

MINUTES OF DISCUSSIONS
BASIC DESIGN STUDY ON THE PROJECT FOR REHABILITATION OF
POWER PLANTS OF SUM CENTERS, PHASE II,
MONGOLIA

In a response to a request from the Government of Mongolia, the Japan International Cooperation Agency (JICA) decided to conduct a Basic Design on the Project for the Rehabilitation of Power Plants in Sum Centers (herein after referred to "the Project").

JICA sent to Mongolia a study team (herein after referred to "the Team"), which is headed by Mr. Kenji Matsumoto, Deputy Director, Grant Aid Study Department, JICA and is scheduled to stay in the country from May 27 to June 6, 1998. The team held discussions with the officials concerned of the Government of Mongolia (herein after referred to "GOM") and conducted a field survey at the study area.

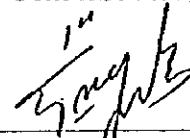
In the course of discussions and field survey, both parties have confirmed the main items described on the attached sheets. The Team will proceed to further works and prepare the Basic Design on the Project.

Ulaanbaatar, June 5, 1998



Kenji Matsumoto
Leader

Basic Design Study Team
JICA



Gendensuren Yondongombo
Director General

Energy Department
Ministry of Infrastructure Development



Luvsantorj Dawagiv
Director of the 1st Department
Ministry of External Relations

ATTACHMENT

1. Objective

The final objective of the Project is to supply sufficient electricity, and to establish a sustainable electricity supply system, which will improve the welfare of citizens in the sites listed in Annex- I .

2. Sites

The sites are located throughout Mongolia which is shown in Annex- I

3. Responsible and Implementing Agencies

(1)Responsible Agency of the Project

Ministry of Infrastructure Development

(2)Implementing Agencies of the Project

- Energy Department, Ministry of Infrastructure Development
- Sum Centers

4.Items requested by the Mongolia side.

The final items, quantity and specifications requested by the Mongolia side under Japan's Grant Aid is as shown in Annex-II .

5.Japan's Grant Aid system

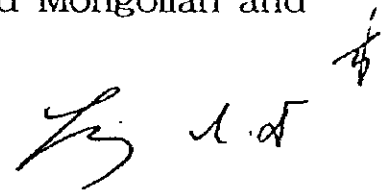
(1)GOM has understood the system of Japanese Grant Aid; described in Annex-III, explained by the team.

(2)GOM will take the necessary measures, described in Annex-IV, for smooth implementation of the Project on condition that the Grant Aid assistance by the Government of Japan(herein after referred to "GOJ") is extended to the Project.

6.Schedule of the study

(1)The consultants will proceed to future studies in Mongolia until July 1. GOM shall also provide the consultants with all necessary information and data.

(2)JICA will prepare the draft report in English and Mongolian and



dispatch a mission in order to explain its contents around end of August, 1998.

(3) In case that the contents of the report is accepted in principle by GOM, JICA will complete the final report and send it to GOM by October, 1998.

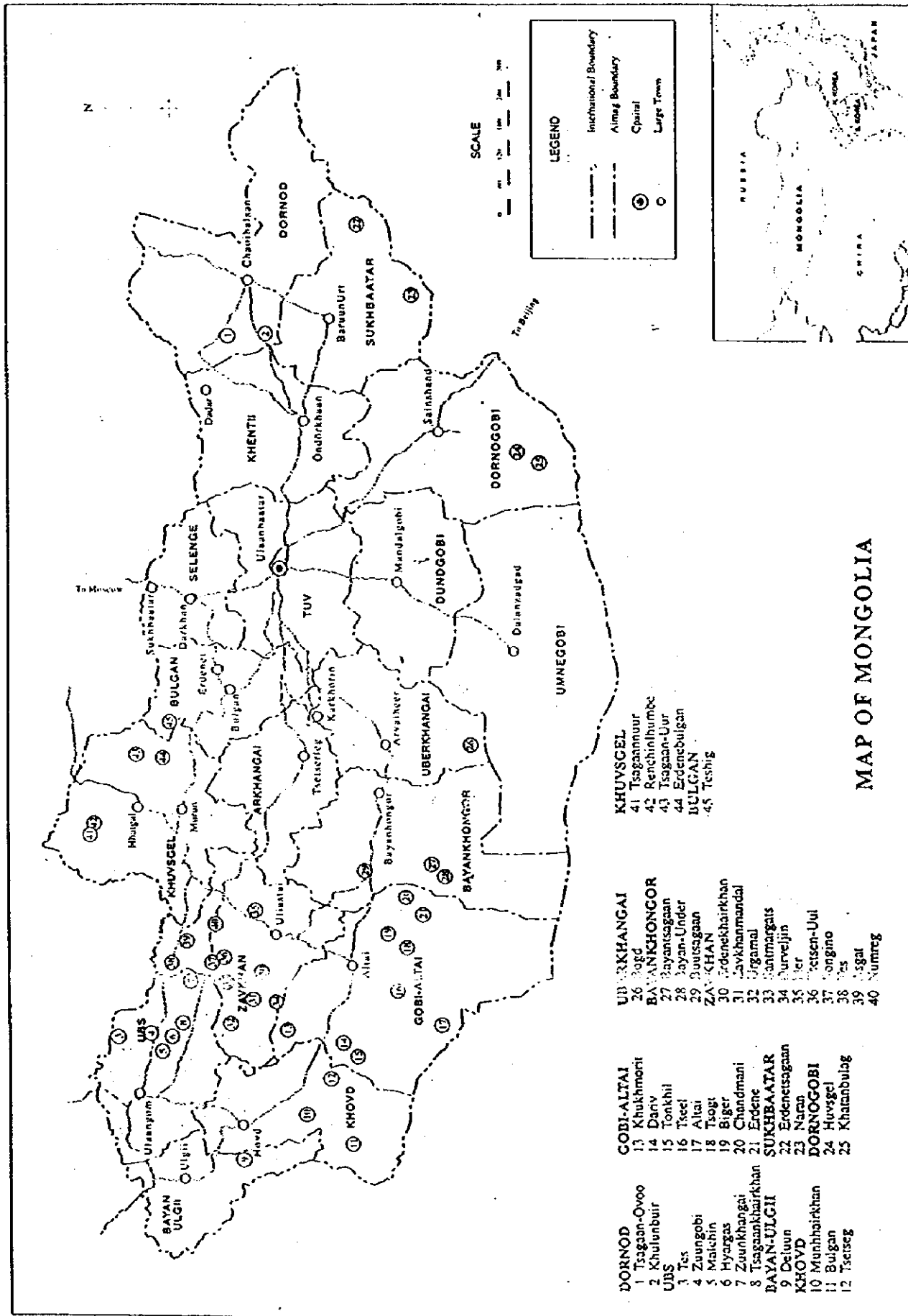
7. Other Relevant Issues

The Mongolia Side and the Basic Design Study Team has confirmed the following issues.

- (1) The total number of the sums under this project is 45.
- (2) The electricity supply conditions of each sum is expected to be different. For sums whose site survey could not be accomplished due to weather conditions and etc., generators will be procured only if the Basic Design Study Team is provided with enough information and data of the sums to understand their present conditions.
- (3) The original request for this grant aid is the procurement of the generators. Therefore, the installation of the generators, as well as the operation and maintenance of the electricity supply system in each sum must be done by the Mongolian Side.
- (4) The Mongolian Side requested that the installation of the generators, including the construction of the foundation, be executed by the Japanese Side.
- (5) The Mongolian Side mentioned that a service team for maintenance and repair of the generators is planned to be stationed in each Aimag. The Mongolian Side also requested for a procurement of tools and training of personnel for the service teams.

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Annex- I Site



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Annex- II Items requested by the Government of Mongolia side

After discussions with the Basic Design Study team, the following items for the following sums were requested by the Mongolia side. The final number and specifications will be determined by the Japanese Side by further studies in Mongolia and Japan.

Aimag	Sum	100kw	60kw
Bulgan	Teshig	2	1
Bayan-Ulgii	Deluun	1	2
Ubs	Zuungobi	1	2
	Zuunkhangai	1	2
	Malchin	1	2
	Tes	2	1
	Tsagaankhairkhan	1	2
	Hyargas	1	2
Khovd	Tsetseg	1	2
	Bulgan	2	2
	Munkhkhairkhan	0	2
Bayankhongor	Buutsagaan	1	2
	Bayan-Under	1	2
	Bayantsagaan	1	2
Gobi-Altai	Altai	0	4
	Biger	1	2
	Tonkhil	1	2
	Khukhanotti	0	3
	Dariv	1	2
	Chandmani	1	2
	Tsogt	1	2
	Tseel	1	2
	Erdene	2	1
Domogobi	Huvsgel	1	2
	Khatanbulag	1	2

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Aimag	Sum	100kw	60kw
Zavkhan	Tsetsen-Uul	0	3
	Erdenekhairkhan	0	3
	Songino	0	3
	Numreg	1	2
	Zavkhanmandal	1	2
	Santmargats	0	3
	Urgamal	0	3
	Durveljin	1	2
	Ider	1	2
	Tes	3	0
	Asgat	2	2
Uverkhangai	Bogd	1	2
Sukhbaatar	Erdenetsagaan	1	2
	Naran	0	2
Dornod	Tsagaan-Ovoo	1	2
	Khulunbuir	1	2
Khuvsgel	Tsagaan-Uur	1	2
	Tsagaannuur	0	2
	Renchinlumbe	0	2
	Erdenebulgan	0	2
subtotal		40	93
Total		133	

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Annex- III JAPAN'S GRANT AID PROGRAM

1. Japan's Grant Aid Procedures

(1) The Japan's Grant Aid Program is executed by the following procedures.

- Application (request made by a recipient country)
- Study (Preliminary Study / Basic Design Study conducted by JICA)
- Appraisal & Approval (Appraisal by the Government of Japan and Approval by the Cabinet of Japan)
- Determination of Implementation (Exchange of Notes between both Governments)
- Implementation (Implementation of the Project)

(2) Firstly, an application or a request for a project made by the recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to see whether or not it is suitable for Japan's Grant Aid. If the request is deemed suitable, the Government of Japan entrusts a study on the request to JICA (Japan International Cooperation Agency).

Secondly, JICA conducts the Study (Basic Design Study), using a Japanese consulting firm. If the background and objective of the requested project are not clear, a Preliminary Study is conducted prior to a Basic Design Study.

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

Fourthly, the Project approved by the Cabinet becomes official when pledged by the Exchange of Notes signed by both Governments.

Finally, for the implementation of the Project, JICA assists the recipient country in preparing contracts and so on.

2. Contents of the Study

(1) Contents of the Study

The purpose of the Study (Preliminary Study / Basic Design Study) conducted on a project requested by JICA is to provide a basic document necessary for appraisal of the project by the Japanese Government. The contents of the Study are as follows:

- a) to confirm background, objectives, benefits of the project and also institutional capacity of agencies concerned of the recipient country necessary for project implementation,
- b) to evaluate appropriateness of the Project for the Grant Aid Scheme from a technical, social and economical point of view,
- c) to confirm items agreed on by both parties concerning a basic concept of the project,
- d) to prepare a basic design of the project,
- e) to estimate cost involved in the project.

Final project components are subject to approval by the Government of Japan and therefore may differ from an original request.

Implementing the project, the Government of Japan requests the recipient country to take necessary measures involved which are itemized on Exchange of Notes.

(2) Selecting (a) Consulting Firm(s)

For smooth implementation of the study, JICA uses (a) consulting firm(s) registered. JICA selects (a) firm(s) through proposals submitted by firms which are interested. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference made by JICA.

The consulting firm(s) used for the study is(are) recommended by JICA to a recipient country after Exchange of Notes, in order to maintain technical consistency and also to avoid possible undue delay in implementation caused if a new selection process is repeated.

(3) Status of a Preliminary Study in the Grant Aid Program

A Preliminary Study is conducted during the second step of a project formulation & preparation as mentioned above.

A result of the study will be utilized in Japan to decide if the Project is to be suitable for a Basic Design Study.

Based on the result of the Basic Design Study, the Government would proceed to the stage of decision making process (appraisal and approval).

It is important to notice that at the stage of Preliminary Study, no commitment is made by the Japanese side concerning the realization of the Project in the scheme of Grant Aid Program.

3. Japan's Grant Aid Scheme

(1) What is Grant Aid?

The Grant Aid Program provides a recipient country with non reimbursable funds needed to procure facilities, equipment and services for economic and social development of the country under the following principles in accordance with relevant laws and regulations of Japan. The Grant Aid is not in a form of donation or such.

(2) Exchange of Notes (E/N)

The Japan's Grant Aid is extended in accordance with the Exchange of Notes by both Governments, in which the objectives of the Project, period of execution, conditions and amount of the Grant, etc. are confirmed.

(3) "The period of the Grant Aid" means one Japanese fiscal year

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which the Cabinet approves the Project for. Within the fiscal year, all procedure such as Exchange of Notes, concluding a contract with (a) consulting firm(s) and (a) contractor(s) and a final payment to them must be completed.

- (4) Under the Grant, in principle, products and services of origins of Japan or the recipient country are to be purchased.

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

However the prime contractors, namely, consulting, contractor and procurement firms, are limited to "Japanese nationals". (The term "Japanese nationals" means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons.)

- (5) Necessity of the "Verification"

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

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

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

- a) to secure land necessary for the sites of the project and to clear and level the land prior to commencement of the construction work,
- b) to provide facilities for distribution of electricity, water supply and drainage and other incidental facilities in and around the sites,
- c) to secure buildings prior to the installation work in case the

- Project is providing equipment,
- d) 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,
 - e) 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,
 - 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 recipient country and stay therein for the performance of their work.

(7) Proper Use

The recipient country is required to maintain and use facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign staff necessary for their operation and maintenance as well as to bear all expenses other than those to be borne 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 shall 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 Government of the recipient country or its designated authority under the contracts

verified.

- 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.

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Annex- IV Necessary measures to be taken by the Government of Mongolia on condition that Japan's Grant Aid is extended.

1. To bear commissions to the Japanese foreign exchange bank to execute the banking services based upon the banking arrangement.
2. To ensure prompt unloading and customs clearance at port of disembarkation in Mongolia and facilitate internal transportation therein of the products purchased under the Grant.
3. To ensure the customs clearance at the port, inland transportation from the port to Faisalabad with Mongolia's expense, and to bear the cost for bonded storage at the port.
4. To exempt Japanese nationals from custom duties, internal taxes and other fiscal levies which may be imposed in Mongolia with respect to the supply of the products and services under the verified contracts. And to take necessary measures for such tax exemption.
5. To accord Japanese nationals, whose services may be required in connection with the supply of products and services under the verified contracts, such facilities as may be necessary for their entry into Mongolia and stay therein for the performance of their work.
6. To use and maintain properly and effectively all the equipment purchased under the Grant.
7. To bear all the expenses other than those covered by the Grant, necessary for the execution of the Project.
8. To provide necessary data and information for the project.
9. To assign exclusive counterpart engineers and technicians for the Project.

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**MINUTES OF DISCUSSION FOR THECNICAL MATTERS
ON THE BASIC DESIGN STUDY
ON THE PROJECT FOR REHABILITATION OF POWER PLANTS
OF SUM CENTERS, PHASE II, MONGOLIA**

In reference to the minutes of discussions signed on June 5, 1998 between the Study Team of the Japan International Cooperation Agency (JICA) and the officials concerned of the Government of Mongolia (GOM) for the captioned project (the Project), the consultant member of the Study Team (the Consultant Team) and GOM have continued further discussion based on the results of site reconnaissance and investigation.

In such discussion, the Consultant Team and GOM agreed to note down the following matters in this minutes of discussion. However, the both parties understand that the final scheme and scope of the Project will be decided by JICA in Tokyo through the further examination on the study results.

1. **Modification of Request Number and Capacity:** The requested numbers and capacity of the diesel generator sets were modified in two sum centers as follows:

<u>Aimag</u>	<u>Sum</u>	<u>original request</u>	<u>modified request</u>
Gobi-Altai	Altai	4 x 60 kW	1 x 100 kW, 3 x 60 kW
Khuvsgul	Erdenebulgan	2 x 60 kW	1 x 100 kW, 2 x 60 kW

2. **Unity or Not of Rated Output of Engine:** The actual output of diesel engine varies depend on the altitude of the installation site. In order to perform the high efficiency of fuel consumption, more than one size of the rated output shall be applied according to the altitude of the sites. However, the compatibility of the spare parts of the engine may be lost between the different size of engine.

Regarding this matter, GOM set the priority for decision making as given below:

- First: high efficiency of fuel consumption
- Second: good compatibility of spare parts

3. **Soft Component:** GOM requested the soft component such as seminar for operation and maintenance at Aimag centers or Ulaanbaatar.
4. **Counter Part Training:** GOM intends to request the counter part training in Japan for operation and maintenance of the diesel generator sets in compliance with the official procedure of JICA.

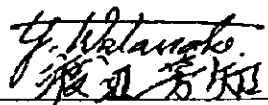
5. **Dismantling Work:** GOM assured the Consultant Team that necessary dismantling work of the existing diesel generators in sum centers would be carried out by the beginning of July 1999.
6. **Refurbishment of Power House:** GOM assured the Consultant Team that all the necessary refurbishment work of the power houses pointed out by the Consultant Team during the site reconnaissance would be carried out by the beginning of July 1999.
7. **Maintenance Tools in Sum Centers:** GOM requested to provide one set of standard maintenance tools for each diesel generator in sum center.
8. **Spare Parts:** GOM requested to provide one set of spare parts for each diesel generator enough to sustain ordinary operation for three years in sum center.
9. **Remind of Requests:** GOM reminded the Consultant Team the following requests which were made in the meeting held on May 29, 1998.
 - Installation work including preparation of foundation under the Grant Aid
 - Procurement of maintenance tools for each aimag center for maintenance team
 - Considering pre-heating method of diesel engine in winter time

Regarding the above, GOM clarified the meaning of the "maintenance tools" as stated below:

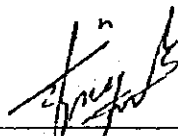
- all the tools enable the maintenance groups to execute the overhaul of the diesel generator sets
- all the necessary measuring instruments
- one maintenance vehicle to keep and carry the above tools and instruments for each aimag center

June 30, 1998

Ulaanbaatar, Mongolia



Mr. Yoshitomo Watanabe
Chief Consultant
(Nippon Koei Co., Ltd.)
Basic Design Study Team
JICA



Mr. Gendensuren Yondongombo
Director General
Energy Department
Ministry of Infrastructure Development

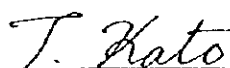
MINUTES OF DISCUSSIONS
BASIC DESIGN STUDY ON THE PROJECT FOR REHABILITATION OF POWER
PLANTS OF SUM CENTERS, PHASE II, MONGOLIA
(Consultation on Draft Report)

In May 1998, the Japan International Cooperation Agency (JICA) dispatched a Basic Design Study Team on the Project for Rehabilitation of Power Plants of Sum Centers, Phase II, Mongolia (hereinafter referred as "the Project") to Mongolia, and through discussions, field survey, and technical examination of the results in Japan, has prepared the draft report of the study.

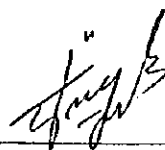
In order to explain and to consult the Mongolian side on the components of the draft report, JICA sent to Mongolia a study team, which is headed by Mr. Toshiki Kato, Grant Aid Division, Economic Cooperation Bureau, Ministry of Foreign Affairs, and is scheduled to stay in the country from August 22 to August 28, 1998.

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

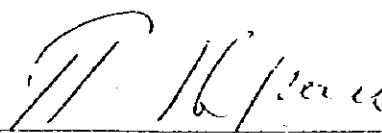
Ulaanbaatar, August 26, 1998



T. Kato
Leader
Basic Design Study Team
JICA



G. Yondongombo
Director General
Energy Department
Ministry of Infrastructure Development



P. Narangua
Deputy Director
Foreign Trade and Economic Cooperation
Department
Ministry of External Relations

ATTACHMENT

1. Components of the Draft Report

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

2. Japan's Grant Aid System

- (1) The Government of Mongolia has understood the system of Japanese Grant Aid, described in Annex-I, explained by the team
- (2) The Government of Mongolia 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 Government of Mongolia by the end of October, 1998.

4. Other Relevant Issues

The following items were confirmed by both sides.

- (1) The Government of Mongolia explained the operation and management plan of the aimag mobile repairing teams for the power plants in sum centers by the letter as attached in Annex-III.
- (2) Six (6) nos. of maintenance vehicle with repairing tools for the aimag mobile repairing teams will be provided under the Project.
- (3) The Government of Mongolia assured that all the necessary refurbishment works of the power houses and dismantling work of the existing power plants in the sum centers would be completed by the designated time in the implementation schedule to be shown in the detail design period.
- (4) In executing the soft component, the Government of Mongolia takes responsible for the following matters:
 - Provision of appropriate sites and facilities for seminar and training
 - Supporting works related to the seminar and training
 - Collection of monitoring sheets
 - All the transportation cost and hotel expenses of trainees
- (5) The engineers of the objective aimag centers of the glass roots and the Phase I grant aid projects will also take part in the soft component.
- (6) The Government of Mongolia requested that the training of overhaul level be given to the aimag centers' engineers in the soft component.

Annex-I JAPAN'S GRANT AID PROGRAM

1. Japan's Grant Aid Procedures

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

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

- (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 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, contract and so on.

2. Contents of the Study

- (1) Contents of the Study

The aim of the Basic Design Study (hereinafter referred to as "the Study") conducted by JICA on a requested project (hereinafter referred to as "the Project") is to provide a basic document necessary for the appraisal of the Project by the 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 organization 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) Status of a Preliminary Study of the Grant Aid Program

A Preliminary Study is conducted during the second step of a project formulation & mentioned above.

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A result of the study will be utilized in Japan to decide if the Project is to be suitable for a Basic Design Study.

Based on the result of the Basic Design Study, the Government would proceed to the stage of decision making process (appraisal and approval).

It is important to notice that at the stage of Preliminary Study, no commitment is made by the Japanese side concerning the realization of the Project in the scheme of Grant Aid Program.

3. Japan's Grant Aid Scheme

(1) What is Grant Aid?

The Grant Aid Program provide a recipient country with non-reimbursable funds needed to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under the 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, etc., are confirmed.

(3) "The period of the Grant Aid" means the one fiscal year in which the Cabinet approves the Project . Within the fiscal year, all procedures such as exchange 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 Government.

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

When both Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of the 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 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

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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 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 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 a 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 the Government of Mongolia in case that Japan's Grant Aid is extended

1. To bear commissions to the Japanese bank to execute the banking services based upon the banking arrangement.
2. To exempt taxes and to take necessary measures for customs clearance of the materials and equipment brought for the project at the port of disembarkation.
3. To accord Japanese nationals, whose services may be required in connection with the supply of products and services under the verified contracts, such facilities as may be necessary for their entry into Mongolia and stay therein for the performance of their work.
4. To use and maintain properly and effectively all the equipment purchased under the Grant.
5. To bear all the expenses other than those covered by the Grant, necessary for the execution of the Project.
6. To assign the necessary staff and secure the necessary budget for operation and maintenance of the equipment purchased under the Grant.

A.K.

T.K.

МОНГОЛ УЛС
ДЭД БҮТЦИЙН
ХОГЖЛИЙН
ЯАМ



МОНГОЛ
МИНИСТЕРИЙН
ИНФРАСТРУКТУРА
ДЕВЕЛОПМЕНТ

date 26.08.98
No 9/2010

TO: Ministry of Foreign affairs of Japan
From: Ministry of Infrastructure Development of
Mongolia
Subject: Rehabilitation of power plants in sum centres

Dear,

We appreciate for your excellent assistance to rehabilitate the rural power plants. We would request an additional offer for regular (overhaul) services and maintenance of those plants.

1. Necessity and Objectives to establish the mobile maintenance group

- a) There is no technical and engineering skill/knowledge about Japanese made diesel power plants due to the first experience to introduce those power plants. Then the special group is required to exclusively maintain the Japanese made power plants.
- b) Technicians and operators in sum centres have lack of skill and knowledge to deal with heavy faults of diesel power plants. Such kind of repairing works and special inspection like overhaul with high level of knowledge become just available by engineers in aimag centres through appropriate training.
- c) No maintenance and repairing tools exist to perform the above mentioned repairing works and special inspection in aimag centres as well as sum centres. For the effective use of such tools and to minimise nos. of set of those, it is essential to establish the maintenance group in aimag centres.

Therefore MOID decided to establish a mobile maintenance group in each aimag centre.

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Tel. 9764-1111

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Printed: Fax 9764-1112
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Printed: MGI 2002

2. The institutional structure of mobile maintenance group

MOID will organise the following stuff for a mobile maintenance group at each aimag centre.

- One mechanician
- One worker for electrical service
- One driver and service man of engine.

Diesel power plant in each aimag centre will have responsibility for the maintenance group under the control of the Energy Authority.

3. Activities of the group

The established group will make the regular and overhaul services of the diesel power plants installed at each sum centre with the close communication with sun centre, and make repair of heavy fault by sum's request.

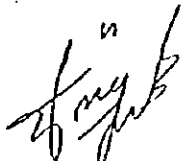
4. Financial arrangement for the Group

All the stuff in the Group normally work at the operation and maintenance division of the aimag's Diesel power plant. Their salary and various allowance will be paid by the Energy Authority through each aimag's Diesel power plant. Even after establishment of the Group, this condition will be continued. Therefore, there is not special problem on the financial arrangement at all.

In case of sudden fault occurrence or overhaul of the diesel power plant in each sum centre, the Group will repair and provide the maintenance services. The necessary cost such as used various parts, consumed oil, etc. will be paid by each sum to the aimag's power plant. The aimag's diesel power plant will take care for all cost and spare parts, etc. of the maintenance car.

5. The mobile maintenance group would be placed in the aimag centre of Hovd, Gobi-Altai, Hubsgul, Sukhbaatar, Zavkhan and Bayanhongor.

Yours sincerely,



G. YONDONGOMBO
DIRECTOR GENERAL OF
ENERGY DEPARTMENT



T. H.

T. K.

資料5 当該国の社会・経済事情 (1/2)

国名	モンゴル国
	Mongolia

1998.03 1/2

一般指標					
政体	共和制	*1	首都	ウランバートル	*1
元首	President Punsalmaagyn OCHIRBAT	*1	主要都市名	ダルハン、アラタイ、ダーハン	*1
独立年月日	1921年3月13日	*1	経済活動可人口	1,000 千人 (1995年)	*4
人種(部族)構成	モンゴル90%、カザフ人4%、他6%	*1	義務教育年数	8 年間 (1997年)	*5
			初等教育就学率	78.0 % (1994年)	*5
言語・公用語	モンゴル語90%	*1	初等教育終了率	% (年)	*6
宗教	チベット仏教、回教	*1	識字率	82.2 % (1994年)	*7
国連加盟	1961年10月	*2	人口密度	1.60 人/Km2 (1996年)	*1
世銀加盟	1991年02月	*3	人口増加率	1.7 % (1996年)	*1
IMF加盟	1996年02月	*3	平均寿命	平均 60.75 男 58.8 女 62.8	*1
面積	1,565.00 千km ²	*1	5歳児未満死亡率	74/1000 (1995年)	*7
人口	2,496.617 千人 (1996年)	*1	カロリー供給量	1,899.0 cal/日/人 (1992年)	*7

経済指標					
通貨単位	トオグrik	*1	貿易量	(1996年)	*8
為替 (1US\$)	1US\$ = 809.31 (1997年11月)	*8	輸入	423.0 百万ドル	*8
会計年度	1月~12月	*1	輸出	439.0 百万ドル	*8
国家予算	(1995年)	*9	輸入カバー率	3.4 月 (1995年)	*10
歳入	241.2 百万ドル	*9	主要輸出品目	銅、家畜、家畜製品 (1995年)	*1
歳出	205.7 百万ドル	*9	主要輸入品目	機械、食品、燃料 (1994年)	*1
国際収支	32.10 百万ドル (1995年)	*9	日本への輸出	89.2 百万ドル (1996年)	*11
ODA受取額	208.00 百万ドル (1995年)	*7	日本からの輸入	59.8 百万ドル (1996年)	*11
国内総生産(GDP)	861.00 百万ドル (1995年)	*4			
一人当りGNP	310.00 ドル (1995年)	*4	外貨準備総額	118.6 百万ドル (1997年11月)	*8
GDP産業別構成	農業 21.0% (1994年)	*4	対外債務残高	46.7 百万ドル (1995年)	*10
	鉱工業 45.0% (1994年)		対外債務返済率	9.1 % (1995年)	*10
	サービス業 34.0% (1994年)		インフレ率	332.4 % (1993年)	*7
産業別雇用	農業 32.0% (1990年)	*7			
	鉱工業 23.0% (1990年)				
	サービス業 45.0% (1990年)		国家開発計画		*12
経済成長率	-3.3% (1995年)	*4			

気象(~ 年平均)		場所: Ulan Bator											(標高 1,325m)	
月	1	2	3	4	5	6	7	8	9	10	11	12	平均/計	
最高気温	-19.0	-13.0	-4.0	7.0	13.0	21.0	22.0	21.0	14.0	6.0	-6.0	-6.0	3.8℃	*13
最低気温	-32.0	-29.0	-22.0	-8.0	-2.0	7.0	11.0	8.0	2.0	-8.0	-20.0	-28.0	-10.1℃	*13
平均気温													℃	*14
降水量	0		3	5	10	28	76	51	23	5	5	3	209 mm	*13
雨期乾期														

*1 CIA World Fact Book 1997-1998

*2 States Members of United Nations

*3 International Financial Statistics Yearbook 1996

*4 World Development Report 1997

*5 UNESCO Statistical Yearbook 1997

*6 Status and Trends 1997

*7 Human Development Report 1997

*8 International Financial Statistics February 1998

*9 International Financial Statistics Yearbook 1997

*10 Global Development Finance 1997

*11 世界の国一覽表 1997年版

*12 最新世界各国要覽 97年版

*13 The Times Book World Weather Guide, Update Edition

*14 理科年表、国立天文台 (1997)

資料5 当該国の社会・経済事情 (2/2)

国名	モンゴル国
	Mongolia

1998.03

2/2

*15

我が国におけるODAの実績					
項目	年度	1992	1993	1994	1995
技術協力		2,699.97	2,892.93	3,087.67	2,796.65
無償資金協力		2,194.95	2,244.22	2,456.48	3,256.28
有償資金協力		5,852.05	3,939.97	4,352.21	3,878.11
総額		10,746.97	9,077.12	9,896.36	9,931.04

*15

当該国に対する我が国のODAの実績					
項目	年度	1992	1993	1994	1995
技術協力		4.45	16.91	23.04	30.18
無償資金協力		25.46	18.51	45.71	54.95
有償資金協力		12.19	22.12	2.33	14.80
総額		42.10	57.54	71.08	99.93

*16

OECD諸国の経済協力実績					(支出総額、単位：百万ドル)
	贈与	有償資金協力	政府開発援助 (ODA)	その他政府資金 及び民間資金	経済協力総額
	(1)	(2)	(1)+(2)=(3)	(4)	(3)+(4)
二国間援助 (主要供与国)	109.40	17.50	126.90		126.90
1. 日本	85.10	14.80	99.90		99.90
2. ドイツ	9.20	2.60	11.80		11.80
3. デンマーク	5.70	0.00	5.70		5.70
4. オランダ	3.90	0.00	3.90		3.90
多国間援助 (主要援助機関)	22.70	58.20	80.90		80.90
1. ASDB					
2. IDA					
その他					
合計	132.10	75.70	207.80		207.80

*17

援助受入れ窓口機関	
技術	関係各省庁・機関→通産庁
無償	
協力隊	

*15 Japan's ODA Annual Report 1996

*16 Geographical Distribution of Financial Flows to Aid Recipients 1991 - 1995

*17 国別協力情報 (JICA)

資料6 相手国負担経費内訳

No.	項目	数量	単価	経費
1	使用不可発電機の撤去	78	Tg. 300,000	Tg. 23,400,000
2	発電所建屋の改修			Tg. 8,400,000
	軽度のダメージ	6	Tg. 100,000	Tg. 600,000
	重度のダメージ	39	Tg. 200,000	Tg. 7,800,000
3	コンクリートパネル基礎のための掘削	122	Tg. 100,000	Tg. 12,200,000
4	その他 (Erdenebulganにおける変圧器のオーバーホール等)	1	Tg. 4,190,000	Tg. 4,190,000
Total				Tg. 48,190,000 (US\$ 57,369.05)

Notes) 1 US\$ = 840 Tg.

JICA