

ATTACHMENT-1

Minutes of Discussions on the Basic Design Study
on the Project for Rehabilitation of Chokwe Irrigation Scheme
in the Republic of Mozambique

**MINUTES OF DISCUSSIONS
ON THE BASIC DESIGN STUDY
ON THE PROJECT FOR
REHABILITATION OF CHOKWE IRRIGATION SCHEME
IN
THE REPUBLIC OF MOZAMBIQUE**

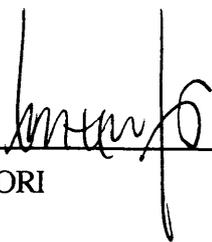
Based on the results of the Preparatory Study, the Government of Japan decided to conduct a Basic Design Study on the Project for Rehabilitation of Chokwe Irrigation Scheme (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Republic of Mozambique (hereinafter referred to as "Mozambique") the Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Senya MORI, Senior Assistant to Managing Director, Grant Aid Management Department, JICA and is scheduled to stay in the country from November 20 to December 28, 2000.

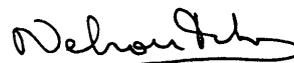
The Team held discussions with the officials concerned of the Government of Mozambique and conducted a field survey at the study area.

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.

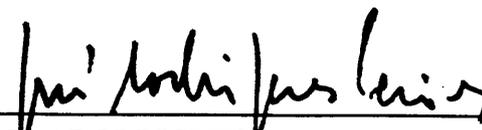
Maputo, November 28, 2000



Senya MORI
Leader
Basic Design Study Team
JICA



Nelson Manuel Cardoso MELO
Director Nacional
Direcção Nacional de Hidráulica Agrícola
Ministério de Agricultura e
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José RODRIGUES PEREIRA
Director da UIP
Presidente do Conselho de Administração
Hidráulica de Chókwè, E.P. (HICEP)

ATTACHMENT

1.Objective of the Project

The objective of the Project is to rehabilitate the General Canal of Chokwe Irrigation Scheme in order to remove the bottleneck for the development of the Irrigation Scheme.

2.Project site

The site of the Project is General Canal of Chokwe Irrigation Scheme, shown in Annex-1.

3.Responsible and Implementing Agency

3-1. The Responsible Agency is Ministério de Agricultura e Desenvolvimento Rural.

3-2. The Implementing Agency is Unidade de Implementação do Programa de Reabilitação do Perímetro Irrigado de Chókwè (UIP) together with Hidráulica de Chókwè, E.P. (HICEP).

4.Items requested by the Government of Mozambique

After discussions with the Team, the items described in Annex-2 were finally requested by the Mozambican side. JICA will assess the appropriateness of the request and will recommend to the Government of Japan for approval.

5.Japan's Grant Aid Scheme

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

5-2. The Mozambican 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 Mozambique until December 28.

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

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

7.Other relevant issues

7-1. If the Project is implemented, the canal and related facilities are owned by the Government of Mozambique and operated and maintained by HICEP in subordination to Ministério de Agricultura e Desenvolvimento Rural.

7-2. Both sides agreed that operation and maintenance of the canal and related facilities is the essential part of this Project.

7-3. The Mozambican side is responsible for the payment of IVA Taxes, preferably the exemption of

the tax, related to the relevant work for the Project.

The procedure of the exemption will be clarified and explained to the Draft Explanation Team, which will be dispatched around March 2001.

- 7-4. The Mozambican side is responsible to rehabilitate the whole Irrigation Scheme other than General Canal, including principal, secondary, and tertiary canal, to utilize water from the General Canal.

The Team strongly requested that the overall plan for the rehabilitation, including the resource of the fund for each sector, should be presented by the Mozambican side to the Draft Explanation Team.

- 7-5. If the Project is implemented, the General Canal will be rehabilitated to the original capacity which it had after the improvement in 1977, and the related facilities including intakes, regulators, and diversion works will be improved to adjust their capacity to the rehabilitated General Canal.
- 7-6. Ministério de Agricultura e Desenvolvimento Rural in coordination with Ministério das Obras Públicas e Habitação, through HICEP, is responsible and will take necessary measures to secure permanently the volume of water which will be necessary for the Irrigation Scheme.

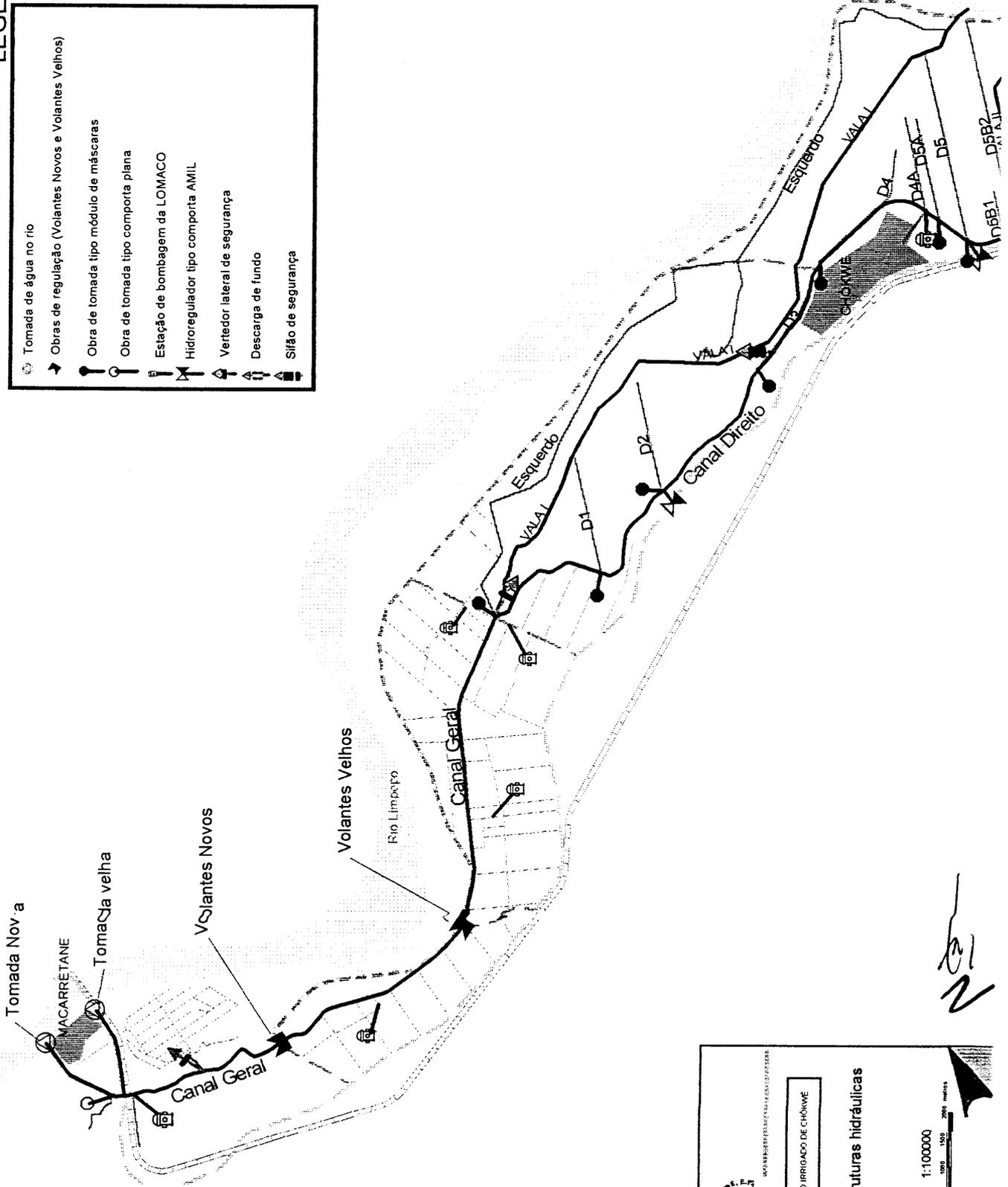


PROJECT SITE

LEGENDA

	Canal principal
	Canal secundário
	Valsa principal
	Valsa secundária
	Não identificado
	Pista
	Estrada
	Dique de defesa
	Caminho de ferro
	Aldeia
	Rio Limpopo

	Tomada de água no rio
	Obras de regulação (Volantes Novos e Volantes Velhos)
	Obra de tomada tipo módulo de máscaras
	Obra de tomada tipo comporta plana
	Estação de bombagem da LOMACO
	Hidroregulador tipo comporta AMIL
	Vertedor lateral de segurança
	Descarga de fundo
	Sifão de segurança



MINISTÉRIO DE AGRICULTURA, PECUÁRIA E PESCAÇA

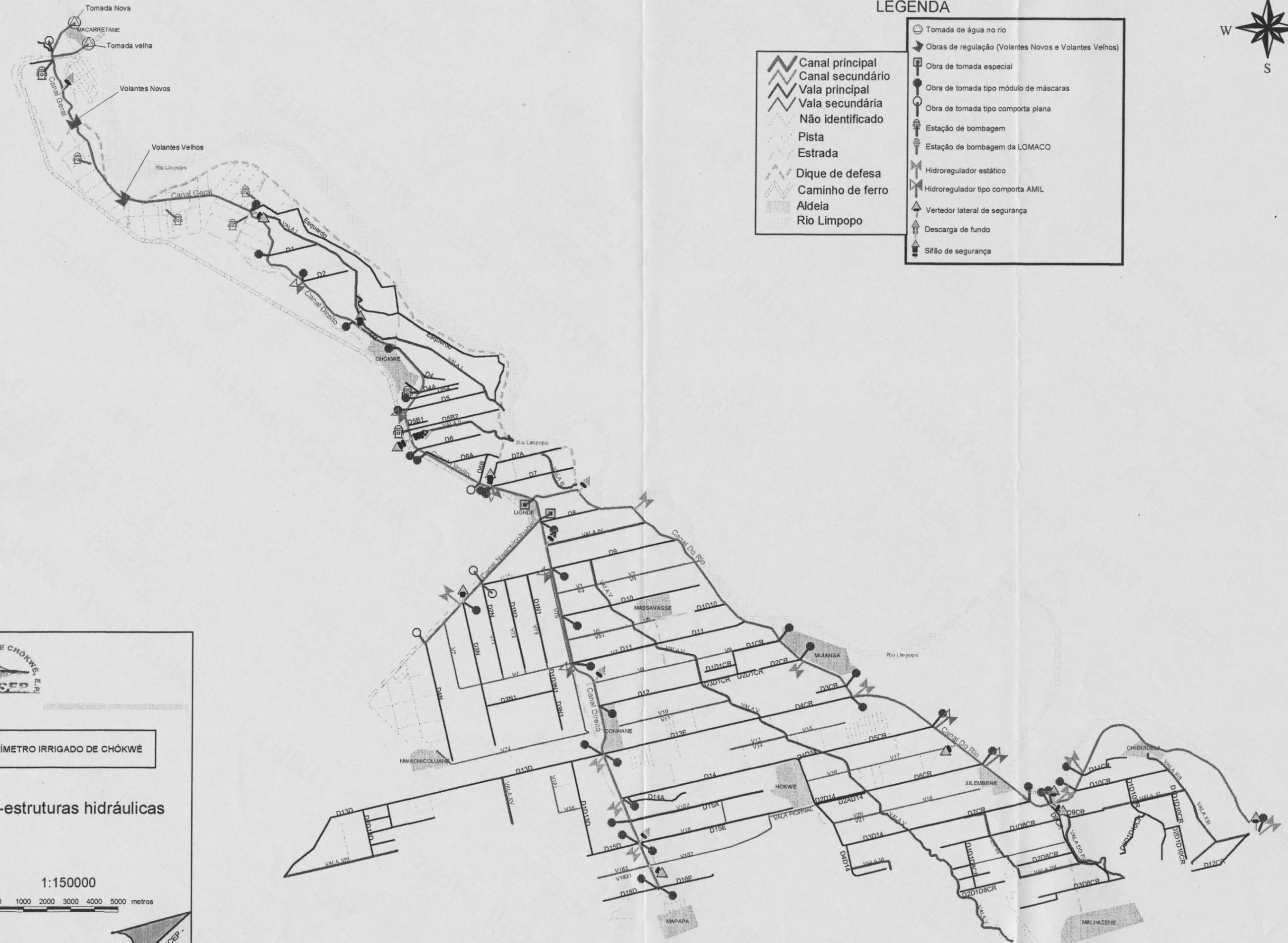
PERIMETRO IRRIGADO DE CHÔWWE

Infra-estruturas hidráulicas

1:100000

0 500 1000 1500 2000 metros

Mapa de 2010



LEGENDA

- Tomada de água no rio
- Obras de regulação (Volantes Novos e Volantes Velhos)
- Obra de tomada especial
- Obra de tomada tipo módulo de máscaras
- Obra de tomada tipo comporta plana
- Estação de bombagem
- Estação de bombagem da LOMACO
- Hidroregulador estático
- Hidroregulador tipo comporta AMIL
- Vertedor lateral de segurança
- Descarga de fundo
- Sifão de segurança
- Canal principal
- Canal secundário
- Vala principal
- Vala secundária
- Não identificado
- Pista
- Estrada
- Dique de defesa
- Caminho de ferro
- Aldeia
- Rio Limpopo



INSTRUMENTAÇÃO DE CHÓKWE - E. P. I.
HICEP

PERÍMETRO IRRIGADO DE CHÓKWE

Infra-estruturas hidráulicas

1:150000

0 1000 2000 3000 4000 5000 metros

Maio de 2000

SIG - HICEP

ITEMS REQUESTED BY THE GOVERNMENT OF MOZAMBIQUE

Rehabilitation of General Canal : approximately 14km (design capacity : 43 m³/sec)

Reconstruction of related structures

2 intake facilities

2 regulators

1 diversion works

Details of the above components will be determined in the course of the analysis of the Project by the Japanese side and provision of the items is still subject to change.

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JAPAN'S GRANT AID PROGRAM

1. Japan's Grant Aid Procedures

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

Application (Request made by a recipient country)

Study (Preparatory 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 (The Exchange of Notes between the both Governments)

Implementation (Implementation of the Project)

(2) Firstly, an application or a request for a project made by a 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 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 Preparatory Study is conducted prior to a Basic Design Study.

Thirdly, the Government of Japan appraises the Project so as 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 approved by the Cabinet becomes official when pledged by the Exchange of Notes signed by the 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(Preparatory Study / Basic Design Study) conducted by JICA on a project requested is to provide basic document necessary for the appraisal of the project by the Government of Japan. The contents of the study are as follows:

- a) to confirm the background, objectives and benefits of the project and also institutional capacity of the agencies concerned of the recipient country necessary for the project implementation;
- b) to evaluate the 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 the basic concept of the project;
- d) to prepare a basic design of the project, and
- 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 the Exchange of Notes.

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

For the smooth implementation of the study, JICA selects (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 prepare(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 to ensure smooth implementation of the Project within the period.

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

A Preparatory Study is conducted during the second step of a project formulation and 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 Preparatory 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 the relevant laws and regulations of Japan. The Grant Aid is not in a form of donation or such.

(2) Exchange of Notes (E/N)

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 Aid etc. are confirmed.

(3) The Period of the Grant Aid

“The period of the Grant Aid” means one Japanese fiscal year 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) Purchase of Products and Services

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 Verification

The Government of the recipient country or its designated authority will conclude into contract 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 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 site 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 outside 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, and
- 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 works

(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 their operation and maintenance as well as to bear all the 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 a bank of 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 Undertaking 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 bear the following commissions to the Japanese bank for the banking services based upon the B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
5	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 project site		●
6	To accord Japanese nationals whose services may be required in connection with the supply 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.		●
7	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.		●
8	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant.		●
9	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.		●

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