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Environmental and Social Data Sheet

Overview

Project Name:	GYSEV FLEET AND INFRASTRUCTURE - GREEN LOAN (2021-0789)
Project Number:	2021-0789
Country:	HUNGARY
Project Description:	The project consists of acquisition of new Electric Multiple Units, as well as infrastructure works on the rail network operated by GYSEV.
EIA required:	Multi-scheme project; requirements may vary

Project included in Carbon Footprint Exercise¹: no
 (details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project is structured as a framework loan targeting acquisition of rolling stock (Electric Multiple Units, EMUs) for InterCity passenger services in Hungary (up to 12 units) and for regional passenger services in Austria (5 units), as well as infrastructure works on the rail lines managed by the promoter in Hungary, in particular electrification, line rehabilitation and new construction and ERTMS trackside deployment.

The Environmental Impact Assessment (EIA) requirements for the schemes included in the project may vary. Due to their nature some schemes fall within the scope of the EIA Directive (Directive 2011/92/EU as amended by Directive 2014/52/EU). The EIA procedures and potential negative impacts on protected areas included in the Natura 2000 network according to the Habitats Directive (Directive 92/43/EEC) and the Birds Directive (Directive 2009/147/EC) will be analysed on a case by case basis.

The schemes included in the project will be implemented mostly within the existing right of way with land acquisition only expected to take place in the scheme focusing on the construction of 1.5 km additional track in Zalaszentiván station.

Purchase of rail rolling stock does not fall under the Environmental Impact Assessment (EIA) Directive (2011/92/EU as amended by Directive 2014/52/EU). If depots are needed to be built or any works to be carried out, they will be subject to the environmental assessment procedure.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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The schemes forming the project are aligned with the Hungarian National Transportation Infrastructure Development Strategy (NKS 2014) which includes investments into electrification, elimination of bottlenecks on TEN-T corridors, addressing line capacity issues and supporting development of rail infrastructure for suburban traffic. Furthermore, the strategy identifies the need to provide modern train services with attractive service patterns for the customers. The NKS 2014 was subject to a Strategic Environmental Assessment in accordance with Directive 2001/42/EC.

The main project negative impacts will be those related to the construction phase, such as dust, noise and vibration, nuisance to passengers and track-side dwellers. The project design for each scheme will include the necessary mitigation measures, whose implementation and effectiveness will be monitored by the Promoter throughout the implementation.

Overall, the project will contribute to improvement of quality and reliability of railway services, and thus to the modal shift from road to rail with the consequent reduction of energy consumption, noise, and emissions of pollutants and CO₂.

The Promoter, GYSEV, has extensive experience in implementing schemes of this nature. It integrates environmental management as part of its management systems and methodically applies environmental management tools in order to ensure comprehensive supervision of the environmental aspects during preparation, implementation and operation of this kind of projects.

Allocation of the framework loan to major schemes will be subject to ex ante approval by the Bank. For the schemes that may fall under the EIA Directive or require an assessment according to Article 6(3) of the Habitats Directive, the Promoter will submit to the Bank the relevant documents providing evidence of compliance with these directives.

The project has been assessed by the Bank's services for Paris alignment in accordance with the policies set out in the Climate Bank Roadmap. The project consists of construction and modernisation of infrastructure for zero direct emission transport, therefore, it is considered to be aligned with the low carbon goal. The climate risk of the project is assessed as low and, therefore, it is considered to be aligned with the resilience goal. Furthermore, the project concerns procurement of zero direct emissions rolling stock for passenger rail services and as such is aligned with the climate mitigation goal.

Social Assessment, where applicable

The project is expected to require expropriation of 21 properties, out of which 4 are residential buildings. Approximately 2 hectares of land is to be acquired. The resettlement and land expropriation process as well as the compensation follow the Hungarian law.

All the project components will be delivered in accordance with the relevant Technical Specifications for Interoperability (TSI), including TSI for Persons with Reduced Mobility. The project generates good social benefits, improving safety, comfort and better access for persons with reduced mobility. Public transport improves accessibility to education and job markets for people without access to individual motorised transportation. The project will enhance the overall accessibility of the railway system.

GENDER TAG: Significant.



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Public Consultation and Stakeholder Engagement

For the components that are subject to EIA, the consultation of the relevant stakeholders and public consultation takes place as part of the EIA procedures, including cross border consultation as required. For the components that are screened out, consultation of the relevant stakeholders is carried out as part of the screening procedure.

Other Environmental and Social Aspects

The Promoter, who will implement and operate the project, has an established environmental policy and operates an Environmental Management System in accordance with ISO 14001:2015.

The Promoter handles requests for environmental information from the public through the general information contact mailbox, as indicated in the contact information on its website.

Conclusions and Recommendations

The project is expected to include several schemes for which EIA requirements may vary. These requirements will be analysed at allocation stage on a case-by-case basis together with any potential significant negative impacts on protected areas included in the Natura 2000 network.

GYSEV is an experienced Promoter. It integrates environmental management as part of its broader management systems, and methodically applies environmental management tools, in order to ensure comprehensive supervision of the environmental aspects during preparation, implementation and operation of investments.

The Finance Contract will include an allocation condition requiring the Promoter to submit to the Bank evidence that for any major scheme presented for allocation the relevant environmental consent process, if applicable, has been completed and that the scheme complies with the requirements of the Habitats Directive concerning the potential impacts on nature conservation sites. Additional undertakings may be defined at the allocation stage.

The Promoter shall store and keep updated the relevant documents concerning the compliance with the environmental legislation. In case the EIB requires such documentation for any of the schemes included in this operation, the Promoter shall promptly provide all documents requested.

The residual negative impacts of the project during the construction and operation are limited and partly offset by the expected improvement of reliability, efficiency and safety of the railway services and the consequent contribution to preventing a modal shift towards road.

If new depots are constructed or existing depots are modified for maintenance of rolling stock acquired in this project, the Promoter shall be required, prior to the commencement of the works, to submit to the Bank evidence of conformity with the EIA Directive (as applicable, the corresponding EIA report(s) and the environmental consent(s) issued by the Competent Authority or evidence that no EIA is required), as well as declaration issued by the Competent



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Authority concerning absence of significant impact on Natura 2000 sites. The documents shall be to the satisfaction of the EIB.

With these conditions in place, the project is acceptable for EIB financing in environmental and social terms.