

Conclusions

Acque Bresciane Green Loan

INVEU-ICR-0006-2022 – Sustainable Infrastructure

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Acque Bresciane sprl
Countr(ies) of implementation	Italy
Implementing partner	EIB

The Project concerns the 2021-2023 wastewater investment programme of AB, a private law incorporated entity operating in the regulated sector of Integrated Water Services (“IWS”). AB provides its services to 94 municipalities, serving 560,000 inhabitants across the area known as Ambito Territoriale Ottimale (“ATO”) of Brescia. The ATO corresponds to the administrative borders of the Province of Brescia in the Lombardy Region.

The Project is expected to invest both in wastewater collection and treatment & storage. It will be deployed on the basis of the Promoter’s “Programma di interventi”, which is a 4-year rolling investment programme included in the tariff proposal for the new regulatory period 2020-2023. Investments aim at ensuring compliance with tighter environmental requirements set by national and EU legislation, notably the EU Urban Wastewater Treatment Directive 91/271/EC as amended by 98/15/EC (“UWWTD”) and the Water Framework Directive (2000/60/EC)

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 31 March 2022 for the above mentioned operation.

The project supports investments in wastewater infrastructure by Acque Bresciane (“AB”), a publicly owned utility providing Integrated Water Services in the Lombardy Region, Italy. It ensures compliance with key European regulations in the water sector, and improves the coverage and quality of wastewater services. The project contributes to the Bank’s policy objectives of Sustainable Energy and Natural Resources as well as Climate Action and Environmental Sustainability. It addresses a number of market failures through positive externalities in the form of environmental and public health benefits, notably improved quality of recipient waters and reduced greenhouse gas emissions from wastewater infrastructure. These benefits are not reflected in market prices and would not be realised to the same extent without public intervention. Furthermore, the project addresses a chronic investment gap in water services in Italy and provides long-term finance at attractive terms compared to traditional banking funding. The EIB tenor goes beyond the tenor offered by the commercial banks, implying effective “time-subordination” of the EIB loan vis-à-vis other lenders. As AB will raise additional financing in the next 3 years to support their ambitious investment programme, the presence of the EIB loan may likely have positive impact on the confidence of other financiers.