



Luxembourg, 31 October 2023

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name:	<i>AMAP Water Investments</i>
Project Number:	<i>2017-0743</i>
Country:	<i>Italy</i>
Project Description:	<i>Investments in water and wastewater infrastructure in the Province of Palermo (Sicily Region) during the period 2017 - 2020</i>

### Summary of Environmental and Social Assessment at Completion

**EIB notes the following Environmental and Social performance and key outcomes at Project Completion.**

#### Environmental Assessment

The project concerned the 2017-2020 water and wastewater investment programme of Azienda Municipalizzata Acquedotto di Palermo S.p.A (AMAP S.p.A), a publicly owned utility providing Integrated Water Services (IWS) to the city of Palermo and 43 neighbouring municipalities located in the Province of Palermo (ca. 920,000 inhabitants). AMAP operates in the framework of a 30-y “in-house providing” scheme expiring in 2045. The project consisted of numerous small size interventions to address the most critical investment needs across AMAP’s operational area.

The Promoter confirmed that none of the lines of interventions had an impact on Natura 2000 or other protected sites, nor do they fall within the scope of Annex I of the Environmental Impact Assessment Directive 2014/52/EC.

The operation’s objective was to increase the performance, quality and reliability of the water networks and to increase operational efficiency, notably through a reduction in Non-Revenue Water (NRW), by replacing critical sections of water networks and implementation of remote control system and replacing water meters for customers. With regard to wastewater quality, within the AMAP area, 32 agglomerations are not compliant with Dir. 91/271/CEE and have been subject to infringement procedures since 2004. Therefore, the objective was to contribute to achieving compliance through replacing sections of the wastewater networks and rehabilitating existing WWTPs.

The project had some tangible positive impact on the level of water efficiency and water abstraction level. Water production has slightly increased (2%) throughout the implementation period, from 109 Mm<sup>3</sup> to 111,6 Mm<sup>3</sup> despite the substantial increase of the total population served (23%, from 920,000 to 1.136.000 inhabitants). The per capita consumption remains stable at 153 l/c/d, This is due to the fact that there has been a substantial improvement on the reduction of the water losses, with the non-revenue water level going from 58% down to 51%.

With regard to wastewater quality, the Promoter has focused EIB funding on urgent investment needs, but also identified the interventions needed in the long term and started the detailed design. The revision of the investment plan was required following the emergency integration of additional infrastructure under the management of the Promoter following the financial default of another public utility in the area. It is now estimated that approximately 700 million EUR will be needed to complete the investments in the service area and ensure full compliance.



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The Promoter also informed EIB of on-going legal proceedings at the Court of Palermo in relation to alleged environmental crimes (i.e. the discharge of not adequately treated wastewater directly into the sea or local rivers). Only 1.2% of the EIB financed investments is related to the three wastewater treatment plants involved in the on-going investigation and the alleged crimes date from before the investments financed by EIB were implemented. Nevertheless, the Bank cannot currently opine comprehensively on the Promoter sound practice with respect to environmental, health and safety management until the court case is closed.

For this reason, it is recommended to have an extended monitoring (PCR+3) applied to this operation to follow the outcomes of the court case.

**Summary opinion of Environmental and Social aspects at completion:**

EIB is of the opinion based on reports from the promoter, and inputs provided by third parties (see the court case documentation), that **the Project has been implemented** in line with EIB Environmental and Social Standards applicable at the time of appraisal, **only for the water component part**. For the wastewater component, no conclusion can be drawn at this stage, given the ongoing criminal investigation.