



Our Ref: 03-08/ 181

Date: 6 July 2009

Dear Mr. Chair,

The Ministry of Environment and Natural Resources of the Republic of Moldova avails itself of this opportunity to extend its compliments to the Implementation Committee of the Convention on Environmental Impact Assessment in a Transboundary Context and submit the information regarding measures in relation to fulfillment of requirements under ESPOO Convention in the process of construction of Giurgiulesti International Free Port, Republic of Moldova.

Giurgiulesti International Free Port has the following current structure:

- Oil Terminal
- Passenger and Dry Cargo Terminals.

In accordance with the Moldovan Government Resolution No. 495 dated 12 July 1994 and the Moldovan Parliament Resolution of No. 558-XIII dated 21 July 1994, a joint venture was established for the designing, construction and operation of the oil products terminal on Danube River in the area of Giurgiulesti Village. The said enterprise operated under the concession agreement entered into by and between the Moldovan Government and the Moldovan-Greek enterprise "Terminal".

The Danube Commission Secretariat was informed of the intention of building the Oil Terminal (July 1993).

Since the European Bank for Reconstruction and Development (EBRD) requested for an ecological ground for the terminal construction, the report "Economic and financial review, project analysis for tender and environmental impact assessment for the new sea/river terminal for oil importation" (FREDERIC R. HARRIS Report) was elaborated. The assessment was executed by FREDERIC R. HARRIS Company (Holland) with the assistance of KPMG KLINVER S.A. MANAGEMENT + CONSALTANTS (Holland) and SA IPTANA (Romania). Also, the National Institute of Ecology of Moldova elaborated the Oil Terminal Construction Impact Assessment.

The economic expediency and the environmental safety of the oil products terminal were confirmed by virtue of the above-mentioned assessments.

FREDERIC R. HARRIS Report was presented to the Ukrainian and Romanian parties in November 1994.

The provision of consultations for the involved parties at the national level is stated in Appendix 7 to the Final FREDERIC R. HARRIS Report.

In this regard, in the process of preparation of the Environmental Impact Assessment (EIA) consultations were held with the representatives of public authorities and community of Moldova, Ukraine (Ministry of Ecology, National Center for Ecology of Ukraine (Kiev), "Zelenyi Tsvet" Association (Kiev), "Aktiv" Center for Ecology (Odessa), "Ukrvodproekt" Institute (Kiev)) and Romania (Ministry of Water, Forest and Environmental Protection/Agency for Environmental Protection (Galatsy), "Young Ecologists of Romania" (Bucharest), Ecology Group for collaboration (Bucharest).

Also, consultations were held on 27-28 September 1994 in Chisinau; however the invited representatives of Ukraine and Romania did not attend those consultations (Appendix 4Д of the Final FREDERIC R. HARRIS Report).

Public hearings were held on 09-19 December 1994 in Chisinau. No feedback was received from Romanian authorities and the nongovernmental organizations. No comments were received from the Ukrainian public authorities and the nongovernmental organizations by the established deadlines (Appendix 4E, of the Final FREDERIC R. HARRIS Report). FREDERIC R. HARRIS Report was

subject to the state environmental impact expertise at the national level and a positive finding was issued. The said finding constitutes the authorization for project documentation development.

In 1996, the project documentation for the construction of the terminal of a capacity of 2,1 million tons of oil products per year was developed by the companies Ceprosering SA, TRITON (Greece) with the assistance of the technical advisors of TECHNOVAX LTD (Greece). The project passed the environmental impact, sanitary & epidemiological, fire, construction & process expertises (28 conformances) in compliance with the Moldovan legal requirements, as well as an international expertise on the instructions of EBRD.

Public hearings were held with Giurgiulesti villagers on 17 May 1996.

In August 1996, the Ukrainian party suggested to consider the issue concerning oil products supply through the Ukrainian ports, including Reny Port on preferential terms, instead of starting the construction of terminal

In the FREDERIC R. HARRIS Report were also considered different variants as alternatives to the development of the Oil Terminal in Giurgiulesti, including the reconstruction of the oil terminal in Reny Port (Ukraine).

However, Reny Port does not appear presently as a reliable partner in the capacity of a port of entry to Moldova since its capacities and technical standards have become obsolete, the supplies are not secure and the degree of environmental pollution is high. The oil terminal in Reny Port is located right in the center of the port and its further operation involves a fire safety and environmental protection risk

Considering the high importance of a national port for the development of the economic development of the country, the suggestion was declined.

The construction of the Terminal was started in 1997.

In 2000 the construction process was closed down temporarily on the stage of construction in progress on the account of financial difficulties.

In December 2004 the Moldovan Government and a group of companies with Azerbaijan capital signed an agreement in relation to the integrated development of the country territory adjacent to Danube, including the financing of the completion of oil-loading terminal construction. In 2005 the Parliament approved the Law No. 8-XV dated 17 February 2005 on Giurgiulesti International Free Port and adopted a number of laws regulating the legal grounds for the execution of agreements with Azerbaijan companies.

Ceprosering SA performed the adjustment of the detail design of the oil products terminal, which passed the environmental impact expertise and other conformances in accordance with the national legislation.

Main adjustments made to the design

Main indicators	Unit measure	1996	2005
Capacity	Million tons	2,1	1,0
Oil products structure:			
gasoline		0,7	0,45
diesel fuel		0,8	0,55
residual fuel		0,6	-
Oil products pumphouses	unit	3	1
Number of loading points	unit	11	6
-The production block was removed (repair stations)			
- The residual fuel-based steam boiler-house was removed (standalone gas-based heating installation)			

After the detail design adjustment, the construction works at the Oil Terminal were resumed by Azertrans Company, subsequently renamed into Danube Logistics, in connection with the change of owner (Easeur Holding, Holland).

At the instance of the Ukrainian party, the Ministry submitted again, via diplomatic channels, the FREDERIC R. HARRIS Report, the Oil Terminal Construction Impact Assessment elaborated by the National Institute of Ecology of Moldova, and the State Ecology Expert Finding in relation to impact assessment and project documentation (June 2006).

In August 2006 the Ukrainian party sent their remarks regarding the Oil Products Terminal Impact Assessment, to which the Ministry presented detailed replies (August 2006).

It should be noted that the Ukrainian party requested repeatedly for the Oil Terminal Environmental Impact Assessment, for the replies to the remarks sent to the Ukrainian party and for other information.

The Ministry of Ecology and Natural Resources of the Republic of Moldova provided answers to all the inquiries coming from the Ukrainian party and informed them in great detail of the planned measures and of the availability of equipment and response systems in case of occurrence of emergencies at Giurgiulesti Oil Terminal.

The Ministry notes that Giurgiulesti International Free Port is a modern enterprise which was built in line with the international requirements for safety of navigation and environmental protection. The Terminal operates based on national legislative and statutory acts, as well as on the provisions under the international agreements to which the Republic of Moldova is party.

The treatment of oily waste of the industrial and storm sewerage system and of by-product water is carried out based on the up-to-date treatment method using modular appliances developed and executed at the Institute of Environmental Safety (Kursk, Russia).

The operation of the treatment plants of oil-containing drains and the quality of Danube and Prut water up and down the waste water outlet are under control.

A regular supervision regime is carried out in regard to the underground water composition (a network of inspection wells is available).

As required by the International Maritime Organization, the **Port Facility Security Plan** and the **Port Facility Security Procedures Guidelines** were elaborated and adopted. The **Emergency Response Plan**, which is based on the provisions under the International Safety Guide for Oil Tankers and Terminals (ISGOTT), and the **Oil Spill Response Plan**, which was approved by the Emergency Department of Ministry of Internal Affairs of the Republic of Moldova, were also approved.

The Port is fitted with oil spill response equipment and systems, such as the oil containment boom OPTIMAX II, the skimmer system SKIMMER 118/E-150Y, the stock of oil absorbent boom, the stock of oil absorbent pads, comprehensive oil spill kits.

Furthermore, the Republic of Moldova acquired a fire boat for tackling potential fires on tankers/oil terminal landing stage, as well as an oil spill collecting vessel. In light of the above, it appears that the Republic of Moldova has dubbed the existing degree of protection, location and liquidation of consequences caused by oil spill and fire emergencies at Giurgiulesti International Free Port.

As an additional measure in the event of major emergencies, the Terminal operator concluded an agreement with Seacor Environmental Services Company (USA) for the provision of **“Tier 3” oil spill response services**. In case of oil spill emergency, Seacor will respond promptly from their Black Sea base on behalf of Danube Logistics. Seacor is one of the three such worldwide companies, having similar contracts with several well-known major oil companies.

Port workers have received comprehensive training for the operation of such equipment. Also special trainings for oil terminal operation have been conducted by international specialists. In future, similar workshops will be organized for Port staff twice a year.

For the further development of Giurgiulesti International Free Port it was presumed to build the **Passenger and Dry Cargo Terminals**. In this respect, **Notifications** regarding the planning of the construction of Passenger and Dry Cargo Terminals were sent to the Ukrainian and Romanian parties (June 2006).

The **Documentation of Environmental Impact Assessment (EIA) Passenger and Dry Cargo Terminals** was executed by Bureau Waardenburg bv (Holland) and was presented to the Romanian and Ukrainian parties in October 2007.

No remarks or suggestions regarding the EIA Documentation for the passenger and dry cargo terminals came from the Ukrainian and Romanian parties by the established deadlines. Neither did suggestions come for postponement of deadlines for the examination of EIA Documentation. The lack of feedbacks from the involved parties caused the further EIA procedures to be conducted only at the national level, without taking into consideration the opinions of such parties.

At the national level, the EIA Documentation for the Passenger and Dry Cargo Terminals and the project documentation of the said facilities passed the state environmental expertise and other conformances in accordance with the national legislation and public hearings were held.

The Passenger Terminal was accepted into operation in March 2009; the Dry Cargo Terminal is under construction.

The Ministry notes that the issues related to the transboundary environmental impact of Giurgiulesti Oil Terminal (Moldova) and Dniestr Pumped Storage Plant (Ukraine) were considered at the meetings of the intergovernmental Ukrainian-Moldovan mixed commission for issues related to commercial and economic collaboration. Within the framework of the Schedule for Settlement of Priority Issues of Moldovan-Ukrainian Relationships, in Chisinau, on 23 May 2008, were held Moldovan-Ukrainian consultations in relation to issues concerning the potential environmental impact of Giurgiulesti Oil Terminal (Moldova) and of Dniestr Pumped Storage Plant (Ukraine). The participants in the said consultations were environmental authorities, interested Ministries and Departments of the Republic of Moldova and Ukraine.

During the above-mentioned consultations, the Ukrainian Party took notice of the following:

- the Moldovan party fulfilled the ESPO Convention requirements during the construction of the Oil Terminal, Dry Cargo and Passenger Terminals;
- the Oil Terminal was built in compliance with the international requirements; measures for pollution and emergency prevention have been taken; oil spill response plans have been developed.

No remark regarding the EIA of the Passenger and Dry Cargo terminals was raised by the Ukrainian party.

The parties agreed that the Ukrainian party would present to the Moldovan party the Notification and the EIA Documentation for the construction of Dniestr Pumped Storage Plant by July 1st, 2008 (still not presented by now).

Thus, it should be noted that the Moldovan party has fulfilled all the requirements under the ESPO Convention and the national legislation during the construction of the Oil Terminal, Passenger and Dry Cargo Terminals. Therefore, all the claims raised by the Ukrainian party in regard to the Moldovan party's failure to fulfill the international requirements are groundless.

Looking forward for a fruitful collaboration.

Deputy Minister



Ion APOSTOL

To: Mr. Matthias Sauer,
Chair, Implementation Committee,
Convention on Environmental Impact
Assessment in a Transboundary Context

CC: Nicholas Bonvoisin,
Expert Adviser, Secretariat to Convention on
Environmental Impact Assessment
in a Transboundary Context