

Environmental and Social Data Sheet

Overview

Project Name:	COHESION FUND FL III PHASING RAIL INVESTMENTS
Project Number:	20140278
Country:	Hungary
Project Description:	Rehabilitation and reconstruction of various investments in the railway sector benefitting from Cohesion Fund phased in the transitory period between 2007-13 and 2014-2020.
EIA required:	Multi-Scheme. Some of the schemes may require an EIA under Annex II of the EIA Directive.
Project included in Carbon Footprint Exercise ¹ :	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 Structural Program Loan (SPL) concerns the financing of different railways investment schemes in Hungary within the Transport Operational Programme (TOP) year 2007-2013 and partly phased also in the next programming period, mainly in the TEN-T core and comprehensive railway corridors and in the commuter railway network around Budapest.

The TOP for Hungary underwent an SEA procedure and the environmental effects were assessed. The programme concerns several rail transport investments and will contribute to sustainable objectives by making rail transport more attractive and better placed to face modal competition from road. The programme will also enhance railway safety. Given the nature of the projects, some of them fall under Annex II of the EIA Directive (2011/92/EU) and the need for an EIA for each project must be verified at allocation stage.

3 major projects have been allocated at this stage. Preliminary environmental impact assessments were performed for them. On the basis of the findings of these assessments, the Competent Authorities decided, in practice, to screen out the Vác station reconstruction and the implementation of the GSM-R system projects from completing a full EIA procedure, but required a full EIA for the Szajol-Püspökladány reconstruction. The environmental permits had been issued for all the 3 projects. Normally, the projects are not expected to have impacts on Natura 2000 sites because of their location and nature. The European Commission has approved the related applications for funding from the Cohesion Fund. On this basis, the EIA processes and outcomes are acceptable for the Bank.

Environmental and Social Assessment

Strategic Environmental Assessment

The projects are included in the Transport Operational Programme (TOP) year 2007-2013 which was subject to SEA. The SEA was carried out for the Operations which involve a physical impact and include potential projects listed in the Annexes I and II of the EU legislation prevailing at the time, which has now been updated as Directive 2011/92/EU. TOP was approved in 2007 (CCI 2007HU161PO007) and included the corresponding SEAs. This information is publicly available at http://palyazat.gov.hu/new_hungary_development_plan.

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.

Environmental Assessment

Some of the projects financed by this operation are likely to fall under Annex II of the EIA Directive 2011/92/EU. The verification of the environmental compliance is implicitly incorporated in the procedures and carried out by each Final Beneficiaries (NIF, NISZ and MÁV START). Should an EIA be required, the Promoter (the Ministry of National Development) will be obliged to make the Non-Technical Summary of the EIAs publicly available. As an SPL, the EIB Services will appraise further allocation requests as and when submitted for financing.

1. Reconstruction of the Szajol-Püspökladány railway line

EIA Procedure

The project is classified as an Annex II Project under the EIA Directive. This was confirmed by the Middle Tisza Region Inspectorate for Environment Protection, Nature Conservation and Water, as the Competent Authority. A preliminary Environmental Assessment (EA) was undertaken for the project in 2007. Based on the EA, a full EIA was undertaken and submitted in October 2007 and the environmental permit was issued by the Competent Authority on 28 May 2008 (file no. 1115-55/2008). Subsequently this document was amended on 17 July 2008 (file no. 1115-75/2008). The amendment introduces further conditions regarding protected bird species in the Hortobágy National Park and noise impacts.

Public Consultation

Information about the public consultation and making the development consent available to the public refers to the EIA procedure and environmental permit. A public hearing was held at the Mayor's Office of the City of Kisújszállás on 21 March 2008, during which the EIA was presented. This hearing had been advertised 30 days in advance via the usual channels. During the hearing, no objections were raised against the development.

Environmental Impact and Mitigation

The main impacts of the project have been identified as construction phase impacts on water and drainage, dust and air pollution, noise and vibration, impacts on biodiversity, ecology, on landscape and waste creation. Additionally impacts during the operation phase include noise, impacts on ecology, risk of ground and water contamination due to spillages or oil leakage, and on landscape. Relevant mitigation measures have been proposed and set as conditions in the environmental permit and its amendment to reduce, offset and eliminate these impacts (drainage system, noise barriers, etc.).

NATURA 2000 Sites

The rail line runs through one NATURA 2000 site, and along the border of two other NATURA 2000 sites; additionally a level crossing realignment is located partly within a further site:

- SCI Hortobágy (HUHN20002). The project runs through the site at Püspökladány. The site is designated as it represents a large area of salt pastures and salt steppes which supports a wide number of flora and fauna species.
- SPA Hortobágy (HUHN10002), located adjacent to the project at Püspökladány. The site is designated due to the presence of a wide variety of different birds using the site.
- SCI Hegyesbor (HUHN20146), located adjacent to the project at Karcag. The site is designated for the presence of European ground squirrel.
- SCI Kecseri-puszta és Környéke (HUHN20145), located approximately 140 m away from the line at Karcag, although the site is directly affected by the project as a level crossing reconstruction is located within the site. The site is designated for the presence of Pannonic salt steppes and salt marshes supporting populations of European pond turtle, European ground squirrel, and European otter.

An appropriate assessment was undertaken in May 2010 and updated in February 2013. It summarises the affected sites including their species and habitats, the areas of intervention and the likely impacts associated with the rail line and associated crossings. The assessment concludes that the project will not have a significant impact on the NATURA 2000 sites due to the relatively limited percentage of land affected by the project and the determination that the

protected species and habitats are not located in the direct area of influence of the project. This opinion was confirmed by the issuance Competent Authority for Nature Conservation. The declaration was obtained from the Central Tisza Regional Inspectorate for Environment Nature and Water on 28 February 2013 with the relevant maps.

The project is environmentally sound, given that it is a rehabilitation of an existing rail infrastructure which should allow an improvement in the modal shift from road to rail and an improvement of the environmental management of existing rail operation.

2. Vác Station modernisation

EIA Procedure

The project falls within Annex II of the EIA Directive. A screening-out decision was issued by the Middle–Danube Valley Environmental Protection Nature Conservation And Water Authority (Competent Authority) on the 8 January 2010 (KTVF 44821-14/2009). The screening decision was made available to the public through the web-link and on the news board of the concerned local government of Vác for the duration of 15 days.

Environmental Impacts and Mitigation

The project is mainly related to impacts to the air quality, noise and vibration, surface water, groundwater, soil and waste management. A number of general provisions have been set in the screening decision as well as the project including construction of noise walls.

NATURA 2000 Sites

No NATURA 2000 areas are identified in the project's immediate vicinity. The closest location is DUNA ES ARTERE (HUDI20034), about 700 m away. The Competent Authority has issued a declaration that no likely significant impacts on NATURA 2000 areas are expected from the project and therefore an assessment was not deemed necessary. The declaration also references the closest NATURA 2000 area to the project and its conservation objectives. Form A and the map have been provided to the Bank.

3. GSM-R System

EIA Procedure

The project does not fall within either Annex of the EIA Directive. A Preliminary Environmental Impact Assessment was prepared in 2013 and the potential negative effects on the environment (e.g., noise, dust, impact on bird migrating routes, impact on surface water and groundwater, impact on geological formations, impact on wildlife) around the potential base station tower sites were elaborated. According to Hungarian law, the National Media and Infocommunications Authority must involve the National Inspectorate for Environment, Nature and Water in the building permit procedure for the towers. This procedure ensures that each and every tower and mast will be built strictly according to environmental rules and regulations.

Environmental Impacts and Mitigation

Most of the GSM stations are located in urban areas and the bird migration routes have been considered during the final design. Good construction practices are proposed in order to mitigate all identified impacts. During operation radiation from the towers, optical disturbance by the towers and noise are the possible impacts and the health regulation related to radiofrequency generation radiation will be observed. The contractor is obliged to prepare an environmental mitigation plan. The plan will contain the determination of the haulage (transport) routes, construction methods as well as measures aiming to reduce environmental impacts.

NATURA 2000 Sites

A study was prepared by the beneficiary in order to enable the Competent Authority to investigate the likelihood of impacts to NATURA 2000 areas according to the preliminary design details. According to the study the fibre optic component of the project crosses NATURA 2000 sections at the following locations:

- Békéscsaba – Lőkösháza section (approx. 30 km) – currently installed as overhead cable. The envisaged underground cable runs along the path of the railway, which is not

protected. Areas subject to NATURA 2000 protection can be found on the two sides of the track ("Gyula-szabadkígyós gyepek" SPA-SCI, HUKM10001, HUKM20010), moreover the critically protected and protected natural areas of the Kőrös-Maros National Park are situated there.

- Zalaötvő – Bajánsenye section (approx. 19 km) The underground cable runs through the grounds of the Órség National Park, as well as the "Órség"(HUON20018) SCI and the "Órség" (HUON10001) SPA, which are subject to NATURA 2000 protection. At this section, the full path of the railway is also protected. The underground cable will be placed in a band of the territory where the trackside has already been freed from vegetation and sod during railway construction.

According to the preliminary design the antenna masts will not be located in NATURA 2000 areas. Based on the above the Competent Authority issued a declaration on the 14th of November 2012 that no likely significant impacts were expected from the project to NATURA 2000 areas and therefore an assessment was not deemed necessary.

The project is environmentally beneficial given that it will improve the rail infrastructure in Hungary, ensuring competitiveness with other forms of transport.