

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



60°N

40°N

20°N

20°S

40°S

20°W

0°

20°E

40°E

60°E

80°E

**Bird migration routes
relevant to EBRD**



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 pre-construction, 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 well-defined – 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

