

Environmental and Social Data Sheet

Overview

Project Name:	PORTUGAL WATER DISTRIBUTION OPTIMIZATION NORTH
Project Number:	2020-0073
Country:	Portugal
Project Description:	Water supply and sewage investments relating to eight municipalities in the north of Portugal to be implemented by a new inter-municipal company incorporated for that purpose
EIA required:	no
None of the project components is expected to be subject to EIA, to be confirmed throughout programme implementation.	
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The project supports the 5-year investment programme of Aguas do Interior (i.e. AdIN), a newly incorporated company providing water and wastewater services to eight municipalities located in the interior North of Portugal. The population in the service area is around 95,000 inhabitants. The activities of the Promoter are under the supervision of the economic Water and Waste Regulatory Authority ("ERSAR"). The Portuguese Environment Agency ("APA") is the Competent Authority with regard to environmental regulation.

The project consists of numerous small size investments aimed at the rehabilitation of existing water supply systems, and the upgrade and rationalization of wastewater collection and treatment systems. The objective is twofold: (i) reduce water losses and increase the reliability of water services, and (ii) enhance the performance of wastewater services. Overall, the project will contribute to ensuring compliance with European and regional environmental requirements, notably the standards set by the Urban Wastewater Treatment Directive 91/271/EC, the Drinking Water Directive 98/83/EC on the quality of water intended for human consumption and the objectives of the Water Framework Directive 2000/60/EC.

None of the works will be implemented inside or near Natura 2000 or other protected sites. As of now, there is no scheme that falls under Annex I or Annex II of the Environmental Impact Assessment ("EIA") Directive 2014/52/EU amending the EIA Directive 2011/92/EU. If a future scheme was to fall under Annex II, the decision whether an EIA is required is left to the Competent Authority, on the basis of the criteria defined in Annex III of the EIA Directive.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

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The project does not fall under the Strategic Environmental Assessment (SEA) Directive 2014/52/EC. However, the project is designed to meet the requirements of the River Basin Management Plan of the Douro (*Plano de Gestão de Região Hidrográfica do Douro, PGRH Douro*) for the period 2016-2021, which is part of the national implementation of the WFD, hence subject to a SEA. The PGRH Douro was adopted by the Council of Ministers on 8th of June 2016.

The project will contribute to Climate Adaptation and Mitigation by supporting investments that increase resilience to climate related risks and reduced GHG emissions.

Overall, the project will thus deliver substantial environmental quality improvements that outweigh the negative impacts, which occur mainly during construction (e.g. noise, dust, traffic).

Social Assessment, where applicable

By increasing the quality and reliability of water and wastewater collection and treatment services, the project is expected to bring substantial health advantages and environmental quality improvements to the affected population, thereby increasing the quality of life in the project area. Negative social impacts are only temporary (e.g. occupation of public and private space, safety hazards during construction, traffic, noise) and will be addressed as part of the planning for the implementation of each scheme.

Public Consultation and Stakeholder Engagement

The Promoter will be requested to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision-making process, where relevant, in accordance with the Aarhus Convention.

Other Environmental and Social Aspects

During the project's due diligence, the Promoter has demonstrated sound practice with respect to environmental, health and safety management.

Conclusions and Recommendations

The project is driven by the requirement to ensure compliance with relevant EU environmental directives and it will also contribute towards improved climate resilience and emissions reductions. All schemes under the project will be subject to the Promoter's compliance with the following requirements:

1. The promoter undertakes not to allocate Bank funds to programme components that require a full EIA until the EIA and/or the necessary nature assessment have been finalised and approved by the relevant competent authority. Once any EIA is available, the promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
2. The promoter shall not commit any EIB funds against any scheme that impacts nature conservation sites, without receiving from the relevant competent authorities the declaration under Art. 6(3) of the Habitats Directive that there are no significant effects and informing the Bank of such declaration having been obtained.

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3. The promoter undertakes to provide to the Bank, if requested, any decision and subsequent justification that screens out project components from the requirement of a full EIA as well as the decisions issued by the competent authorities regarding the Habitats and Birds Directives.

Under these conditions, the operation is acceptable for EIB financing in environmental and social terms.