

Appendix 4. Minutes of Discussions

Appendix4: M/D : Minutes of Discussions

MINUTES OF DISCUSSIONS
ON THE PREPARATORY STUDY
ON THE PROJECT FOR RECONSTRUCTION OF BRIDGES
IN THE CENTRAL DISTRICT (PHASE II)
IN THE SOCIALIST REPUBLIC OF VIETNAM

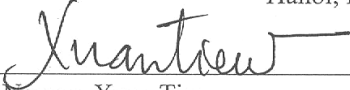
In response to a request from the Government of the Socialist Republic of Vietnam (hereinafter referred to as "the Vietnam"), the Government of Japan decided to conduct a Preparatory Study on the Project for Reconstruction of Bridges in the Central District (Phase II) (hereinafter referred to as "the Project") and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Vietnam the Preparatory Study Team (hereinafter referred to as "the Team"), which is headed by Mr. Toshio Nagase, Senior Representative, JICA Vietnam Office, and is scheduled to stay in the country from November 22nd to December 21st, 2009. The Team held discussions with the officials concerned of the Government of Vietnam.

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


Hanoi, November 27, 2009

Toshio Nagase
Leader
Preparatory Study Team
Japan International Cooperation Agency



Nguyen Xuan Tien
Deputy Director General
Department of Foreign Economic Relations
Ministry of Planning and Investment

Ha Khac Hao
Deputy Director General
Department of Planning and Investment
Ministry of Transport



Le Anh Tuan
General Director
Project Management Unit 2
Ministry of Transport



ATTACHMENT

1.Objective of the Project

The objective of the Project is to secure smooth and safe all-year transportation in the central district in the Socialist Republic of Vietnam.

2.Project site

The sites are located in 4 provinces of the central district as shown in ANNEX 1.

Tan Van Bridge (Lam Dong Province) was withdrawn from the component of study since the bridge will be constructed under the budget of Vietnamese Government.

3.Responsible and Implementing Agency

Ministry of Transport is the responsible ministry and Project Management Unit 2 (PMU2) is the implementation agency for the Project.

4.Items requested by the Government of Vietnam

After discussions with the Team, the requested components were confirmed as below. JICA will assess the appropriateness of the request and will recommend to the Government of Japan for approval.

- 1) Da Dung Bridge (73.0m, Binh Thuan Province)
- 2) Trang Bridge (21.0m, Binh Thuan Province)
- 3) Tam Ngan Bridge (60.0m, Ninh Thuan Province)
- 4) Ea Soup Bridge (46.0m, Dac Lac Province)
- 5) Krong K'Mar Bridge (66.0m, Dac Lac Province)
- 6) Ngoi Ngan Bridge (47.0m, Khanh Hoa Province)

5.Japan's Grant Aid Scheme

- 5-1. Vietnamese side understands the Japan's Grant Aid Scheme explained by the Team, as described in ANNEX 2.
- 5-2. Vietnamese side will take the necessary measures, as described in ANNEX-3, for smooth implementation of the Project, as a condition for the Japanese Grant Aid to be implemented.

6.Schedule of the Study

- 6-1. The Team will proceed to further studies in Vietnam until December 21st, 2009
- 6-2. JICA will prepare the draft report in English and dispatch a mission in order to explain its contents around April, 2010.
- 6-3. In case that the contents of the report is accepted in principle by the Government of Vietnam, JICA will complete the final report and send it to the Government of Vietnam by end of June, 2010.

7. Priorities of bridges

- 7-1. The Team explained that the studied bridges need to be prioritized from technical point of view, in case of exceeding budget ceiling on Japanese side.
- 7-2. Vietnamese side explained that it is difficult to prioritize and exclude the bridges since each bridge is located in each province.
- 7-3 Vietnamese side mentioned that the Government of Vietnam will ask the explanation to the Government of Japan in case of any bridges will be withdrawn.

8. Other relevant issues

- 8-1. Regarding the detailed technical issues, including the width of bridges, for each bridge site, both parties agreed to make technical note after the site survey.
- 8-2. The Team confirmed that the following undertakings should be taken by the Vietnamese side at the Vietnamese expenses.
 - 1) Removal or relocation of utilities, such as electric cables, telephone cables and water pipes, if necessary,
 - 2) Provision of access roads to bridge construction sites, and
 - 3) Removal of existing bridges in case proposed bridge is constructed away of existing bridge after the completion of the Project.
- 8-3. Regarding the Design Live Load, both parties agreed to apply the following Bridge Live Load based on the Vietnamese Standard (22 TCN-272-05).

Design Live Load

Current Spec. 22-TCN-273-01			Current Spec. 22-TCN-272-05			Previous Spec.	
Road Category	Daily Traffic Volume(PCU)	Design Speed (km/hr)			Live Road		
		Plains Area	Hills Area	Mountains Area			
Expressway	>25,000	120-100	100-80	80-60	HL93 x 100%	H-30	
Class I	15,000-25,000	110-100	90-80	70-60			
Class II	6,000-15,000	100-80	80-60	60-40			
Rural Trunk Road	Class III	1,000-6,000	80-60	60-40	50-30	HL93 x 80%	H-18
	Class IV	200-1,000	80-40	40-30	30-20	*Agreement under Project for Improvement of Rural Bridges in Northern Mountainous Provinces in 2007	H-13
		<200 , 1-lane					
Village Road	category A (Previous Spec. 22TCN-210-92)					HL93 x 65%	

The following criteria will be considered for investigating the adequateness of the above-mentioned Bridge Live Load for each bridge. Higher/lower level of Live Load will be applied if deemed technically more appropriate.

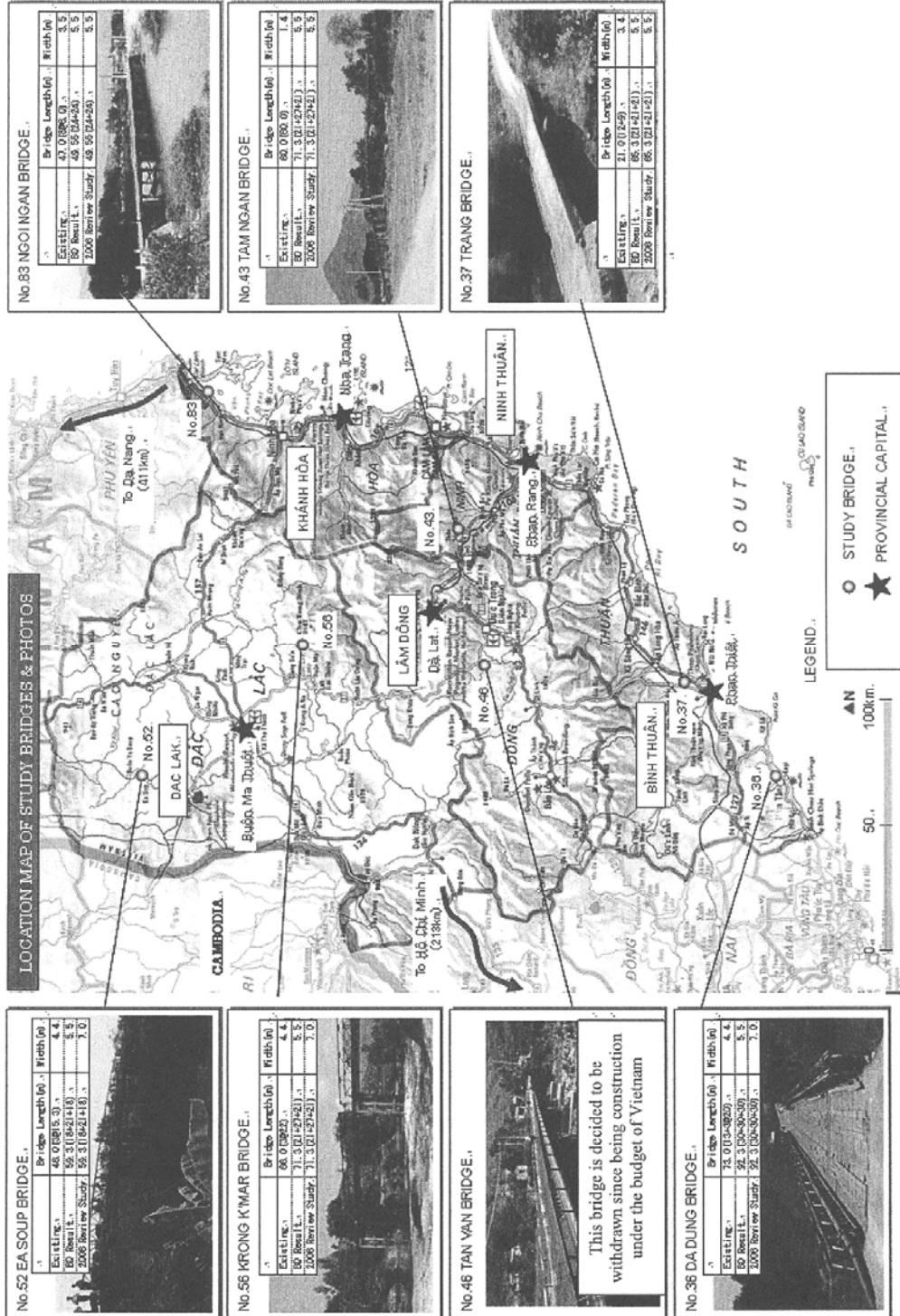
Criteria to Determine Higher Live Load

	Items to be Checked
National Policy & Current Situation	1) Policy on Live Load Levels for Provincial Road Bridges
	2) Live Load Levels applied by Other Donors for Bridge Project
Provincial Policy & Current Situation	3) Policies & Plans for Applying Design Specifications for Bridges on same route of a proposed Bridge
	4) Design Specifications for Bridges for Other bridges on same route of a proposed Bridge
	5) No. of trucks more than 16 tons using proposed Bridge.
Adequacy as a Japan Grant Aid Scheme	6) Consistency with Previous Term 1 & 2 Bridges
	7) Increase in initial construction cost to improve Live Load Level

8-4. Both parties agreed to decide Bridge Width in consideration of following 4 items after site survey.

- Existing Traffic Volume
- Access Road Class & Existing Condition
- Bridge Location
- With or Without Request to Widen from Vietnamese side





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 a part of this realignment, a new JICA law was entered into effect on October 1, 2008. Based on this law and the decision of the GOJ, JICA has become the executing agency of the Grant Aid for General Projects, for Fisheries and for Cultural Cooperation, etc.

The Grant Aid is non-reimbursable fund provided to a recipient country to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for its economic and social development 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

The Japanese Grant Aid is supplied through following procedures :

- Preparatory Survey
 - The Survey conducted by JICA
- Appraisal & Approval
 - Appraisal by the GOJ and JICA, and Approval by the Japanese Cabinet
- Authority for Determining 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 preparatory Survey is to provide a basic document necessary for the appraisal of the Project made by the GOJ and JICA. The contents of the Survey are as follows:

- Confirmation of the background, objectives, and benefits of the Project and also institutional capacity of relevant agencies 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 between both parties concerning the basic concept of the Project.
- Preparation of a outline design of the Project.
- Estimation of costs of the Project.

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 Outline Design of the Project is confirmed based on the guidelines of the Japan's Grant Aid scheme.

JICA requests the Government of the recipient country to take whatever measures necessary to achieve 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 of the recipient country which actually implements the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country based on the Minutes of Discussions.

(2) Selection of Consultants

For smooth implementation of the Survey, JICA employs (a) registered consulting firm(s). JICA selects (a) firm(s) based on proposals submitted by interested firms.

(3) Result of the Survey

JICA reviews the Report on the results of the Survey and recommends the GOJ to appraise the implementation of the Project after confirming the appropriateness 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 Exchange of Notes(hereinafter referred to as "the E/N") will be signed between the GOJ and the Government of the recipient country to make a pledge 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

In order to maintain technical consistency, the consulting firm(s) which conducted the Survey will be recommended by JICA to the recipient country to continue to work on the Project's implementation after the E/N and G/A.

(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".

(4) 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 JICA. This "Verification" is deemed necessary to fulfill 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.

(6) "Proper Use"

The Government of the recipient country is required to maintain and use properly and effectively the facilities constructed and the equipment purchased under the Grant Aid, to assign staff necessary for this operation and maintenance and 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 under 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)

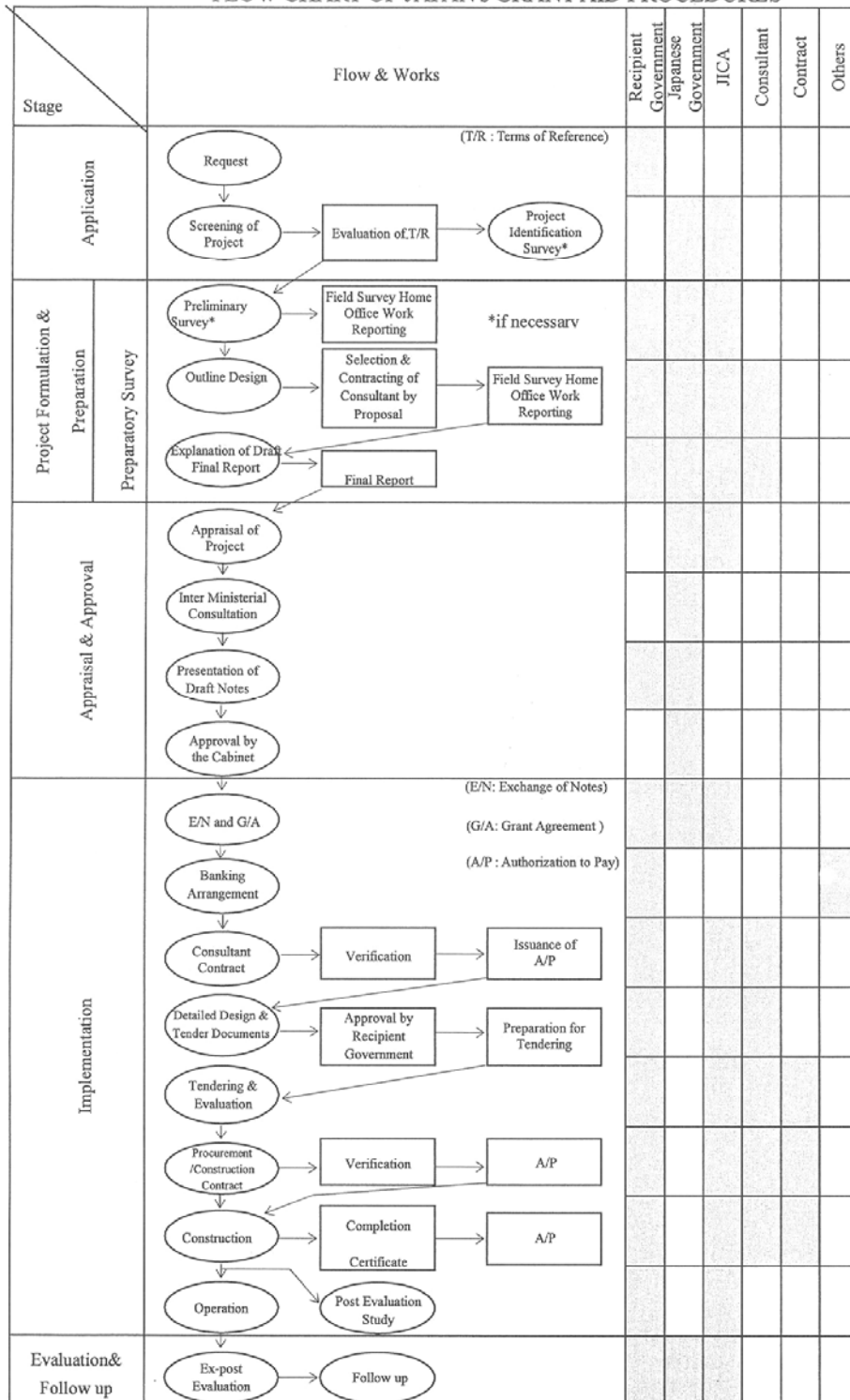
The Government of the recipient country should bear an advising commission of an Authorization to Pay and payment commissions paid to the Bank.

(10) Social and Environmental Considerations

A recipient country must carefully consider social and environmental impacts by the Project and must comply with the environmental regulations of the recipient country and JICA socio-environmental guidelines.



FLOW CHART OF JAPAN'S GRANT AID PROCEDURES



Major Undertaking to be taken by Each Government

No.	Items	To be covered by Grant Aid	To be covered by Recipient Side
1	To secure of land necessary for the implementation of the Project and to clear the sites		●
2	To ensure prompt unloading and customs clearance of the products at ports of disembarkation in the recipient country and to assist internal transportation of the products		
	1) Tax exemption and custom clearance of the Products at the port of disembarkation		●
3	To ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the purchase of the products and the services be exempted		●
4	To accord Japanese nationals whose services may be required in connection with the supply of the products and the services such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
5	To ensure that the Facilities and the products be maintained and used properly and effectively for the implementation of the Project		●
6	To bear all the expenses, other than those covered by the Grant, necessary for the implementation of the Project		●
7	To bear the following commissions paid to the Japanese bank for banking services based upon the B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
8	To give due environmental and social consideration in the implementation of the Project.		●

(B/A : Banking Arrangement, A/P : Authorization to pay)