

Impact assessment note

In 2024, NIB disbursed a loan to KN Energies (previously known as Klaipėdos nafta). The project was assessed during 2019 and signed in 2020. The loan was granted on the basis of reducing the Baltic countries' dependency on natural gas imports from Russia. The assessment recognised the negative environmental impact of the project ("negative" rating), namely that the regasification process of the FSRU (floating storage and regasification unit) has significant direct and indirect CO₂ emissions. The loan was in compliance with NIB's Sustainability Policy at the time, which did not exclude loans to companies operating in Oil & Gas sector.

NIB's approach in assessing the contribution of KN Energies to CO₂ emissions of financed projects follows the same methodology NIB uses to calculate and report impacts from projects (see [methodological description](#)). The ex-ante assessment was conducted in 2019 assuming:

- 25% capacity utilization rate of the FSRU, due to its role as a back-up facility ensuring security of supply in the region.
- Total regasification capacity of the FSRU is 3.75 billion cubic meters (bcm) per year.

In the first year of operation (2018) the CO₂ emissions related to operation of the FSRU were 45 789 tonnes (KN Energies, Annual Report 2018) with utilization rate of 18% (0.68 BCM). With an assumed 25% capacity utilization projection, the NIB share of CO₂ impact is reported as 55,000 tonnes per year (after pro-rating to NIB's share of the total project). The emissions estimates relate to regasification phase only. Most of the life-cycle emissions of LNG fuelled operations originate from upstream and downstream phases of the value chain (extraction, liquefaction, transportation, use).

In the recent years, the actual capacity utilisation rate of the FSRU has increased to 80-90% due to the disruption in European gas markets after the Russia's invasion into Ukraine. The actual CO₂ emissions have consequently increased. In 2023, KN Energies reported 110 000 of indirect CO₂ emissions, (most of it, emissions from FSRU).

NIB does not revise the ex-ante assessments of financed projects. NIB's ex-post assessment process focuses on differences between observed and predicted outcomes of projects. The process takes place three years after project completion and the results of the evaluations are used to refine and enhance the ex-ante assessment process, ensuring continuous improvement in project impact evaluation.