



Background: Permitting Process in Russia

Nord Stream 2 AG | May-20



Permitting Process in Russia

Nord Stream 2 aims to build the new pipeline through the Baltic Sea with the least environmental impact. The decision for the proposed pipeline route was made following a process that took around five years and included thorough studies and the assessment of all options. In Russia, Nord Stream 2 had to obtain two permits for the construction of its pipeline.



1. Overview

Legislation

EIA according to:

Federal Law 174-FZ dated 23.11.1995 “On environmental expertise”, Order 372 of the State Committee for Environmental Protection dated 16.05.2000 on approval of provisions on the assessment of the impact of the planned economic and other activity on the environment in the Russian Federation.

Construction permit according to Art. 51 Russian Urban Planning Code; Russian Government Resolution 92 dated 06.02.2012;

Permit for pipe-laying in the territorial sea according to Art. 16 Federal Law 155-FZ dated 31.07.1998, Art. 22 Federal Law 187-FZ dated 30.11.1995, Russian Government Resolution 68 dated 26.01.2000, Russian Government Resolution 417 dated 09.06.2010, Ministry of Natural Resources Order 202 dated 29.06.2012

Permit to commence operation according to Art. 55 Russian Urban Planning Code, Russian Government Resolution 92 dated 06.02.2012;

License to operate a hazardous facility according to Art. 9 Federal Law 116-FZ dated 21.07.1997, Art. 12 Federal Law 99-FZ dated 04.05.2011, Russian Government Resolution 492 dated 10.06.2013, Rostekhnadzor Decree 305 dated 11.08.2015.

Authorities

Ministry of Construction, Utilities, Housing and of the Russian Federation

Federal Service for Supervision of Natural Resources

Federal Water Resources Agency

Executive Agency for Environmental, Sociological and Nuclear Supervision

Executive Authorities of the Leningrad Region



2. Responsible infrastructure development in a sensitive area of Narva Bay

Protection of the environment is a priority for our company – and for each of the over 200 dedicated professionals who work for Nord Stream 2 AG. Adherence to regulatory requirements and environmental and industrial safety standards underpin our approach. Through careful planning, engineering solutions and comprehensive offset activities we will mitigate the impacts and safeguard the valuable and sensitive habitats and species. While the majority of impacts from the construction activities will be temporary only – our commitment to improving the condition of the nature reserve is lasting.

The proposal to plan the pipeline route across part of the Kurgalsky reserve was made after studies and the assessment of all options. The preparatory phase of the project took around five years, during which we studied all possible route options, the risks associated with each scenario, and ways of mitigating the risks. We have carefully studied every kilometre of coastline in the Gulf of Finland. As a result of the route evaluation process, only two possible locations offering access to the shore for the pipeline were identified, and based on comprehensive overall considerations, the route crossing Narva Bay has the least environmental impact.

We aim to build our pipeline with the least overall impact. Our team has demonstrated this commitment with the successful implementation of the Nord Stream project. The results of annual environmental monitoring have shown that the impact caused by the construction work was in line with and in some cases considerably lower than predicted in the preliminary assessments. Moreover, our compensation and offset activities in Germany received an environmental award and have been lauded as exemplary cases of responsible infrastructure development. This experience showed that pipeline construction in a sensitive area can be managed, and we are confident that implementation of the Nord Stream 2 project will also result in an overall improvement of the affected area through our mitigation and compensation activities.

3. Environmental impact assessment procedure in Russia

Nord Stream 2 AG is committed to the principle of open dialogue and consultations with stakeholders including authorities, non-governmental organizations, experts and local communities.

The objective of an active public engagement is to share information about the project and provide stakeholders with an opportunity to comment on various aspects of the project implementation including the environmental impact assessment (EIA).

The EIA procedure in Russia has been carried out in compliance to the Russian environment protection legislation and other environmental, natural resource management and investment regulations, such as:



Federal Law No 7-FZ On Environmental Protection, dated on 10.01.2002.
Federal Law No. 174-FZ On Environmental Expert Review dated on 23.11.1995
Federal Law No.155-FZ On the Internal Sea Waters, Territorial Sea and Contiguous Zone of the Russian Federation dated on 31.07.1998
Russian Federation Environment Impact Assessment Procedure for Planned Business Activities Russian Environment Protection Committee Order No. 372 dated on 16.05.2000, etc.

The requirements of the Convention on Environmental Impact Assessment in a Transboundary Context (the Espoo Convention) which provides for the involvement of all Baltic Sea countries in the discussion of potential transboundary impacts, other international norms and standards, including the standards of the International Finance Corporation (IFC), were also taken into account.

As envisaged by Russian legislation, the EIA procedure has several stages:

1. Development of the EIA Terms of Reference

The Draft Terms of Reference for the development of the Environmental Protection Measures, including the EIA, was released for public review on April 12, 2017. Public consultations were held for 60 days since the disclosure date through collecting comments and proposals. After the public hearings the comments were analyzed and incorporated into the final Terms of Reference.

The following materials prepared by independent environmental consultants are also available for public:

Environmental Impact Assessment Programme
Assessment of alternatives for the Russian part

Comparative environmental assessment of alternative routes for the Russian section of the Nord Stream 2 pipeline

The Institute of Geography of the Russian Academy of Sciences and Peter the Great St. Petersburg Polytechnic University have provided a positive feedback to the reports on comparative environmental assessment of the route options for the Nord Stream 2 Pipeline in Russia.

2. EIA Procedure and Draft Report

The primary EIA results are: identifying the sources of impact, their properties, magnitude, and Generating a list of environment protection measures to mitigate any project's negative environmental impacts.

The EIA includes analysis of hydrometeorological, geological, biological, social, economic and other aspects. Special attention is paid to the identification and impact assessment on rare and endangered species of animals, plants and fungi, nature protected areas, distribution of commercial species and other factors that could potentially restrict the project implementation.



The EIA has identified a wide range of measures to be taken to avoid or minimize the negative impact.

The draft EIA report, for offshore and onshore part, concept note as well as Non-Technical Summary and a journal for registering public feedbacks were made available in four public liaison offices on 4 August 2017 for 60 calendar days. A public hearing was held on 4 September 2017 in Kingisepp. Public consultations and collection of comments were ongoing for 30 days after the hearing and were completed on 4 October 2017.

Besides the public hearings procedure required by the Russian legislation Nord Stream 2 AG in compliance with international regulations also have held consultations with non-governmental environment protection organizations, experts, local community as "round tables", individual meetings with experts, focus groups, group meetings with local community.

3. Final EIA Report Development

The Final EIA Report for the offshore (Vol.1, Vol.2) and onshore (Vol.1, Vol.2) parts has been developed based on the submitted comments, remarks, and proposals. The document has a number of large appendices.

It includes a proposed comprehensive environmental monitoring program for the offshore pipeline sections covering its Construction and operation and onshore sections covering its Construction and operation periods. The program is compliant to the Russian legislation and international environmental laws not inconsistent with the Russian legislation.

All the comments received in the course of the EIA, answers and explanations by the project developer are included in the materials of public consultations and in the documentation package submitted for State environmental expert review (SEER).

State Environmental Expert Review of project documentation was carried out by expert commission in accordance with the Order of Federal Service for Supervision of Natural Resource Usage (Rosprirodnadzor) from 23.11.2017 №559. Positive conclusion of State Environmental Expert Review was approved by the Order №22 from 18.01.2018.

The expert commission for state environmental expert review (SEER) under the Russian Federal Service for Supervision of Natural Resource Use (Rosprirodnadzor) issued a positive conclusion on the project documentation for the Nord Stream 2 Pipeline in Russia. The expert commission concluded that implementation of the project in Russia is feasible and compliant with Russian environmental requirements.

4. Finalisation of Technical Design in Russia

In 2018-2019, following the finalisation of the detail design for the landfall in Russia, technical solutions and construction methods have been optimised to accommodate ground conditions, further enhance reliability and reduce impacts on the environment. The updates made to the project documentation were technical in nature, largely related to the onshore and temporary facilities, and did not entail significant changes in the assessment of potential environmental impacts.



Russian legislation requires all modifications, including improvements, to be reflected in the updated project documentation and approved in line with the established procedure by competent authorities prior to the commissioning of the gas pipeline. In March 2019, Nord Stream 2 initiated the corresponding EIA procedure by preparing an updated draft report and disclosing it to the public. The public hearings were held in Kingisepp on 9 April 2019. In late June 2019, the updated documentation was submitted to the expert commission for state environmental expert review (SEER) under the Russian Federal Service for Supervision of Natural Resource Use (Rosprirodnadzor), in line with the existing procedure. Positive conclusion of SEER was obtained 22 November 2019.

Once the company has received SEER's conclusion, the documents were sent to the Main Department of State Expertise (MSE) for further review. Positive conclusion of MSE was obtained 29 January 2020, and new construction permits were received in April 2020.

4. Stakeholder Engagement

Nord Stream 2 is committed to an open and transparent dialogue with stakeholders: authorities, NGOs, the local community, scientific and research experts, institutes and other organizations. Nord Stream 2 recognizes the importance of stakeholder engagement in building strong, constructive and responsive relationships that are essential for the successful management of environmental and social impacts. You can learn more about Nord Stream 2's past, present and future stakeholder engagement activities in Russia in our Stakeholder Engagement Plan.

The objective of the dialog is to disclose information about the project while also giving stakeholders the opportunity to provide their opinions about it. This approach guarantees that decisions on the Nord Stream 2 project are based on proven expert opinion and clear scientific facts.

Nord Stream 2 is implemented in close contact with the research experts on the main aspects of the project and is taking into account their recommendations and proposals. In addition, an important area is the engagement with non-governmental environmental organizations.

5. Relevant Documentation

The following documents related to the Russian EIA and permitting procedure can be found on the Nord Stream 2 website (<https://www.nord-stream2.com/>):

- > Background paper: Nord Stream 2 in Russia: Environmental and Community Initiatives Strategy
- > Background paper: The Nord Stream 2 Project in Russia
- > Brochure: Responsible Infrastructure Development in the Sensitive Area of Narva Bay
- > Brochure: Onshore Construction in Russia
- > White Paper: Key Facts About the Narva Bay Route in Russia
- > Report: EIA Report Russia: Non-Technical Summary
- > Report: EIA Report Russia: Explanatory Note



- > Report: EIA for offshore section of the Nord Stream 2 pipeline in Russia (Part 1)
- > Report: EIA for offshore section of the Nord Stream 2 pipeline in Russia (Part 2)
- > Report: EIA for offshore section of the Nord Stream 2 pipeline in Russia (Part 3)
- > Report: EIA for onshore section of the Nord Stream 2 pipeline in Russia (Part 1)
- > Report: EIA for onshore section of the Nord Stream 2 pipeline in Russia (Part 2)
- > Report: EIA for onshore section of the Nord Stream 2 pipeline in Russia (Part 3)
- > Report: EIA for onshore section of the Nord Stream 2 pipeline in Russia (Part 4)
- > Report: Offshore environmental monitoring programme for the construction phase of the Nord Stream 2 pipeline in Russia
- > Report: Offshore environmental monitoring programme for the operation phase of the Nord Stream 2 pipeline in Russia
- > Report: Onshore environmental monitoring programme for the construction phase of the Nord Stream 2 pipeline in Russia
- > Report: Onshore environmental monitoring programme for the operation phase of the Nord Stream 2 pipeline in Russia
- > Brochure: Grievance mechanism
- > Brochure: Landfall in Russia: Our commitment



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About Nord Stream 2 AG

Nord Stream 2 is a planned pipeline through the Baltic Sea, which will transport natural gas over 1,230 km from the world's largest gas reserves in Russia via the most efficient route to consumers in Europe. Nord Stream 2 will largely follow the route and design of the successful Nord Stream pipeline. With Europe's domestic gas production projected to halve in the next 20 years, Nord Stream 2's twin pipeline system will help Europe to meet its future gas import needs, with the capacity to transport 55 billion cubic metres of gas per year, enough to supply 26 million European households. This secure supply of natural gas with its low CO2 emissions will also contribute to Europe's objective to have a more climate-friendly energy mix with gas substituting for coal in power generation and providing back-up for intermittent renewable sources of energy such as wind and solar power.

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