

## **Anexo-4 Acta das Discussões**

- 1) Acta das Discussões: Fase de Estudo de Campo  
(Inglês e Português)
  
- 2) Acta das Discussões: Explicação do Esboço do Relatório do Projecto  
(Inglês e Português)

**MINUTES OF DISCUSSIONS**  
**ON**  
**THE OUTLINE DESIGN STUDY**  
**ON**  
**THE PROJECT FOR RURAL WATER SUPPLY IN SANTIAGO ISLAND**  
**IN THE REPUBLIC OF CAPE VERDE**

In response to a request from the Government of the Republic of Cape Verde (hereinafter referred to as "Cape Verde"), the Government of Japan decided to conduct an Outline Design Study on the Project for Rural Water Supply in Santiago Island (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

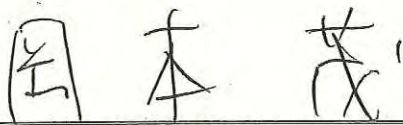
JICA sent to Cape Verde the Outline Design Study Team (hereinafter referred to as "the Team"), which is headed by Shigeru Okamoto, Executive Advisor to the Director General, Grant Aid and Loan Support Department, JICA. The Team is scheduled to stay in the country from September 16 to October 14, 2008.

The Team held discussions with the officials concerned of the Government of Cape Verde and conducted a field survey in the study area.

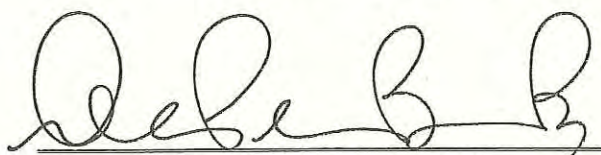
In the course of discussions and field survey, both parties confirmed the main items described on the attached sheets. The Team will proceed to further works and prepare the Outline Design Study Report.

This Minutes of Discussions is prepared both in English and in Portuguese and in case where the divergence of understanding occurs, English text shall prevail.

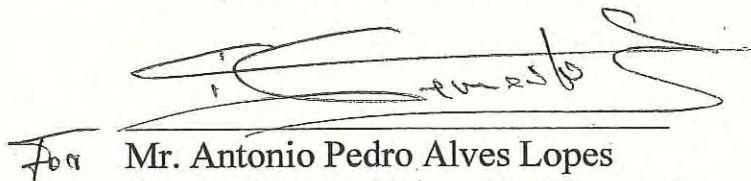
Praia, September 22, 2008



Mr. Shigeru OKAMOTO  
Leader  
Outline Design Study Team  
Japan International Cooperation Agency (JICA)  
Japan



Mr. Antonio Pedro Barbosa Borges  
President  
Instituto Nacional de Gestao dos Recursos  
Hidricos(INGRH)  
The Republic of Cape Verde



Mr. Antonio Pedro Alves Lopes  
Director General of International Cooperation  
Ministry of Foreign Affairs Cooperation and  
Community  
The Republic of Cape Verde

## ATTACHMENT

### 1. Objective of the Study

The objective of the Study is to make an outline design and cost estimation of the Project requested by Cape Verde in order to realize the incomplete part of the Project for Groundwater Development and Rural Water Supply in Santiago Island (hereinafter referred to as "the previous Project"). The previous Project was implemented in accordance with the notes exchanged between the Government of Cape Verde and the Government of Japan in the year 2004 and the basic design study thereof was carried out in the year 2003 (hereinafter referred to as "the previous study").

### 2. Title of the Project

Title of the Project is "the Project for Rural Water Supply in Santiago Island".

### 3. Purpose of the Project

Purpose of the Project is to improve living standard of the residents in rural area of the Santiago Island by means of construction and rehabilitation of water supply facilities.

### 4. Items Requested by the Capeverdean Side

As a result of discussions the Team and the Capeverdean side confirmed requested items written below. The Team, through the further study, will assess an appropriateness of the requested items from view points of socio-economic condition, natural condition and technical viability.

4-1) Project sites are 23 villages located in 9 municipalities as Annex 1.

4-2) Components of the Project are as follows and details are shown in Annex 2.

(1) Construction and rehabilitation of water supply facilities.

(2) Implementation of technical support.

### 5. Justification of the Project

The Capeverdean side explained that water supply sector had still high priority in its current national development plan and significance of the Project had not changed from what the previous study confirmed.

### 6. Schedule of the Study

6-1) The Team will proceed to further studies in Cape Verde until October 14, 2008.

6-2) The Team will prepare the draft outline design report based upon the results of survey and JICA will dispatch a mission to Cape Verde in order to explain its contents in February, 2009.

6-3) In case that the contents of the above report are accepted in principle by the Capeverdean side, the Team will complete the final outline design report and send it to the Government of Cape Verde by July, 2009.

### 7. Responsible and Implementing Agency

7-1) Representing Entity of Cape Verde: the Ministry of Foreign Affairs Cooperation and Community

7-2) Responsible and Implementation Agency: Instituto Nacional de Gestao dos Recursos Hidricos (hereinafter referred to as "INGRH"), the Republic of Cape Verde.

7-3) Organization chart of the Ministry of Foreign Affairs Cooperation and Community and INGRH are shown in Annex 3A and 3B.

7-4) The Capeverdean side ensured to coordinate with relevant Capeverdean agencies with close

communications in order to secure smooth implementation of the Project.

## 8. Scheme of Japan's Community Empowerment Grant Aid

In case the Project is approved by the Government of Japan, the Grant Aid for Community Empowerment (hereinafter referred to as "GACE") will be applied to the Project. In this context the Team explained the scheme of GACE and the Capeverdean side understood the explanation as described in Annex 4.

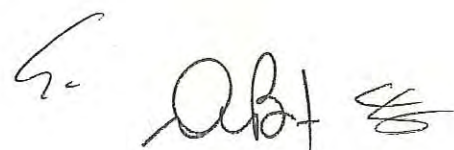
- 8-1) GACE is a newly introduced Japanese grant aid scheme that primarily aims at community development by empowering capability of certain community as a whole. In the meantime GACE has a feature that the commencement of implementation is earlier than those of General Grant Aid scheme. Having considered a strong request by the Capeverdean side for rapid implementation of the Project, GACE will be applied to the Project.
- 8-2) Construction by GACE can adopt local specification and positively utilize local contractors and endorse local procurement. However, the Project will, in principle, adopt designs and specifications which the previous Project adopted. At the stage of construction, procurement of contractors and construction materials will be locally done for the rapid implementation of the Project.
- 8-3) The Capeverdean side will make a contract with Japan International Cooperation System (hereinafter referred as "JICS") as a procurement management agent. JICS will undertake fund management and procurement on behalf of the Government of Cape Verde for smooth implementation. JICA will be in a position to expedite implementation of the Project. However JICA's role would change after forthcoming organizational reform that will take place in October 2008.
- 8-4) The flow of fund of grant aid is as shown in Annex 5-A (5-B: after October 2008).
- 8-5) Procurement of GACE should be done in accordance with the Procurement Guideline as shown in Annex 6. This guideline will be revised after October 2008 depending on the organizational reform of JICA.
- 8-6) Contractors will not be limited to Japanese firms.

## 9. Implementation Structure

- 9-1) Both sides confirmed that the Consultative Committee will be organized for the smooth implementation in case the Project would be implemented. The Consultative Committee will consist of following members.
  - (1) Representative of the Government of Japan
  - (2) President of INGRH or its designated personnel
  - (3) Director General of International Cooperation of the Ministry of Foreign Affairs Cooperation and Community or its designated personnel※ JICA and JICS will play roles of advisor. JICA will become a core member after October 2008.
- 9-2) Interrelation of relevant organizations is as shown in Annex 7A (7-B after October 2008).

## 10. Basic Idea of the Study

- 10-1) The scope of the Study is to cover the incomplete part of the previous Project in principle.
- 10-2) The outline design will be basically similar to the design of the previous Project. However, some minor alterations would be accommodated considering changes of socio-economic situation, natural condition and efficiency of implementation.
- 10-3) The outline design will take facilities constructed by the previous Project into the account.



## 11. Necessary Undertakings by the Capeverdean Side

- 11-1) The Capeverdean side agreed on the necessary undertakings as described in Annex 8 in case the Project will be implemented.
- 11-2) The Capeverdean side will exempt custom duties, internal taxes and other fiscal levies that maybe imposed with respect of supply of products and services necessary for the implementation of the Project in accordance with current internal laws and regulations of Cape Verde.
- 11-3) The Capeverdean side will open an account in a bank in Japan and cost for opening account and commissions which are charged when the funds are transferred should be borne by the Capeverdean side.
- 11-4) The Capeverdean side will complete extension works of power line to sites No.8, No.30 and No.33 before proper date.

## 12. Other Relevant Issues

- 12-1) The Outline Design will be made under the facilities constructed in the previous Project. The Capeverdean side explained that such facilities belonged legally to the Government of Cape Verde. Moreover, the Capeverdean side explained that the responsibilities on the defects of such facilities shall not be charged to the Japanese side. In the case it occurs the necessity of consulting a legal opinion the Capeverdean side will extend cooperation.
- 12-2) In order to secure quality of facilities to be constructed, the Japanese consultant firm will be assigned for supervision of construction work. JICA will recommend proper consultant firm to the Capeverdean side and JICS.
- 12-3) The Team will carry out a study on environmental and social considerations and support the necessary procedure of the Government of Cape Verde. The Capeverdean side ensured that, if EIA is deemed necessary for the Project, it will proceed with the necessary procedure to obtain the permit.
- 12-4) The Capeverdean side ensured to manage itself not to make duplication among the present Project and the projects of other donors, NGOs and/or those funded by the budgets for Development Plans and others.
- 12-5) The Capeverdean side understood and ensured that the facilities constructed under the Grant Aid shall be properly operated and maintained.
- 12-6) The Capeverdean side ensured to take any measures deemed necessary to secure the safety of the members of the Team during the Study.

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## Annex-1 Project Sites

Municipality	Site Name
Tarrafal	01 Curral Velho
São Miguel	03 Chã de Ponta
Santa Catarina	07 Boa Entradinha
	08 Bombardeiro
	10 Entre Picos de Reda
	13 Ribeira da Barca
São Salvador do Mundo	11/15 Pata Brava/Covão Grande (This system will be connected with site No. 7 -Boa Entradinha)
	17 Leitãozinho
Santa Cruz	18 Ribeirão Almaço
São Lourenço dos Órgãos	19/21 Achada Costa/Levada
São Domingos	24 Achada Mitra
	25/28 Banana/Mato Afonso
	26 Dacabalaio
	27 Fonte Almeida
	29 Pó de Saco
	30 Rui Vaz
Ribeira Grande de Santiago	32 Belém
	33 Santana
	34 Tronco
Praia	31 São Tomé

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## Annex-2 Components of the Project

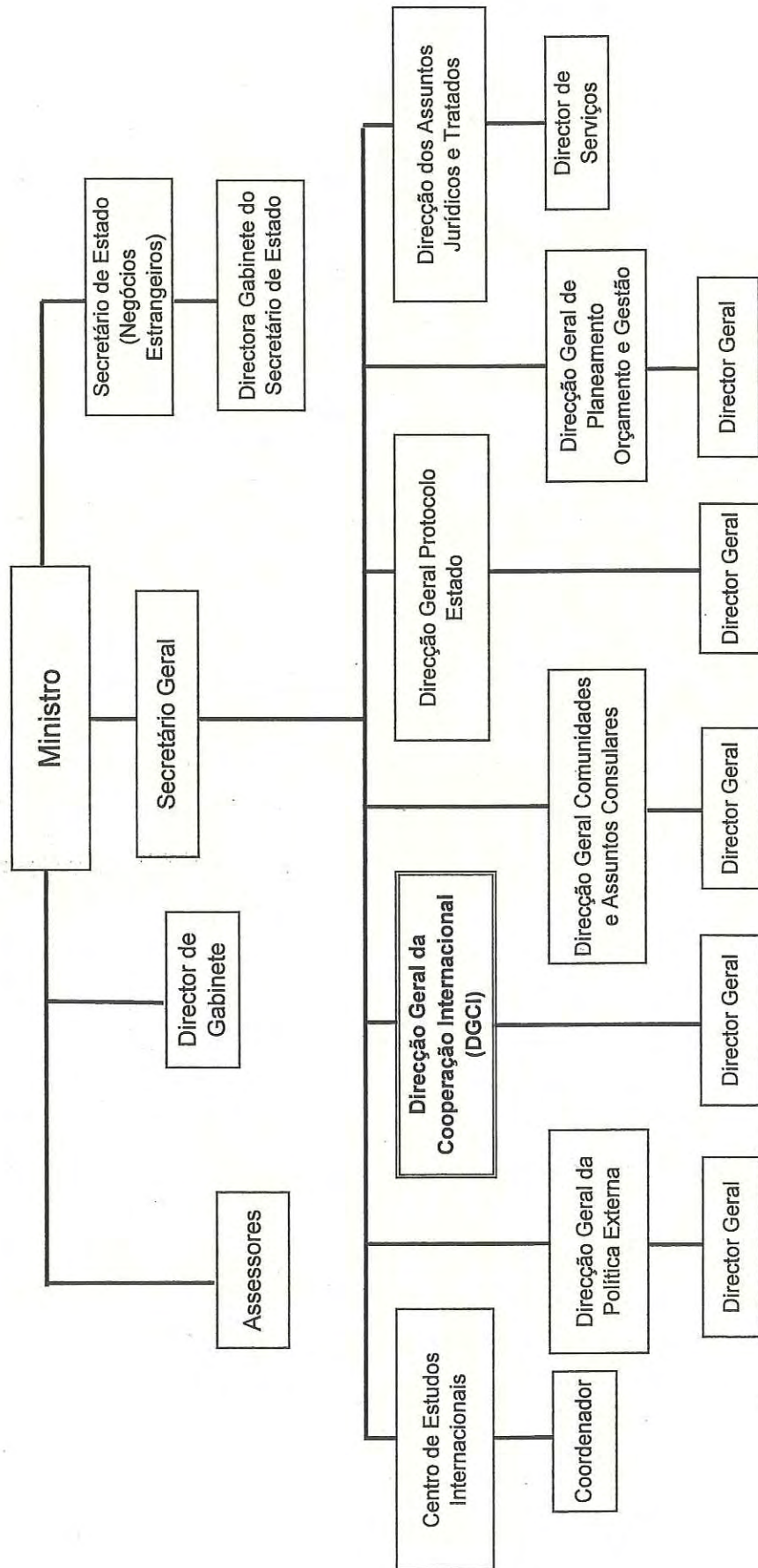
FACILITIES	Facilities		Construction target	Executed quantity	Necessary Quantity
	Pumping	1. Water source	1) Borehole	11 borehole	11 completed (T1, T2)
2) Test drilling			3 boreholes (test done)	3 not completed	Complete 3 nos.
3) Existing borehole			1 borehole	1 borehole completed (T2)	Concluded
4) Spring			1 no.	Not executed	1 no.
5) Existing system			3 systems	Not executed	Connection of 2 sites.
2. Pump			22 units	Not executed	22 units
3. Generator			16 sets	Not executed	16 units
4. Electricity		Public electricity	3 sites	Not executed	3 sites
Machinery House		1) Machinery House	19 sets	1 completed, 6 uncompleted (T1)	18 sets (6 uncompleted)
		2) Chlorinator	27 sets	2 sets uncompleted (T1)	27 sets
Pipe line	Pumping main, distribution	51.6 km	4.1km completed (T1, 2)	47.5km	
Reservoir	1) New	11 nos.	1 completed (T1)	10 nos.	
	2) Rehabilitation of existing	29 sets	2 completed, 6 incomplete (T1, 2)	27 sets (6 uncompleted)	
Public Faucet	1) New	31 sets	2 completed 5 concluded until the concrete work (T1, 2)	29 unity (5 sets uncompleted)	
	2) Rehabilitation of Existing	28 sets	2 sets completed (T1)	26 sets	
Equipment Procurement			Completed in Term-1		
Technical Support				Will be executed after completion of construction in each sites	

T1, T2, T3: Terms (Phase of the previous Project)

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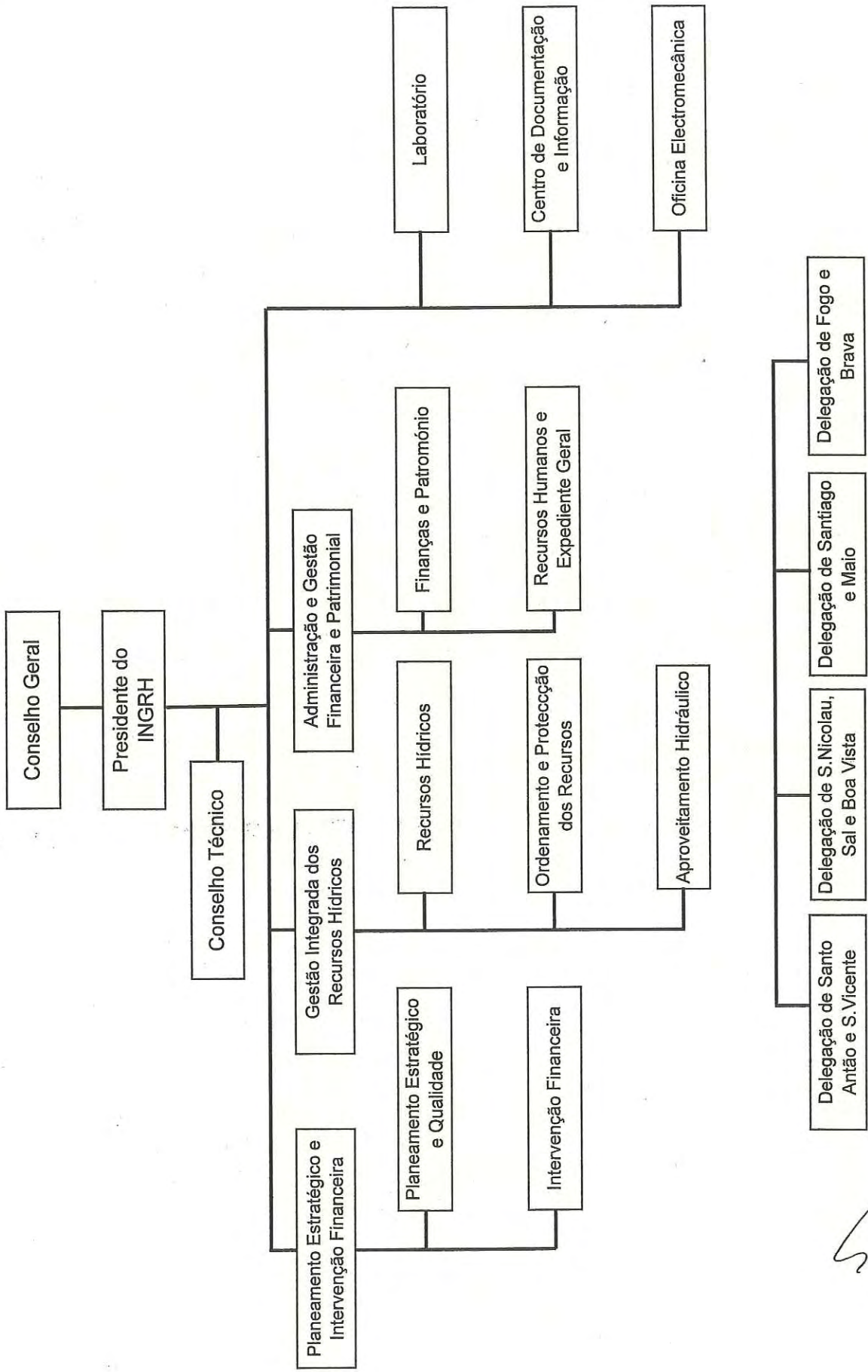
Annex-3A Organization Chart of Ministry of Foreign Affairs, Cooperation and Community



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Annex-3B Organization Chart of INGRH



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## Annex 4

### Japan's Grant Aid for Community Empowerment

〈Gist for the scheme〉

- As from FY2006, Japanese Government has introduced a new grant aid scheme called, "Grant Aid for Community Empowerment". It aims toward development of certain communities or regions in recipient country by empowering capability of the community as a whole to overcome various threats such as hunger, poverty, epidemics, etc. Multiple different components (construction of schools, roads, wells, or training, etc.) can be combined effectively to formulate one project. Single component projects, for example, constructions of school classrooms in certain region by utilizing local resources are also possible. Contractors, suppliers or consultants are not confined to Japanese companies only, and construction can be done in line with local specification, which leads to cost reduction.

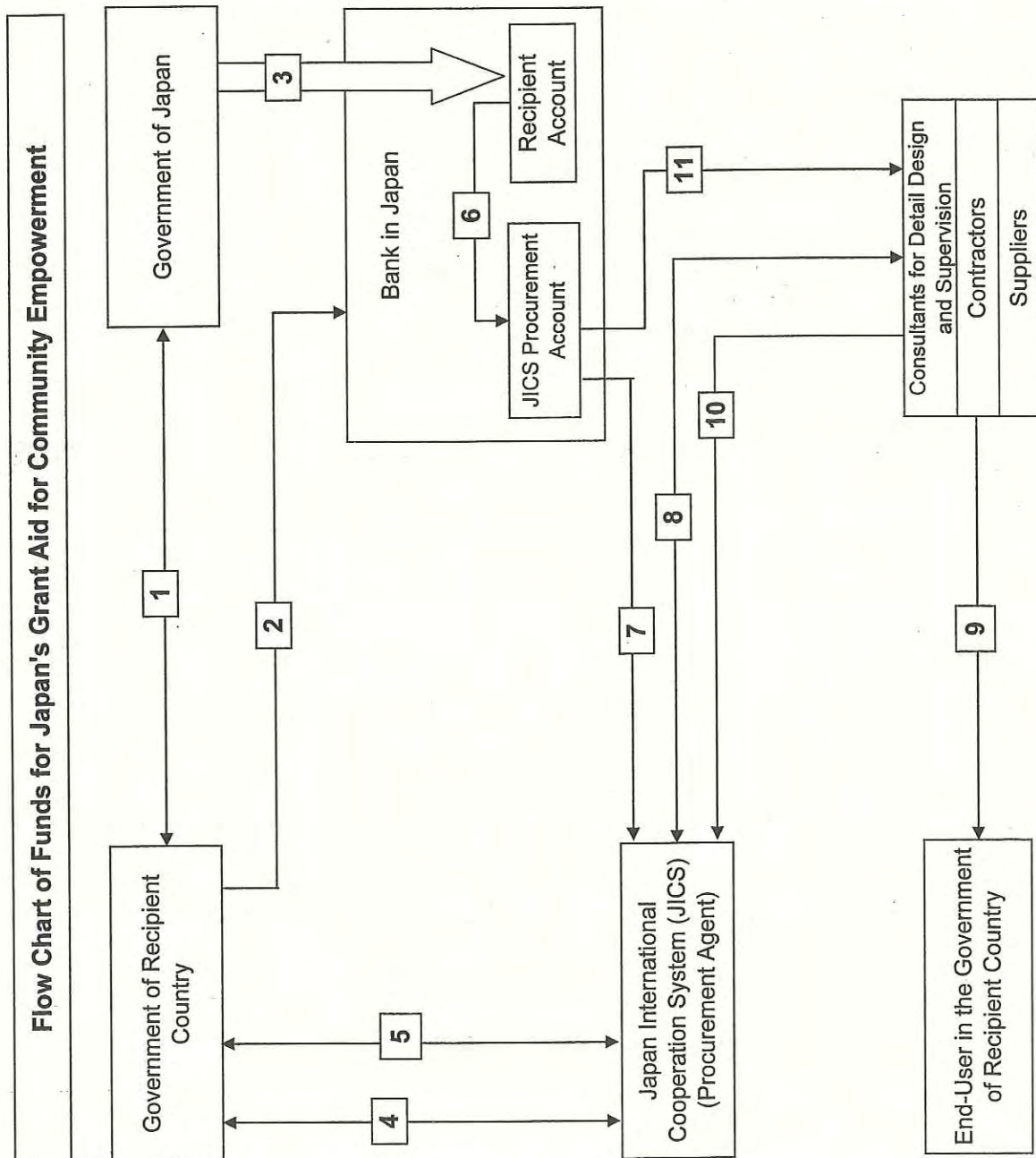
The new scheme has a number of important features which are different from those of Grant Aid for General Projects, Main features of the new scheme are as follows :

- Contractors, suppliers or consultants are not tied to Japanese companies only, and construction can be done in line with local specification,
- Multiple different components can be combined to formulate on project,
- Procurement Management Agent (Japan International Cooperation System (JICS) ) is assigned to undertake overall management of the grant (including fund management) on behalf of the recipient countries,
- A project has simpler procedures and is commenced earlier than in the case of General Grant Aid type,
- Local resources, such as suppliers, contractors, consultants, materials, work force, etc. may be utilized where necessary,
- Local specification may be applied to construction,
- Japan International Cooperation Agency (JICA) is assigned to undertake outline design studies and project implementation promotion.

One important feature and principle of the scheme is adoption cost effectiveness. If contractors with reasonable technical standard available in the recipient or nearby countries, they can participate bidding for construction. (Standard of quality will be supervised by technical advice of consultants selected by Japanese side.)

The new grant scheme, by empowering the community, thus seeks to enhance human security, an important vision for Japanese official development assistance.

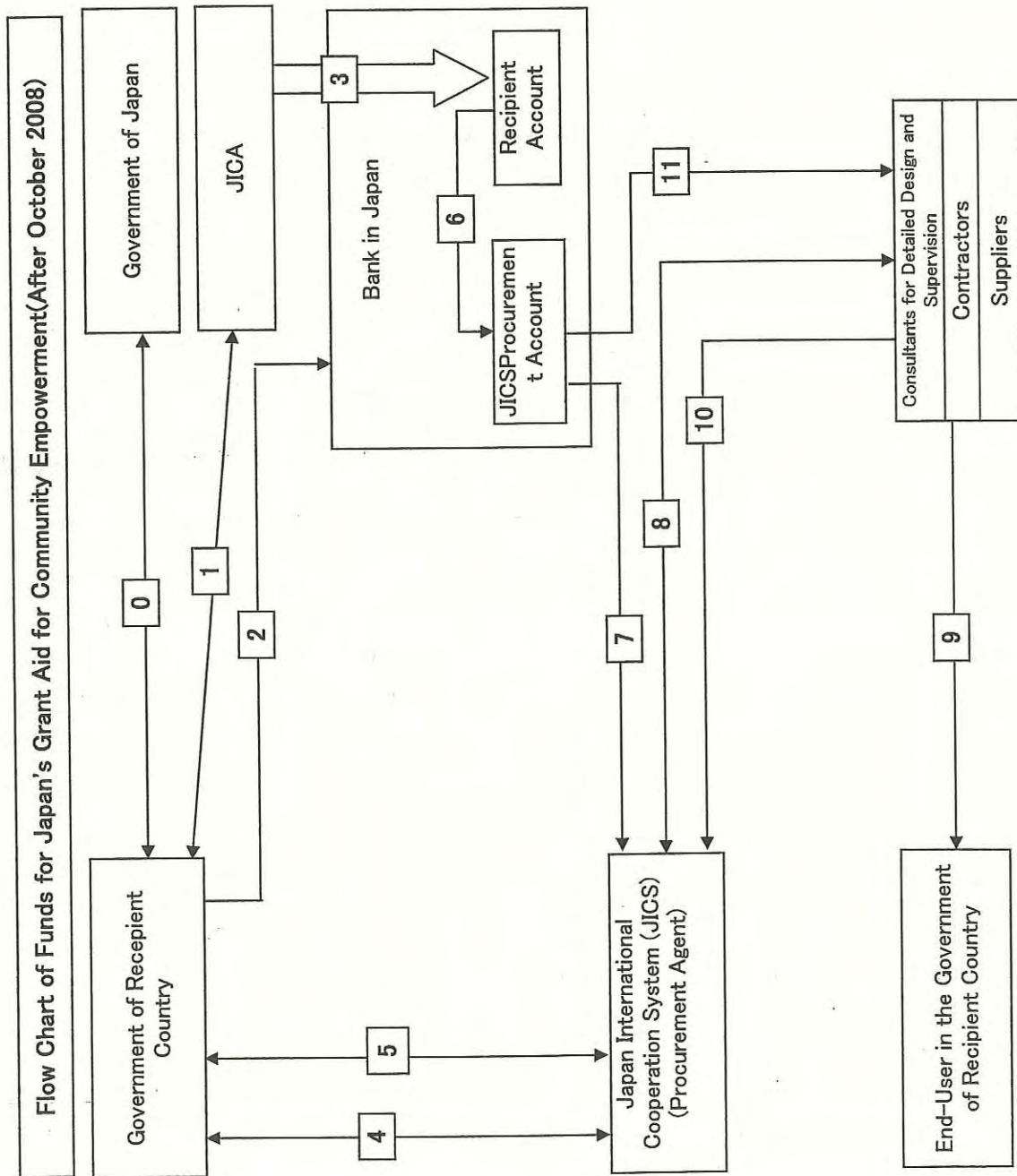
**Annex-5.a Flow Chart of Funds for Japan's Grant Aid for Community Empowerment**



- 1** Conclusion of Exchange of Notes
- 2** Conclusion of Banking Arrangement (B/A)
- 3** Disbursement of Funds
- 4** Conclusion of Agent Agreement (A/A)
- 5** Decision of goods and services to be procured
- 6** Transfer of the Grant Funds
- 7** Payment of Agent's Fee
- 8** Conclusion of Contract
- 9** Construction / Delivery of goods
- 10** Payment request
- 11** Payment

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**Annex-5.b Flow Chart of Funds for Japan's Grant Aid for Community Empowerment(DRAFT)**



- 0 Conclusion of Exchange of
- 1 Conclusion of Grant
- 2 Conclusion of Banking Arrangement (B/A)
- 3 Disbursement of Funds
- 4 Conclusion of Agent Agreement
- 5 Decision of goods and services to be procured
- 6 Transfer of the Grant Funds
- 7 Payment of Agent's Fee
- 8 Conclusion of Contract
- 9 Construction/Delivery of goods
- 10 Payment Request
- 11 Payment

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**Annex 6**

**Procurement Guidelines for  
Grant Aid for Community Empowerment**

**August, 2006**

**Ministry of Foreign Affairs of Japan**

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## PART I. Basic Principles

### I. Introduction

These Guidelines set forth the general rules to be followed in the procurement of products and services by the Grant Aid for Community Empowerment (hereinafter referred to as "GACE") which is agreed upon by the Exchange of Notes (hereinafter referred to as "the E/N") between the Government of Japan and the Government of the recipient country (hereinafter referred to as "the Recipient" that is defined in II. 2 below).

The application of these Guidelines shall be stipulated in the Agreed Minutes on Procedural Details (hereinafter referred to as "the A/M") signed together with the E/N between the Government of Japan and the Recipient.

The rights and obligations of the Recipient, procurement agent (hereinafter referred to as "the Agent") and the firm who supplies or provides products and services for GACE (hereinafter referred to as "the Firm" that is defined in II. 5. below) are governed by the contract concluded between the Recipient and the Agent (referred to as "employment contract" in the A/M and hereinafter referred to as "the Agent Agreement"), by the tender documents and by the contracts concluded between the Agent and the Firm, and not by these Guidelines.

### II. Parties Concerned

In these guidelines, relations among the Government of Japan, the Recipient, the Agent and the Firm are as follows:

1. The Government of Japan is the provider of GACE.
2. The Recipient is the beneficiary of the Grant and is responsible for the execution of GACE.  
The Recipient entrusts the Agent with the procurement of products and services.
3. JICA is designated by the Government of Japan as an organization responsible for necessary works aiming at expediting the proper execution of the Grant.
4. The Agent is an impartial and specialized organization which provides procurement services of products and services on behalf of the Recipient according to the Agent Agreement with the Recipient. The Agent is recommended to the Recipient by the Government of Japan and agreed between the two Governments in the A/M.
5. The Firm is the provider of products and services for GACE in accordance with the contract with the Agent.



## **Part II. Guidelines for the Use of the Agent**

### **I. General**

#### **1. Role of the Agent**

The Agent shall conduct the procurement services of products and services for GACE on behalf of the Recipient. The Agent shall render services with due expertise and in a fair and impartial manner to ensure the smooth and proper execution of GACE in order to contribute to fulfilling the purpose of the assistance.

The Agent shall work to maintain rights and interests of the Recipient and maximize the impacts of Japan's assistance. The Agent is also required to pay attention to minimizing the burden of the Recipient.

#### **2. Agent Agreement**

The Recipient shall conclude an Agent Agreement within one month after the date of entry into force of the E/N, with the Agent in accordance with the A/M.

After the approval of the Agent Agreement by the Government of Japan in a written form, the Agent shall conduct services referred to paragraph 3 below on behalf of the Recipient.

#### **3. Services of the Agent**

The Agent shall conduct the services referred to in the Appendix II of the A/M.

## **II. Approval of the Agent Agreement**

### **1. General**

The Agent Agreement, which is prepared as two identical documents, shall be submitted to the Government of Japan by the Recipient through the Agent. The Government of Japan confirms whether or not the Agent Agreement is concluded in conformity with the E/N, the A/M and these Guidelines, and approves the contract.

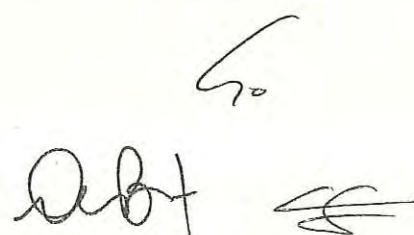
The Agent Agreement concluded between the Recipient and the Agent shall become effective after the approval by the Government of Japan in a written form.

### **2. Reference to the E/N**

The Agent Agreement shall refer to the E/N as follows: "the Government of Japan executes the Grant Aid for Community Empowerment to the Government of (name of recipient country) in accordance with the E/N signed on (date of signature) between the two Governments".

### **3. Scope of the Services**

The scope of the Agent's services shall be clearly specified in the Agent Agreement. The Agent Agreement with the scope of Agent's services in conflict with the E/N and the A/M shall not be approved by the Government of Japan.

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#### 4. Completion of the Services

The Agent Agreement shall clearly state that when the entire amount of the fund transferred from the Recipient's Account in the name of the Recipient at a Bank in Japan (hereinafter referred to as "the Recipient Account") to the Account in the name of the Agent (hereinafter referred to as "the Procurement Account") has been paid for the procurement of products and services, or when the remaining amount of the said fund has been transferred to the Recipient Account, the Agent's services shall be regarded as complete.

#### 5. Agent's Fees

The amount and currency or calculations of Agent's fees shall be precisely and correctly stated in the Agent Agreement. The conditions and amount or calculation for additional fees to which the Agent is entitled shall be clearly stated.

#### 6. Approval of the Agent Agreement

The Agent Agreement shall clearly state that it shall become effective after the approval by the Government of Japan in a written form.

#### 7. Payment Methods

The Agent Agreement shall stipulate that "regarding all transfers of the fund to the Agent, the Recipient shall designate the Agent to act on behalf of the Recipient and issue a Blanket Disbursement Authorization (hereinafter referred to as "the BDA") to conduct the transfer of the fund (hereinafter referred to as "Advances") to the Procurement Account from the Recipient Account."

The Agent Agreement shall clearly state that the payment to the Agent shall be made in Japanese yen from the Advances and that the final payment to the Agent shall be made when the total Remaining Amount become less than 3 % of the Grant and its accrued interest.

#### 8. Force Majeure

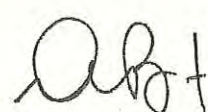

The Agent Agreement shall contain the clause stipulating "failure on the part of the Agent to fulfill obligations under the Agent Agreement would not be considered a default if such a failure is the result of an event of force majeure defined in the conditions of the Agent Agreement."

#### 9. Responsibilities and Obligations of the Recipient

The Agent Agreement shall clearly state the responsibilities and obligations of the Recipient in accordance with the E/N.

#### 10. Amendment of the Agent Agreement

If an amendment of the Agent Agreement is required, the amended Agent Agreement shall clearly state that:

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Procurement Guidelines of  
the Grant Aid for Community Empowerment

- (1) all the clauses except that which is amended, remain unchanged.
- (2) the amendment of the contract shall become effective only after the approval by the Government of Japan in a written form.



### **Part III. Guidelines for the Procurement of Products and Services**

#### **I. General**

##### **1. Products and Services Eligible for Procurement**

Products and services to be procured shall be selected from those defined in the E/N and the A/M.

The guidelines issued by the Agent shall be applied to the selection of consultants (persons or juridical persons including universities, NGOs, and others with expertise and experience) necessary for implementation of the projects in the Grant Aid.

##### **2. Firms**

In principles, a Firm of any nationality could be contracted as long as the Firm satisfies the conditions specified in the tender documents.

##### **3. Misprocurement**

The Government of Japan requires that, under contracts funded by the Grant, tenderers and Firms observe the highest standard of ethics during the procurement and execution of such contracts. In this regard, the Government of Japan shall demand that the Recipient and the Agent shall reject a tender if it determines that the tenderer has engaged in corrupt or fraudulent practices in competing for the contract in question. The Government of Japan shall recognize a Firm as ineligible, for a period determined by the Government of Japan, to be awarded a contract funded by the Grant if it at any time determines that the Firm has engaged in corrupt or fraudulent practices in competing for, or in executing any other contracts funded by the Grant or other Japanese ODA.

When the authorities concerned of the Government of Japan decide to impose against a firm such administrative sanctions as debarment, exclusion of goods manufactured, etc., from Japanese governmental procurement, the Government of Japan may ask the Recipient and the Agent to exclude the goods manufactured by the sanctioned firm from the procurement under the Grant, for the period of the sanctions by such authorities concerned of the Government of Japan.

#### **II. Procurement Procedures**


##### **1. Transfer of the fund**

The Agent shall take necessary measures for transferring the fund necessary for the procurement of products and services from the Recipient Account to the Procurement Account prior to the procurement procedures (The fund transferred to the Procurement Account is called "the Advances").

##### **2. Method of Procurement**

###### **(1) Competitive Tendering**

In implementing procurement, sufficient attention shall be paid so that there is no



unfairness among tenderers who are eligible for the procurement of products and services.

For this purpose, competitive tendering<sup>1</sup> shall be employed in principle.

## (2) Other Procurement Methods

If competitive tendering is deemed inappropriate or impractical due to any of the following special situations, the Agent is permitted to proceed with procurement on selective tendering<sup>2</sup>, international shopping<sup>3</sup> or direct contracting<sup>4</sup>:

- 1) When spare parts or accessories, etc. for existing equipment or equipment manufactured by specified manufacture are procured (In this case direct contracting is expected).
- 2) When there are adequate reasons to maintain uniformity and continuity of the products and services provided under an existing contract (In this case direct contracting is expected).
- 3) When the number of firms to satisfy the conditions is limited (In this case selective tendering or international shopping is expected).
- 4) When it is quite doubtful that the prospective tenderers would be interested in participating in competitive tendering, and thereby the advantages of competitive tendering would be outweighed by the administrative burdens involved (In this case selective tendering or international shopping is expected).
- 5) Part or all of the tender procedure was not successfully completed and re-tendering is implemented (In this case selective tendering or international shopping is expected).
- 6) When emergency procurement is required for the assistance for natural disasters or humanitarian assistance.
- 7) When consultants are to be selected (In this case, competitions among contents of Technical Proposals or direct contracting with the consultant recommended by JICA is expected)<sup>5</sup>

When procurement method other than competitive tendering are employed, the Agent shall implement procedures in such a manner as to comply with the competitive tendering

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<sup>1</sup> Competitive tendering is a procurement method in which tender opportunity is publicized and open to all potential tenderers who are qualified for the tender, and the contract is awarded to the tenderer who offers the most advantageous conditions for the contracting entity.

<sup>2</sup> Selective tendering is a form of competitive tendering based on a direct invitation of tenderers without an initial tender publicity, according to certain qualifications obtained from several tenderers to ensure competitive prices.

<sup>3</sup> International shopping is a contract method based on the comparison of quotations obtained from several firms to ensure competitive prices.

<sup>4</sup> Direct contracting is a contract method based on negotiation directly with a firm before contracting.

<sup>5</sup> Ways of selecting consultants are described in the guidelines issued by the Agent.

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procedures described in these Guidelines to the fullest possible extent, in order to ensure the transparency of the selecting procedures.

### (3) Additional Procurement

If there is a balance in the Procurement Account including accrued interest after the selection of firms, and the Recipient would like an additional procurement, the Agent is allowed to conduct an additional procurement, following the points mentioned below:

#### 1) Procurement of the same products and services

The additional procurement may be implemented by a direct contracting with the successful tenderer of the initial tender when a competitive tendering is judged to be disadvantageous or uneconomical in such cases where the products and services to be additionally procured are identical with the initial tender and also the quantity to be additionally procured is limited, or there was no other participants than the successful tenderer in the initial tender. When a direct contracting with the same firm is not necessarily advantageous or appropriate in such case where a portion of the balance is relatively large, firms shall be selected through a new tendering procedure.

#### 2) Other procurements

When products and services other than those mentioned above in (1) are to be procured, the procurement should be implemented through a competitive tendering. In this case, the products and services for additional procurement shall be selected from among those in accordance with the E/N and the A/M.

### 3. Size of Tender Lot

If a possible tender lot may be technically and administratively divided and such a division is likely to result in the broadest possible competition, the tender lot should be divided into two, or more. On the other hand, in the interest of obtaining the broadest possible competition, any one lot for which a tender is invited should, whenever possible, be of a size large enough to attract tenderers.

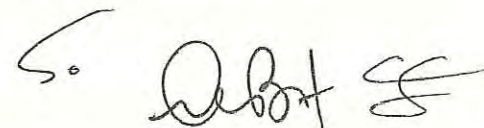
### 4. Tender Conditions

The Agent shall fully study and consider technical specifications, construction period, required technical standards, prices, manufacturing, transportation, trade regulations, etc. regarding goods and services to be procured and finalize appropriate tender and Procurement Conditions after obtaining confirmation by the Recipient. Also, the price expected for the procurement (referential price) shall be set in advance for reference in the selection of firms.

### 5. Tender Publicity

Tender Publicity shall be carried out in an appropriate manner so that all qualified and interested tenderers shall have fair opportunity to learn about and participate in the tender.

The tender notice should be publicized at least in a newspaper of general circulation in the



recipient country (or neighboring countries) or in Japan, and in the easily accessible webpage operated by the Agent. The main items to be contained in the public announcement are as follows:

- (1) Name of the Grant
- (2) Names of products and services to be procured
- (3) Name of the Agent and contact information including a location of its webpage (written as an Agent for the Recipient)
- (4) Required qualifications of tenderers
- (5) Other relevant information considered to be necessary for firms to determine whether to participate in the tender

The Agent is only required to publicize information from (1) to (3) above in the newspapers if other details including (4) and (5) above are advertised on the webpage of the Agent.

#### 6. Language

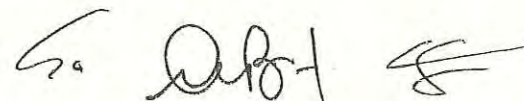
The tender invitation, tender documents and contracts should be prepared in English, French or Spanish.

### III. Tender Documents

#### 1. General

- (1) The tender documents should contain all information necessary to enable tenderers to prepare valid offers for the products and services to be procured under GACE.
- (2) The rights and obligations of the Recipient, the Agent and the Firms of the products and services should be stipulated in the tender documents to be prepared by the Agent. The tender documents shall be prepared in consultation with the Recipient.
- (3) The tender documents shall clearly state that " the Government of Japan shall extend Non-Project Grant Aid to the Government of (name of recipient country) in accordance with the E/N signed on (date of signature)."
- (4) The tender documents shall clearly state that "The Government of Japan requires that, under contracts funded by the Grant, tenderers and Firms observe the highest standard of ethics during the procurement and execution of such contracts. In this regard, the Government of Japan shall demand that the Recipient and the Agent shall reject a tender if it determines that the tenderer has engaged in corrupt or fraudulent practices in competing for the contract in question. The Government of Japan shall recognize a Firm as ineligible, for a period determined by the Government of Japan, to be awarded a contract funded by the Grant if it at any time determines that the Firm has engaged in corrupt or fraudulent practices in competing for, or in executing any other contracts funded by the Grant or other Japanese ODA.

When the authorities concerned of the Government of Japan decide to impose against a firm such administrative sanctions as debarment, exclusion of goods manufactured, etc.,



from Japanese governmental procurement, the Government of Japan may ask the Recipient and the Agent to exclude the goods manufactured by the sanctioned firm from the procurement under the Grant, for the period of the sanctions by such authorities concerned of the Government of Japan.”

## 2. Contents of the Tender Documents

The tender documents should consist of the following documents:

- (1) Instruction to Tenderers
- (2) Procurement Conditions
- (3) Form of the tender
- (4) Draft of the contract

If a fee is charged for the tender documents, it should be reasonable and reflect the cost of implementation of the tender procedure.

## 3. Major Items Related to the Instruction to Tenderers

- (1) The instruction to tenderers should clearly describe the procedure for question & answers, and correction regarding the tender documents, tender procedures, tender evaluations, and the other relevant issues of the tendering process.
- (2) The instruction to tenderers should clearly describe the products and services to be procured, qualifications required of tenderers, existence of local agents, elimination of disqualified firms from the tender, eligible source countries, place and date of the delivery, insurance, transportation, bond, warranty and other pertinent items.
- (3) The instruction to tenderers should clearly describe that the tender price shall be stated in figures and words as firm and final, and if there is a difference between the price in words and that in figures, the price in words is deemed correct.

## 4. Procurement Conditions

### (1) Clarity and Accuracy of Conditions

The Procurement Conditions should specify clearly and in detail the services to be performed, the products and services to be supplied and the relevant terms such as contents of the products and services, technical specifications, the place of delivery, etc.

The Procurement Conditions should identify the main factors or criteria to be taken into account in evaluation and comparison of tenders. The Procurement Conditions should be prepared so as to secure the broadest possible competitive tendering.

### (2) Impartiality of the Technical Specifications

The technical specifications supplied with Procurement Conditions should be based on the related characteristics and required capacities of the products and services to be procured.

Making reference to trademark names, catalogue numbers or similar classifications should be avoided unless in the case of the procurement of particular spare parts, etc.

### (3) Standards

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In the event that specifications require products to comply with industrial standards, specifications in the tender document should state that the products meeting the Japan Industrial Standards (JIS) or other internationally accepted standards, such as ISO, which insure an equal or higher quality than the standards mentioned shall also be accepted.

#### 5. Forms of Tender

The following forms of tender should be clarified: 1) tender qualification certificates, 2) tender specifications and 3) the tender price.

#### 6. Draft of the Contract

The draft contract should clearly state "the contract terms" such as "the rights and obligations of the Recipient, the Agent and the firm, etc." and the following items:

- (1) Terms of payment
- (2) Warranty period
- (3) Performance bond
- (4) Non-performance of the contract
- (5) Force majeure
- (6) Settlement of disputes

### IV. Implementation of Tender

#### 1. Preparatory Period for the Tender

The allowable period for the preparation and submission of the tender should be determined with due consideration to the particular circumstances related to GACE in the recipient country and the scale and complexity of the tender lots. Sufficient period before the date of tender should be allowed from the date when the documents are made available for potential tenderers.

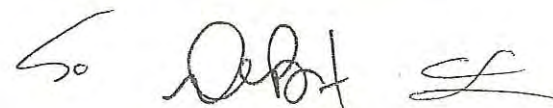
#### 2. Guarantee for the Tender

The Agent may request that the tenderers submit bid bond (e.g. bank guarantees) for the tender. The amount of the bid bond, however, should not be so high as to discourage potential tenderers. The bid bonds submitted from the unsuccessful tenderers should be returned immediately after the award of the contract.

#### 3. Questions and Answers regarding the Tender Documents

The Agent, for the purpose of the smooth implementation of the tender, should accept questions about the tender documents from the purchasers of the documents and provide answers to the questions, in accordance with the following points:

- (1) A reasonable period should be set, respectively for accepting questions and providing answers to those questions.
- (2) The answers should be given to all those who have purchased the tender documents well



in advance of the date of tender so that the prospective tenderers can take proper measures.

#### 4. Correction and Alteration of the Tender Documents

Any additional information, supplementary explanations, correction of errors and alterations related to the tender documents should be notified to all those who have purchased the tender documents well in advance of the date of tender so that prospective tenderers can take proper measures.

#### 5. Pre-qualification Examination of Tenderers

(1) The Agent may conduct a pre-qualification examination of tenderers in advance of the tender so that the invitation to the tender can be extended only to eligible firms.

(2) The pre-qualification examination should be performed only with respect to whether or not the prospective tenderers have the capability of accomplishing the contracts concerned without fail.

(3) In this case, the following points should be taken into consideration:

- 1) Experience and past performance in contracts of a similar kind
- 2) Property foundation or financial credibility
- 3) Existence of local offices, etc. to be specified in the tender documents

#### 6. Tender Procedures

(1) The tender documents should clearly indicate the deadline of the date and time for accepting the tendering as well as the date and place for opening the tender.

(2) The tenderer shall be instructed to submit the following necessary tender documents:

- 1) Tender qualification certificates
- 2) Tender specifications
- 3) Tender price

(3) All tenders should be opened in the presence of the Agent and tenderers or their representatives at the fixed date, time and place. The presence of tenderers is not requirement and tenderers who do not attend the tender opening shall not be disadvantaged in the respect of selection procedure.

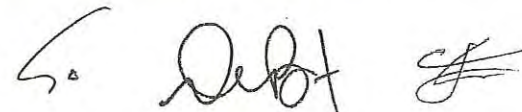
(4) Any tender submitted after the specified deadline is not acceptable as a valid tender.

(5) In opening tenders with the attendance of tenderers, the name of each tenderer and the tender price concerned should be read aloud and recorded.

#### 7. Supplementary Explanation and Modification of the Tender during Evaluation

(1) No tenderers shall be permitted to modify the contents of the tenders after the tenders have been opened.

(2) The Agent may request any tenderers to make a supplementary explanation but not permitted to request them for a substantial modification of the contents of the tenders





during tender evaluation.

#### 8. Confidentiality of Tender Process

Until notification of the award has been sent to the successful tenderer, the Recipient and the Agent shall not disclose to the tenderers and to other people who are not officially concerned with the tender procedures, any information on the examination of the tenders, supplementary explanations and evaluations, or any information related to the recommendation of a successful tenderer.

#### 9. Examination of Tenders

The Agent shall examine the following items with regard to the submitted tenders:

- (1) Serious errors in calculation
- (2) Attachment of requested documents
- (3) Attachment of requested certificates
- (4) Attachment of requested guarantees
- (5) Attachment of proper signatures to the documents
- (6) Conformity of the submitted tenders with the instruction of the tender documents

In examining the tenders, if a tender does not substantially conform to the specifications, or contains inadmissible reservations or is otherwise not substantially responsive to the tender documents, it should be disqualified.

After the above examination, each tender that satisfies the conditions should be technically examined for evaluation and comparison, in principle beginning with those submitted from the tenderer with the lowest tender price.

#### 10. Tender Evaluation

- (1) The tender evaluation should be implemented on the basis of the conditions specified in the tender documents.
- (2) Those tenders which substantially conform to the technical specifications, and are responsive to other stipulations of the tender documents, shall be judged in principle on the basis of the submitted price, and the tenderer who offers the lowest price shall be designated as the successful tenderer. In case the selection of successful tenderer solely based on the submitted prices is not appropriate or irrational in the respect of the natures of the products or services to be procured, other elements than the price such as length of delivery or construction periods, superiority of technical specifications, etc might be considered by qualifying their degrees and evaluated comprehensively together with the price competitiveness. In such cases, method and standard of tender evaluation shall be clearly explained in the tender documents.
- (3) In cases where satisfactory results in the respect of price or other relevant elements, if any, are not offered in the tender, the Agent may negotiate with the most advantageous tenderer (if this fails to obtain satisfactory results, the second ranking tenderer) to try and conclude a



satisfactory contract (a contract ad libitum).

- (4) If the tender is divided into several lots, the tender evaluation should be performed for each lot.

#### 11. Tender Evaluation Report

The Agent shall prepare a detailed tender evaluation report clarifying the reasons for the successful tender and the disqualification, and submit it to the Recipient to obtain confirmation before concluding the contract with the successful tenderer. The Agent shall submit a detailed evaluation report of tenders to JICA for its information, while the notification of the results to the tenderers will not be premised on the confirmation by JICA.

#### 12. Notification to the results

- (1) The Agent, within the validity period specified in the tender documents, should notify all the tenderers of the results of the tender. In case notification of result within the validity period is not possible, the Agent shall notify all the tenderers of the extension of the period before the expiry of the original period.
- (2) No tenderers shall be required, as a condition to be successful tenders, to bear responsibilities or obligations that are not described in the tender documents.

#### 13. Rejection of Tenders and re-tender

- (1) The Agent shall not implement the re-tendering with the same specifications merely for the purpose of reducing the price except when the lowest tender price has exceeded the referential price. The rejection of all tenders may only be justified in the following cases:
- 1) Successful tender was not given even after the result of negotiation with the advantageous tenderers in such case where offer prices extremely exceed the referential price.
  - 2) All tenders do not comply with the tender documents as a result of the examination and evaluation of the tenders.
  - 3) It is clear that competition is impeded in the process.
  - 4) There is a rational reason to believe that the aim of procurement shall not be achieved by continuing the ongoing tender procedure.
- (2) In case all the tenders are to be rejected and the re-tender to be called, the Agent should examine the causes and consider revising the specifications and other conditions specified in the original tender documents as well as procurement methods.

### V. Conclusion of the Contract

#### 1. General

In order to procure products and services in accordance with the E/N and the A/M, the Agent shall conclude contracts with firms selected by tendering or other methods. If more than one lot is awarded to the same contractor, the contracts may be combined into one.

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2. Reference to the E/N

The contract shall clearly state that "the Government of Japan executes (name of grant aid) the Grant Aid to the Government of (name of recipient country) in accordance with the E/N signed on (date of signature) between the two Governments".

3. Contents of the Products and Services

The contract shall clearly state the contents of the products and services to be procured. The contract with the contents of the procurement of products and services which are not covered by the E/N shall not be concluded.

4. Contract Price

The amount of all contract prices including the Agent's services shall not exceed the Grant and its accrued interest.

Each contract price shall be precisely and correctly stated in words and figures side by side. If there is any difference between prices in words and those in figures, the prices in words are considered to be correct.

5. Terms of Payment

The contract shall clearly state the terms of payment. The Agent shall make payment from the "Advances", against the submission of the necessary documents from the Firm on the basis of the conditions specified in the contract, after the obligations of the Firm have been fulfilled. When the services are the object of procurement, the Agent may pay certain portion of the contract amount in advance to the firms on the conditions that such firms submit the advance payment guarantee worth the amount of the advance payment to the Agent.

6. Warranty

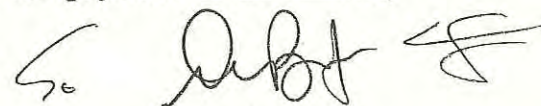
The contract shall clearly state the contents and the period of warranty if warranty is provided to products and services to be procured from the providers of such products and services.

7. Performance Guarantee

The Firms may be requested to submit performance guarantees. Such a performance guarantee shall be of an appropriate amount, and it shall be returned immediately after delivery of the products and completion of all services.

8. Non-performance of the Contract

The contract shall clearly state that if the performance of a contract by the Firm is delayed from the contracted period of execution or results in non-performance due to other reasons including bankruptcy, etc., the Agent is permitted to claim the payment of indemnities,



forfeiture of the Performance Guarantee, or cancellation of the contract against the Firm.

9. Force Majeure

The contract shall contain a clause to the effect that failure on the part of the Firm to fulfill obligations under the contract would not be considered a default if such failure is the result of an event of force majeure as defined in the terms of the contract.

10. Settlement of Disputes

The contract shall contain clauses dealing with the settlement of disputes.

11. Responsibilities and Obligations of Each Party

The contract shall clearly state the responsibilities and obligations of the Recipient, the Agent and the Firms.

12. Applicable Law

The contract shall clearly state the applicable law by which the contract is governed and interpreted.

13. Effectuation of the Contract

The contract shall become effective only after the signing of the contract between the Agent and the Firm.

14. Reporting to JICA

The Agent shall submit the copy of the contract with the Firm to JICA for its information.

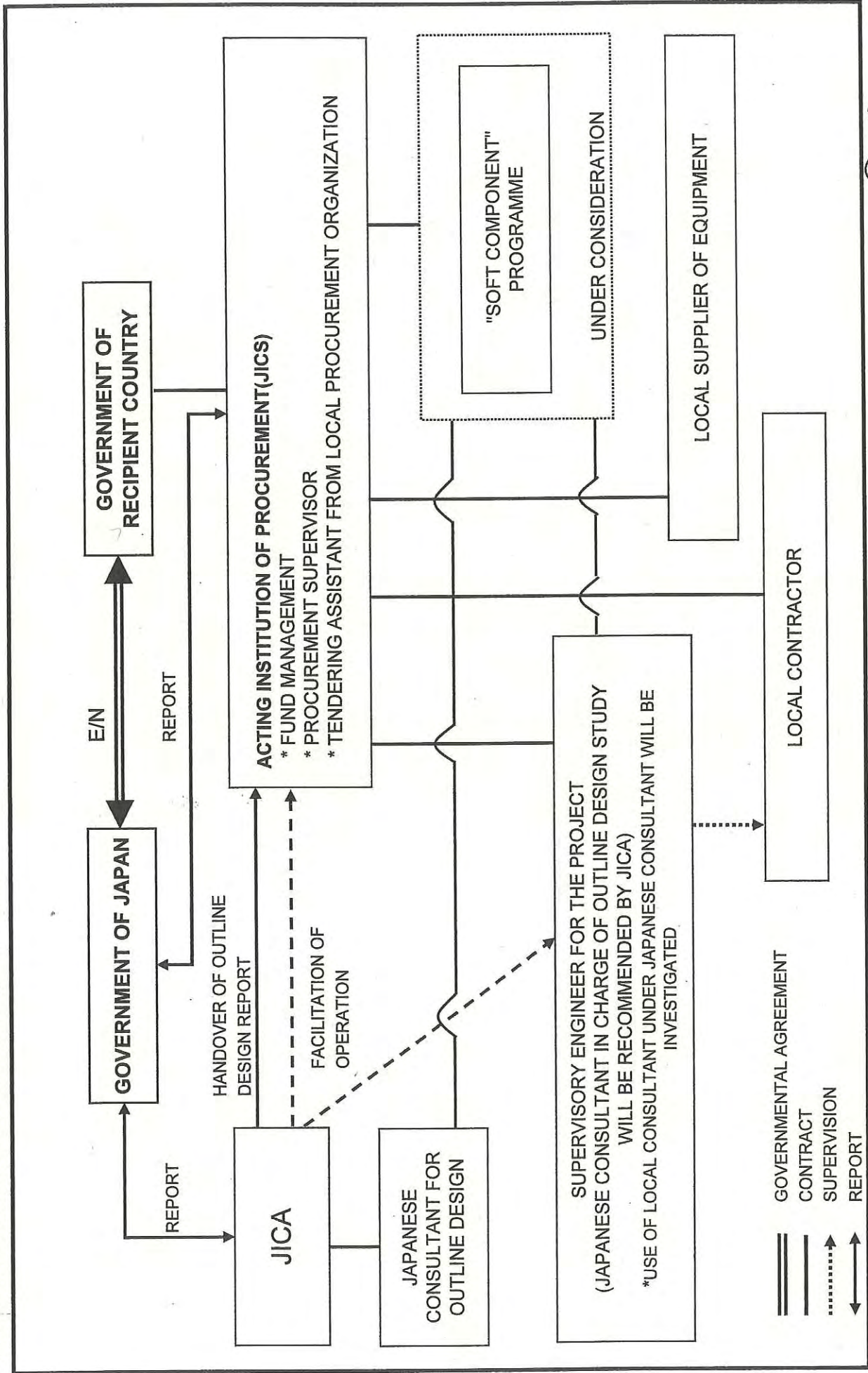
15. Amendment of the Contract

If an amendment of the contract is required, the Agent, obtaining the consent of the Recipient in advance, shall conclude a contract for the amendment with the Firm. The amended contract shall clearly state that "All clauses except that which is or are amended, remain unchanged". Also, the Agent shall submit the copy of the amended contract to JICA for its information.

16. Announcement of Results of contracts

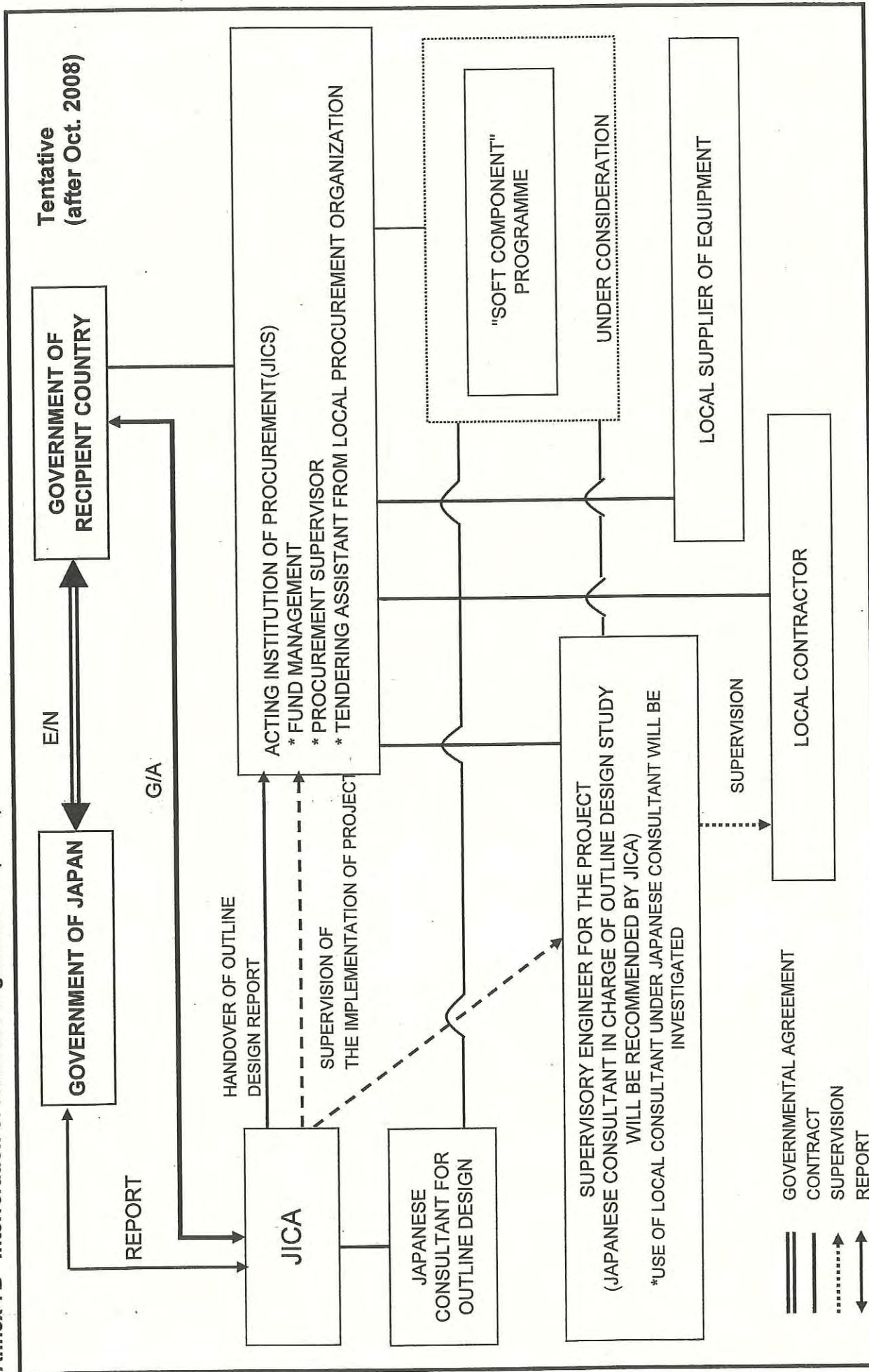
The Agent shall, as soon as the conclusion of contracts, announce information on the contract such as name of item, name of firm, amount of contract and date of contract on the webpage of the Agent.

Annex-7A Interrelation of Relevant Organizations



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Annex-7B Interrelation of Relevant Organizations (Draft)

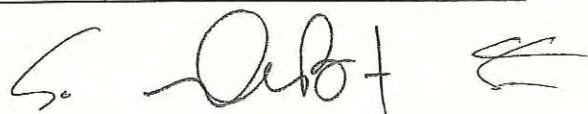


*Robert*

## Annex-8

### 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 the parking lot	-	
5	To construct roads		
	1) Within the site	•	
	2) Outside the site		•
6	To construct the building	•	
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 ( receiving and/or 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	•	
8	To bear the following commissions to a bank of Japan for the banking services based upon the B/A		
	1) Advising commission of A/P		-
	2) Payment commission		•
9	To ensure prompt unloading and customs clearance at the port of disembarkation in recipient country		
	1) Marine(Air) transportation of the products from Japan to the recipient country	•	
	2) Tax exemption and customs clearance of the products at the port of disembarkation		•
	3) Internal transportation from the port of disembarkation to the project site	•	-



10	To accord Japanese nationals and nationals of the third countries 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 and nationals of the third countries from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contract		•
12	To exempt goods and services procured by the procurement management agent customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country		•
13	To bear damages and losses caused by default of necessary undertakings of recipient country listed above		•
14	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid		•
15	To bear all the expenses, other than those to be borne by the Grant Aid, necessary for construction of the facilities as well as for the transportation and installation of the equipment		•

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Robert F