



The European Investment Bank and sanitation

(waste water collection and treatment)

About 2.5 billion people in the world suffer from the consequences of poor sanitation or have no sanitation at all. The disposal of untreated waste water from households and industry threatens ecosystems and the livelihoods of the people depending on these systems as a source of drinking water or for feeding cattle, fishing or irrigation. Pollution of drinking water sources by untreated waste water is the main trigger for waterborne diseases, which kill almost 1.5 million children under five every year.

The nuisance of untreated waste water also has many indirect effects, for instance in making beaches, rivers and lakes unsuitable for bathing or other recreational activities, which in turn can hinder the development of tourism in otherwise attractive locations.

The European Investment Bank's policy in the field of sanitation

Water and waste water services need to be developed in a coordinated fashion and to be properly designed in order to be effective. Particular attention needs to be paid to the operational cost implications and skills of the operators of the new infrastructure, and the affordability for the population.

The European Union's Urban Waste Water Treatment Directive (UWWTD) has led national governments, local authorities and industry to invest large amounts of money in controlling water pollution. Today, 15 Member States of the EU have collecting systems in place for 95% of the pollution and secondary treatment for 87%¹.

¹ 5th Commission Summary on the Implementation of the UWWTD, Commission Staff Working Document SEC (2009) 1114 final, 03.08.2009.

The St Petersburg South West Waste Water Treatment Plant (Russian Federation)



This project was the EIB's first operation in Russia and was co-financed together with other lenders and donors. It aims to contribute significantly to a sustainable long-term reduction of the pollution load in the Gulf of Finland, a sensitive part of the Baltic Sea. With its 5 million inhabitants, St Petersburg is the biggest

polluter because of inadequate treatment of sewage. The new plant, with a capacity of 330 000m³/day, treats the sewage of about 500 000 inhabitants and has significantly reduced the pollution load in the sea, in line with the Helsinki Commission (HELCOM¹) recommendations.

¹ Helsinki Commission, created pursuant to the Convention on the Protection of the Marine Environment of the Baltic Sea Area, 1992 (Helsinki Convention).

However, some areas still lack waste water treatment facilities. In the 12 'new' Member States, which start from a lower compliance base, EUR 35 billion will be needed to achieve full implementation of the Directive². The EIB will complement

² European Commission website, *Facts and Figures about Urban Waste Water Treatment*, update 03.06.2010.



Wastewater Treatment Delfland PPP (Netherlands)

This is the first Dutch water sector public-private partnership (PPP), designed to upgrade waste water collection and treatment for the densely populated area of The Hague (1.2 million inhabitants). It is part of a larger project and consists of the construction of the Harnaspolder tertiary waste water treatment plant (peak capacity: 31 800m³/h) and the upgrading of the existing Houtrust plant, achieving full compliance with all relevant EU Directives. The introduction of a 30-year PPP, benchmarked against a public sector comparator, means that the project benefits from the experience of an international water company as operator, whilst providing the least costly solution.

Sebou Basin Waste Water Project (Morocco)

Morocco has a very underdeveloped sanitation sector. Less than 5% of the effluent collected is treated before being discharged into the natural environment. Sebou basin is home to over 20% of Morocco's population (32 million people), and is considered to be the country's most polluted area, with a heavy concentration of polluting industries. The project will sharply reduce health risks from a polluted water table and from the re-use of untreated waste water in agriculture. It is co-financed by the EIB and the European Commission.



the grants available from the European Commission by co-financing networks and treatment facilities in the new Member States.

In the Neighbourhood and Partner Countries the need for investment will be considerable: waste water treatment facilities, where they exist, are often inefficient and inadequate in terms of capacity. Moreover, they will need to be upgraded and expanded in view of the rapid increase in population and urbanisation. The sanitation deficit is particularly high in the African, Caribbean and Pacific region and in Asia and Latin America. Here there is a need for a greater focus on the use of appropriate technology solutions and on-site sanitation, complemented by urban waste water facilities where appropriate and affordable.

It is also important to assess the need, expectations and willingness of the beneficiaries to pay before deciding on a system. As it may be difficult to recover the full cost of waste water services in developing countries from household tariffs, the use of targeted subsidies to support investment in waste water services

is important, as is currently happening in the EU.

Innovative solutions can be proposed: the use of anaerobic sludge digestion can reduce the amount of methane emissions into the atmosphere. The biogas produced may be used to produce electricity, offsetting a significant proportion of the grid-supplied electricity currently used at a plant. Such a system can be used to leverage carbon credits, which can be sold on the carbon market.



European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
☎ (+352) 43 79 - 1
☎ (+352) 43 77 04
www.eib.org