

Appendices

Appendix 1
Member List of the Study Team

Appendix 1 Member List of the Study Team

No.	Assignment	Name	Position
1	Team Leader	Takao SHIBUSAWA	Deputy Director, Fourth Project Management Division, Grant Aid Management Department, Japan International Cooperation Agency
2	Project Coordinator	Chiaki ISHII	Fourth Project Management Division, Grant Aid Management Department, Japan International Cooperation Agency
3	Chief Consultant/ Facilities O & M Planner	Kuninobu NODA	Nippon Koei. Co., LTD.
4	Equipment Planner	Kiyohito YAMAZAKI	Nippon Koei. Co., LTD.
5	Procurement Planner/ Cost Estimator	Kazunobu NABETA	Nippon Koei. Co., LTD.
6	Facilities O & M Planner (as Supporting Member)	Saku MORIYAMA	Nippon Koei. Co., LTD.

Appendix 2

Study Schedule

Inception Report Explanation and Field Survey

Appendix 2 Study Schedule

No.	Date	Day	Official (1,2)		Consultants (3,4,5)		Consultants (6)	
			Contents	Stay	Contents	Stay	Contents	Stay
1	4-Jan	Sun.			Leave Narita (Narita-London)	London		
2	5-Jan	Mon			Arrival at Baku (London-Baku)	Baku		
3	6-Jan	Tue			Courtesy Call to EOJ and CAWF	Baku		
4	7-Jan	Wed			Field Survey	Baku		
5	8-Jan	Thu			Field Survey	Baku	Leave Narita (Narita-Istanbul-Baku)	Istanbul
6	9-Jan	Fri			Field Survey	Baku	Field Survey	Baku
7	10-Jan	Sat			Internal Meeting	Baku	Internal Meeting	Baku
8	11-Jan	Sun			Internal Meeting	Baku	Internal Meeting	Baku
9	12-Jan	Mon			Field Survey	Baku	Field Survey	Baku
10	13-Jan	Tue			Field Survey	Baku	Field Survey	Baku
11	14-Jan	Wed			Field Survey	Baku	Field Survey	Baku
12	15-Jan	Thu			Field Survey	Baku	Field Survey	Baku
13	16-Jan	Fri			Field Survey	Baku	Field Survey	Baku
14	17-Jan	Sat			Internal Meeting	Baku	Internal Meeting	Baku
15	18-Jan	Sun	Leave Narita (Narita-London)	London	Internal Meeting	Baku	Internal Meeting	Baku
16	19-Jan	Mon	Arrival at Baku (London-Baku)	Baku	Field Survey	Baku	Field Survey	Baku
17	20-Jan	Tue	Internal Meeting	Baku	Internal Meeting	Baku	Internal Meeting	Baku
18	21-Jan	Wed	Meeting with JICA Expert, Meeting with CAWF	Baku	Meeting with JICA Expert, Meeting with CAWF	Baku	Meeting with JICA Expert, Meeting with CAWF	Baku
19	22-Jan	Thu	Signing of M/D	Baku	Signing of M/D	Baku	Signing of M/D	Baku
20	23-Jan	Fri	Internal Meeting	Baku	Internal Meeting	Baku	Internal Meeting	Baku
21	24-Jan	Sat	Leave Baku (Baku-London-Narita)	On board	Leave Baku (Baku-London-Narita)	On board	Leave Baku (Baku-Istanbul-Narita)	On board
22	25-Jan	Sun	Arrival at Narita		Arrival at Narita		Arrival at Narita	

Note: 1: Team Leader, 2: Project Coordinator, 3: Chief Consultant/Facilities O&M Planner,

4: Equipment Planner, 5: Procurement Planner/ Cost Estimator, 6: Facilities O&M Expert

Appendix 3
List of Parties Concerned in Azerbaijan

Appendix 3 List of Parties Concerned in Azerbaijan

	Name	Position
A. The Committee of Amelioration and Water Farm (CAWF)		
1.	Akhmed Akhmedzadeh	Chairman
2.	Rafael Akhundov	Vice-chairman
3.	Mammed Asadov	Head of Department Science, Designs, Expert
4.	Vagif Alkhasov	Head of Equipment Supply Department
5.	Fakhraddin Nasibov	Head of Mechanization and Industry Department
6.	Madyail Imamaliyev	Head of Melioration and Construction Department
7.	Rafiq Aslanov	Head of Economy, Finance and Salary Department
8.	Hasan Babazade	Mechanization and Industry Dep., Expert
9.	Rustam Rustamov	Head of Irrigation System Department
B. Management Office		
1.	Rzayev Feyzullah Gurban	Chief (Salyan Irrigation Management Office)
2.	Tagiyer Zeyid Alisahib	Chief (Neftchara Irrigation Management Office)
3.	Aslanov Afgan Aslan	Chief (Sabirabad Irrigation Management Office)
4.	Ibrahimov Ahmadaga Alimursal	Chief (Sabirabad Mechanical Irrigation Management Office)
5.	Guliyev Zakir Beybala	Chief (Kur-Araz River Dike Protection Management Office)
6.	Ieydarov Oruj Almamnad	Chief (Saatli Irrigation Management Office)
7.	Rzayer Firdovsi Gurban	Chief (Mugan Pumping amelioration office)
8.	Agabeyor Bulad Samad	Chief (Mil Mugan Collector Management Office)
9.	Talibov Alish Talib	Chief (Sabirabad Amelioration Management Office)
10.	Iiasanov Famil Najafgulu	Chief (Main Sirvan Collector Management Office)
11.	Ahmadov Khanhuseyn Ali Ahmad	Chief (Mugan Salyan Forest and Amelioration Management)Office)
C. Ministry of Agriculture		
1.	Aydin Azizov	Head of Leasing Service Department
D. The Embassy of Japan		
1.	Toshiyuki FUJIWARA	Ambassador
2.	Toyoshi MATSUYAMA	Minister Counselor
3.	Kazuya HARADA	First Secretary
E. JICA Expert (Ministry of Agriculture)		
1.	Toshio OKAZAKI	ODA Advisor

Appendix 4
Minutes of Discussions

MINUTES OF DISCUSSIONS ON
THE BASIC DESIGN STUDY OF
THE PROJECT FOR IMPROVEMENT OF EQUIPMENT
FOR MELIORATION AND IRRIGATION
IN AZERBAIJAN REPUBLIC

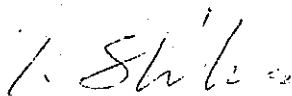
In response to a request from the Government of Azerbaijan Republic (hereinafter referred to as "the Azerbaijan"), the Government of Japan decided to conduct a Basic Design Study for The Project for Improvement of Equipment for Melioration and Irrigation (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to Azerbaijan Republic the Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Mr. Takao Shibusawa, Deputy Director of Fourth Project Management Division, Grant Aid Management Department, JICA, and is scheduled to stay in the country from January 5th to 24th, 2004.

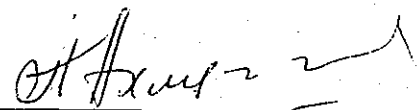
The Team held a series of discussions with the officials concerned of the Government of Azerbaijan Republic and conducted a field survey in the study area.

In the course of discussions and field survey, both parties confirmed the main items described on the attached sheets.

Baku, January 22, 2004



Mr. Takao Shibusawa
Leader
Basic Design Study Team
Japan International Cooperation Agency



Mr. Akhmedzadeh Akhmed Jumer Ogly
Chairman
Committee of Amelioration and Water Farm
Cabinet of Ministers, Azerbaijan Republic

ATTACHMENT

1. Objective of the Project

The objectives of the Project are;

- a) to clean and maintain irrigation canals and collectors of major facilities still under state control for the promotion of food self-sufficiency and security.
- b) to improve agricultural productivity as a whole and farm management securing the supply of continuous irrigation water and to protect populations and areas under crops from flood and flood related disasters, and
- c) to strengthen function of the Committee of Amelioration and Water Farm that has the responsibility of melioration and maintenance of irrigation and flood control projects.

2. Project sites

The sites of the Project are Secondary irrigation canals & collectors and the Girdiman Flood Diversion Channel in 4 districts, Sabirabad, Saatli, Salyan, and Neftchala, shown on ANNEX- I .

3. Responsible and Implementing Agency

The Responsible and Implementing Agency is the Committee of Amelioration and Water Farm, Cabinet of Ministers.

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 26th September 2003.

5. Items requested by the Government of Azerbaijan

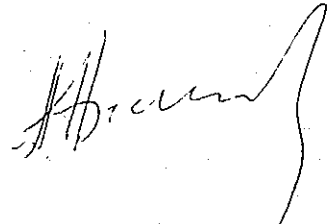
After discussions with the Team, the items described in ANNEX-II were finally requested by Azerbaijan side considering the point of following things.

- (1) Managerial, administrative and technical competence of the Implementing Agency.
- (2) Economic and financial viability of the Project.
- (3) High priority parts of the canals & collectors and the flood diversion channel.
- (4) Policy and budgetary commitment of the Azerbaijan side.
- (5) No duplication of similar support by other donors.

JICA will assess the appropriateness of the request and will 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 Japan. If decrease of the equipment quantity would become necessary, it for the Girdiman Flood Diversion Channel would be adjusted.

6. Japan's Grant Aid Scheme

Azerbaijan side understands the Japan's Grant Aid Scheme and the necessary measures to be taken by the Government of Azerbaijan as explained by the Team and described in ANNEX-III.



7 Schedule of the Study

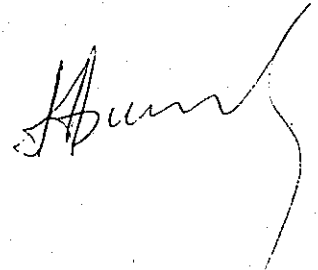
Based on the Minutes of Discussions and technical examination of the study results, JICA will prepare the draft report and send it to the Government of Azerbaijan by February 2004. And JICA will complete the final report and send it to the Government of Azerbaijan by March, 2004.

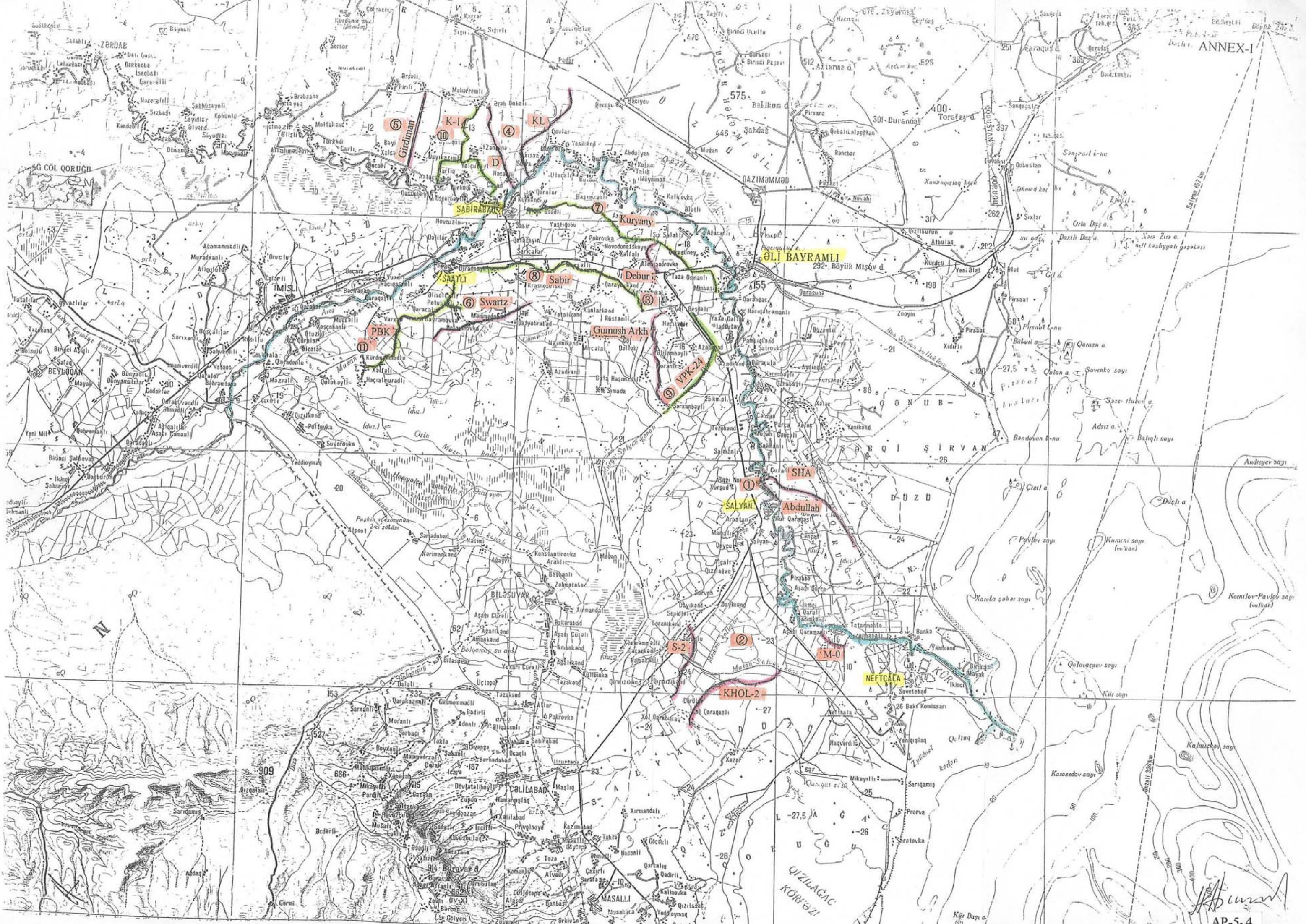
8. Other relevant issues

8-1. Most answers to the Questionnaire were submitted to the Team by Azerbaijan side, as listed in ANNEX-IV. Azerbaijan side explained that remaining all necessary documents would be addressed to the Japanese Embassy by January 30, 2004.

8-2. The Melioration and Irrigation facilities must be properly operated and maintained by Implementing Agency. The Azerbaijan side with its strong political and administrative commitment will arrange proper number and skilled staff, dispatch budgetary allocation and establish necessary legislation.

8-3. Azerbaijan side submitted to the Team a restructuring plan of the Ali-Bairamli Mechanical and Repairing Center (see ANNEX-V). The plan has been prepared to secure the budget and the assignment of sufficient staff for smooth and effective operation and maintenance of the equipment.





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AP-5.4

Items Requested by the Government of Azerbaijan

1. Items and Number of Equipment

Name of Office	Hydraulic Excavator*			Bulldozer	
	1.4 (1.0) m3	0.8 (0.6) m3	0.5 (0.4) m3	21 tons	15 tons
Salyan Irrigation Management Office		2	1		
Neftchala Irrigation Management Office		2			1
Sabirabad Irrigation Management Office		2			1
Sabirabad Mech. Irrigation Management Office		2	1		
Saatli Irrigation Management Office		2			1
Mugan Pump Amelioration Management Office		2			1
Main Mil Mugan Collector Management Office		1			1
Sabirabad Amelioration Management Office		2			1
Main Sirvan Collector Management Office		1			1
Mugan-Salyan Forest & Ameli. Manage. Office		1			1
Kur-Araz River Dike Protection Manage. Office	4**	2		2**	2
Sub total	4**	19	2	2**	10
Ali-Bayramli Mechanical and Repairing Center	1-unit truck crane, 20 tons lifting capacity or more				
	1-unit cargo truck, 14 tons load. capacity or more				
	1-unit tractor with trailer, 40 tons load capacity or more				
	1-unit mobile workshop with 1-lot of service equipment & tools				
	1-lot of spare parts				

* : Bucket capacity indicates by heaped capacity. A parenthesis indicates struck bucket capacity.

** : The type, number with its necessity should be decided upon further study and analysis in Japan

2. Specification of Excavator and Bulldozer

Excavator: Hydraulic system, wheel type with outrigger, standard arm,

Horsepower (class): 223 PS for 1.4 m3, 141 PS for 0.8 m3, 87 PS for 0.5 m3

Bulldozer: Horsepower (class): 207 PS for 21 tons with hook, 136 PS for 15 tons with hook

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3. High Priority Parts of Canals and Flood Diversion Channel for Rehabilitation

Name of Office	Canal Number and Name
Salyan Irrigation Management Office	① Abdullah, SHA
Neftchala Irrigation Management Office	② M-0, S-2, KHOL-2
Sabirabad Irrigation Management Office	③ Debur, Gumush Arkh
Sabirabad Mechanical Irrigation Management Office	④ D, KL
Kur-Araz River Dike Protection Management Office	⑤ Girdman Flood Diversion Channel
Saatli Irrigation Management Office	⑥ Swartz
Mugan Pump Amelioration Management Office	⑦ Kuryany
Main Mil Mugan Collector Management Office	⑧ Sabir
Sabirabad Amelioration Management Office	⑨ VPK-24
Main Sirvan Collector Management Office	⑩ K-1
Mugan-Salyan Forest & Amelioration Management Office	⑪ PBK

JAPAN'S GRANT AID SCHEME

A.1 Grant Aid Procedures

(1) Japan's Grant Aid program 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)

(2) 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 Program, based on the Basic Design Study report prepared by JICA, and the results are then submitted to the Cabinet for approval.

Fourthly, the project, once approved by the Cabinet, becomes official with the Exchange of Notes 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.

The flow chart of Japan's Grant Aid is shown in ANNEX-III.1.

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A.2 Basic Design Study

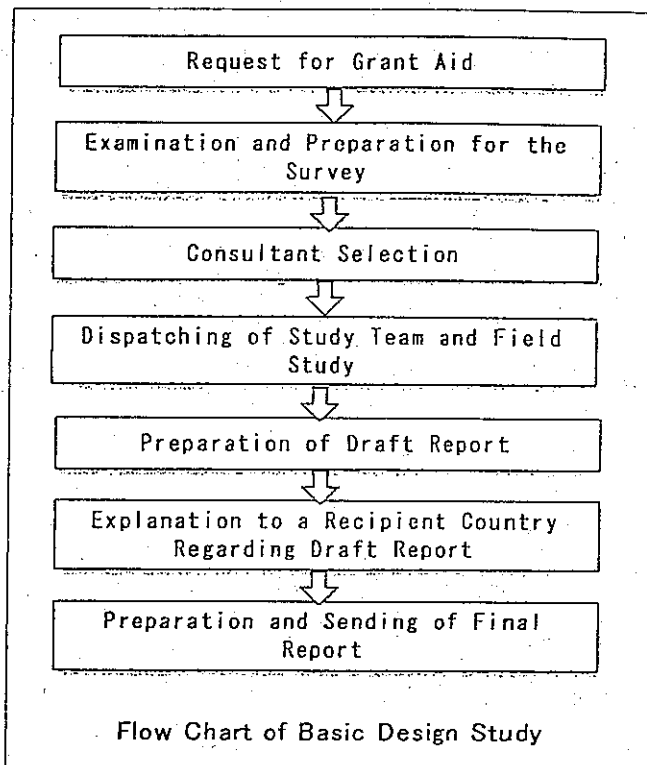
(1) Contents of the Study

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 Japanese Government. The contents of the Study are as follows:

- a) 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.
- b) Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economic point of view.
- c) Confirmation of items agreed on by both parties concerning the basic concept of the Project.
- d) Preparation of a basic design of the Project.
- e) 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 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 consultant firm(s). JICA selects (a) firms(s) based on proposals submitted by interested firms. The firm(s) selected to carry out a Basic Design Study and prepare 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 and also to avoid any undue delay in implementation should the selection process be repeated.

A.3 Japan's Grant Aid Scheme

(1) What is Grant Aid ?

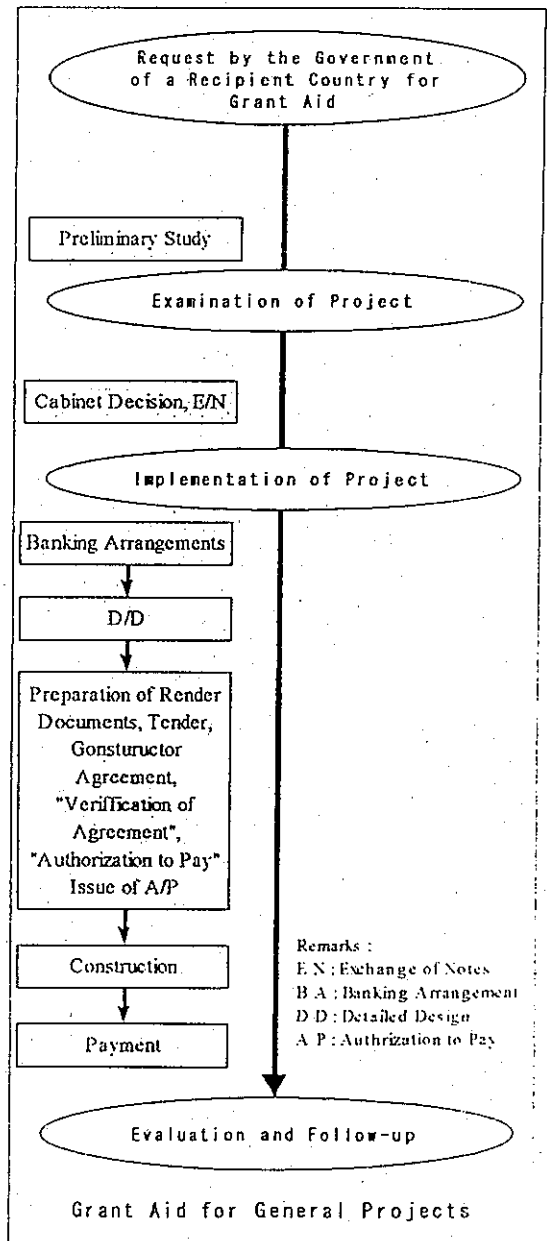
The Grant Aid Program provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and 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 two Governments concerned, in which the objectives of the Project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

(3) "The period of the Grant Aid" 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 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.

- (4) Under the Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

When 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.)

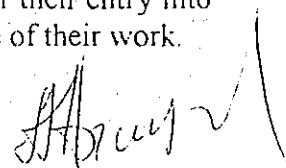
- (5) Necessity of "Verification"

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.

- (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:

- (i) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.
- (ii) To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- (iii) To secure buildings prior to the procurement in case the installation of the equipment.
- (iv) 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.
- (v) 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.
- (vi) 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.



(vii) "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.

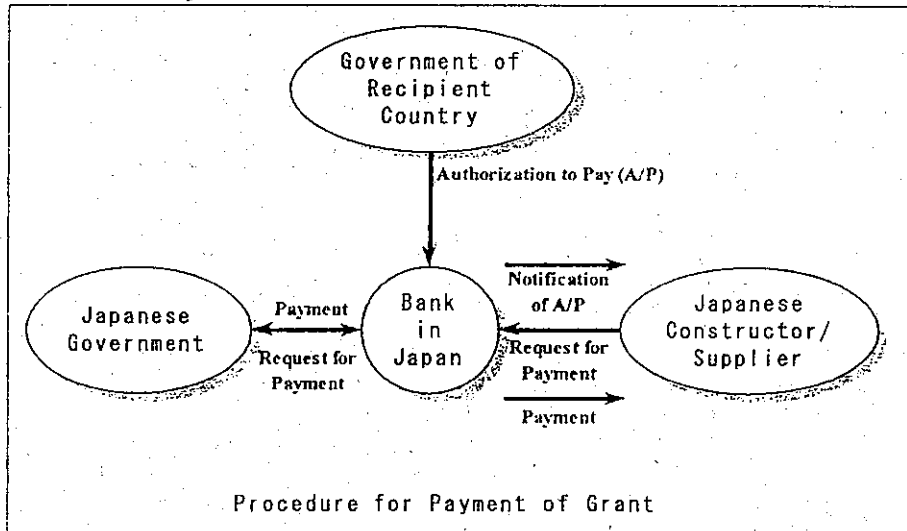
(viii) "Re-export"

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

(ix) 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 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.

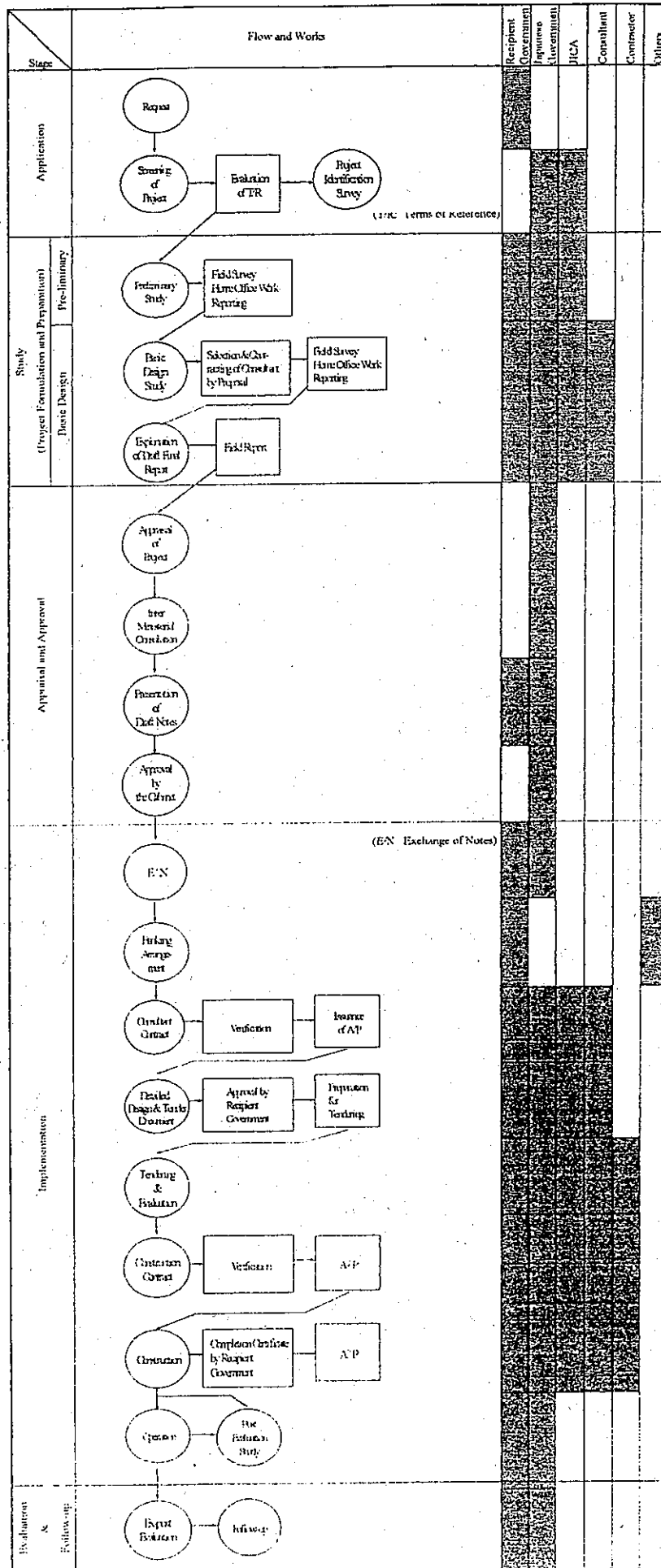
b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an authorization to pay issued by the Government of the recipient country or its designated authority.



(x) Major Undertakings

Major undertakings to be taken by each government are shown in ANNEX-III.2.

Flow Chart of Japan's Grant Aid



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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 to the recipient country (Baku)	•	
	2) Tax exemption and custom clearance of the products at the port of disembarkation (Baku)		•
	3) Internal transportation from the port of disembarkation (Baku) 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 use properly and effectively the facilities constructed and equipment provided under the Grant		•
6	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		•

**Check List of Progress of Questionnaire Survey
for
Improvement of Equipment for Melioration and Irrigation
in
Azerbaijan Republic**

PART-A

Item No.	Fully Answered	Partly Answered	Not Yet Answered	Remarks
(1)	x			Under preparation according to the Presidential Decree
(2)		x		CAWF's plan has been presented.
(3)			x	
(4)		x		
(5)		x		
(6)			x	
(7)			x	
(8)		x		Ref. 2003 Statistical Yearbook
(9)			x	
(10)		x		Ref. 2003 Statistical Yearbook
(11)			x	
(12)	x			
(13)	x			Ref. 2003 Statistical Yearbook
(14)		x		Ref. 2003 Statistical Yearbook
(15)			x	
(16)			x	
(17)			x	
(18)			x	
(19)		x		Ref. 2003 Statistical Yearbook
(20)		x		Ref. ADB Flood Mitigation Report
(21)			x	
(22)			x	
(23)		x		Canal layout maps have been presented.
(24)			x	
(25)	x			

PART-B

Item No.	Fully Answered	Partly Answered	Not Yet Answered	Remarks
B.1				
(1)		x		4 offices have answered.
(2)	x			
(3)			x	
(4)			x	
(5)	x			
(6)	x			
(7)		x		
B.2				
(1)	x			
(2)	x			
(3)	x			
(4)		x		Exploitation plan has been presented.
B.3				
(1)		x		
(2)	x			
(3)		x		
(4)	x			
(5)	x			
(6)	x			
(7)	x			

PART-C

Item No.	Fully Answered	Partly Answered	Not Yet Answered	Remarks
C.1	x			
C.2			x	
C.3			x	
C.4	x			
C.5	x			
C.6	x			
C.7	x			

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PART-D

Item No.	Fully Answered	Partly Answered	Not Yet Answered	Remarks
D.1				
(1)		x		Annual expend. has been presented.
(2)			x	
(3)			x	
(4)			x	
D.2				
(1)		x		
(2)		x		
(3)		x		
(4)		x		
(5)		x		
(6)		x		Maps have been presented.
(7)		x		
D.3				
(1)	x			
(2)	x			
(3)		x		
(4)		x		
(5)		x		
(6)	x			

PART-E

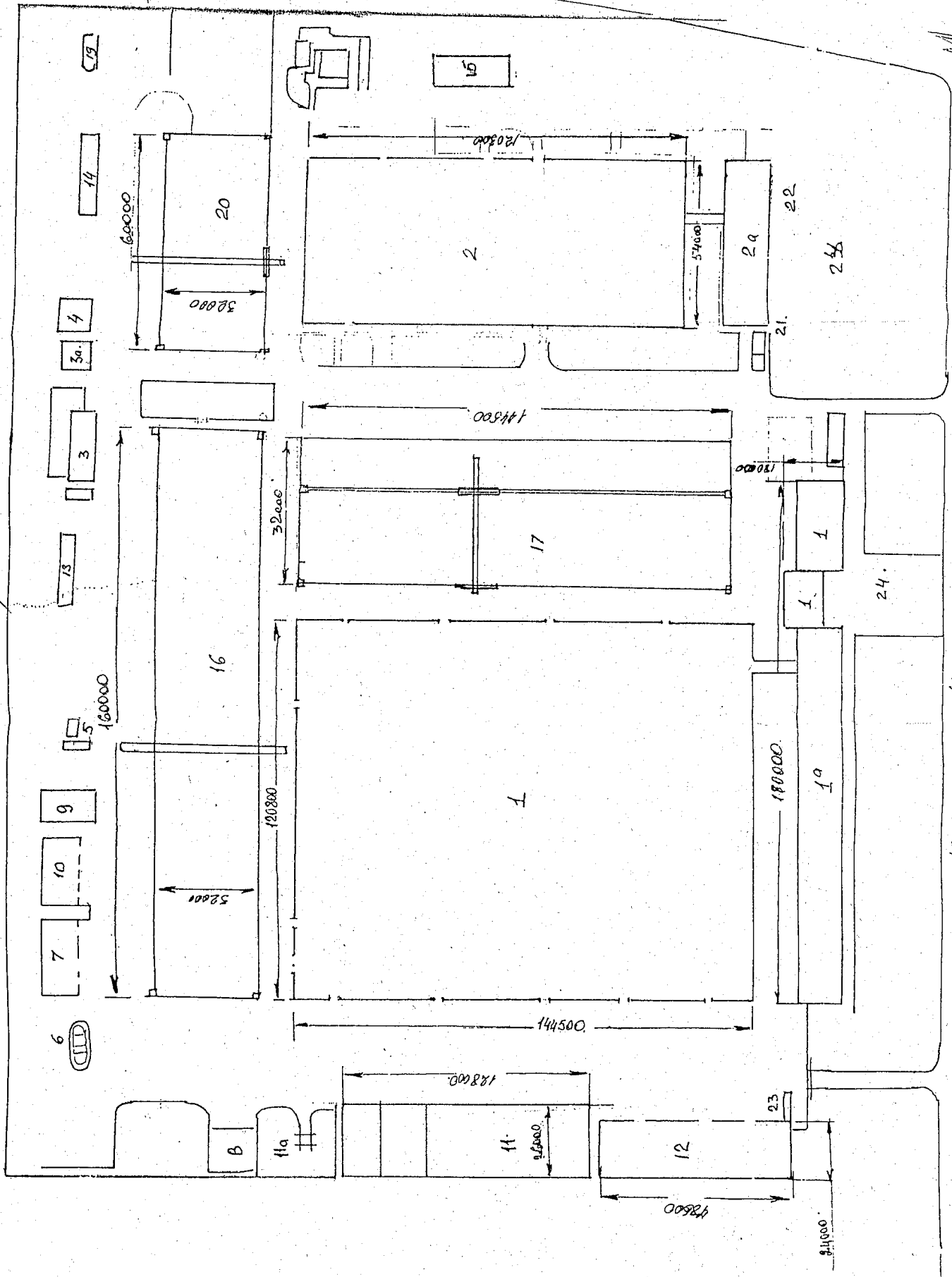
Item No.	Fully Answered	Partly Answered	Not Yet Answered	Remarks
(1)		x		No daily rainfall data
(2)			x	
(3)			x	
(4)			x	

About Ali-Bayramli Repair Production Association Information

- 1) This is production-oriented and profit-centric government organization
- 2) The total area is of 9.28 ha of which the production area is 3 ha. Out of 167 employees 27 are technician-engineers and 140 are mill-hands.
- 3) The entity has been given for utilization since 1986. It is under the subordination of the Committee of Melioration and Water Economy of Azerbaijan Republic and is functioning at the moment.
- 4) It is located at the South Production Zone of Ali-Bayramli city. The carriers are auto transportation and railway. General sewerage, medium pressure gas line system, high voltage electric line and telephone communication is available.
- 5) It executes production and thorough repair of horizontal and abyssal pumps, maintenance of transformers and electric motors, manufacturing and substantial repair of floating pump stations, moulding of cast iron and non-ferrous metals and production of different type metal constructions for the exploitation departments subordinated to the Committee of Melioration and Water Economy.
- 6) The implementation of current and substantial repair of excavation machinery owned by the Committee is being planned. The rendering of services at Ali-Bayramli Mechanical and Repair Center is repair and overhaul of excavators, bulldozers and other equipment donated by the Japanese government is in Committee's schedule and responsible. It is in scheme to deliver the grant aid equipment to the center and here to fulfil the training for utilization and technical maintenance of this equipment. After completion of this procedure the machinery is to be allocated to the respective management office where to assign a responsible person for them. The maintenance of the grant aid equipment will be executed based upon the orders of the exploitation departments and in accordance with the technical maintenance procedure. The equipments' manufactured spare parts, assemblies and aggregates are replaced in case of necessity or repaired by center. The stocks of the technical status of the machinery rendered to the management offices are taken and mainly consist of minor repair and periodic maintenance. For the sake of all the stated above the issues of technological repair execution and service facilities appropriate to the installation for the grant aid equipment are resolved at the Ali-Bayramli Mechanical and Repairing Center.

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Улицы Д. М. (street)

Генеральный план
ЛЭСРПП с Али-Байрамлы

Общая площадь 10 Га

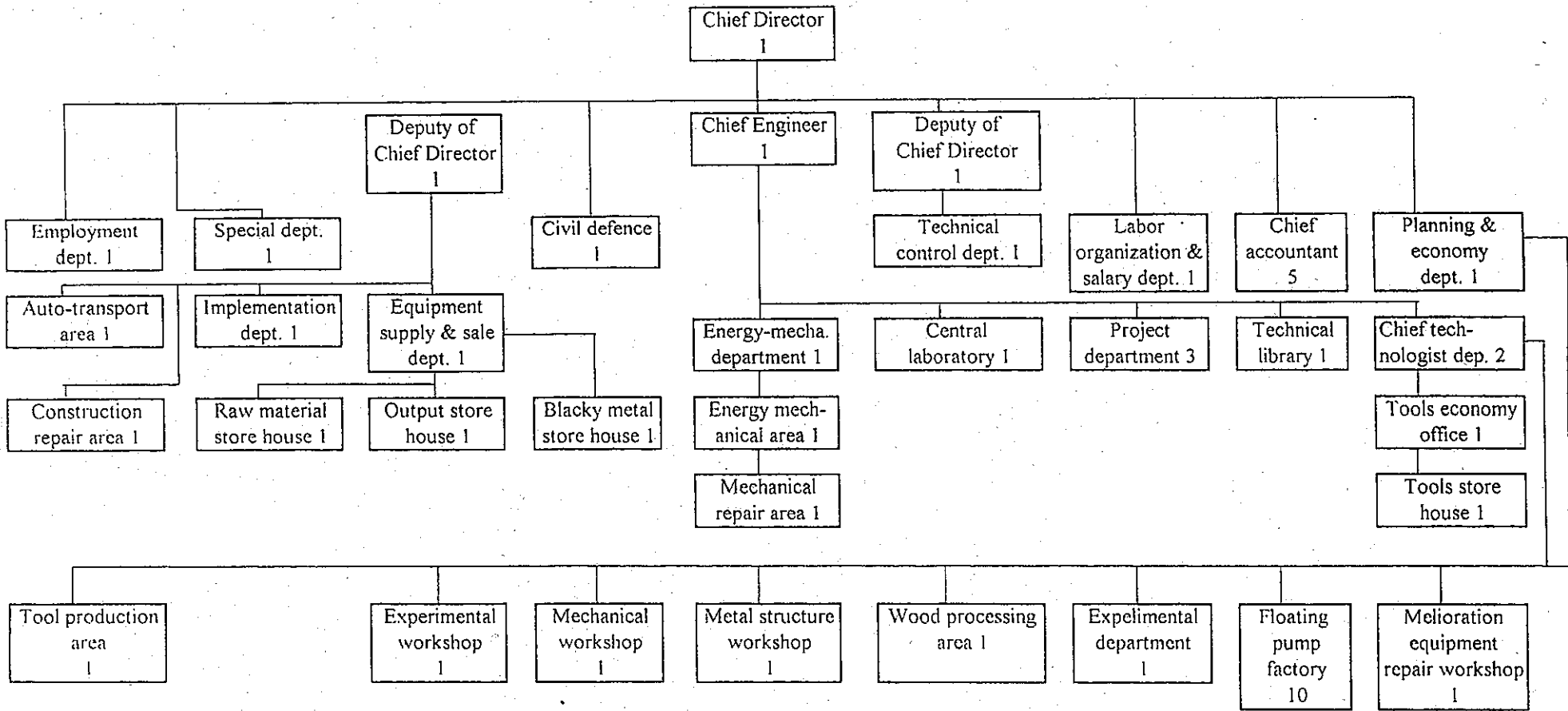
2/10

АР-4-18

Архив

1. Главный производственный корпус центр по ремонту механизмов	Main production building/equipment repairing bay
1а. Административно-бытовой корпус главного производственного корпуса	Management and amenity building of the main production building
2. Корпус литейного производства	Foundry workshop building
2а. Административно-бытовой корпус литейного цеха	Management and amenity building of foundry workshop
3. Компрессорная станция	Compressor plant
3а. Трансформаторная подстанция	Transformer substation
3б. Камера горячей и холодной воды	Hot and cold water chamber
4. Холодильная станция	Refrigerating station
5. Емкость для хранения кислотно-щелочных стоков, емкость – 40 м ³	Acid-base effluent reservoir, storage capacity – 40 m ³
5а. Склад топлива емкостью 40 м ³ с заправочным островком	Fuel storage of 40 m ³ capacity with filling station
7. Склад масел, красок, химикатов с операторной	Warehouse and operation workshop for lube oils, dyes and chemicals
8. Открытый склад	Ground storage
9. Зарядная станция обслуживания электровозов	Charging plant servicing electric locomotives
10. Гараж на 5 автомашин	Garage for 5 vehicles
11. Склад готовой продукции с деревообрабатывающим цехом	Finished-products storage area with woodshop
11а. Циклон	Cyclone separator
12. Материальный склад (главный магазин)	Goods shed (main storage)
13. Градирня 6-секционная	6-section cooling tower
14. Распределительная станция	Distribution station
15. Открытое распределительное устройство 10 кВт	Outdoor switchgear, 10 kW
16. Открытый склад готовой продукции с козловым краном Q- 100 т. Z = 32 м.	Ground storage of finished-products equipped with frame crane: Q = 100 t, Z = 32 m.
17. Открытый склад материалов с козловым краном Q- 100 т. Z = 32 м	Ground storage of materials equipped with frame crane: Q = 100 t, Z = 32 m.
18. Проходная	Entrance checkpoint
18а. Проходная	Entrance checkpoint
19. Склад для баллонов с кислородом и пропаном	Oxygen and propane cylinders warehouse
20. Открытый склад питья и опока	Ground storage of water and casting-box
21. Въездные ворота	Gates
22. Ворота	Gate
23. Ограждение	Fence
24. Станция для автомашин	Motor vehicle station

Ali-Baylamli Mechanical Repair
Implementation Office



AP-4-20
4/10

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Investment Project for Technical Renovation of
Production Activities of Ali-Bayramli City
Mechanical Repair Production Association

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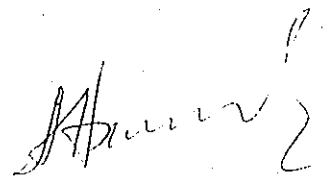
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Investment Project for Technical Renovation of Production Activities of
Ali-Bayramli city Mechanical Repair Production Association

1. Basic information about the enterprise

Ali-Bayramli Mechanical Repair Production Association is a legal enterprise possessing state property that has been functioning since 1987 and produces and repairs pumps, pump settings, depth pumps, their details, power transformers, floating pump stations, electric engines of the Committee for Melioration and Water Economy.

The total area of the association	51291,6 sq. meters
The total production area	26469,0 sq. meters
Besides:	
- The main production area	15632,0 sq. meters
- Subsidiary production area	10837,0 sq. meters
- The total equipment park	47
Besides:	
- metal cutting machines	35
- hydraulic presses	2
- mechanical presses	4
- thermoplastautomat	1
- special technological equipments	5



2. General instructions about the Project

The downfall of the former USSR directly influenced the establishment of the existing economic relations of the MRPA and consequently since that period the production volume of output quickly reduced in the following years and the enterprise faced with a difficult economic situation.

At present the usage coefficient of the established production power on the output production is 15-20%.

As the traditional production, technically appointed out-put types have become physically and spiritually out-of-date compared with modern requirements, for the purpose of technical renovation of the production, partially changing the production appointment according to new market relations, the projection of new out-put types shown in the project and the foundation of the production preparation have been finished since the establishment of the Production Association.

This investment project is worked out with the purpose of bringing the production of a part of the shown out-put types to the level of consumption number of buyers, the projection and preparation of new out-put types and the project is supposed to be returned in a short time.

The investment project is worked out by the specialists of the IB.

With the purpose of eliminating the risk of

- The rise of the price of raw materials and materials
- The descent of the price of the out-put in selling market
- The inflation limit's being above the planned rate
- The loss of competitiveness of out-put types in consumption market

the selling prices of the out-put types supposed to be invested in the project are taken 30-50 percent below the present market prices.

3. The accordance of the project to the technical purpose

The projection of out-put types supposed to be invested in the project and the technical solution of the organization of the production cause no difficulty as they coordinate to the technological appointment founded by the long-term activity of the Association. There is technical guarantee and enough practical and advanced experience in this field.

The constructor- technological documents of the out-put types shown in the project should be projected, test samples should be tested for their acceptance and exploitation together with the client, production preparation should be completed and the organization of a series production with the purpose of widening the production preparation level according to consumption number is required.

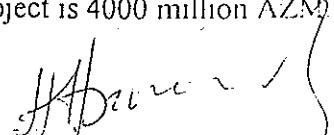
The construction of product types to be projected and their technical peculiarities is to make the works on compliance with the requirements of ISO 9000 International Quality Standards and must be certificated in accordance with the safety requirements should be implemented. The expenses on technical services in the process of projecting and production are be planned by means stipulated in the project in the first stage and in further stages by the prime cost of the product.

IV. The expediency of the project from the financial and economic point of view:

The amount of direct finance profit gained from the execution of the project (benefit) is 25/30%.

The sum of direct and indirect expenses made on the execution of the project is 4000 million AZM. The retrieval of the expenses made on the project being 3 years, is supposed 40% for the second year and 60% for the third year.

The sum of the financial fund realizing the execution of the project is 4000 million AZM



In the case of implementation of the project the fund annually transferred to the budget will be 886,1 million AZM.

The amount of fund to be paid for out of the budget is 43,2 million AZM.

We describe the scheme of financing of the project as follows:

- | | |
|---|----------------------|
| 1. For buying raw materials | -2271,0 million AZM. |
| 2. For projecting the products to be produced
preparing the designer-technological documents,
preparing the arrangements and putting them into the production | -800 million AZM |
| 3. For projecting and producing the tools and arrangements | -150 million AZM |
| 4. For maintenance and restoration works | -70 million AZM |
| 5. For buying technical and technological equipments | -1000 million AZM |
| 6. For preparing the personnel | -40 million AZM |
| 7. For official journey expenses | -50 million AZM |

As 91% of the investment stipulated in the project is used as turnover fund, it gives an opportunity for retrieval it in a short time.

V. Organizational-legal and social aspects:

After the financing of the project, organizing the production of products foreseen for purchase of the raw materials, delivery of ready goods to the buyers is stipulated by advance payment or letter of credit on the concluded contract.

As a result of the implementation of the project extra 300 workers are ensured with the work and their salary is 254,5 thousand AZM. At the same time 1207,3 million AZM net profit is gained.

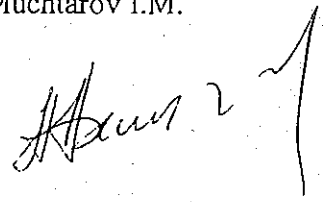
VI. The influence of the project on environment

As the product types stipulated in the project are corresponding to the previous technological appointment of the association and basically consist of mechanical treatment and assembly works, it meets the requirements in accordance with the pollution of environment.

- | | |
|--|-------------|
| Attached: 1. The schedule of the output production | -in 1 sheet |
| 2. Financial results of the output production | -in 1 sheet |

The chief director of the Ali Bayramli Mechanical
Repair Production Association

Muchtarov I.M.



The Economic Outcomes of Out-put Production Shown in the Project

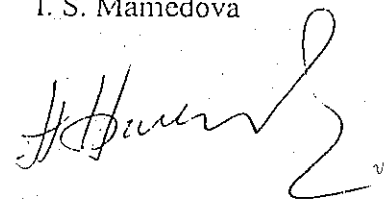
1. The total out-put production without VAT	-4837,7 million AZM
2. The fund demanded for the Budget	- 1143,4 million AZM
Besides	
- income tax	- 28,8 million AZM
- profit tax	- 143,0 million AZM
- without VAT	- 886,1 million AZM
- soil tax	- 14,4 million AZM
- property tax	- 71,1 million AZM
3. Fund demanded for non-budgetary account	- 46,2 million AZM
4. The total number of the employees	- 300
5. Average monthly wage	- 254,8 thousand AZM
6. Monthly labor productivity	- 1,3 million AZM
7. Profit remaining in the disposal of the Association	- 1207 million AZM
8. The utilization of the established production power of the Association	- 50 %

The chief director
Ali-Bayramli MRPA

I. M. Mukhtarov

The Chief of the Wage
and Plan and Economy Department

I. S. Mamedova



The Schedule of the output production stipulated in the project

#	Names and numbers of products economic indicators	Q65 HDK-0,9219 pump plant. 30 pieces	Q5 HDK-0,01415 pump plant. 50 pieces	The depth pump plant. 400 pieces				Q40IHVK-05/9 pump plant. 10 pieces				Sum:	
				Agricultural document project of the pump plant	Technical preparation. Pur chase of the technical equipments	Preparation of the test examples. 10 peaces	Organization of products in series	Projecting the designer- technological documents of the pump plant	Technical preparation	Preparation of the test examples. 10 peaces	Organization of products in series		
1	Output production without VAT	2289	125				2000					423,7	4838
2	Material expenses	1143	74				892					162,8	2271
3	Wages fund	405	10,8				400					702	917,8
4	Providing with the social security	56,7	2,9				108					27,5	195,1
5	Invoice expenses	114	6,5				100					25,4	247,5
6	Cost	1718,7	94				1500					317,7	3630
7	Profit	570,3	31				500					106	1207
8	Selling price with VAT	2700	147,5				2360					500	5708
9	Value Added Tax	411	22,5				360					76,3	869,8
10	Number of the basic workers	150	50				100						300
11	Expenses to be made			150	200	50	400	150	100	150			800
12	Purchase of the equipments						1000						1000

the chief of Ali Bayramli Mechanical Repair Production Association
The chief of the wages and plan economy department

Muchtarov I.M
Mammadova I.S

AP-4-26

10/10