

Public

Environmental and Social Data Sheet

Overview

Project Name: *BOLOGNA CLIMATE ACTION & URBAN REGENERATION FL*

Project Number: *2021-0394*

Country: Italy

Project Description: *Framework Loan to co-finance multi-sector schemes included in the Investment Programme of the City of Bologna and supporting the implementation of its General Urban Plan and its Climate Strategy. Investments comprise the upgrade and construction of public buildings, including notably schools. It also includes social housing, public lighting, sustainable urban mobility schemes, parks and open spaces as well as rehabilitation of urban roads.*

EIA required: *Multiple schemes and thus, 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 Exercise¹: *No*

Environmental and Social Assessment

Environmental Assessment

The Project supports investments in six sectors aligned to the objectives of the EIB Climate Road Map: (i) public buildings, including notably schools, kindergartens and administrative buildings; (ii) social housing; (iii) parks and other public open spaces; (iv) sustainable urban mobility schemes; (v) upgrade or refurbishment of urban road infrastructure; and (vi) energy efficiency (EE) upgrades of public lighting. All the schemes are expected to be below EUR 25 million 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.

Some of the Project's underlying investments may fall under Annex I or II of EIA EU 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. In line with the National and Regional Environmental legislation transposing the mentioned EIA Directive, and given the typology and small size of the proposed schemes under this Project, the Competent Authority for EIA would fall either under the Municipal Administration (*Settore Ambiente e Verde - UO Piani e Valutazioni Ambientali*) or under the Regional Competent Authority of Emilia Romagna.

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 expected to be the ones related to disruptions because of noise, vibration, 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.

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dust. The impacts are addressed through environmental management and monitoring plans. Thus, the Project's environmental impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable.

The schemes covered by this Project mirror the key priorities of the City Investment Programme (*DUP-Documento Unico di Programmazione*). All schemes will be in line with the City General Urban Plan (*Piano Urbanistico Generale (PUG)*) and its Municipal Green Plan (*Piano Verde*) as well as the Urban Sustainable Mobility Plan (*Piano Urbano della Mobilità Sostenibile (PUMS)*).

The PUG (approved in July 2021) is the general urban planning tool of the City. The PGU was subject to Strategic Environmental Assessment (SEA), performed in line with the SEA EU Directive 2001/42/CE. One of the PUG's key objectives is to improve the resilience and environment of Bologna. It outlines the long-term objectives and the strategies to implement the principles indicated in Regional Law 24/2017. It applies to the entire municipal territory and is drafted taking in consideration the results of the Environmental and Territorial Sustainability Assessment (*Valutazione di sostenibilità ambientale e territorial - Valsat*).

In 2019, Bologna signed the Covenant of Mayors for Climate & Energy, and as a result, the previous Climate Action instruments were merged and upgraded into the existing Climate Strategy called, *Piano d'azione per l'energia sostenibile ed il clima (PAESC)*. This Strategy addresses both climate change mitigation and climate change adaptation and clearly identifies the main areas of vulnerability to climate change.

The objectives of the PAESC are:

- Mitigation: 40% reduction in CO₂ emissions by 2030 compared to 2005 emissions (keeping the emission factor of the national electricity mix unchanged), with the aim of accelerating de-carbonisation in the hypothesis of a carbon neutrality by 2040.
- Adaptation: increasing the city's green infrastructure, public green spaces and the municipal tree balance; spreading sustainable drainage systems and in particular nature-based solutions; improving the city's hydrological response; limiting domestic and non-domestic water consumption and withdrawals from the water table; improving surface water quality.

The Project has been assessed for Paris Alignment and, given the above supporting strategies and the sectors considered in this operation, it is deemed aligned both against low carbon, and resilience goals, as set out in the EIB Climate Bank Roadmap. Moreover, the Project contributes to the climate action objectives of the Bank. It includes EE upgrades in buildings and public lighting, and sustainable mobility schemes (electric buses, bicycle trails) which contribute to climate mitigation. It also includes green areas as well as other measures imbibed in designs (SUDs, planning of trees, green roofs) which contribute to climate adaptation.

Social Assessment

The schemes covered by this Project mirror the key priorities of the DUP. This Investment Programme further expands and inscribes the local strategy within the reference framework of the UN 2030 Agenda for Sustainable Development, with a top-down translation into the local operational strategy.

The DUP strategic objectives include (1) equity, social and territorial inclusion, (2) education, training and professional development, (3) health, (4) environmental revolution and ecological transition, (5) digitalisation and innovation, and (6) governance of the city. All these objectives are reflected in the selected investments, which in turn contribute to a more balanced, resilient and inclusive integrated urban development.

It is important to note that through this operation, the City will build and upgrade public infrastructure, notably schools, open spaces and sustainable mobility schemes. This will help

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to strengthen the resilience of the City to the COVID-19 crisis, as well as promoting better quality public spaces and public buildings that in turn, will help to cope better with the requested social distancing as well as current working and living conditions.

Additionally, the Project also contributes to the current EIB Gender Equality Strategy and Action Plan. Bologna has strong capacity and resources devoted to address gender equality and integrate the gender perspective in its green transition. Bologna intends to give priority to those projects that aim to reduce the existing gender gap. This helps to develop infrastructure and services that are more effective and impactful. Given this background, this operation is labelled with the EIB Gender Tag: Significant Gender Equality

Public Consultation and Stakeholder Engagement

All the City Strategies and Plans supported by this Project are have undergone the required procedures of public consultation. Additionally, the citizenry has an impact on the investment programming according to a participatory process with different access points – this includes physical and online tools, together with meetings and discussions for proposal at the level of neighborhood. Moreover, the City regularly launches surveys to follow and monitoring the implementation of them.

Other Environmental and Social Aspects

Bologna has a strong environmental and climate governance, which ensures related principles are well rooted, integrated, and thus reflected in the city investment plan. Bologna's governance also ensures that the City integrates the gender perspective in its green transition, helping to develop infrastructure and services that are more effective and impactful, supporting growth and making life in urban areas more sustainable and inclusive.

Lastly, Bologna develops its urban projects following not only the technical requirements and specifications included in the National Building Code but also the ones established at regional and local level. These two technical norms complement and go beyond the environmental and climate requirements set by National Law.

Conclusions and Recommendations

The Municipality of Bologna is a very experienced and capable promoter able to manage the environmental and social issues of all the schemes included in this Project. The overall environmental and social impact of the Project is expected to be excellent, 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.

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.