

[Items requested by RGC]

1. Facilities and systems

Administration Building
Brood Stock & Culture Facilities
Hatchery & Culture Buildings
Machine Building
Suction Pump House
Reservoir Tanks
Annex Buildings (Security guard house, Workshop)
Annex Facilities (Chlorella & other breeding tanks, Treatment tank, sedimental pond)
Dormitory for trainee

2. Equipment

Training Equipment

Overhead projector, LCD projector, GPS, binocular, mini bus, etc.

Laboratory equipment

Drying shelter, precision balance, glace ware, bathing water thermo, freezers, refrigerators, centrifuge, PCR thermo-cycle, binocular microscopes with photo-attachment, autoclave, incubators, clean bench, DO meter, water analysis kits, pH meter, etc.

Equipment for brood stock and breeding

3t live fish transportation boat, 2t pick-up truck with live fish tanks for seeds transportation, fork lift vehicle, wheelbarrow, high pressure washer, water pumps, balance, hose, aqualung set, fish net, small generator, FRP tanks, etc.

(Additionally requested items)

Soft component (Engineering Supporting Services) for operation and Management of Facilities

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MINUTES OF DISCUSSIONS
ON
THE BASIC DESIGN STUDY
ON
THE PROJECT FOR CONSTRUCTION OF MARINE AQUACULTURE DEVELOPMENT
CENTER
IN
KINGDOM OF CAMBODIA
(EXPLANATION OF DRAFT FINAL REPORT)

In October 2008 and December 2008, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched two Basic Design Study Teams on the Project for Construction of Marine Aquaculture Development Center (hereinafter referred to as "the Project") to Cambodia, and through discussion, field survey, and technical examination in Japan, JICA prepared a draft report of the study.

In order to explain and to discuss with the officials concerned of the Royal Government of Cambodia (hereinafter referred to as "RGC") on the components of the draft report, JICA sent to RGC the Draft Report Explanation Team (hereinafter referred to as "the Team"), headed by Mr. Kunihiro NAKASONE, JICA, and was scheduled to stay in the country from 26th to 30th April, 2009.

As a result of discussion, both parties confirmed the items described on the attached sheets.

Phnom Penh, 29th April, 2009

仲宗根 邦宏

Kunihiro Nakasone
Leader
Draft Report Explanation Team
Japan International Cooperation Agency
(JICA)



Nta-Ehuok
Nta-Ehuok
Director General
Fisheries Administration
Ministry of Agriculture, Forestry and Fisheries
Royal Government of Cambodia

ATTACHMENT

1. Components of the Draft Report

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

2. Japan's Grant Aid scheme

The Team reconfirmed the Japan's Grant Aid Scheme and the necessary measures to be taken by the Cambodian side as explained by the Team and described in Annex-2, Annex-3 and Annex-4. The Team also explained that, since October, 2008, the role of JICA had been changed to include direct responsibility for implementation of the Project until completion of the construction and it is therefore necessary to have Grant Agreement (G/A) signed by JICA and Ministry of Economy and Finance, Cambodia at the same time of Exchange of Notes (E/N) signed by Embassy of Japan and Ministry of Foreign Affairs and International Cooperation, Cambodia.

3. Schedule of the Study

JICA will complete the final report in accordance with the confirmed items and send it to RGC by the end of June, 2009.

4. Confidentiality of the Project Cost Estimation

The Team explained the cost estimation of the Project as described in Annex-1. Both sides agreed that the Project Cost Estimation should never be duplicated or released to any outside parties before signing of all the contract(s) for the Project. Cambodian side understood that the Project Cost Estimation described in Annex-1 is a provisional one as a result of the Study and could be subject to change according to further examination by the Government of Japan.

5. Other Relevant Issues

5-1. Cambodian side shall implement the following works, before commencement of the construction.

1) to carry out land clearance and leveling for the Project site(hereinafter referred to as "the Site

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- 2) to secure electricity supply, water supply and telephone line to the Site,
- 3) to secure the land and sea area for seawater intake and discharged pipelines,
- 4) to construct gate and fence around the Site, and
- 5) to relocate two families and their houses at the present entrance of the Site.

5-2. In view of the fact that the Project needs advanced technology and a lot of cost for implementation of the Project and for operation/maintenance of the facilities and equipment, Cambodian side shall secure an annual budget of 80,000USD per year for five years from 2011.

5-3. Cambodian side will submit a budget forecast and a personnel lineup for operation, maintenance and implementation for MADeC to JICA Cambodian Office by the tendering of the Project.

5-4. Cambodian side will promote the collaboration of related organizations such as the Inland Fisheries Research and Development Institute (IFReDI) to enhance the effectiveness of the Project.

Annex-1 Project Cost Estimation

Annex-2 Japan's Grant Aid

Annex-3 Major Undertaking to be taken by Each Government

Annex-4 Tentative schedule of the Project



Project Cost Estimation

Initial Cost Estimation

Based upon the Scope of Works mentioned in 5-1 and 5-2 of the Draft Report, implementation of this Project is estimated to be Japanese Yen 978.4million (Japanese grant : 976.5 million, Cambodian side : 1.9 million), under the condition described below. This estimation cost is provisional and would further be examined by the Government of Japan for approval of the grant.

(1) Project Cost borne by the Japanese side

Project cost borne by the Japanese side is estimated to be Japanese Yen 976.5 million. Table below shows the contents of the project cost.

Project Cost Borne by the Japanese Side	
Category	Amount (JY million)
Building	835.5
Equipment	52.4
Detailed Design, Construction / Installation Supervision and Soft Component Plan	88.6
Total	976.5

(2) Project Cost borne by the Cambodian Side

Project cost borne by Cambodian side is estimated to be Yen 1.9 million. Table below shows the contents of the project cost.

Category	Amount
Removal of the existing buildings and arrangement of a relocation site	US\$ 5,000 (JY 0.528 million)
Power / water supply / telephone line	US\$ 2,000 (JY 0.211 million)
Gate, fence surrounding project site(appx 425m)	US\$ 4,500 (JY 0.475 million)
General furniture	US\$ 6,500 (JY 0.687million)
Total	US\$18,000 (JY1.9 million)

Note: Figures in parenthesis show Japanese Yen equivalent

(3) Condition of Estimation

- 1) Date of estimation base December 2008
- 2) Exchange rate 1.00 US\$ = 105.71 yen (Average of the past 6 months)
- 3) Implementation period As shown in Annex Draft Report.
- 4) Others Cost estimation is in accordance with the framework with the Japanese grant aid scheme.



JAPAN'S GRANT AID

The Government of Japan (hereinafter referred to as "the GOJ") is implementing the organizational reforms to improve the quality of ODA operations, and as part of this realignment, JICA was reborn on October 1, 2008. After the reborn of JICA, following the GOJ, Grant Aid for General Project is extended by JICA.

Grant Aid is non-reimbursable fund to a recipient country 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

Japanese Grant Aid is conducted as follows-

- Preparatory Survey (hereinafter referred to as "the Survey")
 - The Survey conducted by JICA
- Appraisal & Approval
 - Appraisal by the GOJ and JICA, and Approval by the Japanese Cabinet
- Determination of Implementation
 - The Notes exchanged between the GOJ and a recipient country
- Grant Agreement (hereinafter referred to as "the G/A")
 - Agreement concluded between JICA and a recipient country
- Implementation
 - Implementation of the Project on the basis of the G/A

2. Preparatory Survey

(1) Contents of the Survey

The aim of the Survey is to provide a basic document necessary for the appraisal of the Project by JICA and the GOJ. The contents of the Survey 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 implementation of the Project.
- Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, financial, 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.

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The contents of the original request by the recipient country 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.

JICA 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 Survey, JICA uses (a) registered consulting firm(s). JICA selects (a) firm(s) based on proposals submitted by interested firms.

(3) Result of the Survey

The Report on the Survey is reviewed by JICA, and after the appropriateness of the Project is confirmed, JICA recommends the GOJ to appraise the implementation of the Project.

3. Japan's Grant Aid Scheme

(1) The E/N and the G/A

After the Project is approved by the Cabinet of Japan, the E/N will be signed between the GOJ and the Government of the recipient country to make a plea for assistance, which is followed by the conclusion of the G/A between JICA and the Government of the recipient country to define the necessary articles to implement the Project, such as payment conditions, responsibilities of the Government of the recipient country, and procurement conditions.

(2) Selection of Consultants

The consultant firm(s) used for the Survey will be recommended by JICA to the recipient country to also work on the Project's implementation after the E/N and the G/A, in order to maintain technical consistency.

(3) Eligible source country

Under the Japanese Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased. When JICA and the Government of the recipient country or its designated authority 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, constructing and procurement firms, and the prime consulting firm 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

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JICA. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

(5) Major undertakings to be taken by 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 Annex-3.

(6) "Proper Use"

The Government of 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) "Export and Re-export"

The products purchased under the Grant Aid should not be exported or 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"). JICA 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 JICA 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.

(10) Social and Environmental Considerations

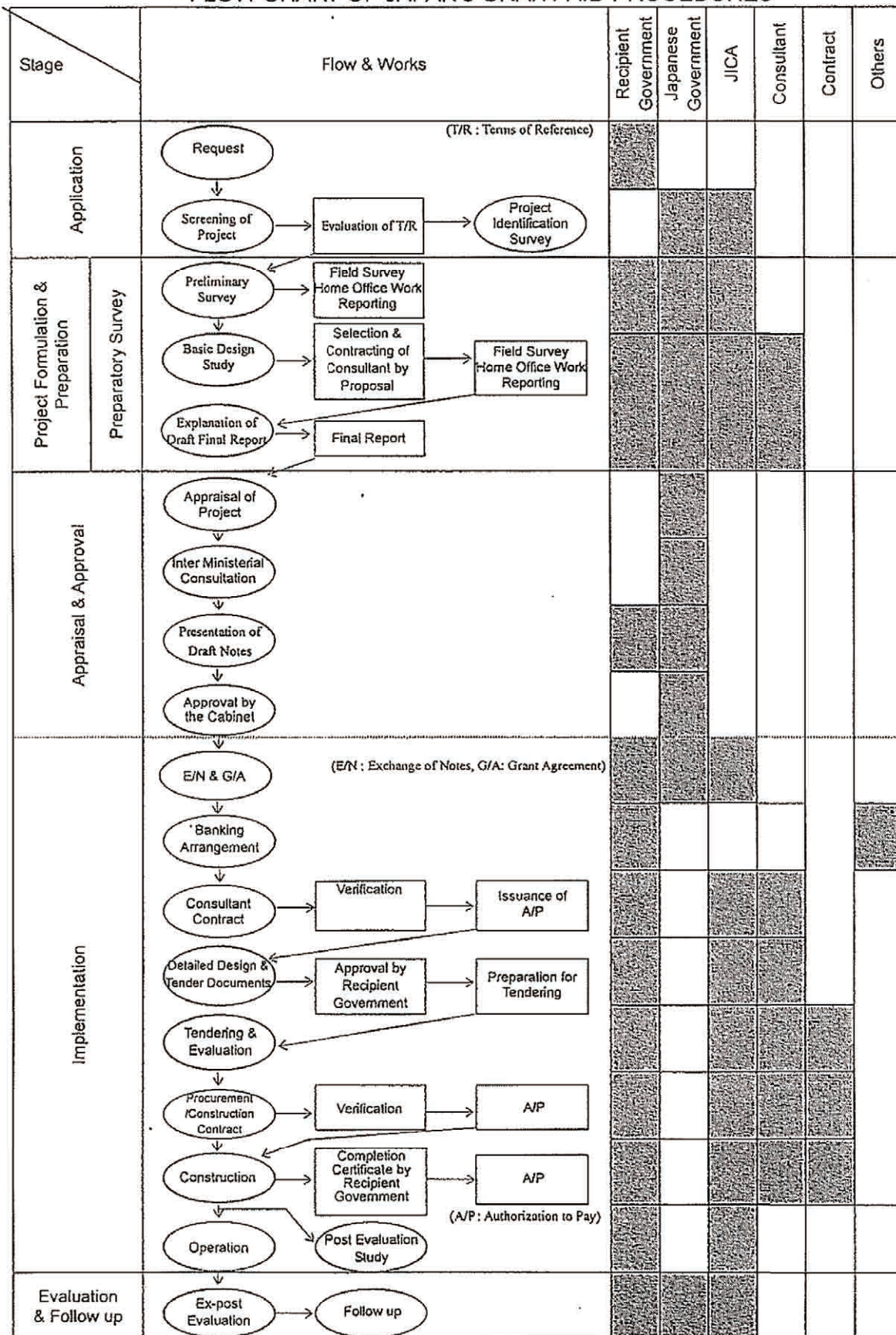
A recipient country must ensure the social and environmental considerations for the Project and must follow the environmental regulation of the recipient country and JICA socio-environmental guideline.

(End)

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FLOW CHART OF JAPAN'S GRANT AID PROCEDURES



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Major Undertaking to be taken by Each Government

No.	Items	To be covered by Grant Aid	To be covered by Cambodian Side
1.	To secured 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 the parking lot	☉	
5.	To construct roads		
	1) Within the site	☉	
	2) Outside the site		☉
6.	To construct the buildings	☉	
7.	To provide facilities for the distribution of electricity, water supply, drainage and other incidental facilities		
	1) Electricity		
	a. The distributing line to the site		☉
	b. The drop wiring and internal wiring within the site	☉	
	c. The main circuit breaker and transformer	☉	
	2) Water Supply		
	a. The city water distribution main to the site		☉
	b. The supply system within the site	☉	
	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) Telephone System		
	a. The telephone trunk line to the main distribution frame/panel (MDF) of the building		☉
	b. The MDF and the extension after the frame/panel	☉	
	5) Furniture and Equipment		
a. General furniture		☉	
b. Project equipment	☉		
8.	To bear the following commissions to the Japanese bank for the banking services based upon the B/A		
	1) Advising commission of A/P		☉
	2) Payment commission		☉
9.	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine transportation of the products from Japan to the recipient country	☉	
	2) Tax exemption and custom clearance for the products at the port of disembarkation		☉
	3) Internal transportation from the port of disembarkation to the project site	☉	
10.	To accord Japanese nationals, whose 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.		☉
11.	To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts.		☉
12.	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant		☉
13.	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.		☉

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Annex 4

Tentative schedule of the Project

ITEM	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
FA	▼																					
GA	▲																					
CONSULTANT AGREEMENT	▲																					
SITE SURVEY	■																					
DETAIL DESIGN & TENDER DOCUMENT		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
PREPARATION FOR TENDER				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
TENDERING & EVALUATION							▲	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
CONSTRUCTION									■	■	■	■	■	■	■	■	■	■	■	■	■	■
SOFT COMPONENT																						■

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