

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 selects (a) firms(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

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

3. Japan's Grant Aid Scheme

(1) What is Grant Aid?

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

(2) Exchange of Notes (E/N)

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

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

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

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

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

However the prime contractors, namely, consulting, 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"

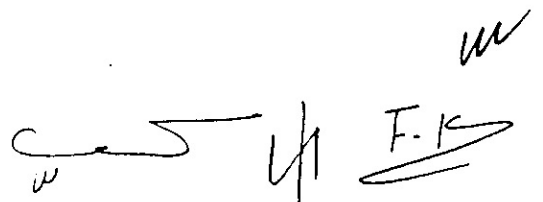
The Government of recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

(6) Undertakings required of the Government of the Recipient Country

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

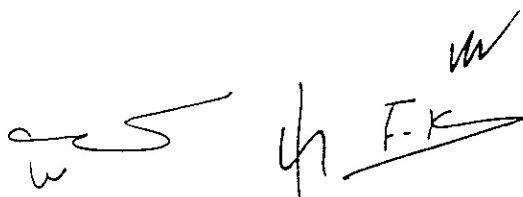
- 1) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.

- 2) To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
 - 3) To secure buildings prior to the procurement in case the installation of the equipment.
 - 4) To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid.
 - 5) To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.
 - 6) To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the Verified Contracts, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work.
- (7) "Proper Use"
The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign staff necessary for this operation and maintenance as well as to bear all the expenses other than those covered by the Grant Aid.
- (8) "Re-export"
The products purchased under the Grant Aid should not be re-exported from the recipient country.
- (9) Banking Arrangements (B/A)
- 1) 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.
 - 2) 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-II Necessary measures to be taken by PA on condition that Japan's Grant Aid is extended.

1. To secure and provide cleared, embanked and leveled land as well as access road for the new water reservoirs, prior to the commencement of the construction for the Project.
2. To support prompt execution for customs clearance of the construction materials and equipment imported to PA under the Grant Aid.
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 PA and stay therein for the execution of their work.
4. To exempt Japanese nationals from custom duties, internal taxes and other fiscal levies which may be imposed in PA with respect to the supply of the products and services under the verified contracts.
5. To maintain and use the facilities constructed under the Grant Aid properly and effectively and to assign the staff necessary for operation and maintenance for the facilities.
6. To bear all the expenses other than those to be borne by the Grant Aid necessary for the execution of the Project.
7. To bear advising commissions for Authorization to Pay and payment commission to a Japanese bank for the banking services based upon the banking arrangement.

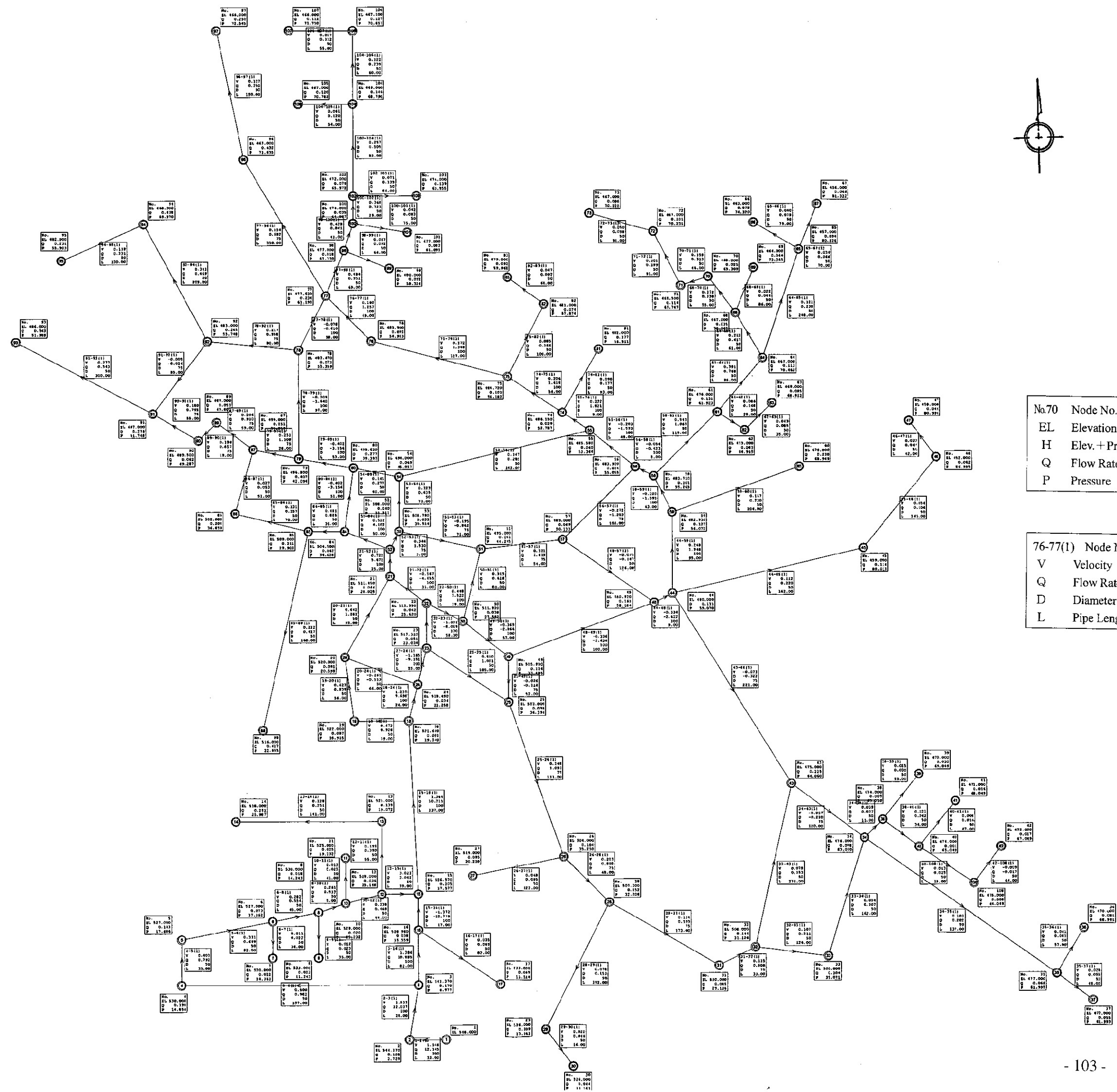
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Appendix-5 Cost Estimation Borne by the PA

The cost borne by PA side for the implementation of the Project is estimated as follows.

Content of the Work	Unit	Quantity	Unit Price (USD)	Amount (USD)
1. Fence and gate installation for water reservoir				
(1) Aqqaba				
Fence	m	122	60	7,320
Gate	lot	1	1,000	1,000
Sub-total				8,320
(2) Qabalan				
Fence	m	108	60	6,480
Gate	lot	1	1,000	1,000
Sub-total				7,480
(3) Qalqilia				
Fence	m	164	60	9,840
Gate	lot	1	1,000	1,000
Sub-total				10,840
(4) Haris				
Fence	m	57	603	3,420
Gate	lot	1	1,000	1,000
Sub-total				4,420
Total Cost for Fence and Gate Installation				31,060
2. House Connection of Service Pipe	household	7,890	100	789,000
Grand Total (1 + 2)				820,060

Appendix-6 Results of Network Analysis



No.70 Node No.
 EL Elevation (m)
 H Elev.+Pres. (m)
 Q Flow Rate (l/s)
 P Pressure (m)

76-77(1) Node No.
 V Velocity (m/s)
 Q Flow Rate (l/s)
 D Diameter (mm)
 L Pipe Length (m)

Aqqaba village