

Public

Environmental and Social Data Sheet

Overview

Project Name:	VOLAN PUBLIC TRANSPORT FLEET RENEWAL
Project Number:	2018-0886
Country:	Hungary
Project Description:	The project, structured as a framework loan, comprises the gradual purchase and putting into operation of around 3200 new regional and local public transport buses (different types), to eventually substitute the current old bus fleet of seven regional public transport operators.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The Project consists of purchase and putting into operation over four years of around 3,200 new regional and local public transport buses, of different fuel types, in Hungary. This represents almost half of the country's regional operators' existing bus fleet.

In the short term, the Project will tackle immediate operational needs by improving fleet's availability to stop the continuing downward trend in passenger traffic. In the medium to long term, the project also aims to improve the service and environmental performance of regional and local bus public transport services in Hungary by gradually replacing the current obsolete units (more than 50% of the fleet being diesel Euro 0-Euro III technology) with cleaner vehicles (like e-buses, hybrid, CNG etc.).

The project is aligned with the National Transport Infrastructure and Development Strategy (NTS) of Hungary, which amongst other considerations includes the modernisation of public transport fleets and services, as well as further integration of public transport modes, increasing as such the competitiveness and attractiveness of public transport on the national level in a sustainable way. The NTS, which was approved in August 2014 and submitted to the European Commission for inclusion in the Integrated Transport Development Operational

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB draft 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.

Luxembourg, 13 June 2019

Programme 2014-2020, presents a Strategic Environmental Impact Assessment (SEA), in compliance with SEA Directive 2001/42/EU.

The project does not require an EIA, as acquisition and manufacturing of buses and charging stations are out of scope of the EIA Directive 2011/92/EC amended by Directive 2014/52/EU. In case of additional electric, CNG or any other type of charging station installation are required for the project action, the Bank will request the technical report for that specific scheme at allocation stage. At the end of the project implementation, the Bank shall receive evidence that the old buses replaced have been decommissioned according to the EU and national legislations and best practice.

Overall, the project is expected to have positive environmental impacts. In particular, the renewal of the bus fleet will reduce the CO₂ emissions and will also reduce the air pollutant emissions according to diesel Euro VI standards and to the revised Clean Vehicles Directive (Directive 2009/33/EC).

This project will help climate change mitigation, as the more efficient buses' engines and the cleaner vehicles technology will reduce the consumption of fossil fuels too. The project has clear environmental benefits related to decreasing pollutant emissions, especially since 20% of the newly purchased buses will be used in urban (small and medium size) areas.

The deployment of new cleaner technology (including diesel Euro VI) in the bus public transport services will directly introduce positive impacts on the environment i.e. higher reduction in NMHC, CH₄, NO_x and PM emissions. It is also expected to introduce important savings in fuel consumption, thus lower CO₂ emissions overall and per passenger-km, due to the improved fleet availability.

Given the nature of the project, no impacts on Natura 2000 or other protected sites are expected.

Impacts during the construction phase of potential infrastructure components (charging or refuelling stations), if any at all are expected to be minimal.

Social Assessment

The foreseen project activities and outputs are not likely to trigger any of the Bank's social standards.

EIB Carbon Footprint Exercise

The annual emissions of the project, in a standard year of operation, are estimated at 170.1 kT CO₂e/year. Without the project (i.e. with the current fleet), the respective annual emissions (baseline emissions) would be 272.6 kT CO₂e/year.

Therefore, the estimated emissions savings for the project are 102,500 tonnes of CO₂ equivalent per year (i.e. around -38% CO₂e reduction coming partly from the cleaner technology and the better availability of the fleet, which figure also represents a similar percentage of CO₂e savings per passenger-km).

This is a conservative calculation, considering only the improvement of operational patterns of the new bus fleet (i.e. increase in production of veh-kms) but it does not take into account the potential increase of demand (i.e. due to modal shift) because of enhanced quality, reliability and comfort.

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For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Conclusions and Recommendations

The project is expected to have positive environmental impacts. In particular, the renewal of the bus fleet will reduce the CO₂ emissions and will also reduce the air pollutant emissions according to diesel Euro VI standards and to the revised Clean Vehicles Directive (2009/33/EC).

Undertakings

- The Promoter undertakes to dispose of or decommission the buses to be replaced in line with applicable EU and national legislations and best practice.

Subject to this condition being met, the project is acceptable for EIB financing in E&S terms.