

2-3 Obligations of Recipient Country

There are the following four categories for the cost to be borne by the Sri Lanka side:

TABLE 2.10 Obligations of Recipient Country

| Category | Character of Cost | Deadline for Payment |
|----------|--|---|
| I | Land acquisition cost | by the commencement of construction works |
| II | Allotment for road pavement to be paid to road administration offices like RDA | before particular excavation work for pipe-laying |
| III | Construction cost for fencing | by the completion of construction works |
| IV | Construction cost to remove the defects in existing clear water transmission system by additional pipe-laying and pump replacement so that the water supply system to be newly constructed will function fully | by 2007 |

The following defects in the existing water supply system must be removed for proper and effective operation and maintenance of the facilities to be constructed. The hydraulic study indicates that the existing clear water transmission system has some defects as shown in FIGURE 1 and Hydraulic Calculation Sheet, which require one more pipe-laying along with the existing one at two (2) spans and pump replacement to increase the present capacity and pump head respectively, otherwise we cannot justify the proposed design capacity of 15,000 m³/day. Those works shall be undertaken by the Sri Lanka side.

- Node No. 16 – 18 (Naigara E.T.) Pipe-laying 225mm x 2,256m
- Node No.8 – 9 (Devinuwara E.T.) Pipe-laying 110mm x 400m
- Dickwella G.S. Increase in pump head: 61m 78m

The expenses to be borne by the Sri Lanka side are approximately Rs.92.4 million. The breakdown is shown in **Table 2.11**.

TABLE 2.11 Cost to be borne by Sri Lankan side

| Item | Estimated Cost (Million Rs.) |
|---|---------------------------------|
| Category I | 17.4 |
| (1) Land acquisition for wastewater treatment facilities near Malimbada WTP | 7.6 |
| (2) Land acquisition for a new service reservoir in Diyagaha | 9.8 |
| (3) Land acquisition for stand posts | - ^{a)} |
| Category II | 50.8 |
| (4) Road pavement work | 50.8 |
| Category III | 3.8 |
| (5) Fencing work for wastewater treatment facilities near Malimbada WTP | 2.3 |
| (6) Fencing work for a new service reservoir in Diyagaha | 1.5 |
| Category IV | 20.5 |
| (7) Pipe-laying work between Dickwella Ground Reservoir and Naigala Elevated Tank (225mm x 2,256m) | 8.3 |
| (8) Pump replacement at Dickwella Ground Reservoir for Medagoda Elevated Tank (pump head from 61m to 78m) | 11.4 |
| (9) Pipe-laying work between Devinuwara JCT and Devinuwara Elevated Tank (110m x 400m) | 0.8 |
| Total | 92.4 |

a) The land acquisition cost for stand posts is excluded assuming that the community will provide the lots voluntarily.

Note: Estimation Condition

- 1) Time of Estimation: August 2002
- 2) Exchange Rate: US\$ 1 = Japanese Yen 125.8
Rs. 1 = Japanese Yen 1.32
- 3) Project Period: The project period is shown in **Figure 2.9**

Basic obligations of the recipient country written in the Minutes of Discussions on August 6th, 2002 is presented for reference.

The following necessary measures should be taken by the Sri Lanka side on condition that the Grant Aid by the Government of Japan is extended to the Project:

- (1) To provide data and information necessary for the Project.
- (2) To prepare the land for the Project and secure the authority to build facilities.
- (3) To secure the water rights for surface water intake development in the Project.
- (4) To provide proper access road to the Project area, if necessary.
- (5) To remove existing facilities, if necessary.

- (6) To bear commissions to the Japanese bank for its banking services based upon the Banking Arrangement, namely the advising commission of the "Authorization to Pay" and payment commission.
- (7) To ensure prompt payment of taxes, customs clearance at the port of disembarkation and facilitate prompt unloading and internal transportation therein of the materials and equipment for the Project purchased under the Grant Aid.
- (8) To undertake incidental outdoor works such as security of the sites, if necessary.
- (9) To exempt Japanese juridical and physical nationals engaged in the Project from customs duties, internal taxes and other fiscal levies which may be imposed in Sri Lanka with respect to the supply of the products and services under the verified contracts. To the extent any taxes or duties are to be paid, the implementing organization shall bear such liabilities.
- (10) To accord Japanese nationals whose services may be required in connection with the supply of the products and the services under the verified contracts, such facilities as may be necessary for their entry into Sri Lanka and stay therein for the performance of their work in accordance with the relevant laws and regulations of Sri Lanka.
- (11) To obtain necessary permissions, licenses and other authorizations for implementing the Project, if necessary.
- (12) To maintain and use properly and effectively the facilities constructed and the equipment provided under the Grant Aid.
- (13) To bear all the expenses, other than those to be borne by the Japan's Grant Aid within the scope of the Project including provision of staff quarters for operational personnel.
- (14) To assign the necessary staff and secure the necessary budgetary provision for operation and maintenance of the facilities constructed and the equipment provided under the Grant Aid.

2-4 Project Operation Plan

FIGURE 2.10 shows the present human resource allocation for the operation and maintenance of the facilities in the Matara water supply system.

FIGURE 2.11 shows the organizational structure of the Matara (O&M) (Matara Regional Office for Operation and Maintenance). This organization is a line and staff type structure. Someone from the branch office manages these facilities, which are usually housed in major facilities such as a water treatment plant, and then some of their subordinates are dispatched from the branch office to smaller facilities such as a intake works, for daily operation and