

**RECORD OF DISCUSSIONS
BETWEEN THE RESIDENT REPRESENTATIVE OF JICA EGYPT OFFICE
AND AUTHORITIES CONCERNED OF
THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT
ON JAPANESE TECHNICAL COOPERATION FOR
THE PROJECT FOR IMPROVEMENT OF MANAGEMENT CAPACITY OF
OPERATION AND MAINTENANCE FOR SHAPWASCO
IN THE ARAB REPUBLIC OF EGYPT**

The Resident Representative of the Japan International Cooperation Agency (hereinafter referred to as “JICA”) in the Arab Republic of Egypt exchanged views and had a series of discussions with the authorities concerned of the Government of The Arab Republic of Egypt with respect to desirable measures to be taken by JICA and the Government of the Arab Republic of Egypt for the successful implementation of the technical cooperation concerning Project for Improvement of Management Capacity of Operation and Maintenance for Sharkia Potable Water and Sanitation Company (hereinafter referred to as “SHAPWASCO”) in the Arab Republic of Egypt.

As a result of the discussions, and in accordance with the provisions of the Agreement on Technical Cooperation between the Government of Japan and the Government of the Arab Republic of Egypt, signed in Tokyo on June 15, 1983 (hereinafter referred to as “the Agreement”), the Resident Representative of JICA in the Arab Republic of Egypt and Egyptian authorities concerned agreed on the matters referred to in the document attached hereto.

Cairo, , 2006

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Resident Representative
JICA Egypt Office
Japan International Cooperation Agency
Japan

Dr.Abdelkawi Khalifa,
Chairman,
Holding Company for Water and Wastewater
The Arab Republic of Egypt

Amb.
Assistant Minister for International Cultural
Scientific Relations and Technical Cooperation
Ministry of Foreign Affairs,
The Arab Republic of Egypt

Dr.Salah Bayoumi,
Chairman,
Sharkia Potable Water and Sanitation Company

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DRAFT VERSION**ATTACHED DOCUMENT****I. COOPERATION BETWEEN THE EGYPTIAN GOVERNMENT AND JICA**

1. The Government of the Arab Republic of Egypt will implement the Project for Improvement of Management Capacity of Operation and Maintenance for SHAPWASCO (hereinafter referred to as “the Project”) in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan as shown in ANNEX 1.

II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan, and the provisions of the Article III of the Agreement, JICA will take, at its own expense, the following measures according to the normal procedures of its technical cooperation scheme.

1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of Japanese experts as listed in ANNEX 2. The provision of Article VII of the Agreement will be applied to the above-mentioned experts.

2. TRAINING OF EGYPTIAN PERSONNEL IN JAPAN

JICA will receive Egyptian counterpart personnel of the Project for their technical training in Japan.

3. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide machinery, equipment and other materials (hereinafter referred to as “the Equipment”) necessary for the implementation of the Project. Tentative list of equipment to be procured is shown in ANNEX 3. The provision of Article VII of the Agreement will be applied to the Equipment.

III. MEASURES TO BE TAKEN BY THE EGYPTIAN SIDE

1. The Government of the Arab Republic of Egypt will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.

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2. In accordance with the provision of Article III of the Agreement, the Government of the Arab Republic of Egypt will ensure that the technologies and knowledge acquired by the Egyptian nationals as a result of Japanese technical cooperation will contribute to the economic and social development of the Arab Republic of Egypt.
3. In accordance with the provisions of Article IV and V of the Agreement, the Government of the Arab Republic of Egypt, within its legislations, will grant in the Arab Republic of Egypt privileges, exemptions and benefits to the Japanese experts referred to in III-1 below and their families.
4. In accordance with the provisions of Article VII of the Agreement, the Government of the Arab Republic of Egypt will take the necessary measures to receive and use the Equipment provided by JICA under II-3 above and equipment, machinery and materials carried in by the Japanese experts referred to in II-1 above.
5. The Government of the Arab Republic of Egypt will take necessary measures to ensure that the knowledge and experience acquired by the Egyptian counterpart personnel of the Project through technical training in Japan will be utilized effectively in the implementation of the Project.
6. In accordance with the provision of Article IV-(b) of the Agreement, the Government of the Arab Republic of Egypt will provide the services of the Egyptian counterpart personnel of the Project and administrative personnel as listed in ANNEX 4.
7. In accordance with the provision of Article IV-(a) of the Agreement, the Government of the Arab Republic of Egypt will provide the buildings and facilities necessary for the Project as listed in ANNEX 5.
8. In accordance with laws and regulations in force in the Arab Republic of Egypt, the Government of the Arab Republic of Egypt will take necessary measures to supply or replace at its own expense machinery, equipment, instruments, vehicles, tools, spare parts, and any other materials necessary for the implementation of the Project other than the Equipment provided through JICA under II-3 above, as listed in ANNEX 3.
9. In accordance with the laws and regulations in force in the Arab Republic of Egypt, the Government of the Arab Republic of Egypt will take necessary measures to meet the running expenses necessary for the implementation of the Project.

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1. Chairman of Holding Company for Water and Wastewater (hereinafter referred to as “HCWW”) as the Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. Chairman of SHAPWASCO as the Project Manager will be responsible for the managerial and technical matters of the Project.
3. The Japanese Chief Advisor in ANNEX 2 will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.
4. The Japanese experts will give necessary technical guidance and advice to Egyptian counterpart personnel on technical matters pertaining to the implementation of the Project.
5. For the effective and successful implementation of technical cooperation for the Project, a Joint Coordinating Committee will be established whose functions and composition are described in ANNEX 6.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and the Egyptian authorities concerned, during the last six months of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

In accordance with the Provisions of Article VI of the Agreement, the Government of the Arab Republic of Egypt undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in the Arab Republic of Egypt except for those arising from the willful misconduct or gross negligence of the Japanese experts.

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VII. MUTUAL CONSULTATION

There will be mutual consultation between JICA and the Government of the Arab Republic of Egypt on any major issues arising from, or in connection with, this Attached Document.

VIII. MEASURES TO PROMOTE UNDERTAKING AND SUPPORT FOR THE PROJECT

For the purpose of promoting support for the Project among the people of the Arab Republic of Egypt, the Government of the Arab Republic of Egypt will take appropriate measures to make the Project widely known to the people of the Arab Republic of Egypt.

IX. TERM OF COOPERATION

The duration of the technical cooperation for the Project under this Attached Document will be three (3) years from the date when the expert team arrives in 2006.

- ANNEX 1 MASTER PLAN
- ANNEX 2 LIST OF JAPANESE EXPERTS
- ANNEX 3 LIST OF MACHINERY AND EQUIPMENT
- ANNEX 4 LIST OF EGYPTIAN COUNTERPART AND ADMINISTRATIVE PERSONNEL
- ANNEX 5 LIST OF BUILDINGS AND FACILITIES
- ANNEX 6 JOINT COORDINATING COMMITTEE

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ANNEX 1: MASTER PLAN

1. Title of the Project

The title of the Project would be “Project for Improvement of Management Capacity of Operation and Maintenance for SHAPWASCO in the Arab Republic of Egypt”.

2. Implementing Organization

SHAPWASCO would be the implementing agency for the Project.

3. Purpose of the Project

Management capacity of operation and maintenance of water supply facilities is improved in target areas.

4. Outputs

- (1) Unaccounted-for water (UFW) ratio is reduced in the pilot project areas.
- (2) Operation and maintenance capacity of water supply facilities is strengthened.

5. Activities

- (1-1) Analyze the current situation on UFW and prepare an action plan for UFW reduction
- (1-2) Select pilot project areas
- (1-3) Organize UFW reduction teams
- (1-4) Prepare pipe network drawings of the pilot project areas
- (1-5) Survey actual conditions of UFW, analyze contents of UFW and measure UFW ratio in the pilot project area
- (1-6) Conduct On-the-job training for SHAPWASCO staff on leakage detection
- (1-7) Implement pipe repairing and commercial loss reduction programs
- (1-8) Conduct public awareness campaign for water saving
- (1-9) Conduct post-evaluation of UFW ratio

- (2-1) Survey current conditions of water supply facilities
- (2-2) Conduct monitoring of wells
- (2-3) Organize standard operational procedures (SOPs) team
- (2-4) Establish the system for water quality control
- (2-5) Establish the system to measure the quantity of water production and transmission
- (2-6) Study on optimum water distribution main with network hydraulic analysis and plan district-metering-zone (DMZ)
- (2-7) Prepare SOPs for WTP, Fe/Mn removal plants and pumping stations
- (2-8) Prepare textbooks for SOPs training
- (2-9) Conduct On-the-Job training for SHAPWASCO staff on SOPs
- (2-10) Conduct workshop / seminars for SOPs
- (2-11) Monitor the performance indicator regarding operation and maintenance and achievement level of staff performance

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ANNEX 2: LIST OF JAPANESE EXPERT

1. Fields of Experts

- 1) Water Supply Planning (Chief Advisor)
- 2) Unaccounted-for Water Reduction
- 3) Leakage Detection
- 4) Water Treatment
- 5) Hydraulic Analysis for Network
- 6) Electrical Equipment
- 7) Mechanical Equipment
- 8) Water Quality Control
- 9) Hydro-geology

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ANNEX 3: LIST OF MACHINERY AND EQUIPMENT

1. Machinery, equipment, tools and materials for reduction of UFW and reinforcement of operational and maintenance capacity of water supply facilities
2. Other machinery, equipment and materials regarded as necessary for effective implementation of the Project by both sides

Note:

1. The above mentioned equipment is limited to the equipment necessary for the transfer of technology by the Japanese experts.
2. The contents, specifications and quantity of the above mentioned equipment to be provided each year will be decided through mutual consultations based on the annual plan of the Project, within the allocated budget of the Japanese fiscal year.

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ANNEX 4: LIST OF EGYPTIAN COUNTERPART AND ADMINISTRATIVE PERSONNEL

1. Counterpart personnel

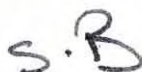
- (1) Dr. Salah Bayoumi, Chairman
- (2) Eng. Alaa El Deen Mohamed Ali, Economic Analysis and Planning Dept.
- (3) Eng. Mohamed Mohamed Gaber, Network Affairs
- (4) Eng. Amir Rizk Yousof, Water Affairs
- (5) Eng. Ali Mohamed Ali Kamel, Projects & Researches Dept.
- (6) Eng. Ibraheem Mohamed Shaheen, Projects & Researches Dept.
- (7) Eng. Ali Mohamed El Mesallamy, Water Treatment Plants
- (8) Mr. Mohamed Osama El Masry, Central Lab.
- (9) Geo. Gamal Abd El Hameed Morsy, Water Affairs

Note; Counterpart personnel will be added as the need arises for the smooth and effective implementation of the Project

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ANNEX 5: LIST OF BUILDINGS AND FACILITIES

1. Land, buildings and facilities necessary for the Project
2. Rooms and spaces necessary for installation and storage of the equipment
3. Office space and facilities necessary for the Japanese experts
4. Facilities and services such as electricity, gas, water supply, telephone, internet access and furniture necessary for the Project activities
5. Other facilities mutually agreed upon as necessary



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ANNEX 6: JOINT COORDINATING COMMITTEE

1. Functions

The Joint Coordinating Committee will be held at least once a year and whenever necessity arises in order to fulfill the following functions;

- (1) To review the overall progress of the Project and achievement of the technical cooperation programme as well as the Annual Plan of Operation,
- (2) To review and exchange views on major issues arising from or in connection with the Project.

2. Composition

(1) Chairman

Chairman, HCWW

(2) Committee Members

a) Egyptian side

- Chairman, SHAPWASCO
- Representative(s), SHAPWACO
- Representative, NOPWASD
- Representative, Sharkia Governorate
- Other personnel as required

b) Japanese side

- Chief Advisor
- Experts
- Representatives of the JICA Egypt Office
- Other personnel concerned to be dispatched by JICA, if necessary

Note: Official(s) of the Embassy of Japan may attend the Joint Coordinating Committee as observer(s).

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