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Luxembourg, 13 October 2025

Environmental and Social Data Sheet

Disclaimer:

This draft ESDS is published for information purposes and cannot be considered to represent the final position of the EIB regarding the environmental and social aspects of the project. Until a decision to finance the project is taken by the EIB's Board of Directors, this document may be subject to changes. Once a decision is taken, the final document will be published in the Public Register on the EIB website. Questions and comments regarding this draft ESDS can be addressed to InfoDesk@eib.org.

Overview

Project Name:	MYKOLAIV DRINKING WATER - UMIP
Project Number:	2024-0382
Country:	Ukraine
Project Description:	This allocation concerns investments for a new potable water treatment plant for Mykolaiv City
E&S Risk categorisation:	High as per paragraph 4.18 of E&S Policy
Project included in Carbon Footprint Exercise[1]:	no

Environmental and Social Assessment

Environmental Assessment

The project involves the construction of a new modern water treatment plant in Mykolaiv, which will treat raw water from the Southern Bug River and ensure a safe, reliable supply of drinking water to the population. By addressing the city's urgent needs for climate-resilient and secure water infrastructure, the project is expected to generate substantial long-term environmental and public health benefits.

The new facility will improve the quality of water supplied to households, businesses and public institutions, while reducing risks associated with untreated or insufficiently treated river water. Compared to the deteriorated pre-existing systems, the plant will enable compliance with Ukrainian and EU drinking water quality standards, thus strengthening resilience against climate change impacts and safeguarding public health. The Promoter of the project is the Ministry for Development of Communities and Territories (MDCT) while Mykolaiv Vodokanal

[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 local water utility), is the final beneficiary. The project is an allocation under the EIB's framework loan "Ukraine Municipal Infrastructure Programme" (UMIP).

Strategic Environmental Assessment

Mykolaiv is part of the Southern Bug River basin. The relevant River Basin Management Plan (RBMP) for 2025-2030 was developed with support from the EU and it was subject to a Strategic Environmental Assessment (SEA), in accordance with Directive 2001/42/EC and national legislation. The relevant RBMP[2] was approved by the Cabinet of Ministers of Ukraine on November 1st, 2024 (n° 1078).

[2] Southern Bug_ENG_January 2025_final_compressed.pdf

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Environmental Assessment

The project has undergone a full Environmental Impact Assessment (EIA) in accordance with Ukrainian legislation and the EIB's Environmental and Social Standards. Classified as a second-category activity under Ukraine's EIA law, the project received a positive conclusion from the Ministry of Environmental Protection and Natural Resources (Environmental Competent Authority) on 11 July 2025, confirming its permissibility for implementation. Should significant changes arise during the detailed design phase, an additional EIA may be required.

Biodiversity impacts are expected to be minimal because the plant shall be built on an existing site. A study conducted by the Ukrainian Research Institute of Environmental Problems confirmed the absence of natural habitats and protected species within the project area. Migratory bird paths do not intersect with the discharge zone, and no transformation of biodiversity structure is anticipated. To enhance the site's biodiversity, a tree planting scheme will be implemented.

The project supports the EU's Zero Pollution objectives by improving air, water, and soil quality compared to the current situation. It incorporates advanced purification technologies and a closed-loop system for backwash water treatment, which will prevent the discharge of water treatment sludge to natural water bodies. Soil protection measures include restoration of topsoil and proper waste management.

Monitoring will be conducted during both construction and operation phases, covering air and water quality, noise, waste management, biodiversity, and social indicators.

In summary, the project is environmentally and socially sound, with robust mitigation and monitoring measures in place. It will provide long-term benefits for public health, environmental protection, and community resilience in Mykolaiv.

Environmental Impact

The project is expected to deliver substantial environmental benefits. It will establish a reliable and sustainable water supply system for Mykolaiv, reducing the city's dependence on a single, contaminated source and ensuring uninterrupted access to drinking water—even during emergencies. The new Water Treatment Plant will enhance environmental safety, improve climate resilience through energy-efficient and heat-resistant infrastructure, and introduce safer disinfection methods using sodium hypochlorite instead of chlorine gas.

During construction, potential negative impacts such as air pollution, noise, waste generation, and disturbance to soil and flora will be mitigated through modern equipment, scheduling, and restoration measures. In operation, emissions and waste will be managed through enclosed systems and compliance with applicable environmental standards, while light and thermal pollution will be minimized through design features such as LED lighting and geosynthetic insulation.

Overall, the environmental impacts of the project are expected to be positive, ensuring access to safe drinking water, reducing environmental health risks, and supporting recovery in Mykolaiv's of the critical water supply infrastructure.

Climate Change

The new construction of the Mykolaiv Water Treatment Plant is expected to contribute to climate change mitigation and adaptation. The facility will replace outdated and inefficient systems with modern, energy-efficient water treatment and pumping technologies, leading to reduced greenhouse gas emissions from electricity consumption.

By improving operational efficiency, the plant will lower the energy intensity of water abstraction, treatment, and distribution, thereby supporting Ukraine's climate objectives and alignment with applicable EU environmental standards.

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In addition to mitigation, the project contributes to climate change adaptation. The Southern Bug River remains the only viable raw water source for Mykolaiv, and the new facility is designed to ensure reliable treatment capacity under changing climate conditions, including variations in water quality and temperature. Strengthened resilience of the city's water supply system is essential in the face of increasing climate-related stresses, such as droughts and extreme weather events. Also, the project includes adaptation measures addressing risks from rising temperatures, extreme heat, and heavy precipitation. These include the use of heat-tolerant materials, passive cooling systems, advanced drainage infrastructure, and green buffer zones. No significant risk is expected from wind.

Overall, the project will have a dual climate benefit: reducing emissions through energy efficiency while increasing the resilience of Mykolaiv's water supply infrastructure against climate change impacts.

Paris Alignment

It is expected that the project will be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR).

Social Assessment

Socially, the project is vital for Mykolaiv's recovery. It will improve public health by eliminating reliance on contaminated water, reduce time and effort spent on water collection, and enhance overall well-being. Vulnerable groups, including women, elderly persons, and Internally Displaced People (IDPs), will benefit from improved access to clean water and inclusive stakeholder engagement..

The project is not expected to result in permanent physical or economic displacement.

The project's operational manual will reflect provisions on occupational health, safety, and labour standards in line with ILO fundamental conventions.

Regular monitoring of working conditions and occupational health and safety (OHS) will be undertaken to ensure compliance with EIB requirements.

Gender Equality

The war in Ukraine has disproportionately affected women and children, who represent around 70% of internally displaced persons (IDPs). Women face heightened vulnerability due to increased care responsibilities, reduced access to essential services, and higher risks of gender-based violence and harassment. The destruction of water and sanitation facilities has significantly added to women's domestic burden, as inadequate access to safe water forces them to spend more time on household chores, childcare, and eldercare. At the same time, women are experiencing higher unemployment rates in sectors traditionally dominated by female workers, such as healthcare and education.

The Mykolaiv Water Treatment Plant will directly address some of these challenges by restoring access to safe, reliable drinking water. This will ease the care burden on women, reduce health and hygiene risks for households, and improve safety in daily routines, particularly by limiting the need to seek alternative, often unsafe, water sources. By contributing to secure and equitable water services, the project will have a tangible impact on women's well-being and resilience in Mykolaiv, including among displaced populations.

The project is expected to make a positive contribution to gender equality by strengthening women's resilience, and offering more equitable access to essential services in a conflict-affected context.

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Public Consultation and Stakeholder Engagement

For the Mykolaiv Water Treatment Plant, the Environmental Impact Assessment (EIA) was carried out in accordance with Ukrainian legislation and with EU requirements. The EIA process included formal public consultations and public hearings, as required under Ukrainian law. The hearings were successfully completed, ensuring that affected communities, local civil society organisations and other stakeholders were informed of the project and had the opportunity to provide comments. Issues raised during the consultations were duly considered in the final EIA documentation.

In addition, a Stakeholder Engagement Plan (SEP) and an Environmental and Social Management Plan (ESMP) were prepared by the Promoter. The SEP will allow affected citizens to be properly informed about the project, have access to grievance mechanisms, and benefit from transparent implementation, consistent with EIB and international standards.

Other Environmental and Social Aspects

The Promoter is familiar with both Ukrainian environmental and social requirements and the EIB's Environmental and Social Standards. The Programme Management Support Unit's environmental and social capacity will be further strengthened through TA. Additional TA will also be provided to local implementing partners to ensure that environmental and social management obligations under Ukrainian law and EIB standards are consistently met.

To further strengthen safeguards, the EIB will provide additional TA for identifying, managing, and monitoring social impacts and risks at the local level.

The Promoter, with TA support, will prepare and implement health and safety and emergency preparedness procedures to address both conventional construction-related risks (such as accidents, dust, and noise) and war-related risks (including missile strikes or air bombardments).

Mykolaiv Vodokanal operates under ISO 9001:2015 and national safety regulations, ensuring safe working conditions and social protections for employees. Contractors will be required to implement the Environmental and Social Management Plan (ESMP), which includes occupational health and safety provisions.

Building on the experience with other projects under the Ukraine Municipal Infrastructure Programme, the EIB envisages financing advisory services to extend this support. TA will continue to provide on-the-ground assistance to the Promoter and local entities in project preparation, implementation, and monitoring, ensuring compliance with Ukrainian legislation and the Bank's standards. In parallel, the EIB will finance TA to strengthen project management, monitoring, and reporting capacities, thereby ensuring robust implementation of the project's environmental and social commitments.

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Conclusions and Recommendations

The Mykolaiv Water Project is expected to have minimal environmental impact during both construction and operation. Air pollutant concentrations will not be affected, and noise levels are not anticipated to affect public comfort or health. Water impacts are considered negligible due to the closed-loop system for filter backwash and sediment removal. No significant effects are expected on soil, geological conditions, biodiversity, or cultural heritage. Social risks are also deemed acceptable, with no adverse health impacts anticipated.

. Monitoring will be conducted throughout construction and operation, with regular reporting to the EIB and national authorities. Resource-efficient practices and protective measures—such as drainage systems, safe waste handling, and landscaping—will further support the project's sustainability. Overall, the project is technically and socially sound, aligned with national legislation and EU standards, and will enhance Mykolaiv's resilience and long-term water security.

The project requires no additional land take or resettlement.

The Promoter will be required to:

- Implement the project in accordance with the Environmental and Social Management Plan, and Stakeholder Engagement Plan.
- Include in the tender documents a requirement for the contractors to comply with the EIB Labour, Occupational and Public Health, Safety and Security Standards.
- Include in the works supervision team a specialist with international experience in environmental protection measures for this type of project.

Considering these conditions, the project is acceptable for EIB financing in Environmental, Climate and Social terms.