

4-3-7 Basic Design Drawings

(1) Area

Total of main buildings	5,719 m ²
Total of incidental facilities	788 m ²
Total of remodeling	890 m ²

1) Muguga Centre

1. Research building	2,308 m ²
2. Information centre	2,547 m ²
3. Incidental facilities	
Incidental facilities for reseach	451 m ²
Others	130 m ²

Total of incidental facilities 581 m²

4. Remodeling 579 m²

2) Kitui Centre

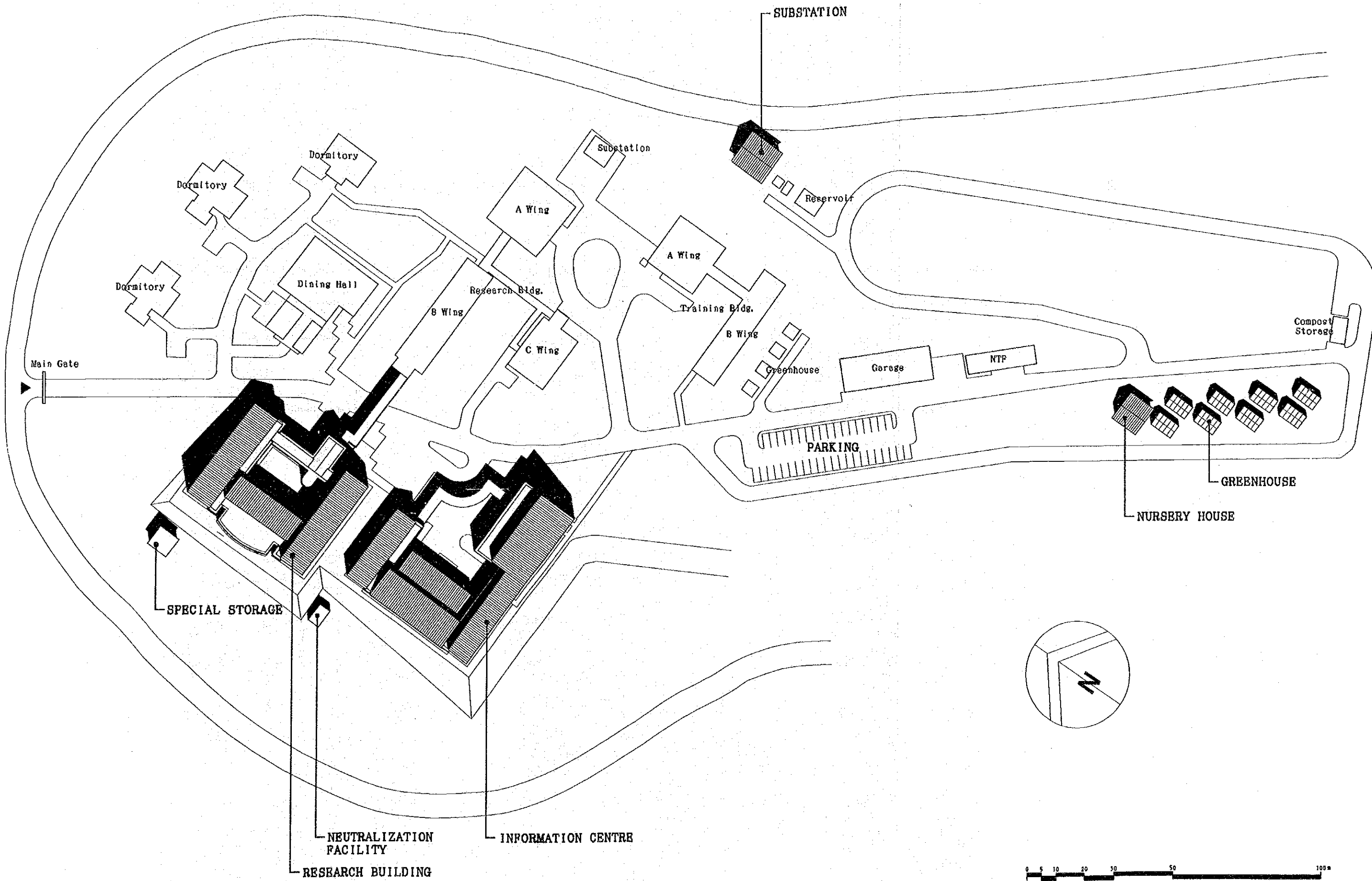
1. Research building	864 m ²
2. Incidental facilities	
Incidental facilities for reseach and training	135 m ²
Others	72 m ²

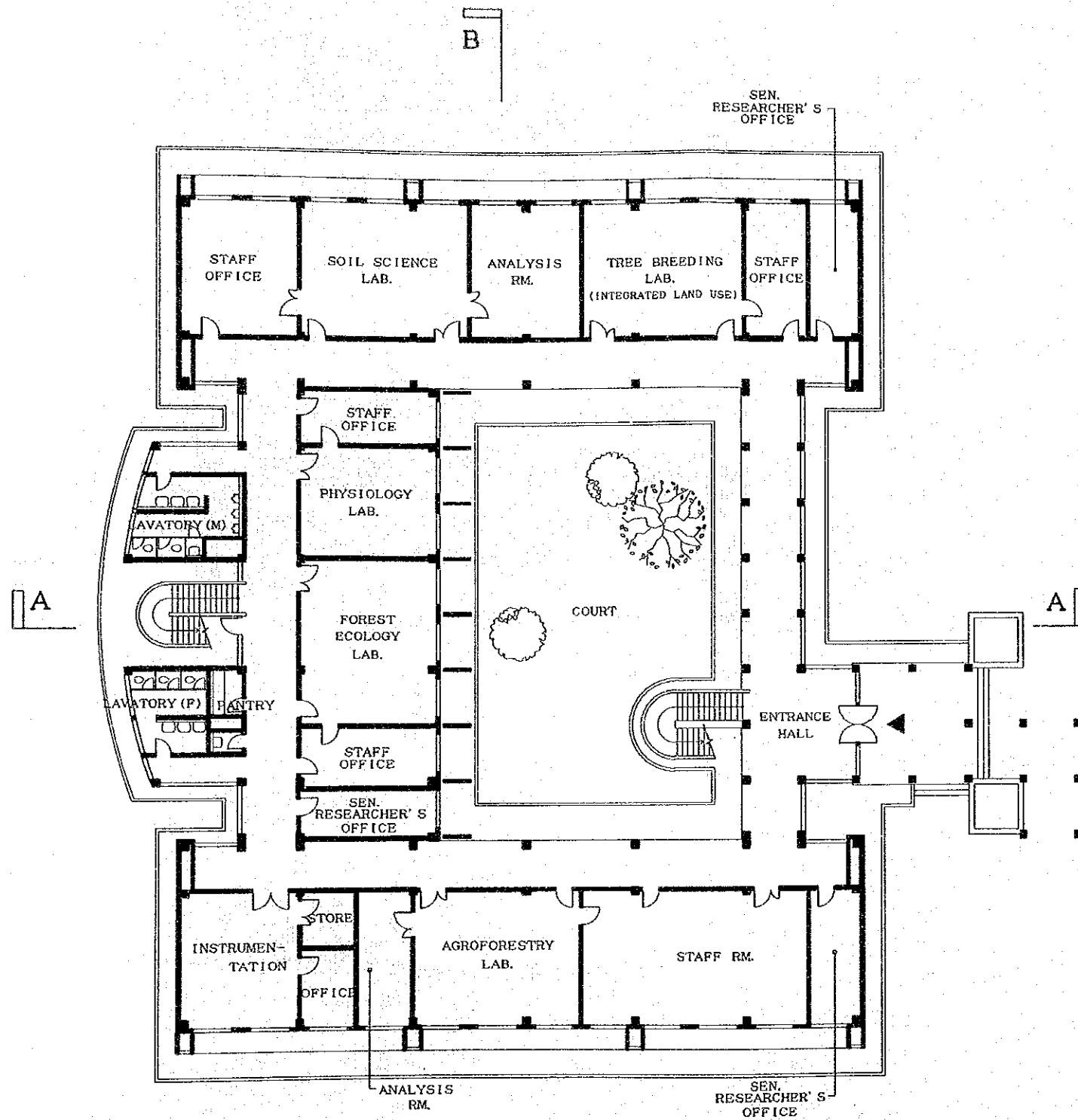
Total of incidental facilities 207 m²

3. Remodeling 311 m²

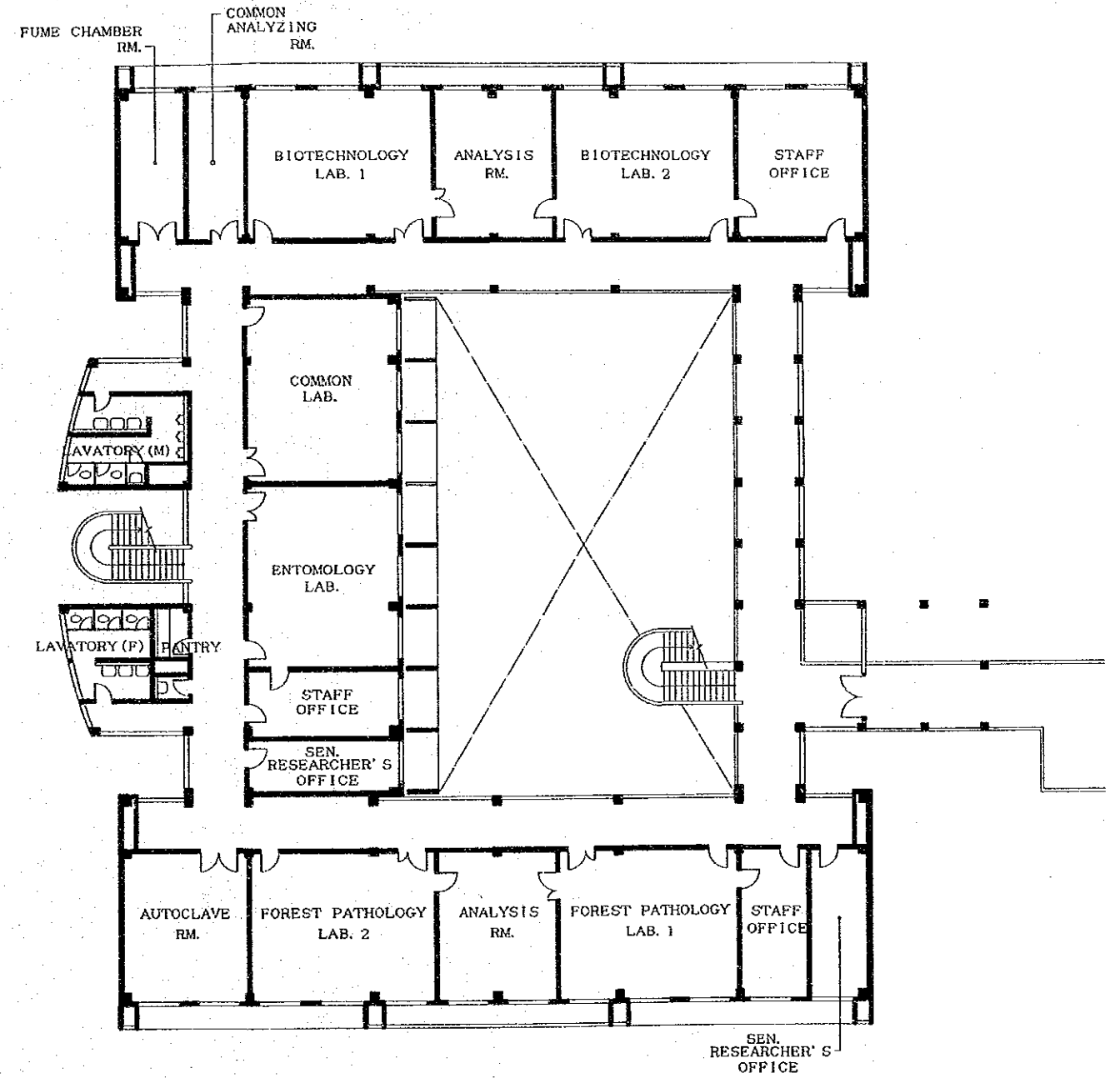
(2) List of Drawings

1. Muguga Centre site plan
2. Muguga Centre Research building plan
3. Muguga Centre Research building section and elevation
4. Muguga Centre Information centre plan
5. Muguga Centre Information centre section and elevation
6. Kitui Centre site plan
7. Kitui Centre Research building plan, section and elevation
8. Muguga Centre, Kitui Centre Incidental facilities plan, section and elevation

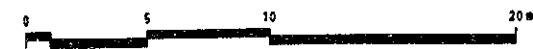
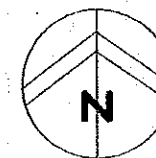


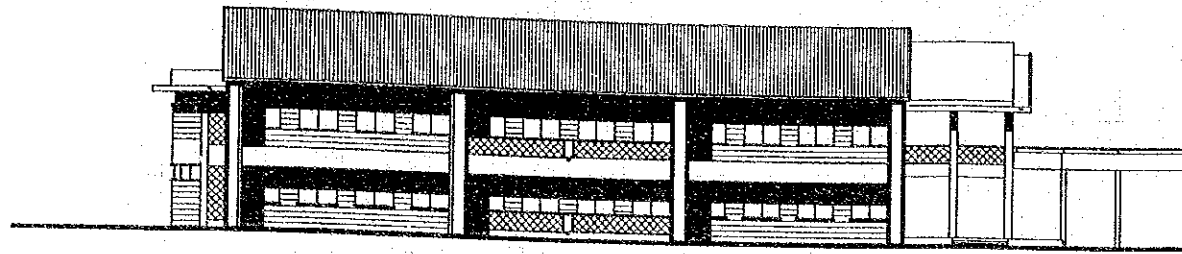


GF PLAN

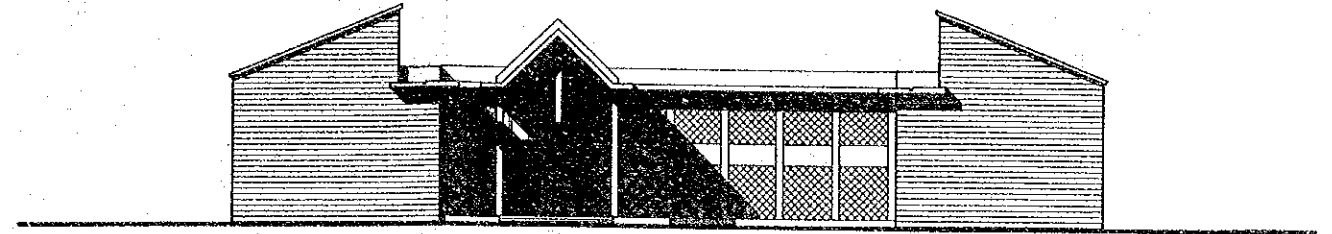


1F PLAN

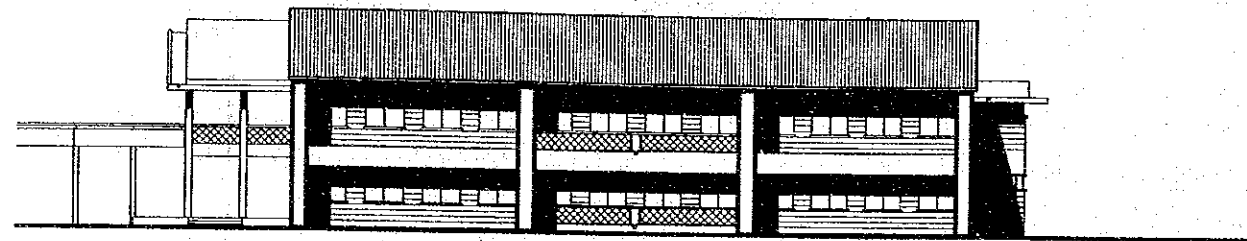




SOUTH ELEVATION



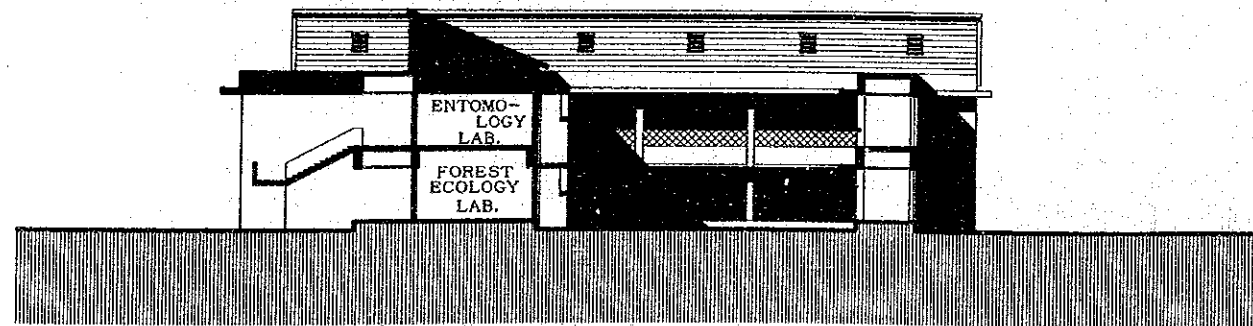
EAST ELEVATION



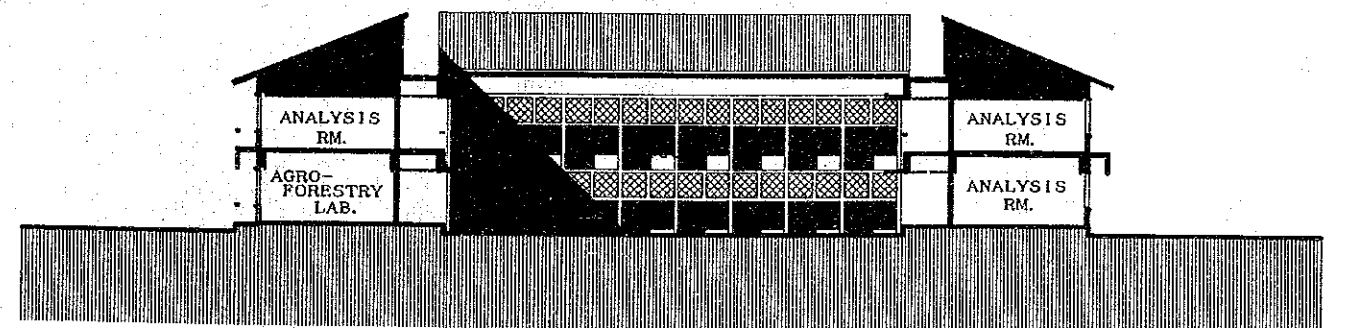
NORTH ELEVATION



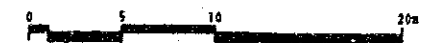
WEST ELEVATION

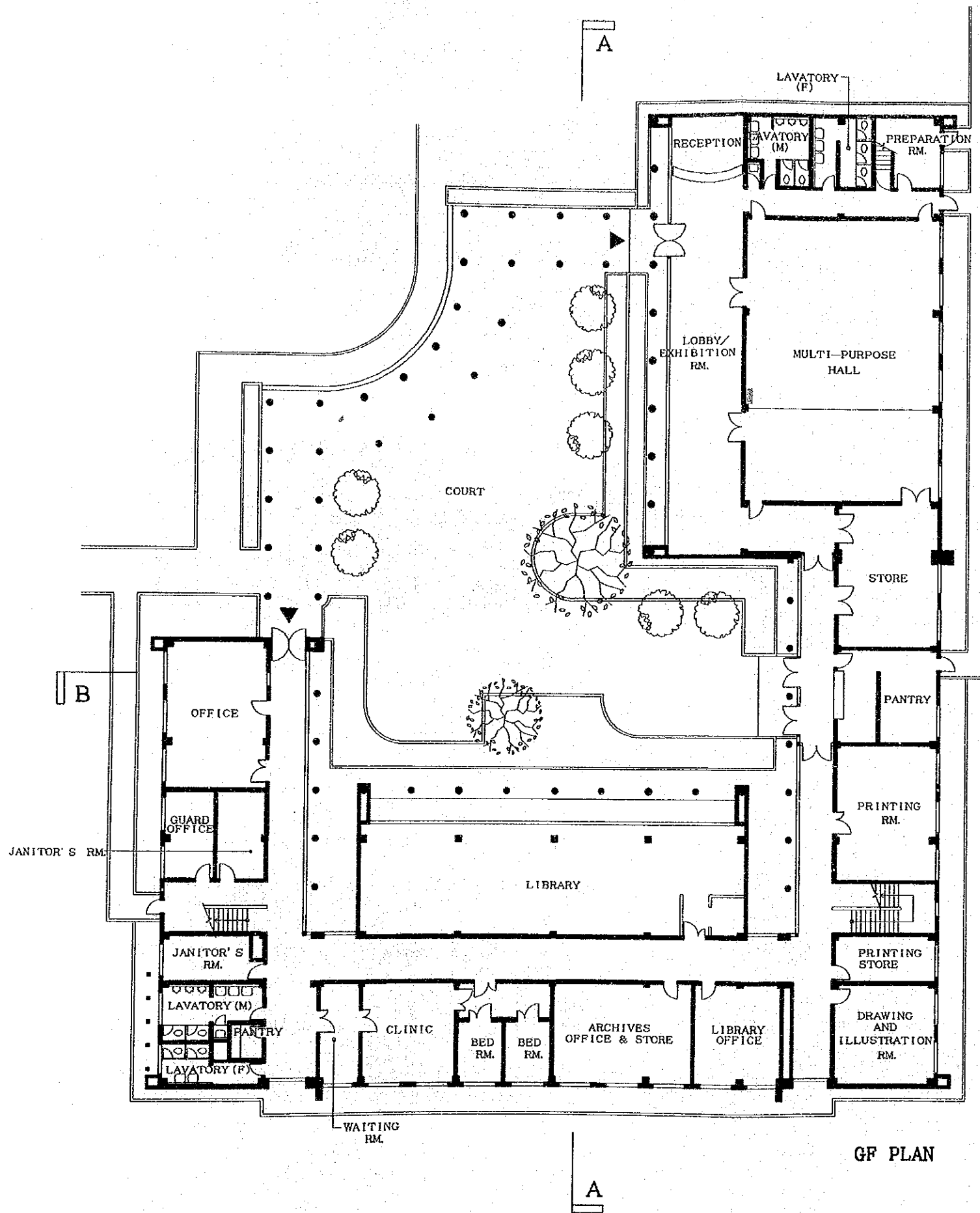


A-A SECTION

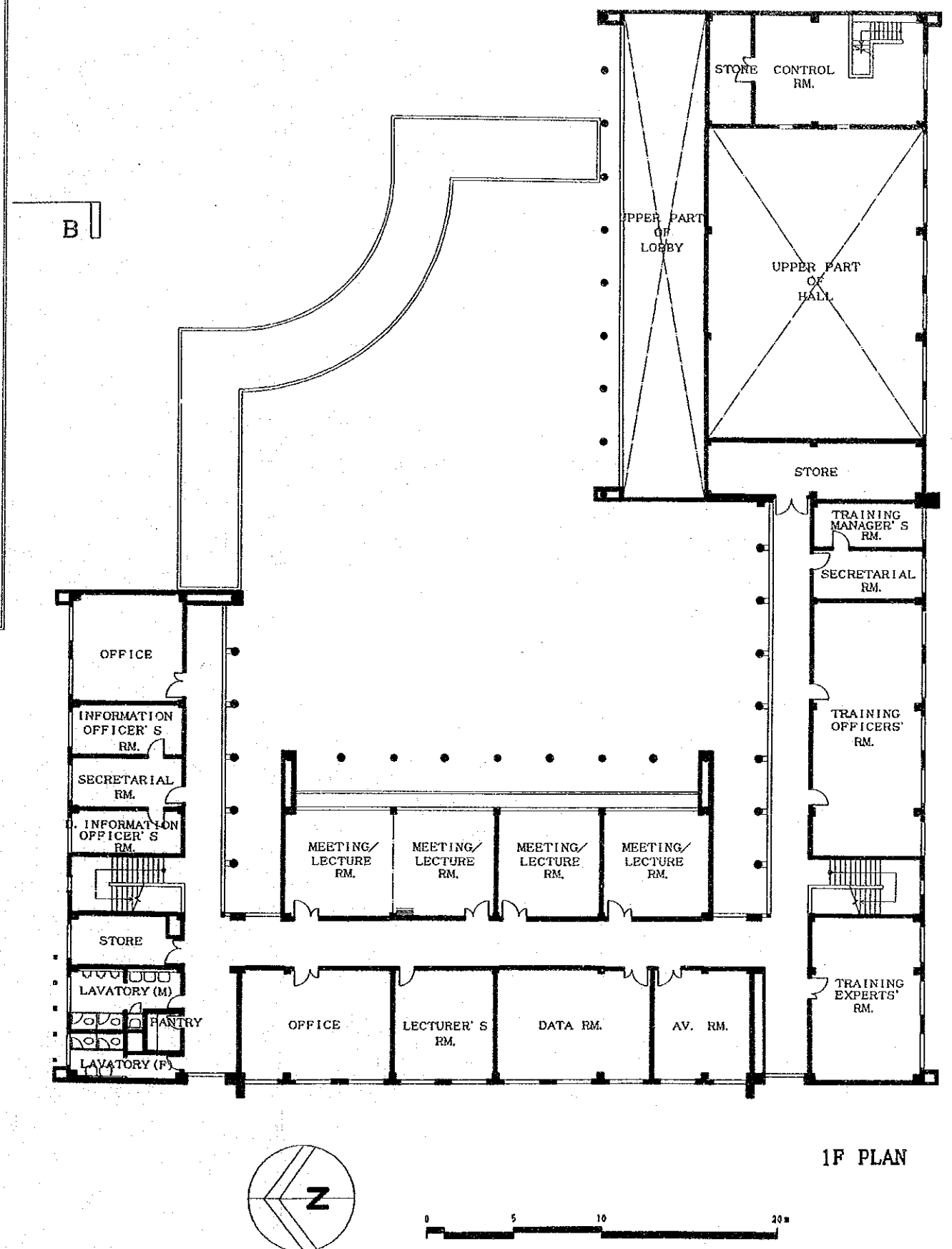


B-B SECTION

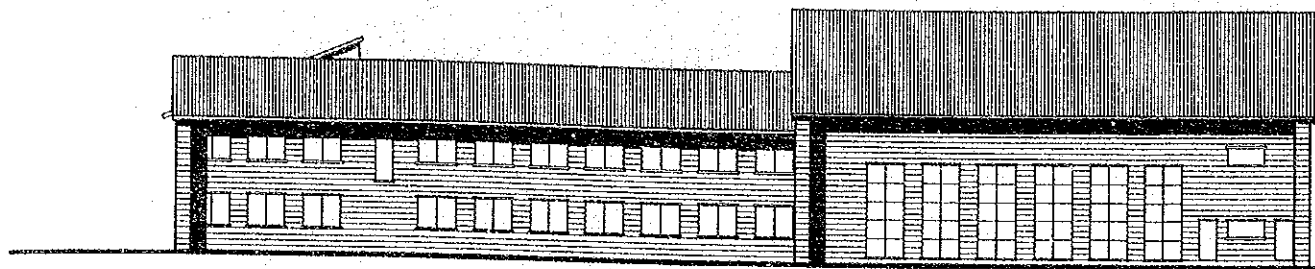




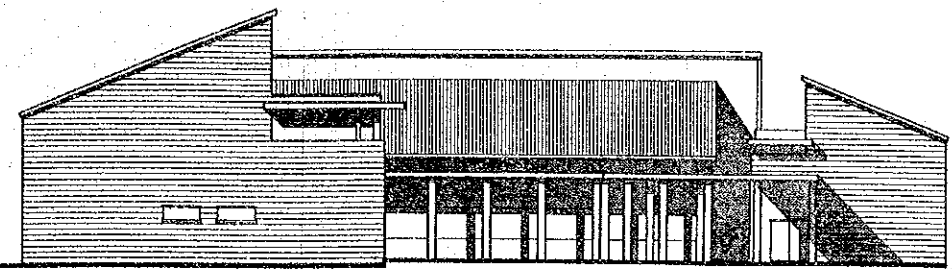
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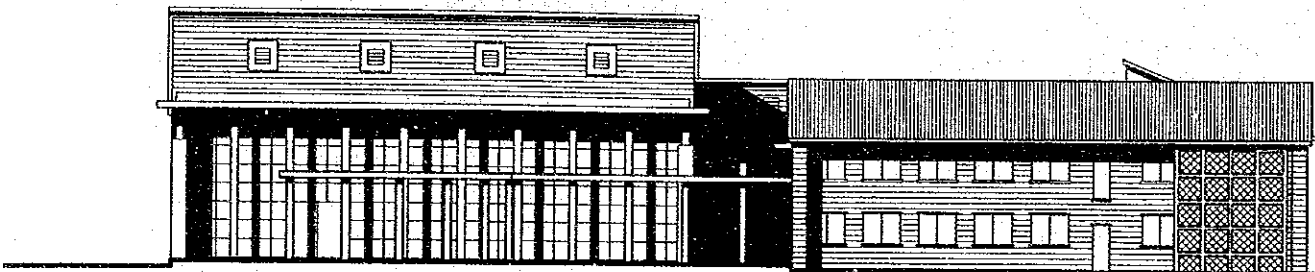
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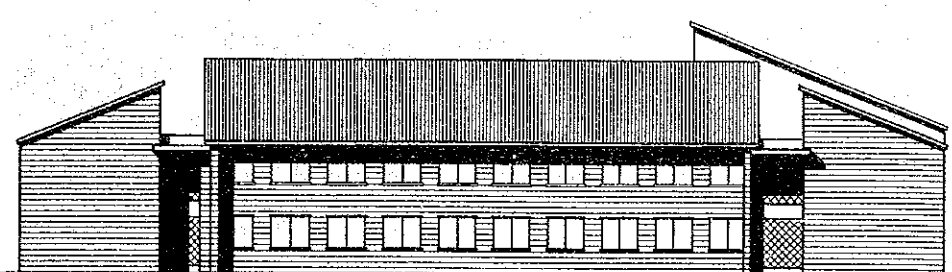
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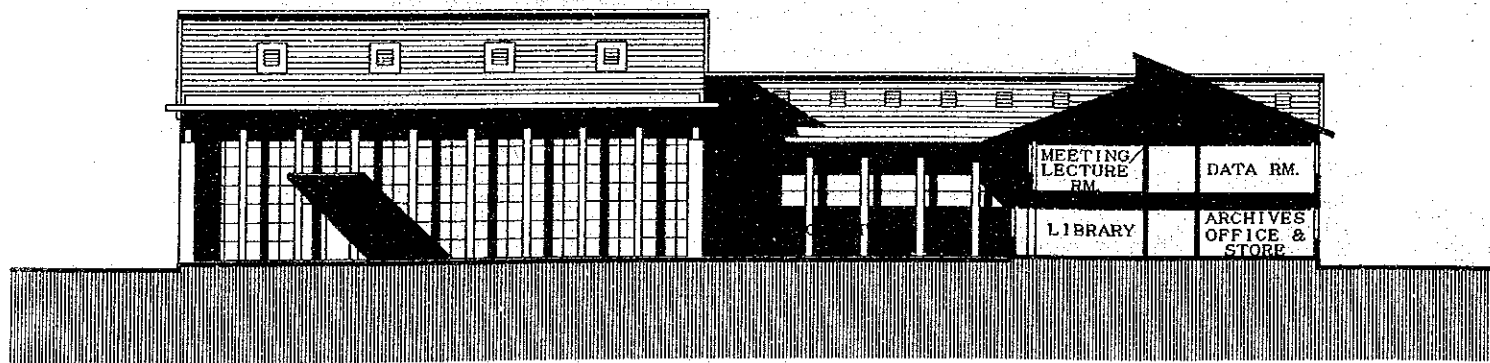
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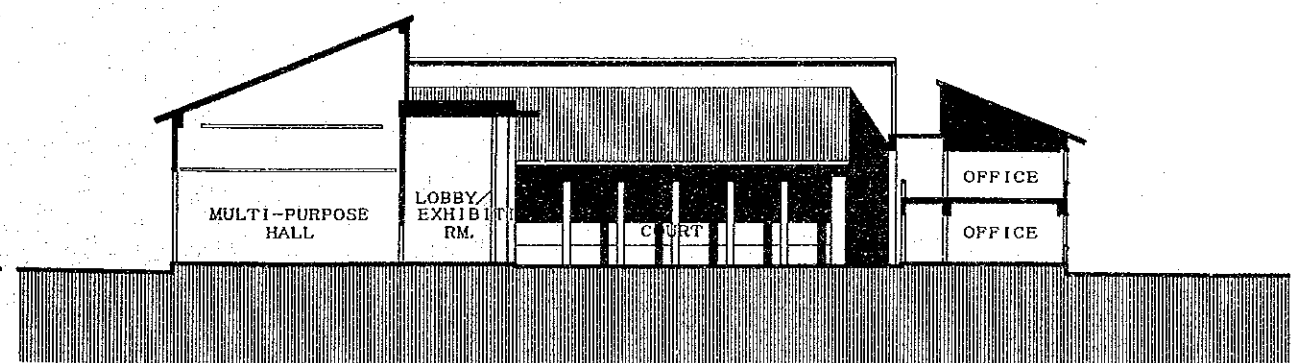
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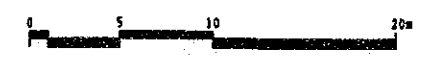
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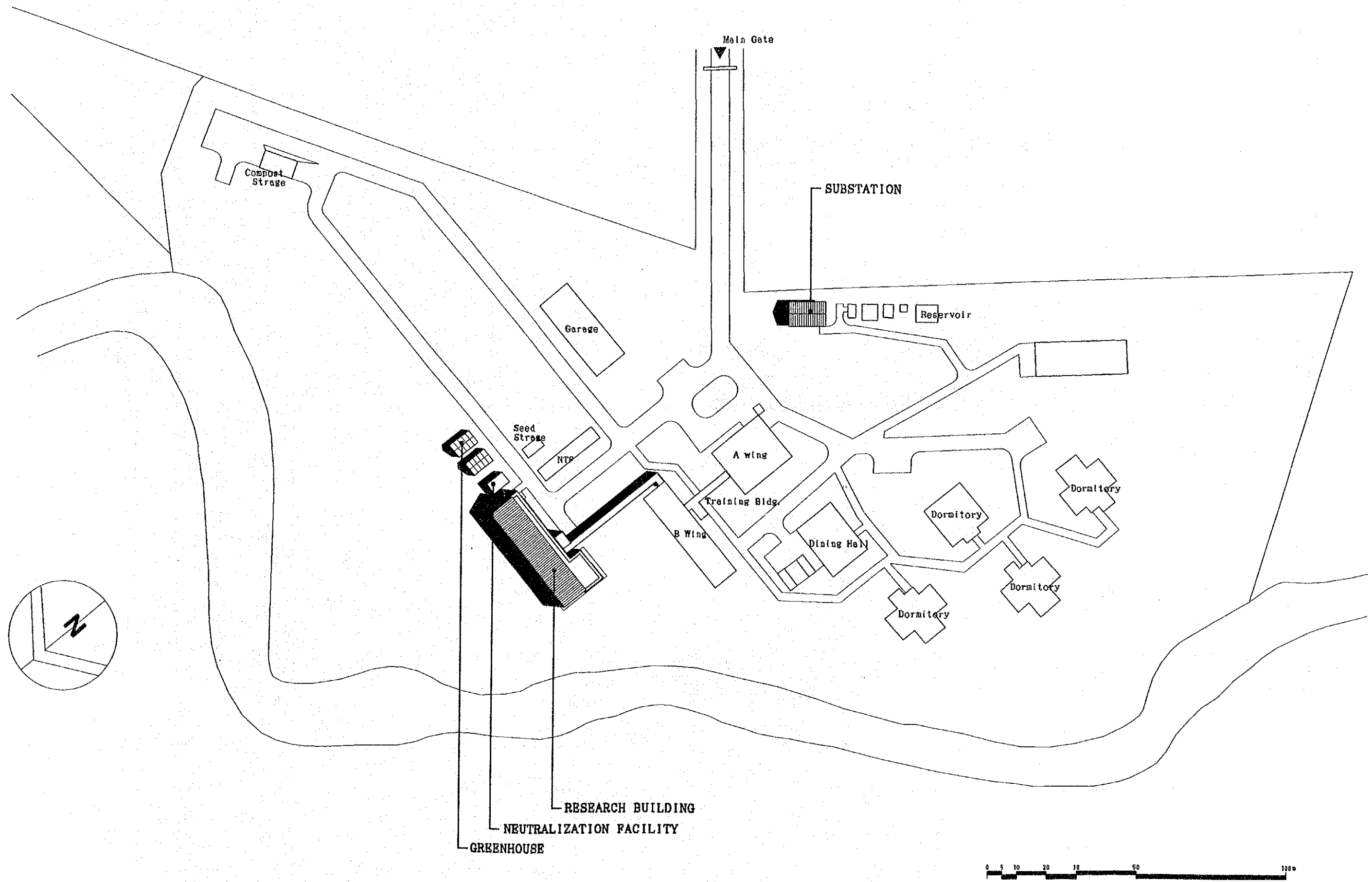


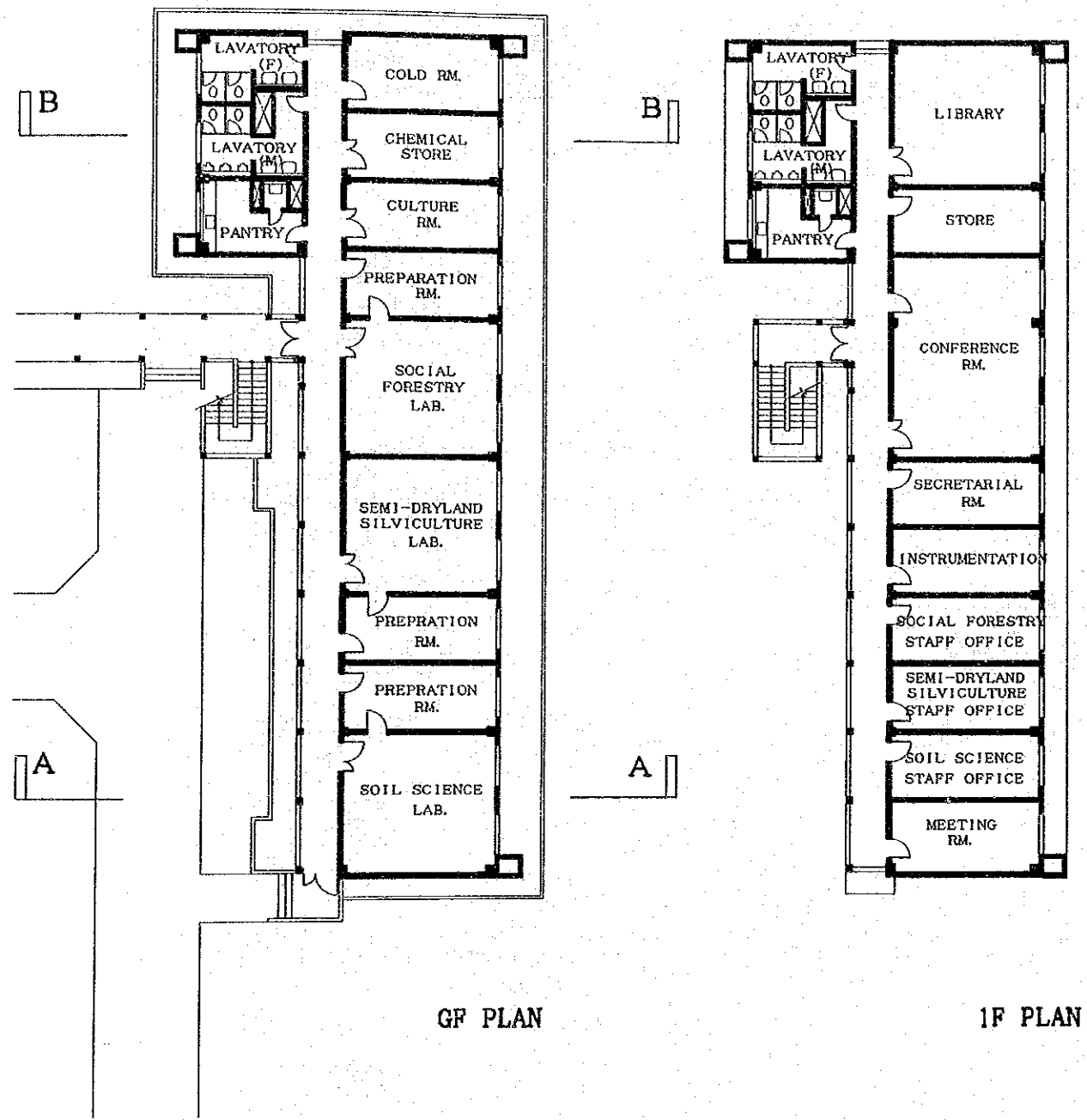
A-A SECTION



B-B SECTION

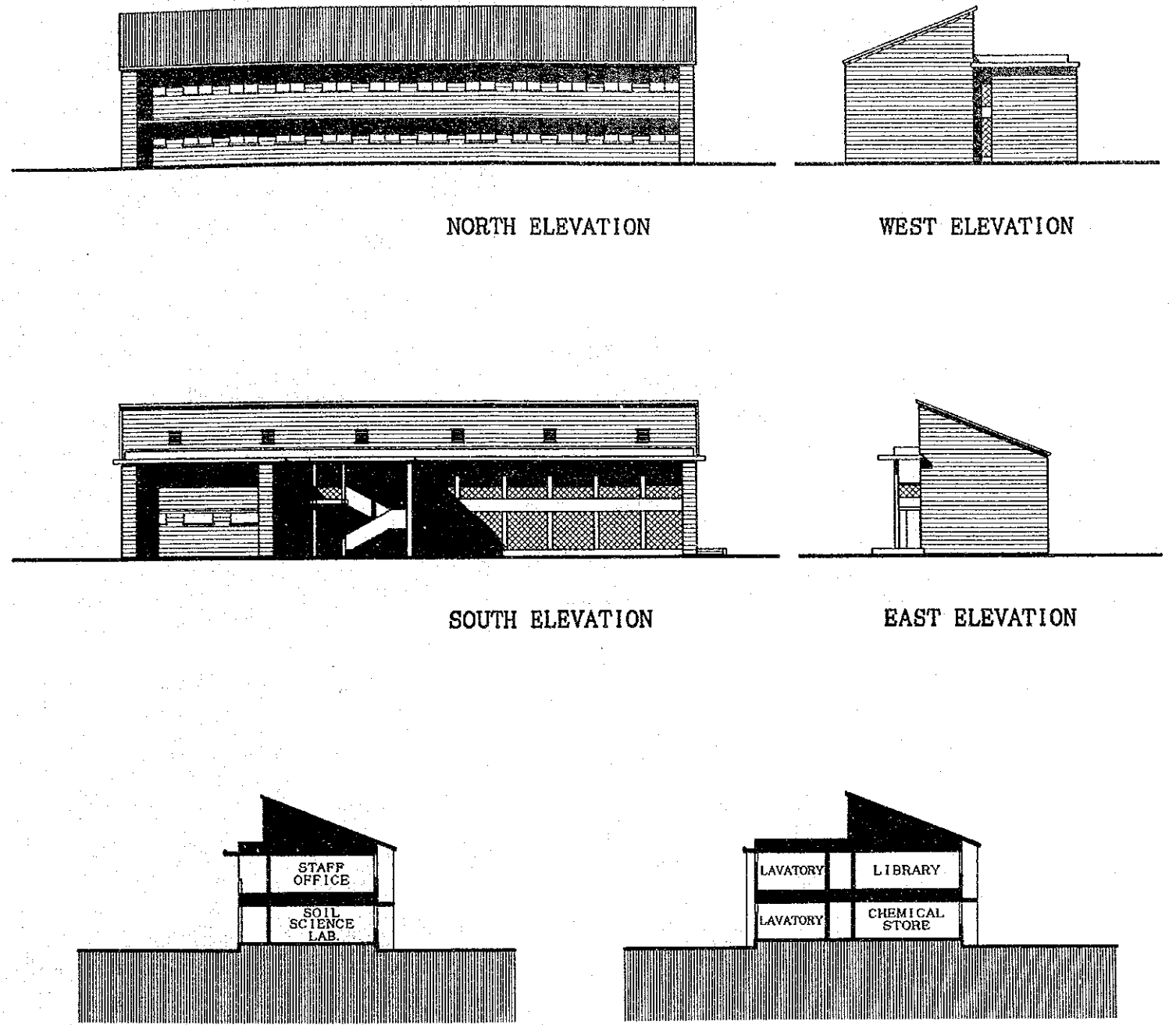
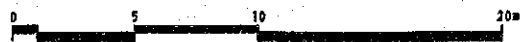
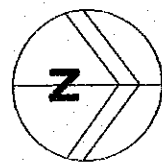






GF PLAN

1F PLAN



NORTH ELEVATION

WEST ELEVATION

SOUTH ELEVATION

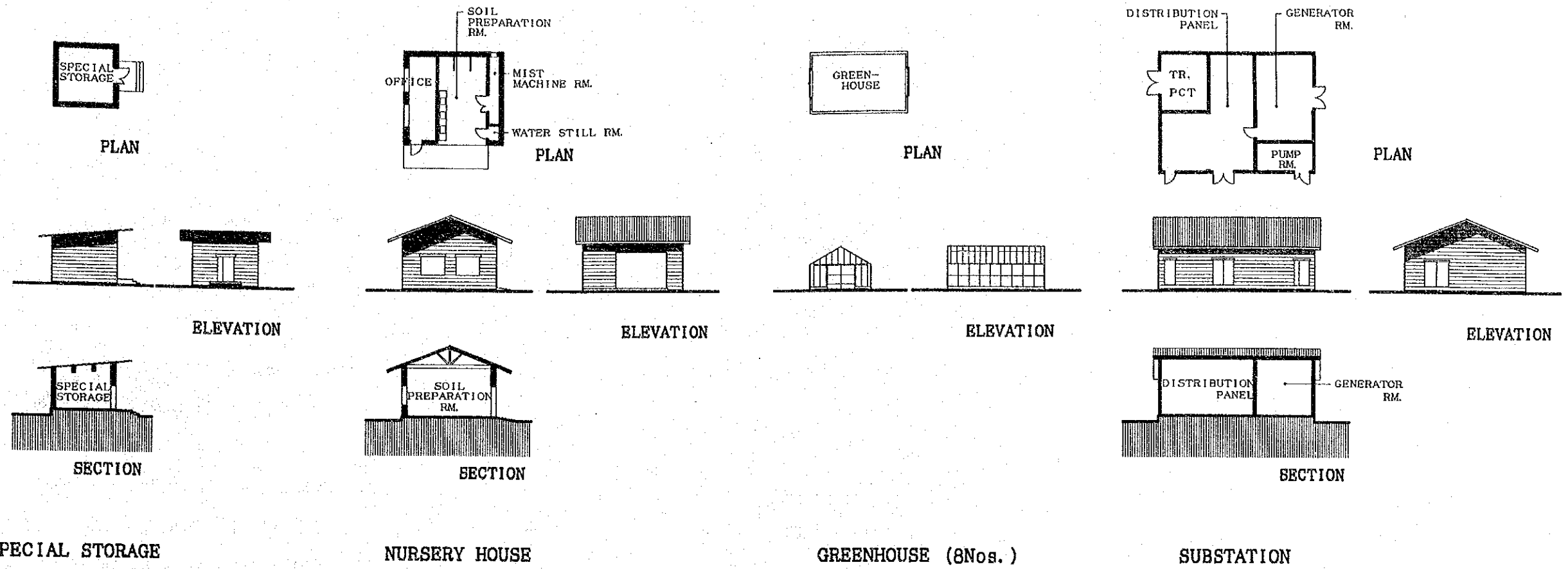
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A-A SECTION

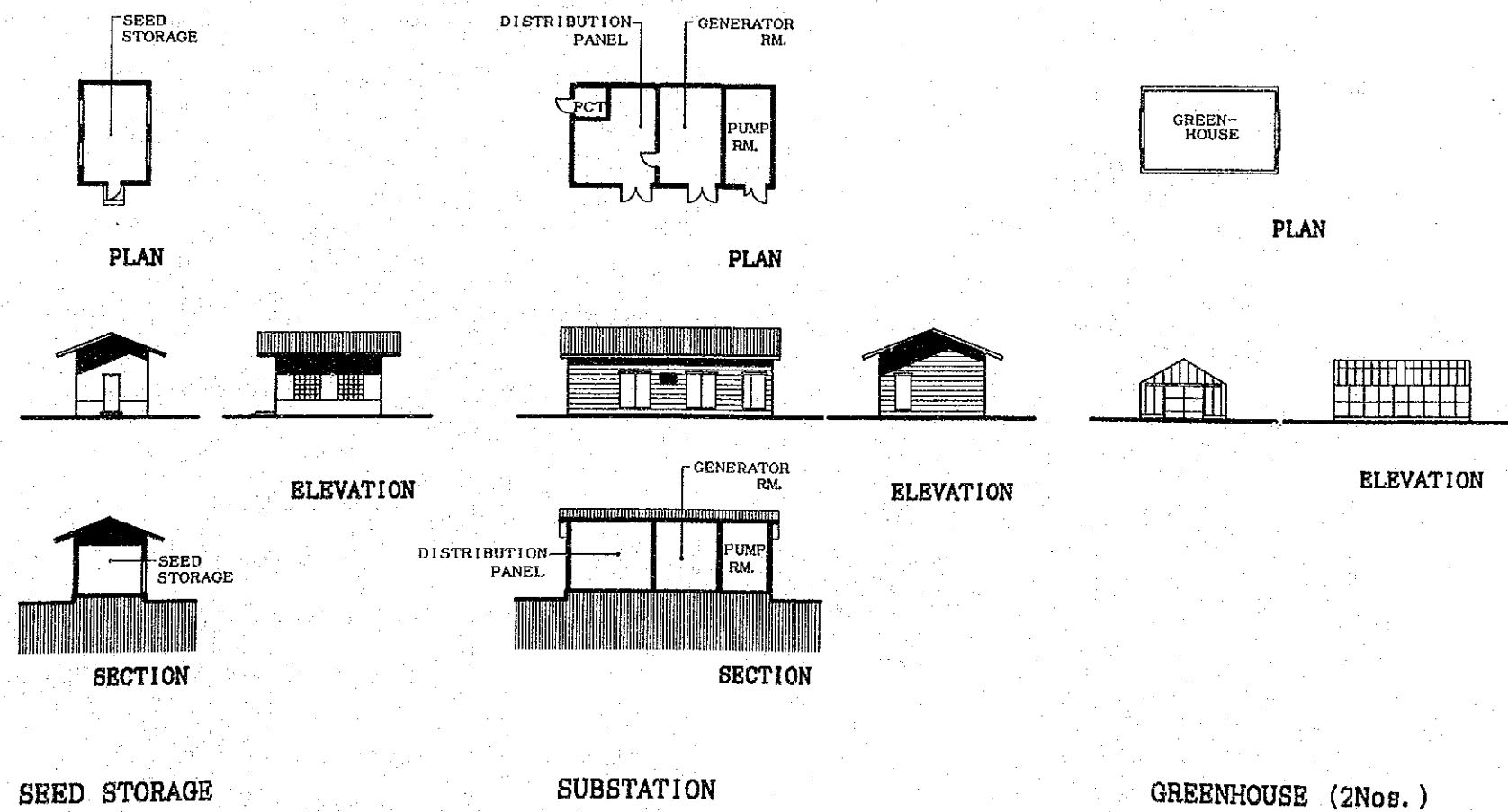
B-B SECTION



MUGUGA HEADQUARTERS



KITUI REGIONAL CENTRE



4-4 Construction Plan

4-4-1 Construction Work Criteria

(1) Basic Points of the Construction Work

This project will be implemented within the framework of the grant aid assistance system of the Government of Japan after the approval by a Cabinet meeting and the succeeding signing of the Exchange of Notes by the governments of the two countries. The main facilities to be constructed under this project are two numbers of two-storey buildings at the Muguga Centre (combined total floor area of 5,436 m²) and a two-storey building (a total floor area of 1,071m²) at the Kitui Centre. It will be possible to complete the entire construction work and equipment installation work in one phase of 12 months. Judging from the relationship between the construction work and the equipment work as well as the scale of the entire project, it is reasonable to place orders for the construction work and the equipment work separately.

(2) Project Implementing System

1) Implementing system of the Kenyan side

This project is to be implemented under the control of the Ministry of Research, Technical Training and Technology of Kenya and the executing body of the project is Kenya Forestry Research Institute (KEFRI). On the Kenyan side the director of KEFRI shall be responsible for the consultant agreement, the construction contracts and the bank arrangement concerning the construction project.

In accordance with an official notice of Kenya, KEFRI, which has no construction-related department, must seek the advice of the Ministry

of Public Works and Housing concerning technical matters in the filed of construction.

The External Resources Department of the Ministry of Finance of Kenya will be directly responsible for operations concerning the grant aid arrangements concluded between the governments of the two countries.

2) Consultant for the Project

Immediately after the conclusion of the Exchange of Notes (E/N) on the implementation of the project between the Government of Japan and the Government of Kenya, KEFRI will be required to conclude a consultant agreement with a Japanese consultant firm and to obtain the verification from the Government of Japan on the agreement. After the conclusion of the agreement, the consultant will prepare detailed design documents based on the contents of the basic design study report and carry out necessary works for tender and construction supervision.

3) Contractors

The contractors for construction work and equipment work will be selected from qualified Japanese firms through an open tender respectively. KEFRI, in principle, will conclude a construction contract and an equipment procurement/ installation contract with the lowest tenderer as the contractor of each work, and then obtain the verification from the Government of Japan. The selected contractors will be required to complete their respective works and turn over the facilities and the equipment to the Government of Kenya by the date specified in the contract.

4-4-2 Situation of the Construction Industry in Kenya

(1) Situation of the Construction Industry in Kenya

1) Local consultants

In Kenya, particularly in Nairobi City, there are number of consultant firms, most of which are small scale founded by individual architect. Their organizations are not provided with sufficient personnel and are not staple in terms of implementing capability of projects. Upon implementing projects, they hire necessary engineering staff to form a project team on each project basis. Many of the staff of these consultant firms were educated in the United Kingdom, and therefore excel in working out detailed design drawings and supervising construction work by means of British standard. They also have experience of taking charge of preparation of detailed design drawings in grant aid projects extended by foreign countries other than Japan. However, they are judged weak in terms of the ability to control the progress of construction work. It will be difficult, therefore, to commission them to work out detailed design drawings for a project which does not allow ample time for design work.

2) Ministry of Public Works and Housing

This project is a large-scale construction work for which a public organization places an order in Kenya. In the case of a large-scale construction work, the Ministry of Public Works and Housing of Kenya is required to cooperate with an executing organization that places an order for construction work concerning technical matters in the field of construction. The Ministry of Public Works and Housing issues various permits and conducts design and supervising activities. As

such, the Ministry has technical departments of architecture, structure, electrical engineering, mechanical engineering and quantity surveying. In carrying out this construction work, it is necessary to consult with, and obtain the approval of, the chief architect of the Ministry of Public Works and Housing at each of the stages of detail design, tendering and supervision of construction work.

3) Local contractors

In Kenya many of the private contractors are small. In public construction works and those contracted out by foreign-affiliated companies they merely participate as subcontractors only to recruit local construction workers. As such, the local private contractors are unable to be contracted for an entire construction work. Due to the shortage of technicians and skilled workers, these contractors lack the ability to control quality, progress and materials procurement.

When utilizing the services of local private contractors for this project, the Japanese contractor will be required to place orders with a number of local contractors, according to the type and size of the work concerned, and at the same time to dispatch Japanese engineers to Kenya to take charge of quality control as occasion demands.

4) Locally available construction materials

In Kenya, general construction materials are either manufactured locally or imported. Therefore, in principle, it is possible to procure them locally. However, some of them are of poor quality and are supplied in limited quantities. It should also be noted that choices of types, patterns and colors are limited for certain products. In case prompt delivery of necessary quantities of products

of high quality is required, it will be inevitable to procure them from Japan or third countries as occasion demands.

(2) Points to be Noted in Carrying Out the Construction Work

Judging from the present condition of the project sites and the local construction industry, it is important to note the following points in carrying out this construction work.

1. This construction work is to be carried out in a project site which is part of the premises of the facilities now in use. Since existing facilities will be operated as usual throughout the term of the construction work, it will be necessary to minimize the construction work's effects on the existing facilities by taking sufficient safety and crime prevention measures in carrying it out.
2. As this construction work is to be implemented as the second phase of the grant aid project which was implemented to construct the existing facilities, finishing materials to be used for this project are to be similar to those used in the construction of the existing facilities in consideration of harmony with that of the existing facilities. For this reason, careful attention should be paid to the quality and color of materials to be used so that new materials may be in harmony with those of the existing facilities in terms of both quality and color.
3. It is necessary to carry out the renovation work of the existing facilities with the consent of the Kenyan side on the working schedule.
4. There is a shortage of technicians and skilled workers as well as tools and utensils for construction in Kenya. For this reason, it

will be essential to dispatch Japanese engineers, as occasion demands, to give technical guidance to the local construction workers.

5. The Government of Kenya will be required to take prompt action for tax exemption and customs clearance of the construction machinery and materials imported into the country for the project.

4-4-3 Construction Supervision Plan

In accordance with the procedures of Japan's grant aid programmes, the Japanese consultant firm will conclude a consultant agreement with the implementing organization of the Government of Kenya.

After concluding the agreement, the consultant will work out detailed design documents and supervise the construction work in compliance with the provisions of the consultant agreement. Construction supervision is aimed at ensuring that the construction work will be carried out in accordance with the design documents and at providing direction, technical advice and coordination throughout the term of services from a fair point of view for the proper implementation and quality of the construction work. The construction supervision service includes the followings.

1. Assistance in tendering

The consultant shall prepare the documents necessary for tendering the construction work and the equipment procurement/installation work, and assist the client in carrying out tasks such as the public announcement of invitation to tender, acceptance of applications, prequalification, distribution of documents to the tenderers, acceptance of tender, evaluation of the tender results. And the consultant also advise the client on concluding the contract.

2. Direction, advice and coordination to the contractor

The consultant shall examine the construction schedule, construction plan, the construction appliance/material procurement plan and the equipment procurement/installation plan, and give the direction, advice and coordination to the contractors.

3. Examination and approval of shop drawings and manufacturing drawings

The consultant shall examine and approve the shop drawings, manufacturing drawings and other relevant documents submitted by the contractors.

4. Confirmation and approval of construction appliances/materials and equipment

The consultant shall confirm the consistency with the contract documents of the construction appliances/materials and equipment which the contractors propose to procure, and approve their adoption.

5. Plant inspection

The consultant shall inspect the building materials and equipment at the manufacturers' factories to ensure their quality and performance.

6. Reporting on progress of the construction work

The consultant shall grasp the actual conditions of the construction sites and progress, and report them to both Governments.

7. Completion inspection and test operations

The consultant shall inspect the completed facilities and the installed equipment, and make a test run of each piece of equipment,

in order to ascertain that all the works of facilities and equipment are completed in compliance with the provisions of the contract documents, and shall submit the Inspection Certificate to the Kenyan side.

8. Training in operation of the equipment

Some pieces of equipment installed under this project will require considerable operating skills as well as good knowledge of their maintenance and management. For this reason, it will be necessary to have the Kenyan engineers in charge receive on-site trainings in proper equipment operation and troubleshooting techniques during the installation/adjustment/test-run period. The consultant shall give direction and advice concerning the training programme.

Judging from the scale of the project, it is advisable that, in carrying out the aforementioned tasks, the consultant dispatch an architect/engineer to Kenya throughout the term of works. The consultant shall also dispatch necessary engineers to the site as needed for inspection, direction and coordination, and at the same time establish a communication and backup system to assign necessary engineers in Japan. The consultant shall report the progress of the works, payment procedures, completion of the construction of the facilities and installation of the equipment, and any other relevant matters to the competent agencies of the Japanese Government.

4-4-4 Material Procurement Plan

(1) Appliance/Material Procurement Criteria

The following shall be noted for procurement of appliances and materials necessary for the project.

1) Local procurement

To facilitate the repair and maintenance after completion of the facilities, the appliances and materials used for the construction of the facilities should be primarily procured locally. In this case, before placing an order to local manufacturers or suppliers, current supply must be thoroughly examined in order to evade delay in the construction work due to shortfalls in supply of these appliances and materials.

2) Imported appliances and materials

Those appliances and materials which are considered poor in quality or in short supply should be imported from Japan or third countries. In this case, the contractor will be required to keep in close contact with the Kenyan officials of the implementing organization of the project concerning their importation and customs clearance, and to ensure that all the necessary procedures are followed without delay.

3) Unit prices of appliances and materials

The unit price for the importation of an appliance or material (including the packing, transportation and insurance costs) should be compared with that for its local procurement. When the unit price for its local procurement is judged to be lower than or nearly equal to that for its importation, the local products shall be given priority.

(2) Appliance/Material Procurement Plan

The main appliances and materials procurement plan for the construction work will be as follows.

Table 4-5 Materials Procurement

Works	Appliance/Material	Procurement			Remarks
		Local	Japan	Others	
Architectural Work	Cement	○			Unstable in supply but including imported cement, possible to procure locally.
	Sand	○			River sand available
	Gravel	○			Crushed stones available
	Reinforcing bar	○			Good in quality and supply quantity
	Form (Plywood)		○		Not produced locally
	Brick	○			For partition wall
	Concrete block	○			For partition wall
	Terrazzo tile	○			For floor finishing, not many varieties
	Ceramic tile	○			Produced locally, not many varieties
	Glass	○			Produced locally
	Roof tile	○			Commonly used for roof material, also poor in quality
	Timber			○	Short supply, also poor in quality
	Calcium silicate Board			○	Not produced locally
	Doors & Windows (Metal)			○	Poor quantity and short supply
	Doors & Windows (Wood)			○	Bad quality
Hardware			○	Not produced locally	
Paint	○			Easy maintenance	
Mechanical Work Sanitary Work	Pump		○		Bad quality
	Fan		○		Not produced locally
	Air-conditioner		○		Not produced locally
	Apparatus for septic and neutralization tank		○		Not produced locally
	Water treatment apparatus		○		Not produced locally
	Sanitary fittings		○		Not produced locally, imported ones available but expensive
	PVC pipe		○		No joints available, also poor quality
Galvanized steel pipe		○		Imported ones available but hard to find its joints.	
Electrical Work	Distribution panel		○		Not produced locally
	Lighting fixtures		○		Bad quality, small variety
	Telephone exchange		○		Not produced locally
	Paging system		○		Not produced locally
	Fire alarm system		○		Not produced locally
	Wiring pipe		○		No joints available, also poor quality

(3) Equipment Procurement Plan

In principle, all items of the equipment should be provided from Japan. It is desirable, however, to procure the items shown below in Kenya for the following reasons.

- Photo copier

Maintenance service system by the local distributor is well established. And also, expendable supplies can be procured locally.

- Bus

It is difficult to provide from Japan because of the difference of the standard on bus body.

Furthermore, local procurement of such items as work desks, work chairs and cabinets should be considered.

Some items of the analytical and experimental equipment likely to suffer from shock, moisture and high temperature. Therefore, transport must be done with the utmost care in moisture-proof packing.

4-4-5 Project Implementation Schedule

When the Exchange of Notes concerning the implementation of the project is concluded between the Government of Japan and the Government of Kenya, the construction and equipment work will be implemented with the following procedures.

1. Detailed design services

The consultant shall prepare the design documents such as detailed design drawings, specifications and tender documents based on the

contents of the basic design study report after the conclusion of the consultant agreement. The consultant shall also obtain approval on the above-mentioned documents from the Kenyan side after consultation with them. The time required for completing the procedure is estimated at three months.

2. Tendering

The contractors to take charge of the construction work and the equipment work will be selected separately by tender. The tender work includes tender announcement, prequalification, acceptance of tenders, evaluation of the tenders, designation of the contractors and conclusion of the contracts. The time required for completing this procedure is estimated at about one and a half months.

3. Construction work and equipment work

Judging from the contents and scale of the work and the actual situation of the local construction industry, it will take 12 months to complete the entire project, including the equipment work, provided the procurement of building appliances and materials and the customs clearance of imported articles proceed smoothly.

The overall implementation schedule from the conclusion of the Exchange of Notes to the completion of the project by considering the above-mentioned factors is as shown in table 4-6.

Table 4-6 Implementation Schedule

Month	1	2	3	4	5	6	7	8	9	10	11	12
Detail Design	[Bar: Months 1-3]											
	(Detail Design)			[Bar: Months 3-4]								
				(in Kenya)								
				[Bar: Months 4-5]								
			(Tender)									
			(in Kenya)									
(Total 4.5 months)												
Construction Work	[Bar: Month 1]											
	(Preparation)											
	[Bar: Months 2-3]											
	(Foundation Work)											
	[Bar: Months 3-6]											
	(Concrete Work)											
									[Bar: Months 9-11]			
									(Finishing Work)			
									[Bar: Months 10-12]			
									(Exterior Work)			
(Total 12.0 months)												
Equipment Procurement & Installation work	[Bar: Month 1]											
	(Preparation)											
	[Bar: Months 2-4]											
	(Manufacturing/Procurement)											
	[Bar: Months 8-9]											
	(Transport)											
										[Bar: Months 10-11]		
										(Installation/Adjustmen		
										[Bar: Months 11-12]		
										(Training)		
(Total 12.0 months)												

4-4-6 Estimated Project Costs borne by Kenyan Side

(1) Scope of Work

This project is to be implemented through close cooperation between the Government of Japan and the Government of Kenya within the framework of grant aid from the Government of Japan. It is reasonable for the

Governments of the two countries to undertake scope of works as shown follows.

1) The work to be done by the Government of Japan

1. Facilities

- Construction of the buildings described in this basic design study report
- Electrical, mechanical and sanitary installations

2. Equipment

- Equipment procurement work
- Equipment installation work

3. Infrastructure

- Substation
- Well digging, water supply and drainage work within the premises
- Telephone exchange system

4. Outdoor structures

- Roads and parking lots within the premises
- Septic tanks
- Outdoor lighting

5. Other work related to the above work

- Transportation of equipment, appliances and materials from Japan to Kenya
- Inland transportation of imported equipment, appliances and materials from ports of disembarkation to the project site

2) The work to be done by the Government of Kenya

1. Site and outdoor structures

- Securing the site for the project
- Removing existing structures, trees and so on from the project site and reclamation of site
- Construction of access roads to the project site
- Planting and construction of exterior structures including fence, gate and a regulatory pond etc.

2. Infrastructure

- Supply of electricity up to the site
- Installation of telephone line up to the MDF

3. Preparatory work

- Provision of sites for temporary construction site office, workshops and material storage places
- Installation of temporary electricity supply and telephone lines

4. Fixtures and furniture

- Fixtures, curtains, furniture, etc. other than those supplied by the Government of Japan

5. Procedural work and its expenses borne by the Kenyan side

- Banking arrangement expenses
- Tax exemption procedure expenses
- Prompt action related to customs clearance and inland transportation

- Necessary measures for exempting the Japanese nationals engaged in the implementation of the project from customs duties, domestic taxes and other fiscal levies in accordance with the verified agreement
- Arrangement to expedite the acquisition of visas, customs clearance, and any other formalities that may be necessary for the entry of Japanese nationals engaged in the implementation of the project
- Maintenance and management expenses for ensuring that the facilities constructed and the equipment installed are operated properly and effectively
- Expenses for the construction-related procedures

(2) Estimated Costs to be borne by the Government of Kenya

1. Electric power supply (Changing the man transformer and the power supply line)	876,000 Kshs
2. Removal of existing temporary facilities	185,000 Kshs
3. Fittings and furniture (Fittings and furniture which are not supplied by the Japanese side)	303,000 Kshs
4. Planting	256,000 Kshs
5. Soil investigation (at Muguga and Kitui)	240,000 Kshs
6. Water-point investigation (at Kitui)	240,000 Kshs
<hr/>	
Total	2,100,000 Kshs

It will be necessary to include in the total costs the following as part of the expenses to cover fees and commission.

- Banking arrangement : 6,000 Kshs for each contract.
- Bank commission : 0.0625 percent of each payment to the
Consultant and Contractors

It is desirable that the Government of Kenya prepare the budget for this project and conduct the construction with proper timing so that the entire project can be implemented smoothly.

CHAPTER 5 PROJECT EVALUATION AND CONCLUSION

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(1) Project Evaluation

When this project is completed and the procured facilities and equipment are maintained and managed properly by the Kenyan side, it is expected that the following positive effects and improvements will be realized.

Table 5-1 Positive Effects and Improvements Expected to Be Realized Through the Implementation of This Project

Present Situation and Problems	Measures to be taken under this project	Expected positive effects and improvements
<p>1. Laboratories of 12 of the 19 departments of Muguga Centre are those leased from other organizations. This has been a major obstacle to close communication between these departments, which in turn has made it difficult for KEFRI to conduct necessary research work.</p>	<ul style="list-style-type: none"> • Of the laboratories of the 12 departments which are located outside of the centre, those of 10 departments can be moved to the planned research block at the centre. • The arrangement of the laboratories will be reviewed taking into consideration the mutual relationships between the 17 departments (the above-mentioned 10 departments and the 7 departments in the existing research block). 	<ul style="list-style-type: none"> • Laboratories of the 17 departments will all be located on the premises of Muguga Centre. • Sharing of the equipment will be promoted and as a consequent, there will be greater flexibility in the use of the equipment. The net result will be easier equipment maintenance and management and more economical equipment operations. • KEFRI will be able to conduct more intensive and efficient research as a representative forestry research institution of Kenya.
<p>2. The research institute has been suffering from a shortage of meeting facilities for use in its training and extension activities, which has made it impossible for KEFRI to implement its planned conferences and training courses.</p>	<ul style="list-style-type: none"> • A multipurpose hall and 4 lecture rooms will be constructed in the Muguga Centre. • The multipurpose hall will be used for exhibitions and other special events, as well as conferences. 	<ul style="list-style-type: none"> • It will be possible to hold various types of conferences and meetings, from international conferences down to researchers' primary meetings, at a rate of frequency of 205 days a year on average. • It will be possible to carry out training and extension activities effectively by the use of exhibits and audio-visual equipment. • The projected facilities can be utilized effectively in Japan's technical cooperation.

Present Situation and Problems	Measures to be taken under this project	Expected positive effects and improvements
<p>3. KEFRI is suffering from a shortage of facilities and equipment for use in intensive management of information on the results of its research and extension activities. In addition, the existing library, printing room and data room are small and dispersed, which makes it impossible to carry out information processing operations smoothly.</p>	<ul style="list-style-type: none"> The location of the library, printing room and data room will be changed so that they may be located close to facilities for use in training and extension activities. 	<ul style="list-style-type: none"> It will be possible to conduct intensive management of information on forestry by the use of a computer. Materials for training can be made and printed efficiently in large quantities.
<p>4. Since Kitui Centre, which is serving as the base for training and extension activities in the semi-arid areas, has no research facilities, it is impossible for KEFRI to conduct research necessary for the extension of social forestry in that area.</p>	<ul style="list-style-type: none"> Laboratories for use in forestry research by the basic 3 fields which are necessary for the extension of social forestry will be constructed. 	<ul style="list-style-type: none"> It will be possible to conduct research on soil science, social forestry and semi-dryland silviculture. It will be possible to apply the results of research in forest planting and extension activities carried out through technical cooperation.
<p>5. There are two deep pipe wells at Kitui Centre, but during the dry season their pumping capacity is reduced to about 10 m³ or less a day and as a result it becomes impossible to supply a sufficient quantity of water to its facilities. For this reason, water is transported by a water tank lorry to the centre from a water source in Kitui City.</p>	<ul style="list-style-type: none"> Another deep well will be added so that the three deep wells may supply a total of 30m³ a day. 	<ul style="list-style-type: none"> It will become possible to secure the necessary quantity of water to its facilities.
<p>6. Kitui Centre's pilot forest plots; Tiva Tree Nursery has no means of water supply for use during the dry season. As a result, many trees in the pilot forest plots begin to stand decayed during the dry season.</p>	<ul style="list-style-type: none"> A water tank lorry will be procured. Water can be transported by the vehicle from the deep tube wells of Kitui Centre or a water source in Kitui City. 	<ul style="list-style-type: none"> It will become possible to supply water to the pilot forest plots and the model farmhouses, which will greatly contribute to the success of social forestry training and extension activities.
<p>7. Some of the existing facilities are suffering from leaks. The room layout in the existing facilities has become functionally inconsistent with the current patterns of operations at these facilities.</p>	<ul style="list-style-type: none"> Some parts of the existing facilities will be repaired, and at the same time the arrangement of partitions will be altered. 	<ul style="list-style-type: none"> Part of the assignment of rooms in the existing facilities will be changed and as a result the existing facilities, as well as the new facilities, will function more efficiently. The repair of some of the existing facilities will make it possible to use them more effectively and efficiently.

Measures to be taken under this project to resolve the present problems of KEFRI's facilities concern only its facilities and equipment. However, the expansion and improvement of its facilities through the implementation of this project will contribute not only to the improvement

of the environment for its operations but also to the extension of social forestry and the preservation of forest resources in the country.

(2) Appropriateness of the Implementation of the Project

1) Operation System

This project is aimed at expanding the existing facilities of KEFRI's existing departments which is operating at this moment. For this reason, there will be no need to increase the personnel of KEFRI in connection with the implementation of this project, although the expansion of facilities will result in some increase in the maintenance and operation cost. The construction of a new research block at the Muguga Centre, for example, is aimed at integrating its laboratories which are presently dispersed around its premises, and therefore does not require any increase in its personnel. It only requires the transfer of researchers. There will not be problem with the system for the operation of the planned facilities because these new facilities are to be operated without any increase in the personnel.

2) Budgetary Appropriations

As this project is not yet formally approved by the governments of the two countries, the budget for the implementation of this project is not included in the budget of the Ministry of Research, Technical Training and Technology (MRTTT) of Kenya for fiscal 1993-94, which was scheduled to be executed from July 1993. However, it is possible for MRTTT to provide the budget for this project by making extraordinary budgetary appropriations for the portion required before June 1994, or by reallocating the budget within MRTTT if this project is implemented within Japan's fiscal year 1993. As to KEFRI's operating costs after

completion of this project, there will be no increase in its personnel expenses, although its facility and equipment maintenance and operation cost is estimated to increase by 1,880,000 Kshs. This increment is equivalent to only 2.5 percent of the total budget of KEFRI, 75,747,780Kshs (fiscal 1992-93), and only 0.4 percent of that of MRTTT. For these reasons, budgetary appropriations for the implementation of this project as well as the additional cost for facility and equipment maintenance and operation are judged feasible.

3) Maintenance and Operation

The facilities to be constructed under this project are designed to be maintained and operated easily. In the construction work for this project, highly durable materials are to be used. Priority is put on the use of materials which can be procured locally. In addition, the projected facilities are designed to save the energy cost by utilizing natural lighting and ventilation. It will be easy, therefore, to maintain and operate these facilities. It should also be noted that KEFRI already has a building maintenance section and a equipment supply section, both of which are responsible for the maintenance and operation of its facilities and equipment. Each of the two sections has engineers and experts in the management of buildings, equipment (electric equipment and water supply/drainage equipment) and appliances/materials. KEFRI thus has a well-established facility maintenance and operation system.

It can be said, from the above examination, that this project can be implemented without presenting any problem with respect to the operation system, budgetary appropriations and facility maintenance and operation.

(3) Conclusion

The implementation of this project will lead to the expansion and improvement of the facilities for research, training and extension activities by KEFRI, which is a full-fledged forestry research institution of Kenya. As a result, it will become possible for KEFRI to carry out its new strategic plan, which are to be completed by the year 2000, and forestry research which is necessary for the extension of social forestry in the country will make progress and human resources in the field of social forestry will be trained. Furthermore, with the extension of the theory and practice of social forestry, it will become possible to secure adequate supplies of fuelwood and charcoal wood, which are an important energy source for the people of the country, as well as to preserve the country's forest resources, which in turn will contribute to the protection of the country's natural environment.

In view of the fact that Kenya forms the core of East Africa and that KEFRI is a representative forestry research organization in East African countries, it is expected that the advancement of social forestry in Kenya will have far-reaching effects not only in Kenya but also in the entire East African region.

This project is expected to produce many positive effects and to greatly contribute to the sound growth of social forestry and the preservation of forests in Kenya. For this reason, it is judged to be reasonable to implement this program under the Government of Japan's grant aid. It should be added that there will be no problem with the Government of Kenya for the implementation of this project, particularly in terms of the maintenance and operation of this project and the staffing plan and budgetary appropriations.

(4) Recommendations

The following recommendations are made to ensure the smooth and effective operation of the facilities to be constructed under this project, which is the most important precondition for the attainment of the expect effects of this project.

- 1) Prompt action concerning agreement and approval procedures in the implementation of this project

As this project is to be implemented within the framework of the grant aid program of the Government of Japan, there are time limitations to the implementation of the project. It must be completed before the expiration date specified in the Exchange of Notes or the end of the fiscal year of the Government of Japan. For this reason, the Kenyan side is required to take prompt action in following the necessary procedures, such as the signing of the Exchange of Notes, the conclusion of the consultant agreement, the approval of the detailed drawings and specifications worked out based on this basic design study report, the applying for and obtaining of approval, the conclusion of the construction/equipment contract and tax exemption for imported machines and materials.

- 2) Budgetary Appropriations

When this project is formally approved by the governments of the two countries, it is important for the Kenyan side to promptly make budgetary appropriations for it. Since the budget for the implementation of this project is not included in the Government of Kenya's budget for fiscal 1993-94, it is necessary that the Government of Kenya immediately make the necessary budgetary arrangements for the implementation of this project within the framework of its budget for

fiscal 1993-94 if this project is to be implemented within the limits of the Government of Japan's budget for fiscal 1993.

3) Maintenance and operation of the facilities and equipment

A shortfall of maintenance and operation cost of facilities and equipment will result in a decrease in the durability of facilities and equipment, as well as a decline in efficiency of operations. It is necessary, therefore, to make necessary budgetary appropriations for the maintenance and operation of the facilities and equipment to be procured under this project in order to attain the objective of this project.

4) Relationship between Japan's technical cooperation; "Kenya/Japan Social Forestry Training Project"

This project does not include the technical fields which are not directly related to the "Kenya/Japan Social Forestry Training Project Phase 2" which is being implemented by the government of Japan at KEFRI. However, this project, which includes facilities and equipment to support the activities of the technical cooperation to be continued until 1997, is expected to greatly contribute to the advancement of social forestry in Kenya, coupling with the technical cooperation. It is desirable that this project be implemented as soon as possible from the standpoint of support for the ongoing technical cooperation.

ANNEX

1. MEMBERS OF THE BASIC DESIGN TEAM

(1) BASIC DESIGN STUDY (May 31 ~ June 29, 1993)

Mr. Yutaka Sasaki	Leader Director, Planning Division Forestry and Fisheries Development Cooperation Department Japan International Cooperation Agency (JICA)
Mr. Atsuo Ida	Social Forestry Planning Director, Planning and Coordination Office, Aomori Regional Forest Office, Forestry Agency
Mr. Yuto Hara	Project Coordinator Staff First Basic Design study division, Japan International Cooperation Agency (JICA)
Mr. Takanori Tanaka	Project Manager / Architectural Planner Yamashita Sekkei Inc.
Mr. Yoshikazu Shimada	Architectural Designer Yamashita Sekkei Inc.
Mr. Tsukasa Tamaki	Facilities Planner Yamashita Sekkei Inc.
Mr. Yoshiyuki Kawamata	Forestry Equipment Planner Yamashita Sekkei Inc.

(2) EXPLANATION OF DRAFT FINAL REPORT

(September 7~September 18, 1993)

Mr. Yutaka Sasaki	Leader Director, Planning Division Forestry and Fisheries Development Cooperation Department Japan International Cooperation Agency (JICA)
Mr. Yuto Hara	Project Coordinator Staff First Basic Design study division, Japan International Cooperation Agency (JICA)
Mr. Takanori Tanaka	Project Manager / Architectural Planner Yamashita Sekkei Inc.
Mr. Yoshikazu Shimada	Architectural Designer Yamashita Sekkei Inc.
Mr. Yoshiyuki Kawamata	Forestry Equipment Planner Yamashita Sekkei Inc.

2. SURVEY SCHEDULE

(1) Basic Design Study (May 31~June 29, 1993)

No.	Date	Schedule
1	May 31 (Mon)	<ul style="list-style-type: none"> ● Lv. Tokyo (Mr. Sasaki, Mr. Ida, Mr. Hara, Mr. Tanaka, Mr. Shimada, Mr. Tamaki, Mr. Kawamata) ● Ar. Amsterdam
2	June 1 (Tue)	<ul style="list-style-type: none"> ● Lv. Amsterdam ● Ar. Nairobi
3	2 (Wed)	<ul style="list-style-type: none"> ● Meeting at JICA Kenya office ● Courtesy call on the Embassy of Japan ● Courtesy call on the Ministry of Finance, External Resources Department (MOF) and the Ministry of Research, Technical Training and Technology (MRTTT) (Explanation of Inception Report and Survey Schedule)
4	3 (Thu)	<ul style="list-style-type: none"> ● Lv. Nairobi Ar. Kitui (Mr. Sasaki, Mr. Ida, Mr. Hara, Mr. Tanaka, Mr. Shimada, Mr. Tamaki, Mr. Kawamata) ● Meeting at Kenya Forestry Research Institute (KEFRI) Kitui Centre (Explanation of Inception Report and submission of questionnaire, survey of facilities and equipment)
5	4 (Fri)	<ul style="list-style-type: none"> ● Survey of Kitui Centre (Facilities and equipment) ● Survey of water condition ● Observation of the Pilot Forestry at Tiva ● Observation of social forestry activities ● Lv. Kitui Ar. Nairobi
6	5 (Sat)	<ul style="list-style-type: none"> ● Survey of local conditions (Local contractors, etc.) ● Studying and organizing collected information
7	6 (Sun)	<ul style="list-style-type: none"> ● Meeting within the study team ● Studying and organizing collected information
8	7 (Mon)	<ul style="list-style-type: none"> ● Survey of KEFRI Muguga Centre ● Submission and discussion of the questionnaire at KEFRI Muguga Centre ● Observation of International Centre for Research in Agroforestry (ICRAF)
9	8 (Tue)	<ul style="list-style-type: none"> ● Discussion at KEFRI Muguga Centre
10	9 (Wed)	<ul style="list-style-type: none"> ● Courtesy call on the Minister for the MRTTT ● Discussion on the Minutes of Discussions with the MOF and the MRTTT ● Discussion on the Minutes of Discussions at JICA office
11	10 (Thu)	<ul style="list-style-type: none"> ● Signing of the Minutes of Discussions at the MRTTT ● Report to the Embassy of Japan and JICA office

No.	Date	Schedule
12	June 11 (Fri)	<ul style="list-style-type: none"> ● Lv. Nairobi Ar. Frankfurt (Mr. Sasaki, Mr. Ida, Mr. Hara) ● Survey of local conditions (Local consultants, etc.) ● Commission survey work of Muguga and Kitui sites to a local surveyor
13	12 (Sat)	<ul style="list-style-type: none"> ● Lv. Frankfurt (Mr. Sasaki, Mr. Ida, Mr. Hara) ● Studying and organizing collected information ● Meeting within the study team
14	13 (Sun)	<ul style="list-style-type: none"> ● Ar. Tokyo (Mr. Sasaki, Mr. Ida, Mr. Hara) ● Studying and organizing collected information ● Meeting within the study team
15	14 (Mon)	<ul style="list-style-type: none"> ● Lv. Nairobi Ar. Marigat (Mr. Tanaka, Mr. Shimada, Mr. Tamaki) ● Survey of Marigat Centre and discussion on implemented programmes at the Centre ● Observation of nursery and pilot forest ● Lv. Marigat Ar. Kabarnet (Mr. Tanaka, Mr. Shimada, Mr. Tamaki) ● Survey of local conditions (Equipment dealers, etc.) ● Discussion at KEFRI Muguga Centre
16	15 (Tue)	<ul style="list-style-type: none"> ● Lv. Kabarnet Ar. Maseno (Mr. Tanaka, Mr. Shimada, Mr. Tamaki) ● Survey of Maseno Centre and discussion on implemented programmes at the Centre ● Observation of agroforestry field activities ● Survey of other similar projects (JKUCAT, HDP) ● Lv. Maseno Ar. Kisumu (Mr. Tanaka, Mr. Shimada, Mr. Tamaki)
17	16 (Wed)	<ul style="list-style-type: none"> ● Lv. Kisumu Ar. Nairobi (Mr. Tanaka, Mr. Shimada, Mr. Tamaki) ● Survey of local conditions (Equipment dealers, etc.)
18	17 (Thu)	<ul style="list-style-type: none"> ● Discussion at KEFRI Muguga Centre ● Survey of local conditions (Local consultants, Equipment dealers, etc.)
19	18 (Fri)	<ul style="list-style-type: none"> ● Discussion at KEFRI Muguga Centre ● Discussion and survey on local conditions at the Ministry of Public Works and Housing (MOPWH) ● Survey of local conditions (Local contractors, etc.)
20	19 (Sat)	<ul style="list-style-type: none"> ● Survey of local conditions (Local contractors, etc.) ● Studying and organizing collected information
21	20 (Sun)	<ul style="list-style-type: none"> ● Studying the collected information ● Meeting within the study team

No.	Date	Schedule
22	June 21 (Mon)	<ul style="list-style-type: none"> ● Discussion on the questionnaire at KEFRI Muguga Centre ● Meeting with the Chief Architect of MOPWH ● Survey of local conditions (MOPWH, Government Press, Equipment dealers, etc.) ● Discussion at KEFRI Muguga Centre
23	22 (Tue)	<ul style="list-style-type: none"> ● Survey of local conditions (MOPWH, Government Press, Equipment dealers, etc.) ● Discussion at KEFRI Muguga Centre
24	23 (Wed)	<ul style="list-style-type: none"> ● Survey of other similar projects (KEMRI, JKUCAT, etc.) ● Survey of local conditions (Local contractors, Equipment dealers, etc.) ● Discussion at KEFRI Muguga Centre
25	24 (Thu)	<ul style="list-style-type: none"> ● Discussion at KEFRI Muguga Centre ● Discussion at MOPWH ● Receipt of site survey map
26	25 (Fri)	<ul style="list-style-type: none"> ● Survey of local conditions (MOPWH, Government Press, etc.) ● Report the survey results to the Embassy of Japan and JICA office
27	26 (Sat)	<ul style="list-style-type: none"> ● Lv. Nairobi (Mr. Tanaka, Mr. Shimada, Mr. Tamaki, Mr. Kawamata)
28	27 (Sun)	<ul style="list-style-type: none"> ● Ar. London
29	28 (Mon)	<ul style="list-style-type: none"> ● Lv. London
30	29 (Tue)	<ul style="list-style-type: none"> ● Ar. Tokyo

(2) Explanation of Draft Final Report (Sept. 7 ~ Sept. 18, 1993)

No.	Date	Schedule
1	Sept. 7 (Tue)	<ul style="list-style-type: none">● Lv. Tokyo (Mr. Sasaki, Mr. Hara, Mr. Tanaka, Mr. Shimada, Mr. Kawamata)● Ar. Paris
2	8 (Wed)	<ul style="list-style-type: none">● Lv. Paris
3	9 (Thu)	<ul style="list-style-type: none">● Ar. Nairobi● Meeting at JICA Kenya office● Courtesy call on the Embassy of Japan● Courtesy call on the Ministry of Finance, External Resources Dept.
4	10 (Fri)	<ul style="list-style-type: none">● Courtesy call on the Ministry of Research, Technical Training and Technology (Explanation of survey schedule)● Meeting at KEFRI
5	11 (Sat)	<ul style="list-style-type: none">● Survey● Meeting within the survey team
6	12 (Sun)	<ul style="list-style-type: none">● Survey● Meeting within the survey team
7	13 (Mon)	<ul style="list-style-type: none">● Meeting at KEFRI (Submission, explanation and discussion of Draft Final Report, Explanation of Japan's Grant Aid System)
8	14 (Tue)	<ul style="list-style-type: none">● Meeting at KEFRI (Discussion of Draft Final Report and Minutes of Discussions)● Signing of Minutes of Discussions
9	15 (Wed)	<ul style="list-style-type: none">● Report to the Embassy of Japan and JICA office
10	16 (Thu)	<ul style="list-style-type: none">● Lv. Nairobi (Mr. Sasaki, Mr. Hara, Mr. Tanaka, Mr. Shimada, Mr. Kawamata)● Ar. Zurich
11	17 (Fri)	<ul style="list-style-type: none">● Lv. Zurich
12	18 (Sat)	<ul style="list-style-type: none">● Ar. Tokyo

3. MEMBER LIST OF CONCERNING PARTY IN KENYA

Ministry of Research, Technical Training and Technology

Dr. Z. Onyonka	Minister
Prof. K. Mutahi	Permanent Secretary
Mr. W. K. Ngulo	Director DRD
Mr. J. N. Waiyaki	Deputy Director
Mr. A. R. Gacuhi	Deputy Director
Mr. J. S. Nyamato	Deputy Secretary
Mr. B. J. O. Makosewe	Deputy Secretary
Mr. R. N. Kaniaw	Under Secretary
Mrs. E. K. Mwitari	Principle Research Officer

Kenya Forestry Research Institute

Dr. J. A. Odera	Director
Mr. P. K. Konuche	Deputy Director
Mr. J. K. Cheboiwo	Project Manager
Mr. R. Mwendandu	Training Manager
Mr. C. O. Nyandiga	Training Manager
Mr. M. S. Mulolwe	Training Manager
Mr. J. K. Lugadiru	Pilot Forest Manager
Mr. P. Barasa	Information Officer
Mr. G. Aoko	Assistant Information Officer
Ms. R. G. Wainaina	Planning Officer
Mr. R. Okumu	Head-Instrumentation
Mr. J. Githiomi	Head-Non-Timber Forest Product
Mr. M. N. Muchiri	Head-Forest Mensuration
Ms. M. Gichora	Head-Entomology
Dr. E. Chagalla	Head-Tree Breeding
Mr. W. Omondi	Head-Seed Technology
Mr. E. Mwanza	Head-Pathology
Dr. B. Kigomo	Head-Ecology
Mr. J. Kimondo	Head-Plantation Silviculture
Dr. D. Odee	Head-Biotechnology
Mr. P. Ongugo	Head-Socio-Economics
Dr. D. Nyamai	Head-Agroforestry
Mr. Serem	Head-Soil Science
Mr. A. G. Karani	Buildings Inspector
Mr. G. Karari	Maintenance Officer
Mr. M. O. Mukolwe	Assistant Research/Training Officer Agroforestry, Social Forestry Dept.
Mr. H. J. O. Otieno	(Maseno) Centre Director/Team Leader
Mr. S. K. Choge	(Marigat) Officer-in-charge

Ministry of Finance

Mr. D. R. Ongalo	Director of External Resources Dept.
Mr. C. I. Shakaba	Undersecretary
Mr. J. L. Lavuna	Undersecretary
Miss. Rhodah W. Njuauna	Assistant Secretary

Ministry of Water Development (Kitui Office)

Mr. J. M. Kilonzo	Officer
-------------------	---------

Ministry of Public Works and Housing

Mr. Z. M. Bukania	Chief Architect
Mr. F. O. guya	Ag. Chief Quantity Surveyor
Mr. G. M. Wagana	Chief Electrical & Mechanical Engineer
Mr. M. N. Mugwanja	Sen. Supt. Architect
Mr. M. M. Munzyu	Sen. Supt. Engineer (Structural)
Mr. D. M. Kialah	Sen. Supt. Engineer (Mechanical)
Mr. M. M. Obado	Sen. Supt. Engineer (Electrical)
Mr. J. A. Linturiri	Civil Engineer
Mr. V. B. Walubayi	Sen. Supt. Quantity Surveyor
Mr. M. A. Nyakiongora	Ag. Sen. Supt. Quantity Surveyor

Embassy of Japan in Kenya

Mr. Masahiko HORIE	Minister
Mr. Shigeru TAKAHARA	First Secretary
Mr. Kiyoshi SAKAI	First Secretary

JICA Kenya Office

Mr. Toshikazu NAGASHIMA	Resident Representative
Mr. Sumio AOKI	Deputy Director
Mr. Koji MAKINO	Assistant Resident Representative

Expert of Kenya/Japan Social Forestry Training Project

Mr. Hiroshi MASUKO	Chief Advisor
Mr. Masahiko YASUMURO	Leader, Training, Muguga
Mr. Takashi SAIRINJI	Leader, Pilot Forest, Kitui
Mr. Manabu Aiba	Project Coordinator
Mr. Fumio IMAI	Former Project Coordinator

4. MINUTES OF DISCUSSIONS

(1) BASIC DESIGN STUDY

MINUTES OF DISCUSSIONS

BASIC DESIGN STUDY ON THE PROJECT FOR EXPANSION OF THE SOCIAL FORESTRY TRAINING AND RESEARCH FACILITIES IN KENYA


In response to a request from the Government of the Republic of Kenya, the Government of Japan decided to conduct a Basic Design Study on the Project for Expansion of the Social Forestry Training and Research Facilities (hereafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (JICA).

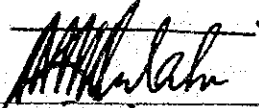
JICA sent to Kenya a study team, which is headed by Mr. Yutaka Sasaki, Director, Planning Division, Forestry and Fisheries Development Cooperation Department, JICA, and is scheduled to stay in the country from June 1 to June 11, 1993.


The team held discussions with the officials concerned of the Government of Kenya and conducted a field survey at the study area.

In the course of discussions and the field survey, both parties have confirmed the main items described on the attached sheets. The team will proceed to further works and prepare the Basic Design Study Report.

Nairobi, June 10, 1993


Mr. Yutaka Sasaki
Leader
Basic Design Study Team


Prof. Karega Mutahi
Permanent Secretary
Ministry of Research, Technical
Training and Technology


Dr. Wilfred Koinange
Permanent Secretary
Ministry of Finance

ATTACHMENT

1. Objective

The objectives of the Project are to expand facilities at both of the Muguga and Kitui centres which belong to the Kenya Forest Research Institute (KEFRI) and to provide equipment for research, training and extension, thus contributing to enhance the training of forestry technicians and the extension of social forestry and agroforestry in Kenya.

2. Executing Agency

KEFRI is responsible for administration and execution of the Project under the jurisdiction of the Ministry of Research, Technical Training and Technology.

3. Project Sites

The project sites are located at the following two places:

- Muguga National Centre
- Kitui Regional Centre

(The project site maps are attached as ANNEX-I)

The requested facilities and equipment for the Marigat and Maseno centres were agreed to be excluded from this phase of the Project.

4. Items requested by the Government of Kenya

After discussions between the Basic Design Study Team and KEFRI, the items listed in the ANNEX-II are finally requested by the Kenyan side. However, the final components of the Project will be decided after further studies in Japan.

5. Japan's Grant Aid System

- (1) The Government of Kenya has understood the system of Japan's Grant Aid explained by the Team.
- (2) The Government of Kenya will take necessary measures, described in ANNEX-III for smooth implementation of the Project, on the condition that the Grant Aid Assistance by the Government of Japan is extended to the Project.

6. Other Relevant Issues

The Government of Kenya confirms the following matters for smooth implementation of the Project.

- (1) The Government of Kenya will allocate the necessary budget to meet the cost of agreed works and services listed in ANNEX-III.
- (2) The Government of Kenya will allocate the necessary budget for the operation and maintenance of the facilities and equipment provided under the Project.
- (3) KEFRI will assign the necessary personnel for the facilities and equipment provided by the Project.

7. Relationship to Technical Cooperation

Both the Team and the Government of Kenya realize that this Grant Aid Project will support the current Project Type Technical Cooperation, namely the Kenya/Japan Social Forestry Training Project.

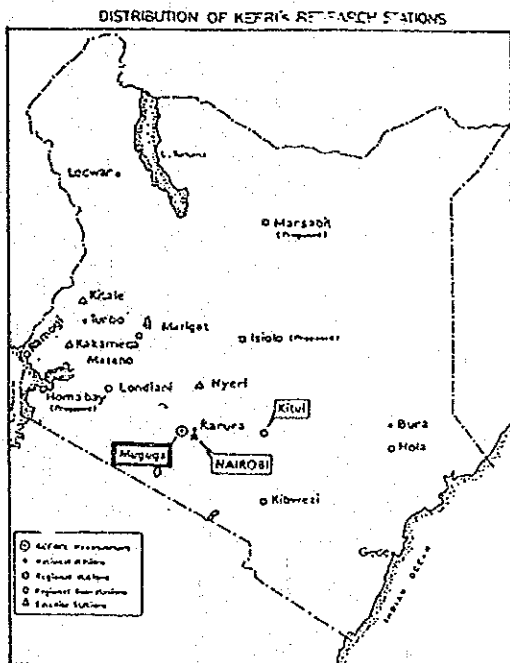
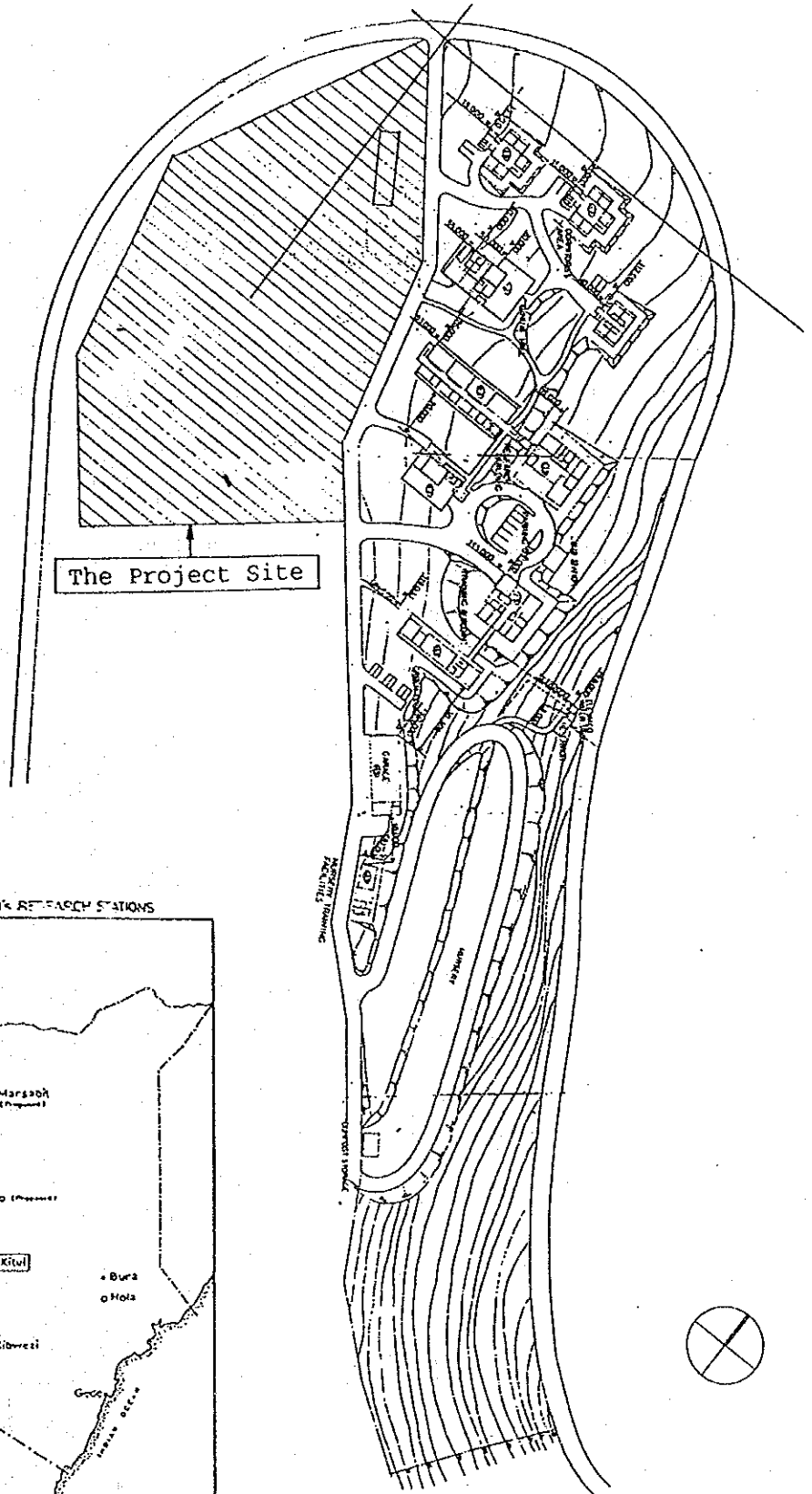
8. Tentative Schedule of the Study

- (1) The consultants will proceed to further studies in Kenya until June 26, 1993.
- (2) JICA will prepare a draft final report of the study and dispatch a mission in order to explain its contents in September, 1993.
- (3) Based on the Minutes of Discussions and technical examination of the study results, JICA will complete a final report and send it to the Government of Kenya by November, 1993.

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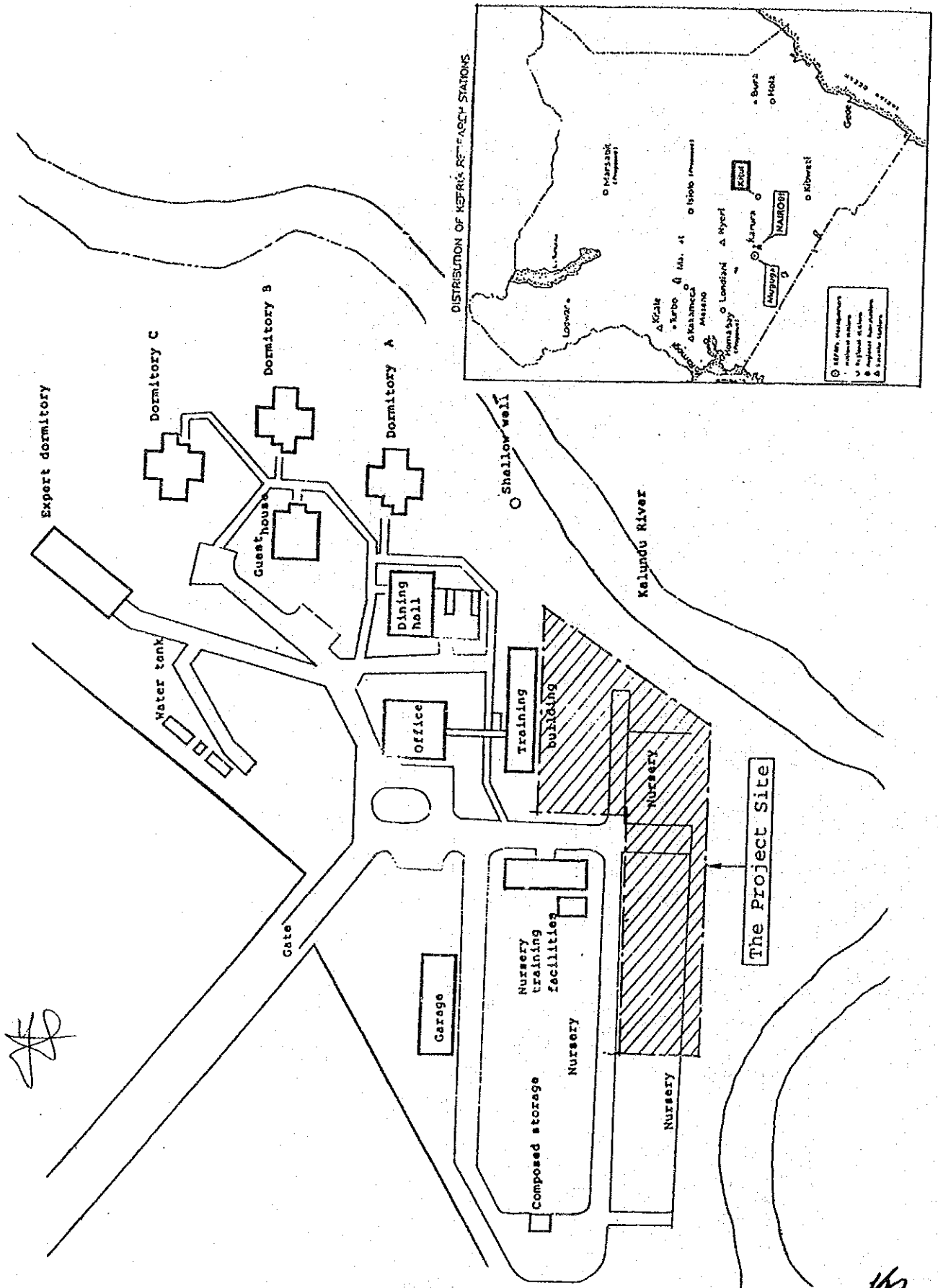
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ANNEX-I (1) SITE MAP OF MUGUGA CENTRE



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ANNEX-I (2) SITE MAP OF KITUI CENTRE



ANNEX-II ITEMS REQUESTED BY THE GOVERNMENT OF KENYA

MUGUGA NATIONAL CENTRE

1. Facilities

- a) Research Building
- b) Information Centre Building
- c) Renovation and Repair of Phase-I existing facilities

2. Equipment

- a) Research Equipment
- b) Training Equipment
- c) Vehicles (Bus, Pickup-track) and Maintenance Tools

KITUI REGIONAL CENTRE

1. Facilities

- a) Research Building
- b) Nursery Facilities
- c) Nursing Room
- d) Renovation and Repair of Phase-I existing facilities
- e) Deep Tube Well

2. Equipment

- a) Research Equipment
- b) Vehicles (Bus, Water Tank-lorry) and Maintenance Tools



ANNEX-III NECESSARY MEASURES TAKEN BY THE GOVERNMENT OF KENYA

1. To secure the sites for the Project at Muguga and Kitui.
2. To clear, level and reclaim the sites as needed prior to the commencement of the construction.
3. To undertake incidental external works such as planting, fencing and making gates in and around the sites.
4. To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the sites.
5. To provide the map showing the points for possible locations for the deep tube well at the Kitui Regional Centre.
6. To bear commissions to the Japanese foreign exchange bank for the banking services based on the Banking Arrangement.
7. To ensure prompt unloading and custom clearance at the port of disembarkation in Kenya and prompt internal transportation of the products provided under the Grant Aid.
8. To exempt taxes including V.A.T. (value added tax), training levy and other fiscal levies for purchase and import of the products provided under the Grant Aid.
9. To exempt Japanese nationals involved in the Project from customs duties, internal taxes and other fiscal levies which may be imposed in Kenya with respect to the supply of the products and the services under the verified contracts.
10. To accord Japanese nationals whose services may be required in connection with the supply of the products and the services under the verified contracts such facilities as may be necessary for their entry into Kenya and stay therein for the execution of the Project.
11. To maintain and use properly and effectively the facilities constructed and the equipment provided under the Grant Aid.
12. To bear all the expenses other than those to be borne by the Grant, necessary for construction of the facilities as well as for the transportation and installation of the equipment.

(2) EXPLANATION OF DRAFT FINAL REPORT


MINUTES OF DISCUSSIONS
ON
THE BASIC DESIGN STUDY
ON
THE PROJECT FOR EXPANSION OF THE NURSERY TRAINING CENTRE
FOR SOCIAL FORESTRY IN THE REPUBLIC OF KENYA
(CONSULTATION OF THE DRAFT FINAL REPORT)

In June 1993, the Japan International Cooperation Agency (JICA) dispatched a Basic Design Study Team on the Project for Expansion of the Nursery Training Centre for Social Forestry (hereinafter referred to as "the Project") to the Republic of Kenya, and based on discussions with Kenyan side, a field survey, and a technical examination of the results in Japan, JICA has prepared the draft final report of the study.

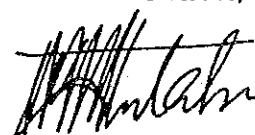
In order to explain and to consult the Kenyan side on the components of the draft final report, JICA sent to Kenya a Draft Final Report Explanation Team (hereinafter referred to as "the Team"), which is headed by Mr. Yutaka Sasaki, Director, Planning Division, Forestry and Fisheries Development Cooperation Department, JICA Headquarters, and is scheduled to stay in the country from September 9 to 16, 1993.

As a result of discussions, both parties have confirmed the main items of discussions described on the attached sheet.

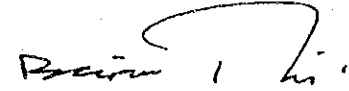
Nairobi, September 14, 1993



Mr. Yutaka Sasaki
Leader
Draft Report Explanation Team
Japan International Cooperation Agency



Prof. Karega Mutahi
Permanent Secretary
Ministry of Research, Technical Training
and Technology



Dr. Wilfred Koinange
Permanent Secretary
Ministry of Finance

ATTACHMENT

1. Name of the Project

The name of the Project shall be changed from "the Project for Expansion of the Social Forestry Training and Research Facilities" to "the Project for Expansion of the Nursery Training Centre for Social Forestry" (hereinafter referred to as "the Project").

2. Components of the Draft Final Report

The Government of Kenya has accepted in principle the components of the Draft Final Report proposed by the Team.

3. Japan's Grant Aid System

(a) The Government of Kenya has understood the system of Japan's Grant Aid explained by the Team.

(b) The Government of Kenya will take necessary measures, described in the ANNEX attached for implementation of the Project, on the condition that the Grant Aid by the Government of Japan is extended to the Project.

4. Budget for Operation and Maintenance of the Facilities and Equipment

The Government of Kenya has reaffirmed that it shall allocate necessary budget for operation and maintenance of the facilities to be provided and equipment to be procured under the Project, on the condition that the Grant Aid by the Government of Japan is extended to the Project.

5. Other Relevant Issues

(a) KEFRI shall register the Project on Legal Notice authorized by the Ministry of Finance.

(b) KEFRI shall request cooperation of the Ministry of Public Works and Housing to the Project.

6. Further Schedule

The Team will make a final report on the study and send it to the Government of Kenya by November, 1993



ANNEX

Necessary measures to be taken by the Government of Kenya in case Japan's Grant Aid is extended to the Project are as follows:

1. To secure the sites for the Project at Muguga and Kitui
2. To clear, level and reclaim the sites as required prior to the commencement of the construction
3. To undertake following incidental external works: landscaping, fencing, and constructing gates in and around the sites
4. To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the sites
5. To bear commissions to the Japanese foreign exchange bank for the banking services based on the Banking Arrangements
6. To ensure prompt unloading and custom clearance at the port of disembarkation in Kenya and prompt internal transportation of the products provided under the Grant Aid
7. To exempt Japanese nationals involved in the Project from customs duties, internal taxes and other fiscal levies which may be imposed in Kenya with respect to the supply of the products and the services under the verified contracts
The customs duties, internal taxes and other fiscal levies mentioned in this clause include but not limited to the following:
 - a. Import Duties and V.A.T.(on goods procured or imported solely for the project use)
 - b. Training Levy
 - c. Corporation Tax
 - d. Income Tax
8. To accord Japanese nationals whose services may be required in connection with the verified contracts such facilities as may be necessary for their entry into Kenya and stay therein for the execution of the Project
9. To maintain and use properly and effectively the facilities constructed and the equipment provided under the Grant Aid
10. To bear all the expenses other than those to be borne by the Project, necessary for construction of the facilities as well as for the transportation and installation of the equipment



JICA