Luxembourg, 05 February 2013

Environmental and Social Data Sheet

Overview

Project Name:	Aqua Burgenland Sopron
Project Number:	*2012 0199*
Country:	*Austria*
Project Description:	Installation of a trans-boundary water supply system linking the systems between the water associations of the northern and central part of Burgenland and of Sopron. Rehabilitation and replacement of water supply infrastructure from 2013 to 2017.
EIA required:	There are multiple schemes in this investment programme; some of them may require an EIA under Annex II of directive 2011/92/EU.
Project included in Carbon Footprint Exercise[1]:	NO

(Details are provided in section: “Carbon Footprint”)

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

Most of the works to be carried out under the Programme are upgrades of existing sites, reducing the overall impact of construction. The Promoter is competent and the procedures in place to comply with the requirements of EU EIA Directive 2011/92/EU, as well as Article 6 of the Habitats Directive 92/43/EEC are adequate. The Promoter carries out Environmental Impact Assessment procedures where required by the competent authorities and mitigating measures are applied as appropriate. The relevant environmental authorisations have been issued and received. The Programme is considered sound for EIB financing.

E&S Contractual Conditions

The promoter shall not commit any EIB funds against schemes that require an EIA according to EU and national law without, prior to commitment, submitting the EIA and the non-technical summary of the EIA to the Bank for review and publication on the Bank's website.

The promoter shall not commit any EIB funds against any scheme without receiving consent from the competent authority regarding the Habitats directive and submitting the relevant forms to the Bank prior to the commitment of EIB funds

Environmental and Social Assessment

Environmental Assessment

The promoter is an appointed water and sewage company. Statutory duties with regard to the protection of the environment are embedded within key legislation for the Austrian water industry, including duties in relation to conservation of biodiversity and natural habitats.

[1] Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

Compliance with applicable Environmental Legislation (national and EU), including EIA legislation is inherent to the definition of the investments programme. Specifically, the Promoter complies with the requirements of EU EIA Directive 2011/92/EU, as well as Article 6 of the Habitats Directive 92/43/EEC. The Promoter carries out Environmental Impact Assessment procedures where required by the competent authorities and mitigating measures are applied as appropriate.

The investment programme is also strongly driven by environmental, water quality concerns, and also energy efficiency.

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Relevance on Climate Action

The following studies were considered to assess Climate Change impact/ vulnerability:

BMLFUW (2012): The Austrian Strategy for Adapting to Climate Change, published by the Federal Ministry of Agriculture and Forestry, the Environment and the Water Industry.

BOKU Met Report 1 (2009): The Impact of Climate Change on the Lake Neusiedl Water Balance, published by the University for Agriculture and Forestry, Department for Water, the Atmosphere and the Environment, Institute for Meteorology.

BMLFUW (2011): Climate Change Adjustment Strategies for Austria's Water Industry, published by the Federal Ministry for Agriculture and Forestry, the Environment and the Water Industry.

BÖHM (2011): Climate Change and Extreme Events – Are They Connected?, published by ÖVGW (Austrian Gas and Water Association), Water Supply Symposium, 2011.

On the basis of these studies the following points can be made:

- Temperatures can be expected to rise by 3° C in the region in question (by 2100).
- Positive extremes of temperature (hot days, absolute maximum temperatures, etc.) will increase.
- There is some doubt about whether the number of extreme weather events (storm and wind activity) will rise.
- A 10% increase in annual precipitation is possible by 2050, but this will occur mainly during the winter; precipitation will be lower during the spring, remain the same in the autumn but fall in the summer.
- Precipitation will shift from the growing season to the winter (the need for irrigation for agricultural purposes will therefore increase).
- Other aspects of rainfall distribution: droughts will become more common, evaporation will increase and there is a possibility of more heavy rainfall.
- Groundwater recharge in the region will probably be reduced!
- Water supply shortages are forecast in areas where water reserves are limited.

As a result of the development of the region and the climate forecasts the amount of water that will be needed in the project area (in both Burgenland and Hungary) can be expected to increase; with the summer peak water demands being more accentuated. At the same time it is forecasted that groundwater recharge will be reduced, which, in the absence of appropriate countermeasures combined with consumption peaks, could lead to water supply shortages and therefor justifies the planned investments.

The "Aqua Bgld. – Sopron" project involves tapping into deeper groundwater reserves, which, in an appropriate mix with the resources available close to the surface, is particularly suited to securing the supply in the event of long summer droughts, as temporary periods of drought will hardly affect the deeper groundwater reserves, and these are suitable, because of the

substantial overlying resources, for securing supplies in the event of emergencies or disasters, but also especially for meeting peak requirements.

EIB Carbon Footprint Exercise

Project is not included - the EIB draft Carbon Footprint Methodologies only include emissions from Investment Loans, and large allocations under Framework Loans, above the methodology thresholds.

Public Consultation and Stakeholder Engagement, where required

Public consultation takes place at all levels of the definition of investments and their detailed roll-out, starting with consultation for the key planning documents such as the Water Resource Management Plan and proceeding with the definition of the major schemes during the scoping and implementation phase, which also includes definition of compensatory measures in local communities for disruption caused.