

Public

Environmental and Social Data Sheet

Overview

Project Name:	CLIMATE CITY MILANO COVID-19 FL (2020-0071)
Project Number:	2020-0071
Country:	ITALY
Project Description:	Framework Loan to co-finance multi-sector schemes included in the 2020-2022 Investment Programme of the City of Milan and supporting the implementation of its Air Quality and Climate Plan. Investments comprise five pre-selected sectors: upgrade of public buildings to include Energy Efficiency (EE) and Renewable Energy (RE) measures, social infrastructure, sustainable urban mobility, solid waste - recycling centres, and open public spaces, comprising pedestrian areas, parks and public squares. The operation is expected to contribute significantly to the economic recovery of the City after the COVID-19 outbreak.
EIA required:	Multiple projects (Framework loan). Some of the underlying investments may fall under Annex I or II of EIA Directive 2011/92/EU (as amended by Directive 2014/52/EU)
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

This operation supports multi-sector investments in five sectors included in Triannual Investment Programme of Milan, namely the upgrade of public buildings to include EE and RE measures, the refurbishment of social infrastructure such as schools, sustainable urban mobility, construction of new recycling centres and the rehabilitation of open public spaces, including pedestrian areas, parks and public squares. All the schemes are below EUR 25 m each.

Italy, as EU Member State, has harmonized its environmental legislation with the relevant EU Directives: EIA Directive 2014/52/EU amending the 2011/92/EU EIA Directive, SEA Directive 2001/42/EC and Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC and Energy Performance of Buildings Directive 2010/31/EU.

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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All schemes will be in line with the city urban masterplan (Piano di Governo del Territorio - PGT), which defines the whole organisation of the municipal territory and consolidates all EU, national, regional and metropolitan policy objectives and strategic orientations. A Strategic Environmental Assessment has been carried out for the whole plan in 2017. The Plan was approved in 2019 and entered into force in February 2020 and it fosters the maximisation of energy efficiency, permeable urban surfaces and greening of urban areas.

Some of the FL's underlying investments may fall under Annex I or II of EIA Directive 2014/52/EU (amending Directive 2011/92/EU), requiring a full Environmental Impact Assessment (EIA) or EIA screening by the competent authority on the basis of Annex III to determine the need for a full EIA. The Competent Authority for EIA and protected areas is the Regional Administration of Lombardy. However, all schemes are expected to be located in urbanised areas and not inside or near any Natura 2000 or other protected zones.

During construction, the residual impacts are largely temporary and localized. The main impacts are the ones related to disruptions because of noise, vibration, dust, etc. as well as access to construction sites. The impacts are addressed through environmental monitoring plans. The Project's environmental impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable. Appropriate site and construction managements will alleviate potential negative effects (e.g. dust and noise during construction).

Climate Action

The City of Milan has also set ambitious objectives with the final aim to become a Carbon Neutral City in 2050. Milan is also an active member of the Global Covenant of Mayors for Climate and Energy, the largest global city movement, whose members commit to reduce their GHG emissions by 40% by 2030 and to adopt a comprehensive approach to climate adaptation.

Milan's municipal administration includes a Department dedicated to the Environmental Transition, of a Resilience Strategy (under development) and of an Air Quality and Climate Plan, which tackles in a unified and coordinated way the challenges posed by the climate crisis, in terms of both mitigation and adaptation, and the need to improve the air quality.

The city's Air Quality and Climate Plan is a cross-cutting plan aiming at improving air quality, reducing GHG emissions and improving adaptation to the impacts of climate change. Measures included in the plan span from energy efficiency renovation in public buildings, to reducing transport emissions to valorising green and blue infrastructure, thus improving rainwater management to reduce flood risk and reforestation and greening of roofs to tackle the risk of urban heat islands episodes.

The Plan clearly identifies the main areas of vulnerability to climate change, namely temperature increase, increased frequency and severity of heatwaves and droughts, increase frequency and severity of extreme weather events, raise in underground water level due to excess rain and high emission levels of CO₂, NO₂ and PM₁₀. The Plan also includes maps of the socio-economic exposure and vulnerability of the population living in different areas of the city to climate risks.

This operation will directly support the achievement of the measures included in the Plan as far as both climate adaptation and mitigation are concerned. Adaptation measures will include green roofs, green areas and improved open spaces, while mitigation measures will include mainly energy efficiency measures in public buildings (e.g. schools, municipal social housing), the extension of public transport networks and bicycle lanes as well as the construction of new recycling centres.

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Social Assessment

The Air Quality and Climate Plan specifically lists social inclusion, residents' health and access to sustainable food among its key strategic objectives. The schemes included in this operation are expected to contribute significantly to improve air quality, thus health and living conditions for the resident population as well as the economic recovery of the City of Milan after the COVID-19 outbreak. These investments are fully consistent with the ambitious transformation that the City is willing to implement to avoid going back to its former pollution trends before COVID-19.

Public Consultation and Stakeholder Engagement

The SEA carried out for the whole city masterplan approved in 2019 has undergone the required procedures of public consultation.

Conclusions and Recommendations

The overall environmental and social impact of the Project is expected to be very positive, with improved environment and quality of life for citizens. The Project is expected to significantly contribute to climate action through mitigation and adaptation measures incorporated in the project designs.

The Municipality of Milan is a very experienced and capable promoter able to manage the environmental and social issues of all the schemes included in this Project. In addition, Milan has a strong climate governance, which guarantees that climate principles are well rooted and integrated across the Municipality, and reflected in the city investment plans.

In projects where applicable, the Promoter will be requested to deliver the EIA to the Bank before the Bank funds are allocated. For investments having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the use of Bank's funds. For schemes triggering art. 4.7 of the Water Framework Directive (WFD), the Promoter has to provide evidence of the compliance with the WFD before the Bank funds are allocated.

Upon the Bank's request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works.

Therefore, given the nature of the operation and subject to the conditions stated above, the Project is acceptable for the Bank in environmental and social terms.