

Luxembourg, 3 August 2023

Environmental and Social Data Sheet

Overview

Project Name:	<i>KLAIPEDA WATER AND SANITATION</i>
Project Number:	<i>2022-0989</i>
Country:	<i>Lithuania</i>
Project Description:	<i>The project will co-finance part of the 2023-2026 investment programme of Klaipedos Vanduo, the third largest water company in Lithuania. The investments mainly consist of the extension and rehabilitation of water supply, stormwater and wastewater collection and treatment facilities.</i>
EIA required:	<i>No</i>
Project included in Carbon Footprint Exercise ¹ :	<i>No</i>
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

The Promoter of the project is AB Klaipedos Vanduo, the third largest Lithuanian water company. Klaipedos Vanduo provides drinking water to and collects and treats wastewater from around 185 000 customers in Klaipeda City Municipality and Klaipeda District Municipality in West-Lithuania on the Baltic Sea Coast. The Company has been engaged in water supply and wastewater management since 1902. Since 2016, the Promoter also collects and treats stormwater for Klaipeda City.

The proposed operation concerns the following investments in water supply, stormwater and wastewater collection and treatment in its service area:

- construction and rehabilitation of water supply and sewer networks;
- rehabilitation and modernisation of water abstraction, treatment and storage facilities;
- extension, rehabilitation and modernisation of wastewater treatment plants;
- construction and rehabilitation of stormwater drainage networks and treatment facilities;
- investments in renewable energy generation;

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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- rehabilitation of office buildings;
- purchase of water meters, operation and maintenance equipment and machinery;
- ICT process improvement and automation items.

Environmental Assessment

The project aims at complying with the requirements of the Urban Waste Water Treatment Directive (91/271/EC), the Water Framework Directive (2000/60/EC), the Drinking Water Directive (EU) 2020/2184 and the HELCOM Baltic Sea Action Plan².

Environmental Impact Assessment (EIA) procedure

The competent authority is the Environmental Protection Agency (Aplinkos Apsaugos Departamentas). It is expected that none of the investments in the project will require an EIA study. The Promoter has sent and committed to send to the Bank all the screening out decisions related to the different components.

Appropriate Assessment (AA)

According to Lithuanian law, approval from the specific National park management authority (or other protected area) is required when applying for a construction permit for a specific investments. The project components do not affect any Natura 2000 areas, neither national nor local protected areas.

Environmental impacts

The project will have significant long-term positive environmental impact on ground and surface water, by reducing pollution from areas previously not covered by proper sewer networks and by reducing untreated stormwater overflows. In addition, the project contributes significantly to continued compliance with the Drinking Water Directive 98/83/EC and the recently adopted EU 2020/2184 by rehabilitating the existing water supply system and ensuring provision of safe drinking water to the population.

Due to the nature of the works to be implemented, it is anticipated that the negative impacts to the environment will only be temporary, during the construction period. In that period, temporary impacts to the environment such as noise and dust may occur. In view of preventing and mitigating any impacts associated with the construction phase, mitigation measures will be included in the Environmental Management Plans of the work contracts and implemented by the Contractors during construction.

Climate Mitigation and Adaptation

The project is expected to positively contribute towards climate change mitigation and adaptation. Mitigation will be achieved by a number of performance improvement measures, including but not limited to renewable energy generation and energy efficiency measures, reduction of water losses and sewer infiltration and improved sludge digestion. These will contribute towards the overall reduction of energy requirements and methane emissions and thus will result in a reduction of GHG emissions. The construction and rehabilitation of stormwater drainage pipelines and treatment equipment will allow Klaipeda City to better adapt to the identified climate change risk of increased frequency and magnitude of extreme rainfall events.



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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 Paris Alignment for Counterparties (PATH) Framework

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

Social Assessment, where applicable

The project will generally benefit public health, by increasing or improving access to drinking water and sanitation services at affordable tariffs, and by collecting and treating wastewater and combined stormwater overflows before discharging into receiving waters bodies. The project will increase the employment opportunities during the construction.

The Promoter prepared a Social Responsibility Report in 2021, which reflects its progress in implementing the principles of United Nations Global Compact and in achieving the United Nations Sustainable Development Goals. The Social Responsibility Report provides interested parties with non-financial information that best reflects the Promoter's activities in social responsibility. The report is integrated into the Promoter's 2021 Annual Report and published on the Promoter's website and is therefore available to all interested parties.

The Social Responsibility Report also describes its human resources strategy, which includes an Equal Opportunities Policy and a Code of Ethics. The Report also describes the Promoter's Occupational Safety and Health principles.

Public Consultation and Stakeholder Engagement

Where relevant, the Promoter will be required to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision process.

Other Environmental and Social Aspects

The Promoter actively contributes to nature-friendly initiatives and social projects in order to contribute to the reduction of climate change and contributes to social partnership projects. In cooperation with scientists from Klaipeda University, the public was educated about sustainable water consumption, irresponsible management of waste, especially domestic waste, and proposed alternatives along the path of sustainability.

Conclusions and Recommendations

By extending, rehabilitating and upgrading the water, sewage and stormwater treatment facilities, increasing and improving the performance of the water supply, wastewater and stormwater collection, the project is expected to generate a positive impact on the environment and will contribute to the improvement of living conditions of the inhabitants of the broader area of Klaipeda City and Klaipeda District Municipalities.

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



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- The Promoter will be required to act according to the provisions of the relevant EU Directives, EIA Directive 2011/92/EC amended by the EIA (2014/52/EC), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives.
- The Promoter will be required not to allocate Bank funds to project components that require a full EIA study until the EIA study and/or the necessary nature assessment have been finalised and approved by the relevant competent authority. Once any EIA study is available, the Promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
- The Promoter undertakes to provide to the Bank, 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 (if relevant).

Considered the above, the Project is acceptable for EIB financing from an environmental and social point of view.