful areas", "ok areas"
- Lack of cumulative assessment for multiple projects in same area (or along same flyway)
- Very poor knowledge of bat residence and migration
- No guidance on pre-construction EIA baseline data one year of bird and bat monitoring? 3 years?
  - Experts want more, developers want less



# Key issues (2)

- Bat monitoring: This has not usually been done in past
  - Not many qualified chiropterologists (anywhere in the world)
- Lack of experienced ornithologists
  - Most countries have only a few qualified ornithologists, and these can have more academic experience than field experience)
- Assessment and survey methodology must be welldefined – some common approaches are emerging



#### Next steps

- Industry/NGO/Government guidance on EIA and baseline data
- Emphasize importance of Strategic Environmental Assessment to:
  - Define bottlenecks, sensitive areas, no-go areas for developers
  - Assist authorities make consistent and predictable decisions
- Good stakeholder engagement

