



To whomever it may concern
European Investment Bank

Complaint regarding the Budapest Airport Concession (CAPEX Plan) on environmental and social grounds

The Hungarian local NGO '*For Civilized Air Transport Association*' (CATA), in cooperation with the *National Society of Conservationists – Friends of the Earth Hungary* hereby point out the following environmental and social concerns regarding the development of the Budapest Airport financed by the European Investment Bank through EFSI¹ under the title „**Budapest Airport Concession (CAPEX Plan)**”.

1) Support of greenhouse gas emission increase, air pollution and fossil fuels

The CAPEX Plan has not been subject to any Environmental Impact Assessment even though it assumes an increase in air traffic and passengers served by 50% until 2030. While the EIB presents itself as the EU's climate bank and „align all its financing activities with the principles and goals of the Paris agreement by the end of 2020”², this project will lead to an increase of **greenhouse gas emissions through the enhanced use of fossil fuels, as well as air and noise pollution**. In our view, supporting this project contradicts EIB's sustainability commitments, environmental and social standards including the need to prevent climate change in the midst of climate crisis.

We therefore demand the EIB loan and the EFSI guarantee to be put on hold until Environmental Impact Assessment, accompanied by public consultation is conducted. The plan of the new terminal should be **examined in terms of its environmental and social impacts** exceptionally thoroughly and **critically evaluated**.

2) Inadequate documents on social and environmental assessment

The estimates on the environmental and social impacts have showed **little transparency** so far. **Neither the BUD2020, nor the Budapest Cluster, nor the Cargo City have undergone any environmental impact assessment (EIA).**

¹ <https://www.eib.org/en/projects/pipelines/pipeline/20160605>

² <https://www.eib.org/en/about/priorities/climate-and-environment/climate-action/index.htm>



The two documents the Bank refers to as Environmental and Social Impact Assessment (ESIA), the Airport Rules Chapter VI. (Noise and environmental protection) and the one-page Energy and Carbon Management Policy originally published in 2014 may not be regarded as an ESIA. These apply to **current operation and do not assess the impact of the planned airport expansion. The environmental operational permit** referred to in the Environmental and Social Data Sheet (ESDS) **had not been preceded by an environmental assessment in accordance with the EIA Directive (85/337/EEC). The ESDS** published by the Bank **lacks core aspects, adequate measurements and methodology**, and, moreover, **contains false information** (listed below):

The quoted Airport Rules Chapter VI. serves **general requirements**. Due to **the lack of explicit rules** it is impossible to measure whether the rules are followed (e. g. “If possible, biodegradable chemicals are to be used for the washing of aircraft and vehicles.” - “If possible” is vague and easy to neglect.) There is no information about the **monitoring system** and its methods in Airport Rules, nor in the Environmental and Social Data Sheet.

The ESDS does not set any requirements that would ensure a relevant EIA for the development of Terminal 3 (or 2C).

The ESDS falsely states that there would be no significant adverse social impacts related to the project. On the contrary, as the ESDS also notes, private individuals and local municipalities had appealed against the operational permit due to the significant social impacts of the project, such as noise, pollution, damage to buildings, impact on health and depreciation of properties. (See points 5 and 6 below.)

3) Lack of public consultation

While the Data Sheet claims that “public consultation has and is being undertaken in accordance with Hungarian and European legislation where relevant”, , there has been **no dedicated stakeholder forum on the CAPEX Plan and its components**, the public consultation around the plans **failed to involve local stakeholders** from civil society and the problems raised by the locals were addressed neither by Budapest City, nor by Budapest Airport nor Budapest Cluster, nor by the authorities or the EIB.

The only forums held were a general airport forum (not on the EIB project plans) on 14 June 2018 for the 10th District inhabitants only where the CATA and many affected locals were not even invited; and there was another general forum “on airport-related problems” on 12 February 2019. Neither forum served as an official stakeholder forum of the CAPEX Plan and the public demands have not been addressed properly ever since.

According to the Environmental and Social Data Sheet, “the environmental and social impacts of the Project are expected to be minor”. This statement is largely disputable given that the project will lead to an increase in the airport capacity by 50% to 2030, and from 15 to 21 million passengers annually. The expansion of the airport, located in a very close vicinity of the settlements, affects approx. 1 million people indirectly, and 0,5 million local people directly. **Therefore, local people’s voices shall be heard.**



We demand public consultation to be conducted as a part of an environmental assessment process.

4) Questionable Competent Authority

The documents acknowledge Competent Authority's **responsibility for the fair implementation** of the project and the reconciliation of interests. As the conflict between the authorities and local communities is ongoing, this practice does not ensure the representation of all interests. Moreover, the identity of the Competent Authority in charge is also unclear.

The Environmental and Social Data Sheet, dated 09/10/2018, indicates the "Middle Danube Valley Inspectorate for Environmental Protection, which is currently part of the Ministry of Agriculture" as the Competent Authority. This institution does not exist since 2010. Its legal successor (legal act: XX/1130/4/2010), the Middle Danube Valley Environmental and Nature Protection and Water Conservation Inspectorate, subordinate to the Ministry of Rural Development was operating between 2010-2015. From 2015 on, its legal successor (legal act: 66/2015. (III. 30.)), the Directorate for Nature and Environment Protection of the Government Office for Pest County took over its responsibilities. Lately, it is the District Office of Érd (a town with county's rights in Pest county), a subordinate of the Prime Minister's Office, that the Hungarian State considers the environmental authority in charge. The Ministry of Agriculture on the other hand claims the Minister for Innovation and Technology to be the relevant environmental authority. All in all, government offices keep referring to each other without giving substantive response to CATA's inquiry. We cannot expect adequate planning, monitoring, public consultation or complaint mechanism, if **the responsible authority's identity is not clear.** -.

We demand the EIB to identify the competent authority for this project and to make this information available publicly.

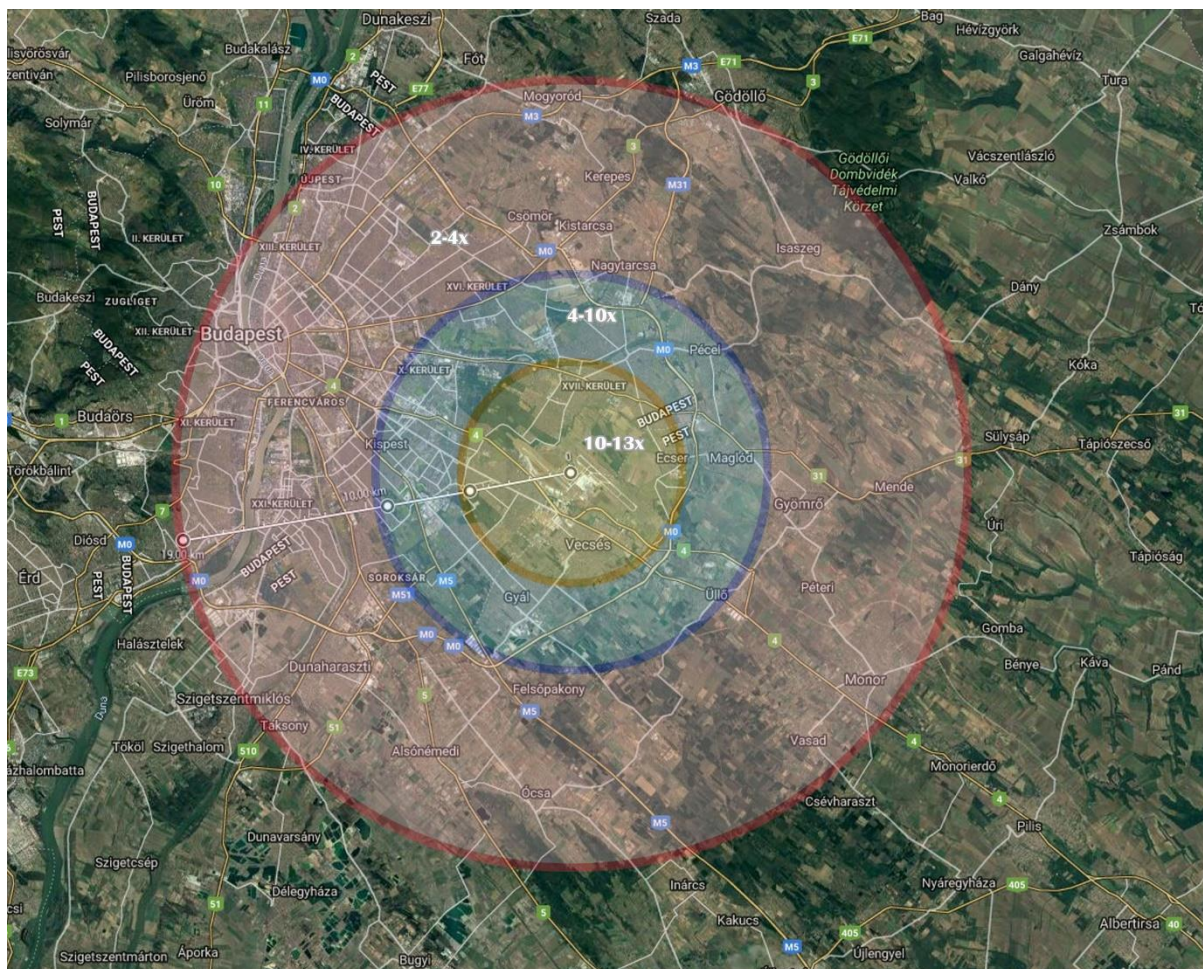
5) Problems with air pollution

The practice that, due to the lack of EIA, **no measures** were proposed **on the estimated increase of greenhouse gas emission and air pollution**, is irresponsible for climate reasons and incorrect towards locally affected communities suffering from airport-related air and noise pollution even at the airport's current capacity.

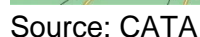
The 2 maps below demonstrate estimated microdust pollution based on measured data at Schipol Airport (NL), as adapted to Budapest Airport based on their 2018-2019 traffic data. In the red zone, covering a 19 km circle around the airport, microdust concentration is likely to amount to 5100 particles/cm³; in the blue zone (9 km), 12700 p/cm³; while in the yellow zone (5 km) 16510 p/cm³. To compare, normal average microdust concentration is about



1000-1200 p/cm³, i.e. microdust concentration in the affected zones comes to 2-13 times the average normal level. Approx. 1 million inhabitants live in these impact areas, out of which 0.5 million people in the directly affected zone (9 km circle) where adverse health impacts of airport-related air pollution are most likely.



Source: CATA



Year	CO ₂ emissions (kt)
2000	710
2001	670
2002	630
2003	620
2004	680
2005	820
2006	830
2007	850
2008	840
2009	720
2010	710
2011	710
2012	510
2013	500
2014	530
2015	540
2016	600
2017	700

The increase of flights will result in increased air pollution and greenhouse gas emissions not only because of planes, but also due to **intensified landside traffic**. As the Environmental



and Social Data Sheet suggests: “according to the Promoter’s Airport Masterplan the share of public transport will remain constant at around 23% for arriving and departing passengers and at 30% for airport staff.” The Data Sheet does not provide for solutions regarding increasing emissions from landside traffic; on one hand, it expects to accommodate “the expected increase in landside traffic (...) by the existing road infrastructure and increase in car parking area, as well as by the increase of bus frequencies” and, on the other hand, rather strangely, it does not mention the subproject of the planned train station from/to the airport, 85% of the investment cost of which is funded by EU as part of its cohesion and regional development policy.

Minimizing greenhouse gas emission should be a priority of all the investments. The Bank should ensure that project documentation presents relevant mitigation and compensation measures for the increase of passengers traffic to and from the airport. On the other hand, no related investment (such as rail connection) should be designed, developed, nor promoted until the environmental impacts of the core infrastructure (i.e. the airport itself) and its enlargement are thoroughly assessed and mitigation measures foreseen.

6) Noise pollution regulations are weak

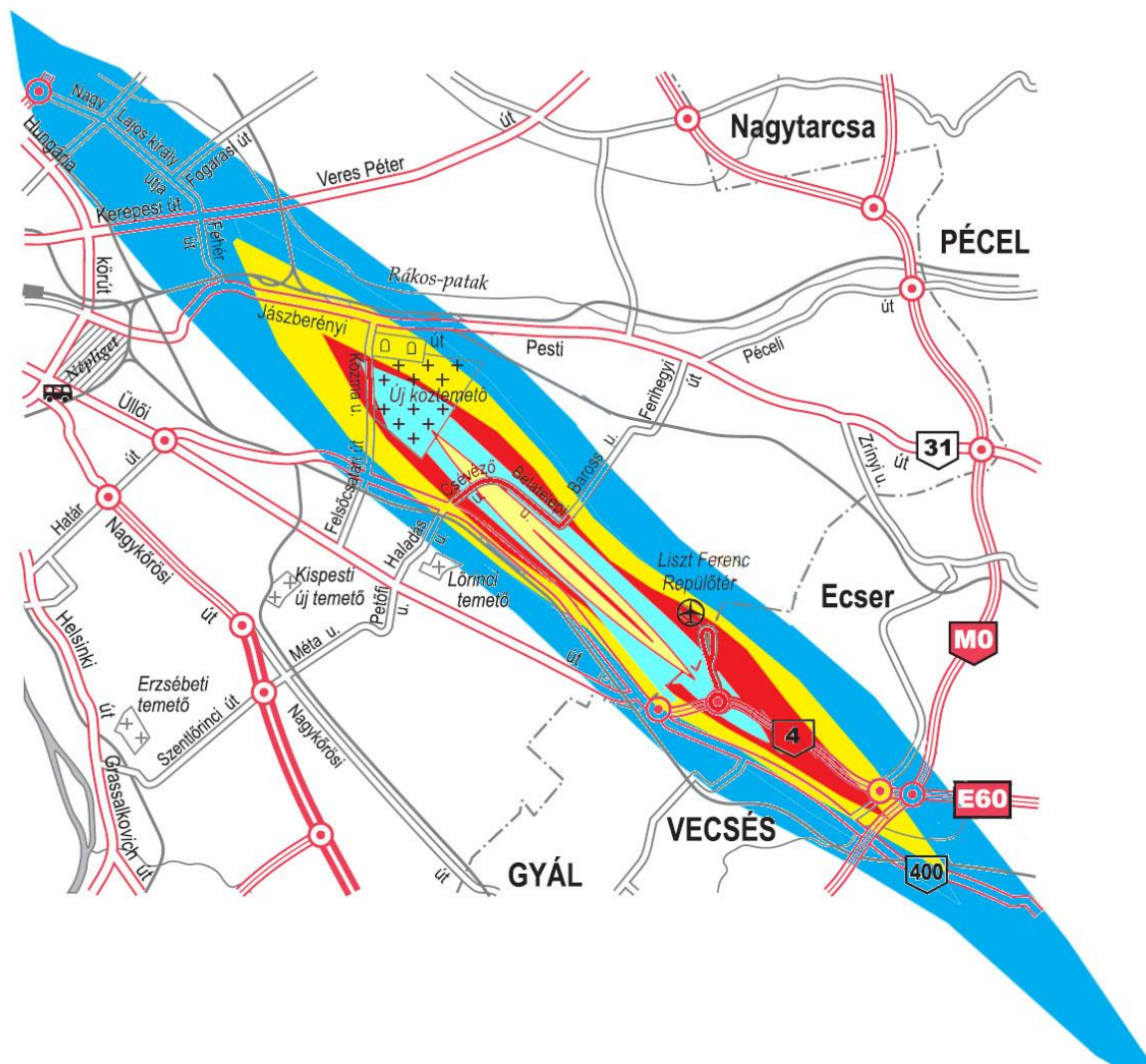
Noise pollution restrictions described in the airport’s documents are **improperly weak**: “At nighttime, the number of movements of scheduled and non-scheduled commercial landings and takeoffs may be planned as follows: 50 movements between 22:00 and 06:00, out of this, 6 movements between 00:00 and 05:00.” (Airport Rules Chapter VI.) Regulations on flight paths and the distance from ground over inhabited territory are often violated, making negative impacts on affected people.

Noise limit values used for determining noise protection/mitigation zones are problematic, as well. While the „WHO guidelines for night noise recommend less than 40 dB(A) of annual average (L_{night}) outside of bedrooms to prevent adverse health effects from night noise” and maximum 45 dB L_{den} for noise exposure averaged across the day, evening and night, Hungarian legislation only requires noise mitigation measures in zones above L_{den} 65 dB and L_{night} 55 dB (zone „C”). EU Directive 2002/49/EC on the other hand recommends L_{den} 55 dB and L_{night} 45 dB which are still stricter than the exposure Hungarian law permits.³

³ The more so, because calculation equations (assessment methods) in the 18/1997 KHVM-KTM joint ministerial decree about noise protection zones are not fully compatible with Doc 29 of the European Civil Aviation Conference (Report on Standard Method of Computing Noise Contours around Civil Airports), the methodology of which is prescribed to all EU Member States as of 31 December 2018 by the Commission Directive (EU) 2015/996. Also, Govt. Decree 176/1997. (X. 11.) about the designation of noise protection zones around airports uses noise limit values transposed from other pieces of Hungarian legislation (such as 27/2008. (XII. 3.) KvVM-EüM joint ministerial decree) using assessment methods and indicators (LAM) other than those required by the above-mentioned EU Directive, Consequently, it is largely questionable whether national legislation protects Hungarian citizens from excessive aircraft noise sufficiently.



The map below shows the difference between mitigation zones identified by Hungarian law (sand and light blue) and those recommended by EU limit values (red, yellow and blue zones). This shows the real size of the affected area the population of which is estimated to be approx. 0.5 million.



It is only in this minor zone „C”, 300 m from the runway where inhabitants were offered an extra window layer for their sleeping rooms by the investor. However, this does not decrease noise impact substantially, while, for any further noise mitigation measure (full insulation, window change), the investor would require financial contribution of affected inhabitants.

We therefore demand the European Investment Bank to pressure the airport to determine noise mitigation zones at least according to thresholds of the above-mentioned EU Directive. This is yet another reason why the CAPEX Plan, including the investments it comprises, shall be subject to an EIA.

7) Social aspects neglected, problems of local communities unaddressed



As pointed out above with reference to software-based estimation, the operation and expansion of Budapest Airport **affect about 1 million people** including families with children whose houses had stood there decades before the airport expanded close to them. As regards the inhabitants of the close vicinity of the airport, their **well-being is jeopardized** in their own homes, schools and hospitals, as

- they can hardly make a conversation outdoors due to planes coming every five minutes in the most frequented hours;
- they are exposed to serious noise and air pollution (as described above; even smell kerosene from planes) which are most likely to result in **health damage**;
- they are **unable to move away** as the market value of their real estates has dropped drastically due to the unhealthy and noisy environment;
- their houses also lose value by being physically ruined by noise pollution (e. g. walls cracking, roof tiles falling).

These local communities form an especially **vulnerable group** of thousands of people with **financial difficulties** that make it impossible for them to adapt or move away from an environment that threatens their well-being.

Still, airport and project documents do not acknowledge the many concerns raised by local communities on media platforms and at forums and public consultations but, unacceptably, the Data Sheet declares that “(t)here are no significant adverse social impacts related to the project. The potential creation of additional permanent jobs will have a positive economic and social impact on the surrounding area. “

The Ministry for Innovation and Technology promised though to address social and environmental damage and the airport itself has taken steps (i.e. the „extra window layer” programme), these have proven to be insufficient and lack strict benchmarks, clear rules and restrictions with adequate monitoring.

*Therefore, **a proper assessment of the social impacts of the airport development shall be undertaken and relevant mitigation and compensation measures proposed and introduced.***

Affected communities, including their civil society representatives, should be treated as relevant stakeholders and, consequently, be involved in the process of CAPEX project development and the shaping of Airport Rules, as well as the identification of mitigation and compensation measures.

We encourage the European Investment Bank to ensure fair project development by requiring the investor to take further steps in this regard, as outlined above.

8) The plan contradicts EIB’s sustainability commitments

In its Environmental and Social Standards Overview, the European Investment Bank has made a clear **commitment to sustainability**: “The promotion of sustainable development – in particular the preservation of environmental and social capital that exists today for future generations – underpins the EIB’s lending strategy and objectives.” However, **the Budapest Airport development project**, characterized by its current **Environmental and Social**



Impact Assessment and the Environmental and Social Data Sheet, violates several of the Bank's sustainability standards:

Assessment and management of environmental and social impacts and risks (1);

- Pollution prevention and abatement (2);
- Climate-related standards (4);
- Involuntary resettlement (6);
- Rights and interests of vulnerable groups (7);
- Occupational and public health, safety and security (9);
- Stakeholder engagement (10).

*We therefore **urge the European Investment Bank to take on its responsibilities and ensure that environmental and social impacts, especially noise and air pollution, are assessed in line with the relevant EU legislation, standards and limit values. The involvement of the local public in the process shall be ensured as well as the accountability for the implementation of mitigation and compensation measures and monitoring by the Hungarian Competent Authority.***

9) Recent progress – end 2019, early 2020

The Hungarian government and the Budapest Airport Zrt. announced further airport development projects worth at least 279 bn HUF. The planned train connection, even if an environmentally sound transport mode, would potentially further increase airport traffic and thus aggravate the health and environmental impacts of the airport operating without a proper EIA. Meanwhile, Budapest Cargo City and a new passenger pier (with 14 gates out of which 6 are ready) have been already built without a proper EIA. Several court cases launched by CATA⁴ are ongoing.

We urge that all project development related to Budapest Airport be suspended until a proper EIA and public consultation process is carried out for these projects (including the train connection), with the meaningful involvement of at least the whole local noise-affected community of about 0.5 million residents.

⁴ Court cases ongoing:

- a) against the designation of the noise protection/mitigation zone;
- b) on the environmental operational permit since the Court claimed that no EIA would be necessary as the airport had had an environmental permit at the time of entry into force of the Act 1995 - LIII on the General Rules of Environmental Protection
- c) against the construction permit of the new passenger pier (where the CATA was excluded in first instance from the process claiming the new pier would not increase the capacity of the airport and therefore, no affected area could be identified, nor the protection of population would be relevant);
- d) against the construction permit of Cargo City without any EIA.



Considering all the above concerns, we request the EIB to suspend disbursement of funding to the Budapest Airport Concession (CAPEX Plan) until the aforementioned social and environmental concerns are resolved satisfactorily, according to the demands listed in points 1-9 above.

Yours sincerely,

2 March 2020, Budapest

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