

## Environmental and Social Data Sheet

### Overview

Project Name:	PORTUGAL WATER SUPPLY & SANITATION 2
Project Number:	2024 0075
Country:	Portugal
Project Description:	The Project concerns the 2025-2029 investment programme of Águas de Portugal Group for the construction and rehabilitation of supra-municipal bulk and retail water supply, and wastewater collection and treatment facilities in mainland Portugal.
EIA required:	This is an investment programme made up of multiple schemes. Some of them may require an EIA study under the EIA directive 2011/92/EC as amended by Directive 2014/52/EU.
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)	

### Environmental and Social Assessment

#### Environmental Assessment

The Project consists of numerous small to medium-size interventions distributed around the service areas of Águas de Portugal (i.e. AdP) Group, the historical provider of bulk water and wastewater services in Portugal. Most components consist of improvement and expansion of bulk water supply and wastewater management systems at supra-municipal level as well as some interventions at municipal services' level.

The Project is geared towards increasing the resilience, quality and coverage of water and wastewater services, transitioning toward a carbon neutral operation and thus improving the operational efficiency of the Promoter. As such, the Project is expected to contribute to ensuring compliance with key European legislation in the water sector, notably the Drinking Water Directive (2020/2184/EU), the applicable Urban Wastewater Treatment Directive (91/271/EEC or 2024/3019/EU, as applicable) and the Water Framework Directive (WFD) (2000/60/EC). Where and if applicable, the requirements of the Environmental Impact Assessment (EIA) Directive 2011/92/EU as amended by Directive 2014/52/EU, the Strategic Environmental Assessment (SEA) Directive 2001/42/EC, the Birds Directive 2009/147/EC and the Habitats Directive 92/43/EEC will be respected.

The Project is fully embedded into the new 2021-2030 National Strategic Plan for the Water Supply, Wastewater and Stormwater Management (Plano Estratégico de Abastecimento de Água e Gestão de Águas Residuais e Pluviais 2030, PENSAARP 2030) approved in 2024.

PENSAARP 2030 was subject to a Strategic Environmental Assessment (i.e. SEA) according to the requirements of the SEA Directive 2001/42/EC and national legislation (Decreto-Lei n.

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

232/2007 of 15th of June). The “organic law” (i.e. Decreto-Lei n.56/2012 of 12th of March) establishes the Portuguese Environmental Agency (i.e. PEA) as the Competent Authority with regard to environmental legislation. The PEA also operates as the National Water Authority for all of Portugal’s mainland River Basin District Administrations.

By reducing the discharge of untreated effluents in water bodies, the project will contribute to achieving the environmental objectives set in the River Basin Management Plans (i.e. RBMPs) implementing the requirements of the WFD (transposed into Portuguese Law by the Water Law 58/2005). Currently, the 3rd planning cycle (2022-2027) of the RBMPs is underway, which constitutes a review of the plans of the 2nd cycle (2016-2021). The plans of the current cycle include an analysis of the improvements introduced by the implemented measures, as well as the new knowledge acquired. The Promoter has identified and operationalized respective Programs of Measures within the scope of the RBMPs and the WFD, for each River Basin of the intervention area and which feeds the investment program of this operation. All of the RBMPs have gone through an SEA assessment.

According to the types of schemes expected to be implemented under the proposed operation, the majority of schemes is unlikely to require a full EIA. Likewise, the schemes due to their nature/type are not likely to have negative impacts on nature conservation areas.

Depending on the scope, the schemes will fall either under Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the EIA Directive 2011/92/EU as amended by the Directive 2014/52/EU (not subject to EIA process). Nevertheless, given that annual revisions may result in slight changes of the suggested operation (in terms of the type and location of each scheme), some schemes may be subject to EIA screening by the relevant competent authority under the Directive 2011/92/EC as amended by the EIA Directive 2014/52/EC. In case a scheme requires a full EIA, its implementation will not start before receiving first all the necessary approvals from the Competent Authority.

The Project is expected to generate energy savings through the implementation of the NEUTRO programme (transitioning towards carbon neutrality), increased resilience, and increased efficiency of the water and wastewater systems and improved efficiency of the Promoter in managing the systems.

All the water investment schemes are geared toward increased climate resilience and the project will contribute significantly to the Bank’s objective of Climate Action Adaptation.

The project is considered Paris aligned both in terms of mitigation and adaptation aspects.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The Project has been assessed for Paris Alignment and is considered to be aligned with both mitigation and adaptation goals set out in the Climate Bank Roadmap (CBR).

The counterparty Águas de Portugal Group is in scope and screened out of the PATH framework, because it is not considered high emitting nor high vulnerability.

### **Social Assessment**

Social impacts include the possible disruption of services and traffic, noise and temporary occupation of public and private space, and safety hazards during construction only, common for this type of projects in urban environments, and will be addressed as part of the planning for each component.

### **Public Consultation and Stakeholder Engagement**

The Promoter has to ensure compliance with national and European environmental legislation and facilitate access by the public to environmentally relevant information in accordance with the Aarhus Convention.

### **Other Environmental and Social Aspects**

N/A

## 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. All schemes under the project will be subject to the Final Beneficiaries' compliance with the following requirements:

1. The Final Beneficiaries undertake not to allocate Bank funds to project schemes 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 Final Beneficiaries will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
2. The Final Beneficiaries shall not commit any EIB funds to 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.
3. The Final Beneficiaries undertake to provide to the Bank, if requested, any decision and subsequent justification that screen out project schemes 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.