

Germany: closer to approving the construction of Nord Stream 2

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On 31 January, Nord Stream 2 AG (which is 100% owned by Gazprom) obtained the consent of the Mining Authority in Stralsund for the construction and operation of a 55-km long section of the Nord Stream pipeline 2 in Germany. This consent covers both the land section of the pipeline to the town of Lubmin, as well as a section running through German territorial waters, and means that the investor can begin work on the land section. Obtaining all the necessary permits still requires the consent of the Federal Maritime and Hydrographic Agency in Hamburg on the construction and operation of a gas pipeline in the German exclusive economic zone. The investor expects to receive this consent by the end of March 2018. The first permit for the construction and operation of a gas pipeline on the German continental shelf was granted to the investor in November 2017.

Commentary

- There is nothing to indicate that the Federal Maritime and Hydrographic Agency in Hamburg will refuse consent for the construction and operation of the pipeline. The results of the coalition talks between the CDU/CSU and the SPD will also not lead to any changes in Germany's policy on Nord Stream 2. The only party objecting to the construction of the gas pipeline are the Greens, who stated their negative position during the elections. The decision of the Stralsund Mining Authority has been criticised by both the Greens and environmental NGOs. In addition, on 11 January ecological organisations (including WWF Germany and the Naturschutzbund Deutschland NABU) reiterated an appeal to German politicians demanding that Germany transfer competence to jointly decide on the investment to the European Commission, and that the procedure for approving the construction be repeated. In their view, the procedure was carried out in a way that was inaccurate, non-transparent and was not sufficiently consulted with the general public. According to these organisations, the construction of the gas pipeline threatens the objectives of European climate policy and conflicts with German energy and environmental law.
- Since the announcement of the report on the construction of the Nord Stream 2 gas pipeline in September 2015, the German government has been in favour of the project, and has avoided making any statements about it, maintaining that it is a business venture, not a political one. Nevertheless Berlin is opposed to transferring its competence to the European Commission, and to revising the gas directive, which could hinder the

pipeline's construction and harm its profitability. Denmark, Sweden and Finland have not yet issued their construction permits for the gas pipeline. Thanks to an amendment of the law on the continental shelf, since 1 January Copenhagen has had the option to block the construction of the pipeline in Danish territorial waters. A spokesman for Nord Stream 2 AG has admitted that the company is examining alternative routes to avoid Danish territorial waters. The persistent uncertainty about the final route of the gas pipeline may delay the implementation of the project, including by making it difficult to obtain all the necessary construction permits in Germany by the end of March. In a more serious way, the implementation of the project could be seriously affected by the decision of the United States, which is still considering introducing sanctions against European companies cooperating with Gazprom in the construction of Nord Stream 2.