

Environmental and Social Data Sheet

Overview

Project Name: Italian Small Water Utilities Programme Loan
Project Number: 20170241
Country: Italy
Project Description: Financing of several small water utilities in Italy under a programme loan

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

The requirement for an EIA will be assessed at a later stage during the appraisal of the sub-loans to be approved under the scope of the programme.

Environmental and Social Assessment

Environmental Assessment

The programme loan will support investments in water and wastewater infrastructure by small and medium size water utilities, operating throughout Italy. The investments are expected to bring substantial environmental quality improvements, notably in terms of higher ecological quality of surface and groundwater resources, and benefits to the population through increased service quality and reliability.

The sub-operations will contribute to ensuring compliance with key EU directives in the water sector, notably the Drinking Water Directive 98/83/EC, the Urban Waste Water Treatment Directive 91/271/EEC and the Water Framework Directive 2000/60/EC (i.e. WFD). In October 2016 the Government approved the River Basin Management Plans (RBMPs) for the period 2016 – 2021, implementing the requirements of the WFD. These RBMPs have been subject to a strategic environmental assessment according to the SEA Directive 2001/42/EC.

Italy has harmonized its environmental legislation in line with the relevant EU Directives (i.e. EIA Directive 2014/52/EC amending EIA Directive 2011/92/EC, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC, and Birds Directive 2009/147/EC). The beneficiaries will therefore be required to ensure compliance with national and European environmental legislation.

All capital expenditures to be considered under the proposed programme loan are reviewed by the local authority in the relevant service area, and approved by the national economic regulator for Electricity, Gas, and Integrated Water Services (i.e. AEEGSI). The investment programme will mainly take place in urban areas. Works are therefore not expected to have any significant negative environmental impact.

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.

Luxembourg, 18/07/2017

Any negative impact will occur mainly during construction (e.g. dust, traffic). Adequate mitigation measures will be considered together with the enforcement of good construction practises. At operation stage, the programme will have an overall positive impact on the environment.

The contribution of the Programme to the Bank's objective of Climate Action will be assessed for each individual investment programme.

Social Assessment, where applicable

The programme is expected to bring important lasting benefits to the population by increasing the quality and reliability of water and wastewater services. Social impacts include the possible disruption of services and traffic, noise and temporary occupation of public and private space, and safety hazards during construction only, common for this type of projects in urban environments, and will be addressed as part of the planning for each sub-operation.

Public Consultation and Stakeholder Engagement

The beneficiaries will have to ensure compliance with national and European environmental legislation and facilitate access by the public to environmentally relevant information in accordance with the Aarhus Convention.

Other Environmental and Social Aspects

N/A

Conclusions and Recommendations

The Programme Loan is expected to bring long lasting environmental and health improvements. The Bank will appraise the capacity of each of the sub operations' promoter to ensure compliance with national and European environmental legislation, and require the promoters to act according the provisions of the aforementioned law.

The sub operations will be required to comply with the Bank's environmental and social requirements, as defined in the finance contracts to be signed between the promoters and the EIB and,

Based on the above considerations the Programme Loan is acceptable for EIB financing in environmental and social terms.