

Japan's Grant Aid System

1. Grant Aid Procedures

(1) The 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)
Implementation	(The Notes exchanged between the Government of Japan and the recipient country)

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

If the request is deemed appropriate, the Government of Japan assigns JICA (Japan International Cooperation Agency) to conduct a study on the request.

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

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

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

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

2. Basic Design Study

(1) Contents of the study

The aim of the Basic Design Study (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:

- 1) 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.
- 2) Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economic point of view.
- 3) Confirmation of items agreed on by both parties concerning the basic concept of the Project.
- 4) Preparation of a basic design of the Project
- 5) Estimation of costs of the Project

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

The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such

measures must be guaranteed even though they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

(2) Selection of Consultants

For smooth implementation of the Study, JICA uses (a) registered consultant firm(s). JICA select (a) firm(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

The consulting firm(s) used for the Study is(are) recommended by JICA to the recipient country to also work on the Project's implementation after the Exchange of Notes, in order to maintain technical consistency and also to avoid any undue delay in implementation should the selection process be repeated.

3. Japan's Grant Aid Scheme

(1) What is Grant Aid ?

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

(2) Exchange of Notes (E/N)

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

(3) "The period of the Grant Aid" means the one fiscal year which the Cabinet approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consultant firm(s) and (a) contractor(s) and final payment to them must be completed.

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

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

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

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

(5) Necessity of the "Verification".

The Government of the recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals.

Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

(6) Undertaking required of the Government of the Recipient Country.

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

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

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

8) "Re-Export"

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

9) Banking Arrangements (B/A)

- a) The Government of the recipient country or its designated authority should open an account in the name of 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.

**Necessary Measures to be taken by the Recipient Government
in case Japan's Grant Aid is executed.**

1. To secure the site for the Project
2. To clear the site prior to commencement of the installation
3. To provide facilities for distribution of electricity, water supply, telephone, drainage, sewage, and other incidental facilities to the Project site
 - (1) To secure building prior to the procurement in case the installation of the equipment
 - (2) Electricity distributing line to the site
 - (3) City water distribution to the site
 - (4) City Gas distribution to the site
 - (5) General furniture such as curtains, tables, chairs and others
 - (6) X-ray Protection facilities for X-ray related apparatus
4. To bear commissions to a bank in Japan for the banking services based upon Banking Arrangement
5. To exempt takes and to take necessary measures for customs clearance of the materials and equipment brought for the Project at the port of disembarkation
6. To accord Japanese Nationals whose services may be required in connection with the supply of products and the service under the verified contract such facilities as may be necessary for their entry into Macedonia and stay therein for the performance of their work
7. To maintain and use properly and effectively the equipment purchased under the Grant
8. To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the product under the Grant Aid

Project Design Matrix (PDM)

Project name : Project on the Improvement of the quality of the medical services by the General Hospital of the Medical Center of Bitola
 Project area : The Southern region of Macedonia including the City of Bitola

Target year : 5 years (1999 - 2004)

Target group : Inhabitants in the Southern region of Macedonia (8 provinces)

Narrative Summary		Objectively Verifiable Indicators	Means of Verification	Important Assumptions
Overall Goal The health condition of people in Southern region of Macedonia will be improved.		1. The mortality rate	Statistical Data by the Ministry of Health	Financial policy for the health care will not be substantially changed.
Project Purpose People in the Southern region will be able to receive the improved medical service by the Bitola hospital.		1. Yearly numbers of the outpatients of each department 2. The death rate in the hospital	Statistical data by the Medical Center of Bitola	The economical situation in south region will not be deteriorated. The situation of the natural environment and international relations will not substantially change.
Outputs 1. The medical equipment at the Medical Center of Bitola will be upgraded. 2. The technical ability of the medical doctors and personnel for operation and maintenance will be improved. 3. The operation and administration of the hospital will be improved. 4. Quick and appropriate diagnosis will be attained. 5. Referral system will be strengthened.		1. The rate of operation for the medical equipment 2-1 Number of trained medical doctors 2-2 Number of trained personnel for operation and maintenance of medical equipment 3. Number of reeducated hospital management staff 4. Number of examination at each department 5-1 Number of transported patients to tertiary hospital 5-2 Number of referred patients from primary health care centers	Statistical data by the Medical Center of Bitola	The infrastructure such as electricity, water and sewerage will not be worsened. The improved medical doctors and management personnel for operation and maintenance of medical equipment will remain at the hospital.
Activities 1-1 Secure the place for the equipment 1-2 Withdraw of the old equipment, if necessary 1-3 Procurement and installation of the equipment 2-1 Formulate a training program for the medical doctors and personnel for operation and maintenance of the equipment 2-2 Train the medical doctors and personnel for the operation and maintenance of the equipment 3-1 Formulate a reeducation program for the hospital management staff 3-2 Reeducate the hospital management staff 3-3 Keep clean the facilities 4,5 Same as Activities #1 - #3		Inputs <u>Japanese side</u> - Grant aid execution for the procurement of the medical equipment - Technology transfer regarding the operation of the procured equipment, if necessary <u>Macedonian side</u> - Secure the medical doctors and personnel for the operation and maintenance of the procured equipment - Secure the fund for the operation and maintenance of the procured equipment - Secure the required medical supplies and consumables - Secure the fund for the operation and maintenance of the hospital - Secure the fund for the training and reeducation for the hospital personnel		The improved medical doctors and management personnel for operation and maintenance of medical equipment will remain at the hospital. The custom clearance for the procured equipment will be smoothly proceeded. The blockade of the country will not happen. Precondition The Ministry of Health will place a position to the Bitola hospital as one of the regional core hospitals.

February 3, 1999

*Prof. Dr. Tane Markoski
Minister of Health*

Dear Dr. Markoski,

I have the honor to refer to our recent discussions regarding the Project for Equipment Supply for the General Hospital of the Medical Center of Bitola (hereinafter referred to as "the Project").

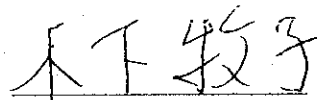
In September 1998, Japan International Cooperation Agency (JICA) dispatched a Basic Design Study Team on the Project to the Former Yugoslav Republic of Macedonia (hereinafter referred to as "the Recipient Country"), and through discussions, field survey and technical examination of the results in Japan, JICA has prepared a draft report of the study.

In order to explain and to consult the Macedonian side on the components of the draft report, JICA sent to the Recipient Country a study team, which is headed by myself, and is scheduled to stay in the country from January 18 to February 6, 1999.

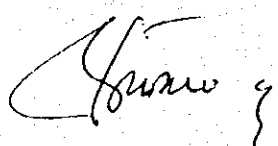
As a result of discussions, I believe that the main items described on the attached sheets have been confirmed.

On behalf of all the members of this team, I wish to express my sincere appreciation to the officials concerned of your government for their kind assistance and close cooperation extended to the team.

Yours Sincerely,



*Dr. Makiko KINOSHITA
Leader
Basic Design Study Team
JICA*





РЕПУБЛИКА МАКЕДОНИЈА
МИНИСТЕРСТВО ЗА ЗДРАВСТВО
REPUBLIC OF MACEDONIA
MINISTRY OF HEALTH

Skopje, February 3, 1999

*Dr. Makiko KINOSHITA
Leader
Basic Design Study Team
JICA*

Dear Dr. KINOSHITA,

I have herein acknowledged your letter dated February 3, 1999, and have confirmed the contents of the attachment of the letter.

Yours Sincerely,

*Prof. Dr. Tane MARKOSKI,
Undersecretary*

ATTACHMENT

1. Components of Draft Report

The Government of the Recipient Country has agreed and accepted in principle the components of the draft report proposed by the study team.

2. Items requested by the Government of the Recipient Country

The procurement of the equipment described in **Annex-1**, are finally requested by the Government of the Recipient Country for the consideration by the Government of Japan to be provided under the Grant Aid.

3. Japan's Grant Aid System

- (1) The Government of the Recipient Country has understood the system of Japanese Grant Aid explained by the team. (See **Annex-2**)
- (2) The Government of the Recipient Country will take necessary measures, described in **Annex-3**, for smooth implementation of the Project on condition that the Grant Aid assistance by the Government of Japan is extended to the Project.

4. Further Schedule

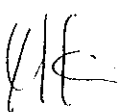
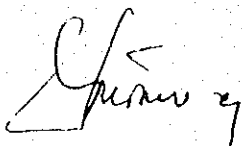
The study team will make a final report in accordance with the confirmed items and send it to the Government of the Recipient Country around March 1999.

5. Monitoring

The Ministry of Health has responsibility to conduct periodical monitoring and evaluation of the progress of all phases of the Project such as allocation of funds and distribution, operation and maintenance of the equipment, manpower development of the Bitola Hospital.

6. Other relevant issues

The Ministry of Health will secure necessary budget for the operation and maintenance of the procured equipment for the Project, which includes the required medical supplies and consumables.



Equipment List (1/4)

Annex-1

No	Site	Equipment	Quantity	Priority
1	Anesthesia	Anesthetic device with ventilator	10	A
2	Blood Bank	Centrifuge	1	A
3	Blood Bank	Microscope	1	B
4	Clinical Labo.	Analytical balance	1	A
5	Clinical Labo.	Biochemical analyzer	1	A
6	Clinical Labo.	Blood cell counter	1	A
7	Clinical Labo.	Blood gas analyzer	1	A
8	Clinical Labo.	Densitometer	1	A
9	Clinical Labo.	Electrolytes analyzer	1	A
10	Clinical Labo.	Electrophoresis apparatus	1	A
11	Clinical Labo.	Flamephotometer	1	C
12	Clinical Labo.	Fumehood	1	A
13	Clinical Labo.	Glucometer	1	A
14	Clinical Labo.	BUN analyzer	1	B
15	Clinical Labo.	Incubator	1	A
16	Clinical Labo.	Microscope	2	A
17	Clinical Labo.	Spectrophotometer	1	A
18	Clinical Labo.	Washer for pipet	1	B
19	Coronary care unit	CCU monitor for 10 beds	1	A
20	Coronary care unit	Defibrillator	1	A
21	Coronary care unit	ECG	1	A
22	Coronary care unit	Holter ECG set (3 recorders)	1	C
23	Coronary care unit	Infusion pump	10	B
24	Dental & Maxillofacial	Dental unit	1	A
25	Dental & Maxillofacial	Dental chair for maxillofacial operation	1	B
26	Dermatology	Black light	1	A
27	Dermatology	Infrared/ultraviolet lamp	1	A
28	Dermatology	Microscope	2	B
29	Emergency	Blood gas analyzer	1	C
30	Emergency	Pulseoxymeter	2	B
31	Emergency	Defibrillator	2	A
32	Emergency	ECG (multi-channel)	2	A
33	Emergency	Reanimation set	4	A
34	Emergency	Laryngoscope	4	B
35	Emergency	Patient monitor	2	B
36	Emergency	Stretcher	4	B
37	Emergency	Wheel chair	4	B
38	Emergency	Ultrasound	1	B
39	Emergency	Suction pump	5	B
40	Emergency	Blood pressure apparatus	10	B
41	General (Ope. room)	Cabinet for instruments	12	A
42	General (Ope. room)	Electrocauter (bi/mono-polar)	10	A
43	General (Ope. room)	Multi purpose operation table	9	A
44	General (Ope. room)	Operation lamp (ceiling type)	11	A
45	General (Ope. room)	Mobile light	7	B
46	General (Ope. room)	Operation microscope (multi-purpose)	1	A
47	General (Ope. room)	Patient monitor for operation	10	A
48	General (Ope. room)	Suction pump	12	A
49	General (Ope. room)	Washing machine for surgical instrument	4	A
50	General (Ope. room)	Table top autoclave	5	B
51	General (Ope. room)	CO2 monitor	2	B
52	General (Ope. room)	Neuromuscular transmission monitor	2	B

Equipment List (2/4)

Annex-1

No	Site	Equipment	Quantity	Priority
53	GY.OB.	Colposcope	1	A
54	GY.OB.	Delivery monitor CTG	2	A
55	GY.OB.	Gynecology examination table	2	A
56	GY.OB.	Laparoscope set	1	A
57	GY.OB.	Mobile light	1	A
58	GY.OB.	Ultrasound with vaginal probe	1	A
59	GY.OB.	Vacuum extractor	2	A
60	GY.OB.	Curettage instrument set	3	B
61	GY.OB.	Amnioscopy instrument set	2	B
62	GY.OB.	Instrument set for episiotomy	3	B
63	GY.OB.	Abdominal hysterectomy instrument set	2	B
64	GY.OB.	Vaginal hysterectomy instrument set	2	B
65	GY.OB.	Cesarean section instrument set	2	B
66	GY.OB.	Cusco vaginal speculum	10	B
67	GY.OB.	Microscope	1	B
68	GY.OB.	Delivery bed	3	B
69	GY.OB.	Operation table for gynecology	1	B
70	ICU	Blood gas analyzer	1	C
71	ICU	Pulseoxymeter	2	B
72	ICU	Bronchofiberscope	1	C
73	ICU	Laryngofiberscope	1	B
74	ICU	Central patient monitor system (8 beds)	1	A
75	ICU	Critical care bed	8	A
76	ICU	ECG	1	A
77	ICU	Defibrillator	1	A
78	ICU	Infusion pump	12	A
79	ICU	Mobile ventilator for transport of critical ill patient	1	A
80	ICU	Mobile X-ray apparatus	1	A
81	ICU	Suction pump	8	A
82	ICU	Ultrasound	1	A
83	ICU	Ventilator	6	A
84	ICU	Blood pressure apparatus	8	B
85	Infectious D.	ECG	1	A
86	Infectious D.	Microscope	1	A
87	Infectious D.	Rectoscope	1	A
88	Infectious D.	Ultrasound	1	A
89	Infectious D.	X-ray film illuminator	1	A
90	Infectious D.	Table top autoclave	1	B
91	Infectious D.	Suction pump	2	B
92	Internal Medicine	Bronchofiberscope	1	A
93	Internal Medicine	Cabinet for endoscopy	1	A
94	Internal Medicine	Cleaner for endoscopy	1	A
95	Internal Medicine	Colonofiberscope	1	A
96	Internal Medicine	Duodenofiberscope	1	A
97	Internal Medicine	ECG (multi-channel)	2	A
98	Internal Medicine	Gastrofiberscope	2	A
99	Internal Medicine	Haemodialysis apparatus	5	A
100	Internal Medicine	Rectoscope	1	A
101	Internal Medicine	Ultrasound (Doppler)	1	A
102	Internal Medicine	Ultrasound	1	B
103	Internal Medicine	Video monitor system for endoscopy	1	A
104	Internal Medicine	Spirometer	1	B
105	Internal Medicine	Stress test system	1	B

Equipment List (3/4)

Annex-1

No	Site	Equipment	Quantity	Priority
106	Internal Medicine	Microscope	1	B
107	Mental Health	Audiometer	1	C
108	Mental Health	EEG	1	A
109	Neonatology	CO2 gas analyzer	1	C
110	Neonatology	Blood gas monitor	1	B
111	Neonatology	ECG for neonate	1	A
112	Neonatology	Incubator	4	C
113	Neonatology	Infant warmer	2	A
114	Neonatology	Infusion pump	3	A
115	Neonatology	NICU monitor	4	A
116	Neonatology	Phototherapy unit	2	A
117	Neonatology	Ventilator for neonate	1	A
118	Neonatology	Laryngoscope for neonate	1	B
119	Neonatology	Ultrasound for infant/neonate	1	B
120	Neurology	EEG	1	C
121	Neurology	Electromyography (multi-channel)	1	B
122	Endocrinology	Ultrasound	1	B
123	Endocrinology	ELISA	1	B
124	Ophthalmology	Autorefractometer	1	A
125	Ophthalmology	Ophthalmic ultrasonoscope (B mode)	1	C
126	Ophthalmology	Perimeter	1	A
127	Ophthalmology	Phaco	1	C
128	Ophthalmology	Argon laser	1	B
129	Ophthalmology	Slit lamp with tonometer	2	A
130	Orthopedic	Bone drill set	1	A
131	Orthopedic	Operating table with extension	1	A
132	Orthopedic	Mobile X-ray apparatus with TV (C-arm)	1	B
133	Orthopedic	Arthroscope	1	B
134	Otorhinolaryngology	Audiometer with silent room	1	A
135	Otorhinolaryngology	Bronchoscope set (rigid)	1	A
136	Otorhinolaryngology	Laryngostroboscope set	1	A
137	Otorhinolaryngology	Oesophagoscope	1	A
138	Otorhinolaryngology	Rhino septoplastic set	1	A
139	Otorhinolaryngology	Sinus scope	1	A
140	Otorhinolaryngology	Examination chair	3	B
141	Otorhinolaryngology	head light	2	B
142	Pediatric	CO2 gas analyzer	1	C
143	Pediatric	Pulseoxymeter	1	B
144	Pediatric	ECG for pediatric use	2	A
145	Pediatric	Infant incubator	2	A
146	Pediatric	Milk warmer	1	A
147	Pediatric	Patient monitor	2	A
148	Pediatric	Suction pump for pediatric use	2	A
149	Pediatric	Ventilator	2	C
150	Pediatric	Infusion pump	2	B
151	Pediatric	Spirometer	1	B
152	Physiotherapy	Electromyography	1	A
153	Physiotherapy	Electrostimulator	1	A
154	Physiotherapy	Modern equipment for kinesi therapy	1	A
155	Physiotherapy	Short wave therapy	1	A
156	Physiotherapy	Whirlpool	1	A

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Equipment List (4/4)

Annex-1

No	Site	Equipment	Quantity	Priority
157	Pulmology	Bronchofiberscope	1	A
158	Pulmology	ECG	1	A
159	Pulmology	Microscope	1	A
160	Pulmology	Spirometer	1	A
161	Pulmology	Mobile X-ray apparatus	1	B
162	Pulmology	Stretcher	2	B
163	Pulmology	Wheel chair	2	B
164	Pulmology	Apparatus for developing X-ray films	1	B
165	Sterilization	Sterilizer	4	A
166	Sterilization	Sterilizer (formalin)	1	A
167	Surgery	Mobile operating light	1	A
168	Surgery	Recto-sigmoidoscope	1	A
169	Surgery	Table top autoclave	2	A
170	Surgery	Duodenofiberscope	1	B
171	Surgery	Gastrectomy instrument set	2	B
172	Surgery	Cholecystectomy instrument set	2	B
173	Surgery	Thoracic surgery instrument set	2	B
174	Surgery	Pediatric surgery instrument set	1	B
175	Urology	Cystoscope set	1	A
176	Urology	Endoscopy table for urology	1	A
177	Urology	Resectoscope set	1	A
178	Urology	Uretero-renofiberscope set	1	A
179	Urology	Ureterscope with stone punch	1	A
180	Urology	Video monitor system for endoscopy	1	A
181	Urology	Ultrasound	1	B
182	X-Ray unit	Angiography	1	C
183	X-Ray unit	Apparatus for developing X-ray films	2	A
184	X-Ray unit	DSA unit	1	C
185	X-Ray unit	Mammography	1	A
186	X-Ray unit	Remote control fluoro	1	A
187	X-Ray unit	Ultrasound	2	A
188	X-Ray unit	Ultrasound (Doppler)	1	B
189	X-Ray unit	X-ray apparatus	1	A
190	X-Ray unit	X-ray film illuminator	2	A
191	X-Ray unit	Panoramic dental radiography	1	B
192	General	Washing machine for cloth	4	B
193	General	Drying machine for cloth	4	B
194	Infusion room	Fume hood	2	B
195	Infusion room	Analytical balance	2	B

(Note) A: Equipment shall be provided in the Project

B: Equipment shall be provided in case of the budget allowance

C: Equipment shall be excluded from the Project

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3. Japan's Grant Aid Scheme

(1) What is Grant Aid ?

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

(2) Exchange of Notes (E/N)

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

(3) "The period of the Grant Aid" means the one fiscal year which the Cabinet approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consultant firm(s) and (a) contractor(s) and final payment to them must be completed.

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

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

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

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

(5) Necessity of the "Verification".

The Government of the recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals.

Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

(6) Undertaking required of the Government of the Recipient Country.

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

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

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

8) "Re-Export"

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

9) Banking Arrangements (B/A)

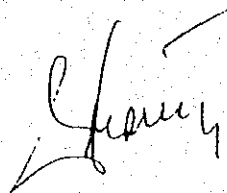
- a) The Government of the recipient country or its designated authority should open an account in the name of Government of the recipient country in a bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover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

Given

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**Necessary Measures to be taken by the Recipient Government
in case Japan's Grant Aid is executed.**

1. To secure the site for the Project
2. To clear the site prior to commencement of the installation
3. To provide facilities for distribution of electricity, water supply, telephone, drainage, sewage, and other incidental facilities to the Project site
 - 1) To secure building prior to the procurement in case the installation of the equipment
 - 2) Electricity distributing line to the site
 - 3) City water distribution to the site
 - 4) City Gas distribution to the site
 - 5) General furniture such as curtains, tables, chairs and others
 - 6) X-ray protection facilities for X-ray related apparatus
4. To bear commissions to a bank in Japan for the banking services based upon Banking Arrangement
5. To exempt takes and to take necessary measures for customs clearance of the materials and equipment brought for the Project at the port of disembarkation
6. To accord Japanese Nationals whose services may be required in connection with the supply of products and the service under the verified contract such facilities as may be necessary for their entry into Macedonia and stay therein for the performance of their work
7. To maintain and use properly and effectively the equipment purchased under the Grant
8. 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



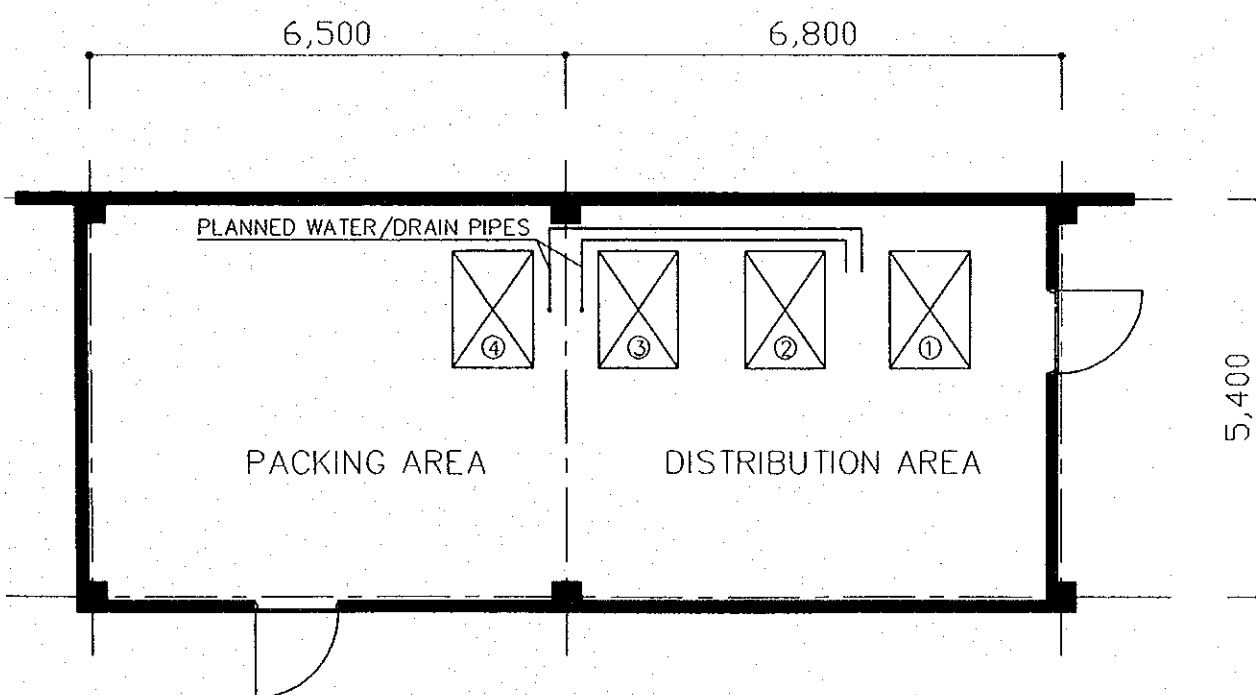
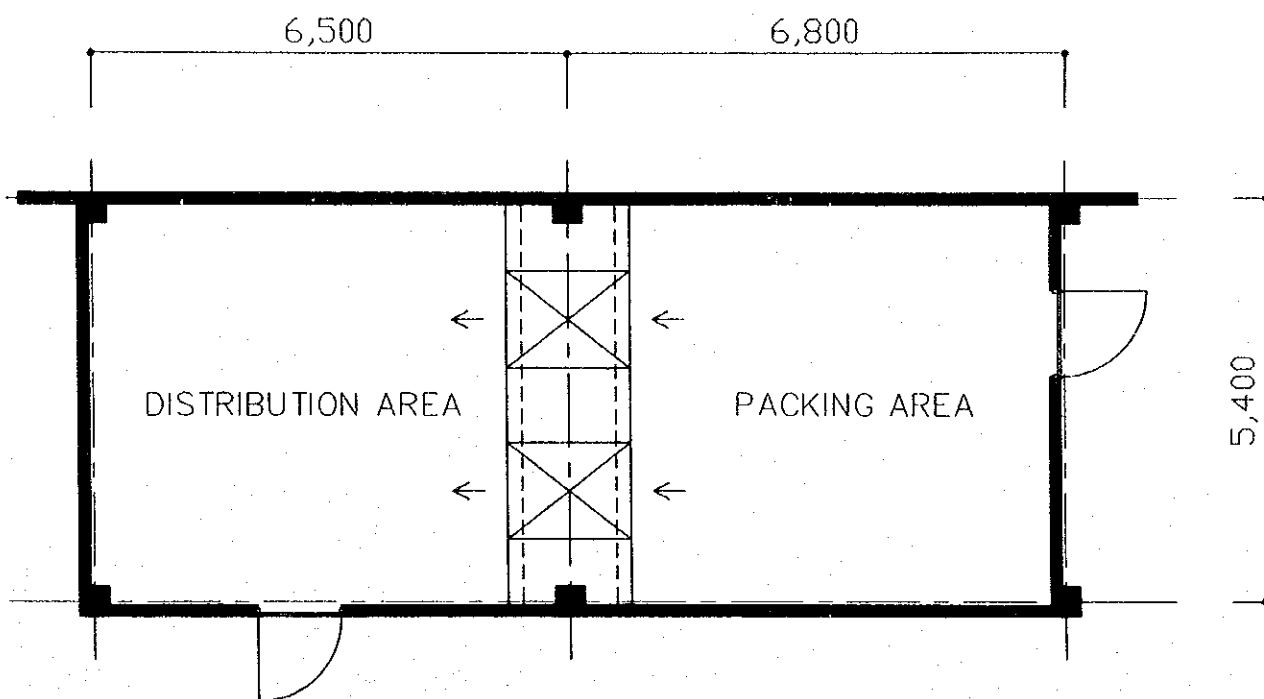
Appendices-5 Project Design Matrix (PDM)

Project name: Project on the Improvement of the quality of the medical services by the General Hospital of the Medical Center of Bitola
 Project area: The Southern region of Macedonia including the City of Bitola

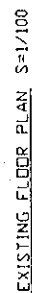
Target year: 5 years (1999 - 2004)

Target group: Inhabitants in the Southern region of Macedonia (8 provinces)

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
Overall Goal The health condition of people in Southern region of Macedonia will be improved.	1. The mortality rate	Statistical Data by the Ministry of Health	Financial policy for the health care will not be substantially changed.
Project Purpose People in the Southern region will be able to receive the improved medical service by the Bitola hospital.	1. Yearly numbers of the outpatients of each department 2. The death rate in the hospital	Statistical data by the Medical Center of Bitola	The economical situation in south region will not be deteriorated. The situation of the natural environment and international relations will not substantially change.
Outputs 1. The medical equipment at the Medical Center of Bitola will be upgraded. 2. The technical ability of the medical doctors and personnel for operation and maintenance will be improved. 3. The operation and administration of the hospital will be improved. 4. Quick and appropriate diagnosis will be attained. 5. Referral system will be strengthened.	1. The rate of operation for the medical equipment 2-1 Number of trained medical doctors 2-2 Number of trained personnel for operation and maintenance of medical equipment 3. Number of reeducated hospital management staff 4. Number of examination at each department 5-1 Number of transported patients to tertiary hospital 5-2 Number of referred patients from primary health care centers	Statistical data by the Medical Center of Bitola	The infrastructure such as electricity, water and sewerage will not be worsened. The improved medical doctors and management personnel for operation and maintenance of medical equipment will remain at the hospital.
Activities 1-1 Secure the place for the equipment 1-2 Withdraw of the old equipment, if necessary 1-3 Procurement and installation of the equipment 2-1 Formulate a training program for the medical doctors and personnel for operation and maintenance of the equipment 2-2 Train the medical doctors and personnel for the operation and maintenance of the equipment 3-1 Formulate a reeducation program for the hospital management staff 3-2 Reeducate the hospital management staff 3-3 Keep clean the facilities 4,5 Same as Activities #1 - #3	Inputs Japanese side - Grant aid execution for the procurement of the medical equipment - Technology transfer regarding the operation of the procured equipment, if necessary Macedonian side - Secure the medical doctors and personnel for the operation and maintenance of the procured equipment - Secure the fund for the operation and maintenance of the procured equipment - Secure the required medical supplies and consumables - Secure the fund for the operation and maintenance of the hospital - Secure the fund for the training and reeducation for the hospital personnel		The improved medical doctors and management personnel for operation and maintenance of medical equipment will remain at the hospital. The custom clearance for the procured equipment will be smoothly proceeded. The blockade of the country will not happen. Precondition The Ministry of Health will place a position to the Bitola hospital as one of the regional core hospitals.



**Appendices-6 Plan of Installation Room
(Room for Sterilizer)**



Appendices-6 Plan of Installation Room
(Room for Remote control fluoroscopy)

Appendices-7 References

	Name	Publisher	Year
1	Development Strategy for Macedonia	Macedonian Academy of Sciences and Arts	1997.12
2	Monthly Statistical Bulletin of the Republic of Macedonia	Statistical Office of Macedonia	1998.8
3	Program for Public Sector Investment in the Republic of Macedonia 1998-2000	Government of the Republic of Macedonia	1998.1
4	Health Care Law	Republic of Macedonia	1996.6
5	Health Sector Transition Project World Bank Supervision Mission Aide Memoire	World Bank	1998.10
6	Health Care Chart (1996) of the Republic of Macedonia (Southern Region)	The Republic's Health Care Administration - Skopje	1997.12
7	Annual Report 1998	UNICEF	1998.

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