

Environmental and Social Data Sheet

Overview

Project Name:	TANGENZIALE EST ESTERNA MILANO PPP
Project Number:	20120008
Country:	ITALY
Project Description:	The project consists in the construction of a new 32-km long tolled motorway and ancillary works realising the eastern outer bypass of the city of Milan (TEEM), which will link the motorway A4 (Milano-Venezia) at Agrate Brianza, in the north, to the motorway A1 (Milano-Bologna) at Melegnano, in the south. The project is entirely located within the Lombardy Region, in the northern part of Italy, in an area with high mobility demand in-between the Milan, Monza-Brianza and Lodi provinces.
EIA required:	YES
Project included in Carbon Footprint Exercise ¹ :	YES

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

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

The new motorway link and related improvements to the current road network will decongest the traffic load on the existing eastern bypass of Milan and are expected to effectively enhance the mobility in the eastern area of the city and neighbouring municipalities. The main impacts of the project are an increase in air, water and noise pollution, as well as land appropriation and visual intrusion of the new infrastructure which includes interchanges, bridges, viaducts and protection walls.

The project falls under Annex I of the EIA Directive 2011/92/EU and requires a full EIA including public consultations. An initial EIA for the preliminary design was carried out in February 2003. The impacts of the variations to the preliminary design, resulting from prescriptions of approving authorities and agreements with local entities, were evaluated in a new EIA carried out in October 2010 and approved by the relevant authorities together with the final design in March 2012.

The new motorway does not cross any location of the Natura 2000 network. The two closest Natura 2000 sites (i.e.: IT-2090502 Garzaie del Parco Adda Sud and IT-2090004 Garzaia del Mortone) are located 2.4 km away from the motorway and should suffer no tangible impact. The Promoter has also provided the confirmation of the competent authority that the project complies with the EU Habitat and Birds Directive in a form acceptable to the Bank.

The project has some negative environmental impact due to combined effects on CO₂ emissions. On the one hand, it will relieve congestion, increase average distances travelled and travel speed, on the other had the project will induce traffic to the new motorway. As a whole CO₂ emissions will increase by 30000

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided that the 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.

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tons per average operating year, which represent 12% of the baseline emission estimated at some 250000 tons.

The project is acceptable for the Bank's financing subject to the submission, prior to first disbursement, of evidence that the Promoter has finalised the procedures related to the use of quarries and agreements with suppliers of aggregates to ensure the provision of adequate quantities of materials for the needs of the project.

Environmental and Social Assessment

Environmental Assessment

Compliance with applicable Environmental Legislation

The project falls under Annex I of the EIA Directive 2011/92/EU and requires a full EIA including public consultations.

The TEEM motorway was included in the resolution no. 121/2001 of the Inter-Ministerial Committee for Economic Planning (CIPE) establishing the infrastructures of strategic national interest. For these infrastructures the law n. 443/2001 "Legge Obiettivo" and its implementing decree n. 190/2002 establish that the EIA is to be assessed by a special commission (i.e.: Commissione Speciale di Valutazione Impatto Ambientale) after consultations with the regions during the preliminary design phase. Within this legal context the pronouncement of environmental compatibility is to be issued by the CIPE together with the approval of the design.

An initial EIA for the project was carried out in February 2003 and was approved with prescriptions by the Lombardy Region on 30 September 2003. The implementation of said prescriptions, however, required substantial changes to the motorway alignment and entailed a comprehensive review of the preliminary design and the associated EIA which were completed in July 2004 and approved by the CIPE on 29 July 2005, with resolution 95/2005, dictating further requirements to be implemented in the final design.

An agreement detailing the environmental compensation measures and works to improve the mobility in the eastern area of Milan (i.e.: Programme Protocol) was jointly signed by the Municipalities affected by the project, the Ministry of Infrastructure, Local Authorities, the Conceding Authority (CAL) and the National Road Authority (ANAS) in November 2007. The variations to the preliminary project resulting from the Programme Protocol and the CIPE prescriptions were incorporated into the final design and evaluated in a new EIA carried out in October 2010.

Both the final design and the environmental assessment were approved by the Conceding Authority on 23 December 2010. The project was then submitted to the Ministry of Infrastructure for approval pursuant to the Legislative Decree 163/2006 and, at the same time, published in order to obtain the declaration of public utility. The CIPE approved the final design and EIA with resolution n. 51/2011 in August 2011 including 191 prescriptions and 134 recommendations which became effective upon registration with the Court of Auditors and subsequent publication in the Italian Official Journal on 3 March 2012.

Following the accomplishment of these procedures, the EIA process can be considered completed.

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Environmental Impacts and their mitigation

The project's main positive impacts are: reduction to travel time, vehicle operating costs and accident levels.

The project's main negative impacts include an increase in air, water and noise pollution in proximity of the new motorway as well as land appropriation and visual intrusion of the new infrastructures with interchanges, bridges, viaducts and protection walls.

The project's main mitigation measures include 20220 m of noise barriers, 10 wildlife passage corridors, 35 km of bicycle path, use of drainage systems to collect and treat polluted waters from the motorway, greening and reforestation of 9 areas in proximity of the motorway for a total surface of 241 hectares, environmental adaptation of the quarries for a total surface 61 hectares and a contribution of Euro 1.43 Million for the refurbishment of an existing historic church in the area.

Nature conservation

In Italy, the classification of the protected natural areas is defined within the Framework Law 394/91 establishing the official list of protected areas (i.e.: Elenco Ufficiale delle Aree Protette), regularly updated by the Italian Ministry for the Environment and Territory. The list includes the Special Protection Area (ZPS) defined by the criteria of the EU Directive "79/409/EEC Birds"; which together with the Areas of European Importance (SIC), identified by the Directive "92/43/EEC Habitat", define the "Natura 2000" network. The list also includes other types of protected areas such as regional, inter-regional and national parks as well as natural reserves and various other terrestrial and marine protected natural areas.

The road alignment does not cross any location included in the "Natura 2000" network. The closest ZPS (i.e.: IT-2090502 Garzaie del Parco Adda Sud) and SIC (i.e.: IT-2090004 Garzaia del Mortone) are located approximately 2.4 km away from the motorway alignment. Two other SIC (i.e.: IT-2090002 Boschi e Lanca di Comazzo and IT2090003 Bosco del Mortone) are located at a distance of 2.5 km and 3.3 km respectively from the motorway; whereas three other SICs and one ZPS are all located more than 4.5 km away from the project.

The environmental studies included in the final design have confirmed that the project has no tangible impact on these sites and will not require any use of the natural resources from the SIC or ZPS. The Promoter has also provided the confirmation from the competent Authority (i.e. form A) that the project complies with the EU Habitats Directive.

EIB Carbon Footprint Exercise

The project has some negative environmental impact due to combined effects on CO₂ emissions. In fact, the project has a dual effect on ridership fuel-efficiency. On the one hand, it will relieve congestion, but on the other hand it will increase both average distances travelled and travel speed. This dual effect would lead to a decrease of about 1,000 tons of CO₂ emissions per average operating year. As the project will also induce traffic however, it will create an additional 31,000 tons of CO₂ emissions per average operating year. As a whole CO₂ emission will increase by 30000 tons per average operating year, which represent 12% of the baseline emission estimated at some 250000 tons.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost'.



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Public Consultation and Stakeholder Engagement, where required

An agreement on the environmental compensation measures to be implemented and other works aiming at improving the mobility in the eastern area of Milan was reached in November 2007. The agreement was jointly signed by the municipalities affected by the project, the Ministry of Infrastructure, local Authorities, the Conceding Authority (CAL) and the National Road Authority (ANAS).

The final design (i.e.: Progetto Definitivo), approved by the Conceding Authority (i.e.: CAL S.p.A.) on 23 December 2010, was delivered to the "Ministry of Infrastructure and Transport" and forwarded to all entities to be invited to the Public Consultation (i.e.: Conferenza dei Servizi) in February 2011. The Public Consultations, managed by the same Ministry, were concluded on 13 April 2011.

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Other Environmental and Social Aspects

Legal issues

Further to an appeal lodged by the municipality of Melzo, the Administrative Tribunal of the Lombardy region invalidated the authorization to exploit two quarries, located at Gorgonzola and Pozzuolo Martesana in January 2013. Said quarries were expected to be utilised for producing the aggregates for the formation of the road embankments included in the project. The sentence of the Administrative Tribunal was challenged by the Concessionaire before the Council of State that suspended it and restored the legal right for the Concessionaire to utilise the two quarries on 12 February 2013.

With a view to addressing other potential differences, in May 2013 the Concessionaire and the two municipalities of Melzo and Pozzuolo Martesana agreed that the quarry of some 1.6 M m³ located at Gorgonzola will not be utilised whereas the quarry located at Pozzuolo Martesana, will be extended by some 1.1 M m³ whereas some 0.3 M m³ will be procured on the market through suppliers of aggregates.

Based on the information available at the time of appraisal, it is expected that the procedures to obtain the permit for the extension of the quarry at Pozzuolo Martesana and concluding agreements with local suppliers of aggregates should be completed swiftly and with no impact on the work programme of the project. The finance contract will, however, include a disbursement condition in this respect.

Polluted sites

Although the alignment of the motorway does not cross any polluted site that was known at preliminary design stage, some illegal landfills have been surveyed in the frame of the final design and some others have been encountered during construction.

The vast majority of landfills consist of small quantities of solid waste and do not present any difficulties in the reclamation of the site or impact on project cost and work programme. However, four polluted areas, with higher quantities of pollutants have required special attention including technical and economic analyses.

The general contractor has developed and agreed with the Concessionaire a detailed procedure for classification, removal and discharge of the polluted soil in compliance with the Italian environmental legislation currently in force (i.e.: d.lgs n. 152/2006 Testo Unico Ambiente) as well as the authorization to use the technical contingency amounts to cover the costs for depolluting the soil if the unpredictability for the discovery of the polluted sites is confirmed.

The Procedure provided by the Concessionaire are considered adequate to maintain the environmental risk at an acceptable level