

12th October 2016

# **Environmental and Social Data Sheet**

### Overview

Project Name: RECYCLED PAPER CIRCULAR ECONOMY SPAIN

Project Number: 2016-0096 Country: Spain

Project Description: The project will upgrade two production lines at the

promoter's containerboard production facility at El Burgo de Ebro, Spain. Total nominal production capacity of the plant will not change in substance but, due to the project the plant will be able to produce 270 000 tpa of new low-weight "liner" containerboard products with superior mechanical and printing qualities produced on the basis of alternative recovered paper materials it was not able to use before.

EIA required: no

Project included in Carbon Footprint Exercise<sup>1</sup>: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### **Environmental and Social Assessment**

#### **Environmental Assessment**

Containerboard production plants use recycled fibre as raw material, improving the management of natural resources and following the principle of circular economy. The project promotes higher local utilisation of waste paper (in particular, package material for liquids). It also favours the utilisation of fibre-based, renewable packaging materials in line with the EC Directive on Packaging and Packaging Waste (2004/12/EC). Furthermore, the paper recycling industry contributes to mitigate climate change by substituting fossil based packaging with cost effective renewable materials. At the same time paper recycling reduces the pressure and dependence of the paper industry on wood resources, which are valuable and renewable carbon stocks.

The project falls under Annex II of EIA Directive 2011/92/EU (modification of an industrial facility for the production of paper) and therefore needs to be subject to a screening assessment by the competent authority.

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.



The existing plant, operational since 1992, has continuously undergone adaptations and modernization cycles to incorporate best available technology for resources and energy efficiency as well as abatement of emissions. The promoter holds independent integral permits for each of the three production lines and the Waste to energy Plant that are operative on site. The current project modifies two of the lines and the associated on-site waste water treatment plant (WWTP) in order to be able to produce a different mix containerboard grades but does not substantially modify overall production capacity at the plant. The WWTP is permitted under the integral authorization of the same production unit that will be subject to the modification of one its stock preparation unit in order to be able to recycle cellulose fibers from liquid packaging for beverages (LPB). The latest integral environmental permit under the EIA and the Industrial Emissions Directive (IED, 2010/75/EC) for this industrial unit dates from January 2014 and has undergone two non-substantial modifications in March 2014 and February 2016. The other production unit that will undergo changes obtained its last integral permit in October 2013. This permit was modified in December 2015 to accommodate for a series of unsubstantial modifications at the plant.

After submission of an environmental pre-assessment together with an application for consideration of non-substantial modification of each of the production units the project has been screened out, i.e. no EIA was required by the competent environmental authority after consultation with the river basin management authority of the Ebro River. The corresponding resolutions were issued on April 13, 2016 and will be notified to the public through their publication in the Official Journal of Aragón. The integral EIA and IED permits for both production units will still need to undergo modification to adapt to the new technical set up. This will require the submission of the corresponding reasoned requests before the entry into operation of the modified production units.

## Other Environmental and Social Aspects

The new sub-projects will be situated within the site of the promoter's paper mill of El Burgo de Ebro that incorporates BAT for emissions control to air and water for the pulp and paper industries. The project site incorporates all necessary emissions-mitigating technologies to be in line with the relevant BAT standards (Best Available Techniques according to the IED reference documents BREF for pulp and paper).

The project will increase the fresh water and energy demand of the plant. Energy in the form of steam and electricity will be supplied from the existing and permitted on-site CHP units. Overall GHG emissions from the relevant paper production units at El Burgo de Ebro site will increase by ca. 7,000 t (~2%) over the current regime.

The new mix of containerboard grades as well as the usage of waste Liquid Packaging for Beverages (LPB) in the stock preparation will increase the water demand and the pollutant charge to the process water effluents, with an additional rate of COD (Chemical Oxygen Demand). To be able to accommodate and process additional effluents the project will therefore slightly increase the anaerobic digestion and aerobic treatment capacities of the existing waste water treatment facilities of the paper mill complex. At the same time there will be additional pulper rejects from processing any aluminium-rich LPB, which does not meet the specifications of the waste to energy plant on the El Burgo de Ebro site. Depending on the feedstock mix of the new pulper the site will produce up to 49,000 tpa of non-dangerous pulper reject wastes that will be sent for landfill after dehydration and compaction.

The company is ISO 9001, ISO14001 certified and complies with the requirements of the REACH Directives for the storage and transport of chemicals. The industrial site does not fall under the provisions of the Directive 2003/105/CE amending Directive 96/82/CE (SEVESO II). Detailed emergency preparedness plans as required under are in place.



The industrial site is located close to the Ebro river, isolated from any urban area, and is not expected to pose any risk to areas of special conservation value (e.g. Natura 2000), of which there are none in the vicinity.

# **Conclusions and Recommendations**

The formal application for the necessary non-substantial modification of the integral environmental and industrial emission permit for the production units concerned is still outstanding. These are necessary for the operation of the modified paper production units once the construction is completed and before the commissioning of the sub-projects. Their timely submission to the EIB will be included as an undertaking in the finance contract.

With the proposed environmental management systems in place, the project is considered acceptable for financing by the Bank from an environmental perspective.

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