

Environmental and Social Data Sheet

Overview

Project Name: RAILWAY INFRASTRUCTURE REHABILITATION
 Project Number: 2013-0278
 Country: Hungary
 Project Description: Investment programme for the rehabilitation and upgrading of the existing conventional rail infrastructure in Hungary between 2013 and 2016.

EIA required: Multi-investment project, EIA requirements vary

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The new transport strategy of Hungary will be subject to a SEA. The project is subject to the requirements of EU EIA Directive 2011/92/EU, Habitats Directive 92/43/EEC and Birds Directive 79/409/EEC. As the project is a rail transport sector framework loan, the need for an EIA may vary according to each scheme and will be analysed on a case by case basis, together with any potential significant impacts on protected areas. Nevertheless, based on the indicative list of the Project - which will be mainly undertaken in already existing infrastructure - most schemes are not expected to be subject to an EIA process. The Promoter's environmental capabilities are satisfactory.

Despite some potential minor disturbances during construction of some of the schemes, the project is expected to have an overall positive impact on the environment by increasing Hungary's railway network attractiveness, thus promoting a modal shift from road to rail transport of people and goods.

Under these conditions, the project is acceptable for Bank financing.

Environmental and Social Assessment

Environmental Assessment

The new National Transport Strategy of Hungary, which will be based on the Europe 2020 Strategy, the White paper 2011 (Roadmap to a Single European Transport Area) and the new Trans-European transport network (TEN-T) policy, is currently under preparation and it will be subject to a SEA. The public consultation has started and the strategy is expected to be adopted by the Hungarian Government by the end of 2013.

Some parts of the strategy are complete and unveiled, which indicate that in addition to the full range of railway corridor developments undertaken in recent years, the need for eliminating bottlenecks on the conventional railways will have high priority in the next programming period.

Five main areas of investment have been identified, comprising reconstructions of electrified and non-electrified rail lines including bridges and track structures, signalling and power supply systems, telecommunication, stations, track maintenance tools and other railway infrastructure related investments. As the project is envisaged to be financed in the context of a framework loan, large schemes will be subject to individual ex-ante appraisal by the Bank and separate approval.

The Promoter complies with EU Directives, notably EIA Directive 2011/92/EU, Habitats Directive 92/43/EEC and Birds Directive 79/409/EEC. Due to the nature of works in existing railway infrastructure, only minor adverse effects are expected on the environment. None of the investment schemes included in

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

the project falls or is expected to fall under Annex I or Annex II of the EIA Directive. However, in the event that schemes to be identified later would fall under Annex I or Annex II of the Directive, either the non-technical summary of the EIA or a decision issued by the competent authority for screening out the scheme, as appropriate, shall be submitted to the Bank before disbursement against those schemes. Most equipment included in the project (specialised rolling stock, signalling and telecommunications equipment, special equipment for infrastructure maintenance) is outside the scope of the EIA Directive 2011/92/EU.

Based on the indicative list, the Bank's Services considered that none of the identified investment schemes is expected to have a significant effect on Natura 2000 areas according to the Habitats Directive 92/43/EEC and the Birds Directive 79/409/EEC. For schemes to be identified later, that could have a potential effect on a conservation site as result of their proximity to such type of site, a certificate issued by the competent authority (Form A or Form B) shall be submitted to the Bank before disbursement against those schemes.

There may be nuisances to passengers in those investments involving stations, and small disturbances to the environment during construction, mostly related to dust and noise emissions, the disposal of waste water, hazardous and non-hazardous waste, and the potential pollution of underground water and of soil.

MAV ZRt has prepared its 5-year Environmental Strategy, in which sustainability, reduction of the environmental externalities and environmental protection are stated as being part of the company's core values and long-term objectives. MAV's capacity and environmental procedures management are deemed satisfactory. According to their environmental management procedures, MAV ZRt carries out environmental impact reviews as part of the project design for certain major investments which are not subject to an EIA under EU and national law but which nevertheless might have a negative impact, especially at local level.

The project is expected to have a positive impact on the environment due to the increase in the railway system's efficiency, comfort and safety, which should contribute to a modal shift from road to rail transport and to maintaining the attractiveness and competitiveness of railway transport.

Public Consultation and Stakeholder Engagement, where required

According to its communication and transparency policy, MAV ZRt informs the public of any major investment works to be undertaken with a potential environmental and social impact, and provides a grievance mechanism for any claims made by the people affected by the investment in its neighbouring areas.