

3 Implementation Plan

3-1 Implementation Plan

3-1-1 Implementation Concept

(1) Procurement of Goods and Services

Major components of the Project are manufacturing of training equipment and installation thereof. Considering the nature of the Grant Aid Program of Japan, the training equipment will be procured through competitive bidding in Japan. Engineering services for installation will also be provided by the prospective manufacturer. The manufacturer may utilize the sub-contractor(s) for the purpose of installation of the equipment and may use local materials which may be limited to those for installation of imported training equipment.

In order to assure the quality of the equipment and installation services, the consultant will supervise the manufacturer's work from preparation of shop drawings through installation and adjustment of the equipment, including final inspection for turn-over.

(2) Scope of Work to be Undertaken by Both Governments

Scope of work to be undertaken by the governments of Japan and the Philippines are defined as follows:

(a) Scope of work by the Japanese government

The Japanese government will bear the cost for the following consulting services and procurement of goods and services;

1) Consulting Services

Detailed design of the training equipment, assistance in bidding and bid evaluation, review and approval of shop drawings, factory inspections, installation supervision and final inspection.

2) Procurement of Goods and Services

- Secondary Surveillance Radar
- VFR Simulator
- Power Supply System
- D-VOR
- DME
- ILS
- Basic Training Equipment
- Power Supply Facilities

(b) Scope of Work by the Philippine government

The Philippine government shall bear the cost for the following modification works of the CATC;

- Provision of partitions
- Making holes in the wall for cabling
- Modification of Flooring
- Modification of Ceiling

- Modification of Lighting
- Installation on Curtain and Blinds
- Repainting of walls
- Provision of air-conditioning
- Improvement of lavatories and water supply

3-1-2 Implementation Conditions

(1) Coordination with the ATO and the CATC

According to the equipment installation plan, the laboratories and classrooms of the ground floor will be remodeled and equipped with the new training equipment. Since the CATC's training activities will be going on during installation of the new equipment, the following items shall be taken into account in order not to disturb the on-going training activities:

- Effect of installation works and modification of the rooms against the service of whole the building of the CATC
- Safety of officers and employces and trainees of the CATC during the installation works
- Effect to training activities and class management

(2) Conditions of Existing Facilities

(a) Rooms to Install the Equipment

The equipment will be installed in the existing laboratories and classrooms. In case that the existing rooms are being used for present training activities, all such facilities and functions shall be transferred to

other rooms before commencement of installation works.

(b) Weather Condition

Although all the works will be undertaken inside the CATC building and no adverse effect of bad weather is expected, humidity control of equipment shall be carefully provided where the crates will be stocked before being carried into the building.

(c) Local Sub-contractors

Local sub-contractors may be employed for the limited part of installation works to be done under the supervision by the engineer(s) of the manufacturer.

(d) Construction Equipment and tools

Most of the equipment and materials will be imported and the works will be modification of the building and installation of the equipment. Any heavy construction equipment and special tools is not required for the works.

(e) Local Materials

The majority of the training equipment is quite sensitive and highly sophisticated. No local materials shall be used in any part where the performance of the equipment will be affected. Local materials shall be used in the limited part to those areas which would not affect the performance of the equipment.

3-1-3 Consultant's Supervision

For smooth implementation of the project, the consultant that carried out the Basic Design Study is recommended by JICA to the recipient country to also work on the Project's implementation in order to maintain technical consistency and also to avoid any undue delay in implementation should the selection process be repeated. Consultant's services encompass the followings:

- Detailed design
- Assistance in bidding, bid evaluation and contract
- Review and approval of shop drawings and factory inspection during manufacturing of the equipment
- Installation supervision
- Final inspection for turning over

3-1-4 Procurement Plan

(1) Equipment and Materials

Equipment and materials for installation shall be Japanese products in principle. In consideration of ease and maintenance, priority may be given to the equipment of a manufacturer which has a branch office or factory in the Philippines.

(2) Transportation

Sea transportation from Japan to Manila will be taken into account. It is

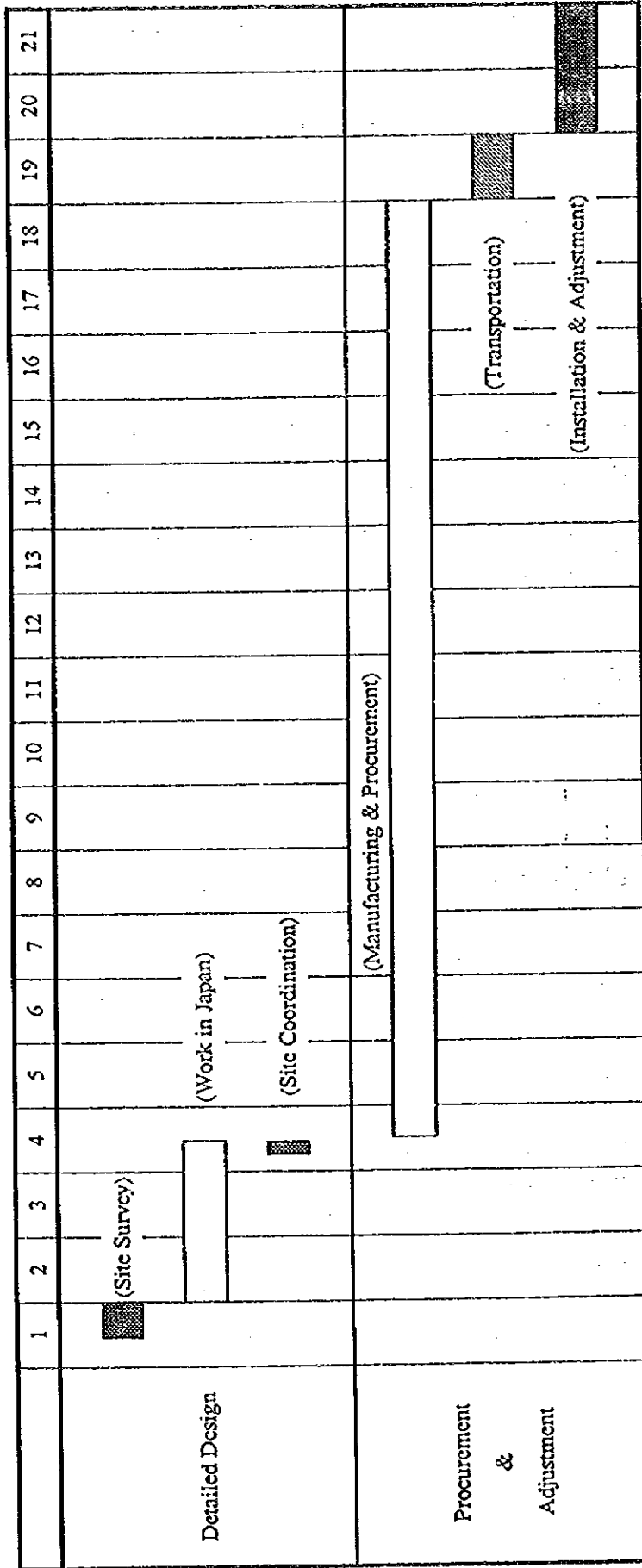
assumed that it takes one (1) month from the factory to the CATC through ports in Japan and Manila, including inspection in Japan and custom clearance in Manila. It is also assumed that all taxes to be imposed in relation to the implementation of the Project will be exempted in consideration of the nature of the grant aid program from Japan.

3-1-5 Implementation Schedule

The duration of the Project is affected largely by the manufacturing period of the equipment. The manufacturing period of each type of equipment varies from 6 months to 10 months. The implementation schedule is prepared and shown in Table 3-1 in accordance with the assumed duration of the following work items:

(1) Detailed design	2.50 months
(2) Bidding and Contract	1.50 months
(3) Manufacturing of equipment	10.75 months
(4) Transportation	1.00 month
(5) Installation	1.00 month
(6) Inspection and turn over	0.25 months

Table 3-1 Project Implementation Schedule



3-2 Project Cost Estimation

Cost to be borne by the Philippines is estimated at approximately 6 Million Pesos, excluding any form of tax, as shown in Appendix 5.

3-3 Operation and Maintenance Costs

Annual operations and maintenance costs for the newly installed training equipment are estimated at seven (7) Million Pesos equivalent to three (3) percent of the equipment cost.

4 Project Evaluation and Recommendation

4-1 Project Effect

The CATC has no training equipment at present. Even for the training of ANSS, there is no such training with "hands-on" practice for the fundamental air navigation facilities because of a lack of equipment for these training purposes. For air traffic controllers and airways a communicators, there are no training simulators and communication console mockups for aerodrome control, approach control and area control.

Procurement and installation of training equipment as listed in Table 2-2 will normalize each training course and will enable the CATC to provide the trainees with the required practices of nav aids operation and maintenance by using the equipment which are similar to those in operation in air navigation facilities throughout the country.

Newcomers to air navigation system specialists will be properly trained by means of hands-on practice in operation and maintenance services for SSR, D-VOR, DME and ILS in the CATC when the installation of this type of equipment is completed under the Project. Incumbent personnel who have limit experience in such services in the past can be trained to be capable there or.

By introduction of a VFR simulator, the quality and efficiency of training for air traffic controllers will be improved significantly. State-of-art simulator systems will provide the trainees with visual reference of airport and aircraft controlled by trainee through computer processing. This system will enable the air traffic controller trainees to gain similar experience to the actual aerodrome control environment.

The personal computers will also enable the air traffic controllers and airways communicators to practice computerized flight plan data processing procedures and other data input and output operation. This practice is now essential as airways

operation specialists, since the major of air traffic control facilities are equipped with computerized data processing systems.

4-2 Recommendations

(1) Maintenance of Equipment

The training equipment which were previously installed in the CATC under the UNDP/ICAO should have complied with the training requirements at that time. Variety and quality of the equipment seemed to be adequate to perform the duties and roles allocated to the CATC Manila under the UNDP/ICAO CATC development program in Asia-Pacific Region. It is observed that almost all the equipment has become inoperative now.

Any valuable equipment will not be maintained in good condition if the maintenance services are not provided properly. During the survey, the ATO expressed its plan to establish a maintenance section within the CATC once the equipment would be installed. Spare parts and necessary services should be procured accordingly, in order to maintain the equipment in good condition, in addition to the establishment of the new section and assignment of the staff exclusively for the training equipment.

The ATO shall make every effort to allocate a reasonable amount of budget for maintenance services of the equipment.

(2) Annual Training Program

The ATO shall encourage the CATC to perform its duties in accordance with an annual training program. Not only maintaining the equipment, maintenance of regular training activities will help the CATC maintain its quality of training

services. Annual training programs require a certain number of instructors and personnel whose cost should be taken into account in the ATO's annual budget.

(3) Improvement of Training Course Layout

Existing course layouts of the CATC were prepared at such a time that any such training equipment was to be provided under the Project. Taking into account the availability of the equipment, the course layouts and distribution of hours by subjects should be reconsidered. Project Type Technical Assistance to be granted by JICA in parallel with this Project will help CATC improve the course layouts as well as reinforce the qualification of instructors therefor. With assistance of experts to be dispatched by JICA, ATO shall have its own program to improve the CATC's course layouts.

APPENDICES

APPENDIX 1. Member List of the Survey Team

1st Survey Team

Katsutoshi ISHIDA	Leader Grant Aid Division, Economic Cooperation Bureau Ministry of Foreign Affairs
Hiroyuki KINOMOTO	Cooperation Planner Deputy Director, First Technical Cooperation Division Social Development Cooperation Department, JICA
Hiroshi SATO	Senior Coordinating Officer Radio Engineering Division Air Traffic Services Department, Civil Aviation Bureau Ministry of Transport
Kunihiro TAKANO	Chief Consultant Japan Airport Consultants, Inc.
Koji ISHIZU	Facilities Planner and Cost Estimation Japan Airport Consultants, Inc.
Akira NAKAOKA	Coordinator Japan Airport Consultants, Inc.

2nd Survey Team

Shiro KANAYAMA	Leader Tsukuba International Center, JICA
Kenichi KONYA	Project Coordinator Second Project Study Division, Grant Aid Project Study Department, JICA
Kunihiro TAKANO	Chief Consultant Japan Airport Consultants, Inc.
Akio NAKASHIMA	Facilities Planner and Cost Estimation Japan Airport Consultants, Inc.
Akira NAKAOKA	Coordinator Japan Airport Consultants, Inc.

APPENDIX 2. Survey Schedule

SURVEY SCHEDULE

Work Items	1996		1997		
	November	December	January	February	March
Preparation of Work	□				
Site Survey		■			
Work in Japan		□	□		
Study on necessity of training equipment		■			
Study on number of equipment		■			
Equipment layout planning		■	■		
Study on outline specifications			■		
Project cost estimation			■		
Preparation of Draft Final Report			■	■	
Discussion on Draft Final Report				■	
Preparation of Final Report and Submission				□	□

Legend:

Site Survey
 Work Period in Japan
 Work in Japan

APPENDIX 3. List of Party Concerned in the Recipient Country

List of Party Concerned in the Recipient Country

Mr. Carlos F. Tanega	Assistant Secretary, ATO
Mr. Cesar T. Valbuena	Assistant Secretary, DOTC
Mr. Reynaldo D. Fernando	Director, Civil Aviation Training Center
Mr. Anacleto V. Venturina	Director, Air Traffic Service
Mr. Manuel Escobar	Director Air Navigation Service
Mr. Renato M. Santos	Chief Air Navigation System Specialist
Mr. Gregorio Vallejera Jr.	Chief Air Traffic Control Division
Mr. Ernesto T. Oreal	Asst. Chief Airways Com. Division
Mr. Rodolfo Penafiel	Supervising Air Navigation System Specialist
Ms. Emily B. Osorio	ATO
Mr. Rey Jimenez	ATO
Mr. Jesus Llamas	ATO
Mr. Joseph Intal	ATO
Ms. Christina C. Santiago	National Economic and Development Authority
Mr. Yoshiji Koyano	First Secretary, Embassy of Japan
Mr. Hiroshi Goto	Resident Representative, JICA, Manila Office
Mr. Toshiji Abe	JICA Expert
Mr. Katsuhisa Okuda	JICA, Manila Office

APPENDIX 4. Minutes of Discussion

MINUTES OF DISCUSSIONS

BASIC DESIGN STUDY ON THE PROJECT FOR REVITALIZATION OF THE CIVIL AVIATION TRAINING CENTER IN THE REPUBLIC OF THE PHILIPPINES

In response to a request from the Government of Republic of the Philippines, the Government of Japan decided to conduct a Basic Design Study on the Project for Revitalization of the Civil Aviation Training Center (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Philippines a study team, which is headed by Mr. Katsutoshi ISHIDA, Grant Aid Division, Economic Cooperation Bureau, Ministry of Foreign Affairs and is scheduled to stay in the country from 8th of December to 14th of December, 1996.

The team held a series of discussions with the relevant officials of the Philippines and conducted a field survey at the study area.

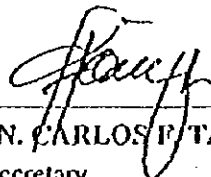
As a result of discussions and field survey, both sides have confirmed the main items described in the attached sheets.

The team will proceed to further works and prepare the Basic Design Study report.

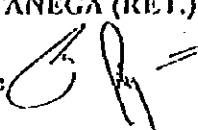
Manila, December 12, 1996

石田 勝利

KATSUTOSHI ISHIDA
Leader
Basic Design Study Team
JICA



M/GEN. CARLOS F. TAÑEGA (RET.)
Asst. Secretary
Air Transportation Office
DOTC



ATTACHMENT

1 OBJECTIVE

The objective of the Project is to provide the Civil Aviation Training Center with the modern training facilities and equipment adequate for the requirements in the training of technical personnel of the Air Transportation Office.

2 PROJECT SITE

The following proposed sites are shown in ANNEX-I.

3 EXECUTING AGENCY

Air Transportation Office, Department of Transportation and Communications is responsible for the administration and execution of the Project.

4 ITEMS REQUESTED BY THE GOVERNMENT OF THE PHILIPPINES

As result of the series of discussions, the items as shown in ANNEX-II were finally requested by the Philippines side.

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

5 JAPAN'S GRANT AID SYSTEM

The Government of the Philippines have understood the system of Japan's Grant Aid explained in ANNEX-III.

6 NECESSARY MEASURES TO BE TAKEN BY THE PHILIPPINE SIDE

The Government of the Philippines will take necessary measures described in ANNEX-IV for smooth implementation of the Project on condition that the Grant Aid by the Government of Japan

is extended to the Project.

7 THE SCHEDULE OF THE STUDY

- (1) The consultants will proceed to further studies in the Philippines until December 19, 1996.
- (2) Based on the results, JICA will prepare the outlines of the Project in English and send it in the middle of January 1997 in order to confirm the contents.
- (3) In case that the contents of the above outlines of the Project is accepted in principle by the Government of the Philippines, JICA will complete the Basic Design report and forward it to the Philippines side by the end of March 1997.

8 OTHER RELEVANT ISSUES

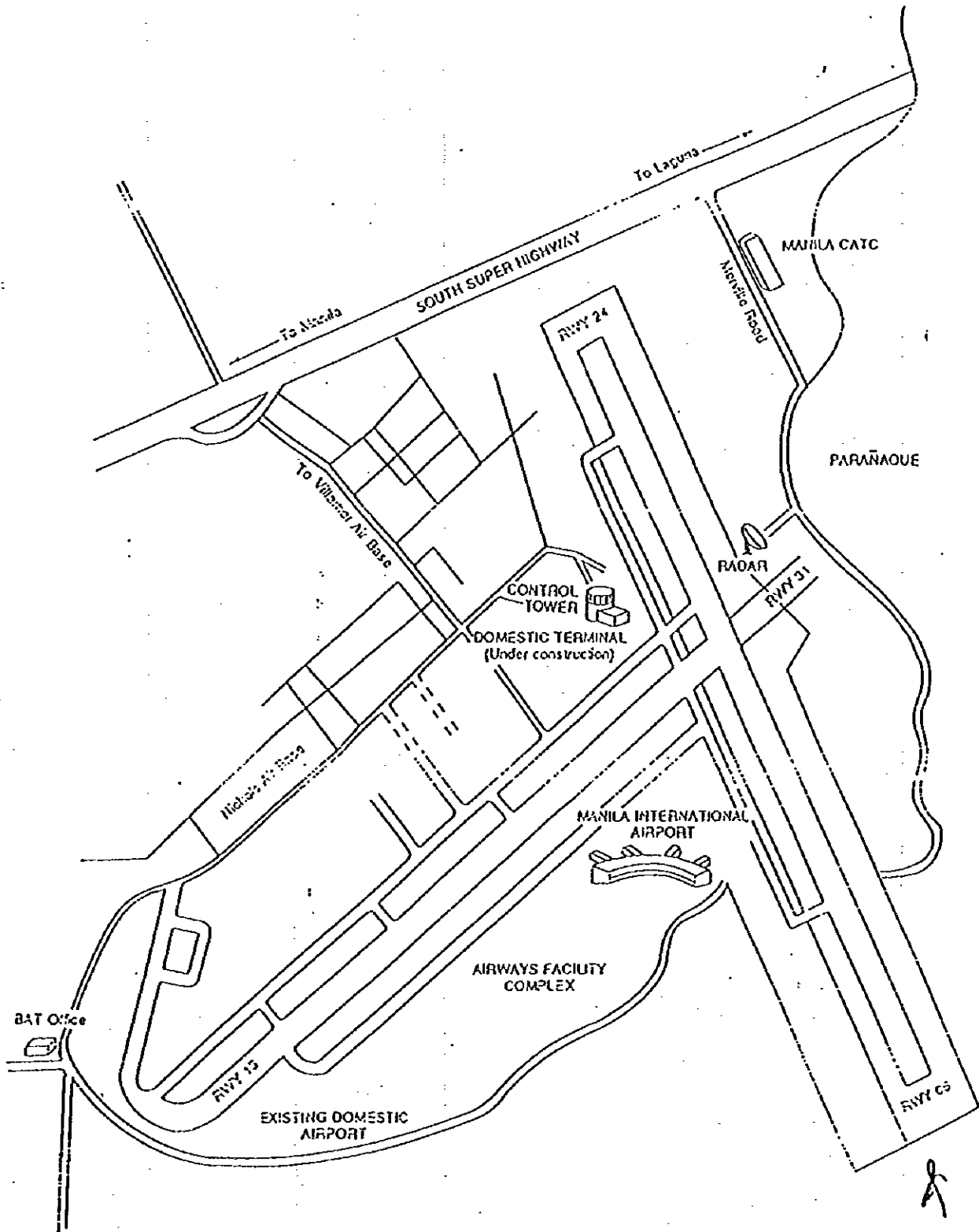
- (1) Request for Project Type Technical Cooperation
 - Philippine side explained that the purpose of the request is to enhance and improve the training courses for Air Navigation System Specialist. Japanese side promised to convey the above explanation to the Government of Japan.
- (2) The Government of the Philippines shall provide all necessary information and data in case that the Basic Design team requests.
- (3) As an Implementing Agency, ATO shall be fully responsible for appropriation of budget and assignment of personnel for operations and maintenance of the systems equipment to be installed under this program.

REVITALIZATION OF THE CIVIL AVIATION TRAINING CENTER

ANNEXES

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ANNEX-I PROJECT SITE



ANNEX - II EQUIPMENT LIST WITH PRIORITY

EQUIPMENT	QUANTITY	PRIORITY
1 Educational SSR 1) Transmitter/Receiver 2) Display Unit 3) Control Box 4) Test Equipment 5) UPS	1 set 1 ea. 1 ea. 1 ea. 1 lot 1 ea.	A
2 Educational VFR Simulator 1) Display Unit 2) Data Processing System 3) Training Console 4) Instructor Console 5) Test Equipment 6) UPS	1 set 1 ea. 1 ea. 3 ea. 1 ea. 1 lot 1 ea.	A
3 Educational Air Navigation Management System 1) Display Unit 2) Data Processing System 3) Training Console 4) Instructor Console 5) UPS	1 set 1 ea. 1 ea. 3 ea. 1 ea. 1 ea.	A
4 Educational Power Supply System 1) Engine Generator (1) Engine Generator (Cut-Model) (2) Control Panel 2) AVR 3) UPS	1 set 1 ea. 1 ea. 1 ea. 1 ea. 1 ea.	A
5 Educational D-VOR 1) Transmitter 2) Remote Control Unit 3) Monitor 4) Test Equipment 5) UPS	1 set 1 ea. 1 ea. 1 ea. 1 lot 1 ea.	A
6 Educational DME 1) Transmitter/Receiver 2) Remote Control Unit 3) Monitor 4) Test Equipment 5) UPS	1 set 1 ea. 1 ea. 1 ea. 1 lot 1 ea.	A
7 Educational ILS 1) Localizer (1) Transmitter (2) Remote Control Unit (3) Monitor (4) Test Equipment 2) Glide Slope (1) Transmitter (2) Remote Control Unit (3) Monitor (4) Test Equipment	1 set 1 set 1 ea. 1 ea. 1 ea. 1 lot 1 set 1 ea. 1 ea. 1 ea. 1 ea.	A



EQUIPMENT	QUANTITY	PRIORITY
3) Marker	1 set	
(1) Transmitter	1 ea.	
(2) Remote Control Unit	1 ea.	
(3) Monitor	1 ea.	
(4) Test Equipment	1 lot	
4) UPS	1 ea.	
8 Basic Training Equipment	1 set	
1) Computer	1 set	B
(1) Personal Computer	39 sets	
(2) LAN System	1 lot	
2) Circuit Training Equipment	1 set	C
3) Basic Training Instrument	1 set	C
(1) Digital Tester and Others	1 lot	
4) Basic Educational Equipment	1 set	C
(1) Visual Monitor	5 sets	
(2) OHP	5 sets	
(3) Copy Machine	2 sets	
(4) Video Cassette Recorder	5 sets	
(5) Audio Visual Equipment	1 set	
(6) White Board	8 sets	

Note: Priority is expressed in alphabetical order

ANNEX - III 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 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 assign 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 government 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 aims 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 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; 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 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 organization of the recipient country through the Minutes of Discussions.

2) Selection of Consultants

For smooth implementation of the Study, JICA uses a consultant firm selected through its own procedure (competitive proposal). The selected firm participates the Study and prepares a report based upon 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 fund 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 exchange of the Notes, concluding contracts with consulting firms and contractors and final payment to them must be completed. However, in case of delay in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for one fiscal year at most by mutual agreement between the two countries.

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, 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 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 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 the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites;
- c) to ensure prompt unloading, customs clearance at the port 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 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 staff necessary 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 the recipient country or its designated authority.

2

ANNEX - IV UNDERTAKINGS REQUIRED TO THE GOVERNMENT OF THE RECIPIENT COUNTRY

Undertakings required to the government of the Philippines

- a) to secure the site for the Project;
- b) to bear two kinds of commissions to the Japanese foreign exchange bank for its banking services based upon the Banking Arrangement (B/A) namely,
 - the advising commission of the "Authorization of Pay (A/P)" and
 - the payment commission
- c) to provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites;
- d) to ensure prompt unloading, customs clearance at the port of disembarkation in the Philippines and internal transportation therein of the products purchased under the Grant Aid;
- e) to exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the Philippines with respect to the supply of the products and services under the verified contracts;
- f) 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 Philippines and stay therein for the performance of their work;
- g) to ensure that the products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and
- h) to bear all the expenses, other than those covered by the Grant Aid, necessary for the Project.



REVITALIZATION OF CIVIL AVIATION TRAINING CENTER OF THE PHILIPPINES

MINUTES OF DISCUSSION

1. Date and Time : 15:00 of December 10, 1996
2. Place : Conference Room of Air Traffic Division , Air Transportation Office
3. Participants : Basic Design Study Team, Japan International Cooperation Agency
Katsutoshi Ishida, Leader
Hiroshi Sato, Technical Adviser
Kunihiro Takano, Chief Consultant
Koji Ishizu, Facilities Planner and Cost Estimation
Akira Nakaoka, Coordinator

Air Transportation Office, Department of Transportation and Communications
Manuel Escobar, Director, Air Navigation Service
Renato M. Santos, Chief Air Navigation System Specialist
Gregorio Vallejera, Jr., Chief Air Traffic Control Division
Ernesto T. Oreal, Asst. Chief Airways Com. Division
Rodolfo Penafiel, Supervising Air Navigation System Specialist
Toshiji Abe, JICA Expert

4. Highlights of Discussion

- 4.1 Mr. K. Ishida, Team Leader explained the character of the Basic Design Study in accordance with Inception Report delivered in the meeting.

Following the explanation of the character of the Basic Design Study, A. Nakaoka explained the other items of Inception Report. ATO agreed with all items including "required assistance from the Philippine Government" and "Necessary measures to be taken by each government in case Japan's Grant Aid executed" as indicated in page 13 of Inception Report.

- 4.2 Answers of ATO to questionnaire delivered by the team were as shown in the attachment
- 4.3 In relation to the outlines of Project Type Technical Cooperation, the Team explained the limitation of budget for the equipment to be granted thereunder. Then, ATO requested the Team to include in the Grant Aid Program the equipment proposed to be granted under the Project Type Technical

Cooperation.

The Team noted the request and said that the request will be studied further and consulted with the Government of Japan for finalization of scope of the Project.

4.4 With regard to the number of experts under the Project Type Technical Cooperation, ATO clarified that two experts for air navigation facilities be provided.

The meeting adjourned at 5:00 P.M.

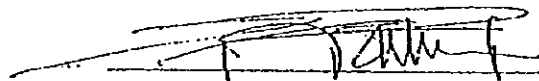
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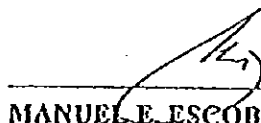
KATSUTOSHI ISHIDA
Team Leader



REYNALDO D. FERNANDO
Director, Civil Aviation Training Center



ANACLETO V. VENTURINA
Director, Air Traffic Service



MANUEL E. ESCOBAR
Director, Air Navigation Service

ANSWERS TO QUESTIONNAIRE

I General

- 1) Outlines of the Air Transportation Development Plan
To be provided later.
- 2) Priority of this Program in Air Transportation Development Plan
To be provided later.
- 3) Possibility of reduction of ATO personnel which is mentioned in CAMP Report
ATO mentioned that ATO should reduce the number of personnel, but because of the manning requirement for new facilities such as Clark Airport, Subic Airport, General Santos Airport, etc. the number of personnel required has increased. As the result of such requirement, total number of personnel was not reduced significantly.
- 4) Foreign assistance
 - Reasons why ATO request foreign assistance
 - Any other countries or organizations for this program
 - Reason why ATO requested an assistance for this program to Japan

ATO request foreign assistance because of inadequate budget for procurement of systems equipment. There were offers from Germany and French government. ATO decided to request Japanese Government on this specific program because the conditions of assistance was most advantageous to the Philippine Government.
- 5) Projection of air transportation activities in the Philippines
Material showing the growth of air transportation activities in the Philippines will be provided later.
- 6) Future of civil aviation industry in the Philippines
There is a study on an institutional reform of ATO, including possible corporatization, but it will not affect this program.
- 7) Status of FANS plan in the Philippines
To be provided later.

2 Department of Transportation and Communications

- 1) Organization
- 2) Functions
- 3) Number of staff

To be provided later.

3 Air Transportation Office

- 1) Organization
- 2) Role in air transportation in the Philippines
- 3) Functions
- 4) Any other organization to administer civil aviation in the Philippines
- 5) Number of staff

To be provided later.

4 Civil Aviation Training Center (CATC)

- 1) Organization
To be provided later.
- 2) Role in National Development
To be provided later.
- 3) Number of Personnel (present and future plan)
To be provided later.
- 4) Assignment of Instructors
(Does ATO has a plan to assign permanent instructors to CATC ?)
Some permanent instructors are assigned to CATC as key personnel, however, technical personnel with hands-on experience are being assigned to CATC as part-time instructors.
- 5) Training of Instructors
Experienced staff takes "Advanced Instructional technique course" or specific training course abroad to be an instructor.
- 6) Role of CATC in the Philippines and Asia Pacific Region
Manila CATC plays vital roles in civil aviation training assigned by ICAO both in domestic and Asia Pacific Region.

- 7) Future development plan
(Does CATC intend to include new technology, i.e. CNS/ATM in the course ?)
Yes. Preparatory work for adoption of CNS/ATM is now going on.
- 8) Relationship between the CATC and other training center in Asia-Pac Region
 - Relationship of CATC to the other three Regional Training Centers
 - Does CATC limit the training to domestic personnel ?
 - Does ATO intend to send technical personnel to foreign countries ?

Manila CATC coordinates with other regional training centers in Asia Pacific Region, such as Singapore Aviation Academy, Singapore, Bangkok CATC, Thailand and Curug CATC, Indonesia. ATO does not limit the training to domestic personnel and will continue to provide regional training services. Aside from the revitalization of CATC, ATO has plans to send its staff abroad for certain training requirements.

- 9) As-built drawings of CATC building
To be provided later.
- 10) List of equipment with year of procurement and manufacturer.
To be provided later.
- 11) Facility development plan, if any.
To be provided later.
- 12) List of equipment under procurement plan aside from this program, if any
To be provided later.

5 Training

- 1) Curriculum and syllabus of training
To be provided later.
- 2) Qualifications of trainees
Minimum requirement is bachelor degree holder.
- 3) Number of trainees in the last five years
 - (1) Student trainees
 - (2) Advanced trainees
 - (3) Regional trainees
 - (4) Trainees abroad

To be provided later.

- 4) Demand of civil aviation training
(Is present program sufficient or insufficient ?)
Demand is increasing. The present program is not sufficient to uplift the level of qualification of technical personnel.
- 5) Employment after graduation
 - (1) Occupation of graduates
Graduates hired by ATO shall serve for at least three years.
 - (2) Status of graduates in the employment
In case of employment in the private company, status is usually higher than the prior position in ATO.
 - (3) Training requirement in future and approach to fulfillment
Training requirement in future will diversify, but factory training will be only means of training if this program is not materialized. But this is the last resort of hands on training of equipment maintenance. Once after the completion of this program, the specialization training program will be reconstructed to accept 12 trainees at maximum in one class. ATO wishes to limit the number of trainees in one class to 8 trainees.
 - (4) Resignation rate of trainees after graduation
In the past, 45% of graduates resigned and went abroad, but now the percentage went down to approx. 15% in average.

6 Budget

- 1) Budget of DOTC in the National Budget
- 2) Budget of ATO in DOTC budget
- 3) Annual budget of ATO in the past five years
- 4) Annual budget and expenditure of CATC in the past five years
- 5) Income and expenditure of regional training services
Above information will be provided later.
- 6) Possibility of appropriation of budget after completion of this project
Appropriation of budget will be assured by ATO.

7 Equipment to be procured under the project

- 1) Details of power supply system
One set of "cut-model" of engine generator for training purpose, one set each of UPS and AVR for educational equipment to be granted under this program.

REVITALIZATION OF CIVIL AVIATION TRAINING CENTER OF THE PHILIPPINES

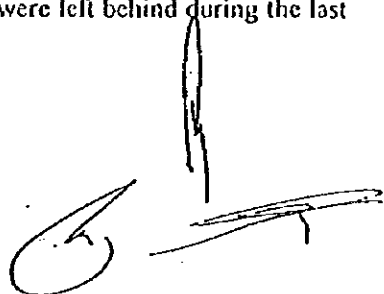
MINUTES OF DISCUSSION

1. Date and Time : 09:30 of December 11, 1996
2. Place : Conference Room of Civil Aviation Training Center
3. Participants : Basic Design Study Team, Japan International Cooperation Agency
Katsutoshi Ishida, Leader
Hiroshi Sato, Technical Adviser
Kunihiro Takano, Chief Consultant
Koji Ishizu, Facilities Planner and Cost Estimation
Akira Nakaoka, Coordinator

Air Transportation Office, Department of Transportation and Communications
Reynaldo D. Fernando, Director, Civil Aviation Training Center
Anacleto V. Venturina, Director, Air Traffic Service
Manuel Escobar, Director, Air Navigation Service
Renato M. Santos, Chief Air Navigation System Specialist
Gregorio Vallecjera, Jr., Chief Air Traffic Control Division
Ernesto T. Oreal, Asst. Chief Airways Com. Division
Rodolfo Penafiel, Supervising Air Navigation System Specialist
Toshiji Abe, JICA Expert

4. Highlights of Discussion

- 4.1 Minutes of Meeting held on December 10, 1996 were delivered in the meeting.
Necessary corrections were made and duly revised, then signed by both parties.
- 4.2 CATC handed to the Team Leader the data and information which were left behind during the last meeting.




- 4.3 ATO and CATC presented to the Team the detailed items of equipment to be included under the Grant Aid Program as shown in the attachment hereto. ATO will submit to the Team the written request therefor since some of the equipment had been requested under the Project Type Technical Cooperation. Details of "Basic Training Instrument" will be submitted to JICA later.

The meeting adjourned at 12:00 noon.

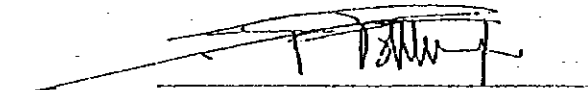
CERTIFIED CORRECT BY:

石田 勝利

KATSUTOSHI ISHIDA
Team Leader



REYNALDO D. FERNANDO
Director, Civil Aviation Training Center



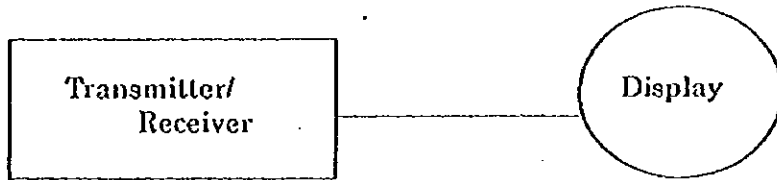
ANACLETO V. VENTURINA
Director, Air Traffic Service



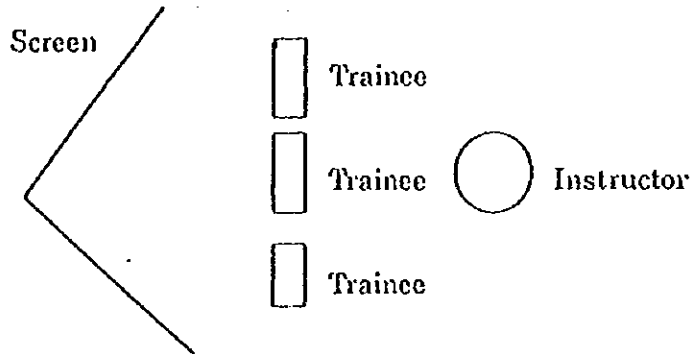
MANUEL E. ESCOBAR
Director, Air Navigation Service

Equipment of Grant Aid Program

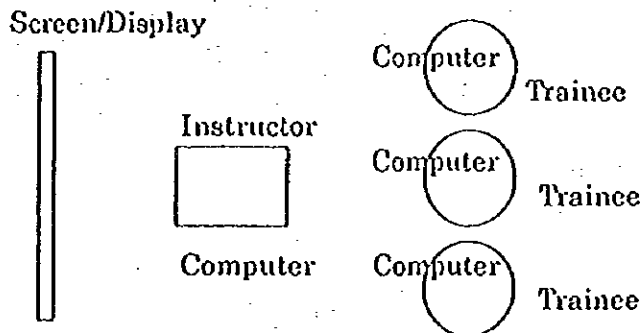
1. Educational SSR 1 SET
Basic Component



2. Educational VFR Simulator 1 SET
Basic Component:



3. Educational Air Navigation Management System 1 SET
Basic Component:

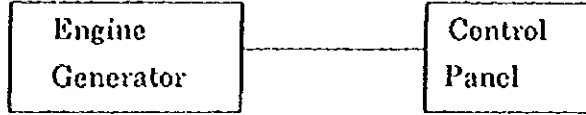


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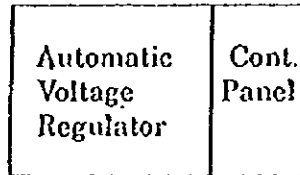
4. Educational Power Supply System 1 SET

Basic Component:

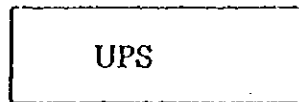
1) Engine Generator



2) AVR 1 SET

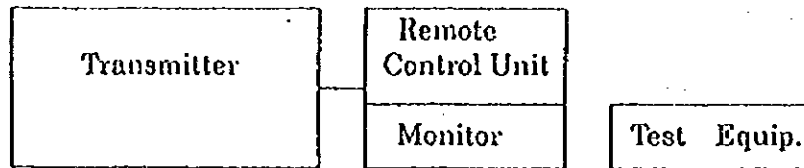


3) UPS 1 SET



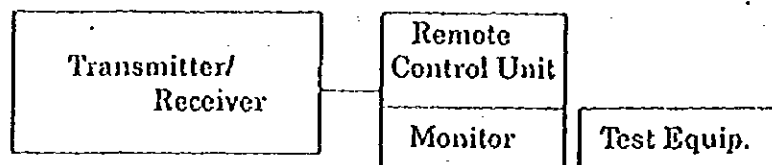
5. Educational D-VOR 1 SET

Basic Component:

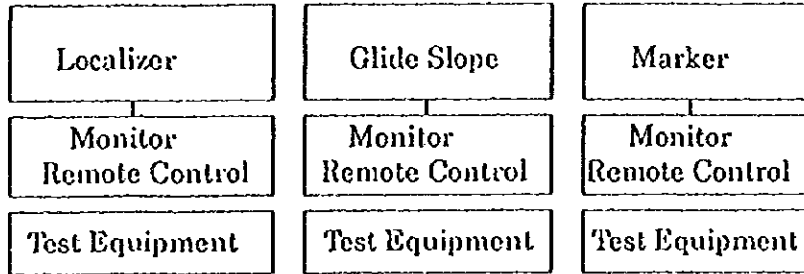


6. Educational DME 1 SET

Basic Component:



7. Educational ILS 1 SET
Basic Component:



8. Basically Training Equipment
Basic Component:

- (1) Computer: 39 Sets

- (2) Circuit Training Equipment 1 Set

- (3) Basic Measuring Instrument: 1 Set
 Digital Tester and Others

- (4) Basic Educational Equipment:
 - ① Visual Monitor 5 Sets
 - ② OHP 5 Sets
 - ③ Copy Machine 2 Sets
 - ④ Video Cassette Recorder 5 Sets
 - ⑤ Audio Visual Eq. 1 Set
 - ⑥ White Board 8 Sets

REVITALIZATION OF CIVIL AVIATION TRAINING CENTER OF THE PHILIPPINES

MINUTES OF DISCUSSION

1. Date and Time : 12:00 of December 12, 1996

2. Place : Conference Room of Civil Aviation Training Center

3. Participants : Basic Design Study Team, Japan International Cooperation Agency

Katsutoshi Ishida, Leader

Hiroshi Sato, Technical Adviser

Hiroyuki Kinomoto, Cooperation Planner

Kunihiro Takano, Chief Consultant

Koji Ishizu, Facilities Planner and Cost Estimation

Akira Nakaoka, Coordinator

Air Transportation Office, Department of Transportation and Communications

Reynaldo D. Fernando, Director, Civil Aviation Training Center

Anacleto V. Venturina, Director, Air Traffic Service

Manuel Escobar, Director, Air Navigation Service

Renato M. Santos, Chief Air Navigation System Specialist

Gregorio-Vallejera, Jr., Chief Air Traffic Control Division

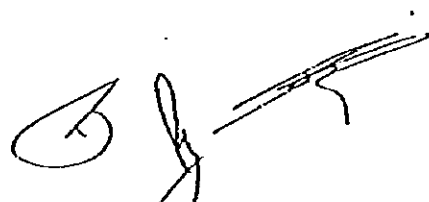
Ernesto T. Oreal, Asst. Chief Airways Com. Division

Rodolfo Penafiel, Supervising Air Navigation System Specialist

Toshiji Abe, JICA Expert

4. Highlights of Discussion

- 4.1 Minutes of Meeting held on December 11, 1996 were delivered in the meeting.
Necessary corrections were made and duly revised, then signed by both parties.



4.2 Draft Minutes of Discussions to be signed by Team Leader and Assistant Secretary were reviewed. In connection with the Project Type Technical Cooperation, it was confirmed that the Japanese experts may be assigned to CATC for the purpose of enhancement and improvement of the training courses for Air Navigation Management Specialist..

Upon confirmation of the above, Minutes of Discussions were finalized.

The meeting adjourned at 14:00 noon.

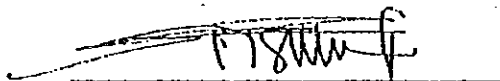
CERTIFIED CORRECT BY:

石田 勝利

KATSUTOSHI ISHIDA
Team Leader



REYNALDO D. FERNANDO
Director, Civil Aviation Training Center



ANACLETO V. VENTURINA
Director, Air Traffic Service



MANUEL E. ESCOBAR
Director, Air Navigation Service



Republic of the Philippines
Department of Transportation and Communications
AIR TRANSPORTATION OFFICE
MIA Road, Pasay City, Metro Manila 1300

16 December 1996

Mr. Katsutoshi Ishida
Team Leader
Basic Design Study Team
Japan International Cooperation Agency

Reference : Revitalization of CATC
Subject : Submission of List of BASIC TRAINING INSTRUMENT

As we promised in the meeting held on 11 December 1996 and as presented in the Minutes of Discussions signed between the Team and The Assistant Secretary, ATO on 12 December 1996, we hereby submit the list of Basic Training Instrument and a Speech Laboratory Equipment as shown below, for your consideration for inclusion in the scope of the Project under the Grant Aid Program:

Your kind attention and consideration will be highly appreciated.

Very truly yours,

M/Gen. CARLOS F. TANEGA (Ret.)
Assistant Secretary
Air Transportation Office
Department of Transportation and Communications

LIST OF BASIC TRAINING INSTRUMENT

ITEM OF INSTRUMENT	QUANTITY	PRIORITY
BASIC TRAINING INSTRUMENT	1 set	C
1) Multi-tester (Digital) - Bench Type	16 pcs	
2) Oscillator (Dual Trace) Wide Band	8 pcs.	
3) Capacitor Tester	8 pcs.	
4) IC Tester	8 pcs.	
5) Breadboards	16 pcs.	
6) Assorted Components (resistors, capacitors, inductors, transistors, ICs)	1 lot	
7) Soldering Iron (25 watts)	16 pcs.	
8) Desoldering Tool	16 pcs.	
9) Tool Kit (screw drivers, pliers, long nose, etc. with case)	16 pcs.	
10) Assorted Jumper Wires	1 lot	
11) Basic Electronic Trainer Kits	16 pcs.	
12) Advance Trainer Kits	16 pcs.	
13) Digital Trainer Kits	16 pcs.	
14) Audio Generators	8 pcs.	
15) RF Generators	8 pcs.	C
LANGUAGE TRAINING EQUIPMENT	1 set	C

SPEECH LABORATORY EQUIPMENT is also requested to enable our CATC to train Air Traffic Controllers and Airways Communicators in the delivery of Standard ICAO Phraseologies used in Air Traffic Control and Airways Communications Procedures.

MINUTES OF DISCUSSIONS

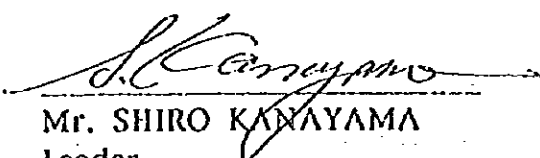
BASIC DESIGN STUDY ON THE PROJECT FOR REVITALIZATION OF THE CIVIL AVIATION TRAINING CENTER IN THE REPUBLIC OF THE PHILIPPINES (EXPLANATION OF DRAFT BASIC DESIGN REPORT)

In December 1996, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched a Basic Design Study team on the Project for Revitalization of the Civil Aviation Training Center (hereinafter referred to as "the Project") to Republic of the Philippines (hereinafter referred to as "the Philippines side"), and through a series of discussions, field survey, and technical examination in Japan, has prepared the draft report of the study.

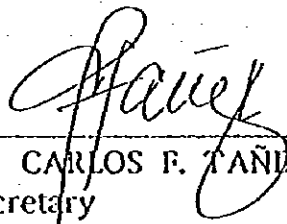
In order to explain and to consult with the Philippines side on the components of the draft report, JICA sent to Philippines a study team, which is headed by Mr. Shiro KANAYAMA, Tsukuba International Center, JICA, and is scheduled to stay in the country from 10th to 21st of February, 1997.

As a result of discussions and field survey, both sides have confirmed the main items described in the attached sheets.

Manila, 20th February, 1997



Mr. SHIRO KANAYAMA
Leader
Basic Design Study Team
(Explanation of Draft
Basic Design Report)
JICA



M/GEN. CARLOS F. TANIG (RET.)
Asst. Secretary
Air Transportation Office
DOTC

ATTACHMENT

1 COMPONENTS OF DRAFT REPORT

The Government of Philippines has agreed and accepted in principle the components of the Draft Report proposed by the team explained in ANNEX-I.

2 JAPAN'S GRANT AID SYSTEM

The Philippines side has understood the system of Japan's Grant Aid explained in ANNEX-II.

3 NECESSARY MEASURES TO BE TAKEN BY THE PHILIPPINES SIDE

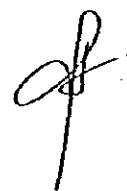
The Philippines side will take necessary measures described in ANNEX-III for the smooth implementation of the Project on conditions that the Grant Aid by the Government of Japan is extended to the Project.

4 FURTHER SCHEDULE

The team will make the Final Report in accordance with the confirmed items, and send it to the Philippines side by the end of April, 1997.

5 OTHER RELEVANT ISSUES

As an Implementing Agency, ATO shall be fully responsible for appropriation of budget and assignment of personnel for operations and maintenance of the systems equipment to be installed under this program.



ANNEX - I COMPONENTS OF DRAFT REPORT

Components of Draft Report are listed below.

Table 1 Agreed List of Equipment

EQUIPMENT	QUANTITY
1 Educational SSR	1 set
2 Educational VFR Simulator	1 set
3 Educational Power Supply System	1 set
4 Educational D-VOR	1 set
5 Educational DME	1 set
6 Educational ILS	1 set
7 Basic Training Equipment	1 set
1) Computer	1 set
(1) Personal Computer	13 sets
(2) LAN System	1 lot
2) Circuit Training Equipment	1 set
3) Basic Training Instrument	1 set
(1) Multi-tester (Digital) - Bench Type	12 pcs.
(2) Oscillator (Dual Trace) Wide Band	6 pcs.
(3) Capacitor Tester	6 pcs.
(4) IC Tester	6 pcs.
(5) Breadboards	12 pcs.
(6) Assorted Components (resistors, capacitors, inductors, transistors, lcs)	1 lot
(7) Soldering Iron (25 watts)	12 pcs.
(8) Desoldering Tool	12 pcs.
(9) Tool Kit (screw drivers, pliers, long nose, etc., with case)	12 pcs.
(10) Assorted Jumper Wires	1 lot
(11) Basic Electronic Trainer Kits	12 pcs.
(12) Advance Trainer Kits	12 pcs.
(13) Digital Trainer Kits	12 pcs.
(14) Audio Generators	6 pcs.
(15) RF Generators	6 pcs.

Table 2 Agreed List of Equipment for Late Implementation

EQUIPMENT	QUANTITY
1* Educational Air Navigation Management System	1 set

*Note: Implementation of this system is subject to confirmation of training requirements and system concept under the Project Type Technical Cooperation

ANNEX - II 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)

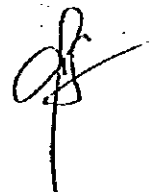
2) Firstly the application or request for Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Grant Aid. If the request is deemed appropriate, the Government of Japan assign JICA to 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 Government 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 aims 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 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; 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 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 organization 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 in the Study and prepares a report based upon 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 fund 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 for the Project. Within the fiscal year, all procedures such as exchange of the Notes, concluding contracts with consulting firms and contractors and final payment to them must be completed. However, in case of delay in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for another fiscal year at most by mutual agreement between the two countries.

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 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"

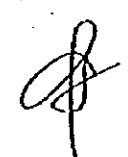
The government of recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

6) Undertakings required 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 the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites;
- c) to ensure prompt unloading, customs clearance at the port 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 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 staff necessary for operation and maintenance of them as well as to bear all the expenses other than those covered by the Grant Aid.

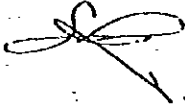


8) "Re-export"

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 the recipient country or its designated authority.



ANNEX - III UNDERTAKINGS REQUIRED TO THE GOVERNMENT OF THE RECIPIENT COUNTRY

Undertakings required to the government of the Philippines

- a) to secure the site for the Project;
- b) to bear two kinds of commissions to the Japanese foreign exchange bank for its banking services based upon the Banking Arrangement (B/A) namely,
 - the advising commission of the "Authorization of Pay (A/P)" and
 - the payment commission
- c) to provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites;
- d) to ensure prompt unloading, customs clearance at the port of disembarkation in the Philippines and internal transportation therein of the products purchased under the Grant Aid;
- e) to exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the Philippines with respect to the supply of the products and services under the verified contracts;
- f) 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 Philippines and stay therein for the performance of their work;
- g) to ensure that the products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and
- h) to bear all the expenses, other than those covered by the Grant Aid, necessary for the Project.



APPENDIX 5. Cost Estimation Borne by the Recipient Country

Cost Estimation Borne by the Philippines

Work Items	Quantity	Unit Cost	Amount	Remarks
Making Holes for cabling	42	350	14,700	
Partitioning	1	50,000	50,000	Room for Engine Generator
Replacement of Doors	1	28,000	28,000	Storage
Modification of Flooring	1	20,000	20,000	Room for ILS
Installation of Suspended Ceiling	2	48,000	96,000	Room for VOR/DME
Repainting of walls	7	70,000	490,000	All rooms
Curtains and Blinds	2	36,600	73,200	VFR simulator
Modification of Lighting	2	39,000	78,000	VFR simulator
Provision of air-conditioning	4	120,000	480,000	Rooms for VOR/DME, ILS, SSR & Power
Modification of lavatories	1	30,000	30,000	Ground Floor
Improvement of water supply	1	20,000	20,000	Ground Floor
Total Amount			1,379,900	

JICA