

## **Initial Project Summary – Bulgartransgaz**

Project Location: Chiren in Bulgaria

Name of Applicant: Citibank

Project Description:

The proceeds of the Loan will be used to finance the expansion of the Chiren underground gas storage facility in Bulgaria from a current active gas volume of 550 million cubic meters to an active gas volume of 1 billion cubic meters (the “**Project**”). The Project consists of: (i) above ground facilities consisting of a compressor station, new gas metering station, and auxiliary equipment, including procurement of the necessary materials and equipment, construction and commissioning; (ii) a 41km pipeline connecting the Project to the rest of the Bulgarian gas transmission network, including investment design, procurement of the necessary materials and equipment, construction and commissioning; [and (iii) underground facilities consisting of ten wells for the injection and withdrawal of the stored gas, and three observation wells to monitor the conditions of the UGS, including spatial planning, investment design, procurement of the necessary materials and equipment, construction and commissioning.]<sup>[1]</sup>

<sup>[1]</sup> The underground facilities described in (iii) will be carved out of the Project definition until DFC determines that E&S Requirements for this component of the Project are satisfied. This determination is pending the Ministry of Environment and Water’s assessment of whether an EIA is required. If DFC determines that the E&S Requirements are not satisfied with respect to the underground facilities, then the underground facilities would be carved out of the Project definition.

Documents in the ESIA package have been organized under the following folders: Above Ground Facilities, Project (documents under this folder cover the entire project), Pipeline, and Underground Storage Wells.

Environmental and Social Categorization and Rationale: The Project has been screened as Category A because it involves the operations of major gas storage complexes that have the potential to impact local infrastructure and the potential for accidental releases of methane. The major environmental and social risks associated with the Project include: the potential for VOC (including methane) releases beyond the Project fence-line (including pipeline right-of-way) limits; small quantities of effluent discharges and hazardous and solid wastes disposal; occupational health and safety risks associated with the handling of hazardous materials (including methane); and potential risks to community health, safety, and security including due to worker influx and accommodation in local communities.

Environmental and Social Standards: International Finance Corporation’s (IFC) Performance Standards (PS, April 2012) 1 (Assessment and Management of

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Environmental and Social Risks and Impacts), 2 (Labor and Working Conditions including Occupational Health and Safety), 3 (Resource Efficiency and Pollution Prevention), 4 (Community Health, Safety, and Security), 5 (Land Acquisition and Involuntary Resettlement), are applicable. Based on the information currently available, no sensitive biological resources, indigenous peoples and cultural heritage sites have been identified at or near the Project sites. Therefore, PS's 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), 7 (Indigenous Peoples), and 8 (Cultural Heritage) are not triggered at this time.

IFC's Environmental Health and Safety (EHS) Guidelines applicable to the Project include: General EHS (2007), Gas Distribution Systems (2007), and Crude Oil and Petroleum Product Terminals (2007).

Location of Local Access to Project Information: Copies of the Environmental and Social Impact Assessment and Audit may be found at the following location:  
Chiren Town Hall, Vratsa Municipality, Bulgaria