

Environmental and Social Data Sheet

Overview

Project Name:	BUDAPEST AIRPORT CONCESSION (CAPEX PLAN)	
Project Number:	2016-0605	
Country:	Hungary	
Project Description:	The current project entails a significant change from the previous investment plan presented by Budapest Airport in 2018. The current multicomponent project includes a number of components from the previous one that are already finalised and operational such as Pier B, Cargo City, the new airfield ground lighting and the baggage screening equipment. New components consist of a range of other terminal and airside works.	
EIA required:		Subject to a screening outcome.
Project included in Carbon Footprint Exercise ¹ :		No

Environmental and Social Assessment

Environmental Assessment

The project Promoter is Budapest Airport Zrt. who is currently operating the airport under a 75-year concession ending in 2080. Following the impact of the COVID-19 pandemic, the Promoter submitted a change request of its investment plan, where certain capacity expansion investments such as the new Terminal 3 have been deprioritised and are no longer included in the scope of the current project. The project includes:

Airside works

Rehabilitation and upgrade of aprons, taxiways, runway* according to new European Aviation Safety Agency standards and hangar maintenance; replacement of Airfield Ground Lighting* and Instrument Landing System;

Terminal works

Upgrade of transfer passenger facilities*, Pier B*, building maintenance, T2 arrivals reconfiguration, renovation of utility networks and upgrade of the Baggage Handling System* with replacement of hold and hand baggage screening machines and scanners*;

Cargo City*

Geothermal power plant

* Components already finalised and operational at the time of drafting of this document.

One environmental condition and one undertaking were foreseen for the previous investment plan :

- Prior to disbursement of the amounts relating to work items subject to a positive decision from the Competent Authority (project cost primarily relating to Terminal 3),

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 20,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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the Promoter was expected to submit to the Bank satisfactory evidence of the said decisions. As Terminal 3 was deprioritised and removed from the investment plan, the implementation of the condition did not mature and is now adapted to the revised investment plan.

- The Promoter also undertook that an adequate Environmental and Social Management Plan(s) (ESMP) would be implemented and monitored by an independent and certified body acceptable by the Bank during the construction of the project, and will notify the Bank of any unexpected environmental impacts or incidents during the works. The undertaking is currently under implementation whereby affected stakeholders are being mapped and a comprehensive grievance mechanism is being established as well as social mitigation measures.

The Competent Authority relevant for the environmental permitting of this project is the Middle-Danube Valley Inspectorate for Environmental Protection, which is currently part of the Ministry of Agriculture and is responsible for national environmental legislation and for environmental decisions.

Certain new components of the current project fall within Annex II of the Directive 2014/52/EU amending the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive). These include components located airside such as aprons, taxiway and building rehabilitation works and the construction of a geothermal power plant. At the same time, they are considered covered by Annex III of the National Environmental legislation (314/2005 XII.25. as amended). Therefore, a screening decision is required for these components covering the cumulative impacts of existing and already approved operational infrastructure.

Public Consultation and Stakeholder Engagement

Public consultation will be undertaken in accordance with Hungarian and European legislation where relevant.

Conclusions and Recommendations

Given the above, the following environmental conditions are to be applied.

CONDITIONS

- Prior to disbursement of the amounts relating to components subject to screening by the Competent Environmental Authority, the Promoter shall submit to the Bank satisfactory evidence of a screening out decision or an EIA Report completed to the satisfaction of the Bank if such is required. The decision shall provide information confirming that the project is not likely to have significant impacts on any Natura 2000 or other protected sites.

UNDERTAKINGS

- The Promoter shall ensure that the current Environmental and Social Management Plan is updated and extended in time and scope to cover the components of the current project (including aspects such as noise pollution and mitigation), and will notify the Bank of any unexpected environmental impacts or incidents during the works.

Subject to the above conditions and undertakings being met, the Project is considered to be acceptable for EIB financing.