



Luxembourg, 18 November 2024

Environmental and Social Data Sheet

Overview

Project Name:	CATALONIA WATER INFRASTRUCTURE
Project Number:	2023-0839
Country:	Spain
Project Description:	Catalonia Water Infrastructure aims to finance improvements and extension of existing water infrastructure to ensure quality water supply and resilience towards climate change (quality and water availability) in the province of Barcelona in the region of Catalonia in Spain ("the Project")
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The operation concerns the main investments to be undertaken by the public entity Ens d'Abastament d'Aigua Ter-Llobregat (ATL), in charge of upstream water intakes in the rivers Ter and Llobregat, its treatment, storage and supply to the downstream municipalities and utilities, for a total beneficiary population of four million.

The main Project components are: (i) Regular investments targeting the existing infrastructure and the extension to new populations under scope (ii) doubling tranche IV of the main transport pipeline from Ter to Trinitat (Barcelona) (iii) Upgrade of Ter Water Treatment Plant (WTP) (iv) Upgrade of Abrera WTP.

The investment plan aims to increase efficiency, security of supply and climate resilience of water services as well as compliance with the Water Framework Directive 2000/60/EC, in the context of the most severe drought recorded that the concerned river basin (internal Catalan river basin) has suffered. The Project is included in the third plan 2022-2027 of the internal Catalan river basin plan, which the Regional government approved on time (June 2019).

Water regulation in Spain is highly decentralised to the regions (Comunidades Autónomas). In the case of Catalonia, the regulator is Agencia Catalana de l'Aigua (ACA), currently under the regional department of Climate Action, Agriculture and Rural Agenda. The Project promoter, ATL Aigües Ter-Llobregat, is a public company, delegated by the Regional Government to provide bulk water sale to the municipalities and other public or private utilities, within the so called internal Catalan river basin (DCFC). It comprises 50% of the region surface, 90% of the population and 40% of the water demand.

Spain has harmonized its environmental legislation. For this Project, the competent authority is the Region. In the case of Catalonia, the relevant EIA law is 21/2013, aligned with the relevant EU Directives (i.e. Environmental Impact Assessment (EIA) Directive 2014/52/EU amending the EIA Directive 2011/92/EU, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC, and

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.



Birds Directive 2009/147/EC, Water Framework Directive 2000/60/EC, Drinking Water Directive EU 2020/2184). Competent authority is Department of Land and Sustainability within the Regional Government (Generalitat de Catalunya).

The River Basin Management Plan went through a Strategic Environmental Assessment, according to the SEA Directive 2001/42/EC, submitted by ACA in May 2020 and approved by the Regional Government in January 2023. The conclusions of the authorities were that the proposed actions had effectively considered the main environmental requirements detected in the scope of the Plan and that environmental measures are applied for the minimization of possible impacts.

Due to the nature of the works (recurrent network and equipment CAPEX) and upgrade of existing Water Treatment Plants, none of the components fall under Annex I of the EIA Directive and a full EIA is not, therefore, required. Works will mainly take place within existing premises/urban public spaces and not affecting Natura 2000 areas. In more detail:

- Component (i): no sub-projects require environmental impact assessment neither environmental permit.
- Component (ii): doesn't require environmental impact assessment neither environmental permit, but the Project was submitted to public consultation due to needs for expropriation (rights of way), which was solved (February 2023).
- Component (iii): it was screened out (Annex II EIA Directive), by the competent authority.
- Component (iv): ongoing engineering designs, not foreseen to fall within annex I or II of EIA Directive.

The Project will deliver substantial environmental quality improvements in the form of a more rational, quality and reliable use of water resources. It will outweigh the negative impacts, which occur mainly during construction (e.g. noise, dust, traffic).

Finally, the Project will contribute significantly to Climate Adaptation and Environmental Sustainability by supporting investments that increase resilience to climate related risks and contribute to sustainable use and protection of water resources.

The Project has been assessed for the Bank's Paris alignment and is aligned as set out in the Climate Bank Road.

Social Assessment, where applicable

The Promoter concludes that negative social impacts are only temporary (e.g. occupation of public and private space, safety hazards during construction, traffic, noise) and will be addressed by the Promoter as part of the planning for the implementation of each component, through each Environmental and Social Management Plan.

Public Consultation and Stakeholder Engagement

To comply with the guidelines established by the Global Reporting Initiative standards (<https://www.globalreporting.org/standards>), ATL has carried out a materiality analysis process with the objective of identifying relevant sustainability issues from the business perspective and for its stakeholders. This analysis was carried out during 2020-2021 and will be updated when any significant changes occur in the organization.

ATL complies with the right of access to public information that allows citizens to access information held by the Administration. This right promotes transparency, accountability and citizen participation in public management.



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 to meet regulatory requirements, the Promoter has a comprehensive environmental management system for ensuring proper implementation of new projects and monitoring of ongoing operations and has published a Sustainability Plan 2019-and a Gender Plan 2021.

The Promoter has the following certifications: ISO 9001 (Quality Certification), ISO 14001 (Environmental Certification), ISO 45001 (Occupational Health and Safety Management System), ISO 50001 (Energy Management System), ISO 22000 (food security).

Conclusions and Recommendations

The Project is driven by the requirement to ensure compliance with relevant EU environmental directives, and it will also contribute towards improved climate resilience. All components in the Project will be subject to the Promoter's compliance with the following requirements:

1. The Promoter undertakes not to allocate Bank funds to Project components that require a full EIA until the EIA and/or the necessary nature assessment have been finalised and approved by the relevant competent. Once any EIA is available, the promoter will provide the Bank with an electronic copy of its Non-Technical Summary (NTS) and full copy of the EIA, for publication on the EIB website.
2. The Promoter shall not commit any EIB funds against any component that impacts nature conservation sites, without receiving from the relevant competent authorities the declaration under Art. 6(3) of the Habitats Directive that there are no significant effects and informing the Bank of such declaration having been obtained.
3. The Promoter undertakes to provide to the Bank, if requested, any decision and subsequent justification that screen out Project components from the requirement of a full EIA as well as the decisions issued by the competent authorities regarding the Habitats and Birds Direct.
4. The Promoter undertakes that for components (ii), (iii) and (iv), and at request of the Bank, it will provide adequate proof that the engineering designs take account of the increased flood risks due to climate change.

Under these conditions, the operation is acceptable for EIB financing in environmental and social terms.

The project benefits from financing under the Recovery and Resiliency Fund (RRF) and is expected to ensure that it does no significant harm to any of the six environmental objectives within the meaning of the art. 17 of the Taxonomy Regulation (EU) 2020/852 (the principle of "do no significant harm" (DNSH)). Based on the information provided by the Promoter, a DNSH assessment was carried out for all six environmental objectives, and it was concluded that the project does not have significant foreseeable impact on any of the six environmental objectives. Overall, the project complies with the DNSH principle by satisfying the conditions stipulated in the Council Implementing Decision Annex on the approval of the assessment of the recovery and resilience plan for Spain.