APPENDICES



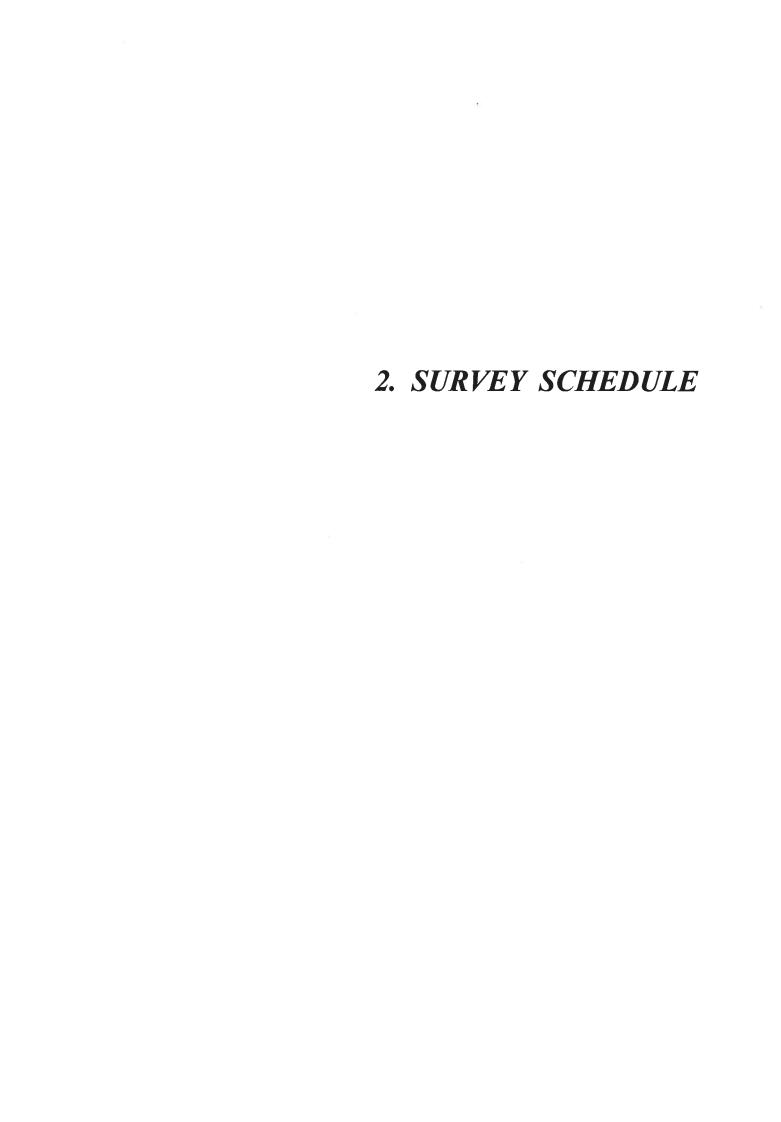
Member List of the Study Team

1. Basic Design Study

| Name | Work Assignment | Position |
|---------------------|--|---|
| Juro Chikaraishi | Leader | JICA Cambodia Office |
| Yoko Maeda | Project Coordinator | Living Conditions Improvement Team Project Management Grope Grant Aid Management Department, JICA |
| Tadao Sekizawa | Chief Consultant/ Power Supply Planner/ Operation & Management Planner | Electric Power Development Co., Ltd |
| Toshiyuki Arita | Power Line Planner | Nippon Koei Co., Ltd. |
| Toshihiko Mitsuta | Generation Planner/ Designer | Electric Power Development Co., Ltd. |
| Shinichiro Tanimoto | Social and Environmental Analyst | Nippon Koei Co., Ltd. |
| Minoru Ichida | Natural Condition Surveyor | Electric Power Development Co., Ltd. |
| Koji Mishima | Construction and Procurement Planner/ Cost Estimator | Electric Power Development Co., Ltd. |

2. Explanation of the Draft Basic Design Study Report

| Name | Work Assignment | Position | | | | |
|-------------------|--|--|--|--|--|--|
| Juro Chikaraishi | Leader | JICA Cambodia Office | | | | |
| Yoko Maeda | Project Coordinator | Living Conditions Improvement Team Project Management Grope Grant Aid Management Department, JICA | | | | |
| Tadao Sekizawa | Chief Consultant/ Power Supply Planner/ Operation & Management Planner | Electric Power Development Co., Ltd | | | | |
| Toshihiko Mitsuta | Generation Planner/ Designer | Electric Power Development Co., Ltd. | | | | |
| Koji Mishima | Construction and Procurement Planner/ Cost Estimator | Electric Power Development Co., Ltd. | | | | |



Survey Schedule

1.Basic Design Study

| | | Oluuy | 00111 | | | | | | | 1 |
|-----|--------|-------|-------------------------|---|--|--------------------|-------------------------|----------------|-----------------------------|---|
| No. | Da | y | Official Mr.Chikaraishi | Ms.Maeda | Mr.Sekizawa | Mr.Arita | Consultan Mr.Mitsuta | Mr.Mishima | Mr.Tanimoto | |
| 1 | 1-Dec | Wed | MI.CHIKATAISHI | | om Penh) | MI.AIIta | MI.MIISUIA | Mr. ranimoto | | |
| 2 | 2-Dec | Thu | | Courtesty Call an Courtesty Call an Courtesty Call an | nd Discussion EoJ nd Discussion on JI nd Discussion on M nd Discussion on M | IME | | | | |
| | | | Courtesty Call an | L nd Discussion on JI | CA | | | | | |
| 3 | 3-Dec | Fri | | Coutesty Call and | d Discussion on ED d Discussion on EA /IIME ception Report | C | | | | |
| 4 | 4-Dec | Sat | | Site Observation | | | | | | |
| 5 | 5-Dec | Sun | | | Governor of Mondo d Discussion on DIM | | | | | |
| 6 | 6-Dec | Mon | | Site Observation | | | | | | |
| 7 | 7-Dec | Tue | | Discussion with M Preparation of M | | | | | | |
| | | | Signing of M/D | | | | | | | |
| 8 | 8-Dec | Wed | Report to JICA | | | | | | | |
| 0 | o-Dec | wed | | Trip(Phnom Penh Bangkok) | | Field Survey in P | hnom Penh | | | |
| 9 | 9-Dec | Thu | | Trip(Bangkok Narita) | Field Survey in Pl | hnom Penh | | | | Trip(Narita Phnom Penh) |
| 10 | 10-Dec | Fri | | | Field Survey in P | hnom Penh | | | | • |
| 11 | 11-Dec | Sat | | | | | | | | |
| 12 | 12-Dec | Sun | | | | | | | | |
| 13 | 13-Dec | Mon | | | | | | | | |
| 14 | 14-Dec | Tue | | | Field Curvey in M | andul Kili | Field Survey | in Mondul Kili | | Field Survey |
| 15 | 15-Dec | Wed | | | Field Survey in M | oridui Kili | | | | in Mondul Kili |
| 16 | 16-Dec | Thu | | | | | | | | |
| 17 | 17-Dec | Fri | | | | | | Field Survey | | |
| 18 | 18-Dec | Sat | | | | | | | in Phnom Penh | |
| 19 | 19-Dec | Sun | | | Workshop of Soci Environmental in M | | | | | Workshop of Social and Environmental in Mondul Kiri |
| 20 | 20-Dec | Mon | | | Field Survey in M | ondul Kili | Draftin | g Report | | Field Survey in Mondul Kili |
| 21 | 21-Dec | Tue | | | Drafting Report | | | | Trip(Phnom Penh Bangkok) | Field Survey |
| 22 | 22-Dec | Wed | | | | | | | Trip(Bangkok Narita) | in Phnom Penh |
| 23 | 23-Dec | Thu | | | Workshop of tech | nical Micro-Hydrop | power in Phnom Pe | enh | | Workshop of technical Micro Hydropower in Phnom Penh |
| 24 | 24-Dec | Fri | | | | | | | | Drafting Report |
| 25 | 25-Dec | Sat | | | Drafting Report | | | | | Trip(Phnom Penh Bangkok) |
| 26 | 26-Dec | Sun | | | | | | | | Trip(Bangkok Narita) |
| 27 | 27-Dec | Mon | | | Report to MIME | | | | | |
| 28 | 28-Dec | Tue | | | Report to JICA | | | | | |
| 29 | 29-Dec | Wed | | | Trip(Phnom Penh | Bangkok) | | | | |
| 30 | 30-Dec | Thu | | | Trip(Bangkok N | arita) | | | | |

Survey Schedule

2.Explanation of the Draft Basic Design Study Report

| No. | Day | | Official | Members | Consultant Members | | | | | | | |
|-----|----------|------|---------------------------|------------------------------|--|---|----------------------|--|--|--|--|--|
| | | | Mr.Chikaraishi | Ms.Maeda | Mr.Sekizawa | Sekizawa Mr.Mitsuta Mr.Mishima | | | | | | |
| 1 | 20-Mar | Sun | | | Trip(Narita Phnom Pen | h) | | | | | | |
| 2 | 21-Mar | Mon | | | Coutesy call on JICA Off Coutesy call on and Disc | fice, (EOJ) cussion with MIME, DIME, e | tc | | | | | |
| 3 | 22-Mar | Tue | | | Discussion and Explanation (Discussion on tariff system) | on on Draft Basic Design R m) | eport with MIME, EAC | | | | | |
| 4 | 23-Mar | Wed | | Trip(Narita Phnom | Discussion with MIME | | | | | | | |
| 5 | 24-Mar | Thu | | Discussion of Minutes of | Discussions | | | | | | | |
| 6 | 25-Mar | Fri | Discussion and Signing of | of Minutes of Discussion / R | eport to EOJ, JICA | | | | | | | |
| 0 | 25-IVIAI | ΓII | | Trip(Narita Bangkok) | | | | | | | | |
| 7 | 26-Mar | Sat | | Trip(Bangkok Narita) | Site Survey | | | | | | | |
| 8 | 27-Mar | Sun | | | Site Survey | | | | | | | |
| 0 | 21-IVIAI | Suli | | | Trip(Narita Bangkok) | | | | | | | |
| 9 | 28-Mar | Mon | | | Trip(Bangkok Narita) | | | | | | | |

3. LIST OF PARTIES CONCERNED IN THE RECIPIENT COUNTRY

List of Parties Concerned in the Recipient Country

(1) Ministry of Industry, Mines and Energy: MIME

Minister Mr. Suy Sem
Secretary of State Mr. Ith Praing
Secretary of State Mr. Khlaut Randy
Under Secretary of State Dr. Sat Samy

Deputy General Director of Energy

Dr. Bun Narith

Director of Hydroelectricity Department

Deputy Director of Hydroelectricity Department

Vice Chief of Hydroelectricity Project Office

Mr. Nong Sareth

Mr. Pan Narith

Vice Chief of Mekong River Office

Mr. Chea Narin

Vice Chief of Mekong River Office Mr. Kim Nhan Chan Amrin

Engineer of Mekong River Office Mr. Pen Sameth

(2) Department of Industry, Mines and Energy: DIME

Director Mr. Kong Pisith
Deputy Director Mr. Um Saran
Engineer Mr. Chin Sokhun

(3) Ministry of Environment : MOE

Secretary of State Mr. Khieu Muth
Deputy Director Mr. Ngoun Kong
Chief Mr. Leang Mengleap

(4) Ministry of Turism: MOT

Director Mr. Ruos Samear

(5) Ministry of Forestry: MOF

Deputy Director Mr. Chheang Dany

(6) Electricity Authority of Cambodia: EAC

Chairman, Secretary of State Dr. Ty Norin
Director of Finance and Pricing Mr. Ty Thany

(7) Electricite du Cambodge : EDC

Deputy Managing Director

Executive Director

Deputy Director of Corporate Planning & Projects

Mr. Yim Nolson

Mr. Chan Sodavath

Mr. Chulasa Praing

(8) Province of Mondulkili

Governor of Mondulkiri Province Mr. H.E. Thou Sonn
1st Deputy Governor of Mondulkiri Province Mr. H.E. Keo Horn
Governor of District Sen Monorom Mr. Chhouk Sen

(9) Embassy of Japan : EoJ Second Secretary

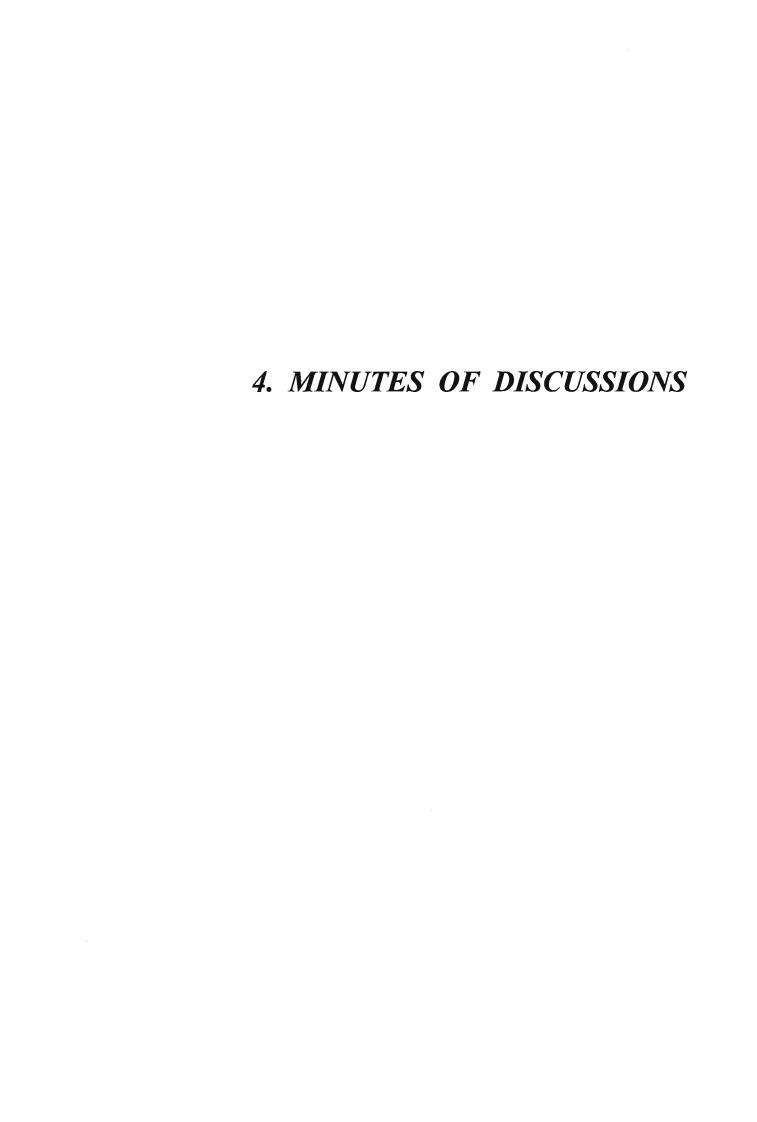
Yoshihiro Sakuda

(10) JICA Expert

MIME Nobuo Hashimoto
EAC Hitoshi Kanetsuki
EDC Junya Shinohara

(11) JICA Cambodia Office

Resident Representative Juro Chikaraishi
Deputy Resident Representative Hiroto Mitsugi
Assistant Resident Representative Chikahiro Masuda
Assistant Resident Representative Keisuke Nakashima
Assistant Resident Representative Rieko Kubota



M/D (Commencement of the Basic Study)

MINUTES OF DISCUSSIONS ON THE BASIC DESIGN STUDY ON THE PROJECT FOR RURAL ELECTRIFICATION ON MICRO-HYDROPOWER IN REMOTE PROVINCE OF MONDUL KIRI IN THE KINGDOM OF CAMBODIA

Based on the results of the Preparatory Study, the Government of Japan decided to conduct a Basic Design Study on the Project for Rural Electrification on Micro-Hydropower in Remote Province of Mondul Kiri (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 Kingdom of Cambodia (hereinafter referred to as "Cambodia") the Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Juro Chikaraishi, Resident Representative, JICA Cambodia Office, JICA, and is scheduled to stay in the country from 1st December to 29th December, 2004.

The Team held discussions with the officials concerned of the Government of Cambodia and conducted a field survey at the study area.

In the course of discussions and field survey, both parties confirmed the main items described on the attached sheets. The Team will proceed to further works and prepare the Basic Design Study Report.

Phnom Penh, 8th December, 2004

Leader

Juro Chikaraish

Basic Design Study Team

Japan International Cooperation Agency

Minister

Ministry of Industry, Mines and Energy

ATTACHMENT

1. Overall Goal

The overall goal of the Project is to improve the living condition of people of Sen Monorom City in the Province of Mondul Kiri.

2. Objective of the Project

The objective of the Project is to stably supply electricity to Sen Monorom City.

3. Project Sites

The sites of the Project are around Sen Monorom City, Prek Dakdeur, O Romis and O Moleng, in the province of Mondul Kiri. The location Map of the sites is shown in Annex-1

4. Responsible and Implementing Agency

The responsible and implementing agency is the Ministry of Industry, Mine and Energy. The prganization chart of the implementing agency is shown in Annex-2.

5. Items Requested by the Government of Cambodia

After discussions with the Team, the items described in Annex-3 were finally requested by the Cambodian side. JICA will assess the appropriateness of the request and will recommend to the Government of Japan for approval.

6. Japan's Grant Aid Scheme

The Cambodian side understands the Japan's Grant Aid Scheme and the necessary measures to be taken by the Government of Cambodia as explained by the Team and described in Annex-4 and Annex-5 based on the Minutes of Discussions signed by both parties on 5th March, 2004.

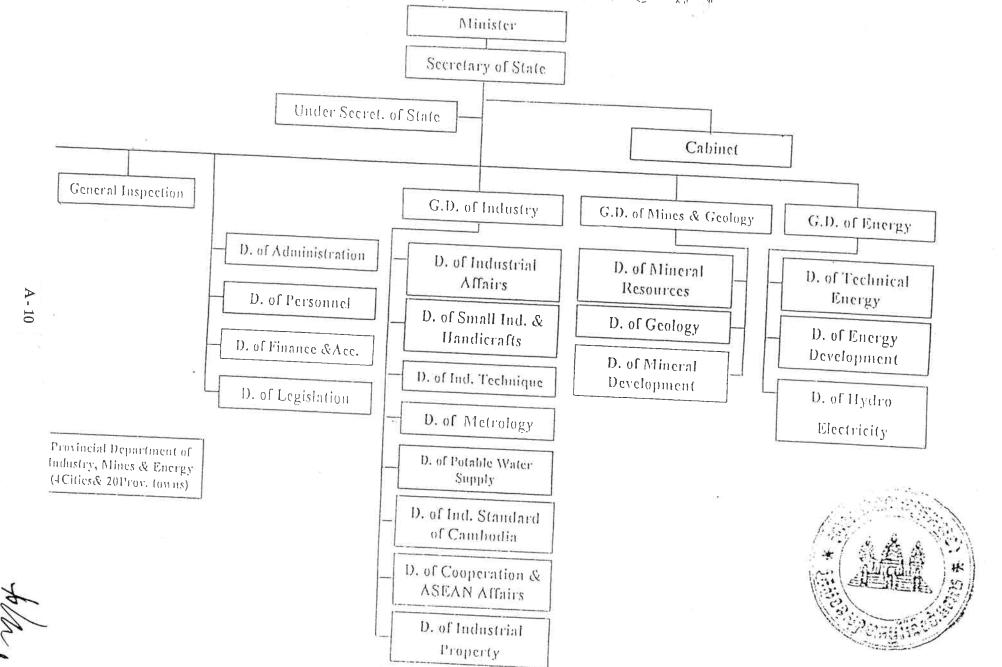
- 7. Schedule of the Study
- 7-1. The consultants will proceed to further studies in Cambodia until 29th December.
- 7-2. JICA will prepare the draft report in English and dispatch a mission in order to explain its contents in March 2005.
- 7-3. In case that the contents of the report are accepted in principle by the Government of Cambodia, JICA will complete the final report and send it to the Government of Cambodia by June 2005.
- 8. Other Relevant Issues
- 8-1. Both sides agreed to adopt the "Run of river" type micro hydro-power-plants for the Project.
- 8-2. The Cambodian side will utilize the guidelines and technical manuals regarding management, electricity tariff system, operation and maintenance, prepared by the Feam, in order to realize the effective and sustainable operation and maintenance of the facility constructed singler the Project.
- 8-3. Basic technical parameter of the Project will be mutually understood to the field survey report at the end of December, 2004.

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| LOCATION MAP | |
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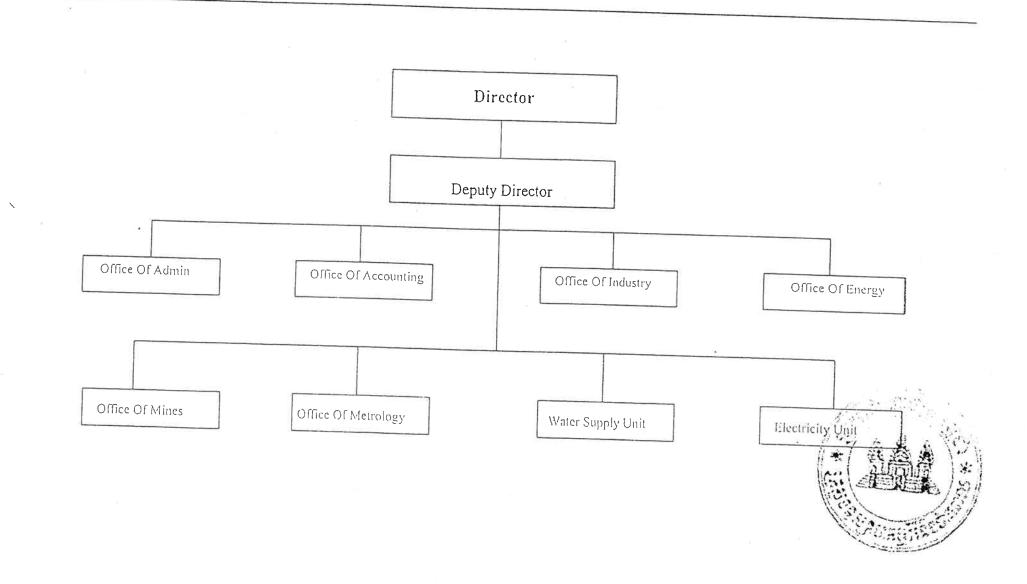
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DIME - Mondulkiri Province

Organization Chart



Items Requested by the Government of Cambodia

(1) Power Generating Facilities

- Intake weir
- Desilting basin
- Waterway
- Head tank
- Penstock
- Powerhouse building
- Tailrace
- Access path for a Operation and maintenance
- Auxiliary generating facility

(2) Transmission and Distribution Facilities

- Transmission line(including, pole, conductor, step-down transformer and
- Distribution line (including pole, conductor, insulator, Step-down transformer, watt-hour meter, etc.)
- Sub-station
- Spare part

(3) Electro-mechanical equipment

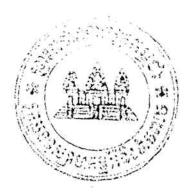
- Turbine
- Generator
- Inlet valve
- Control panel
- Step-up transformer
- Gate
- Screen
- Spare part

(4) Operation and Maintenance Equipment

- Pickup type vehicle
- Motor cycle
- Work vehicle with mobile elevating work platform
- Personal computer

(5) Technical Training

- Operation and maintenance works
- Management



Japan's Grant Aid Scheme

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

1. Grant Aid procedures

Japan's Grant Aid scheme is executed through the following procedures:

Application

(Request made by a recipient country)

Study

(Basic Design Study conducted by JICA)

Appraisal & Approval

(Appraisal by the Government of Japan and Approval

by Cabinet)

Determination of Implementation

(The Notes exchanged between the Government of

Japan and the recipient country)

Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for 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 Scheme, based on the Basic Design Study report prepared by JICA, and the results are then submitted to the Cabinet for approval.

Fourthly, the project, once approved by the Cabinet, becomes official with the Exchange of Notes (E/N) signed by the Government of Japan and the recipient country.

Finally, for the smooth implementation of the project, JICA assists the recipient country in such matters as preparing tenders, contracts and so on

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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 the appraisal of the Project by the Government of Japan. The contents of the Study are as follows:

- Confirmation of the background, objectives, and benefits of the requested project and also institutional capacity of agencies concerned of the recipient country necessary for the Project's implementation.
- Evaluation of the appropriateness of the Project to be implemented under the Grant Aid scheme from a technical, social and economic point of view.
- Confirmation of items agreed upon by both parties concerning the basic concept of the Project.
- Preparation of a Basic Design of the Project
- Estimation of cost of the Project

The contents of the original request are not necessarily approved in their initial form as the contents of the Grant Aid Project. The Basic Design of the Project is confirmed considering the guidelines of Japan's Grant Aid scheme.

The Government of Japan requests the Government of the recipient country to take whatever measures is 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) firm(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

The consulting firm(s) used for the Study is (are) recommended by MCA to the recipient country to also work on the Project's implementation after the Exchange of Notes, in order to maintain technical consistency.

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3. Japan's Grant Aid Scheme

1) Exchange of Notes (E/N)

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

1) "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 natural disaster, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

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

When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However the prime contractors, namely, consulting, contracting 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.)

1) 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.

1) Undertakings required to the Government of the Recipient Country

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

1) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction,

② To ensure all the expenses and prompt execution for unloading customs

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clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid.

- ③ 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.
- ④ 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.

2) "Proper Use"

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

3) "Re-export"

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

4) Banking Arrangements (B/A)

- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in a bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the Verified Contracts.
- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an Authorization to Pay (A/P) issued by the Government of the recipient country or its designated authority.

5) Authorization to Pay (A/P)

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

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Flow Chart of Japan's Grant Aid Procedures

| Stag | ge | Flow & Works | Recipient | Government | Japanese Government | JICA | Consultant | Contract | Others |
|--------------------------------------|---------------------------|---|-----------|------------|------------------------|------|------------|----------|--|
| Application | | Request (T/R : Terms of Reference) Screening of Project Project Identification Survey |) (1) | | | | | | |
| Project Formulation & Preparation | Basic Design Prelimin ary | Preliminary Survey Field Survey Home Office Work Reporting Selection & Contracting of Consultant by Proposal Explanation of Draft Final Report Final Report Final Report | | | | | | | |
| Appraisal & Approval | | Appraisal of Project W Inter Ministerial Consultation V Presentation of Draft Notes Approval-by the Cabinet | | | | | | | |
| | | E/N (E/N : Exchange of Notes) Banking Arrangement | | | | | | | 56 64 14 14 |
| Implementation | | Consultant Contract Verification Issuance of A/P Detailed Design & Approval by Recipient Government Tendering & Evaluation Security Preparation for Tendering | | | | | T 200 | | The state of the s |
| | | Construction Contract Construction | | /C * 150 | A STATE | | | | |
| Evaluation & Follow up | | Study Ex-post Evaluation Follow up | | 11 | 1000 | 100 | 17.3 | | |

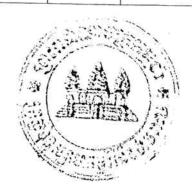
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Annex-5

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 | | Oide |
| 2 | To clear, level and reclaim the site when needed | | |
| 3 | To construct and maintain roads | | |
| | 1) Within the site when required | • | |
| | 2) Outside the site | | • |
| 4 | To procure materials and equipment for the project | • | |
| 5 | To provide facilities for the electricity, water, drainage and other incidental facilities for the construction works of the Project | • | |
| 6 | To bear the following commissions to the Japanese foreign exchange bank for the banking services based upon the B/A | | |
| | Advising commission of A/P | | • |
| | 2) Payment commission | | |
| 7 | To ensure unloading and customs clearance at port of disembarkation in recipient country | | |
| | Marine (Air) transportation of the products from Japan and/or other countries to the recipient country | • | |
| | 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 | • | |
| 8 | To accord Japanese nationals whose services may be required in connection with the supply of the products and the services under the verified contact such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work. | | • |
| 9 | 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. | | • |
| 10 | To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant. | | • |
| | 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. | | • |

(B/A: Banking Arrangement, A/P: Authorization to pay)



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M/D (Explanation on the Draft Report)

MINUTES OF DISCUSSIONS ON

BASIC DESIGN STUDY ON THE PROJECT FOR RURAL ELECTRIFICATION ON MICRO-HYDROPOWER IN REMOTE PROVINCE OF MONDUL KIRI IN THE KINGDOM OF CAMBODIA (EXPLANATION ON DRAFT REPORT)

In December, 2004, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched a Basic Design Study Team on the Project for Rural Electrification on Micro-Hydropower in Remote Province of Mondul Kiri (hereinafter referred to as "the Project") to the Kingdom of Cambodia (hereinafter referred to as "Cambodia"), and through discussion, field survey, and technical examination of the results in Japan, JICA prepared a draft report of the study.

In order to explain and to consult the Cambodia on the components of the draft report, JICA sent to Cambodia the Draft Report Explanation Team (hereinafter referred to as " the Team "), which is headed by Juro Chikaraishi, Resident Representative, JICA Cambodia Office, from 20th March to 27th March, 2005.

As a result of discussions, both parties confirmed the main items described on the attached sheets. The Team will proceed to further works and prepare the Basic Design Study Report.

Juro Chikaraishi

Leader

Basic Design Study Team

Japan International Cooperation Agency

Suy Sem

Minister

Ministry of Industry, Mines and Energy

Penh, 25th March, 2005

ATTACHMENT

1. Components of the Draft Report

The Government of Cambodia agreed and accepted in principle the components of the draft report explained by the Team.

2. Japan's Grant Aid scheme

Cambodian side understands the Japan's Grant Aid Scheme and the necessary measures to be taken by the Government of Cambodia as explained by the Team and described in Annex-4 and Annex-5 of the Minutes of Discussions signed by both parties on 8th December, 2004.

3. Schedule of the Study

JICA will complete the final report in accordance with the confirmed item and send it to the Government of Cambodia by June, 2005.

4. Other relevant issues

- 4-1. The responsible agency of the Project is Ministry of Industry, Mines and Energy (hereinafter referred to as "MIME"), and the Management Board as described in Annex-1 is responsible for the operation, maintenance and management of the Project at the field level.
- 4-2. Electricity tariff structure of the Project holds the independent accounting arrangement and enables less income group of the target area to enjoy electricity with lower tariff rate. Administration Section of the Community Power Utilization manages the account and the collected tariff money shall be spent only for purposes of sustainable operation, maintenance and management of the Project.
- 4-3. The Management Board should operate the facilities of the Project with high efficiency according to the regulation and the standard of Cambodia. Reduction of tariff rate from increasing efficiency should provide priority to the less income group.
- 4-4. Cambodian side understands the importance of the operation, maintenance and management also the necessity of the initial and recurrent costs to be borne by MIME for the Project implementation described in the Draft Basic Design Study Report prepared by the Team.
- 4-5. Cambodian side shall allocate necessary budget and staff for appropriate operation, maintenance and management of the facilities supplied by the Project as described in the Basic Design Report.
- 4-6. Cambodian side shall complete the following work by December, 2005 and shall report to Embassy of Japan the results by the end of December, 2005, if the Exchange of Notes for

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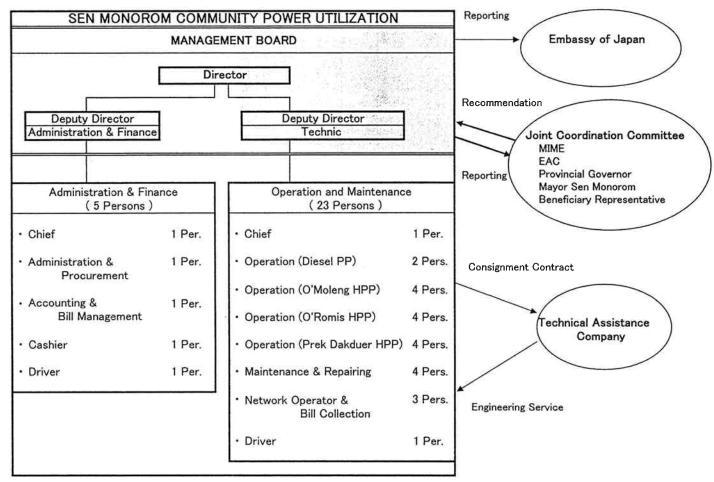
the Project is signed by both Governments.

- To secure the land for construction works of the Project.
- To follow the national policy on involuntary resettlement and the 30 August 2001 Land Law and its sub-decrees, which establish rights of land ownership and of entitlement to compensation and replacement in land losses resulting from public works, if the necessity arises.
- 4-7. MIME shall conduct the following works at the implementation stage, if the Exchange of Notes for implementation of the Project is signed by both Governments.
 - To organize the Management Board, Joint Coordination Committee and Community Power Utilization as described in Annex-1, and define its detailed function and the role of each member.
 - To open explanation workshop before starting construction works to reconfirm local people's consent for the Project.
 - To obtain the official permission by Electricity Authority of Cambodia (hereinafter referred to as "EAC") on the electricity tariff and the license for generation, transmission and distribution.
 - To introduce the guidelines and the technical manuals in the practical operation, maintenance and management of the facilities supplied by the Project. The guidelines and the manuals are to be prepared through Technical Guidance by consultants in accordance with the Basic Design Report.
 - To assign the necessary local staffs. Local staffs must be selected in a fair manner, and the process and results of the selection shall be included in the report to Embassy of Japan.
 - To make periodical report on environmental monitoring to Ministry of Environment.
 - To report annually to Embassy of Japan the operation, management and accounting of the Project.

Annex-1 Organization Chart for Project Management

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ORGANIZATION CHART FOR PROJECT MANAGEMENT



Note: Management Board should be established by MIME according to the Electricity Law of Cambodia.

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