Luxembourg, 19.11.2021

Public

Environmental and Social Data Sheet

Overview

Project Name:	KRAKOW WATER AND SANITATION
Project Number:	2021-0169
Country:	Poland
Project Description:	Water investments in the City of Krakow
EIA required:	No. This is an investment programme made up of multiple schemes. All components under the Programme have been screened out.

Project included in Carbon Footprint Exercise[1]: yes

Environmental and Social Assessment

The project is a sub-operation under the Programme Loan Polish Water Sector no. 2020-0802. It is composed of numerous components that are included in the promoter's 2021-2028 Investment Plan. The investment will cover interventions such as (i) rehabilitation and upgrading of water production, treatment and network facilities; (ii) additional storage capacity on the storm water network and (iii) rehabilitation and upgrade of wastewater and network facilities. The investments are geared towards improving the performance of the existing water supply and wastewater treatment infrastructure, as well as countering identified climate change risks.

The Promoter of this project is Wodociągi Miasta Krakowa (WMK), the water services company of the city of Krakow. WMK is a public entity and owned by the city of Krakow. The Investment Plan has been approved by the municipality of Krakow.

Environmental Assessment

Strategic Environmental Assessment (SEA) procedure

The project is designed to meet the requirements of the Regional River Basin Management Plan (RBMP) for the Vistula River (as approved by the Polish Council of Ministers of 18 October 2016) which is part of the national implementation of the Water Framework Directive 2000/60/EC, hence subject to a SEA. For RBMPs the competent SEA authority is the Ministry of Climate and Environment. Prior to the approval of the RMBP the SEA procedure had been concluded and its results had been incorporated into the RBMP.

[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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Environmental Impact Assessment (EIA) procedure

The EIA Directive 2011/92/EU amended by the 2014/52/EU, is fully transposed in Poland according to the updates of the Act of 3 October 2008 on the provision of information on the environment and its protection, public participation in environmental protection and environmental impact assessments (O.J. 2018 no 199 item 1227).

The Office of the President of the City of Krakow (Prezydent Miasta Krakowa) is the Competent Authority for analysing, approving and monitoring the implementation of EIAs.

Works are foreseen to take place within the boundaries of existing water (WTP) and wastewater treatment plant (WWTP) sites and existing routes of water mains and sewers. The service area of the promoter is located in a consolidated urban environment. Therefore, the Project components were screened out by the Competent Authority.

In terms of Habitats and Biodiversity, the Promoter confirmed that no Natura 2000 sites or other protected areas will be affected by the project.

Environmental impacts

The project will contribute to continued compliance with the EU Drinking Water Directive 2020/2184[2] by rehabilitating and upgrading the existing water supply, and extending to currently un-serviced municipalities within the vicinity of Krakow. This will ensure safe provision of drinking water to the concerned population.

The project is also expected to bring significant long lasting environmental benefits, such as reduction in sewer infiltration, water losses, pollution to groundwater aquifer and combined sewer overflow incidents. The project will also have significant long term positive environmental impact on surface waters, by providing appropriate treatment to European Standards of wastewater collected from locations with pollution loads mainly between 2,000 and 10,000 population equivalent (PE) before its discharge into surface water bodies. Hence, the Project will contribute significantly to bridge the country's gap to compliance with EU environmental legislation, in particular the Urban Waste Water Treatment Directive 91/271/EEC.

Investment in wastewater treatment will also contribute towards the compliance with HELCOM[3] recommendations for WWTP's effluent (recommendation 28E/5, HELCOM).

Negative impacts to the environment are assessed only as temporary. During construction, temporary impacts to the environment such as noise and dust may occur. The prevention and mitigation of any impacts associated with the construction phase, will be done through the adoption of the mitigation measures included in the Environmental Management Plans (EMP) to be implemented by contractors.

Climate Mitigation and Adaptation

The Project is expected to positively contribute towards climate change mitigation and adaptation. Mitigation will be achieved by a number of performance improvement measures, including but not limited to more efficient use of resources, reduction of water losses and

[2] Revised DW directive has been released in Jan 2021 but there is a transitional phase of two years and this project complies with the previous directive.

[3] HELCOM – Helsinki Convention, which regulates the protection of the Baltic Sea from all sources of pollution, through limits specifically for Phosphorous (0.5 mg/l) and Nitrogen (10 mg/l).

sewer infiltration, energy efficiency interventions, improved sludge digestion and the connection of currently un-serviced customers to centralised wastewater collection and treatment. These will contribute towards the overall reduction of energy requirements and methane emissions and thus will result in a reduction of GHG emissions.

Adaptation to identified climate change risks, such as increased frequency and magnitude of drought and extreme rainfall events will be addressed by implementing measures such as increasing storm water storage capacity and increasing water production/treatment capacity.

The Project has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR).

EIB Carbon Footprint Exercise

Estimated annual emissions of the project in a standard year of operation: 50 kT CO2/year absolute (gross) and -11 kT CO_2/year relative (net). This corresponds to an annual estimated emissions savings of 11,000 tons of CO_2 equivalent. These emissions consider the operation of the water supply as well as the wastewater collection and treatment infrastructure. The adopted baseline considers a scenario without the planned energy efficiency improvements.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Social Assessment

The proposed investments will improve access to safe drinking water and sanitation, as well as will result in more resilient and reliable water services. This will yield lasting positive social benefits, including improving the living conditions of the inhabitants of Krakow and neighbouring areas and thus they will be beneficial for the public health. The works will also contribute to employment creation during construction.

Public Consultation and Stakeholder Engagement

Where relevant, the promoter will be required 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 process.

Other Environmental and Social Aspects

The Promoter holds certificates for the following management systems ISO 9001 (Quality Management), 14001 (Environmental Management) and 45001 (Occupational Health and Safety).

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Conclusions and Recommendations

By rehabilitating and upgrading the water treatment and sewage treatment facilities, and improving the performance of existing drinking water supply, wastewater collection and storm water management systems, the project is expected to generate a positive impact on the environment and will contribute to the improvement of living conditions of the inhabitants of the broader area of Krakow.

All project components covered by the programme will be subject to the Promoter complying with the following requirements:

- The Promoter will be required to act according to the provisions of the relevant EU Directives, including the EIA (2014/52/EC) amending the EIA Directive 2011/92/EC, Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Drinking Water Directive.

- The promoter will be required not to allocate Bank funds to project 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.

- The Promoter undertakes to provide to the Bank, if requested, any decisions issued by the competent authority that screen out project components and the main reasons for not requiring EIA with the reference to the relevant criteria listed in Annex III of the EIA Directive.

Considered the above, the Project is acceptable for EIB financing from an environmental and social point of view.