

(3) Basic Design Study (for reference)

**MINUTES OF DISCUSSIONS
ON THE BASIC DESIGN STUDY
ON THE PROJECT FOR
THE IMPROVEMENT OF CENTRAL FUNCTIONS OF JAFFNA TEACHING HOSPITAL
IN THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

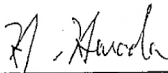
Based on the results of the Preparatory Study, the Government of Japan decided to conduct a Basic Design Study on the Project for the Improvement of Central Functions of Jaffna Teaching Hospital (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "Sri Lanka") the Basic Design Study Team (hereinafter referred to as "the Team"), which is headed by Mr. Hideaki Harada, Group Director, Project Management Group III, Grant Aid Management Department, JICA, and is scheduled to stay in the country from 14th February 2005 to 14th March 2005.

The Team held discussions with the officials concerned of the Government of Sri Lanka and conducted a field survey at 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 Basic Design Study Report.

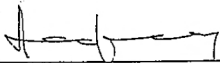
Colombo, 24th February 2005



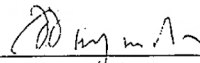
Mr. Hideaki Harada
Leader
Basic Design Study Team
Japan International Cooperation Agency



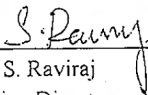
Mr. Ranjith Maligaspe
Secretary
Ministry of Healthcare, Nutrition &
Uva Wellassa Development



Mr. M.S. Jayasinghe
Secretary
Ministry of Relief, Rehabilitation and Reconciliation



Mr. J.H.J. Jayamaha
Additional Director General
Department of External Resources
Ministry of Finance



Dr. S. Raviraj
Acting Director
Jaffna Teaching Hospital

ATTACHMENT

1. Objective of the Project

The objective of the Project is to improve the Central Functions of Jaffna Teaching Hospital through construction of facilities, procurement/installation of equipment and necessary activities.

2. Project site

The site of the Project is the premises of Jaffna Teaching Hospital, Jaffna District.

3. Responsible and Implementing Agency

3-1. The Responsible Agency is Ministry of Healthcare, Nutrition & Uva Wellassa Development (MOH). For the smooth implementation of the Project, MOH makes necessary arrangements to obtain advice and assistance from the Ministry of Relief, Rehabilitation and Reconciliation.

3-2. The Implementing Agency is Jaffna Teaching Hospital.

4. Items requested by the Government of Sri Lanka

After discussions with the Team, the items described in Annex-1 and Annex-2 were finally requested by the Sri Lankan side. JICA will assess the appropriateness of the request and will recommend to the Government of Japan for approval.

(1) Construction of the Buildings and Facilities

1-1. Operation Theater Complex including Central Supply & Sterilizing Department (CSSD)

1-2. Intensive Care Units (ICUs)

1-3. Central Laboratory Complex

1-4. Central Facilities for Diagnostic Imaging

Details of items are listed in Annex-1.

(2) Procurement and Installation of the Equipment for the above Buildings and Facilities.

Details of items are listed in Annex-2.

5. Japan's Grant Aid Scheme

5-1. Sri Lankan side understands the Japan's Grant Aid Scheme explained by the Team, as described in Annex-3.

5-2. Sri Lankan side will take the necessary measures, as described in Annex-4, for smooth implementation of the Project, as a condition for the Japanese Grant Aid to be implemented. 7

6. Schedule of the Study

6-1. The consultants will proceed to further studies in Sri Lanka until 14th March 2005.

6-2. JICA will prepare the draft report in English and dispatch a mission in order to explain its contents around May 2005. 2

6-3. In case that the contents of the report is accepted in principle by the Government of Sri Lanka, JICA will complete the final report and send it to the Government of Sri Lanka by August 2005.

7. Other relevant issues

7-1. Both sides confirmed the items 7-1. to 7-5. of the Minutes of Discussions signed by both parties on 8th September 2004 remain valid.

7-2. Sri Lankan side promised to take necessary measures with the Ministry of Finance to exempt Japanese nationals who will be engaged in the Project, from customs duties, internal taxes and fiscal levies which may be imposed in Sri Lanka with respect to the supply of products and services under the verified contracts.

Also Sri Lankan side shall take every effort to convince LTTE (Liberation Tigers of Tamil Eelam) not to charge against Japanese nationals who will be engaged in the Project any commissions, charges, levies and the likes imposed by LTTE with respect to the supply of products and services including construction materials, construction machineries, construction expatriate and local personnel, construction labors, building equipment, furniture, and medical equipment under the verified contracts.

7-3. Both sides confirmed the construction site of the new facility will be the land as described in Annex-5.

7-4. Sri Lankan side promised to clear the land through demolition of the existing buildings at the construction site and relocation of the infrastructure no later than six months after the signing of the Exchange of Notes by both governments.

7-5. Sri Lankan side promised to allocate necessary budget and manpower for the proper maintenance and utilization of the equipments and facilities to be provided under the Project.

7-6. Sri Lankan side promised to relocate the equipments under usage at the existing buildings to the new facility upon necessity.

7-7. The Team expressed the necessity of KAIZEN (Continuous Quality Improvement) activities by introduction of 5-S activities and standardized management information system at all divisions of Jaffna Teaching Hospital. Sri Lankan side understood the necessity of the mentioned managerial tools and agreed to take necessary actions for further improvement of quality of services.

Annex 1

Building content

Operation theater	Laboratories
Operation rooms	Microbiology, Biochemistry, Hematology,
Recovery room	Histo-Pathology, Clinical Pathology rooms
Other related rooms	Other related rooms
CSSD	Image Diagnosis
Washing room	x-rays
Sterilization	Dental x-ray
Clean store	Mammography
Other related rooms	Ultrasound
ICU	EEG rooms
ICU bed rooms	ECG rooms
Infectious ICU rooms	Endoscope rooms
Nurse station	Rooms for existing apparatus
Other related rooms	Other related rooms
	Generator

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Lists of the Equipment

Annex-2

After discussion with the Team, these equipment in Annex-2 were finally requested by the Sri Lankan side. The final components of these equipment, however, will be examined according to the three graded priorities A, B and C in Lists of the Equipment, and will be modified by the Team after further survey and analysis in Japan.

The three graded priorities in Lists of the Equipment shall mean as follows.

- A : Appropriate to be procured, but its quantity is examined through further analysis.
- B : Its appropriateness and quantity to be procured is examined through further analysis.
- C : Not appropriate to be procured.

Department	Item No.	Description	Priority
Operation Theater Complex	OT-01	Anesthetic apparatus	A
	OT-02	Anesthetic apparatus with ventilator	A
	OT-03	Autoclave, large size	A
	OT-04	Autoclave, medium size	A
	OT-05	Blood warmer	B
	OT-06	C-arm X-ray unit	B
	OT-07	Defibrillator	A
	OT-08	Drug cabinet	B
	OT-09	Electric warming pad	B
	OT-10	Electrosurgical unit, complete	A
	OT-11	Electrosurgical unit, simple	B
	OT-12	Foot stool	B
	OT-13	Instrument set for amputation	B
	OT-14	Instrument set for cervical fusion surgery	B
	OT-15	Instrument set for cleft palate surgery	B
	OT-16	Instrument set for cut down	B
	OT-17	Instrument set for dilation & curettage	B
	OT-18	Instrument set for E.N.T. surgery	B
	OT-19	Instrument set for eye surgery	B
	OT-20	Instrument set for forearm surgery	B
	OT-21	Instrument set for gastrectomy	B
	OT-22	Instrument set for general surgery	B
	OT-23	Instrument set for intubation	B
	OT-24	Instrument set for laminectomy	B
	OT-25	Instrument set for meniscectomy	B
	OT-26	Instrument set for micro finger surgery	B
	OT-27	Instrument set for micro hand surgery	B
	OT-28	Instrument set for micro vascular surgery	B
	OT-29	Instrument set for minor and intermediate surgery	B
	OT-30	Instrument set for nephrectomy	B
	OT-31	Instrument set for neurology	B
	OT-32	Instrument set for oesophageal dilator	B
	OT-33	Instrument set for orthopaedic surgery	B
	OT-34	Instrument set for pediatric plastic surgery	B
	OT-35	Instrument set for prostatectomy	B
	OT-36	Instrument set for skin grafting	B
	OT-37	Instrument set for thoracic surgery	B
	OT-38	Instrument set for thyroidotomy	B
	OT-39	Instrument set for tonsillectomy	B
	OT-40	Instrument set for tracheostomy	B
	OT-41	Instrument set for vaginal hysterectomy & repair	B
	OT-42	Instrument table with guard rail	B
	OT-43	Instrument table with three fan-shaped tray	B
	OT-44	Instrument table, mayo's type	B
	OT-45	Kick bucket	B
	OT-46	Laundry cart	B
	OT-47	Neonatal resuscitator with over head warmer	B
	OT-48	Neuro muscular monitor	B
	OT-49	Operation chair	A
	OT-50	Operation Lamp	A
	OT-51	Operation Lamp, mobile with battery back up unit	A
	OT-52	Operation monitor	A
	OT-53	Operation table	A
	OT-54	Operation table, Orthopedic	A
	OT-55	Patient monitor	A
	OT-56	Recovery bed	A

Lists of the Equipment

Annex-2

Department	Item No.	Description	Priority
Operation Theater Complex	OT-57	Retractor set	B
	OT-58	Shelf for container	B
	OT-59	Shelf for instrument	B
	OT-60	Sink unit	B
	OT-61	Sterilizing container	B
	OT-62	Stretcher	A
	OT-63	Suction unit	A
	OT-64	Surgical hand scrub unit	A
	OT-65	Syringe pump	B
	OT-66	Ventilator	B
	OT-67	Warming blanket	B
	OT-68	Working table	A
	OT-69	X-ray film viewer	A
Intensive Care Units (ICUs)	IC-01	Ambubag for adult	A
	IC-02	Ambubag for pediatrics	A
	IC-03	Autoclave, table top type	B
	IC-04	Bedpan shelf	C
	IC-05	Blood gas analyzer	B
	IC-06	Blood warmer	A
	IC-07	Central monitor	A
	IC-08	Defibrillator	B
	IC-09	ECC	C
	IC-10	External cardiac pace maker	C
	IC-11	Glucosemeter	C
	IC-12	Hemoglobinmeter	A
	IC-13	ICU bed	A
	IC-14	Infusion pump	A
	IC-15	Laryngoscope	C
	IC-16	Mobile X-ray unit	B
	IC-17	Ophthalmoscope	A
	IC-18	Patient monitor	A
	IC-19	Patient monitor for pediatrics	B
	IC-20	Shelf for instrument	B
	IC-21	Shelf for linen	B
	IC-22	Spot lamp	B
	IC-23	Stethoscope	B
	IC-24	Stretcher	A
	IC-25	Stretcher, radiotransparent	A
	IC-26	Suction unit	A
	IC-27	Syringe pump	B
	IC-28	Trolley	A
	IC-29	Ventilator	A
	IC-30	Ventilator for pediatrics	B
	IC-31	Wright spirometer	A
	IC-32	X-ray film viewer	B
Central Laboratory Complex	LA-01	Arm rest for blood collection	A
	LA-02	Autoclave, table top type	A
	LA-03	Autoclave, vertical type	B
	LA-04	Automatic biochemistry analyzer	B
	LA-05	Automatic blood cell analyzer	B
	LA-06	Balance	A
	LA-07	Bilirubinmeter	C
	LA-08	Blood culture monitor	A
	LA-09	Blood gas analyzer	C
	LA-10	Bottom, pyrex	B
	LA-11	Bunsen burner	A
	LA-12	Centrifuge	A
	LA-13	Drying cabinet	B
	LA-14	Electrolyte analyzer	A
	LA-15	Electrophoresis system	B
	LA-16	ELISA reader	B
	LA-17	ELISA washer	C
	LA-18	ESR analyzer	A
	LA-19	Flamephotometer	A
	LA-20	Freeze drier	A
	LA-21	Deep freezer	A
	LA-22	Glass ware set	B

Lists of the Equipment


Annex-2

Department	Item No.	Description	Priority	
Central Laboratory Complex	LA-23	Glucosemeter	A	
	LA-24	Haematoroglobin variant analyzer	C	
	LA-25	Heat dry block	A	
	LA-26	Hemoglobinmeter	A	
	LA-27	Hot air oven	A	
	LA-28	Hot plate	B	
	LA-29	Hot plate stirrer	A	
	LA-30	Incubator	A	
	LA-31	Laminar flow cabinet	A	
	LA-32	Liquid dispenser	B	
	LA-33	Media sterilizer	A	
	LA-34	Micro plate viewer	B	
	LA-35	Microscope	A	
	LA-36	Microscope with CCD camera and monitor	A	
	LA-37	Microtome	B	
	LA-38	Osmometer	B	
	LA-39	PH meter	A	
	LA-40	Pipette	C	
	LA-41	Pipette dryer	C	
	LA-42	Plate incubator	B	
	LA-43	Plate washer	B	
	LA-44	Refrigerator	A	
	LA-45	Rotamixer	A	
	LA-46	Semi automated coagulation analyzer	B	
	LA-47	Shelf for instrument	B	
	LA-48	Slide staining machine	B	
	LA-49	Spectrophotometer	A	
	LA-50	Standard wire loupe	C	
	LA-51	Stirrer	B	
	LA-52	Stopwatch	C	
	LA-53	Tissue processor	B	
	LA-54	Urine analyzer	A	
	LA-55	Urine meter	A	
	LA-56	UV Sterilizer	A	
	LA-57	Water bath	A	
	LA-58	Wire loupe, straight wire, normal	C	
	Central Facilities for Diagnostic Imaging (Radiology)	RA-01	Bone densitometer	C
		RA-02	Dark room accessories	A
		RA-03	Dental X-ray	A
		RA-04	Digital fluoro & radiography system	C
		RA-05	Digital mammography system	C
		RA-06	Examination table	B
		RA-07	High performance computer radiography system	C
		RA-08	Instrument table with guard rail	B
		RA-09	Laryngoscope set	B
		RA-10	Laser camera	C
		RA-11	Lead numbering set	A
		RA-12	Mammography unit	A
		RA-13	Mobile lamp	B
		RA-14	Mobile X-ray unit	A
		RA-15	C-arm X-ray unit	C
		RA-16	Pass box	A
		RA-17	Resuscitation bag for adult	B
		RA-18	Resuscitation bag for paediatrics	B
		RA-19	Shelf for instrument	B
		RA-20	Stretcher	B
		RA-21	Teleradiology	C
		RA-22	Ultrasound scanner, B/V	A
RA-23		Ultrasound scanner, color doppler	A	
RA-24		Ultrasound scanner, digital color doppler	C	
RA-25		Work station	C	
RA-26		X-ray film processor	A	
RA-27		X-ray film viewer	A	
RA-28		X-ray film viewer, Large	A	
RA-29		X-ray protective set	A	
RA-30		X-ray system, fluoroscopy	A	
RA-31		X-ray system, simple bucky and stand	A	

Lists of the Equipment

Annex-2

Department	Item No.	Description	Priority
Central Facilities for Diagnostic Imaging (Vital Sign Testing)	VS-01	Bronchoscope	B
	VS-02	Colonoscope	B
	VS-03	Cystoscope	B
	VS-04	Endoscopic retrograde cholangiopancreatography	B
	VS-05	Endoscopic cabinet	B
	VS-06	Examination table	B
	VS-07	Upper gastrointestinalscope	B
Central Facilities for Diagnostic Imaging (EEG)	EE-01	EEG	A
	EE-02	Examination table	B
Central Facilities for Diagnostic Imaging (ECG)	EC-01	ECC	A
	EC-02	ECC, holter testing	A
	EC-03	ECC, stress testing	B
	EC-04	Examination table	B
Common	CO-01	Digital voice recorder	B
	CO-02	Multimedia projector	B
	CO-03	Over head projector	B
	CO-04	TV & video recorder	B
	CO-05	White board	B
Maintenance for Equipment	ME-01	Computer, desk top type	B
	ME-02	Tool set	B


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ANNEX-3 : JAPANESE GRANT AID SCHEME

1. Grant Aid Procedure

1) Japanese Grant Aid Program is executed through the following procedures.

Application (Request made by a recipient country)

Study (Basic Design Study conducted by JICA)

Appraisal & Approval (Appraisal by the Government of Japan and Approval by Cabinet)

Determination of Implementation (The Notes exchanged between the Governments of Japan and the recipient country)

2) 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 to conduct a study on the request. If necessary, JICA send a Preliminary Study Team to the recipient country to confirm the contents of the request.

Secondly, JICA conducts the study (Basic Design Study), using Japanese consulting firms.

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japanese Grant Aid Programme, 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 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 (hereinafter referred to as "the Study"), conducted by JICA on a requested project (hereinafter 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:

a) 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;
- b) evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from the technical, social and economic points of view;
 - c) confirmation of items agreed on by both parties concerning the basic concept of the Project;
 - d) preparation of a basic design of the Project; and
 - e) 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 Japanese 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 through 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 the smooth implementation of the Study, JICA uses a consulting firm selected through its own procedure (competitive proposal). The selected firm participates the Study and prepares a report based upon the terms of reference set by JICA.

At the beginning of implementation after the Exchange of Notes, for the services of the Detailed Design and Construction Supervision of the Project, JICA recommends the same consulting firm which participated in the Study to the recipient country, in order to maintain the technical consistency between the Basic Design and Detailed Design as well as to avoid any undue delay caused by the selection of a new consulting firm.

3. Japanese Grant Aid Scheme

1) What is Grant Aid?

The Grant Aid Program 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. Grant Aid is not supplied through the donation of materials as such.

2) Exchange of Notes (E/N)

Japanese 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.

- 3) "The period of the Grant" means the one fiscal year which the Cabinet approves the project for. Within the fiscal year, all procedure such as exchanging of the Notes, concluding contracts with consulting firms and contractors and final payment to them must be completed.

However, in case of delays in delivery, installation or construction due to unforeseen factors such as weather, 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.

- 4) Under the Grant, 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, contracting 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.)

- 5) Necessity of "Verification"

The Government of the 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 of Japanese taxpayers.

- 6) Undertakings required to the Government of the recipient country
- a) to secure a lot of land necessary for the construction of the Project and to clear the site;
 - b) to provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the site;
 - c) to ensure prompt unloading and customs clearance at ports of disembarkation in the recipient country and internal transportation therein of the products purchased under the Grant Aid;
 - d) to exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts;
 - e) to accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such as facilities as may be

necessary for their entry into the recipient country and stay therein for the performance of their work;

f) to ensure that the facilities constructed and products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and

g) to bear all the expenses, other than those covered by the Grant Aid, necessary for the Project.

7) "Proper Use"

The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign the necessary staff for operation and maintenance of them as well as to bear all the expenses other than those covered by the Grant Aid.

8) "Re-export"

The products purchased under the Grant Aid shall not be re-exported from the recipient country.

9) Banking Arrangement (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 an authorized foreign exchange 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 recipient country or its designated authority.

FLOW CHART OF JAPAN'S GRANT AID PROCEDURES

Stage	Flow & Works	Recipient Government	Japanese Government	JICA	Consultant	Contract	Others
Application	<p>(T/R : Terms of Reference)</p> <p>Request</p> <p>Screening of Project</p> <p>Evaluation of T/R</p> <p>Project Identification Survey</p>						
Project Formulation & Preparation	<p>Preliminary Survey</p> <p>Field Survey Home Office Work Reporting</p>						
	<p>Basic Design Study</p> <p>Selection & Contracting of Consultant by Proposal</p> <p>Field Survey Home Office Work Reporting</p> <p>Explanation of Draft Final Report</p> <p>Final Report</p>						
Appraisal & Approval	<p>Appraisal of Project</p> <p>Inter Ministerial Consultation</p> <p>Presentation of Draft Notes</p> <p>Approval by the Cabinet</p>						
Implementation	<p>(E/N : Exchange of Notes)</p> <p>E/N</p>						
	<p>Banking Arrangement</p>						
	<p>Consultant Contract</p> <p>Verification</p> <p>Issuance of A/P</p>						
	<p>Detailed Design & Tender Documents</p> <p>Approval by Recipient Government</p> <p>Preparation for Tendering</p>						
	<p>Tendering & Evaluation</p>						
	<p>Procurement /Construction Contract</p> <p>Verification</p> <p>A/P</p>						
	<p>Construction</p> <p>Completion</p> <p>Certificate by</p> <p>A/P</p>						
Evaluation & Follow up	<p>Operation</p> <p>Post Evaluation Study</p> <p>(A/P : Authorization to Pay)</p> <p>Ex-post Evaluation</p> <p>Follow up</p>						

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ANNEX-4: UNDERTAKINGS BY THE GOVERNMENT OF THE
RECIPIENT COUNTRY

1. To secure a lot of land necessary for the Project;
2. To clear and level the site for the Project prior to the commencement of the construction;
3. To provide a proper access road to the Project site;
4. To provide facilities for distribution of electricity, water supply, telephone trunk line and drainage and other incidental facilities outside the site;
5. To undertake incidental outdoor works, such as gardening, fencing, exterior lighting, and other incidental facilities in and around the Project site, if necessary;
6. To ensure prompt unloading and customs clearance of the products purchased under the Japanese Grant Aid at ports of disembarkation in the Recipient Country;
7. To exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in THE RECIPIENT COUNTRY with respect to the supply of the products and services under the verified contracts;
8. 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;
9. To bear commissions, namely advising commissions of an Authorization to Pay (A/P) and payment commissions, to the Japanese foreign exchange bank for the banking services based upon the Banking Arrangement (B/A);
10. To provide necessary permissions, licenses, and other authorization for implementing the Project, if necessary;
11. To ensure that the facilities constructed and equipment purchased under the Japanese Grant Aid be maintained and used properly and effectively for the Project; and
12. To bear all the expenses, other than those covered by the Japanese Grant Aid, necessary for the Project.

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	●	

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 contract		●
12	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid		●
13	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		●