

Environmental and Social Data Sheet

Overview

Project Name:	<i>RIGA WATER AND SANITATION</i>
Project Number:	<i>2020-0945</i>
Country:	<i>LATVIA</i>
Project Description:	Financing of a multi-annual investment program in water and sanitation in the City of Riga
EIA required:	Yes. This is an investment programme made up of multiple schemes. One of them might require an EIA under Annex II of the EIA Directive 2014/52/EC amending Directive 2011/92/EC
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

The project consists of the rehabilitation and extension of the water supply and wastewater infrastructure in Riga. The Promoter of this project is LLC (SIA) "Rīgas ūdens" (RU), the water utility that operates the water supply (WS) and wastewater (WW) infrastructure in the capital city of Riga, and a few surrounding localities. The main project activities are: (i) Extension and reconstruction of WS and WW networks; (ii) Reconstruction of some elements of the Wastewater Treatment Plant (WWTP) Daugavgrīva and extension of the sewage sludge treatment capacity; (iii) reconstruction works for groundwater supply sources and intake in the lake Jugla; (iv) energy efficiency measures and (v) supply and replacement of hydrants and valves.

Environmental Assessment

The project aims at complying with the requirements of the Urban Waste Water Treatment Directive (91/271/EC), the Water Framework Directive (2000/60/EC), the Drinking Water Directive (EU) 2020/2184² and the HELCOM Baltic Sea Action Plan.

Strategic Environmental Assessment (SEA) procedure

The project was not directly part of a Strategic Environmental Assessment (SEA) as per the Directive 2001/42/EC transposed by the Cabinet of Ministers Regulation No 157- 2004 on "Procedures for Strategic Environmental Impact Assessment". However, the project falls under the objectives of the Operational Programme for Latvia 2021-2027, which was subject to a Strategic Environmental Assessment study conducted during 2020. A public consultation

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.

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 outdated directive

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on the draft SEA environmental report of the operational programme took place from 3 November 2020 to 2 December 2020.

Environmental Impact Assessment (EIA) procedure

The Ministry of Environmental Protection and Regional Development (MEPRD) is the leading public authority (competent authority) in the field of environmental protection, regional development planning and coordination, local government development and monitoring, spatial development planning and land management. The law ruling the EIA process is the “*Cabinet Regulation No 18 of 13 January 2015 on the procedure for assessing the impact of a proposed activity on the environment and accepting the proposed activity.*”

The regional environmental board of the State Environmental Service (SES) controls emissions of pollutants into the environment, including water bodies in the recipients. Also the same body issues and coordinates permits for the exploitation of natural resources, including water resources.

All the schemes under the project, except for the scheme for the rehabilitation of the intake pump station located at lake Jugla, have been screened out i.e. they do not require a full EIA study. It is likely that the rehabilitation of the intake pump station will require a full EIA that will be prepared and completed at design stage of the component.

Appropriate Assessment (AA)

The project components do not affect any Natura 2000 areas, neither national nor local other protected areas.

Environmental impacts

The project will have significant long-term positive environmental impact on surface waters, by reducing pollution from areas previously not covered by proper sewer networks. In addition, the project contributes significantly to continued compliance with the Drinking Water Directive 98/83/EC and the recently adopted EU 2020/2184 by rehabilitating the existing water supply system and ensuring safe provision of safe drinking water to the population.

Negative impacts to the environment are assessed only as temporary. During construction, temporary impacts to the environment such as noise and dust may occur. In view of preventing and mitigating any impacts associated with the construction phase, mitigation measures should be included in the Environmental Management Plans of the work contracts and implemented by the Contractors during construction.

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 energy efficiency measures, reduction of water losses and sewer infiltration, improved and extended 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, 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 is included in the designs of the different components.

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).

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EIB Carbon Footprint Exercise

Estimated annual emissions of the project in a standard year of operation: 64 kT CO₂/year absolute (gross) and -21 kT CO₂/year relative (net). These emissions consider the operation of the new digestion in the WWTP Daugavgriva, and the rehabilitated and extension of water and wastewater infrastructure. The baseline adopted is considered to be the operation of the existing sludge treatment and the current water and wastewater infrastructure.

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 at affordable tariffs. This will yield lasting positive social benefits, including improving the living conditions of the inhabitants of Riga and neighbouring areas, which 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.

Conclusions and Recommendations

By rehabilitating and upgrading the water treatment and sewage treatment facilities, improving the performance of existing drinking water supply and wastewater collection, 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 Riga.

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 finalized 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.