

Environmental and Social Data Sheet

Overview

Project Name:	TEA GROUP WATER INVESTMENTS
Project Number:	2021 0325
Country:	Italy
Project Description:	Investments in integrated water sector in the territory of the Province of Mantova, Italy.
EIA required:	yes (multiple investments)
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Project aims at supporting the 2022-2026 water and wastewater investment programme of the water utility AQA in Italy. The project consists of multiple interventions spread around the 40 municipalities within the service area. Investments will focus on water production, drinking water and wastewater treatment, distribution and sewerage network rehabilitation, sludge digestion and efficiency improvements. The utility is a private company providing Integrated Water Services (IWS) to ca. 305,000 inhabitants in the provinces of Mantova in the Lombardy Region ("LR").

Investments in water and wastewater infrastructure will contribute to ensuring compliance with key EU directives in the water sector, notably the Drinking Water Directive 98/83/EC, the Urban Waste Water Treatment Directive 91/271/EEC and the Water Framework Directive 2000/60/EC (i.e. WFD). Investments are designed to meet the requirements of the Programma di Tutela ed Uso delle Acque della Regione Lombardia (last revision in 2016), which is part of the national implementation of the WFD, hence subject to a SEA. The project is expected to bring substantial environmental quality improvements, notably in terms of higher ecological quality of surface and groundwater resources, as well as a more rational use of water resources and reinforcement of adaptation to extreme weather events, thereby increasing the resilience to potential effects of climate change.

All water and wastewater investments to be considered under the Project will be reviewed by the local service regulator (Ente di Gestione dell'Ambito, "EGA") in the relevant service area (Ambiti Territoriali Ottimali, "ATO"), and approved by the national economic regulator for Electricity, Gas, and Integrated Water Services (i.e. ARERA). Furthermore, they form part of a "Piano d'Ambito", which is subject to a Strategic Environmental Assessment (SEA). In terms

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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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

Italy has harmonized its environmental legislation in line with the relevant EU Directives (i.e. Environmental Impact Assessment (EIA) Directive 2014/52/EC amending EIA Directive 2011/92/EC, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC, and Birds Directive 2009/147/EC). Large parts of the underlying investment programmes will consist of the upgrade and expansion of networks and facilities in urban areas, with the main impacts being those during construction (noise, dust, traffic) and not normally requiring a full EIA. A few project components may need an EIA and a larger number of the project components are likely to fall under Annex II of the EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU. For the latter case, this means that the decision as to whether an EIA is required is left with the competent authority on the basis of the criteria defined in Annex III of the Directive. To date, no component has been subject to an EIA and no component is in the screening process according to the requirements of the Habitats Directive for their locations inside or near Natura 2000 sites.

The Project will contribute substantially to the Bank's objectives of Climate Action and Environmental Sustainability by supporting investments that increase resilience to climate related risks (especially extreme weather events through substantial investment in storm water management), reduce GHG emissions, and enhance the sustainable use and protection of water resources. The project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience goals set out in the Climate Bank Roadmap.

Social Assessment, where applicable

The Project is expected to bring important lasting benefits to the population, by increasing the quality and reliability of water and wastewater services. Potential social impacts include the possible disruption of services and traffic, noise and temporary occupation of public and private space, and safety hazards during construction only, common for this type of projects in urban environments, and will be addressed as part of the planning for each sub-operation.

Public Consultation and Stakeholder Engagement

The utility will have to ensure compliance with national and European environmental regulations and facilitate the access by the public to environmentally relevant information in accordance with the Bank's Transparency Policy.

Other Environmental and Social Aspects

Not applicable

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 utility's compliance with the following requirements:

1. The utility 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 utility

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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 utility 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 utility undertake 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.