

**Minutes of Discussions**  
**on the Preliminary Study on the Project for**  
**Rehabilitation of Telephone Network in Benguela and Lobito Exchange Areas**  
**in the Republic of Angola**

In response to the request from the Government of the Republic of Angola (hereinafter referred to as "Angola"), the Government of Japan decided to conduct a Preliminary Study on the Project for Rehabilitation of Telephone Network in Benguela and Lobito Exchange Areas (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to Angola the Preliminary Study Team (hereinafter referred to as "the Team"), which is headed by Mr. Hidenori Kumagai, Team Director of Technical Coordination and Examination Team, Grant Aid Management Department, JICA, and is scheduled to stay in the country from July 25 to August 15, 2006.

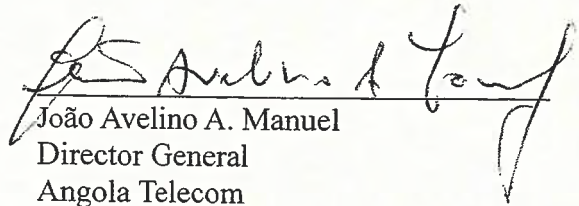
The Team held discussions with the officials concerned of the Government of Angola and conducted a field survey at the study area.

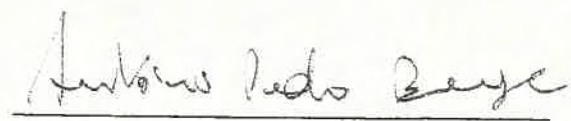
As a result of discussions and field survey, both parties confirmed the main items described in the attached sheets.

Luanda, August 2, 2006

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Japan International Cooperation Agency

  
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## ATTACHMENT

### 1. Objective

The objective of the Project is to improve and support the communications among public organizations, institution, communities and persons in the country of Angola through establishing a new network of telecommunication cables in Benguela and Lobito exchange areas.

In the original request made by the Angolan side, rehabilitation of the existing outside telecommunication cable network in Benguela and Lobito exchange areas were requested for Japan's Grant Aid. However, a strategy of configuring a "Next Generation Network" throughout the country was established by Angola Telecom in the end of 2005, and thus the requested items to the Government of Japan were modified.

### 2. Project Sites

The Project sites are Benguela and Lobito, shown in Annex-1.

### 3. Responsible Organization and Implementing Agency

- 1) The responsible organization is the Ministry of Posts and Telecommunications.
- 2) The implementing agency is the Angola Telecom. The organization chart of Angola Telecom is shown in Annex-2.

### 4. Items Requested by the Government of Angola

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

### 5. Japan's Grant Aid Scheme

- 1) Angolan side understands the Japan's Grant Aid scheme explained by the Team as described in Annex-4
- 2) Angolan side will take necessary measures, as described in Annex-5, for smooth implementation of the Project, as a condition for the implementation of Japan's Grant Aid.

### 6. Schedule of the study


The Team will continue to study in Angola until the middle of August, and in Japan until the end of September 2006. JICA will send the Basic Design Study Team to Angola subject to



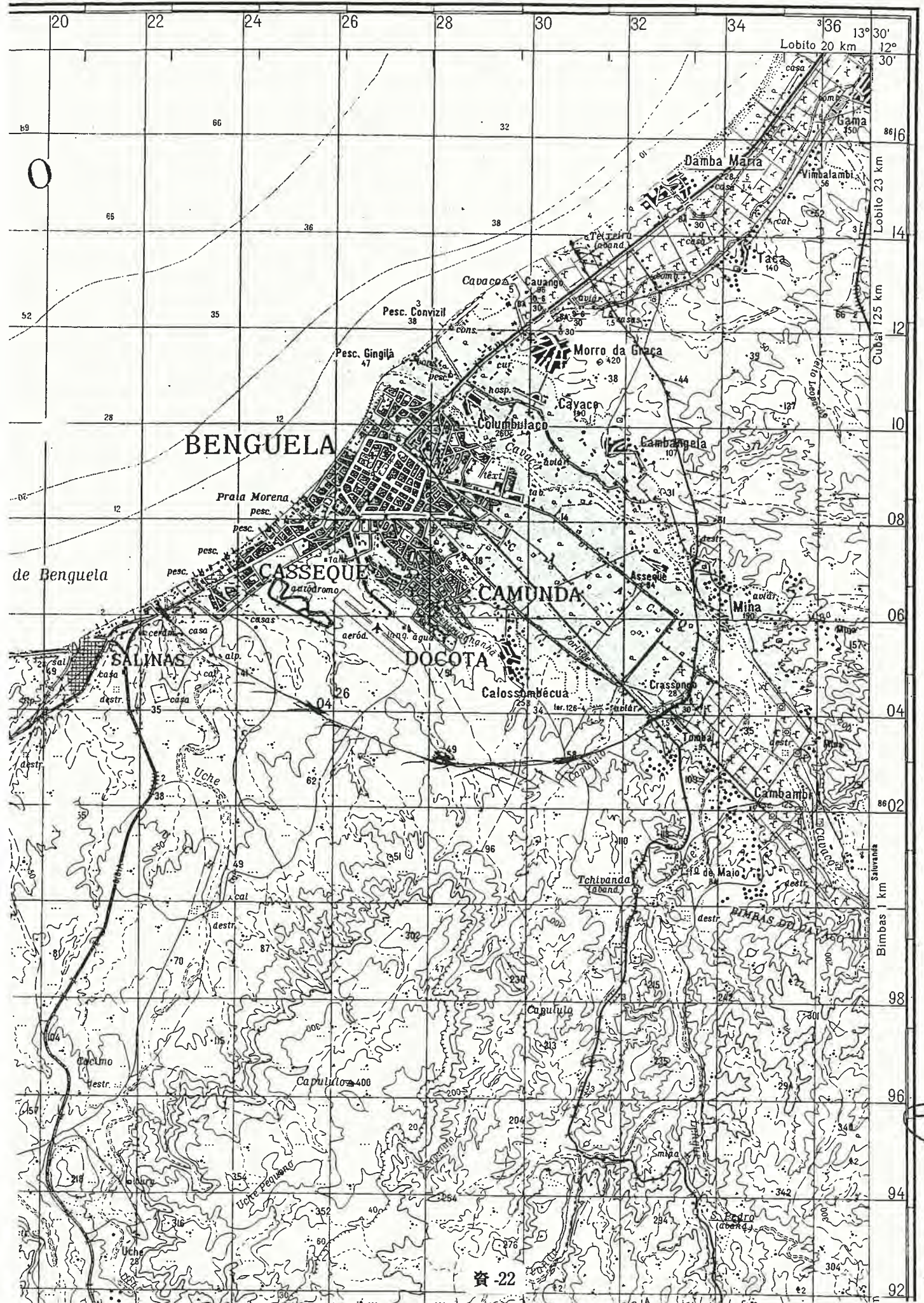
the instruction by the Ministry of Foreign Affairs of Japan, only if the Project is deemed feasible as Japan's Grant Aid, based on the results of the Preliminary Study.

## 7. Other Relevant Issues

- 1) Angolan side guarantees that the Project requested to the Japanese Government does not overlap or have any duplication with other projects requested or planned to be implemented by any other funds/finances from a third country.
- 2) Rehabilitation of part of the existing outside telecommunication cable network in Benguela and Lobito exchange areas, 7,500 pairs for each area, is now planned to be implemented by a Chinese fund. Facilities and equipment for 'RSU or Media Gateway', which is not mentioned as a requested item to the Government of Japan in Annex-3 are also planned to be financed by China and Angola Telecom. For the Benguela and Lobito area of this project is due to start by September 2006, and be completed before the end of the year 2008. Angolan side shall inform the Japanese side about the progress of the above mentioned projects.
- 3) Angolan side shall decide the area to establish the 'RSU or Media Gateway' in both Benguela and Lobito city, and inform the decided sites to the Japanese side by the end of 2006. The information is a condition to proceed to the Basic Design Study once the Project is deemed feasible as Japan's Grant Aid.
- 4) In case any change or modification occurs to the information provided to the Team during the study period, Angolan side agrees to report the matter promptly to JICA for an accurate conclusion of the study.
- 5) Angolan side requested a counterpart training in Japan concerning the new technology to be implemented and introduced by the Project, as a technical cooperation by JICA. Angolan side understands that another official request for the counterpart training will be necessary to be submitted to the Japanese side through the Embassy of Japan.
- 6) Shall any difference found between this Minutes of Discussions written and signed both in English and Portuguese, both sides agree that the English version is to be applied as authentic.
- 7) The major participants of the Preliminary Study are listed as Annex-6.



BENGUELA



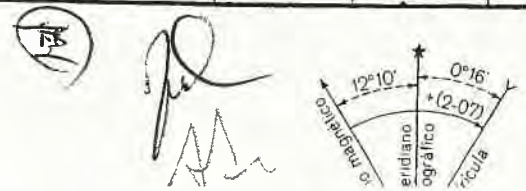
Handwritten marks and signatures in the bottom right corner, including a circled 'B' and a large signature.



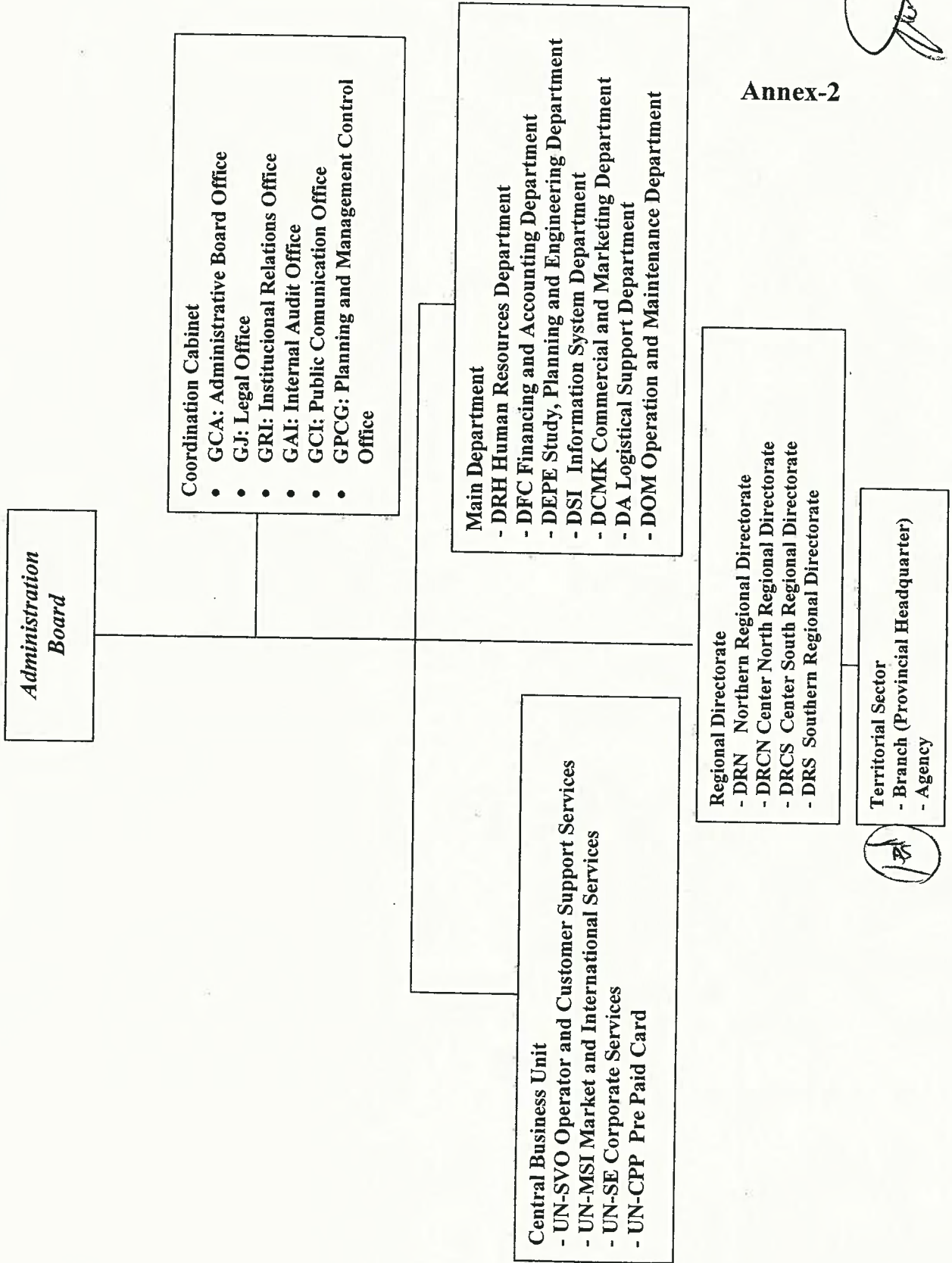
A declinação magnética, calculada em 1982, é de  $12^{\circ}10'$  (2-03) W. A convergência média dos meridianos é de  $0^{\circ}16'$  (0-04) E. Aplicando a bússola à quadrícula da carta, o desvio médio da agulha magnética é de  $12^{\circ}26'$  (2-07) W. A variação anual da declinação é de  $0^{\circ}10'$  (0-03) E. A correção em rumo na passagem ao azimute magnético é de + (2-07).

**資-23**

Nota: entre parêntesis estão indicadas as divisões de goniómetro (cada divisão corresponde a 3',6)



**Organization Chart of Angola Telecom 2006**



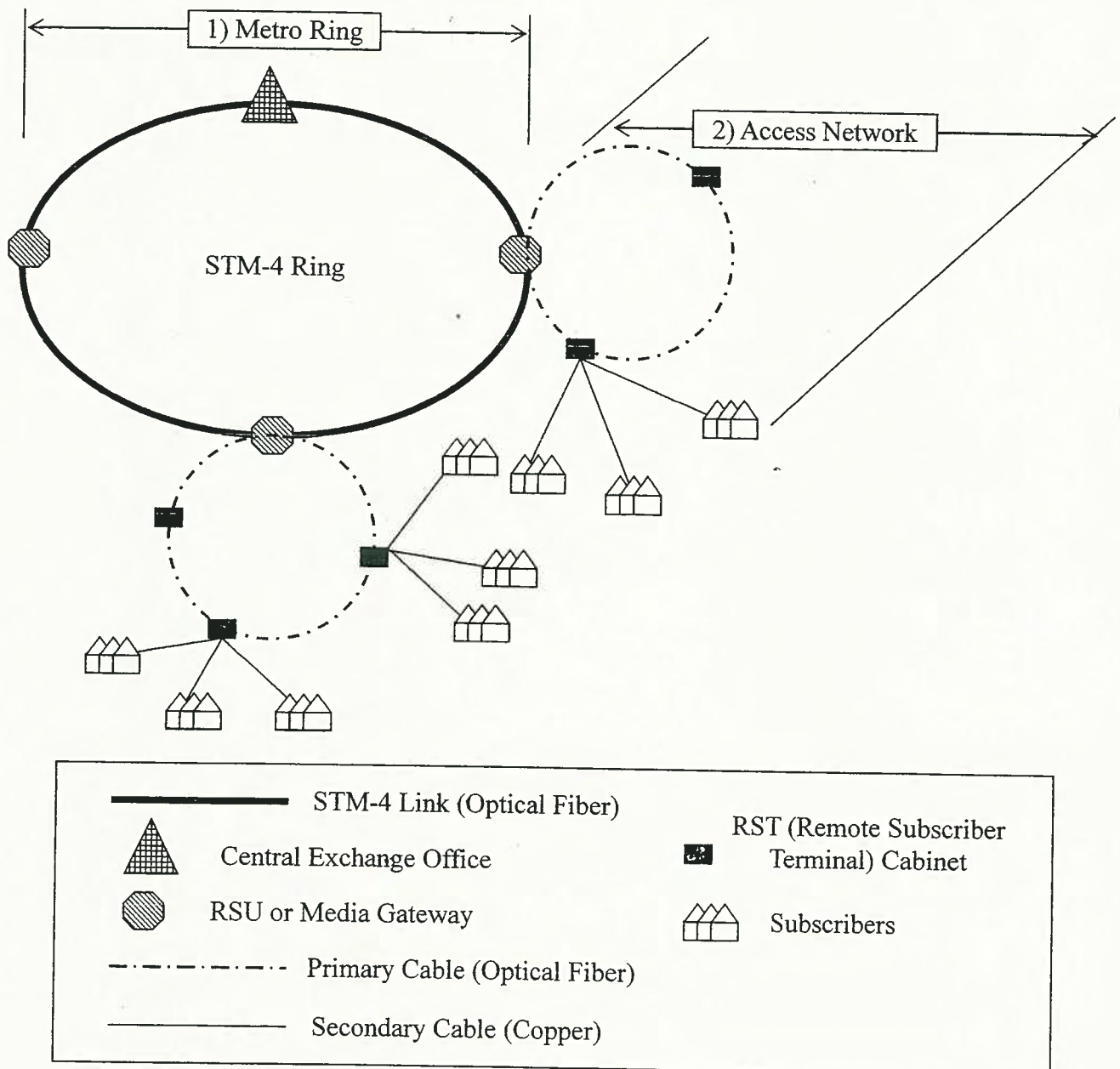
Annex-2

Requested Items

1. The main components of the request are;

- 1) Construction of Metro Ring Network (Benguela / Lobito)
- 2) Construction of a new outside telephone network (Access Network) of 10,000 pairs

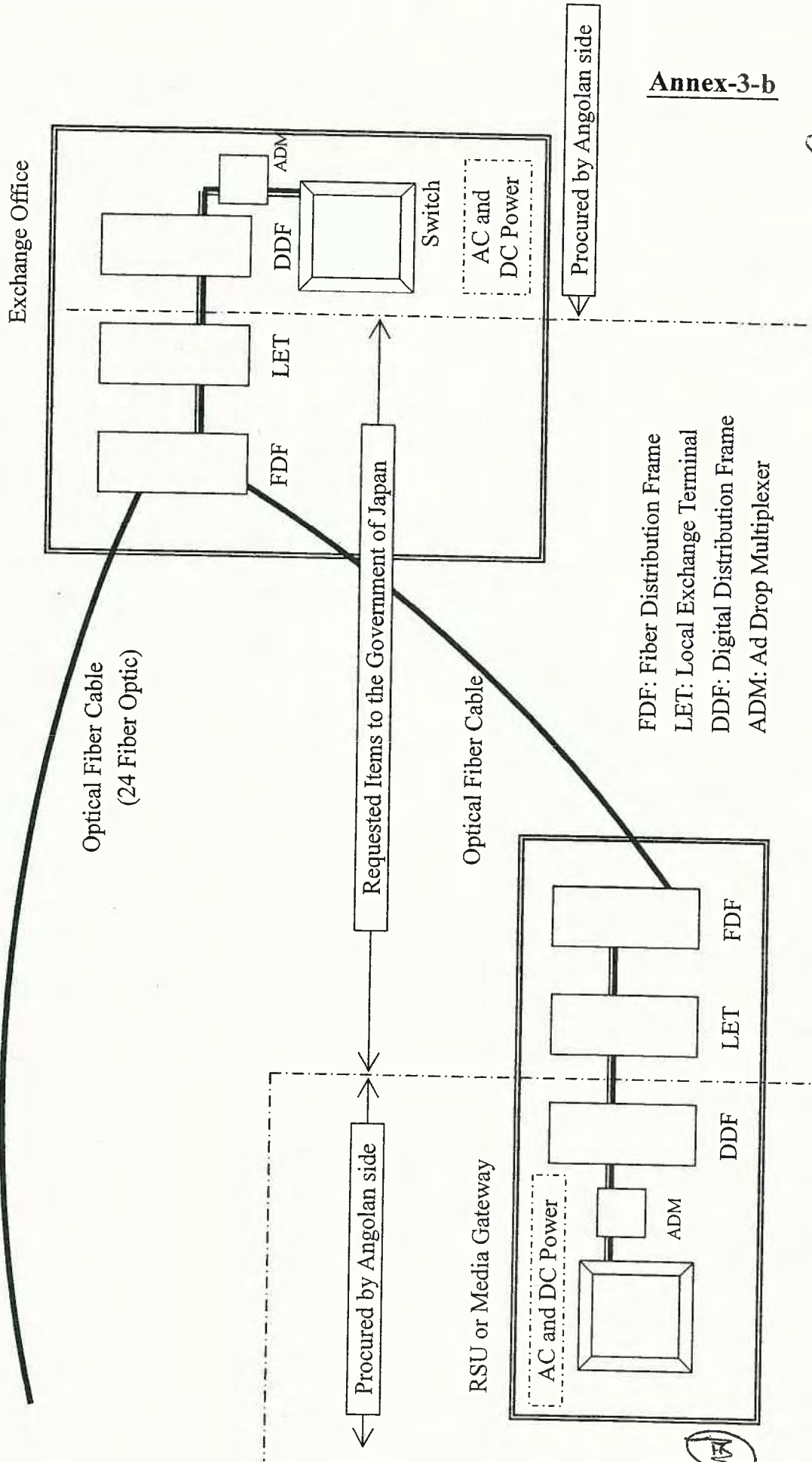
2. The systematic structures are as described below;



3. The configuration of each network and requested items to the Japanese Government are described in Annex-3-b and Annex-3-c.

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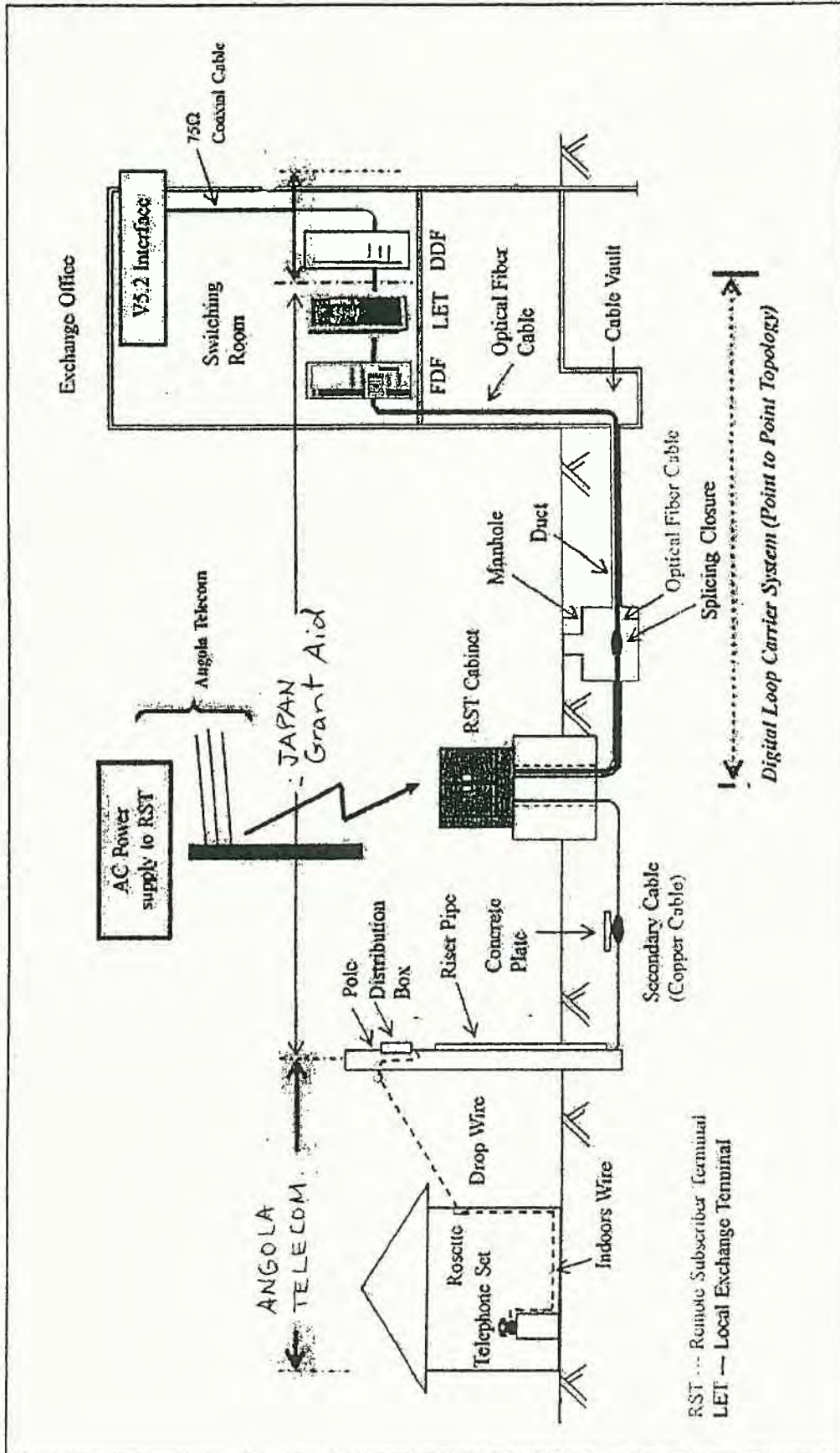
**Metro Ring Network Configuration**





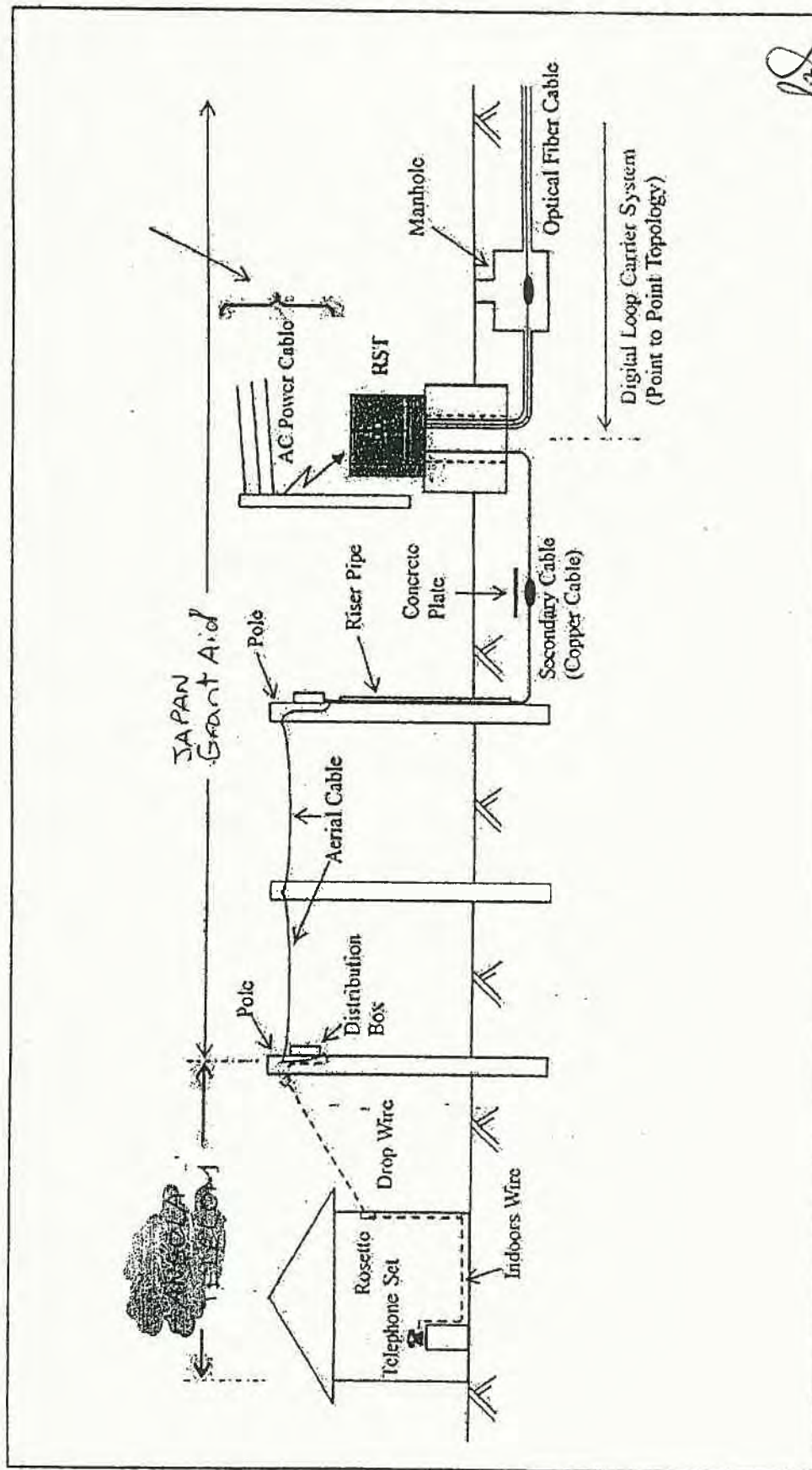
RAA

Typical DLC & OSP Network Configuration (1/2)



RAA

Typical DLC & OSP Network Configuration (2/2)



## 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 scheme is executed through the following procedures:

- |                                 |   |
|---------------------------------|---|
| Application                     | (Request made by the recipient country)                                     |
| Study                           | (Basic Design Study conducted by JICA)                                      |
| Appraisal & Approval            | (Appraisal by the Government of Japan and Approval by the Cabinet)          |
| Determination of Implementation | (The Note exchanged between the Governments of Japan and 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 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 (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 Government of Japan. The contents of the Study are as follows:

- 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.
- 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 on by both parties concerning the basic concept of the Project.
- Preparation of a basic design of the Project.
- 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 the 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 consulting 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 consultant 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.

(B)



### 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.

(2) "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 national 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 "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.

#### (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 following:

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

- d) To ensure all the expenses and prompt excursion 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 will 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 the 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 Arrangements (B/A)

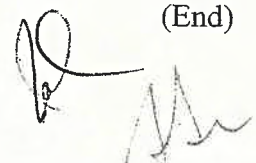
- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in a bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover 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.

(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.

TS

(End)



## 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 provide facilities for the distribution of electricity		
	1) The distributing line to the site		●
	2) The drop wiring and internal wiring within the site		●
	3) The main circuit breaker and transformer		●
3	To bear the following commissions to a bank of Japan for the banking services based upon the B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
4	To ensure prompt unloading and customs clearance at the port of disembarkation in recipient country.		
	1) Marine(Air) transportation of the products from Japan to the recipient country	●	
	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	(●)	(●)
5	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		●
6	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		●
7	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid		●
8	To bear all the expenses, other than those to be borne by the Grant Aid, necessary for the transportation and installation of the equipment		●

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

**Major List of Participants of the Preliminary Study**

**【Angolan Side】**

- Ministry of Post and Telecommunications
  - Sr. António Pedro Bengé Director, International Relations Department
  - Sra. Luisa Nanizeyi Chief, Cooperation and Development Department
- Angola Telecom
  - Sr. Lundoloca Garcia Director, Study, Planning & Engineering Department
  - Sr. Manuel D. Almeida Neto Deputy Director,  
Study, Planning & Engineering Department
  - Sr. Antonio Barradas Assistant, Study, Planning & Engineering Department
  - Sr. Lourenco Piedade Manager, Access Network Division,  
Study, Planning & Engineering Department

**【Japanese Side】**

- Mr. Hidenori Kumagai Team Director, Technical Coordination &  
Examination Team, Grant Aid Management Dept.,  
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- Ms. Mariko Komazaki ICT & Governance Team,  
Grant Aid Management Dept., JICA
- Ms. Michiko Suka Project Formulation Advisor,  
JICA South Africa Office
- Mr. Kenichi Jogo Pantel International
- Mr. Hirotaka Yoshioka Japan Development Service Co., Ltd.
- Mr. Takeshi Kikukawa Centinos, inc.
- Mr. Carlos Alberto  
Hiroshi Kimura Japan International Cooperation Center

