11	To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts	•
12	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant	•
13	To bear all the expenses, other than those to be borne by the Grant, necessary for construction of the facilities as well as for transportation and installation of the equipment	•

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Annex-5 Necessary Measures to Be Taken by The South African Side

- 1. To provide data and information necessary for the Project.
- 2. To secure, clear, level and reclaim the site for the Project prior to the Project implementation.
- To allocate appropriate budget and teaching and administrative staff for proper and effective operation and maintenance of buildings and equipment provided under the Grant Aid.
- To ensure prompt execution for customs clearance of the equipment imported to the country under the Grant Aid.
- 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 the country and stay therein for the execution of their work.
- To exempt Japanese nationals from custom duties, internal taxes including Value Added Tax (VAT) and other fiscal levies which may be imposed in the country with respect to the supply of the products and services under the verified contract.
- To bear all the expenses other than those to be borne by the Grant Aid necessary for the execution of the Project.
- To bear advising commissions for Authorization to Pay and payment commission to a
 Japanese bank for the banking services based upon the Banking Agreement.

 Arrangement



Minutes of Discussions

on

the Basic Design Study on the Project for Construction of Primary and Junior Secondary Schools in KwaZulu-Natal Province

in

the Republic of South Africa (EXPLANATION ON DRAFT REPORT)

In February 2001, the Japan International Cooperation Agency (JICA) dispatched a Basic Design Study Team on the Project for Construction of Primary and Junior Secondary Schools in KwaZulu-Natal Province (hereinafter referred to as "the Project") to the Republic of South Africa (hereinafter referred to as "South Africa"), and through discussions, site surveys, and technical examination of the results in Japan, JICA prepared the draft report of the study.

In order to explain and to consult the South African side on the components of the draft report, JICA sent to South Africa the Draft Report Explanation Team (hereinafter referred to as "the Team"), which is headed by Mr. Yoshiyuki Takahashi, Resident Representative, JICA South Africa Office, from 22nd May to 31 "May, 2001.

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

Ulundi, 29th May, 2001

Y Takahashi

Leader

Basic Design Study Team

Japan International Cooperation Agency

N. S. Shamase

Acting Superintendent General

Department of Education and Culture

KwaZulu-Natal Province

C. J. Sheppard/

Director of Physical Planning

National Department of Education

The Government of the Republic of the

South Africa

ATTACHMENT .

1. Contents of the draft report

The South African side agreed and accepted in principle the contents of the draft report explained by the Team.

2. Japan's Grant Aid Scheme

The South African side understood the Japan's Grant Aid Scheme and the necessary measures to be taken by the South African side as explained by the Team and described in Annex 3-5 of the Minutes of Discussions signed by both parties on 27th February, 2001.

3. Final report

JICA will complete a final report in accordance with the result of discussions and forward it to the South African side around July, 2001.

4. Selected schools

The selected schools as agreed upon are listed below.

No.	Name of School	District
1	Cezwana P	Ubombo
2	Nibela P	Ubombo
3	Sigakatha P	Ubombo
4	Esiphahleni P	Ubombo
5	Hlokohloko P	Ubombo
6	Mnqobokazi P	Ubombo
7	Mfingose P	Ingwavuma
8	Makhana P	Ingwavuma
9	Holy Family P	Ingwavuma
10	Ophondweni P	Ingwavuma
11	Bhekabantu P	Ingwavuma
12	Libuvile P	Ingwavuma
13	Enkulisweni P	Ingwavuma
14	Thengani P	Ingwavuma
15	Ekuhleleni P	Ingwavuma
16	Endabeni P	Ingwavuma
17	Maphindela P	Ingwavuma
18	Mengu P	Ingwavuma
19	Ntokozweni CP	Ingwavuma
20	Embadleni P	Ingwavuma
21	Madeva P	Ingwavuma
22	Mziki P	Ingwavuma
23	Sambane CP	Ingwavuma
24	Shemula P	Ingwavuma
25	St. Joseph's Public P	Ingwavuma
26	Thandizwe P	Ingwavuma
27	Thelamama P	Ingwavuma

※The number doesn't indicate the priority.

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5. The National Department of Education(NDoE)

NDoE will take necessary measures for the smooth implementation of the Project, as follows:

- to facilitate the smooth issuance of working visas for Japanese Nationals, and

 to endorse the Provincial Department of Education and Culture(PDoEC) for the Banking Arrangement(B/A).

6. Allocation of teaching staff

PDoEC will allocate sufficient qualified teaching staff to functionally operate classes to be constructed under the Project.

7. Access road

PDoEC will secure the access roads to the construction sites.

8. School fence

PDoEC will secure the school fence to protect newly constructed school buildings.

9. Toilet

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PDoEC will secure the construction of the necessary number of toilets other than those to be provided under the Project.

The location of toilets to be constructed by the PDoEC would be decided in consultation with the Japanese side.

10. Land preparation and survey

10-1 PDoEC will ensure that all sites are readily secured for construction by clearing trees, shrubs and weeds.

10-2 PDoEC will conduct land surveys for eleven schools specified by the Team, and the result of the survey would be forwarded to the Japanese side during September, 2001 when the Japanese consultant will be in South Africa.

11. Maintenance of the school

PDoEC will instruct all SGBs to practice the regular maintenance works of schools in accordance with the maintenance manual to be provided by the Japanese side.

12. Schedule of the Project

On condition that the Japanese Government approves the final report submitted by JICA, the expected schedule of the implementation of the Project would be as follows:-

- Exchange of Notes(E/N): August, 2001
- Contract of the Japanese Consultant (in South Africa): September, 2001
- 3. Tendering of the Japanese Contractor (in Japan): January, 2002
- Site preparation : February, 2002
- 5. Completion: February, 2003

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