

Luxembourg, 18th July 2024

Environmental and Social Data Sheet

Overview

Project Name:	VIVERACQUA HYDROBOND 5
Project Number:	2023-0736
Country:	Italy
Project Description:	Project to support small to medium water utilities through innovative structured financing in the Italian region of Veneto (the "Project")

EIA required: no

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

Environmental Assessment

The project concerns the 2024-2028 water investment programme of a group of utilities, namely AcqueVenete Spa, Azienda Gardesana Servizi Spa, Alto Trevigiano Servizi Spa, Energia Territorio Risorse Ambientali Spa, Medio Chiampo Spa, Livenza Tagliamento Acque Spa, Viacqua Spa and Piave Servizi Spa, (i.e. 'the Final Beneficiaries') providing Integrated Water Services ("IWS") in various service areas of the Veneto Region.

The activities of the Final Beneficiaries are under the supervision of the local authorities and the national economic regulator ("ARERA"). In terms of environmental regulation, the Regional Agency for Environmental Protection and Prevention of Veneto (ARPA Veneto) is mainly responsible for monitoring the quality of water bodies. The Health Authority ("ASL") is responsible for monitoring compliance with the drinking water quality standards and the requirements of the Drinking Water Directive 98/83/EC on the quality of water intended for human consumption.

The project consists of numerous small to medium size investments aimed at expanding and upgrading the existing water production and distribution systems. The purpose of the investments is to enhance the performance of water services to reinforce their resilience towards climate change, namely future droughts and ensure compliance with European and regional environmental requirements notably the Water Framework Directive 2000/60/EC and Directive (EU) 2020/2184 on the quality of water intended for human consumption (recast).

The 30-year master plans of the various service areas (Piano d'Ambito – "PdA") are the planning frameworks of the underlying investment programmes. They comprise amongst others, the business plan (Piano economico-finanziario) and the four-year investment plan (Programma di Interventi – "Pdl") of the providers of IWS in the relevant service areas, updated and approved by the Local Authority on a regular basis. The revision of the Pdl is not subject to a Strategic Environmental Assessment (SEA) in accordance with the requirements of the

¹ 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.



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SEA Directive 2001/42/EC. However, the project is designed to meet the requirements of the Piano di Tutela delle Acque della Regione Veneto (“PTA” - last revision in 2018), which is part of the national implementation of the Water Framework Directive 2000/60/EC, hence subjected to a SEA.

The project will deliver substantial environmental quality improvements in particular by ensuring high water quality sources, in an area that was affected by Per- and polyfluoroalkyl substances (eternal pollutants) that outweigh the negative impacts, which occur mainly during construction (e.g. noise, dust, traffic). None of the works will be implemented inside or near Natura 2000 or other protected sites. Some schemes might fall under Annex II of the Environmental Impact Assessment (“EIA”) Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Therefore, the decision whether an EIA is required is left to the Competent Authority (the Region of Veneto), on the basis of the criteria defined in Annex III of the EIA Directive.

The project will contribute to Climate Adaptation by supporting investments that increase resilience against future droughts. The project has been assessed for Paris alignment and is considered to be aligned against the policies set out in the Climate Bank Roadmap.

EIB Paris Alignment for Counterparties (PATH) Framework

The eight counterparties AcqueVenete Spa, Azienda Gardesana Servizi Spa, Alto Trevigiano Servizi Spa, Energia Territorio Risorse Ambientali Spa, Medio Chiampo Spa, Livenza Tagliamento Acque Spa, Viacqua Spa and Piave Servizi Spa are in scope and screened out of the PATH framework, because they are not considered high emitting and do not present high vulnerability.

Social Assessment, where applicable

By increasing the quality and reliability of water production and distribution services, the project is expected to bring substantial health advantages and environmental quality improvements to the population in the project areas, thereby increasing the quality of life of the population. Negative social impacts are only temporary (e.g. occupation of public and private space, safety hazards during construction, traffic, noise) and will be addressed as part of the planning for the implementation of each scheme.

Public Consultation and Stakeholder Engagement

The Final Beneficiaries 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, where relevant, in accordance with the Aarhus Convention.

Other Environmental and Social Aspects

During the project’s due diligence, the Final Beneficiaries have demonstrated sound practice with respect to environmental, health and safety management. In addition to procedures to meet regulatory requirements, the utilities have a comprehensive environmental management system, which is applied to new projects and monitors ongoing operations.

Conclusions and Recommendations

The project is driven by the requirement to ensure compliance with relevant EU environmental directives and it will also contribute towards improved climate resilience. All schemes under the project will be subject to the Final Beneficiaries’ compliance with the following requirements:

1. The Final Beneficiaries undertake not to allocate Bank funds to project schemes that require a full EIA until the EIA and/or the necessary nature assessment have been finalised and approved by the relevant competent authority. Once any EIA is available,



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the Final Beneficiaries will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.

2. The Final Beneficiaries shall not commit any EIB funds against any scheme 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 Final Beneficiaries undertake to provide to the Bank, if requested, any decision and subsequent justification that screen out project schemes from the requirement of a full EIA 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.