Luxembourg, 17 September 2013

Environmental and Social Data Sheet

Overview

Project Name:	GRUPPO HERA-ACEGAS APS SETTORE IDRICO
Project Number:	20100024
Country:	Italy
Project Description:	Mid 2012 - end 2017 investment programme in small and medium sized water and wastewater schemes in the Emilia Romagna, Veneto (Padova) and Friuli Venezia Giulia (Trieste) regions.
EIA required:	YES for some components
Project included in Carbon Footprint Exercise[1]:	NO

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

This is a typical water and wastewater investment programme applying standard technologies undertaken by an experienced promoter. Certain components specifically target the achievement of full compliance with EU Directives such as the Urban Waste Water Treatment Directive 91/271/EC as amended by Directive 98/15/EC. The main environmental and social impacts occur during construction such as traffic noise and dust, are temporary in nature, and can be avoided or reduced by applying established practices in the sector.

Certain project components fall under the Environmental Impact Assessment (EIA) Directive 2011/92/EC as transposed into Italian legislation. Some of the EIA procedures have already been completed and the relevant documentation shared with the Bank. For the remainder, an undertaking has been included in the contract requiring where necessary, that the promoter completes any EIA or nature conservation area impact assessment required under the Habitats Directive 92/43/EC and the Birds Directive 2009/147/EC and receives approval from the competent authorities prior to allocating the Bank's funds to the project component, and that copies of the relevant documents, including the consents, are furnished to the Bank.

Overall the investments have a positive net social and environment impact. The project's environmental basis is acceptable for Bank financing.

Environmental and Social Assessment

Environmental Assessment

Most investment programmes of the promoter are exempt from requiring an SEA because the programmes predate the effectiveness date. Nonetheless there is some uncertainty on the requirement for components falling under new river basin management plans subject to SEA or updated versions of the investment programmes. Hence an additional project undertaking condition was included requiring the promoter not to allocate the Bank's funds to those project components within the investment programme falling within the scope of the SEA Directive without the approval of the competent authority on SEA, unless the concerned components are already agreed as representing priorities within the investment programme.

Of particular interest in the investment programme, is the Servola wastewater treatment plant as it is amongst the treatment plants in Italy that are the subject of an EU Infringement Procedure for non-compliance with the Urban Wastewater Treatment Directive. The plant is in

[1] Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

breach for not having a tertiary (biological) treatment as required by the Directive for plants treating > 150,000 population equivalents. One reason contributing to this delay was the appeal procedure by the local authorities to the competent authorities on the need of this additional cost given the negligible impact on the receiving waters. Following rejection of the appeal and lengthy applications for subsidies, the limited siting options and related permits were the cause of further delays. The only available, adjacent land is considered contaminated and requires remediation under a very particular National Remediation Plan (L.426/98, L.388/00, D.M.468/01, L.179/02). The preliminary and detailed designs including for the remediation have been approved, and an agreement between relevant parties and stakeholders ("Conferenza dei Servizi") has been reached. The relevant land use concession is also soon to be approved by the Trieste Port Authority and procurement for the combined remediation and plant construction works can then start. Given the need for remediation works and the difficult access to this very confined space, overall completion will be lengthier than usual for such works. However, since the required investment is included in the programme, compliance with the Urban Wastewater Treatment directive should be achieved within the project timeframe. An EIA was not deemed necessary for this particular site by the competent Authority as it was a minor upgrade at/adjacent to an existing facility.

Some components in the investment programme will contribute toward increased resilience of the water and wastewater management services to climate related risks such as increased droughts and floods. In addition, activities concerning network rehabilitation and reduction of water losses may contribute to reduced water and energy use (natural resource efficiency) and may contribute to reduce carbon emissions.

Other Environmental and Social Aspects

The promoter has provided evidence of sound practice with respect to environmental management and confirmed that all new projects are assessed for environmental impact. In addition to systems for meeting regulatory requirements, the promoter has a comprehensive environmental management system which assesses new projects and monitors on-going operations and follows regulations regarding management of cultural heritage assets.

The promoter is accredited to meet the standards of ISO 9001; ISO 14001 and OSHAS 18001. The promoter's sustainability performance is publicly documented in an annual report.

Site visits demonstrated the appropriate implementation of health, safety, security and environmental standards.

The operation will provide environmental benefits through improved treatment of wastewater in compliance with relevant Directives and through energy savings resulting from general efficiency gains such as reduced leakage and other network improvements.

PJ/ECSO 10.07.13