

**BY COURIER**

Municipality Of Budapest  
 Városház u.9-11  
 H-1052 Budapest  
 Republic of Hungary

*For the attention of Mr. Gábor Kárpáti, Head of Project Implementation Unit*

Luxembourg, 30 June 2010

JU II/EC/mr/2010-1587

**Ref : HUNGARY – Budapest Central Wastewater Treatment Plant - B (FI N° 23.129)**  
 Finance Contract between the European Investment Bank and the Municipality of Budapest (the "Borrower") dated 18 July 2005 (the "Finance Contract")

Amendment No 1: Modification of the Technical Description of the Finance Contract and other related changes

Dear Sirs,

We refer to your request whereby you propose the modification of the Technical Description and extension of the disbursement deadline under the Finance Contract.

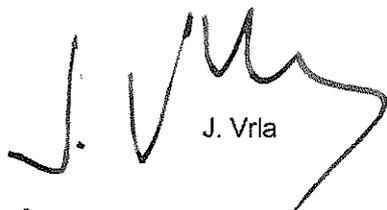
We hereby inform you that we agree to your request.

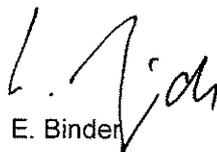
Accordingly, Article 6.02 of the Finance Contract shall be amended and the date "30 June 2010" shall be replaced with the date "31 December 2011".

Further, Schedule A (Technical Description) of the Finance Contract shall be replaced with a new Technical Description constituting Schedule A to this letter.

Please indicate your agreement to the above by initialling each page, and countersigning and dating each of the three originals of this letter. Please then arrange for the return of two duly signed originals to the Bank by registered mail or courier, together with copies of the signing authorities of those persons signing on behalf of the Borrower. The amendments set out in this letter shall become effective on the date of receipt by the Bank of such two duly signed originals.

Yours faithfully,  
 EUROPEAN INVESTMENT BANK

  
 J. Vrla

  
 E. Binder

Agreed to  
 for and on behalf of  
 the Municipality of Budapest

  
 Name: ILSE IVÁN-SZABÓ  
 Title: DEPUTY MAYOR  
 Date: 13/07/2010

## TECHNICAL DESCRIPTION

### Objective

The objective of the project is to eliminate raw wastewater discharges to the River Danube from central Budapest and to comply with the requirements of the EU Urban Wastewater Treatment Directive 91/271EC for non-sensitive waters. The plant will be designed to be easily upgraded for full tertiary treatment at a later date.

### Project Description

#### Phase I – (project components identified in 2005)

The project concerns the design, tendering, technical assistance, site supervision, project management and physical implementation of a new wastewater collection, transmission, treatment and sludge disposal system for central Budapest including, for the avoidance of doubt, payments (including advance payments) to contractors and the International Consultant, in each case, in relation to the project.

The project includes the following investment components:

#### Buda Main Sewer

A new main collector for sewerage on the Buda Side of Danube River, with a length of 6 900 m and diameters varying from DN 1200 mm to DN 2400 mm, including ancillary investments.

#### Pumping Stations

Upgrading of 3 wastewater pumping stations

- Albertfalva Pumping station, rehabilitation of pumping station to a capacity of max. 14 040 m<sup>3</sup>/d
- Ferencváros Pumping Station, reconstruction/extension of pumping station to a capacity of max. 202 000 m<sup>3</sup>/d
- Kelenföld Pumping Stations, reconstruction/extension of pumping station to a capacity of max. 148 000 m<sup>3</sup>/d

#### River crossings

Two river crossings from Ferencváros and Kelenföld pumping stations, tunnelling technology

- Kelenföld siphon: under the mainland 2 x DN 1200 mm, pipe length 2 x 747 m; under Danube River 2 x DN 1320 mm, pipe length 2 x 483 m
- Ferencváros siphon: under the mainland 2 x DN 1400 mm, pipe length 2 x 700 m; under Soroksari Danube Branch 2 x DN 1320 mm, pipe length 2 x 309 m

#### Csepel Island WWTP (design horizon 2015)

A new wastewater treatment plant with a flow capacity of 350 000 m<sup>3</sup>/d flow, secondary treatment (according to Urban Wastewater Treatment Directive 91/271/EEC, for non-sensitive waters), the mechanical treatment capacity will cope with a volume of 900.000 m<sup>3</sup>/d in line with the peak capacities of Ferencváros and Kelenföld pumping stations. If, during tendering, it is found financially advantageous, the project may be enhanced to achieve full tertiary treatment standards for discharge to sensitive waters in accordance with Directive 91/271EC. The wastewater treatment plant will be internationally tendered as a limited (4-years) design-build-operate (DBlimO) contract, to enable benchmarking of operating costs before a long term contract is put in place.

Although the Cséri compost plant component has been cancelled in line with the EC decision of 2009 the preparatory works of this component are also included in EIB finance.

#### Other components

Different road connections, flood protection and rehabilitation works and site preparation around Csepel Island WWTP, as well as engineering cost for project design, procurement, management, monitoring and supervision.

### **Timetable (Phase I)**

The Phase I of the project will be implemented during the period 2004 to 2010, with the end of the WWTP's commissioning period scheduled for June 30, 2010.

### **Phase II (project components added after EC decision in 2009)**

1. **Construction/rehabilitation/extension of stormwater pumping stations** at the locations of

Ferencvaros, capacity max. 24 m<sup>3</sup>/s;  
Kelenföld, Capacity max. 12 m<sup>3</sup>/s;  
Albertfalva, capacity max. 4 m<sup>3</sup>/s;

2. **Relief collectors (COL 1 and COL 2)** in Districts VI, VIII, IX, X, XI, XIV with a total length of about 15 km;

3. **Environmental Monitoring equipment** (a mobile laboratory including vehicle, laboratory equipment, data loggers etc);

4. **Costs of FIDIC Engineer** related to above components for the period 2009 and 2010;

5. **Costs of Public relation** for the period 2009 2010;

6. Sewage **sludge (feasibility study, cost-benefit analysis, environmental impact assessment)**;

7. **Technical Assistance (TA)**;

8. **Reserves/contingencies**

*The proposed financial support to **sludge treatment (disposal) during the test phase is excluded** from EIB direct finance, the component, however, shall be part of the technical description.*

### **Timetable (Phase II)**

The additional components (Phase II) will be implemented during the period 01.01.2009 to 31.12.2011.