

## **APPENDICES**

## Appendix-1 Member List of the Study Team

### (1) Basic Design Study Team

Name	Assignment	Organization
<b>Official Member</b> Mr. Yoshinori EBATA	Team Leader	Resident Representative Japan International Cooperation Agency (JICA), Vanuatu Office
Mr. Yoshimoto KOYANAGI	Project Coordinator	Senior Project Administration Officer, Transportation and Electric Power Team, Project Management Group I, Grant Aid Management Department, Japan International Cooperation Agency (JICA).
<b>Consultant Member</b> Dr. Norio TANAKA	Chief Consultant / Port Facility Planer	ECOH CORPORATION
Mr. Makoto NAMATAME	Port Engineer / Natural Condition Surveyor	ECOH CORPORATION
Mr. Seiichi TAKINO	Ship Building Designer / Ship Procurement Planner / Cost Estimator for Ship	JAPAN MARINE SCIENCE INC.
Mr. Takeyoshi HANADA	Architectural Designer	ECOH CORPORATION (Assigned from D. I. C. CORPORATION)
Mr. Shuji SAKAI	Construction Planer / Cost Estimator for Construction	ECOH CORPORATION

### (2) Basic Design Study Team-2

Name	Assignment	Organization
<b>Official Member</b> Mr. Kunihiro YAMAUCHI	Team Leader	Group Director Project Management Group I, Grant Aid Management Department, Japan International Cooperation Agency (JICA).Resident Representative
<b>Consultant Member</b> Dr. Norio TANAKA	Chief Consultant / Port Facility Planer	ECOH CORPORATION
Mr. Makoto NAMATAME	Port Engineer / Natural Condition Surveyor	ECOH CORPORATION
Mr. Shuji SAKAI	Construction Planer / Cost Estimator for Construction	ECOH CORPORATION

(3) Draft Report Explanation Team

Name	Assignment	Organization
<b>Official Member</b> Mr. Yoshinori EBATA	Team Leader	Resident Representative Japan International Cooperation Agency (JICA), Vanuatu Office
<b>Consultant Member</b> Dr. Norio TANAKA	Chief Consultant / Port Facility Planer	ECOH CORPORATION
Mr. Makoto NAMATAME	Port Engineer / Natural Condition Surveyor	ECOH CORPORATION

## Appendix-2 Study Schedule

### (1) Basic Design Study Team

Date			JICA Member		Consultant Member	Accommodation
			(a) Leader/ Mr. Ebata	(b) Project Coordinator/ Mr. Koyanagi	(c) Chief Consultant/ Port Planner (d) Port Engineer/ Natural Condition Surveyor (e) Construction Planner/ Cost Estimator (f) Architectural Designer (g) Ship Building Designer/ Cost Estimator	
1	2007/6/2	Sat			[(c), (e)] NRT (21:30) → JL761	
2	2007/6/3	Sun			→ Brisbane (07:05) Brisbane (10:00) → Port Vila (13:40) QF377	(c), (e) Port Vila
3	2007/6/4	Mon	Discussion with MIPU, PWD, PHD (Explanation on Inception Report)	NRT (21:30) → JL761	Meeting with JICA Office Discussion with MIPU, PWD, PHD (Explanation on Inception Report)	ditto
4	2007/6/5	Tue		→ Brisbane (07:05) Brisbane (12:30) → Port Vila (16:10) QF377 Internal Meeting with Consultant Members	Discussion with PWD, PHD	(All members) Port Vila
5	2007/6/6	Wed	Courtesy Call and Discussion with MIPU, PWD, PHD, DoESD		same as JICA Members	ditto
6	2007/6/7	Thu	Discussion with PWD, PHD and concerned agencies		ditto	ditto
7	2007/6/8	Fri	Discussion with PWD, PHD and concerned agencies		ditto	ditto
8	2007/6/9	Sat	Internal Meeting		ditto	ditto
9	2007/6/10	Sun	Internal Meeting Preparation of M/D		ditto [(d)] arraival at Port Vila	ditto
10	2007/6/11	Mon	Discussion with PWD, PHD on M/D		ditto	ditto
11	2007/6/12	Tue	Signing on M/D Report to JICA Vanuatu Office		ditto	(b) Nadi (Consultant) Port Vila
12	2007/6/13	Wed		Port Vila (16:05) → Nadi (18:30) FJ260 Nadi → Suva (by car) Report to JICA Fiji Office, EOJ Suva → Nadi (by car)	Site Survey	ditto
13	2007/6/14	Thu		Nadi (10:50) → NRT (17:00) FJ302	ditto	(Consultant) Port Vila
14	2007/6/15	Fri			ditto	ditto
15	2007/6/16	Sat			ditto	ditto
16	2007/6/17	Sun			ditto [(f), (g)] arraival at Port Vila	ditto
17	2007/6/18	Mon			ditto	ditto
18	2007/6/19	Tue			ditto	ditto
19	2007/6/20	Wed			ditto	ditto
20	2007/6/21	Thu			ditto	ditto
21	2007/6/22	Fri			ditto [(c), (d), (g)] Go to Luganville	(c), (d), (g) Luganville (e), (f) Port Vila
22	2007/6/23	Sat			ditto [(c), (d), (g)] Return to Port Vila	(Consultant) Port Vila
23	2007/6/24	Sun			ditto [(e)] Go to Auckland	(c), (d), (f), (g) Port Vila (e) Auckland
24	2007/6/25	Mon			ditto	ditto
25	2007/6/26	Tue			ditto	ditto
26	2007/6/27	Wed			ditto [(e)] Go to Sydney	(c), (d), (f), (g) Port Vila (e) Sydney
27	2007/6/28	Thu			ditto [(c)] Report to JICA Vanuatu Office Port Vila (18:00) → Nadi (20:30) FJ510	(c) Nadi (d), (f), (g) Port Vila (e) Sydney
28	2007/6/29	Fri			ditto [(c)] Report to JICA Fiji Office, EOJ [(f), (g)] Go to Brisbane	(c) Nadi (d) Port Vila (f), (g) Brisbane (e) Sydney
29	2007/6/30	Sat			ditto [(c)] Nadi → NRT [(e)] Sydney → NRT [(f), (g)] Brisbane → NRT	(d) Port Vila
30	2007/7/1	Sun			[(d)] Site Survey in Port Vila	(d) Port Vila
31	2007/7/2	Mon			ditto	(d) Port Vila
32	2007/7/3	Tue			ditto	(d) Port Vila
33	2007/7/4	Wed			ditto	(d) Port Vila
34	2007/7/5	Thu			ditto	(d) Port Vila
35	2007/7/6	Fri			[(d)] Port Vila → Brisbane	
36	2007/7/7	Sat			[(d)] Brisbane → NRT	

LEGEND: NRT(Narita), EOJ(Embassy of Japan), MIPU (Ministry of Infrastructure and Public Utilities), PWD (Public Works Department), PHD (Ports and Harbour Department)  
DoESD (Department of Economic and Social Development)

## (2) Basic Design Study Team-2

Date			JICA Member	Consultant Member	Accommodation
			(a) Leader / Mr. Yamauchi	(b) Chief Consultant / Port Facility Planer (c) Port Engineer / Natural Condition Surveyor (d) Construction Planer / Cost Estimator	
1	2007/9/15	Sat	{(a), (b), (c), (d)} NRT -		
2	2007/9/16	Sun	- Brisbane - Port Vila		(a), (b), (c), (d) Port Vila
3	2007/9/17	Mon	{(a), (b), (c), (d)} Courtesy Call and discussion with MIPU, PWD, PHD, DoESD		ditto
4	2007/9/18	Tue	{(a), (b), (c), (d)} Discussion with PWD, PHD and concerned agencies		ditto
5	2007/9/19	Wed	{(a), (b), (c), (d)} Signing on M/D		ditto
6	2007/9/20	Thu	{(a), (b), (c)} Port Vila - Nadi - Suva - Nadi, {(d)} Port Vila - Sydney	Report to JICA Fiji Office & EOJ	(a), (b), (c) Nadi (d) Sydney
7	2007/9/21	Fri	{(a), (b), (c)} Nadi - ICN - NRT {(d)} Sydney -- NRT		

## (3) Draft Report Explanation Team

Date			JICA Member	Consultant Member	Accommodation
			(a) Leader / Mr. Ebata	(b) Chief Consultant / Port Facility Planer (c) Port Engineer / Natural Condition Surveyor	
1	2007/11/3	Sat		{ (b), (c)} NRT -	
2	2007/11/4	Sun		- Brisbane - Port Vila	(b), (c) Port Vila
3	2007/11/5	Mon	{(a), (b), (c)} Courtesy Call and discussion with MIPU, PWD, PHD, DoESD		ditto
4	2007/11/6	Tue	{(a), (b), (c)} Discussion with PWD, PHD and concerned agencies		ditto
5	2007/11/7	Wed	{(a), (b), (c)} Signing on M/D		ditto
6	2007/11/8	Thu		{ (b), (c)} Port Vila - Nadi - Suva , Report to JICA Fiji Office & EOJ	(b), (c) Suva
7	2007/11/9	Fri		Suva - Nadi	(b), (c) Nadi
8	2007/11/10	Sat		Nadi - NRT	

## **Appendix-3 List of Parties Concerned in the Receipt Country**

### **(1) National Government**

#### 1) Ministry of Finance & Economic Management

Mr. Simeon Malachi Athy	Director General
Mr. Benjamin Shing	Director, Finance Department
Mr. Frederic Hosea	Acting Director, Economic & Sector Planning Department
Mr. Thomas Bangalini	Sector Analyst, Economic & Sector Planning Department
Mr. Honore Tiasinmal	Manager, Customs & Inland Revenue Department

#### 2) Ministry of Infrastructure & Public Utilities

Hon. Nipake Edward Natapei	Minister
Mr. Wilson Vuti	Director General
Mr. Johnson Binaru	Director, Public Works Department
Mr. Willie Watson	Project Manager, Public Works Department
Capt. Norris Hamish	Director, Ports and Harbor Department
Ms. Annie Bau	Assist. Director, Ports and Harbor Department
Capt Luke Peandy	Harbor Master, Ports and Harbor Department
Mr. Charley Kalo	Assist. Harbor Master, Ports and Harbor Department
Mr. Joseph Kasten	Director, Civil Aviation Authority
Mr. Jotham Napat	Director, Meteorological Services Department
Mr. Warlan Alan Iavro	Senior Laboratory Technician, Public Works Department

#### 3) Others

Mr. Nango Isaac	Survey Department
Mr. Dick Ibu Manuake	Public Works Department, Port Vila
Mr. Bomma Avia	Fire Chief, Port Vila Fire Service
Mr. Jerry Samson	Local Authorities Department, Physical Planning Unit
Mr. Kotaro Kawaguchi	JICA Expert, Local Authorities Department
Mr. Dimitri Malvirlani	Administrator, Vanuatu Maritime Authority
Capt. Guy Bernard	Technical Advisor, Vanuatu Maritime Authority
Capt. John Lloyd	Chief Executive Officer, Vanuatu Maritime College

### **(2) Government of Japan**

#### 1) Embassy of Japan

Hon. Masashi Namekawa	Ambassador of Japan
Mr. Hiroshi Watanabe	Second Secretary

#### 2) JICA Vanuatu Office

Mr. Yoshinori Ebata	Resident Representative
Mr. Karlosaruru Albert Willie	Senior Program Officer

### **(3) Others**

#### 1) Infrastructure

Mr. Pascal Louvet	Manager Electricity, EFATE, UNELCO VANUATU LTD.
Mr. Frederic Petit	Manager, EAU, UNELCO VANUATU LTD.

Mr. Tony Alvos	Project Engineer, UNELCO VANUATU LTD.
Mr. William McGrory	Vanuatu Manager, Origin Energy
Mr. Randall Vallette	Vanuatu Manager, Pacific Petroleum Company

2) Shipping and Stevedore

Mr. Barry Amoss	General manager, South Sea Shipping Ltd.
Mr. John E. Smith	Director, Port Services (Vanuatu) Ltd.
Mr. John J. Solomon	Shipping Manager, Port Services (Vanuatu) Ltd.
Ms. Kafo Misimoa	General Manager, Transam Vanuatu
Mr. Kalbovi Mangawai	Executive Director, IFIRA Stevedore

4) Others

Capt. Graham Goodway	Master, P & O Cruises Australia
Mr. Massing R. Lauru	Executive Director, IFIRA General
Mr. Alex Palavi	SMET
Mr. Chris Sulis	Sea View Holding
Mr. Richard Nutley	Rabco Construction

## Appendix-4 Minutes of Discussion

### (1) Second Field Survey Minutes of Discussions on the Basic Design Study on the Project for Improvement of Port Vila Main Wharf in the Republic of Vanuatu (Second Field Survey)

Based on the results of the Preliminary Study, the Government of Japan decided to conduct a Basic Design Study on the Project for Improvement of Port Vila Main Wharf (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").


JICA sent to the Republic of Vanuatu (hereinafter referred to as "Vanuatu") the Basic Design Study Team (The Second Field Survey) (hereinafter referred to as "the Team"), which is headed by Mr. Kunihiro Yamauchi, Group Director, Project Management Group I, Grant Aid Management Department, JICA, and is scheduled to stay in the country from September 16 to 20, 2007.

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


As a result of discussions and field survey, both sides have confirmed the main items described in the attached sheets. The Team will proceed to further works and prepare the Basic Design Study Report.

Port Vila, September 19, 2007

  
\_\_\_\_\_  
Kunihiro Yamauchi  
Leader  
Basic Design Study Team  
Japan International Cooperation Agency

  
\_\_\_\_\_  
Wilson Tari Vuti  
Director General  
Ministry of Infrastructure and Public Utilities  
Republic of Vanuatu



  
\_\_\_\_\_  
Benjamin Shing  
Director, Department of Finance and Economic Management  
Ministry of Finance and Economic Management  
Republic of Vanuatu





## ATTACHMENT

### 1. Objective of the Project

The objective of the Project is to dissolve the limited capacity and inconvenient operational situation of Port Vila Main Wharf by improving the related port facilities.

### 2. Project Site

The Project site is shown in Annex-1.

### 3. Responsible and Implementing Organizations

3.1 The responsible ministry is the Ministry of Infrastructure and Public Utilities (MIPU).

3.2 The implementing agency is the Public Works Department (PWD), and operation and maintenance agency is the Ports and Harbour Department (PHD).

The organization charts are shown in Annex-2-1, 2-2 and 2-3, respectively.

### 4. Items requested by the Government of Vanuatu

After discussions with the Team, the items described below were finally requested by the Vanuatu side. The appropriateness of the all requests below will be examined by further study.

#### 4.1 First Priority

- Concrete deck (gapped space in-between access bridges, and space between westernmost access bridge and extension line of westernmost point of existing wharf)
- Shed for loose cargo (demolition of existing cargo shed and construction of new shed which is approximately one third of existing size)
- Pavement of cargo handling area
- Drainage for whole port area
- Pilot boat
- Tug boat

#### 4.2 Second Priority

- Shore protection (both east side and west side of port area)
- Administration office (for PHD, customs, quarantine, immigration)
- Lighting facilities in the port area
- Toilet (included in the new shed and administration office)
- Firefighting equipment
- Lighting Buoy

#### 4.3 Third Priority

- For the consideration of the construction of a reinforced unloading area that could allow for heavy equipment that are restricted from using the rehabilitated main wharf area to be used.

## 5. Result of the Examination on the Necessity of Wharf Extension

5.1 Regarding the wharf extension requested by the Vanuatu side, the Team explained results of an analysis on the present situations of the wharf and conveyed a conclusion of the Japanese side that the wharf extension is not necessary for the Project because of the reasons as listed below.

- A berth occupancy rate in 2006 is 31% based on the analysis of the berthing time of all ships, and only a few occasions of waiting for berthing in a year were reported due to proper arrangement of ship calling.
- In general, shipping firms tend to arrange the suitable size of ships considering the wharf length and depth of ports to call.
- In case of berthing international Ro-Ro ships, whose LOA is longer than 207m, provision of an extended concrete deck between westernmost access bridge and extension line of westernmost point of existing wharf, as shown in Annex-3, would accommodate smooth operation of handling cargoes.
- As long as the conditions of concrete structure and as-built capacity are maintained without any defects, no extension of the wharf would be required from the viewpoint of structural capacity.

5.2 The Vanuatu side advised that it does not agree with the conclusions of the Japanese side because it did not agree on the methodology and the assumptions for forming this conclusion. It further advised that it was still desirous of the extension and whether more time can be given to undertake further analyses on the justification of extension.

5.3 The Japanese side further explained regarding the demand projection of the wharf and the effect of Millennium Challenge Account Projects:

- In the handling container record of IFIRA in 2006, total import containers were 4,077 TEUs. It is possible to correspond even if the number of containers increases 35% (about 1,500 TEUs) by the same working hours now.
- In the application of 5% GDP increase per year to container increase, number of containers will be expected to increase by about 34% in 2012. The wharf can accommodate the increase on the condition of 9 hours operation. Additional one hour operation accounts for 2 years extension.
- The increase in the cargo volume in relation to the MCA projects would be transitory and not long-term and the completion of this Project in time for the transportation of the construction equipment and material.

5.4 The Team explained to the Vanuatu side that it is required to restrict the operation of some machinery for cargo handling on the wharf and to implement the monitoring and rehabilitation of the concrete condition of wharf and access bridges as listed below.

- Basically, operation of cargo handling on the wharf deck is restricted to only SISU container movers and truck with semi-trailers as shown in Annex-4.
- Monitoring and Rehabilitation of the concrete of wharf and access bridge shall be conducted by the Vanuatu side.
  - (a) Monitoring of the concrete condition  
To monitor the concrete conditions, which consist of inspection of cracking at regular spots at every 4 months and annual overall inspection of the structure.
  - (b) Urgent Repair  
To break out the parts of deteriorated concrete to expose reinforcement and place

fresh mortar with adhesive agents for preventing from penetration of seawater immediately after finding defects of the concrete as cracking and debonding.

(c) Overall Rehabilitation

To conduct the overall rehabilitation work, which consists of protective coating with anti-corrosion paint on the steel box piles and sheet piles, replacement of reinforcement and application of protective system on the reinforcement, etc., for prolonging life of the wharf deck and access bridge before the target year 2016 set by the consulting report in the ADB wharf rehabilitation project in the year of 2001.

5.5 The Vanuatu side stated that the above restrictions on tonnage and heavy vehicles make it necessary to improve the wharf by having a proper loading and unloading facility which can be catered for in the 35-38 meters extension as this would be well within the scope and objective of the project and in accordance with requests in the original project request submitted by the Vanuatu side.

5.6 The Japanese side acknowledged the Vanuatu submission in point above, however they advised that based on the data provided by the Vanuatu side and collected by the Team from various sources during the basic design study and analysis thereof; they could not justify the extension and therefore could not concede this point.

5.7 The Vanuatu side expressed their extreme disappointment that the Japanese side could not agree on the extension of the wharf and the fact that they had come to Vanuatu with this pre-determined conclusion. The Vanuatu side also categorically rejected the Teams conclusion that the extension was not necessary. It requested that in light of the Japanese side not considering the extension within this particular project that the extension be agreed to as a phase 2 of the wharf rehabilitation project. It further advised that pursuant to the instructions from the Minister of Public Utilities who is also the Deputy Prime Minister of the Republic of Vanuatu, any agreement to exclude the extension must be presented to the Vanuatu Ministerial Cabinet as this was the body that had approved the extension.

5.8 The Japanese side noted the request, but stated that it could not make any commitment or agreement on the possibility of the phase 2 at this stage.

6. Japan's Grant Aid Scheme

6.1 The Vanuatu side understood the Japan's Grant Aid scheme explained by the Team, as described in Annex-5.

6.2 The Vanuatu side will take the necessary measures, as described in Annex-6, for smooth implementation of the Project as a condition for the Japan's Grant Aid to be implemented.

7. Schedule of the study

7.1 JICA will prepare the draft report and dispatch a mission to Vanuatu in order to explain its contents around the beginning of November 2007.

7.2 When the contents of the report are accepted in principle by the Government of Vanuatu, JICA will complete the final report and send it to the Government of Vanuatu by January 2008.

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8. Other relevant issues

8.1 The Vanuatu side shall demolish the existing administration office, toilet which is located in the western side of the port, and superstructure of the shed, on a timely manner. However, regarding the superstructure of the shed, eastern side portion, which is approximately one third of existing size and will be renovated and continued to use, is not necessary to be demolished by the Vanuatu side.

8.2 The Team confirmed that the road drainage facilities in the hinterland of the port are not necessary, but the Vanuatu side shall assure the appropriate drainage outlet around the area outside of the east boundary of the port.

8.3 The Vanuatu side shall secure the necessary space for temporary yard. The specific size of the space will be informed to the Vanuatu side later on by the Team.

8.4 The Vanuatu side shall relocate the surveillance cameras to the appropriate locations on a timely manner.

8.5 The Vanuatu side requested the technical assistance for obtaining the proper ship operation skill of the new boats. The Team will examine the necessity of the technical assistance. The Team explained to the Vanuatu side that another official request will be required through the JICA Vanuatu Office depending on the contents of technical assistance.

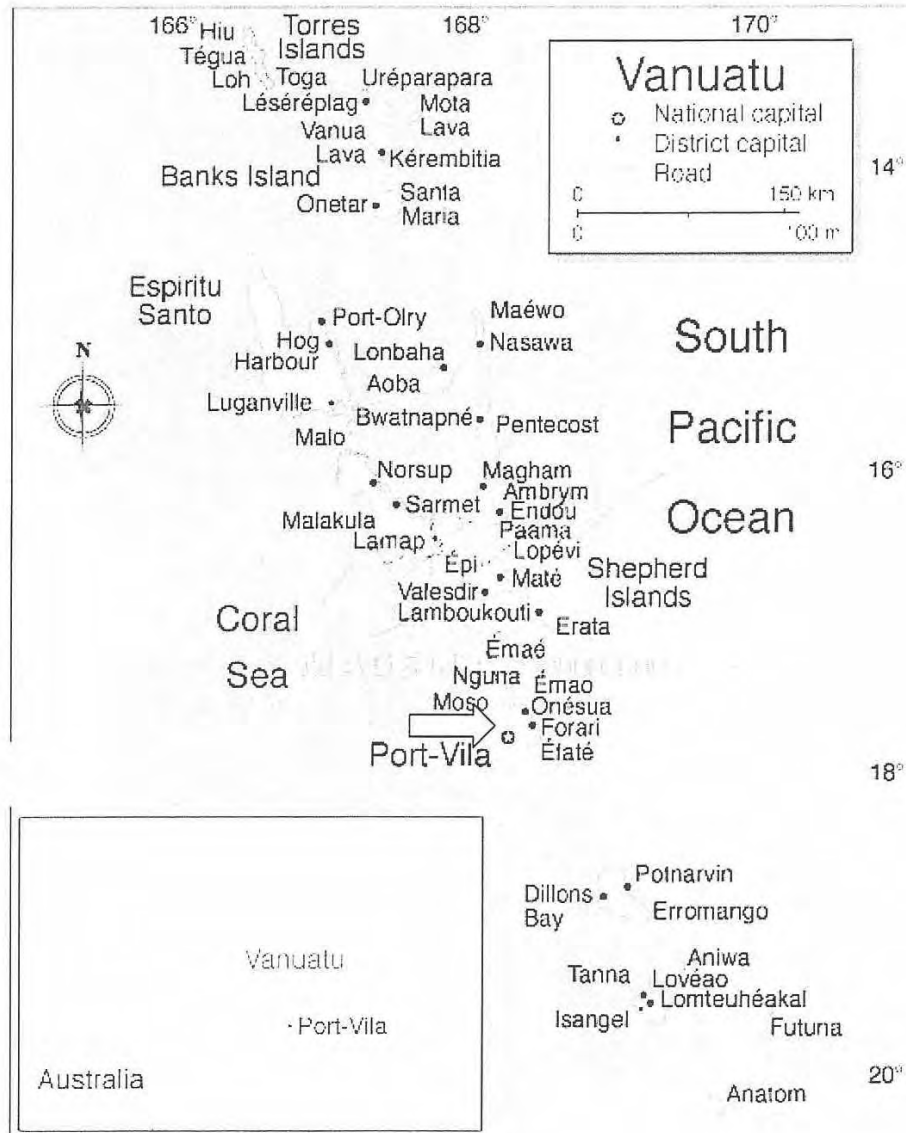
8.6 The Vanuatu side explained to the Team that the Vanuatu side does not have the plan to establish the Port Management Organization (Port Authority etc.) regarding the Project.

8.7 The both sides confirmed that the Preliminary Environmental Assessment (PEA) was approved by the Vanuatu Environment Unit on February 19, 2007, and that further environmental impact assessment is not required for the Project.

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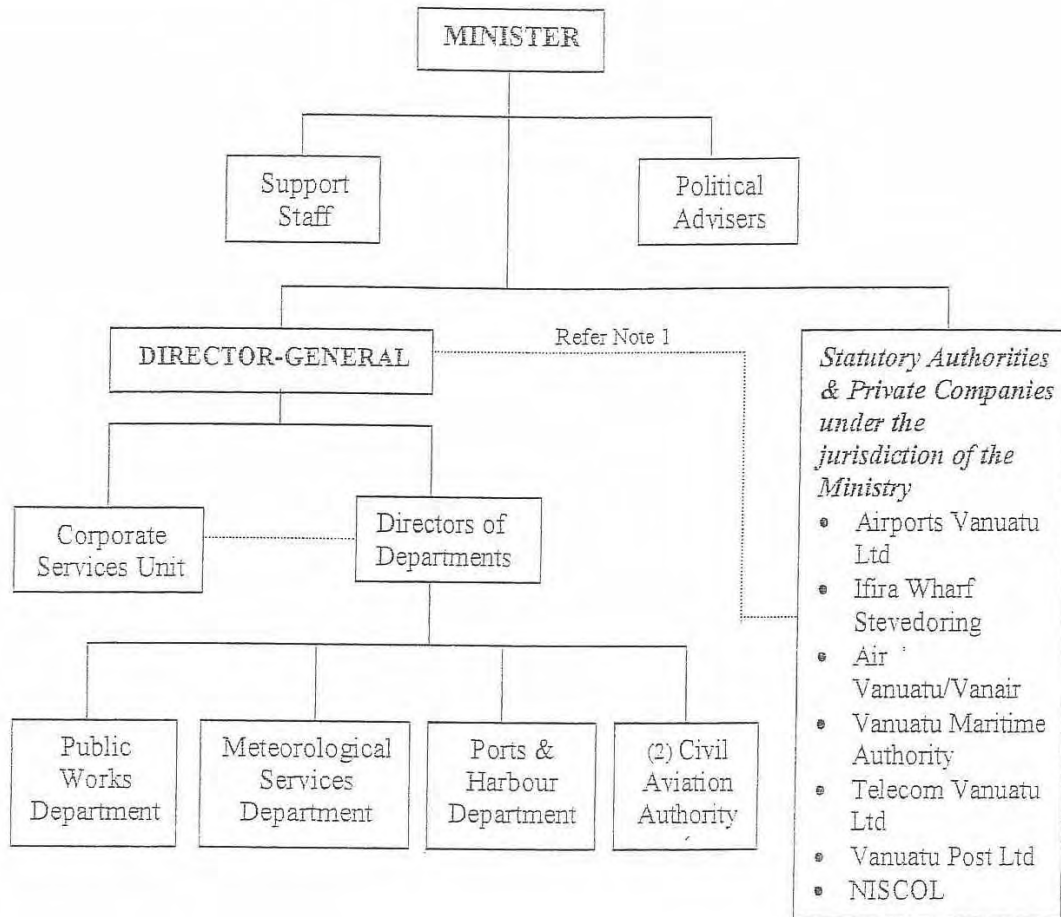
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### CORPORATE STRUCTURE OF THE MINISTRY

A chart illustrating the way the Ministry operates is provided below.



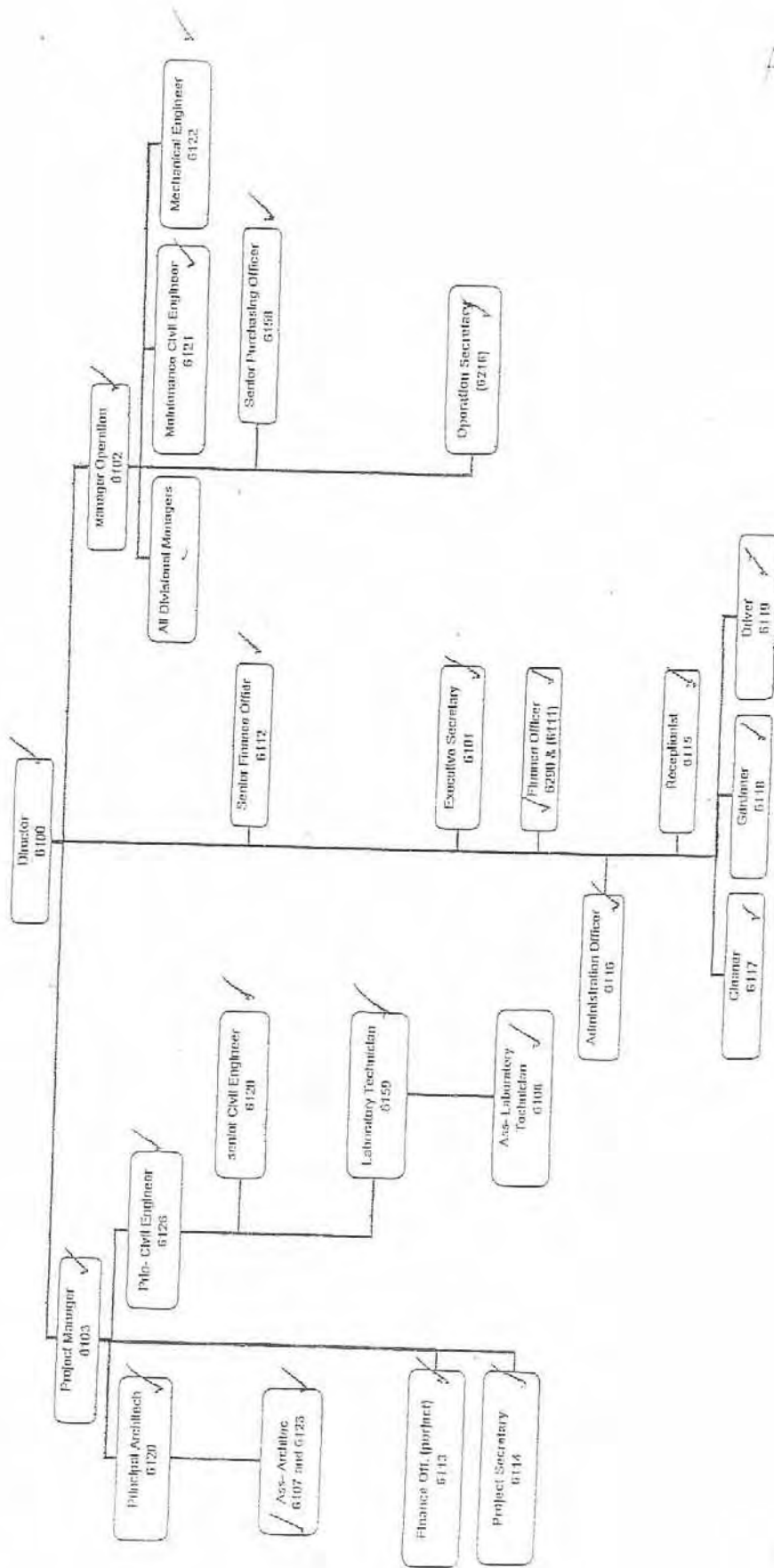
Notes: 1. The Director-General is not associated with all the Statutory Bodies and private companies shown.  
2. The CAA is a Regulatory Authority, but is treated as a Department in respect of its administration.

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Public Works Department  
Main Office



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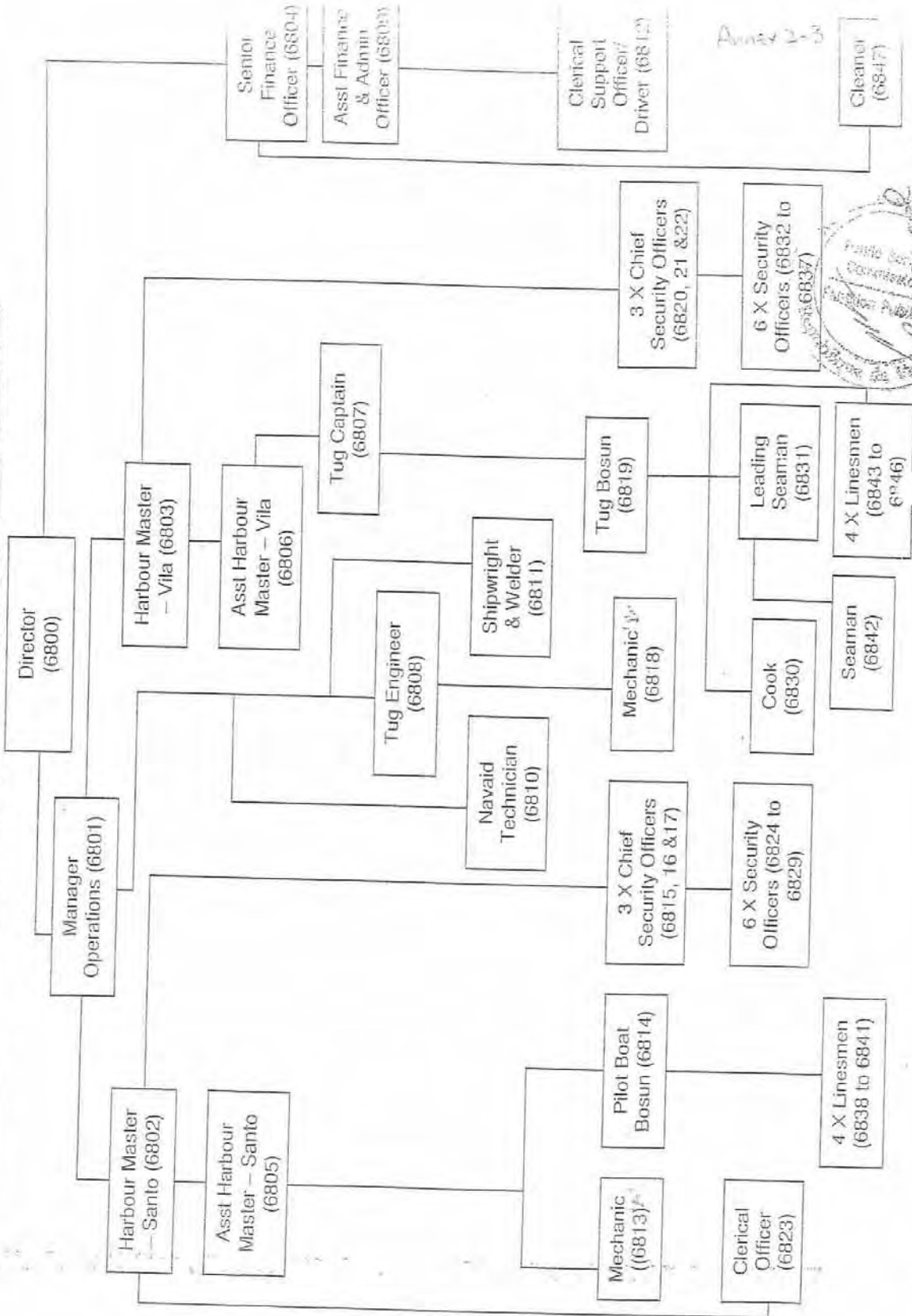
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DEPARTMENT OF PORT & HARBOURS - ORGANIZATION STRUCTURE - 1 JANUARY 2006



Approved  
 Director  
 Department of Port & Harbours  
 1/1/2006

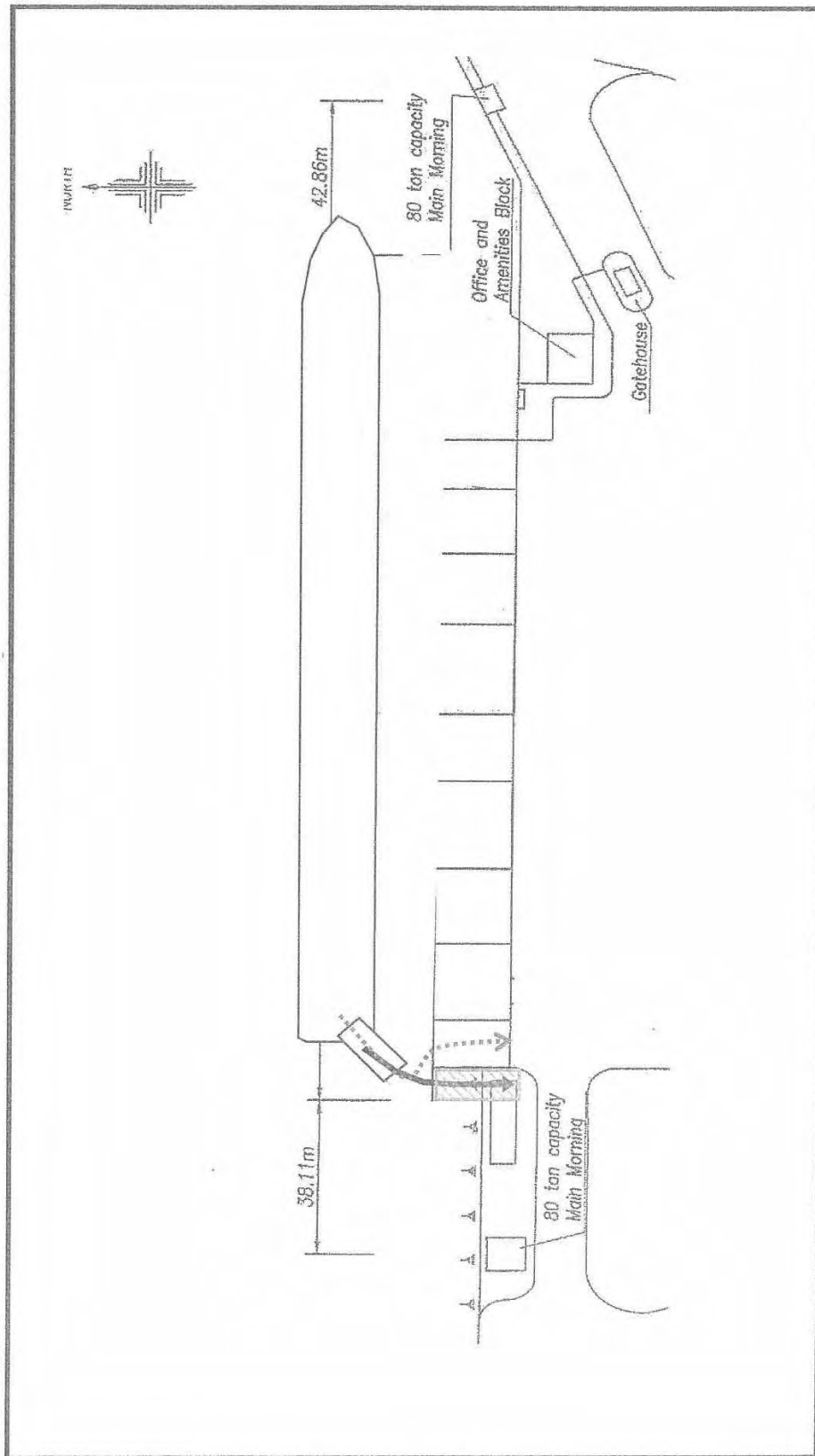
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Concrete deck for International Ro-Ro Ships

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Restriction of Equipment Operation  
(Effective in no defect of the wharf concrete structure with as built capacity)

Equipment	Access to Main Wharf	Transport of Empty Container	Transport of Full Container
5tons Fork-lift	A	A	A
15tons Fork-lift	A	A	NA
20tons Fork-lift	A	A	NA
35tons Fork-lift	NA	NA	NA
40tons Top-lifter	NA	NA	NA
SISU Container Mover	A	A	A
Side Lifter	A	A	NA
Truck w/ Trailer	A	A	A

A: Allowed

NA: Not Allowed

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## JAPAN'S GRANT AID

The Grant Aid Scheme provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. The Grant Aid is not supplied through the donation of materials as such.

### 1. Grant Aid Procedures

Japan's Grant Aid 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.)

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(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 Project,

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 secure land		•
2.	To clear, level and reclaim the site when needed		•
3.	To construct gates and fences in and around the site		•
4.	To construct roads		
	1) Within the site	•	
	2) Outside the site		•
5.	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		
	a. The city drainage main (for storm, sewer and others) to the site		•
	b. The drainage system (for toilet sewer, ordinary waste, storm drainage and others) within the site	•	
	4) Gas Supply		
	a. The city gas main to the site		•
	b. The gas supply system within the site	•	
	5) Telephone System		
	a. The telephone trunk line to the main distribution frame/panel (MDF) of the building		•
	b. The MDF and the extension after the frame/panel	•	
	6) Furniture and Equipment		
	a. General furniture		•
	b. Project equipment	•	
6.	To bear the following commissions to the Japanese foreign exchange bank for the banking services based upon the B/A		
	1) Advising commission of A/P		•
	2) Payment commission		•
7.	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan to the recipient country	•	
	2) Tax exemption and custom clearance of the products at the port of disembarkation		•
	3) Internal transportation from the port of disembarkation to the project site	•	
8.	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.		•
9.	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.		•
10.	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant.		•
11.	To bear all the expenses, other than those to be borne by the Grant, 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, N/A: Not Applicable)