

## Requested Items

Requested Components	Quantity	Specification
<b>1. Construction of Stone Pitching Type Revetment along the Tonle Sap</b>		
Revetment Work	Length: 1.5km	Grid Pattern Concrete Type
<b>2. Improvement of Central Market Area Drainage System</b>		
Drainage Pipe	Length: 3.4km	North: 640m of $\phi$ 800mm (Monivong Road) 350m of $\phi$ 1,000mm (Rd.110) 860m of $\phi$ 1,500mm (Rd.108) Center: 250m of $\phi$ 1,500mm (Rd.148) South: 600m of $\phi$ 1,000mm (Norodom Road) 700m of $\phi$ 1,500mm (Rd.154)
Drainage Pumping Station	2 stations	North: capacity 2,500 m <sup>3</sup> /h Center: capacity 5,000 m <sup>3</sup> /h
Underground Reservoir	3 locations	North: capacity 4,500 m <sup>3</sup> /h Center: capacity 3,000 m <sup>3</sup> /h South: capacity 4,500 m <sup>3</sup> /h
<b>3. Improvement of Royal Palace and National Museum Area Drainage System</b>		
Drainage Box Culvert	Length: 0.7km	North: 300m of Box Culvert (Rd. 184) South: 400m of Box Culvert (Rd. 204)
Drainage Pumping Station	2 stations	North: capacity 5,500 m <sup>3</sup> /h South: capacity 2,500 m <sup>3</sup> /h
Underground Reservoir	2 locations	North: capacity 7,400 m <sup>3</sup> /h South: capacity 1,100 m <sup>3</sup> /h
<b>4. Improvement of Road Drainage System and Road Rehabilitation in Trabek Basin and Adjacent Area</b>		
Drainage Pipe	Length: 19km	-
Rehabilitation / Road Pavement	Area: 200ha	Asphalt Pavement
<b>5. Improvement of Wat Phnom Basin Drainage System</b>		
Drainage Pipe	Length: 9.05km	Including road rehabilitation 900m of $\phi$ 1,500mm (Rd.47) 200m of $\phi$ 1,500mm (Rd.90) 100m of $\phi$ 1,000mm 500m of $\phi$ 800mm (Rd.79) 300m of $\phi$ 600mm (Rd.86)
Drainage Pumping Station	1 station	capacity 2,500 m <sup>3</sup> /h
Underground Reservoir	1 location	capacity 6,000 m <sup>3</sup> /h
<b>6. Implementation of Maintenance Equipment</b>		
Maintenance Equipment	1 set	Functions: vacuum truck, water jet, water tank

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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 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**

- 1) 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 the Cabinet of Japan)
  - Determination of Implementation (The Notes exchanged between the Governments of Japan and the recipient country)
  - Implementation (Implementation of the Project)
- 2) Firstly, the application or a 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 Japan's 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 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.

**(2) Basic Design Study**

- 1) Contents of the Study
- The aim of the Basic Design Study conducted by JICA on a requested project (hereinafter referred to

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as “the Project”) is to provide a basic document necessary for the appraisal of the Project by the Japanese Government. The contents of the Basic Design Study are as follows:

- i) 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,
- ii) Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economical point of view,
- iii) Confirmation of items agreed on by both parties concerning the basic concept of the Project,
- iv) Preparation of a basic design of the Project,
- v) 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) 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 Basic Design Study is (are) recommended by JICA to the recipient country to also work in the Project’s implementation after the Exchange of Notes, in order to maintain technical consistency.

## (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 two Governments 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 the one Japanese 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



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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.

- 3) 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, 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.)

- 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 taxpayers.

- 5) 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 followings:

- i) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the Project.
- 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.



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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 this operation and maintenance 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 should not be re-exported from the recipient country.

8) Banking Arrangement (B/A)

i) 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.

ii) 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.



(End)

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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 secure land		●
2	To clear, level and reclaim the site when needed		●
3	To construct gates and fences in and around the site after completion of the construction		●
4	To construct the parking lot during construction	●	
5	To construct roads		
	1) Within the site	●	
	2) Outside the site		●
6	To construct buildings	●	
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 main 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		
	The drainage system (for toilet sewer, ordinary waste, storm drainage and others) within the site	●	
	4) 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	●	
	5) Furniture and Equipment		
	a. General furniture		●
	b. Project equipment	●	
8	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		●
9	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan the recipient	●	
	2) Tax exemption and custom clearance of the products at the port of disembarkation		●
	3) Internal transportation from the port of disembarkation to the project site	●	
10	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.		●
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 contracts		●
12	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid		●
13	To bear all the expenses, other than those to be borne by the Grant Aid, 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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## 4.2 Explanation of Draft Final Report in Cambodia (October 8 to October 13, 2006)

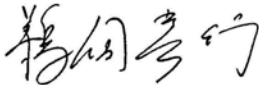
**Minutes of Discussions on the Basic Design Study  
on the Project for Flood Protection and Drainage Improvement  
in the Municipality of Phnom Penh (Phase II)  
(Explanation of Draft Final Report)**

From January to February 2006, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Basic Design Study Team on the Project for Flood Protection and Drainage Improvement in the Municipality of Phnom Penh (Phase II) (hereinafter referred to as "the Project") to the Kingdom of Cambodia (hereinafter referred to as "Cambodia"), and through discussions, field survey, and technical examination of the results in Japan, JICA prepared a draft final report of the study.

In order to explain and to consult with concerned officials of the Government of Cambodia on the components of the draft final report, JICA sent to Cambodia the Draft Report Explanation Team (hereinafter referred to as "the Team"), which is headed by Mr. Hikoyuki UKAI, Deputy Resident Representative, JICA Cambodia Office from October 8 to 13, 2006.

As a result of discussions, both sides confirmed the main items described on the attached sheet.

Phnom Penh, October 12, 2006



Hikoyuki Ukai  
Leader  
Basic Design Study Team  
Japan International Cooperation Agency



Keat Chhak Tema  
Governor  
Municipality of Phnom Penh  
Kingdom of Cambodia



## ATTACHMENT

### 1. Components of the Draft Final Report

The Cambodian side has agreed and accepted in principle the components of the draft final report explained by the Team.

### 2. Japan's Grant Aid Scheme

The Cambodian side understands the Japan's Grant Aid scheme and the necessary undertakings 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 sides on January 18, 2006.

### 3. Schedule of the Study

JICA will complete the final report in accordance with the confirmed items and send it to the Government of Cambodia by the end of November, 2006.

### 4. Other Relevant Issues

- 4-1 The Cambodian side understands the schedule of the Project after the Exchange of Notes (E/N).
- 4-2 The Cambodian side understands that restoration of the revetment beside the Chakto Mukh National Theater may cause a negative impact to the downstream bank. The Cambodian side shall be responsible for the improvement of the downstream revetment, and take any necessary measures if any problem occurs to the adjacent area of the revetment restored by Japan's Grant Aid.
- 4-2.1 The Cambodian side shall allocate enough budget and qualified staff to properly and effectively operate/maintain the facilities and equipments supplied by the Project. To secure this, the Cambodian side agrees to actually implement ten (10) percent of the water rate guaranteed as necessary financial resource for the maintenance of the sewage and drainage facilities.
- 4-3 The Cambodian side agrees to undertake the procedures described below in accordance with the schedule of the Project;
- Distribution of electricity line to the substation facilities:  
before the start of the construction of pumping stations.
  - Approval of electricity usage at the pumping stations, installation of electrical power meters: before the start of the construction of the Project.

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- Approval of water supply to the pumping stations, installation of water meters:  
before the start of the construction of the Project.
- Organizing meetings to explain about the construction works to the local residents:  
before the start of the construction of each area.
- Approval of construction inside the premises of the Chakto Mukh National Theater:  
before the start of the construction of the Project.
- Approval to use the school ground of Trabek High School for a temporary space to  
place the soil from the construction works:  
before the start of the construction of the Project.
- Securement of land-waste disposal site (Approval to use the Stoeung Meanchey  
land-waste disposal site): before the start of the construction of the Project.
- Tax exemption and customs clearance: at the disembarkation of the products.

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