Environmental and Social Data Sheet

Overview

Project Name: BUDAPEST TRAMWAYS 1&3 (FL2010-0410)

Project Number: 2011-0460 Country: Hungary

Project Description: The project consists of reconstruction of two major tramlines

(tramline 1 and 3) and extension of tramline 1 in Budapest.

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

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

The investments are part of the Transport Operational Programme for which a Strategic Environmental Assessment (SEA) was concluded in 2007, in compliance with EU SEA Directive 2001/42 and they are also part of the Development Plan of the Budapest Transport System.

Both schemes fall under Annex II of Directive 2011/92/EU, according to which the need for an EIA is decided on a case-by-case basis by the Competent Authority. The extension of the tram network and the refurbishment of the existing tramlines were screened out in accordance with EU and Hungarian regulations. The schemes are not likely to have any significant effects on the species and habitats of Natura 2000 sites. The corresponding certificates by the Competent Authority have been received.

The project will influence the environment both at the construction and operation stages. The project's negative impacts during the construction stage will be short-lived and reversible. At operation stage of the tramline extension scheme the major impacts will be connected with noise and vibration. Special mitigation measures including grass-covered tracks have been proposed accordingly, to reduce such impacts to permitted and/or acceptable levels. On the other hand, the project as a whole will improve the quality of public transport services in terms of speed, comfort, availability and reliability, thus increasing the attractiveness of public transport in the urban area of Budapest and contributing to the reduction of reliance on private cars and of their negative impact on the environment.

In conclusion, the positive impacts of the project are expected to balance out the negative impacts during construction and operation with a final overall benefit on the environment. Under these conditions, the project is acceptable for Bank financing.

Environmental and Social Assessment

An SEA was carried out for the Transport Operational Programme preparation in 2007. The SEA stresses the priority of "Linking up the modes of transport and improving the intermodality and the transport infrastructure of economic centres" creating the opportunity for increasing environmentally friendly transport.

The project is also included in the Development Plan of the Budapest Transport System (DPBTS). This plan falls under the scope of the SEA Directive and an SEA was carried out during the review of the DPBTS in 2013.

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

Both schemes fall under Annex II of Directive 2011/92/EU. The schemes underwent a screening process and were screened out as follows:

According to the national EIA regulations (Government Decree 314/2005), for construction of new, municipal public transport railroads (tramway) exceeding track length of one kilometre, a screening procedure is required. Since the proposed extension of tramline 1 across the Lágymányosi Bridge to Budafoki Road is 1,450 m, and between Budafoki Road and Fehérvári Road is 1,600 m screening had to be carried out. Screening procedure was not required for the reconstruction activities in existing sections of tramlines 1 and 3.

For the two components concerning the extension of tramline 1, the screening procedure was commenced upon submission of the screening documents, including preliminary environmental assessment, to the competent environmental authority (in this case the Middle Danube Valley Inspectorate for Environment, Nature and Water) in July 2007 and in September 2009 respectively. Based on the documents and the results of the meetings the Authority concluded that there were no foreseen significant environmental impacts of the investment project and the two components did not require an EIA.

The Authority issued the relevant screening-out decision for section Lágymányosi Bridge - Budafoki Road in February, 2008 (Resolution No. KTVF 2175-2/2008) and for section Budafoki Road - Fehérvári Road in April, 2010 (Resolution No KTVF: 5543-4/2010). In the resolutions, the Authority closed the screening procedures and defined measures and requirements to be fulfilled upon execution of the given activities.

Environmental impact of the Project

a) General

The project contributes to the implementation of the environmental objectives aimed at the reduction of environmental impacts caused by traffic. The most important element of environmental benefits is the reduction of air pollutant emissions (NO₂, air-borne dust, etc.), as well as noise and vibration pollution as a result of the reduction in distances clocked up by road vehicles, as a consequence of the improvement of the public transport network brought about by the project.

b) Construction

The minor adverse environmental effects to appear in the construction phase have been assessed as potential ones. The contractors were required to work out an environmental protection plan that was approved by the project management organization. The plan designates the transportation routes, the methods of works implementation, as well as measures aimed at the reduction of environmental loading. Generally, mitigation measures have been proposed to protect people and communities from noise, soil, groundwater and surface water pollution, improve air quality, and protect flora and fauna. Providing these are respected, the negative effects will be reduced to a minimum.

c) Operation

Noise and vibration loading is decreased by the use of elastic track-insulating elements and grass-covered tram tracks in certain places. Tram traffic does not cause any significant air pollution; therefore by replacing other more polluting modes of transport it has a beneficial impact to air quality.

NATURA 2000 sites

At the Lágymányosi Bridge, the tramline 1 spans over a NATURA 2000 area (Danube and its floodplain, SCI, HUDI20034) of the Danube River. The tramway tracks will run on the existing bridge structure. It was established that by taking the necessary measures (treatment of the storm water collected from the Lágymányosi bridge) there will be no significant environmental

impact to the Danube River. The authority responsible for monitoring NATURA 2000 sites issued a Declaration in 28 July 2010 stating that the project would not result in any significant impacts on the NATURA 2000 sites.

Public Consultation and Stakeholder Engagement, where required

In accordance with the legal regulation, the environmental authority published a notification on on its website at the start of the procedure, calling the Municipal Notaries of the affected local governments to inform affected communities in the usual way and publish the decision at the closure of the procedure when the decision was also published on its website. Inhabitants may inform the Notary of the competent local government about their opinion on the project. During the screening procedure, no remarks were received.

The decision was also published by the concerned municipalities on the news board 2 days after the decision was issued, and kept there for a duration of 15 days. For the concerned NGOs, The environmental procedure also gives NGOs the opportunity to register and participate in the procedure. During the environmental procedure, no NGOs were registered.