

Public

Environmental and Social Data Sheet

Overview

Project Name: LRH Water Infra Upgrade
 Project Number: 20190669
 Country: Italy
 Project Description: Investments in water and wastewater infrastructure in the Province of Lecco (Lombardy Region) during the period 2019 - 2023.

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

The project concerns the 2019-2022 water and wastewater investment programme of Lario Reti Holding S.p.A. ("LRH"), a utility providing Integrated Water Services ("IWS") in the service area known as *Ambito Territoriale Ottimale di Lecco* ("ATO"), covering the Province of Lecco in the Lombardy Region. The Promoter is the main operator of IWS in the ATO, serving ca. 340,000 persons under the framework of a 20-year concession ending in 2036.

The activities of LRH are under the supervision of the local authority (*Ufficio d'ambito di Lecco*) and the national economic regulator ("ARERA"). In terms of environmental regulation, the Regional Agency for Environmental Protection and Prevention of Lombardia (ARPA Lombardia) is mainly responsible for monitoring the quality of water bodies. The Health Authority is responsible for monitoring compliance with the drinking water quality standards.

The project consists of numerous small to medium size investments aimed at expanding and upgrading the existing water supply, wastewater collection and treatment systems. The purpose of the project is twofold: (i) increase the efficiency and reliability of the water systems, and (ii) enhance the performance of wastewater collection and treatment services to ensure compliance with European and regional environmental requirements.

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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The 30-year master plan of the ATO (*Piano d'Ambito di Lecco* – “PdA”) is the planning framework of the proposed operation. It comprises amongst others, the business plan (*Piano economico-finanziario*) and the three-year investment plan (*Programa di Interventi* – “Pdl”) of the provider of IWS in the ATO, updated and approved by the Local Authority on a regular basis (last revision in 2018). The revision of the Pdl is not subject to a Strategic Environmental Assessment (SEA) in accordance with the requirements of the SEA Directive 2014/52/EC. However, the project is designed to meet the requirements of the *Piano di Tutela delle Acque della Regione Lombardia* (“PTA” - last revision in 2016), which is part of the national implementation of the Water Framework Directive 2000/60/EC, hence subject to a SEA.

The project will deliver substantial environmental quality improvements in the form of a higher ecological quality of surface and underground water resources and a more rational use of water resources that outweigh the negative impacts, which occur mainly during construction (e.g. noise, dust, traffic). None of the works will be implemented inside or near Natura 2000 or other protected sites. Some schemes might fall under Annex II of the Environmental Impact Assessment (“EIA”) Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Therefore, the decision whether an EIA is required is left to the Competent Authority (the Region of Lombardy), on the basis of the criteria defined in Annex III of the EIA Directive.

Finally, the project will contribute to Climate Adaptation and Mitigation by supporting investments that increase resilience to climate related risks and reduced GHG emissions.

Social Assessment, where applicable

By increasing the quality and reliability of water and wastewater collection and treatment services, the project is expected to bring substantial health advantages and environmental quality improvements to the affected population, thereby increasing the quality of life in the project area. Social negative impacts are only temporary (e.g. occupation of public and private space, safety hazards during construction, traffic, noise) and will be addressed as part of the planning for the implementation of each scheme.

Public Consultation and Stakeholder Engagement

The Promoter will be requested 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, where relevant, in accordance with the Aarhus Convention.

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 which is applied to new projects and monitors ongoing operations. The Promoter has the following certifications: ISO 9001 (Quality

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Certification), ISO 14001 (Environmental Certification), and OSHAS 18001 (Occupational Health and Safety).

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 and emissions reductions. All schemes under 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 schemes that require a full EIA until the EIA and/or the necessary nature assessment have been finalised and approved by the relevant competent authority. 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 scheme 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 schemes from the requirement of a full EIA as well as the decisions issued by the competent authorities regarding the Habitats and Birds Directives.

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