

## Environment & Climate Change - Italy

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### Improved clean-up rules make foreign investment in Italy easier

Contributed by **B&P Avvocati**

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Italy has a large amount of brownfield land which could be the ideal setting for foreign industrial investment due to its low cost.

So far, the main difficulties which have held foreign investors back have been:

- the excessive rigidity of the job market; and
- the high and unpredictable costs of the remediation of contaminated areas.

The Italian job market was recently made substantially more flexible with the Jobs Act (Decree-Law 23/2015). Regarding the contaminated land regime, which constitutes the main topic of this short update, several recent amendments to regulations can help investors that are willing to clean up a brownfield site in order to reindustrialise it:

- Law 214/2011 allows developers to implement remediation through several subsequent stages. This makes it possible to clean up only part of the contaminated site initially. The remediated area can then be used for new industrial or commercial activities, whose profits can be used to finance the clean-up of the remaining sections of the brownfield site.
- The administrative procedure needed to implement remediation is much simpler than before. Under Law 116/2014, a developer that is available to carry out clean-up techniques aimed at meeting the threshold values provided for by legislation (Decree-Law 152/2006) has an important procedural incentive. A developer can avoid carrying out a site-specific risk analysis, which in the past often created the need to meet rigid and often unreasonable environmental targets.
- Specific incentives are now available for national and local authorities to fund partially the reindustrialisation of brownfield sites (Law 162/2014).

A recent decision by the Environmental Agency has also made the cost of remediating contaminated groundwater much more reasonable. Before this decision, the recognised standard which national and local authorities had followed required that, at the end of remediation, the groundwater at the south border of the contaminated area ('south' here refers to the direction of the water table, not to the cardinal point) always met the threshold values.

The agency recently maintained that such a rule does not refer to the contaminants, which are brought to a given contaminated area by the water table coming from the north (again meaning the direction of the water table). The agency said that this was compliant with the law, as Article 243 (Decree Law 152/2006) links water table remediation to a recognised health risk.

*For further information on this topic please contact **Luciano Butti** at B&P Avvocati by telephone (+39 045 8012901) or email ([luciano.butti@buttiandpartners.com](mailto:luciano.butti@buttiandpartners.com)). The B&P Avvocati website can be accessed at [www.buttiandpartners.com](http://www.buttiandpartners.com).*

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Author

**Luciano Butti**



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