

Minutes of Discussions
On the Basic Design Study
on the Project for the Rehabilitation of Floating Irrigation Pump Stations
in Upper Egypt
in the Arab Republic of Egypt

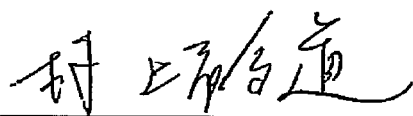
In response to a request from the Government of the Arab Republic of Egypt, the Government of Japan decided to conduct a Basic Design Study on the Project for the Rehabilitation of Floating Irrigation Pump Stations in Upper Egypt (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Arab Republic of Egypt a Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Mr. Hiromichi MURAKAMI, Fourth Project Management Division, Grant Aid Management Department, JICA, and is scheduled to stay in the country from April 15 to May 9, 2002.

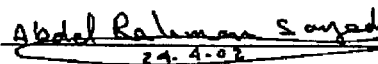
The team held discussions with the officials concerned of the Government of the Arab Republic of Egypt and conducted a field survey at the Project sites.

In the course of discussions and field surveys, 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.

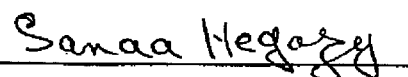
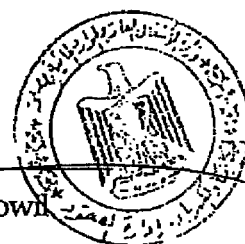
Cairo, April 24, 2002



Mr. Hiromichi MURAKAMI
Leader
Basic Design Study Team
JICA


24. 4. 02

Mr. Abd El-Rahman Sayed Ghoni
Chairman
Mechanical and Electrical Department,
Ministry of Water Resources and Irrigation,
The Arab Republic of Egypt



Witnessed by : Mrs. Sanaa Hegazi
Undersecretary,
Asia & Australia, International
Cooperation Department,
Ministry of Foreign Affairs,
The Arab Republic of Egypt

ATTACHMENT

1. Objective

The objective of the Project is to rehabilitate the existing deteriorated floating pump stations so as to secure reliable and stable water source to irrigate the farmland and to stabilize and improve the agricultural productivity in the Project area.

2. Project Sites

The Project sites are located between Luxor and Aswan at Nile river side in Upper Egypt.

3. Responsible and Executing Agency

The responsible and executing Agency is Mechanical and Electrical Department (hereinafter referred to as "MED"), Ministry of Water Resources and Irrigation.

4. Items requested by the Government of Egypt

After discussions with the Team, the sites of floating pump stations and items described in Annex-1 and Annex-2 were finally requested by the Egyptian side. JICA will assess the appropriateness of the request and will recommend to the Government of Japan for approval.

5. Japan's Grant Aid System

(1) The Government of Egypt has understood the system of Japan's Grant Aid explained by the Team as described in Annex-3.

(2) The Government of Egypt will take necessary measures described in Annex-4 for smooth implementation of the Project on condition that the Grant Aid Assistance by the Government of Japan is extended to the Project.

6. Schedule of the Study

(1) The Team will proceed to further studies in Egypt until 22 May, 2002.

(2) JICA will prepare a draft report in English and dispatch a mission in order to explain its contents around August, 2002.

(3) If the contents of the draft report is accepted in principle by the Government of Egypt, JICA will complete the final report and send it to the Government of Egypt by November, 2002.

7. Other Relevant Issues

- (1) The Team explained the current situation in Japan that Japanese Grant Aid for agriculture sector should be provided for a project in which production of vegetables and fruit are not for export to Japanese market.

The Egyptian side understood it and expressed that the Project would be for domestic supply and that they would make efforts to provide adequate data and information to the Team to facilitate the Government of Japan to understand the eligibility of the Project.

- (2) Both sides confirmed that the requested scope of procurement for a floating pump station by the Grant Aid of the Government of Japan was limited to the following.

- Indoor : main pump, prime mover, vacuum pump, discharge valve, suction and delivery pipes, control panel.
- Outdoor : barge, pump house and connecting pipe including flexible joints.

- (3) Both sides confirmed that the requested scope of procurement for a workshop barge by the Grant Aid of the Government of Japan was limited to the following.

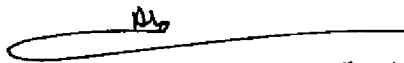
- Indoor : tool shelf with tools, generator, desk & chair, trolley & beam
- Outdoor : barge with deck house, mooring system, deck crane

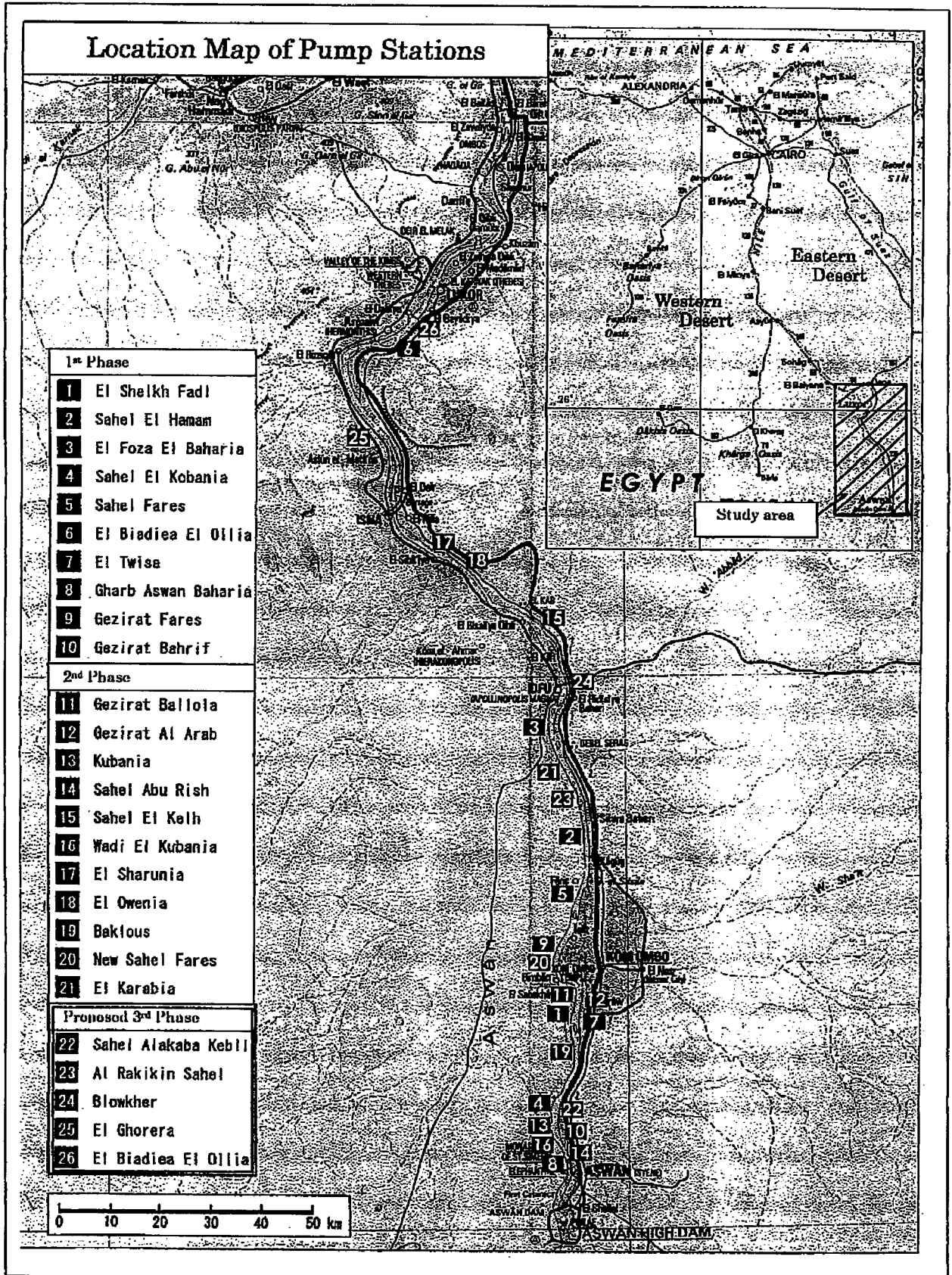
- (4) Both sides confirmed that the tower, discharge pipe and canal had to be improved and/or replaced with the new one by the Government of Egypt based on the result of the Basic Design Study.

- (5) The Team explained that it should be essential to ensure the security for the persons concerned of the Project during implementation as well as the Basic Design Study.

The Egyptian side agreed to take necessary measures.

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Annex-2 : Requested items by Egyptian side

(1) Requested equipment

a. Floating Pump stations

The following five floating pump stations are requested to be replaced with new ones and/or to be provided newly as similar to the 21 stations previously procured by Japan's Grant Aid.

List of the Floating Pump Stations to be Rehabilitated (Tentative)

No.	Name of Station	Proposed Service Area (feddan)	Proposed Pump Capacity x No. of unit (m ³ /sec)	Water Head (m)
Aswan Governorate				
1	Sahel Alakaba Kebli (22)	250	0.25 x 2 = 0.50	12
2	Al Rakikin Sahel (23)	150	0.15 x 2 = 0.30	12
3	Blowkher (24)	1,500	1.20 x 2 = 2.40	12
Luxor Governorate				
4	El Ghorera (25)	1,600	1.25 x 2 = 2.50	10
5	El Biadica El Ollia (26)	1,700	1.30 x 2 = 2.60	28
	Total	5,200		

Note: Numbers in () at the end of the station name are correspond with the numbers in the location map in Annex-1.

b. Workshop barge for maintenance work

The workshop barge for maintenance work is requested to maintain floating pump stations which were already procured and to be procured in the future by the Japan's Grant Aid. It is a non-self moving pontoon equipped with equipment/facilities required for maintaining pump stations.

Dimensions and material of workshop barge (Tentative)

Length	Width	Depth	Material
12.0 m	6.5 m	1.7 m	Steel hull body

(2) Operation and maintenance

The MED has technical know-how in the maintenance of modernized pumping equipment which will be replaced in future through the execution of the similar projects already implemented.

Renovated pump stations will be fully operated and maintained under the present management offices and the same staff.

(3) Financial sources for management

After completion of the requested project, management and maintenance costs of equipment will be fully borne by MED.


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Annex-3

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 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)

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 the 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 firms(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 recipient country.

(Signature)

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Finally, for the smooth 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 requested 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 upon by both parties concerning the basic concept of the Project.
- Preparation of a Basic Design of the Project.
- Estimation of cost 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.

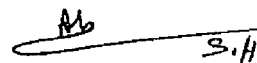
The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even though they may fall outside of the jurisdiction of the organization in the recipient 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 consulting firm(s). JICA selects (a) firms(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

The consulting firm(s) used for the Study is(are) recommended by JICA to the





recipient country to also work on the Project's implementation after the Exchange of Notes, in order to maintain technical consistency.

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 for which the Cabinet approves the Project. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consulting firms(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 natural 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) Necessary of "Verification"

The Government of recipient country or its designated authority will concluded 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 to 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

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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.

6) "Proper Use"

The recipient country is required to operate and maintain 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.

7) "Re-export"

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

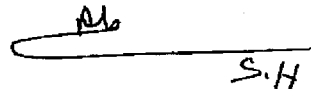
8) Banking Arrangements (B/A)

- 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)

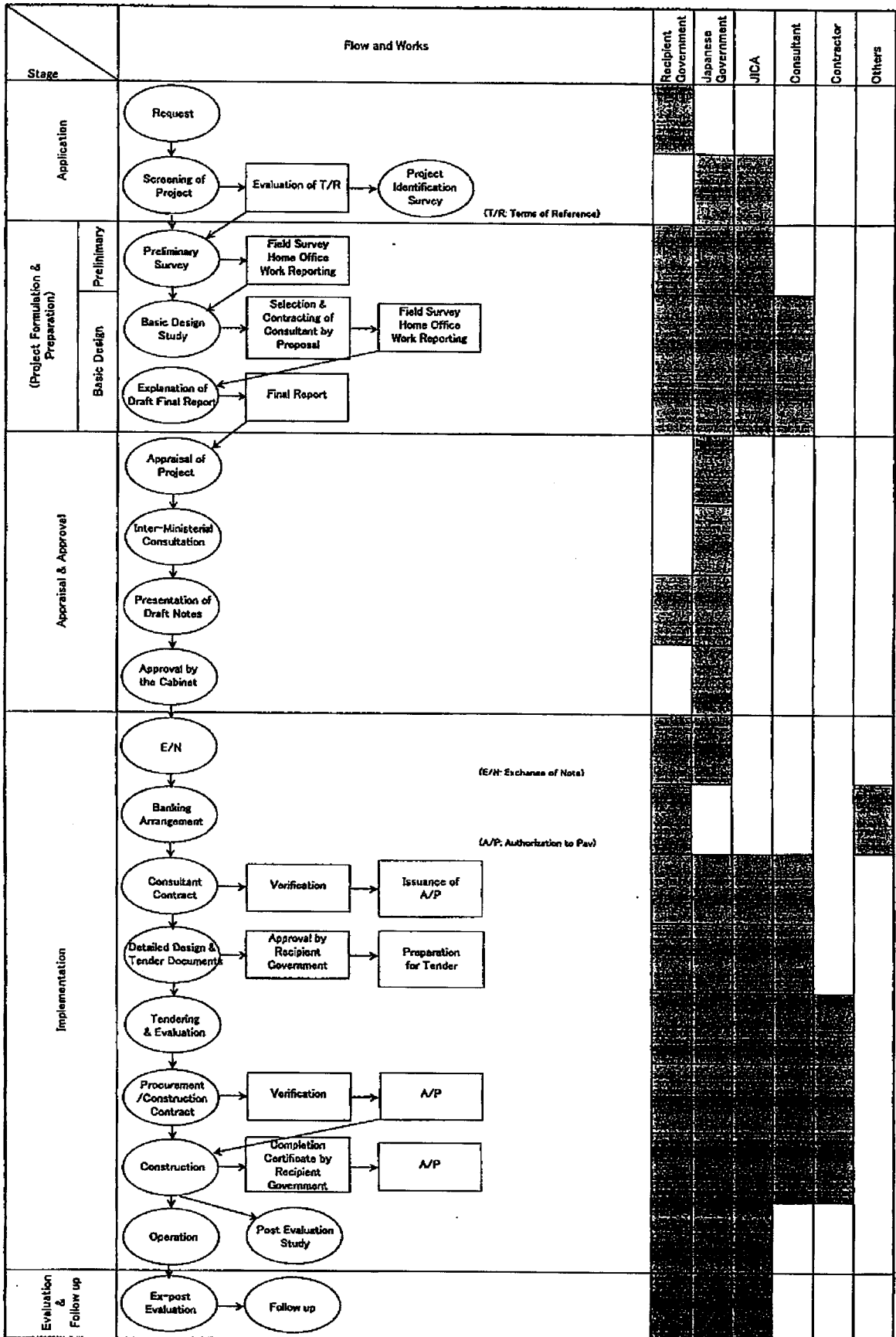
The Government of the recipient country should bear an advising commission of an Authorization to Pay and payment commissions to the Bank.

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Flow Chart of Japan's Grant Aid Procedures

[Attached]



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Annex-4

Major Undertakings to be taken by Each Government

No.	Items	To be covered by Grant Aid	To be covered by Recipient Side
1	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		●
2	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan the recipient	●	
	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	●	
3	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		●
4	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		●
5	To maintain and used properly and effectively the facilities contracted and equipment provided under the Grant Aid		●
6	To bear all the expenses, other than those to be borne by the Grant Aid, necessary for the transportation and installation of the equipment		●

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(2) Explanation of Draft Report of the Basic Design

Minutes of Discussion
ON
The Basic Design Study of the Project
FOR
The Project for the Rehabilitation of Floating Irrigation Pump Stations
in Upper Egypt
IN
The Arab Republic of Egypt
Phase 3
(EXPLANATION OF DRAFT REPORT)

In April 2002, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Basic Design Study Team on the Project for the Rehabilitation of Floating Irrigation Pump Stations in Upper Egypt (hereinafter referred to as "the Project") to the Arab Republic of Egypt (hereinafter referred to as "Egypt"), and through discussion, field survey, and technical examination of the results in Japan, JICA prepared a draft report of the study.

In order to explain and to consult the Government of Egypt on the components of the draft report, JICA sent to Egypt the Draft Report Explanation Team (hereinafter referred to as "the Team"), which is headed by Mr. Daimin Hanadate, JICA Egypt Office, from August 20th to 25th, 2002.

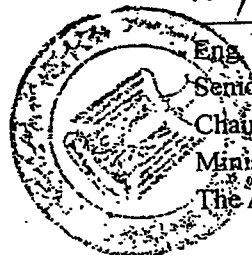
As a result of discussions, both parties confirmed the main items described on the attached sheets.

Cairo, 25th of August, 2002

Daimin Hanadate

Mr. Daimin Hanadate
Leader
Draft Report Explanation Team
Japan International Cooperation Agency

Eng. Mohamed EL Amir Osman
25-8-2002



Eng. Mohamed EL Amir Osman
Senior Undersecretary
Chairman of Irrigation Department,
Ministry of Water Resources and Irrigation,
The Arab Republic of Egypt

Sanaa Hegazi

Witnessed by: Mrs. Sanaa Hegazi
Undersecretary,
Asia & Australia, International Cooperation Department,
Ministry of Foreign Affairs,
The Arab Republic of Egypt

1. Components of the Draft Report

The Government of Egypt (hereinafter referred to as "Egyptian Side") has agreed and accepted in principle the components of the draft report explained by the Team.

2. Japan's Grant Aid Scheme

Egyptian Side understood the Japan's Grant Aid Scheme and the necessary measures to be taken by Egyptian Side as explained by the Team and described in Annex 3 of the Minutes of Discussion signed on 24th of April 2002 (hereinafter referred to as "the M/D").

3. Reconfirmation of Necessary Measures

Egyptian Side and the Team (hereinafter referred to as "Both Sides") reconfirmed the necessary measures agreed in Annex 4 of the M/D.

4. Schedule of the Study

JICA will complete the final report in accordance with the confirmed items and send it to the Mechanical and Electrical Department (hereinafter referred to as "MED") of the Ministry of Water Resource and Irrigation (hereinafter referred to as "MWRI") by November 2002.

5. Other Relevant Issues

1) The floating pump stations to be rehabilitated under the Project, described in Annex I attached, are confirmed as follows:

a) requested items to be covered by the Japanese Grant

- barge including pump house
- connecting pipe

b) items to be borne by Egyptian Side

- tower
- discharge pipe till irrigation canal
- irrigation canal

Egyptian Side will complete their construction and installation works prior to the completion of procurement by the Japanese Grant.

2) Necessary Measures for the Project

Egyptian Side confirmed to secure the necessary budget and personnel for;

- a) the implementation of the Project, and
- b) operation and maintenance of the equipment and facilities including those of the Extension Areas proposed for the Project.

3) Extension Areas proposed for the Project (Site no. 22, 24 and 26)

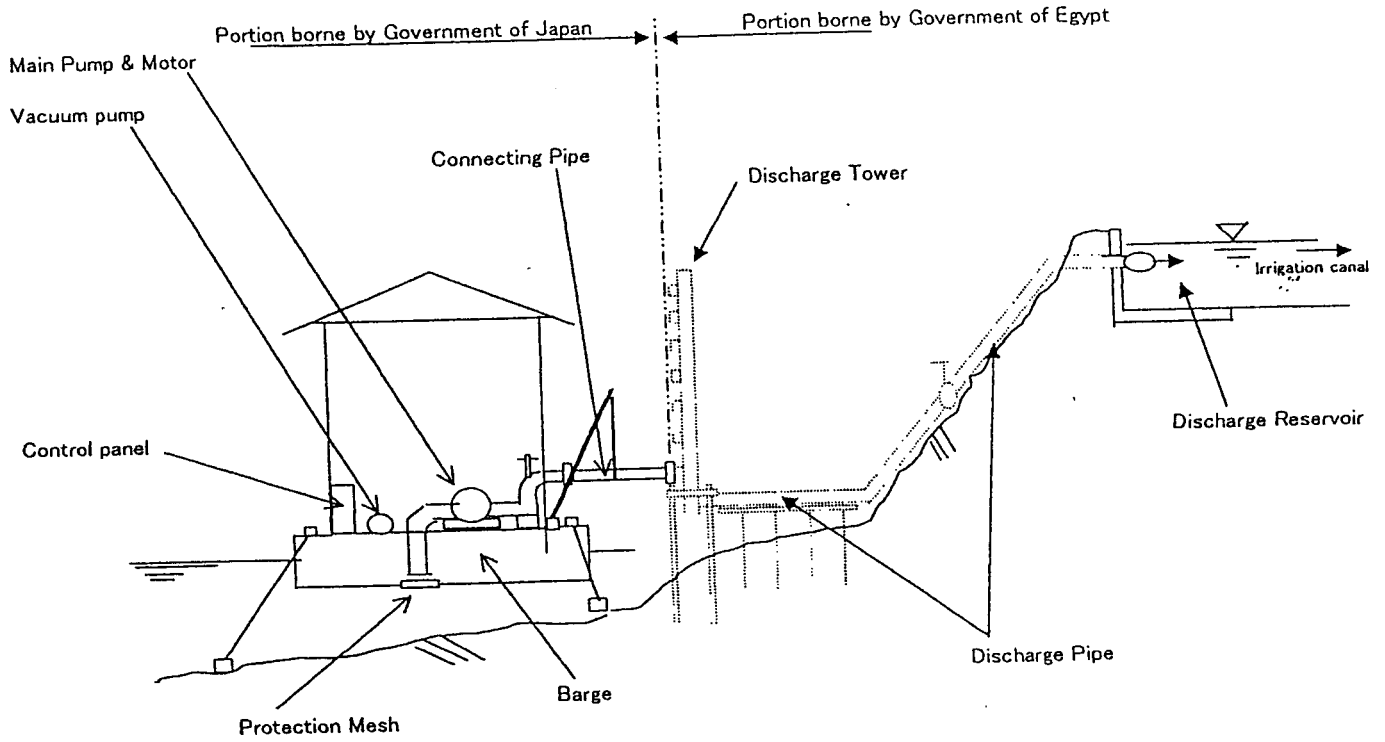
a) Both Sides understood that the Extension Areas proposed for the Project were described in Annex II attached.

b) Egyptian Side promised that Irrigation Department of MWRI, as the responsible organization, shall take necessary measures such as construction of secondary canals and installation of boosting pump facilities for the Extension Areas described in Annex II attached prior to the completion of procurement by the Japanese Grant. Egyptian Side promised to submit the development plan of the Extension Areas to JICA Egypt Office by the end of August 2002.

(such as budgetary plan, implementation schedule, layout of facilities and cost estimations)

ANNEX-1

Typical Drawing of Pump Station



Floating pump facility

		Pump facilities			Barge			
		Capacity (m ³ /s)	Head (m)	Nos.	Length (m)	Width (m)	Height (m)	Nos.
1.	No.22	0.20	10	2	13	5.5	1.6	1
2.	No.23	0.10	8	2	13	5.5	1.6	1
3.	No.24	1.00	11	2	16	7.5	1.8	1
4.	No.25	1.45	12	2	18	7.5	2.1	1
5.	No.26	1.30	28	2	18	7.5	1.8	1

Maintenance Barge

Barge with deck house including maintenance and repair tools and material - 1 set	Barge			
	Length (m)	Width (m)	Height (m)	Nos
	14	6.5	1.7	1

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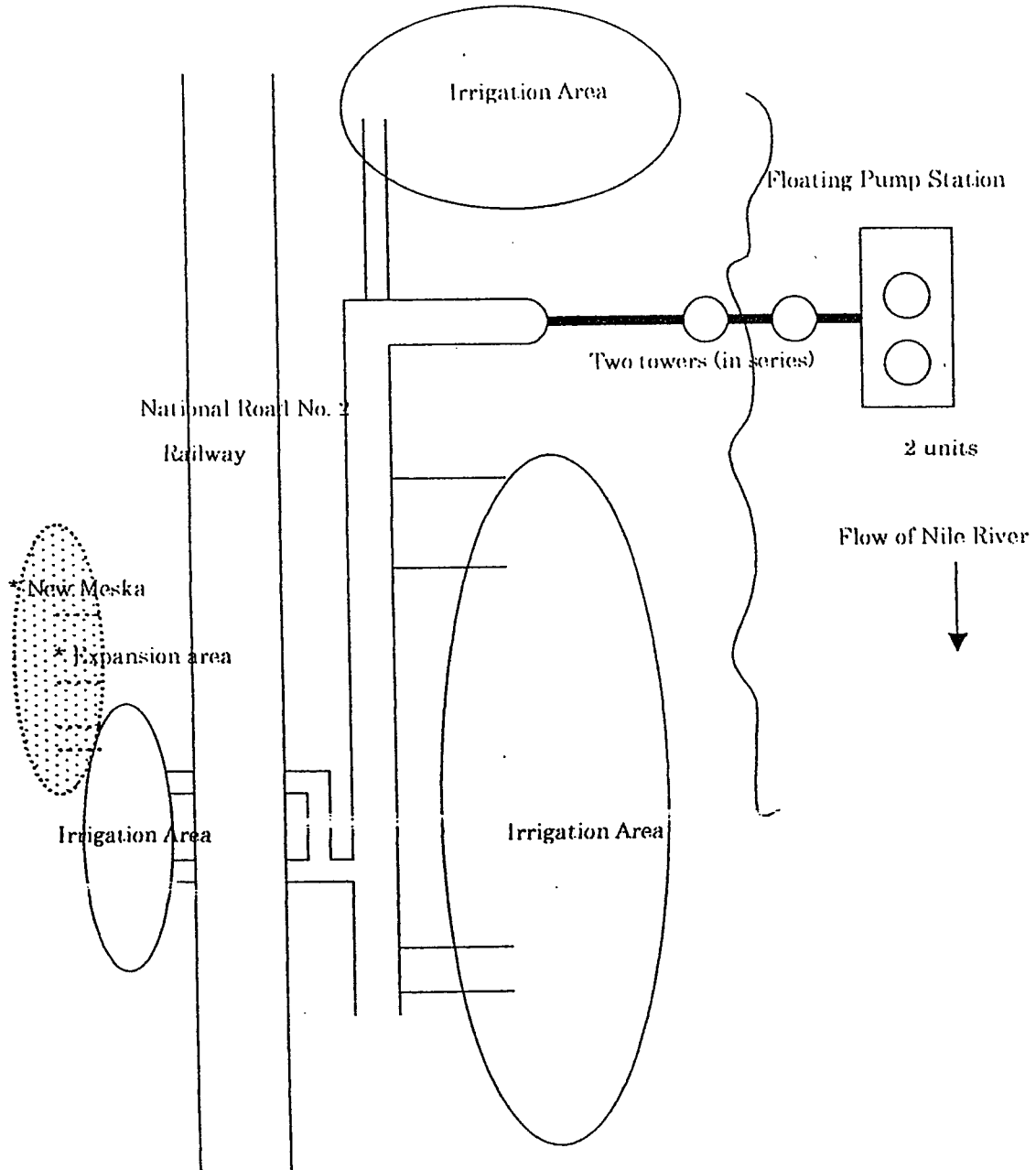
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ANNEX-2(1)

No. 22 Sahel Arakaba Kebli Pump Station

Proposed Illustration Map (with Expansion Area)

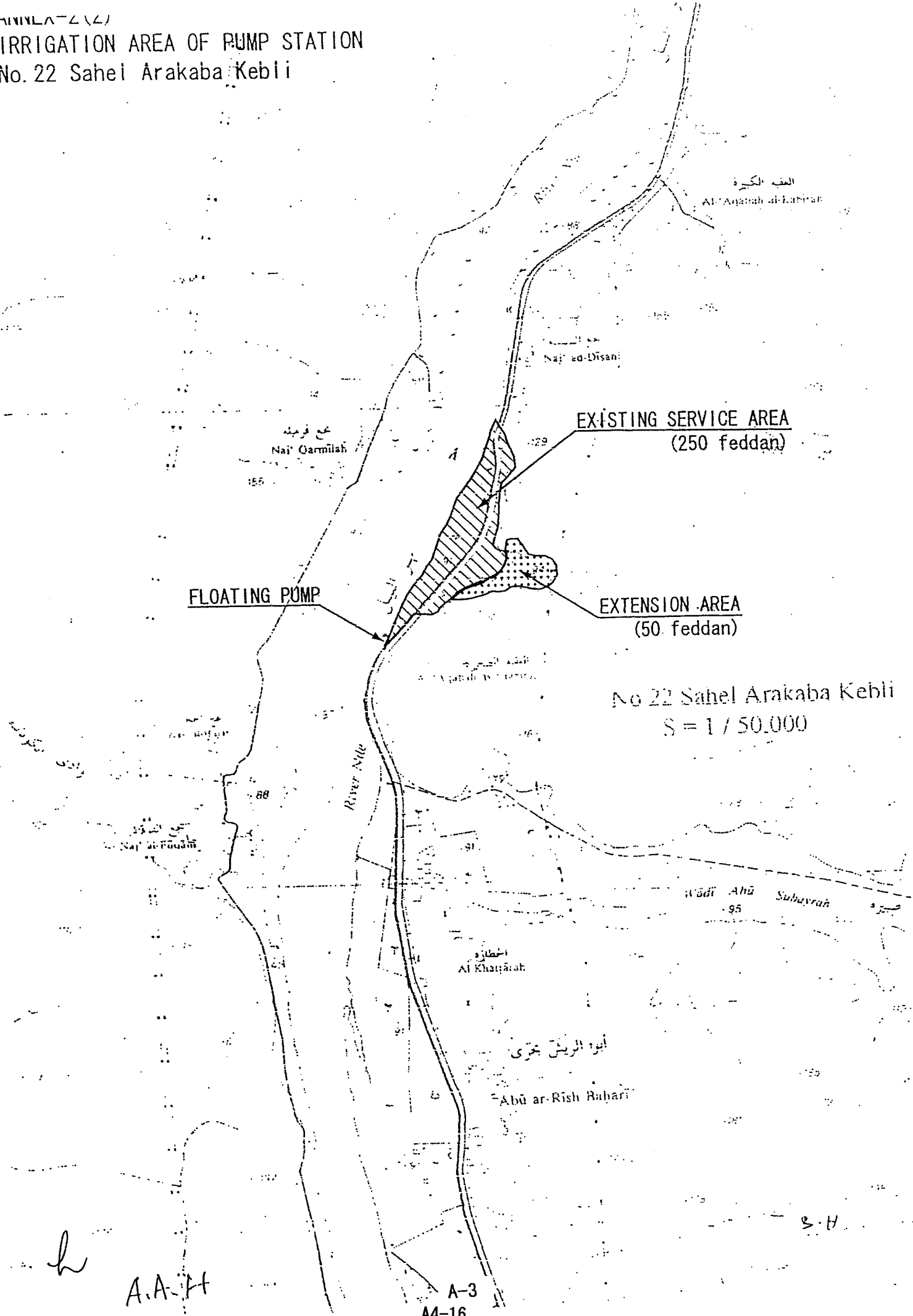


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IRRIGATION AREA OF PUMP STATION No. 22 Sahel Arakaba Kebli



EXISTING SERVICE AREA
(250 feddan)

FLOATING PUMP

EXTENSION AREA
(50 feddan)

No 22 Sahel Arakaba Kebli
S = 1 / 50,000

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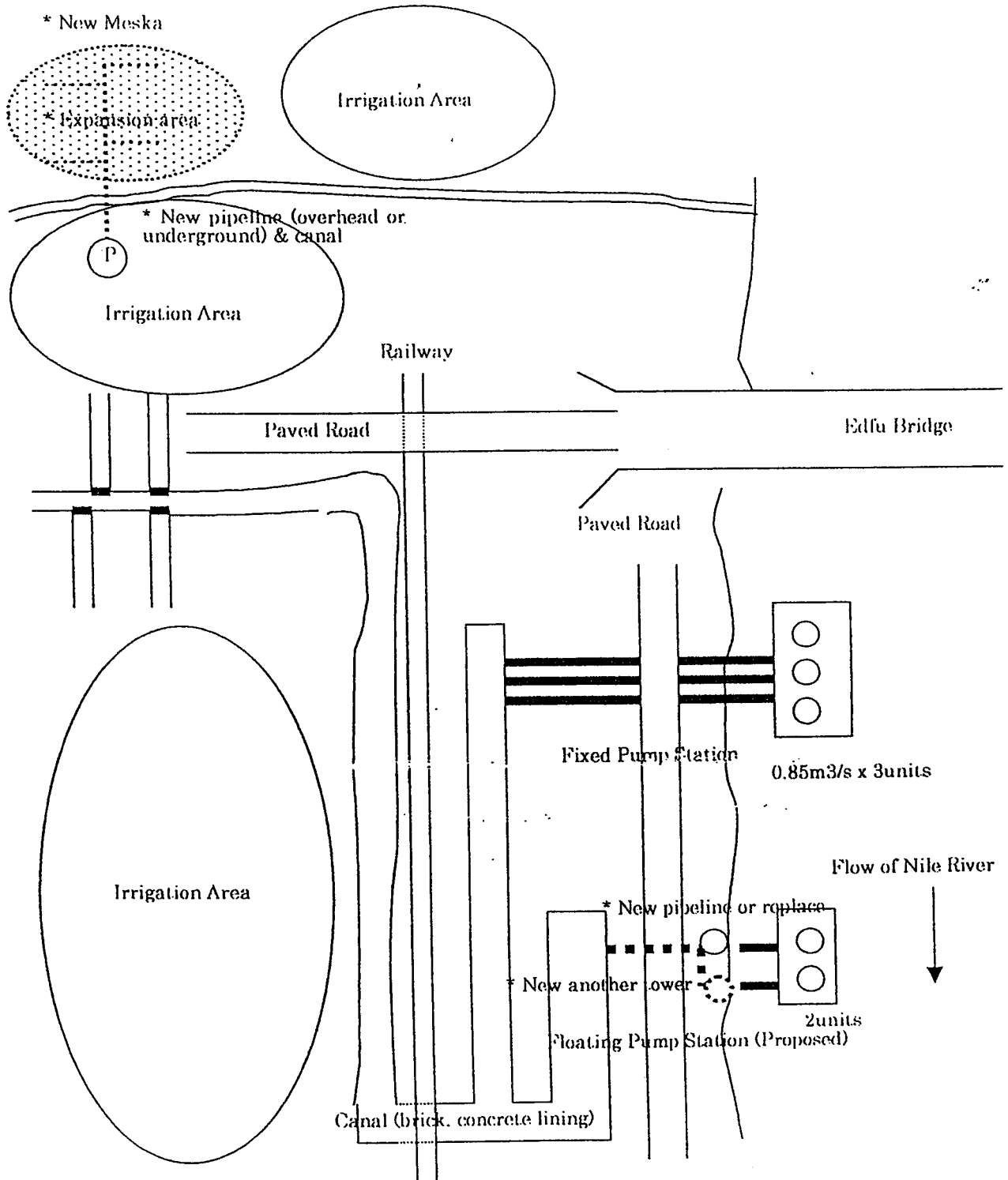
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ANNEX-2(3)

No. 24 Blowkher Pump Station

Proposed Illustration Map (with Expansion Area)



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ANNEX-2 (4)
IRRIGATION AREA OF PUMP STATION
No. 24 Blowkher

كورة المشاش
Kawalat al-Mashash

No.24 Blowkher
S = 1 / 50,000

EXPANSION AREA
(400 feddan)

EXISTING SERVICE AREA
(2,000 feddan)



النبيل
An-Nuzul

عين الجوز
Naj al-Juz

عين البرزة
Naj al-Buzah

دس عري
Ar-Ridsiyyah Bagan

إدفو
IDFU

معبد هوروس
TEMPLES OF HORUS

بحر الياقوت
Al-Qanatiyyah Canal

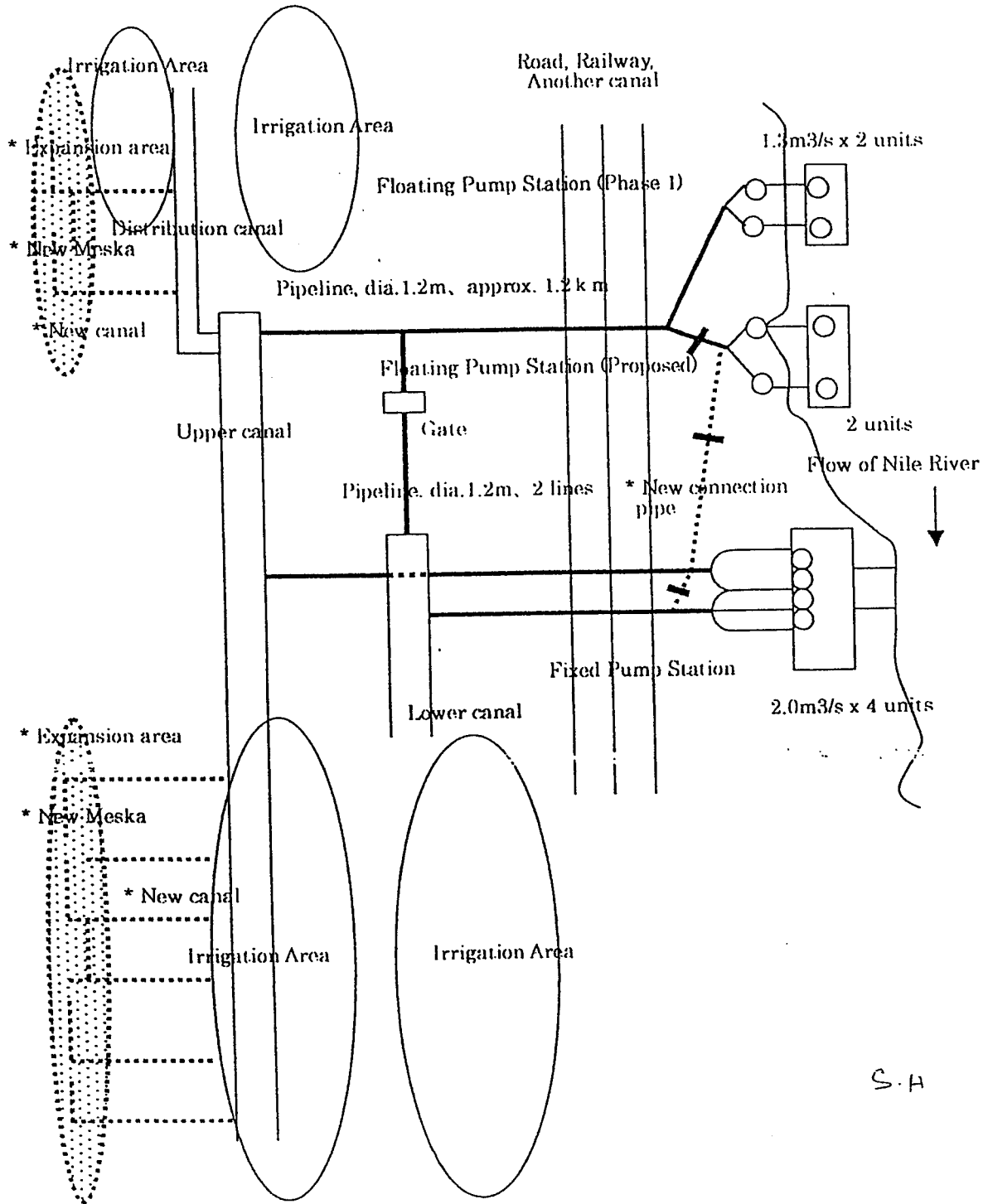
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ANNEX-2(5)

No. 26 El Biadiea El Ollia Pump Station

Proposed Illustration Map (with Expansion Area)



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ANNEX-2 (6)
IRRIGATION AREA OF PUMP STATION
No. 26 El Biadiea El Ollia

EXTENSION AREA BY LOWER CANAL
(630 feddan)

EXISTING SERVICE AREA BY LOWER CANAL
(2,920 feddan)

No.26 El Biadiea El Ollia
S = 1 / 50,000

EXTENSION AREA BY UPPER CANAL
(250 feddan)

EXISTING SERVICE AREA BY UPPER CANAL
(1,300 feddan)

