



## **A NEW STEP TOWARDS REDUCING THE ENVIRONMENTAL IMPACT OF BUILDINGS IN MILAN**

The Council of the Municipality of Milan approved, with resolution no. 64 of 9 September 2024, the application of the Minimum Environmental Criteria (CAM) and the Life Cycle Assessment (LCA) to private services of public or general interest, as well as to private services under agreement for childhood (0-3 range), for the modulated reduction of the contribution related to the construction cost. This is an experimental anticipation of the implementation of the resolution of the Municipal Council no. 28/2024, aimed at encouraging the reduction of the environmental impact and improving the performance of the building heritage through the remodulation of the urbanization charges owed by the operators.

### **The goal**

The application of CAM in building interventions involves the use of sustainable building materials with low environmental impact (renewable, durable, reusable, recyclable), which activates virtuous supply chains and promotes the transition towards a circular economy and, at the same time, employment opportunities. Attentive not only to energy efficiency, the new CAM listed in Annex 2 of the resolution in question also consider further aspects, such as the mentioned life cycle (LCA), concerning the environmental, economic and social sphere of the building.

Art. 57 of Legislative Decree 36/2023 establishes the mandatory nature of the technical specifications and contractual clauses provided for by the CAM in the planning and tender documentation of public procurement. The application of the minimum environmental criteria allows the contracting authorities to enhance the environmental and social quality of the activities put out to tender, the rationalization of their consumption and the reduction of the related expenditure.

The Milanese resolutions are moving in the direction of a generalized application of these criteria: *"pending the approval of the new Building Regulations and of a possible further specific provision that will extend the CAM to private interventions*

*of new construction, urban restructuring and building restructuring with demolition and reconstruction (...), with this proposed resolution the criteria and declinations relating to the reductions of the contribution related to the construction cost are herein anticipated and specified” (Annex 1 - Preliminary report of the resolution no. 64/2024).*

## **A first step**

Annex 2 to the resolution no. 64/2024 identifies 42 CAMs, to each one is assigned a percentage reduction ranging from 1.5% to 3.5%, giving greater importance to the CAMs that are most in line with the environmental sustainability goals contained in the planning tools of the Municipal Administration. Each individual criterion entitles to a cumulative discount percentage until the following percentages are reached:

- a) "a maximum of 50% for private services of public or general interest implemented pursuant to art. 4 of the NdA of the PdS of the PGT and art. 9 LR 12/2005;*
- b) a maximum of 60% for private services under agreement for childhood (0-3 range) implemented pursuant to art. 4 of the NdA of the PdS of the PGT and art. 9 LR 12/2005”.*

The discount can be modulated based on the number of criteria selected and, without prejudice to the performance of the life cycle analysis (LCA) for private services of public or general interest other than childcare services, it is necessary to draft and submit suitable documentation proving compliance with each individual environmental criterion chosen, explaining the solutions adopted to achieve the performance specifically provided for by the CAM relevant legislation. The reductions do not apply if the requirements for each CAM are already mandatory based on current superordinate rules or provisions.

Concretely, a suitable surety must be submitted, of an amount equal to the expected reduction, increased by the amount corresponding to the legal interest calculated from the effective date to the expiry date of the title enabling the execution of the works. The guarantees will be released following the submission, at the end of the works, of the mentioned documentation and following an investigation check.

## **Conclusions**

CAMs represent a significant promotion of the adoption of virtuous practices and behaviours from an environmental, social and governance (ESG) point of view by companies, further confirming the centrality for operators, both public and private, of responsible and conscious action today. Incentives represent, as in this specific case, an important tool to gradually push the market in this direction; over time, we will assess their impact and effectiveness.

### **DISCLAIMER**

The sole purpose of this *Client Alert* is to provide general information. Consequently, it does not represent a legal opinion nor can it in any way be considered as a substitute for specific legal advice.

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