

Container Platform

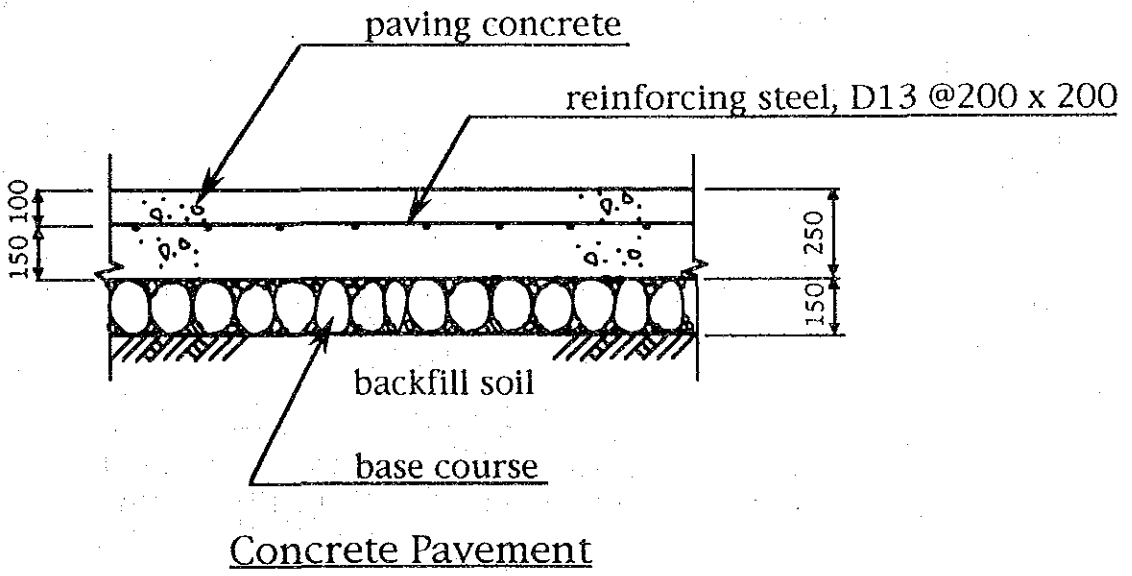
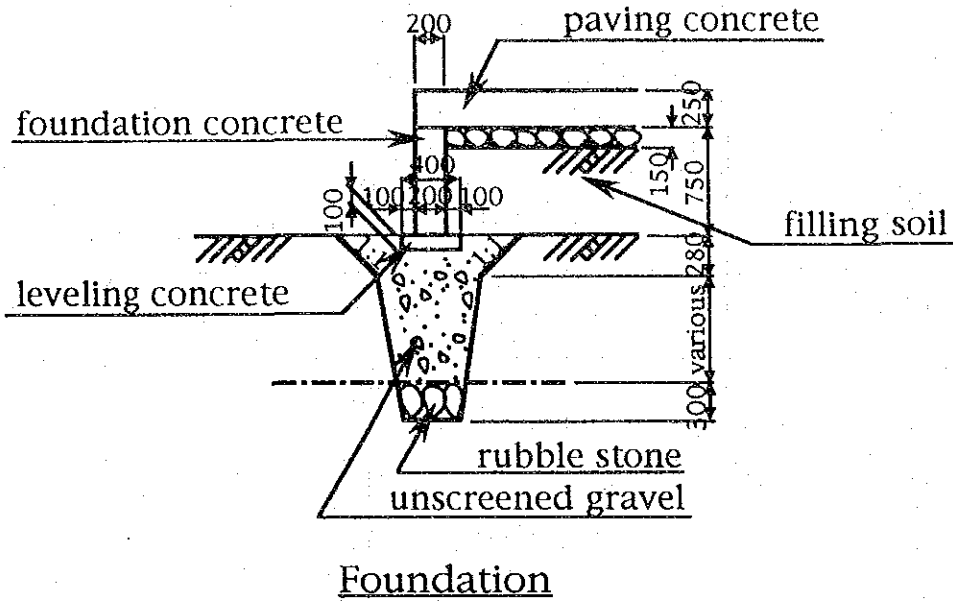


Fig. 4-3-8 Foundation and Concrete Pavement for Container Platform

Fence

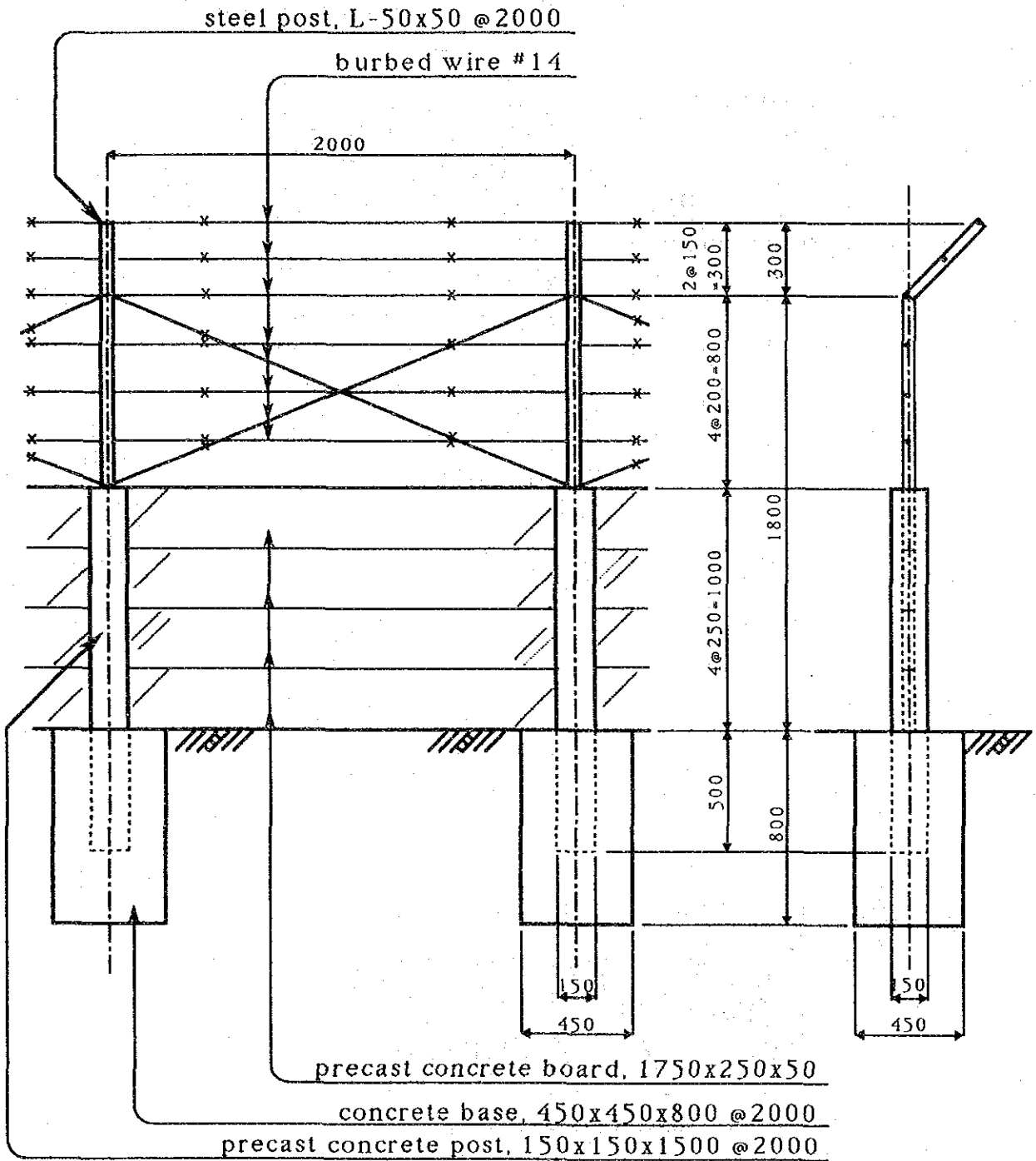


Fig. 4-3-9 Fence

ENTRANCE GATE

FRONT ELEVATION

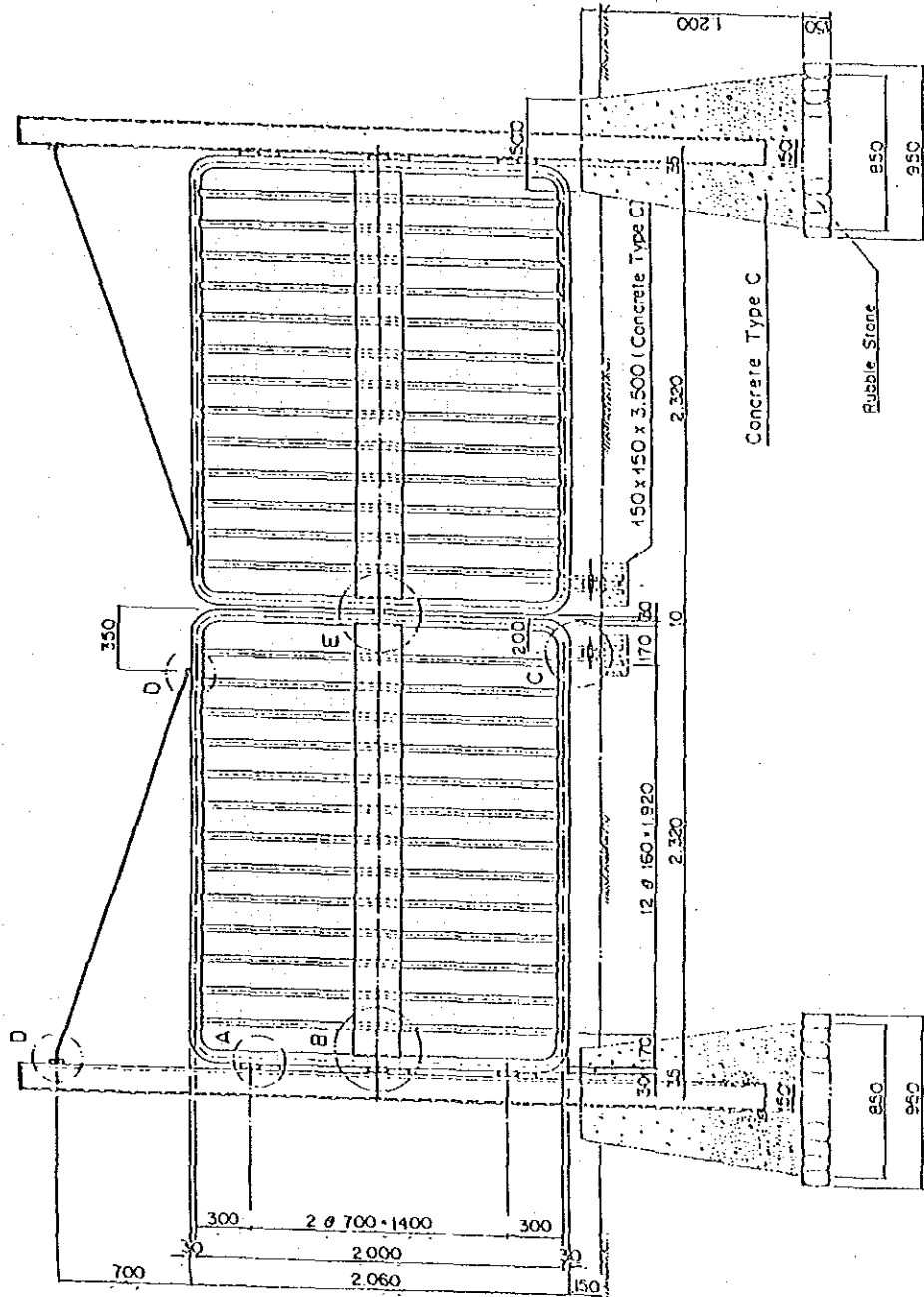
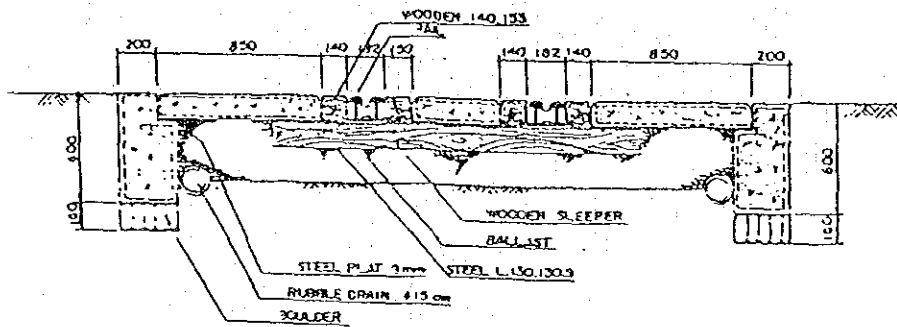


Fig. 4-3-10 Entrance Gate

RAILWAY SURFACE ROAD

STANDARD CROSS SECTION



DETAIL OF GUARD RAIL STRUCTURE

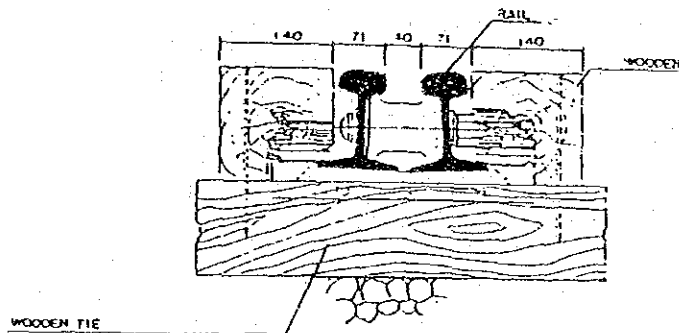


Fig. 4-3-11 Level Crossing

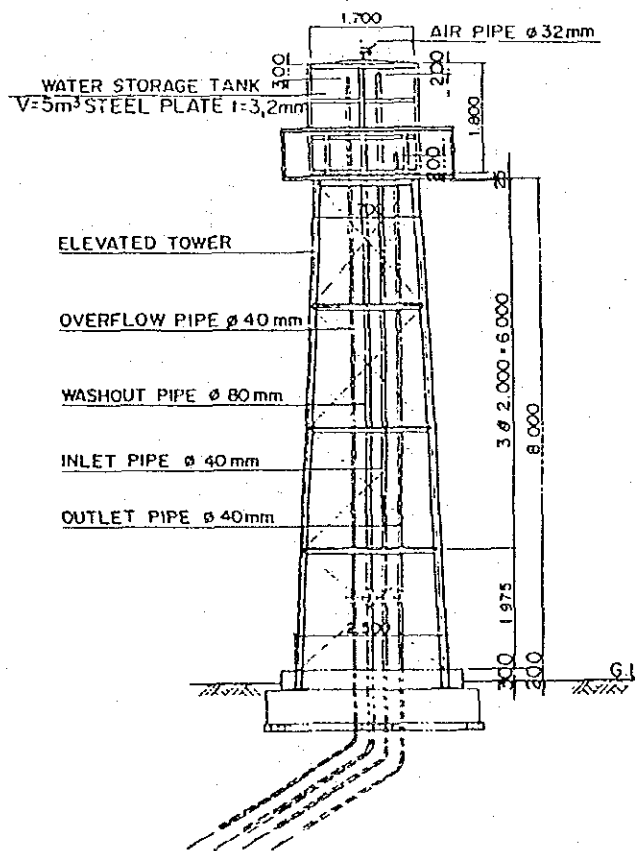
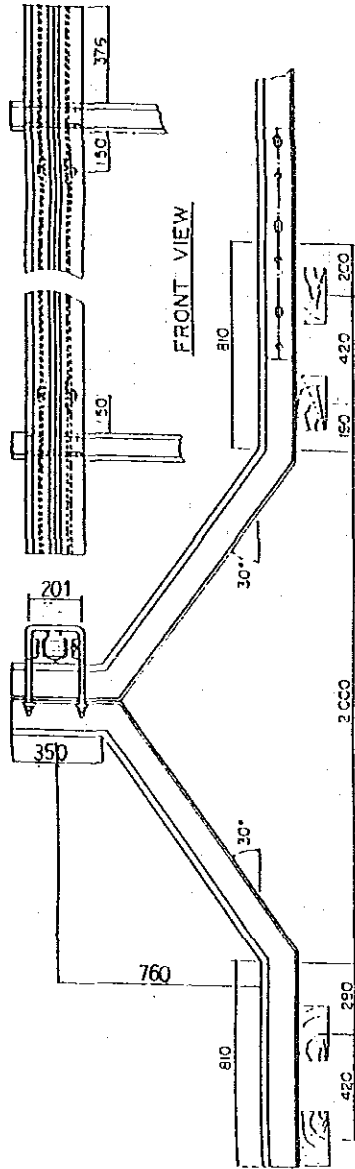


Fig. 4-3-12 Water Supply Tower

BUFFER STOP



NOTE :
IN FABRICATING BUFFER STOPS
OLD RAILS SHALL BE UTILIZED

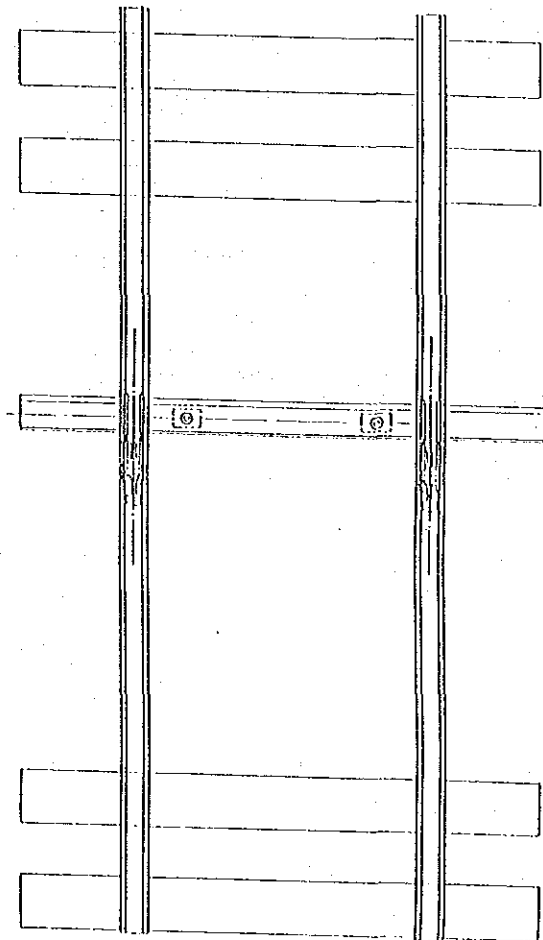


Fig. 4-3-13 Buffer Stop

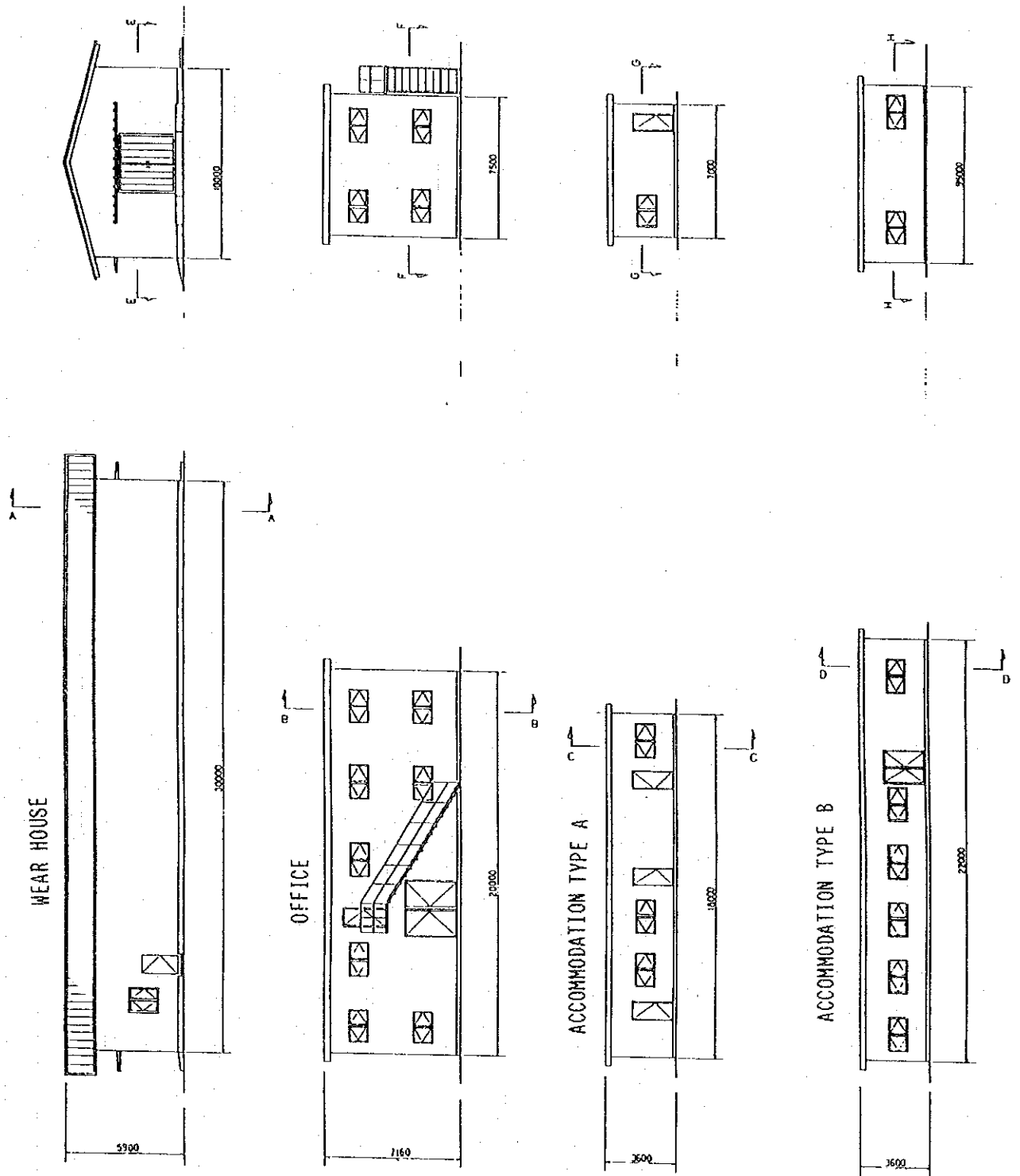


Fig. 4-3-14 Front/Side View of Buildings
(Storage, Office, Staff Accommodation)

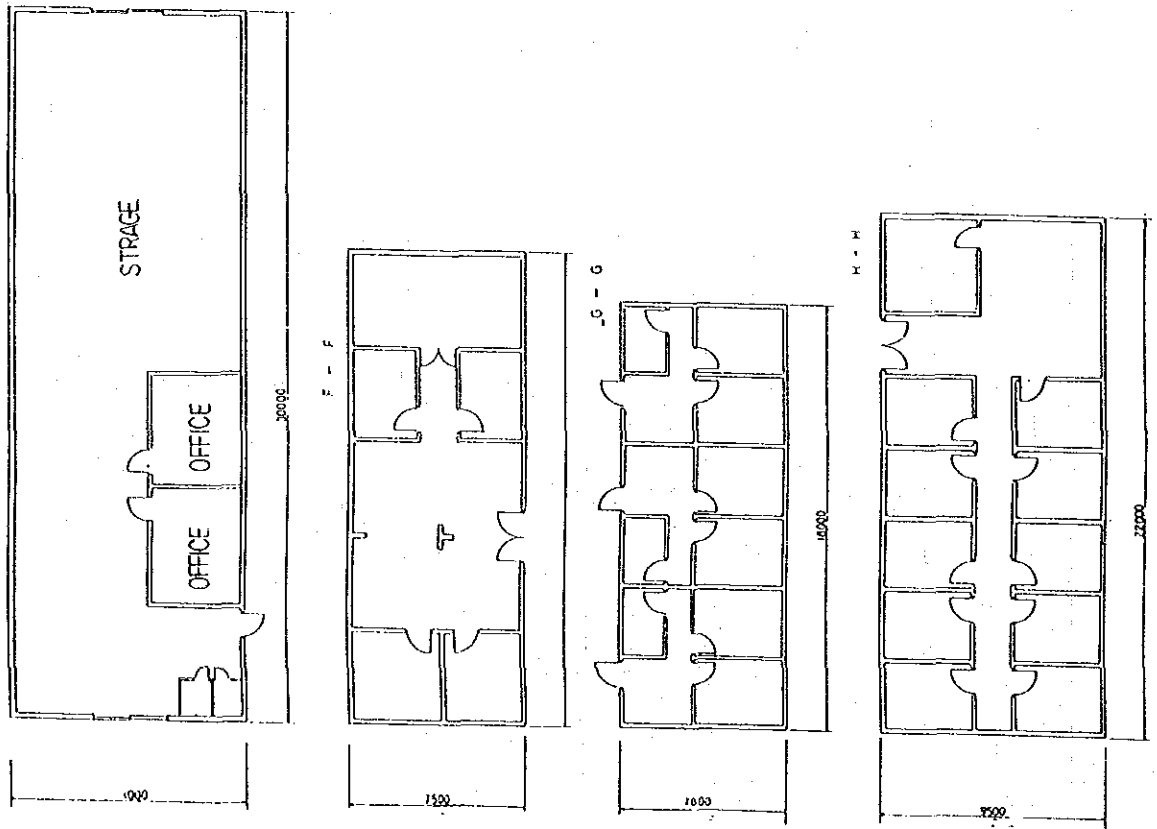
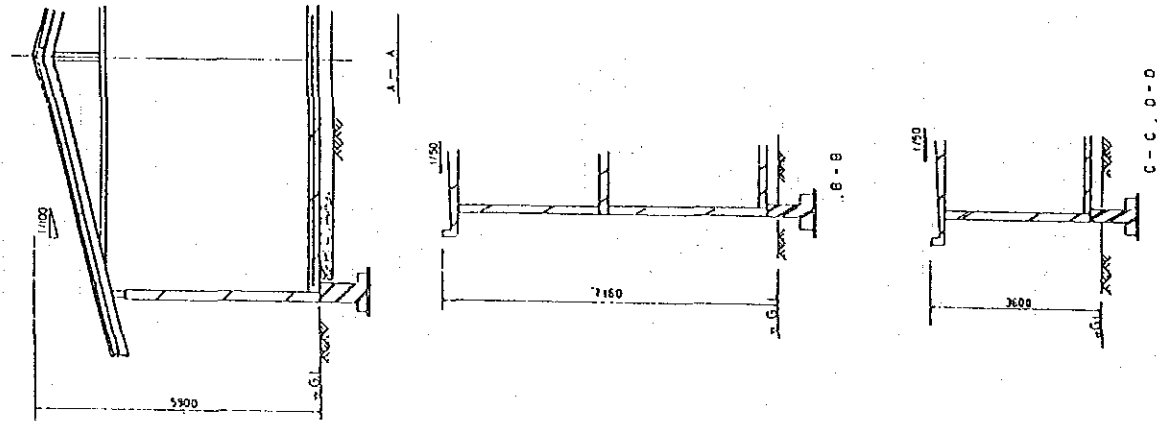


Fig. 4-3-15 Layout/Cross Section of Buildings

BOILER FACILITY (48.75m² x 2)

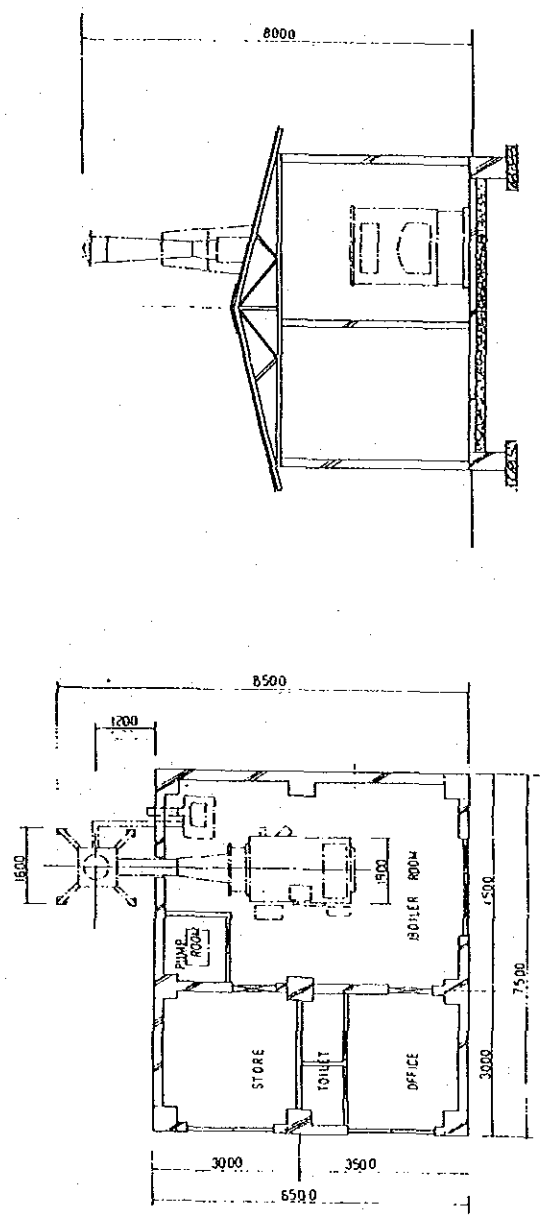
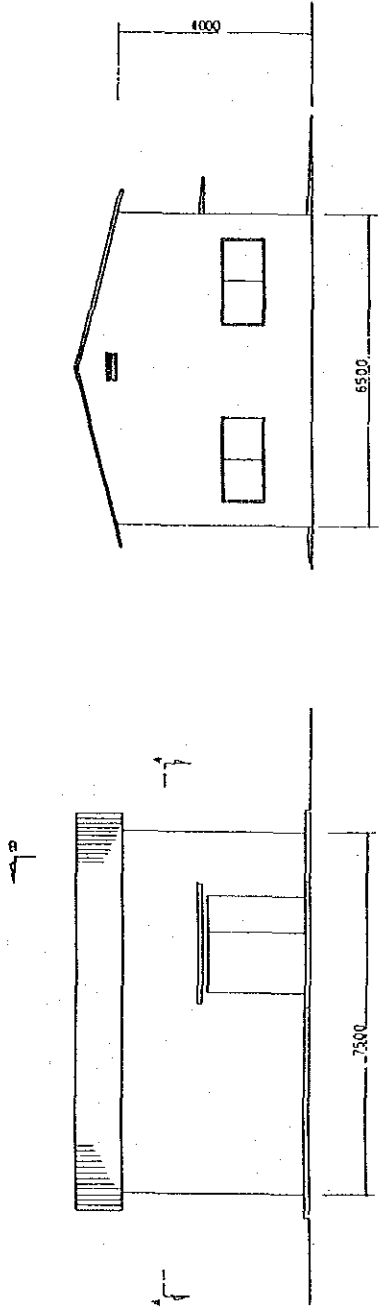


Fig. 4-3-16 Boiler Building

WORK SHOP (340 m²)

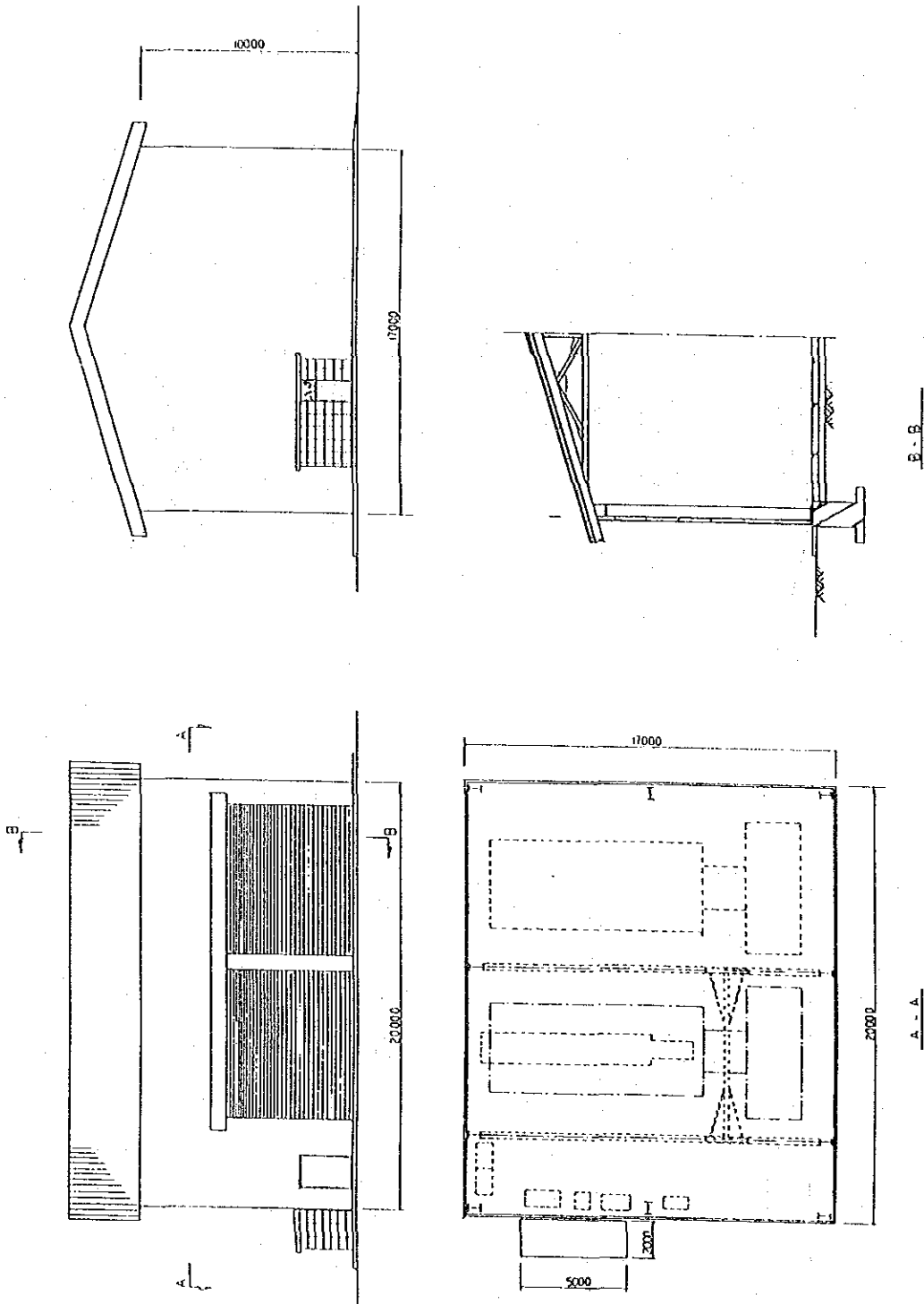


Fig. 4-3-17 Garage for Reach Stackler

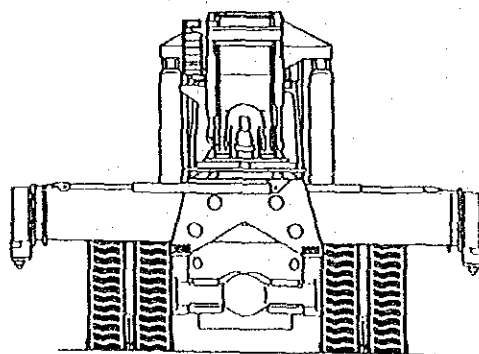
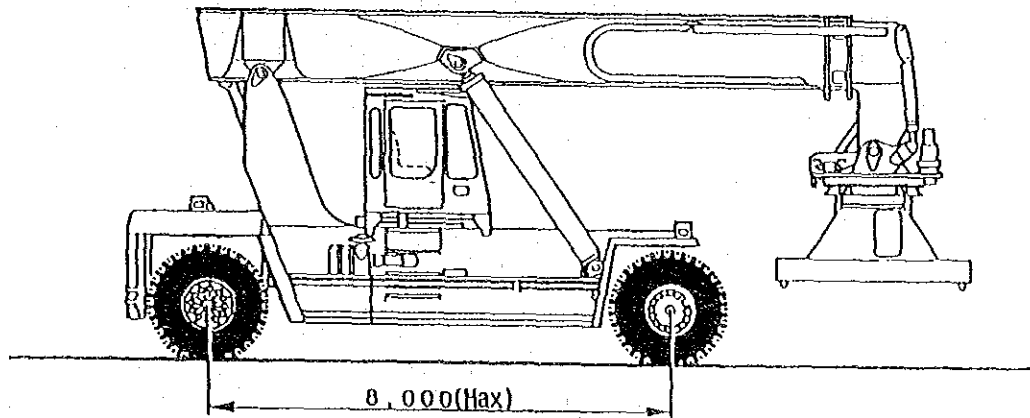
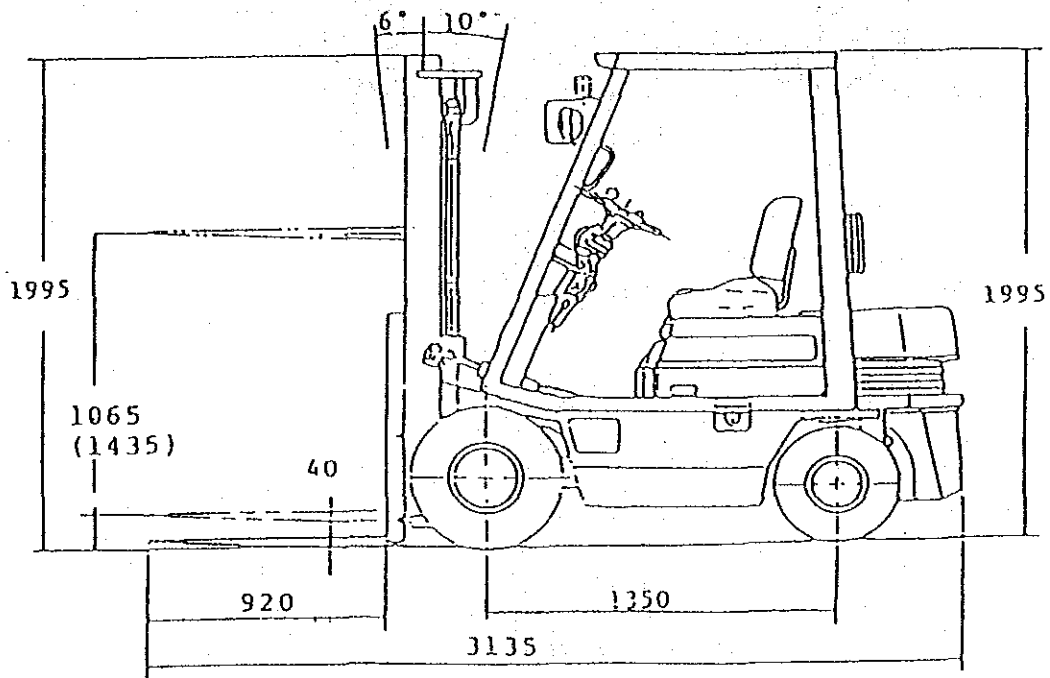
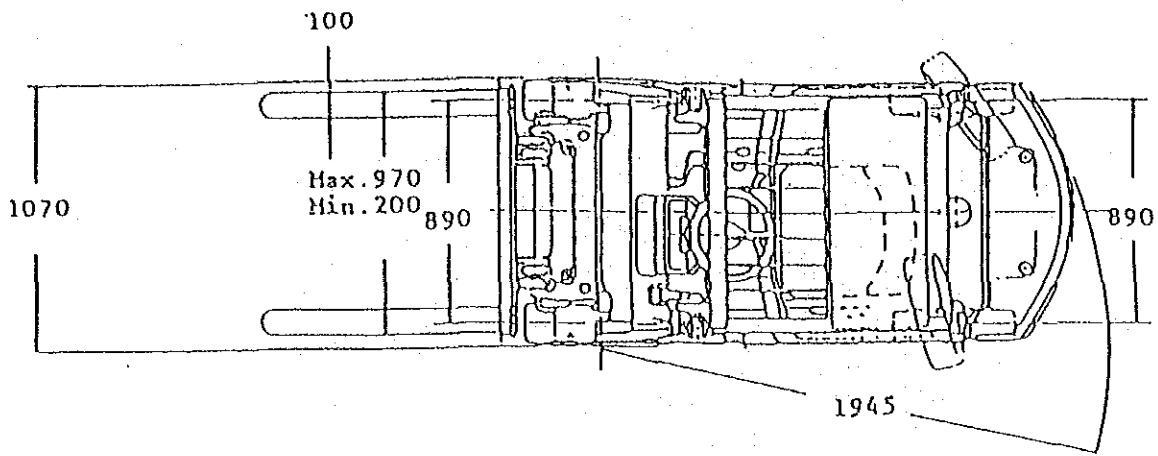


Fig. 4-3-18 Typical Arrangement of Reach Stacker



Typical 1.5 Ton Forklift

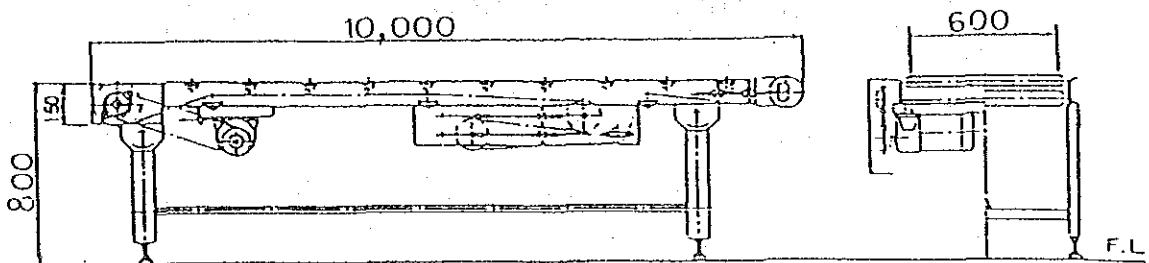


Fig. 4-3-19 Typical Forklift and Portable Conveyor

Composition of Talk-Back System

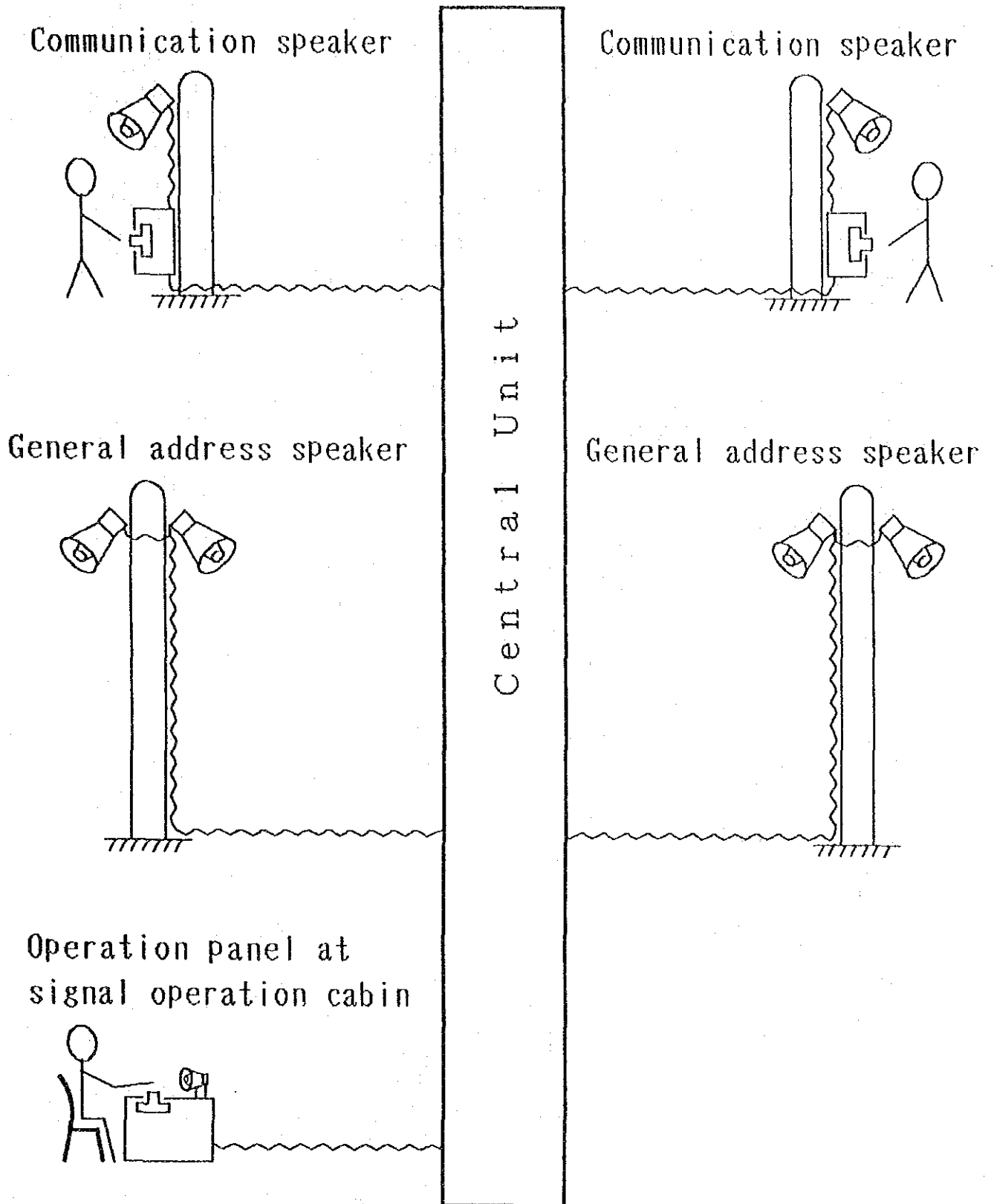
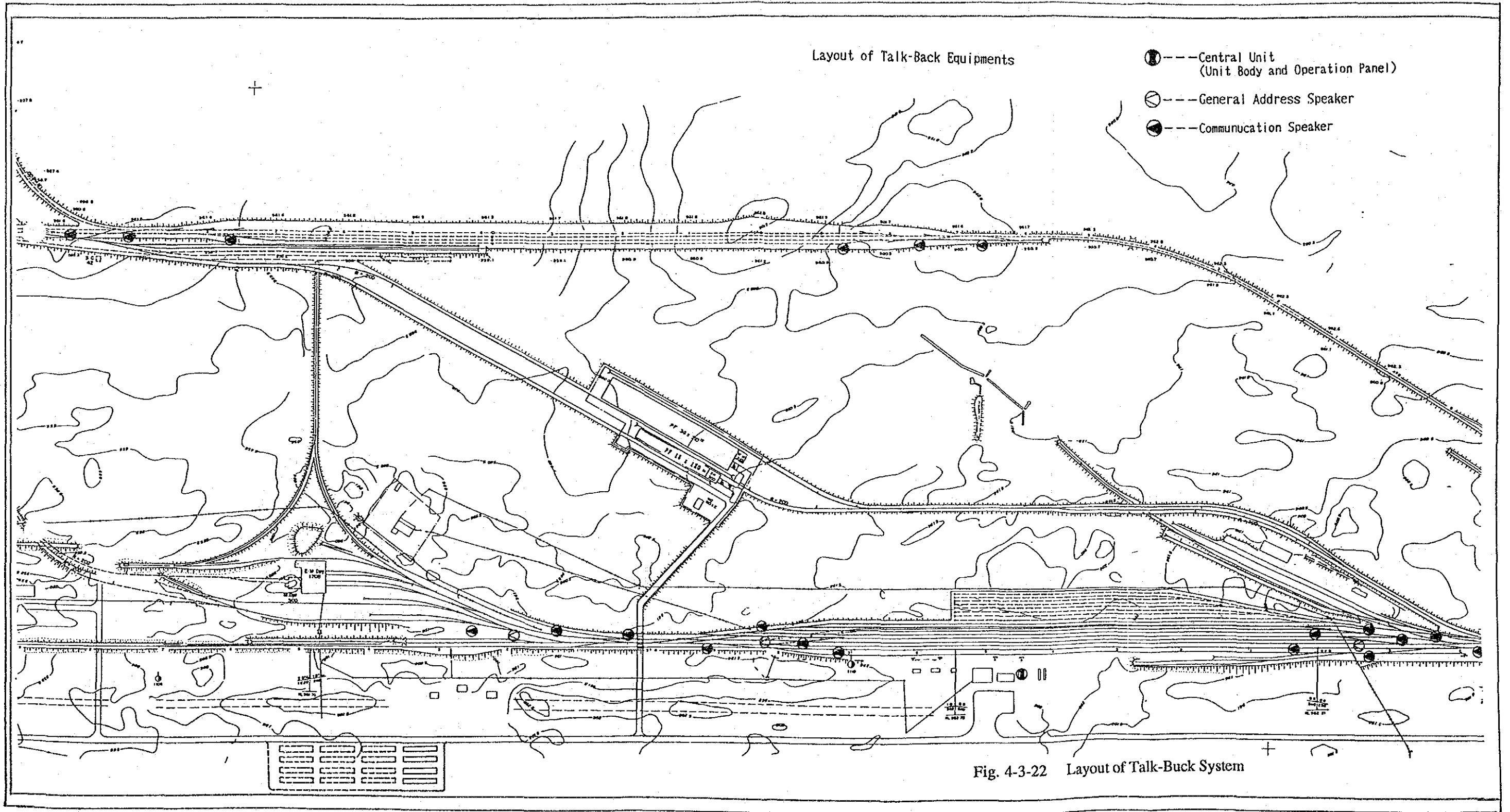


Fig. 4-3-20 Out Line of Talk-Back System



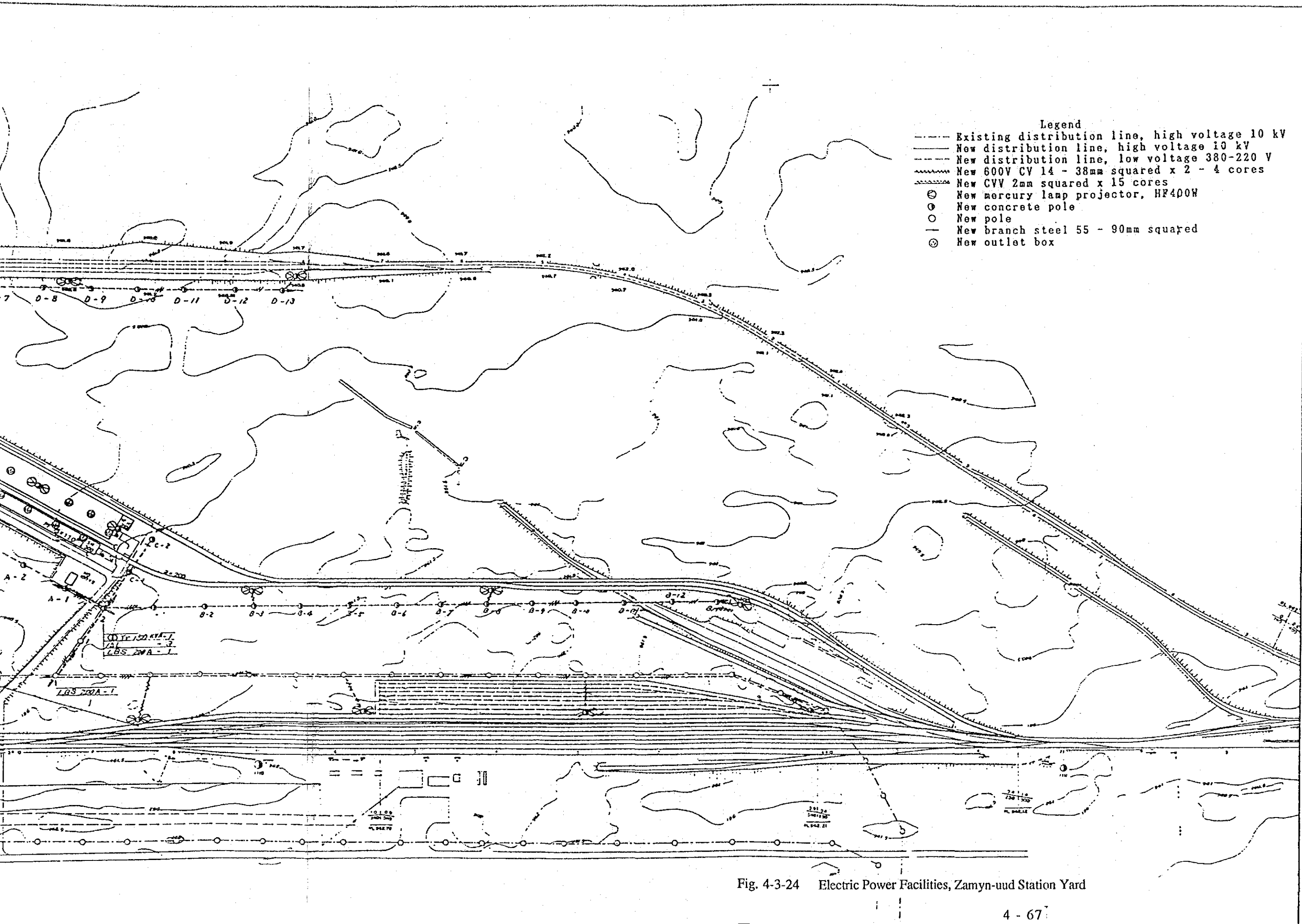


Fig. 4-3-24 Electric Power Facilities, Zamyn-ud Station Yard

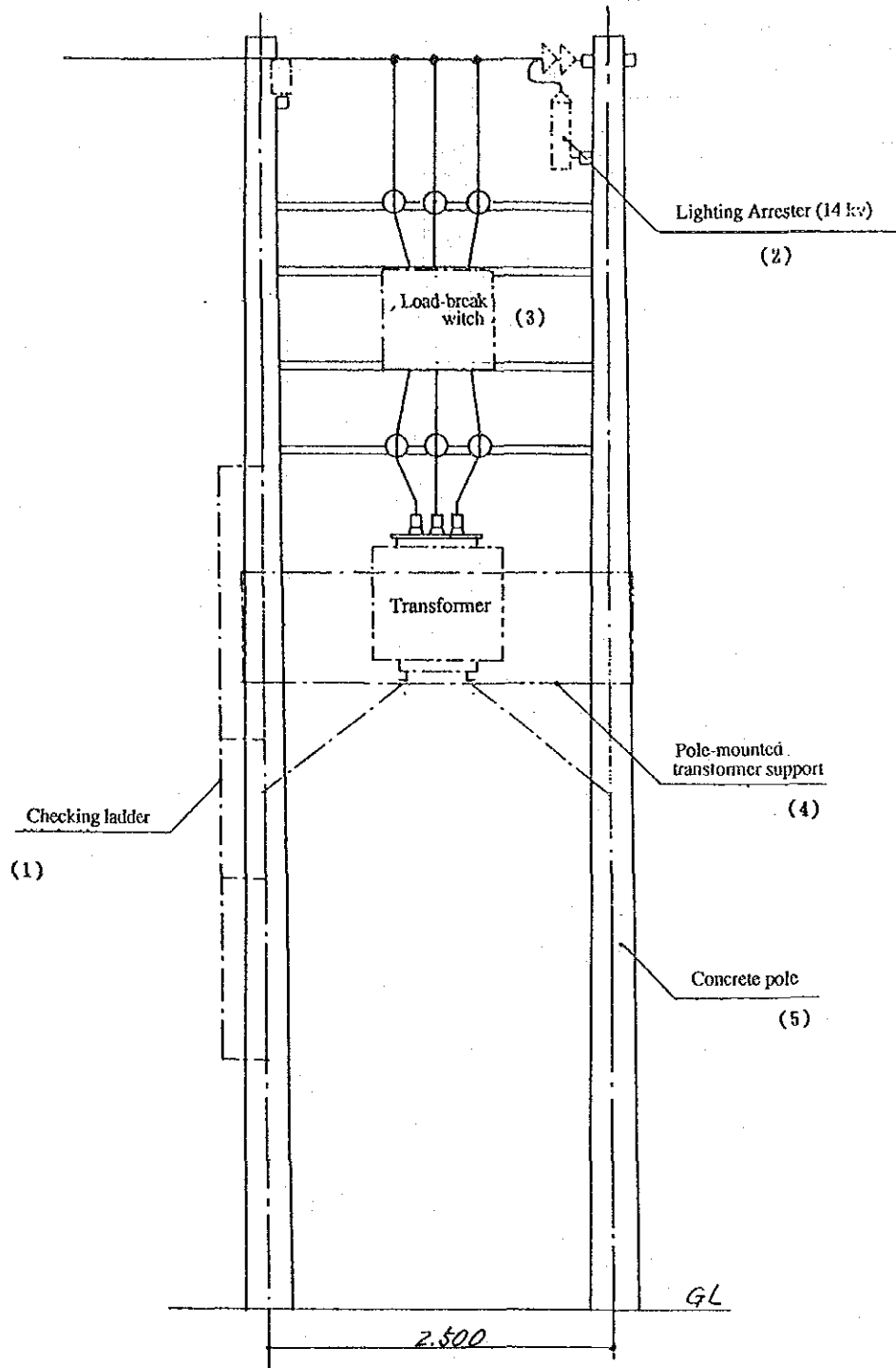


Fig. 4-3-25 Transformer-Mounted Standard Pole

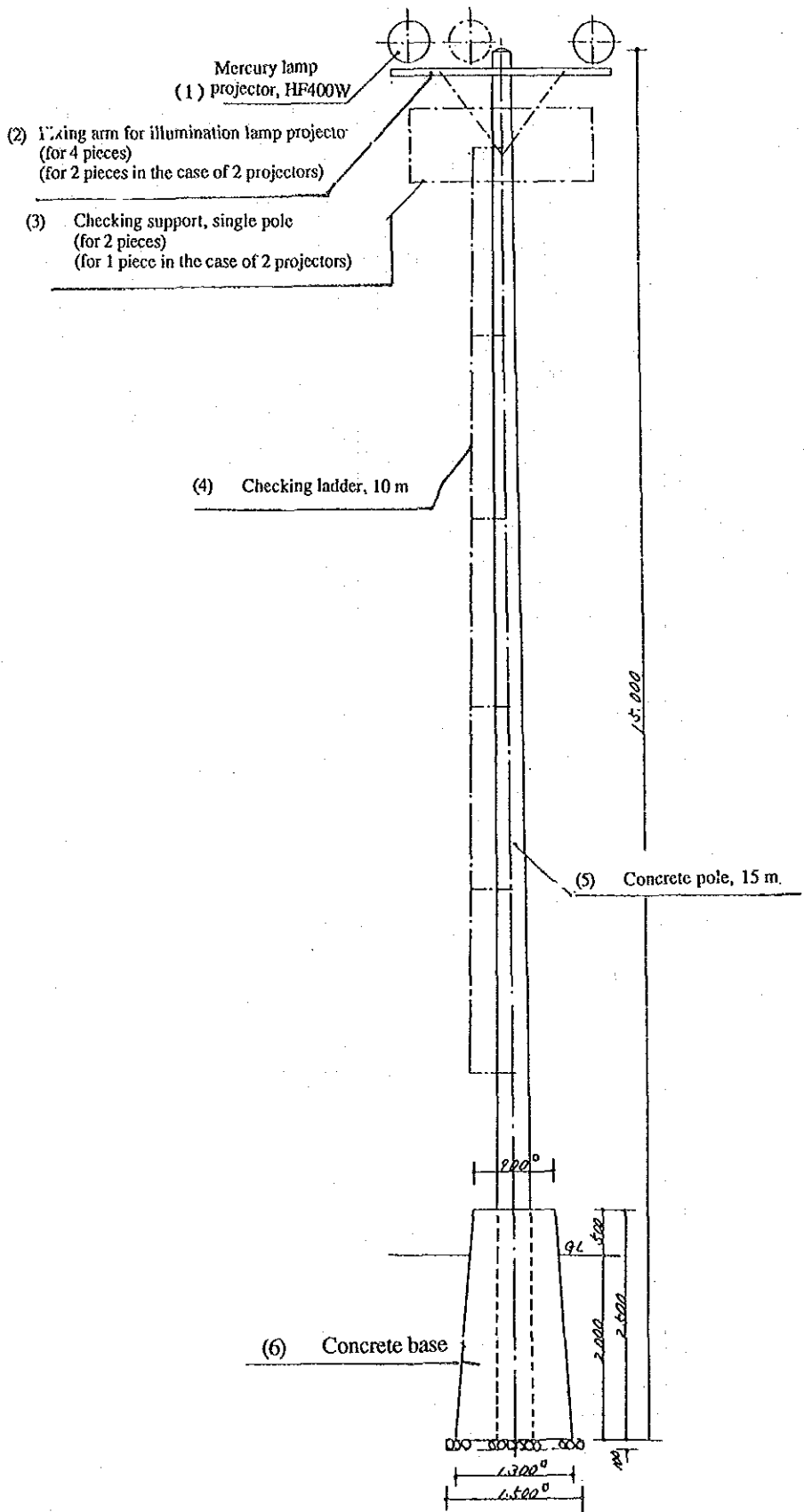


Fig. 4-3-26 Standard Pole for General Yard Illumination

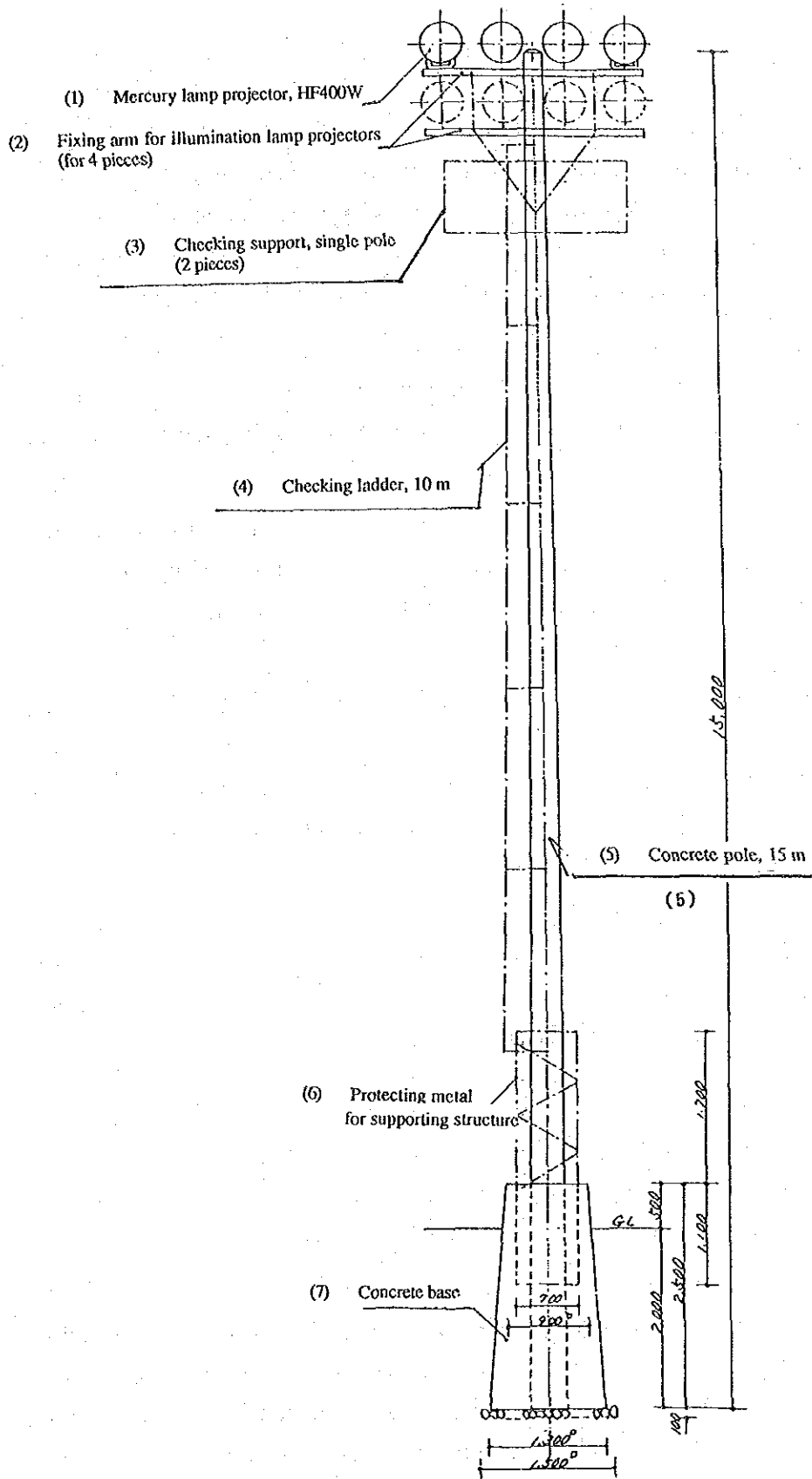


Fig. 4-3-27 Standard Pole for Container Platform Illumination

4-4 Implementation Plan

4-4-1 Construction Condition

Zamyn-uud station is located at about 700 m south from Ulaanbaatar along railway, immediately near the border to China. All of the passengers and cargo to and from China pass this station. Due consideration above-mentioned should be paid to ensure the safety operation of Zamyn-uud station while the construction work in progress.

The monthly mean atmospheric temperature of intense severe cold terms (from November to March) are lower than -20°C . Almost of construction works such as concrete works and soil filling works will not be able to execute in intense severe cold terms.

In the light of its importance and urgency, the minimum cargo transshipment facility such as wagon platform, transshipment tracks, access road, control office and power supply facilities should be completed first to begin cargo transshipping operation.

As a general principle the local labour forces will be used to the maximum possible extend, none the less, a consideration will also be paid to the use of some heavy construction equipment in order to shorten the construction period. To meet this requirement, some foreign skilled mechanical operators will be assigned immediately upon the delivery of the equipment and some local technicians will be employed as the assistants to the operators.

Due to the timing of the concrete works and soil filling work is restricted according to the severe cold temperature, the construction and improvement of transshipment facilities at Zamyn-uud station should be divided to 2 phases and the total construction period should be planned for approx. 2 years.

4-4-2 Implementation Method

This project should be divided to 2 phases as referred above. The facilities necessary minimum to operate the transshipment works should be completed at first phase. Expansion of the facilities should be completed at second phase.

The possible season of construction should be considered for 7 months (from April to October) per each year. To achieve the planned progress to each month, the preparation works such as erection of construction camp and surveying and delivery of construction materials and equipments to the site should be done within the intense server cold terms. Depend on the construction program, even the miner concrete works and or track construction works may be executed in the intense cold term within the limit which is considered for no damage effected by the severe low temperature.

The construction camp included material stock yards and material receiving station should be erected in the site area. Materials to be procured locally will be transported by railway. Equipments and materials to be procured for overseas products will be transported by the following ways (In case of imported form Japan);

Japan	-----	Tianjin Port (China) by sea
Tianjin	-----	Erenhot by railway
Erenhot	-----	Zamyn-uud by railway

(transshipping at Erenhot station)

4-4-3 Construction Plan

Based on the design and construction conditions as referred to section 4-4-1, the preliminary construction method will be planned as summarized in the following:

(1) Preparatory Works

- 1) Mobilization
- 2) Preparation of Stock Yard
 - Stock Yard
 - Off-loading Station
- 3) Construction of Site Offices
 - Site office for consultants and MTI/MR
 - Site office for contractor
 - Access Roads
 - Deep Well for water intake

(2) Civil Works

- 1) Construction of Platform
- 2) Construction of Ballast and Track
- 3) Improvement of Existing Track
- 4) Construction of Road

(3) Building Works

- 1) Control Office
- 2) Staff Accommodation
- 3) Storage House
- 4) Garage with workshop

- (4) Mechanical/electrical and other
 - 1) Construction of Power Supply Facility
 - 2) Construction of Water Supply and Drainage Facility
 - 3) Installation of Communication Facility
 - 4) Construction of Security Facility
 - Fence and Gate
 - Security Light
 - 5) Construction of Crossing Facility

4-4-4 Detailed Design and Construction Supervision Plan

(1) Basic Policy of Detailed Design and Supervision

1) Detailed Design

It would be most appropriate to proceed with the detailed design by the Consultant which has undertaken the basic design study. This will contribute to the cost saving, as the work is required to be done in a short period of time and furthermore he fully understands the design policy than anybody else.

2) Construction Supervision

As described above, it would be most appropriate that the construction supervision is to be carried out by the Consultant which has performed the detailed design. A local staff will be requested to participate in the supervision services to supplement the needs of the Consultant in such a manner that the transfer of technical know-how can be made satisfactorily.

(2) Organization of Implementing the Detailed Design

In the preparation of the detailed design including the tender documents after the consulting contract was entered into, the Japanese staff composed of the following expertises will be needed:

- a) General tasks
- b) Track work design
- c) Civil structure design
- d) Architect design
- e) Transshipment equipment design

- f) Telecommunication design
- g) Electrical power supply design
- h) Construction plan and cost estimate

(3) Organization of Implementing Supervision

The tender evaluation will be performed by the Consultants. With reference to the supervision organization during the construction period, a Consultant resident engineer as well as some supervisory engineers for cardinal portions of works as outlined below will be required. In addition, some local staff will be employed as auxiliary staff.

- a) Resident engineer
- b) Track engineer
- c) Architect
- d) Mechanical engineer
- e) Telecommunication engineer
- f) Power supply engineer

4-4-5 Procurement Plan

(1) Materials Procurement

The materials needed in the construction, in principle, will be procured locally in so far as they are available.

- a) Materials to be procured locally

The materials mentioned below can be made available within Mongolia with adequate quantity and quality:

- 1) Coarse aggregate for concrete work
- 2) Fine aggregate for concrete work
- 3) Cement
- 4) Crushed stone
- 5) Gravel for road construction
- 6) Ballast
- 7) Timber

- b) Materials to be procured from outside
 - 1) Shape steel for superstructure
 - 2) Reinforcing steel bar
 - 3) Slate board for roofing
 - 4) Underlay paper for concrete pavement
 - 5) Rail
 - 6) Fish-plate, Track blot and Fish-nut
 - 7) Turnout
 - 8) Tie plate
 - 9) Spike
 - 10) Wooden sleeper

(2) Procurement of Construction Equipment

There is no big scale company to lend out any construction equipment to perform this project within Mongolia. Because of this, almost of the cardinal construction equipment need to bring from outside of Mongolia. Procurement from Japan or from China which is a neighboring country is thinkable. The proposed main construction equipments to be brought from outside of Mongolia are as tabulated in following Table.

4-4-6 Implementation Schedule

Implementation schedule for this project scheme will be such that the consultant's contract will be entered into after the Exchange of Notes for the detailed design and supervision has been concluded, and the detailed design and the preparation of the design drawings and tender documents will be prepared.

The implementation schedule is presented in form of the bar chart as seen in Fig. 4-4-1. The whole construction scheme will be divided into two phases due to the restriction of the severe cold temperature.

Table 4-4-1 Main Construction Equipment brought from outside of Mongolia

Type of Equipment	Spec.	Number	Application
Truck Crane	25 ton	1	For track and concrete work
Cargo Flat Truck	4 ton	2	For materials transport work
Low Body Semi Trailer	15 ton	1	For materials transport work
Tamper	80 - 100 kg	4	For backfill earth compaction work
Hand Type Roller	1.1 ton	3	For earthfill compaction work
Concrete Vibrator	3.3 PS	8	For concrete compaction work

Fig. 4-4-1 Implementation Schedule

	1	2	3	4	5	6	7	8	9	10	11	12
(Phase I)												
D/D					(3 months)							
Construction												
1. Preparation Work												
2. Temporary Work												
3. Earthwork												
4. Platform Work												
5. Building Work												
6. Road Work												
7. Track Work												
8. Apartment Work												
(Phase II)												
D/D					(3 months)							
Construction												
1. Preparation Work												
2. Earthwork												
3. Platform Work												
4. Building Work												
5. Track Work												
6. Apartment Work												

(1) Detailed Design (Phase I & II)

As soon as the Exchange of Notes has been concluded the consultant's contract should be entered into immediately. The work will primarily comprise the preparation of the design drawings and the tender documents, all of which are necessary to commencement of the construction works.

(2) Construction Work (Phase I & II)

The construction work comprises a variety of works such as mobilization, preparatory works, delivery of materials, civil works, building works and incidental works related thereto. It is mandatory to prepare a realistic construction planning taking into account the severe cold temperature.

The phase 1 of the construction covers the following main facilities and equipment to enable the transshipment of cargo carried by wagon car.

- Improvement or adjustment work of existing standard gauge track
- Carriage/transshipment track for wagon platform
- Wagon platform
- Building of Storage house and Control Office
- Procurement of Fork lift and Belt Conveyor
- Communication and Power Supply

The phase 2 is to enable the transshipment of cargo carried by container car expanding the following construction and procurement.

- Carriage/transshipment tracks for container platform
- Make-up/Sorting Tracks
- Extension of Dept./Arr. Tracks (1,520 mm)
- Container platform
- Building of Garage and Staff Accommodation
- Procurement of Reach Stacker
- Power Supply

(3) Implementation Time Schedule

Because of the short construction period and the limitation of constructionable seasons, the total implementation schedule is very tight as shown in the following Table 4-4-3.

Phase I of the construction : 12 months

Phase II of the construction : 12 months

Total construction period is estimated at 24 months.

4-4-7 Scope of Work

The division of works to be shared by both countries with respect to the execution of this project scheme will be as summarized in the following:

a) Works to be undertaken by the Japanese side

- Construction of permanent maintenance road and temporary road for construction within the site
- Construction of buildings of new cargo handling office, staff accommodation, new cargo storage house and garage/repair shop for new transshipment equipment
- Construction of the transshipment facilities and equipment of Track, Embankment, Platform, Reach Stacker, Forklift, Conveyor, Telecommunication Equipment
- The drop wiring and internal wiring of electric power supply for the project
- Provision of the main circuit breaker and transformer for electric power supply
- Construction of water supply system for maintenance purpose of the above buildings
- Construction of drainage system for the project
- Provision of traffic management facilities for road and railway during the construction
- To bear all transportation cost of the materials and equipment necessary for project construction

b) Works to be undertaken by the Mongolian side

- Land acquisition
- Construction of roads necessary for project implementation outside of the site

- Provision of the distribution line to the site
- Construction of drainage system and electrical facilities equipment outside of the site
- Control of road and railway traffic in and around the site during the construction
- Removal and reconstruct the existing point operation house No.4
- To bear the advising/payment commissions to the foreign exchange bank for the banking services
- Tax exemption and customs clearance of the products for the project at the country border of disembarkation
- To exempt the Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in Mongolia with respect to the supply of the products and services under the verified contract
- To extend such facilities as may be necessary for entry into Mongolia and stay therein for the performance of work to the Japanese nationals whose services may be required in connection with the supply of products and the services under the verified contract
- To ensure prompt processing of required internal formalities to secure the implementation time schedule of the Project
- To bear all the expenses, other than those to be borne by the Grant, necessary for construction of the facilities

Chapter 5 Project Evaluation and Conclusion

CHAPTER 5 PROJECT EVALUATION AND CONCLUSION

Effects of the Project

After the collapse of the former Soviet Union, the Mongolian trade with the socialist countries has sharply decreased, while increasingly larger quantities of cargos are now coming from the southern route via China. The difference of track gauge between Mongolia and China requires transshipment of cargos arriving through China at the border station of Mongolia. Since Mongolia does not have transshipment facilities at its border station, however, cargos are currently being transshipped in China, against the international rule that stipulates the recipient country's responsibility for cargo transshipment in such a situation. On the other hand, a large number of freight cars are said to be stagnating at Erenhot, Chinese cargo transshipping station at the border, due to insufficient capacity of transshipment. Under the circumstances, a plan to construct cargo transshipment facilities at Zamyn-uud, the Mongolian station facing Erenhot across the border, has come to the fore in Mongolia, as a national project to motivate the economic recovery of the country.

(1) Shorter cargo delivery time

The additional capacity of cargo transshipment at the border between Mongolia and China will shorten the delivery time of cargoes. Thus, cargoes and commodities will reach their destinations earlier after the commissioning of the new cargo transshipment facilities at Zamyn-uud.

(2) Cutting drain of foreign exchange

The freight cars leased from Russia are staying for unnecessarily long hours at Erenhot due to the shortage of transshipment capacity of the station, thereby compelling Mongolian Railway to pay rental charges including those for the days when the cars have uselessly stagnated in China. Commissioning its own cargo transshipment facilities will stop the drain of the valuable foreign exchange from Mongolia.

(3) Creation of employment opportunities

The construction work under the urgent project and operation of the cargo transshipment facilities at Zamyn-uud will create employment opportunities and contribute to a reduction of un-employment in Mongolia as their direct effect.

This tendency would be accelerated by the economic activities vitalized as the result of smoother circulation of cargoes.

(4) Equal footing of Mongolia

The initiative for the freight train operation across the border is inclined to rest with China at present, since China monopolizes the cargo transshipment work and subsequently has the control of wagon movement in its hand. In addition, Mongolia is forced to be in a position to accept virtually any revision of transshipment fees due to the lack of self-subsistence. After commissioning its own cargo transshipment facilities, Mongolia will be on a par with neighboring countries for the first time and acquire an equal floor in the international community.

(5) Contribution to national economy

Smoother transport will facilitate import of cargoes required for the development of the country and enhance the productivity of agriculture, manufacturing and other industries as a whole.

Conclusion

It can be concluded from the above that the implementation of the project will lead to the development of industries, improvement of living standards, vitalization of national economy, and enhancement of Mongolia's position in the international society. Thus, the early implementation of the project with grant aid from the Government of Japan is thought to be appropriate and worth while.

APPENDIX

- Appendix-1 Member List of the Survey Team**
- Appendix-2 Survey Schedule**
- Appendix-3 Member List of Concerning Party in Mongolia**
- Appendix-4 Minutes of Discussions**

Appendix 1: Member List of Survey Team

The Study Team consists of a Team Leader, three (3) Technical Experts and an Interpreter as follows:

- Team leader
Name: Mr. Nobuhiro FUKUDA
Present Post: Deputy Director, Second Basic Design Study Division,
Japan International Cooperation Agency (JICA)

- Transportation Planner
Name: Mr. Michio HIROSE
Present Post: Special Assistant to the Director of the Division,
Operation Safety and Rolling Stock Division, Railway
Bureau, M.O.T.

- Facility Planner
Name: Mr. Hiroyuki ENDO
Present Post: General Manager, Roads and Highways Department,
Pacific Consultants International

- Execution Planner
Name: Mr. Shinya NAKAMURA
Present Post: Public Transport Department,
Pacific Consultants International

- Interpreter
Name: Mr. Tsuyoshi SHIROMIZU
Present Post: International Cooperation Service Center

Appendix 2: Survey Schedule

1st Survey

Seq. No.	Date	Day	Movement	Accommodation	Activities
1	1/12	Tue.	Leave Tokyo	Beijing	
2	13	Wed.	Arrival to Ulan Bartor	Ulan Bartor	Courtesy call on Japanese Embassy
3	14	Thu.		Ulan Bartor	- Courtesy call on Ministries of International (MITI) Trade and Industry, and Mongolia Railway (MR) - Explanation of Contents and tentative schedule of the study
4	15	Fri.	Leave Ulan Bartor	(by train)	Discussion with MITI and MR
5	16	Sat.	Arrival to Zamyn-uud	(by train)	Site Investigation
6	17	Sun.	Arrival Ulan Bartor	Ulan Bartor	ditto
7	18	Mon.		Ulan Bartor	Discussion with MITI and MR
8	19	Tue.	Arrival to Beijing (1 member only)	Beijing	Discussion with MITI and MR Signing of Minutes of Discussion Courtesy call on Japanese Embassy
9	20	Wed.	Arrival to Beijing (4 members)	Beijing	Market research in People's Republic of China
10	21	Thu.	Arrival to Tokyo		

2nd Survey

Seq. No.	Date	Day	Movement	Accommodation	Activities
1	3/7	Sun.	Leave Tokyo	Beijing	
2	8	Mon.	Arrival to Ulan Bartor	Ulan Bartor	
3	9	Tue.		Ulan Bartor	<ul style="list-style-type: none"> - Courtesy call on Japanese Embassy - Courtesy call on Ministries of Trade and Industry (MTI), and Mongolia Railway (MR) - Explanation of Draft Final Report
4	10	Wed.		Ulan Bartor	Discussion with MTI and MR
5	11	Thu.		Ulan Bartor	ditto
6	12	Fri.		Ulan Bartor	Discussion with MTI and MR Signing of Minutes of Discussion Courtesy call on Japanese Embassy
7	13	Sat.	Arrival to Beijing	Beijing	Market research in People's Republic of China
8	14	Sun.		Beijing	ditto
9	15	Mon.	Arrival to Tokyo		

Appendix 3: Member List of Concerning Party in Mongolia

Mr. Khuyaagin GANBAATAR	Vice Minister, Minister for Trade & Industry (MTI)
Mr. Tsedengiin YONDON	First Deputy Minister, MTI
Mr. Y. ALTANTULGA	Deputy Director of Foreign Trade Department, MTI
Ms. L. NASANBUYAN	Assistant of Director, MTI
Mr. Radnaabazar RASH	Chairman, Mongolian Railway (MR)
Mr. Jigjid NYAMAA	Chief Engineer, MR
Mr. Damdin DASHTSEVEG	Chief of the Engineering Division, MR
Mr. C.ALTANKHUU	Chief of Construction and Investment Division, MR
Mr. Dorjyn BADAMTSEREN	Chairman of Zamyn-uud Railway Station, MR
Mr. N. KHURELSUKH	Chief Engineer of Power and Water Supply Department
Mr. Chadraaralin LHAGVASUZEN	Chief Engineer of Department of Transport Management, MR
Mr. D. SUMIYA	Senior Engineer of Signal and Communication Department
Mr. Moonongiin GANTULGA	Deputy Chief, Finance Department, MR
Mr. L. TUDEV	Deputy Chief of Economic Department, MR

Appendix 4:

MINUTES OF DISCUSSIONS
BASIC DESIGN STUDY ON THE PROJECT FOR
IMPROVEMENT OF
TRANSSHIPMENT FACILITIES AT
ZAMYN-UUD STATION IN
MONGOLIA

In response to request from the Government of Mongolia, the Government of Japan decided to conduct a Basic Design Study on the Project for Improvement of Transshipment Facilities at Zamyn-uud Station (hereinafter referred to as "the Project") and entrusted the study to the Japan International Corporation Agency (JICA).

JICA send to Mongolia a study team, which is headed by Mr. Nobuhiro FUKUDA, Second Basic Design Division, Grant Aid Study and Design Department, JICA and is scheduled to stay in the country from January 13 to 20, 1993.

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

In the course of discussions and 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.

Ulaanbaatar, January 19, 1993



Nobuhiro FUKUDA

Leader

Basic Design Study Team
JICA



Khuyagin GANBAATAR

Vice Minister

Ministry of Trade and Industry



Jigjid NYAMAA

Chief Engineer

Mongolian Railway

ATTACHMENT

1. Objective

The objective of the Project is to improve transshipment facilities at Zamyn-uud station.

2. Project sites

The Project sites are at Zamyn-uud station near the border of China

3. Executing agency

Ministry of Trade and Industry (MTI) and Mongolian Railway (MR) are responsible for the administration and execution of the Project.

4. Items requested by the Government of Mongolia

After discussion with the Basic Design Study Team, the following items in Annex I were finally requested by Mongolian side.

However, the final components of the Project will be decided after further studies.

5. Japan's Grant Aid System

- (1) The Government of Mongolia has understood the system of Japanese Grant Aid explained by the team.
- (2) The Government of Mongolia will take necessary measures, described in Annex II for smooth implementation of the Project, on condition that the Grant Aid Assistance by the Government of Japan is extended to the Project.
- (3) The Government of Mongolia will ensure that fuel and spare parts are available for the facilities constructed and the equipment provided under the Grant for operations following the completion of the project.
- (4) The Government of Mongolia will take efforts to prepare necessary locomotives for the operation by the completion of the project.

N. F.

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MS

6. Schedule of the Study

- (1) Based on the Minutes of Discussions and technical examination of the study results, JICA will prepare the draft final report in English and dispatch a mission in order to explain its contents around March, 1993.
- (2) In case that the content of the draft report is accepted in principle by the Mongolian side, JICA will complete the final report and sent it to the Government of Mongolia by the end of March, 1993.

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ANNEX I Items requested by the Mongolian side

- (1) Track work (Material and Installation)
- | | |
|-----------------------------------|-----------------|
| 1,435 mm gauge (New construction) | approx. 3,600 m |
| (Adjustment) | approx. 5,000 m |
| 1,520 mm gauge (New construction) | approx. 5,600 m |
- (2) Civil work (Material and Construction)
- | | |
|--|---------------------|
| Platform with roof for wagon 15m x 120m | approx. 1,800 squ.m |
| Platform for container 36m x 210m | approx. 7,560 squ.m |
| Earthwork for above track and platform | |
| Maintenance road, gate, fence, drainage | |
| Pumping system (water supply) for transshipment facilities | |
- (3) Building work (with heating, plumbing and lighting systems)
- | | |
|-------------------------------------|------------------------------------|
| Cargo handling office 150squ m x 2F | approx. 300 squ.m |
| Cargo storage house | approx. 300 squ.m |
| Garage for reach stacker | approx. 210 squ.m |
| Staff accommodation | necessary numbers for new employee |
- (4) Cargo handling equipment (with heating, plumbing and lighting systems)
- | | |
|------------------------|---------|
| Reach stacker | 2 units |
| Forklift 1.5ton | 4 units |
| Portable belt conveyor | 4 units |
- (5) Telecommunication (Equipment and Installation)
- | | |
|--|---------|
| Fixed and portable radio communication equipment | 28 sets |
| Talk-back equipment | 21 sets |
- (6) Power equipment (Material, Equipment and Installation)
- | | |
|--|--|
| Mercury floodlamps (10 lux for container platform) | |
| -do- (100 lux for wagon platform) | |
| -do- (One lux for storage and locomotive turn-out track) | |

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ANNEX II Major Undertakings to be taken by Mongolian Government

- | No. | Items |
|-----|--|
| 1 | To secure land |
| 2 | To construct roads (outside the site) |
| 3 | To construct the residential houses for operation and maintenance of transshipment facilities and equipment |
| 4 | To provide facilities for the distribution of electricity, drainage and other incidental facilities
1) Electricity (the distributing line to the site)
2) Drainage System (toilet sewer, ordinary waste and others) for item 3
3) General furniture |
| 5 | Control of road and railway traffic in and around the site during the construction |
| 6 | To remove and reconstruction the existing point operation house No.4 |
| 7 | To bear the following commissions to the Japanese foreign exchange bank for the banking services based upon the B/A
1) Advising commission of A/P
2) Payment commission |
| 8 | To ensure unloading and customs clearance at port of disembarkation in recipient country (Tax exemption and custom clearance of the products for the project at the country) |
| 9 | To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts |
| 10 | To extend such facilities as may be necessary for entry into Mongolia and stay therein for the performance work to the Japanese nationals whose services may be required in connection with the supply of products and the services under the verified contracts |
| 11 | To ensure prompt processing of required internal formalities to secure the implementation time schedule of the project |
| 12 | To bear all the expenses, other than those to be borne by the Grant, necessary for construction of the facilities |
| 13 | To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant. |

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Appendix 4:

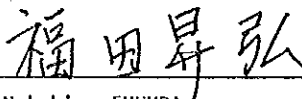
MINUTES OF DISCUSSIONS
BASIC DESIGN STUDY ON THE PROJECT FOR
IMPROVEMENT OF
TRANSSHIPMENT FACILITIES AT
ZAMYN-UUD STATION IN
MONGOLIA
(CONSULTATION ON DRAFT REPORT)

In January 1993, the Japan International Cooperation Agency (JICA) dispatched a Basic Design Study Team on the Project for Improvement of Transshipment Facilities at Zamyn-uud Station (hereinafter referred to as "the Project") to Mongolia, and through discussions, field survey, and technical examination of the results in Japan, has prepared the Draft Report of the Study.

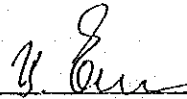
In order to explain and to consult the Mongolian side on the components of the Draft Report, JICA sent to Mongolia a study team, which is headed by Mr. Nobuhiro FUKUDA, Second Basic Design Division, Grant Aid Study and Design Department, JICA, and is scheduled to stay in the country from the 8th to the 13th March, 1993.

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

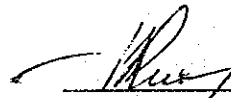
Ulaanbaatar, March 12, 1993



Nobuhiro FUKUDA
Team Leader,
Draft Report Explanation Team,
JICA



Tsedengiin YONDON
First Deputy Minister,
Ministry of Trade and Industry



Jigjid NYAMAA
Chief Engineer,
Mongolian Railway

ATTACHMENT

1. Major Premise for the Implementation of the Project

The Government of Japan would inform the Government of Mongolia of the suitability to extend its Grant Aid to the Project, only on the premise that a good prospect is shown to extend Japan's ODA Loan to the project for strengthening the railway transportation.

2. Status and Operation of the Facilities under the Project

The Government of Mongolia has ensured, on condition that the Grant Aid by the Government of Japan is extended to the Project:

- (1) The facilities constructed and the equipment provided under the Project would be a property of the Government of Mongolia; and
- (2) The said property would be operated and maintained by the Mongolian Railway.

3. Components of the Draft Report

The Government of Mongolia and the Mongolian Railway have agreed and accepted in principle the contents of the Draft Report proposed by the team.

4. Privatization

The Japanese side has been informed that there is no intention to privatize the Mongolian Railway.

5. Necessary measures to be taken by the Mongolian Side

- (1) The Mongolian side will take the necessary measures described in the Annex, for smooth implementation of the Project on condition that the Grant Aid by the Government of Japan is extended to the Project.
- (2) The Mongolian side will arrange a standard gauge locomotive for shunting duties at the transshipment facilities. The Mongolian side has agreed to make a basic consent to China for hiring a standard gauge locomotive from them. This locomotive shall be hired if the delivery of the locomotive which has been requested under the said Japan's ODA loan project, arrives after the completion of Phase I of this Project. The Mongolian side has also agreed to show a copy of the document concerned to the Government of Japan by the end of April, 1993.
- (3) The Mongolian side has ensured to provide fuel and spare parts for an effective and smooth operation of the facilities and equipment provided under the Project.

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6. Japan's Grant Aid System

The Mongolian side has understood the system of Japanese Grant Aid explained by the team.

7. Further Schedule

The Team will make the Final Report in accordance with the confirmed items, and send it to Mongolian side by April, 1993.

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ANNEX

NECESSARY MEASURES TO BE TAKEN BY THE MONGOLIAN SIDE

Following necessary measures should be taken by the Mongolian Side on condition that the Grant Aid by the Government of Japan is extended to the Project.

1. To secure and provide necessary space for construction of the Project Facilities,
2. To construct the access roads to the Project site,
3. To provide electric lines, drainage system, general furniture, and other incidental facilities to the Project site,
4. To control road and railway traffic in and around the Project site during the construction, to secure the implementation schedule of the Project,
5. To remove and the existing point operation house No.4, and reconstruction it,
6. To bear the following commissions to the Japanese foreign exchange bank for the banking services based upon the Banking Agreement, such as:
 - 1) Advising Commission of Approval of Payment; and
 - 2) Payment Commission,
7. To exempt taxes and levies and take necessary measures for customs clearance of the materials and equipment to be brought for the Project at the place of disembarkation,
8. To exempt Japanese nationals engaged in the Project from customs duties, internal taxes and other fiscal levies payable under the legislation of Mongolia in respect of any emoluments or allowances remitted to them from overseas,
9. To accord Japanese nationals whose services may be required in connection with the supply of products and services under the verified contracts, such facilities as may be necessary for their entry into Mongolia and stay therein for the performance of their work,
10. To ensure prompt processing of required internal formalities to secure the implementation time schedule of the project,

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11. To bear all the expenses other than those to be borne by the Grant Aid, and

12. To maintain and use properly and effectively the facilities constructed and required, and equipment purchased under the Grant Aid.

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