

4-2 MINUTES OF DISCUSSION

MINUTES OF DISCUSSIONS
ON THE BASIC DESIGN STUDY
ON THE PROJECT FOR FOUNDING A COLLABORATIVE DIARRHEAL DISEASE
RESEARCH AND CONTROL CENTER IN INDIA
(Explanation of Draft Final Report)

In December 2003, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Basic Design Study Team on the Project for Founding a Collaborative Diarrheal Disease Research and Control Center (hereinafter referred to as "the Project") to India, 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 to the Government of India (hereinafter referred to as "Indian side") the components of the draft report, JICA sent to India the Draft Report Explanation Team (hereinafter referred to as "the Team"), which is headed by Mr. Toshifumi Sakai, Resident Representative, JICA India Office, from 10th of March. to 24th of March. 2004.

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

Delhi, 22nd of March, 2004

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ATTACHMENT

1. Components of the Draft Report

Indian side accepted in principle the components of the draft report explained by the Team.

2. Japan's Grant Aid Scheme

Indian side understood the Japan's Grant Aid Scheme and the necessary measures to be taken by Indian side as explained by the Team and as described in Annex 4, Annex 5 and Annex 6 of the Minutes of Discussions signed on 26th of December, 2003. .

3. Schedule of the Study

JICA will complete the final report in accordance with the confirmed items and submit it to the Indian side by the end of June 2004.

4. Other Relevant Issues

4-1 Both sides reconfirmed the responsible agency and implementing agency described in Annex-1 of the Minutes of Discussions signed on 26th of December, 2003.

4-2 Both sides reconfirmed the matters described in 7-1~7-12 of the Minutes of Discussions signed on 26th of December, 2003, promising that both sides would follow the written matters.

4-3 Both sides confirmed the matters described in Annex- 1 of the Scheme for Japan's Grant Aid.

4-4 Regarding the incinerator and sewage treatment plant, both sides confirmed that they shall be designed and constructed in accordance with Indian national and local regulations and standards.

4-5 Both sides confirmed that the covered walkway between New ICMR building and the Project building shall be included in the Basic design of the Project.

4-6 The Indian side requested for counterpart training in Japan concerning management system for facilities and equipment. The Japanese side will convey the request to JICA Tokyo for consideration.

4-7 Both sides confirmed the matters regarding necessary arrangement from Indian side for the Project as follows:

4-7-1 Preparation of documents and drawings to be submitted to the concerned departments of local authorities in West Bengal State and Kolkata City for approval shall be made in accordance with Basic Design Report prepared by the Basic Design Study Team.

4-7-2 Approval for submissions mentioned in above item 4-7-1 shall be acquired or obtained before Tendering of the Project. *2. 1/10/04*

4-7-3 Additional project site for the incinerator and sewage treatment plant as in annex 2 and Area for construction work as in annex 3 to be required for the Project, shall be acquired or prepared before opening the Tender for the construction.

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4-7-4 Infrastructure i.e. Municipal water supply, drainage and sewer line, electric supply and telephone line from the main road to the Project site or to the connection points of the new building, shall be executed in accordance with construction schedule of the Project.

4-7-5 Re-location of equipment from existing to new laboratory shall be executed in accordance with construction schedule of the Project.

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Annex-1

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

1. Japan's Grant Aid Procedures

- (1) The Japan's Grant Aid Program is executed by 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 the Cabinet of Japan)

Determination of Implementation (Exchange of Notes between both Governments)

Implementation (implementation of the Project)

- (2) Firstly, an application or a request for a Grant Aid project submitted by the recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Japan's Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA to conduct a study on the request. If necessary, JICA sends a Preliminary Study Team to the recipient country to confirm the contents of 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 approved by the cabinet becomes official with the Exchange of Notes signed by the Government of Japan and the recipient country.

Finally, for the implementation of the Project, JICA assists the recipient country in preparing contracts and so on.

2. Basic Design Study

- (1) Contents of the Study

The aim of the Basic Design Study (hereinafter referred to as "the Study"), conducted by JICA on a requested project (hereinafter referred to as "the Project") is to provide a basic document



necessary for 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 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 for the Grant Aid Scheme from a technical, social and economical point of view,
- c) Confirmation of items agreed on by the both parties concerning a basic concept of the Project,
- d) Preparation of a basic design of the Project,
- e) 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 through 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) firm(s) based on proposals submitted by the 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 a recipient country to also work in the Project's implementation after Exchange of Notes, in order to maintain technical consistency between the Basic Design and detailed Design.

3. Japan's Grant Aid Scheme

(1) Exchange of Notes (E/N)

Japan's Grant Aid is extend in accordance with the Notes exchanged by the two Government 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 one Japanese fiscal year which the Cabinet approves the



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Project for. Within the fiscal year, all procedure such as exchanging of the Notes, concluding a contract with (a) consulting 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.

- (3) Under the Grant, 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 may be used for the purchase of products or services of a third country.

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

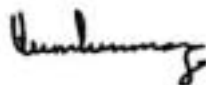
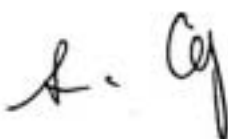
- (4) Necessity of the "Verification"

The Government of the 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 tax payers.

- (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:

- a) To secure land necessary for the sites of the project, and to clear, level and reclaim the land prior to commencement for the construction,
- b) To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities in and around the sites,
- c) To secure buildings prior to the installation work in case the installation of the equipment,
- d) 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,
- e) 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,



f) To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the Verified Contracts, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work.

(6) Proper Use

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

(7) Re-export

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

(8) 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 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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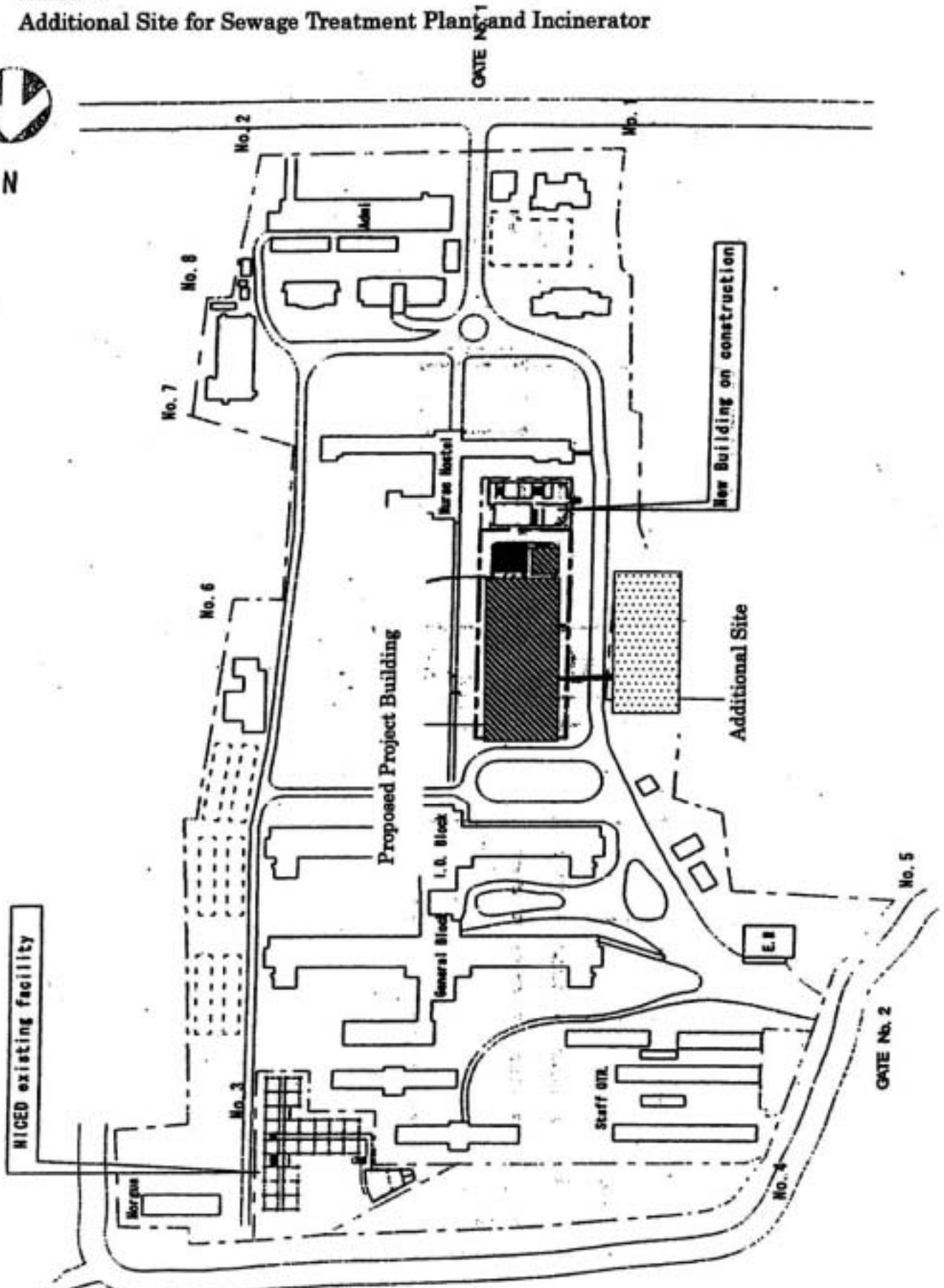
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Annex-2

Additional Site for Sewage Treatment Plant and Incinerator



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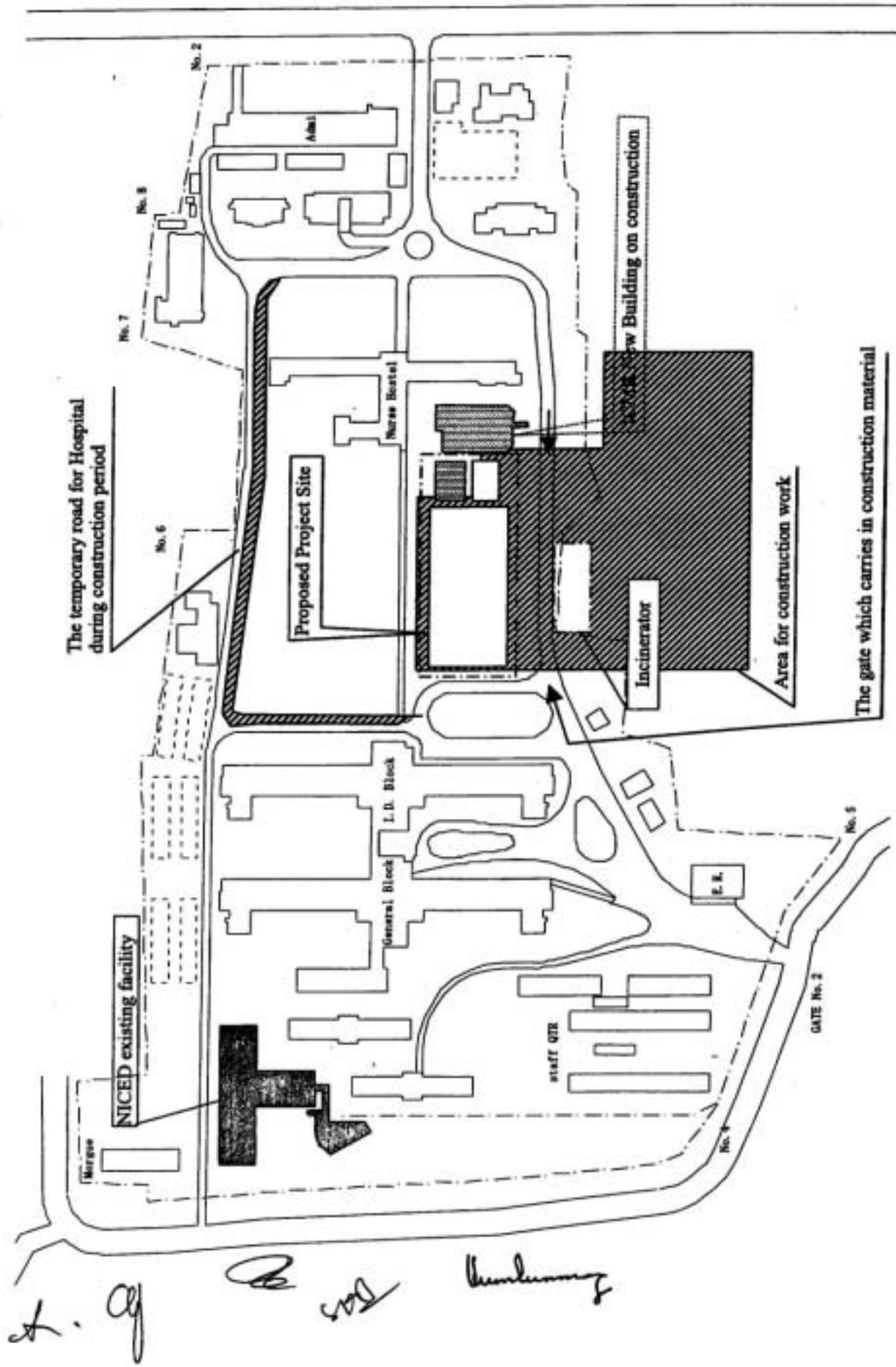


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Annex-3

Project Site for Construction

GATE No. 1



The gate which carries in construction material

The temporary road for Hospital during construction period

NICED existing facility

Proposed Project Site

New Building on construction

Incinerator

Area for construction work

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