

Conclusions

SMAT WATER INVESTMENTS GREEN LOAN II (IT)

INVEU-ICR-0074-2025 - Sustainable Infrastructure Policy Window (SIW)

Short description of the financing or investment operation and its objectives

Name of financial recipient	Società Metropolitana Acque Torino, SpA (SMAT)
Type of the final recipients	Mixed entities
Countries of Implementation	Italy
Implementing Partner	European Investment Bank (EIB)

The operation will ensure compliance with key European regulations in the water and wastewater sector and will improve the coverage and quality of water supply and sanitation services in the region including the City of Turin. The Project will contribute to the Bank's policy objectives of Sustainable Energy and Natural Resources as well as Climate Action and Environmental Sustainability. The Project is aligned to the InvestEU eligible area of Environment as it supports investments in drinking water supply and sanitation infrastructure in the Piedmont region in Italy.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 15 September 2025 for the above-mentioned operation.

Additionality

The EIB support is expected to bring a tangible financial value added by lowering the Project's cost of funding and offering a tenor longer than the one normally proposed by other financiers. Considering the Project's funding needs, it is expected that the EIB support will accelerate its overall implementation. The value added brought by the Bank is even more tangible under the current volatile market conditions impacted by the ongoing geopolitical situation. Given the counterparty's ambitious investment plan, resulting in higher debt levels and increased exposure to the Bank, the InvestEU guarantee significantly enhances the EIB's contribution in terms of loan amount, tenor, and risk structure (unsecured). The EIB could not provide such type of financing support, or not to the same extent or at the same quantum, without support from the InvestEU guarantee.

Market gap

It will address a number of market failures through positive externalities in the form of environmental and public health benefits, notably improved resilience of water distribution systems against future droughts, heavy precipitation events and reduced exposure to pollution. These benefits are not reflected in water tariffs and would not be realized to the same extent without public intervention. Furthermore, the Project will address a chronic and significant investment gap in water and sanitation services in Italy and will provide long term finance at attractive terms compared to commercial banking funding. EIB's participation as an anchor investor will facilitate the crowding-in of other potential investors and will positively impact the utility's financial stability and financial diversification.