European Investment Bank

Environmental and Social Data Sheet

Overview

Project Name:	*WATER SUPPLY - PROVINCE OF LIMBURG II*
Project Number:	*2022-0177*
Country:	*THE NETHERLANDS*
Project Description:	This is part of the 2023-2027 investment programme on water supply infrastructure of Waterleiding Maatschappij Limburg (WML), a water supply company operating in the province of Limburg, in the Netherlands (the "Programme" or the "Project"). The Programme consists mainly of replacement and upgrading of drinking water production and distribution facilities.
EIA required:	This is an investment programme made up of multiple schemes. Some of them may require an EIA study under the EIA directive 2011/92/EC as amended by Directive 2014/52/EU.

Project included in Carbon Footprint Exercise[1]: no

Environmental and Social Assessment

Environmental Assessment

This is the second operation with *Waterleiding Maatschappij Limburg (WML*), the "Promoter", a water supply company operating in the province of Limburg, in the Netherlands. The Programme is developed by an experienced promoter and takes into consideration environmental and social aspects as required by European and National requirements. The Dutch legislation complies with the relevant EU Directives (Drinking Water Directive 2020/2184, SEA Directive 2001/42/EC, EIA Directive 2011/92/EU as amended by the Directive 2014/52/EU, Birds Directive 2009/147/EC, Habitats Directive 92/43/EEC). The Promoter is well aware of these requirements and acts accordingly.

The Project will co-finance investment schemes that form part of the Promoter's investment programme for 2023-2027. The main categories of the Programme are upgrading and renewal of groundwater abstraction and treatment facilities (mainly pumping stations for abstraction, water treatment and softening plants), the rehabilitation and extension of distribution network including transport mains and distribution lines, the construction of new water storage reservoirs and finally measures such as the upgrade of Information and Communication Technology (ICT) infrastructure and the installation of pressure sensors in distribution lines which will significantly contribute to the optimization of the existing business processes.
The Programme is mainly geared towards improving security and quality of drinking water supply within a climate vulnerable service area. It has positive environmental impacts through the sustainable management of nature protected areas around the ground water abstraction zones and by encouraging farmers to a more sustainable land use (using less manure/fertilizer and pesticides).
The use of advanced water treatment technologies such as activated carbon filters will allow perfluorinated acids (PFAS) and Bentazone removal and thus further compliance with the new

[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.

Drinking Water Directive (EU) 2020/2184. Softening of water after aeration has the benefit of increasing the lifespan of water mains by reducing the accumulation of calcium and magnesium deposits that clog the water pipes.
The Programme aims as well at increasing the water supply network resilience as it includes major investments on replacing aging transport mains and distribution pipelines reaching their end of life. This will reduce water losses and thus have a positive impact on the usage of raw water resources.

Strategic Environmental Assessment
Most of the key investments such as replacement and/or rehabilitation of distribution lines and water treatment facilities fall within higher level strategic frameworks, such as the National Water Plan, Provincial Water Plans and local Spatial Plans. These plans have all undergone Strategic Environmental Assessments (SEA) as per the Directive 2001/42/EC.

WML's activities are fully compliant with the SEA Directive 2001/42/EC. In the spirit of this regulation, WML is an active player in the monitoring of water quality and fully compliant with the principles of the Water Framework Directive.

Environmental Assessment

The investments under the Programme are expected in general to have long-term positive effects for the environment as they will address water quality issues in various locations of groundwater abstraction sites, and thus contribute to the protection of the groundwater bodies and ensure a more efficient and sustainable use of water resources. According to the types of schemes expected to be implemented under the proposed operation, the majority of schemes is unlikely to require a full EIA. Depending on the scope, the schemes will fall either under Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the EIA Directive 2011/92/EU as amended by the Directive 2014/52/EU (not subject to EIA process). In case a scheme requires a full EIA, its implementation will not start before receiving first all the necessary approvals from the Competent Authority. In this case, the Bank will also require from the Promoter to provide a full copy of the EIA in order to be published on the EIB website.
Likewise, the schemes due to their nature/type are not likely to have negative impacts on nature conservation areas. Nevertheless, given that annual revisions may result in slight changes of the Programme (in terms of the type and location of each scheme), some schemes under the Programme may be subject to EIA screening by the relevant competent authority under the Directive 2011/92/EC as amended by the EIA Directive 2014/52/EC.

<u>Water quality improvement and nature protection within groundwater abstraction areas</u>
WML pumps the groundwater from 300 wells and the purification process takes place at one of the 23 production plants (pumping stations). Through the renewal of production plants the Programme is expected to address water quality issues identified at several groundwater abstraction sites within WML's service area so as to ensure continued compliance with the Drinking Water Directive. One example is the case of salinisation in Hanik and Grubbenvorst. Due to the abstraction, more saline water is pulled up from deeper layers and this increases the chloride content in the extracted water. Another example is the increase of organic micropollutants from agriculture in various locations which in the case of Craubeek and Roodborn sites.
In addition, the wells are located within protected water abstraction areas. Some proposed investments are meant to combine environmental benefits with the process of drinking water production. According to its Corporate and Social Responsibility (CSR) policy, WML is committed to the continued collaboration with neighbours for maintenance and management of a number of natural reserves for the protection of the groundwater extraction sites and nature development in the area, such as the nature reserve area of Het Limburg landscape.

<u>Investments for nature restoration</u>

The suggested Programme will continue financing a major maintenance service for the Lange Vlieter, the 'drinking water lake' between the Napoleonsweg, Beegden and Heel, so that the lake can continue to serve as a storage basin for drinking water production by WML in the future.

Environmental impacts

Due to the nature of the works to be implemented it is anticipated that the negative environmental impacts will likely be only associated with the period of construction and will be mainly localised and temporary and reversible such as (i) minor disturbance due to pipe replacement techniques and (ii) temporary increase of traffic around the construction sites. These negative impacts will be mitigated with appropriate measures (eg faster or trenchless pipe replacement techniques, stakeholder information, public consultation and participation).
The main long-term positive environmental impacts of the operation can be summarised as follows:

- The protection of surface and groundwater bodies and a more efficient and sustainable use of water resources.
- The continued maintenance and management of nature protection areas around the abstraction areas will foster biodiversity and ensure minor disturbance of bird areas and habitats of vulnerable species.

Climate Adaptation and Mitigation

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 reduction of water losses and leakages through large scale replacement of old transport mains and distribution lines within District Metered Areas (DMAs). The usage of DMAs can help to gain better knowledge of what is happening in the distribution system. This can result in operating at lower pressures, which in turn can contribute to save energy in the whole system. Moreover, the Promoter has confirmed that the overall energy consumption for abstraction and treatment is already below the threshold value of 0.5 KWh/m^3 and therefore any additional refurbishment works on abstraction and treatment under the suggested operation will only further improve the already very good performance of the system.

Identified climate vulnerability within the WML's service area, namely more intense and prolonged droughts, will be mitigated by increasing the water security of the supply system through construction of new transport mains and new reservoirs, and improving the water efficiency of the whole system by installing pressure sensors and upgrading the ICT infrastructure.

Paris Alignment

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

Social Assessment

The proposed investments will improve access to safe drinking water and sustain high water quality at affordable tariffs to the service area and will result in a more climate resilient and robust water supply system. This will yield lasting positive social benefits, including improving

the living conditions of the inhabitants within WML's service area and thus be beneficial for the public health. The works will also contribute to local employment creation during the construction period.

The negative social impacts of the Project are only temporary such as the possible disruption of water services and traffic, and noise and temporary occupation of public and private space. They are common for this type of projects in urban environments and will be addressed as part of the planning permission for the relevant schemes.

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.

Conclusions and Recommendations

The Project contributes towards the fulfilment of SDGs, particularly SDG 3 on "Good Health and Well-being", SDG 6 on "Clean water and sanitation", SDG 11 on "Sustainable Cities and Communities" and SDG 13 on "Climate Action".

Overall, the Project has positive net social and environmental benefits. By rehabilitating, upgrading and increasing the capacity of the abstraction and treatment facilities, and improving the performance of existing and new drinking water supply system, the Project is expected to generate a positive impact on the environment and will contribute to the improvement of living conditions of the inhabitants within WML's service area.

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) Directives and Drinking Water Directive.
- The Promoter will be required not to allocate Bank funds to project components that require a full EIA until the EIA and/or the necessary nature assessment have been finalized and approved by the relevant competent authority. Once any EIA 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, 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.

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