

Environmental and Social Data Sheet

Overview

Project Name:	AMBIENTE URBANO and SMART FIRENZE
Project Number:	2016-0129
Country:	Italy
Project Description:	Framework Loan to co-finance Sustainable and Smart projects in the City of Florence. Schemes are part of the 2017-2019 Investment plan and comprise, among other, rehabilitation and upgrading of public buildings including cultural heritage and social housing, rehabilitation of urban roads and other urban infrastructure as well as the implementation of ICT components and sustainable mobility schemes (e.g. tram lines 2 and 3).
EIA required:	This is multi-scheme Framework Loan operation. Some of the schemes may require an EIA under Annex I or Annex II (“screened in”) of the EIA Directive.
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The proposed Framework Loan (FL) is a multi-sector operation comprising investments mainly related to the rehabilitation and upgrading of existing urban infrastructure (e.g. roads, schools) and the expansion of the tramway network.

Location of the schemes is in line with the long-term City Master Development Plan² (Piano Strutturale), developed through successive short term³ Urban Regulations and sectorial City Operational Plans and Programmes. The “Piano Strutturale” was subject to Strategic Environmental Assessment in line with the SEA Directive 2001/42/EC and the relevant NTS has been provided to the Bank.

The principle of planning is to rehabilitate existing infrastructure, limiting as far as possible the expansion into new land (the so-called “zero volume” approach), but rather promoting urban regeneration, avoiding encroachment on the city’s ecological resources. Investment schemes will typically take place in developed urban areas and outside protected areas including Natura 2000.

Relevant environment EU Directives have been transposed into national legislation (SEA Directive, EIA Directive, Birds and Habitats Directives, Energy Performance of Buildings Directive). Individual schemes have to obtain building permission which already takes into account the national environmental legislation. The Regional Environmental Authority of Tuscany (ARPAT - Agenzia Regionale per la Protezione Ambientale della Toscana), will determine where relevant whether project components may require a full Environmental Impact Assessment (EIA). Depending on the size, nature and location of the schemes, ARPAT may delegate to the Municipality the assessment on the need for EIA.

The Project’s environmental impact at this stage will be short-lived and reversible, at a level which is deemed acceptable. Potential negative environmental effects (e.g. dust and noise during construction) are to be alleviated by implementing effective mitigation measures.

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.

² Piano Strutturale: Approved in 2011 by DCC 2011/C/00036.

³ Five years

The Municipality of Florence is signatory of the Covenant of Mayors and Mayors Adapt and is fully committed to Climate Action, which is one of the drivers in the urban planning and design of projects. Its Smart City Plan incorporates the principles of urban redevelopment and looks beyond the existing Sustainable Energy Action Plan (SEAP), aiming at an estimated 40% reduction of CO₂ emissions by 2030. In addition, it proposes mobility policies for a sustainable and efficient City. Florence has an Action Plan 2016-2019 proposing specific measures to improve the air quality.

The investments are expected to bring a number of positive effects in terms of climate mitigation, including energy savings and emission reductions linked to sustainable mobility (e.g. tram, bus and cycling infrastructure as well as pedestrian areas) and as a result of implementation of EE measures in public buildings (e.g. insulation of walls and roofs, changing of windows). The Project also includes Smart City components, which contribute to sustainable mobility and climate change mitigation.

Florence is also improving its resilience against earthquakes, given its location in a seismic area. This aspect will be particularly relevant for the rehabilitation of public buildings, which will comply with the latest design codes.

Social Assessment

No separate social impact assessment has been carried out for the project. However, in the context of this FL it is expected that the social impacts of the Project will overall be positive, thus justifying the Bank's involvement. The everyday life for the inhabitants and associated social relations and routines will be improved thanks to improved mobility, rehabilitation of social housing, improved municipal infrastructure, schools, sports facilities and other infrastructure for public services.

Through the Smart Strategy, Florence is aiming at using modern technology to improve urban space and public transport as well as interacting with citizens to increase quality of life.

Public Consultation and Stakeholder Engagement

The proposed schemes included in the FL are in line with the long term Structural Plan (i.e. Masterplan). This Plan has undergone a regular public consultation process and all concerned inhabitants of the City have been given the possibility to provide their comments to the draft proposal before it was approved by the City Council in 2011. The Master Development Plan is developed through short term urban regulations and sectorial City Operational Plans and Programmes also subject to Public Consultation.

Other Environmental and Social Aspects

Individual schemes have to obtain building permission from the Municipality, which already takes into account the national environmental legislation. The Promoter includes relevant and often substantial archaeologist input in their project teams to guarantee that works are carried out in line with relevant regulations, mitigating the impact of the final designs on archaeological sites.

It is envisaged that mainly small and medium-sized schemes (cost below EUR 50 million) will be included in the operation however there may be a small number of major schemes, which may include the construction of part of the tram network (lines 2 and 3) and, the exhibition centre (*Polo Fieristico-Progetto della Fortezza*). The tram project was subject to EIA. If financed, a separate subsequent EIB appraisal, including environmental and social due diligence, would be done for each of the major schemes.

Conclusions and Recommendations

The Promoter will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law. In projects, where applicable, the Promoter will be requested to deliver the NTS of EIAs to the Bank before Bank funds are allocated. In addition, for schemes with the cost above EUR 50 million, the Promoter should also deliver the full EIA Study to the Bank before funds are allocated.

For Schemes having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the Bank funds are allocated.

Overall, the net environmental impact is expected to be positive. Florence is fully committed to Climate Action, including mitigation as part of the City investment programme. Florence is also improving its resilience against earthquakes. In addition, the Project should bring about social benefits by upgrading urban infrastructure and public transport quality and accessibility.

The institutional capacity of the Promoter to manage the environmental and social issues is deemed good. Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Florence, subject to the conditions mentioned above, the FL is acceptable in environmental and social terms.

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