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1. Member List of the Study Team

2. Study Schedule

Appendix 2 Study Schedule

(1) Itinerary of Basic Design Study Team (March 2 ~ March 29, 2002)

| No | Date | Day | Action |
|----|----------|-----|--|
| 1 | March 2 | Sat | Narita Bangkok |
| 2 | March 3 | Sun | Bangkok Vientiane Survey of similar facility and project site |
| 3 | March 4 | Mon | Meeting at JICA Laos Office. Courtesy call to Embassy of Japan Courtesy call and discussion with the National Committee on the Construction of the Center(NCCC) |
| 4 | March 5 | Tue | Discussion with NCCC. Survey of project site |
| 5 | March 6 | Wed | Courtesy call to MCTPC. Discussion of minutes of meeting Signing on minutes of meeting |
| 6 | March 7 | Thu | Survey of National Culture Hall, Ministry of Education Report to JICA Laos Office, Embassy of Japan |
| 7 | March 8 | Fri | Leader of team left for Japan Survey of Youth Union, NOVOTEL |
| 8 | March 9 | Sat | Survey of traditional house and trees, and Vientiane National Airport |
| 9 | March 10 | Sun | Data filling/internal meeting |
| 10 | March 11 | Mon | Survey of NOSPA, Lang Xang Hotel Contract of topographic, site investigation, water quality analysis |
| 11 | March 12 | Tue | Survey of Lao Plaza hotel, Japan Center Discussion with NCCC |
| 12 | March 13 | Wed | Survey of Women's Union. Collection of water sample Report to JICA Laos Office |
| 13 | March 14 | Thu | Survey of Vientiane Municipality, Vientiane National Airport, Xaysettha District Office. Survey of traffic condition at the site Survey of ASEAN health Minister's Meeting |
| 14 | March 15 | Fri | Discussion with MCTPC Survey of Prime Minister's Office, Japanese Grant Project |
| 15 | March 16 | Sat | Discussion with NCCC. Survey of construction conditions |
| 16 | March 17 | Sun | Survey of construction conditions. Data filling/internal meeting |
| 17 | March 18 | Mon | Survey of Lao Telecommunications, Vientiane Municipality Survey of construction method, local agent |
| 18 | March 19 | Tue | Survey of traffic condition at the site, Nampapa Lao, National Center for Environmental Health Courtesy call and survey of Ministry of Foreign Affairs Survey of construction method and construction materials prices |
| 19 | March 20 | Wed | Survey of Electricite Du Laos, Embassy of Japan, Lao National Mekong Committee |
| 20 | March 21 | Thu | Survey of Vientiane Municipality, UNICEF Survey of construction method, construction materials prices Facility and equipment planning |
| 21 | March 22 | Fri | Discussion with NCCC. Survey of Ministry of Public Health |
| 22 | March 23 | Sat | Survey of construction method, construction materials prices, equipment prices and maintenance conditions |
| 23 | March 24 | Sun | Facility and equipment planning |
| 24 | March 25 | Mon | Survey of project site Survey of construction method, construction materials prices Discussion with NCCC |
| 25 | March 26 | Tue | Discussion with NCCC. Topographic, site investigation report receiving Mr. Kurishiro, Hiraoka and Nakano left for Bangkok to survey construction materials and equipment |
| 26 | March 27 | Wed | Report to JICA Laos Office , Embassy of Japan Discussion with NCCC (Survey of construction materials and equipment in Bangkok) |
| 27 | March 28 | Thu | Vientiane Bangkok (Survey of construction materials and equipment in Bangkok) |
| 28 | March 29 | Fri | Bangkok Narita |

(2) Itinerary of Explanation on Draft Final Report (June 9 ~ June 20, 2002)

| No | Date | Day | Action |
|----|---------|-----|--|
| 1 | June 9 | Sun | Narita Bangkok |
| 2 | June 10 | Mon | Bangkok Vientiane Meeting at JICA Laos Office. Courtesy call to Embassy of Japan Courtesy call and discussion with Prime Minister's Office |
| 3 | June 11 | Tue | Discussion with NCCC Survey of project site and Japan Center |
| 4 | June 12 | Wed | Discussion with NCCC. Internal meeting |
| 5 | June 13 | Thu | Discussion of minutes of meeting. Survey of Ministry of Education Report to Embassy of Japan |
| 6 | June 14 | Fri | Discussion with NCCC Signing on minutes of meeting Report to Department of International Economic Cooperation, JICA Laos Office |
| 7 | June 15 | Sat | Leader and Mr. Abe left for Japan Survey of Laotian style building |
| 8 | June 16 | Sun | Survey of Laotian style building. Data filling |
| 9 | June 17 | Mon | Discussion with NCCC. Report to JICA Laos Office Survey of Laotian style building, National Economic Research Institute, Nampapa Lao |
| 10 | June 18 | Tue | Survey of Laotian style building and materials Survey of Electricite Du Laos |
| 11 | June 19 | Wed | Vientiane Bangkok Survey of similar facility in Bangkok |
| 12 | June 20 | Thu | Bangkok Narita |

3. List of Parties Concerned in the Recipient Country

Appendix 3 List of Parties Concerned in the Recipient Country

< Parties of the Lao PDR side >

1. National Committee on the Construction of the International Cooperation and Training Center

| | |
|---------------------------------|---|
| Mr. Khamsouk SAYASONE | Chairman : Vice Minister, Deputy Head of the Cabinet of the Prime Minister's Office |
| Mr. Somphet KHOUASAKOUN | Deputy Chairman : Permanent Secretary, Ministry of Foreign Affairs |
| Mr. Bounleuam SISOUALATH | Member : General Director of DHUP, Ministry of Communication, Transport, Post & Construction |
| Mr. Oun Visounalath | Member : Director-General, Land & House Department, Ministry of Finance |
| Mr. Sybounthum | Member : Chief of Cabinet, Vientiane Municipality Mayor's office |
| Mr. Lytoun BOUAPAO | Member : Director General, Department of Planning and International Cooperation, Ministry of Education |

2. Prime Minister's Office

| | |
|-----------------------------------|--------------------------------|
| Dr. Khampheng SAYSOMPHEUNG | Deputy-Chief of Cabinet |
|-----------------------------------|--------------------------------|

2-1 Committee for Planning and Cooperation

(1) Department of International Economic Cooperation

| | |
|---------------------------------|-------------------------|
| Dr. Bountheang MOUNLASAY | Director General |
| Mr. Houmphanh | Director |

(2) National Economic Research Institute

| | |
|------------------------------|-------------------------|
| Dr. Souphanh KEOMIXAY | Director General |
|------------------------------|-------------------------|

3. Ministry of Foreign Affairs

| | |
|---------------------------------------|---|
| Mr. Bounkeut SANGSOMSAK | Deputy Minister |
| Mr. Sayakane SISOUVONG | Director General, ASEAN Department |
| Mr. Somphne | Desk Officer, Asia, Pacific and African Affairs Department |
| Mr. Bounthanongsak CHANTHALATH | Executive and Research Division of Cabinet |

4. Ministry of Communication, Transport, Post & Construction (MCTPC)

| | |
|----------------------------------|-----------------------------------|
| Mr. Khamlouat SIDLAKONE | Vice Minister |
| Mr. Khangeun KHAMVONGSA | Deputy Permanent Secretary |
| Dr. SengThong VANGKEOMANY | Director of DHUP |

5. Ministry of Public Health

Mr. Nao BOUTTA Deputy Director of Cabinet

6. Vientiane Municipality Mayor's office

Mr. Bounchanh KEOSITHAMMA National Project Manager

7. Lao People's Revolutionary Youth Union

Dr. Bounpone BOUTTANAVONG General Secretary

Ms. Keoundone International Affairs

Ms. Dong SALY Deputy Head

8. Lao Women's Union

Ms. Khemphet PHOLSENA Vice President

9. NOSPANational Organization for the Studies of Policy and Administration)

Mr. Thongglay SISOUTHAM Director General, Documentation Center

10. Xayasetha District Office

Mr. Somphone KHOUNPHILOM Director of Administration

11. Lao National Mekong Committee

Mr. Vongdara KEOMUONGCHANH Deputy Director General

12. Lao Telecommunications

Mr. Chanthavone SOSAMPHAN Deputy Director General

Mr. Sang Khom KHOTPANYA Manager of Technical Section

13. Electricite Du Laos

Mr. Daovong PHONEKO Manager, System Planning Office

14. Lao Water Supply Company : Nampapa Lao

Mr. Sirithasack SISANGOUANE Head of Engineering Division

15. National Center for Environmental Health

Dr. Nouanta MANIPHOUSAY Director

16. UNICEF

Mr. Luis Soares Operations Officer

17. Lao-Japan Airport Terminal Services (Vientiane International Airport)

Mr. Masakatsu HARADA Director (JICA Expert)
Mr. Bounheang SOUKHASEUM Assistant Manager, Maintenance Section Facility
Department

18. Lao National Cultural Hall

Mr. Bounsamong SYHALATH Deputy Director

19. FEM/LJ-Center Project

Ms. Noriko ABE Chief Advisor
Mr. Toshihisa TOYODA JICA Expert (Economics)
Ms. Junko TAGUCHI Project Coordinator

20. Lao Plaza Hotel

Mr. Nobuyuki FUKUDA Executive Assistant Manager

21. Lane Xang Hotel

Ms. Sukanya C Manager

22. Novotel

Mr. Chomkeo Manager

< Parties of the Japanese side >

1. Embassy of Japan in the Lao PDR

Mr. Isuo HASHIMOTO Ambassador of Japan
Mr. Hiroshi MANABE Councilor
Mr. Kazunori KAWADA First Secretary

2. JICA Laos Office

Mr. Hidetaka NISHIWAKI Resident Representative
Mr. Nobuaki MIYATA Deputy Resident Representative
Ms. Yukiko OKADA Assistant Resident Representative

4. Minutes of Discussions

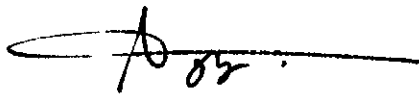
4.1 Preparatory Study

Minutes of Discussions
on the Project for Construction of the Lao-Japan Friendship Promotion Center
in the Lao People's Democratic Republic

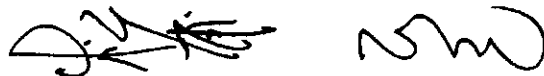
The Government of the Lao People's Democratic Republic (hereinafter referred to as "the Lao P.D.R.") and the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions on the Project for the Construction of the Lao-Japan Friendship Promotion Center (hereinafter referred to as "the Project") which is requested by the Lao P.D.R. to be constructed under the Japanese Grant Aid.

In the course of the discussions and field survey, both parties confirmed the outline of the discussions as attached herewith.

Vientiane, 13th December , 2001



Mr. SOMPHET KHOUSAKOUN
Permanent Secretary,
Ministry of Foreign Affairs
Lao People's Democratic Republic



Mr. SHOZO MATSUURA
Managing Director,
Grant Aid Management Department
Japan International Cooperation Agency

ATTACHMENT

1. Background of the Project

In light of progress of regional economic integration and worldwide economic globalization, the Lao P.D.R. has set the policy of Human Resources Development as the one of the utmost priority strategies in socio-economic development of the country, and has strong intention of enhancement of various activities and provisions the Lao people with regional and international conferences, workshops and other opportunities in addition to the local meetings in various levels and fields in compliance with local and international demands of such activities. However, the Lao P.D.R. has constraints to provide such opportunities due to the lack of facilities.

The Lao P.D.R. has shared the view of the importance of Human Resources Development in various levels with Japanese Government as shown in the statement by “Obuchi Initiative” during his visit to the Lao P.D.R. in January 2000.

Therefore, the Lao P.D.R. proposed that Japanese Grant Aid be used to construct initially referred to as the “Lao-Japan Friendship Promotion Center”.

2. Relation with the “Lao-Japan Human Resource Cooperation Center”

Taking into account the explanations given by both sides on the need to integrate the project facilities to the “Lao-Japan Human Resource Cooperation Center.” Both sides agreed that the proposed Km-5 site is the most suitable location, adjacent to the “Lao-Japan Human Resource Cooperation Center” for the construction of the “Lao-Japan Friendship Promotion Center.” JICA team also agreed to report the proposed site for final approval by the Government of Japan.

For the success of the Project, the Lao P.D.R. has established the National Committee on the Construction of the Center.

3. Utilization Plan of the Project

JICA team pointed out that the precise operational and managerial plan will be presented based on the current situation and potentials from various governmental institutions and business communities at the time of Basic Design Study for the full recognition of the Government of Japan.

4. Steering Committee for the Project

Both sides agreed that the Lao P.D.R. would set up the appropriate steering committee for the management and effective utilization of the Center under the supervision of the Prime Minister's Office of the Government of Laos.

5. Desire for the Basic Design Study Mission

JICA team will transmit to the Government of Japan the strong desire of the Lao P.D.R. to dispatch a mission for the Basic Design Study of the Project at the earliest possible time.

4. Minutes of Discussions

4.2 Basic Design Study

Minutes of Discussions
on the Basic Design Study
on the Project for Construction of the Lao-Japan Friendship Promotion Center
in the Lao People's Democratic Republic

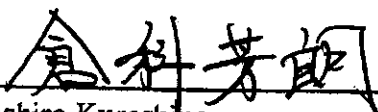
In response to the request from the Government of the Lao People's Democratic Republic (hereinafter referred to as "the Lao P.D.R."), the Government of Japan decided to conduct a Basic Design Study on the Project for Construction of the Lao-Japan Friendship Promotion Center (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Lao P.D.R. the Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Mr. Yoshiro Kurashina, a Deputy Director of the Third Project Management Division, the Grant Aid Management Department, JICA, and is scheduled to stay in the country from March 3 to 28, 2002.

The Team held discussions with the concerned officials of the Government of the Lao P.D.R.

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

Vientiane, March 6, 2002.

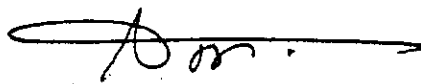


Yoshiro Kurashina

Leader

Basic Design Study Team

Japan International Cooperation Agency



Somphet Khousakoun

Vice Chairman

National Committee on the Construction of
the Friendship Promotion Center

Lao People's Democratic Republic

Witness



H.E. Khampheng Xaysompheng
Vice Minister, Deputy Head of Cabinet
Prime Minister's Office
Lao People's Democratic Republic

ATTACHMENT

1. OBJECTIVE

The objective of the Project is to build the Lao-Japan Friendship Promotion Center (hereinafter referred to as "the Friendship Center") to contribute to human resource development by organizing various seminars, workshops and conferences.

2. PROJECT SITE

The site of the Project is shown in Annex-1.

3. RESPONSIBLE ORGANIZATION AND IMPLEMENTING AGENCY

(1) Responsible Organization: Prime Minister's Office

(2) Implementing Agency: National Committee on the Construction of the Friendship Center

The organization of the Implementing Agency is shown in Annex-2.

After the completion of construction, the Management and Utilization Committee of the Friendship Center would be as the Implementing Agency, once the Project is implemented.

4. ITEMS REQUESTED BY THE GOVERNMENT OF THE LAO P.D.R.

After discussions with the Team, the items described as Annex-3 were finally requested by the Lao P.D.R. 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 Lao P.D.R. side understands the Japan's Grant Aid scheme and the necessary measures to be taken by the Government of the Lao P.D.R. explained by the Team as described in Annex-4.

5-2 The Lao P.D.R. side will take necessary measures, as described in Annex-5, for smooth implementation of the Project as a condition for the Japan's Grant Aid to be implemented.

6. SCHEDULE OF THE STUDY

(1) The consultants will proceed to further studies in the Lao P.D.R. until March 28, 2002.

(2) JICA will prepare the draft final report in English and dispatch a Team to the Lao P.D.R. in order to explain its contents around June, 2002.

(3) In case that the contents of the report is accepted in principle by the Government of the Lao P.D.R., JICA will complete the final report and send it to the Government of the Lao P.D.R. by the end of August, 2002.

7. OTHER RELEVANT ISSUES

(1) Regarding the Friendship Center and the Lao-Japan Human Resource Cooperation Center (hereinafter referred to as "the Japan Center"), the Japanese side explained the differences of the establishment purpose and way of operation and maintenance of both centers shown in the following table.

| | The Friendship Center | The Japan Center |
|---------------------------|---|---|
| Establishment Purpose | 1) To contribute to human resources development on national level by organizing seminar, workshop, and conferences. 2) To contribute to interaction in the region and between ASEAN and other parts of the world by organizing ASEAN summit and other international conferences. | To hold the Business, Computer and Japanese language course for non-student adults and students of the National University of Laos. |
| Operation and maintenance | The Lao P.D.R. side should cover all of operation and maintenance cost. | The Japanese and the Lao P.D.R. side share the operation and maintenance costs according to the R/D of the Japan Center. |

The Lao P.D.R. side understood the difference and agreed to take responsibility for arrangement of the budget for operation and maintenance of the Friendship Center.

(2) The Friendship Center and the Japan Center will co-operate each other on their activities, such as the usage of rooms/hall, and others.

(3) Both sides also confirmed that the Project does not affect at all the contents of the technical cooperation based on the Record of Discussions for the Japan Center.

(4) The Lao P.D.R. side submitted the precise operational and managerial plan to the Japanese side in accordance with the Minute of Discussions of the Preparatory Study in the last December, the Japanese side will study the most proper scale and contents of the Friendship Center.

(5) The Lao P.D.R. side will submit answers to the questionnaire handed over by the Team, by March 21, 2002.

The Organization of Implementing Agency

The Organization Agency of Implementing Agency of the Project is the National Committee on the Construction of the Friendship Center which is established by the Prime Minister.

(1) The members of the Committee are:

a) Chairman

Mr. Khamsouk Xayasone, Vice Minister, Deputy Head of the Cabinet of the Prime Minister's Office

b) Deputy Chairman

Mr. Somphet Khousakoun, Director of Cabinet, Ministry of Foreign Affairs

c) Members

- Mr. Bounleuam Sisoulath, Director General, Department of Housing and Urban Planning, Ministry of Communication, Transport, Post and Construction
- Colonel Inkham Inthamaly, Head of Cabinet, Ministry of Interior
- Mr. Bounleuan Boupna, External Relations Division, Ministry of Information and Culture
- Mr. Oun Visounalath, Director General, Land and House Department, Ministry of Finance
- Mr. Sybounthum, Head of the Cabinet of Vientiane Municipality

d) Advisors

- Mr. Khamlouat Sidlakone, Vice Minister, Ministry of Communication, Transport, Post and Construction (for design, construction technique and management of the Project)
- Mr. Bounkeut Sangsomsak, Vice Minister, Ministry of Foreign Affairs (for coordination with the donor country and for seeking additional fundings for satisfying the conditions of the donor country)

- e) Mr. Lytou Bouapao, Director General, Department of Planning and International Cooperation, Ministry of Education, has been nominated as an additional member of the committee.

(2) Roles and Tasks of the Committee

- a) To coordinate with Japan for the request of Grant Aid for the construction of the Friendship Center
- b) To study the design of the Friendship Center before submitting to the government for approval

- c) To submit for the necessary budget as contribution of the Friendship Center
- d) To study and establish the location for the construction of the Friendship Center
- e) To instruct the consulting firm to build the Friendship Center
- f) To guide, monitor and report the progress of the construction and to execute the guidelines of the government
- g) To coordinate with the concerned authorities to complete the construction of the Friendship Center
- h) To seek regularly advises from the Advisors, specifically on the coordinating with Japan, on the selecting of design and other technical works

ITEMS REQUESTED BY THE GOVERNMENT OF THE LAO P.D.R.

The followings were finally requested by the Lao P.D.R.;

- (1) To build the Friendship Center, which consists of;
- a multipurpose hall,
 - seminar/workshop rooms,
 - data information room, office and related rooms.

The other basic conditions are followings;

- a) The Friendship Center is also able to hold minimum size of complete set of ASEAN major meetings, which consists of reception/waiting, opening, main meeting, bilateral meeting and closing, and compatible with low cost maintenance and operation,
- b) The Lao P.D.R. side asked the Japanese side to base on the Lao traditional design to the design of the Friendship Center, the Japanese side agreed to study the detail of it in the Basic Design Study.

- (2) To design the Lao garden into the site of the Friendship Center.

- (3) To procure the equipment.

Details are listed below;

- a) Furniture,
- b) Simultaneous interpretation system,
- c) Desk monitor for conference room (monitor in control room),
- d) Audio -visual presentation system,
- e) Tele-conference system,
- f) Audio-visual equipment,
- g) Lighting equipment (will be included in building),
- h) Small scale of cooking & kitchen equipment,
- i) General tool for repairing,
- j) Others.
 - 1) Copying machine(s)
 - 2) Facsimile machine(s)
 - 3) Internal telephone system (will be included in building)
 - 4) Wheel chair(s)
 - 5) Fire extinguishers
 - 6) Personal computer set(s)
 - 7) Stand-by generator
 - 8) Others

JAPAN'S GRANT AID

The Grant Aid Scheme 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. The Grant Aid is not supplied through the donation of materials as such.

1. Grant Aid Procedures

Japan's Grant Aid Scheme is executed through the following procedures.

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

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 Scheme, 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 (E/N) 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 Government of Japan. The contents of the Study are as follows:

- Confirmation of the background, objectives, and benefits of the Project and also institutional capacity of agencies concerned of the recipient country necessary for the Project's implementation.
- Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economic point of view.
- Confirmation of items agreed on by both parties concerning the basic concept of the Project.
- Preparation of a basic design of the Project.
- 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 the 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 consulting firm(s). JICA selects (a) firm(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 consultant 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.

3. Japan's Grant Aid Scheme

1) 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.

2) "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 national disaster, 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.

3) 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.)

4) 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.

5) 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 excursion 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.

6) "Proper Use"

The recipient country is required to maintain and use the facilities constructed and the 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.

7) "Re-export"

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

8) 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 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 (A/P) issued by the Government of the recipient country or its designated authority.
- 9) Authorization to Pay (A/P)

The Government of the recipient country should bear an advising commission of an Authorization to Pay and payment commissions to the Bank.

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 to the site | | ● |
| | b. | The drop wiring and internal wiring within the site | ● | |
| | c. | The main circuit breaker and transformer | ● | |
| | 2) Water Supply | | | |
| | a. | The city water distribution main to the site | | ● |
| | b. | The supply system within the site (receiving and/or 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 a bank of Japan for the banking services based upon the B/A | | |
| | 1) Advising commission of A/P | | ● |
| | 2) Payment commission | | ● |
| 9 | To ensure prompt unloading and customs clearance at the port of disembarkation in recipient country | | |
| | 1) Marine(Air) transportation of the products from Japan to the recipient country | ● | |
| | 2) Tax exemption and customs clearance of the products at the port of disembarkation | | ● |
| | 3) Internal transportation from the port of disembarkation to the project site | (●) | (●) |
| 10 | To accord Japanese nationals whose services 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 the verified contract | | |
| 12 | To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid | | |
| 13 | To bear all the expenses, other than those to be borne by the Grant Aid, necessary for construction of the facilities as well as for the transportation and installation of the equipment | | |

4. Minutes of Discussions

4.3 Explanation of the Draft Final Report

**Minutes of Discussions
on the Basic Design Study
on the Project for Construction of the Lao-Japan Friendship Promotion Center
in the Lao People's Democratic Republic**

(Explanation on the Draft Final Report)

In March 2002, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Basic Design Study Team on the Project for Construction of the Lao-Japan Friendship Promotion Center (hereinafter referred to as "the Project") to the Lao People's Democratic Republic (hereinafter referred to as "the Lao P.D.R."), and through discussions, field survey, and technical examination of the results in Japan, JICA prepared a draft final report of the study.

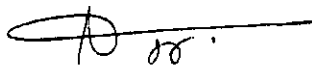
In order to explain and to consult with the officials concerned of the Government of the Lao P.D.R. on the components of the draft final report, JICA sent to the Lao P.D.R. the Basic Design Explanation Team (hereinafter referred to as "the Team"), which was headed by Mr. Satoshi Nakano, a Deputy Director of the Third Project Management Division, the Grant Aid Management Department, JICA, from June 10 to 19, 2002.

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

Vientiane, June 14, 2002



Satoshi Nakano
Leader
Basic Design Explanation Team
JICA



Somphet Khousakoun
Vice Chairman
National Committee on the Construction of
the Lao-Japan Friendship Promotion Center
Lao P.D.R.

Witness:



H.E. Khampheng Xaysompheng
Vice Minister, Deputy Head of Cabinet
Prime Minister's Office
Lao P.D.R.

ATTACHMENT

1. Components of the Draft Final Report

The Lao side agreed and accepted in principle the components of the draft final report explained by the Team.

2. Japan's Grant Aid Scheme

The Lao side understands the Japan's Grant Aid scheme and the necessary measures to be taken by the Lao side as explained by the Team and described in Annex-4 and Annex-5 of the Minutes of Discussions signed by both sides on March 6, 2002.

3. Schedule of the Study

JICA will complete the final report in accordance with the confirmed items and send it to the Lao side by the end of August, 2002.

4. Other Relevant Issues

4-1. Both sides confirmed that the official name of "the Lao-Japan Friendship Promotion Center" should be "the International Cooperation and Training Center"(hereinafter referred to as "the Center"). So the Project name was also changed from "the Project for Construction of the Lao-Japan Friendship Promotion Center" to "the Project for Construction of the International Cooperation and Training Center."

4-2. The Lao side confirmed that the Center would be managed by the National Committee on the Management and Utilization of the Center, which would be set up after the construction of the Center, under the supervision directly by the Prime Minister's Office. So the Prime Minister's Office shall be responsible for securing the budget and providing the subsidiaries necessary for the operation and maintenance of the Center.

4-3. The Lao side confirmed that the land for the Center was already secured by the Government of the Lao P.D.R., so the construction of the Center could be commenced at any time according to the laws and regulations of the Lao P.D.R.

4-4. The Lao side shall complete the necessary banking work at the Project site with the Lao side's own expenses before the commencement of the construction work of the Center by the Japanese contractor, so that the construction will be completed within the allowed period of time for the Project.

4-5. The Lao side shall procure the general furniture and other miscellaneous items, which are not specified as the equipment procured by the Grant Aid in the draft final report, necessary for the operation and maintenance of the Center with the Lao side's own expenses.

4-6. The Lao side shall secure the budget necessary for renewal of the equipment procured under the Grant Aid in the future, and also for periodic renovation of the building of the Center.

4-7. The Lao side requested the Team to include the consultant service, so called "the Soft Component," for the management of the operation of the Center as one of the components of the Grant Aid.

4-8. The Lao side requested the Team to carry out the counterpart training in Japan on the

management of the operation of the Center as a technical cooperation by JICA, and the Lao side understands that another official request will be needed to submit from the Lao side to the Japanese side through the JICA Laos Office.

4-9. The Team handed three copies of the draft detailed specifications of the equipment to the National Committee on the Construction of the Center. Both sides confirmed that the specifications were confidential and should not be duplicated or handed over to any outside party in order to secure the fairness of the Tender concerning the Project.

S. et

Summ.

5. Cost Estimation Borne by the Recipient Country

Appendix 5 Cost Estimation Borne by the Recipient Country

(1US\$ = 9,500kip = 130J-Yen)

(1) Matters Related to Construction Work

1) Compensation of land: the cost will be estimated by the Lao PDR

2) Banking Work at the Site

19,661cubic meters x 4.2US\$ (including compaction) = 82,576US\$

Total: 784,472,000kip

3) Whole of Planting Work at the Site

In case of the following plan

a) Lawn: 15,000 squire meters x 4,750kip = 71,250,000kip

b) Tree (2meter height): 760 trees x 95,000kip = 72,200,000kip

c) Hedge: 17,000 trees x 19,000kip = 323,000,000kip

Total: 466,450,000kip

4) Gate and Fencing Work: 6,434US\$

a) 2 Sliding gate at the front road: 2,244US\$ x 2 = 4,488US\$

b) 1 Sliding gate at the service road: 1,946US\$

c) Fence: the cost will be estimated by the Lao PDR after the designing

Total: 61,123,000kip

(1) – Total: 1,312,045,000kip

(2) Infrastructure Connection

1) Power Electricity Connection (lead into the site)

Supply Capacity: Transformer Capacity 400KVA

20,000kip/KVA x 400KVA = 800,000kip

100,000kip/KVA x 400KVA = 4,000,000kip

200,000kip/wire x 1wire * = 200,000kip (*1wire means one connection)

Total: 5,000,000kip

2) Telephone Line Connection to the Building

Connection Line: 5 lines

Materials: 589.69US\$

Labor Fee: 140.26US\$

Overhead (5%): 36.50US\$

Sub-total 766.45US\$ convert 7,281,275kip

Connection fee: 300kip/line x 5 lines = 1,500kip

Charge for Telephone set: 20,000kip/set x 17sets = 340,000kip

Total 7,622,775kip

3) City Water Supply Connection

Branched 50mm pipe into the site (including road rehabilitation)

3,000US\$ convert 28,500,000kip

(2) – Total: 41,122,775kip

(3) Payment Charge

Contract Amount x 0.1% about 800,000 J-Yen (58,461,000kip)

(4) Authorization to Pay (A/P)

Charge for issue and amendment of A/P:

10,000J-Yen/issue x 6 times = 60,000 J-Yen (4,384,000kip)

(5) Procurement General Furniture: 390,800Baht (84,626,000kip)

For Administration Office, Director Room, Staff Rooms, Entrance and Foyer

Grand Total 1,500,638,775kip

The best price is applied for the estimation, and the Japanese side has no responsibility for the estimated cost, because the Lao government price might be applied for the above items.

6. Other Relevant Data

6.1 Result of Water Quality Analysis

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

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Department of Irrigation
Study Survey Design Centre
Lab. of Water Quality Analysis

No: 011/1/WQA
Vientiane:19/03/02

Result of Water Quality Analysis

Location: Kume Sekkei.Co.Ltd

| Parameters | Unit | City Water |
|------------------------------------|------------------------------|------------|
| Arrival Date | | 13-Mar-02 |
| pH | | 7.60 |
| Conductivity | mS/m | 26.3 |
| TDS | mg/l | 130 |
| DO | mg/l | 7.03 |
| BOD ₅ | mg/l | 0.39 |
| COD _{Mn} | mg/l | 1.11 |
| PO ₄ -P | mg/l | 0.020 |
| NO ₃ -N | mg/l | 0.140 |
| NH ₄ -N | mg/l | 0.040 |
| Calcium (Ca) | mg/l | 71.8 |
| Magnesium (Mg) | mg/l | 3.62 |
| Chloride (Cl) | mg/l | 7.77 |
| Sulphate (SO ₄) | mg/l | 34.1 |
| Alkalinity (as CaCO ₃) | mg/l | 103 |
| Turbidity | NTU | 0.3 |
| KMnO ₄ Consumed | mg/l | 4.38 |
| Lead (Pb) | mg/l | 0.023 |
| Iron (Fe) | mg/l | 0.027 |
| Manganese (Mn) | mg/l | 0.079 |
| Copper (Cu) | mg/l | 0.012 |
| Total Coliform | Colonies/ 100ml sample | 1 |

Head of Water Quality Laboratory



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

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Department of Irrigation
Study Survey Design Centre
Lab. of Water Quality Analysis

No: 011/2/WQA
Vientiane: 19/03/02

Result of Water Quality Analysis

Location: Kume Sekkei.Co.Ltd

| Parameters | Unit | Well Water |
|------------------------------------|------------------------------|------------|
| Arrival Date | | 13-Mar-02 |
| pH | | 6.19 |
| Conductivity | mS/m | 30.3 |
| TDS | mg/l | 150 |
| DO | mg/l | 6.89 |
| BOD ₅ | mg/l | 0.35 |
| COD _{Mn} | mg/l | 1.05 |
| PO ₄ -P | mg/l | 0.085 |
| NO ₃ -N | mg/l | 0.048 |
| NH ₄ -N | mg/l | 0.024 |
| Calcium (Ca) | mg/l | 50.9 |
| Magnesium (Mg) | mg/l | 7.39 |
| Chloride (Cl) | mg/l | 23.8 |
| Sulphate (SO ₄) | mg/l | 32.8 |
| Alkalinity (as CaCO ₃) | mg/l | 92.0 |
| Turbidity | NTU | 1.2 |
| KMnO ₄ Consumed | mg/l | 4.15 |
| Lead (Pb) | mg/l | 0.031 |
| Iron (Fe) | mg/l | 0.026 |
| Manganese (Mn) | mg/l | 0.053 |
| Copper (Cu) | mg/l | 0.010 |
| Total Coliform | Colonies/ 100ml sample | 6 |

Head of Water Quality Laboratory

