

4. Minutes of Discussions (BD)

MINUTES OF DISCUSSIONS
ON THE BASIC DESIGN STUDY
ON THE PROJECT FOR IMPROVEMENT OF THE HEALTH FACILITIES
IN THE KWAZULU-NATAL PROVINCE
IN THE REPUBLIC OF SOUTH AFRICA

In response to a request from the Government of the Republic of South Africa (hereinafter referred to as "the South Africa"), the Government of Japan decided to conduct a Basic Design Study on the Project for Improvement of The Health Facilities in the KwaZulu-Natal Province (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

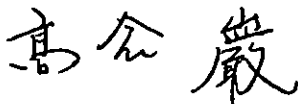
JICA sent to the South Africa the Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Dr. Iwao Takakura, Professor Emeritus, Tokai University, and is scheduled to stay in the country from April 1 to May 3, 2001.

The Team held discussions with the officials concerned of the Government of the South Africa and conducted a field survey at the study area.

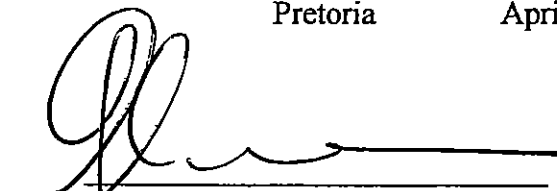
In the course of discussions and field survey, both parties confirmed the main items described on the attached sheets. The Team will proceed to further works and prepare the Basic Design Study Report.

Pietermaritzburg April 11, 2001

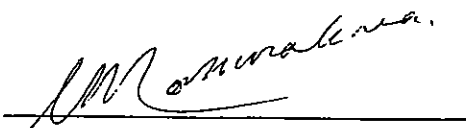
Pretoria April 12, 2001



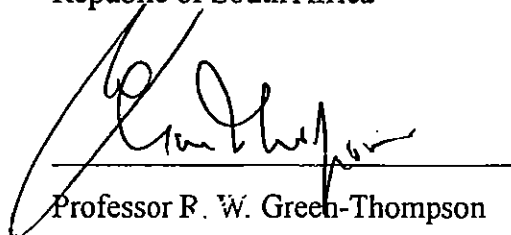
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ATTACHMENT

1.Objective of the Project

The objective of the Project is to improve the health facilities in DC28 through the provision of essential equipment and the construction of one Community Health Centre.

2.Project site(s)

The Sites of the Project are:

(1) Procurement of equipment for following sites:

Two Regional Hospitals:

Ngwelezana, Empangeni(Lower Umfolozi District War Memorial Hospital)

Six District Hospitals:

Eshowe, Mbongolwane, Ekombe, Nkandla, Catherine Booth,

St. Mary's Kwamagwaza

Forty Four Clinics:

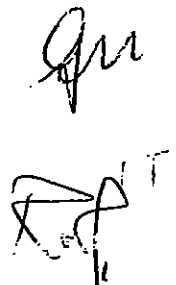
Buchanana, Chwezi, Cinci, Dondotha, Ekuphumuleni, Ensingweni, Esibhudeni, Ewangu, King Dinuzulu, Halambu, Khandisa, Kwambonambi, Kwayanguye, Luwamba, Mabhuqwini, Malunga, Mandaba, Manyane, Mathungela, Mfongosi, Mthungweni, Mvutshini, Ndabaningi, Ndlangubo, Ndundulu, Ngudwini, Ngwelezane, Nhlabane, Nomponjwana, Nongamlane, Ntambanana, Nkwalini, Ntumeni, Ntuze, Nxamalala, Ocilwane, Osungulweni, Phaphamani, Samungu, Sokhulu, Thalenedi, Thokozani, Vumanhlamvu, Xulu

(2) Construction and procurement of equipment for a new Community Health Centre in Nseleni

3.Responsible and Implementing Agency

3-1.The Responsible Agencies are National Department of Health and KwaZulu-Natal Department of Health.

3-2.The Implementing Agency is KwaZulu-Natal Department of Health



4. Items requested by the Government of the South Africa

After discussions with the Team, the items described in Annex-1 and 2 were finally requested by the South African side. JICA will assess the appropriateness of the request.

(1) Procurement of the Equipment

Details of items are listed in Annex-1.

(2) Construction and procurement of equipment for a new Community Health Centre in Nseleni.

Details of items are listed in Annex-2.

5. Japan's Grant Aid Scheme

5-1. The South African side understands the Japan's Grant Aid Scheme explained by the Team, as described in Annex-3.

5-2. The South African side will take the necessary measures, as described in Annex-4 for smooth implementation of the Project, as a condition for the Japanese Grant Aid to be implemented.

6. Schedule of the Study

6-1. The consultants will proceed to further studies in the South Africa until May 3, 2001.

6-2. JICA will prepare the draft report in English and dispatch a mission in order to explain its contents around July, 2001.

6-3. In case that the contents of the report is accepted in principle by the Government of the South Africa, JICA will complete the final report and send it to the Government of the South Africa by December, 2001.

7. Other relevant issues

7-1. The Team recognized following aspects through site survey and workshop:

- (1) Needs for out reach activities.
- (2) Needs for HIV/AIDS prevention campaign.
- (3) Needs for prevention of Cholera epidemics.
- (4) Needs for improvement of nutritious condition among children.
- (5) Needs for prevention of diabetes mellitus.
- (6) Needs for supply of safety water.
- (7) Needs for appropriate recruitment of medical staff.

7-2. The Team explained that it is necessary to expand activities which meets above needs in 7-1 with procurement of the equipment and construction of a new Community Health Centre under the Japan's Grant Aid in order to improve the health status in DC28, KwaZulu-Natal Province.

7-3. For the sake of the technology transfer referred to 7-1, the South African side pointed out the need for dispatch of Japanese experts as well as technical training of counterpart personnel in Japan. They also understood that another official request on technical cooperation should be submitted through diplomatic channels such as the Embassy of Japan and/or the JICA Office.

7-4. The South African side requested the consultant services for the technical assistance on management for the equipment which will be procured on the Project as one of the components of the Grant Aid.

7-5. The Team additionally explained followings regarding undertakings described on Annex-4 which is to be covered by the South African side.

- (1) Procurement of equipment except for new Community Health Centre in Nseleni.
 - To prepare necessary facility arrangements such as remove of existing equipment and supply of water, drainage, electricity, etc to install new equipment.
- (2) Construction and procurement of equipment for a new Community Health Centre in Nseleni
 - To obtain building permissions and other necessary authorizations from the relevant authorities to construct a new Community Health Centre.
 - To bear all the expenses other than construction work and supply of equipment, such as charges for building permits, distribution of infrastructure to the construction site.



7-6. The Team explained that the following items are not covered by Japanese side.

- (1) Landscaping work within construction site
- (2) Renovation work of the existing Hospitals/Clinics
- (3) Staff Accommodation

No.	Description
1	Adult weight scale
2	Anaesthetic ventilator
3	Anaesthetic ventilator with spirometry
4	Anaesthetic apparatus
5	Apnoe monitor
6	Argon laser photocoagulator
7	Autoclave for theatre complex
8	Automatic audiometer
9	Automatic film processor
10	Video camera system
11	Basic orthopedic and laparotomy set
12	Blood gas analyzer
13	Blood gas monitor - cassette type
14	Blood pump
15	Blood warmer
16	Bucky stand
17	Capnograph
18	Cardiotocograph
19	C-arm image intensifier
20	Central station monitor
21	Colour doppler ultrasound
22	Computer with printer
23	Defibrillator
24	Defibrillator with cardiac pacing
25	Defibrillator with monitor and recorder
26	Delivery bed
27	Coagulation apparatus
28	Non-invasive blood pressure monitor
29	ECG multichannel
30	ECG recorder, 3 channels
31	Endoscopic system
32	Portable operating light
33	Examination light
34	Food trolley for wards
35	Glucose meter
36	Hemoglobin meter

Equipment List

Annex-1

No.	Description
37	Hospital beds replacement
38	Hysteroscope
39	ICU bed
40	Infant cribs with stands and mattress
41	Infant incubator
42	Infant intensive care crib stand with phototherapy
43	Infant resuscitator
44	Infant transport incubator with oxygen monitor
45	Infant ventilator with humidifier
46	Infant warmer
47	Infant weighing scale
48	Infusion pump
49	Instrument for intubation & tracheostomy set (laryngoscope blades, etc)
50	Instrument washer
51	Nutrition pump
52	Laparoscopic TV system
53	Laparoscopic instruments set
54	Surgical apparatus
55	Microscope
56	Bone drill set
57	Monitor vital sign with pulse oximeter
58	Multiparameter monitor (bedside monitor)
59	Multiparameter monitor (bedside monitor), neonatal
60	Multiparameter monitor (ECG, NIBP, P, T)
61	Neonatal monitor vital signs and pulse oximeter
62	Nerve stimulator
63	Operating instruments various sets
64	Operating table for C-arm (radiotranslucent)
65	Operation light
66	Operation table
67	Oxygen blender
68	Phako emulsification unit
69	Phototherapy unit
70	Portable X-ray machine
71	Recovery bed
72	Protective screen

(2/8)

Equipment List

Annex-1

No.	Description
73	Pulse oximeter
74	Resuscitation trolley
75	Resuscitation sets infants
76	Fetal doppler apparatus
77	Sound proof chamber
78	Delivery bed, electric
79	Syringe pump
80	Therapy supporters with accessories
81	Transport / portable incubator
82	Ultrasound (B/W)
83	Vacuum extractor
84	Ventilator
85	Ventilator(adult) with humidifier
86	Accessory set for X-ray room
87	X-ray unit, general
88	Ethylene oxide gas sterilizer
89	Air conditioning
90	Amkus rescue equipment
91	Anatomic maps and posters
92	Anatomic models
93	Applanation tonometer
94	Autoclave, large
95	Autoclave, small
96	Bed
97	Bed pans
98	Binoculars
99	Blanket warmer
100	Blood glucose monitor
101	Cataract set
102	CD-ROM teaching aids
103	Centrifuge
104	Cerebral palsy chairs
105	Chairs
106	Computerised system for medical record
107	Computerised system for stores
108	Computerised system of recording x-ray numbers

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Equipment List

Annex-1

No.	Description
109	Cot stretchers with sides
110	CPM machine
111	CPR mannekin
112	Cryoprobe
113	Defibrillator with monitor and pulse oxymator
114	Orthopaedic beds with monkey poles
115	Dental instruments set
116	Dental unit
117	Diagnostic set, portable
118	Diagnostic set, wall unit
119	Digital camera
120	Dressing trolley, large
121	Dressing trolley, medium
122	Dressing trolley, small
123	Drug cabinet
124	Drug cupboard
125	Eibow external fixator
126	Electromechanical tool set
127	Electronic rikon gas analyser
128	Electronics tool set
129	Fax machine
130	Flexible reamer sets
131	Floor cleaning machine
132	Fluid warmer
133	Fluorescent microscope
134	Furniture for patients on wards
135	Generator
136	High plinths beds
137	Image intesifier with digital subtraction imaging
138	Instrument basket, large
139	Instrument basket, medium
140	Instrument basket, small
141	Instrument glass cupboard
142	Laparotomy set, basic
143	Laptop computer
144	Laser pointers

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Equipment List

Annex-1

No.	Description
145	Any contributions towards the medical and nursing libraries
146	Mammogram
147	Medical textbooks, computer software on resuscitation(CPR) or diseases, pathologies
148	Mercury fume extractor cabinet
149	Metal working lathe with milling attachment
150	Metric tap and dye set
151	Microwave oven
152	Mobile spotlights
153	Multiparameter monitor (ECG, NIBP, P, O2sat)
154	Multiparameter monitor (ECG, NIBP, P, T, O2sat)
155	Nebulising machine
156	NIBP analyser
157	NIBP monitors
158	Notice board
159	OHP
160	Operating light, mobile with battery
161	Operating light with battery
162	Ophthalmoscope and otoscope set
163	Ophthalmoscope set
164	Orthopaedic and other books
165	Orthopaedic traction pulleys, single and double
166	Oxygen headboxes
167	Pedicle screw fixation system
168	Photocopy machine
169	Phototherapy lights
170	Plaster saws
171	Pneumatic tourniquet + range of cuffs
172	Printer for computer
173	Processor
174	Slide projector
175	Protective gear
176	Stretcher, hydraulic
177	Refrigerator
178	Response bags
179	Scanner
180	Scoop-type carrier devices

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Equipment List

Annex-1

No.	Description
181	Screen
182	Skin graft set
183	Soldering station
184	Sphygmomanometer
185	Spinal boards (spiders)
186	Spirometer, portable
187	Standard A-O external fixator
188	Standard orthofix external fixators
189	Sterilising machine
190	Stretchers without sides
191	Suction machine
192	Table, stainless steel
193	Tablet counting machine
194	Television sets
195	Thoractomy extras
196	Thromoelastogram
197	Tilting table
198	Tonsillectomy set
199	Tracheostomy set
200	Turning beds for acute spinal injuries
201	Ultrasound/interferential machine
202	Ultraviolet light tester
203	Uricult incubator
204	Urinals
205	Vacuum extraction machine
206	Vascular instrument set
207	Vehicle 4x4
208	Vehicle
209	Ventilator
210	Vital signs monitor
211	Vital signs monitor (BP) automatic
212	Vital signs monitor (BP)
213	Walking frame
214	Ward roud trolleys
215	White board
216	Workbench, stainless steel
217	Fundus camera

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**Construction and procurement of equipment for a new Community Health Centre
in Nseleni**

1. Requested Facilities

New construction and procurement of equipment for a new Community Health Centre, which provides primary health care service, has been requested.

2. Construction Site

Construction site of the above requested facilities shall be 645 Ubhejane, Nseleni Township, Richard Bay Area, KwaZulu-Natal province, with site area of approx. 4,600 square meters.

3. Detail of Items for Requested Facilities

3-1. Construction of a new Community Health Centre

Requested Community Health Centre includes the following facility components;

- Clinics: Clinics for Common/Chronic Disorders, TB Clinic
- Casualty/Emergency, Crisis Centre
- Woman and Child Health Unit
- Rehabilitation
- Pharmacy
- Central Sterilization
- Mobile Services
- Maternity Ward
- Short Stay Ward
- Radiology
- Dental Unit
- Administration
- Other supportive facilities to provide health services and operate a new Community Health Centre.

The scope and sizes of the above items of building components shall be subject to further survey and justification in Japan.

3-2. Procurement of equipment for a new Community Health Centre

South African Side shall prepare prioritized list of necessary equipment for a new Community Health Centre by April 23.

Japan's Grant Aid Scheme

1. Grant Aid Procedures

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

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

2) Firstly, the application or request for 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.

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 (hereafter referred to as "the Study"), conducted by JICA on a requested project (hereafter 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 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. JICA select a firm based on proposals submitted by interested firms. The firm selected carry out a Basic Design Study and write a report, based upon terms of reference set by JICA.

The consulting firm used for the Study is 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 and a contractor 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.

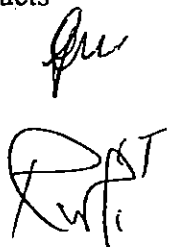
4) Under the Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

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 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.

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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.

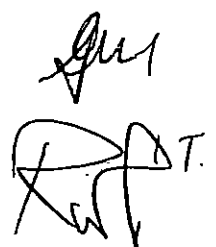
8) "Re-export"

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

9) Banking Arrangements (B/A)

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

- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an authorization to pay issued by the Government of the recipient country or its designated authority.



Major Undertakings to Be Taken by Each Government

No.	Items	To be covered by Grant Aid	To be covered by Recipient Side
1	To secure land		●
2	To clear, level and reclaim the site when needed		●
3	To construct gates and fences in and around the site		●
4	To construct the parking lot	●	
5	To construct roads		
	1) Within the site	●	
	2) Outside the site		●
6	To construct the building	●	
7	To provide facilities for the distribution of electricity, water supply, drainage and other incidental facilities		
	1) Electricity		
	a. The distributing line and transformer to the site		●
	b. Internal wiring within the site	●	
	2) Water Supply		
	a. The city water distribution main to the site		●
	b. The supply system within the site (receiving and elevated tanks)	●	
	3) Drainage		
	a. The city drainage main (for storm sewer and others to the site)		(●)
	b. The drainage system (for toilet sewer, ordinary waste, storm drainage and others) within the site	●	
	4) Gas Supply		
	a. The city gas main to the site		(●)
	b. The gas supply system within the site	(●)	
	5) Telephone System		
	a. The telephone trunk line to the main distribution frame / panel (MDF) of the building		●
	b. The MDF and the extension after the frame / panel	●	
	6) Furniture and Equipment		
	a. General furniture		●
	b. Project equipment	●	
8	To bear the following commissions to the Japanese Bank for banking services based upon the B/A		
	1) Advising Commission of A/P		●
	2) Payment Commission		●
9	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan to the recipient country	●	
	2) Tax exemption and custom clearance of the products at the port of disembarkation		●
	3) Internal transportation from the port of disembarkation to the site	(●)	(●)
10	To accord Japanese nationals, whose service may be required in connection with the supply of the products and the services under the verified contract, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
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 verified contracts		●
12	To maintain and use properly and effectively the facilities contracted 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 the transportation and installation of the equipment		●

(B/A: Banking Arrangement, A/P: Authorization to Pay)