

Undertakings for Environmental Issues to be taken by Each Government

Items	To be covered by	
	Japan Side	Bangladesh Side
CONSTRUCTION OF ADDITIONAL KALLYANPUR PUMPING STATION		
As much as possible, equipment that emits excessive noise should not be operated after dusk.	●	
Vehicle movement to and from the site should be managed properly to ensure that minimum disturbance is caused to people living in the surrounding area.	●	
Construction materials should be covered properly while being hauled and stored and roads properly cleaned and water-sprayed to minimize concentration of dust in the air.	●	
Waste/wastewater (e.g., human waste from labor camps, fuel and wash-water from equipment/material sheds) should be disposed appropriately, so that they do not find their way into adjacent water bodies.	●	
Solid waste and wastewater should be disposed of in proper fashion, e.g., by constructing septic tanks for wastewater, and by ensuring regular collection and transportation of solid waste.	●	
The excavated soil should be disposed of in a designated place	●	
Other Requirements		●
SLUDGE REMOVAL WORKS FOR DRAINAGE ZONE H		
Equipment that emits excessive noise should not be operated after dusk, as much as possible.		●
Vehicle movement to and from the site should be managed properly to ensure that minimum disturbance is caused to people living in the surrounding area.		●
Construction materials should be properly covered while being hauled and stored and roads properly cleaned and water-sprayed to minimize concentration of dust in the air.		●
Wastes/wastewaters (e.g., human waste from labor camps, fuel and wash-water from equipment/material sheds) should be disposed appropriately at designated locations, to prevent them from finding their way into the neighboring water bodies.		●
Solid waste and wastewater should be disposed of in the proper fashion, e.g., by constructing septic tanks for wastewater and by ensuring regular collection and transportation of solid waste.		●
Safe disposal of the dredged sludge and sediment in sanitary landfills must be ensured.		●
The dredged sludge and sediment should be tested at regular interval to make sure that they do not contain any hazardous substances.		●
Efforts should be made to employ local people in the project activities, as much as possible.		●
Necessary arrangements should be made to monitor possible traffic congestion and drainage congestion related to the project construction activities.		●
Disposal of excavated soil and construction wastes should be carefully monitored to ensure that no adverse impact is produced.		●
Other Requirements		●

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

1. GRANT AID PROCEDURES

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)

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. If necessary, JICA send a Preparatory Study Team to the recipient country to confirm the contents of the request.

Secondly, JICA conducts the study (Basic Design Study), using Japanese consulting firms.

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japan's Grant Aid Programme, 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 Governments 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.

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:

- 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 to be implemented under the Grant Aid Scheme from the technical, social and economic points 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; and
- 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 the smooth implementation of the Study, JICA uses a consulting firm selected through its own procedure (competitive proposal). The selected firm participates the Study and prepares a report based upon the terms of reference set by JICA.

At the beginning of implementation after the Exchange of Notes, for the services of the Detailed Design and Construction Supervision of the Project, JICA recommends the same consulting firm which participated in the Study to the recipient country, in order to maintain the technical consistency between the Basic Design and Detailed Design as well as to avoid any undue delay caused by the selection of a new consulting firm.

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 the 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" means the one fiscal year which the Cabinet approves the project for. Within the fiscal year, all procedure such as exchanging of the Notes, concluding contracts with consulting firms and contractors 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 Grand 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, 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.)

(5) Necessity of "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 of Japanese taxpayers.

(6) Undertakings required of the Government of the Recipient Country

- a) To secure a lot of land necessary for the construction of the Project and to clear the site;
- b) To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the sites;

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- c) To ensure prompt unloading and customs clearance at ports of disembarkation in the recipient country and internal transportation therein of the products purchased under the Grant Aid
- d) To exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts;
- e) To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such as facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work;
- f) To ensure that the facilities constructed and products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and
- g) To bear all the expenses, other than those covered by the Grant Aid, necessary for the Project.

(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 the necessary staff for operation and maintenance of them as well as to bear all the 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 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.

(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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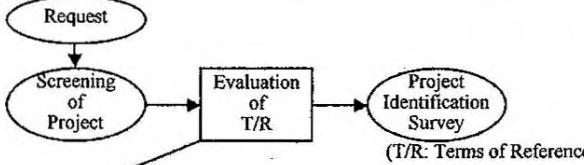
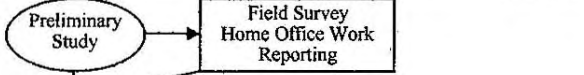
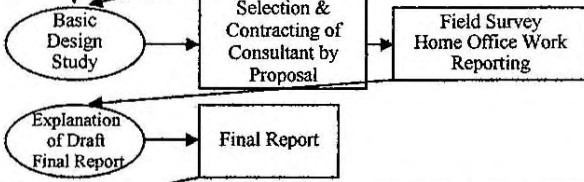
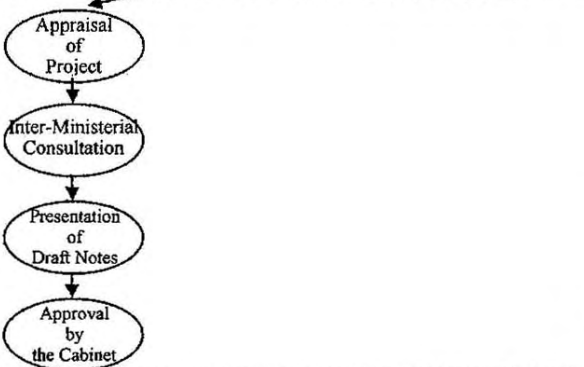
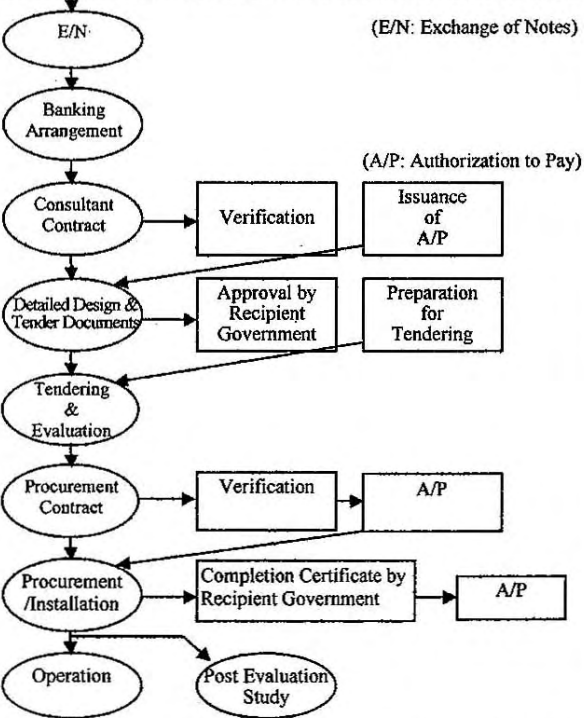
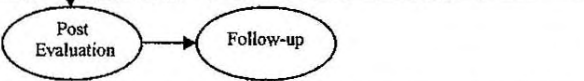
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Flow Chart of Japan's Grant Aid Procedures

Annex-8

Stage	Flow & Works	Recipient Government	Japanese Government	JICA	Consultant	Contractor	Others
Application							
Study (Project Formulation & Preparation)							
							
Appraisal & Approval							
Implementation							
Evaluation & Follow up							

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Major Undertakings to be taken by Each Government

No.	Items	To be covered by	
		Grant Aid	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 when needed	●	
5	To construct roads within the site	●	
	outside the site		●
6	To construct the building	●	
7	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 circuit breaker and transformer	●	
	2) Water Supply		
	a) The city water distribution main to the site		●
	b) The supply system within the site (receiving and elevated tanks)	●	
	3) Drainage		
	a) The city drainage main (for storm sewer and others to the site)		●
	b) The drainage system (for toilet sewer, ordinary waste, storm drainage and others)	●	
	4) Gas Supply		
	a) The city gas main to the site		●
	b) The gas supply system within the site	●	
	5) Telephone System		
	a) The telephone trunk line to the main distribution frame/panel (MDF) of the building		●
	b) The MDF and the extension after the frame/panel	●	
	6) Furniture and Equipment		
	a) General furniture		●
	b) Project equipment	●	
8	To bear the following commissions to the Japanese foreign exchange banking services based upon the B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
9	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 customs clearance of the products at the port of disembarkation		●
	3) Internal transportation from the port of disembarkation to the project site	●	
10	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		●
11	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 contract		●
12	To maintain and use properly and effectively the equipment provided under the Grant		●
13	To bear all the expenses, other than those to be borne by the Grant, necessary for construction of the facilities as well as for installation of the equipment excluding the Pumping Station		●
14	To bear the expenses for trainees and operation costs of equipment during implementation of "Soft Component" when needed		●

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

5. Cost Estimate Borne by the Recipient Country

The Cost for the Project implementation to be covered by Bangladesh side will be estimated as below.

Ministry/ Division M/O LGRD & Cooperatives (Local Govt. Division)

Agency : Dhaka Water Supply and Sewerages Authority (DWASA)

Procuring Entity name and code: Dhaka WASA

Project/ Programme name & code :

the Project for Implementation of Storm Water Drainage System in Dhaka City (Phase II)

Pack No	Description of Procurement Package as per DPP	Unit	Quantity	Procr. Method & (Type)	Contract Approving Authority	Source of Fund	Estd. Cost In million Taka
1	2	3	4	5	6	7	8
	FY 2007-2008						
	CDVAT for Sludge Removal Equipment	L.S.	1		DWASA	GOB	31.40
	FY 2008-2009						
	CDVAT for Pump Equipment	L.S.	1		DWASA	GOB	191.99
	FY 2007-2008						
	Site Clearance and Preparation Works	L.S.	1		DWASA	GOB	0.50
	CDVAT	L.S.	1		DWASA	GOB	28.24
	Commission Fees for Construction & Proc for Banking Arrangement (B/A) and Authorization to Pay (A/P)	L.S.	1		DWASA	GOB	9.00
	FY 2008-2009						
	CDVAT for Construction Equipment	L.S.	1		DWASA	GOB	18.08
	FY 2008-2009						
	Site Clearance and Preparation Works	L.S.	1		DWASA	GOB	1.00
	VAT for Sludge Removal Works	%	15		DWASA	GOB	3.00
	FY 2006-2007						
	Commission Fees for Banking Arrangement (B/A) and Authorization to Pay (A/P)	%	2.0		DWASA	GOB	1.00

Million Taka

Site Clearance and Preparation Works for Pumping Station	Say	0.50
Site Clearance and Preparation Works for Parking Lot	Say	1.00
Total of CDVAT	Say	270
Total of Commission Fees for (B/A) and (A/P)	Say	10

The Additional O&M Cost of Kallyapur Pumping Station to be covered by Bangladesh side will be estimated as below.

Year	Present Condition		W. L.	Before	After	After Project		Difference	
	O&M Cost	Electrical Charge		Electrical Charge Dry Season	Rainy	Rainy	Total		
2001	910,363	1,170,460							
2002	346,702	1,533,518							
2003	241,092	1,603,798							
2004	146,530	2,185,660							
2005	421,595	1,823,549							
			EL+4.0	365,484	778,960	1,297,913	1,557,913	2,336,873	673,476
			EL+3.5	365,484	778,960	1,297,913	1,778,558	2,557,518	894,121
Ave.	413,256	1,663,397	EL+3.0	365,484	778,960	1,297,913	1,947,287	2,726,247	1,062,850
After	688,760								
Difference	275,504						Say	1.0million	
Additional Maintenance Cost									
Say	0.3million								

