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#### COMMISSION STAFF WORKING DOCUMENT

# 2025 Environmental Implementation Review Country Report - ITALY

#### Accompanying the document

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

#### 2025 Environmental Implementation Review for prosperity and security

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## **Executive summary**

In May 2016, the European Commission launched the Environmental Implementation Review (EIR), a regular reporting tool based on analysis, dialogue and collaboration with EU Member States to improve the implementation of existing EU environmental policy and legislation (1). Following previous cycles in 2017, 2019 and 2022, this report assesses the progress made while describing the main outstanding challenges opportunities regarding environmental legal implementation in Italy. The purpose of this report is to provide information on the implementation performance and highlight the most effective ways to address the implementation gaps that impact human health and the environment and hamper economic development and competitiveness. The report relies on detailed sectoral implementation reports collected or issued by the Commission under specific environmental legislation.

The main challenges set out below have been selected from Part I of this report, 'Thematic areas', taking into consideration factors such as the gravity of the environmental implementation issue in light of the impact on the quality of life, the distance to target and financial implications. In Italy, such challenges have lingered since the first EIR in 2017 and require urgent action.

With regard to air quality, Italy has made some progress in reducing emissions as a whole, but exceedances of the limit values for both  $PM_{10}$  and  $NO_2$  continue. Around 30 % of the recovery and resilience plan (RRP) is allocated to measures on energy efficiency and sustainable transport, which will improve air quality. Progress can also be made through a broader tax shift from labour to environmental and other tax bases, including the gradual elimination of environmentally harmful subsidies (EHS) through the European Semester and the RRP.

In terms of water management, Italy has made limited progress in reducing the number of non-compliant agglomerations for wastewater treatment, with Court of Justice of the European Union (CJEU) fines levied for two of the four infringement procedures. Drinking water quality must be improved in Lazio, regarding which Italy was condemned by the CJEU in 2023. High water consumption is a concern in southern regions. Water investment plans are still needed for a few regions to allow European Regional Development Fund (ERDF) cofinancing. The RRP and the ERDF support significant investments in flood control, reducing leakage and investing in urban wastewater treatment. The assessment

of the 3<sup>rd</sup> river basin management plans (RBMPs) shows only a minor improvement in the ecological status/potential and chemical status of surface waterbodies, while there has been good progress in the quantitative status and chemical status of groundwater bodies compared the 2nd RBMPs. The recommendations in the Commission's assessment of the third river basin management plans and flood risk management plans need to be implemented. Furthermore, most marine descriptors remain in a poor state and need improvement.

With regard to the **Natura 2000** network, some marine sites still need to be designated. The conservation status of habitats and species must also be improved, using prioritised action frameworks to better integrate EU funds. The rapid implementation of national and regional guidelines on appropriate assessment is essential. Invasive alien species and illegal poaching are increasing concerns. Soil is being consumed at an alarming rate.

Italy's overall **environmental investment gap** has decreased and is now around EUR 8.29 billion per year or 0.43 % of its gross domestic product (lower than the EU average), with the highest needs being for circular economy and water. An increased level of financing from the private sector is needed to close the investment gap. Italy has improved its capacity to **absorb EU funds** for environmental measures, except in Sicily. Since 2015, Italy has paid more than EUR 800 million in penalty payments for non-compliance with judgments of the Court of Justice of the EU in the areas of waste and water.

On **environmental governance**, Italy needs to improve its administrative capacity to support the green transition including coordination between the national, regional and local levels. Furthermore, spatial data could be made more widely accessible to improve the implementation of environmental legislation and access to courts improved.

In terms of good practices, a **reinsurance pool** prevents risks for three quarters of Environmental Liability Directive occurrences. Italy uses natural capital accounting and has an EHS inventory as well as indicator-based national and regional sustainable development strategies. Italy is performing well in terms of **circular economy**, and a national network brings together stakeholders from the state and business. Italy has made good use of the **LIFE programme** with integrated projects like Prepair and Gestire.

environmental implementation review, COM(2016) 316 final of 27 May 2016, <a href="http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2016%3A316%3AFIN">http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2016%3A316%3AFIN</a>.

<sup>(</sup>¹) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Delivering the benefits of EU environmental policies through a regular

#### Part I: Thematic areas

## 1. Circular economy and waste management

#### Transitioning to a circular economy

Advancing the transition to a circular economy in the EU will reduce the environmental and climate impact of our industrial systems by reducing input materials, keeping products and materials in the loop for longer and reducing waste generation, thus decoupling economic growth from resource consumption. A circular economy has considerable potential to increase competitiveness and job creation and will also promote innovation and provide access to new markets. With the 2020 circular economy action plan (CEAP) (²) measures going through the legislative process, EU Member States will now have to focus on a swift and effective implementation.

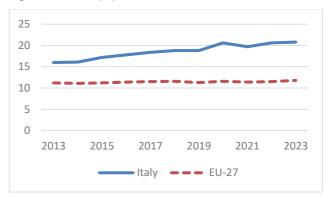
The 2020 CEAP launched the legislative process for a set of initiatives that will now have to be implemented by national governments across the EU. These initiatives were all introduced following a holistic life-cycle approach, with measures addressing the different stages of a product's life cycle, from design through use to end of life.

In the CEAP, the EU sets as its overarching objective the doubling of its circular material use rate (CMUR) by 2030.

The CMUR is a measure of one aspect of circularity: the share of the total amount of material used in the economy that is accounted for by recycled waste. A higher CMUR value means that more secondary materials were used as a substitute for raw materials, thus reducing the environmental impacts of extracting primary material.

Italy's circular use of material was 20.8 % in 2023, which makes it one of the top Member States for CMUR (Figure 1). However, after a consistent increase since 2013, the rate has remained relatively steady since 2020, when it was 20.6 %.

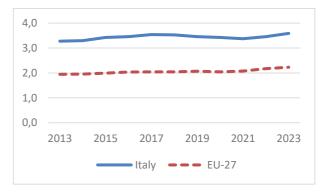
Figure 1: CMUR (%), 2013-2023



Source: Eurostat, 'Circular material use rate', env\_ac\_cur, last updated 13 November 2024, accessed 10 December 2024, <a href="https://ec.europa.eu/eurostat/databrowser/product/view/env">https://ec.europa.eu/eurostat/databrowser/product/view/env</a> ac cur.

Resource productivity measures the total amount of materials directly used by an economy in relation to gross domestic product (GDP). Improving resource productivity can help to minimise negative impacts on the environment and reduce dependency on volatile raw material markets. As shown in Figure 2, with EUR 3.59 generated per kg of material consumed in 2023, resource productivity in Italy is well above the EU average of EUR 2.23 per kg and one of the highest in the EU.

Figure 2: Resource productivity (EUR/kg), 2013-2023



NB: The unit of measurement used is EUR/kg chain-linked volume (2015). Chain-linked volumes focus on changes on quantities and prices of commodities in previous years, taking account of inflation, and are indexed to the nearest appropriate year, in this case 2015.

Source: Eurostat, 'Resource productivity', env\_ac\_rp, last updated 7 August 2024, accessed 10 December 2024, <a href="https://ec.europa.eu/eurostat/databrowser/product/view/env">https://ec.europa.eu/eurostat/databrowser/product/view/env</a> ac rp.

<sup>(2)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A new circular economy action plan for a cleaner and more competitive Europe, COM(2020) 98 final of

<sup>11</sup> March 2020, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A98%3AFIN">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A98%3AFIN</a>.

#### **Policies and measures**

In parallel with European initiatives under the CEAP, Member States are encouraged to adopt and implement circular economy strategies at the national, regional and city levels. These should be tailored to each national and local reality, to harness the proximity economy's (3) potential, while following the principles of a holistic whole-value-chain approach.

Since the launch of the online European Circular Economy Stakeholder Platform in 2017 (4) national, regional and local authorities have used the platform to share their strategies, roadmaps and good practices, for example alternative business models and innovative technologies.

In June 2022, Italy updated its 2017 circular economy policy document and transformed it into a national strategy for circular economy (5). The strategy and the timetable addendum (cronoprogramma)(6) define new administrative and fiscal instruments to strengthen the market for secondary raw materials, contribute to the progress towards climate neutrality objectives, and implement a roadmap of measurable actions and targets (for 2035 for the strategy and for the first quarter of 2025 for the timetable addendum(7)). Many of the actions in the strategy are included in the national recovery and resilience plan (RRP) (8), such as circular economy flagship projects, a new digital waste traceability system, a revision of environmental taxation, and more. A circular economy observatory was established to coordinate and monitor the implementation of the strategy. Italy has updated its action plan on bioeconomy 17 December 2024, which is relevant for the circular economy(9). There is also a network on industrial symbiosis, important for the circular economy( $^{10}$ ).

A tax on single-use plastics goods, which was supposed to enter into force in 2021, has been deferred until July 2026.

Circular economy is an element in the country's main policy tool for economic modernisation Transition 5.0. On 2 March 2024, the government presented a decree-law to introduce financial incentives for companies investing in sustainability, including circular economy (<sup>11</sup>).

A voluntary system to examine and communicate the environmental footprint of products and services, called Made Green in Italy, has been in place since 2018 (12).

The country's 2022 national programme for waste management (13) has a strong circularity component.

Despite its strides towards a circular economy at the national level, Italy's progress is fragmented because of significant differences between regions in the north and the south. The 6<sup>th</sup> port from the national circular economy network shows a higher degree of best practices in circular economy implemented in northern and central regions than in southern regions (<sup>14</sup>).

#### **Green public procurement**

Public procurement accounts for a large proportion of European consumption, with public authorities' purchasing power representing around 14 % of EU GDP. Public procurement using green or circular criteria (lifecycle analysis, platform as a service, second hand) can help drive the demand for sustainable products that meet reparability and recyclability standards.

In Italy, an action plan for the environmental sustainability of consumption in public administration, including green public procurement and minimum environmental criteria (MEC), was adopted in 2008 and updated in 2023. Furthermore, Italy has defined MEC for 21 product categories.

Two ministerial decrees on MEC were adopted in August 2024 for: (i) design, construction, maintenance and adaptation services for road infrastructure (<sup>15</sup>) and (ii) integrated assignment of an energy performance contract

- (3) European Commission, 'Proximity and social economy ecosystem', European Commission website, <a href="https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy">https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy</a> en.
- (4) Circular Economy Stakeholder Platform (https://circulareconomy.europa.eu/platform/en/strategies).
- (5) Ministry for Environment and Energy Security (MASE), Strategia Nazionale per l'Economia Circolare, Rome, 2022, https://www.mase.gov.it/sites/default/files/archivio/allegati/PNR R/SEC 21.06.22.pdf.
- (6) MASE, ministerial decree n.342, 19.09.2022, https://www.mase.gov.it/pagina/riforma-1-1-strategia-nazionale-l-economia-circolare.
- (7) MASE has communicated to the Commission that there are delays for some measures in the timetable addendum up to the 4<sup>th</sup> quarter of 2027.
- (8) <a href="https://www.governo.it/sites/governo.it/files/PNRR.pdf">https://www.governo.it/sites/governo.it/files/PNRR.pdf</a>.
- (9) MASE, bioeconomy action plan https://www.mase.gov.it/comunicati/bioeconomia-pichetto-bene-approvazione-piano-leva-innovativa-obiettivi-di-crescita.

- (10) ENEA, https://www.pubblicazioni.enea.it/download.html?task=download.send&id=708:gli-standard-tecnici-per-la-simbiosi-industriale-atti-sun-2024&catid=3
- (11) Ministry of Enterprise and Made in Italy, 'Piano transizione 5.0', https://www.mimit.gov.it/it/incentivi/piano-transizione-5-0.
- (12) MASE, 'The "Made Green in Italy" national scheme', https://www.mase.gov.it/pagina/made-green-italy-nationalscheme#:~:text=The%20goal%20of%20%22Made%20Green,by%2 0a%20scientifically%20robust%20system.
- (13) MASE, Programma Nazionale per la Gestione dei Rifiuti, Rome, 2022, <a href="https://www.mase.gov.it/sites/default/files/archivio/allegati/PNR">https://www.mase.gov.it/sites/default/files/archivio/allegati/PNR</a> R/PNGR Finale.pdf.
- (14) Circular Economy Network, Sesto Rapporto sull'Economia Circolare in Italia, Rome, 2024, p. 91, https://circulareconomynetwork.it/wpcontent/uploads/2024/05/CEN2024-Impagina-TOT-DEF.pdf.
- (15) <a href="https://gpp.mase.gov.it/CAM-strade">https://gpp.mase.gov.it/CAM-strade</a>.

for energy services for building and plant systems (<sup>16</sup>). The MEC for the latter contribute to the reduction of energy consumption and greenhouse gas (GHG) emissions by supporting a change in the energy production mix, improving the energy efficiency of buildings and promoting more responsible energy consumption patterns. The MEC for the award of design services and construction works for building interventions are under revision for the fourth time since their first adoption in January 2016. Other MEC are under review, such as those for information and communications technology (ICT) appliances and for green public areas (<sup>17</sup>).

The Ministry of Environment and Energy Security (MASE) also prepared several training modules related to some of the MEC adopted, to strengthen the skills of contracting authorities and improve and knowledge of all stakeholders (<sup>18</sup>). The obligation to 'buy green' applies to all contracting authorities. Italy plans to introduce a monitoring system, but no official data are yet available. The RRP further supports MEC under green public procurement, as part of the national strategy for circular economy. There are also activities at the regional level (<sup>19</sup>), although these are more prevalent in the north of the country.

## The EU Ecolabel and the eco management and audit scheme

The number of EU Ecolabel product groups and the number of eco-management and audit scheme (EMAS)-licensed organisations in each country provide some indication of the extent to which the private sector and national stakeholders in that country are actively engaged in the transition to a circular economy. The EU Ecolabel is awarded to products with best-in-class environmental performance. EMAS is a voluntary environment management scheme aimed at reducing the environmental impacts of organisations.

As of September 2024, Italy had 15 399 products out of 98 977 and 515 licences out of 2 983 registered in the EU Ecolabel scheme, showing one of the highest take-ups of both products and licences ( $^{20}$ ). Moreover, 1 152 organisations in Italy are currently registered in EMAS ( $^{21}$ ). This represents an increase of 118 organisations compared with October 2021.

The Institute for Environmental Protection and Research (ISPRA) has prepared a report on Ecolabel criteria for cleaning services and their synergy with MEC (<sup>22</sup>). A best-practice example is how the marble industry in Carrara has embraced EMAS to promote sustainable quarrying practices (<sup>23</sup>).

Furthermore, there are many activities relevant to the Ecolabel and EMAS ongoing in Italy: communication, information and training events for the Ecolabel and EMAS aimed at potential applicants and local stakeholders; initiatives to increase the visibility of the Ecolabel in the tourism sector; participation in EU Ecolabel and EMAS forums and roundtables; and the EMAS Italy Award presented at the Ecomondo exposition held annually in November in Rimini (<sup>24</sup>).

#### 2025 priority action

 Speed up the transition to a circular economy by implementing the updated national strategy and the EU framework and recommendations, in particular to complement it with upstream circularity measures.

#### Waste management

Turning waste into a resource is supported by:

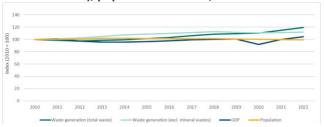
- (i) addressing the full life cycle of products, from conception to end of life, by setting requirements on the design of products to ensure that they are more sustainable;
- (ii) fully implementing EU waste legislation, which includes the waste hierarchy, the obligation to ensure separate collection of waste, landfill diversion targets, etc.;
- (iii) reducing waste generation per capita and in absolute terms;
- (iv) increasing the recycling rates of waste containing critical raw materials (CRMs), with a view to reducing dependencies and building resilient value chains, and stimulating demand for recycled content in all products;
- (v) limiting energy recovery to non-recyclable materials;
- (vi) phasing out landfilling of recyclable or recoverable waste.
- (16) <a href="https://gpp.mase.gov.it/CAM-prestazione-energetica-EPC">https://gpp.mase.gov.it/CAM-prestazione-energetica-EPC</a>.
- (17) <a href="https://gpp.mase.gov.it/sites/default/files/2024-05/DD-CAM-">https://gpp.mase.gov.it/sites/default/files/2024-05/DD-CAM-</a> MASE-EC-REGISTRO-DECRETI%28R%29-0000027-04-04-2024.pdf.
- (18) https://gpp.mase.gov.it/CAM.
- (19) Green Procurement Observatory (https://www.appaltiverdi.net/presentazione-del-vii-rapportodellosservatorio-appalti-verdi-2024/).
- (20) European Commission, 'EU Ecolabel facts and figures', European Commission website,
- https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel/businesses/ecolabel-facts-and-figures en.
- (21) As of October 2024. European Commission, 'EMAS register', European Commission website, https://webgate.ec.europa.eu/emas2/public/registration/list.
- (22) <a href="https://www.isprambiente.gov.it/en/publications/reports/eu-ecolabel-indoor-cleaning-services-in-italy">https://www.isprambiente.gov.it/en/publications/reports/eu-ecolabel-indoor-cleaning-services-in-italy</a>.
- (23) <a href="https://www.marmidivara.com/en/">https://www.marmidivara.com/en/</a>.
- (<sup>24</sup>) <a href="https://www.isprambiente.gov.it/en/ispra-events/emas-italy-award-2024">https://www.isprambiente.gov.it/en/ispra-events/emas-italy-award-2024</a>.

One of the main objectives of EU waste law is to decouple economic growth from its environmental impacts.

The EU's approach to waste management is based on the waste treatment hierarchy: prevention, preparing for reuse, recycling, recovery and, as the least preferred option, disposal (which includes landfilling and incineration without energy recovery).

All legislative proposals in the field of waste management put forward by the Commission since 2021 are intended to encourage Member States to promote better product design, to require producers to cover the costs of managing the waste resulting from their products and to ensure that waste is managed at the higher levels of the waste hierarchy.

Figure 3: Generation of waste (total and excluding major mineral wastes), population and GDP, 2010–2022



Sources: Eurostat, 'GDP and main components (output, expenditure and income)'. nama\_10\_gdp, accessed 15 October https://ec.europa.eu/eurostat/databrowser/view/nama 10 gdp custo m 9301905/default/table; Eurostat, 'Generation of waste by waste category, hazardousness and NACE Rev. 2 activity', env\_wasgen, last 2024, accessed 30 September 22 October https://ec.europa.eu/eurostat/databrowser/view/env\_wasgen/default/ table?lang=en; Eurostat, 'Population change – Demographic balance and crude rates at national level', demo grind, accessed 15 October 2024. https://ec.europa.eu/eurostat/databrowser/view/demo\_gind/default/t able?lang=en&category=demo.demo ind.

Italy has seen a significant increase in waste generation over the past 12 years, mainly driven by mineral waste from construction and demolition. Despite Italy's GDP stagnating throughout this period (except for a decrease in 2020 due to the COVID-19 outbreak), waste generation has continued to increase, with no clear sign of decoupling from economic growth (Figure 3).

#### **Critical raw materials**

Italy set up a CRMs working group in 2022. The group is structured on four themes: CRMs needs analysis, mining, eco-design and urban mining. In 2023, the Ministry of Foreign Affairs and International Cooperation joined with a dedicated working group on international cooperation aspects.

Law No 206 of 27 December 2023 set up a National Made in Italy Fund to invest in national strategic supply chains, including those related to the supply, recycling and reuse of strategic raw materials. The fund had an initial allocation of EUR 700 million for the year 2023 and EUR 300 million for the year 2024.

In line with the RepowerEU plan, the RRP includes EUR 50 million for the sustainable, circular and safe supply of CRMs. The investment aims at estimating the potential of urban mining activities, including from abandoned extractive waste, by mapping and characterising all potential secondary sources in terms of CRMs, analysing the future needs of CRMs and the potential of eco-design to reduce demand and favour their recyclability. The investment also finances research and development projects on ecodesign and urban mining, for the sustainable, circular and secure supply of CRMs.

The Directorial Decree of 14 June 2024 of the Ministry of Enterprises and Made in Italy on net zero, renewables and batteries provides development programmes to support investments for the recovery of CRMs necessary for production of certain products, and related components such as batteries, solar panels, wind turbines, carbon capture and storage devices.

Legislative Decree 21/2022 (codified by Law 51/2022) indicates that a list of CRMs subject to export notification obligations needs to be established. It also includes ferrous scrap as a CRM subject to the obligation of prior notification to the Ministry of Enterprises and Made in Italy and the Ministry of Foreign Affairs and International Cooperation if the quantity is higher than 250 t, or the sum of operations in the calendar month is greater than 500 t.

Furthermore, the national strategy for the circular economy includes a CRM action plan.

#### **Construction and demolition waste**

Construction and demolition waste accounts for almost 40 % of all waste generated in the EU. A study (25) by the

Union, Publications Office of the European Union, Luxembourg,

2024,

https://publications.jrc.ec.europa.eu/repository/handle/JRC1354 70.

There is an urgent need to promote technologies aimed at replacing CRMs with materials that can be reused at the end of their life and at using secondary raw materials. Following the adoption of the CRM Act, the main Italian regulatory framework related to CRMs is the recent Legislative Decree 84/2024, which governs the secure and sustainable supply of strategic raw materials. It is a first step towards a clear, up-to-date regulatory framework to govern CRMs, including the use of new mining activities conducted in accordance with environmental and social sustainability criteria.

European Commission: Joint Research Centre, Cristóbal García, J., Caro, D. et al., Techno-economic and environmental assessment of construction and demolition waste management in the European

European Commission's Joint Research Centre shows that preparing for reuse and recycling operations are preferred over incineration and landfilling from an environmental perspective for most of the individual fractions of construction and demolition waste. However, the economics are often unfavourable for preparing for reuse and recycling compared with incineration and landfilling. If available technology were to be applied, it is estimated that the increase in preparing for reuse and recycling would lead to additional 33 million t of GHG emission savings annually (more than, for example, the combined annual GHG emissions of Estonia, Latvia and Luxembourg).

The preparing for reuse and recycling rate of mineral construction and demolition waste in Italy in 2022 was 97.8 % compared with the EU average of 79.8 % (<sup>26</sup>).

Measures to further increase the preparing for reuse and recycling rate of construction and demolition waste include separate collection at source, for instance through digitalised pre-demolition audits (<sup>27</sup>) ('resource assessments'); EPR and other economic instruments; and upstream measures such as increasing the recycled content in construction products and the circular design (<sup>28</sup>) of construction works.

# Boosting implementation – the 2023 Waste Early Warning Report

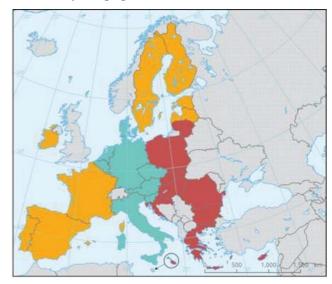
This section focuses on the management of municipal waste, for which EU law sets mandatory recycling targets (<sup>29</sup>). In June 2023, the Commission published the *Waste Early Warning Report* (<sup>30</sup>) identifying the general trends in waste management and the Member States at risk of missing 2025 waste targets (see Figure 4). Italy is not considered at risk of missing the municipal waste target or the packaging waste target.

Under certain conditions, EU waste legislation enables some Member States to postpone the deadlines for reaching certain waste management targets for municipal and packaging waste. Member States that want to use this

possibility must notify the Commission 24 months in advance of the deadline and submit an implementation plan laying down the steps they envisage to reach the postponed targets within a new time frame. Regarding the 2025 targets, 11 Member States, not including Italy, have used this prerogative.

In the *Waste Early Warning Report*, the Commission recommended that Member States accelerate their efforts to improve their recycling performance. The Commission is, on one hand, working with the national authorities and stakeholders to speed up the implementation of appropriate measures to meet the targets, including through dedicated financing. On the other hand, the Commission is pursuing enforcement actions against those Member States that, based on data submitted to the Commission, do not achieve the targets of the Waste Framework Directive(<sup>31</sup>), the Packaging and Packaging Waste Directive(<sup>32</sup>) and the Directive on Waste Electrical and Electronic Equipment(<sup>33</sup>).

Figure 4: Member States' prospects of meeting the preparing for reuse and recycling targets for municipal waste and packaging waste



<sup>(26)</sup> The recovery rate, excluding backfilling operations, stood at 79.8 % in 2022. ISPRA, Rapporto Rifiuti Speciali Edizione 2024, Report No 402/2024, Rome, 2024, p.216, https://www.isprambiente.gov.it/en/publications/reports/report-on-waste-from-economic-activities-2024?set language=en.

<sup>(27)</sup> European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, EU Construction & Demolition Waste Management Protocol including guidelines for pre-demolition and pre-renovation audits of construction works – Updated edition 2024, Publications Office of the European Union, Luxembourg, 2024, <a href="https://op.europa.eu/en/publication-detail/-/publication/d63d5a8f-64e8-11ef-a8ba-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/d63d5a8f-64e8-11ef-a8ba-01aa75ed71a1/language-en</a>

<sup>(28)</sup> European Commission, Circular Economy – Principles for building design, Brussels, 2020, https://ec.europa.eu/docsroom/documents/39984.

<sup>(29)</sup> Municipal waste consists of (i) mixed waste and separately collected waste from households, including paper and cardboard,

glass, metals, plastics, biowaste, wood, textiles, packaging, waste electrical and electronic equipment, waste batteries and accumulators, and bulky waste, including mattresses and furniture; and (ii) mixed waste and separately collected waste from other sources, where such waste is similar in nature and composition to waste from households (Directive 2008/98/EC, Article 3.2b).

<sup>(30) &</sup>lt;a href="https://environment.ec.europa.eu/publications/waste-early-warning-report">https://environment.ec.europa.eu/publications/waste-early-warning-report</a> en.

<sup>(31)</sup> Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, <a href="https://eur-lex.europa.eu/eli/dir/2008/98/oj/eng">https://eur-lex.europa.eu/eli/dir/2008/98/oj/eng</a>.

Directive 94/62/EC of the European Parliament and Council of 20 December 1994 on packaging and packaging waste, <a href="https://eurlex.europa.eu/legal-content/en/ALL/?uri=celex%3A31994L0062">https://eurlex.europa.eu/legal-content/en/ALL/?uri=celex%3A31994L0062</a>.

<sup>(33)</sup> Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE), <a href="https://eur-lex.europa.eu/eli/dir/2012/19/oj/eng">https://eur-lex.europa.eu/eli/dir/2012/19/oj/eng</a>.

- Member States not at risk of missing the 55% preparing for reuse and recycling target for municipal waste and the 65% recycling target for packaging waste
- Member States at risk of missing the preparing for reuse and recycling target municipal waste but not at risk of missing the recycling target for packaging waste
- Member States at risk of missing both targets
- Outside coverage

Source: European Environment Agency (EEA), 'Many EU Member States not on track to meet recycling targets for municipal waste and packaging waste', briefing No 28/2022, Copenhagen, 2023. Reference data © ESRI.

The data submitted by Italy show that it had missed its 2020 target for preparing for reuse and recycling of municipal waste and missed the 2020 target for the collection of waste electrical and electronic equipment (34), and hence, an infringement procedure was launched in July 2024 (35). On the positive side, a large recycling plant for recuperating precious metal sand raw material has been opened in Tuscany in December 2024(36).

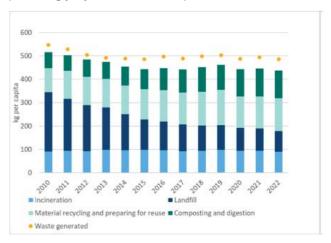
In September 2020, the Italian government published four legislative decrees that are expected to impact waste management, especially for EPR schemes, municipal waste, packaging and packaging waste(<sup>37</sup>). Italian regions can issue environmental regulations to regulate waste management activities, such as the separate collection of municipal waste, including hazardous waste.

#### **Municipal waste**

An estimated 14 % of the Italian population is covered by different types of pay-as-you-throw systems, while the majority pays waste taxes based on the surface area of housing and the number of occupants (<sup>38</sup>). Similar systems apply to commercial activities.

Italy has seen a significant improvement in waste management, with an increase in reuse and recycling. The municipal waste recycling rate went from 31 % in 2010 to 53.3 % in 2022, close to the 49.1 % EU-27 average.

Figure 5: Municipal waste management and recycling (including preparation for reuse), 2010–2022



Source: Eurostat, 'Municipal waste by waste management operations', env\_wasmun, accessed 22 October 2024, <a href="https://ec.europa.eu/eurostat/databrowser/view/ENV">https://ec.europa.eu/eurostat/databrowser/view/ENV</a> WASMUN/defau lt/table.

The landfill rate decreased from 46 % in 2010 to 18.1 % in 2022, primarily due to the increase in recycling. The incineration rate has remained relatively stable and was at 19.1 % in 2022. Figure 5 shows municipal waste by treatment, in terms of kg per inhabitant.

The provisional data reported by the Italian authorities to show compliance with the preparing for reuse and recycling target of 55 % for 2025 is in the range of 1–5 percentage points below the data shown in Figure 6 for reference years 2021 and 2022. The situation varies by region, but managing waste efficiently at the national level remains an important challenge for Italy, with separate collection rates in 2023 ranging from 77.7 % in Veneto to 54.8 % in Calabria(<sup>39</sup>); Lazio (55.4%) and Sicily (55.2%) performed relatively poorly, whereas Emilia-Romagna (77.1%) and Sardinia (76.3%) performed rather well.

<sup>(34)</sup> Directive 2012/19/EU of the European Parliament and of the Council on waste electrical and electronic equipment (WEEE) (OJ L 197, 24.7.2012, p. 38), <a href="https://eur-lex.europa.eu/eli/dir/2012/19/oj/eng">https://eur-lex.europa.eu/eli/dir/2012/19/oj/eng</a>.

<sup>(35)</sup> INFR(2024)2142.

<sup>(36)</sup> Italian Alliance for Sustainable Development (ASVIS), 2025, https://asvis.it/home/4-23036/focus-riuso-e-riciclo-quattrosfide-che-leuropa-e-non-solo-dovra-affrontare-nei-prossimi-anni

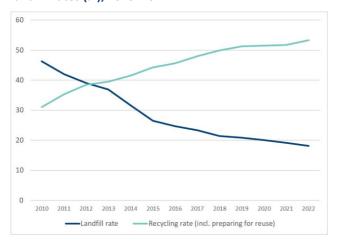
<sup>(37)</sup> Legislative Decree 116 of 3 September 2020 on packaging and packaging waste; Legislative Decree 118 of 3 September 2020 on

batteries and electronic and electrical waste; Legislative Decree 119 of 3 September 2020 on end of life vehicles; Legislative Decree 121 of 3 September 2020 on landfills.

<sup>(38)</sup> Information provided during the European Environment Information and Observation Network (Eionet) review of the draft EEA country profile on waste management for Italy.

<sup>(39)</sup> ISPRA, Rapporto Rifiuti Urbani Edizione 2024, https://www.isprambiente.gov.it/files2024/pubblicazioni/rapport i/rapportorifiutiurbani ed-2024 n406 versione integrale.pdf, p.49

Figure 6: Recycling (including preparation for reuse) and landfill rates (%), 2010–2022



NB: From reference year 2020, new reporting rules apply for calculating recycled municipal waste, pursuant to the targets set out in Article 11.2(c–e) of Directive 2008/98/EC. However, the data in Figures 5 and 6 do not comply with these new reporting rules.

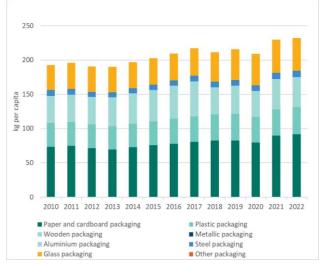
Source: Eurostat, 'Municipal waste by waste management operations', env\_wasmun, accessed 22 October 2024, https://ec.europa.eu/eurostat/databrowser/view/ENV WASMUN/defau lt/table.

Italy also has a 65 % separate collection target by 2012, which was reached for the first time at national level in 2023 with 66.6% (northern regions: 73.4%; central regions 62.3%; southern regions 58.9%)( $^{40}$ ). Municipalities that do not reach the target will have to pay an additional 20 % in landfill tax ( $^{41}$ ).

#### **Packaging waste**

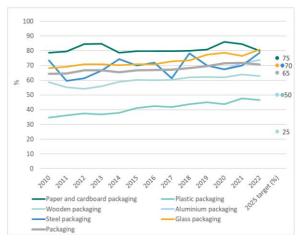
Italy's packaging waste generation has significantly increased since 2010 (see Figure 7). The overall packaging waste recycling rate has also increased from 2010, reaching 71 % in 2022. This is mainly driven by paper and cardboard and glass packaging waste, which represent the highest shares of packaging waste (Figure 8).

Figure 7: Packaging waste generation, 2010–2022



Source: Eurostat, 'Packaging waste by waste management operations', env\_waspac, last updated 23 October 2024, accessed 28 October 2024, <a href="https://ec.europa.eu/eurostat/databrowser/view/ENV WASPAC customs/42634/default/table?lang=en">https://ec.europa.eu/eurostat/databrowser/view/ENV WASPAC customs/42634/default/table?lang=en</a>.

Figure 8: Packaging waste recycling rates (%), 2010–2022



NB: From reference year 2020 the rules for calculating recycled packaging waste have changed, pursuant to Article 6a of Directive 94/62/EC. Italy has applied the new calculation rules since reference year 2020.

Source: Eurostat, 'Packaging waste by waste management operations', env\_waspac, last updated 23 October 2024, accessed 28 October 2024, <a href="https://ec.europa.eu/eurostat/databrowser/view/ENV">https://ec.europa.eu/eurostat/databrowser/view/ENV</a> WASPAC custo <a href="https://ex.europa.eu/eurostat/databrowser/view/ENV">m 842634/default/table?lang=en</a>.

The Italian EPR system for packaging covers both household and non-household packaging. A well-designed eco-modulated fee system is used for paper and cardboard packaging, cellulose-based composite packaging and plastics packaging, while only basic fee modulation is applied to ferrous metals, aluminium and glass packaging.

<sup>(40)</sup> ISPRA, Rapporto Rifiuti Urbani Edizione 2024, https://www.isprambiente.gov.it/files2024/pubblicazioni/rapport i/rapportorifiutiurbani ed-2024 n406 versione integrale.pdf, pp.33-35.

<sup>(41)</sup> Paragraph 3, Article 205 of Legislative decree n. 152/2006, thus replaced by Article 32, paragraph 1, letter b), 28 December 2015, Law number 221.

Currently Italy has no mandatory deposit-return system in place, but a voluntary deposit-return system for glass packaging promotes the return of empty mineral water and beer bottles to manufacturers for reuse. Italy established a EUR 0.45/kg tax on non-recycled single-use plastic packaging, which will enter into force in July 2026.

#### Policies to encourage waste prevention

Waste management plans and waste prevention programmes are instrumental to the full implementation of EU waste legislation. They set out key provisions and investments to ensure compliance with existing and new legal requirements (e.g. on waste prevention, on separate collection for certain waste streams, on recycling and on landfill targets).

In June 2022, Italy adopted a national waste management programme. Italy has 19 regional plans and two at the autonomous province level. Eight regions also have special waste plans for special or hazardous wastes, making a total of 29 plans. A few regional plans are still to be updated in line with the revised Waste Framework Directive in order satisfy the enabling condition under the 2021–2027 European Regional Development Fund (ERDF) programmes, which is necessary before expenditure can be reimbursed. A national platform has been established for monitoring waste management plans(<sup>42</sup>).

Italy's first national waste prevention programme covered 2013 to 2020 (<sup>43</sup>). There is no information about how this programme was monitored or evaluated, but a new national waste prevention programme is in development.

#### Policies to encourage separate collection and recycling

Italy's separate collection system shows room for improvement. The gaps between the separate collection rates in different regions have narrowed; nevertheless, poor performance in certain regions lowers the national average (44).

The Italian government's intention with regard to its waste policy is to increase recycling capacity, which, in turn,

should reduce the demand for new incineration plants. The RRP also contains investments for new waste plants and upgrading existing plants.

In terms of economic instruments, the use of quantity-based pricing is becoming more widespread, especially in the northern regions (<sup>45</sup>), butt is lacking in the centresouth. The OECD has carried out a review exploring the opportunities and implications of using taxes on construction aggregates and reduced VAT rates to support the use of recycled materials in Italy.

#### Policies to discourage landfilling or incineration

Italy has a nationwide tax on the landfilling of residual waste. However, each region decides annually the amount of tax that is applied in its territory, and this varies between EUR 5.17/t and EUR 25.82/t, which is considerably lower than the EU average. The upper value of this range has not changed since 1995 and there is no increase mechanism (escalator) in place (46). The 2022 timetable addendum for the circular economy strategy states that the lower bound for landfill taxes will be reviewed, but so far this has not been done. The European Commission identified a need for Italy to harmonise and increase the regional landfill tax rates as a priority action in all previous Environmental Implementation Reviews (EIRs) (2017, 2019 and 2022).

Italy has a tax on incineration of municipal solid waste without energy recovery ( $^{47}$ ). This tax, at a level of EUR 5.16/t, is the lowest of the ten Member States applying waste incineration taxes ( $^{48}$ ).

Italy continues to pay fines for gaps in waste management in Campania, following a Court of Justice of the European Union (CJEU) ruling with regard to its past waste management policies (<sup>49</sup>). So far EUR 325.8 million has been paid, including the initial lump sum payment (<sup>50</sup>). However, fines have been significantly reduced over time to recognise the progress made.

Italy was fined by the CJEU on 2 December 2014 for over 200 irregular landfills (<sup>51</sup>), and, after an intensified effort in recent years, only 8 irregular landfills were still the subject of fines. So far EUR 270 million has been paid in fines,

- (48) EEA, Early warning assessment related to the 2025 targets for municipal waste and packaging waste – Italy, Copenhagen, 2022, https://www.eea.europa.eu/publications/many-eu-memberstates/italy/view.
- Judgment of 16 July 2015, European Commission v Italian Republic, C-653/13. EU:C:2015:478.
- (50) As of 27 January 2025.
- (51) Judgment of 2 December 2014, European Commission v Italian Republic, C-196/13, EU:C:2014:2407.

<sup>(42) &</sup>lt;a href="https://www.monitorpiani.it/piani-regionali">https://www.monitorpiani.it/piani-regionali</a>

<sup>(43)</sup> EEA, Waste Prevention Country Profile – Italy, 2023, https://www.eea.europa.eu/themes/waste/wasteprevention/countries/2023-waste-prevention-country-factsheets/italy waste prevention 2023.

<sup>(44)</sup> EEA, Waste Prevention Country Profile – Italy, 2023, https://www.eea.europa.eu/themes/waste/wasteprevention/countries/2023-waste-prevention-country-factsheets/italy waste prevention 2023.

<sup>(45)</sup> ISPRA, Rapporto Rifiuti Urbani Edizione 2024, https://www.isprambiente.gov.it/files2024/pubblicazioni/rapport i/rapportorifiutiurbani ed-2024 n406 versione integrale.pdf) pp.262-3..

<sup>(46)</sup> EEA, Early warning assessment related to the 2025 targets for municipal waste and packaging waste – Italy, Copenhagen, 2022,

https://www.eea.europa.eu/publications/many-eu-member-states/italy/view.

EEA, Early warning assessment related to the 2025 targets for municipal waste and packaging waste – Italy, Copenhagen, 2022, <a href="https://www.eea.europa.eu/publications/many-eu-member-states/italy/view">https://www.eea.europa.eu/publications/many-eu-member-states/italy/view</a>.

including the lump sum payment (<sup>52</sup>). In its judgment issued on 21 March 2019 for a separate case (<sup>53</sup>), the CJEU ruled that Italy had failed to ensure the definitive closure and rehabilitation of a further 44 landfills that did not comply with the requirements of the Landfill Directive. Since then, the Commission has ascertained that Italy has closed 35 of those landfills, but still needs to close and rehabilitate the nine remaining. The Commission therefore called on Italy to comply with EU rules on landfills (<sup>54</sup>) and is carefully monitoring progress on compliance.

Italy notified the Commission of its transposition of the 2018 waste package (55). A conformity assessment showed that Italy has not properly transposed the Waste Framework Directive (Directive 2018/851). An infringement was therefore opened in July 2024 (56).

The conformity assessment of Italy's transposition of Directive 2019/904 on single-use plastics determined that this also had not been not properly transposed. Therefore, an infringement was opened in May 2024 (<sup>57</sup>). In February 2025, an infringement was opened on transposition of the Landfills Directive(<sup>58</sup>)(<sup>59</sup>).

Italy has not yet ratified the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.

In the 2022 EIR, Italy had three priority actions in the field of waste. It has made no progress on harmonising the low-level regional landfill taxes across the country. Italy has made some progress on implementing the national waste management programme and ensuring regional waste management plans are in line with the revised Waste Framework Directive. Some progress has also been made on the 2019 and 2022 action to complete the closure of non-compliant landfills. However, this has yet to be fully completed. Finally, no progress has been made on ratifying the Hong Kong Convention, regarding which Italy received a priority action in the 2017, 2019 and 2022 EIRs.

#### 2025 priority actions

 Increase reuse of products and scale up waste recycling infrastructure associated with the higher steps of the waste hierarchy. In particular, improve collection and increase treatment capacity for biowaste.

- Invest in waste prevention measures to reduce the total amount of waste generated.
- Improve municipal waste preparation for reuse and recycling.
- Increase the collection and recycling rate of waste electronic and electric equipment (WEEE).
- Complete the closure of non-compliant landfills.
- Implement, harmonise and gradually increase landfill taxes to phase out landfilling of recyclable and recoverable waste.
- Ratify international conventions on ship recycling.

<sup>(52)</sup> As of 27 January 2025.

Judgment of 21 March 2019, European Commission v Italian Republic, C-498/17, EU:C:2019:243.

<sup>(54)</sup> European Commission, 'April infringements package: Key decisions', Brussels, 6 April 2022, https://ec.europa.eu/commission/presscorner/detail/en/inf 22 1769?msclkid=240d7077c24b11eca3f8b0c6ba5a4f12.

<sup>(55)</sup> Directive (EU) 2018/851 <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018L0851&from=EN,">https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1529413058624&uri=CELEX:32018L0852,</a>
Directive (EU) 2018/850, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1529413058624&uri=CELEX:32018L0852,">https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1529413058624&uri=CELEX:32018L0852,</a>

content/EN/TXT/?qid=1529413058624&uri=CELEX:32018L0850 and Directive (EU) 2018/849 <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1529413058624&uri=CELEX:32018L0849">https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1529413058624&uri=CELEX:32018L0849</a>, amend the previous waste legislation and set more ambitious recycling targets up to 2035.

<sup>(56)</sup> INFR(2024)2097.

<sup>(57)</sup> INFR(2024)2053.

<sup>(58)</sup> Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31999L0031">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31999L0031</a>

<sup>(59)</sup> INFR(2024)2268.

## 2. Biodiversity and natural capital

#### Global and EU biodiversity frameworks

Biological diversity and healthy ecosystems are critical for our societies, underpin our economies and well-being and are essential for climate change adaptation and mitigation. The Kunming–Montreal global biodiversity framework (GBF), adopted in December 2022, sets comprehensive and measurable targets to tackle biodiversity loss by 2030. To implement this global framework and integrate biodiversity considerations into national decision-making, the EU – as well as all Member States – had to submit national biodiversity strategies and action plans (NBSAPs), or to communicate national targets aligned with the global targets, by the end of 2024.

The EU biodiversity strategy for 2030 (BDS) aims to put EU biodiversity on a path to recovery by 2030. It sets quantified targets intended to protect and restore nature and manage ecosystems in a sustainable manner, as well as measures to enable implementation and commitments to support global biodiversity. A BDS actions tracker (60) and a dashboard of indicators (61) provide information on implementation progress.

The recently adopted EU Nature Restoration Regulation (62) is the first EU-wide, comprehensive law of its kind and a key instrument for the EU to deliver on the global biodiversity targets for 2030. It lays down an overarching objective at the EU level to put in place effective restoration measures on 20 % of EU land and sea by 2030 and for all ecosystems in need of restoration by 2050. To achieve this, it sets binding targets for Member States to restore and maintain ecosystems, as well as an effective implementation framework based on national restoration plans.

The BDS is the main instrument used by the EU to deliver on its obligation under the GBF. The Commission has submitted to the Convention on Biological Diversity its report on GBF-aligned EU targets that stem from the BDS

and from other policy instruments under the European Green Deal.

Member States' NBSAPs need to provide coherent frameworks for national delivery on the global and EU 2030 biodiversity targets. In line with the global obligations, NBSAPs should also include a biodiversity financing plan and a capacity-building plan, based on needs assessments, as well as an overview of the national indicators used to measure progress.

Italy's national biodiversity strategy for 2030 (<sup>63</sup>) was adopted by ministerial decree in August 2023 (<sup>64</sup>). The strategy was developed through a broad consultative process and its final draft was approved at a stateregions conference in July 2023. It builds on the EU and global biodiversity targets for 2030 and sets two strategic objectives on (i) a coherent network of protected areas and (ii) restoring marine and terrestrial ecosystems, supported by 18 actions and 161 sub-actions. The strategy's 2023–2030 implementation programme defines the administrations in charge, the implementing bodies, the financial sources and the timetable for the 161 sub-actions. A mid-term progress check is envisaged in 2026.

The EU aims to allocate to biodiversity objectives at least 7.5 % of annual spending under the EU budget in 2024, rising to 10 % in 2026 and 2027. Details on the Italian situation with regard to biodiversity financing are in Chapter 5.

# Nature protection and restoration – Natura 2000

Natura 2000  $(^{65})$ , the largest coordinated network of protected areas in the world, is key to the achievement of the objectives set out in the Birds and Habitats Directives. These objectives are to ensure the long-term protection, conservation and survival of Europe's most

- (60) EU Biodiversity Strategy Actions Tracker https://dopa.jrc.ec.europa.eu/kcbd/actions-tracker/.
- (61) EU Biodiversity Strategy Dashboard https://dopa.jrc.ec.europa.eu/kcbd/EUBDS2030-dashboard/?version=1.
- (62) Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869 (OJ L, 2024/1991, 29.7.2024), http://data.europa.eu/eli/reg/2024/1991/oj; see also the Commission web page on the law https://environment.ec.europa.eu/topics/nature-and-biodiversity/nature-restoration-law en.
- (63) <a href="https://www.mase.gov.it/pagina/strategia-nazionale-la-biodiversita-al-2030">https://www.mase.gov.it/pagina/strategia-nazionale-la-biodiversita-al-2030</a>.
- (64)https://www.mase.gov.it/sites/default/files/archivio/allegati/biodiversita/decr 252 3.8.2323.pdf.
- (65) Natura 2000 comprises sites of community importance (SCIs), designated pursuant to the Habitats Directive, as well as special protection areas (SPAs), classified pursuant to the Birds Directive. A special area of conservation (SAC) is an SCI designated by a Member State.

valuable and threatened species and habitats and the ecosystems they underpin. Key milestones towards meeting the objectives of the Birds and Habitats Directives are (i) the setting up of a complete and coherent Natura 2000 network; (ii) the designation of sites of community importance (SCIs) as special areas of conservation (SACs) (<sup>66</sup>); and (iii) effective management of all Natura 2000 sites through the setting of site-specific conservation objectives and measures.

## Setting up a complete and coherent network of Natura 2000 sites

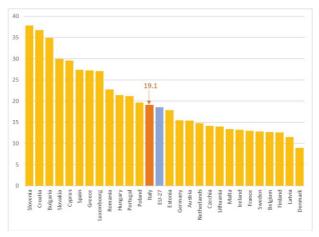
The setting up of a complete and coherent network of Natura 2000 sites is a cornerstone of the EU's international commitments, under the BDS and GBF, to legally protect a minimum of 30 % of its land area and 30 % of its sea area.

Meeting these commitments requires the full implementation of Article 3 of the Habitats Directive. The Natura 2000 network should represent a complete and coherent ecological network composed of sites hosting natural habitat types and species of community interest. The Natura 2000 network enables the natural habitat types and the species' habitats concerned to be maintained or, where appropriate, restored to a favourable conservation status in their natural range.

Italy hosts 132 habitat types (<sup>67</sup>) and 340 species (<sup>68</sup>) covered by the Habitats Directive. The country also hosts populations of 124 bird taxa listed in Annex I to the Birds Directive (<sup>69</sup>).

In 2023, 19.1 % of the terrestrial area of Italy was covered by Natura 2000 sites (EU average: 18.6 %); see Figure 9. Special protection areas (SPAs) classified under the Birds Directive covered 13.4 % of the territory (EU average: 12.8 %) and SCIs under the Habitats Directive covered 14.3 % (EU average: 14.3 %).

Figure 9: Natura 2000 terrestrial protected area coverage per Member State (%), 2023



Source: EEA, 'Natura 2000 Barometer', 2023 data, accessed March 2025, <a href="https://www.eea.europa.eu/data-and-maps/dashboards/natura-2000-barometer">https://www.eea.europa.eu/data-and-maps/dashboards/natura-2000-barometer</a>.

The latest assessment of the Italian Natura 2000 network shows that insufficiencies remain in designations for several species and habitat types under the Habitats Directive as well as for a number of bird species under the Birds Directive. Therefore, Italy must still complete its Natura 2000 network, in particular the marine network. An infringement is open so that the national authorities take the measures needed to comply with the requirements of these two directives.

Considering both areas covered by Natura 2000 and other nationally designated protected areas, Italy legally protects 21.4 % of its terrestrial areas (EU-27 average: 26.1 %) and about 9.7% of its marine areas (EU-27 average: 12.3 %) ( $^{70}$ ). This is below the EU 2030 target of 30%.

# Designating special areas of conservation and setting site-specific conservation objectives and measures

In order to ensure that SCIs contribute to the objectives of the Habitats Directive, Member States must designate

- on the Article 17 checklist published on the reference portal on 24 May 2023.
- (69) EEA, 'Number of bird species/populations per Member State', Article 12 dashboard, Annex I total, last updated 11 May 2023, https://www.eea.europa.eu/en/analysis/maps-andcharts/general-information-on-bird-species-populations-article-12-national-summary-dashboards-archived. This counting only takes into account bird taxa for which information was requested.
- (70) EU Biodiversity Strategy Dashboard
  https://dopa.jrc.ec.europa.eu/kcbd/EUBDS2030dashboard/?version=1#COHERENT%20NETWORK%20OF%20PR
  OTECTED%20AREAS. National data from ISPRA use a different
  methodology and show that 11.20 % of marine areas and
  21.68 % of terrestrial areas are protected
  https://indicatoriambientali.isprambiente.it/it/areetutelate/superficie-nazionale-protetta-terrestre-e-marina.

<sup>(66)</sup> SCIs are designated pursuant to the Habitats Directive, whereas SPAs are designated pursuant to the Birds Directive. Figures of coverage do not add up because some SCIs and SPAs overlap.

<sup>(67)</sup> EEA, 'Number of habitats and species per Member State', Article 17 dashboard, Annex I total, 19 December 2019, https://www.eea.europa.eu/en/analysis/maps-andcharts/general-information-on-habitats-and-species-article-17national-summary-dashboards-archived. NB: The Italian authorities indicate that the most up-to-date figure is 131, based on data submitted by MASE to the European Commission in December 2023.

<sup>(68)</sup> EEA, Number of habitats and species per Member State', Article 17 dashboard, 19 December 2019, <a href="https://www.eea.europa.eu/en/analysis/maps-and-charts/general-information-on-habitats-and-species-article-17-national-summary-dashboards-archived">https://www.eea.europa.eu/en/analysis/maps-and-charts/general-information-on-habitats-and-species-article-17-national-summary-dashboards-archived</a>. NB: The Italian authorities indicate that the most up-to-date figure is 351, based

them as SACs, setting site-specific conservation objectives based on the ecological needs of the species and habitats present on the sites. The site-specific conservation objectives must be defined in terms of attributes and targets that cover the properties of the feature of interest that are necessary to describe its condition as either favourable or unfavourable. These objectives must address the key pressures and threats present on the site. Article 6 of the Habitats Directive requires Member States to establish and implement conservation measures for the realisation of the objectives of the site.

The six-year deadline set under the Habitats Directive to designate SCIs as SACs and set appropriate conservation objectives and measures has expired for the majority of sites in Italy. At the moment almost all the expired SCIs have been designated as SACs.

Site-specific conservation objectives and measures have not been adopted for all designated SACs, and the quality of many of those adopted does not fulfil the required standards. An infringement procedure is ongoing to address these problems (71). Currently, site-specific conservation objectives and measures have been identified but not fully adopted for around half of the SACs, according to an applicable MASE methodology (72). Furthermore, 2019 national guidelines need to be fully adhered to for appropriate assessment in line with the Habitats Directive (73).

Italy needs to fully implement the adopted national and regional provisions and guidelines on the appropriate assessment of plans and projects for Natura 2000 sites.

#### 2025 priority actions

- Complete the Natura 2000 site designation process.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) and ensure their effective implementation.
- Ensure the effective implementation of Natura 2000 management plans and sufficient administrative capacity and financing for both Natura 2000 and the implementation of the Nature Restoration Regulation. Ensure the implementation of 2021– 2027 prioritised action frameworks (PAFs).

#### **Recovery of species**

One objective set by the BDS is that, by 2030, there should be no further deterioration in conservation trends or the status of any protected species. The BDS also states that Member States should ensure that at least 30 % of species not currently in favourable conservation status achieve that status or show progress towards doing so (e.g. by exhibiting positive population dynamics or stable or increasing range and habitat size), by 2030. According to the European Environment Agency (EEA), based on reporting required under Article 17 of the Habitats Directive, a quarter of species in the EU were of good conservation status as of 2018 (<sup>74</sup>).

One of the primary objectives of the Habitats Directive is the maintenance of or restoration to favourable conservation status of all species of community interest. Moreover, the Birds Directive also aims to ensure that all wild birds in the EU enjoy a secure status. In order to achieve these objectives, it will be necessary to address key pressures and threats. The Birds Directive and the Habitats Directive lay down a framework of species protection rules and rules on the conservation of habitats and species in order to combat these threats.

The Commission receives many complaints about poor implementation of the Nature Directives in Italy, namely the lack of effective protection of designated sites (from several types of development projects and activities) and of protected species (e.g. poaching of wild birds). In order to improve effective protection of designated sites from projects and activities, in December 2019 Italy adopted national guidelines on the correct application of Article 6(3) and (4) of the Habitat Directive. Furthermore, all Italian regions have also transposed these guidelines (cited in footnote 73).

Moreover, in February 2024, the Commission opened an infringement (75) against Italy because of changes introduced in the Italian hunting legislation that are not in conformity with the Birds Directive and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, which restricts the use of lead-containing gunshot in or near wetlands. An additional infringement was opened against Italy in February 2024 for poor implementation of the Habitats Directive as regards protected species becoming bycatch (76). Furthermore, national anti-poaching

<sup>(71)</sup> INFR(2015)2163.

<sup>(72)</sup> MASE, 'Documenti di riferimento per l'individuazione di obiettivi e misure di conservazione', last updated 28 July 2023, <a href="https://www.mase.gov.it/pagina/documenti-di-riferimento-lindividuazione-di-obiettivi-e-misure-di-conservazione">https://www.mase.gov.it/pagina/documenti-di-riferimento-lindividuazione-di-obiettivi-e-misure-di-conservazione</a>.

<sup>(73)</sup> MASE, 'Linee guida nazionali per la valutazione di incidenza (VIncA) – Direttiva 92/43/CEE "Habitat" articolo 6, paragrafi 3 e 4', last updated 3 February 2020, https://www.mase.gov.it/pagina/linee-guida-nazionali-la-

valutazione-di-incidenza-vinca-direttiva-92-43-cee-habitat-articolo.

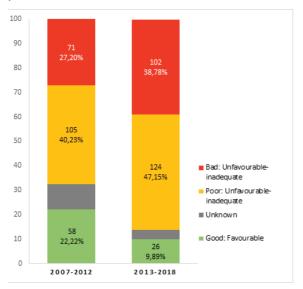
<sup>(74)</sup> EEA, State of Nature in the EU: Results from reporting under the Nature Directives 2013–2018, Publications Office of the European Union, Luxembourg, 2020, <a href="https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020">https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020</a>.

<sup>(75)</sup> INFR(2023)2187.

<sup>(&</sup>lt;sup>76</sup>) INFR(2023)2181.

measures need to be implemented. Under Article 17 of the Habitats Directive, Member States are required to report on the conservation status of habitats and species every six years. The current reporting cycle, covering the years 2019 to 2024, is due for submission in July 2025. Figures 10 and 11 show the latest available conservation status data for habitats and species (these figures were also included in the 2022 EIR).

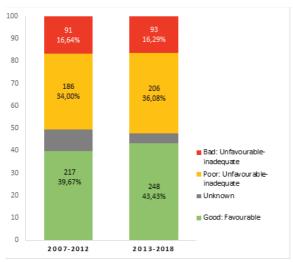
Figure 10: Assessments of conservation status of habitats for the 2007–2012 and 2013–2018 reporting periods



NB: The values shown for 2007–2012 and 2013–2018 are not necessarily directly comparable because changes in area conservation status in a Member State may result from changes to methods or use of better data, rather than reflecting genuine changes. Unknown status: 2007-2012 – 10.34%, 2013-2018 – 4.18%.

Source: EEA, 'Conservation status and trends of habitats and species', 19 December 2019, <a href="https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived">https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived</a>.

Figure 11: Assessments of conservation status of species for the 2007–2012 and 2013–2018 reporting periods



NB: The values shown for 2007–2012 and 2013–2018 are not necessarily directly comparable because changes in area conservation status in a Member State may result from changes to methods or use of better data, rather than reflecting genuine changes. Unknown status: 2007-2012-8.96%, 2013-2018-3.85%.

Source: EEA, 'Conservation status and trends of habitats and species', 19 December 2019, <a href="https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived">https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived</a>.

As part of its RRP, Italy is introducing administrative simplifications and will develop digital services for visitors to national parks and marine protected areas as well as supporting the re-naturification of the River Po area.

In the 2022 EIR, Italy had three priority actions, on all of which there has been some progress: (i) the completion of the Natura 2000 network, namely its marine component; (ii) setting appropriate, site-specific conservation objectives and measures and fully implementing them, in line with the specific needs and priorities identified in the updated prioritised action frameworks adopted by the regions; and (iii) more effective enforcement of the nature protection provisions, greater administrative capacity, and improved management of designated sites.

#### 2025 priority actions

- Strengthen the implementation of national antipoaching measures.
- Reinforce action for habitats and species in unfavourable conservation status, for example through restoration measures, increased connectivity, better policy coordination and integration, and increased funding.

#### **Recovery of ecosystems**

#### **Agricultural ecosystems**

The BDS works alongside the common agricultural policy (CAP) to support the transition to sustainable agriculture.

The strategy has set five common agriculture- related targets for 2030, namely to:

- reduce by 50 % the overall use of and risk from chemical pesticides;
- reduce by 50 % the use of more hazardous pesticides;
- reduce by 50 % losses of nutrients from fertilisers (which will result in a 20 % reduction in the use of fertilisers) while ensuring that there is no deterioration of soil fertility;
- restore at least 10 % of agricultural area to have high-diversity landscape features; and
- increase the area under organic farming to at least

#### 25 %.

The "Vision for agriculture and food", adopted by the European Commission in February 2025, sets a roadmap to an agri-food system that is attractive, competitive, sustainable and fair for current and future generations. To ensure a sustainable future for EU agriculture, it is crucial that these four priority areas are pursued together, and that public and private support are adequately targeted toward this objective(77).

The CAP and national CAP strategic plans (SPs) are key instruments to facilitate and strengthen the efforts of European farmers to protect biodiversity and the environment at large. The Commission approved Member States' CAP SPs in 2022 for the 2023–2027 programming period. CAP is a significant source of funding contributing to the implementation of EU environment policy including biodiversity. SPs should continue playing a key role in the protection of soil, water, air quality and biodiversity.

While certain result indicators focus on a range of interventions favouring sustainable agriculture practices that regenerate ecosystems, the impact of these measures is difficult to assess. The uptake of the ecoschemes is voluntary for farmers.

The utilised agricultural area in Italy increased from 12 548 100 hectares in 2012 to 13 078 500 hectares in  $2023(^{78})$ .

Landscape features are fragments of non-productive typically – but not exclusively – semi-natural vegetation present in or adjacent to agricultural land. They provide ecosystem services and support for biodiversity. The indicator 'share of agricultural land covered with landscape features' is the ratio between the area covered by non-productive landscape features and the area covered by agricultural land. Based on the Land Use/Cover Area Frame Survey (79) landscape features estimates, the share of agricultural land covered by non-

productive landscape features in Italy at 8% is above the EU average (5.6%), ranging from 12 % in the central Italian Apennines to under 3 % in Puglia. At the EU level, landscape features cover 5.6 % of agricultural land.

In 2024, the CAP basic regulations were amended (80) regarding, inter alia, the standards for good agricultural and environmental condition (GAEC) of land. These changes removed the obligation for farmers benefiting from CAP area-related support to have a minimum share of 3–4% of non-productive area or landscape features in their farms. The amended regulations do not remove the obligation under GAEC 8 to retain existing landscape features, but they do set out an obligation for Member States to establish and provide support for eco-schemes covering practices for the maintenance of non-productive areas, such as land lying fallow, and for the establishment of new landscape features, on arable land.

The recently adopted Nature Restoration Regulation (81) focuses on the restoration of agricultural ecosystems and requires Member States to put in place measures that aim to achieve an increasing trend at the national level of at least two out of three indicators for agricultural ecosystems (82). One of these indicators is the 'share of agricultural land with high-diversity landscape features'.

Organic farming practices are highly beneficial to biodiversity. As shown in Figure 12, it is estimated that 18.14% of Italy's land area is used for organic farming. This is among the best results in the EU and higher than the EU average of 10.50% ( $^{83}$ ). Italy is contributing above average to achieving the target of 25% of the EU's agricultural land being used for organic farming by 2030.

<sup>(&</sup>lt;sup>77</sup>) European Commission, 2025, https://agriculture.ec.europa.eu/overview-vision-agriculturefood/vision-agriculture-and-food\_en.

<sup>(78)</sup> Eurostat, 'Utilised agricultural area by categories' https://ec.europa.eu/eurostat/databrowser/view/tag00025/de fault/table?lang=en, accessed 19.12.2024.

<sup>(79) &</sup>lt;a href="https://esdac.jrc.ec.europa.eu/projects/lucas">https://esdac.jrc.ec.europa.eu/projects/lucas</a>; see also European Commission: Joint Research Centre, 'Landscape features in agricultural land: What is the extent?', 30 September 2024, p. 34, Figure 14, <a href="https://publications.jrc.ec.europa.eu/repository/handle/JRC135">https://publications.jrc.ec.europa.eu/repository/handle/JRC135</a> 966.

<sup>(80)</sup> Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP

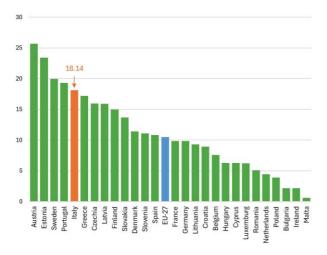
strategic plans, review of the CAP strategic plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024), <a href="http://data.europa.eu/eli/reg/2024/1468/oj">http://data.europa.eu/eli/reg/2024/1468/oj</a>.

<sup>(81)</sup> Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869 (OJ L, 2024/1991, 29.7.2024), http://data.europa.eu/eli/reg/2024/1991/oj.

<sup>(82)</sup> The three indicators are 'grassland butterfly index', 'stock of organic carbon in cropland mineral soils' and 'share of agricultural land with high-diversity landscape features'.

<sup>(83)</sup> This is based on the latest available information from Eurostat, which is currently under review; European Commission, Agriculture biologique au sein de l'union européenne, factsheet, Brussels, 2024, <a href="https://agriculture.ec.europa.eu/document/download/c67458e">https://agriculture.ec.europa.eu/document/download/c67458e</a> d-ec50-4762-ae68-341763ab93c2 fr?filename=factsheet-organic-farning en.pdf&prefLang=en.

Figure 12: Share of total utilised agricultural area occupied by organic farming per Member State (%), 2022



Source: Eurostat, 'Area under organic farming', sdg\_02\_40, accessed 5 December 2024, https://ec.europa.eu/eurostat/databrowser/view/sdg 02 40/default/table?lang=en.

#### 2025 priority action

 Implement eco-schemes and agri-environmental measures and practices to address the environmental needs of Italy.

#### Soil ecosystems

Soil is an essential, finite and extremely fragile resource. Its increasing degradation poses a threat to EU food security and climate resilience, adaptation and mitigation.

The EU soil strategy, adopted in November 2021, aims to support soil protection, sustainable soil management and the restoration of degraded soils to achieve the Green Deal objectives as well as land degradation neutrality by 2030.

#### This entails:

- preventing further soil degradation;
- making sustainable soil management the new normal;

Proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law), COM(2023) 416 final of 5 July 2023, <a href="https://eurlex.europa.eu/legal-content/EN/HIS/?uri=COM:2023:0416:FIN.">https://eurlex.europa.eu/legal-content/EN/HIS/?uri=COM:2023:0416:FIN.</a>

#### taking action for ecosystem restoration.

The proposed directive on soil monitoring and resilience (84) aims to introduce the first comprehensive legislation on the protection of all soils in the EU. Should the directive be adopted, Member States will have to transpose it into national legislation and implement it, starting with putting in place the governance systems and a sound monitoring framework building on existing national soil monitoring frameworks. The objective of the proposed directive is to provide better and more comparable soil health data with the view of attaining healthy soils by 2050.

Degradation of soil ecosystems encompasses several aspects. The proposed directive requires Member States to assess soil health according to a set of common indicators and to define the necessary regeneration measures. The area of soil that is sealed is an important factor in monitoring land-use change and represents an important pressure on nature and biodiversity. Other soil issues related to land degradation are soil erosion, soil compaction, loss of soil organic carbon, soil contamination, soil salinisation and the presence in soil of nitrogen and phosphorus in excess.

The impact assessment accompanying the proposal, which builds on the data available in the EU Soil Observatory, points to the following soil degradation issues in Italy (85). Unsustainable soil erosion by water, wind, tillage and harvest affects 23 % of the national territory and 80 % of cropland area. 19 % of the land area experiences loss of soil organic carbon in mineral soils (86), and 14 % of the national territory consists of soils containing copper concentrations above 50 mg/kg.

National statistics show that 20 ha/day of soil was converted to artificial land cover (land take) in 2023. The estimated total costs of the loss of ecosystem service flows due to land consumption in 2006–2023 range from EUR 8.22 billion to EUR 10.06 billion annually. The highest losses are associated with the hydrological regime regulation service, namely the increase in surface run-off produced by land consumption, for which flow loss values for 2006–2023 range from EUR 7.6 billion to EUR 8.9 billion per year (87). At the same time, a law on controlling soil consumption has been pending since

O7/IMPACT ASSESSMENT REPORT ANNEXES SWD 2023 417 part4.pdf.

- (86) De Rosa, D., Ballabio, C., Lugato, E. et al., 'Soil organic carbon stocks in European croplands and grasslands: How much have we lost in the past decade?', *Global Change Biology*, Vol. 30, No 1, 2023, e16992, <a href="https://doi.org/10.1111/gcb.16992">https://doi.org/10.1111/gcb.16992</a>.
- (87) National System for Environmental Protection (SNPA), Consumo di Suolo, Dinamiche Territoriali e Servizi Ecosistemici – Edizione 2024, Report No 43/2024, Rome, 2024, p. 343, https://www.snpambiente.it/temi/suolo/consumo-di-suolodinamiche-territoriali-e-servizi-ecosistemici-edizione-2024/.

<sup>(85)</sup> Commission staff working document – Impact assessment report: Annexes – Accompanying the proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law), SWD(2023) 417 final of 5 July 2023, https://environment.ec.europa.eu/system/files/2023-

2012 in parliament (<sup>88</sup>). On 19 December 2024, the Italian Environment Minister signed a decree for 160 million EUR for dealing with soil degradation in urban and periurban areas(<sup>89</sup>). Italy is also using the RRP to invest tree planting in urban and peri-urban areas (the RiforestAzione project).

#### 2025 priority actions

 Reduce the excessive area of sealed and artificialised soil and remediate degraded areas of soil. If appropriate, consider formally committing to targets for land-degradation neutrality under the relevant United Nations Convention to Combat Desertification agreement.

#### Grasslands

Grasslands are among the most diverse ecosystems in the EU; they can contain as many as 80 different plant species per square metre and are home to a large variety of animals, ranging from small insects, birds and rodents to large herbivores. Grasslands are essential for agriculture and livestock herding. Natural grasslands also play an important role in storing carbon. However, changes in agricultural practices and land uses have caused grasslands to disappear at an alarming rate, making them one of Europe's most threatened ecosystems.

Italy hosts 15 grassland habitat types covered by the Habitats Directive. According to the latest report produced in accordance with Article 17 of the Habitats Directive, all such habitat types, except one, have an unfavourable conservation status, and most of them show a negative trend. The main pressures and threats identified by the report for these habitat types are related to agriculture, natural processes (i.e. natural succession following abandonment) and infrastructure development.

#### Wetlands/peatlands

Wetlands act as water sources and purifiers; they are the planet's greatest natural carbon stores and they are crucial to agriculture and fisheries. Peatlands are a special type of wetlands dominated by peat-forming plants such as *Sphagnum* mosses. Nearly all peatlands in the EU are habitat types listed in Annex I to the Habitats Directive. Drained peatlands under intensive agricultural

use constitute only 3 % of the EU's utilised agricultural area. At the same time, they are responsible for 25 % of the GHG emissions from the EU's agricultural sector. Restoring peatlands brings multiple benefits, as peatlands improve water retention and quality, store carbon, reduce GHG emissions and increase biodiversity.

Italy hosts 15 freshwater habitat types covered by the Habitats Directive and eight habitat types belonging to the group bogs, mires and fens'. According to the latest report produced in accordance with Article 17 of the Habitats Directive, none of them has a favourable conservation status. The main pressures and threats identified by the report for freshwater habitat types are agriculture, human-induced changes in the water regime, infrastructure development and invasive alien species; for bogs, mires and fens the pressures and threats are human-induced changes in the water regime, natural processes, agriculture and infrastructure development.

#### Forest ecosystems

Forests are important carbon sinks and conserving them is vital if the EU is to achieve climate neutrality by 2050. The EU forest strategy for 2030, adopted in July 2021, is a plan of actions to promote the many services that forests provide. Its key objective is to ensure healthy, diverse and resilient EU forests that contribute significantly to the achievement of the EU's biodiversity and climate ambitions. About 27 % of the forest area in the EU is covered by habitat types listed in Annex I to the Habitats Directive. Moreover, forests host several species protected under the Birds and Habitats Directives, including those for which there is a requirement to designate Natura 2000 sites and to protect breeding sites and resting places.

Several Commission guidelines on forestry management were published in 2023. They covered biodiversity-friendly afforestation, reforestation and tree planting; closer-to-nature forest management; and defining, mapping, monitoring and strictly protecting primary and old-growth forests. Further guidance on payment schemes for ecosystems services has also been published.

In 2023, the Commission proposed a new forest monitoring law (90) that aims to create a comprehensive forest knowledge base, address information gaps and

<sup>(88)</sup> Italian Chamber of Deputies, 'Disposizioni per il contenimento del consumo di suolo e la rigenerazione urbana – AC 1179', 2023, https://documenti.camera.it/leg19/dossier/pdf/Am0040.pdf.

<sup>(89)</sup> MASE, soil decree, <a href="https://www.mase.gov.it/comunicati/suolo-pichetto-firma-decreto-ripartire-fondo-da-160-milioni-contro-degrado-urbano-e">https://www.mase.gov.it/comunicati/suolo-pichetto-firma-decreto-ripartire-fondo-da-160-milioni-contro-degrado-urbano-e</a>.

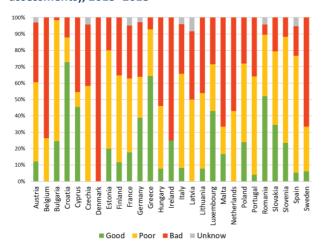
<sup>(90)</sup> Proposal for a Regulation of the European Parliament and of the Council on a monitoring framework for resilient European forests, COM(2023)728, 22 November 2023, https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2023)728&lang=en

enable a better response to growing pressures on forests.

Assessments show that, of the 27 % of EU forest area protected under the Habitats Directive, less than 15 % is of favourable conservation status (<sup>91</sup>). The share of forested areas in the EU with a bad conservation status increased from 27 % in 2015 to 31 % in 2018.

In Italy, forests covered 32.5 % of the land area in 2020 ( $^{92}$ ), and 93 000 ha were covered by primary forests ( $^{93}$ ). Assessments reveal that over 90 % of the areas have a bad to poor status ( $^{94}$ ); see Figure 13.

Figure 13: Conservation status of forests protected under the Habitats Directive per Member State (% assessments), 2013–2018



Source: Commission staff working document – New EU forest strategy for 2030, SWD(2021) 652 final of 16 July 2021, p. 24, eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0652.

Among forest disturbances contributing to loss of forest integrity and related biodiversity loss, wildfires constitute a particular reason for concern. In 2022, the EU saw a record number (2 700) of wildfires affecting more than 30 ha, which led to the destruction of 785 605 ha of forest, the second highest annual figure recorded. Recent years have also witnessed the occurrence of widespread uncontrollable fires (so-called megafires), which are associated with loss of life and an enormous cost in terms of damage to the environment, businesses and society (over EUR 2 billion annually) and carbon dioxide (CO<sub>2</sub>) emissions. Megafires are practically beyond suppression capacity and can be prevented only by an integrated risk management approach. Wildfires prevention is also essential to preserve resources for the bioeconomy.

In 2023, Italy was the second most affected Member State after Greece in terms of burnt area, with a total of 4 265 forest fires and 88 805 ha burnt. Especially in Sicily, but also in Calabria, the fires affected large areas and caused casualties among citizens (95). The Commission has supported a peer-review process in dealing with wildfires in Italy(96).

The EU Timber Regulation (EUTR) (97) prohibits the placing on the EU market of illegally harvested timber. According to the EUTR, Member States' competent authorities must conduct regular checks on operators and traders and apply penalties for non-compliance.

On 29 June 2023, the Regulation on Deforestation-free Products (EUDR) (98) entered into force (99). The regulation seeks to guarantee that products in the EU that are made using any of seven listed commodities

- (91) EEA, State of Nature in the EU: Results from reporting under the Nature Directives 2013–2018, Publications Office of the European Union, Luxembourg, 2020, https://www.eea.europa.eu/publications/state-of-nature-inthe-eu-2020.
- (92) EEA, forest information system for Europe, 'Countries FISE country factsheets', forest information system for Europe website, <a href="https://forest.eea.europa.eu/countries">https://forest.eea.europa.eu/countries</a>.
- (93) European Commission: Joint Research Centre, Mapping and assessment of primary and old-growth forests in Europe, Publications Office of the European Union, Luxembourg, 2021, p 13,
  - https://publications.jrc.ec.europa.eu/repository/handle/JRC124671.
- (94) Commission staff working document Stakeholder consultation and evidence base: Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions New EU forest strategy for 2030, SWD(2021) 652 final of 16 July 2021, https://eur-lex.europa.eu/legal-content/NL/TXT/?uri=CELEX:52021SC0652.
- (95) San-Miguel-Ayanz, J., Durrant, T., Boca, R. et al., Forest Fires in Europe, Middle East and North Africa 2023, Publications Office

- of the European Union, Luxembourg, 2024, <a href="https://publications.jrc.ec.europa.eu/repository/handle/JRC139">https://publications.jrc.ec.europa.eu/repository/handle/JRC139</a> 704.
- (9b) Verde, J. C., Torres, J.S., Marques, R., Franc, R., Flores, E., Casartelli, V., Marengo, A., Melinato, S., Mysiak, J., Salpina, D., Brăilescu, C., Marteil, E., Sørensen, J., Spitoni, G. (2024). UCPM Wildfire Peer review report: Italy 2024. <a href="https://doi.org/10.25424/cmcc-xx3k-we21">https://doi.org/10.25424/cmcc-xx3k-we21</a>
- (97) Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995</a>.
- (<sup>98</sup>) Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (OJ L 150, 9.6.2023, p. 206), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231</a>
- (99) The law will apply to large and medium-sized companies starting on December 30, 2025, and to micro and small enterprises starting on June 30, 2026.

have no links to deforestation. The EUDR repeals the  $\ensuremath{\mathsf{FUTR}}$ 

#### Marine ecosystems

The Marine Strategy Framework Directive (MSFD) requires Member States to achieve good environmental status (GES) for their marine waters. To that end, Member States must draw up marine strategies for their marine waters and cooperate with other Member States sharing the same marine region or subregion. These marine strategies comprise different steps to be developed and implemented over six-year cycles.

Since the 2022 EIR report, no additional data regarding Member States' set of GES characteristics for each descriptor in the MSFD have become available. Nevertheless, Member States had to report updates by October 2024. In the context of this next round of reporting, in accordance with the MSFD and the Commission GES decision (100), Member States must include as part of their set of GES characteristics any threshold values for the descriptors in the MSFD that may have been established in cooperation with other Member States at the EU or regional level (101). Italy reported the data relating to Articles 8, 9 and 10 as required by Article 17 of the MSFD at the end of November 2024; these data are now under the assessment of the Commission.

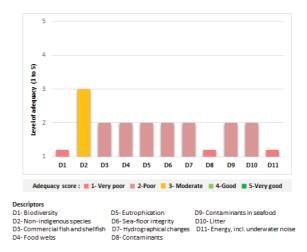
The Commission assessed the updated monitoring programme reported by Member States in 2020 (102). At that time their updates on the elements, features and parameters identified monitoring gaps. The Commission recommended that Member States should prioritise work to address those gaps at all levels of implementation of the MSFD.

Member States also reported their updated programmes of measures, which are required under Article 13 of the MSFD and which must be updated every six years. The Commission has assessed Member States' programmes of measures.

While progress has been made in relation to some descriptors, the assessment of Italy's updated programme of measures revealed that significant areas for improvement remain with regard to most descriptors (see Figure 14).

Progress can be noted regarding non-indigenous species (D2), with new measures such as biofouling management and control guidelines for vessels aimed at preventing the introduction of non-indigenous species; the establishment of comprehensive monitoring and surveillance programmes; and the promotion of catching non-indigenous species identified as edible, such as blue crabs and rabbit fish.

Figure 14: Level of adequacy of Italy's updated programme of measures under Article 13 of the MSFD (2022 reporting exercise)



*Source:* Technical assessment carried out by the European Commission, pursuant to Article 16 of the MSFD, based on the data reported by Italy in March 2022.

Most other pressures, however, are insufficiently covered; measures lack detailed descriptions of their anticipated impact and descriptors show no MSFD-specific measures.

Italy received three priority actions in the 2022 EIR, two of which cannot be evaluated as no new data are available. The third 2022 priority action was for Italy to ratify the Offshore Protocol to the Barcelona Convention and the Integrated Coastal Zone Management Protocol to the Barcelona Convention, which it still has not done, so the action is repeated for 2025.

#### 2025 priority action

 Ratify the Offshore Protocol to the Barcelona Convention and ICZM Protocol to the Barcelona Convention.

<sup>(100)</sup> Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU (OJ L 125, 18.5.2017, p. 43), http://data.europa.eu/eli/dec/2017/848/oj.

<sup>(101)</sup> Communication from the Commission of 11 March 2024 –
Commission notice on the threshold values set under the Marine

Strategy Framework Directive (Directive 2008/56/EC) and Commission Decision (EU) 2017/848 (OJ C, C/2024/2078, 11.3.2024), http://data.europa.eu/eli/C/2024/2078/oj.

<sup>(102)</sup> https://environment.ec.europa.eu/system/files/2023-04/C 2023 2203 F1 COMMUNICATION FROM COMMISSION EN V5 P1 2532109.PDF.

# Prevention and management of invasive alien species

Invasive alien species (IAS) are a major cause of biodiversity loss in the EU. Besides inflicting direct and indirect damage on nature and the economy, some IAS also carry and spread infectious diseases, posing a threat to humans and wildlife. Regulation (EU) No 1143/2014 (the IAS Regulation) aims to prevent, minimise and mitigate the adverse impacts of IAS on biodiversity. It focuses action on a list of IAS of EU concern (the 'Union list'), which is regularly updated (103).

The third update of the Union list entered into force on 2 August 2022 (104). The fourth update is in preparation.

The IAS Regulation (105) currently lists 88 species subject to restrictions on keeping, importing, selling, breeding, growing and releasing into the environment. Member States are required to take measures to (i) prevent the introduction of IAS, (ii) ensure early detection and rapid eradication of IAS and (iii) manage species that are already widespread on their territory.

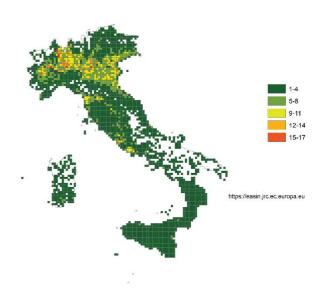
This aligns with target 6 of the GBF to reduce the introduction of IAS by at least 50 % by 2030 and minimise their impact.

Preventing the introduction and spread of IAS, and managing them, including through eradication and control, can result in a substantial cost saving. Studies estimate that the total cost of IAS in Europe (damages and management) amounted to EUR 116.61 billion between 1960 and 2020 (106). More recent studies have put this cost at USD 28 billion per year in the EU, increasing to USD 148.2 billion by 2040 (107), and at USD 423 billion annually at the global level (108).

The total number of IAS of EU concern in the country is 54. This includes 39 species recorded in the previous EIR (2021) and 15 additions. Of these additions, 5 were

already on the EU concern list in 2021, and 10 were added later under Commission Implementing Regulation (EU) 2022/1203. The spread can be seen in Figure 15.

Figure 15: Number of IAS of EU concern, based on available georeferenced information for Italy, 2024



An infringement case is ongoing against Italy for not having reported without delay the detection of the fire ant in Sicily, the measures taken to eradicate it and their effectiveness, and for not having taken all necessary measures to prevent its spread (109).

Italy is involved in the EU-wide financial instrument for the environment (LIFE) Stop Vespa project, which aims to use radar to trace the route of the *Vespa velutina*. Meanwhile, the LIFE alien species awareness programme (ASAP) aims to increase the awareness of IAS and to promote the correct and efficient management of IAS by public entities in the EU (110). Research on invasive species in Rome could be applied nationally(111).

- (103) Commission Implementing Regulation (EU) 2016/1141 of 13 July 2016 adopting a list of invasive alien species of Union concern pursuant to Regulation (EU) No 1143/2014 of the European Parliament and of the Council (OJ L 189, 14.7.2016, p. 4), as amended by Commission Implementing Regulations (EU) 2017/1263, (EU) 2019/1262 and (EU) 2022/1203, <a href="https://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02016R1141-20220802&from=EN">https://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02016R1141-20220802&from=EN</a>.
- (104) Commission Implementing Regulation (EU) 2022/1203 of 12 July 2022 amending Implementing Regulation (EU) 2016/1141 to update the list of invasive alien species of Union concern (OJ L 186, 13.7.2022, p. 10), https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A32022R1203.
- (105) Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species (OJ L 317, 4.11.2014, p. 35), <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R1143">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R1143</a>.

- (106) Haubrock, P. J., Turbelin, A. J., Cuthbert, R. N. et al., 'Economic costs of invasive alien species across Europe', NeoBiota, Vol. 63, 2021, pp. 153–190.
- (107) Henry, M., Leung, B., Cuthbert, R. N. et al., 'Unveiling the hidden economic toll of biological invasions in the European Union', Environmental Sciences Europe, Vol. 35, No 1, 2023, p. 43.
- (108) IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), Summary for Policymakers Invasive alien species assessment, 2023, https://www.ipbes.net/document-library-catalogue/summary-policymakers-invasive-alien-species-assessment.
- (109) INFR(2024)2226.
- (110) LIFE ASAP https://www.lifeasap.eu/index.php/en/project/asap-project.
- (111) Montaldi A, Iamonico D, Del Vico E, Valeri S, Lasinio G L, Capotorti G (2024), Green infrastructure design for the containment of biological invasions. Insights from a peri-urban case study in Rome, Italy, Journal of Environmental Management, 365 (August 2024).

Italy has not yet ratified the International Convention for the Control and Management of Ships' Ballast Water and Sediments, for which it received a priority action in the 2017, 2019 and 2022 EIRs.

#### 2025 priority actions

- Step up implementation of the IAS Regulation, including with regard to enforcement and the capacity of inspection authorities.
- Ratify the International Convention for the Control and Management of Ships' Ballast Water and Sediments of 2004 (BWM Convention).

#### **Ecosystem assessment and accounting**

The BDS calls on Member States to better integrate biodiversity considerations into public and business decision-making at all levels and to develop natural capital accounting.

Similarly, target 14 of the GBF ( $^{112}$ ) aims to ensure the full integration of biodiversity and its multiple values into policy and planning and, as appropriate, national accounting. This requires effective and coherent biodiversity observation and reporting on ecosystem condition in the EU ( $^{113}$ ).

The amended Regulation (EU) No 691/2011 on European environmental economic accounts (114) introduces new requirements for Member States to report on the condition of ecosystems including urban ecosystems, croplands, grasslands, forest and woodlands, coastal beaches, dunes and wetlands. Data reported by the Member States will feed into the second European ecosystem assessment, due in 2027, and can also be used to support policy decisions.

An ecosystem assessment is an analysis of the condition of ecosystems and the pressures acting on them, as well as the benefits that they provide to people, either directly or indirectly through the economy.

An increasing number of platforms, networks and communities of practice involve businesses in protecting

biodiversity, including the EU Business & Biodiversity Platform (115). These platforms and communities are key tools for promoting and facilitating natural capital assessments among businesses and financial services providers.

Natural capital assessments help private businesses to better understand both the negative and positive impacts that they have on nature, and to appreciate how nature contributes to their success. Such understanding contributes to the implementation of the EU's BDS.

There is one Italian business and biodiversity network member of the EU Business & Biodiversity Platform. It was established in 2023 at the European Business and Nature Summit held in Milan (116). Furthermore, a nature-based solutions hub has been established in Italy, with its first meeting held in Palermo in November 2024.

Moreover, an interinstitutional working group was set up in 2024 involving the following national organisations and institutions: ISPRA; the Italian National Institute of Statistics (ISTAT); the Interuniversity Centre for Biodiversity, Ecosystem Services and Sustainability; the Institute of Research on Terrestrial Ecosystems of the National Research Council; the Agricultural Payments Agency; and the Council for Agricultural Research and Economic Analysis. The group was tasked with implementing the conceptual and application framework for Italy's ecosystem accounts in accordance with EU (i.e. Eurostat) methodologies.

Italy has not yet ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization to the Convention on Biological Diversity, for which it had a priority action in 2019.

#### 2025 priority action

 Ratify the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization to the Convention on Biological Diversity.

- (112) Decision 15/4 adopted by the Conference of the Parties to the Convention on Biological Diversity: Kunming–Montreal global biodiversity framework https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04en.pdf.
- (113) European Commission: Joint Research Centre and EEA, EU
  Ecosystem Assessment Summary for policymakers,
  Publications Office of the European Union, Luxembourg, 2021,
  https://op.europa.eu/en/publication-detail//publication/81ff1498-b91d-11eb-8aca01aa75ed71a1/language-en.
- (114) Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 691/2011 as regards introducing new environmental economic accounts modules, COM(2022) 329 final of 11 July 2022, <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=COM:2022:329:FIN.">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=COM:2022:329:FIN.</a>
- (115) The EU Business & Biodiversity Platform (https://green-business.ec.europa.eu/business-and-biodiversity en) aims to promote the business case for biodiversity to businesses and financial institutions through workshops, seminars, reports and a cross-media communication strategy.
- (116) https://green-business.ec.europa.eu/business-andbiodiversity/european-business-nature-summit-2023 en.

## 3. Zero pollution

#### Clean air

EU clean air policies and legislation have successfully reduced emissions of key air pollutants and significantly improved air quality, which is now moving towards the levels recommended by the World Health Organization (WHO). This has resulted in clear health benefits and reduced adverse impacts on ecosystems and biodiversity. However, to achieve the WHO-recommended levels, more efforts are needed, including full compliance with EU legislation. To guide these efforts, the EU zero pollution action plan sets targets for 2030 relative to 2005. These are to reduce the health impacts of air pollution by 55 % and to reduce the EU ecosystems threatened by air pollution by 25 %.

The EU has developed a comprehensive suite of air quality policies (117). These set health-based EU air quality standards (118) and stipulate Member States' national emission reduction commitments (119) for several air pollutants.

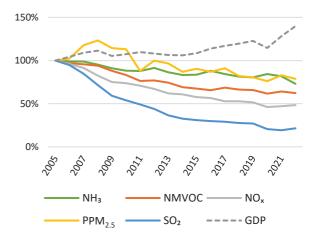
The air quality in Italy continues to give cause for concern in some parts of its territory.

The latest available annual estimates (for 2022) by the EEA ( $^{120}$ ) for Italy attribute 48 600 deaths each year (or 425 200 years of life lost (YLL)) to fine particulate matter (PM<sub>2.5</sub>) ( $^{121}$ ); 9 600 deaths each year (or 84 200 YLL) to nitrogen dioxide (NO<sub>2</sub>) ( $^{122}$ ); and 13 600 deaths each year (or 119 700 YLL) to ozone ( $^{123}$ ).

The emissions of several air pollutants have decreased significantly in Italy since 2005, while GDP growth has continued (see Figure 16). According to the inventories submitted under Article 10(2) of the National Emission Reduction Commitments Directive (NECD) (124) in 2024, Italy has met its emission reduction commitments for 2020–2029 for air pollutants nitrogen oxides (NO<sub>x</sub>), nonmethane volatile organic compounds (NMVOC), sulphur

dioxide ( $SO_2$ ), ammonia ( $NH_3$ ) and  $PM_{2.5}$ . According to the latest projections submitted under Article 10(2) of the NECD, Italy is projected to meet its emission reduction commitments for 2030 onwards for  $NO_x$ , NMVOC,  $SO_2$ ,  $NH_3$  and  $PM_{2.5}$ .

Figure 16 Emission trends of main air pollutants / GDP in Italy (%), 2005–2022



Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, <a href="https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022">https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022</a>.

Emissions by source are shown in Figure 17.

Italy submitted its first national air pollution control programme (NAPCP) to the Commission on 22 September 2020. An update was due in 2024 but has not yet been received (situation 2 April 2025).

The value of the health benefits of implementing the NAPCP is estimated to total EUR 29.7 billion by 2030 (using

- (117) European Commission, 'Air', European Commission website, https://environment.ec.europa.eu/topics/air\_en.
- (118) European Commission, 'EU air quality standards', European Commission website, <a href="https://environment.ec.europa.eu/topics/air/air-quality/eu-air-quality-standards">https://environment.ec.europa.eu/topics/air/air-quality/eu-air-quality-standards</a> en.
- (119) European Commission, 'Reducing emissions of air pollutants',
  European Commission website,
  https://environment.ec.europa.eu/topics/air/reducingemissions-air-pollutants en.
- (120) EEA, Harm to human health from air pollution in Europe: Burden of disease 2024, briefing No 21/2024, Copenhagen, 2024, https://www.eea.europa.eu/en/analysis/publications/harm-tohuman-health-from-air-pollution-2024.
- (121) Particulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions.  $PM_{10} \ refers \ to \ particles \ with \ a \ diameter \ of \ 10 \ \mu m \ or \ less. \ PM_{2.5}$

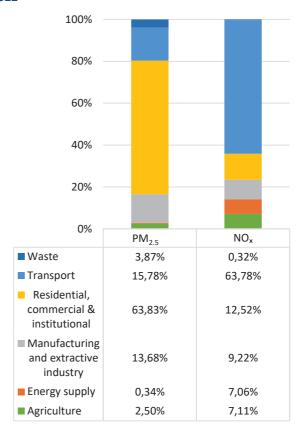
- refers to particles with a diameter of 2.5  $\,\mu m$  or less. PM is emitted from many human sources, including combustion.
- (122) Nitrogen dioxide (NO<sub>2</sub>) here pertains to a group of gases called NO<sub>x</sub>, which also comprises nitrogen monoxide (NO). NO<sub>x</sub> is emitted during fuel combustion –for example, from industrial facilities and the road transport sector.
- (123) Low-level ozone is produced by photochemical action on pollution. This year, for the first time, the impact of long-term exposure to ozone has also been taken into account. In previous analysis by the EEA, only the impact of short-term exposure was ostimated.
- (124) Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L..2016.344.01.0001.01.ENG">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L..2016.344.01.0001.01.ENG</a>.

a 2010 baseline) or 1.84 % of 2010 GDP, reaching 3.4 % of regional GDP in Lombardy in the Po river basin (125).

In 2023, exceedances above the limit values set by the Ambient Air Quality Directive (AAQD) ( $^{126}$ ) were registered for NO<sub>2</sub> in 10 air quality zones ( $^{127}$ ), for PM<sub>10</sub> in 19 air quality zones ( $^{128}$ ) and for PM<sub>2.5</sub> in 1 air quality zone ( $^{129}$ ) in Italy. Furthermore, the target values for ozone concentrations have not been met in several air quality zones, as well as target values for nickel concentration in one air quality zone and for benzo(a)pyrene concentration in 13 air quality zones ( $^{130}$ ).

Persistent breaches of air quality requirements, which have severe negative effects on health and the environment, are being followed up by the European Commission through infringement procedures covering all Member States concerned, including Italy for exceedances of PM<sub>10</sub>, PM<sub>2.5</sub> ( $^{131}$ ) and NO<sub>2</sub> limit values. The CJEU has delivered two judgments confirming non-compliance with Directive 2008/50/EC, in 2020 for exceedances of PM<sub>10</sub> limit values ( $^{132}$ ) and in 2022 for exceedances of NO<sub>2</sub> limit values ( $^{133}$ ). The aim is that appropriate measures be put in place to bring all air quality zones into compliance.

Figure 17:  $PM_{2.5}$  and  $NO_x$  emissions by sector in Italy (%), 2022



Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, <a href="https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022">https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022</a>.

Italy has not yet ratified the amended Gothenburg Protocol, the Heavy Metals Protocol and the Persistent Organic Pollutants Protocol under the United Nations Economic Commission for Europe (UNECE) Air Convention. However, Italy ratified the Stockholm Convention on persistent organic pollutants in 2022, which is a separate convention to the UNECE Air Convention (134).

In the 2022 EIR, Italy received three priority actions. The first priority action was to further reduce emissions in the context of the NAPCP. Italy has made substantial progress on this, as the latest reported data show that the 2020—

<sup>(125)</sup> Piersanti, A., D'Elia, I., Gualtieri, M., Briganti G., Cappelletti A., Zanini G. and Ciancarella L.. 'The Italian national air pollution control programme: Air quality, health impact and cost assessment', Atmosphere, Vol 12, No 2, 2021, p. 196, https://doi.org/10.3390/atmos12020196.

<sup>(126)</sup> Directive 2008/50/EU of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe (OJ L 152, 11.6.2008, p. 1), <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0050">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0050</a>.

<sup>(127)</sup> In the regions of Piedmont (IT0118), Lombardy (IT0306, IT0308), Liguria (IT0711), Emilia-Romagna (IT0890), Tuscany (IT0906), Lazio (IT1219), Campania (IT1507) and Sicily (IT1911, IT1912).

<sup>(128)</sup> In the regions of Piedmont (IT0118, IT0119), Lombardy (IT0306, IT0308, IT0309, IT0310), Veneto (IT0517, IT0518, IT0519, IT0520,

IT0521, IT0522, IT05123), Friuli-Venezia Giulia (IT0608), Tuscany (IT0909), Lazio (IT1217, IT1218), Molise (IT1403) and Campania (IT1507).

<sup>(129)</sup> In the region of Campania (IT1507). The situation has improved for PM<sub>2.5</sub> and the 2024 report does not show any exceedances.

<sup>(130)</sup> EEA, Eionet Central Data Repository https://cdr.eionet.europa.eu/.

<sup>(131)</sup> INFR (2020)2299.

<sup>(&</sup>lt;sup>132</sup>) Judgment of 10 November 2020, European Commission v Italian Republic, C-644/18, EU:C:2020:895.

<sup>(133)</sup> Judgment of 12 May 2022, European Commission v Italian Republic, C-573/19, EU:C:2022:380.

<sup>(134)</sup> Law 93/2022 of 12 July 2022.

2029 emission reduction commitments have been met and that the emission reduction commitments for 2030 onwards are projected to be reached. The second priority action was to ensure full compliance with EU air quality standards and to maintain downward emission trends. Based on the latest data, Italy has made some progress in this regard. Since 2019, downward emission trends have been reported for all main pollutants. However, exceedances above limit values and target values remain for NO<sub>2</sub>, PM<sub>10</sub>, ozone, nickel and benzo(a)pyrene, requiring further action. The third priority action received by Italy was to ratify the amended Gothenburg Protocol, the Heavy Metals Protocol and the Persistent Organic Pollutants Protocol. Italy has made some progress, but still has not ratified the protocols mentioned.

#### 2025 priority actions

- As part of the NAPCP, take action to reduce emissions of air pollutants.
- Ensure full compliance with the current AAQD standards, also in light of future stricter requirements under the revised AAQD.
- Accelerate the ratification of relevant international conventions and protocols.

#### **Industrial emissions**

The main objectives of EU policy on industrial emissions are to:

- (i) protect air, water and soil and to prevent harmful effects on human health and the environment;
- (ii) prevent and manage waste;
- (iii) improve energy and resource efficiency, including water;
- (iv) contribute to decarbonisation.

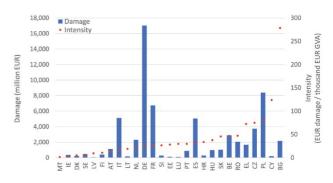
The cornerstone of the policy is the Industrial Emissions Directive (IED), which was revised in 2024 (135). The revision improves the directive's contribution to the zero pollution objective. It has a strong focus on innovation, and builds solid links between depollution, decarbonisation, and circularity, making it a key regulatory tool to accompany the green transformation of EU industry by 2050.

The overview of industrial activities regulated by the IED below is based on data reported to the EU Registry in  $2022 \, (^{136})$ .

In Italy, there were about 6 700 installations covered by the IED in 2022, around one third of them (33 %) being installations for intensive rearing of poultry or pigs. The other main sectors are the waste management sector (21 %), the metals sector (14 %) and the chemical sector (6 %).

Figure 18 shows the damage to health and the environment due to the main industrial air pollutants. As this depends on, among other factors, the size of the industrial sector in each Member State, the figure also shows the ratio between the damage and the industrial activity (expressed in gross value added (GVA)), which gives an indication of the emissions 'intensity'. Although Italy has the fourth highest damage in the EU, it ranks 19th for emissions intensity, below the EU average of EUR 27.5/EUR 1 000 GVA. The main industrial contributors to emissions to air (137) are the energy and mineral industries for  $NO_X$  and  $SO_2$  emissions and the metals sector and waste management for dust emissions and heavy metals.

Figure 18: Industrial air pollution damage and intensity per Member State, 2021



Source: EEA, 'Industrial pollution intensity indicators – EU large industry air pollution damage costs intensity', European Industrial Emissions Portal, 2024, <a href="https://industry.eea.europa.eu/analyse/industrial-emissions-indicator">https://industry.eea.europa.eu/analyse/industrial-emissions-indicator</a>.

Overall, the industrial emissions to water in the EU have decreased over time for all the main pollutants. On average in the EU, they appear to be decoupled from industrial activity, which has increased over the same period (expressed in GVA), as shown in Figure 19.

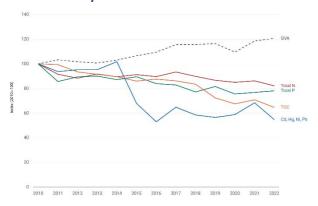
<sup>(135)</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and livestock rearing emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17), as amended by Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024, https://eur-lex.europa.eu/legal-content/EN/TXT/2uri=CELEX%3A0201010075-

content/EN/TXT/?uri=CELEX%3A02010L0075-20240804&qid=1725983863299.

<sup>(136)</sup> EEA, European Industrial Emissions Portal, <a href="https://industry.eea.europa.eu/">https://industry.eea.europa.eu/</a>, 2022 being the baseline year for all reports.

<sup>(137)</sup> European Environment Agency, LRTAP, Air pollutant emissions data viewer (Gothenburg Protocol, LRTAP Convention) 1990-2022, <a href="https://www.eea.europa.eu/en/topics/in-depth/air-pollution/air-pollutant-emissions-data-viewer-1990-2022">https://www.eea.europa.eu/en/topics/in-depth/air-pollution/air-pollutant-emissions-data-viewer-1990-2022</a>.

Figure 19: Industrial releases of pollutants to water and industrial activity in the EU-27

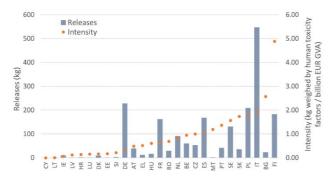


NB: Cd, cadmium; Hg, mercury; Ni, nickel; Pb, lead; total N, total nitrogen; total P, total phosphorous.

*Source:* EEA, 'Industrial pollutant releases to water in Europe', 30 May 2024, <a href="https://www.eea.europa.eu/en/analysis/indicators/industrial-pollutant-releases-to-water">https://www.eea.europa.eu/en/analysis/indicators/industrial-pollutant-releases-to-water</a>.

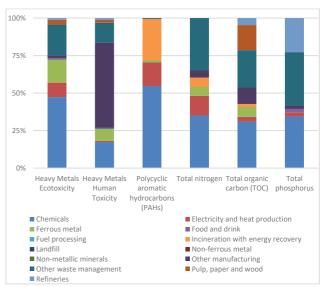
Concerning Italy in particular, Figure 20 shows the industrial emissions of heavy metals to water, taking into account the human toxicity of each metal, as well as the emissions intensity, based on its ratio with the industrial activity (expressed in GVA). Italy has the highest amount of emissions of heavy metals to water (weighted by human toxicity factor) in the EU and ranks third for emissions intensity (well above the EU average intensity of 0.864 kg/EUR 1 billion GVA). As shown in Figure 21, the main industrial contributors to emissions to water in Italy are 'other manufacturing' (mainly surface treatment of metals and plastics) for heavy metals and the chemical industry and waste management for nitrogen, phosphorous and total organic carbon.

Figure 20: Industrial releases and intensity of heavy metals to water per Member State, 2022



Source: EEA, 'Industrial pollution intensity indicators – EU large industry water pollution intensity', European Industrial Emissions Portal, 2024, <a href="https://industry.eea.europa.eu/analyse/industrial-emissions-indicator">https://industry.eea.europa.eu/analyse/industrial-emissions-indicator</a>.

Figure 21: Relative releases to water from industry in Italy (%), 2022



Source: EEA, 'Industrial reporting under the Industrial Emissions Directive 2010/75/EU and European Pollutant Release and Transfer Register Regulation (EC) No 166/2006 – ver. 12.0 Sep. 2024 (tabular data)', EEA Geospatial Data Catalogue, 13 September 2024, https://doi.org/10.2909/cf5e54c1-be99-4426-bcad-baa26c4f27a0.

IED provisions on public information and participation require Member States to adopt transposition legislation enabling members of the public to have access to relevant information and participate in the approval process for potentially polluting installations. Thus, the public and non-governmental organisations (NGOs), alongside competent authorities, play a role in ensuring compliance of these permits with EU legislation. The IED contains mandatory requirements on environmental inspections, requiring a site visit to take place at least every 1-3 years, using risk-based criteria. In addition, IED enforcement provisions require Member States to determine effective, proportionate, and dissuasive penalties applicable to infringements of IED-based national provisions. In the revised directive, the provisions set that worst infringements can be sanctioned by fines of at least 3% of the annual EU turnover of the legal person. The revised IED also introduces a right to compensation for people whose health has been harmed by such infringements.

The development of best available techniques (BATs), BAT reference documents and BAT conclusions ensures effective collaboration between stakeholders and enables better implementation of the IED.

Since the 2022 EIR, the Commission has adopted BAT conclusions on (i) ferrous metal processing, (ii) the textiles industry, (iii) common waste gas management and treatment systems in the chemical sector and (iv) smitheries and foundries.

The Commission relies on the efforts of national competent authorities to implement the legally binding

BAT conclusions and associated BAT emission levels in environmental permits. This should result in considerable and continuous reductions in pollution.

In 2022, Italy received a priority action to continue addressing emissions to air from the steel plant in Taranto owned by *Acciaierie d'Italia* (formerly known as ILVA). Italy provided the Commission with updates and reports on the progress towards reducing the environmental and health impacts resulting from the activities at the Taranto steel plant. The Commission continues to follow the situation and remains in contact with the authorities.

#### 2025 priority actions

- Reduce industrial air pollution and intensity.
- Continue addressing pollution from the ex-ILVA steel plant in Taranto (<sup>138</sup>), in order to bring this plant into compliance with EU industrial emissions legislation.
- Reduce industrial releases to water and their intensity.
- Engage with industry and environmental NGOs to ensure proper contribution to and implementation of BAT conclusions and ensure timely updates to permits following the publication of BAT conclusions.
- Ensure effective public participation and access to justice in relation to the IED.

#### Major industrial accidents prevention – Seveso

The main objectives of EU policy on the prevention of major industrial accidents are to:

- (i) control major-accident hazards involving dangerous substances, especially chemicals;
- (ii) limit the consequences of such accidents for human health and the environment;
- (iii) continuously improve the prevention of preparedness for and response to major accidents.

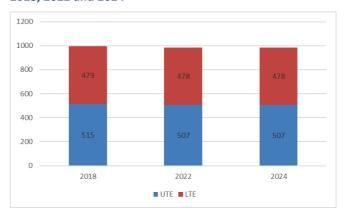
The cornerstone of the policy is Directive 2012/18/EU (the Seveso III Directive) (139).

The overview below of industrial plants regulated by the Seveso III Directive ('Seveso establishments') is based on data reported on eSPIRS (e-Seveso Plants Information Retrieval System) for 2022–2024 (<sup>140</sup>) and the report by Italy on the implementation of the Seveso III Directive for 2019–2022 (<sup>141</sup>).

In Italy, in 2024, among the 985 Seveso establishments, 478 were categorised as lower-tier establishments and 507 as upper-tier establishments (UTEs), based on the

quantity of hazardous substances likely to be present. UTEs are subject to more stringent requirements. Changes in the number of Seveso establishments in Italy are illustrated in Figure 22.

Figure 22: Number of Seveso establishments in Italy, 2018, 2022 and 2024



NB: LTE, lower-tier establishment.

Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022. https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/languageen/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU -Publications Office of the EU, https://op.europa.eu/en/publicationdetail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en

According to the Italian authorities, in 2022, all 507 UTEs had an external emergency plan (EEP), and 127 of these EEPs had been tested in the last three years. The summary is shown in Figure 23. The establishment of EEPs is essential to enable the proper preparation and effective implementation of the necessary actions to protect the environment and the population in the event of a major industrial accident.

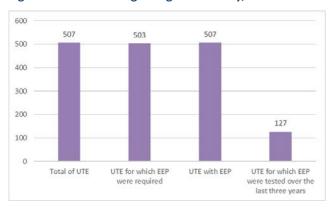
<sup>(138)</sup> INFR(2013)2177.

<sup>(139)</sup> Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC (OJ L 197, 24.7.2012, p. 1), https://eur-lex.europa.eu/eli/dir/2012/18/oj.

https://espirs.jrc.ec.europa.eu/en/espirs/content; data extracted in September 2024. At the national level, ISPRA provides data https://indicatoriambientali.isprambiente.it/it/sostanze-o-agentichimici/stabilimenti-con-pericolo-di-incidente-rilevantedistribuzione-provinciale-e-regionale.

<sup>(</sup> $^{141}$ ) As provided for by Article 21(2) of the Seveso III Directive.

Figure 23: Situation regarding EEPs in Italy, 2022

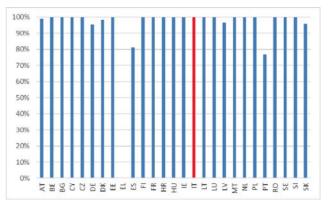


Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022. https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/languageen/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU -Publications Office of the EU, https://op.europa.eu/en/publicationdetail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en

The information for the public referred to in Annex V to the Seveso III Directive – especially about how the public concerned will be warned in the event of a major accident, the appropriate behaviour in the event of a major accident, and the date of the last site visit – is permanently available for all UTEs in Italy ( $^{142}$ ).

The shares of UTEs for which information on safety measures and requisite behaviours was actively made available to the public in 2022 in the EU-27 are presented in Figure 24. This provision on knowledge is an important requirement of the Seveso III Directive, as awareness by the public of this information may reduce the consequences of a major industrial accident.

Figure 24: Share of UTEs for which information on safety measures and requisite behaviours was actively made available to the public per Member State (%), 2022



NB: No data available for Greece.

Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022. https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/languageen/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU -Publications Office of the EU, <a href="https://op.europa.eu/en/publication-">https://op.europa.eu/en/publication-</a> detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en

In the 2022 EIR, Italy received a priority action to strengthen control and enforcement to ensure compliance with Seveso III Directive provisions, especially those on information for the public and EEPs. There has been some improvement as regards the establishment of EEPs, but their testing remains insufficient.

#### 2025 priority actions

- Strengthen compliance with requirements on safety measures to prevent major accidents and ensure appropriate preparedness and response in relation to UTEs, in particular as regards reviewing, testing and updating EEPs, at intervals of no more than three years.
- Ensure access to transparent and clear information towards citizens on risks and behaviour in the event of an accident.

#### **Mercury Regulation**

The Mercury Regulation establishes measures and conditions concerning the use and storage of and trade in mercury, mercury compounds and mixtures of mercury,

https://www.rischioindustriale.isprambiente.gov.it/seveso-guery-105/Default.php.

<sup>(142)</sup> ISPRA, 'Inventario degli stabilimenti a rischio di incidenti rilevanti connessi con sostanze pericolose',

the manufacture and use of and trade in mercury-added products and the management of mercury waste, in order to ensure a high level of protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds. The revision of the Mercury Regulation adopted in 2024 sets out rules to address the last intentional uses of mercury in the EU by phasing out the use of dental amalgam by 1 January 2025(143) except when deemed strictly necessary by the dental practitioner based on the specific medical needs of the patient and prohibiting the manufacture and export of additional mercury-containing lamps from 1 January 2026 or 1 January 2027 (depending on the lamp category).

In accordance with the provisions of Article 10(3) of Regulation (EU) 2017/852, an interministerial decree has defined a national plan (144) containing the measures to be adopted, at the national level, to phase out the use of dental amalgam. The same plan sets training/information activities for operators in the dental sector (manufacturers, distributors, professional associations, universities, etc.), as well as awareness initiatives for citizens. The plan also allows MASE to collected annual data on the volumes of amalgam waste collected and stored.

In 2023, a memorandum of understanding (<sup>145</sup>) was signed between the Italian ministries and trade associations with the aim of ensuring the phase-out (in marketing and clinical use) of dental amalgam, with a complete elimination envisaged by 31 December 2024. This date is in line with the provisions of Regulation 2024/1849 amending Regulation 2017/852.

In order to guarantee the implementation of the obligations under the Minamata Convention on Mercury, a project has started at the Italian National Research Council's Institute of Atmospheric Pollution Research to ensure the continuation of the monitoring of mercury

concentrations in air until 30 June 2026. These activities began with the establishment of the national mercury observatory network at the institute.

Italy will also need to ensure that the manufacture and export of mercury-containing lamps are prohibited by the deadlines set out in the Mercury Regulation.

#### Noise

The Environmental Noise Directive (146) requires a common approach to avoid, prevent and reduce the harmful effects of noise. The designated authorities are responsible for making and approving noise maps and action plans for agglomerations, major roads, major railways and major airports. Member States decide on noise limits that are not set at the EU level. Nevertheless, the zero pollution action plan sets as a 2030 target a 30 % reduction compared with 2017 in the share of people chronically disturbed by transport noise.

Excessive noise from aircraft, railways and roads is one of the main causes of environmental health-related issues in the EU. It can cause ischaemic heart disease, stroke, interrupted sleep, cognitive impairment and stress (147).

In Italy, environmental noise is estimated to cause around 8 500 cases of ischaemic heart disease annually (148) and some 1 million people to suffer from disturbed sleep (149).

Based on the latest set of information analysed, Italy has completed noise mapping for airports and major railways, whereas noise mapping for agglomerations and major roads is partially complete.

Action plans for noise management for agglomerations, roads, railways and airports must be updated and submitted to the Commission every five years. The deadline for reporting noise action plans under the most

(143) Regulation (EU) 2024/1849 of the European Parliament and of the Council of 13 June 2024 amending Regulation (EU) 2017/852 on mercury as regards dental amalgam and other mercury-added products subject to export, import and manufacturing restrictions, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1849">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1849</a>.

(144)

(145)

https://www.mase.gov.it/sites/default/files/archivio/allegati/inquinamento mercurio/dm piano amalgama gazzetta ufficial e 19 2 2021.pdf.

https://www.mimit.gov.it/images/stories/Dip Comunicazion i/Protocollo dintesa amalgama dentale.pdf.

(146) Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise – Declaration by the Commission in the Conciliation Committee on the directive relating to the assessment and management of environmental noise (OJ L 189, 18.7.2002, p. 12), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0049">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0049</a>.

- WHO, Environmental Noise Guidelines for the European Region, Copenhagen, 2018, <a href="https://www.who.int/europe/publications/i/item/978928905356">https://www.who.int/europe/publications/i/item/978928905356</a>
  3.
- (148) These figures are an estimation by the EEA based on (i) the data reported by Member States on noise exposure covered by Directive 2002/49/EC for the round of noise mapping of 2022; (ii) European Topic Centre on Air Pollution, Transport, Noise and Industrial Pollution (ETC/ATNI), Noise Indicators under the Environmental Noise Directive 2021: Methodology for estimating missing data, Eionet report ETC/ATNI No 2021/06, Kjeller, 2021; and (iii) the methodology for health impact calculations in European Topic Centre on Air Pollution and Climate Change Mitigation (ETC/ACM), Implications of environmental noise on health and wellbeing in Europe, Eionet report ETC/ACM 2018. No 2018/10. Bilthoven, https://www.eionet.europa.eu/etcs/etc-atni/products/etc-atnireports/eionet rep etcacm 2018 10 healthimplicationsnoise.
- (149) More information on the adverse health effects of noise pollution is available at: <a href="https://www.eea.europa.eu/themes/human/noise/noise-2">https://www.eea.europa.eu/themes/human/noise/noise-2</a>

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recent reporting cycle was 18 January 2025; these plans have not been assessed yet.

#### 2025 priority action

- Complete noise mapping.
- Complete and implement action plans on noise management.

#### Water quality and management

EU legislation and policy requires that the impact of pressures on transitional waters, coastal waters and fresh water (including surface waters and groundwater) be significantly reduced. Achieving, maintaining or enhancing a good status of waterbodies as defined by the Water Framework Directive will ensure that EU citizens and the environment benefit from good-quality and safe drinking and bathing water. It will further ensure that the nutrient cycle (nitrogen and phosphorus) is managed in a more sustainable and resource-efficient way.

#### **Water Framework Directive**

The Water Framework Directive (150) is the cornerstone of EU water policy (151). The Water Framework Directive and other water-related directives (152) form the basis of sustainable and integrated water management in the EU. They aim to achieve a high level of protection of water resources, prevention of further deterioration and restoration to good status. These objectives are very important for the EU's competitiveness, strategic autonomy and security, yet have become even more challenging in the face of climate change affecting our precious water resources.

The Water Framework Directive establishes a procedural framework for reaching good surface water ecological and chemical status and good groundwater quantitative and chemical status. This implies monitoring and classification of all waterbodies, assessment of pressures and impacts and identification of the most cost-effective measures to achieve the objectives of the directive. The directive dates from 2000 and set an initial deadline of 2015 for achieving its objectives, with the option to extend the deadline to

the end of 2027. Every six years, Member States must report their river basin management plans (RBMPs) to the Commission. They should cover river basin districts in their countries, some of which may be shared with other countries. The Commission has assessed the third cycle of RBMPs, which were to be submitted by March 2022, and submitted its findings to the European Parliament and to the Council on 4 February 2025(<sup>153</sup>).

Italy has 7773 surface waterbodies and 1007 groundwater bodies, divided among seven river basin districts (Eastern Alps, Po River, Northern Apennines, Central Apennines, Southern Apennines, Sardinia and Sicily). Approximately 20% of surface waterbodies are designated as heavily modified or artificial. Heavily modified and artificial waterbodies must reach good ecological potential rather than good ecological status, which means that all measures must be taken to mitigate the adverse impact of the sustainable human development activities causing the waterbody to be heavily modified / artificial, while not significantly affecting these activities.

It is evident from the assessment of the third RBMPs that there has been only a minor improvement in the ecological status/potential and chemical status of surface waterbodies, as compared with the status reported in the second RBMPs (covering 2015–2021). However, there has been good progress in the quantitative status and chemical status of groundwater bodies between the second and third RBMPs.

Figures 25 and 26 show the evolution of the ecological status/potential and chemical status of surface waterbodies, and of the quantitative and chemical status of groundwater bodies in 2010, 2015 and 2021.

Only 43.6% of surface waterbodies have good or better ecological status/potential, representing a slight improvement from the second RBMPs. Monitoring has improved, as there are fewer surface waterbodies with unknown status. Almost 80% of surface waterbodies are expected to achieve good ecological status/potential by 2027.

<sup>(150) &</sup>lt;a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060</a>.

<sup>(151) &</sup>lt;a href="https://environment.ec.europa.eu/topics/water-en">https://environment.ec.europa.eu/topics/water-en</a>.

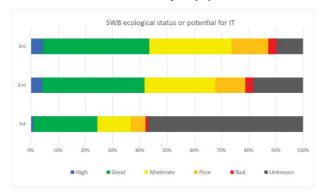
<sup>(152)</sup> These include the Groundwater Directive <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0118">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0118</a>, the Environmental Quality Standards Directive <a href="https://eurlex.europa.eu/eli/dir/2008/105/oj">https://eurlex.europa.eu/eli/dir/2008/105/oj</a>, the Floods Directive <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32007L0060">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0007</a>, the Urban Wastewater Treatment Directive <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31991L0271">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31991L0271</a>, the new Drinking

Water Directive https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A32020L2184, the **Nitrates** https://eur-lex.europa.eu/legalcontent/EN/ALL/?uri=celex%3A31991L0676, the MSFD https://eur-lex.europa.eu/legalcontent/en/TXT/?uri=CELEX%3A32008L0056 IED and the https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A32010L0075.

European Commission, 2025

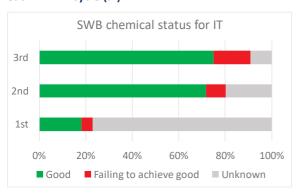
https://webgate.ec.europa.eu/circabc-ewpp/ui/group/c04f478bd4dc-44f9-a211-087c01165b2c/library/faada4be-9fc3-4a48b972-f71e356019d5?p=1&n=10&sort=modified DESC.

Figure 25: Ecological status/potential of surface waterbodies in each RBMP cycle (%)



Nutrient pollution from diffuse agricultural and urban wastewater sources, as well as hydromorphological alterations, are the main reasons for ecological status failure. Water abstraction is also a problem.

Figure 26: Chemical status of surface waterbodies in each RBMP cycle (%)

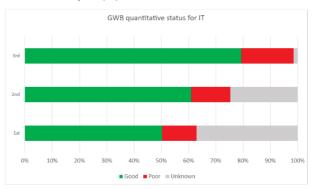


Just over 75 % of surface waterbodies have good chemical status, representing a slight improvement from the second RBMPs. Monitoring has improved, as there are fewer surface waterbodies with unknown status. Just over 80 % of surface waterbodies are expected to achieve good chemical status by 2027.

Chemical pollution, due to the presence of ubiquitous persistent, bioaccumulative toxins (uPBTs), as well as to industrial emissions, remains a challenge. uPBTs are mostly introduced to surface waters through atmospheric deposition, namely mercury and polycyclic aromatic hydrocarbons. These substances are most commonly released during combustion processes of fossil fuels. Further significant substances leading to failure are several metallic compounds, perfluorooctane sulfonic acid (from industrial emissions) and the biocide tributyltin.

Just over 79 % of groundwater bodies have good quantitative status, representing a significant increase from the second RBMPs (see Figure 27). Monitoring has improved, with considerably fewer groundwater bodies with unknown status. Over 90 % of groundwater bodies are expected to achieve good quantitative status by 2027.

Figure 27: Quantitative status of groundwater bodies in each RBMP cycle (%)



However, due to climate change impacts, drought events are increasing in frequency and magnitude, and consequent issues of water scarcity and droughts are worsening and are being felt across the whole country. Water abstractions are another challenge, with issues linked to unreported (or incomplete) uses and quantities. A special commissioner has been appointed to deal with drought in 2023(<sup>154</sup>). The Water Exploitation Index+(<sup>155</sup>) reached 15.6 in 2022, with a value of 30.9 in summer 2022 (Q3) (EU average 4.6 in 2021)<sup>156</sup>. The Po Valley was strongly affected in 2022 by prolonged drought. Sicily was hit by drought in 2024. Agriculture is the main consumer of water, with a steady uptake of 10 929 million m³, i.e. 57% of total consumption in 2022, posing a significant strain on the country's water resources (<sup>157</sup>).

70 % of groundwater bodies have good chemical status, which represents some improvement compared with the second RBMP (see Figure 28). Monitoring has improved, with considerably fewer groundwater bodies with unknown status. But only about 73 % of groundwater bodies are expected to achieve good chemical status by 2027.

Failure of groundwater bodies to achieve good status is caused by nitrates (pointing to nutrient pollution), trichloromethane (industrial emissions), chloride and electrical conductivity (indicative of saline intrusion) and sulphate. The highest reported pressure on groundwater bodies comes from diffuse agricultural pollution and

<sup>(154)</sup> MASE, https://www.mase.gov.it/comunicati/siccita-pichetto-condecreto-gli-strumenti-fronteggiare-emergenza-nazionale

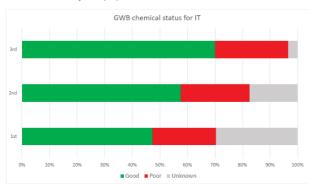
<sup>(155)</sup> a measure of how much water is being used compared with the total renewable freshwater resources available for a given territory and period, shows that, especially in summer months, the country's total water consumption exceeds its renewable freshwater resources

<sup>(156)</sup> EEA, Water Exploitation Index +, https://www.eea.europa.eu/en/analysis/indicators/use-of-freshwater-resources-in-europe-1

<sup>(157)</sup> MASE, European Semester mission, Rome, 5 February 2025. Only around 80% of this volume is measured, the rest is estimated.

urban run-off, followed by abandoned industrial and contaminated sites.

Figure 28: Chemical status of groundwater bodies in each RBMP cycle (%)



Until the end of 2027, Member States can still apply timerelated exemptions, subject to providing evidence of compliance with the strict criteria set out in the Water Framework Directive. After 2027, the possibilities for applying exemptions will be much more limited.

The 2022 EIR identified the following priority actions: (i) to assess new physical modifications of waterbodies in line with Article 4(7) of the Water Framework Directive and to consider alternative options and adequate mitigation measures in assessments; and (ii) to continue current efforts to further reduce nitrates pollution from agriculture in groundwater, and in this respect to review the designation of nitrate-vulnerable zones and include groundwater stations polluted or at risk as well as agricultural areas that drain into eutrophic waters. Some progress has been made following these two priority actions. More details on the latter 2022 priority action are provided in the subsection on nitrates.

In the Italian RBMPs, measures are planned to address all significant pressures in both surface waters and groundwater, with at least one key type of measure assigned to each pressure. Apart from measures to address diffuse pollution and point source pollution, the programmes of measures also include measures to address various hydromorphological pressures, IAS and wastewater treatment (both household and industrial) and to limit erosion. More specific action is envisaged to tackle pollution from agriculture and other sources. Crucial to ensure results will be properly implementing the planned measures with adequate funding; in this respect two regions (158) have yet to provide adequate details on their water investment plans to satisfy the enabling condition for the ERDF 2021-2027 programming period allowing expenditure to be reimbursed. Furthermore, the slow pace of reform to regional operators hinders efficient management (159).

#### 2025 priority actions

Without prejudice to the list of recommended actions in the Commission report to the European Parliament and to the Council on the assessment of the third RBMPs, the following priority actions can be highlighted.

- Improve river continuity and ecological flows, boosting efforts on nature-based solutions to reduce hydromorphological pressures.
- Ensure periodic reviews of permits for discharges, abstractions and other water uses, including hydropower pressures.
- Reduce pollution from nutrients, chemicals, metals and saline discharges.
- Better justify exemptions to the achievement of good status.
- Improve the classification of water bodies and strengthen monitoring systems.
- Develop more robust programmes of measures, tackle obstacles identified in the implementation of measures and ensure adequate financing for implementation, including through better use of the cost recovery and polluter pays principle.

#### **Floods Directive**

Every six years, following the same reporting cycle as the RBMPs, all Member States also report their flood risk management plans (FRMPs), based on the flood hazard and risk maps and the preliminary flood risk assessments drawn up during the second cycle (2016–2021).

The Commission assessed the FRMPs and reported its findings to the European Parliament and to the Council on 4 February 2025, together with the assessment of the RBMPs(<sup>160</sup>).

The main progress identified by the assessment of the second FRMPs is that more information on funding has been provided, with all FRMPs giving detailed information on costs for many of their measures. All FRMPs discuss cost—benefit analysis, but do not clearly indicate that it was used to prioritise measures. The FRMP for the Po river basin, for example, undertook a pilot test of a cost—benefit analysis method. Three of the five FRMPs refer to the role of insurance. Four FRMPs make explicit reference to measures to address climate impacts, and three refer to adaptation strategies and plans. All the second-cycle FRMPs were prepared at the river basin district level, pointing to greater coordination within Italy, and they all

https://economy-finance.ec.europa.eu/publications/2024european-semester-country-reports en.

<sup>(158)</sup> Notably Basilicata and Molise (as of 5 Mayl 2025).

<sup>(159)</sup> Commission Staff Working Document – 2024 Country Report – Italy, SWD(2024) 612 final of 19 June 2024, p. 80,

<sup>(160)</sup> See footnote 153.

provide detailed information on the consultation process and on the active involvement of stakeholders.

Italy is highly prone to intense flooding with four extreme events in the Po Valley and central Italy over the last 18 months (since the May 2023 flood).

#### 2025 priority actions

- FRMPs should provide details on how the FHRMs were used in the choice of measures and how to consider pluvial flooding;
- Better explain the choice and implementation of flood prevention and protection measures (prioritisation, monitoring, costs of measures).

#### **Drinking Water Directive**

The objectives of the Drinking Water Directive are to protect human health by ensuring the quality intended for human consumption, and to improve access to drinking water. The recast Drinking Water Directive (161) is now applicable, and Member States were required to transpose its provisions into their national legal systems by 12 January 2023. Since the entry into force of the recast directive, the Commission has adopted several delegated and implementing acts establishing: (i) a watch list of substances and compounds of concern for drinking water (162), (ii) a methodology for measuring microplastics in drinking water (163) and (iii) an EU system for testing and approving materials that will be allowed to be in contact with drinking water (164). Member States will have to take these various Commission acts into account when implementing the recast directive. The recast Drinking Water Directive also introduces a risk-based approach to water safety, which covers the entire supply chain, from the river basin to extraction, treatment, storage and distribution. Assessments based on this approach must be reviewed periodically, in particular to address threats posed by extreme weather phenomena linked to climate change, known variations in human activities in the extraction area, or accidents affecting the source.

Further to an infringement procedure against Italy for exceeding arsenic and fluoride levels in Lazio, Italy was found to be in breach of the directive by the CJEU on 7 September 2023 (165). The Commission is in touch with the Italian authorities to assess the execution of the CJEU's judgment.

From January 2026, the European quality standards for per- and polyfluoroalkyl substances (PFAS) in drinking water will apply, ensuring harmonised Member States' reporting of PFAS monitoring data in the future. PFAS are a concern across Italy(<sup>166</sup>).

Water leakage remains a significant problem. In 2022, around 9.1 billion m³ of withdrawals were made, 81% of this volume measured. However, only 8 billion m³ of water is fed into the network each year, and of these only 4.6 billion m³/year is distributed to authorised users (167). Water losses are greater in central and southern regions. Campania and Apulia import the highest volume of water from other regions (168).

#### 2025 priority action

 Take actions to ensure full compliance with the Drinking Water Directive.

#### **Bathing Water Directive**

The Bathing Water Directive requires Member States to monitor and assess bathing water. It requires that, during the bathing season, Member States disseminate to the public information on bathing water quality actively and promptly. In particular, notices banning or advising against bathing should be rapidly and easily identifiable.

Figure 29, from the latest EEA bathing water report, shows that in 2023, of the 5 533 Italian bathing waters, 4 996 (90.3 %) were of excellent quality, 318 (5.7 %) were of

- (161) Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (OJ L 435, 23.12.2020, p. 1), <a href="https://eur-lex.europa.eu/eli/dir/2020/2184/oj">https://eur-lex.europa.eu/eli/dir/2020/2184/oj</a>.
- (162) https://environment.ec.europa.eu/publications/implementingdecision-drinking-water-directive-watch-list en.
- (163) Commission Delegated Decision (EU) 2024/1441 of 11 March 2024 supplementing Directive (EU) 2020/2184 of the European Parliament and of the Council by laying down a methodology to measure microplastics in water intended for human consumption (notified under document C(2024) 1459) (OJ L, 2024/1441, 21.5.2024), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024D1441">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024D1441</a>.
- https://environment.ec.europa.eu/topics/water/drinkingwater en.

- (165) European Commission v Italian Republic, C-197/22, https://curia.europa.eu/juris/document/document.jsf?text=&docid=277076&pageIndex=0&doclang=FR&mode=Ist&dir=&occ=first&part=1&cid=933656.
- (166) ISPRA, 2018,

  https://www.isprambiente.gov.it/files2023/pubblicazioni/rappor
  ti/r 305 19 progettaz pfas.pdf, p.41; MASE
  https://www.mase.gov.it/pagina/pfas-inquinamento-dasostanze-perfluoroalchiliche-nelle-acque; Greenpeace, 2025
  https://public.tableau.com/app/profile/greenpeace.italy/viz/Acq
  uaSenzaVeleni/Target100ngl.
- $(^{167})$  MASE, European Semester mission, Rome, 5 February 2025.
- (168) Confindustria, 2024, Dall'emergenza all'efficienza idrica, pp.19-20, <a href="https://www.confindustria.it/home/policy/position-paper/dettaglio/emergenza-efficienza-idrica">https://www.confindustria.it/home/policy/position-paper/dettaglio/emergenza-efficienza-idrica</a>.

The Commission has now received data from Member States on the quality of drinking water (supplied by large water suppliers) in 2017–2019. In summary, the compliance for all parameter groups in Italy was at least 97.71 % in 2017, 97.35 % in 2018 and 98.76 % in 2019.

good quality and 105 (1.9 %) were of sufficient quality, while 72 (1.3 %) were of poor quality and 42 were not classified (0.8 %). More recent data are available from national sources ( $^{169}$ ).

Figure 29: Bathing water quality per Member State, Albania and Switzerland (%), 2023



Source: EEA, European Bathing Water Quality in 2023, briefing No 04/2024, Copenhagen, 2024, <a href="https://www.eea.europa.eu/publications/european-bathing-water-quality-in-2023/">https://www.eea.europa.eu/publications/european-bathing-water-quality-in-2023/</a>.

#### **Nitrates Directive**

The Nitrates Directive (170) aims to protect water quality across Europe by preventing nitrates from agricultural sources that can pollute groundwater and surface waters and by promoting the use of good farming practices. The latest Commission report on the implementation of the Nitrates Directive (171), dating back to 2021, warns that nitrates are still causing harmful pollution to water in the EU. Excessive nitrates in water are harmful to both human health and ecosystems, causing oxygen depletion and eutrophication. Cleaning of waters by national authorities or farmers, where it has been undertaken, has had a positive impact on the drinking water supply and on biodiversity. It has also benefited the sectors - such as fisheries and tourism – that depend on biodiversity and on a good supply of drinking water. Nevertheless, excessive fertilisation remains a problem in many parts of the EU.

As mentioned earlier, the analysis of Italy's RBMPs has identified nutrients from agriculture as an important pressure on groundwater / surface waters that is affecting these waters' good status and as one of the main factors in not meeting the Water Framework Directive objectives.

Measures have been taken to reduce nutrient and pesticide pollution from agriculture. In the framework of

the ongoing infringement procedure (172), several regions have revised their list of nitrate-vulnerable zones. Nevertheless, the infringement remains open, as in several regions the situation of groundwater polluted by nitrates has not improved and the problem of eutrophication in surface waters has worsened. In 2022, Italy received a priority action on tackling nutrient pollution, especially from agriculture, through the implementation of the Nitrates Directive. Since the report on the implementation of the Nitrates Directive covering 2020–2023 will be available later in 2025, the 2022 EIR priority action cannot be fully assessed and so the message is repeated here.

#### 2025 priority action

 Tackle nutrients pollution, especially nitrates from agriculture, through the implementation of the Nitrates Directive.

#### **Urban Wastewater Treatment Directive**

The Urban Wastewater Treatment Directive (UWWTD) aims to protect human health and the environment from the effects of untreated urban waste water. It therefore requires Member States to collect and treat (secondary or biological treatment) waste water in all urban areas of more than 2 000 people, and to apply a more stringent treatment than secondary, with nitrogen and/or phosphorus removal, to the waste water generated in urban areas, also known as agglomerations, of more than 10 000 people, before they are discharged into waters and their catchments, when they are sensitive to nitrogen and/or phosphorus (i.e. eutrophic or tending to become eutrophic).

In Italy, the overall compliance rate with the UWWTD was only 56 % in 2020. According to the 2020 data assessment by the EEA (<sup>173</sup>), the rates of compliance with the current UWWTD in Italy are 92 % for Article 3 (requiring sewer systems), 79 % for Article 4 (requiring secondary treatment) and 93 % for Article 5 (requiring nutrient removal). See Figure 30.

Four infringement proceedings are currently open against Italy for non-compliance with the requirements of the UWWTD (174), covering at present more than 850 agglomerations generating 25 945 352 population equivalent of urban waste water, mainly in Sicily, Calabria, Campania and Lombardy. Most of these agglomerations are affected by a breach of Article 4 (obligation to

<sup>(169)</sup> ISPRA, 'Classification of bathing water', last updated 31 December 2024, <a href="https://indicatoriambientali.isprambiente.it/it/acque-marino-costiere-e-transizione/classificazione-delle-acque-di-balneazione">https://indicatoriambientali.isprambiente.it/it/acque-marino-costiere-e-transizione/classificazione-delle-acque-di-balneazione</a>.

<sup>(170)</sup> https://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1561542776070&uri=CELEX:01991L0676-20081211.

<sup>(171)</sup> https://environment.ec.europa.eu/topics/water/nitrates en.

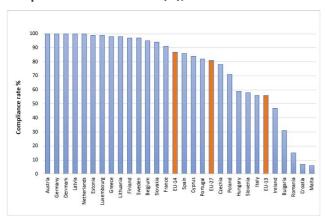
<sup>(172)</sup> INFR(2018)2249.

<sup>(173)</sup> https://circabc.europa.eu/ui/group/65764c73-4a57-45dc-8199-473014cf65bf/library/b179972c-ac03-402c-8820b31109b9ad13?p=1&n=10&sort=modified\_DESC.

<sup>(&</sup>lt;sup>174</sup>) INFR(2004)2034, INFR(2009)2034, INFR(2014)2059, and INFR(2017)2181.

correctly treat the waste water collected) and a significant proportion are also affected by an Article 3 breach (obligation to ensure that wastewater collection systems are in place). Two of the infringements has led to a CJEU sentence and fines (175)(176). So far EUR 210.5 million has been paid, including the lump sum payment (177). It is essential that Italy take the necessary measures to fully comply with the requirements of the directive. The ERDF, the Recovery and Resilience Facility (RRF) and loans from the European Investment Bank (EIB), along with national funds, provide significant financing for this purpose. Italy has repeatedly received a priority action since the 2017 EIR to complete the implementation of the UWWTD. Despite some progress made, Italy has not fully implemented the UWWTD.

Figure 30: Proportion of urban waste water that fully complies with the UWWTD (%), 2020



<u>Source:</u> European Commission: Directorate-General for Environment, Fribourg-Blanc, B., Dhuygelaere, N., Berland, J. and Imbert, F., 12th technical assessment of UWWTD implementation — Final version, Publications Office of the European Union, 2024, <a href="https://data.europa.eu/doi/10.2779/318637">https://data.europa.eu/doi/10.2779/318637</a>.

This is all the more important as the UWWTD has been revised. The revised directive strengthens existing treatment standards and establishes an additional treatment of micropollutants in urban waste water (178). Other new requirements relate to moving towards the energy neutrality of the sector, establishing an EPR system to ensure sustainable financing of micropollutant treatment by the most polluting industries and ensuring access to sanitation, especially for vulnerable and marginalised groups. Considering its high water stress, Italy needs to reuse treated waste water for agricultural irrigation whenever possible, taking into account criteria referred to in Article 2(2) of Regulation (EU) 2020/741 on minimum requirements for water reuse (179) and Article 15(1) of the recast UWWTD. Italy has until 31 July 2027 to transpose the new directive into its national legal

#### 2025 priority actions

 Take the necessary measures to ensure full implementation of the current Urban Wastewater Treatment Directive, taking into account the new requirements of the recast directive.

#### **Chemicals**

The EU seeks to ensure that chemicals are produced and used in a way that minimises any significant adverse effects on human health and the environment. In October 2020, the Commission published its chemicals strategy for sustainability towards a toxic-free environment (180), which led to some systemic changes in EU chemicals legislation. The strategy is part of the EU's zero pollution ambition – a key commitment of the European Green Deal.

The EU's chemicals legislation (181) provides a baseline protection for human health and the environment. It also

- (<sup>175</sup>) Action brought on 12 May 2017, European Commission v Italian Republic, C-251/17.
- (<sup>176</sup>) Action brought on 1 June 2023, European Commission v. Italian Republic, C-515/23.
- (177) As of 27 January 2025.
- (178) Directive (EU) 2024/3019 of the European Parliament and of the Council of 27 November 2024 concerning urban wastewater treatment (OJ L, 2024/3019, 12.12.2024), <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=OJ:L">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=OJ:L</a> 202403019.
- (179) Regulation (EU) 2020/741 of the European Parliament and of the Council of 25 May 2020 on minimum requirements for water reuse (OJ L 177, 5.6.2020, p. 32), <a href="https://eurlex.europa.eu/eli/reg/2020/741/oj">https://eurlex.europa.eu/eli/reg/2020/741/oj</a>.
- (180) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Chemicals strategy for sustainability: Towards a toxic-free environment, COM(2020) 667 final of 14 October 2020, <a href="https://eurlex.europa.eu/legal-">https://eurlex.europa.eu/legal-</a>
  - content/EN/TXT/?uri=COM%3A2020%3A667%3AFIN; Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of

- substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1), https://publications.europa.eu/resource/cellar/c6b6a31d-8359-11ee-99ba-01aa75ed71a1.0004.02/DOC 2.
- Namely, Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the registration, evaluation, authorisation and restriction of chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, p. 1), https://eur-lex.europa.eu/legalcontent/en/TXT/?uri=CELEX%3A32006R1907; and Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1), https://eurlex.europa.eu/legal-

content/EN/TXT/?uri=CELEX%3A02008R1272-20221217.

ensures stability and predictability for businesses operating in the internal market.

Since 2007, the Commission has gathered information on the enforcement of the REACH Regulation and the Classification, Labelling and Packaging (CLP) Regulation. In December 2020, the Commission assessed the Member States' reports (182) on the implementation and enforcement of these regulations (183). It is apparent from the Commission's report that there are still many disparities in the implementation of the REACH and CLP Regulations, notably in the area of law enforcement. Recorded compliance levels in Member States, generally quite stable over time, appear to be getting slightly worse. This may be because (i) enforcement authorities are becoming more effective in detecting non-compliant products/companies; and (ii) more non-compliant products are being placed on the EU market.

In August 2021, the Commission published a measurable assessment of the enforcement (<sup>184</sup>) of the two main EU regulations on chemicals using a set of indicators on different aspects of enforcement. Since 2021, the list of chemicals subject to restrictions has been expanded as new entries have been added to Annex XVII to the REACH Regulation (<sup>185</sup>).

In 2023, new hazard classes were added to the CLP Regulation, and the revision of the regulation was tabled (published on 20 November 2024) (186). The new hazard classes cover endocrine disruptors and persistence-related hazards while the revision of the regulation encompasses new rules on online sales to better tackle non-compliances observed over the years. Also in 2023, the Conference of the Parties of the Stockholm

Convention (COP) decided to include, in its Annex A (which lists banned substances), three new chemicals (<sup>187</sup>). The Commission is working on the delegated acts to include these substances in Annex I to the Persistent Organic Pollutants Regulation by 2025 at the latest.

Responsibility for checking compliance with both the REACH and CLP Regulations in Italy rests with the Ministry of Health Directorate General Health Prevention and with the regions and autonomous provinces.

Italy has devised and fully implemented enforcement strategies for both the REACH and CLP Regulations (<sup>188</sup>) and annual reports are issued (<sup>189</sup>).

In Italy, there were 200 inspectors (also responsible for other regulations) distributed among 21 regions in 2019. A coordination agreement on the REACH Regulation was made between the national and regional authorities on 12 July 2023 to renew participation (190). In 2015, an agreement of the state—regions conference enabled local enforcement authorities to establish their own laboratories for the execution of official analytical checks of chemicals.

The Member States' reporting exercise set out in Article 117 of the REACH Regulation and Article 46 of the CLP Regulation is conducted every five years. The results of the coming one are expected in 2025, hence the absence of new country-specific data on enforcement since 2022.

In 2020, Italy participated in an EU-coordinated enforcement project on products sold online, called the REACH-EN-FORCE (REF)-8 project (191). Italy also participated in the project on enforcement of compliance

- (182) European Commission, Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP Final report, Publications Office of the European Union, Luxembourg, 2020, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.
- (183) In line with Article 117(1) of the REACH Regulation and Article 46(2) of the CLP Regulation.
- (184) European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, REACH and CLP Enforcement: EU-level enforcement indicators, Publications Office of the European Union, Luxembourg, 2021, <a href="https://op.europa.eu/en/publication-detail/-/publication/e5c3e461-0f85-11ec-9151-01aa75ed71a1/">https://op.europa.eu/en/publication-detail/-/publication/e5c3e461-0f85-11ec-9151-01aa75ed71a1/</a>.
- (185) These are substances in tattoo inks and permanent make-up, N,N-dimethylformamide, formaldehyde (and formaldehyde releasers), lead in PVC (polyvinyl chloride), siloxanes (D4, D5, D6) and, finally, microplastics.
- (186) Regulation (EU) 2024/2865 of the European Parliament and of the Council of 23 October 2024 amending Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures, OJ L, 2024/2865, 20.11.2024, p.1 (Regulation EU 2024/2865 EN EUR-Lex)
- (187) These are methoxychlor, dechlorane plus and UV-328. In the case of the pesticide methoxychlor, there are no exemptions from the

- ban. However, for the two plastic additives, dechlorane plus and UV-328, the COP decision lists some time-limited specific exemptions.
- (188) European Commission, Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP Final report, Publications Office of the European Union, Luxembourg, 2020, pp. 75–76, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.
- (189) Ministry of Health, *Piano nazionale delle attività di controllo sui prodotti chimici 2025*<a href="https://www.salute.gov.it/portale/documentazione/p6">https://www.salute.gov.it/portale/documentazione/p6</a> 2 1.js
  <a href="p?id=3506">p?id=3506</a>.
- (190) Act number 156/CSR of 12 July 2023, https://www.statoregioni.it/it/conferenza-stato-regioni/sedute-2023/seduta-del-12-luglio-2023/atti-12-luglio-2023/repertorioatto-n-156csr/.
- European Chemicals Agency, REF-8 project report on enforcement of the CLP, REACH and BPR duties related to substances, mixtures and articles sold online, Helsinki, 2021, p. 20, https://echa.europa.eu/documents/10162/17088/project report ref-8 en.pdf/ccf2c453-da0e-c185-908e-3a0343b25802?t=1638885422475.

with REACH Regulation authorisation obligations (REF-9) led by the Forum for Exchange of Information on Enforcement. Italy took part in a harmonised enforcement pilot project (192).

A risk approach was used for the targeting of control measures in order to maximise the chances of identifying non-compliance. Therefore, the non-compliance rates presented below cannot be considered the average non-compliance rates of products in the EU (see Figures 31 and 32). However, the proportion of non-compliance cases found in the REF-8 project are of concern.

Figure 31: Compliance of imported products – results of the REF-8 project (%)

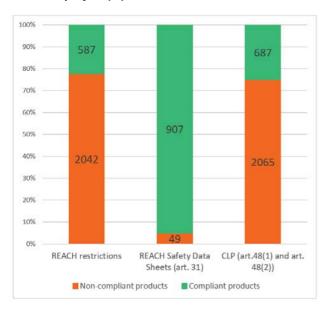
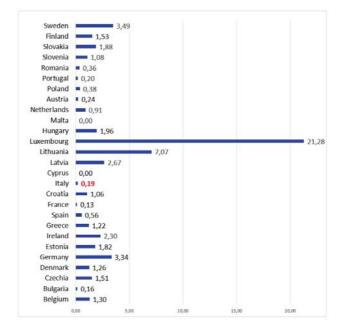


Figure 32: Number of REF-8 checks performed per 100 000 inhabitants (EU average = 1.24)



Online sales have been proved to correspond consistently to higher non-compliance rates in checks performed across the EU, especially when related to imported products.

Italy received a general priority action in 2019 on signing and ratifying outstanding international agreements. Italy ratified the Stockholm Convention on Persistent Organic Pollutants on 29 September 2022, which entered into force on 28 December 2022. This constitutes progress in the implementation of chemicals legislation.

In 2022, Italy received another priority action related to upgrading administrative capacities in implementation and enforcement to move towards a policy of zero tolerance of non-compliance. In the absence of formal reporting since 2022, no progress has been reported.

# 2025 priority actions

- Upgrade administrative capacities in implementation and enforcement towards a policy of zero tolerance of non-compliance.
- Increase involvement in the activities of the Forum for Exchange of Information on Enforcement of the European Chemicals Agency, including in the coordinated enforcement projects, called REF projects.
- Increase customs controls and controls of products sold online with regard to compliance with chemicals legislation.

<sup>(192)</sup> European Chemicals Agency, 'Forum enforcement projects', https://echa.europa.eu/it/about-us/who-we-are/enforcementforum/forum-enforcement-projects.

# 4. Climate action

The impacts of climate change have continued to increase in recent years, inflicting damage and suffering in the EU and around the world. Globally, 2023 was the hottest year on record, while Europe has been warming twice as quickly as the global average and is now the fastest-warming continent. The frequency and severity of extreme climate events are also increasing. Against this backdrop, the EU has demonstrated its determination to implement the European Green Deal and to become climate neutral and resilient by 2050, ensuring sustainable competitiveness and supporting EU industry in the net-zero transition. The European Climate Law is the EU's response to the need for action. It sets the objective of achieving climate neutrality by 2050 and a midterm target of a reduction in GHG emissions of at least 55 % by 2030 and outlines the adaptation efforts necessary to adjust to climate change's present and future impacts. Almost all the 'Fit for 55' proposals set out in the European Green Deal have been agreed in law, and the European Commission recommended a new intermediate climate target of a 90% reduction in emissions by 2040. In 2024, the Member States submitted updated national energy and climate plans for 2021-2030, reflecting the increased ambition of the revised EU legislation. In 2024, the European Commission also released, jointly with the EEA, the first-ever European climate risk assessment(193).

Over the last three decades, since 1990, the EU has achieved steady decreases in its emissions, reaching a running total in 2022 of – 32.5 % ( $^{194}$ ). However, the EU and its Member States need to step up their implementation efforts and accelerate emissions reduction to stay on track to reach their targets of a 55 % reduction in net greenhouse gas (GHG) emissions by 2030 and climate neutrality by 2050. Between 1990 and 2022, net GHG Italy's emissions decreased by 25 %, making it one of the countries with below-average decrease (see Figure 33).

The 'Fit for 55' legislative package reflects the need to speed up the green transition. It includes: (i) strengthening and expanding the EU emissions trading system (ETS), with the creation of a new, second, ETS for transport and buildings together with the dedicated Social Climate Fund to help citizens during the transition;

(ii) increasing targets under the effort sharing regulation; and (iii) a revised regulation for land use, land use change and forestry (195). The package has been almost fully adopted, and the Member States have been implementing the legislation.

The key strategic document at country level is the National Energy and Climate Plan (NECP) (196). Italy submitted its updated plan in July 2024 few days after the deadline set by the regulation. The European Commission assessed the plan and the extent to which Italy has followed the recommendations for the draft version. The findings from the assessment are:

- Emissions under the Effort Sharing Regulation will decrease by 41% in 2030 compared to 2005, and Italy will have to use flexibilities or additional measures to meet its target of 44%.
- The latest projections show a gap to the LULUCF target, meaning that current levels of removals have been insufficient.
- Italy is in line with its target for the share of renewable energy.
- There are still gaps in energy efficiency targets that must be closed.

To minimise the impacts of climate policies on vulnerable people and sectors, Italy is using the Just Transition Fund (JTF) and will use the Social Climate Fund (SCF) from 2026 (for more information, see Chapter 5 Finance). Important to note is that the JTF concerns only two Italian regions (Province of Taranto in Puglia and Iglesiente-Sulcis area in Sardinia) whereas the SCF has national coverage focusing on transport and energy poverty.

<sup>(&</sup>lt;sup>193</sup>) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Managing climate risks - protecting people and prosperity, COM/2024/91 final, <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0091">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0091</a>

<sup>(194)</sup> EU net domestic emissions, including the land use, land-use change and forestry (LULUCF) sector and excluding international aviation.

<sup>(195)</sup> A full overview of the Fit for 55 package is available at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-greendeal/fit-55-delivering-proposals en.

<sup>(196)</sup> More information about NECP is on the dedicated website: https://energy.ec.europa.eu/topics/energy-strategy/nationalenergy-and-climate-plans-necps\_en\_

Figure 33: Total GHG emissions (excluding international aviation) (%), 1990-2022



# The EU emissions trading system

The EU ETS is the key tool for reducing GHG emissions cost-effectively across all Member States. It is the world's biggest carbon market, covering around 40 % of the EU's total GHG emissions from electricity and heat generation, the manufacturing industry, aviation within Europe (197) and, from 2024, maritime transport also.

The system sets a limit or cap on the total amount of GHGs that can be emitted at the EU level. Within this limit, companies buy emissions allowances (one allowance gives the right to emit 1 tonne of CO2 eq. (carbon dioxide equivalent)), in auctions or through trading allowances with others. The cap is reduced annually to ensure that overall emissions in the sectors covered decrease over time.

The emissions under the ETS decreased by 53 % from 2005 to 2023.

52 % of GHG emitted by Italian ETS installations came from power generation, a bit below the EU average (57 %). Of the total emissions from all industrial sectors, 29 % came from refineries, 23 % from cement and lime production, 16 % from the metals industry, 5 % from the chemical industry, and 28 % from other industries. Since 2019, the power sector has reduced its emissions by 22 %; the industry sectors have seen a 14 % decrease. The metals industry saw the largest decrease (25 %).

From 2027, a new emissions trading system, called ETS2, for buildings, road transport and additional sectors (mainly industry not covered by the current ETS) will become fully operational (198). Member States should have notified full transposition of the provisions of the revised ETS Directive related to the new ETS2 into national law by 30 June 2024 The monitoring and reporting requirements and the obligation to hold a permit to carry out activities under ETS2 apply from 1 January 2025.

#### **Effort sharing**

The effort sharing regulation (ESR) (199) covers GHG emissions from domestic transport (excluding CO<sub>2</sub> emissions from aviation), buildings, agriculture, small industry and waste. Emissions from these sectors account for around 60 % of the EU's domestic emissions. The regulation sets the EU-wide target to reduce emissions from the effort sharing sectors by 40 % by 2030 compared to 2005 levels. This overall target for the EU translates to binding national emission reduction targets for each Member State. Italy's target is -43.7 %.

In addition to the 2030 targets, Member States have annual GHG emissions limits (annual emission allocations), reducing every year until 2030.

Italy has flexibility to take account of annual fluctuations in emissions, by trading emissions and transfers from the ETS and LULUCF.

Based on historical emissions and the most updated projections, Italy will need to implement new measures and/or use available flexibilities to achieve its 2030 ESR target. The projected gap is 3.1 percentage to its 2030 target.

The largest contributor is the domestic transport sector, which accounted for 39 % of all effort sharing emissions in 2022 (see Figure 34). Sustainable transport has yet to take off in Italy. Road transport is the dominant transport mode, trains provide only 4 % of freight transport which is way below EU average of 16 %. Only 0.4 % of car fleet were battery electric vehicles in 2023 (EU average is 1.2 %) and Italy is massively supporting the deployment of conventional company cars (see chapter 5 on financing); Italy has about 39 000 publicly accessible charging points, or 1 for every 9 e-vehicles (above the EU average of 1:10).

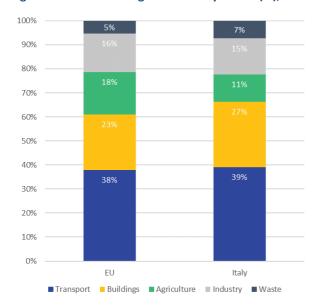
The buildings sector accounted for 27 % of emissions. Reduction of 1.3 % of final energy consumptions between 2020 and 2022 is in line with a long-term renovation strategy which envisages a 12 % reduction of energy consumption by buildings by 2030, compared to 2020.

Flights between the EU Member States including departing flights to Norway, Iceland, Switzerland and the United Kingdom.

Directive (EU) 2023/959 https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.L .2023.130.01.0134.01.ENG

<sup>2018/842</sup> https://eur-Regulation (EU) lex.europa.eu/eli/reg/2018/842

Figure 34: Effort-sharing emissions by sector (%), 2022



# Land use, land-use change and forestry

The LULUCF sector plays a significant role in achieving the EU's climate neutrality goal. In the EU, this sector absorbs more GHGs than it emits, removing significant volumes of carbon from the atmosphere. Thus, it is the only sector with negative emissions.

Italy is facing significant challenges in enhancing the carbon-absorbing capacity of its land-use sector, as carbon removals are declining at a worrying speed in recent years.

Italy's target in 2030 is to enhance land removals by additional -3.2 Mt of  $CO_2$  equivalent compared to the yearly average of the period 2016–2018 as submitted in the 2020 national GHG inventory. The projections submitted in the NECP show a substantial gap to target in 2030 ( $^{200}$ ); thus, Italy needs to apply additional measures to reach its 2030 target.

- (200) European Commission, 2024, Climate Action Progress Report, COM/2024/498 (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM:2024:498:FIN). Updated projections taking into account methodological adjustments have been submitted by Italy in its most recent NECP Reporting in March 2025.
- (201) European Climate Risk Assessment (EUCRA) 2024 https://climate-adapt.eea.europa.eu/en/eu-adaptationpolicy/key-eu-actions/european-climate-risk-assessment.
- (202) EEA, 2024, Economic losses from weather- and climate-related extremes in Europe https://www.eea.europa.eu/en/analysis/indicators/economic-losses-from-climate-related.
- (203) Ministry of Infrastructure and Sustainable Mobility 2022, Cambiamenti climatici, infrastrutture e mobilita, p.17, https://www.mit.gov.it/nfsmitgov/files/media/notizia/2022-02/Rapporto Carraro Mims.pdf.

# Adaptation to climate change

Halting all greenhouse gas emissions would still not prevent climate impacts that are already occurring. Therefore, adaptation to climate change is also a key component of climate policy.

Italy is in two out of three regions identified as a hotspots of climate risks most affected by climate change – southern Europe and low-lying coastal regions (201).

Italy is vulnerable to climate change-related extreme events such as floods (including coastal flooding), droughts, heatwaves and wildfires. It also has a high climate protection gap. Between 1980 and 2023, Italy recorded 21 822 fatalities and almost EUR 134 billion in economic losses caused by weather and climate-related extreme events. However, only 4% of the economic damages over the same period were insured, compared to 62% in Denmark (202). The annual costs of climate change for infrastructure are estimated to be around EUR 2 billion (203). Projections suggest an impact on the GDP per capita of 3.7% in 2050 and 8.5% in 2080 (204). The climate change impacts in Emilia-Romagna have been studied as one of 12 case studies (205)

Italy adopted its National Climate Change Adaptation Strategy (NAS) (<sup>206</sup>) in 2015 and subsequently, in 2023, its National Adaptation Plan (NAP) (<sup>207</sup>). The NAS has not been revised since its adoption. Italy highlights specific challenges in its adaptation strategy, including insufficient coordination, disparities in subnational adaptation planning, and delays in the planning process, despite good practices of involving stakeholders and adopting nature-based solutions. It is crucial to overcome these challenges in climate adaptation action.

At regional level there are several adaptation strategies (Emilia Romagna Region, Sardinia Region, Veneto Region, Piedmont Region, Valle d'Aosta Region, Liguria Region) and two regional adaptation plans (Lombardy Region and Marche Region).

- (204) Ronchi, E. 2019, ed., p.30, Relazione sullo stato della green economy https://italyforclimate.org/wp-content/uploads/2019/12/Relazione sullo stato della green economy 2019.pdf.
- (205) European Commission, 2024, Transformative Innovation for better Climate Change Adaptation Case Study: Emilia-Romagna, Italy <a href="https://place-based-innovation.ec.europa.eu/publications/transformative-innovation-better-climate-change-adaptation-case-study-emilia-romagna-italy-en.">https://place-based-innovation.ec.europa.eu/publications/transformative-innovation-better-climate-change-adaptation-case-study-emilia-romagna-italy-en.</a>
- (206) MASE <a href="https://www.mase.gov.it/pagina/strategia-nazionale-di-adattamento-ai-cambiamenti-climatici">https://www.mase.gov.it/pagina/strategia-nazionale-di-adattamento-ai-cambiamenti-climatici</a>.
- (207) The NAP was adopted on 21st December 2023 by a ministerial decree <a href="https://www.mase.gov.it/notizie/clima-approvato-il-piano-nazionale-di-adattamento-ai-cambiamenti-climatici">https://www.mase.gov.it/notizie/clima-approvato-il-piano-nazionale-di-adattamento-ai-cambiamenti-climatici</a>.

The main objective of the NAP is to provide Italy with a framework for the implementation of actions aimed at i) reducing the risks associated to climate change; ii) improving the adaptive capacity of socio-economic and natural systems and iii) taking advantage of any opportunities that may arise with the new climate conditions. It provides therefore four systemic actions (208), aimed at: i) the establishment of a national governance structure for adaptation (Action 1); ii) the definition of ways to include climate change adaptation principles, measures and actions in national, regional and local Plans and Programs, enhancing synergies with other national Plans (Action 2); iii) the definition of sectoral and cross-sectoral ways and means of implementing NAP measures at different levels. This action includes defining possible sources of funding, as well as identifying potential barriers to adaptation (Action 3); iv) the improvement and systematization of the knowledge framework on climate change impacts, vulnerabilities, and risks in Italy through the development of a research program (Action 4).

Italy received five priority actions regarding climate action in the 2022 EIR related to enhancing sustainable transport, the update of renewable energy, improving energy efficiency in buildings, decarbonising industry and improving railway connections.

There is still limited progress in decarbonisation of transport sector, notably through zero-emission road transport solutions addressing at the same time the endemic air pollution and in renovation of buildings stock.

Uptake of renewables is on the good track, but Italy still falls behind Member States of comparable size in terms of total new installed capacity, especially due to the slow deployment of wind.

Reduction of energy consumption in buildings is in line with long-term renovation strategy, but Italy needs to keep up the pace and increase share of renewables in heating and cooling. MASE has established a national technical working group on the transposition of Directives 2024/1275 and 2023/1791.

Emissions from the industry sector have been decreasing since 2012 (with exception of the covid pandemic and its rebound effect) and emission intensity of industry is below EU average. Italy remains one of the leading clean technology markets, hosting a substantial number of solar PV and wind energy manufacturing facilities.

There is some progress in improving intermodal connections in enhancement of the railway network.

#### 2025 priority action

In the next period Italy should:

 implement all polices and measures that are needed to achieve targets laid down in the Effort Sharing Regulation (ESR) and the Land Use and Land-Use Change and Forestry (LULUCF) Regulation. More detailed priority actions are set out in the assessment of the final National Energy and Climate Plan (NECP)(<sup>209</sup>).

<sup>(208)</sup> Four relevant annexes are part of the NAP: i) a methodological document for the definition of regional strategies and plans; ii.) a methodological document for the definition of local strategies and plans; iii.) a descriptive document on sectoral impacts and vulnerabilities and iv.) a database of 361 adaptation actions (76% soft measures, 13% green measures and 11% grey measures). The database provides a portfolio of possible actions which will

be selected by the different authorities in charge of implementation according to their territorial needs.

<sup>(209)</sup> European Commission, National energy and climate plans, <a href="https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\_en\_.">https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-plans\_en\_.</a>

# Part II: Enabling framework – implementation tools

# 5. Financing

The EU budget supports climate investment in Italy with significant amounts in 2021–2027, with revenues from the ETS also feeding into the national budget. During 2020-2022, Italy's revenues from auctioning reached EUR 7 015 million in total, with 50 % of it spent on climate and energy, corresponding to EUR 3 368 million.

In addition, the annual investment needed to meet its environmental objectives in the areas of pollution prevention and control, the circular economy and waste, water protection and management, and biodiversity and ecosystems is estimated to be EUR 39.7 billion per year in Italy.

These four environmental areas currently receive total funding of around EUR 31.4 billion per year; thus, there is a gap of EUR 8.3 billion per year.

Of the environmental investment gap, EUR 3.28 billion concerns circular economy, EUR 2.24 billion water, EUR 1.81 billion pollution prevention and control and EUR 0.96 billion biodiversity and ecosystems

### Climate finance landmarks

#### **EU funding for climate action**

The EU budget supports climate action in the EU-27 with EUR 657.8 billion in the 2021–2027 budgetary period across the various programmes and funds, representing an overall 34.3 % contribution level. Of this, cohesion policy provides EUR 120 billion (over half of it through the EUR 275.7 billion ERDF), the **RRF** EUR 145.9 billion (210).

In Italy, the EU cohesion policy (considering the EU contribution amount) provides EUR 11.8 billion for climate action in 2021-2027 (with 72 % of this via the ERDF), with a further EUR 290 million from the European Maritime, Fisheries and Aquaculture Fund (211).

The RRF contributes to climate finance in Italy with EUR 75.9 billion up to 2026, representing 39 % of the RRP (212).

The EIB provided EUR 109.9 billion financing across the EU-27 between 2021 and mid 2024 to support energy, transport and industry projects that are aligned with the EU's climate objectives. Of this amount, EUR 16.1 billion was assigned to Italy in the reference period (213).

# National financing, including EU emissions trading system revenues

Revenues from the auctioning of emission allowances under the EU ETS, which feed directly into national budgets, amounted to EUR 1291 million in 2020, EUR 2 521 million in 2021 and EUR 3 203 million in 2022, in Italy, totalling EUR 7 015 million in the three-year period. Italian law, as amended following the transposition of Directive (EU) 2023/958 (214) and Directive (EU) 2023/959 (215), requires that auction revenues or the equivalent in financial value of those revenues be used for the climate and energy purposes listed in the same directives (216).

From the remaining part of the EU ETS revenues that feed into the Innovation Fund and the Modernisation Fund, further support is available to climate action at the EU level.

It should be noted that investment in climate action also supports the environment and, therefore, the environmental investments described in the following sections cannot be regarded as entirely additional to climate investment (217).

- (210) European Commission, Statement of Estimates of the European Commission - For the financial year 2025, Publications Office of pp. 94–96, the European Union, Luxembourg, 2024, https://commission.europa.eu/document/download/7a0420e1-599e-4246-9131-ccb7d505d6d9 en?filename=DB2025-Statement-of-Estimates 1.pdf.
- Open Platform (https://cohesiondata.ec.europa.eu/).
- (212) European Commission datasets and the Recovery and Resilience Scoreboard (<a href="https://ec.europa.eu/economy-finance/recovery-">https://ec.europa.eu/economy-finance/recovery-</a> and-resilience-scoreboard/index.html).
- (213) A list of financed projects is provided by the EIB (https://www.eib.org/en/projects/loans/index.htm).
- (214) Directive 2023/958 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and the appropriate implementation of a global

- market-based measure (OJ L 130, 16.5.2023, p. 115), https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023L0958.
- Directive 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023, https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:32023L0959.
- European Commission: Directorate-General for Climate Action, Progress Report 2023 - Climate action, Publications Office of the Union, Luxembourg, 2023. https://climate.ec.europa.eu/news-your-voice/news/climateaction-progress-report-2023-2023-10-24 en.
- (217) NB: Indirect investments (from climate and other policies) in support of the environment are accounted for via the tracking.

# **Environmental financing and investments**

This section describes Italy's investment needs, current financing and gaps as they relate to the four environmental objectives beyond climate objectives, namely tackling pollution, the circular economy and waste, water protection and management, and biodiversity and ecosystems (218).

#### The environment overall

#### **Investment needs**

The overall environmental investment needs to be sufficient to enable Italy to meet its objectives in the areas of pollution prevention and control, the circular economy and waste, water protection and management, and biodiversity and ecosystems. The required investment is estimated to be EUR 39.7 billion per year (in 2022 prices).

A significant part of the estimated requirement, around EUR 17.6 billion per year, can be attributed to the need to support the circular economy. For pollution prevention and control, the annual investment needs are estimated to be EUR 9.2 billion; for water, they are EUR 8.1 billion and for biodiversity and ecosystems EUR 4.8 billion (in 2022 prices).

#### **Current investments**

To implement the environmental investments needed, the available financing is estimated to currently reach an annual EUR 31.4 billion in Italy from EU and national sources combined (in 2022 prices).

Total environmental funding from the multiannual financial framework (MFF) is estimated to reach around EUR 14.5 billion for Italy in total, during 2021–2027 (or EUR 2.1 billion per year). See Table 1 for the key allocations of the EUR 14.5 billion for Italy.

Italy, in addition to receiving EU funds earmarked specifically for it in 2021–2027, can also benefit from funding programmes that can be accessed at the EU level and which are open to all Member States. These include the LIFE programme (<sup>219</sup>) (EUR 5.4 billion), Horizon Europe (<sup>220</sup>) (EUR 95.5 billion), the Connecting Europe Facility (<sup>221</sup>) (EUR 33.7 billion) and funds that can be mobilised through the InvestEU programme (<sup>222</sup>).

Table 1: Key environmental allocations from EU funds to Italy (million EUR), 2021–2027

Instrument	Allocations
Cohesion policy	7 074.0 (a)
ERDF	6 832.3
Just Transition Fund	241.7
CAP	5 569.2 (b)
European Agricultural Guarantee Fund	3 591.5
European Agricultural Fund for Rural	1 977.7
Development	
European Maritime, Fisheries and	172.1
Aquaculture Fund	
Other MFF	1 699.2 (°)
RRF (d) (2021–2026)	45 504

- (a) European Commission, 2021-2027 cohesion policy (planned) allocations in *EU amount* excluding national co-financing, based on the tracking in the Common Provisions Regulation (CPR, 2021) Annex I. Please note potential data changes that may have arisen between the EIR preparation cut-off date (31 October 2024) and its publication date. Note that Italy is not eligible for the Cohesion Fund. Source and further information: <a href="https://cohesiondata.ec.europa.eu/2021-2027-Categorisation/2021-2027-Planned-finances-detailed-categorisation/hgyj-gyin/about data">https://cohesiondata.ec.europa.eu/2021-2027-Categorisation/2021-2027-Planned-finances-detailed-categorisation/hgyj-gyin/about data</a>.
- (b) Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435 6.12.2021, p. 1), Annex XI, <a href="https://eur-lex.europa.eu/eli/reg/2021/2115">https://eur-lex.europa.eu/eli/reg/2021/2115</a>.

Note that 2021-2027 combines factual data for 2021 and 2022 and expenditure under the relevant specific objectives (SOs) of the CAP strategic plans from 2023, using the EU biodiversity tracking methodology (<a href="https://commission.europa.eu/system/files/2023-06/Biodiversity%20tracking%20methodology%20for%20each%20programme%202023.pdf">https://commission.europa.eu/system/files/2023-06/Biodiversity%20tracking%20methodology%20for%20each%20programme%202023.pdf</a>). Source: European Commission.

- (c) Space Fund, Horizon Europe, financial instrument for the environment and the Connecting Europe Facility.
- (d) Outside the MFF. Note that the RRF applies a similar environmental tracking scheme (set in the RRF Regulation, Annex VI) as the EU's cohesion policy. RRF dataset version used: July 2024, prior to 2025 revisions. Data source: European Commission.

Italy's RRP supports climate objectives through funding of EUR 75.9 billion (39 % of total), with an additional EUR 5.4 billion (2.8 % of total) for the environment.

- (221) The Connecting Europe Facility (Transport) also includes EUR 11.3 billion transferred from the Cohesion Fund, of which 30 % will be made available, on a competitive basis, to all Member States eligible for the Cohesion Fund. The remaining 70 % will respect the national envelopes until 31 December 2023.
- (222) The InvestEU Fund is set to mobilise over EUR 372 billion of investment through an EU budget guarantee of EUR 26.2 billion to back the investment of financial partners such as the EIB group and others.

<sup>(218)</sup> Research, development and innovation is accounted for under each environmental objective. The financing needs, baselines and gap estimates are based on the Directorate-General for Environment's internal analysis (of 2024). Throughout this chapter, specific references are provided to the most important data sources used.

<sup>(&</sup>lt;sup>219</sup>) <u>https://cinea.ec.europa.eu/programmes/life\_en.</u>

<sup>(220)</sup> European Commission, Horizon Europe, <a href="https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe">https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe</a> en.

Italy has had the largest number of LIFE projects of all Member States, with notable integrated projects like Prepair for air quality in the Po river basin and Gestire for preparing prioritised action frameworks for Natura 2000.

Outside of EU financing, important to note is that in Italy there is a national complementary fund to the RRF of EUR 30 billion and a national cohesion and development fund.

The EIB provided around EUR 8.5 billion in environment-related financial contribution to Italy from 2021 to mid 2024, most of which, EUR 5.7 billion (68 %), was in the area of sustainable energy, transport and industrial projects, which provides significant co-benefits to reducing air pollution, environmental noise and other pollution.

The EU's total national expenditure on environmental protection (operating plus capital expenditure) was EUR 298 billion in 2020 and EUR 321 billion in 2021, representing around 2.2 % of EU-27 GDP. In Italy, the total national environmental protection expenditure was EUR 42.2 billion in 2020 and EUR 46.6 billion in 2021, representing 2.5 % and 2.6 % of GDP, respectively.

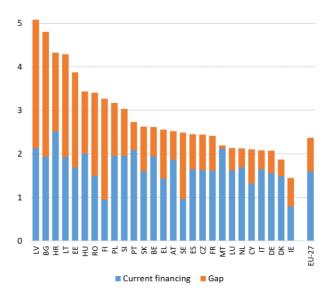
Of the total environmental expenditure, the national capital expenditure (investment) on environmental protection amounted to EUR 54.5 billion in 2020 and EUR 59.9 billion in 2021 in the EU-27, representing around 0.4 % of the EU's GDP. In Italy, the national environmental protection investment reached EUR 6.1 billion in 2020, rising to EUR 8.1 billion in 2021, representing around 0.4 % of GDP.

Splitting by institutional sector, 34% of Italy's national environmental protection investment (capital expenditure) comes from the general government budget, with 50% coming from specialist private-sector producers (of environmental protection services, such as waste and water companies) and 15% from the general business sector, whose environmental activities are usually ancillary to its main activities. At the EU level, 38% of environmental protection investment comes from governments, 40% from specialist private-sector producers and 22% from the general business sector (223).

Italy's total financing for environmental investment reaches an estimated EUR 31.4 billion per year (in 2022 prices), including EU funding and national public and national private expenditure. Of the total, the share of EU funding (including EIB funds) reaches 29 %, with around 71 % national financing. The total public financing (EU plus national public) represents 54 % of the total.

To meet its four environmental objectives beyond climate change, the additional investment need over the current levels (i.e. the gap) reaches an estimated EUR 8.3 billion per year in Italy, representing around 0.43% of the national GDP, being lower than the EU-average (0.77%); see Figure 35.

Figure 35: Environmental financing, needs and gaps per Member State (% of GDP)



Source: Analysis of Directorate-General for Environment.

Table 2 provides the distributions of Italy's environmental investment gap (expressed in various forms) by environmental objective.

Table 2: Summary of environmental investment gaps in Italy per year, 2021–2027

Environmental	Investment gap per year		
objective	Million EUR (2022 prices)	% of total	% of GDP
Pollution prevention and control	1 810	21.8	0.09
Circular economy and waste	3 284	39.6	0.17
Water management and water industries	2 241	27.0	0.12

<sup>(223)</sup> Eurostat, 'Environmental protection expenditure accounts', env\_ac\_epea, <a href="https://ec.europa.eu/eurostat/statistics-">https://ec.europa.eu/eurostat/statistics-</a>

<u>explained/index.php?title=Environmental protection expenditur</u> e accounts.

The gap

Biodiversity and ecosystems	956	11.5	0.05
Total	8 292	100.0	0.43

Source: Directorate-General for Environment analysis.

#### Pollution prevention and control

#### Investment needs

In pollution prevention and control, Italy's investment needs are estimated to reach EUR 9.2 billion per year (including baseline investments) in 2021–2027. Most of this, EUR 8.1 billion, relates to air pollution control, to comply with the clean air requirements for the five main air pollutants under the NECD by 2030. The estimated needs to reduce environmental noise reach EUR 2.9 billion per year, most of which is delivered by the (same) sustainable energy and transport investments that also benefit clean air (224). Industrial site remediation requires an estimated EUR 350 million per year. Microplastics pollution and the chemicals strategy require around EUR 200–300 million per year (each) (225).

#### **Current investments**

The current investment levels supporting pollution prevention and control reach an estimated EUR 7.4 billion per year in Italy in 2021–2027. Most of the financing concerns clean air (EUR 5.8 million per year). Protection from environmental noise receives around EUR 2.6 billion per year, with a further EUR 389 million for site remediation.

In Italy, the EU MFF provides an estimated 7.6 % of the clean air financing (mostly via cohesion policy), with a further 60.7 % from the RRF, adding up to 68.3 % of the total. EIB financing contributes 10.6 % and national sources reach 21 % ( $^{226}$ ).

# The gap

To meet its environmental objectives concerning pollution prevention and control (towards zero pollution), Italy

needs to provide an additional EUR 1.8 billion per year (0.09 % of GDP), mostly related to clean air and noise. The adequate implementation of the NECP with the investments included for sustainable energy and transport would largely deliver this, while in many Member States additional measures and investments may be required to comply with the ammonia reduction requirements.

According to the latest (2023) NAPCP review report (227), Italy complied with ammonia reduction requirements in 2020 and 2021 and is not at risk of non-compliance with ammonia with regard to the NECD's 2030 emission reduction commitments, based on the policies and measures in its NAPCP that take into account climate, energy and CAP plans and financing baselines.

#### Circular economy and waste

#### **Investment needs**

Italy's investment needs in circular economy and waste reach EUR 17.6 billion per year (including baseline investments). Most of this, around EUR 14.9 billion per year, relates to circular economy measures in the mobility, food and built environment systems, with a further EUR 2.7 billion necessary for waste management (municipal and packaging waste), covering waste collection, biowaste treatment, recycling reprocessors, waste-sorting facilities, and digitalisation of the waste registry. The amount for waste excludes the investments needed for the uptake of circularity and waste prevention across the economy (228).

#### **Current investments**

Circular economy investments across the economy reach around EUR 12 billion per year in Italy in 2021-2027, with a further EUR 2.3 billion provided for waste management that does not constitute circular economy.

Around 1.1 % of this combined financing for circularity and waste comes from the EU MFF, with a further 3.5 % from the RRF, adding up to 4.5 % of the total. EIB loans identified in support of circularity and waste represent

- (<sup>224</sup>) 2021 Phenomena project assessment (https://op.europa.eu/en/publication-detail/-/publication/f4cd7465-a95d-11eb-9585-01aa75ed71a1) and the Commission's 2023 Environmental Noise Directive implementation report (https://environment.ec.europa.eu/system/files/2023-03/COM 2023 139 1 EN ACT part1 v3.pdf).
- (225) European Commission, *Third Clean Air Outlook*, Brussels, 2022, <a href="https://environment.ec.europa.eu/topics/air/clean-air-outlook en.">https://environment.ec.europa.eu/topics/air/clean-air-outlook en.</a> See also the impact assessment for the revision of the AAQD (<a href="https://environment.ec.europa.eu/publications/revision-eu-ambient-air-quality-legislation en">https://environment.ec.europa.eu/publications/revision-eu-ambient-air-quality-legislation en</a>).
- (226) Through the tracking of EU funds, EIB projects and national expenditure (environmental protection expenditure accounts, Eurostat). Note that the bulk of clean air financing is provided as a contribution from climate (energy and transport) measures, as per the tracking schemes in the Common Provisions Regulation Annex

- I and the RRF Regulation Annex VI. Further information on clean air tracking: <a href="https://commission.europa.eu/document/download/0a80484e-2409-4749-94c6-">https://commission.europa.eu/document/download/0a80484e-2409-4749-94c6-</a>
- (227) European Commission, 'National air pollution control programmes and projections', European Commission website, https://environment.ec.europa.eu/topics/air/reducing-emissions-air-pollutants/national-air-pollution-control-programmes-and-projections en.
- 228) See Systemiq and Ellen MacArthur Foundation, Achieving 'Growth Within', 2017; and European Commission: Directorate-General for Environment, Study on investment needs in the waste sector and on the financing of municipal waste management in Member States, Publications Office of the European Union, Luxembourg, 2019, <a href="https://op.europa.eu/en/publication-detail/-/publication/4d5f8355-bcad-11e9-9d01-01aa75ed71a1">https://op.europa.eu/en/publication-detail/-/publication/4d5f8355-bcad-11e9-9d01-01aa75ed71a1</a>.

0.5% of the total. The share of national sources reaches 95% of the total financing ( $^{229}$ ).

#### The gap

To meet its environmental objectives concerning the circular economy and waste, Italy needs to increase circular economy investments by an estimated EUR 2.8 billion per year, with an additional EUR 440 million concerning waste management action, not belonging to circular economy. Combined, this amounts to almost EUR 3.3 billion per year, representing 0.17 % of Italy's GDP.

Of the circular economy gap, EUR 745 million relates to recent initiatives, such as the eco-design for sustainable products, packaging and packaging waste, labelling and digital tools, CRM recycling, and measures proposed under the amendment of the Waste Framework Directive, and EUR 2.1 billion constitutes further investment need to unlock Italy's circular economy potential.

#### Water protection and management

#### Investment needs

The annual water investment needs reach an estimated EUR 8.1 billion (in 2022 prices) in Italy. This comprises investment needs both for the water industry and for the protection and the management of water. The largest part of the total annual need, EUR 3.3 billion, relates to the management of waste water (also including additional costs associated with the revised UWWTD). A further EUR 2.8 billion is necessary for drinking-water-related investments and around EUR 2.1 billion for the protection and management of water (<sup>230</sup>).

#### **Current investments**

Water investments in Italy are estimated to be around EUR 5.9 billion per year (in 2022 prices) in 2021–2027. Of this, EUR 2.4 billion supports wastewater management, EUR 2.3 billion drinking water and around EUR 1.2 billion

the other aspects of the Water Framework Directive (water management and protection).

Of the total financing, 4 % is provided by the EU MFF (mostly through cohesion policy), with a further 14.6 % from the RRF, reaching 18.6 % combined. EIB financing is around 5 % of the total, while the bulk of financing comes from national sources (76.6%) ( $^{231}$ ).

#### The gap

To meet the various environmental targets under the Water Framework Directive and the Floods Directive, Italy's water investment gap reaches EUR 2.2 billion per year (0.12 % of GDP), with EUR 848 million per year of that related to waste water. Drinking water measures require EUR 493 million per year and the other aspects of the Water Framework Directive around EUR 0.9 billion per year over the existing levels of financing.

#### **Biodiversity and ecosystems**

#### **Investment needs**

The investment needs for biodiversity and ecosystems are estimated to be EUR 4.8 billion per year (in 2022 prices) in Italy in 2021–2027. This includes the following financing needs:

- Italy's regionalised prioritised action frameworks (<sup>232</sup>) concerning the Natura 2000 areas: EUR 491 million per year, mostly running costs;
- additional BDS costs (<sup>233</sup>): EUR 3.1 billion per year on top of the frameworks;
- sustainable soil strategy management costs (<sup>234</sup>):
   EUR 1.2 billion per year.

### **Current investments**

The current level of biodiversity financing in Italy is estimated to be EUR 3.9 billion per year (in 2022 prices) in 2021–2027. 87.3 % of this is considered direct financing to biodiversity and ecosystems, with a 100 % coefficient in the EU tracking schemes.

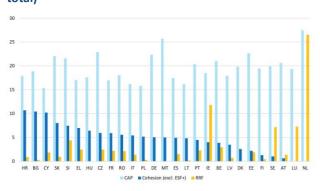
- (229) Waste management and circular economy expenditure tracking in the EU funds, EIB projects and in the national expenditure (Eurostat). Datasets: environmental protection expenditure accounts (env\_epi) and circular economy private investments (cei cie012).
- (230) See European Commission, 'Estimating investment needs and financing capacities for water-related investment in EU Member States', 28 May 2020, https://commission.europa.eu/news/estimating-investment-needs-and-financing-capacities-water-related-investment-eumember-states-2020-05-28 en; and OECD, Financing Water Supply, Sanitation and flood Protection: Challenges in EU Member States and policy options, OECD Publishing, Paris, 2020, https://www.oecd-ilibrary.org/environment/financing-water-supply-sanitation-and-flood-protection 6893cdac-en.
- (231) Water investment levels are estimated through tracking EU funds, EIB projects and national expenditure (environmental protection expenditure accounts, Eurostat).

- (232) European Commission, 'Financing Natura 2000 Prioritised action frameworks', European Commission website, <a href="https://environment.ec.europa.eu/topics/nature-and-biodiversity/natura-2000/financing-natura-2000\_en">https://environment.ec.europa.eu/topics/nature-and-biodiversity/natura-2000/financing-natura-2000\_en</a>.
- (233) See European Commission: Directorate-General for Environment, Biodiversity Financing and Tracking Final report, Publications Office of the European Union, Luxembourg, 2022, https://op.europa.eu/en/publication-detail/-/publication/793eb6ec-dbd6-11ec-a534-01aa75ed71a1/language-en.
- (234) See Proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law) COM(2023) 416 final of 5 July 2023, https://environment.ec.europa.eu/publications/proposal-directive-soil-monitoring-and-resilience en.

In Italy, 3.8 % of the total biodiversity financing is estimated to come from EU cohesion policy, 19 % from CAP, 1.6 % from Horizon Europe and around 0.6 % from LIFE. The EU MFF altogether accounts for 25 % of the financing and the RRF for 8.2 %, adding up to a total of 33.2 % from the EU budget. The rest, 66 %, comes from national sources ( $^{235}$ ).

Italy has programmed 16.1 % of its total CAP budget for 2021–2027, 5.4 % of its cohesion policy EU contribution amount (disregarding ESF+) and 1.4 % of its RRF funds for investments in biodiversity. This is just below the EU average for all three funds; see Figure 36.

Figure 36: 2021–2027 contributions to biodiversity from the main EU instruments per Member State (% of policy total)



NB: ESF+, European Social Fund Plus.

# The gap

To meet the environmental objectives concerning the protection and restoration of biodiversity and ecosystems and other relevant cross-cutting measures, Italy's investment gap is estimated to be around EUR 0.91 billion per year, corresponding to 0.05 % of its GDP.

# **Public financial management**

#### **Green budgeting practices**

Green budgeting refers to the use of budgetary tools to achieve climate and environmental goals. Some Member States, including Italy, already use green budgeting tools for identifying and tracking green expenditures and/or revenues (236). Green budgeting practices provide increased transparency on the environmental implications of budgetary policies.

The Commission has developed a non-mandatory green budgeting reference framework that brings together methodologies for assessing the impacts of budgets on climate and environmental goals (237).

To help Member States develop national green budgeting and thereby improve policy coherence and support the green transition, the Commission facilitated a technical support instrument (TSI) project on green budgeting from 2021 to 2024 (238). Italy participated, taking inspiration on possible improvements to its national framework.

Since 2000, Italy has published an annex to its budgetary plans that details planned expenditure on environmental protection and resource management (ecobilancio). Since 2010, a similar document (ecorendiconto) reports on spending on the same budget items. Furthermore, Italy's budgetary documents include an annex reporting on recent trends and expected progress with regard to 12 indicators that track fairness and sustainable wellbeing (<sup>239</sup>), complementary the to sustainable development goals (SDGs). The national sustainable development strategy (NSDS) also includes these 12 indicators in its core set to ensure coherence with the national budget (240). Furthermore, within a reform of the Italian spending review framework under the RRP, there is a reclassification of the general state budget with reference to environmental expenditure and gender equality, in line with the SDGs.

<sup>(235)</sup> Based on biodiversity tracking in the EU budget (https://circabc.europa.eu/ui/group/3f466d71-92a7-49eb-9c63-6cb0fadf29dc/library/8e44293a-d97f-496d-8769-50365780acde), and national expenditure into biodiversity from the Classification of the Functions of Government accounts.

<sup>(236)</sup> European Commission, Green Budgeting in the EU. Key Insights from the 2023 European Commission Survey of Green Budgeting Practices, 2023, <a href="https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-fiscal-frameworks-eu-member-states/green-budgeting-eu-en#:~:text=European%20Commission%20Green%20Budgeting%20Survey%C2%A0.">https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-fiscal-frameworks-eu-member-states/green-budgeting-eu-en#:~:text=European%20Commission%20Green%20Budgeting%20Survey%C2%A0.</a>

<sup>(237)</sup> European Commission, 'European Union green budgeting reference framework', 2022, <a href="https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/green-budgeting-eu\_en">https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/green-budgeting-eu\_en</a>.

<sup>(238)</sup> https://reform-support.ec.europa.eu/what-we-do/revenue-administration-and-public-financial-management/supporting-implementation-green-budgeting-practices-eu\_en.

<sup>(239)</sup> Commission Staff Working Document – Country Report Italy 2020, SWD(2020) 511 final of 26 February 2020, p. 28, https://commission.europa.eu/publications/2020-european-semester-country-reports en; see also the National Institute of Statistics' (ISTAT) well-being indicators (https://www.istat.it/statistiche-per-temi/focus/benessere-esostenibilita/la-misurazione-del-benessere-bes/gli-indicatori-del-bes/).

<sup>(240)</sup> The Italian NSDS is the overarching strategic framework for the implementation of the 2030 agenda and the sustainable development goals at the national level. The NSDS is complemented by regional sustainable development strategies. The Italian Alliance for Sustainable Development (ASviS) also provides analysis of the annual budget, sustainable development and the RRP.

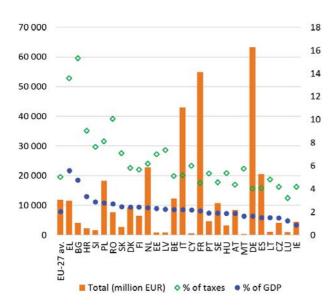
At the regional level, several regions and cities apply green budgeting practices. This led to a TAIEX-EIR PEER 2 PEER workshop on 9 April 2024 on regional EIR green budgeting practices (see Chapter 6). Lombardy is participating in a follow-up TSI initiative together with the German region of Baden-Württemberg.

Beyond green budgeting, to improve policy outcomes, the Commission has also drawn up climate-proofing and sustainability-proofing guidance (<sup>241</sup>), as tools to assess project eligibility and compliance with environmental legislation and criteria.

#### Green taxation and tax reform

Total environmental taxes amounted to EUR 42.9 billion in Italy in 2022, representing 2.2 % of its GDP (EU average: 2.0 %). Energy taxes formed the largest component of environmental taxes, accounting for 1.6 % of GDP, which is the EU average as well. Transport taxes, at 0.6 % of GDP, were slightly above the EU average (0.4 %), while taxes on pollution and resources, at 0.03 %, were under the EU average (0.08 %). In 2022, environmental taxes in Italy accounted for 5.2 % of total revenues from taxes and social security contributions (around the EU average of 5.0 %) (<sup>242</sup>); see Figure 37.

Figure 37: Environmental taxes per Member State, 2022



The EU Green Deal emphasises the role of well-designed tax reforms (e.g. shifts from taxing labour to taxing

According to a 2024 study (243), Italy applies emission charges (mainly for air quality), product charges (e.g. for vehicles, pesticides, batteries, electronic goods) and user charges (e.g. waste volume, road pricing). Specific examples of good practices are congestion charges applied in Milan to reduce air pollution, and quantitybased pricing for municipal waste collection in northern regions (see Chapter 1). There are missed opportunities for applying emission charges for water pollution; product charges for specific goods like fertilisers, tyres and paints; and user charges for access to biodiversity and mineral extraction. As mentioned in chapter 1, the tax on singleuse plastics has been deferred until June 2026. The low level of landfill taxes combined with their regional variability impedes increasing recycling rates and reducing landfilling (see Chapter 1). Low water charges are applied,

pollution) to boost economic growth and resilience, and to foster a fairer society and a just transition through the right price signals. The Green Deal promotes the 'polluter-pays principle', which makes polluters bear the costs to prevent, control and remedy pollution.

<sup>(241)</sup> Commission notice – Technical guidance on the climate proofing of infrastructure in the period 2021–2027 (OJ C 373, 16.09.2021, p. 1), <a href="https://op.europa.eu/en/publication-detail/-/publication/23a24b21-16d0-11ec-b4fe-01aa75ed71a1/language-en.">https://op.europa.eu/en/publication-detail/-/publication/23a24b21-16d0-11ec-b4fe-01aa75ed71a1/language-en.</a>

<sup>(242)</sup> Eurostat, 'Environmental taxes accounts', env\_eta.

European Commission: Directorate-General for Environment, Candidates for Taxing Environmental Bads at National Level, Publications Office of the European Union, Luxembourg, 2024, Annex 1, <a href="https://op.europa.eu/en/publication-detail/-/publication/35c1bbdf-2931-11ef-9290-01aa75ed71a1/language-en.">https://op.europa.eu/en/publication-detail/-/publication/35c1bbdf-2931-11ef-9290-01aa75ed71a1/language-en.</a>

especially for agricultural users, and encourage profligate use.

#### Green bonds and sustainable bonds

In 2023, the total value of green bonds issued by Member States was USD 245 billion (EUR 227 billion), up from USD 234 billion (EUR 198 billion) in 2021 (244).

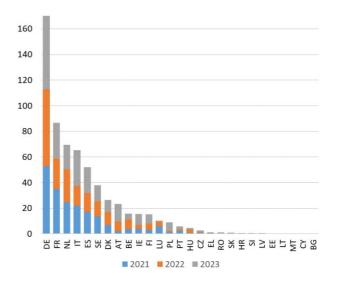
During 2021–2023 combined, Italy issued green bonds worth USD 72.5 billion (EUR 61.3 billion). Of this, the issuance in 2023 amounted to USD 30.3 billion (EUR 28.1 billion).

During 2014–2023, 83 % of the green bonds issued by European countries (excluding supranational entities) served objectives in energy, buildings or transport, while 5 % supported objectives in water, 5.1 % related to land use (with links to nature and ecosystems) and 3.8 % applied to waste management. By 2023, the combined share of energy, buildings and transport had decreased to 73 %, the shares of waste management and land use had increased (to 5.9 % and 8.4 %, respectively) and the share of water had remained around 5 %.

In 2021–2023, 31.7% of the European green bonds (excluding those issued by supranational entities) was issued by financial corporates, 29.1% by sovereign governments and 23.1% by non-financial corporates. 8.3% of the issuances was linked to government-backed entities, 6.4% to developments banks and 1.4% to local governments; see Figure 38.

As mentioned in the 2022 EIR, Italy issued its first green bonds in 2021, and publishes an annual report for investors. A 2023 TSI project on green bonds and the 'do no significant harm' principle was supported by the Ministry of Finance (see Chapter 6). In 2024, green bonds were issued for more than EUR 10.3 billion. This trend continued into the early months of 2025, with the issuance of a new green bond with a maturity of 20 years and the reopening via auction of an already outstanding bond (with a maturity of 2031) for a total of almost EUR 7 billion.

Figure 38: Value of green bonds issued per Member State (billion EUR), 2021, 2022 and 2023



Data source: Climatebonds.net, with some additional data from national sources (e.g. Croatia, Slovenia).

#### **Environmentally harmful subsidies**

Addressing and phasing out environmentally harmful subsidies (EHSs), in particular fossil fuel subsidies (FFS), is a further step towards achieving the eighth environment action Programme objectives and enabling conditions (<sup>245</sup>). FFS are costly for public budgets and make it difficult to achieve European Green Deal objectives. In many cases, these subsidies also counteract incentives for green investments.

The overall downward trend of FFS mentioned in past EIRs was disrupted from 2022 due to the European response to the 2021 energy crisis and subsequent increase in energy prices.

As a direct consequence, annual FFS in the EU have increased to EUR 109 billion in 2023 from EUR 57 billion in 2020. From 2021 to 2023, there has been a marked increase in annual FFS of 72 % in the EU ( $^{246}$ ).

For the majority of the Member States (16), the year 2022 saw a peak in the amount of overall FFS. A decline was then observed in 2023 (<sup>247</sup>). In particular, FFS for coal and lignite, natural gas and oil increased in 2022 and a strong increase was observed for natural gas subsidies.

<sup>(244)</sup> Climate bonds initiative <a href="https://www.climatebonds.net/">https://www.climatebonds.net/</a>. NB. Additionally (and not included in this), national sources indicated EUR 544.8 million issuance for Croatia, in 2022-2023, and a slightly higher amount for Slovenia (+0.27 billion) during 2021-2023 in total.

<sup>(245)</sup> Article 3(h) and 3(v) of the eighth environment action programme, https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:32022D0591.

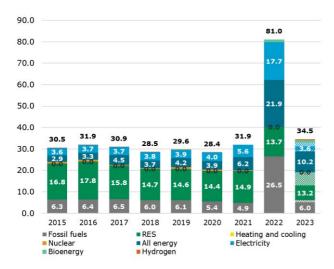
European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025). https://ec.europa.eu/transparency/documentsregister/detail?ref=COM(2025)17&lang=en

<sup>(247) 16</sup> Member States: BE, EE, IE, EL, ES, FR, HR, IT, CY, LT, HU, NL, AT, PT, RO and SE.

In Italy, the energy subsidies were relatively stable between 2015 and 2021, with FFS ranging between EUR 4.9 billion and EUR 6.5 billion per year. 2022 saw an unusual spike in energy subsidies overall, with FFS rising to EUR 26.5 billion (Figure 39). Overall subsidies showed recovery in 2023, and FFS dropped back to EUR 6 billion.

As a share of GDP, FFS in 2022 ranged from 1.8 % in Croatia to less than 0.1 % in Denmark and Sweden. Italy's value reached 1.3 %, above the EU average (0.8 %) ( $^{248}$ ).

Figure 39: Energy subsidies by energy carrier (billion EUR), 2015–2023



NB: RES, renewable energy source.

Country-specific recommendations were addressed to Italy in the context of the European semester on removing EHSs or environmental taxation in 2022, 2023 and 2024.

Italy follows the best practice of having a catalogue of environmentally friendly and harmful subsidies estimated at EUR 24.2 billion in 2022 using a national methodology (<sup>249</sup>). The RepowerEU chapter of the RRP requires a reduction in EHSs via a report on EHSs (not restricted to energy) by the end of 2024 providing a roadmap to reduce EHS by 2030. The reform subsequently it requires that, by the end of 2025, there be a provision in the law indicating

the entry into force of primary and secondary legislation for the implementation of the reform of EHS, with a reduction in their value of at least EUR 2 billion in 2026. In addition, this legislation must define the timetable for a further reduction of EHS at least EUR 3.5 billion by 2030.

A 2024 study found that company car subsidies in Italy accounted for EUR 16 million per year, with internal combustion engine cars subsidised more than electric vehicles (<sup>250</sup>).

The 2025 annual budget law addresses two EHSs: the reduced VAT rate on waste disposal and the taxation of company car fringe benefits. The total economic value of these removed subsidies is estimated at EUR 1.34 billion. The gradual phase out of the differential tax treatment between diesel and gasoline, is set to be enacted by an implementing decree.

In the 2022 EIR, Italy received a priority action to devise an environmental financing strategy to maximise opportunities to close the environmental implementation gap, bringing together all ministries and tiers of the administration.

In this respect, some progress can be identified. Italy organised a conference on 14 November 2023 (<sup>251</sup>) on the European Commission's vade mecum for environmental financing (<sup>252</sup>), and another event took place on 4 December 2024 at the European Parliament. Italy is unique in having had two national events (<sup>253</sup>). However, no strategy on environmental financing has been prepared.

Italy's overall environmental investment gap has decreased since the 2022 EIR and is now around 0.43 % of its GDP (lower than the EU average), with the highest shares being for circular economy and water.

# 2025 priority action

 Use more national funding (for instance by increasing taxes in favour of the environment and reducing environmentally harmful subsidies), EU funding and private funding to help close the investment gap.

<sup>(248)</sup> European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025). <a href="https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2025)17&lang=en">https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2025)17&lang=en</a>

<sup>(249)</sup> MASE, Relazione alle Camere e al CITE - Esiti dell'aggiornamento del Catalogo e le proposte per la progressiva eliminazione dei sussidi ambientalmente dannosi e per la promozione dei sussidi ambientalmente favorevoli, 2024

https://www.mase.gov.it/sites/default/files/archivio/allegati/svil
uppo sostenibile/CSA6 Relazione.pdf), p.22.

<sup>(250)</sup> Environmental Resources Management, Company Car Fossil Fuel Subsidies in Europe – Final report, European Federation for Transport and Environment, Brussels, 2024, https://www.transportenvironment.org/articles/fossil-fuel-

<sup>&</sup>lt;u>subsidies-for-company-cars-cost-eu-taxpayers-eur42-billion-every-year-new-study</u>.

<sup>(251) &</sup>lt;a href="https://environment.ec.europa.eu/events/online-conference-find-your-eu-funding-programme-environment-italy-financing-opportunities-2023-11-14">https://environment.ec.europa.eu/events/online-conference-find-your-eu-funding-programme-environment-italy-financing-opportunities-2023-11-14</a> en.

<sup>(252)</sup> European Commission: Directorate-General for Environment, Find Your EU Funding Programme for the Environment – Supporting the environment under the 2021–2027 multiannual financial framework and NextGenerationEU, Publications Office of the European Union, Luxembourg, 2024, https://op.europa.eu/en/publication-detail/-/publication/cba047ab-b6a6-11ef-91ed-01aa75ed71a1https://op.europa.eu/en/publication-detail/-/publication/33b54f0d-0251-11ed-acce-01aa75ed71a1.

<sup>(253)</sup> Also Veneto organised a regional event 19 June 2025.

# 6. Environmental governance

# Information, public participation and access to justice

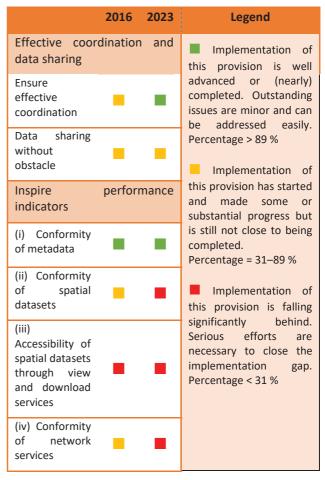
Citizens can more effectively protect the environment if they rely on the three 'pillars' of the Aarhus Convention: (i) access to information, (ii) public participation in decision-making and (iii) access to justice in environmental matters. It is of crucial importance to public authorities, the public and businesses that environmental information is shared efficiently and effectively (254). Public participation allows authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment, safeguard the rights of citizens and ensure accountability of authorities (255). It includes the right to bring legal challenges ('legal standing') (256).

### **Environmental information**

This section focuses on the implementation of the Infrastructure for Spatial Information in the European Community (Inspire) Directive. The Inspire Directive aims to set up a European spatial-data infrastructure for sharing environmental spatial information between public authorities across Europe. It is expected that this will help policymaking across boundaries and facilitate public access to this information. Geographic information is needed for good governance at all levels and should be readily and transparently available.

Italy's performance in implementing the Inspire Directive has been reviewed based of its 2023 country fiche (257) (see Table 3) and shows some progress.

Table 3: Italy dashboard on implementation of the Inspire Directive, 2016–2023



Source: European Commission, 'Italy', Inspire Knowledge Base, https://knowledge-base.inspire.ec.europa.eu/italy\_en.

In 2022, Italy received a priority action on the need to improve access to spatial data and services. It has made some progress on data identification and documentation. In Italy more efforts are needed with regard to the Inspire Directive to (i) make the data more widely accessible; (ii) improve the conditions for data reuse; and (iii) prioritise environmental datasets in implementation, especially those identified as high-value spatial datasets for

<sup>(254)</sup> The Aarhus Convention <a href="https://unece.org/environment-policy/public-participation/aarhus-convention/text">https://unece.org/environment-policy/public-participation/aarhus-convention/text</a>, the Access to Environmental Information Directive (Directive 2003/4/EC) <a href="https://eur-lex.europa.eu/legal-">https://eur-lex.europa.eu/legal-</a>

content/EN/TXT/?uri=CELEX:32003L0004 and the Inspire Directive (Directive 2007/2/EC) <a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32007L0002">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32007L0002</a> together create a legal foundation for the sharing of environmental information between public authorities and with the public.

<sup>(255)</sup> These guarantees are explained in the European Commission's 2017 notice on access to justice in environmental matters

https://eur-lex.europa.eu/legal-

content/EN/ALL/?uri=CELEX:52017XC0818(02) and a related 2018 citizen's guide <a href="https://op.europa.eu/en/publication-detail/-/publication/2b362f0a-bfe4-11e8-99ee-01aa75ed71a1/language-en/format-PDF">https://op.europa.eu/en/publication-detail/-/publication/2b362f0a-bfe4-11e8-99ee-01aa75ed71a1/language-en/format-PDF</a>.

<sup>(256)</sup> This EIR focuses on the means used by Member States to guarantee rights of access to justice and legal standing and to overcome other major barriers to bringing cases on environmental protection.

<sup>(257)</sup> European Commission, 'Italy', Inspire Knowledge Base, https://knowledge-base.inspire.ec.europa.eu/italy\_en.

implementing environmental legislation (<sup>258</sup>). Italy consistently ensures the publication and dissemination of national reports on the state of the environment and key environmental issues (<sup>259</sup>).

#### **Public participation**

Public involvement at both the planning and the project phase maximises transparency and social acceptance of programmes and projects. Consultation with the public (including NGOs) and environmental, local and regional authorities is a key feature of an effective impact assessment procedure. Such consultation also provides an opportunity for public authorities and project promoters to engage with the public actively and meaningfully by making information on the likely significant effects widely available. If carried out with due diligence and taking into consideration useful public input, this process leads to better-informed decision-making and can promote public acceptance. Making information available increases stakeholder involvement, thus lessening resistance and preventing (or minimising) litigation. On the other hand, it is paramount that the procedure is effective.

This section examines how public involvement and transparency are ensured under two instruments, namely the Environmental Impact Assessment (EIA) Directive (260) and the Strategic Environmental Assessment (SEA) Directive (261).

EU law provides for a flexible framework concerning EIAs. The aim of this framework is to ensure the application of the necessary environmental safeguards, while enabling speedy approval of projects. The Commission has contributed to simplifying and accelerating permitting for renewable energy projects and continues to support the Member States in this regard(<sup>262</sup>). Italy has already taken

steps aiming to accelerate permit-issuing procedures taking advantage of the broad flexibilities offered by the EU legal framework, such as the establishment of a one-stop-shops for renewable energy projects. Italy has also issued a series of decree-laws to speed up the approval of renewable energy projects of relevance to the EIA Directive (<sup>263</sup>).

The average speed in the EU for issuing permits involving an EIA procedure is 20.6 months, with a minimum duration of 11.4 months and a maximum duration of 75.7 months (264). The duration of each step in an EIA process (screening, scoping, EIA report, public consultation, reasoned conclusion, development consent) varies considerably across Member States and projects. The data available for Italy do not cover all the steps of the EIA process, so overall conclusions cannot be drawn; however, for the scoping phase, Italy was significantly slower than the EU average. Effective use of EU procedures can positively influence the timely approval of activities underpinning the decarbonisation of the economy on the way to net zero by 2050.

A new report is not yet available on the application and effectiveness of the SEA Directive in the EU. Nevertheless, a support study has been published with information by Member State (265).

Italy provides for public participation in EIA and SEA processes under several articles of the Environmental Code ( $^{266}$ ).

As mentioned in previous EIRs, MASE maintains a public database (267), which includes detailed information on projects requiring EIAs, SEAs and IED permits(268). The database contains technical background and

- (266) Legislative Decree No. 152/2006, Part II, Titles II and III.
- (267) <a href="https://va.mite.gov.it/en-GB/Comunicazione/Cittadino">https://va.mite.gov.it/en-GB/Comunicazione/Cittadino</a>.
- (268) appropriate assessments under article 6(3) of the Habitats Directive (valutazioni d'incidenza (VINCAs)) outside of EIA procedures are not included in the MASE database.

<sup>(258)</sup> https://github.com/INSPIRE-MIF/need-driven-dataprioritisation/blob/main/documents/eReporting PriorityDataList \_\_V2.1\_final\_\_20201008.xlsx.

<sup>(259) &</sup>lt;a href="https://www.isprambiente.gov.it/it/pubblicazioni/rapporti;">https://indicatoriambientali.isprambiente.it/it.</a>

<sup>(250)</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011L0092">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011L0092</a>.

<sup>(261)</sup> Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30), <a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001L0042">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001L0042</a>.

<sup>(262)</sup> Commission Staff Working Document (SWD/2022/0149 final), 18 May 2022, ( https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022SC0149&qid=1653034229 953).

<sup>(263)</sup> Decree-Law 76 of 16 July 2020 (Law 120 of 11 September 2020), Decree-Law 77 of 31 May 2021 (Law 108 of 29 July 2021), Decree-Law 199 of 8 November 2021 (Law 262 of 15 December 2021), Decree-Law 17 of 1 March 2022 (Law 34 of 27 April 2022), Decree-Law 13 of 25 February 2023 (Law 41 of 21 April 2023), Decree-

Law 181 of 9 December 2023 (Law 11 of 2 February 2024), Decree-Law 19 of 2 March 2024 (Law 56 of 29 April 2024), Decree-Law 153 of 17 October 2024 (Environment Decree) (Law 191, 13 December 2024) and Legislative Decree No 190 of 25 November 2024.

<sup>(264)</sup> European Commission: Directorate-General for Environment, Collection of information and data on the implementation of the revised Environmental Impact Assessment (EIA) Directive (2011/92/EU) as amended by 2014/52/EU), ), Publications Office of the European Union, Luxembourg, 2024, Tables 5 and 6, https://op.europa.eu/en/publication-detail/-/publication/8349a857-2936-11ef-9290-01aa75ed71a1/.

<sup>(265)</sup> European Commission: Directorate-General for Environment, Lundberg, P., McNeill, A., McGuinn, J., Cantarelli, A. et al., Study supporting the preparation of the report on the application and effectiveness of the SEA Directive (Directive 2001/42/EC) – Final study, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2779/1615072

documentation, which enables the public to analyse the projects in detail. The database has links to regional sites.

Italy has a best practice for integrating the 'do no significant harm' principle into EIA and SEA procedures, which was showcased at the European Network of Environmental Authorities — Managing Authorities meeting on 23 October 2024 (269).

In the 2022 EIR, Italy received two priority actions related to EIA and SEA: (i) to develop structured and user-friendly information on SEA and EIA procedures and make it available online, from public authorities throughout the country, learning from the best practices of MASE and some regions; and (ii) to collect and publish data on the level of public participation in SEA and EIA procedures and encourage public participation through the dissemination of clear and useable information. On the first, some progress has been achieved, but concerns about reduced opportunities for effective public participation due to simplification measures have been raised with the Commission. On the second, the Commission does not possess any information, and none is available on the MASE website.

#### Access to justice

Access to justice, guaranteed by Article 19(1) of the Treaty on European Union and Article 47 of the EU Charter of Fundamental Rights, is a fundamental right and part of the democratic process. It is vital to ensure the full application of EU law in all Member States and the legal protection of the rights of individuals, including in environmental matters. Access to justice is essential to enable judicial review of the decisions of public authorities and to allow the correction of any wrongdoing committed by these authorities.

This section provides a snapshot of the state of play of access to courts by the public, particularly when it comes to challenging plans, or the non-adoption of plans, under EU law, in the areas of water, waste, air quality and noise, irrespective of the form of the legal act (i.e. regulatory act or administrative decision).

As mentioned in the 2022 EIR, both individuals and legal entities, including environmental NGOs, may challenge environmental administrative decisions in Italy. There are no specific rules applicable to different sectors. Legal standing is granted to any subject whose interest is

affected by the administrative decision. This approach may inadvertently exclude individuals from the review procedure when plans or programmes are issued as a measure of general nature rather than as a regulatory act.

There is a system of regular supervision of regulatory legally binding acts, but it is barely accessible to members of the public and NGOs. They can only flag issues to the bodies or officials who are entitled to initiate an extraordinary supervision procedure.

The government maintains generic information on access to environmental information and access to justice, usually available only in the official language(s) of the country or region (270).

In 2022, Italy received priority actions on (i) improving access to courts by the public concerned, particularly when challenging plans or programmes; (ii) better informing the public about their access to justice rights; and (iii) ensuring that no barriers (e.g. costs) to access to justice on environmental matters exist. Italy has made no progress on this front.

#### 2025 priority actions

- Make spatial data more widely accessible and prioritise environmental datasets in implementing the Inspire Directive, especially those identified as high-value spatial datasets for implementing environmental legislation.
- Ensure that relevant information on EIA and SEA procedures (including on public participation opportunities and on publication of final decisions) is electronically accessible in a timely manner, through at least a central portal or easily accessible points of access, at the appropriate administrative level.
- Provide information on the average duration of all steps in the EIA process.
- Improve access to courts in national environmental cases by the public concerned and eliminate practical barriers, such as length of proceedings and excessive costs in some Member States.

# **Compliance assurance**

Environmental compliance assurance covers all work undertaken by public authorities to ensure that industries, farmers and others fulfil their obligations to protect water, air and nature, to manage waste (271) and to remedy any

<sup>(&</sup>lt;sup>269</sup>) Department for Cohesion Policy, *Indirizzi per la verifica climatica dei progetti infrastrutturali in Italia per il periodo 2021–2027*, Rome, 2023,

 $<sup>\</sup>frac{https://politichecoesione.governo.it/media/ch0naoef/indirizzi-per-la-verifica-climatica\_e\_allegato.pdf.$ 

<sup>(&</sup>lt;sup>270</sup>) https://www.snpambiente.it/si-urp/il-diritto-di-accesso-ai-documenti-informazioni-e-dati/accesso-alle-informazioni-

ambientali/come-esercitare-il-diritto-di-accesso-alle-informazioni-ambientali/.

<sup>(271)</sup> The concept is explained in detail in the European Commission's 2018 communication on EU actions to improve environmental compliance and governance <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0010">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0010</a> and the related Commission staff working document <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0010">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0010</a> and the related

environmental damage. It includes measures such as (i) compliance promotion, (ii) compliance monitoring (i.e. inspections and other checks), (iii) enforcement, that is, steps taken to stop breaches and impose sanctions, and (iv) ensuring damage prevention and remediation in line with the polluter-pays principle.

#### Compliance promotion, monitoring and enforcement

Non-compliance with environmental obligations may occur for different reasons, including poor understanding or lack of acceptance of the rules, opportunism or even criminality. Compliance promotion activities help dutyholders to comply by providing information, guidance and other support. This is particularly important in areas where new and complex legislation is put in place.

When inspections and other control activities identify problems, a range of responses may be appropriate, including the use of administrative and criminal enforcement tools.

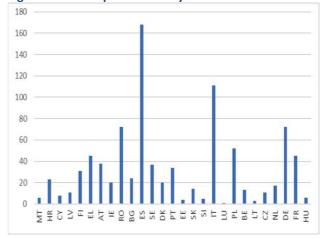
As mentioned in the 2022 EIR, the specialised environmental unit (272) of the Carabinieri (Comando Carabinieri per la Tutela Forestale, Ambientale e Agroalimentare) is the police force in charge of investigating environmental crime. Their action focuses on the following areas: soil, water, air and noise pollution; safeguarding natural heritage; overseeing the use of hazardous substances and activities with a high risk of serious accidents; managing strategic radioactive materials and other radioactive sources; protecting against exposure to electric, magnetic electromagnetic fields; and responding to situations involving the uncontrolled spread of genetically modified organisms. Legambiente produces an annual report on eco-mafia(273).

Previous EIRs have also extensively covered the compliance promotion and monitoring activities of ISPRA through the national system of environmental protection in conjunction with the regional environmental protection agencies.

Between 15 May 2022 and 31 December 2024, the Commission received 111 complaints relating to the environment in Italy, making it the Member State with the second highest number of complaints for this period, although in terms of complaints per million inhabitants the amount is 1.88 well below the EU average of 3.2 (Figures 40 and 41). Almost half of these concerned alleged breaches of the Nature Directives, with a particular focus on hunting regulations, while another significant

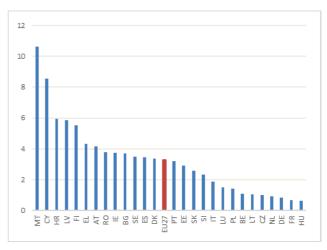
proportion concerned waste, water, air quality and EIA issues.

Figure 40 EU complaints 15 May 2022-31 December 2024



Source: DG Environment complaints data.

Figure 41: EU complaints per million inhabitants 15 May 2022-31 December 2024



Source: Eurostat, 'Population' tps00001, accessed 22 January 2025, <a href="https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/tab">https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/tab</a> le?lang=en, and DG Environment complaints data.

The 2022 EIR recommended that Italy (i) ensure the availability of structured and easily accessible online information at the national level for farmers regarding compliance with the Nitrates and Nature Directives; (ii) improve overall coordination between enforcing authorities at the national and regional levels and provide information on public authorities' official websites regarding formal cooperation mechanisms; and (iii) develop structured statistics from national authorities on the enforcement of environmental law. Concerning compliance promotion, monitoring and criminal and administrative enforcement, the 2022 priority actions are

<sup>&</sup>lt;u>lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018SC0010.</u>

https://www.carabinieri.it/chi-siamo/oggi/organizzazione/tutelaforestale-ambientale-e-agroalimentare.

<sup>(&</sup>lt;sup>273</sup>) Legambiente, <a href="https://www.legambiente.it/rapporti-e-osservatori/rapporto-ecomafia/">https://www.legambiente.it/rapporti-e-osservatori/rapporto-ecomafia/</a>

not assessed here due to lack of systematic information. Similarly, the Commission is not aware of whether information is easily available online at the national level for farmers regarding compliance with the Nitrates and Nature Directives, and hence the related 2022 priority action is not assessed.

#### The new EU Environmental Crime Directive

The EU has recently strengthened its legal framework on tackling the most serious breaches of environmental obligations, notably by the adoption of the new Environmental Crime Directive (ECD) (Directive 2024/1203/EU) (274) and new sectoral legislation with provisions on compliance enforcement and penalties. Issues important for the transposition and the implementation of the relevant new instruments are highlighted below; a detailed assessment of these topics will be included in the next EIR once more implementation measures are put in place and more systematic information is available.

The new ECD replaced the 2008 ECD and introduced several new offence categories, such as unlawful ship recycling, unlawful water abstraction, and serious breaches of EU legislation on chemicals, mercury, fluorinated GHG and IAS of EU concern. It also covered the establishment of qualified offences, subject to more severe penalties where one of the offences defined in the directive leads to serious widespread and substantial damage or destruction of the environment. Concrete provisions on the types and levels of penalties for natural and legal persons who commit an offence were also introduced. Other provisions will help considerably to improve the effectiveness in combating environmental crime of all actors along the enforcement chain. These include obligations to ensure adequate resources and investigative tools, specialised regular training and the establishment of cooperation mechanisms within and between Member States as well as national strategies on combating environmental crime.

Member States are required to transpose the new ECD into national law by 21 May 2026 and to take additional measures to more effectively combat environmental

crime, in particular through training, coordination, cooperation and strategic approaches. The Commission will provide support, including by facilitating the identification and sharing of good practices. Member States are expected to ensure the necessary resources and specialised skills required and they are invited to encourage their authorities to support and cooperate with the recognised EU-level networks of environmental enforcement practitioners, such as the EU Network for the Implementation and Enforcement of Environmental Law (275), EnviCrimeNet (276), the European Network of Prosecutors for the Environment (277) and the EU Forum of Judges for the Environment (278). The European Union Agency for Law Enforcement Cooperation and European Union Agency for Criminal Justice Cooperation mechanisms for cooperation on cross-border cases should be used more systematically for environmental offences.

#### **Environmental Liability Directive**

The Environmental Liability Directive (ELD) (<sup>279</sup>) aims to ensure that environmental damage is remediated in kind at the expense of those who have caused it, in line with the polluter-pays principle. It helps to halt the net loss in biodiversity, as well as reducing the number of contaminated sites and protecting the environmental quality of groundwater and surface waters. The ELD is a cross-cutting tool and a key enabler for better implementation of EU environmental law.

The ELD addresses cases of significant environmental damage to protected species and natural habitats, and, when caused by operators carrying out certain potentially hazardous activities, also damages to water and to soil. The Commission has the legal obligation to periodically evaluate the ELD. The ELD has undergone the second evaluation (<sup>280</sup>), which will be finalised in 2025, and which was supported by an external study (<sup>281</sup>), containing, among other things, evidence, views, reports and other relevant information gathered from different stakeholder groups, including Member States.

One of the most relevant indicators in assessing implementation and enforcement of the ELD is the number of environmental damage cases handled under

- (280) Commission staff working document Evaluation of the Environmental Liability Directive, forthcoming 2025.
- (281) European Commission: Directorate-General for Environment and Fogleman, V., Study in support of the evaluation of the Environmental Liability Directive and its implementation Final report, Publications Office of the European Union, Luxembourg, 2024, <a href="https://op.europa.eu/en/publication-detail/-/publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en</a>.

<sup>(274)</sup> Directive 2024/1203/EU on the protection of the environment through criminal law <a href="https://eurlex.europa.eu/eli/dir/2024/1203/oj/eng">https://eurlex.europa.eu/eli/dir/2024/1203/oj/eng</a>

<sup>(275)</sup> https://www.impel.eu/en.

<sup>(276)</sup> LIFE+SATEC project (https://webgate.ec.europa.eu/life/publicWebsite/project/LIFE2 0-PRE-ES-000001/fight-against-environmental-crime-at-a-strategic-level-through-the-strengthening-of-environmental-network-of-experts-in-environmental-criminal-investigations).

<sup>(277) &</sup>lt;u>https://www.environmentalprosecutors.eu</u>.

<sup>(278) &</sup>lt;a href="https://www.eufje.org/index.php?lang=en">https://www.eufje.org/index.php?lang=en</a>.

<sup>&</sup>lt;u>lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02004L0035-20190626.</u>

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the ELD, especially when this number is compared with the previous reporting period. Fewer ELD cases were reported in the second reporting period (2013–2022) than in the first one (2007–2013). However, the downward tendency in the number of ELD occurrences and their overall low number do not necessarily mean that the ELD has achieved its objectives, as it needs to be compared with the overall number of environmental damage cases, some of which may have been handled under the other liability instruments.

The ELD has not always been effective in ensuring that the polluter pays, because the liable operators often lack financial capacity to carry out remediation measures. While the ELD does not provide for a mandatory financial security system, it explicitly calls for Member States to encourage the development of financial security instruments and markets, with the aim of enabling operators to use financial guarantees to cover their responsibilities under this directive.

From 26 June 2019 to 31 December 2021, Italy reported seven occurrences of environmental damage under the ELD (two occurrences of land damage; one of water damage; two of biodiversity damage; one of water and biodiversity damage; and one of land and water damage). In comparison, there were 17 occurrences of environmental damage and 133 cases of imminent threat reported in the previous period, which placed Italy among the Member States with the highest overall number of reported ELD occurrences. Italy is also one of the Member States with the largest decreases between the two reporting periods. This may be at least partially attributed to the different way the occurrences have been reported. However, based on the information provided by the Italian co-reinsurance pool(282), 870 environmental damage occurrences from 5 January 2006 to 22 December 2018 were handled by the pool(283). The pool developed a Protected Environment Certification. The standard prevents risks that are responsible for 73 % of occurrences of damage under the ELD; it is available free of charge, is also provided in English and applies to any type of company. The system was developed as a private initiative, and it supports the use of voluntary insurance schemes.

There is no national mandatory financial security system for ELD liabilities in Italy. However, the environmental

insurance market in Italy is well developed, featuring national and multinational insurers as well as the coreinsurance pool mentioned above. Environmental insurance policies covering civil liabilities from pollution have been available since 1979. Policies that provide cover for remediating pollution have been available since the late 1990s. In 2006, cover in the policies was broadened to include liability for preventing and remediating environmental damage under the ELD. Despite the wide range of available policies, demand remains low.

#### 2025 priority action

 Encourage the use of training programmes provided by the Commission (or developed at the national level) covering the ELD and its interactions with the other national liability-related instruments, to ensure more efficient ELD implementation, improve the expertise of the competent authorities and raise awareness among all stakeholder groups.

# **EU-supported environmental capacity building**

The Commission's 2023 Compact (<sup>284</sup>) initiative to enhance the administrative space identifies the capacity to lead the green transition as one of three key pillars, along with the public administration skills agenda and the capacity for Europe's Digital Decade. Compact also recognises the role of the EIR reporting tool in improving environmental governance. The two main capacity-building opportunities for the environment provided by the European Commission are the TSI (<sup>285</sup>) and the TAIEX-EIR PEER 2 PEER tool (<sup>286</sup>). The technical assistance available through the cohesion policy is subject to shared management and is not dealt with in this subsection.

#### The Commission's technical support instrument

The TSI provides Member States with tailor-made technical expertise on the design and implementation of reforms. The support is demand driven and does not require national co-financing.

The TSI had annual calls in 2021, 2022, 2023,2024 and 2025. The following environment-related projects have been selected for Italy.

 Recharge and refuel – Clean, smart and fair urban mobility (Ministry for Sustainable Infrastructure and

- (<sup>282</sup>) <u>https://www.poolambiente.it/il-pool/</u>
- (283) European Commission: Directorate-General for Environment and Fogleman, V., Study in support of the evaluation of the Environmental Liability Directive and its implementation Final report, Publications Office of the European Union, Luxembourg, 2024, p. 37, <a href="https://op.europa.eu/en/publication-detail/-publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en</a>.
- (284) See the European Commission web page on Compact <a href="https://reform-support.ec.europa.eu/public-administration-and-">https://reform-support.ec.europa.eu/public-administration-and-</a>
- governance-coordination/enhancing-european-administrativespace-compact en.
- (285) See the European Commission web page on the TSI <a href="https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi">https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi</a> en.
- (286) See the European Commission web page on the TAIEX-EIR PEER 2
  PEER tool <a href="https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review/peer-2-peer en">https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review/peer-2-peer en</a>. TAIEX: Technical Assistance and Information Exchange.

- Mobility (now Ministry of Infrastructure and Transport), 2022);
- Improve ESG data availability and sustainability corporate reporting in Italy (Ministry of Finance, 2023);
- ESG risk management framework for the financial sector (Institute for the Supervision of Insurance, 2023):
- Regional development of western Liguria (for natural swimming pools) (Liguria, 2023);
- Reinforcing the assessment, monitoring and reporting of public expenditure for the purpose of the green bonds ensuring compliance with the DNSH principle (Ministry of Finance, 2023);
- Accelerating permitting for renewable energy (simplification unit of the Presidency of the Council of Ministers, 2024);
- Climate adaptation (Cassa Depositi e Prestiti and Metropolitan City of Rome Capital (one project each), 2023);
- Strengthening regional capacities and skills for SDGs localisation: Policy coherence for sustainable development and impact assessment (2024);
- Creating novel decision support tools and financing instruments to improve ESG value and disaster risk resilience of public real estate (Presidency of the Council of Ministers, Agenzia del Demanio, Agenzia delle Dogane e dei Monopoli, Cassa Depositi e Prestiti, 2024);
- Strengthening Italy's capacity to model the macroeconomic effects of 'green' policies and investments through the Danish GreenReform model (Ministry of Finance, 2024);
- Green budgeting Developing a transparent and easily applicable method of climate tagging and integrating it into the budget cycle (Lombardy and Baden-Württemberg, 2024) (see Chapter 5).
- Support to the effective implementation of the Net-Zero Industry and Critical Raw Materials acts in Italy (Ministry of Enterprises and Made in Italy, 2025)

#### The Commission's TAIEX-EIR PEER 2 PEER tool

The Commission launched the TAIEX-EIR PEER 2 PEER tool in 2017. It aims to facilitate peer-to-peer learning among Member States' environmental authorities through workshops (single or multi-country), expert missions (where a delegation of experts travels to the requesting institution) and study visits (where a delegation from the requesting institution travels to a host country). Flagship multi-country workshops are those requested by the Commission to present new and upcoming environmental legislation and policy in all Member States (<sup>287</sup>).

Workshops involving Italy are as follows:

- Climate adaptation and blue infrastructure (31 May– 1 June 2022;
- Good practices on noise abatement measures and noise mapping (26–27 September 2022);
- Circular economy (in the Irish Midlands) (4–6 October 2022);
- Future challenges for air protection (24 November 2022) with the EU Czech Presidency;
- Biowaste management (6–8 June 2023), hosted by Italy in Milan, Parma and Novara with participants from French municipalities;
- Green budgeting at regional level (9 April 2024), hosted by Italy (in Rome), with experts from Greece, Spain, France and Portugal; this workshop is directly related to the 2024 TSI project on green budgeting involving Lombardy (see Chapter 5);
- Reducing air pollution from transport and residential energy (11–13 June 2024);
- New aspects in the cross-border cooperation against environmental crime (19–20 November 2024).
- Freight transport by rail (in relation to waste transport) (17 18 March 2025).

Italy was involved in an expert mission on dune protection in Bulgaria (28–29 February 2024). Italy hosted a study visit on 15–16 June 2022 on noise maps and action plans in Florence and Pisa for the Polish authorities, a study visit on 17–18 October 2022 on urban wastewater treatment and best practices on water reuse in agriculture, also for the Polish authorities, and a study visit on 6–8 June 2023 on circular economy, textile industry, zero waste and peri-

(287) Flagship multi-country workshops in the reporting period are: Recast Drinking Water Directive (3 April 2025); Environmental compliance and governance (18 March 2025); Planning of Renewable Energy Projects (20 February 2025); Air Quality: Implementation of the revised Air Quality Directive (16 January 2025); Industrial safety: awareness raising of emerging risks linked with climate change and decarbonation (12 December 2024); Air quality: implementation of the NEC Directive to further mainstream air and broader pollution reduction in agricultural policy (25 September 2024); Industrial emissions transposition and implementation of the revised directive (12 September 2024); Noise: progress towards meeting Member States' noise limit values and EU reduction targets (5 June 2024); Best practice use

of environmental footprint methods on the EU market (30 May 2024); Sustainable finance (9 November 2023); Textile waste separate collection, treatment and markets (3 October 2023); EU environmental funding and support (13 June 2023); Advisory service for businesses to go circular (24 April 2023); Digital product passport implementation (6 December 2022); Public involvement in planning and approval of renewable energy projects (17 November 2022); Environmental compliance and governance (14 November 2022); Biowaste management (19–20 September 2022); and Renewable energy projects: permit granting processes (13 June 2022). NB: The first flagship workshop on zero pollution for air, water and soil took place 9 February 2022.

urban organic agriculture in Prato and Capannori (Tuscany) for Manresa City Council in Spain.

In 2022, Italy received priority actions to (i) continue to address the fragmented implementation of environmental policy at the regional and local levels by developing a better national overview of regional implementation mechanisms for the environment (especially for implementation of the Nitrates Directive at the regional level); and (ii) improve overall national environmental governance, in particular administrative capacity and coordination at the regional and local levels between enforcing authorities. Regarding the former priority action, the infringement relating nitrates is still open and the Commission is currently assessing the

progress reported by the Italian authorities (see Chapter 3). Regarding the latter priority action, Cinsedo (Interregional Centre for Studies and Documentation, part of the state—regional conference) (<sup>288</sup>) continues to offer important opportunities for exchanges and training between regions as well as organising EIR dialogues (<sup>289</sup>). They organised the workshop on green budgeting in April 2024 and are involved in the follow-up TSI project.

# 2025 priority action

 Improve overall national environmental governance, in particular administrative capacity to support the green transition and coordination at the regional and local levels.

<sup>(288) &</sup>lt;a href="https://www.regioni.it/chi-siamo/">https://www.regioni.it/chi-siamo/</a>.

<sup>(289)</sup> The dialogue on the 2022 EIR took place on 21 October 2022.

# **Annex: 2025 priority actions**

# Circular economy and waste management

# Transitioning to a circular economy

 Speed up the transition to a circular economy by implementing the updated national strategy and the EU framework and recommendations in particular to complement it with upstream circularity measures.

# Waste management

- Increase reuse of products and scale up waste recycling infrastructure associated with the higher steps of the waste hierarchy. In particular, improve collection and increase treatment capacity for bio-waste.
- Invest in waste prevention measures to reduce the total amount of waste generated.
- Improve municipal waste preparation for reuse and recycling.
- Increase the collection and recycling rate of waste electronic and electric equipment (WEEE).
- Complete the closure of non-compliant landfills.
- Implement, harmonise and gradually increase landfill taxes to phase out landfilling of recyclable and recoverable waste.
- Ratify international conventions on ship recycling.

# Biodiversity and natural capital

# Nature protection and restoration – Natura 2000

- Complete the Natura 2000 site designation process.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) and ensure their effective implementation.
- Ensure the effective implementation of Natura 2000 management plans and sufficient administrative capacity and financing both for Natura 2000 and the implementation of the Nature Restoration Regulation. Ensure the implementation of 2021–2027 prioritised action frameworks (PAFs).

# Recovery of species

- Strengthen the implementation of national anti-poaching measures.
- Reinforce action for habitats and species in unfavourable conservation status, for example through restoration measures, increased connectivity, better policy coordination and integration, and increased funding.

### Recovery of ecosystems

#### Agricultural ecosystems

• Implement eco-schemes and agri-environmental measures and practices to address the environmental needs of Italy.

### Soil ecosystems

 Reduce the excessive area of sealed and artificialised soil and remediate degraded areas of soil. If appropriate, consider formally committing to targets for land-degradation neutrality under the relevant United Nations Convention to Combat Desertification agreement.

### Marine ecosystems

• Ratify the Offshore Protocol to the Barcelona Convention and ICZM Protocol to the Barcelona Convention.

# Prevention and management of invasive alien species

- Step up implementation of the IAS Regulation, including with regard to enforcement and the capacity of inspection authorities.
- Ratify the International Convention for the Control and Management of Ships' Ballast Water and Sediments of 2004 (BWM Convention).

# Ecosystem assessment and accounting

 Ratify the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization to the Convention on Biological Diversity.

# Zero pollution

# Clean air

- As part of the NAPCP, take action to reduce emissions of air pollutants.
- Ensure full compliance with the current AAQD standards, also in light of future stricter requirements under the revised AAQD.
- Accelerate the ratification of relevant international conventions and protocols.

### *Industrial emissions*

- Reduce industrial air pollution damage and intensity.
- Continue addressing pollution from the ex-ILVA steel plant in Taranto, in order to bring this plant into compliance with EU industrial emissions legislation.
- Reduce industrial releases to water, and their intensity.
- Engage with industry and environmental NGOs to ensure proper contribution to and implementation of BAT conclusions; and ensure timely updates to permits following the publication of BAT conclusions.
- Ensure effective public participation and access to justice in relation to the IED.

# Major industrial accidents prevention – Seveso

- Strengthen compliance with requirements on safety measures to prevent major accidents and
  ensure appropriate preparedness and response in relation to UTEs, in particular as regards
  reviewing, testing and updating EEPs, at intervals of no more than three years.
- Ensure access to transparent and clear information towards citizens on risks and behaviour in the event of an accident.

#### Noise

- Complete noise mapping.
- Complete and implement action plans on noise management.

# Water quality and management

#### Water Framework Directive

- Improve river continuity and ecological flows, boosting efforts on nature-based solutions to reduce hydromorphological pressures.
- Ensure periodic reviews of permits for discharges, abstractions and other water uses, including hydropower pressures.
- Reduce pollution from nutrients, chemicals, metals and saline discharges.
- Better justify exemptions to the achievement of good status.
- Improve the classification of water bodies and strengthen monitoring systems.
- Develop more robust programmes of measures, tackle obstacles identified in the implementation
  of measures and ensure adequate financing for implementation, including through better use of the
  cost recovery and polluter pays principle.

#### **Floods Directive**

- FRMPs should provide details on how the FHRMs were used in the choice of measures and how to consider pluvial flooding.
- Better explain the choice and implementation of flood prevention and protection measures (prioritisation, monitoring, costs of measures).

#### **Drinking Water Directive**

• Take actions to ensure full compliance with the Drinking Water Directive.

# **Nitrates Directive**

• Tackle nutrients pollution, especially nitrates from agriculture, through the implementation of the Nitrates Directive.

#### **Urban Wastewater Treatment Directive**

Take the necessary measures to ensure full implementation of the current Urban Wastewater Treatment Directive, taking into account the new requirements of the recast directive.

### Chemicals

- Upgrade administrative capacities in implementation and enforcement towards a policy of zero tolerance of non-compliance.
- Increase involvement in the activities of the Forum for Exchange of Information on Enforcement of the European Chemicals Agency, including in the coordinated enforcement projects, called REF
- Increase customs controls and controls of products sold online with regard to chemicals legislation.

# Climate action

Implement all polices and measures that are needed to achieve targets laid down in the Effort Sharing Regulation (ESR) and the Land Use and Land-Use Change and Forestry (LULUCF) Regulation. More detailed priority actions are set out in the assessment of the final National Energy and Climate Plan (NECP).

# Financing

Use more national funding (for instance by increasing taxes in favour of the environment and reducing environmentally harmful subsidies), EU funding and private funding to help close the investment gap.

# **Environmental governance**

#### Information, public participation and access to justice

- Make spatial data more widely accessible and prioritise environmental datasets in implementing the Inspire Directive, especially those identified as high-value spatial datasets for implementing environmental legislation.
- Ensure that relevant information on EIA and SEA procedures (including on public participation opportunities and on publication of final decisions) is electronically accessible in a timely manner, through at least a central portal or easily accessible points of access, at the appropriate administrative level.
- Provide information on the average duration of all steps in the EIA process.
- Improve access to courts in national environmental cases by the public concerned and eliminate practical barriers, such as length of proceedings and excessive costs in some Member States.

#### Compliance assurance

Encourage the use of training programmes provided by the Commission (or developed at the national level) covering the ELD and its interactions with the other national liability-related instruments, to ensure more efficient ELD implementation, improve the expertise of the competent authorities and raise awareness among all stakeholder groups.

# EU-supported environmental capacity building

Improve overall national environmental governance, in particular administrative capacity to support the green transition and coordination at the regional and local levels.