

Environmental and Social Data Sheet

Overview

Project Name: CDP EMILIA EARTHQUAKE RECOVERY PLAN II FL
 Project Number: 2015-0551
 Country: Italy
 Project Description: Framework Loan to CDP (Cassa Depositi e Prestiti) to partially support the Republic of Italy initiative provided under Law no. 135 of August 7, 2012 for the reconstruction and restoration of residential and industrial buildings, including preventive measures, affected by the earthquakes of May 2012 in Emilia Romagna region and neighbouring provinces.

EIA required: Multiple-scheme operation. Some of the schemes may fall under Annex I or II of the EIA Directive and may be screened in.

Project included in Carbon Footprint Exercise¹: No

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

The purpose of this framework loan is to finance the reconstruction of residence, commercial and industry assets damaged by the earthquake suffered by regions of Emilia-Romagna, Veneto and Lombardia the 20th and 29th May 2019. The intervention will focus on the most affected region, north of Emilia-Romagna and will aim to restore the normal living, working and production conditions of the area. This is the second operation to support the Emilia-Romagna's reconstruction. The first one was addressed to premises solely occupied by industrial and commercial enterprises. The current operation will also comprehend the restoration of residential and mixed used buildings. The reconstruction will take into account anti-seismic methods and energy efficiency measures.

In November 2012, the Emilia Romagna Region approved a special regional law (GPG/2012/1687) that foresees the possibility for the affected municipalities and provinces to adopt a Reconstruction Plan (*Piano di Ricostruzione*) for which a Strategic Environmental Assessment is required. The competent authority to evaluate the SEA is a dedicated committee encompassing representatives of the Region, the Provinces and Municipalities concerned by the earthquake. Until September 2015, 28 municipal reconstruction plans have been approved and the full documentation, including the SEA reports, is available on the website of the Emilia Romagna Region.

It is possible that some schemes fall under the EIA Directive 2011/92/EU, either under Annex I or Annex II. Should any scheme under this operation fall under Annex II and be "screened in" by the Competent Authority, or fall under Annex I, the Promoter shall deliver the NTS of EIAs to the Bank, if applicable, before the Bank funds are allocated.

The provinces of Reggio Emilia, Bologna, Modena and Ferrara encompass Natura 2000 areas however the schemes will be located in urban centres or in areas already used for industrial, manufacturing and other economic activities, particularly agri-business and commerce. Nevertheless, the Competent Authority has to provide evidence of the compliance with the Habitats (92/43/EEC) and Birds (2009/147/EC) Directives (Form A/B or equivalent) before the Bank funds are allocated.

The overall environmental and social impacts of the operations are expected to be positive since the main aim of the reconstruction is to re-establish the previous configuration of affected municipalities, particularly the areas of high historical and cultural value, to restore residents' quality of life and to minimise disruptions to business activities. Moreover, the

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.

reconstruction of buildings and the replacement of productive equipment will also be taken as an opportunity to improve their energy efficiency performance, thus contributing to climate change mitigation.

The institutional capacity of the promoter to manage the environmental and social issues is deemed good or adequate, depending on their previous experience with the Bank and therefore, subject to the conditions described above, the project is acceptable in environmental and social terms.

Environmental and Social Assessment

Environmental Assessment

Since the schemes will mostly concern the reconstruction of residential and industrial buildings located in urban or industrial areas, with very limited relocation, this operation is expected to have limited negative environmental impacts and the regional legislation has set up a thorough system of controls ensuring that all the interventions are in line with the municipal reconstruction plans for which the required SEA have been performed.

The competent authority for EIA is defined by the regional law May 18th 1999 (as amended by subsequent regional laws) and can be the Emilia Romagna Region, the province or the municipality in which the project is taking place, depending on the size of the project, the number of provinces and municipalities whose territory is concerned by the project and its expected impacts.

The provinces of Reggio Emilia, Bologna, Modena and Ferrara encompass 23, 24, 17 and 15 Natura 2000 areas respectively. It is possible that some of the schemes will be located in the vicinity of Natura 2000 areas, in which case the appropriate Natura 2000 Assessment will be implemented by the competent authority, which can be the Region, the province or the municipality in which the project is taking place, depending on the size of the territory affected by the project. The Region always expresses its opinion on the Natura 2000 assessments carried out at the provincial or municipal level. However, at this stage there were no identified projects located directly in Natura 2000 zones.

The reconstruction will have to follow the "Technical Rules to provide anti-seismic actions for the construction of buildings" adopted in January 2008. The area affected has been now reclassified as a level 2 seismic area. Moreover, the reconstruction of buildings and the replacement of productive equipment will so be taken as an opportunity to improve their energy efficiency performance.

Institutional Capacity of the Promoter

The Bank has a positive experience in working with both the promoter and the financial intermediary for this operation. The promoter has put in place a robust regulation and management system to ensure the quality of the supported interventions, as well as a thorough verification procedure. The system has been now operating since 2012 with very positive results in terms of approval process and disbursement of the contributions.

Social Assessment

The reconstruction of damaged buildings is to be done in their original location and resettlements are possible only in well-defined cases and subject to appropriate justification and verification by the competent authorities. This will reduce the potential for urban sprawl.

The earthquake had a very negative impact in terms of employment since the four affected provinces of Emilia-Romagna Region, namely Reggio Emilia, Modena, Bologna and Ferrara, are part of the productive heart of the region. The number of affected jobs is estimated at some 112 000 and this framework loan is expected to support the affected companies to create and maintain employment.