

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name: Floods & Red Sludge Disaster Reconstruction Project

Project Number: 20110369

Country: Hungary

Project Description: Reconstruction after the floods and red sludge disasters in Hungary

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The red sludge interventions involved the restoration of sludge damaged buildings, facilities ground and water to their original state and condition. Apart from rebuilding the dam and building replacement houses, no new facilities were established and the size, function or condition of facilities were not changed. Environmental impact assessments were therefore not needed.

MAL Ltd, the company responsible for the red sludge storage and discharge was put in liquidation in February 2013, and a state liquidator took over the operations. The alumina production was shifted from bauxite, which generates red sludge as a by-product, to aluminium hydrate, without red sludge production in August 2013.

The flood damage restoration interventions involved the restoration of flood-damaged facilities to their original size and condition. No new facilities were established and the size, function or condition of facilities were not changed. Environmental impact assessments were therefore not needed.

For the flood protection works in the the Sajó Valley no water rights implementation permit was requested and no impact assessment was carried out during the development works due to the level of urgency. During the flood period, plans were drafted in parallel to the construction works. The implementation plans of completed facilities have been submitted for a "retroactive building permit". Following an ex-post screening it was decided that eight of the measures in the Sajó Valley required EIA, which were completed in early 2015.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter, site visits by the EIB during Construction that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.