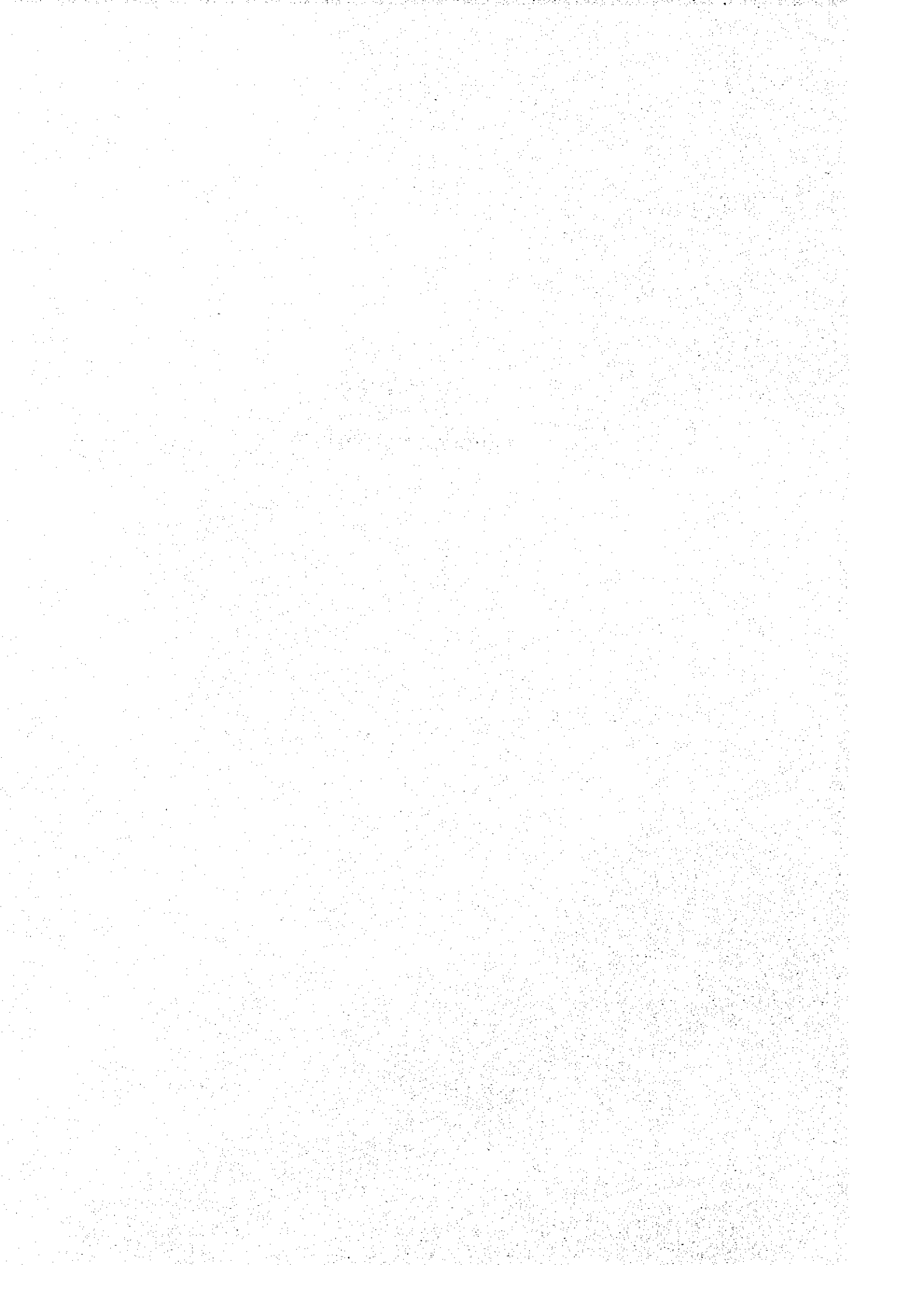


## **CHAPTER 3**

### **IMPLEMENTATION PLAN**



## **CHAPTER 3 IMPLEMENTATION PLAN**

### **3-1 Implementation Plan**

#### **3-1-1 Implementation Concept**

##### **(1) Basic Concept**

- 1) Upon implementation of this project, after the Exchange of Notes (E/N) between the Government of Japan and the Government of the Republic of Kiribati, a contract on consulting services will be concluded between the Government of the Republic of Kiribati and a Japanese consultant.
- 2) The consultant will prepare all the tender documents such as drawings, technical specifications, bill of quantities, conditions of contract and so on necessary for the tender and the construction contract. After the approval of those documents by the Government of the Republic of Kiribati, the contractor for this project will be selected among Japanese construction companies through the procedure of the prequalification and the tender.
- 3) The construction works will be performed by the selected contractor in accordance with the construction contract concluded between the Government of the Republic of Kiribati and the contractor.
- 4) The construction period is expected to be 36 months taking into consideration the scale of the project and the site conditions.

##### **(2) Implementation Concept**

- 1) The planned Betio Port project is of a large-scale port construction type. The construction works mostly consist of dredging, container yard, wharf and seawall. Basin, wharf and seawall can be constructed on land and on sea, which will contribute to reduction of the construction cost and the shortening of construction period. Dredging works of the existing channel and basin can be performed on sea, and spoil will be carried to the dumping and reclamation area by tug boats and barges.
- 2) There are no construction company in the Republic of Kiribati having sufficient experiences in various construction fields. Labors belonging to local construction

companies may be employed by the Japanese construction company for this project.

3) There are no consulting firms in the Republic of Kiribati having experiences in various fields. Consulting firms from Japan or third countries may be utilized for the sounding survey and water quality survey for monitoring of environment during the construction work in the same way as that of the basic design study stage.

4) Most construction equipment, goods and materials except sand and aggregates will be procured from Japan or third countries.

### **(3) Executing Organizations of the Project**

Executing Organizations of the project are as follows:

- 1) Organization responsible for the tender  
Ministry of Information, Communications and Transport (MICT)
- 2) Organization to supervise the Construction  
Ministry of Information, Communications and Transport (MICT)  
Ministry of Works and Energy (MWE)
- 3) Organization to maintain the facilities after the completion  
Kiribati Port Authority (KPA)

### **3-1-2 Implementation Conditions**

#### **(1) Construction Conditions**

##### **1) Construction Company**

There are not large construction companies in the Republic of Kiribati. Labors belonging to local construction companies may be employed in this project.

##### **2) Construction Equipment**

Land and marine construction equipment can not be procured in the Republic of Kiribati. All construction equipment including heavy equipment such as a large scale floating crane, a grab type dredger, a pile driver and so on will be required for the construction for a long period and they will be procured from Japan or third countries.

### **3) Labors**

Skilled labors can not be procured locally. As for all kinds of construction works, it is necessary for the Japanese skilled experts to instruct local labors. Unskilled labors can be procured locally.

### **4) Goods and Materials to be Imported**

Domestic demand in the Republic of Kiribati depends on imported materials because of unavailability of local product. Therefore, all goods and materials necessary for this project will be imported with consideration of the quality and the stable supply. Goods and materials such as cements and timbers will be procured from New Zealand and Fiji, respectively. Other goods and materials can be procured from Japan.

### **5) Safety Control**

As a new commercial port is planned to be located next to the existing fisheries jetty, utmost care should be taken for the safety of fishing boats, copra boats and passenger boats navigating in the nearby area by installing marker buoys during construction of a wharf and so on. In land construction works, an access road to bring in the construction materials should be clearly signed in order not to cause the traffic accidents.

## **(2) Care for Construction**

1) Appropriate construction plan should be prepared considering the natural conditions at site, especially the marine conditions.

2) Dispatch of the Japanese staffs and technical experts should be planned carefully considering the appropriate number of persons, timing and duration in accordance with the progress of works.

3) Local equipment and materials should be used as much as possible, minimizing the procurement from Japan.

4) As there will be involved long term marine works, special attention should be paid to the fishing boats, copra boats and passenger boats navigating in the nearby area.

### **3- 1- 3 Scope of Works**

The scope of works of the project to be undertaken by the Japanese and the Republic of Kiribati governments are divided as follows;

#### **(1) Scope of Works to be undertaken by Japanese Government**

##### **1) Port Facilities**

- Construction of Navigation Aids and Basin,
- Construction of Wharf and Seawall,
- Construction of Container Yard,
- Construction of Access Road,
- Construction of Shed including Administration Office,
- Construction of Passenger Terminal, and
- Rehabilitation of Existing Port (Wharf, Basin and Channel).

##### **2) Cargo Handling Equipment**

- Provision of 80t mobile crane,
- Provision of 25t and 6t forklifts

#### **(2) Scope of Works to be undertaken by the Government of the Republic of Kiribati**

- To extend electricity, water and telephone line supply to the project site,
- To construct the fence, the gate and the gate house,
- To construct the connecting road to the access road planned in the project site,
- To relocate the existing marine radio equipment and
- To acquire the land and sea area for the construction of project facilities.

### **3- 1- 4 Consultant Supervision**

The policy of the Government of Japan for Grant Aid Projects requires that the project proceeds consistently throughout the period from the detailed design stage to the construction stage with assistance of the consultant who fully understands the objectives of the basic design. The consultant is required to supervise the construction work by stationing capable resident engineers at the site for management and communication as well as by dispatching special engineer for a short term for inspections and instructions in accordance with the progress of works. Other special engineers to be dispatched will confirm the progress of establishment of KPA.

## **(1) Supervisory Policies**

- 1) Control of the work progress in accordance with the construction schedule, with maintaining close contact and communication between the responsible organizations in both countries,
- 2) Provision of prompt and adequate instructions and advice to the contractor so that they can complete the construction of the facilities in conformity with the design plans,
- 3) Provision of instructions for maximum adoption of local materials and sub-contractors,
- 4) Promotion of technology transfer in construction and engineering to make the most of grant aid project,
- 5) Provision of adequate instructions and advice on maintenance of the delivered facilities to help smooth operations thereof.

## **(2) Supervisory Works**

### **1) Assistance on Contracting**

Providing assistance on selection of contractor, determining the type of contract, drafting contract documents, evaluating the bill of quantities and witnessing contract awarding.

### **2) Evaluation and Approval of Shop Drawings, etc.**

Evaluating and approving shop drawings as well as materials and equipment proposed and submitted by the contractor.

### **3) Instruction to Construction Works**

Reviewing construction plans and schedule, etc., providing instructions to contractor and reporting the progress of works to the client.

### **4) Confirmation of the progress of establishment of KPA**

Special engineers to be dispatched will confirm the progress of establishment of KPA.

### **5) Assistance in Procedure of Payment**

Evaluating and approving the bills on payment to the contractor for the work in progress and upon the completion of the project.

### **6) Inspection and Witness**

The consultant inspect where necessary the work in progress and gives instructions to the contractor. The consultant, upon the confirmation of completion of the works and fulfillment of requirements of the contract, witness the delivery of the objects of the contract and confirm the Client's acceptance thereof to complete his obligations.

The consultant also provides reports to the Government of Japan in relation to the progress of works, payment procedures and delivery of completed facilities.

## **3-1-5 Procurement Plan**

In procuring necessary materials and equipment for the project, special attentions are required as follows:

### **(1) Procurement Policy**

#### **1) Procurement from Japan**

For certain construction materials to be procured from Japan, a procurement schedule must be studied carefully since such materials require an extended period from production to packing and shipping. All construction equipment including some special small equipment such as testing instrument, etc. will be procured from Japan.

#### **2) Local Procurement**

Only materials such as sand and aggregates will be procured locally.

#### **3) Procurement from Third Country**

Construction materials such as cements and timbers to be procured from New Zealand and Fiji, a procurement schedule must be studied carefully since such materials require an extended period from production to packing and shipping.

#### **4) Cost**

The lowest price has priority in selecting a procurement either locally, from Japan or third countries. It should be noted that the price of procurement from Japan includes the charges for packing, transport and insurance but is exempted from tax.



## **(2) Procurement of Materials and Equipment**

From the above consideration, procurement of construction materials and third countries equipment required for the project are planned as follows:

### **1) Materials**

**- Local:**

sand and aggregates

**- Japan:**

fenders, navigation aids, steel sheet piles, steel materials, re-bars, building materials, water supply and drainage materials and electricity supply materials

**- Third Country:**

cement and timbers

### **2) Equipment**

**- Local:**

none

**- Japan:**

crawler crane, track crane, pile driver, excavator, dump truck, bulldozer, trailer, dredger, testing instruments (plate bearing testing instrument, concrete compression testing machinery)

**- Third Country:**

none

## **3-1-6 Implementation Schedule**

Implementation of the project under the Japan's Grant Aid Program will be proceeded in the following manners;

After the Exchange of Notes regarding preparation of detailed design documents concluded between two countries, the Japanese consulting firm will be appointed by the Government of the Republic of Kiribati and the consulting contract will be concluded between the said government and consultant firm. And the project will be completed in two stages of the execution of tender and construction contract and the execution of construction works.

### **(1) Preparation of Detailed Design Documents**

After the consulting contract concluded between the executing organization of the

project in the Republic of Kiribati and the Japanese consultant firm, the contract will be verified by the Government of Japan and the consultant will start the detailed design. In the detailed design stage, the tender documents consisting of detailed design drawings, technical specifications, instructions to tenderers, etc. will be prepared based on this basic design report. Meantime, the consultation with the Government of the Republic of Kiribati regarding the details of the facilities will be held and the approval of all the tender documents will be obtained from the Government of the Republic of Kiribati.

The detailed design requires 3 months.

## **(2) Execution of Tender and Construction Contract**

The contractor (Japanese construction company) for construction of project facilities will be decided by the tender. All procedures regarding the tender will be performed in such order as the notification, the acceptance of the offer for the tender, the prequalification, the distribution of the tender documents, the evaluation of the tender results, the designation of the contractor, and the construction contract. The whole procedure will take one month.

## **(3) Execution of Construction Works**

Construction will be started after the conclusion of the construction contract and the verification by the Government of Japan. The construction period is expected to be 36 months considering the scale and contents of facilities, the local construction conditions and the lower marine work efficiency.

Figure 3-1-1 shows the implementation schedule covering from the Exchange of Notes to completion of the project.

### **3-1-7 Obligations of Recipient Country**

Obligations of recipient country which have been confirmed in the Minutes of Discussions during the study are as follows;

- To secure the land and sea area for construction of the project facilities,
- To clean and clear the project site,
- To exempt from customs duties equipment and materials imported for implementation of the project,
- To acquire permits and approvals required for implementation of the project,
- Commission on banking arrangement and authorization to pay,

- To exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the Republic of Kiribati with respect to the supply of the products and services under the verified contracts,
- To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such facilities as may be necessary for their entry into the Republic of Kiribati and stay therein for the performance of their work and
- To execute investigation, removal and disposal of unexploded bombs in the project site before commencement of construction works
- To bear all the expenses other than those covered by the Grant, necessary for the project.

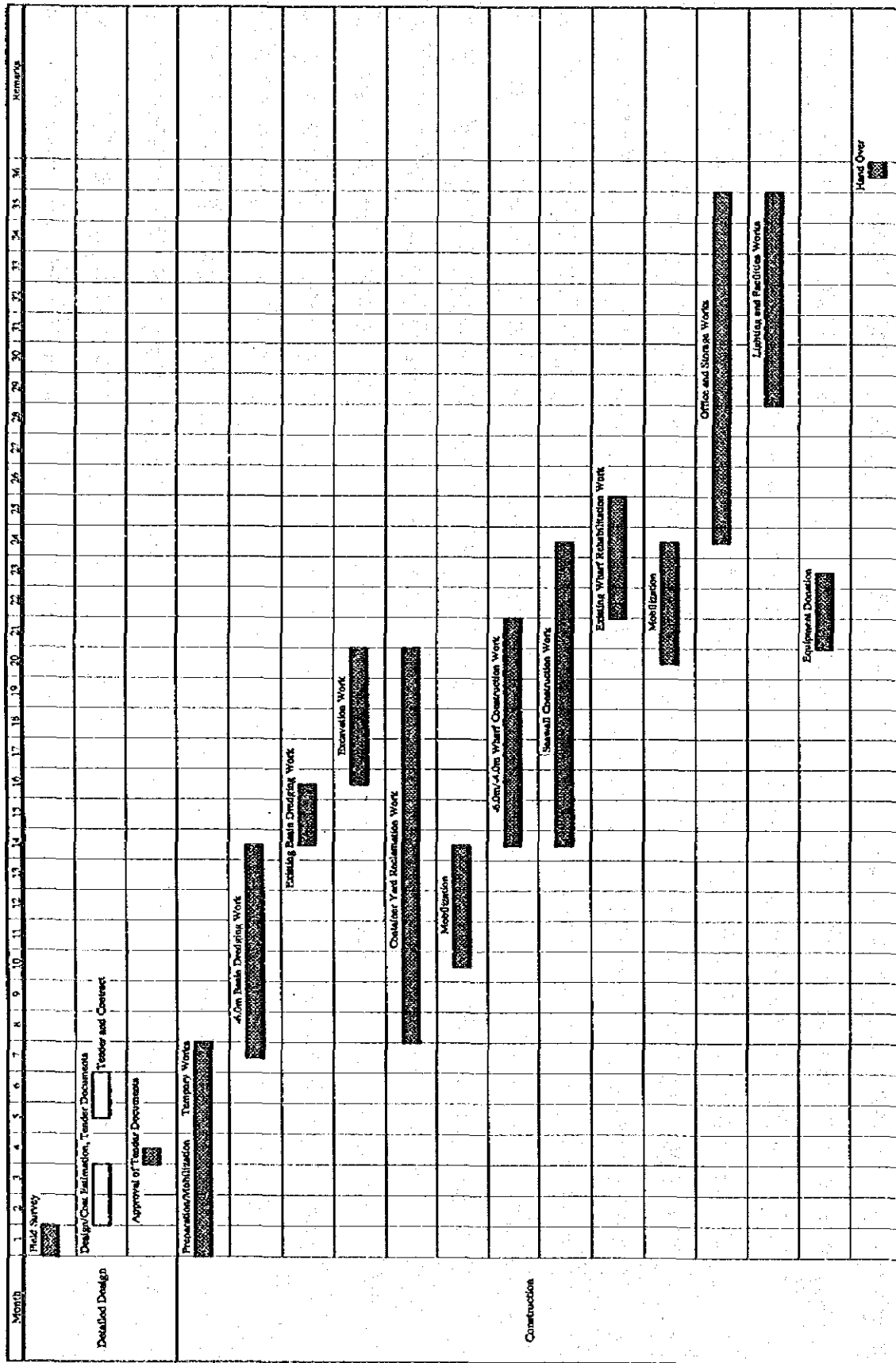


Figure 3-1-1 Implementation Schedule

### **3-2 Project Cost Estimation**

Estimation of cost borne by the government of the Republic of Kiribati is shown in Appendix 7.

### **3-3 Operation and Maintenance Costs**

Revenue and expenditure of the port operation after completion of this project (2000) will be examined based on the review of "The Study on Ports Development in Kiribati (JICA)" result.

Maintenance dredger is excluded from this project, which have been confirmed in the Minutes of Discussions (Appendices A) during this study. Following exclusion of the maintenance dredger, the depreciation and maintenance cost for the maintenance dredger are excluded in this examination.

#### **3-3-1 Financial Estimation of Port**

Basic conditions of this examination are the same as those of "The Study on Ports Development in Kiribati (JICA)" as follow;

- KPA will be established by the Government of the Republic of Kiribati and function before completion of this project,
- All facilities and equipment to be provided under the project will be registered as assets of KPA after the completion of this project,
- KSSL's assets such as sheds, tug boats, barges, cargo handling equipment, machines and tools, navigation aids and so on will be transferred to KPA. Total amount of assets transferred is AS\$402,000.
- A part of MICT and KSSL members will be recruited as permanent staff of KPA. KSSL will function as a ship company only.

#### **(1) Tariff Structure**

The existing port tariff for all ships are examined for amendment after completion of this project.

The present port tariff should reflect reasonable service charge with increasing efficiency.

For sound management of KPA, it is recommended that reasonable port tariff is set for the master/owner of ships and the consignee/consignor through examination of port tariff

from a financial view point and comparison with tariff of pacific countries.

**1) Charge to ship owner**

(Unit: AS\$)

| Item                             | Unit | Rate    |         |
|----------------------------------|------|---------|---------|
|                                  |      | Present | Revised |
| Light dues                       | NRT  | 0.04    | 0.04    |
| Pilotage                         | GRT  | 0.06    | 0.10    |
| Port Dues(for overseas ship)     | GRT  | 0       | 0.04    |
| (for domestic ship)              | GRT  | 0       | 0.01    |
| Berthage(for overseas ship)      | GRT  | 0       | 0.30    |
| (for domestic ship)              | GRT  | 0       | 0.10    |
| Stevedoring                      |      |         |         |
| F. Container(for overseas ship)  | TEU  | 135.5   | 135.5   |
| E. Container(for overseas ship)  | TEU  | 0       | 135.5   |
| General Cargo(for overseas ship) | F/T  | 10.0    | 10.0    |
| Copra(for overseas ship)         | F/T  | 8.5     | 8.5     |
| General Cargo(for local ship)    | F/T  | 8.5     | 8.5     |
| Transship(for overseas ship)     | TEU  | 135.5   | *1      |

Note) \* 1 : To be included F. Container and E. Container

Only pilotage is raised while port dues, berthage and handling charge of empty containers are newly introduced.

**2) Charge to cargo owner**

(Unit: AS\$)

| Item  | Unit    | Rate |
|---|---------|------|
| Lighterage  |         |      |
| Import/Export cargo   | F/T     | 5    |
| Inward/Outward cargo  | F/T     | 1    |
| Tranship cargo(for ovs)                                       | F/T     | 5    |
| Tranship cargo(for local)                                     | F/T     | 1    |
| Wharfage  |         |      |
| Import/Export cargo   | F/T     | 10   |
| Inward/Outward cargo  | F/T     | 5    |
| Stuffing/Unstuffing   | F/T     | 2.5  |
| Storage   |         |      |
| Import cargo(prior to 10 working days same carrier's arrival) | F/T/day | 2    |
| Export cargo(prior to 10 working days same carrier's arrival) | F/T/day | 2    |
| Delivery / Collection   | F/T     | 8.5  |

**(2) Income and Expenditure**

According to the new port tariff system after the completion of this project, annual income and expenditure are estimated in 2000.

**1) Income**

|                                   |                            |
|-----------------------------------|----------------------------|
| a. Tariff for owner/master        | AS\$ 1,325,000             |
| b. Tariff for consignee/consignor | AS\$ 1,911,000             |
| <b>Total</b>                      | <b>AS\$ 3,236,000/year</b> |

**2) Expenditure**

|   |                            |
|---|----------------------------|
| a. Operation and maintenance cost                           | AS\$ 1,764,000             |
| b. Depreciation of port equipment<br>and handling equipment | AS\$ 699,000               |
| <b>Total</b>  | <b>AS\$ 2,463,000/year</b> |

**3) Balance of Revenue and Expenditure**

$$\text{AS\$ 3,236,000} - \text{AS\$ 2,426,000} = \text{AS\$ 773,000/year}$$

The financial status of Betio Port in 2000 is judged to be sound through above examination with annual profit of above AS\$ 773,000. Also same level of benefit is expected after 2001.

To improve the financial condition, it is recommended that reasonable port tariff will be set for the master/owner of ships and the consignee/consignor through examination of port tariff from a financial view point.

## **CHAPTER 4**

### **PROJECT EVALUATION AND RECOMMENDATION**



## **CHAPTER 4 PROJECT EVALUATION AND RECOMMENDATION**

### **4-1 Project Effect**

Betio Port plays a key role as a center of sea transport not only for international cargoes but also for domestic cargoes and passengers.

The Government of Kiribati emphasizes importance of promotion of sea transport sector and tackles to reinforce foundation of economic development in the Eighth National Development Plan. Implementation of this project will contribute to promotion of sea transport sector as described below;

- (1) Due to the shallow/narrow approach channel and basin in Betio Port, middle and large size vessels can not berth alongside the wharf in the port and containers and the other cargoes are transferred 3km long way from vessels to shore or vice versa by using tug boats and barges. After completion of a new wharf with water depth of 6m in this project, about 80% of the cargoes will be loaded/unloaded directly along the wharf, which is expected to drastically improve cargo handling efficiency. Ship's port time will be reduced and cargo handling efficiency will be doubled in 2000 after completion of this project. Benefit accrued from reduction of port time is estimated at about 930,000AS\$ in 2000.
- (2) Expansion of the container yard and introduction of cargo handling equipment will improve efficiency and safety of cargo handling operation. Handling time of 12 minutes for one container in the existing container yard will be reduced to 6 minutes after completion of this project and thereby cargo handling cost will be cut down at about 270,000AS\$ a year. While containers are stacked up 6 to 7 high in the existing container yard, containers in the new container yard are planed to be handled by forklifts with a stacking height of 2 to 3. Thus, inefficient and unsafe handling operation of stacking containers in the existing container yard will be eliminated and efficiency and safety of cargo handling operation will be improved.
- (3) The new cargo shed will enable the existing general cargo sheds to be converted as copra sheds. The existing copra sheds with insufficient floor area causes inefficient handling operation. The new cargo shed in this project will significantly improve cargo handling efficiency and contribute to promotion of copra export industry.
- (4) The existing navigation aids are not equipped with radar reflectors and lanterns, and night navigation is not allowed in the existing port. Navigation aids equipped with

lanterns and radar reflectors will enable the safe navigation at night.

- (5) Domestic passengers are transferred from vessels anchoring offshore to the existing wharf or vice versa in the same way as containers by using barges. With provision of a new wharf with water depth of 6m, a cargo-passenger boat will berth alongside and all passengers will embark/disembark from/to a wharf. Therefore, inconvenience of present passengers transport by barge will be eliminated and safety of passenger transport will be improved.

Furthermore, establishment of Kiribati Port Authority (KPA) will ensure all facilities in this project be utilized smoothly and effectively.

Through examination outlined above, it is judged that Betio Port improvement under this project by a grant aid assistance is appropriate.

#### **4-2 Recommendation**

In order to ensure effective use of the port facilities after completion of the project for Betio Port improvement and to realize promotion of sea transport sector as proposed by the Eighth National Development Plan, implementation of following items is recommended.

- (1) KPA shall be established at the earliest possible opportunity under control of the Marine Department of MICT, and KPA shall efficiently and smoothly manage and operate Betio Port. All the proposed port facilities and equipment shall be under appropriate control and management of KPA in order to operate and maintain them efficiently and effectively. Administration staffs of KPA to be transferred from MICT and KSSL shall be adequately trained for expertise of port management and operation well before completion of this project. An appropriate training programme of administration staffs shall be worked out including recruitment of foreign experts in establishing and managing KPA.
- (2) The present port tariff shall be reviewed and revised toward sound financial state of KPA.
- (3) Dumping area of 30,000m<sup>2</sup> for dredged soil is behind the planned container yard. Ground elevation of the dumping area is DL+2m, and that area shall be for efficient land use in future by the government of the Republic of Kiribati. Management to create a land area shall be carefully examined.

**[APPENDICES A]**

## **APPENDICES A**

- Appendix- 1 Member List of Survey Team**
- Appendix- 2 Survey Schedule**
- Appendix- 3 Member List of Party Concerned in the Recipient Country**
- Appendix- 4 Minutes of Discussions**
- Appendix- 5 Hindcast of design Waves**
- Appendix- 6 Data on Wave Agitation Analysis**
- Appendix- 7 Estimation of Cost Borne by the Recipient Country**
- Appendix- 8 Port Cargo Forecast**

## Appendix- 1 Members of the Study Team (B/D)

| Assignment  | Name and Position   |
|---|---|
| Leader  | Mr. Junji Yokokura<br>Deputy Director, Follow-up Div., Grant Aid Project<br>Management Dept.<br>Japan International Cooperation Agency (JICA)                         |
| Technical Advisor                                 | Mr. Tatuoh Ohkama<br>Chief, Technical Development Sec.<br>Shimonoseki Investigation & Design Office<br>4th District Port Construction Bureau<br>Ministry of Transport |
| Chief Consultant cum<br>Port & Harbour<br>Planner | Mr. Tatsuo Fuke<br>Tetra Co., Ltd.  |
| Disposal Management<br>Planner                    | Mr. Fuminori Nishime<br>Tetra Co., Ltd.   |
| Port & Harbour<br>Engineer                        | Mr. Hisanori Kato<br>Tetra Co., Ltd.  |
| Port Facility Designer                            | Mr. Shigenori Fujito<br>Tetra Co., Ltd.   |
| Construction Planner &<br>Quantity Surveyor       | Mr. Kiyotaka Sasao<br>Tetra Co., Ltd.   |
| Natural Condition<br>Surveyor                     | Mr. Gen-ichiro Shimoji<br>Tetra Co., Ltd.   |

## Members of the Study Team (D • B/D)

| <u>Assignment</u>                                 | <u>Name and Position</u>  |
|---|---|
| Team Leader                                       | Mr. Daini Tsukahara<br>Assistant Director, Financial Grant Aid Section<br>Division of Economic Cooperation<br>Ministry of Foreign Affairs                             |
| Technical Advisor                                 | Mr. Tatuoh Ohkama<br>Chief, Technical Development Sec.<br>Shimonoseki Investigation & Design Office<br>4th District Port Construction Bureau<br>Ministry of Transport |
| Chief Consultant cum<br>Port & Harbour<br>Planner | Mr. Tatsuo Fuke<br>Tetra Co., Ltd.  |
| Disposal Management<br>Planner                    | Mr. Fuminori Nishime<br>Tetra Co., Ltd.   |
| Port & Harbour<br>Engineer                        | Mr. Hisanori Kato<br>Tetra Co., Ltd.  |

## Appendix- 2 Survey Schedule (B/D)

| Day             | Time  | Activities  |
|-----------------|-------|---|
| Aug. 15th (Thu) | 15:40 | Consultants Arrive in Tarawa (by CW122)   |
| Aug. 16th (Fri) |       | Courtesy Call to the following Ministries   |
|                 | 10:00 | Ministry of Information, Communications and Transport                                 |
|                 | 11:00 | Ministry of Foreign Affairs   |
|                 | 14:00 | Ministry of Works and Energy  |
|                 | 15:00 | Ministry of Environment and Social Development  |
| Aug. 17th (Sat) |       | Site Survey   |
| Aug. 18th (Sun) |       | Team Meeting  |
| Aug. 19th (Mon) | 10:00 | Joint Meeting with MICT, MFA, MWE, MESD, MFEP, KSSL<br>and Belio Shipyard             |
|                 |       | Data Collection and Site Survey   |
| Aug. 20th (Tue) |       | Data Collection and Site Survey   |
| Aug. 21st (Wed) |       | Data Collection and Site Survey   |
| Aug. 22nd (Thu) |       | Data Collection and Site Survey   |
| Aug. 23rd (Fri) |       | Data Collection and Site Survey   |
| Aug. 24th (Sat) | 12:40 | Official Members Arrive in Tarawa (by CW126)  |
| Aug. 25th (Sun) |       | Team Meeting  |
| Aug. 26th (Mon) |       | Courtesy Call to the following Ministries   |
|                 | 10:00 | Ministry of Information, Communications and Transport                                 |
|                 | 11:00 | Ministry of Foreign Affairs   |
|                 | 14:00 | Ministry of Works and Energy  |
|                 | 15:00 | Ministry of Environment and Social Development  |
|                 |       | Data Collection and Site Survey   |
| Aug. 27th (Tue) | 10:00 | Discussion with MICT on the Outline of the Project                                    |
|                 | 14:00 | Discussion with MESD on Waste Disposal  |
|                 |       | Data Collection and Site Survey   |
| Aug. 28th (Wed) | 10:00 | Discussion with MICT on the Minutes of Discussions                                    |
|                 | 11:00 | Courtesy Call to the President  |
|                 | 14:00 | Courtesy Call to the Minister of Finance  |
|                 |       | Data Collection and Site Survey   |
| Aug. 29th (Thu) |       | Data Collection and Site Survey   |
| Aug. 30th (Fri) | 09:45 | Depart Tarawa (by CW 121)<br>(Messrs. KATO, FUJITO and SASAO)                         |
|                 | 10:00 | Signing of the Minutes of Discussions with MICT                                       |
| Aug. 31st (Sat) |       | Data Collection   |
| Sept. 1st (Sun) |       | Depart Tarawa (by CW 013)<br>(Messrs. YOKOKURA, OHKAMA, FUKE,<br>NISHIME and SHIMOJI) |

## Survey Schedule (D·B/D)

| Day            | Time  | Activities  |
|----------------|-------|---|
| Nov. 4th (Mon) | 12:40 | The Team arrives in Tarawa  |
|                | 15:15 | Courtesy Call to Ministry of Foreign Affairs  |
|                | 16:00 | Tour of Betio Port  |
| Nov. 5th (Tue) | 09:00 | Courtesy Call to Ministry of Environment & Social Development                           |
|                | 10:00 | Courtesy Call to Ministry of Works & Energy   |
|                | 10:30 | Courtesy Call to Ministry of Information, Communication & Transport                     |
|                | 14:00 | Discussion with relevant Ministries on Draft Basic Design<br>Report: Venue MICT, B/Room |
| Nov. 6th (Wed) | 10:00 | Discussion with relevant Ministries on Draft Basic Design<br>Report: Venue MICT, B/Room |
|                | 14:00 | Tour of Betio Port  |
| Nov. 7th (Thu) | 10:00 | Discussion with relevant Ministries on Minutes of Meeting<br>Venue: MICT Boardroom      |
|                | 14:00 | Signing of Minutes<br>Venue: MICT Boardroom   |
| Nov. 8th (Fri) | 09:45 | The Team Depart Tarawa  |



### **Appendix- 3 Member List of Party Concerned in the Recipient Country**

#### **1. Ministry of Information, Communication and Transportation (MICT)**

|                              |                                  |
|------------------------------|----------------------------------|
| <b>Mr. Manraoi Kaiea</b>     | <b>Minister</b>                  |
| <b>Mr. Meita Bciabure</b>    | <b>Secretary</b>                 |
| <b>Mr. Francis Ngalu</b>     | <b>Deputy Secretary</b>          |
| <b>Mr. Miteti Abete</b>      | <b>Acting Director of Marine</b> |
| <b>Mr. Morieta Ientaake</b>  | <b>Transport Economist</b>       |
| <b>Mrs. Tessie Lambourne</b> | <b>Assistant Secretary</b>       |

#### **2. Ministry of Foreign Affairs (MFA)**

|                       |                                   |
|-----------------------|-----------------------------------|
| <b>Mr. Elliot Ali</b> | <b>Senior Assistant Secretary</b> |
|-----------------------|-----------------------------------|

#### **3. Ministry of Environment and Social Development (MESD)**

|                            |  |
|----------------------------|--|
| <b>Mr. Teken Tokataake</b> | <b>Permanent Secretary</b>             |
| <b>Ms. Tererei Abete</b>   | <b>Environmental Officer</b>           |
| <b>Mr. Andrew Teem</b>     | <b>Assistant Environmental Officer</b> |

#### **4. Ministry of Works and Energy (MWE)**

|                            |                              |
|----------------------------|------------------------------|
| <b>Mr. Teekabu Tikai</b>   | <b>Secretary</b>             |
| <b>Mr. Peta Iabeta</b>     | <b>Chief Engineer</b>        |
| <b>Mr. Tapetulu Merang</b> | <b>Acting Chief Engineer</b> |

#### **5. Ministry of Home Affairs and Rural Development (MHARD)**

|                              |   |
|------------------------------|---|
| <b>Mr. Tekoreaua Kairoro</b> | <b>Deputy Secretary</b>                 |
| <b>Mr. Iorank Boata</b>      | <b>Senior Rural Development Officer</b> |
| <b>Mr. Riteti Maninraka</b>  | <b>Senior Assistant Secretary</b>       |
| <b>Mr. Ye Thaug Htut</b>     | <b>Rural Development Planner</b>        |

#### **6. Ministry of Finance and Economic Planning (MFEP)**

|                            |                               |
|----------------------------|-------------------------------|
| <b>Mr. Beniamina Tinga</b> | <b>Minister</b>               |
| <b>Mr. Kaburoro Ruaia</b>  | <b>Ag. Secretary</b>          |
| <b>Ms. Rcina Timau</b>     | <b>Chief Planning Officer</b> |
| <b>Mr. Tekena Tiron</b>    | <b>Senior Statistician</b>    |
| <b>Mr. Tebao Awerika</b>   | <b>Assistant Secretary</b>    |

#### **7. Betio Town Council (BTC)**

|                              |              |
|------------------------------|--------------|
| <b>Mrs. Buretau Kaureate</b> | <b>Clerk</b> |
|------------------------------|--------------|

#### **8. Public Utility Board (PUB)**

|                          |                             |
|--------------------------|-----------------------------|
| <b>Mr. Buihui TIWERI</b> | <b>Electricity Engineer</b> |
| <b>Mr. Tirivo Iotia</b>  | <b>Sewage Engineer</b>      |

**9. Kiribati Shipping Service Limited (KSSL)**

**Mr. Makeran Kwong**

**General Manager**

**Mr. Tekaai Mikaere**

**Agency Superintendent**

**10. Betio Shipyard**

**Mr. Ioakim Tooma**

**General Manager**

**11. Telecom Kiribati Limited (TKL)**

**Mr. Enota Ingintau**

**Manager**

**12. Telecom Services Kiribati Ltd (TSKL)**

**Mr. Ieronimo Klenene**

**Operation Manager**

**13. Atoll Seaweed Company Ltd. (ASCL)**

**Ms. Koin Etuati**

**General Manager**

**Mr. Michael Tinne**

**Management T/A**

**14. Mobile Oil Kiribati (MOIL)**

**Mr. Hitesh Lal**

**Operation Manager**

**15. Royds Consulting**

**Mr. Ian D. Rowden**

**Registered Engineer**

Appendix-4 Minutes of Discussions

MINUTES OF DISCUSSIONS

BASIC DESIGN STUDY  
ON  
THE PROJECT FOR THE IMPROVEMENT OF BETIO PORT  
IN THE REPUBLIC OF KIRIBATI

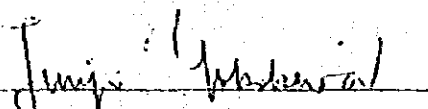
In response to a request from the Government of the Republic of Kiribati, the Government of Japan has decided to conduct a Basic Design Study on the Project for the Improvement of Betio Port (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (JICA).

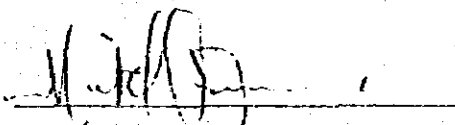
JICA sent to Kiribati a Basic Design Study Team headed by Mr. Junji YOKOKURA, Deputy Director, Follow-up Division, Grant Aid Project Management Department, JICA. The study team is scheduled to stay in the country from August 15 to September 1, 1996.

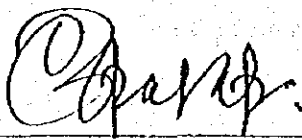
The study team held a series of discussions with the officials concerned of the Government of Kiribati and conducted a field study at the study area.

In the course of discussions and field study, both sides have confirmed the main items described on the attached sheets. The study team will proceed to further works and prepare the Draft Basic Design of the Project.

Tarawa, August 30, 1996

  
Mr. JUNJI YOKOKURA  
Leader  
Basic Design Study Team  
JICA

  
Mr. MEITA BEIBURE  
Secretary  
Ministry of Information, Communications  
and Transport  
Government of Kiribati

Witnessed by   
Mr. TEKEN TOKATAAKE  
Secretary  
Ministry of Environment and Social  
Development  
Government of Kiribati

## ATTACHMENT

### 1. Objective

The objective of the Project is to improve the port functions more efficiently and effectively, in need of meeting the increasing demand forecast for the year 2000, by upgrading and expanding the Betio Port.

### 2. Project Site

The Project site is located in Betio, Tarawa as shown in ANNEX I.

### 3. Responsible & Executing Agencies

The Ministry of Information, Communications and Transport is responsible for administration and execution of the Project.

### 4. Items requested by the Government of Kiribati

The items requested by the Government of Kiribati are listed in ANNEX II.

### 5. Japan's Grant Aid System

- 1) The Government of Kiribati has understood the system of the Japan's Grant Aid explained by the Team; the main feature is described in ANNEX III.
- 2) The Government of Kiribati will take necessary measures, described in ANNEX IV, for smooth implementation of the Project if the Grant Aid by the Government of Japan is extended to the Project.

### 6. Unexploded Ordnance Disposal

The Government of Kiribati has ensured that the Kiribati side should take responsibility for survey and removal/disposal of unexploded ordnances by the time the construction contract will be completed (around the end of June, 1997). During the construction stage, the Government of Kiribati also will ensure to remove and dispose unexploded ordnances as soon as possible if they are found.

### 7. Land Utilization behind the New Container Yard

The Government of Kiribati is planning to utilize the area at the back of a new container yard for <sup>parking</sup> housing, reservoir, <sup>power plant</sup> patrol tanks, etc and not for rubbish dumping. Therefore the Government of Kiribati will not request to include the provision of the area for the future rubbish

damping in the Project.

**8. Management & Operation**

In accordance with the Kiribati Ports Authority Act (KPAA) enacted in December 1990, the Government of Kiribati has ensured to create Kiribati Port Authority (KPA) as an independent port managing body under MICT in 1997, which shall not include the shipping services and operations of the Kiribati Shipping Services Limited.

Likewise, MICT is responsible for the allocation of appropriate budget, the assignment of necessary personnel and will take whatever measures are necessary to ensure the proper operation and maintenance of facilities and equipment procured under the Project.

**9. Further Schedule**

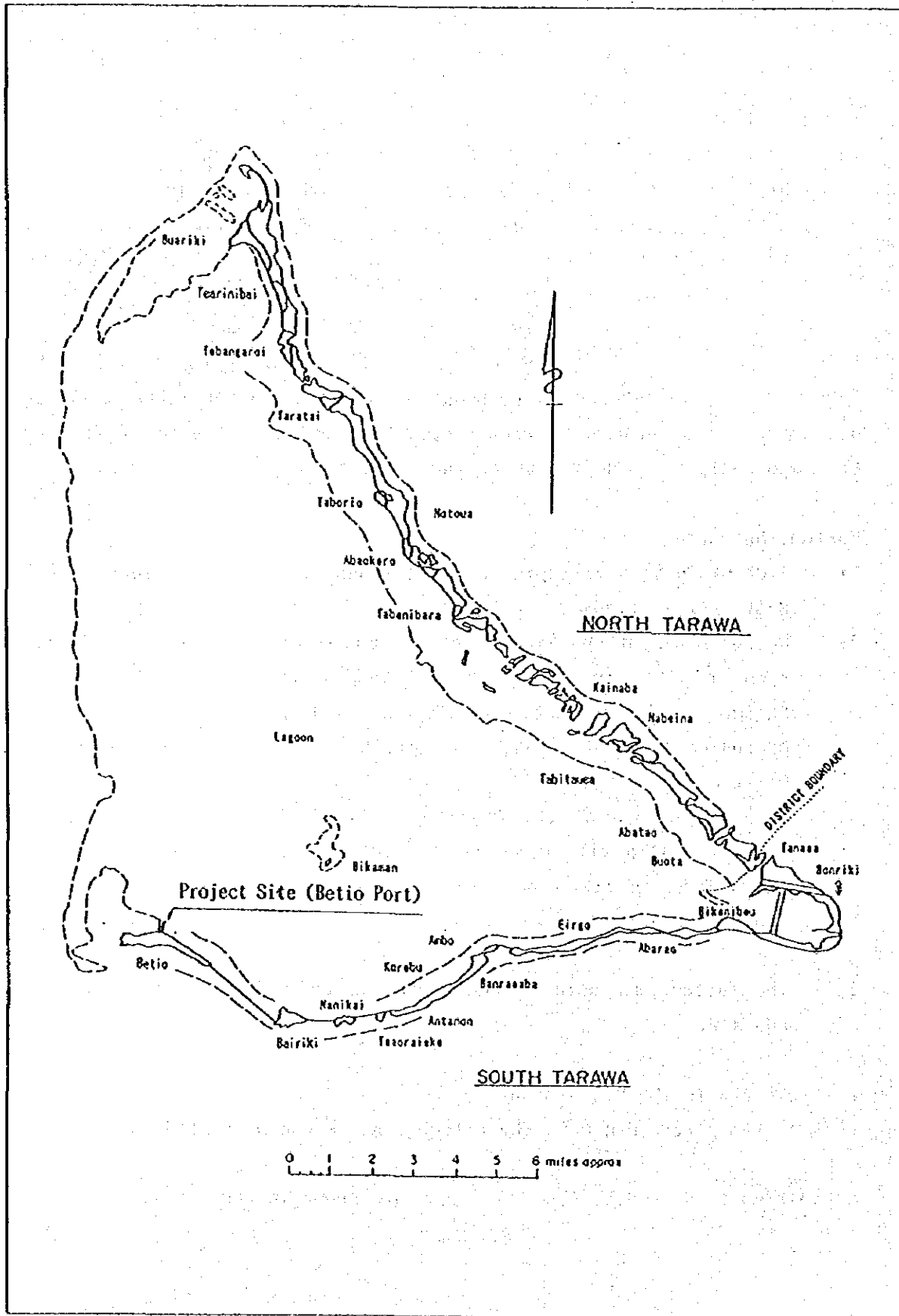
- 1) JICA Study Team will proceed to further studies in Kiribati until September 1, 1996.
- 2) On the basis of the Minutes of Discussions and technical examinations of the study results, JICA will prepare the Draft Basic Design of the Project and dispatch a team to Kiribati at the beginning of November 1996 in order to explain the outline of the Draft Basic Design.
- 3) Upon acceptance of the Draft Basic Design by the Government of Kiribati, JICA will complete the Basic Design Study Report, and forward it in its final form to the Government of Kiribati in February 1997.
- 4) The further schedule of the Basic Design Study is summarized in ANNEX V.

**10. Participants in the Discussions**

List of the participants in the discussions is shown in ANNEX VI.

**11. Activities conducted by the Study Team are shown in ANNEX VII.**

ANNEX I: LOCATION OF PROJECT SITE



## **ANNEX II: ITEMS REQUESTED BY THE GOVERNMENT OF KIRIBATI**

### **1. FACILITIES**

- 1) Container Yard
- 2) Dredging
- 3) Access Road
- 4) Wharf
- 5) Shore/Slope Protection
- 6) Rehabilitation of Existing Wharf
- 7) Navigational Aids
- 8) Cargo Shed/Administration Office
- 9) Passenger Terminal

### **2. EQUIPMENT**

- 1) 80 ton Mobile Crane 1 No.
- 2) 25 ton Fork Lift 1 No.
- 3) 5 ton Fork Lift 2 Nos.

### **3. OTHERS**

Regarding the maintenance dredging equipment, the study team mentioned it can not be accepted to include the equipment in the Project considering its sustainability. The Government of Kiribati requested to include dredging work of the approach channel and water basin of the existing wharf instead.

## **ANNEX III: JAPAN'S GRANT AID SCHEME**

### **1. Grant Aid Procedure**

1) Japan's Grant Aid Program is executed through the following procedures.

|                                 |  |
|---------------------------------|--|
| Application                     | (Request made by a recipient country)  |
| Study                           | (Basic Design Study conducted by JICA)   |
| Appraisal & Approval            | (Appraisal by the Government of Japan and Approval by Cabinet)                   |
| Determination of Implementation | (The Notes exchanged between the Governments of Japan and the recipient country) |

2) Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA to conduct a study on the request.

Secondly, JICA conducts the study (Basic Design Study), using Japanese consulting firms.

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japan's Grant Aid Program, based on the Basic Design Study report prepared by JICA, and the results are then submitted to the Cabinet for approval.

Fourthly, the project, once approved by the Cabinet, becomes official with the Exchange of Notes signed by the Governments of Japan and the recipient country.

Finally, for the implementation of the project, JICA assists the recipient country in such matters as preparing tenders, contracts and so on.

### **2. Basic Design Study**

1) Contents of the Study

The aim of the Basic Design Study (hereinafter referred to as "the Study"), conducted by JICA on a requested project (hereinafter referred to as "the Project"), is to provide a basic document necessary for the appraisal of the Project by the Government of Japan. The contents of the Study are as follows:

- a) confirmation of the background, objectives and benefits of the Project and also institutional capacity of agencies concerned of the recipient country necessary for the Project's implementation;
- b) evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from the technical, social and economic points of view;



- c) confirmation of items agreed on by both parties concerning the basic concept of the Project;
- d) preparation of a basic design of the Project; and
- e) estimation of costs of the Project.

The contents of the original request are not necessarily approved in their initial form as the contents of the Grant Aid project. The Basic Design of the Project is confirmed considering the guidelines of Japan's Grant Aid Scheme.

The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even through they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

## 2) Selection of Consultants

For the smooth implementation of the Study, JICA uses a consulting firm selected through its own procedure (competitive proposal). The selected firm participates the Study and prepares a report based upon the terms of reference set by JICA.

At the beginning of implementation after the Exchange of Notes, for the services of the Detailed Design and Construction Supervision of the Project, JICA recommends the same consulting firm which participated in the Study to the recipient country, in order to maintain the technical consistency between the Basic Design and Detailed Design as well as to avoid any undue delay caused by the selection of a new consulting firm.

## 3. Japan's Grant Aid Scheme

### 1) What is Grant Aid?

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. Grant Aid is not supplied through the donation of materials as such.

### 2) Exchange of Notes (E/N)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the two Governments concerned, in which the objectives of the project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

- 3) "The period of the Grant" means the one fiscal year which the Cabinet approves the project for. Within the fiscal year, all procedure such as exchanging of the Notes, concluding contracts with consulting firms and contractors and final payment to them must be completed.

However, in case of delays in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

- 4) Under the Grant, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However, the prime contractors, namely consulting, contracting and procurement firms, are limited to "Japanese nationals". (The term "Japanese nationals" means persons of Japanese nationality or Japanese corporations controlled by persons of Japanese nationality.)

- 5) Necessity of "Verification"

The Government of the recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability of Japanese taxpayers.

- 6) Undertakings required to the Government of the recipient country

- a) to secure a lot of land necessary for the construction of the Project and to clear the site;
- b) to provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the site;
- c) to ensure prompt unloading and customs clearance at ports of disembarkation in the recipient country and internal transportation therein of the products purchased under the Grant Aid;
- d) to exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts;
- e) to accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such as facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work;
- f) to ensure that the facilities constructed and products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and
- g) to bear all the expenses, other than those covered by the Grant Aid, necessary for the Project.

7) "Proper Use"

The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign the necessary staff for operation and maintenance of them as well as to bear all the expenses other than those covered by the Grant Aid.

8) "Re-export"

The products purchased under the Grant Aid shall not be re-exported from the recipient country.

9) Banking Arrangement (B/A)

- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in an authorized foreign exchange bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the verified contracts.
- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an Authorization to Pay (A/P) issued by the Government of recipient country or its designated authority.

#### **ANNEX IV: UNDERTAKINGS BY THE GOVERNMENT OF KIRIBATI**

1. To secure a lot of land necessary for the Project;
2. to clear and level the site for the Project prior to the commencement of the construction;
3. to provide a proper access road to the Project site;
4. to provide facilities for distribution of electricity, water supply, telephone trunk line and drainage and other incidental facilities outside the site;
5. to undertake incidental outdoor works, such as gardening, fencing, exterior lighting, and other incidental facilities in and around the Project site, if necessary;
6. to ensure prompt unloading and customs clearance of the products purchased under the Japan's Grant Aid at ports of disembarkation in Kiribati;
7. to exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in Kiribati with respect to the supply of the products and services under the verified contracts;
8. to accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such facilities as may be necessary for their entry into Kiribati and stay therein for the performance of their work;
9. to bear commissions, namely advising commissions of an Authorization to Pay (A/P) and payment commissions, to the Japanese foreign exchange bank for the banking services based upon the Banking Arrangement (B/A);
10. to provide necessary permissions, licenses, and other authorization for implementing the Project, if necessary;
11. to ensure that the facilities constructed and equipment purchased under the Japan's Grant Aid be maintained and used properly and effectively for the Project; and
12. to bear all the expenses, other than those covered by the Japan's Grant Aid, necessary for the Project.

ANNEX V

Further Schedule of Study

|  | 1996   |           |         |          |          | 1997    |          |       |
|--|--------|-----------|---------|----------|----------|---------|----------|-------|
|  | August | September | October | November | December | January | February | March |
| Preparation of the Study in Japan          | □      |           |         |          |          |         |          |       |
| Field survey in Betio                      | ■      |           |         |          |          |         |          |       |
| Preparation of draft report                |        | ▬         |         |          |          |         |          |       |
| Explanation of draft report                |        |           |         | ■        |          |         |          |       |
| Preparation and submission of final report |        |           |         | ▬        |          |         | ▲        |       |

**ANNEX VI****PARTICIPANTS IN THE DISCUSSIONS (JAPANESE SIDE)**

| Name                   | Position/Assignment                       |
|------------------------|---|
| Mr. Junji YOKOKURA     | Team Leader                               |
| Mr. Tatsuo OHKAMA      | Technical Advisor                         |
| Mr. Tatsuo FUKE        | Chief Consultant/Port and Harbour Planner |
| Mr. Fuminori NISHIME   | Disposal Management Planner               |
| Mr. Hisanori KATO      | Port and Harbour Engineer                 |
| Mr. Shigenori FUJITO   | Port Facility Designer                    |
| Mr. Kiyotaka SASAO     | Construction Planner & Quantity Surveyor  |
| Mr. Gen-ichiro SHIMOJI | Natural Condition Surveyor                |

**PARTICIPANTS IN THE DISCUSSIONS (KIRIBATI SIDE)**

| Name  | Position/Assignment        |
|---|----------------------------|
| <b>1. Ministry of Information, Communications and Transport</b> |                            |
| Hon. Manraoi KAIEA  | Minister                   |
| Mr. Meita BEIABURE  | Secretary                  |
| Mr. Francis NGALU   | Deputy Secretary           |
| Mr. Miteti ABETE  | Acting Director of Marine  |
| Mr. Moarieta IENTAAKE   | Transport Economist        |
| <b>2. Ministry of Foreign Affairs</b>                           |                            |
| Mr. Elliot ALI  | Senior Assistant Secretary |
| <b>3. Ministry of Works and Energy</b>                          |                            |
| Mr. Teekabu TIKAI   | Secretary                  |
| Mr. Peter IABETA  | Chief Engineer             |
| <b>4. Ministry of Environment and Social Development</b>        |                            |
| Mr. Teken TOKATAAKE   | Secretary                  |
| Ms. Tererei ABETE   | Environment Officer        |
| <b>5. Ministry of Finance and Economic Planning</b>             |                            |
| Ms. Reina TIMAU   | Chief Planning Officer     |
| <b>6. Kiribati Shipping Services Limited (KSSL)</b>             |                            |
| Mr. Makeran KWONG   | Operation Manager          |
| <b>7. Betio Shipyard</b>  |                            |
| Mr. Ioakim TOOMA  | General Manager            |

**ANNEX VII Activities of the Study Team**

| <b>Day</b>      | <b>Time</b> | <b>Activities</b>  |
|-----------------|-------------|--|
| Aug. 15th (Thu) | 15:40       | Consultants Arrive in Tarawa (by CW122)  |
| Aug. 16th (Fri) |             | Courtesy Call to the following Ministries  |
|                 | 10:00       | Ministry of Information, Communications and Transport                              |
|                 | 11:00       | Ministry of Foreign Affairs  |
|                 | 14:00       | Ministry of Works and Energy   |
|                 | 15:00       | Ministry of Environment and Social Development                                     |
| Aug. 17th (Sat) |             | Site Survey  |
| Aug. 18th (Sun) |             | Team Meeting   |
| Aug. 19th (Mon) | 10:00       | Joint Meeting with MICT, MFA, MWE, MESD, MFEP, KSSL and Betio Shipyard             |
|                 |             | Data Collection and Site Survey  |
| Aug. 20th (Tue) |             | Data Collection and Site Survey  |
| Aug. 21st (Wed) |             | Data Collection and Site Survey  |
| Aug. 22nd (Thu) |             | Data Collection and Site Survey  |
| Aug. 23rd (Fri) |             | Data Collection and Site Survey  |
| Aug. 24th (Sat) | 12:40       | Official Members Arrive in Tarawa (by CW126)                                       |
| Aug. 25th (Sun) |             | Team Meeting   |
| Aug. 26th (Mon) |             | Courtesy Call to the following Ministries  |
|                 | 10:00       | Ministry of Information, Communications and Transport                              |
|                 | 11:00       | Ministry of Foreign Affairs  |
|                 | 14:00       | Ministry of Works and Energy   |
|                 | 15:00       | Ministry of Environment and Social Development                                     |
|                 |             | Data Collection and Site Survey  |
| Aug. 27th (Tue) | 10:00       | Discussion with MICT on the Outline of the Project                                 |
|                 | 14:00       | Discussion with MESD on Waste Disposal   |
|                 |             | Data Collection and Site Survey  |
| Aug. 28th (Wed) | 10:00       | Discussion with MICT on the Minutes of Discussions                                 |
|                 | 11:00       | Courtesy Call to the President   |
|                 | 14:00       | Courtesy Call to the Minister of Finance   |
|                 |             | Data Collection and Site Survey  |
| Aug. 29th (Thu) |             | Data Collection and Site Survey  |
| Aug. 30th (Fri) | 09:45       | Depart Tarawa (by CW 121)<br>(Messrs. KATO, FUJITO and SASAO)                      |
|                 | 10:00       | Signing of the Minutes of Discussions with MICT                                    |
| Aug. 31st (Sat) |             | Data Collection  |
| Sept. 1st (Sun) |             | Depart Tarawa (by CW 013)<br>(Messrs. YOKOKURA, OHKAMA, FUKE, NISHIME and SHIMOJI) |

**MINUTES OF DISCUSSIONS**

**BASIC DESIGN STUDY**

**ON**

**THE PROJECT FOR THE IMPROVEMENT OF BETIO PORT**

**IN THE REPUBLIC OF KIRIBATI**

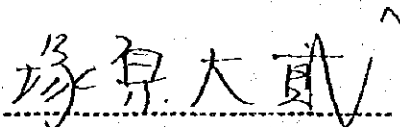
**( Consultation on the Draft Basic Design )**

In August 1996, the Japan International Cooperation Agency (JICA) dispatched a Basic Design Study Team on the Project for the Improvement of Betio Port (hereinafter referred to as "the Project") to the Republic of Kiribati. As a result of series of discussions, field survey in Kiribati, and technical assessment conducted in Japan, JICA prepared the Draft Basic Design of the Project.

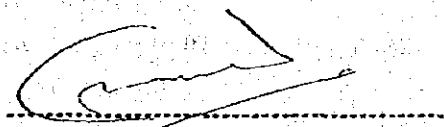
In order to explain and consult the Kiribati side on the components of the Draft Basic Design of the Project, JICA sent to Kiribati the Study Team headed by Mr. TSUKAHARA, Daini, Assistant Director, Grant Aid Division, Ministry of Foreign Affairs. The team stayed in Kiribati from November 4 to November 8, 1996 and submitted the draft basic design of the Project to the Kiribati side on November 4, 1996.

As a result of discussions, both sides in principle agreed to recommend the main items of the Project described in the attached sheets to the respective governments.

Tarawa, November 7, 1996



TSUKAHARA, Daini  
Leader  
Basic Design Study Team  
JICA



Manraoi KAIEA  
Minister  
Ministry of Information, Communications  
and Transport  
The Government of Kiribati



## ATTACHMENT

### 1. Participants in the Discussions

During the team's stay in Kiribati from November 4 to November 8, 1996, Japanese and Kiribati sides had a series of discussions on the Draft Basic Design of the Project. List of participants in the discussions is shown in Annex I.

### 2. Components of the Draft Basic Design

The Government of Kiribati has in principle accepted the components of the Draft Basic Design of the Project proposed by the team. The components and facilities layout plan confirmed by both sides are shown in ANNEX II.

### 3. Japan's Grant Aid System

- 1) The Government of Kiribati has understood the system of the Japan's Grant Aid explained by the team; the main feature of the system is described in ANNEX III.
- 2) The Government of Kiribati will take necessary measures, described in ANNEX IV for smooth implementation of the Project if the Grant Aid by the Government of Japan is extended to the Project.

### 4. Further Schedule

JICA will finalize the Basic Design Study Report in accordance with the confirmed components of the Project, and send it to the Government of Kiribati by February, 1997.

### 5. Other Relevant Issues

#### 1) Establishment of KPA

As stated in the Minutes of Discussions dated on August 30, 1996, the Government of Kiribati shall take responsibility for creating Kiribati Ports Authority (KPA) and will proceed the preparation procedure. The Government of Kiribati also ensured to make the implementation plan for establishment of KPA and submit it to the Embassy of Japan in Fiji by the end of February, 1997.

#### 2) Unexploded Ordinance Disposal

The Government of Kiribati has ensured that the Kiribati side should take responsibility for survey and removal/disposal of unexploded ordinances by the time the construction contract will be completed (around the end of June, 1997). During the construction stage, the Government of Kiribati also will ensure to remove and dispose unexploded ordinances as soon as possible if they are found.

The Japanese side stressed the importance of this matter for the realization of the Project and requested Kiribati side to inform the former, as promptly as possible and through the Embassy of Japan in Fiji, of any development on this matter.

The Kiribati side demonstrated its determination to take quick actions to comply with its responsibility in this regard.

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## ANNEX I: LIST OF PARTICIPANTS IN THE DISCUSSIONS

### 1. Japanese Side

| <u>Name</u>          | <u>Position/Assignment</u>                |
|----------------------|---|
| Mr. Daini TSUKAHARA  | Team Leader                               |
| Mr. Tatsuo OHKAMA    | Technical Advisor                         |
| Mr. Tatsuo FUKU      | Chief Consultant/Port and Harbour Planner |
| Mr. Fuminori NISHIME | Disposal Management Planner               |
| Mr. Hisanori KATO    | Port and Harbour Engineer                 |

### 2. Kiribati Side

| <u>Name</u>  | <u>Position/Assignment</u> |
|--|----------------------------|
| 1. Ministry of Information, Communications and Transport |                            |
| Hon. Manraoi KAIEA                                       | Minister                   |
| Mr. Meita BEIABURE                                       | Secretary                  |
| Mr. Francis NGALU  | Deputy Secretary           |
| Mr. Miteti ABETE   | Acting Director of Marine  |
| Mr. Itintaake Etuati                                     | Transport Economist        |
| Mrs. Tessie Lambourne                                    | Assistant Secretary        |
| 2. Ministry of Foreign Affairs                           |                            |
| Mr. Elliot ALI   | Senior Assistant Secretary |
| 3. Ministry of Works and Energy                          |                            |
| Mr. Teekabu TIKAI  | Secretary                  |
| Mr. Pita IABETA  | Chief Engineer             |
| 4. Ministry of Environment and Social Development        |                            |
| Mr. Teken TOKATAAKE                                      | Secretary                  |
| 5. Ministry of Finance and Economic Planning             |                            |
| Ms. Reina TIMAU  | Chief Planning Officer     |
| 6. Kiribati Shipping Services Limited (KSSL)             |                            |
| Mr. Makeran KWONG  | General Manager            |
| 7. Betio Shipyard  |                            |
| Mr. Ioakim TOOMA   | General Manager            |

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*[Handwritten signature]*

## **ANNEX II: COMPONENTS OF THE DRAFT BASIC DESIGN**

### **1. FACILITIES**

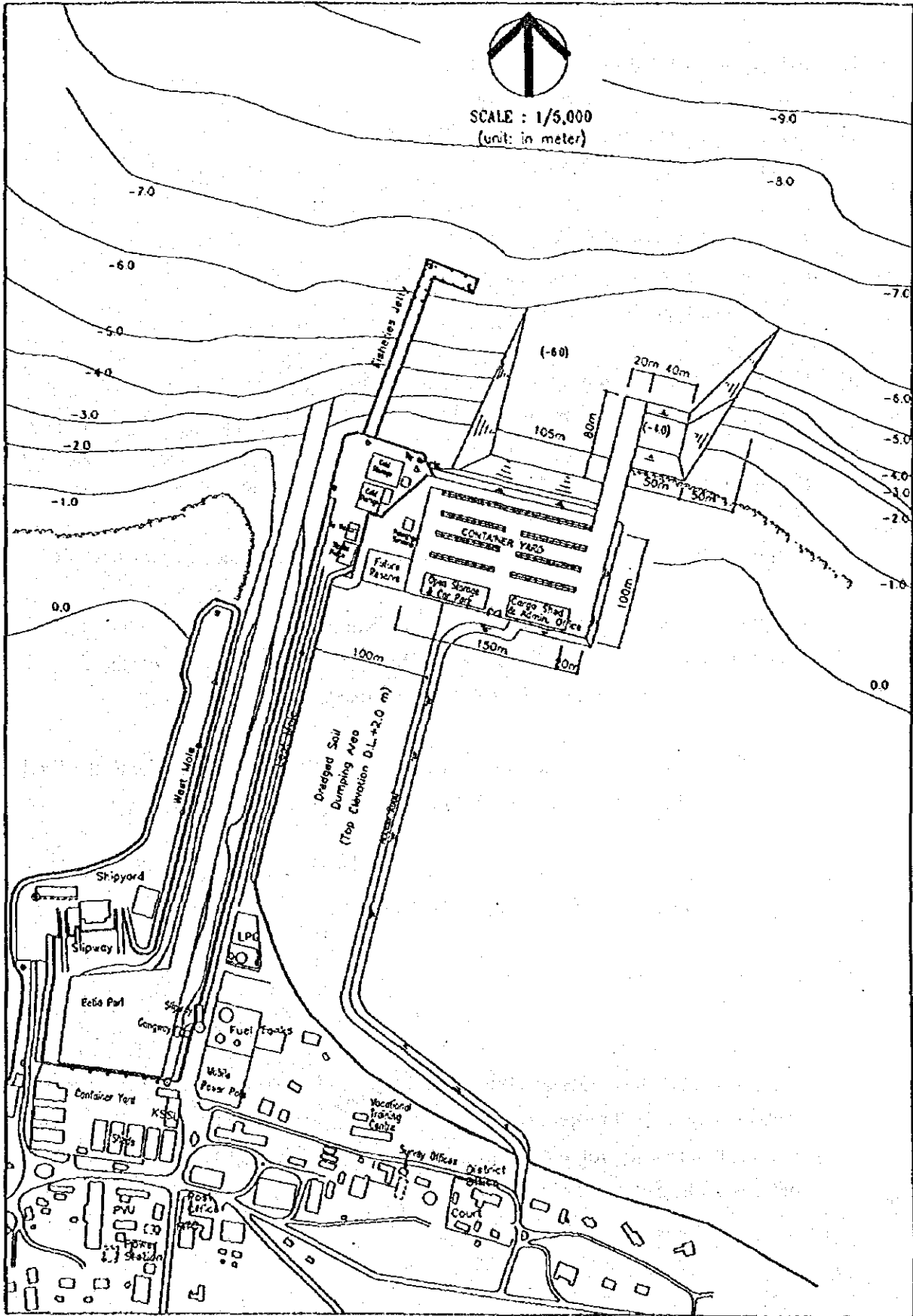
- 1) Wharf, depth -6m, length 80m
- 2) Container Yard, 17,000m<sup>2</sup>
- 3) Turning Basin, depth -6m and -4m
- 4) Access Road, 630m
- 5) Shore/Slope Protection
- 6) Navigational Aids, 8 light buoys and 1 light beacon
- 7) Administration Office, 350 m<sup>2</sup>
- 8) Cargo Shed, 800m<sup>2</sup>
- 9) Passenger Terminal, 120 m<sup>2</sup>

### **2. REHABILITATION WORK OF EXISTING BETIO PORT**

- 1) Repair of Wharf
- 2) Dredging of the Approach Channel and Basin

### **3. CARGO HANDLING EQUIPMENT**

- |                      |        |
|----------------------|--------|
| 1) 80 t Mobile Crane | 1 No.  |
| 2) 25 t Fork Lift    | 1 No.  |
| 3) 6 t Fork Lift     | 2 Nos. |



Proposed General Layout Plan

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## **ANNEX III: JAPAN'S GRANT AID SCHEME**

### **1. Grant Aid Procedure**

1) Japan's Grant Aid Program is executed through the following procedures.

|                                    |   |
|------------------------------------|---|
| Application                        | (Request made by a recipient country)   |
| Study                              | (Basic Design Study conducted by JICA)  |
| Appraisal & Approval               | (Appraisal by the Government of Japan and Approval by Cabinet)                      |
| Determination of<br>Implementation | (The Notes exchanged between the Governments of Japan<br>and the recipient country) |

2) Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA to conduct a study on the request.

Secondly, JICA conducts the study (Basic Design Study), using Japanese consulting firms.

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japan's Grant Aid Program, based on the Basic Design Study report prepared by JICA, and the results are then submitted to the Cabinet for approval.

Fourthly, the project, once approved by the Cabinet, becomes official with the Exchange of Notes signed by the Governments of Japan and the recipient country.

Finally, for the implementation of the project, JICA assists the recipient country in such matters as preparing tenders, contracts and so on.

### **2. Basic Design Study**

1) Contents of the Study

The aim of the Basic Design Study (hereinafter referred to as "the Study"), conducted by JICA on a requested project (hereinafter referred to as "the Project"), is to provide a basic document necessary for the appraisal of the Project by the Government of Japan. The contents of the Study are as follows:

- a) confirmation of the background, objectives and benefits of the Project and also institutional capacity of agencies concerned of the recipient country necessary for the Project's implementation;
- b) evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from the technical, social and economic points of view;
- c) confirmation of items agreed on by both parties concerning the basic concept of the Project;
- d) preparation of a basic design of the Project; and
- e) estimation of costs of the Project.

The contents of the original request are not necessarily approved in their initial form as the contents of the Grant Aid project. The Basic Design of the Project is confirmed considering the guidelines of Japan's Grant Aid Scheme.

The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even through they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

## 2) Selection of Consultants

For the smooth implementation of the Study, JICA uses a consulting firm selected through its own procedure (competitive proposal). The selected firm participate the Study and prepare a report based upon the terms of reference set by JICA.

At the beginning of implementation after the Exchange of Notes, for the services of the Detailed Design and Construction Supervision of the Project, JICA recommends the same consulting firm which participated in the Study to the recipient country, in order to maintain the technical consistency between the Basic Design and Detailed Design as well as to avoid any undue delay caused by the selection of a new consulting firm.

## 3. Japan's Grant Aid Scheme

### 1) What is Grant Aid?

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the

products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. Grant Aid is not supplied through the donation of materials as such.

2) Exchange of Notes (E/N)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the two Governments concerned, in which the objectives of the project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

3) "The period of the Grant" means the one fiscal year which the Cabinet approves the project for. Within the fiscal year, all procedure such as exchanging of the Notes, concluding contracts with consulting firms and contractors and final payment to them must be completed.

However, in case of delays in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

4) Under the Grant, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However, the prime contractors, namely consulting, contracting and procurement firms, are limited to "Japanese nationals". (The term "Japanese nationals" means persons of Japanese nationality or Japanese corporations controlled by persons of Japanese nationality).

5) Necessity of "Verification"

The Government of the recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability of Japanese taxpayers.

6) Undertakings required to the Government of the recipient country

- a) to secure a lot of land necessary for the construction of the Project and to clear the site;
- b) to provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the site;

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- c) to ensure prompt unloading and customs clearance at ports of disembarkation in the recipient country and internal transportation therein of the products purchased under the Grant Aid;
- d) to exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts;
- e) to accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such as facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work;
- f) to ensure that the facilities constructed and products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and
- g) to bear all the expenses other than those covered by the Grant Aid, necessary for the Project.

7) "Proper Use"

The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign the necessary staff for operation and maintenance of them as well as to bear all the expenses other than those covered by the Grant Aid.

8) "Re-export"

The products purchased under the Grant Aid shall not be re-exported from the recipient country.

9) Banking Arrangement (B/A)

- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in an authorized foreign exchange bank in Japan (hereinafter referred to as "the Bank". The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the verified contracts.
- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an Authorization to Pay (A/P) issued by the Government of recipient country or its designated authority.

## **ANNEX IV: UNDERTAKINGS BY THE GOVERNMENT OF Kiribati**

1. To secure a lot of land necessary for the Project
2. To clear, level and reclaim the site for the Project prior to the commencement of the construction.
3. To provide a proper access road to the Project site
4. To undertake incidental outdoor works, such as gardening, fencing, exterior lighting, and other incidental facilities in and around the Project site, if necessary.
5. To ensure prompt unloading, tax exemption and customs clearance at ports of disembarkation in Kiribati and internal transportation therein of the products purchased under the Japan's Grant Aid.
6. To exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in Kiribati with respect to the supply of the products and services under the verified contracts.
7. To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such facilities as may be necessary for their entry into Kiribati and stay therein for the performance of their work.
8. To bear commissions, namely advising commissions of an Authorization to Pay (A/P) and payment commissions, to the Japanese foreign exchange bank for the banking services based upon the Banking Arrangement (B/A).
9. To provide necessary permissions, licenses, and other authorization for implementing the Project, if necessary.
10. To ensure that the facilities constructed and equipment purchased under the Japan's Grant Aid be maintained and used properly and effectively for the Project.
11. To bear all the expenses, other than those covered by the Japan's Grant Aid, necessary for the Project.

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