

APPENDICIES

1 Member List of the Study Team

2 Survey Itinerary

3 List of Parties Concerned in the Recipient Country

4 Minutes of Discussions

5 Other Relevant Data

Appendix-1
Member List of the Study Team

1 Member List of the Study Team

(1) First Field Survey (Inception Report Explanation and Field Survey: June 8 to July 19, 2003)

	Position	Name	Affiliation
1	Team Leader	TAKEUCHI, Hiroshi	First Project Management Division, Grant Aid Management Department, JICA
2	Chief Consultant/ Water Supply Planner	FUJINAMI, Masato	Nippon Koei Co., Ltd.
3	Distribution Net-work Planner	MIYAKE, Akihiro	Nippon Koei Co., Ltd.
4	Facility Planner	INABE, Yoshiharu	Nippon Koei Co., Ltd.
5	Water Sources/ Groundwater Specialist	TAKAHASHI, Shinya	Nippon Koei Co., Ltd.
6	Procurement Planner/ Cost Estimator	YAMADA, Kozo	Nippon Koei Co., Ltd.
7	Water Supply Business Operation Planner	MORI, Akira	Nippon Koei Co., Ltd.
8	Social Condition researcher and People Education Specialist	GOTO, Noriko	Nippon Koei Co., Ltd.
9	Coordinator/ Water Supply Network Planner	TSUBOI, Shigemasa	Nippon Koei Co., Ltd.

(2) The Mission for the Explanation of Draft Basic Design Study Report (September 16 to September 27, 2003)

	Position	Name	Affiliation
1	Team Leader	NAKASONE, Shiro	JICA Indonesia Office
2	Chief Consultant/ Water Supply Planner	FUJINAMI, Masato	Nippon Koei Co., Ltd.
3	Distribution Net-work Planner	MIYAKE, Akihiro	Nippon Koei Co., Ltd.
4	Water Supply Business Operation Planner	MORI, Akira	Nippon Koei Co., Ltd.

Appendix-2
Survey Itinerary

2 Survey Itinerary

(1) First Field Survey (Inception Report Explanation and Field Survey: June 8 to July 19, 2003)

No.	Date		Team Member	Station	Activities
1	Jun 8	Sun	Takeuchi, Fujinami, Miyake, Mori	Jakarta	Move (Tokyo - Jakarta)
2	9	Mon	Takeuchi, Fujinami, Miyake, Mori	Jakarta	Courtesy call on Kimpraswil, Embassy of Japanese. Discussion with JICA Indonesia Office
3	10	Tue	Takeuchi, Fujinami, Miyake, Mori	Jakarta	Discussion on Inception Report with Kimpraswil and JICA Indonesia Office
			Tsuboi		Move (Tokyo - Jakarta)
4	11	Wed	Takeuchi, Fujinami, Miyake, Mori	Kupang	Move (Jakarta - Kupang)
			Tsuboi	Jakarta	Discussion with PU-NTT Data collection and arrangement
5	12	Thu	Takeuchi, Fujinami, Miyake, Mori	Kupang	Field survey (Tarus)
			Tsuboi	Jakarta	Data collection and arrangement
6	13	Fri	Takeuchi, Fujinami, Miyake, Mori	Kupang	Discussion with PU-NTT and Dinas-PU Kupang. M/D signing
			Tsuboi	Jakarta	Data collection and arrangement
7	14	Sat	Takeuchi, Fujinami, Miyake, Mori	Mataram	Discussion with Dinas-PU Kupang Move (Kupang - Mataram)
			Tsuboi		Move (Jakarta - Mataram)
8	15	Sun	Takeuchi, Fujinami, Miyake, Mori, Tsuboi	Mataram	Field survey in Lombok Timur (Bagikpapan, Selaparang) and Lombok Barat (Sembung)
9	16	Mon	Takeuchi, Fujinami, Miyake, Mori	Mataram	Discussion with PU-NTB, Dinas-PU West Lombok, East Lombok and Sumbawa
			Tsuboi	Jakarta	Move (Mataram - Jakarta)
10	17	Tue	Takeuchi, Fujinami, Miyake, Mori	Mataram / Jakarta	Field survey M/D signing
			Tsuboi	Jakarta	Data arrangement
11	18	Wed	Takeuchi	On board	Move (Jakarta - Tokyo)
			Fujinami, Miyake, Mori, Tsuboi	Jakarta	M/D signing at Kimpraswil Report to Embassy of Japan and JICA Indonesia Office
			Inabe, Takahashi, Yamada	Denpasar	Move (Tokyo - Denpasar)
12	19	Thu	Takeuchi	Tokyo	Arrive at Tokyo
			Fujinami, Tsuboi	Jakarta	Contract for topographic survey, social survey and water quality
			Inabe, Takahashi, Yamada	Mataram	Move (Denpasar - Mataram)
			Miyake, Mori		Move (Jakarta - Mataram)
13	20	Fri	Fujinami, Tsuboi		Move (Jakarta - Mataram)
			Miyake, Inabe, Takahashi, Yamada, Mori	Mataram	Field survey and data collection
14	21	Sat	Fujinami, Miyake, Inabe, Takahashi, Yamada, Mori, Tsuboi	Mataram	Field survey and data collection
15	22	Sun	Fujinami, Miyake, Inabe, Takahashi, Mori, Tsuboi	Mataram	Field survey and data collection
			Yamada	Jakarta	Move (Mataram - Jakarta)
16	23	Mon	Fujinami, Miyake, Inabe, Takahashi, Mori, Tsuboi	Mataram	Field survey and data collection
			Yamada	Jakarta	Data collection

17	24	Tue	Fujinami, Miyake, Inabe, Takahashi, Mori, Tsuboi	Mataram	Field survey and data collection
			Yamada	Jakarta	Data collection
18	25	Wed	Fujinami, Miyake, Inabe, Takahashi, Mori, Tsuboi	Mataram / Denpasar	Field survey and data collection Move (Mataram - Denpasar)
			Yamada	Denpasar	Move (Jakarta - Denpasar)
			Goto		Move (Tokyo - Denpasar)
19	26	Thu	Fujinami, Miyake, Inabe, Takahashi, Yamada, Mori, Goto, Tsuboi	Kupang	Move (Denpasar - Kupang) Discussion with PU-NTT
20	27	Fri	Fujinami, Miyake, Inabe, Takahashi, Yamada, Mori, Goto, Tsuboi	Kupang	Field survey and data collection
21	28	Sat	Fujinami, Miyake, Inabe, Yamada, Mori, Goto, Tsuboi	Kupang	Field survey and data collection
			Takahashi	Mataram	Move (Kupang - Mataram)
22	29	Sun	Fujinami, Miyake, Inabe, Mori, Tsuboi	Kupang	Field survey and data collection
			Takahashi	Mataram	Field survey and data collection
			Yamada	Surabaya	Move (Kupang - Surabaya)
			Goto	Mataram	Move (Kupang - Mataram)
23	30	Mon	Fujinami	Mataram	Move (Kupang - Mataram)
			Miyake, Inabe, Mori, Tsuboi	Kupang	Field survey and data collection
			Takahashi, Goto	Mataram	Field survey and data collection
			Yamada	Surabaya	Data collection
24	May 1	Tue	Fujinami, Goto	Mataram	Field survey and data collection
			Miyake, Inabe, Mori, Tsuboi	On board Surabaya	Move (Kupang - Mataram)
			Takahashi		Move (Mataram - Denpasar - Tokyo)
			Yamada		Data collection
25	2	Wed	Fujinami, Miyake, Inabe, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
			Takahashi	Tokyo	Arrive at Tokyo
			Yamada	Mataram	Move (Surabaya - Mataram)
26	3	Thu	Fujinami, Miyake, Inabe, Yamada, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
27	4	Fri	Fujinami, Miyake, Inabe, Yamada, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
28	5	Sat	Fujinami, Miyake, Inabe, Yamada, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
29	6	Sun	Fujinami, Mori	Sumbawa Besar	Move (Mataram - Sumbawa Besar) Field survey and data collection
			Miyake, Inabe, Yamada, Goto, Tsuboi	Mataram	Field survey and data collection
30	7	Mon	Fujinami, Mori	Sumbawa / Mataram	Discussion with Dinas-PU Sumbawa and PDAM Sumbawa Move (Sumbawa Besar - Mataram)
			Miyake, Inabe, Yamada, Goto, Tsuboi	Sumbawa Besar	Move (Mataram - Sumbawa Besar) Field survey and data collection
31	8	Tue	Fujinami, Mori	Mataram	Field survey and data collection
			Miyake, Inabe, Yamada, Goto, Tsuboi	Alas	Discussion with PDAM Sumbawa Move (Sumbawa Besar - Alas)
32	9	Wed	Fujinami, Mori	Mataram	Field survey and data collection
			Miyake, Inabe, Yamada, Goto, Tsuboi		Move (Alas - Mataram)
33	10	Thu	Fujinami, Miyake, Inabe, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
			Yamada	Surabaya	Move (Mataram - Surabaya)

34	11	Fri	Fujinami, Miyake, Inabe, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
			Yamada	Surabaya	Data collection
35	12	Sat	Fujinami, Miyake, Inabe, Mori, Goto, Tsuboi	Mataram	Field survey and data collection
			Yamada	Surabaya	Data collection
36	13	Sun	Fujinami, Miyake, Inabe, Mori, Tsuboi	Mataram	Field survey and data collection
			Yamada	Jakarta	Move (Surabaya - Jakarta)
			Goto	On board	Move (Mataram - Denpasar - Tokyo)
37	14	Mon	Fujinami, Tsuboi	Jakarta	Move (Surabaya - Jakarta)
			Miyake, Inabe, Mori, Tsuboi	Mataram	Field survey and data collection
			Yamada	Jakarta	Data collection
			Goto	Tokyo	Arrive at Tokyo
38	15	Tue	Fujinami, Yamada, Tsuboi	Jakarta	Report to Kimpraswil
			Miyake, Inabe, Mori, Tsuboi	Mataram	Field survey and data collection
39	16	Wed	Fujinami, Yamada	On board	Report to Embassy of Japan and JICA Indonesia Office Move (Jakarta - Tokyo)
			Miyake, Inabe, Mori, Tsuboi		Move (Mataram - Denpasar - Tokyo)
			Tsuboi	Jakarta	Data arrangement
40	17	Thu	Fujinami, Miyake, Inabe, Yamada, Mori	Tokyo	Arrive at Tokyo
			Tsuboi	Jakarta	Data arrangement
41	18	Fri	Tsuboi	On board	Data arrangement Move (Jakarta - Tokyo)
42	19	Sat	Tsuboi	Tokyo	Arrive at Tokyo

(2) The Mission for the Explanation of Draft Basic Design Study Report (September 16 to September 27, 2003)

No.	Date		Team Member	Station	Activities
1	Sep 16	Tue	Fujinami, Miyake, Mori	Jakarta	Move (Tokyo - Jakarta)
2	17	Wed	Nakasone, Fujinami, Miyake, Mori	Jakarta	Courtesy call on Kimpraswil, Embassy of Japanese. Discussion with JICA Indonesia Office and BAPPENAS
3	18	Thu	Nakasone, Fujinami, Miyake, Mori	Jakarta	Discussion on Draft Basic Design Study Report at Kimpraswil
4	19	Fri	Fujinami, Miyake, Mori	Kupang	Move (Jakarta - Denpasar - Kupang) Discussion with PU-NTT and Kabupaten Kupang, M/D signing
5	20	Sat	Fujinami, Miyake, Mori	Kupang	Field survey (Tarus)
6	21	Sun	Fujinami, Miyake, Mori	Jakarta	Move (Kupang - Denpasar - Mataram)
7	22	Mon	Nakasone	Mataram	Move (Jakarta - Mataram)
			Fujinami, Miyake, Mori		Field survey (Duman Upper, Duman Lower and Sembung)
8	23	Tue	Nakasone, Fujinami, Miyake, Mori	Mataram	Discussion with PU-NTB, Kabupaten Lombok Barat, Kabupaten Lombok Timur M/D signing
			Nakasone	Jakarta	Move (Mataram - Jakarta)
9	24	Wed	Fujinami, Miyake, Mori	Jakarta	Courtesy call on PU-NTB and PDAM Mataram Move (Mataram - Jakarta)
10	25	Thu	Nakasone, Fujinami, Miyake, Mori	Jakarta	Discussion with Kimpraswil M/D signing
11	26	Fri	Nakasone, Fujinami, Miyake, Mori	On board	Report to Embassy of Japan , JICA Indonesia Office, discussion with US-AID Move (Jakarta - Tokyo)
12	27	Sat	Fujinami, Miyake, Mori	Tokyo	Arrive at Tokyo

Appendix-3

List of Parties Concerned in the Recipient Country

3 List of Parties Concerned in the Recipient Country

Kimpraswil

Budiman Arief	Director General of Urban and Rural Development
Nur Nasution	Director of Eastern Region
Bertva Aprilyn	Director, Technical Development, Eastern Region
Mukhdar M.Yusy	Director, Technical Development, Eastern Region
Poedjastanto	Sub Director, Technical Planning, Eastern Region
Purnama	Sub Director, Director of Eastern Region I
Joerni	Head of Section of Bali and NTB
Susi Simanjuntak	Head of Section of NTT

BAPPENAS

Basah Hernowo	Human Settlement and Housing
---------------	------------------------------

Nusa Tenggara Timur

Piter Djami Rebo	Director of Dinas Kimpraswil
Danny Suhadi	Head of Settlement and Housing, Bappeda
Fransiskus	Project Manager of P2SP
Achmad Yulizar Yani	Head of Rural, P2SP

Kabupaten Kupang

Karel Soleman Isliko	Assistant Secretary
Alex Humau	Assistant Secretary
Sharul Nurawi	Director of Water, Infrastructure and Development
F. Pandie	Sub Head of Water and Resources
Masya Djonu	Director General, PDAM KUPANG
Marthen Kalla	Director, PDAM KUPANG
Ali Nurawi	Director, PDAM KUPANG

Nusa Tenggara Barat

Jalal	Director of Dinas Kimpraswil
Made Drestanegara	Chief of Settlement and Housing
Nizarwansjah	Project Manager of P2SP

Kabupaten Lombok Barat

Lalu Suaidi	Director of Dinas Kimpraswil
Surana	Head of Water Resources Development
Tasrin Malad	Director General , PDAM MENANG MATARAM
Suhaili	Director, PDAM MENANG MATARAM
Zylkarnain	Chie of Village, Duman

Kabupaten Lombok Timur

Syahdan	Governor
M. Aminullah	Chief of Human Settlement
M. Jamaludin	Sub-Chief of Human Settlement

Jarno
Rumaks
Director, PDAM LOMBOK BARAT
Chie of Village, Bagiki Papang

Kabupaten Sumbawa

Aminuddin Nur
Yurus Salam
Chairuddin Imbik
Soetarjo
Head of Planning Board
Head of Kimpraswil
Director General , PDAM SUMBAWA
Director , PDAM SUMBAWA

Embassy of Japan in Indonesia

Noriatsu Kono
Koshin Kiyohara
First Secretary
Second Secretary

JICA Indonesia Office

Michio Kanda
Keiichi Kato
Yuji Ootake
Shiro Nakasone
Resident Representative
Resident Representative
Deputy Resident Representative
Assistant Resident Representative

Appendix-4
Minutes of Discussions

**MINUTES OF DISCUSSIONS
BASIC DESIGN STUDY ON
THE PROJECT FOR
RURAL WATER SUPPLY
IN NUSA TENGGARA BARAT AND NUSA TENGGARA TIMUR**

Based on the results of the Preparatory Study, the Government of Japan decided to conduct a Basic Design Study on the Project for Rural Water Supply in Nusa Tenggara Barat and Nusa Tenggara Timur (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 Government of the Republic of Indonesia (hereinafter referred to as "Indonesia"), the Basic Design Study Team (hereinafter referred to as "the Team") headed by Mr. Hiroshi Takeuchi, Officer, First Project Management Division, Grant Aid Management Department, JICA, from 8th June to 18th July 2003.

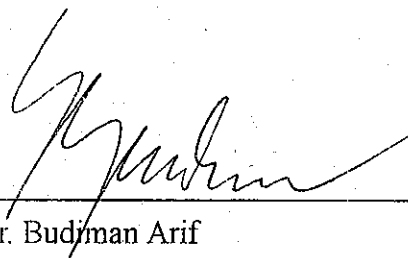
The Team held a series of discussions on the Project with the officials concerned of the Government of Indonesia and conducted field surveys in the Study area.

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 study and prepare the Basic Design Study Report.

Jakarta, 18th June 2003

竹内 博史

Mr. Hiroshi Takeuchi
Leader, Basic Design Study Team
Japan International Cooperation Agency
Japan



Mr. Budjman Arif
Director General
Director General of Urban and Rural
Development
Ministry of Settlement and Regional
Infrastructure (KIMPRASWIL)
Indonesia

ATTACHMENT

1. Objectives of the Project

The objective of the Project is to construct rural water supply systems in Nusa Tenggara Barat (hereinafter referred to as "NTB") and Nusa Tenggara Timur (hereinafter referred to as "NTT"), to provide sufficient and safe water and to improve the living standards of the inhabitants.

2. Project Site

The nine (9) water supply systems in the eight (8) villages, from the sites requested by the Indonesian side, located in NTB and NTT as shown in the map in **Annex-I**

3. Responsible Organization and Implementing Agencies

The responsible organization is the Ministry of Settlement and Regional Infrastructure (Kimpraswil) and the implementing agencies are the Provincial Government of NTB, the Provincial Government of NTT and four (4) Kabupatens (District level Governmental body) under these provinces' jurisdiction.


4. Minutes of Discussions on the Preparatory Study

Both sides have read and reconfirmed all the contents of the Minutes of Discussions on the Preparatory Study signed on 22nd January 2003.

5. Items Requested by the Indonesian side

After discussions with the Team, the Indonesian side finally requested the items described in **Annex-II**. JICA will assess the appropriateness of the requested items and report the findings to the Government of Japan.

However the final items, both quantity and specifications, to be procured under Japan's Grant Aid will be determined after further studies in Indonesia and Japan.


(4)

6. Japan's Grant Aid Scheme

- 1) The Indonesian side understands the Japan's Grant Aid Scheme explained by the Team, as described in **Annex III**.
- 2) The Indonesian side will take the necessary measures, as described in **Annex IV** for smooth implementation of the Project, as a condition for the Japanese Grant Aid to be implemented.

7. Schedule of the Study

- (1) The Team will continue the Study in Indonesia until 18th July, 2003.
- (2) JICA will prepare the draft report and dispatch a mission to explain it to Indonesian side in September, 2003.
- (3) The Team requested the Indonesian side to assign suitable counterparts as coordinators at each project site for the Study. The Indonesian side accepted the request.

8. Minutes of Discussions with the NTB, the NTT and Kabupatens under these Provinces' jurisdiction

Both sides agreed items of Minutes of Discussions signed by the Team, the NTB, the NTT and four (4) Kabupatens under these provinces' jurisdiction described in **Annex V** and **Annex VI**.

9. Other Relevant Issues


(1) Study Site Selection

The Team explained that the Team selected 9 systems in 8 villages (8 systems in NTB and one system in NTT) through detail examinations of the results of the Development Study (2002) and the Preparatory Study (2003). The present Japanese budgetary situation and cost efficiency were also considered for the village selection. The Indonesian side insisted on the strong necessity of the 19 water supply systems in 17 villages originally requested to the Government of Japan due to the hard and sever living conditions of the villagers.

Through discussions exchanged, the both party of the Team and the Indonesian side agreed the selected 9 systems in 8 villages.

(2) House Connections

It was agreed that pipe material for house connection except water meters and indoor piping would be supplied under the Project and their installation work would have to be carried out by the Indonesian side.


(F)

(3) Operation and maintenance

It was also agreed that for proper and sustainable operation and maintenance by the PDAMs or the villages concerned, of the water supply facilities to be constructed; the Indonesian side will, with its strong political and administrative commitment, arrange proper number of skilled staff, allocate necessary budget and establish necessary legislation for each water supply system.

(4) Permits for the Project implementation

The Indonesian side promised to obtain necessary permits to construct the facilities prior to commencement of the Project.

(5) Land for the Project

The Indonesian side promised to prepare lands for the Project. The Indonesian side also agreed to allocate budget to clear, level and reclaim the sites for the Project prior to commencement of the works if the Japanese Grant Aid is made available.

(6) Public Education for Water Conservation

Both parties understood that *provincial governments of NTB and NTT, Dinas-PU of district level in the NTB and the NTT, and PDAM of each district* should be the core and responsible organizations of public education under coordination of KIMPRASWIL. In case of the Japan's Grant Aid to be provided, the Japanese side will assist Dinas-PU and PDAMs for the public education activities.

(7) The Second Water & Sanitation for Low Income Communities Project financed by IBRD (WSLIC-2)

The Team requested the Indonesian side to provide the plan, progress and present situation of the WSLIC-2 in the requested sites. The Indonesian side promised to submit the report to the Team by 30th June, 2003.

(8) Questionnaire

The Indonesian side promised to reply to the questionnaire submitted to the Indonesian Side by the Team on 30th June, 2003.

(9) Technical assistance

1) The Indonesian side requested the Team to include in the Grant Aid to be provided, consultant services to improve accounting ability for water supply, to provide public education for water conservation and to enhance operation and maintenance ability.

2) For transfer of knowledge on sustainable water supply system management, the Indonesian side pointed out the need for technical training of counterpart personnel. The Indonesian side also understood that another official request on technical cooperation should be

(E)

submitted through the JICA Indonesia Office, based on a close consultation with Japanese Authorities in Indonesia.

(10) Evaluation and Monitoring Report

Both parties agreed that the Indonesian side shall prepare "Evaluation and Monitoring Report" on O&M of the water supply facilities to be constructed. A copy of the report has to be submitted to JICA Indonesia Office twice a year for five (5) years after the completion of the project.

(11) MOU among Central Government, Province Government and Kabupaten

The Preparatory Study Team and the Indonesian side had agreed in Minutes of Discussion signed on 22nd January 2003 that the Indonesian side would send a copy of MOU about relation among KIMPRASWIL, Provincial Governments of NTB and NTT, and Kabupatens; responsibility of each organization under these provincial jurisdiction for implementation of the project.

The Team reminded the Indonesian side to prepare such MOU and the Indonesian side promised to submit it to the Team by 30th June, 2003.

(12) Test Boring Well in Labuhan Lalar

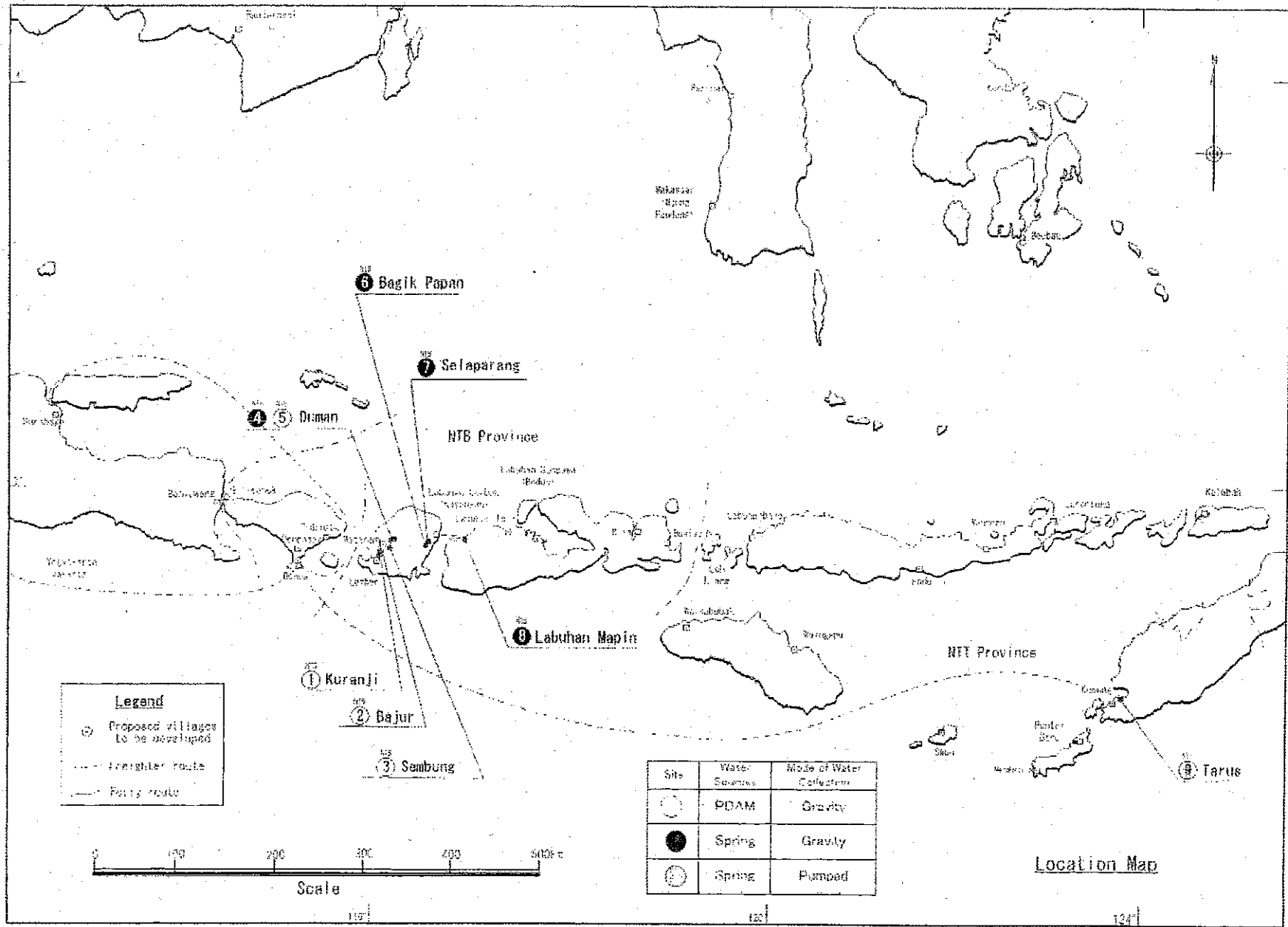
The Indonesian side requested to use Labuhan Lalar's well which constructed by test boring of JICA's Development Study and it was agreed not to use the well without JICA's permission mentioned by MOU between JICA and Desa Labuhan Lalar.

The Team answered to bring back this request to Japan and send formal information as far as possible.

- Annex-I Location Map
- Annex-II Items requested by the Indonesian Side
- Annex-III Grant Aid Scheme
- Annex-IV Major Undertakings to be taken by Each Government
- Annex-V Minutes of Discussion in NTT
- Annex-VI Minutes of Discussion in NTB

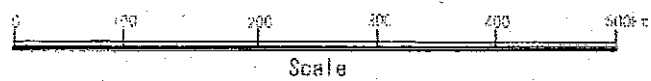

(E)

Handwritten marks: a circle containing the number '11' and a stylized signature or symbol.



Legend
 ⊙ Proposed villages to be developed
 - - - Freighter route
 — Ferry route

Site	Water Sources	Mode of Water Collection
⊙	PDAM	Gravity
●	Spring	Gravity
⊙	Spring	Pumped



Location Map

Annex-II Items Requested by the Indonesian Side

- Construction of nine water supply systems in eight villages

Site for Basic design Study					
Province	District	Site	Notes		
			Water Source	Mode of Water Collection	O&M
NTB	West Lombok	Kuranji	PDAM	Gravity	PDAM
		Bajur	PDAM	Gravity	PDAM
		Sumbung	PDAM	Gravity	PDAM
		Duman(U)	Spring	Gravity	Community Level
		Duman(L)	PDAM	Gravity	PDAM
	East Lombok	Bagik Papan	Spring	Gravity	Community Level
		Selaparang	Spring	Gravity	PDAM
	Sumbawa	Labuhan Mapin	Spring	Gravity	PDAM
NTT	Kupang	Tarus	Spring	Pumped	PDAM



Annex-III Grant Aid Scheme

1) What is Grant Aid?

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. Grant Aid is not supplied through the donation of materials as such.

2) Exchange of Notes (E/N)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the two Governments concerned, in which the objective of the Project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

3) "The period of 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 fiscal payment to them must be completed;

However in case of delays in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

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 two prime contractors, namely, the constructing and procurement firms, are limited to "Japanese nationals", (The term "Japanese nationals" means persons of Japanese nationality or Japanese corporations controlled by persons of Japanese nationality).

5) Necessity of "Verification"

The Government of recipient country or its designated authority will conclude contract denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.



6) Undertakings required of the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following;

- ① To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.
- ② To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- ③ To secure buildings prior to the procurement in case that is for the installation of 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 Grant Aid.
- ⑤ To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.
- ⑥ To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the Verified contracts, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work.

7) "Proper Use"

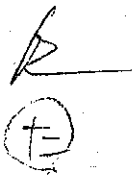
The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign staff necessary for this operation and maintenance as well as to bear all the expenses other than those covered by the Grant Aid.

8) "Re-export"

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


9) Banking Arrangement (B/A)

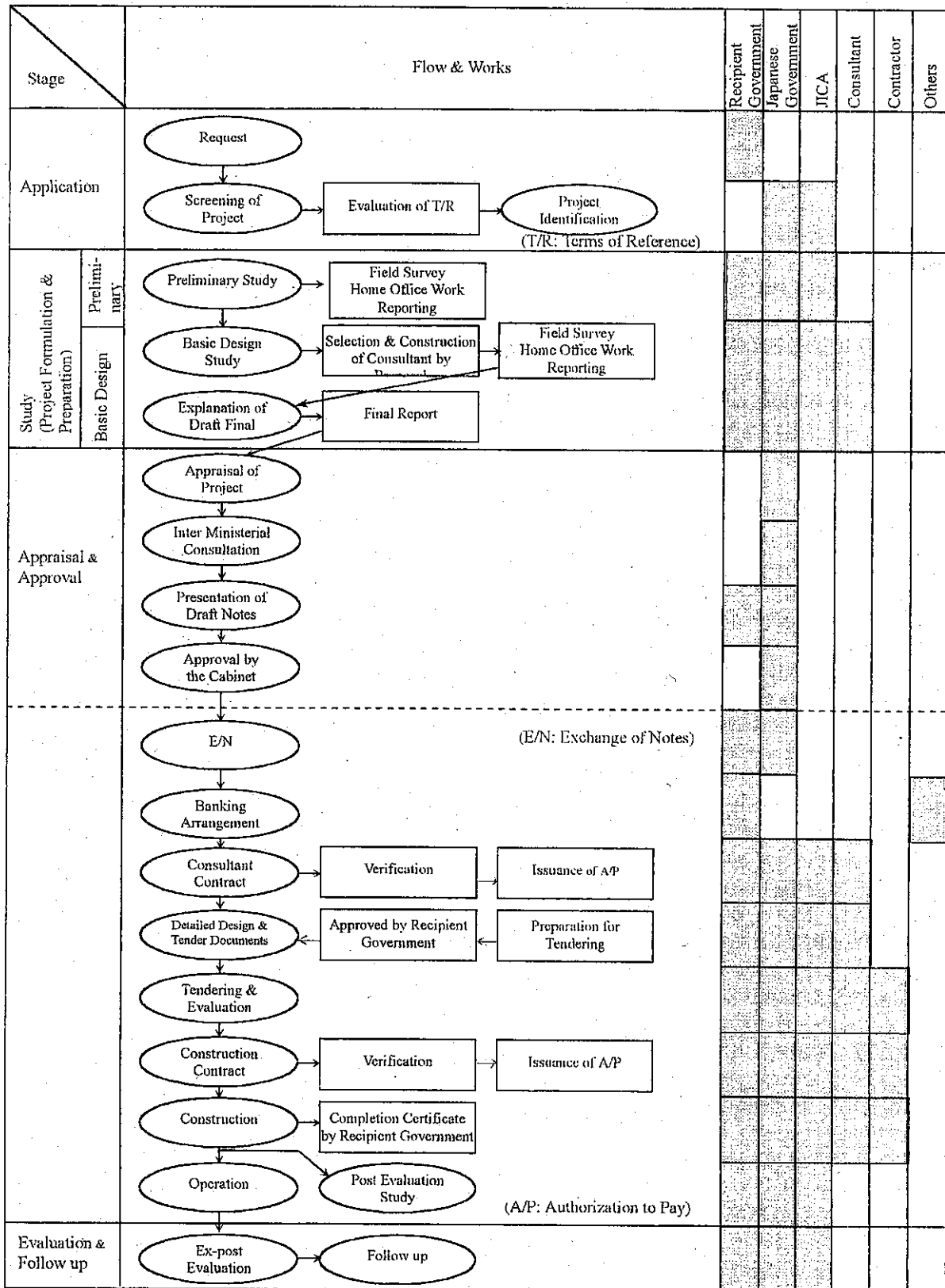
- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in an authorized foreign exchange bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making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



obligations incurred by the Government of the recipient country or its designated authority under the Verified Contracts.

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


(E)



Flow Chart of Japan's Grant Aid Procedures

Handwritten marks: a stylized signature and a circled 'E'.

Annex-IV 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 procure pipes, materials and equipment for the project	●	
7	To construct intake, transmission/distribution mains, storage tanks and public hydrants	●	
8	To construct house connections		●
9	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	●	● ●
10	To bear the following commissions to the Japanese foreign exchange bank for the banking services based upon the B/A 1) Advising commission of A/P 2) Payment commission		● ●
11	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	● (●)	● (●)
12	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.		●
13	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.		●
14	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant.		●
15	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.		●

12
(F)

**MINUTES OF DISCUSSIONS
BASIC DESIGN STUDY ON
THE PROJECT FOR
RURAL WATER SUPPLY
IN NUSA TENGGARA BARAT AND NUSA TENGGARA TIMUR
(NUSA TENGGARA TIMUR PROVINCE)**

Based on the results of the Preparatory Study, the Government of Japan decided to conduct a Basic Design Study on the Project for Rural Water Supply in Nusa Tenggara Barat and Nusa Tenggara Timur (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 Government of the Republic of Indonesia (hereinafter referred to as "Indonesia"), the Basic Design Study Team (hereinafter referred to as "the Team") headed by Mr. Hiroshi Takeuchi, Officer, First Project Management Division, Grant Aid Management Department, JICA, from 8th June to 18th July 2003.

The Team held a series of discussions on the Project with the officials concerned of the Provincial Government of Nusa Tenggara Timur (hereinafter referred to as "NTT") and the District Government of Kupang (hereinafter referred to as "Kabupaten Kupang")

In the course of discussions and field surveys, the Team, the NTT and the Kabupaten Kupang (hereinafter referred to as "the both Parties") confirmed the main items described on the attached sheets.

Kupang, 13th June, 2003

竹内 博史

Mr. Hiroshi Takeuchi
Leader, Basic Design Study Team
Japan International Cooperation Agency
Japan

Piter Djami Rebo M. Si

Ir. Piter Djami Rebo M. Si.
Head of Dinas KIMPRASWIL
Propinsi NTT

S. Isliko M. Si

Ir. K. S. Isliko. M. Si
An. Bupati Kupang
Sekretaris Daerah,
Ub. Asisten Administrasi Pembangunan
(Secretary of District, Assistant Administration
for Development)

①

ATTACHMENT

1. Objectives of the Project

The objective of the Project is to construct rural water supply systems in Nusa Tenggara Barat (hereinafter referred to as "NTB") and NTT, to provide sufficient and safe water and to improve the living standards of the inhabitants.

2. Project Site in NTT

The both Parties confirmed that one water supply system in the Tarus area, from the sites requested by the Indonesian side, as shown in the map in **Appendix I**

3. Organization and Responsibility for the Project

The both parties agreed that NTT and Kabupaten Kupang have responsibility to the project implementation at the site under the coordination of the Ministry of Settlement and Regional Infrastructure (hereinafter referred to as "KIMPRASWIL"). The both parties also agreed Dinas Prasarana Pengairan Dan Pengembangan Wilayah (District level Department of Irrigation Infrastructure and District Development) and PDAM (Regional Drinking Water Enterprise) of Kupang have responsibility to the operation and maintenance of the facilities, education and training to communities after project completion.


4. Minutes of Discussions on the Preparatory Study

Both sides have read and reconfirmed all the contents of the Minutes of Discussions on the Preparatory Study signed on 22nd January, 2003.

5. Items Requested by the Indonesian side

After discussions with the Team, KIMPRASWIL and the NTT finally requested the items described in **Appendix II**. JICA will assess the appropriateness of the requested items and report the findings to the Government of Japan.

However the final items, both quantity and specifications, to be procured under Japan's Grant Aid will be determined after further studies in Indonesia and Japan.






TE
W

6. Japan's Grant Aid Scheme

- 1) The NTT and Kabupaten Kupang side understands the Japan's Grant Aid Scheme explained by the Team, as described in **Appendix III**.
- 2) The NTT and Kabupaten Kupang side will take the necessary measures, as described in **Appendix IV** for smooth implementation of the Project, as a condition for the Japanese Grant Aid to be implemented.

7. Schedule of the Study

- (1) The Team will continue the Study in Indonesia until 18th July, 2003.
- (2) JICA will prepare the draft report and dispatch a mission to explain it to Indonesian side in September, 2003.
- (3) The Team requested the NTT and Kabupaten Kupang side to assign suitable counterparts as coordinators at each project site for the Study. The NTT and Kabupaten Kupang side accepted the request.

8. Other Relevant Issues

(1) Study Site Selection

The Team explained that the Team selected one system in Tarus in NTT through detail examinations of the results of the Development Study (2002) and the Preparatory Study (2003). The present Japanese budgetary situation and cost efficiency were also considered for the village selection. KIMPRASWII and the NTT side insisted on the strong necessity of the 7 water supply systems in 7 villages originally requested to the Government of Japan due to the hard and sever living conditions of the villagers.

Through discussions exchanged, the both parties agreed the selected one system in Tarus.

(2) House Connections

It was agreed that pipe material for house connection except water meters and indoor piping would be supplied under the Project and their installation work would have to be carried out by the Indonesian side.

(3) Operation and maintenance

It was also agreed that for proper and sustainable operation and maintenance by the PDAM of Kupang concerned, of the water supply facilities to be constructed; The NTT and Kabupaten Kupang side will, with its strong political and administrative commitment, arrange proper number of skilled staff, allocate necessary budget and establish necessary legislation for each water supply system.

TE
P

h
E

(4) Permits for the Project implementation

The NTT and Kabupaten Kupang side promised to obtain necessary permits to construct the facilities prior to commencement of the Project.

(5) Land for the Project

The NTT and Kabupaten Kupang side promised to prepare lands for the Project. The NTT and Kabupaten Kupang side also agreed to allocate budget to clear, level and reclaim the sites for the Project prior to commencement of the works if the Japanese Grant Aid is made available.

(6) Electricity for the Project

The NTT and Kabupaten Kupang side promised to prepare facilities for the distribution of electricity for the Project prior to commencement of the works if the Japanese Grant Aid is made available and to be operated and maintained these properly.

(7) Public Education for Water Conservation

Both parties understood that *provincial government of NTT and Dinas Prasarana Pengairan Dan Pengembangan Wilayah and PDAM of Kupang* should be the core and responsible organizations of public education under coordination of KIMPRASWIL. In case of the Japan's Grant Aid to be provided, the Japanese side will assist Dinas Prasarana Pengairan Dan Pengembangan Wilayah and PDAM for the public education activities.

(8) Questionnaire

The NTT and Kabupaten Kupang side promised to reply to the questionnaire submitted to The NTT and Kabupaten Kupang side by the Team on 27th June, 2003.

(9) MOU among Central Government, Province Government and Kabupaten

The Preparatory Study Team and The NTT and Kabupaten Kupang side had agreed in Minutes of Discussion signed on 22nd January, 2003 that the Indonesian side (including the NTT and Kabupaten Kupang) would send a copy of MOU about relation among KIMPRASWIL, the NTT, and Kabupaten Kupang: responsibility of each organization under these provincial jurisdiction for implementation of the project.

The Team reminded the Indonesian side (including the NTT and Kabupaten Kupang) to prepare such MOU and the Indonesian side (including the NTT and Kabupaten Kupang) promised to submit it to the Team by 30th June, 2003.

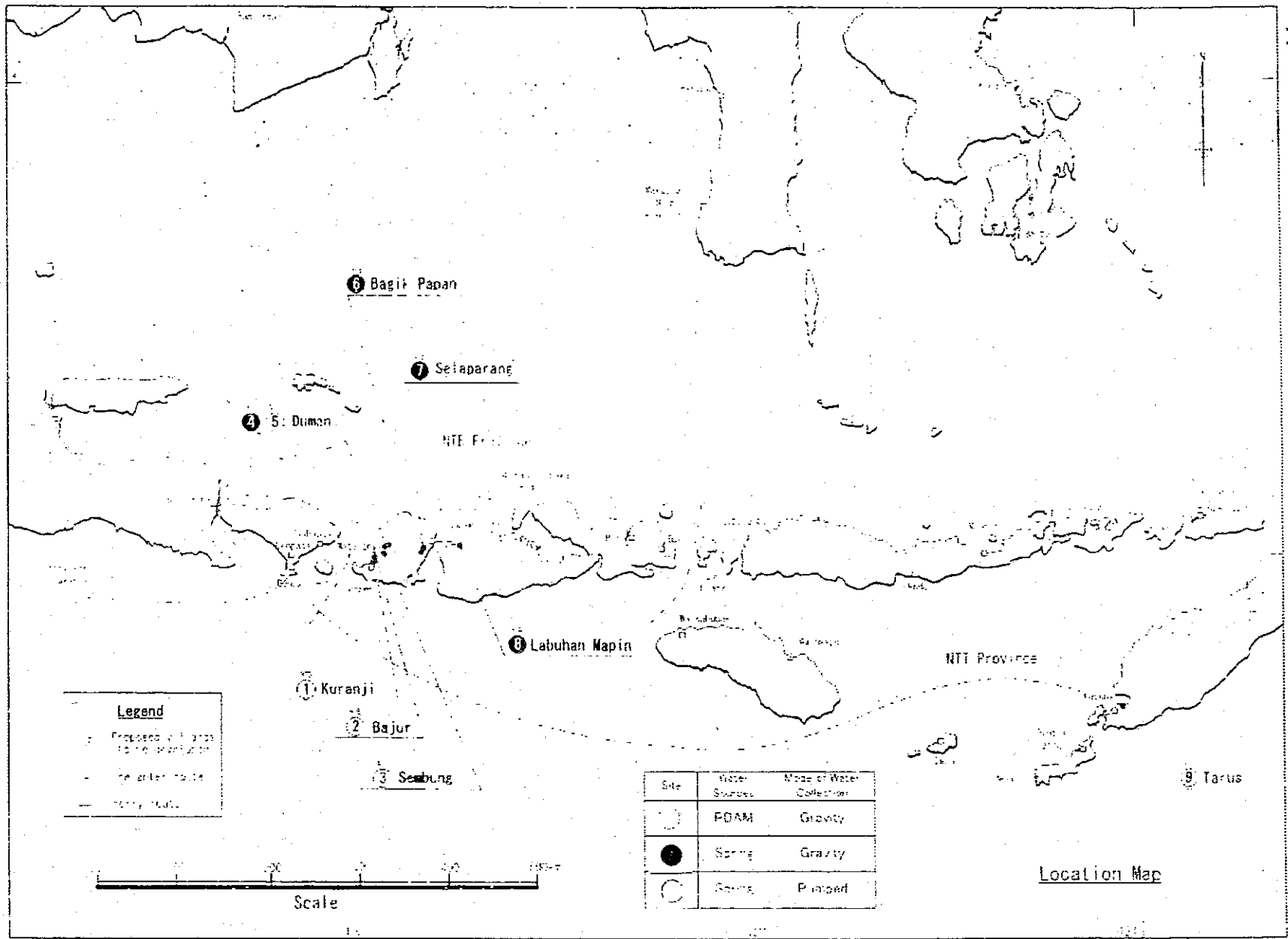
- Appendix-I Location Map
- Appendix-II Items requested by the Indonesian side
- Appendix-III Grant Aid Scheme
- Appendix-IV Major Undertakings to be taken by Each Government

E
M
+

①

17

Appendix-I Location Map



Handwritten marks and symbols at the bottom left of the page.

Appendix-II Items Requested by the Indonesian Side

- Construction of one water supply system

Site for Basic design Study			
Province	District	Site	Notes
			Water Source Mode of Water Collection O&M
NTT	Kupang	Tarus	Spring Pumped PDAM

Handwritten marks: a checkmark and a circled 'E'.

Handwritten marks: a circled 'E' and a checkmark.

Appendix-III Grant Aid Scheme

1) What is Grant Aid?

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. Grant Aid is not supplied through the donation of materials as such.

2) Exchange of Notes (E/N)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the two Governments concerned, in which the objective of the Project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

3) "The period of 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 fiscal payment to them must be completed;

However in case of delays in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

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 two prime contractors, namely, the constructing and procurement firms, are limited to "Japanese nationals", (The term "Japanese nationals" means persons of Japanese nationality or Japanese corporations controlled by persons of Japanese nationality).

5) Necessity of "Verification"

The Government of recipient country or its designated authority will conclude contract denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

TE

TE
P

6) Undertakings required of the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following:

- ① To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.
- ② To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- ③ To secure buildings prior to the procurement in case that is for the installation of 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 Grant Aid.
- ⑤ To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.
- ⑥ To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the Verified contracts, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work.

7) "Proper Use"

The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign staff necessary for this operation and maintenance as well as to bear all the expenses other than those covered by the Grant Aid.

8) "Re-export"

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

9) Banking Arrangement (B/A)

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

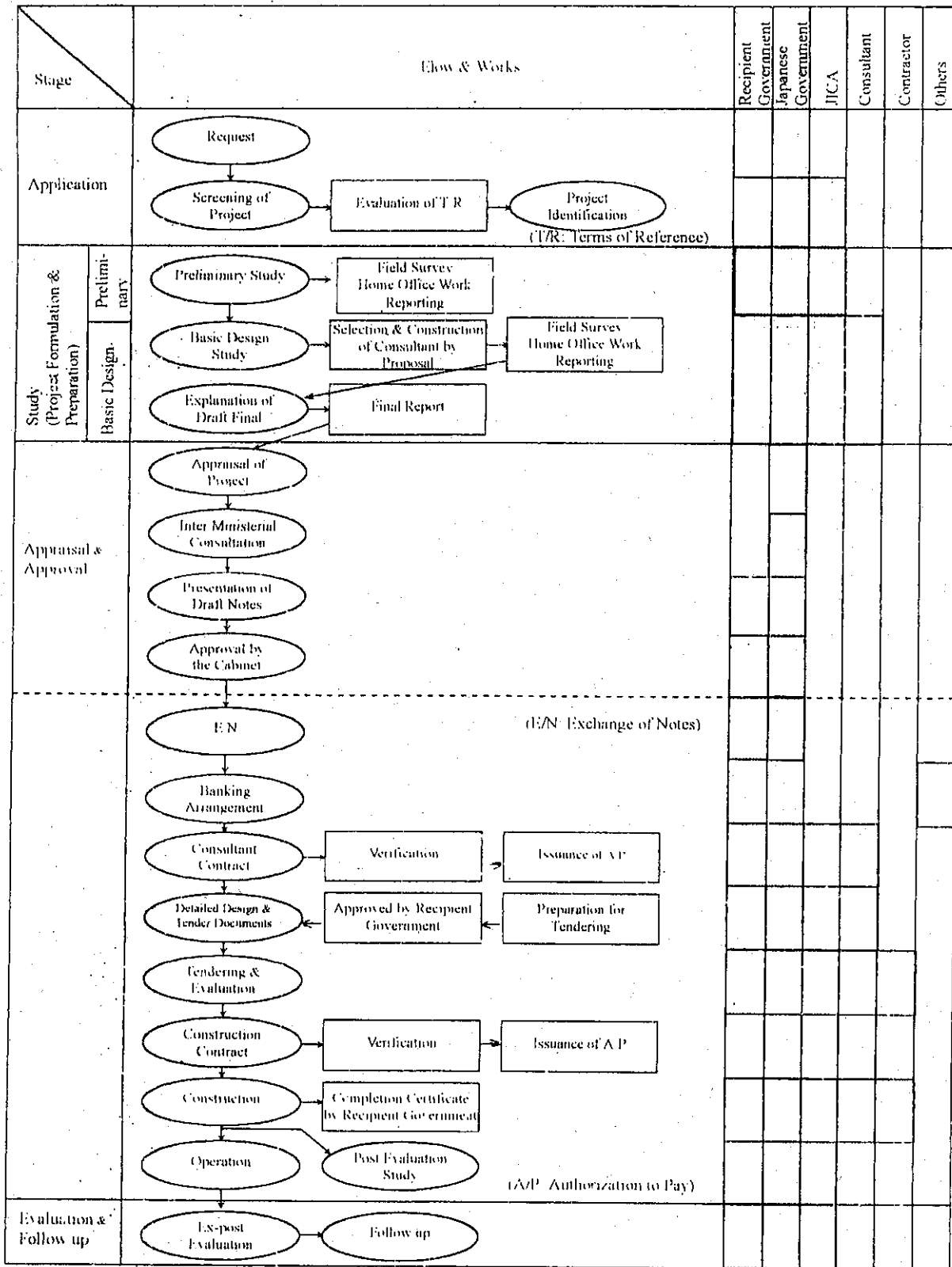
TE

TE
M

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

(11)

TE
R



Flow Chart of Japan's Grant Aid Procedures

Handwritten marks: a stylized 'E' and a vertical line.

Handwritten marks: a large 'E', a checkmark, and a signature.

Appendix-IV

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 procure pipes, materials and equipment for the project	•	
7	To construct intake, transmission/distribution mains, storage tanks and public hydrants	•	
8	To construct house connections		•
9	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	•	• •
10	To bear the following commissions to the Japanese foreign exchange bank for the banking services based upon the B/A 1) Advising commission of A/P 2) Payment commission		• •
11	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	• (•)	• (•)
12	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.		•
13	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.		•
14	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant.		•
15	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.		•

R
(E)

TE
P
M