



**Magyar
Természetvédők
Szövetsége**
Föld Barátai Magyarország



**Bankwatch
Network**

**CHARTER OF
FUNDAMENTAL
RIGHTS OF THE
EUROPEAN UNION**

CANCELLED

**for the Budapest Airport
expansion project**

April 2023

Briefing for the EIB Board on the Budapest Airport expansion project

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In December 2018, the European Investment Bank (EIB) granted a EUR 200 million loan for the expansion of Budapest's Liszt Ferenc International Airport, a project that aims to increase passenger traffic by 50 per cent over the next eight years.

In October 2021, the EIB Group Complaints Mechanism (EIB-CM) concluded that the Budapest Airport project fails to comply with the EU's environmental legislation and the EIB's environmental and social standards. However, to date, the recommendations of the EIB-CM have not been implemented in a substantive way. Indeed, none of the breaches identified have been corrected or remedied.

The project severely impacts people living around the airport who have long suffered from the air pollution and unbearable noise.

The EIB-CM's investigation also revealed that no environmental impact assessment has been carried out. Not only that, local residents have been deprived of their right to be consulted on plans to expand the airport and on measures to mitigate its impacts.

We urge the EIB Board to review the EIB's actions to bring this project into full compliance with EU environmental law and EIB standards, particularly to mandate meaningful public consultation and implementation of an environmental impact assessment (EIA) as part of the process.

This briefing shows how this EIB-financed project continues to violate the fundamental rights of residents, which are enshrined by the Charter of Fundamental Rights of the European Union.

Article 7

Respect for private and family life

Everyone has the right to respect for his or her private and family life, home and communications.

The Budapest Airport master plan predicts that passenger traffic will more than double by 2032. The EIB-CM found that, between 2013 and 2019, traffic grew by 46.5 per cent and that 'the full scope of the project's cumulative air pollution impacts on the territory of the airport as well as on its area of influence was not assessed in line with the applicable regulatory framework'. In addition, the environmental and social management plan (ESMP) did not identify any measures for monitoring or mitigating project-related noise pollution affecting inhabitants in the vicinity of the airport. With the update of the ESMP still pending, the public have been given no information on the envisaged 'efficient and long-term mitigation measures for incurred negative social aspects'.

Without the required impact assessment, the expected surge in airport operations will disturb the lives of residents to an excessive degree. The resulting acute and chronic exposure to both noise and air pollution will infringe upon the right of residents to the peaceful enjoyment of their homes, disrupt private and

family life, and adversely affect individual well-being and human health, increasing the likelihood of illness and the exacerbation of pre-existing conditions.

The EIB-CM concluded that the impact of future traffic growth on air pollution had not been assessed, constituting a breach of EIB standards.

Article 11

Freedom of expression and information

1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers.

The EIB-CM found that the public had not been informed about the substantial increase in traffic and noise pollution. Most importantly, there was limited public consultation after the licence was granted, which defeats the very purpose and spirit of the Public Participation Directive and EIB Standard 10.

The EIB-CM also found that civil society was not represented on the Regional Noise Protection Committee, established by Budapest Airport under Decree 18/1997, which ‘stipulates that meetings “shall not be public” and that “members may not pass on data or information related to the operation or development of the airport which has become known to them during the activities of the noise committee”’. In other words, the noise committee is not allowed to keep the public informed on matters of noise pollution, meaning that ‘residents and civil society are not in a position to voice their concerns or work towards solutions through the channels offered’.

In fact, it was only when the EIB’s project document was updated that affected members of the public discovered that the airport expansion project had been modified. Alarming, a review of the strategic noise map by the promoter of the project in 2022 was carried out without public consultation, ignoring the EIB-CM recommendation that the promoter ‘(re-)maps project[-]affected stakeholders and adequately engages with them, including through the establishment of a comprehensive grievance mechanism in accordance with the EIB’s E&S standards 1 and 10’.

The EIB has failed to ensure that affected residents are adequately informed about matters of concern and the risks posed to them by serious environmental pollution, including noise, and in particular has failed to challenge the law that prohibits the disclosure of such information to the public.

Article 17

Right to property

1. Everyone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions. No one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss. The use of property may be regulated by law in so far as is necessary for the general interest.

Most of the people who live in the neighbourhoods closest to the airport were resident long before the airport began to expand. Due to the continued increase in aviation noise emissions, pollution and vibration, the value of their properties has plummeted.

Residents have not been consulted on the noise mitigation programme launched by the airport. All they have been offered are inadequate technical solutions involving the installation of low-quality windowpanes, which fail to significantly mitigate noise and vibration in the residential buildings.

Residents, especially vulnerable groups or those in financial difficulty, are less able to adapt or move away from an environment that threatens their well-being. This means that thousands of local people living in the surrounding residential areas are effectively trapped in depreciated properties due to the airport's expansion. Some houses have been physically damaged by the noise pollution, vibration and air turbulence. Cracked walls and falling roof tiles are a regular occurrence. The use of gardens and outdoor areas has also been severely restricted by the regular heavy noise and air turbulence. Residents living close to the airport are unable to hold conversations outdoors, with planes passing by every five minutes, and even more frequently during the busiest hours. These impacts prevent residents from using and enjoying their properties.

Article 37

Environmental protection

A high level of environmental protection and the improvement of the quality of the environment must be integrated into the policies of the Union and ensured in accordance with the principle of sustainable development.

The EIB-CM found that the project, despite leading to the expansion of airport capacity, was not subject to an environmental impact assessment, although it should have been subject to, at the very least, screening determinations in line with EU law and the case-law of the Court of Justice of the European Union (CJEU), including consideration of the cumulative impact of changes to the airport's infrastructure. Finding that no relevant evidence was ever provided by the promoter, the EIB-CM concluded 'it is not clear on which basis the EIB services considered the project components... as compliant with EIB standards'. By failing to include a high level of environmental protection in the project due diligence, the Bank has neglected to ensure the implementation of the principle of sustainable development in the context of the financed project.

Article 41

Right to good administration

3. Every person has the right to have the Union make good any damage caused by its institutions or by its servants in the performance of their duties, in accordance with the general principles common to the laws of the Member States.

The review conducted by the EIB-CM highlighted serious omissions in the EIB's appraisal of the Budapest Airport development project. Despite being fully aware of the legal requirements, the EIB's services failed to request relevant documentation from the borrower to prove that the project complied with EU law. Initially, the EIB correctly informed the European Commission about the relevant EIA screening requirements and of the availability of the EIA study and its summary, but later concluded in the project documentation that there was no requirement for an EIA due to 'pre-existing consents'.

According to the EIB-CM report, 'The EIB has no evidence that an EIA or any screening determination was conducted for the project in question.' Additionally, 'no environmental permits — which would have been obtained if the requirements of the EIA Directive had been applied — were provided to the EIB'.

For more information

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