

## **Conclusions**

### **MM WATER INFRASTRUCTURE UPGRADE II (IT)**

INVEU-ICR-0071-2025 - Sustainable Infrastructure Policy Window (SIW)

#### **Short description of the financing or investment operation and its objectives**

Name of financial recipient	MM, SpA
Type of the final recipients	Mixed entities
Countries of Implementation	Italy
Implementing Partner	European Investment Bank (EIB)

The Project aligns with the InvestEU eligible area of Environment, supporting investments in drinking water supply and sanitation in Lombardy, Italy. It ensures compliance with EU water and wastewater regulations and enhances service coverage and quality, including in Milan. The operation contributes to the Bank's policy objectives of Sustainable Energy and Natural Resources, as well as Climate Action and Environmental Sustainability, and is consistent with the Water Resilience Programme.

#### **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's role as anchor investor is expected to attract additional investors, strengthen the utility's financial position, and diversify its funding sources. EIB support brings tangible financial value by lowering funding costs and offering longer tenors than typically available, and it is expected to accelerate its overall implementation. This is particularly relevant in today's volatile market environment. Given the counterparty's ambitious investment plan and increased exposure to the Bank, the guarantee significantly enhances the EIB's contribution in terms of loan amount, tenor, and risk profile. 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 addresses market failures by generating environmental and public health benefits, such as improved resilience to droughts and heavy rainfall, and reduced pollution exposure, which are not fully captured in water tariffs. These outcomes would not be realized to the same extent without public intervention. The Project also tackles a persistent investment gap in Italy's water sector and offers long-term financing on more favorable terms than commercial banking funding.