

Luxembourg, 18<sup>th</sup> May 2022

## Environmental and Social Data Sheet

### Overview

Project Name:	CLIMATE ACTION PROGRAMME LOAN ITALY II
Project Number:	20210768
Country:	Italy
Project Description:	Programme Loan (“PL”) to support small to medium size renewable energy (“RE”) projects and energy efficiency (“EE”) projects in Italy
EIA required:	Some of the projects in the sub-operations could require an EIA.
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

The proposed operation consists of a Programme Loan (PL) of EUR 500m to support energy efficiency projects and small to medium size renewable energy projects (PV, wind and to a small extent biofuel) in Italy. The implementation of the pipeline of projects under the PL will contribute to the achievement of the country targets for CO<sub>2</sub> emissions, as it has a 100% climate action component.

The PL is expected to encompass 4-7 sub-operations with a lending volume between EUR 70-150m each. Each sub-operation will be structured as a Framework Loan (FL) targeting energy efficiency and small renewable energy through acceptable Promoters (financial intermediaries / institutions<sup>2</sup>, utilities, ESCOs, etc.) who will lend to the final beneficiaries.

The operation would contribute to the EU energy objectives by supporting investments in renewable energy generation capacity and energy efficiency projects. The investments will generate environmental benefits, in terms of reduction of air pollutants and GHG emissions and supporting better health through improving better air quality. In addition, some of the investments will also be located in convergence regions.

Some of the sub-operations and their underlying investments will likely fall under Annex II of the EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU. In these cases, the Bank will require the Promoters to ensure final beneficiaries act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in an investment project, the Promoters shall deliver to the Bank a copy of the Non-Technical Summary (NTS) and EIA documents, or provide a website link to the location where the EIA is published. If a project is screened out, then, according to the EIA Directive, this should also be made public, stating the reasons for not requiring such an assessment.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

<sup>2</sup> Namely national and regional promotional banks.



Luxembourg, 18<sup>th</sup> May 2022

For projects located within or in the immediate surroundings of Natura 2000 areas, protected under the Habitats Directive 92/43/EEC and the Birds Directive 2009/147/EC, relevant appropriate assessments pursuant to the Article 6.3 of the Habitats Directive 92/43/EEC, will be carried out.

## Conclusions and Recommendations

During appraisal of the individual sub-operations, it will be confirmed that the Promoters have fully understood the Bank's E&S requirements and are willing and capable to fully implement them. In order to strengthen the coordination and accountability aspects, the Promoters will be required to designate a responsible environmental expert, who will oversee all the environmental and social aspects of the investments.

The following loan disbursement conditions and undertakings will be included, inter alia, in the sub-operations legal documentation:

- The legal documentation to be concluded between the Promoters / Borrowers and the Bank shall include an obligation on the Promoters / Borrowers to ensure that all projects comply with national and European legislation (where applicable), as well as the Bank's Environmental and Social standards.
- Where relevant, the Promoters shall obtain written confirmation from the competent authority that the investment will not have any significant negative impact on sites of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 2009/147/EC respectively) and the associated Natura 2000 network.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.