

Mr. Hassan Tawil  
Mayor of the Municipality  
Al Bireh

Al Bireh, 16 July 1996

Waste Water Project Al Bireh  
Implementation Agreement; Pn.: 92.2243.1.-01.100  
Financial Agreement; Pn.: 92.2243.1.-06.200

Dear Mr. Mayor,

As you may recall, the total amount for the financing of the first phase of the above mentioned project was agreed on at DM 6.700,000, DM 4.500,000 of which were allocated for the financing of construction work on the sewage plant. A separate financing contract was signed accordingly.

The Bank for Reconstruction (KfW), Frankfurt, has agreed to cover the costs for the construction of the sewage plant due to reasons you are familiar with.

The financing of further measures (such as "Lower South" and "Effluent Pipe and Seasonal Storage Tank") will be included in the contract yet to be concluded between the MAB and the KfW.

Some of the financial means allocated in the original agreement between the MAB and the GTZ are still accessible as follows (as of 30 June 1996, key-day):

- Financial Agreement	approx. DM <sup>2,9</sup> 3,1 million
- Implementation Agreement	approx. DM <sup>0,6</sup> 0,4 million <i>clear</i>

According to guidelines applied by the Ministry for Technical Cooperation (BMZ) these amounts are bound to a certain purpose and project executing agency.

In May 1996, the GTZ submitted an offer in the amount of the financial means still available from the initial agreement to the BMZ. The contents of the offer had been discussed with your Engineering Department (City Engineer Munif Treish and Project Manager Monther Hind). The BMZ accepted and approved the offer in writing on 12 June 1996.