European Investment Bank

Luxembourg, 26.09.2023

Environmental and Social Data Sheet

Overview

Project Name:	BRNO WASTEWATER TREATMENT PROJECT
Project Number:	2022-0885
Country:	Czech Republic
Project Description:	Upgrade of the sludge treatment process within the wastewater treatment plant of the City of Brno
EIA required:	no
Project included in Carbon Footprint Exercise[1]:	yes

Environmental and Social Assessment

Environmental Assessment

The project concerns the sludge treatment facility of Brnenske Vodarny a Kanalizace AS (BVK) at its Brno-Modřice Wastewater Treatment Plant (WWTP). BVK provides water and wastewater services (production and supply of water, drainage and treatment of wastewater and stormwater) within Brno city and several nearby towns and villages.

The project will deliver a new fully upgraded sludge treatment facility in the WWTP including the rehabilitation of sludge digesters and drying facilities, which will replace the current sludge treatment line.

The project is designed to meet the requirements of the sludge disposal regulations as set out in the Urban Wastewater Treatment Directive (91/271/EEC) and Sewage Sludge Directive (86/278/EEC). It is also designed to fulfil the Waste Management Plan of the Czech Republic for the period of 2015-2024 with an outlook for 2035, approved by the Czech Government in May 2022, the South Moravian Waste Management Plan for 2016 – 2025 approved by the 1/2016 Decree of the South Moravia Region, and the Law on Waste, Act No. 541/2020 Coll. The Waste Management Plan of the Czech Republic for the period of 2015-2024 with an outlook for 2035 was subject to an SEA procedure.

Environmental Impact Assessment (EIA) procedure

In terms of an Environmental Impact Assessment (EIA), BVK prepared in 2021 a study to fulfil the Czech EIA legislation based on the updated Act 100/2001 Sb (which has fully transposed the EIA Directive 2014/52/EC amending Directive 2011/92/EC). The Competent Authority, the South Moravian Regional Government Environmental Office (Krajsky Urad Jihomoraskeho Kraje, Odbor zivotnoho prostredi), confirmed that the proposed project does not require a full EIA process, because (i) the works will take place in the current WWTP's plot; (ii) the sludge treatment system upgrade will have no negative environmental impacts and (iii) there will be a significant reduction of methane emissions. BVK received the screening-out decision JMK 40 165 160/2022 dated 28 March 2022.

[1] 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 CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

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None of the project components is expected to have any impact on a Natura 2000 or other protected sites.

Environmental impacts

Implementation of the project will enhance the quality of the treated wastewater sludge, thus allowing for safer and more versatile sludge disposal options, which reduces the general health risk to the wider population. Reduction in the treated sludge volume will also result in fewer trips by haulage trucks, thus reducing traffic load in the neighbourhood. Following the completion of the project, the total dried sludge output is expected to be used as fuel in a cement production process. This will have the environmental co-benefit of reducing the fossil fuel energy consumption in this plant.

Negative impacts will be only temporary and include possible disruption of traffic, and noise. As the works will be fully carried out within the perimeter of the existing treatment plant, disruption to the neighbourhood during construction will not be significant.

As works will be carried out within an operating wastewater treatment plant, careful planning and project implementation will be needed in order not to disrupt the treatment process and compromise compliance with the treated water effluent standards.

Climate Mitigation

The project is expected to positively contribute towards climate change mitigation. Mitigation will be primarily achieved by increased use of biogas for energy production due to enhanced biogas production and energy efficiency improvements in the sludge drying process. These measures will contribute towards the overall reduction of energy requirements and will result in reduction of GHG emissions.

The Project has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR).

EIB Carbon Footprint Exercise

Estimated annual emissions of the project in a standard year of operation are 55 kT CO_2/year absolute (gross) and -11 kT CO_2/year relative (net). This corresponds to an annual estimated emissions savings of 11,000 tons of CO_2 equivalent. These emissions concern the operation of the treatment infrastructure. The adopted baseline considers a scenario without the planned energy efficiency improvements.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty BVK is in scope and screened out of the PATH framework because it is not considered high emitting nor high vulnerability.

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Social Assessment

The applied treatment method to wastewater sludge will allow for safer and more versatile sludge disposal options, which reduces the general health risk to the wider population.

During implementation the project will have a positive impact on employment.

Public Consultation and Stakeholder Engagement

The screening-out decision was published on the website of the Competent Authority. No complaints or challenges have been raised regarding the decision.

Other Environmental and Social Aspects

During the project's due diligence, the Promoter has demonstrated sound practice with respect to environmental, health and safety management. In addition to procedures aimed at meeting regulatory requirements, the Promoter has a comprehensive environmental management system which is applied to new projects and monitors ongoing operations. Under the umbrella of its Integrated Management System (IMS) the Promoter is certified to meet the requirements of the standards CSN EN ISO 9001 (Quality Certification), CSN EN ISO 14001 (Environmental Certification), CSN EN ISO 50001 (Energy Management Certification) and CSN EN ISO 45001 (Occupational Health and Safety).

Conclusions and Recommendations

The project is driven by the requirement to ensure compliance with EU relevant environmental directives, and it will also contribute towards climate action objectives through applying mitigation measures.

During the project's due diligence the promoter has amply demonstrated that it has sound practices in place with respect to environmental, health and safety management.

All project components covered by the programme will be subject to the Promoter complying with the following requirements:

- The Promoter will be required to act according to the provisions of the relevant EU Directives, including the EIA (2014/52/EC) amending the EIA Directive 2011/92/EC, Habitats (92/43/EEC) and Birds (2009/147/EC), the Urban Waste Water Treatment Directive (91/271/EEC) and Sewage Sludge Directive (86/278/EEC).

- The Promoter undertakes to provide to the Bank, if requested, any decisions issued by the competent authority that screen out project components and the main reasons for not requiring EIA with the reference to the relevant criteria listed in Annex III of the EIA Directive

Therefore, the operation is deemed acceptable for EIB financing in environmental and social terms.