

APPENDICES :

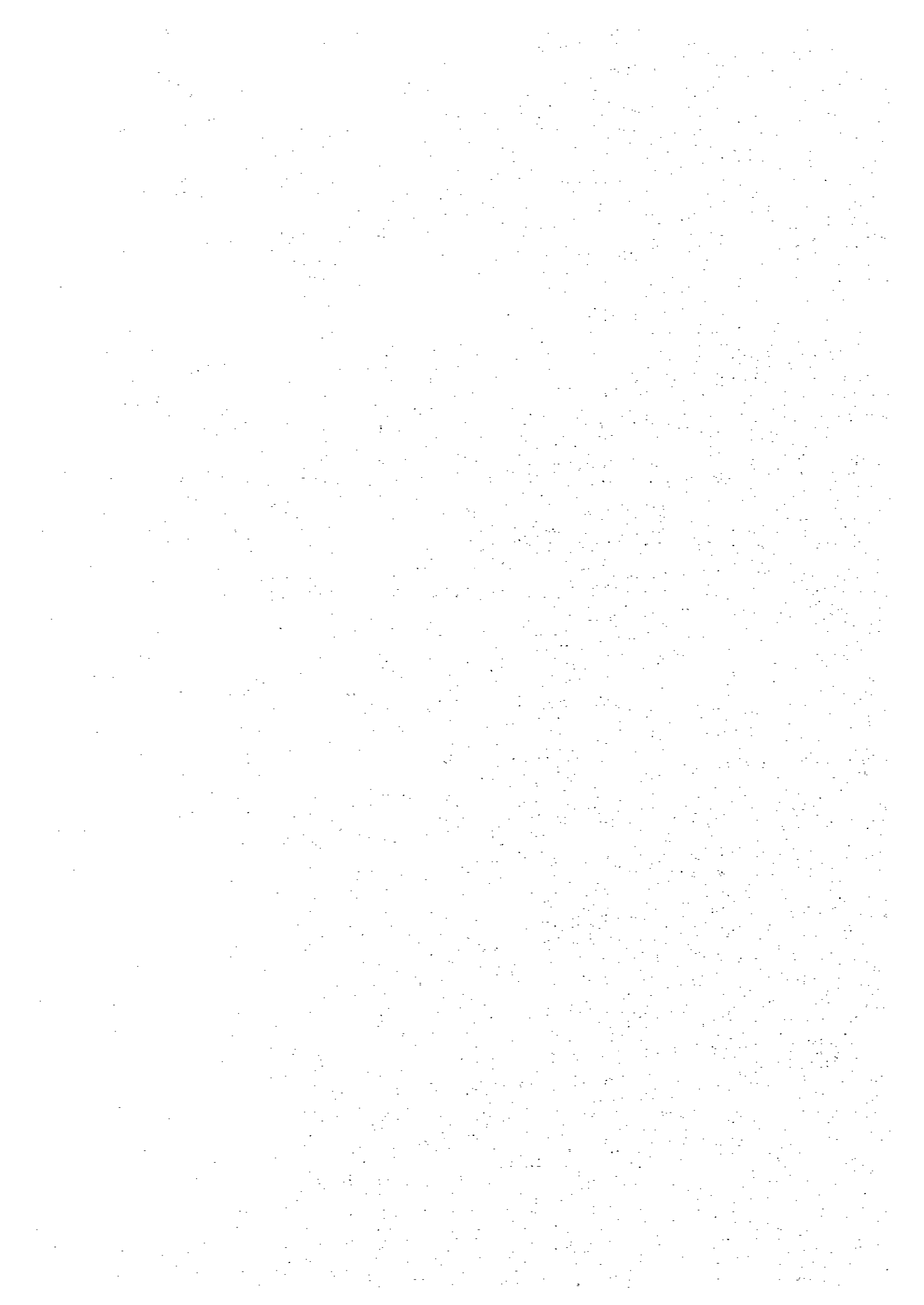
1. Member List of the Survey Team
 - 1-1. Member List (Field Survey)
 - 1-2. Member List (Consultation on Draft Report)

2. Survey Itinerary
 - 2-1. Survey Itinerary (Field Survey)
 - 2-2. Survey Itinerary (Consultation on Draft Report)

3. List of Persons Met

4. Minutes of Discussion
 - 4-1. Minutes of Discussion (Field Survey)
 - 4-2. Minutes of Discussion (Consultation on Draft Report)

5. Other relevant data
 - 5-1. Comparison table of Vessel's Contribution (1999)
 - 5-2. Operation Revenue Plan of the Plan Vessel



APPENDIX - 1 MEMBER LIST OF THE SURVEY TEAM

1-1 Member List (Field Survey)

FUNCTION	NAME	ORGANIZATION
Team Leader	Nobuhiko Hanazato	Second Project Study Division, Grant Aid Project Study Department, JICA.
Technical Advisor	Hideyuki Minamoto	International Affairs Office, Shipping Division, Maritime Technology & Safety Bureau, Ministry of Transport
Chief Consultant	Kuniaki Takahashi	Fisheries Engineering Co., Ltd.
Naval Architect	Toyonori Watanabe	Fisheries Engineering Co., Ltd.
Electric Mechanical Engineer	Akio Yamada	Fisheries Engineering Co., Ltd.
Procurement Planner	Kanji Yoshimi	Fisheries Engineering Co., Ltd.

1-2 Member List (Consultation on Draft Report)

FUNCTION	NAME	ORGANIZATION
Leader	Tetu Umenaga	Second Project Study Division, Grant Aid Project Study Department, JICA
Technical Advisor	Hiroyuki Irie	Grant Aid Division, Economic Cooperation Bureau, Ministry of Foreign Affairs
Chief Consultant	Kuniaki Takahashi	Fisheries Engineering Co., Ltd.
Naval Architect	Toyonori Watanabe	Fisheries Engineering Co., Ltd.
Procurement Planner	Kanji Yoshimi	Fisheries Engineering Co., Ltd.

APPENDIX - 2 Survey Itinerary

2-1 Survey Itinerary (Field Survey)

DAY	DATE	ACTIVITIES		
		Mr. Hanazato Mr. Minamoto	Mr. Takahashi Mr. Watanabe	Mr. Yamada Mr. Yoshimi
1	Mar. 8(Sat)	Mr. Hanazato (- Ar. Apia), Mr. Minamoto, Mr. Takahashi, Mr. Watanabe, Mr. Yamada, Mr. Yoshimi (Lv. Narita → Ar. Apia)		
2	Mar. 9(Sun)	Discussion within the study team		
3	Mar. 10(Mon)	Visit to Ministry of Finance, Ministry of Transport, Meeting with JICA office in Samoa, Discussion with WSSC		
4	Mar. 11(Tue)	Visit to M/V Queen salamasina and Workshop of WSSC Discussion with WSSC. Visit to Ministry of Foreign Affairs		
5	Mar. 12(Wed)	Survey on M/V Lady Samoa. Round trip between Mulifanua and Salelologa. Survey about M/V Queen Salamasina (Cargo and passenger landing condition)		
6	Mar. 13(Thu)	Discussion with WSSC.		
7	Mar. 14(Fri)	Drafting and signing of Minutes of Discussion, Report to Minister of Transport and JICA office		
8	Mar. 15(Sat)	Lv. Apia	Discussion within the study team	
9	Mar. 16(Sun)	Ar. Oakland	Information and data analysis, Discussion within the study team	
10	Mar. 17(Mon)	Visit to embassy of Japan	Maintenance condition survey about M/V Lady Samoa at Mulifanua harbor	
11	Mar. 18(Tue)	Lv. Oakland Ar. Narita	Visit to Marine Training Center Questionnaire from Apia to PagoPago (Mr. Watanabe, Mr. Yamada)	
12	Mar. 19(Wed)		Onboard survey on M/V Queen Salamasina Move to PagoPago by air (Mr. Takahashi, Mr. Yoshimi)	
13	Mar. 20(Thu)		Discussion with USCG, Visit to shipyard and PagoPago Harbor Move from PagoPago to Apia by air	
14	Mar. 21(Fri)		Discussion with WSSC, Information and data collection	
15	Mar. 22(Sat)		Data analysis	
16	Mar. 23(Sun)		Discussion within the study team	
17	Mar. 24(Mon)		Discussion with WSSC	Lv. Apia
18	Mar. 25(Tue)		Discussion with WSSC, Information and data collection	Ar. Oakland
19	Mar. 26(Wed)		Discussion with WSSC, Information and data collection	Lv. Oakland Ar. Narita
20	Mar. 27(Thu)		Discussion with WSSC, Information and data collection	
21	Mar. 28(Fri)		Information and data collection	
22	Mar. 29(Sat)		Lv. Apia	
23	Mar. 30(Sun)		Ar. Oakland	
24	Mar. 31(Mon)		Report to Embassy of Japan (Mr. Takahashi) Visit to shipyard (Mr. Watanabe)	
25	April 1(Tue)		Lv. Oakland Ar. Narita	

WSSC :Western Samoa Shipping Corporation Ltd.

USCG :United States Coast Guard

2-2 Survey Itinerary (Consultation of Draft Report)

DAY	DATE	ACTIVITIES
		Mr. Umenaga, Mr. Irie, Mr. Takahashi, Mr. Watanabe, Mr. Yoshimi
1	May 25(Sun)	Lv. Narita → Ar. Apia
2	May 26(Mon)	Meeting with JICA office in Samoa, Visit to Ministry of Foreign Affairs, Ministry of Transport and Ministry of Finance, Discussion with WSSC
3	May 27(Tue)	Visit to Apia harbor, Visit to M/V Queen Salamasina and Workshop of WSSC Discussion with WSSC
4	May 28(Wed)	Discussion with WSSC Discussion on draft of Minutes of Discussion
5	May 29(Thu)	Drafting and signing of Minutes of Discussion Visit to Minister of Transport
6	May 30(Fri)	Report to JICA office in Samoa
7	May 31(Sat)	Lv. Apia
8	Jun. 1(Sun)	Ar. Oakland
9	Jun. 2(Mon)	Report to Embassy of Japan
10	Jun. 3(Tue)	Lv. Oakland → Ar. Narita

APPENDIX - 3 List of Persons Met

NAME	FUNCTION
Ministry of Transport	
Hon. HANS JOACHIM KEIL	Minister of Transport
Mr. VA' AELUA NOFO VA' AELUA	Secretary for Transport
Mr. MASELINO SITAGATA TOMINIKO	Assistant Secretary, Marine Division, Ministry of Transport
Mr. EPA TUIOTI	Financial Secretary, The Treasury
Ministry of Foreign Affairs	
Mr. MOSE POUVI SUA	Secretary, Ministry of Foreign Affairs
Ms. NOUMEA SIMI	Head of Economic Aid Section, Ministry of Foreign Affairs
Ministry of Finance	
Mr. IULAI LAVEA	Acting Assistance Secretary, Treasury Department
Mr. MOSE ASANI	Chief Aid & Debt Management Officer, Treasury Department
Ministry of Posts and Telecommunication	
Mr. ASAMU E. AH SAM	Assistant Director, Telecommunications, Post & Telecommunication Department
Western Samoa Shipping Corporation Ltd.	
Mr. RAY BANCROFT	Chief Executive, WSSC
Mr. Capt. PETER BORCIC	Maritime Consultant, Ministry of Transport
Mr. OLOIALII KOKI TUALA	Assistant General Manager, WSSC
Mr. WILLIE NANSEN	Chief Accountant, WSSC
Mr. SAMOA GAGAEOLO TAFI	Maintenance Planner, WSSC
Mr. FALA ANAMANI	Operations Manager, WSSC
Mr. FAAFETAI FAAMATUAINU	Captain, M/V "Queen Salamasina" WSSC
Mr. TUPUAI SOFI	Captain, M/V "Lady Samoa II" WSSC
Mr. LAUFILI MAMOE	Workshop Manager, WSSC
Mr. FATU JOE LAFOAI	Acting Principal, Marine Training Center
United States Coast Guard	
Mr. LT JAMES B. PRUETT	Supervisor, USCG Marine Safety Detachment, American Samoa
Pago Pago Harbor branch office	
Mr. FAAAUAA RETUFEIU ELISAY	Port Administration, American Samoa
Shipyards, Agent etc.	
Mr. ARNOLD A. (SKIP) WALKER	General Manager, South West Marine Inc., American Samoa
Mr. BEN SOLAITA	Marketing Director, South West Marine Inc., American Samoa
Mr. DAVID T. AH SUE	General Manager, Polynesia Shipping Services Inc., American Samoa
Mr. RUDY ZIMMER	Honor Marine South Pacific, American Samoa

NAME	FUNCTION
Mr. Tetsuya Endo	Ambassador, Embassy of Japan in NewZealand
Hon. TUPUA' FREDERICK WETZELL	Honorary Consul General of Japan
Mr. Masahiko Suneya	First Secretary, Embassy of Japan in NewZealand
Mr. Hiroyuki Imai	Third Secretary, Embassy of Japan in NewZealand
Mr. Hidetosi Takama	Resident Representative, Samoa Office Japan International Cooperation Agency (JICA)
Mr. Yutaka Fukase	Assistant Resident Representative, Samoa Office JICA
Mr. Yasumasa Gotou	JICA Expert, WSSC
Mr. Masao Koide	JICA Expert, Marine Training Center
Mr. Yukio Matsuda	JICA Expert, Marine Training Center
Mr. Mitsuo Kobayashi	JOCV (Electric Machinery) , WSSC Workshop

APPENDIX - 4 Minutes of Discussion

4-1. Minutes of Discussion (Field Survey)

**MINUTES OF DISCUSSIONS
ON
THE BASIC DESIGN STUDY
ON
THE PROJECT FOR CONSTRUCTION OF THE INTER-ISLANDS NAVIGATION VESSEL
IN
WESTERN SAMOA**


In response to a request from the Government of Western Samoa (hereinafter referred to as "GWS"), the Government of Japan decided to conduct a Basic Design Study on the Project for Construction of the Inter-Islands Navigation Vessel (hereinafter referred to as "the Project") in Western Samoa, and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to Western Samoa the Basic Design Study Team (hereinafter referred to as "the Study Team") headed by Mr. Nobuhiko HANAZATO, Second Project Study Division, Grant Aid Project Study Department, JICA, which is scheduled to stay in the country from March 8 to April 1, 1997.

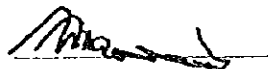
The Study Team held a series of discussions with the concerned officials of GWS.

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

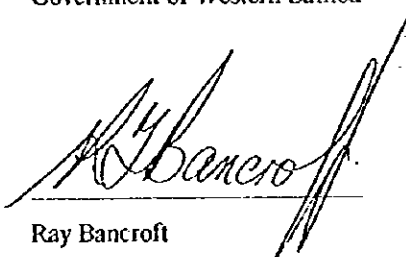
Apia, March 14, 1997



Nobuhiko HANAZATO
Leader
Study Team
JICA



Va'aelua Nofo Va'aelua
Secretary for Transport
Ministry of Transport
Government of Western Samoa



Ray Bancroft
Chief Executive
Western Samoa Shipping Corporation Ltd.

ATTACHMENT

1. OBJECTIVE

The objective of the Project is to construct an inter-islands vessel which will replace existing vessel, namely Queen Salamasina not able to cope with the current and future requirements due to her age and damage caused by the past usage and cyclone devastation, to operate the most important navigational route for Western Samoa connecting Apia with Mulifanua, Salelologa and Pagopago. By ensuring stable and efficient public transportation between the two countries, more lively interchange of people as same nation and active economic development and social welfare shall be enhanced.

2. PROJECT IMPLEMENTING AGENCY

Ministry of Transportation is responsible for administration of the Project. The Western Samoa Shipping Corporation (hereinafter referred to as "WSSC") is responsible for execution of the Project.

3. PORTS & ROUTES OF SERVICE

Ports and routes of service of the vessel are shown in Annex-1.

Annex-1 a : Port of Apia

Annex-1 b : Port of Mulifanua

Annex-1 c : Port of Salelologa

Annex-1 d : Port of Pagopago

Annex-1 e : Routes of Service

4. MAJOR ITEMS REQUESTED BY GWS SIDE

After a series of discussions, a vessel to suit the design criteria listed in Annex-2 is finally requested by GWS side. However, the specification of the vessel to be covered under the Project will be subject to the further studies.

5. JAPANESE GRANT AID PROGRAMME

The GWS side has understood the system of Japanese Grant Aid Programme explained in Annex-3.



6. NECESSARY MEASURES TO BE TAKEN BY GWS SIDE

GWS will take necessary measures, described in Annex-4 for smooth implementation of the Project, on condition that the Grant Aid by the Government of Japan is extended to the Project.

7. FURTHER SCHEDULE OF THE STUDY

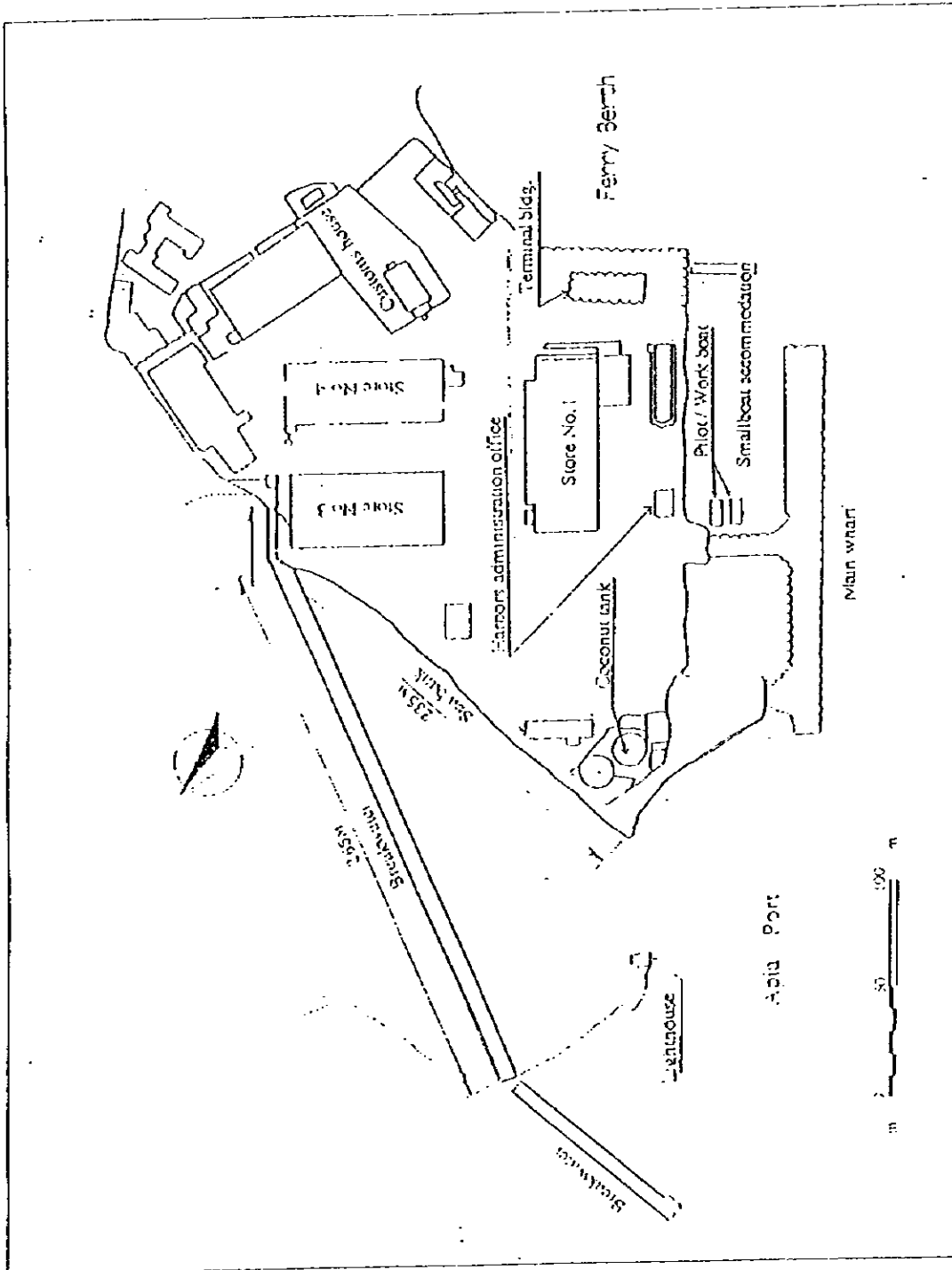
- 1) The Study Team will proceed to further studies in Western Samoa until March 29, 1997.
- 2) Based on the results of the analysis and discussions in Japan, JICA will prepare the Draft Basic Design Report and dispatch a team in the end of May 1997 in order to explain and confirm the contents of the Basic Design.
- 3) JICA will complete the Basic Design Report and forward it to GWS by August 1997.



ANNEX 1

PORTS & ROUTES OF SERVICE

Annex-1 a : Port of Apia

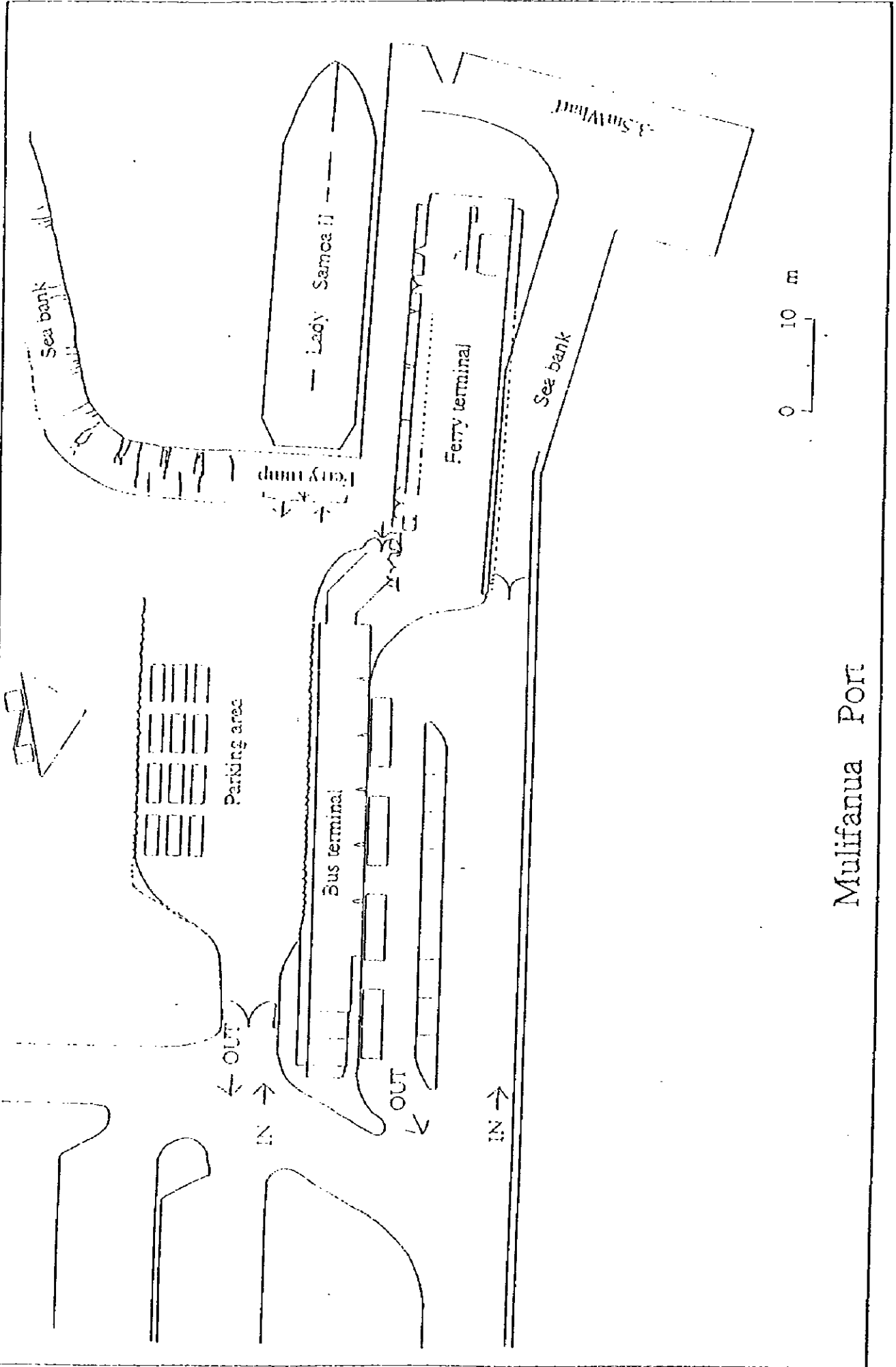


Apia Port

Handwritten initials: R&B

Handwritten mark: M

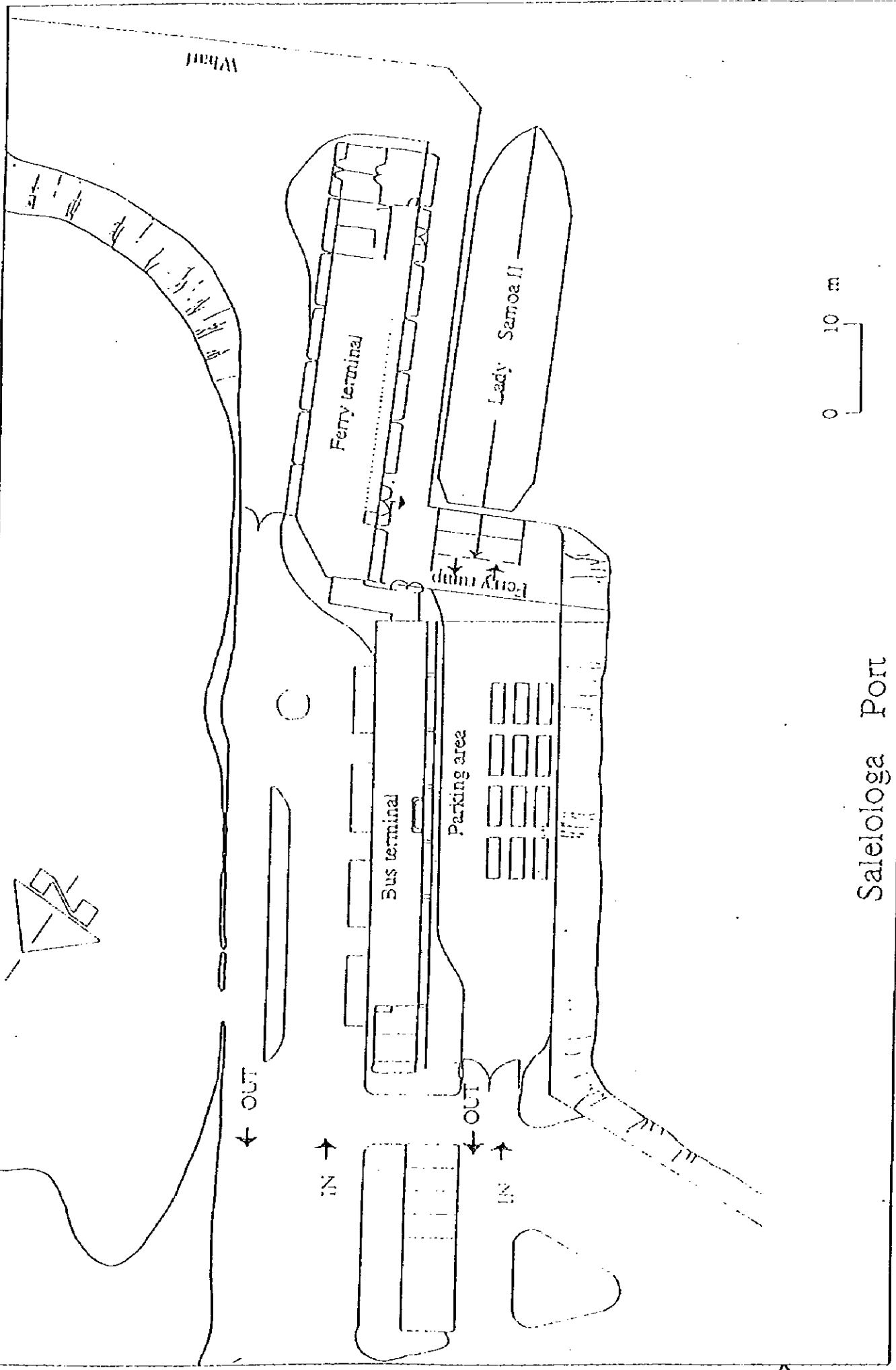
Handwritten mark: M



Mulifanua Port

25/5

M



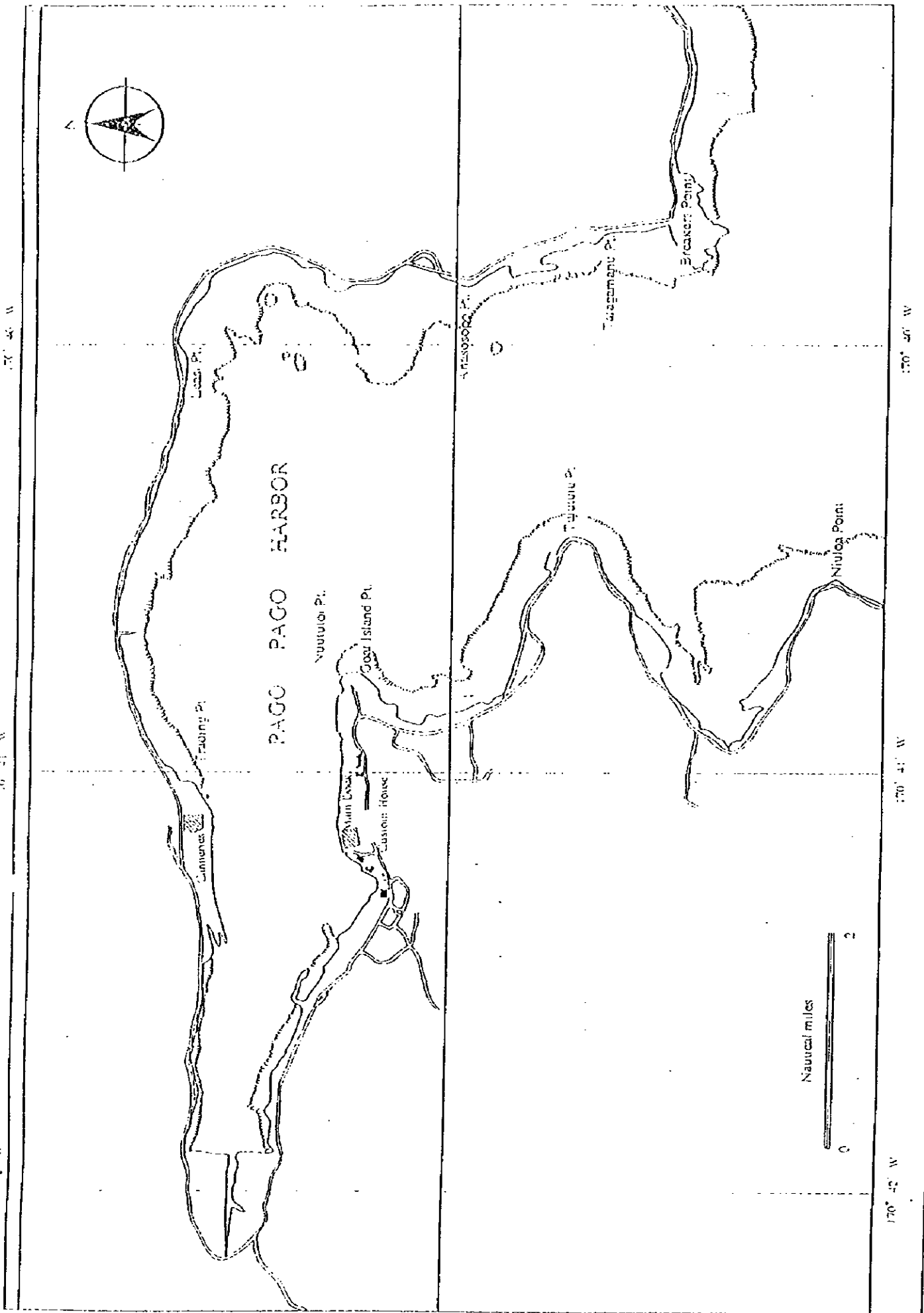
0 10 20 m

Salelologa Port

13/5

M

Annex-E d : Port of Pago Pago

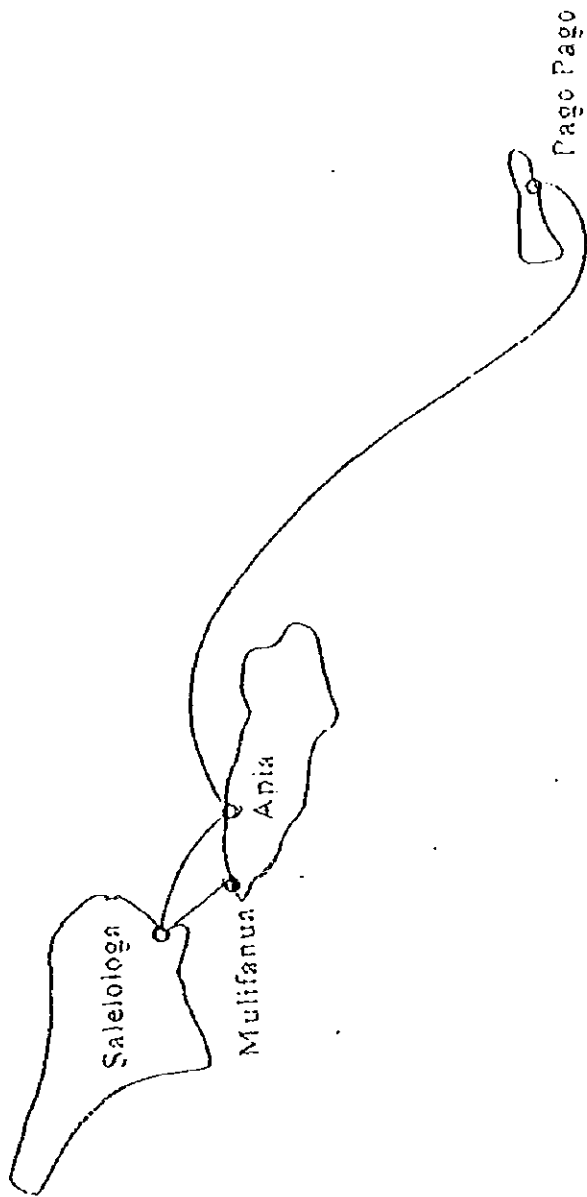


RFB

M

M

ROUTES OF SERVICE



Handwritten initials or signature in the bottom left corner.

Handwritten initials or signature in the bottom right corner.

ANNEX 2

Design Criteria of the Vessel requested by GWS side

1. PORTS OF SERVICE

Ports of service of the vessel are Port of Apia, Port of Mulifanua, Port of Salelologa and Port of Pagopago.

2. Vessel's Type

The vessel shall be a Ro/Ro type Passenger Ship engaging Short International Voyage.

3. International Conventions, Rules, and Regulations to be complied with the vessel design of the Project.

The Vessel shall comply with the following international conventions, rules and regulations including their amendments.

International Conventions of Safety of Life at Sea, 1974 (SOLAS 1974)

International Conventions of Load Line, 1966 (ICLL)

International Conventions of Preventing Collision at Sea, 1972 (COLREG)

International Conventions of Tonnage Measurement of Ships, 1969 (TM69)

International Conventions of Preventing Pollution from Ships, 1973 (MARPOL)

Annex 1, Annex 4 and Annex 5

Regulations by the United States Coast Guard for calling Pagopago Port

South Pacific Maritime Code

Western Samoa Shipping Act

4. Gross Tonnage

Gross Tonnage of the vessel shall be less than 1,000 GT.

5. Draft

Draft of the vessel shall be less than 2.4 m, based on the existing conditions of the ports of service.

6. Length overall

Length overall of the vessel shall be approx. 46 m. However, the length overall of the vessel shall be subject to the further study.

ANNEX 3

Japan's Grant Aid Scheme

1. Grant Aid Procedures

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	(The Notes exchanged between the Governments of Japan and the
Implementation	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 (Japan International Cooperation Agency) to conduct a study on the request.

Secondly, JICA conducts the study (Basic Design Study), using (a) Japanese consulting firm(s).

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

- a) Confirmation of the background, objectives, and benefits of the requested 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 a technical, social and economic point 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
- 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 though 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 smooth implementation of the Study, JICA uses (a) registered consultant firm(s). JICA select (a) firms(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA. The consulting firm(s) used for the Study is(are) recommended by JICA to the recipient country to also work on the Project's implementation after the Exchange of Notes, in order to maintain technical consistency and also to avoid any undue delay in implementation should the selection process be repeated.

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. 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 Aid" means the one fiscal year which the Cabinet approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consultant firm(s) and (a) contractor(s) 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 Aid, 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, constructing 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 recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals, whose contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

6) Undertakings required of the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following.

- (1) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.
- (2) To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- (3) To secure buildings prior to the procurement in case the installation of the equipment.
- (4) To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid.
- (5) To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.



(6) 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 recipient country and stay therein for the performance of their work.

(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 staff necessary for this operation and maintenance 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 should not be re-exported from the recipient country.

(9) Banking Arrangements (B/A)

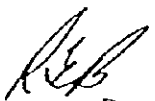
- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in an authorized foreign exchange bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making 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 issued by the Government of the recipient country or its designated authority.

ANNEX 4

Necessary Measures to be taken by GWS side

Following necessary measures should be taken by GWS side on condition that the Grant Aid by the Government of Japan is executed to the Project:

1. To provide data and information necessary for the Project.
2. To provide facilities necessary for the operation and maintenance of the vessel provided under the Project.
3. To secure the budget and manpower necessary for the operation and maintenance of the vessel provided under the Project.
4. To bear commissions to the Japanese foreign exchange bank for its banking services based upon the Banking Arrangement, namely, the advising commission of the "Authorization to Pay" and payment commission.
5. To ensure prompt unloading, tax exemption, customs clearance at the port of disembarkation in Western Samoa and prompt internal transportation therein of the materials and equipment for the Project purchased under the Grant Aid.
6. To exempt Japanese juridical and physical nationals engaged in the Project from customs duties, internal taxes and other fiscal levies which may be imposed in Western Samoa 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 products and the services under the verified contract such facilities as may be necessary for their entry into Western Samoa and stay therein for the performance of their work.
8. To provide necessary permissions, licenses and other authorizations for implementing the Project, if necessary.



4-2. Minutes of Discussion (Consultation on Draft Report)

**MINUTES OF DISCUSSIONS
ON
THE BASIC DESIGN STUDY
ON
THE PROJECT FOR CONSTRUCTION OF THE INTER-ISLANDS NAVIGATION VESSEL
IN
WESTERN SAMOA
(Consultation on Draft Report)**

In March 1997, the Japan International Cooperation Agency (hereinafter referred to as "JICA" dispatched the Basic Design Study on the Project for Construction of the Inter-Islands Navigation Vessel (hereinafter referred to as "the Project") to Western Samoa. Through discussions, field survey, and technical examination of the results in Japan, JICA has prepared the Draft Report of the study.

In order to explain and to consult the Government of Western Samoa (hereinafter referred to as "GWS") on the components of the Draft Report, JICA sent to Western Samoa a study team headed by Mr. Satoshi UMENAGA, Second Project Study Division, Grant Aid Project Study Department, JICA, which is scheduled to stay in the country from May 25 to 31, 1997.

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

Apia, May 29, 1997

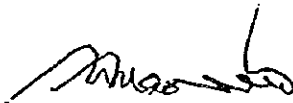


Satoshi UMENAGA

Leader

Study Team

JICA



Va'aelua Nofu Va'aelua

Secretary for Transport

Ministry of Transport

Government of Western Samoa



Ray Bancroft

Chief Executive

Western Samoa Shipping Corporation Ltd.

ATTACHMENT

1. Components of the Draft Report

The GWS has agreed and accepted in principle the components of the Draft Report proposed by the team.

2. Japan's Grant Aid System

- (1) The GWS had understood the system of Japanese Grant Aid described in Annex I.
- (2) The GWS will take the 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. Further Schedule

The Team will make the Final Report in accordance with the confirmed items and send it to the GWS by the end of September, 1997.

4. Other Relevant Issues

The GWS will establish the ship replacement fund by means of the accumulation of the vessel's profit accruing from the operation of the vessel under the Project.



ANNEX I

Japan's Grant Aid Scheme

1. Grant Aid Procedures

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)

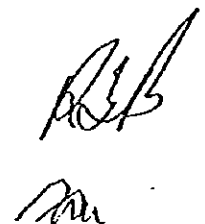
2) Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA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

Secondly, JICA conducts the study (Basic Design Study), using (a) Japanese consulting firm(s).

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

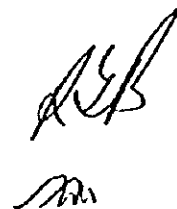
1) Contents of the Study

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

- a) Confirmation of the background, objectives, and benefits of the requested 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 a technical, social and economic point 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
- 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 though 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 smooth implementation of the Study, JICA uses (a) registered consultant firm(s). JICA select (a) firms(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA. The consulting firm(s) used for the Study is(are) recommended by JICA to the recipient country to also work on the Project's implementation after the Exchange of Notes, in order to maintain technical consistency and also to avoid any undue delay in implementation should the selection process be repeated.

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 Aid" means the one fiscal year which the Cabinet approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consultant firm(s) and (a) contractor(s) 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 Aid, 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, constructing 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 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 to Japanese taxpayers.

6) Undertakings required of the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following.

- (1) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.
- (2) To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- (3) To secure buildings prior to the procurement in case the installation of the equipment.
- (4) To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid.
- (5) To exempt Japanese nationals from customs duties, internal taxes and their fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.



(6) 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 recipient country and stay therein for the performance of their work.

(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 staff necessary for this operation and maintenance 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 should not be re-exported from the recipient country.

(9) Banking Arrangements (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 issued by the Government of the recipient country or its designated authority.



ANNEX II

Necessary Measures to be taken by GWS side

Following necessary measures should be taken by GWS side on condition that the Grant Aid by the Government of Japan is executed to the Project:

1. To provide data and information necessary for the Project.
2. To provide facilities necessary for the operation and maintenance of the vessel provided under the Project.
3. To secure the budget and manpower necessary for the operation and maintenance of the vessel provided under the Project.
4. To bear commissions to the Japanese foreign exchange bank for its banking services based upon the Banking Arrangement, namely, the advising commission of the "Authorization to Pay" and payment commission.
5. To ensure prompt unloading, tax exemption, customs clearance at the port of disembarkation in Western Samoa and prompt internal transportation therein of the materials and equipment for the Project purchased under the Grant Aid.
6. To exempt Japanese juridical and physical nationals engaged in the Project from customs duties, internal taxes and other fiscal levies which may be imposed in Western Samoa 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 products and the services under the verified contract such facilities as may be necessary for their entry into Western Samoa and stay therein for the performance of their work.
8. To provide necessary permissions, licenses and other authorizations for implementing the Project, if necessary.



APPENDIX - 5 Other relevant data

5-1 Comparison table of Vessel's Contribution (1999)

- (A) In case of higher fare for Bunk
- (B) In case of a flat fare for Bunk & Seat

(Unit : S\$)

	(A)	(B)
Revenues		
Pago Pago Service		
Passenger Fares	963,066	778,986
Freight	2,205,008	2,205,008
Total Pago Pago Service Revenue	3,168,074	2,983,994
Ferry Service		
Passenger Fares	409,864	409,864
Vehicle	261,753	261,753
Freight	27,694	27,694
Total Ferry Service Revenue	699,311	699,311
Total Revenue	3,867,385	3,683,305
Traffic Expenses		
Pago Pago Service	310,489	310,489
Ferry Service	13,494	13,494
Total Operation Cost	323,983	323,983
Net Operating Revenues	3,543,402	3,359,322
Operation Cost	2,526,767	2,526,767
Other Expenses	369,175	369,175
Income	647,460	463,380
Head Office Costs	465,037	465,037
Vessel Replacement Fund	182,424	-1,656

5-2-2 In case of one round trip

	(Year)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	(US\$)
Revenues																	
Papago Service																	
Passenger Fares		163066	108225.476	1053619.615	1101097.571	1132704.033	1165775.339	1190300.572	1190300.572	1190300.572	1190300.572	1190300.572	1190300.572	1190300.572	1190300.572	1190300.572	1190300.572
Freight		2208008	2228471.49	2252184.655	2276150.152	2300770.666	2324848.91	2349387.627	2374039.989	2398786.357	2423534.482	2448291.161	2473047.527	2497804.161	2522560.847	2547317.812	2572074.828
Total Papago Service Revenue		3168074	3236696.966	3306804.271	3377207.724	3433074.699	3490624.249	3549088.199	3607520.561	3665956.561	3724391.054	3782825.733	3841260.412	3899695.091	3958129.770	4016564.449	4075000.128
Ferry Service																	
Passenger Fares		409864	419246.9877	427734.9325	435493.819	442612.1036	449111.8643	455535.0946	461103.6381	466502.6253	471902.2959	477302.9666	482702.6373	488102.3080	493501.9787	498901.6494	504301.3201
Vehicle		261752.983	282378.6578	303404.3325	324220.0073	345535.682	366851.357	388167.0318	409482.7063	430798.3808	452114.0553	473429.7298	494745.4043	516061.0788	537376.7533	558692.4278	579908.1023
Freight		27694	27694	27694	27694	27694	27694	27694	27694	27694	27694	27694	27694	27694	27694	27694	27694
Total Ferry Service Revenue		698310.983	729399.6455	758833.6651	789407.5237	815361.7155	842307.2211	869252.7268	896198.2325	923143.7382	950089.2439	977034.7496	1003980.2553	1030925.7610	1057871.2667	1084816.7724	1111762.2781
Total Revenue		3867384.983	3966021.611	4064637.882	4163445.247	4262256.414	4361061.470	4459863.926	4558672.793	4657481.660	4756290.527	4855101.394	4953912.261	5052723.128	5151533.995	5250344.862	5349155.729
Traffic Exp.																	
Papago Service																	
Port Charges		109212	111093.2913	112341.0718	113602.1299	114876.6069	116164.6457	117466.3004	118781.9871	120111.883	121455.3271	122813.37	124185.8639	125572.6624	126974.6211	128391.9689	130831.2367
Traffic Office Expenses		62401	62401	62401	62401	62401	62401	62401	62401	62401	62401	62401	62401	62401	62401	62401	62401
Papago Agency Cost		119290.4	111423.5745	112409.2528	113807.5076	115618.5333	117849.3814	120592.7959	123962.4793	128116.9628	133375.0512	139178.1817	146894.25	155920.33	166781.4235	180014.6035	196011.6635
Sundry		28625	28625	28625	28625	28625	28625	28625	28625	28625	28625	28625	28625	28625	28625	28625	28625
Total Papago Service Traffic Expenses		310488.4	313342.4658	315976.3045	319415.6375	323802.1402	329371.7718	336274.7232	344710.8666	354914.4201	368275.4309	386192.7553	410479.4817	444691.6628	492373.8315	561030.9466	647727.8264
Ferry Service																	
Port Charges		3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2	3723.2
Traffic Office Expenses		4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05	4771.05
Sundry		5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Total Ferry Service Traffic Expenses		9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25	9223.25
Total Traffic Expenses		333981.65	327057.1158	327057.1158	331929.8875	339445.3902	351927.7412	371494.6028	392033.7166	424624.6828	474750.7128	548275.9703	659957.3370	832903.2753	1115275.5705	1588009.4966	2407772.5104
Net Operating Revenues		3547412.333	3639179.495	3735166.981	3832585.662	3934602.023	3996484.129	4069809.304	4118918.789	4167818.463	4216650.734	4265485.169	4314373.133	4363266.039	4412159.313	4461052.219	4510000.191
Vessel Operation Cost																	
Salaries		254200	254200	254200	254200	254200	254200	254200	254200	254200	254200	254200	254200	254200	254200	254200	254200
Depreciation		10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000
Drydocking payments		115000	115000	115000	115000	115000	115000	115000	115000	115000	115000	115000	115000	115000	115000	115000	115000
Fuel		417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956	417281.956
Lube oil		60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296	60365.08296
Insurance H&M		890000	890000	890000	890000	890000	890000	890000	890000	890000	890000	890000	890000	890000	890000	890000	890000
Insurance P&I		180000	180000	180000	180000	180000	180000	180000	180000	180000	180000	180000	180000	180000	180000	180000	180000
Lease Cost		465000	465000	465000	465000	465000	465000	465000	465000	465000	465000	465000	465000	465000	465000	465000	465000
License fee		5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Repairs & maintenance		12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000
Sales & Provisions		29120	29120	29120	29120	29120	29120	29120	29120	29120	29120	29120	29120	29120	29120	29120	29120
Sundry		6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000
Survey fees		8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000
Uniform		4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800
Total Vessel Operation Cost		2520767.039	2647767.039	2647767.039	2652567.039	2683767.039	2730767.039	2799767.039	2864567.039	2935567.039	3012767.039	3096267.039	3186267.039	3282867.039	3381667.039	3482667.039	3585867.039
Other Operating Expenses																	
Crew Training		16250	16250	16250	16250	16250	16250	16250	16250	16250	16250	16250	16250	16250	16250	16250	16250
Engineering Workshop		288000	288000	288000	288000	288000	288000	288000	288000	288000	288000	288000	288000	288000	288000	288000	288000
MTC Contribution		17125	17125	17125	17125	17125	17125	17125	17125	17125	17125	17125	17125	17125	17125	17125	17125
Indirect Operating Expenses		47800	47800	47800	47800	47800	47800	47800	47800	47800	47800	47800	47800	47800	47800	47800	47800
Total Other Operating Expenses		369175	369175	369175	369175	369175	369175	369175	369175	369175	369175	369175	369175	369175	369175	369175	369175
Operating Surplus		647460.2941	622207.4565	622207.4565	633698.7941	640689.6666	645570.4945	650451.3220	655332.1495	660213.0019	665093.8544	669974.7069	674855.5594	679736.4119	684617.2644	689498.1169	694378.9689
Overhead(New Vessel's Contribution)																	
Head Office Cost																	
Interest Cost		67680	67680	67680	67680	67680	67680	67680	67680	67680	67680	67680	67680	67680	67680	67680	67680
Overhead(New Vessel's Contribution)																	
Vessel Replacement Fund		182823.7941	157200.9565	317188.4421	365907.1235	396042.5597	423505.5901	448930.7645	474355.9389	500000.1133	526875.2877	554950.4621	584275.6365	614800.8109	646475.9853	684200.1597	728000.3341

JICA