Hungary:  
Szentgal Regional Landfill

Synopsis

This case study has been chosen to show how two NGOs in Hungary tried to facilitate a conflict over the siting of a landfill through the use of alternative dispute resolutions, by providing information to the conflicting parties on the different procedures available. None of the parties agreed to enter a mediation procedure, and the NGOs organised a facilitated negotiation meeting.

Despite the fact that not all the conflicting parties were present at the meeting, a few important steps were agreed to as an outcome of this procedure. The Ministry of Environment undertook to commission a new geological survey on the siting of the landfill, while the opposing municipalities agreed not to submit a complaint to the European Commission regarding the planned project. Meanwhile, legal proceedings are ongoing against the decision to grant an environmental permit.

This case illustrates the reticence of conflicting parties to use alternative, dispute resolution tools to solve such conflicts and the need for enhanced capacity-building activities to promote the use of mediation and other similar processes.

Background of the conflict

The town of Veszprem (capital of the county of Veszprem), as the leader of a consortium, initiated the permitting of a new regional landfill on the territory of the village of Szentgal. Although planned to be placed within the territory of Szentgal, the landfill was closer to three other settlements: the town of Herend and the villages of Csehbanya and Varoslod. These three settlements opposed the project for environmental reasons.

After the Regional Environmental Inspectorate granted an environmental permit to the project, the opposing three municipalities appealed and later filed a lawsuit at the county court. In the latter two cases (appeal and lawsuit) the municipalities were represented by an environmental attorney of EMLA. Separately from these actions, the NGO HUMUSZ also appealed against the first level administrative decision but did not file a lawsuit against the second level administrative decision.

The conflict reveals a strong competition over natural resources, i.e. while the planned location of the landfill is only a place for the project developer, it has environmental significance for the four municipalities that are directly affected. While the project developer is only looking for a space of sufficient size and in the planning phase of the project all the siting options are still open, the locals of Szentgal have only one given natural surrounding, and once a place gets connected with a landfill in the minds of the people, it is lost forever for any other type of development. The conflict exists on an inter-group level, has a material component, happens between neighbours and has a long standing nature. The material component of the conflict is clear: what compensation can balance the losses to be suffered by Szentgal in order for the town to give its full consent to the project?
It is obvious that neighbours are involved in the conflict since these are neighbouring villages that disagreed over a regional landfill. Finally, the long lasting nature of the conflict is on the one hand proven by the fact that it has been going on for years already, while on the other hand, its outcome will define the fate of the micro-region for a long time.

The municipalities opposing the landfill are also motivated by the fear of losing environmental values, because the landfill is supposed to be built on a picturesque hilltop, visible from great distances, as well as chances to develop since the name of a small village like Szentgal cannot afford to become affiliated with a landfill.

**Legal issues at stake and legal framework for this special case**

The permitting of the landfill falls within the responsibilities of the Regional Environmental Inspectorate. The main argument of the appeal was that the underground water table of the area is highly sensitive to pollution, and the landfill can not prevent that pollution from reaching those sub-surface waters.

The Regional Environmental Inspectorate issued the first level environmental permit on April 19, 2004. The appeal was filed by the three opposing municipalities on May 5, 2004. The higher environmental authority, the Environmental and Nature Conservation Inspectorate General issued the second level permit on August 30, 2004. The lawsuit was filed at the county court on October 18, 2004 against the latter administrative decision. The Environmental and Nature Conservation Inspectorate General partly agreed with the arguments of the opposing municipalities being plaintiffs in the court proceeding and withdrew its second level environmental permit on November 17, 2004 and also ordered the reconsideration of the case on second level. Based on this decision, the Fejér County Court deleted the procedure from the files on December 16, 2004. The Environmental and Nature Conservation Inspectorate General issued a second level environmental permit (for the second time) on December 7, 2004. The lawsuit was filed again by the same three opposing municipalities at the county court on February 1, 2005. The arguments of the municipalities were the same in both the appeal and in the court action. The court procedure is still pending and practically nothing happened in the process since February.

**Parties and stakeholders to the process**

The parties to the conflict are:
- the project developer (the town of Veszprem);
- the municipality of the planned location;
- the opposing municipalities (later plaintiffs in the court proceeding); and

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1 Environmental administrative proceedings are mostly two-level processes: generally, on first level the Regional Environmental Inspectorate has the power to issue permits, while appeals filed against such decisions go to the second-level environmental administrative authority, the Environmental and Nature Conservation Inspectorate General. After the delivery of the first level resolution, those who have standing can file an appeal within 15 days, while after the delivery of the second level resolution (the end of the administrative process) those having standing have 30 days to go to court. The court proceeding is a one-level process with a judgment that is final at its delivery.
• the environmental authority (the Environmental and Nature Conservation Inspectorate General — later the defendant in the court proceeding).

Other stakeholders are 160 beneficiary municipalities, 305,000 people as an affected population, the EU ISPA Programme as a co-financing partner, the Ministry of Environment Directorate General of Development as coordinator of ISPA grants, the Clean Spring Association of Szentgal and the Anglers’ Association of Herend as local NGOs and the locals of the village of Szentgal.

Parties and stakeholders supporting the landfill project are:
• the project developer,
• the environmental authority, and
• the Ministry of Environment, Directorate General of Development (managing the grant received for the landfill from the EU ISPA Programme).

The parties and stakeholders opposing the idea of the landfill project are:
• the municipalities of Szentgal, Herend, Csehbanya and Varoslod; and
• local NGOs and residents of the village of Szentgal.

Although the results of a local referendum conducted in 2003 led to a positive answer to the landfill project, the ratio of supportive votes was 56 percent within a participation rate of 59 percent (which is altogether 33 percent of the total constituency that voted yes). Nevertheless, later on, the individuals who either did not vote or voted no, supported the municipalities in their actions of appealing against the permitting decision.

Invitations to the meeting were sent to the stakeholders, including the local NGOs who had organised the participation of local inhabitants.

The municipality of the planned location, the village of Szentgal, participated in the facilitated negotiations on June 17, 2004 in Szentgal. The village has a newly elected mayor after the death of the former. Although the former mayor supported the idea of the landfill and even a local referendum voted yes for the landfill on December 7, 2003, the new mayor is opposed to the landfill. It is unclear how much his opposition is only a tactical standpoint that once brought votes for him and later cannot be given up without losing face.

The town of Herend, the village of Csehbanya and the village of Varoslod oppose the landfill. Although not planned on their territories, the landfill would be located much closer to the inhabited zones of these municipalities than to the one of Szentgal. Also the chance to develop the image of these settlements as places for ecotourism would likely be lost forever if the landfill came to this area, since the names of these municipalities would be affiliated with the notion of waste. They oppose the project and going to court to halt it.

The coordinator of ISPA funds, the Ministry of Environment Directorate General of Development, is interested in the realisation of the project both for material reasons (co-financer of the project is the government of Hungary) and for image reasons (as coordinator of ISPA grants, a successful project would shed light on the success of the Directorate General as well). The Ministry of Environment is responsible for waste management of Hungary.
The Hungarian State Geological Institute (MAFI) served as an independent expert on the issue. At the time of the meeting, MAFI undertook countrywide research in Hungary on areas potentially suitable for locating a landfill. Later on they published their findings on the Internet. They do not have a direct interest in the case, but could provide scientific support to the decision-making process.

Local NGOs like the Clean Spring Association of Szentgal and the Anglers’ Association of Herend oppose the project because of the potential pollution of ground waters and the impacts on fishing ponds and wetlands. They oppose the transformation of the now-silent little village into a widely known location of a regional landfill, losing the image of the municipality as a potential destination of ecotourism for ever.

EMLA and HUMUSZ have been awarded a grant under the EU Phare Micro Programme. Originally, the grant application had the overall aim of promoting public participation in local waste management decision making. It included a broader goal of raising the environmental awareness of the affected population and a narrower one of acting as a “watchdog” over waste management investments. Awareness raising also encompassed capacity-building activities, which logically entailed conciliation between conflicting interests through mediation or facilitated negotiation. During the execution phase of the aforementioned project, EMLA and HUMUSZ initiated a facilitated negotiation for the representatives of the diverse interests in the case.

**Conflict resolution process**

**Why this tool was used**

EMLA and HUMUSZ aimed at initiating a process where all the interested parties can bring forward their arguments for and against the planned waste management project. In order to ensure a high level of participation and also gather factual information on the project, the meeting was planned close to the location of the proposed landfill. By initiating this process, EMLA and HUMUSZ wanted to test whether this type of conflict can be solved without going to court. Thus, the two organisations started fundraising and won a grant that allowed them to undertake this initiative. As a first step, EMLA presented to the stakeholders the option of having the conflict solved through mediation, but none of the parties agreed to enter such a process. Therefore, the two organisations decided to initiate facilitated negotiations with all the stakeholders.

Both EMLA and HUMUSZ are interested in improving environmental protection in Hungary and as such felt concerned about the outcome of the conflict itself. EMLA is a pro bono public interest environmental law office of Hungary, serving the environmental NGOs and the general public with mostly free legal advice and legal representation in litigation. HUMUSZ is an environmental NGO specialised in waste management issues, undertaking waste management actions and public awareness raising campaigns, including environmental education in schools.

**Process description**

The two organisations sent an invitation letter to all the relevant stakeholders, describing the project EMLA and HUMUSZ are running, the purpose of the meeting and the possible outcome, i.e. an alternative approach to the underlying conflict situation. Consequently, it was not the parties to the
conflict who asked for the meeting but two independent NGOs that undertook this task. These two NGOs did not have a formal mandate from the parties to mediate the conflict.

The goal of the process was clear: to make stakeholders meet in person and try to discuss the conflict, thus promoting a solution to the conflict. Basically, all stakeholders agreed that going to court, where the outcome would be unpredictable, and using up a great deal of resources (both human and material) in the process, was an undesirable way to settle the dispute. Therefore the facilitated negotiation was a chance given to alternative dispute resolution. After an invitation letter, the meeting was held in Szentgal, in a local pub (the only place open and suitable for hosting such a meeting at that time). Sadly, when taking stock of the stakeholders present, it became obvious that the project developer, the author of the EIA, and the local environmental authority had not come, thus the only player representing an opinion in favour of the landfill was the Ministry of Environment Directorate General of Development.

Laszlo Szilagyi (HUMUSZ) gave a brief description of the project itself and the purpose of the meeting, and Csaba Kiss (EMLA) presented the legal aspects of the permitting procedure of the landfill. A short round of introduction of the persons present followed, and stakeholders presented their views, in the following order: the mayor of Szentgal as host of the meeting, mayors opposing the landfill, an independent expert geologist from MAFI, local NGOs, and the Ministry of Environment Directorate General of Development.

The arrangement of chairs imitated a roundtable discussion; therefore there were no physical “sides” during the meeting. The order of speeches created an atmosphere at the end of the first round of views where the representative of the Ministry of Environment (being the last to speak and the only stakeholder from the opposite side) had already endured a continuous 45-minute attack and was naturally placed in a defensive position. This imbalance jeopardised the outcome of the meeting to a certain extent.

After the presentation of views, a direct question-answer discussion started, only sporadically facilitated by the representatives of EMLA and HUMUSZ. There were several moments during the meeting when the facilitators had a more difficult role: trying to maintain a professional debate.

The meeting did not end with an agreement. In fact, no formal offer was made by any party to submit a proposal for agreement. However, there was a point at the meeting that again hindered peaceful solution of the problem: a past offer — three years of free waste removal, three more years of half-price waste removal, HUF 5 million (about EUR 20,000) for eliminating illegal landfills, HUF 300 million for general development purposes — made by the project developer consortium to the opposing municipalities was mentioned as a basis for a deal. This offer had once been refused by the opposing municipalities, and this refusal was again reaffirmed by the latter. There was no exact agreement that either the organisers or the participants wanted to achieve, since any step further on this path of dispute settlement would have been welcome by all.

What was the agreement the organisers of the meeting wanted to achieve? Later, the participants (with the exception of the Ministry of Environment representative, who explained his not coming on a shortage of time) visited the planned location of the landfill and — not surprisingly since they were all against this landfill from the beginning — all agreed that the site is unsuitable for a landfill for the aforementioned reasons: the underground water table is highly sensitive to contamination, the view of the landscape would be lost forever and the villages could not develop eco-tourism once the landfill was there.
The costs of the entire meeting were covered by a budget line under the EU Phare Micro Programme financed joint project of EMLA and HUMUSZ called Watchdog.

The facilitator’s role was divided between Laszlo Szilagyi (HUMUSZ) and Csaba Kiss (EMLA). They both familiarised themselves with the details of the case, Mr. Szilagyi being an expert on waste management issues and Mr. Kiss being the legal expert. The facilitator(s) tried to stimulate a professional debate that sometimes required intervention when participants diverted from the merit of the dispute, and the facilitators asked the participants to use only well-based (either environmental, or economic but not emotional) arguments. Overall, the facilitators acted as independently and impartially as possible, prohibiting parties from using the process to abuse one another. It is not sure if they could prevent the parties from obtaining an advantage in future litigation because numerous arguments were raised and some could even be valuable in future lawsuits, as well. The facilitators did not provide assessments, preconditions or proposals but emphasised options (e.g. alternative siting locations for the landfill, alternative waste management methods, etc.).

### Outcome of the process

The meeting did not lead to a written or formal verbal agreement. We consider that nevertheless a gentlemen’s agreement has been reached, where the municipalities opposing the project agreed not to submit a notification to the European Commission regarding the landfill project, while the MoE agreed that a new independent geological expert opinion should be obtained. At the same time, the ministry representative decided to reconsider certain aspects of the project since new information was revealed by the mayors of the opposing municipalities to it regarding the tender dossier sent to the EU ISPA Programme (i.e. mistakes made while counting the population of the affected area, thus the mass of waste produced, and consequently the lifespan of the landfill). A report was prepared on the meeting by Mr. Szilagyi and posted on the website of the project at: [http://emla.hu/watchdog/index.shtml?x=237](http://emla.hu/watchdog/index.shtml?x=237).

### Related actions and campaigns

There were numerous campaigns related to the case of the landfill, on both sides. First of all, on December 7, 2003, a local referendum approved the landfill, which must have been preceded by an enormous public information and communication campaign on both sides. There is no detailed information available on the individual events of the communication campaign of the landfill, but, based on the experiences, the MoE published a PR handbook in October 2004 called *Guidelines for Municipalities: How to Organise a Public Information Campaign, Part 1, Waste Management Projects Financed by the EU*. This handbook mainly contains advice on crisis management where crisis is characterised as a situation where there is massive public resistance against the idea of a project e.g. creating of a landfill. EMLA and HUMUSZ used the media and the Internet for communicating an unbiased message in the belief that consensus can only be reached through discussion and communication of parties. All the known campaigns preceded the facilitated negotiation and did not substantially influence its success.

Advocacy activities continue, but did not play a vital role in the success or failure of the facilitated negotiations. As was said, the discussion took place between the first and the second level decisions.
of the environmental authority, and therefore no court procedure was pending at that time. Court proceedings started only after the meeting and continue still.

**Final outcome of the case**

As parties to a gentlemen’s agreement, both the Ministry of Environment and the opposing municipalities did their part in promoting the solution of the problem. An independent expert opinion from a geologist was commissioned by the ministry, and the opposing municipalities did not report the miscalculation discovered in the tender dossier to the EU ISPA Programme management unit in order to not risk the future success of the landfill at another location.

The judicial procedure is ongoing; the court has not designated the date of the first trial yet. The first trial is scheduled in the autumn of 2005. The judgment — first and final instance — is supposed to be made in the spring of 2006. The decision of the court can either be a dismissal of the claim of the plaintiffs or the annulment of the environmental permit combined with ordering the environmental administrative authority (first or second level) to reconsider the case along the lines defined in the reasoning to the judgment.

**Conclusions**

Obviously, because of the lack of interest from certain stakeholders and a general unwillingness to give up positions, no agreement was reached during the meeting and no stakeholder really changed its point of view. The Ministry of Environment upheld its view that this is a geologically suitable place for locating the landfill and the referendum passed. The opposing municipalities, backed up by local NGOs and some local residents, insisted that the area will be in peril and the development chances of the village lost once the landfill is completed. In this respect we could even call the process a failure, since no formal agreement was made at the meeting. But because of the approaching of the sides (the stakeholder clearly got to know the other’s view better), and because at the end a concrete deal (renewed geological assessment of the site by the MoE and the decision of the municipalities not to submit a complaint to the European Commission) was made, its partial success can not be disputed. Basically, these points could well have been put into an agreement to be reached at the end of a mediation if the parties would have had agreed to participate in one such process. The interests of the parties were expressed anyway, and somehow standpoints got closer, too. There was probably some fear on behalf of both parties of a structured process still unknown (unlike the court process) that resulted in no party really agreeing to enter mediation in this conflict.

The major obstacles to the process were the absence of the project developer and other key stakeholders, the very emotional attitude of the stakeholders opposing the project during the meeting, and the absolute unwillingness of parties to give up positions.

Since the deal finally made at the facilitated negotiations was quite relatively small, it was accepted for all the parties present.

The lessons learned are:

- All stakeholders must be present to ensure a balanced representation of all interests at stake.
• All parties to the process must understand the role of the process and the role of the facilitators.
• One facilitator has to guide the entire process, otherwise a gap can arise and responsibilities may disappear.
• Even small-scale but realistic results are good, and are a good basis for further discussions.
• The conclusions of the meeting should be formally endorsed by all the participants, immediately at the end of the meeting.

Comments of participants in process

Zoltan Jamniczky (MOE):

“The meeting organised to the Gin Tonic Club was a necessary continuation of the public conversation process started earlier (trip to Pusztazamor landfill, fora at Szentgal, at Csehbanya, at Varoslod and public hearing in Herend). The negotiations with the leaders of the four affected municipalities, with their commissioned attorney and with the representatives of the public have been going on for more than a year. One step of this process was the meeting organised to the Gin Tonic Club. At the Gin Tonic meeting we again answered some controversial questions made by the public, and we announced the ordering of an independent geological assessment (the results of which were accepted by the mayor of Herend as decisive in advance, while the mayors of Csehbanya and of Varoslod did not make any comment thereto). We can not call this meeting a milestone in the process of negotiations, since neither at the Gin Tonic meeting, nor elsewhere was a verbal or written agreement being a guarantee made with the municipalities opposing the landfill. In fact, the location of the landfill at Szentgal has been considered a failure by the town of Veszprem since the Spring of 2005, due to the currently running court proceeding. Nevertheless, there has been no court ruling in this matter yet.”

Contact information of persons involved

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