



Investment Committee of the InvestEU Fund

Meeting no 25 of 14-15 March 2024

Mercier-Post building (Publications Office)

20, rue de Reims, L-2417 Luxembourg

Meeting room **ARENA**

ETRA Water & Circular Economy

INVEU-ICR-0010-2024 – Sustainable Infrastructure Window (SIW))

Short description of the financing or investment operation and its objectives

Name of financial recipient	Energia Territorio Risorse Ambientali Spa (ETRA)
Type of the final recipients	Mixed entities, such as public- private partnerships PPPs and private companies with public purpose.
Countries of implementation	Italy
Implementing partner	European Investment Bank (EIB)

The Project is part of ETRA's 2023-2027 investments in Circular Economy (CE) / Solid Waste (SW) and Water Services (WS) sectors. The CE/SW Project components include the acquisition of collection equipment and vehicles, the upgrading of the Anaerobic Digestion (AD) plant into biomethane, the construction of two new composting lines and the upgrade of several recycling and waste treatment facilities.

The integrated WS investments include the substitution and extension of the water networks, the rehabilitation of tanks, and upgrading of filtration systems with the application of best available technologies. The Project comprises also the upgrade of the water pumping station, with extraordinary works necessary to comply with security regulations, complemented by an upgrade of the filtration system. With such Project ETRA aims to:

- optimise water use, improve water service quality, and ensure security of supply
- increase the recovery of high-quality secondary raw materials and generate
- renewable energy from household waste
- reduce the environmental and climate footprint of ETRA' activities, notably by strengthening the recycling rate of the Veneto region.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 14 March 2024 for the above-mentioned operation.

The Investment Committee of the InvestEU Fund welcomed this project because it will address several market failures, including those associated with public goods, unaccounted for externalities and information failures, generating positive health and environmental benefits, which would not be realised to the same extent without public intervention.



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The Project addresses a few additional market failures by reducing greenhouse gases; by protecting the environment, public health, and saving energy as well as costs related to environmental protection. With this Project, the EIB financing will help to reduce negative externalities while strengthening the positive externalities for the targeted regions. The EIB long-term financing will be addressing a market failure in relation to the provision of finance in the size and tenors needed to carry out the investment backlog of Projects to provide water and solid waste essential services at affordable prices for the population. The Bank's support acknowledges the positive externalities of recycling and leverages much needed public backing, including a InvestEU guarantee, for a circular - sustainable infrastructure - a public sector undertaking.

The EIB loan will provide key support, ensuring optimal funding conditions in terms of cost and tenor, diversifying the borrower's funding base and potentially attracting other co-lenders to the Project. Given the counterpart's relatively small size and low capital levels, the EIB would not be able to provide financing support, to the same extent without InvestEU. The guarantee substantially enhances the EIB contribution in terms of loan amount, tenor, and risk structure (unsecured).