

Environmental and Social Data Sheet

Overview

Project Name:	EPAL IV – EFFICIENCY & ADAPTATION
Project Number:	2011-0092
Country:	PORTUGAL
Project Description:	<i>Investments in EPAL's water transmission and supply network in the Lisbon area leading to efficiency gains and enhanced adaptation to customer needs.</i>
EIA required:	no

This is a programme made up of multiple schemes located in the Greater Lisbon area of Portugal. None of them will require an EIA according to Directive 2011/92/EU. This is the 4th operation with the promoter, EPAL, who is an experienced promoter and has fully complied with environmental procedures in all previous operations.

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

The operation will support EPAL's 2011-2016 Investment Programme, which will ensure compliance with the customer service standards set by the Drinking Water Directive 98/83/EC and the environmental standards set by the Water Framework Directive 2000/60/EC. Projects mainly focus on increasing the efficiency of the water supply systems through the rehabilitation of the existing infrastructure of the Greater Lisbon area. The reduction of the water losses will improve the resilience of the system to climate change –which experienced the last severe draughts in 2005. This Programme is not subject to an SEA according to requirements under Directive 2001/42/EC.

The Programme has also one specific component which aims at reducing EPAL's GHG emissions through the installation of renewable energy facilities and the monitoring and optimisation of the energy consumption. Some of the schemes included in the project aim at the adaptation of the Promoter's system to climate change and will also increase the resilience to natural hazards, e.g. in high risk seismic areas, thus providing a higher security of the water supply.

The screening undertaken by the relevant Competent Authorities confirmed that the works do not affect protected areas of the Natura 2000 network nor require full environmental impact assessments. They consist essentially of rehabilitation works of existing infrastructure with an important urban component –extension and rehabilitation of the water supply network of the city of Lisbon.

The promoter has successfully implemented previous investments programmes and has demonstrated capacity of managing environmental issues and risks.

Environmental and Social Assessment

Environmental Assessment

The EU environmental Directives transposed into the Portuguese legislation require the verification of the environmental compliance both at Programme level -SEA Directive

2001/42/EC-- and project level (EIA Directive 2011/92/EU, Birds and Habitats Directive 92/43/EEC). The Promoter is required to act according to the provisions of the relevant EU Directives, including the SEA, EIA, Habitats and Birds Directives as transposed into the national law. The verification of the environmental compliance is implicitly incorporated in the procedures and carried out by each Managing Authority/Implementing Body for each project under all Operational programmes (Ops) in close cooperation with the relevant environmental agencies:

- APA (Portuguese Environment Agency) – national authority for EIA
- ICNB (Institute for Nature Conservation and Biodiversity) – responsible for Natura 2000

The schemes will have a number of impacts on the environment, both positive and negative. It is expected that most environmental schemes will have positive effects, including improved water services, environmental and water source protection. The rehabilitation of Vale da Pedra Water Treatment Plant will support EPAL in complying with the requirements of the Drinking Water Directive 98/83/EC on the quality of water intended for human consumption. Some schemes could have an impact on the environment, notably in the construction phase. These impacts will be considered in the building permits in order to minimise any residual impact.

Portugal is susceptible to droughts. The last major one occurred in 2005, when restrictions to consumption were imposed to customers. The Programme, through its adaptation to climate Cchange approach, will improve EPAL's capacity to respond, during water scarcity periods, with the optimization of the water resources available.

The Promoter has ISO14001 accreditation and is aware of possible climate change impacts. The Programme aims at producing about 10 GWh per year from photovoltaic sources as well as saving about 3 GWh per year –i.e. 2% of EPAL annual consumption- through the implementation of the proposed energy reducing measures: frequency converter devices, monitoring equipment and intelligent lighting systems.

Social Assessment

Social impacts include the possible disruption of services, noise and temporary occupation of public or private space, traffic disruptions, and safety hazards, common for this type of projects, mainly in urban environment, and will be addressed in the planning permission.

Trenchless pipe lining will be mainly applied for the rehabilitation of water mains. This technique is much more efficient than traditional open-cut replacement of pipes as it involves minimal or no excavations and requires significantly less construction time, resulting in less equipment usage. It also provides a safer work environment, as well as decreased runoff and noise pollution and minimal traffic controls. The efficiency gains also result in a significantly smaller carbon footprint of the rehabilitation works.

Public Consultation and Stakeholder Engagement

Due to the type and low complexity of the works to carry out, none of the components of the Programme will require a full EIA and the public consultation associated with it. Meetings with organizations and other public entities have taken place and will particularly take place for the urban component *Extension and rehabilitation of the water distribution network in Lisbon*, which is implementation since 2011.

Other Environmental and Social Aspects

In view of the novelty of the approach proposed for the project, the promoter will keep the Bank informed through annual progress reports about the new concept and methodologies as well as the progress and the results of the international and national programmes related with the project concept and justification.

Key E&S Contractual Conditions

EPAL will keep the Bank informed about the new concept and methodologies as well as the progress and the results of the international and national programmes which it contributes to, related to climate change and water supply systems.

The promoter shall submit to the Bank a declaration and the supporting assessment, in line with the Habitats Directive, from the competent authority responsible for the monitoring of sites of nature conservation importance that the programme will have no impacts on any Natura 2000 sites.

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