

## **Appendices**

## Appendix 1. Members of the Study Team

### 1) Field Survey

Team Leader	Mr. Kazuhisa ARAI	Team Director of ICT (Information and Communication Technology) and Governance Team, Project Management Group I, Grant Aid Management Department, JICA
Project Coordinator	Mr. Nobutaka KONDO	ICT and Governance Team, Project Management Group I, Grant Aid Management Department, JICA
Chief Consultant / O&M Specialist	Mr. Noboru MIHARA	Airport Development Department, Pacific Consultants International (PCI)
Equipment Specialist 1/ Telecom System Specialist	Mr. Yasuo FURUSAWA	Airport Development Department, PCI
Equipment Specialist 2	Mr. Keigo ISHII	Airport Development Department, PCI
Procurement and Cost Estimation Engineer	Mr. Hidehisa YOSHIDA	Airport Development Department, PCI

### 2) Explanation of Draft Basic Design

Team Leader	Mr. Toshiyuki IWAMA	Team Director of ICT and Governance Team, Project Management Group I, Grant Aid Management Department, JICA
Project Coordinator	Mr. Nobutaka KONDO	ICT and Governance Team, Project Management Group I, Grant Aid Management Department, JICA
Chief Consultant / O&M Specialist	Mr. Noboru MIHARA	Airport Development Department, PCI
Equipment Specialist 1/ Telecom System Specialist	Mr. Yasuo FURUSAWA	Airport Development Department, PCI

Appendix 2-1. Study Schedule (Field Survey)

No.	Date		Team Leader (JICA)	Project Coordinator (JICA)	Chief Consultant / O&M Planning	Equipment Planning 1 / Telecommunications System Planning	Equipment Planning 2	Procurement Planning / Procurement Cost Estimate					
			ARAI Kazuhisa	KONDO Nobutaka	MIHARA Noburu	FURUSAWA Yasuo	ISHII Keigo	YOSHIDA Hidehisa					
1	1-Jun	Thu						NRT→MNL (JAL741)					
2	2-Jun	Fri						Preparation of Site Survey					
3	3-Jun	Sat						Ditto					
4	4-Jun	Sun						NRT→MNL (JAL741)	Ditto				
5	5-Jun	Mon						Courtesy call on EOJ, JICA, NEDA, DOTC, PCG, and Explanation and Discussion on Inception Report	Survey and Collection of Environment and Soil Data	Preparation of the Survey and Instruction to Local Engineer			
6	6-Jun	Tue						Confirmation of Background, Objectives and Description of the Project, and Confirmation of the Past Projects and Other Donor's Projects	Preparation of the Survey and Instruction to Local Engineer	Ditto			
7	7-Jun	Wed						Study on Operation and Maintenance (O&M), and Confirmation and Study on PCG's Work Portion	Survey on Procurement	Survey on Procurement			
8	8-Jun	Thu						Site Survey at Manila Operation Center and Transmitting (Tx) Station					
9	9-Jun	Fri						Site Survey at H3CGD Zamboanga	Study on Equipment Planning	Site Survey at H6CGD Iloilo			
10	10-Jun	Sat						Preparation of the Survey and Instruction to Local Engineer	Study on Procurement (Visit to Industrial Galvanizers Corporation)				
11	11-Jun	Sun						Review of Obtained Data/Information					
12	12-Jun	Mon	NRT→MNL (JAL741)	Review of the Site Survey Data (Independence Day)									
13	13-Jun	Tue	Discussion with DOTC, PCG on Draft Minutes of Discussion			Site Survey at PCG HQ and H1CGD Manila		Site Survey at H5CGD Batangas					
14	14-Jun	Wed	Signing of Minutes of Discussion, and Report to EOJ, JICA			Site Survey at Manila Receiving (Rx) Station		Site Survey at H7CGD San Fernando					
15	15-Jun	Thu	Study on O&M System	MNL→NRT (JAL742)	Study on O&M System	Site Survey at Manila Sangley Point and Aviation Base		Site Survey at H10CGD Cagayan de Oro					
16	16-Jun	Fri	MNL→NRT (JAL742)		Review of Obtained Data/Information and Site Survey at Tx Station			CGY→MNL, Review of Site Data					
17	17-Jun	Sat	Review of Obtained Data/Information		Review of Obtained Data/Information	Site Survey at H9CGD Legaspi	Site Survey at H4CGD Palawan						
18	18-Jun	Sun	Review of Obtained Data/Information					PPS→MNL, Review of Site Data					
19	19-Jun	Mon	Collection and Analysis of Data/Information		Site Survey at H2CGD Cebu	Collection and Analysis of Data/Information	Survey on Procurement						
20	20-Jun	Tue	Ditto		Site Survey at H8CGD Davao	Ditto	Ditto						
21	21-Jun	Wed	Ditto		Collection and Analysis of Data/Information	Ditto	Collection and Analysis of Data/Information						
22	22-Jun	Thu	Ditto		Ditto	Ditto	Ditto						
23	23-Jun	Fri	Ditto		Ditto	Study on Procurement (Visit to GRANDSPAN Development Corporation)							
24	24-Jun	Sat	Ditto		Ditto	Collection and Analysis of Data/Information	Ditto						
25	25-Jun	Sun	Review of Obtained Data/Information										
26	26-Jun	Mon	Site Survey at PCG Headquarters (MRCC Room)			MNL→NRT (JAL742)	Collection and Analysis of Data/Information						
27	27-Jun	Tue	Collection and Analysis of Data/Information, and Path Survey of Ope Center-Tx Micro Link				Ditto						
28	28-Jun	Wed	Collection and Analysis of Data/Information		Collection and Analysis of Data/Information		Ditto						
29	29-Jun	Thu	Ditto		Ditto		Ditto						
30	30-Jun	Fri	Report to EOJ, JICA and Report to and Discussion with PCG				MNL→NRT (JAL742)						
31	1-July	Sat	Site Survey at Antipolo										
32	2-July	Sun	Collection and Analysis of Data/Information										
33	3-July	Mon	Review of Obtained Data/Information										
			Discussion with CGWCEISS on Technical Note MNL→NRT (JAL742)										

Appendix 2-2. Study Schedule (Explanation of Draft Basic Design)

No.	Date		Team Leader (JICA)	Project Coordinator (JICA)	Chief Consultant / O&M Planning	Equipment Planning 1 / Telecommunications System Planning
			IWAMA Toshiyuki	KONDO Nobutaka	MIHARA Noburu	FURUSAWA Yasuo
1	22-Oct	Sun	/	/	NRT MNL (JAL741)	
2	23-Oct	Mon			Confirmation of Current Status of the Undertaking to be covered by PCG	
3	24-Oct	Tue			NBK MNL (TG624)	Ditto
4	25-Oct	Wed	NRT MNL (JAL745)	Explanation of the Draft Report, Site Observation at Transmitting Station and Antipolo		
5	26-Oct	Thu	Discussion on the Future Outlook of the Project Meeting on the Minutes of Discussions			
6	27-Oct	Fri	Signing of Minutes of Discussion, Report to EOJ, JICA Office			
7	28-Oct	Sat	Site Observation at Transmitting Station			
			MNL NRT (JAL742)			
8	29-Oct	Sun	/	/	MNL NRT (JAL742)	

### Appendix 3. List of Parties Concerned in the Recipient Country

#### Department of Transportation and Communications : DOTC

Mr. Robert R. Castañares	Assistant Secretary for Planning & Project Development
Ms. Elenita D. Asunción	Senior Transport Development Officer, Water Transport Planning Division
Ms. Lourdes T. Pagtalunan	Senior Communications Development Officer
Ms. Josephine B. Rayo-Bondoc	Chief, Water Transport Planning Division

#### Philippine Coast Guard : PCG

Mr. Arthur N. Gosingan	Vice Admiral, Commandant
Mr. Romenilo P Flores	Lieutenant Commander, Assistant Chief of Staff for WCEIS, CG-11
Mr. Luis B. Imperial	Captain, Commander of CGWCEISS (predecessor)
Mr. Ernesto S Caballero	Captain, Commander of CGWCEISS (successor)
Mr. Daniel Inri S. Gayosa	Lieutenant Commander, CGWCEISS
Mr. Josecito B. Quintas	Lieutenant Commander, Deputy Commander of CGWCEISS
Mr. Lino H. Dabi	Captain, Chief of Staff
Mr. Katsuro OKAWACHI	JICA Expert on Coast Guard Administration
Mr. Kozo TANAKA	JICA Expert on PCG Human Resource Development Project

#### National Economic and Development Authority : NEDA

Mr. Kenneth V. Tanate	Chief Economic Development Specialist, Infrastructure Staff, Communications Division
Mr. Augusto s. Pagkalinawan	Supervising Economic Development Specialist, Infrastructure Staff
Ms. Feroisa T. Concordia	Senior Economic Development Specialist, Infrastructure Staff, Transport Division
Ms. Amy B. Benjamin	Supervising Economic Development Specialist, Public Investment Staff
Mr. Joseph Capistrano	Senior Economic Development Specialist, Public Investment Staff

#### The Australian Embassy

Mr. Quinton Devlin	Second Secretary, Political and Public Affairs
Ms. Faith Currey	Second Secretary, Political and Economic Affairs

#### Embassy of the United States

Mr. John R. Groch	Second Secretary, Political Section
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#### Embassy of Japan

Mr. Kazuhiro KUROKAWA	First Secretary, Economic Affairs
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#### JICA Philippines

Mr. Shozo MATSUURA	Resident Representative
Mr. Kenzo IWAKAMI	Deputy Resident Representative
Ms. Arisa OUCHI	Project Formulation Advisor, Program Operation Section (predecessor)
Ms Yayoi HANAI	Project Formulation Advisor, Program Operation Section (successor)

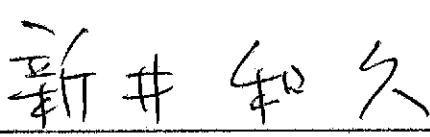
**Minutes of Discussions  
on the Basic Design Study  
on the Project for PCG Communications System Capability Enhancement  
on Maritime Safety & Security  
in the Republic of Philippines**

In response to the request from the Government of the Republic of Philippines, the Government of Japan decided to conduct a Basic Design Study on "the Project for PCG Communications System Capability Enhancement on Maritime Safety & Security" (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent the Basic Design Study Team (hereinafter referred to as "the Team") to Philippines, headed by Mr. Kazuhisa Arai, Team Director, ICT & Governance Team, Grant Aid Management Department, JICA Headquarters, and is scheduled to stay from June 1, 2006 to July 3, 2006.

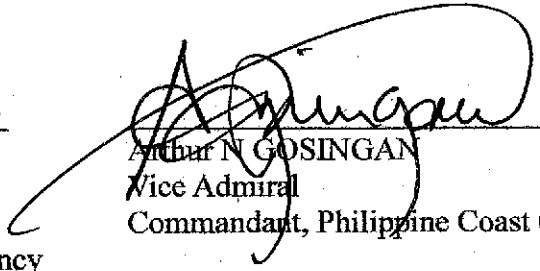
The Team held discussions with the officials concerned of the Government of the Philippines. During the course of the discussions, both sides have confirmed the main items described in the attached sheets. The Team will proceed to further study and prepare the Basic Design Study Report.

Manila, June 14, 2006



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Kazuhisa ARAI  
Leader  
Basic Design Study Team  
Japan International Cooperation Agency



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Arthur N. GOSINGAN  
Vice Admiral  
Commandant, Philippine Coast Guard

## ATTACHMENT

### 1. Objective

The objective of the Project is to improve communications situation of the Philippine Coast Guard (hereinafter referred to as "PCG") and enhance Search & Rescue activities including counter terrorism in the Philippines by procuring and upgrading communication equipment.

### 2. Project Site

The sites of the Project are shown in Annex-1.

### 3. Responsible and Implementing Organizations

- (1) The responsible organization is the Department of Transportation and Communications (DOTC).
- (2) The implementing agency is the PCG. (the organization chart of implementing agency is shown in Annex-2).

### 4. Items Requested by the Philippines Government

After discussions with the Team, the equipment described in Annex-3 were finally requested by the Philippines side. JICA will further assess the appropriateness of the request and will make necessary recommendation to the Government of Japan for approval.

### 5. Japan's Grant Aid Scheme

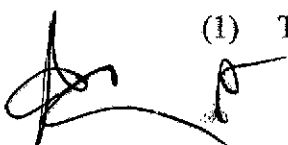
- (1) The Philippines side understands the Japan's Grant Aid scheme and the necessary measures to be taken by the Government of the Philippines as explained by the Team which is described in Annex-4.
- (2) The Philippines side will take necessary measures, as described in Annex-5, for smooth implementation of the Project, as a condition for the Japan's Grant Aid.

### 6. Schedule of the study

- (1) The consultants will proceed to further study in the Philippines until July 3, 2006.
- (2) JICA will prepare the draft report in English and dispatch a mission to the Philippines in order to explain its contents around the beginning of October, 2006.
- (3) In case, the contents of the report are accepted in principle by the Government of the Philippines, JICA will complete the final report and send it to the Government of the Philippines by the end of December, 2006.

### 7. Other Relevant Issues

- (1) The Philippines side agrees to allocate sufficient budget and qualified staff for proper



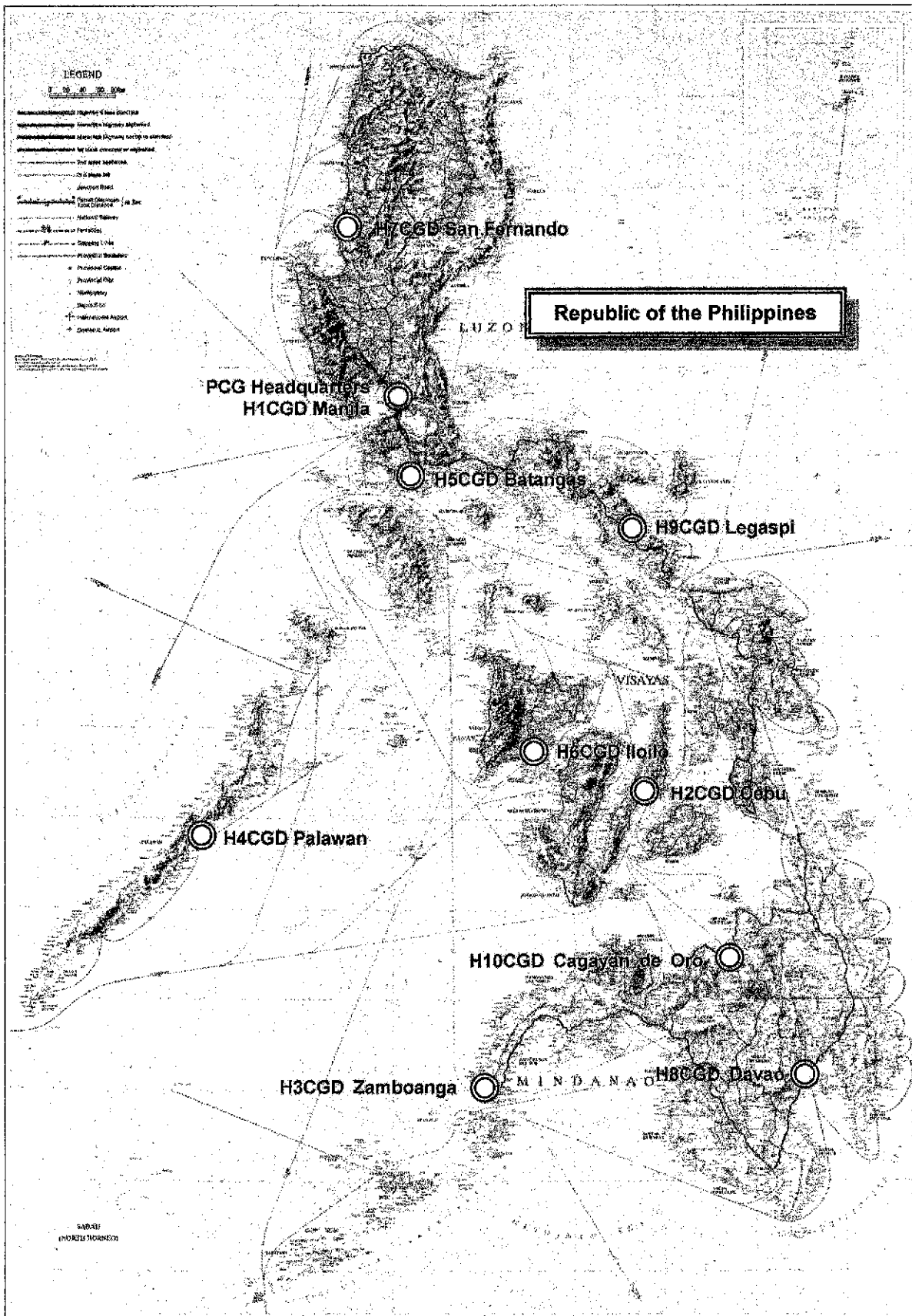
and effective operation & maintenance of the Equipment and the facilities to be provided under the Grant Aid.

- (2) The Team confirmed that the budget to rent a transponder of a satellite for the VSAT communications system has been already secured as described in Annex-7. The Philippines side shall keep on allocating the budget to operate/maintain the satellite system every year continuously.
- (3) The Team also confirmed that the budget to exempt any contractor concerned with the Project from Value Added Tax (VAT) has been secured as described in Annex-8. The Philippines side shall exempt the VAT concerning local procurement of goods and services under the Project to contractors to be selected through tendering procedures of the Japan's Grant Aid scheme.
- (4) Considering installation/maintenance cost and mobility, PCG preferred Ku-band frequency for VSAT communications system than C-band frequency.
- (5) The Philippines side shall complete the following works prior to commencement of the Project.
  - To obtain necessary permission and frequency allocation for the communication systems to be established from the National Telecommunications Committee.
  - To secure necessary space segments for new satellite communication system from a satellite company.
  - To shift or remove the existing equipment and/or facilities, if it is required for the Project.
  - To provide facilities for distribution of stable power supply enough to operate new equipment, if required.
- (6) The Philippines side shall take such measures as follows to secure the site in Manila Transmitting Station.
  - To organize a guard team consists of armed staffs to protect the site from the squatters.
  - To built 2 barracks for the guard team to carry out 24-hour patrol.
  - These 2 works shall be started by the end of August 2006.
  - To build barbed wire fence between the squatters' area and the rest of the site in Manila Transmitting Station so as not to let the squatters intrude into the site. This work shall be started by the beginning of October 2006.
  - To take legal actions to the squatters in the site as necessary.
- (7) The Philippines side shall ensure prompt tax exemption and customs clearance of the materials, equipment and miscellaneous brought for the Project at the port of disembarkation.
- (8) The Philippines side understood that there are several types of technical training (Soft



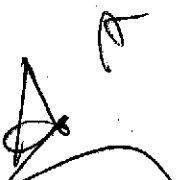
Component, Technical Cooperation, etc.). And also understood the necessity of another official request if they request Technical Cooperation program through diplomatic channels such as the Embassy of Japan and/or the JICA Philippines Office. The Philippines side may request any type of technical training and the Japan side will assess the necessity.

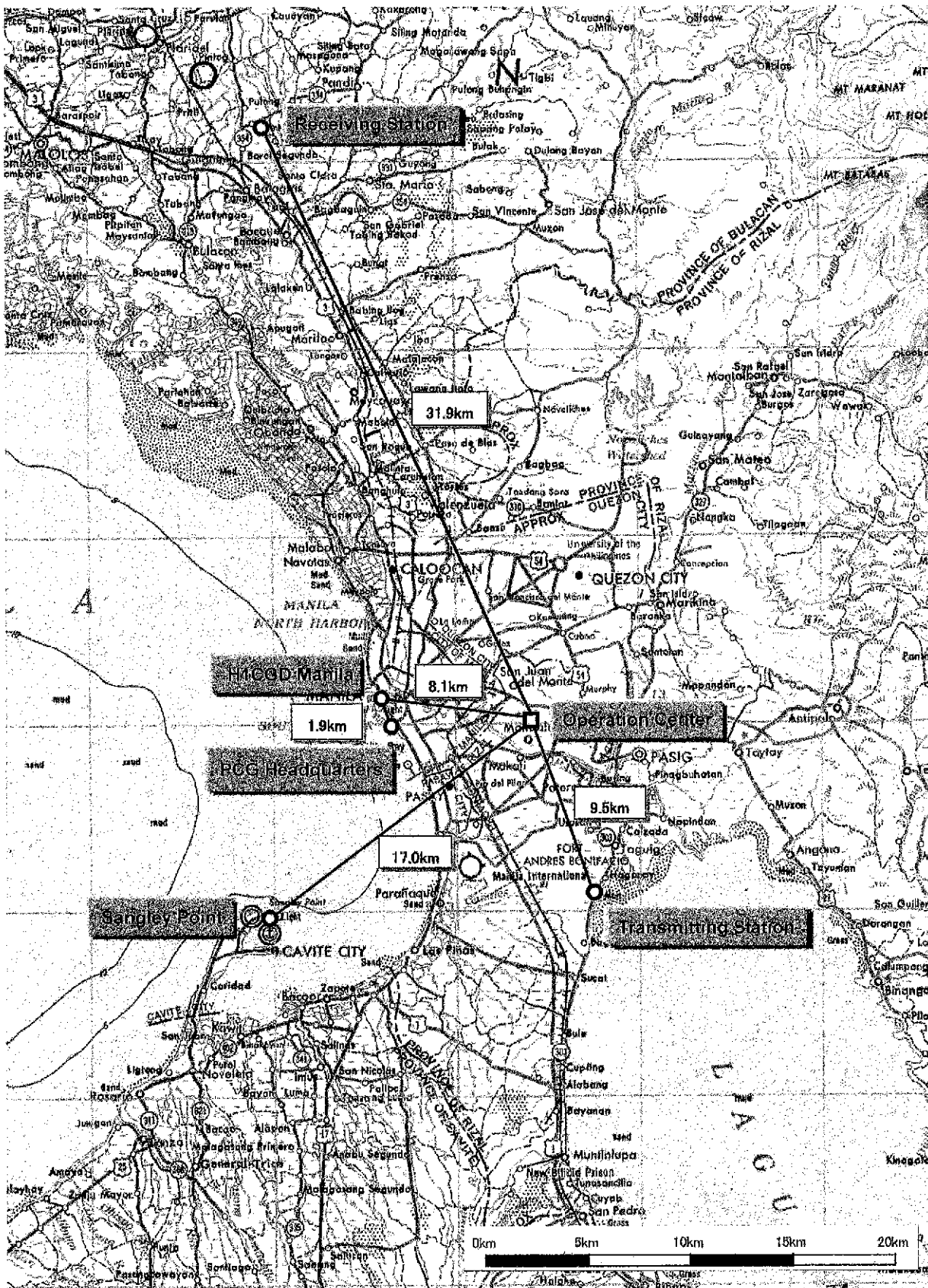
**Location of the Project Sites**



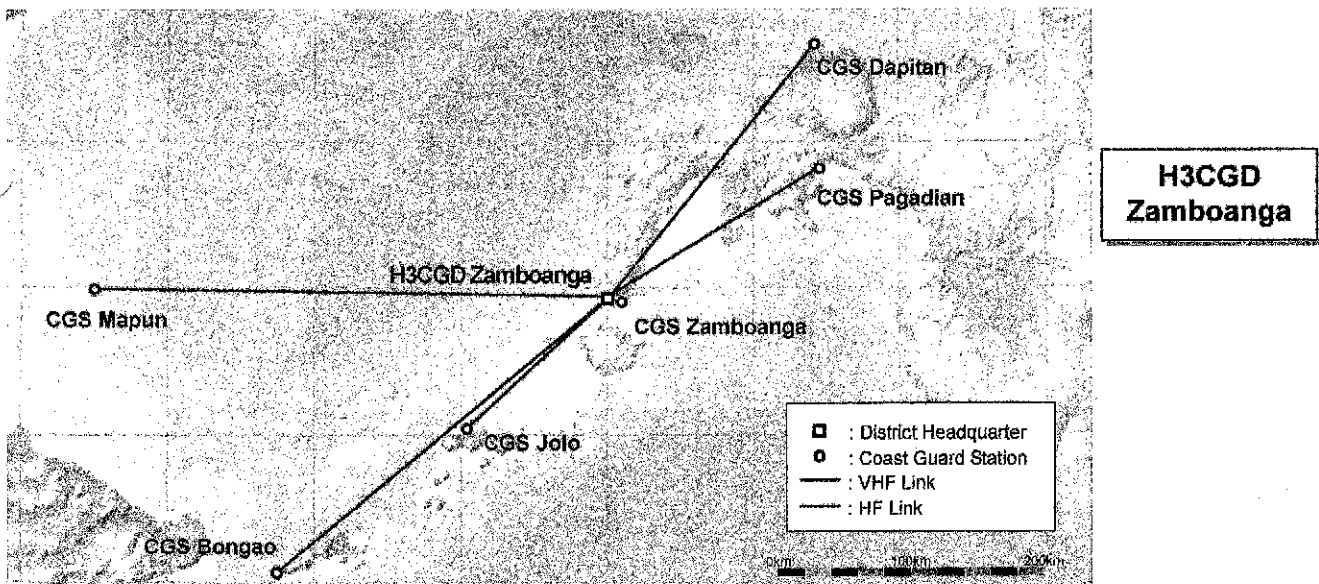
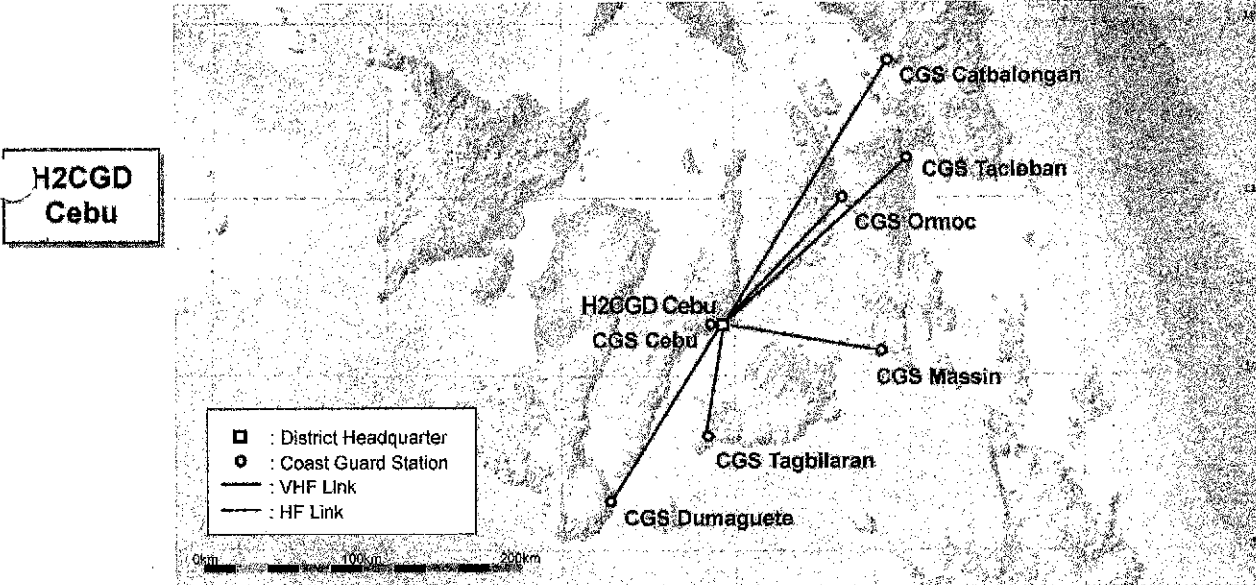
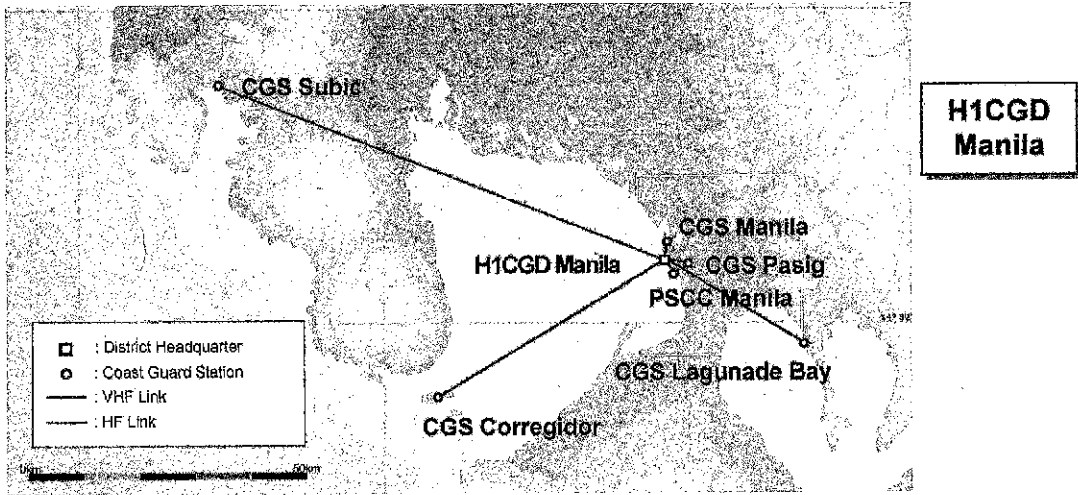
CGD: Coast Guard District

VSAT Link at 10 CGDs





7.5GHz Microwave Link in Manila

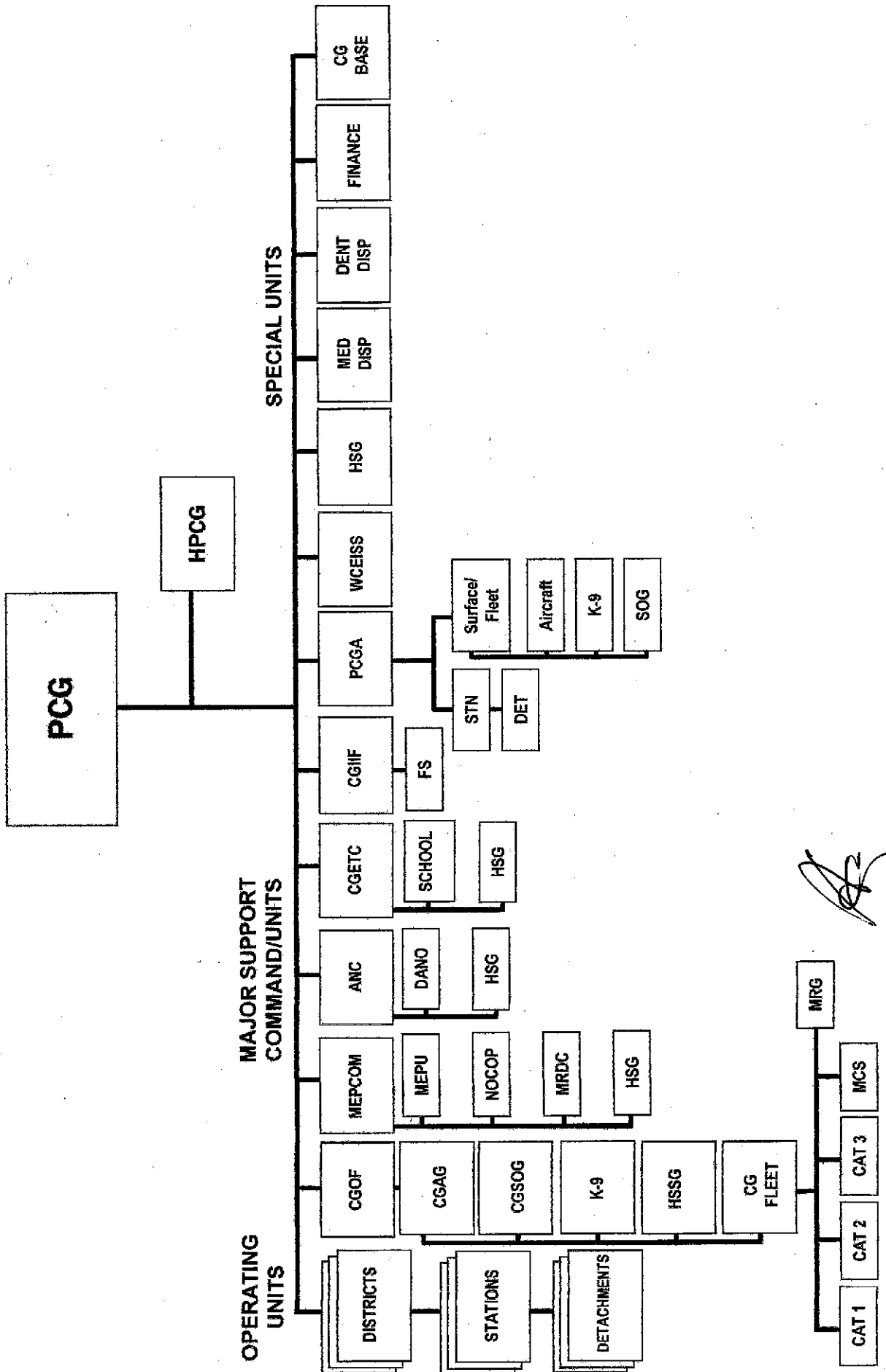


VHF/HF Spur Link at 3 CGDs

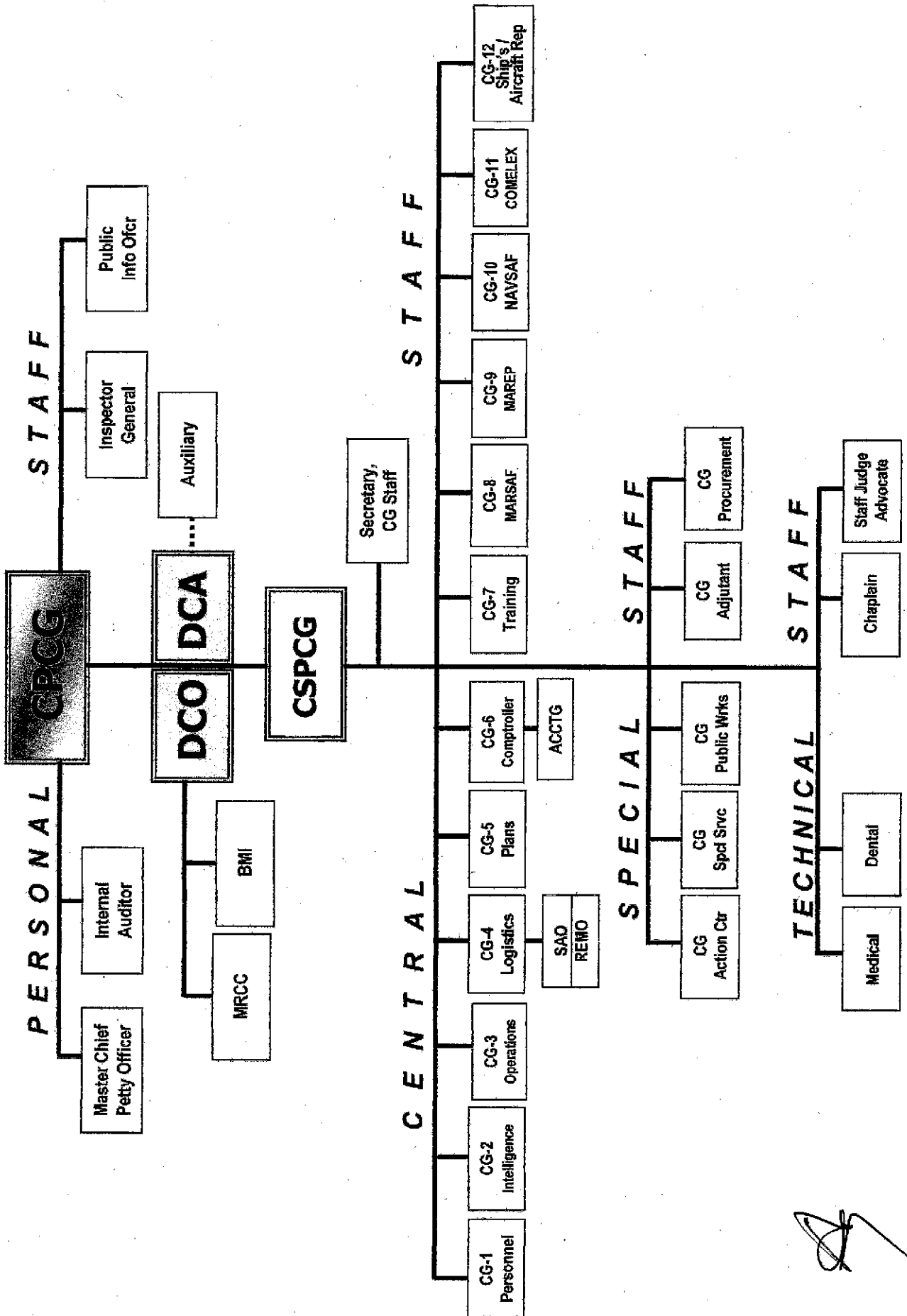
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# PCG ORGANIZATIONAL CHART

Annex-2



# HQS STAFF ORGANIZATION



**Requested Equipment**1. Trunk-line Communication Links (**Priority A**)

Description	Qty	Location			Remarks
VSAT HUB	1	Manila Coast Station			
VSAT FIX	9	CGD*	Cebu, Zamboanga, Palawan, Batangas, Ilo-ilo, San Fernando, Davao, Legaspi, Cagayan De Oro		
7.5GHz Micro	6	Manila Coast Station (Operation Center, Transmitting Station, Receiving Station), Headquarters of PCG, National Capital Region of Central Luzon, Sangley Point			
VSAT Transportable	1	Headquarters of PCG			For disaster area

2. Spur-line Communication Links for H1CGD (Manila), H2CGD (Cebu) and H3CGD (Zamboanga) (**Priority B**)

Description	Qty	Location			Remarks	
VHF	10	CGD	Manila	Cebu	Zamboanga	
		CGS**, etc.	Manila	Cebu	Zamboanga	
			Pasig			
			Lagna De Bay			
			Corregidor			
			PSCC Manila			
	1	Headquarters of PCG (Mobile)			For disaster area	
HF	15	CGD	Manila	Cebu	Zamboanga	
		CGS	Subic	Tagbilaran	Daputan	
				Dumaguete	Pagadian	
				Ormoc	Mapun	
				Maasin	Jolo	
				Tacloban	Bongao	
	Catbalongan					

CGD\*: Coast Guard Districts      CGS\*\*: Coast Guard Stations

## 3. Rehabilitation of Manila coast station and air base

(1) Manila coast station (**Priority A**)

- (i) VHF distress and safety communications system
- (ii) MF/HF distress and safety communications system
- (iii) NAVTEX navigational safety information broadcasting system (including tsunami warning)

(2) CG Aviation Group (**Priority C**)

- (i) A HF transceiver
- (ii) A VHF transceiver

## 4. Minimum spare parts and minimum test tools for the Equipment to be procured.

## 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.

### 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.

(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 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		●
2	To ensure prompt unloading and customs clearance at the port of disembarkation in recipient country		
	1) Marine and land 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	(●)	(●)
3	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.		●
4	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		●
5	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid		●
6	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)

**Detailed Undertakings to be taken by Each Government**

No.	Item	To be covered by Grant Aid (Japan)	To be covered by Recipient side (Philippines)
<b>1</b>	<b>Administration Expense</b>		
1-1	Administration and commission fees for Banking Arrangement (B/A), and Authorization to Pay (A/P)		●
1-2	Payment and formalities for Value Added Tax (VAT), and other tax/duties under the law of the Philippines		●
1-3	Traveling costs of PCG staff for site survey, supervision, and inspection		●
1-4	Arrangement and provision for security guard for JICA members on site activities at danger area		●
<b>2</b>	<b>Communication Equipment Procurement and Installation</b>		
2-1	Communication Equipment	●	
2-2	Electric power supply system (including distribution panel in equipment room)	●	
2-3	Commercial power supply (including switchboards, transformers, etc.)		●
2-4	Installation materials (terminal cabinet, cables, racks, etc. excluding commercial power supply facilities)	●	
2-5	Antenna (including lightning protection system, supporting members, and/or poles)	●	
<b>3</b>	<b>Steel Tower Construction</b>		
3-1	Steel tower body (including obstruction lighting system, lightning protection system)	●	
3-2	Foundation	●	
<b>4</b>	<b>Removal Works</b> (for facility/equipment which becomes obstacle of new equipment, at indoor and/or outdoor of the Site)		●
<b>5</b>	<b>Land Preparation Works</b> (guarding, security fence installation, etc.)		●
<b>6</b>	<b>Building/Equipment Room Works</b> (including rehabilitation)		●
<b>7</b>	<b>Access Road Construction</b> (as required)		●
<b>8</b>	<b>Initial and Running Cost for Operation of Telecom System</b>		
8-1	Application fee, legal expense, and annual payment for VSAT operation		●
8-2	Application fee and legal expense for Radio Station operation		●




TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(HEADQUARTERS PHILIPPINE COAST GUARD)  
139 25th Street, Port Area  
Manila

**ARAI KAZUHISA**  
Team Director  
ICT and Governance Team  
Project Management Group I  
Grant Aid Management Department

Dear Director ARAI:

1. Reference: PCG Communication System Capability Enhancement on Maritime safety and Security in the Republic of the Philippines.
2. Please be informed that the budget intended for Transponder Lease (Recurring) in the amount of P1.600M and Counterpart Staff and Support Services in the amount of P15.138M are available and part of the priority projects on Maritime Safety and Security being undertaken by the Philippine Coast Guard (PCG) and the Department of Transportation and Communications (DOTC) for CY-2006 and CY-2007 and in coordination with the Japan International Cooperation Agency (JICA).
3. This certification is being issued to support whatever legal purposes it may serve best.

  
ARTHUR N GOSINGAN  
VADM PCG  
Commandant



**BREAKDOWN OF GOP FUND REQUIREMENTS**

Name of Project: PCG Communications System Capability Enhancement and Security in the Republic of the Philippines  
 Implementing Agency: Department of Transportation and Communications  
 Agencies: Philippine Coast Guard  
 Fund Sources: Grant Aid from the Japan International Cooperation Agency  
 GOP from the General Appropriations Act  
 Project Start: 2006 (tentative)  
 Project End: 2007 (tentative)

Government Financing				
	Quantity	Unit Cost (Peso)	Total Cost (Peso)	Fund Source
<b>VAT and other Custom Taxes</b>				
a. Equipment @10%	1 lot	25,948,800.00	25,948,800.00	DOTC
b. Services/Installation @10%	1 lot	8,374,200.00	8,374,200.00	
<b>Sub-Total</b>			<b>34,323,000.00</b>	
<b>Antenna Construction &amp; Security Fences/Building Facilities</b>				
a. Antenna Construction	16 pcs	200,000.00	3,200,000.00	PCG
b. Security Fences	16 pcs	20,000.00	320,000.00	
c. Building Facilities	1 lot	2,000,000.00	2,000,000.00	
<b>Sub-Total</b>			<b>5,520,000.00</b>	
Transponder Lease (Recurring)	1 lot	1,600,000.00	1,600,000.00	PCG
<b>Sub-Total</b>			<b>1,600,000.00</b>	
<b>Counterpart Staff &amp; Support Services</b>				
a. Local Travel and Per Diems	1 lot	15,137,765.00	15,137,765.00	PCG
b. Logistics				
c. Supplies and Materials				
d. Communications Services				
e. Meetings & Conferences				
f. Local Consultants				
g. Transportation/Local Shipment				
h. Reports & Documentation				
i. Office Equipment				
j. Others				
<b>Sub-Total</b>			<b>15,137,765.00</b>	
<b>Total GOP</b>			<b>56,580,765.00</b>	
<b>Contingencies @ 10% of Total GOP</b>			<b>5,658,076.00</b>	PCG
<b>Total Fund Requirements</b>			<b>62,238,841.00</b>	DOTC = 34,323,000.00 PCG = 27,915,841.00

FROM :

FAX NO. :

Jun.



Republic of the Philippines  
**DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS**

13 June 2006

Mr. ARAI KAZUHISA  
 Team Director  
 ICT and Governance Team  
 Project Management Group I  
 Grant Aid Management Department  
 Japan International Cooperation Agency  
 Yuchengco Bldg., Ayala Avenue  
 Makati City

Dear Director Arai:

Reference is made to the PCG Communications System Capability Enhancer on Maritime Safety and Security Project in the Republic of the Philippines, which was recently approved for JICA Grant Aid for JFY 2006-2007.

In this connection, please be informed that VAT and customs duties attributable to importation of equipment for government projects has an automatic refund with the Department of Budget and Management and do not need to be programmed. However, the VAT requirement for procurement of services within the Philippines has to be paid and has been provided for in our FY 2006 Investment Program, together with the Infrastructure component of the abovesaid project in the amounts of Php 8,374,200.00 and Php 5,520,000.00 respectively.

Funding requirement of Php 15,138,000.00 for the Counterpart Staff and Support Services, as well as the annual transponder lease of Php 1,600,000.00 has already been provided under the Philippine Coast Guard's Annual Maintenance, Operating and Other Expenses (MOOE) fund.

This certification is being issued to support whatever purposes it may serve.

**ROBERT R. CASTANARES**  
 Assistant Secretary for Planning and Project Development





Republic of the Philippines  
**DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS**

13 June 2006

**Mr. ARAI KAZUHISA**  
Team Director  
ICT and Governance Team  
Project Management Group I  
Grant Aid Management Department  
Japan International Cooperation Agency  
Yuchengco Bldg., Ayala Avenue  
Makati City

Dear Director Arai:

Reference is made to the PCG Communications System Capability Enhancement on Maritime Safety and Security Project in the Republic of the Philippines, which was recently approved for JICA Grant Aid for JFY 2006-2007.

In this connection, please be informed that VAT and customs duties attributable to importation of equipment for government projects has an automatic funding with the Department of Budget and Management and do not need to be programmed. However, the VAT requirement for procurement of services within the Philippines has to be paid and has been provided for in our CY 2007 Investment Program, together with the Infrastructure component of the above-cited project in the amounts of Php 8,374,200.00 and Php 5,520,000.00, respectively.

Funding requirement of Php 15,138,000.00 for the Counterpart Staff and Support Services, as well as the annual transponder lease of Php 1,600,000.00 have already been provided under the Philippine Coast Guard's Annual Maintenance, Operating and Other Expenses (MOOE) fund.

This certification is being issued to support whatever purposes it may serve best.

  
**ROBERT R. CASTANARES**  
Assistant Secretary for Planning and Project Development

**Minutes of Discussions**  
**on the Basic Design Study**  
**on the Project for PCG Communications System Capability Enhancement**  
**on Maritime Safety & Security**  
**in the Republic of Philippines**  
**(Explanation of Draft Final Report)**

In June 2006, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Basic Design Study Team on the Project for PCG Communications System Capability Enhancement on Maritime Safety & Security (hereinafter referred to as "the Project") to the Philippines, and through discussions, field survey, and technical examination of the results in Japan, JICA prepared a draft final report of the study.

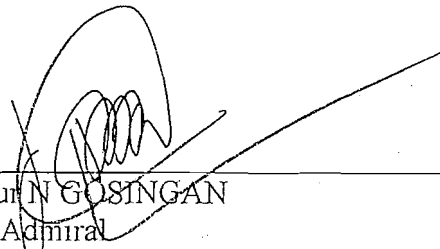
In order to explain and to consult with concerned officials of the Philippines on the components of the draft final report, JICA sent to the Philippines the Draft Final Report Explanation Team (hereinafter referred to as "the Team"), which is headed by Toshiyuki IWAMA, Team Director, ICT and Governance Team, Project Management Group I, Grant Aid Management Department, from October 22 to 29, 2006.

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

Manila, October 27, 2006



Toshiyuki IWAMA  
Leader  
Basic Design Study Team  
Japan International Cooperation Agency



Arthur N. GOSINGAN  
Vice Admiral  
Commandant, Philippine Coast Guard

## ATTACHMENT

### 1. Components of the Draft Final Report

The Philippines side agreed and accepted in principle the components of the draft final report and the draft detailed specifications of the equipment explained by the Team. The components of the Project agreed by the both Philippines and Japan sides are attached as Annex-1.

The Team explained the components of the draft final report, however, due to the outstanding issues, the Japanese side will incorporate the changes to it. The revised draft final report and the revised draft specifications of the equipment will be sent to the Philippines side by the end of January, 2007.

### 2. Japan's Grant Aid Scheme

The Philippines side understands the Japan's Grant Aid scheme and the necessary undertakings to be taken by Philippine Coast Guard (hereinafter referred to as "PCG") as explained by the Team and described in the Minutes of Discussions signed by both sides on June 14, 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 the Philippines by the end of March, 2007.

### 4. Other Relevant Issues

- 4-1. The Philippines side is aware that the original Project implementing schedule can not be followed because some of the undertakings (PCG commitments) need to be implemented before the appraisal of the Project.
- 4-2. The Philippines side established the Technical Working Group to promote the Project. The list of the members is attached as Annex-2.
- 4-3. The Philippines side agrees to allocate sufficient budget and qualified staff for proper and effective operation & maintenance of the equipment and the facilities to be provided under the Grant Aid.
- 4-4. The Philippines side shall make maximum effort to improve equipment and facilities of PCG by its own budget in future from the viewpoint of self-reliance.
- 4-5. The Philippines side completely recognizes the importance of the operation/maintenance plan and the necessity of the initial/recurrent costs to be borne by PCG for the Project implementation described in the Draft Basic Design Study Report prepared by the Team.
- 4-6. Both sides agreed to establish antenna towers for the microwave communication system in Manila area at the points described in Annex-3. The selection of the site is now final.

- 4-7. The Japan side strongly recommended establishing a repeater station for the microwave communication system between the Transmitting station (Taguig) and the Operation Center (Mandaluyong). The reason is that the microwave path may be affected in the future by the construction of the high-rise buildings at Bonifacio development area. However, the Philippines side guaranteed that they will establish a repeater station by themselves in case the microwave connection is cut by some reason such as construction of high-rise building.
- 4-8. The Philippines side shall complete such measures as follows to secure the site in Manila Transmitting Station by the end of November, 2006.
- To organize a guard team consists of armed staffs to protect the site from the squatters.
  - To built 2 barracks for the guard team to carry out 24-hour patrol.
  - To build barbed wire fence between the squatters' area and the rest of the site in Manila Transmitting Station so as not to let the squatters intrude into the site.
  - To take legal actions to the squatters in the site as necessary.
- 4-9. The Philippines side shall complete the following works by the end of March, 2007, as requisite conditions of the Project.
- To obtain necessary permission and frequency allocation for the microwave communication systems to be established from the National Telecommunications Committee (NTC).
  - To secure necessary space segments (a bandwidth in Ku-band on the satellite) for new satellite communication system from a satellite company (MABUHAY is assumed at the current stage).
  - Preparation for machine rooms especially for backup generators in PCG HQ, H1 CGD, H5 CGD, H7 CGD, H8 CGD and H10 CGD.
  - To shift or remove the existing equipment, facilities and/or vegetation, if it is required for the Project.
  - To provide facilities for distribution of stable power supply enough to operate new equipment, if required.
  - To secure the space using as temporary storage for the Project's equipment and materials, in the Receiving Station (Balagtas).
- 4-10. The Philippines side shall ensure the security of the Japanese at dangerous areas especially while they install the equipment in Zamboanga.
- 4-11. The Philippines side shall exempt from VAT concerning local procurement of goods and services under the Project to a Japanese contractor.
- 4-12. The Philippines side shall ensure prompt tax exemption and customs clearance of the products at the port of disembarkation.
- 4-13. The Philippines side will inform to the Japan side about the situation/information as regards to the GMDSS project being implemented in the PCG stations and detachments.

4-14. The Team handed one (1) copy of the draft detailed specifications of the equipment to the Philippines side and stated that these draft detailed specifications are confidential and shall not be duplicated or released to any third party in order to secure the fairness of the tender of the Project.

4-15. If there is an unjustifiable reason that the Philippines side cannot comply with the obligations of the aforesaid items that will greatly affect the successful completion of the project, JICA will recommend to both Governments the cancellation of the Project.

Annex-1: Components of the Project agreed by the both Philippines and Japan sides

Annex-2: Member list of the Technical Working Group to promote the Project

Annex-3: Site drawing of the antenna towers for the microwave communication system in Manila area



Components of the Project agreed by the both Philippines and Japan sides

## 1. Trunk-line Communication Links

Description	Qty	Location			Remarks
VSAT HUB	1	Manila Operation Center (Mandaluyong)			
VSAT FIX	9	CGD*	Cebu, Zamboanga, Palawan, Batangas, Ilo-ilo, San Fernando, Davao, Legaspi, Cagayan De Oro		
7.5GHz Micro	6	Manila Coast Station (Operation Center, Transmitting Station, Receiving Station), Headquarters of PCG, National Capital Region of Central Luzon, Sangley Point			
VSAT Transportable	1	Manila Operation Center (Mandaluyong)			For disaster area

## 2. Spur-line Communication Links for H1CGD (Manila), H2CGD (Cebu) and H3CGD (Zamboanga)

Description	Qty	Location				Remarks
VHF	10	CGD	Manila	Cebu	Zamboanga	
		CGS**, etc.	Manila	Cebu	Zamboanga	
			Pasig			
			Laguna de Bay			
			Corregidor			
			PSCC Manila			
	1	Manila Operation Center (Mandaluyong) (Mobile)				For disaster area
HF	16	CGD	Manila	Cebu	Zamboanga	
		CGS	Subic	Tagbilaran	Daputan	
				Dumaguete	Pagadian	
				Ormoc	Mapun	
				Maasin	Jolo	
				Tacloban	Bongao	
				Catbalongan	Cotabato	

CGD\*: Coast Guard Districts      CGS\*\*: Coast Guard Stations

## 3. Rehabilitation of Manila coast station

- (1) VHF distress and safety communications system
- (2) MF/HF distress and safety communications system
- (3) NAVTEX navigational safety information broadcasting system (including tsunami warning)

## 4. Minimum spare parts and minimum test tools for the Equipment to be procured.

Member list of the Technical Working Group to promote the Project

CAPT. ERNESTO S. CABALLERO PCG (GSC)

CAPT. LINO H. DABI PCG

CDR. ANGEL F. LOBATON IV PCG

CDR. JERRY A. NIBRE PCG

LCDR. ROMENILO P. FLORES PCG

LCDR. JOSELITO B. QUINTAS PCG

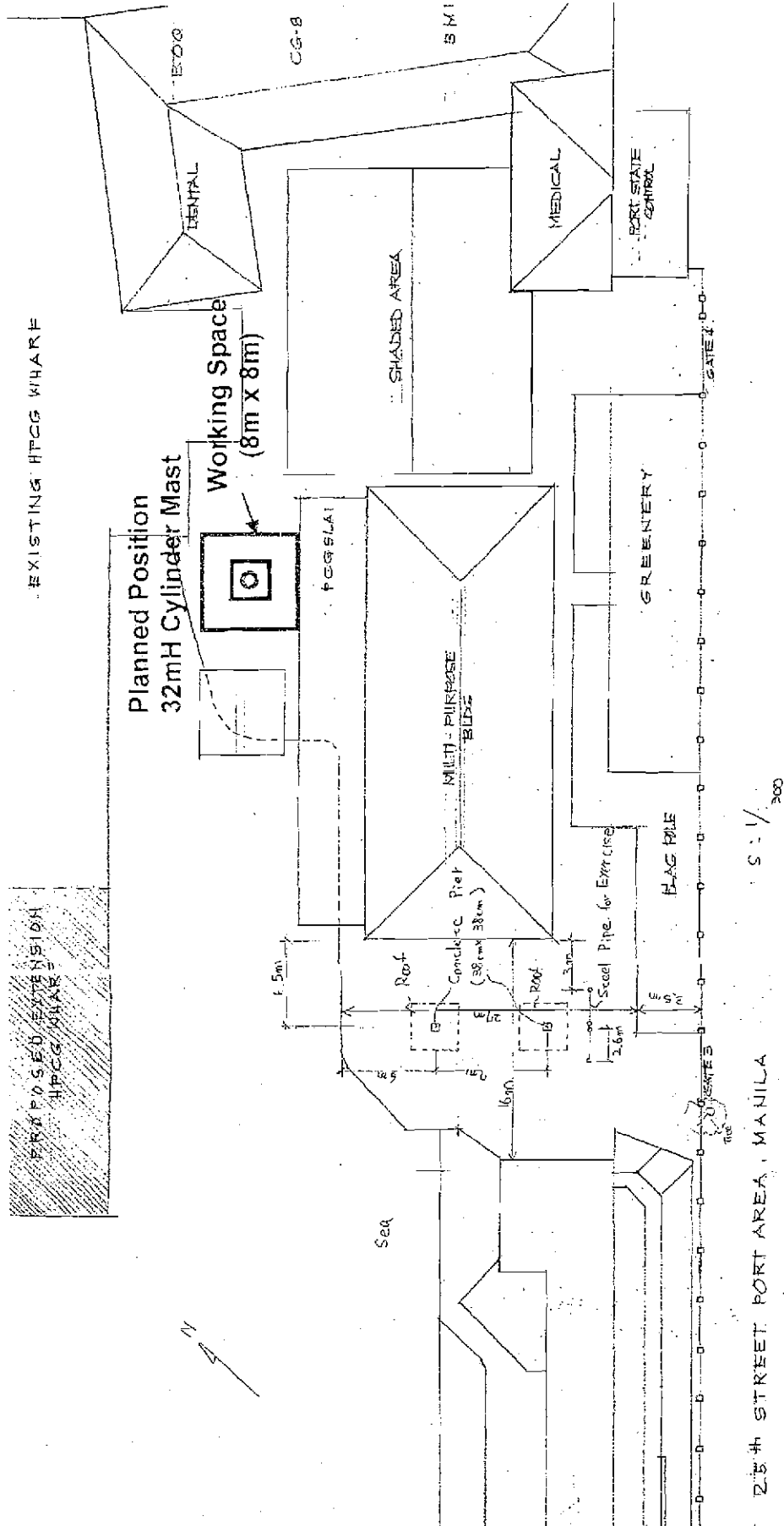
LTJG. ODILON Q. ALCANTARA PCG

ENS. GEOFFREY S. ESPALDON PCG

P/ENS. NEIL TOGONON PCG



Site drawing of the antenna towers for the microwave communication system in Manila area



PCG HEADQUARTERS

*[Handwritten signature]*



