

EastMed Pipeline - international -

Sectors: Pipeline Transportation of Natural Gas

● On record

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By: BankTrack

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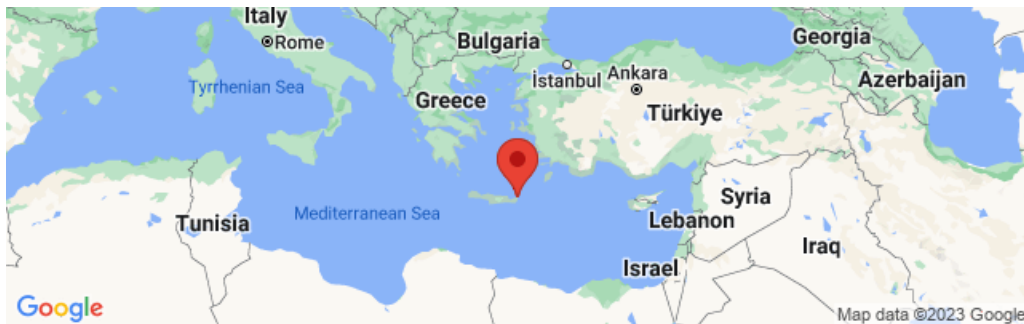
[Project website](#)

Take Action!

[Stop EU support for fossil gas in the East Mediterranean](#)

Sectors Pipeline Transportation of Natural Gas

Location



Status

Planning Design Agreement Construction Operation Closure Decommission

Website

<http://www.igi-poseidon.com/en/eastmed>

The Eastern Mediterranean (EastMed) Pipeline project is a planned off- and onshore gas pipeline that would transport gas from Israel and Cyprus via Crete to mainland Greece. If the project proceeds, at 1,900 kilometers it will be the largest offshore gas pipeline in the world. In its initial phase it would transport [10 billion cubic meters of gas](#) per year from offshore gas reserves in the [Levantine](#) (Israel) and [Aphrodite](#) (Cyprus) gas fields to Greece, where it would link up with the proposed [Poseidon gas](#) pipeline which will transport the gas to Italia. [IGI-Poseidon](#), a 50:50 joint venture between the Public Gas Corporation of Greece ([DEPA](#)) and [Edison International Holding](#), is the developer of the EastMed Pipeline, and is also developing the connecting Poseidon and [IGB](#) pipelines.

With an estimated cost of at least EUR 6 billion, it would be one of the most expensive pipelines in the world. Despite this huge cost, its location across an [earthquake-prone region](#), and its geopolitically sensitive nature, the EastMed Pipeline has already received [support](#) from the European Union for its preliminary studies. A final investment decision is expected in 2022, with the commissioning date set for 2025.

Social and human rights impacts

The EastMed pipeline risks increasing military tensions in the region. Turkey [opposes](#) the EastMed pipeline as it competes with the [TANAP pipeline](#) that is already transporting Azerbaijani gas to Europe. In a deal with Northern Cyprus that gave Turkey permission to drill for oil and gas in the region, they refused to acknowledge the republic of Cyprus. Drilling vessels of all countries in the region are

now regularly [escorted](#) by warships. Since, Turkey has been sending drilling ships into these disputed waters, that will also be part of the EastMed route.

Furthermore, one of the main beneficiaries and proponents of the project is the Israeli government. The Israeli government has occupied Palestinian territories where human rights are regularly violated. It also [refuses](#) the Palestinians and their gas reserves in the waters of Gaza to be part of the EastMed pipeline.

Environmental and climate impacts

Climate impact The EastMed Pipeline project would [lock Europe deeper into gas dependency](#), threatening the EU's climate commitments. The EU is projected to reduce its use of natural gas by a quarter from 2015 levels by 2030 and 90% by 2050. Its current gas infrastructure is already [more than enough](#) to supply this demand of natural gas, meaning the EastMed pipeline is not needed. As data science company Artelys noted in [a 2020 report](#) on behalf of the European Climate Foundation, additional gas infrastructure represents 'a potential overinvestment of tens of billions of Euros, supported by European public funds'.

While the gas industry promotes gas as a “transition fuel”, this [does not stand up to scrutiny](#). Gas emits about half as much CO2 as coal at the smokestack, but substantial amounts of gas - which consists predominantly of the highly potent greenhouse gas methane - are released into the atmosphere throughout its life cycle. Recognising this, the [IEA acknowledges](#) that there is no need for new fossil fuels in a 1.5 degrees world.

The EastMed Pipeline is designed to transport [10 billion cubic meters](#) (BCM) of gas per year in phase 1 and up to 20 BCM per year in phase 2, which would lead to 19 and (up to) 38 million tons of CO2 emissions per year, respectively. If operating at full capacity till 2050, the EastMed Pipeline may have transported [500 BCM](#) in total to Europe, leading to some 950 million tons of CO2 in total. This does not consider likely leakages of methane gas along the pipeline's length.

The project stretches over an [earthquake prone region](#) near Crete and reaches a depth of over 3,000 meters. This is likely to greatly increase the risk of failures and leaks in the pipeline.

Other impacts

Political issues The EastMed project is [presented](#) by the proponents as a catalyst for peace. However the project's location in the Levantine basin places it in the middle of an area of highly sensitive political tensions, including between Israel and Palestine, Israel and Lebanon, and Cyprus and Turkey. Gas discoveries have been adding to these tensions, with disputes over maritime boundaries, sovereignty, and ownership of gas reserves. For example the Aphrodite gas field - the biggest Cypriot field - is contested between Cyprus and Israel, as it's tip stretches into Israel's maritime zone.

Bank policies

The following bank investment policies apply to this project:

BNP Paribas

Commitments to the environment

Oct 17 2017 | BNP Paribas

Bank policy

Mediobanca

Sustainability policy

Mar 27 2020 | Mediobanca

Bank policy

Policy on responsible lending and investing

May 7 2020 | Mediobanca

Bank policy

UniCredit

Statement on climate change

Date listed represents date as accessed on website

Mar 4 2019 | UniCredit

Bank policy

Barclays

Environmental and Social Risk Briefing Oil & Gas

Mar 27 2016 | Barclays

Bank policy

ESG reporting framework

Feb 17 2021 | Barclays

Bank policy

Mizuho Financial Group

Updated policy - Responsible investment and financing

(document in Japanese)

Jun 1 2020 | Mizuho Financial Group

Bank policy

Sumitomo Mitsui Financial Group

Management of environmental risks

Date listed represents date as accessed on website

Jan 14 2021 | Sumitomo Mitsui Financial Group

Bank policy

Environmental policy

Date listed represents date as accessed on website

Jan 14 2021 | SMBC

Bank policy

JPMorgan Chase

Paris-aligned financing commitment

Oct 6 2020 | JPMorgan Chase

Bank policy

Toronto-Dominion Bank (TD Bank)

Climate action plan

Nov 9 2020 | TD Bank

Bank policy

Environment policy

Mar 4 2019 | TD Bank

Bank policy

Brief history

The EastMed Pipeline was first proposed in 2012 following the discovery of gas reserves in Israel and Cyprus. In 2015 the EastMed Pipeline project was approved of by the Cypriot, Greek, and Italian Governments. In April 2019 the European Commission confirmed the EastMed Pipeline as a Project of Common Interest (PCI), contributing US\$38.9 million to complete technical studies for the project. On 2 January 2020, the EastMed Pipeline accord was [signed](#) by the leaders of Greece, Israel and Cyprus.

Turkey has [opposed](#) the project from the start, claiming that the project ignores its equal rights over the natural resources in Cypriot territorial waters. Furthermore, the project passes through the [exclusive economic zone](#) on Turkey's southern Mediterranean shore that Turkey and Libya created in December 2019. The EastMed Pipeline would also compete with Turkey's [TANAP pipeline](#), which brings Azerbaijani gas into Greece and Europe.

Financiers

DEPA and Edison each have a [50% equity](#) investment in IGI Poseidon, which has share capital totaling EUR 61.6 million. Funding for the remainder of the EastMed Pipeline 's EUR 6-7 billion costs has not yet been secured.

In March 2018, the European Investment Bank financed DEPA with a EUR 48 million general loan for developing natural gas distribution projects.

Institution type **Finance type** **Year** [Expand all details](#)

BNP Paribas

France

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond issue – underwriter

EUR 600 million

Co-financed EUR 600 million in bonds for Edison

Not available

11 November 2017

source: Cbonds.com

[link](#)

Banca IMI

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond issue – underwriter

EUR 600 million

Co-financed EUR 600 million in bonds for Edison

Not available

11 November 2017

source: Cbonds.com

[link](#)

Barclays

United Kingdom

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond issue – underwriter

USD 300 million

Co-financed USD 300 million in bonds maturing in 2022

2019

2022

source: Cbonds

[link](#)

Crédit Agricole CIB

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond issue – underwriter

EUR 600 million

Co-financed EUR 600 million in bonds for Edison

Not available

11 November 2017

source: Cbonds.com

[link](#)

Mediobanca

Italy

[Profile](#)

[Website](#)

Details

Type

Amount

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Date

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[link](#)

Société Générale

France

[Profile](#)

[Website](#)

Details

Type

Amount

Description

Date

Date end

Source

Bond issue – underwriter

EUR 600 million

Co-financed EUR 600 million in bonds for Edison

Not available

11 November 2017

source: Cbonds.com

[link](#)

UniCredit Group

Italy

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond issue – underwriter
EUR 600 million
Co-financed EUR 600 million in bonds for Edison
Not available
11 November 2017
source: Cbonds.com
[link](#)

European Investment Bank

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
EUR 48 million
Loan to DEPA; Finance for developing projects for natural gas distribution
1 March 2018
1 March 2042
source: Depa Financial Statements 2018
[link](#)

Related companies

IGI Poseidon is the developer of the EastMed pipeline, together with [the Poseidon Pipeline](#) and the [IGB Pipeline](#). IGI Poseidon is a 50:50 joint venture between the Public Gas Corporation of Greece ([DEPA](#)) and [Edison International Holding](#).

Project sponsor

IGI Poseidon Greece

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A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor_comp

Filename: project/companies.php

Line Number: 10

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 10

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$companies

Filename: project/companies.php

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Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Warning

Message: Invalid argument supplied for foreach()

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Line Number: 11

Backtrace:

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Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

Expand all details

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor_comp

Filename: project/companies.php

Line Number: 30

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 30

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

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Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Warning

Message: count(): Parameter must be an array or an object that implements Countable

Filename: project/companies.php

Line Number: 30

Backtrace:

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