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KfW **Kreditanstalt
für Wiederaufbau**
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The Municipality of Al Bireh
Attn.: Mr. Munif Treish, City Engineer

officer in charge: Dr. Welschof
our ref.: Wso
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date: 08.08.96

copy to:

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Mr. E. Schmechel
GTZ-advisor to the Municipality of Al Bireh

L i a / German Financial Cooperation with the Palestinian Territories
95 67 058 - Sewerage Project Al Bireh
Re.: Drafts of the Financial Agreement and the Separate Agreement

Dear Sirs,

During the Government Negotiations between the Federal Republic of Germany and the Palestinian Authority on July 29 and 30, 1996, both sides agreed to contribute DM 19.0 million for the Sewerage Project Al Bireh, consisting of the construction of a wastewater treatment plant, the laying of a pipeline for the conveyance of the treated wastewater into a neighbouring Wadi and the construction of a seasonal reservoir in this Wadi.

According to the Government Negotiations, the financing of a sewerage network for Al Bireh, area "Lower South" would be the subject of future negotiations. This additional component of the Sewerage Project Al Bireh is considered as first priority among several other projects to be financed within the framework of future Financial Cooperation.

Kreditanstalt fuer Wiederaufbau will conclude a Financing Agreement on the Project after we have received the necessary authorization by our Ministry of Development and Cooperation. This Financing Agreement will be based on KfW's standard agreement with only minor adjustments with regard to the project. The details of the project will be determined by a "Separate Agreement" to the Financing Agreement. Additionally, KfW's guidelines for

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