

## Environmental and Social Data Sheet

### Overview

Project Name:	Welsh Water and Wastewater AMP5 - II
Project Number:	2014-0042
Country:	United Kingdom
Project Description:	Welsh Water provides 3.2 million people in Wales and adjoining areas of England with drinking water and sanitation. The Programme comprises improvements to water supply and wastewater collection and treatment as part of the second half of Welsh Water's regulatory investment programme AMP5 (Asset Management Plan 5). The Programme was approved by the economic regulator OFWAT in 2009. The Programme includes a significant number of measures to increase the resilience and performance of drinking water treatment and water supply assets in general as well as a programme of wastewater treatment improvements in order to achieve compliance with the EU Wastewater Treatment Directive.
EIA required:	Yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

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

The Programme is strongly environmentally driven and therefore has predominantly positive effects on the environment. Most of the works to be carried out under the Programme are upgrades of existing sites, meaning the overall impact of construction will be limited. One of the individual schemes under the Programme requires a full EIA.

The Promoter has excellent environmental awareness and proven EIA practices. The Promoter generally complies with the requirements of EU EIA Directive 2011/92/EC, as well as Articles 6(3) and/or 6(4) of the Habitats Directive 92/43/EEC. The Promoter is used to carrying out Environmental Impact Assessment procedures where required by the competent authorities and mitigating measures are applied as appropriate. An SEA was carried as part of a statutory Water Resources Plan. The quality and environmental regulators independently monitor compliance with effluent discharge permits and drinking water quality standards. The Programme is considered sound for EIB financing.

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 that may have potential effects on a site of nature conservation importance, without receiving and informing the Bank of the conclusions from the relevant Competent Authority of the appropriate assessment carried out according to Articles 6(3) and/or 6(4) of the Habitats and Birds Directives.

### Environmental and Social Assessment

#### Environmental Assessment

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

The Promoter is an appointed water and sewerage company. Statutory duties with regard to the protection of the environment are embedded within key legislation for the UK water industry, including duties in relation to conservation of biodiversity and natural habitats. Many of the investments derive from undertakings with Natural Resource Wales and the Drinking Water Inspectorate, who not only play a leading role in planning the investments, but also closely monitor implementation and operation. In particular, the promoter has built its investment planning on a Water Resources Plan, required under the Water Act, with a long-term view of the availability and demand for water throughout the service area, prepared for AMP5 in 2009 and subject to a Strategic Environmental Assessment. A key element of the Water Resources Plan is an assessment against designated Habitats.

Compliance with applicable Environmental Legislation (national and EU), including EIA legislation is inherent to the definition of the investments programme, with close cooperation between the environmental and economic regulators. Specifically, the Promoter complies with the requirements of EU EIA Directive 2011/92/EC, 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 quality and environmental regulators independently monitor compliance with effluent discharge permits and drinking water quality standards. The latter is assessed according to criteria in line with the EU Urban Waste Water Treatment Directive - UWWTD (91/271/EEC).

The Programme is strongly driven by environment and resilience of essential services. A large part of the investment programme is devoted to enhancing reliability and efficiency of water and wastewater infrastructure as well as expansion. Substantial investments are being made to reduce the flooding of properties by strengthening the sewer systems, contributing to climate change mitigation and resilience. The Programme also includes RAINSCAPE, an integrated sustainable urban drainage scheme comprising a combination of measures to reduce and delay surface water entering the sewer system, thus reducing the need for additional storage for rain events and treatment capacity. It is being done in communities around the Lougher Estuary in order to achieve compliance with the Urban Wastewater Treatment Directive.

Most of the investments are taking place on existing installations and they have limited local environmental impact. One of the schemes, a marine wastewater outfall scheme, requires a full EIA. The works entail removal and associated works of the Kimberley Road Combined Sewer Overflow (CSO) Marine Outfall. The EIA found that the effects on flora, fauna, sediment morphology and water quality would be negligible.

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

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. Given the necessary tight controls of implementation in order to maintain delivery of the capital programme within the agreed regulatory timeframe, early identification and resolution of environmental consenting issues are crucial to delivery of the investment programme. In particular, it is sought to maintain close relationships with the competent authority, Natural Resources Wales, with identification of potential Habitats/EIA Directive issues already at concept stage.

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

Internal systems and responsibilities for environmental management and liaison with environmental authorities are integrated at many levels into Welsh Water's asset management framework that links Welsh Water's strategic direction from authorities, regulators and customers to how its assets are operated, maintained and improved. A cross-cutting joint business team acts as a forum to promote environmental best practise across the company. Critical to stable delivery of investments is the relationship with consenting authorities, in particular Natural Resources Wales. Welsh Water is developing an

Luxembourg, 16 September 2014

environmental management system in accordance with ISO 14001. Inter alia, suppliers are required to have formal environmental management systems appropriate to their size.