



Luxembourg, 5 March 2024

Environmental and Social Data Sheet¹

Overview

Project Name:	ETRA WATER & CIRCULAR ECONOMY
Project Number:	2023 - 0380
Country:	ITALY
Project Description:	The project being part of ETRA's 2023-2027 investment programme concerns the implementation of different components of the Circular Economy / Solid Waste and the water sector respectively.
EIA required:	No
Invest EU sustainability proofing required	Yes
Project included in Carbon Footprint Exercise ² :	No

Environmental and Social Assessment

Environmental Assessment

The Promoter of this project is ETRA³ Spa "ETRA", or "the Promoter". ETRA manages the water and solid waste services in 69 municipalities located in the provinces of Padua, Vicenza and Treviso in Veneto region (*grouped in the ATO Brenta, and represented in the local regulator, the Consiglio di Bacino del Brenta, CBB*), North-East Italy. The environment Competent Authority is ARPAV⁴ responsible for protection of the environment in the region.

Italy, as an EU Member State, has harmonised its environmental legislation with the relevant EU Directives, namely: EIA Directive 2011/92/EU amended by the 2014/52/EU, Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC, Water Framework Directive (WFD) 2000/60/EC amended by the 2008/32/EC Directive and the Waste Framework Directive 2008/98/EC amended by the EU Directive 2018/851. The Italian legislation DPR of April 12, 1996 (as amended) fulfilled the implementation of the EC Directives regulating the EIA procedure.

The project includes (i) a solid waste (SW) / circular economy (CE) and (ii) water management component. The first component comprises the acquisition of collection

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary.

² Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

³ Energia Territorio Risorse Ambientali

⁴ Agenzia Regionale per la Prevenzione e Protezione Ambientale del Veneto (*Veneto Regional Agency for Environmental Prevention and Protection*)



Luxembourg, 5 March 2024

equipment dedicated to strengthening the recycling performance in the Promoter's service area. It also consists of upgrading of various Anaerobic Digestion (AD) plants into biomethane and the construction of new composting lines. Other SW/CE components are the revamping of a paper recycling unit and the retrofitting of various composting and recycling facilities. The second component consists of the extraordinary rehabilitation and extension of water networks, rehabilitation of tanks, and upgrading of filtration systems with the application of best available technologies. In addition, the water component consists of multiple small-size interventions distributed in ETRA's service area (i.e. the ATO Brenta), geared towards increasing the quality and coverage of water services, increasing resilience to climate impacts, and improving the operational efficiency of the Promoter. As such, the project is expected to contribute to ensuring compliance with European legislation in the water sector, notably, the Urban Waste Water Treatment Directive 91/271/EEC and the Water Framework Directive.

The ATO Brenta falls under the hydrographic basin known as "*Alpi Orientali*"⁵. In December 2021 the District Authority adopted the River Basin Management Plans (RBMPs) for the period 2021-2027⁶, implementing the requirements of the WFD. These RBMPs were subject to a Strategic Environmental Assessment (SEA) in accordance with national legislation and the SEA Directive 2001/42/EC.

The project is part of an investment programme approved by the local regulator (i.e. CBB) on November 2022 and it is based on the 30-year ATO Master Plan (Piano d'Ambito - PdA).

Environmental impacts

The projects' main environmental impacts regarding the SW component are the odour emissions, noise emissions and water discharges of the AD and composting plants. Other expected impacts are related to indirect traffic, which would in any case involve the transfer of waste to other facilities. In general, the project will contribute to absolute and relative CO₂, NO_x and PM (particulate matters) emission reductions. Furthermore, waste collection activities will also lead to noise and other environmental nuisances. As an EIA (Environmental Impact Assessment) report is not required the above-mentioned risks will be addressed through specific mitigation measures and more generally through the compulsory use of "Best Available Technique" (BAT) for equipment by the respective permits. Finally, Industry-standard monitoring and control of pollutant missions must take place.

Regarding the water project component, given the scale and nature of the works to be implemented, an EIA report is not expected to be required. It is anticipated that the negative impacts would be only during the construction period (dust, noise). These shall be mitigated through appropriate site organisation and construction management. However, the cumulative impact of sub-projects could generate environmental benefits. They include reduction of air pollutants and GHG emissions for the water component; minimisation of GHG from extraction of virgin materials and generation of renewable energy, and avoidance of groundwater depletion.

⁵ [Distretti Idrografici | Ministero dell'Ambiente e della Sicurezza Energetica \(mase.gov.it\)](https://www.mase.gov.it/)

⁶ [Piano Gestione Acque 2021-2027 - Autorità di bacino Distrettuale delle Alpi Orientali \(distrettoalpiorientali.it\)](https://www.distrettoalpiorientali.it/)



Luxembourg, 5 March 2024

The capacity of the Promoter to carry out an environmental assessment of projects in line with the Bank's requirements and the national legislation has been appraised and is deemed satisfactory.

Appropriate Assessment (AA)

The project components do not affect any Natura 2000 areas, neither national nor local protected areas.

Climate Change

The project will contribute to achieve climate change objectives by reducing direct GHG emissions from waste and by substituting energy generated from fossil origin with renewable alternatives. The project also mitigates environmental and climate change impacts of current waste disposal practices, especially landfilling in the region. Finally, the project is expected to contribute to climate change adaptation by reducing water scarcity and drought; and also by addressing intense rain events through increased variability of rain patterns throughout the seasons.

EIB Paris Alignment for Counterparties (PATH) Framework

The project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience goals set out in the Climate Bank Roadmap. The Promoter is in scope and screened out of the PATH framework, because it is not considering high emitting and/or high vulnerability.

Social Assessment

Social negative impacts are only temporary and include possible disruption of services and traffic, noise and temporary occupation of public and private space as well as safety hazards during the construction phase, which will be addressed as part of the planning for the implementation of each component. The investments will generate social benefits, in terms of supporting better health through improving air quality and supporting employment generation.

Public Consultation and Stakeholder Engagement

The Promoter will be requested to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision process.

Other Environmental and Social Aspects

During the project's due diligence, the Promoter has demonstrated sound practice with respect to environmental, health and safety management. In addition to procedures to meet regulatory requirements, the Promoter has a comprehensive environmental management system for ensuring proper implementation of new projects and monitoring of ongoing operations. The Promoter and its various subsidiaries have the



Luxembourg, 5 March 2024

following certifications: ISO 9001 (Quality Certification), ISO 14001 (Environmental Certification), and ISO 45001 (Occupational Health and Safety Management System).

Conclusions and Recommendations

The project is driven by the requirement to ensure compliance with relevant EU environmental directives and will contribute towards improved climate and water resilience, and emissions reductions. All components under the project will be subject to the Promoter's compliance with the following requirements:

1. The Promoter undertakes not to allocate Bank funds to project components that require an EIA report until the EIA report and/or the necessary nature assessment have been finalised and approved by the relevant Competent Authority. Once any EIA report is available, the Promoter will provide the Bank with an electronic copy of it for publication on the EIB website.
2. The Promoter shall not commit any EIB funds against any component that impacts nature conservation sites, without receiving from the relevant Competent Authorities the declaration under Art. 6(3) of the Habitats Directive that there are no significant effects and informing the Bank of such declaration having been obtained.
3. The Promoter undertakes to provide to the Bank, if requested, any decision and subsequent justification that screen out project components from the requirement of an EIA report as well as the decisions issued by the Competent Authorities regarding the Habitats and Birds Directives.

Under these conditions, the operation is acceptable for EIB financing in environmental and social terms.