



Forum: Baltic Forum

Issue: Assessing the Possible Environmental Impact of the Nord Stream 2 Construction

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Introduction

The volume of domestic gas production in the EU is rapidly declining. To meet EU demand, reliable, affordable and environmentally friendly supplies are required. Nord Stream 2 provides gas transportation from fields in Russia to the EU internal market.

The World Wildlife Fund (WWF) and the German Union for the Protection of Nature (NABU) called on the parties involved in the negotiations on the formation of the German government - the CDU / CSU and SPD blocs - to stop the implementation of the project to build the Nord Stream 2.

According to representatives of environmental organizations, the project "leads to a dead end in terms of climate policy, poses a threat to the vulnerable Baltic Sea ecosystem and drives a wedge into solidarity and trust in the EU"

According to the agency, the company Nord Stream 2 AG (operator of the construction project of the Nord Stream - 2 pipeline) rejected the accusations in the document. The project is implemented in accordance with environmental standards, "intervention [in the environment] is very limited and only temporary," they stressed. The pipeline under the Baltic Sea is also "the most efficient from an economic and environmental point of view by transporting natural gas to a consumer," the company said. Thus, taking into account the tensions described it is vital to address the issue of possible environmental impact of the Nord Stream 2 pipeline construction with international efforts.

Definition of key terms

Nord Stream 2 – a gas pipeline under construction from Russian Federation to Germany across the Baltic Sea over 1,200 km long, an extension of the Nord Stream.

Gazprom – a large Russian company founded in 1989, which carries which carries on the business of extraction, production, transport, and sale of natural gas. The Gazprom name is a portmanteau of the Russian words Gazovaya Promyshlennost (gas industry, in English)

E.ON Ruhrgas - the largest natural gas transportation and trading company based in Essen, Germany. The company was founded in 1926 and it finally ceased to exist on 2 May 2013 when it was merged into E.ON Global Commodities SE. Yet, the name Ruhrgas is still used.

An overland route – a pipeline route that is constructed on a shore.

An offshore route – a pipeline route that is constructed under the sea.

Background Information

Nord Stream 2 is a new export gas pipeline from Russia to Europe through the Baltic Sea. The decision to create the Nord Stream 2 gas pipeline is based on the successful experience of the construction and operation of the Nord Stream gas pipeline. The new gas pipeline, as well as the existing one, will directly connect Gazprom and European consumers and ensure the high reliability of Russian gas supplies to Europe. This is especially important in the face of declining gas production in Europe and growing demand for its imports.

It is said that during the construction of the Nord Stream - 2, reliable technologies are used that have already been developed during the construction of the Nord Stream. Using the successful experience of Nord Stream AG, which built and operates the Nord Stream, provides additional guarantees that the Nord Stream - 2 will be implemented to the highest environmental standards. Before addressing the issue of the Nord Stream 2 it is important to mention briefly the history of the first Nord Stream pipeline.

1) Nord Stream (2006 – 2012)

The history of large-scale gas transportations from Russia to western Europe dates back to 1970, when one of the first contracts was signed and gas pipelines crossed the Iron Curtain to reach Germany. Later, in 1980s, Swedish Swedegas together with Finnish Neste started to work on a plan to bring Russian gas to Finland and Sweden. Yet, the breakup of the USSR as well as the following economic crisis and the crash of oil and gas prices shelved those plans. At the turn of the XXth century it became obvious that there is a misbalance between gas production and gas consumption in Europe: in 1997

27 countries that are now EU members consumed 439 billion cubic meters (bcm) of gas compared with their 246 bcm of production. Therefore, the need to find new gas source became urgent, and, according to Gazprom officials, the company initially looked to form partnerships for gas exports as early as 1994.

In 2005 the E.ON Ruhrgas AG and Gazprom signed a letter of intent to build a gas pipeline system through the Baltic Sea, and the basic agreement to construct the pipelines was reached in September 2005. Two months later the Nord Stream AG was founded and the process of Nord Stream pipeline construction began.

Different routes for the pipeline were considered taking into account one of the biggest Baltic Sea environmental problems – WWII weapons disposal. Therefore, a lot of time was spent for locating the exact places where the weapons were buried, and the route for Nord Stream was created in a way to avoid these burials. In general, the offshore option was chosen for numerous technical, environmental, and economic reasons. According to Nord Stream AG, *An overland route would be longer, and would have to negotiate its way across towns, cities, roads, railways, canals, rivers, surface landforms, and agricultural land, as well as sensitive ecosystems and cultural heritage sites. An overland pipeline also requires many compressor stations at regular intervals to maintain gas pressure, and these constantly use energy while creating noise and CO₂ emissions. An offshore pipeline has none of these disadvantages and is able to transport more gas at sustained and greater pressure. With a shorter route, an offshore line is also more cost-effective to construct and maintain, with no disruption to towns, agriculture, or other infrastructure.*

After a series of talks between companies and states' authorities the construction of the pipeline started on April 9, 2010, and in a year and a half, on November 8, 2011, the work of the Nord Stream was officially launched. On September 4, 2015 Gazprom, E.ON Ruhrgas and several other gas companies that participated in the construction of the Nord Stream signed an agreement to build the Nord Stream 2.

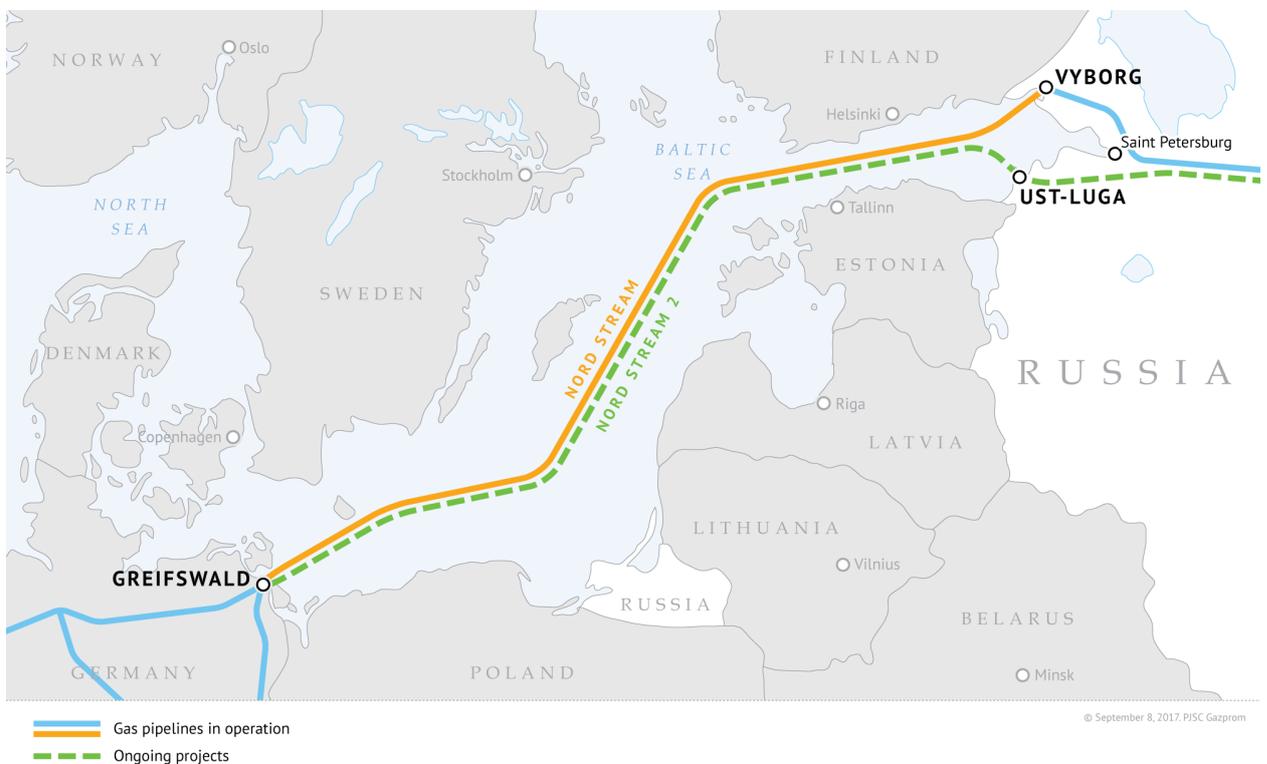
2) Nord Stream 2

The Nord Stream - 2 route passes through territorial waters and/or exclusive economic zones (EEZ) of Russia, Finland, Sweden, Denmark, and Germany, which necessitated obtaining permits for the construction and operation of a gas pipeline in each of these five countries.

Caring for the environment is an absolute priority for Nord Stream 2. As a transboundary project, Nord Stream 2 is subject to the international conventions and national laws of each of the countries whose waters the pipeline will cross. The gas

pipeline route, construction plan, and relevant environmental monitoring programs are developed in close cooperation with the competent environmental authorities of each country.

The company passed the documents for environmental impact assessment in November 2017 after the public hearings. In December, the Ministry of Natural Resources and Environment of Russia reported that it had sent official notification to environmental authorities of all countries of the Baltic region about the completion in Russia of international procedures provided for by the Convention on Environmental Impact Assessment (EIA) in a transboundary context for the Nord Stream - 2 offshore gas pipeline construction project.



Investments in Nord Stream 2 cannot be assessed in isolation from the worsening climate crisis. The Paris Climate Agreement requires every five years to set increasingly ambitious targets for reducing greenhouse gas emissions. If the European Union is going to seriously fulfill its obligations, its policy should not be limited to limiting emissions from coal-fired power plants. Nord Stream-2 can consolidate fossil fuel dominance on the continent for decades.

Earlier, WWF Russia declared its support for the project only if the route of the gas pipeline was changed in such a way that it did not affect the Kurgalsky nature reserve. For the same reasons, Greenpeace Russia considers the Nord Stream 2 project to be “environmentally dangerous”.

The Ministry of Natural Resources and Environment of Russia submitted to their European colleagues a report on the environmental impact assessment of the project. The document approves the option of laying a gas pipeline through a unique Kurgalsky shelter.

The main route of the Nord Stream 2 gas pipeline, which is called the preferred one in documents officially submitted by the Ministry of Natural Resources and Environment of the Russian Federation, violates the requirements of the Russian legislation on protected natural territories (NPA). Its provisions prohibit any construction on the territory of the shelter.

In addition, the Kurgal refuge is also a wetland of international importance and is protected by the relevant Convention. Construction on its territory will threaten species such as ringed and gray seals and others. At the same time, other pipe-laying options that are less harmful to the environment are also available.

The impact on poultry and marine life in the Baltic Sea is also a matter of concern since the Baltic Sea recognizes that the maritime organization is a particularly sensitive marine area. The World Baltic Sea Nature Fund (HELCOM) protects the Baltic marine habitat, which can be found as a result of the implementation of the Nord Stream project. His Finnish subsidiary stated that it could file a lawsuit against Nord Stream AG if the company does not evaluate a potential alternative route on the south side of Hoagland. According to Nord Stream AG, this was an inappropriate route for the pipeline due to the planned protected area near Hoagland, submarine cables and the main delivery route. Russian environmental organizations have warned that the ecosystem in the eastern Finnish Sea is the most vulnerable part of the Baltic Sea, and perhaps it should be created on the territory of the islands assumed by the Ingermanland national reserve as a result of the pipeline due to the fact that the pipeline is planned to be too close to the border of the marine reserve near Gotta. Also, the pipeline passes through several sections designated by marine reserves.

Major countries and organizations involved

Those countries through which the northern stream passes, namely Russia, Finland, Sweden, Denmark, and Germany, are directly involved in this problem. Also organizations for the protection of the nature of Russia, WWF, Green Peace. Other Baltic States, including Latvia, Lithuania, Estonia, and Poland, are also actively involved in this issue as their economic interests are touched by the project. The offshore pipeline will also bypass Belarus, a transit country, thus, it is involved in the issue as well.

Relevant treaties and UN resolutions

Resolution on the Implementation of the EU Association Agreement with Ukraine (2018)

The resolution was adopted by the European Parliament (EP) on December 18, 2018. According to the Resolution, the EP calls for the cancellation of the Nord Stream 2 project, as it may pose a threat to the European energy security and efforts on diversification of energy supply sources. Russian Federation officials, namely the State Duma speaker Vyacheslav Volodin, stated that this resolution was adopted under the pressure of the United States. Thus, it is obvious that the Nord Stream 2 project becomes politicized.

United Nations Convention on the Law of the Sea (UNCLOS)

This international agreement was signed as a result of the third United Nations Conference on the Law of the Sea, which took place between 1973 and 1982. The UNCLOS, also known as Law of the Sea Convention, or Law of the Sea treaty, defines the rights and responsibilities of nations with respect to their use of the world's oceans, establishing guidelines for businesses, the environment, and the management of marine natural resources.

Previous attempts to solve the issue

The European Commission agreed to increase the capacity of the OPAL gas pipeline (Nord Stream-1 land segment), increasing Gazprom's access to the European market and securing the EU's dependence on Russian gas. The Polish leadership rightly challenged this decision in the European Court (it ruled out that until the consideration of the claim, the execution of the decision of the European Commission should be suspended). The lawsuit of the Polish government disputing the decision of the European Commission on the Nord Stream land segment is one of the few recent decisions of this cabinet that should receive support from international environmental circles.

Representatives of the environmental organization "Client Earth" appealed to the court in the Finnish city of Vaasa about the permission of the country's authorities to build the Nord Stream - 2 gas pipeline. It was about the 374-kilometer section of the pipeline, which will pass through the Finnish territory. As the head of "Client Earth" in Central and Eastern Europe, Marcin Stochkevich, stated, the organization intends to prove that the construction of Nord Stream 2 will lead to negative consequences for the environment. Earlier, German environmentalists from the Nature Protection Union of Germany

(Naturschutzbund Deutschland, NABU) attempted to get an urgent court decision to prevent the construction of the Nord Stream 2 in Greifswald Bay.

Possible solutions

- More attention should be paid to the environmental side of the project
- Already arisen questions regarding the environmental safety of the project should be resolved and settled

Useful links

History of the Nord Stream construction: https://www.nord-stream.com/media/documents/pdf/en/2014/04/secure-energy-for-europe-full-version_245_20140417.pdf

Nord Stream AG: <https://www.nord-stream.com/>

<https://wwf.ru/en/about/positions/pozitsiya-wwf-po-proektu-severnyy-potok-2/>

<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A8-2018-0369&language=EN>