

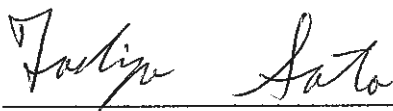
MINUTES OF DISCUSSIONS  
IMPLEMENTING REVIEW STUDY ON  
“THE PROJECT FOR THE EXPANSION OF WATER SUPPLY SYSTEM  
IN FAISALABAD”  
IN ISLAMIC REPUBLIC OF PAKISTAN  
(EXPLANATION OF DRAFT FINAL REPORT)

In December 2009, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Implementing Review Study Team on the Project for the Expansion of Water Supply System in Faisalabad (hereinafter referred to as "the Project") to Islamic Republic of Pakistan (hereinafter referred to as "the Pakistan"), and through discussions, field survey, and technical assessment of the results, JICA prepared a draft report on this study.

In order to explain and to consult with the Pakistani side on the contents of the draft report, JICA dispatched Draft Report Explanation Team (hereinafter referred to as "the Team") to the Pakistan, which headed by Mr. Toshiya SATO, Senior Deputy Resident Representative of JICA Pakistan Office is scheduled to stay in the country from February 14 to February 19, 2010.

In the course of discussions, the Team and the Pakistani side (hereinafter referred to as "the both sides") confirmed the main items described in the attached sheets.

Lahore, February 18, 2010



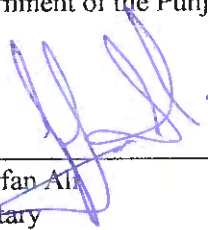
Toshiya SATO  
Team Leader  
Implementing Review Study Team  
Japan International Cooperation Agency



Mr. Ubaid Rubbani  
Secretary  
Planning and Development Department  
Government of the Punjab



Mr. Zafar Hasan Raza  
Joint Secretary (ADB/Japan)  
Economic Affairs Division  
Ministry of Economic Affairs & Statistics  
Government of Pakistan



Mr. Irfan Ali  
Secretary  
Housing, Urban Development and  
Public Health Engineering Department  
Government of the Punjab



Dr. Arshad Mahmood  
Director General  
Faisalabad Development Authority



Mr. Malik Idrees  
Managing Director  
Water and Sanitation Agency  
Faisalabad Development Authority

## ATTACHMENT

### 1. Components of the project:

The Pakistani side agreed and accepted in principle the components of the Draft Final Report explained by the Team.

The main components of the Project are grouped into two categories, namely undertakings by the Japanese side and those by the Pakistani side. They are separately shown in the following tables:

#### (1) Undertakings by the Japanese side

Category	Description of Facilities	Quantity
Water Intake Facility	1) Tubewell(approx. 160m deep on average)	25 nos.
	2) Tubewell pump house	25 nos.
	3) Tubewell pumps (200 m <sup>3</sup> /hr, max 60 kW) with internal electrical works and connection to collector main	25 nos.

#### (2) Undertakings by the Pakistani side

	Description of Undertakings
1.	Securing of land for facilities construction Tubewells/stations (25 sites)
2.	Construction of access roads to water facilities (for tubewell pump stations, approximately 16 km)
3.	External electrical works up to Tubewell pump stations
4.	Construction of Three (3) Number of Operator's Quarters
5.	Any works other than the undertakings by the Japanese side

### 2. Japan's Grant Aid Scheme:

2-1. The Pakistani side understood the Japan's Grant Aid Scheme and will take the necessary measures and allocate necessary and sufficient budget for smooth implementation of the Project as the conditions for the Japanese Grant Aid to be implemented. The Grant Aid Scheme and necessary measures were described in the Annex of the Minutes of Discussions agreed by the both sides on 15th of December 2009(hereinafter referred to as "the Previous M/D").

2-2. The Pakistani side promised to implement the Project properly following to "The Japanese Grant Aid Scheme" if the Project is approved by the Japanese Cabinet.

### 3. Schedule of the Study:

JICA will complete the Final Report in accordance with the confirmed items in this Minutes of Discussions and send it to the Government of the Pakistan around March 2010 at the earliest.

### 4. Confidentiality of the Project:

#### 4-1. Detailed Specifications

Both sides confirmed all the information related to the Project including detailed specifications



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of the facilities, equipment and other technical information shall not be released to any other party(ies) before the signing of all the Contract(s) for the Project.

#### 4-2. Project Cost Estimation

The Team explained to the Pakistani side the estimated project cost to be borne by the Government of Japan as attached in Annex-1. Both sides agreed that the Project Cost Estimation should never be duplicated in any form nor disclosed to any other party(ies) before signing of all the Contract(s) for the Project. This confidentiality of the estimated project cost is necessary to ensure fairness of tender procedure.

The Project Cost Estimation in Annex 1 is still under evaluation and it might be altered in the course of Japanese Cabinet approval.

#### 5. Exemption of Taxes and Duties:

The Pakistani side agreed to take necessary measures to exempt Value Added Tax, custom duties and any other taxes and fiscal levies in the Pakistan arisen from the Project activities and they will be borne by beneficiary organizations in accordance with the implementation schedule.

#### 6. Responsible and Implementing Organization :

The Pakistani side explained that there is no change in the Organizations which was confirmed in the Previous M/D.

#### 7. Other Relevant Issues:

##### 7-1. The Project Title:

Both sides agreed that the project title would be "the Project for the Expansion of Water Supply System in Faisalabad". If the Project is approved by the Cabinet of Japan, new Exchange of Notes will be signed by both Governments.

The Pakistani side explained that PC-1 will be revised under the title "the Project for the Improvement of Water Supply System in Faisalabad" of the preceding project in this project (hereinafter referred to as "the Improvement Project"). However, while preparing the cost estimate for balance portion, the new name will be used under Phase-II of the Improvement Project as under: Phase II of the Improvement Project – Part II (The Project for the Expansion of Water Supply System in Faisalabad).

##### 7-2. Environmental Impact Assessment (EIA):

Both sides confirmed that EIA approval already have been taken in Pakistan. The Pakistani side confirmed the result as attached in Annex-2 of environmental survey by the Team additionally to fulfill the requirement of JICA under its new environmental guideline. Also The Pakistani side agreed to take necessary measures for Physical/Social Environmental Impact and implement Monitoring Plan in Annex-2.

##### 7-3. Land Acquisition for the Project Facilities:

The Pakistani side explained that the land has been earmarked and will be secured in collaboration with the concerned Departments. WASA will submit the certificate for the Land Acquisition to JICA by July 2010.

##### 7-4. Procedure for revised PC-1:

The Pakistani side agreed to complete revision and approval of the PC-I from Central

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Development Working Party (CDWP) by middle of April 2010 as it is one of the prerequisites for the Japanese Government to make commitment of grant for the Project. The Pakistani side explained that the PC-1 will be revised accordingly and informs the result to the Japanese Government by official route.

7-5. Fair Implementation of the Project:

The Team explained that some information of the relevant Report should be dealt with carefully until the Tender is implemented, since the information will affect the fair implementation of Tender process. The Pakistani side understood and promised to do so.

7-6. Safety and Security for the Team:

The Team explained that security measures are indispensable for effective implementation of the Project. The Pakistani side agreed to take all necessary measures to secure the safety of the members of the Project.

7-7. Public Relation of the Project:

The Pakistani side assured to do public relations for the Project affirmatively in order for the Pakistan citizens to understand that the Project is assisted by the Japanese Official Assistance Development.

7-8. Lesson Learnt from the Past Cooperation by Japanese ODA:

The Team requested to the Pakistani side that outcome of technical transfer and the Grant Aid implemented in the past should be utilized to improve the living conditions of the Pakistan people. The Pakistani side agreed and promised to utilize the lesson learnt from the past cooperation.

Annex 1 : The Project Cost Estimation

Annex 2 : Environmental table

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**Annex-1**

**1-1 : The Project Cost Estimation**

Division	Amount (Japanese million yen)						Total
	Phase 1*	Phase 2*				Project for the expansion of water supply system	
		B-type Government bond matter				Single fiscal year matter (2010)	
	Single fiscal year matter (2004)	Term-1 (2008)	Term-2 (2009)	Term-3 (2010)	Sub-total		
Construction costs	496.7	435.9	1,917.9	1,917.7	4,271.5	805.3	5,573.5
Machine/Material procurement	4.8	—	—	—	—	—	4.8
Management fee for design and supervision	206.9	22.8	74.8	74.8	172.4	14.4	393.7
<b>Total</b>	<b>708.4</b>	<b>458.7</b>	<b>1,992.7</b>	<b>1,992.5</b>	<b>4,443.9</b>	<b>819.7</b>	<b>5,972.0</b>

\* Amount of Phase 1 and Phase 2 is basis of E/N amount

**1-2 : Cost to be borne by the Pakistani side**

	Description	Basic Design Study (2004)		Implementation Review Study (2007)		Project for the expansion of water supply system (2009)		GOP Share As Per Rev. PC-I 2010
		Million Rs	Million ¥ (approx.) 1Rs=JY2.19	Million Rs	Million ¥ (approx.) 1Rs=JY2.15	Million Rs	Million ¥ (approx.) 1Rs=JY1.29	Million Rs
1.	Primary power supply	35.83	78.47	80.00	172.00	—	—	90.00
2.	Land acquisition	10.94	23.96	10.94	23.52	—	—	—
3.	Site clearance	0.90	1.97	0.90	1.94	—	—	—
4.	Road construction	101.69	222.70	80.00	172.00	—	—	133.01
5.	Installation of Enclosures	6.12	13.40	8.00	17.20	—	—	6.06
6.	Procurement of Equipment in pump station	11.44	25.05	8.00	17.20	—	—	4.75
7.	Site Preparation of premises for the booster pump station	6.12	13.40	6.00	12.90	—	—	1.78
8.	Project Supervision	48.00	105.12	48.00	103.20	—	—	43.97
9.	Vehicles for supervision	5.50	12.05	6.00	12.90	—	—	5.00
10.	Construction of residence	21.46	47.00	30.00	64.50	—	—	49.76
11.	Public relations	2.50	5.45	2.50	5.38	—	—	1.50
12.	Compensation for residence	—	—	60.00	129.00	—	—	—
13.	Banking commission	—	—	36.47	78.41	3.19	4.11	36.47
14.	Others	—	—	15.00	32.25	—	—	—
15.	Construction of three (3) Operator's Quarters, etc.	—	—	12.22	26.27	—	—	12.22
16.	Rehabilitation of road along transmission main	—	—	—	—	—	—	32.87
17.	Provision of security arrangements	—	—	—	—	—	—	12.00
18.	Provision for additional compensatory package in the affected area	—	—	—	—	—	—	80.00
	<b>Total</b>	<b>250.50</b>	<b>548.57</b>	<b>404.03</b>	<b>868.67</b>	<b>3.19</b>	<b>4.11</b>	<b>509.41</b>
	<b>Balance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>+3.19</b>	<b>+4.11</b>	

**Annex-2**

**Table 1 - 1 Physical/Social Environmental Impact Assessment List**

Name of Executing Agency: Water and Sanitation Agency (FDA) Faisalabad

Category	Environmental Component	Environmental Questionnaire	Confirmed Measures
1.  Approval & public relations	(1) EIA and Environmental Approval	a. Have the EIAR already been prepared? b. Have the EIAR been approved by the government? c. Is the approval of the EIAR without any conditions? In case of approval with conditions, can they be cleared? d. Have the EIAR been approved by the local authorities, in case it is required?	a. The EIAR was prepared in 2007. b. The EIAR was approved by the Environment Protection Agency of the Punjab government on March 19, 2008. c. The conditions for approval are measures for mitigation of impact, which will be responded later during the course of the project implementation. d. Not applicable.
	(2) Public relations with local residents	a. Will the responsible authorities hold public meetings with local residents for ensuring their understanding on the contents and impacts of the project? b. Will the requirements of local residents and concerned offices be responded?	a. After the release of information on the project through newspapers, there was an outbreak of public demonstration of local residents against the implementation of the project. The government side held public meetings with them several times for explanation of plans to mitigate their apprehension of water level decline. b. A compensation package programme amounting to a sum of 45 million Rps was already carried out for the villages likely to be affected by the project implementation after public hearing with the local residents. Continued contacts with such stakeholders have satisfied their requirement on the information about the project.
2.  Measures to protect against contamination	(1) Air quality	a. Is there no risk of air pollution with Cl <sub>2</sub> gas leak from its injection/storage facilities? Does treatment of Cl <sub>2</sub> gas in work place meet the standards for work safety measure?	Not applicable in the scope of this component of the project.
	(2) Water quality	a. Does the quality of waste water generated by the operation of facilities meet the criteria for waste water effluent?	Not applicable
	(3) Waste	a. Does the treatment/disposal of waste such as sludge generated by the operation of facilities comply with the criteria for waste disposal?	Not applicable
	(4) Noise, vibration	a. Does the noise/vibration of running facilities such as pumps comply with the country's standard regulations?	Facilities are located far from the residential area. Noise level will have no adverse effect to residents.
	(5) Land subsidence	a. Is there any risk of land subsidence due to pumping of large quantities of groundwater?	The existing wellfield has been free from the phenomenon of land subsidence despite continued withdrawal of groundwater in large quantities. Similar technical design to minimize the decline of water level will be adopted in this project, and can prevent a risk of land subsidence (employment of good quality screen to prevent sand pumping, etc)

3.	Environment	(1) Conserved reserve area	a. Is the project site located within the premises of a natural reserve appointed by the country's law or international treaty? Or is such a reserve free from environmental impact of the project?	a. The project site does not include the natural reserve.
		(2) Eco system	a. Is there a primeval forest, tropical rain forest, or ecologically important habitat (coral reef, mangrove trees, tidal flats, etc)? b. Does the project site include a habitat to be protected under the country's law or international treaty? c. Does the withdrawal of water resources (surface water or groundwater) in the project affect the aquatic life in water body such as streams? Does the project include any measure to mitigate impact on aquatic eco-system?	a. The project site does not include any such type of area. b. The project site does not include it. c. Not applicable d. No intervention in aquatic life.
4.	Social environment	(1) Displacement	a. Will the involuntary displacement of local residents occur due to the implementation of the project? In case it occurs, is there any measure taken to minimize the influence of displacement for residents? b. Will the residents receive adequate explanation on the displacement and compensation prior to displacement? c. Will the survey for displacement be undertaken for formulating a displacement plan for proper compensation and recovery of basis of livelihood after displacement? d. Does the displacement plan include proper measures for the socially weak groups such as women, children, the aged, the poor, minorities, aborigines, etc.? e. Will the agreement of residents for the displacement be ensured before its implementation? f. Will the project be able to set up an organization to implement the displacement effectively together with arrangements for sufficient budget? g. Is there a plan for monitoring the impact of displacement?	a. Displacement does not occur in this project. b ~ g Not applicable since the acquisition of private land is not required.
		(2) Life and livelihood	a. Is the project likely to produce adverse effect on the life of residents? Is it possible to arrange measures to mitigate it, in case it is required? b. Will the withdrawal of water resources (surface water or groundwater) by the project affect the existing water use practice in the area?	a.b. The withdrawal of large quantities of groundwater in this project is likely to cause the decline of groundwater level across the project site, which may affect a part of private wells. Accordingly this project adopts technical arrangements in the design of tubewells and their layout in the wellfield to minimize the decline of water level. In case the decline should occur despite such arrangements, the increase of distribution of irrigation water from the canal may be planned.

	(3) Cultural heritage	Will any archaeological, historical, cultural or religious heritage be free from damage due to the project? Will protective measures be provided to such facilities in a manner prescribed under the national law?	Not applicable
	(4) Landscape	Is there any adverse influence to a specific landscape to be preserved in and around the site?	Not applicable
	(5) Minorities/ aborigines	a. Will the project comply with the law to protect the right of minorities/aborigines? b. Will the project arrange to mitigate the adverse effects on the culture and life style of minorities/aborigines?	Not applicable
5.	Others	(1) Impact during construction stage	a. Has the project prepared a plan to mitigate adverse environmental effects such as noise, vibration, muddy flow, dust, gas exhaust, waste, etc.? b. Will the project be able to avoid adverse effect to eco-system during the construction work? c. Will the project be able to avoid adverse effect to social environment? Will the project prepare measures to mitigate such adverse effect whenever required? d. Will the project undertake training program of labor regarding traffic safety, public health, etc according to the needs during the works?
		(2) Monitoring	a. A plan for measures to mitigate adverse impacts to the public in and around the site has been prepared. The contractor will observe the guidelines in the plan under the control and supervision of the consultant. b. Not applicable in this project. c. Pipe installation work along the public roads may create adverse impacts to the public life during works. Measures to mitigate such effects include to minimize dust with frequent water sprinkling, to control traffic with proper posting of staff on traffic duty and safety devices and warning signs, etc. d. Training of labor will be carried out from time to time regarding traffic safety, public health and other security matters.
		a. Will the executing agency plan and undertake a monitoring program of the aforementioned environmental components which may more or less be affected by the project implementation? b. Are the details of such monitoring program (items, method, frequency, etc.) suitable for the intended purpose? c. Will the executing agency organize a proper setup for the planned monitoring program (team, staff, budget, and their sustainability) ? d. Is there an established rule for the details in reporting (formality, frequency, etc) by the executing agency to EPA on the monitoring results ?	a. It will carry out the monitoring program of groundwater level. b. Details will be examined and decided in the later stage. c. Water levels will be monitored by the operators of the executing agency. They have been in charge of monitoring of existing tubewells. For the new project, they can train and supervise the new operators for monitoring. d. The monitoring report will be submitted monthly to the authorities in compliance with the requirements of the conditions for the approval of EPIR.
6.	Remarks for the assessment list	a. When it deems necessary, cross-boundary or global environmental impact may also be confirmed (in case of factors related to cross-boundary waste disposal, acid rain, disruption of the ozone layer, global warming effect, etc. )	Not applicable.
	Remarks		

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**Table 1-2 Monitoring Plan**

[During the construction stage]

Monitoring components	Venue	Frequency	Method/criteria	Officials in charge	Responsible organization	Reporting To:
Safety control	Roads, villages, public institutions such as schools/hospitals in and around the construction site	Whenever works are in progress around/ At Regular safety meetings	Inspection with reference to the contractor's safety control plan	WASA Counterparts /consultant	WASA	EPA
Technology transfer to WASA counterparts & local contractors	Construction sites	During the progress of works and upon completion of major items of works	Inspection of technical training of local contractor's staff/labor by the Japanese experts during the works and the test operation of completed facilities	WASA Counterparts /consultant	WASA	EPA
Setup of supporting system for health/safety control	Construction sites	Before starting any major work/at regular safety control meeting	Inspection with reference to the contractor's safety control plan	WASA Counterparts /consultant	WASA	EPA
Materials control and management	Stockyard	During the progress of works	Inspection of materials in stock Confirmation of practice of stock material control and yard cleaning	WASA Counterparts /consultant	WASA	EPA
Traffic safety	Construction sites	During the progress of works	Supervision/cooperation of local traffic police will be ensured for traffic control measures undertaken by the contractor according to his traffic control plan. Inspection of officials in charge	WASA Counterparts /consultant	WASA	EPA
Compliance with EIA conditions		Before starting the construction works	Copies of EIAR will be provided to the contractor, and detailed discussions for compliance will be held.	WASA	WASA	EPA
Water sprinkling over unpaved road	Construction sites	During the progress of the works	Inspection	WASA Counterparts /consultant	WASA	EPA
Construction waste & debris	Construction sites And dumping sites	During the progress Of the works Once in a month	Inspection	WASA Counterparts /consultant	WASA	EPA
Noise and vibration	Construction sites	Whenever and wherever it seems necessary while the works are in progress	Inspection	WASA Counterparts /consultant	WASA	EPA

[During the operation and maintenance stage after commissioning]

Monitoring components	Venue	Frequency	Method/criteria	Officials in charge	Responsible organization	Reporting To:
Groundwater level	Tubewell pump stations	Daily measurement	Measurement with suitable water level meter.	WASA operators	WASA	EPA
Water quality	Tubewell pump stations (and surrounding private tubewells when it seems necessary.	Once in 3 months	Chemical analysis by WASA laboratory	WASA Experts at laboratory	WASA	EPA

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 - Several other initials and signatures are scattered below the table, including 'lb', 'JH', and a large stylized signature.

MINUTES OF DISCUSSIONS  
IMPLEMENTING REVIEW STUDY ON  
“THE PROJECT FOR THE IMPROVEMENT OF WATER SUPPLY SYSTEM  
IN FAISALABAD (REVISED)”  
IN ISLAMIC REPUBLIC OF PAKISTAN

In response to a request from the Government of Islamic Republic of Pakistan (hereinafter referred to as “the Pakistan”), the Government of Japan decided to conduct an Implementing Review Study (hereinafter referred to as “the Study”) on the Project for the Improvement of Water Supply System in Faisalabad (hereinafter referred to as “the Project”) and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as “JICA”).

JICA sent to Pakistan the Implementing Review Study Team (hereinafter referred to as “the Team”), which is headed by Mr. T. SHIMIZU, Senior Deputy Resident Representative, JICA Pakistan Office, and is scheduled to stay in the country from July 18 to August 6 2007.

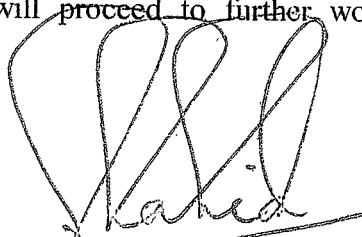
The Team held discussions with the officials concerned of the Government of Pakistan and is conducting a field survey at the study area.

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

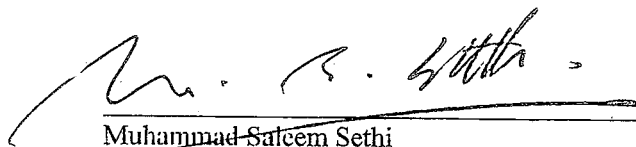
Lahore, July 21, 2007



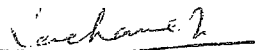
Tsutomu SHIMIZU  
Leader  
Implementing Review Study Team  
Japan International Cooperation Agency



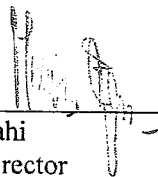
Shahid Mahmood  
Secretary  
Planning and Development Department  
Government of the Punjab



Muhammad Saleem Sethi  
Joint Secretary  
Economic Affairs Division  
Ministry of Economic Affairs & Statistics  
Islamic Republic of Pakistan



Shaukat Ali  
Additional Secretary (Technical)  
Housing, Urban Development and  
Public Health Engineering Department  
Government of the Punjab



Mahboob Elahi  
Managing Director  
Water and Sanitation Agency  
Faisalabad

## ATTACHMENT

### 1. Purpose of the Study:

The purpose of the Study is mainly to review the Project cost estimation, earlier prepared on the basis of the Basic Design Study of the Project (hereinafter referred to as "the B/D Study"), with consideration of current situation of social-economic situation of Pakistan.

### 2. Components of the Project:

The Pakistan side and the Team (hereinafter referred to as "Both sides") confirmed that the design and framework of the Project, such as the Project priority in the national development plan of the Pakistan, purpose, and contents of the Project etc. are same as confirmed in the B/D Study.

Both sides also confirmed that there is and will be no duplication to the Project by the other Donors, Organizations and Agencies.

### 3. Responsible and Implementing Organization:

3-1. The Responsible organization is the Housing, Urban Development and Public Health Engineering Department, Government of the Punjab.

3-2. The Implementing organization is Water and Sanitation Agency (hereinafter referred to as "WASA") and WASA implements the Project, which is a subsidiary of Faisalabad Development Authority (hereinafter referred to as "FDA").

3-3. Organization chart of implementing organization:

The organization chart of WASA is described in Annex-1-1 and FDA is in Annex-1-2.

### 4. Japan's Grant Aid Scheme:

4-1. The Pakistan side understood the Japan's Grant Aid Scheme explained by the Team, as described in Annex-2.

4-2. The Pakistan side will take the necessary measures and allocate necessary budget properly, as described in Annex-2, for smooth implementation of the Project, as a condition for the Japanese Grant Aid to be implemented.

4-3. The Team clarifies the necessary measures and budget to be taken care by the Pakistan side, besides the general measures described in Annex-2, by further study.

4-4. The Pakistan side promised to implement the Project properly following to the "Guidelines of the Japanese Grant Aid for General Projects and for Fisheries" mentioned in "the Agreed Minutes" of "the Exchange of Notes" which is agreed upon by both Governments as Diplomatic document if the Project is approved by the Japanese Cabinet. The Guidelines is attached as Annex-3.

### 5. Schedule of the Study:

5-1. The consultant members will proceed to further studies in the Pakistan until 6 August, 2007.

5-2. JICA will prepare the draft report in English and dispatch a mission in order to explain its contents in November 2007 at the earliest.

5-3. In case that the contents of the report are accepted in principle by the Pakistan side, JICA will complete the final report and send it to the Pakistan by around January 2008 at the earliest.

5-4. The Pakistan side understood that the implementation of the Study did not imply and commit the implementation of the Project.

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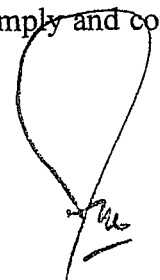
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6. Exemption of Taxes and Duties:

The Team explained that the Pakistan side should take necessary measures to exempt Value Added Tax, custom duties and any other taxes and fiscal levies in the Pakistan arisen from the Project activities and they will be borne by beneficiary organizations in accordance with the implementation schedule.

The Pakistan side promised to take necessary measures for these taxes and duties exemptions.

7. Prioritization and Selection for the Project:

The Team explained that contents of the Project would be considered by the Government of Japan by evaluating the result of the Study.

Both sides agreed that the contents of the Project might be prioritized, selected and adjusted in accordance with the result of the Study and the budget allocated for the Project.

8. Components implemented by the Pakistan side:

When some components are adjusted from the Project after analyzing the result of the Study, the Team will inform the components to the Pakistan side immediately. In that case, the Pakistan side agreed to consider whether or not the Pakistan side could bear the components, then inform the results to the Team.

9. Other Relevant Issues:

9-1. Change of the Project Title:

If the Project is approved by the Cabinet of Japan, new Exchange of Notes (hereinafter referred to as "E/N") will be signed by both Governments. Then there might be two E/Ns for one same Project with same name, since present E/N for the Project is still effective.

In order to avoid confusion, the Team requested to change the Project title for new E/N.

The Pakistan side suggested not to change the title but to add the word "(Revised)" to the original title since they have to amend all the important documents of the Project which were approved under the original title and it will affect the smooth implementation of the Project.

In this document, new title is provisionally adopted.

9-2. Alternation and Addition to the Project:

Both sides agreed that major alternation and additional component to the Project are not accepted. However these alternation and addition might be considered by the Government of Japan if they are occurred by inevitable reason as well as are essential for the proper function of the Project.

9-3. Influence of the Election:

The Pakistan side confirmed that the election of the Parliament would not influence the priority and the implementation arrangement of the Project.

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9-4. Environmental Impact Assessment (EIA):

The Pakistan side explained that they started the procedure for EIA approval and agreed to submit the relevant documents proving the approval of EIA to the Team through official channel.

Both side agreed that implementation of the Project would be postponed or cancelled if EIA is not completed by December 2007.

9-5. Land Acquisition for the Project Facilities:

The Pakistan side explained that the land has been secured in collaboration with the concerned Departments.

9-6. Procedure for PC-1:

The Team requested that the Pakistan side should complete revision and approval of the PC-1 by December 2007 as it is one of the prerequisites for the Japanese Government to make commitment of grant for the Project.

The Pakistan side explained that the original PC-1 for the Project was already approved by the Government of Pakistan, which fully enables the Government to start the implementation of the Project forthwith. No revision is therefore required at this stage except in case of upward revision (more than 15% of the approved cost of the Project) is necessary due to escalation in costs.

The Pakistan side requested the Team to provide the cost estimates by end of August 2007 to the Government of Punjab for processing of revised PC-1 for its approval by December 2007.

The Team explained that it might be difficult to give the formal cost estimation by end of August. It is only possible to provide cost estimation between November to December 2007 for the revision of the PC-1.

The Pakistan side confirmed that as soon as the Japanese side provides the formal cost estimation, the PC-1 will be revised accordingly and inform to the Japanese Government by official route.

9-7. Operation and Maintenance of Facilities and Equipments:

The Team explained that capability of operation and maintenance is one of the conditions for implementation and approval of the Project. The Team will evaluate the present capability of WASA comparing to the past when the B/D Study was conducted. If the Study indicates the necessity, the Team will propose necessary measures, allocation of additional budget and qualified personnel required for the proper and effective utilization of facilities and equipment.

The Pakistan side agreed to take necessary measures properly according to the proposal and suggestion by the Team.

9-8. Technical Assistance:

Although the technical assistance was not included in the B/D Study, The Team will study and analyze necessity based on the current situation and capacity of WASA.

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Jacobson



9-9. Fair Implementation of the Project:

The Team explained that some information of the relevant Report should be dealt with carefully until the Tender is implemented, since the information will affect the fair implementation of Tender process.

The Pakistan side understood and promised to do so.

9-10. Arrangements for the Study:

As a response to the request by the Team, The Pakistan side agreed to arrange counterpart personnel for the Study and to provide promptly all the data and information relevant to the Project for the smooth implementation of the Study.

9-11. Safety and Security for the Team:

The Team explained that security measures are indispensable for effective study. The Pakistan side agreed to take any necessary measures to secure the safety of the member of the Team.

9-12. Lesson Learnt by the Past Cooperation by Japanese ODA:

The Team requested to the Pakistan side that outcome of technical transfer and the Grant Aid implemented in the past should be utilized to improve the living condition of the Pakistan people.

The Pakistan side agreed and promised to utilize the lesson learnt from the past cooperation.

- Annex 1 : 1-1. Organization Chart of WASA  
          1-2. Organization Chart of FDA  
Annex 2 : The Japan's Grant Aid Scheme  
Annex 3 : Guidelines of the Japanese Grant Aid for General Projects and for Fisheries

End

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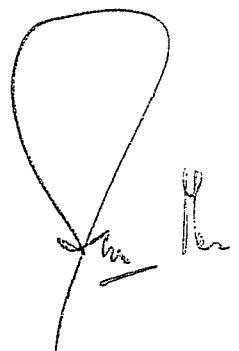
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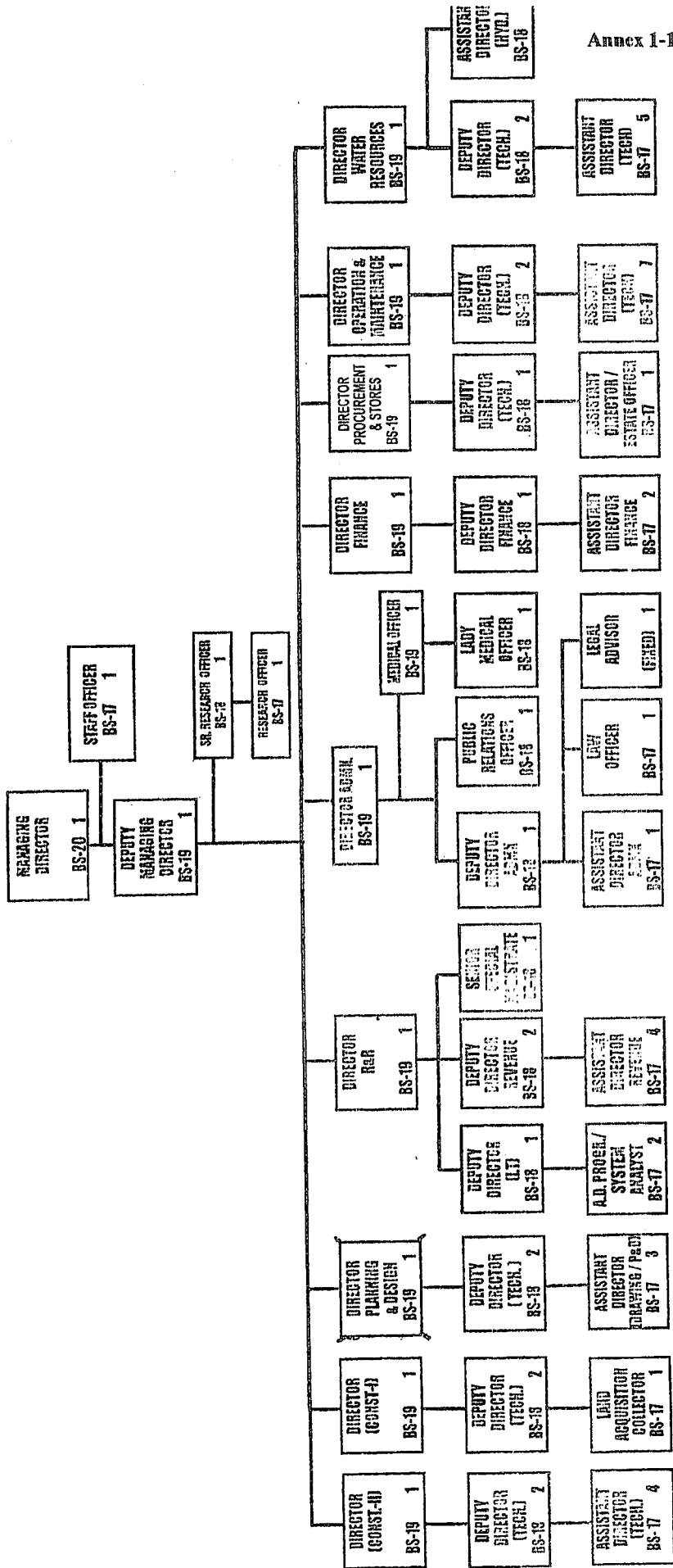
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A-41



# WATER SANITATION AGENCY, F.A. FAISALABAD.

## ORGANIZATIONAL CHART



Annex 1-1

ONE POST OF OSD IN BS-20 IS ALSO APPROVED.

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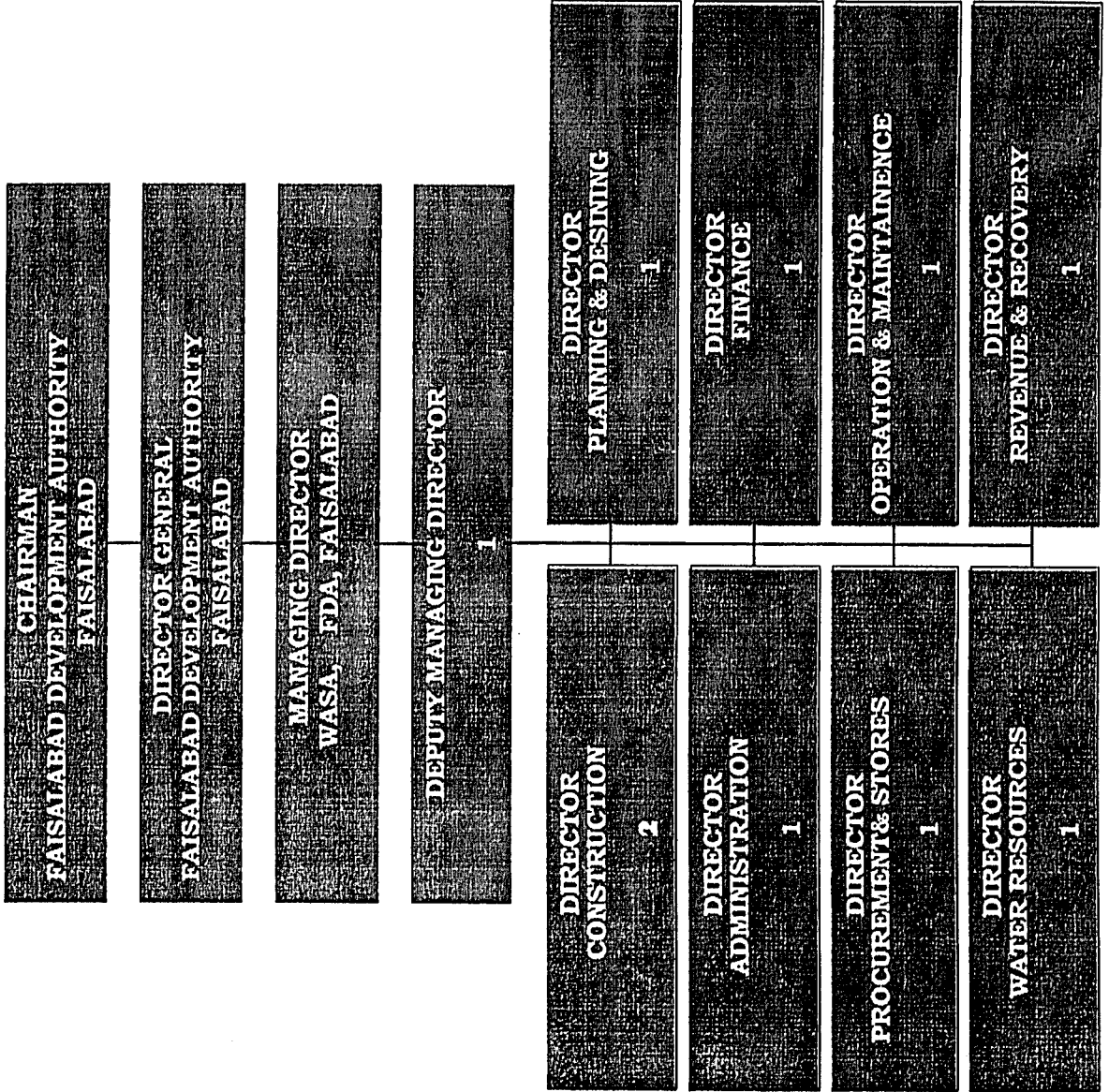
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# ORGANOGRAM

The Water and Sanitation Agency is under administrative control of Chairman FDA City District Nazim, Secretary HUD&PHE Department, Government of the Punjab and Director General FDA. The Agency is headed by a Managing Director. It has been organized into nine functional groups to carry out its activities. Each functional group called Directorate is headed by Director.



Total Strength = 2047-Nos.

TR

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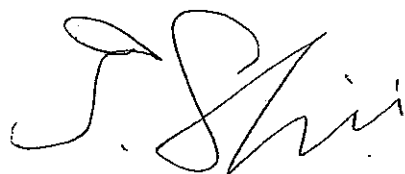
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MINUTES OF DISCUSSIONS  
IMPLEMENTING REVIEW STUDY ON  
“THE PROJECT FOR IMPROVEMENT OF WATER SUPPLY SYSTEM  
IN FAISALABAD”  
IN ISLAMIC REPUBLIC OF PAKISTAN  
(EXPLANATION OF DRAFT FINAL REPORT)

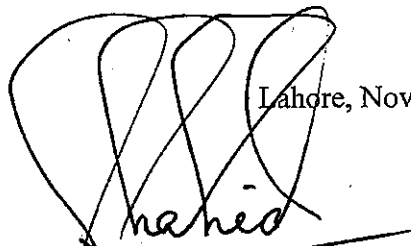
From July to August 2007, the Japan International Cooperation Agency (hereinafter referred to as “JICA”) dispatched the Implementing Review Study Team on the Project for Improvement of Water Supply System in Faisalabad (hereinafter referred to as “the Project”) to Islamic Republic of Pakistan (hereinafter referred to as “the Pakistan”), and through discussions, field survey, and technical assessment of the results, JICA prepared a draft report on this study.

In order to explain and to consult with the Pakistan on the contents of the draft report, JICA dispatched Draft Report Explanation Team (hereinafter referred to as “the Team”) to the Pakistan, which is headed by Mr. Tsutomu SHIMIZU, Senior Deputy Resident Representative, JICA Pakistan Office.

In the course of discussions, both sides confirmed the main items described in the attached sheets.



Tsutomu SHIMIZU  
Leader  
Implementing Review Study Team  
Japan International Cooperation Agency



Lahore, November 19, 2007

Shahid Mahmood  
Secretary  
Planning and Development Department  
Government of the Punjab



Ms. Sabina Qureshi  
Deputy Secretary (ADB/Japan)  
Economic Affairs Division  
Ministry of Economic Affairs & Statistics  
Islamic Republic of Pakistan



Khizer Hayat Gondal  
Secretary  
Housing, Urban Development and  
Public Health Engineering Department  
Government of the Punjab



Mahboob Elahi  
Managing Director  
Water and Sanitation Agency  
Faisalabad

## ATTACHMENT

### 1. Components of the project

The Pakistan side agreed and accepted in principle, the components of the Draft Final Report explained by the Team.

### 2. Japan's Grant Aid Scheme:

2-1) The Pakistan side understood the Japan's Grant Aid Scheme and will take the necessary measures and allocate necessary and sufficient budget for smooth implementation of the Project, as the conditions for the Japanese Grant Aid to be implemented. The Grant Aid Scheme and necessary measures were described in the Annex of the Minutes of Discussions agreed by both sides on 21<sup>st</sup> of July 2007 (hereinafter referred to as "the Previous M/D").

2-2) Measures for some items and matters which are described in "Other Relevant Issues" in this document should also be undertaken timely and properly since these are indispensable to the whole Project Design.

2-3) The Pakistan side understood that conducting the Implementing Review Study (hereinafter referred to as "the Study") did not imply and commit the implementation of the Project.

2-4) Both sides agreed that some components might be excluded in the course of Japanese Cabinet approval even if the conditions are met by the Pakistan side.

2-5) The Pakistan side promised to implement the Project properly following to the "Guidelines of the Japanese Grant Aid for General Projects and for Fisheries" if the Project is approved by the Japanese Cabinet. The Guidelines was attached in the Previous M/D.

### 3. Schedule of the Study:

JICA will complete the Final Report in accordance with the confirmed items in this Minutes of Discussions and send it to the Government of the Pakistan around January 2008 at the earliest.

### 4. Exemption of Taxes and Duties:

The Pakistan side agreed to take necessary measures to exempt Value Added Tax, custom duties and any other taxes and fiscal levies in the Pakistan arisen from the Project activities and they will be borne by beneficiary organizations in accordance with the implementation schedule.

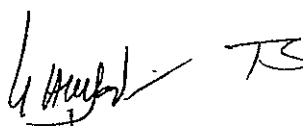
### 5. Responsible and Implementing Organization:

The Pakistan side explained that there is no change in the Organizations which was confirmed in the Previous M/D.

### 6. Title of the Project:

Both sides agreed not to change the title of the Project as "The Project for Improvement of Water Supply System in Faisalabad", in compliance with the request by the Pakistan side.

However final decision for the title will be made when both Governments sign the Exchange of Notes (hereinafter referred to as "E/N") for the Project.



## 7. Project Cost Estimation

Both sides agreed that the Project Cost Estimation described in Annex 1 should never be duplicated, released or revealed to any third parties before the signing of the all the Contract(s) for the Project.

Both sides also agreed that the Draft Final Report should never be duplicated, released or revealed to any third parties before the Final Report is released.

The Project Cost Estimation in Annex 1 is still under evaluation and it might be altered in the course of Japanese Cabinet approval.

## 8. Components implemented by the Pakistan side:

As the result of the Study, the Team requested that the Pakistan side should construct the following components and bear the construction cost by the Pakistan side.

- Construction of Three (3) Number of Operator's Quarters

The Team also requested that the Pakistan side should precede the revision of PC-1 for securing the construction cost for above components if these cost could not be covered by or within the cost secured by the Existing PC-1.

The Team explained that obtaining the approval of revision of PC-1, which includes cost of above components, would be prerequisite condition.

The Pakistan side agreed to implement these components and to start the procedure of revision of PC-1.

Besides those components, both sides agreed that component(s) of the Project might be adjusted or excluded in the course of Japanese Cabinet approval in accordance with the result of the Study and the budget allocated for the Project.

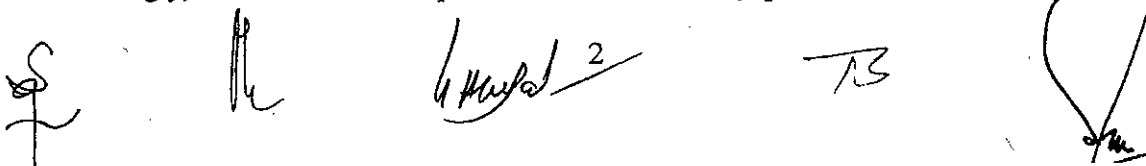
When component(s) are adjusted or excluded from the Project, the Team will inform the component(s) to the Pakistan side by the end of December 2007. In that case, the Pakistan side agreed to consider whether or not the Pakistan side could bear and implement the component(s), then inform the results to the Team. In this case, the schedule of the Project implementation and revision of PC-1 will be reconsidered.

## 9. Revision of the PC-1:

The Pakistan side explained that revision and approval of the PC-1 might be required since the Project Cost Estimation increased comparing to the previous Cost in the Basic Design Study. Besides, if the Pakistan side should implement component(s) as written in item 8 above in this M/D, it might require the revision of the PC-1.

If so required, the Team strongly requested that the Pakistan side should start the revision of the PC-1 and get approval at the earliest, utilizing the procedure of "Anticipatory Approval", by the end of February 2008 since the Japanese Cabinet, which would deal with the Approval for the Project, should be supposed to be held around between March to April 2008 and the approval for revision of the PC-1 would be one of the important prerequisite conditions for the Approval by Japanese side.

Accordingly, the Pakistan side promised to make every possible effort to get approval and



would inform the progress monthly to JICA Pakistan Office in writing and inform result by around March 2008 through an official channel with an authorized letter.

#### **10. Other Relevant Issues:**

##### **10-1) Altered Design for New Terminal Reservoir**

The Team explained the alteration of the New Terminal Reservoir and its relevant facilities. The Pakistan side understood and agreed to the alteration.

##### **10-2) Measures to be taken by the Pakistan side:**

The Team clarifies the necessary measures and budget to be taken care by the Pakistan side in the Draft Final Report and Final Report other than the general measures described in the Previous M/D. The Team also makes suggestions for better management and utilization of the Project in these Reports.

The Team particularly pointed out that securing these budgets is indispensable for the effective implementation of the Project although the budget increased more than the one already secured by the Pakistan side in existing PC-1.

The Pakistan side agreed to implement these matters timely and properly.

##### **10-3) Relevant Permissions for the Project:**

The Pakistan side explained that in order to get relevant permissions if necessary, coordination with relevant agencies and the provincial government will be undertaken.

The Team strongly requested the Pakistan side to get permissions if necessary, before the signing of E/N and the Pakistan side agreed.

##### **10-4) Strengthening of Operation & Maintenance:**

According to the result of the Study, the Team requested the Pakistan side to take necessary actions which were proposed in the Draft Final Report such as allocation of adequate budget, qualified personnel and improvement of water revenue system for proper, effective and sustainable operation and maintenance of equipment and facilities.

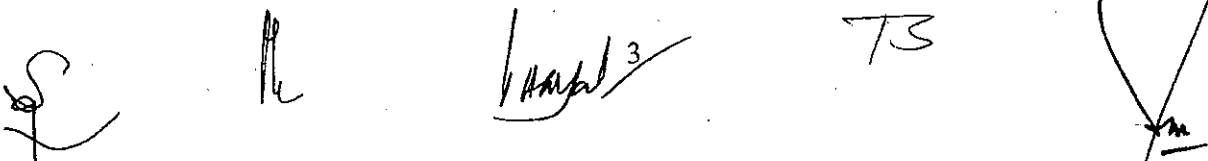
The Team strongly requested that the necessary actions should be taken in time for the construction of the facilities.

The Team particularly pointed out the inefficient water revenue system, which caused insufficient funds of effective operation and maintenance of the facilities and the Pakistan side agreed to improve the system.

The Pakistan side agreed to take necessary measures properly according to the proposal and suggestion by the Team. The Pakistan side also agreed to report to JICA Pakistan Office the progress of these measures in writing periodically.

##### **10-5) Environmental Impact Assessment (EIA)**

The Pakistan side explained the progress of the procedure for EIA approval is in process and EIA report was submitted to Environmental Protection Department for official approval. The Pakistan side agreed to submit the relevant documents proving the approval of EIA to the Team through official channel.

The bottom of the page contains five handwritten signatures or initials. From left to right: a stylized signature, a signature starting with 'H', a signature with the number '3' written below it, the initials 'TS', and a large, looped signature.

As agreed in the Previous M/D, the implementation of the Project would be postponed or cancelled if EIA approval is not completed by the end of December 2007.

**10-6) Land Acquisitions for the Project Facilities:**

The Pakistan side will submit the relevant documents proving that the lands for the Project have been secured in collaboration with the concerned Departments by the end of December 2007.

The No Objection Certificate for the transfer of the land for pumping stations issued by the District Officer (Revenue) Faisalabad is shown in Annex 2.

**10-7) Changes of Circumstances:**

As confirmed in the Previous M/D, there is no change of circumstances around for the implementation of the Project such as the priority and arrangement of the Project.

In case there were major changes of the circumstances which might influence the Project implementation, such as economic situation, security situation etc., the Pakistan side would inform the Team as soon as the changes are recognized.

The Pakistan side agreed that in case there were changes which might give negative impact to the Project, the Pakistan side would make every effort and take measures to mitigate the negative influences to the Project.

**10-8) Public Relations of the Project:**

The Pakistan side assured to do public relations for the Project affirmatively in order for the Pakistan citizens to understand that the Project is assisted by Japanese Official Assistance Development.

**10-9) Safety and Security for the Team:**

The Team explained that security measures are indispensable for effective implementation of the Project. The Pakistan side agreed to take any necessary measures to secure the safety of the member of the Project.

**10-10) Lessons Learnt by the Past Cooperation by Japanese ODA:**

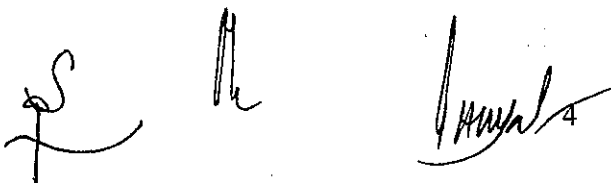
The Team requested to the Pakistan side that outcome of Assistance of the Technical Transfer and the Grant Aid implemented in the past should be utilized to improve the living condition of the Pakistan people.

The Pakistan side agreed and assured to utilize the lessons learnt from the past cooperation.

Annex 1 : The Project Cost Estimation

Annex 2 : Document regarding Land Acquisition

End

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Annex 1

1-1: The Project Cost Estimation

Division	Amount (Japanese million yen)					Total
	Phase 1	Phase 2				
	Single fiscal year matter (2004)	B-type Government bond matter				
		Term-1 (2008)	Term-2 (2009)	Term-3 (2010)	Sub-Total	
Construction costs	496.7	435.9	1,917.9	1,917.7	4,271.5	4,768.2
Machine / Material procurement costs	4.8	—	—	—	—	4.8
Management fee for design and supervision	206.9	22.8	74.8	74.8	172.4	379.3
Total	708.4	458.7	1,992.7	1,992.5	4,443.9	5,152.3

1-2: Cost to be borne by the Pakistani side

	Description	Basic Design Study		Implementation Review Study	
		Million Rs	Million yen (approx.) 1Rs=JY2.19	Million Rs	Million yen (approx.) 1Rs=JY2.15
1.	Primary power supply	35.83	78.47	80.00	172.00
2.	Land acquisition	10.94	23.96	10.94	23.52
3.	Site clearance	0.90	1.97	0.90	1.94
4.	Road construction	101.69	222.70	80.00	172.00
5.	Installation of Enclosures	6.12	13.40	8.00	17.20
6.	Procurement of Equipment in pump station	11.44	25.05	8.00	17.20
7.	Site Preparation of premises for the booster pump station	6.12	13.40	6.00	12.90
8.	Project Supervision	48.00	105.12	48.00	103.20
9.	Vehicles for supervision	5.50	12.05	6.00	12.90
10.	Construction of residence	21.46	47.00	30.00	64.50
11.	Public relations	2.50	5.45	2.50	5.38
12.	Compensation for residence	—	—	60.00	129.00
13.	Banking commission	—	—	36.47	78.41
14.	Others	—	—	15.00	32.25
15.	Construction of three (3) Operator's Quarters, etc.	—	—	12.22	26.27
	Total	250.50	548.57	404.03	868.67
	Balance			+153.53	+320.10

The Cost to be borne by the Pakistani side increased about 210 million Rs (441 million JY) from Cost to be borne by the Pakistani side in Basic Design Study.

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From:

The District Officer (Revenue),  
Faisalabad.

To:

The Project Director/D.C-II,  
WASA/FDA, Faisalabad.

No: 275-1/DDO(C)/Acctt(C)-15

Dated: 01-3-06

Subject:

TRANSFER OF LAND OF CHAK NO.49/JB TO WASA/FDA -  
IMPROVEMENT OF WATER SUPPLY PROJCT FOR FAISALABAD.

Memorandum

Kindly refer to your letter No.782/DC-II/WASA/05 dated 12.9.2005 on the above  
cited subject.

2. This office has no objection for transfer of land measuring 40-kanals 16-marlas  
comprising . killa Nos.3,5/2,6,7/1,15,16,25 of Sqr. No.13 situated in Chak No.49/JB Tehsil Sadar  
Faisalabad subject to payment of price.

3. You are requested to move the case to Board of Revenue, Punjab Lahore for the  
purpose.

9/1 District Officer (Revenue),  
Faisalabad.

No: 276-1/DDO(C)/Acctt(C)

Dated: 01-3-06

A copy is forwarded for information to the:-

1. District Coordination Officer Faisalabad with reference to his letter  
No.3(22)/District Coordination Officer, Faisalabad/SG/2005/5128 dated 25.5.2005.
2. Executive District Officer (Revenue) Faisalabad with reference to his letter  
No.2830/EDOR/CA/MD-180 dated 16.9.2005.
3. Deputy District Officer (Revenue) Sadar Faisalabad.

9/1 District Officer (Revenue),  
Faisalabad.

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**Minutes of Discussions**  
**The Basic Design Study on**  
**The Project for Improvement of Water Supply in Faisalabad**  
**in Islamic Republic of Pakistan**

In response to the request from the Government of Islamic Republic of Pakistan (hereinafter referred to as 'Pakistan'), the Government of Japan decided to conduct a Basic Design Study on the Project for Improvement of Water Supply in Faisalabad (hereinafter referred to as "the Project"), and entrusted the study to Japan International Cooperation Agency (hereinafter referred to as 'JICA').

JICA sent to Pakistan the Basic Design Study Team (hereinafter referred to as 'the Team'), which was headed by Mr. Yoshiki OMURA, Senior Advisor, Institution for International Cooperation, JICA, and was scheduled to stay in the country from December 9th to 18th, 2002.

The Team held a series of discussions with the concerned officials of the Government of Pakistan 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 work and prepare the Basic Design Study Report.

Lahore, December 17th, 2002



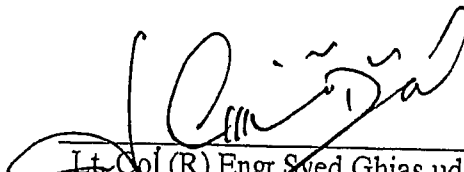
Mr. Yoshiki OMURA  
Leader  
Basic Design Study Team  
Japan International Cooperation Agency



Mr. Riaz Ahmed  
Secretary  
Housing, Urban Development &  
Public Health Engineering Department  
Government of Punjab



Mr. Muhammad Ashraf Khan  
Joint Secretary  
Economic Affairs Division  
Ministry of Economic Affairs & Statistics  
Government of Pakistan



Lt. Col (R) Engr Syed Ghias ud din  
Managing Director  
Water and Sanitation Agency  
(WASA/FDA), Faisalabad

## ATTACHMENT

### 1. Objective of the Project

The objective of the Project is to improve the water supply services in Faisalabad in order to supply safe and sufficient water for the residents.

### 2. Responsible and Implementing Organization

Water and Sanitation Agency (WASA/FDA), Faisalabad

### 3. Site of the Project

The Project site is as shown in Annex-1 (page 4).

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

After discussions with the Team, the items described in Annex-2 (Page 5) were finally requested by Pakistani side. JICA will assess the appropriateness of the request in engineering, social and financial terms and will report the findings to the Government of Japan.

### 5. Japan's Grant Aid Programme

Pakistani side has understood the system and characteristics of Japan's Grant Aid Programme as described by the Team shown in Annex-3 (Page 6).

### 6. Necessary measures to be taken by the Pakistani side

Pakistani side will take the necessary measures, as described in Annex-4 (Page 10), for smooth implementation of the Project on condition that the Japanese Grant Aid is extended.

### 7. Further Schedule of the Study

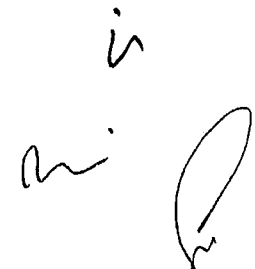
- a. The consultant members of the Team will proceed with further studies in Pakistani until January 16th, 2003.
- b. JICA will prepare the Draft Basic Design Study Report in English and dispatch a mission in order to explain its contents around May 2003.

### 8. Other relevant issues

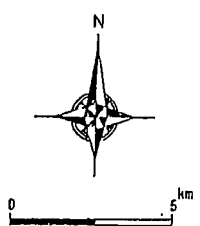
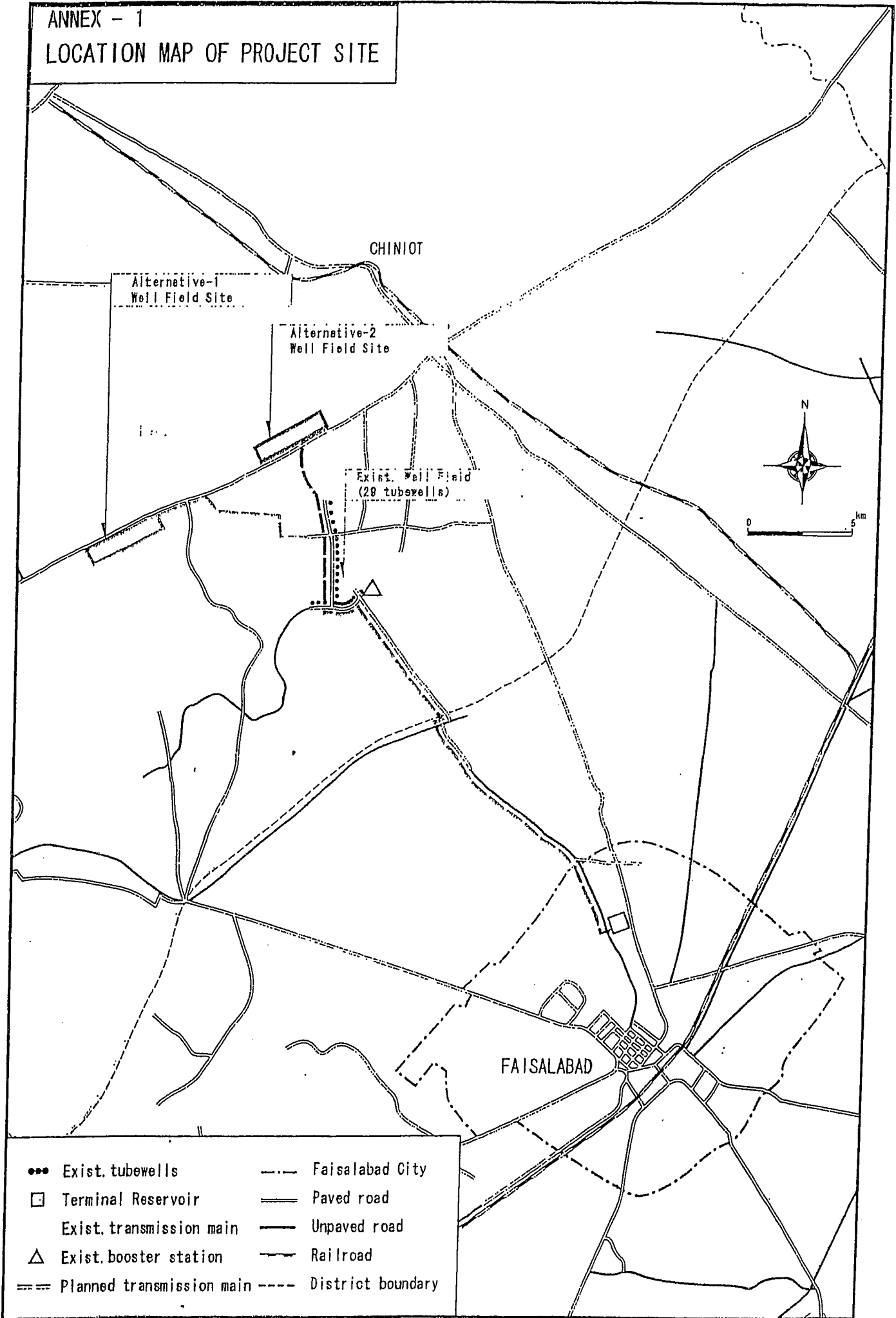
The Pakistani side and the Team have confirmed the following points:

- a. The Pakistani side will obtain necessary consent in writing from inhabitants in and around the proposed well field to be developed under the Project.

- b. The budget required for the land acquisition for the facilities in the Project including the tubewells, the collector main, the transmission main, and electric power supply will be allocated and executed by the time of the explanation of Draft Final Report. The Pakistani side will present the related documents of budgetary arrangements to the Draft Final Report Team.
- c. The proposed booster pumping station is located inside the premises of the existing inline booster pumping station.
- d. The proposed terminal reservoir and related distribution pumping facilities are located inside the existing terminal reservoir premises.
- e. Pakistani side understood that as a prerequisite condition to providing Japan's grand aid program, the facilities to be constructed under the Project should be fully utilized without idling once commissioned.
- f. The water supply facilities to be constructed by the Project shall properly be operated and maintained with necessary financial input to be generated by appropriate water tariff collection.
- g. Pakistani side explained that a Federal government approval (PC-1) was prerequisite to project implementation and that PC-1 shall be prepared and approval would be obtained within three months after receipt of Draft Final Report including information needed to prepare the said project document.
- h. Pakistani side agreed to take a legal clearance for environmental protection from the Environmental Protection Authority/Department.



**ANNEX - 1  
LOCATION MAP OF PROJECT SITE**



- |                               |                         |
|-------------------------------|-------------------------|
| ●●● Exist. tubewells          | --- Faisalabad City     |
| □ Terminal Reservoir          | == Paved road           |
| — Exist. transmission main    | — Unpaved road          |
| △ Exist. booster station      | — Railroad              |
| === Planned transmission main | - - - District boundary |

## Annex-2 List of Requested Items

Construction of new tube wells along the Chenab river area and a transmission system as followed:

1. Tubewells along the Chenab river area (12NOS)
2. Collector main
3. Transmission Main
4. Booster Pumping Station
5. Terminal Reservoir (including pumping facility)



## Annex III

### JAPAN'S GRANT AID SCHEME

#### 1. Grant Aid Procedures

(1) Japan's 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 (Japan International Cooperation Agency) to conduct a study on the request.

Secondly, JICA conducts the study (Basic Design Study), using (a) Japanese consulting firm(s).

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japan's Grant Aid Program, 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 Japanese Government. The contents of the Study are as follows:

1) Confirmation of the background, objectives, and benefits of the requested project and also institutional capacity of agencies concerned of the recipient country necessary for the Project's implementation.

- 2) Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economic point of view.
- 3) Confirmation of items agreed on by both parties concerning the basic concept of the Project.
- 4) Preparation of a basic design of the Project.
- 5) 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 Japan's Grant Aid Scheme.

The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even though they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

#### (2) Selection of Consultants

For smooth implementation of the Study, JICA uses (a) registered consultant firm(s). JICA selects (a) firm(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

The consulting firm(s) used for the Study is (are) recommended by JICA to the recipient country to also work in the Project's implementation after the Exchange of Notes, in order to maintain technical consistency.

### 3. Japan's Grant Aid Scheme

#### (1) Grant Aid

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure 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)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the 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 Aid" means the one fiscal year which the Cabinet

approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consultant firm(s) and (a) contractor(s) and a 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 by mutual agreement between the two Governments.

- (4) Under the Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However the prime contractors, namely, consulting, 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 recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

- (6) Undertakings required of the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following:

- 1) To secure land necessary for the sites of the Project, and to clear, level and reclaim the land prior to commencement of the construction.
- 2) To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- 3) To secure buildings prior to the procurement in case the installation of the equipment.
- 4) To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid.
- 5) To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.
- 6) 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.



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 staff necessary for this operation and maintenance 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 should 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 a bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the verified contracts.

(b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an authorization to pay issued by the Government of the recipient country or its designated authority.

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 land		●
2	To clear, level and reclaim sites and to prepare access roads thereto when needed		●
3	To construct gates and fences in and around sites		●
4	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		●
5	To ensure prompt unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan to the recipient country	●	
	2) Tax exemption and custom clearance of the products at the port of disembarkation		●
	3) Internal transportation from the port of disembarkation to the project site	●	
6	To accord Japanese nationals whose services may be required in connection with the supply of the products and the services under the verified contact such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
7	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 contact		●
8	To maintain and use properly and effectively the facilities, constructed and equipment provided under the Grant Aid		●
9	To bear all the expenses, other than those to be borne by the Grant Aid, necessary for construction of the facilities		●

Date: August 29, 2003

**TECHNICAL NOTE  
FOR  
THE BASIC DESIGN STUDY  
FOR THE PROJECT FOR IMPROVEMENT OF WATER SUPPLY  
IN FAISALABAD, PAKISTAN**

The Basic Design Study for the Project for Improvement of Water Supply in Faisalbad has been underway since August 2, 2003. At the final stage of its field survey, the Water and Sanitation Authority, Faisalabad (WASA), the executing agency of the project, and the study team dispatched by the Japan International Cooperation Agency (JICA), discussed on the results of the study up to date as well as proposals by the executing agency, concentrating on the major project components as follows:

- (1) Development groundwater sources for augmentation of water supply for the city
- (2) Planning for new water supply facilities
- (3) Improvement of existing water system in the city
- (4) Proposal for procurement of equipment for operation and maintenance of the water system

The team continues the survey up to September 10, 2003, and the results will be examined in detail at home for reporting in draft by the team to the executing agency to be scheduled in November 2003.

(1) Groundwater sources development

- 1) The groundwater production for augmentation of water sources targeted by the project is 91,000 m<sup>3</sup>/day.
- 2) All the tubewells are planned to be installed in the land owned by the Government along the Jhang Branch Canal on its eastern side falling in the jurisdiction of the Faisalabad district, within an area extending from RD230 to RD270 (40,000 ft = approximately 12 km) along the canal.
- 3) The proposed land has already been secured by WASA through the notification of the District Government, Faisalabad under Section-4 of the Land Acquisition Act 1894.
- 4) WASA has completed its own pumping test of an existing tubewell in the planned area during

the survey by the team, and will further proceed to the execution of seepage test of the canal by the end of the survey, All the data and information obtained through these tests will be provided to the study team for its analysis of the hydrogeological features of the project area for finalizing the design for the feasibility of groundwater development for the project.

- 5) The results of the pumping test by WASA and the previous studies by international and local consultants/agencies indicate that the production of one tubewell in this area is estimated to be 2 - 3 cusec (=200-300m<sup>3</sup>/hr). The exact size will be decided after the test drilling program is completed by the study team, together with a proposal for the required number of tubewells as well as the layout of group tubewells across the planned site that could minimize the influence of operation of the targeted production.
- 6) The location of the site for groundwater development is shown at Annex I (attached).

## *(2) Planning of new water facilities*

- 1) Planned water facilities are composed of the following items:
  - a. Tubewells along the Jhang Branch Canal
  - b. New intermediate pumping station with a reservoir
  - c. Transmission main (about 12.5 km)
  - d. New terminal reservoir and pumping station in the city
- 2) Among the planned facilities, the study team proposed to use the existing transmission main of 1,500mm in diameter running through the project site from the existing inline booster pump station, collecting the production from the existing 29 tubewells in the Chenab wellfield, since that line can accommodate the targeted production of 91,000 m<sup>3</sup>/day under the project.
- 3) WASA explained that this proposal will deprive it from the full utilization of the water production capacity of existing wellfield and its extension thereof and that the operation and maintenance cost will increase enormously due to extra electricity consumption. WASA is willing to agree to this proposal on the condition if it is technically and economically more feasible than the plan for installation of a new independent transmission line from the new intermediate pump station. WASA has requested for in-depth study on the technical and economical feasibility of both plans using full capacity of existing wellfield and prevailing electricity rates.
- 4) A new intermediate pumping station with a reservoir is planned to be in the land owned by the Government BAWA road in front of NEWAN rest house, along which the existing transmission main from the existing inline booster pump station is installed.

- 5) Among the basic design elements of water supply planning, WASA proposed to adopt the design capacity of existing tubewells in the Chenab wellfield totaling 11600m<sup>3</sup>/hour as well as the future extension of the existing wellfield. To this proposal, the study team responded to the effect that the data of the past operation records be provided to the team for employing a practically available production rate, taking into account ongoing drawdown of these wells affecting the surrounding areas. The data has since been provided and all the basic design elements will be further examined in detail by the study team for the formation of an appropriate new system, and the capacities of new facilities will be proposed, based upon the analyses of these factors.
- 6) For reference, the schematic diagram of two planned systems is shown in Annex 2. The location of a site for a new intermediate pump station is shown in Annex 3.

### ***(3) Improvement of existing water supply system in the city***

- 1) In order to ensure maximum effect by the implementation of the project, the study team carried out the survey to contribute to the improvement of WASA's existing water system in the city faced with non-uniform water distribution particularly in the east zone accounting for nearly one third of the whole city jurisdiction, which has been getting less water supply and as such facing acute shortage.
- 2) WASA suggested independent water supply line from terminal pump station to Jhal Khanuana water works with a new pump station and water storage there. As a result of the survey, fundamental improvement has proven to require huge investment. However, the following measures have been agreed to have an effect in improvement, though partially, of the existing system.
  - a. Construction of a new reservoir and pumping station in the extended Jhal Khanuana Head Water Works located in the central area of the east zone.
  - b. Improvement of water supply through augmentation of water flow into the east zone of the city by adding new section(s) of pipe line.
- 3) The proposed plans for additional new sections are as follows:
  - a. Plan(a) A section of pipe from Node No. 5 to a new reservoir proposed at Jhal Khanuana HWW. ( Section -A, approx. 3.5 km) plus a section of pipe from the planned terminal reservoir to the bifurcation point of existing 1600mm arterial main into 1200mm and 1400mm lines

(Section C, approx. 2.5 km)

- b. Plan (b) A section of pipe , Section- A, plus a section of pipe from Outlet No.2 to Outlet No.5(Section- B, approx. 4 km).

Among these plans, WASA has put the first priority on Plan (a).

- 4) The effects of the respective measures for reinforcement of arterial mains will be examined in detail for possible implementation under the project.
- 5) WASA underscored the necessity of employing an optimum size(s) of additional trunk lines effective for a long term use, in view of the specific characteristics of the arterial mains essential for water distribution.
- 6) The necessity of improvement of the existing terminal reservoir was also discussed for the effective distribution of water transmitted from the existing and new tubewells, since the lower half of the existing reservoir remains unused since its inception due to the characteristics of existing pumps. The measure proposed by the team is to connect the existing reservoir to a new terminal reservoir with a pipe so that the new pumps to be installed under the project can undertake pumping from this inactive lower half of the existing reservoir. As a result of the discussion, a planned pipe will be connected to either the suction header line to the existing pumps or the inflow bypass line from the inline booster pump station.
- 7) The locations of additional facilities and sections are shown in Annex 4.

**(4) *List of equipment for maintenance and operation proposed by WASA***

- 1) The following list shows the items of equipment for operation and maintenance of the project proposed by WASA during the meeting:
  - a. For tubewells along the Jhang Branch Canal and other facilities under this project.
    - Service rig for tubewells and borehole inspection TV camera.
    - Mobile workshop with repair/rehabilitation tools for equipment and pipeline
    - Telemetry system for collecting and recording data from scattered tubewell stations and booster pump stations.
    - Voice Communication system for connection between tubewells ,maintenance crew , intermediate booster station, terminal pump station and Jhal Khanuana Head Water Works and

WASA Head Quarters.

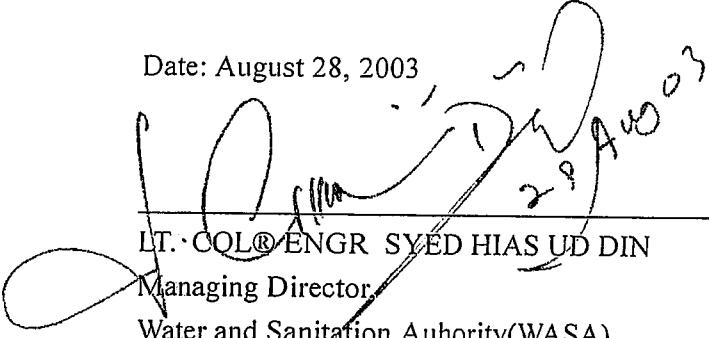
- Maintenance Vehicle- a Double-cabin pick-up truck (for tubewell maintenance and transportation of staff and materials.)
- Water quality testing kits/equipment for Na, SO<sub>4</sub>, NH<sub>3</sub>, NO<sub>2</sub>, NO<sub>3</sub>, Mn, Fe, Ar, F, Hg, Cd, Pb. Residual Chlorine.
- GPS meter


b. For pipeline service

- Electronic leakage detection equipment
- Pump monitoring and testing kits.
- Water meters for consumers in connection with planned tariff reform
- Tapping drilling units for service connections (1/2" to 3" in size)

2) The details of requested equipment will further be examined by the study team and reported to the Government of Japan.

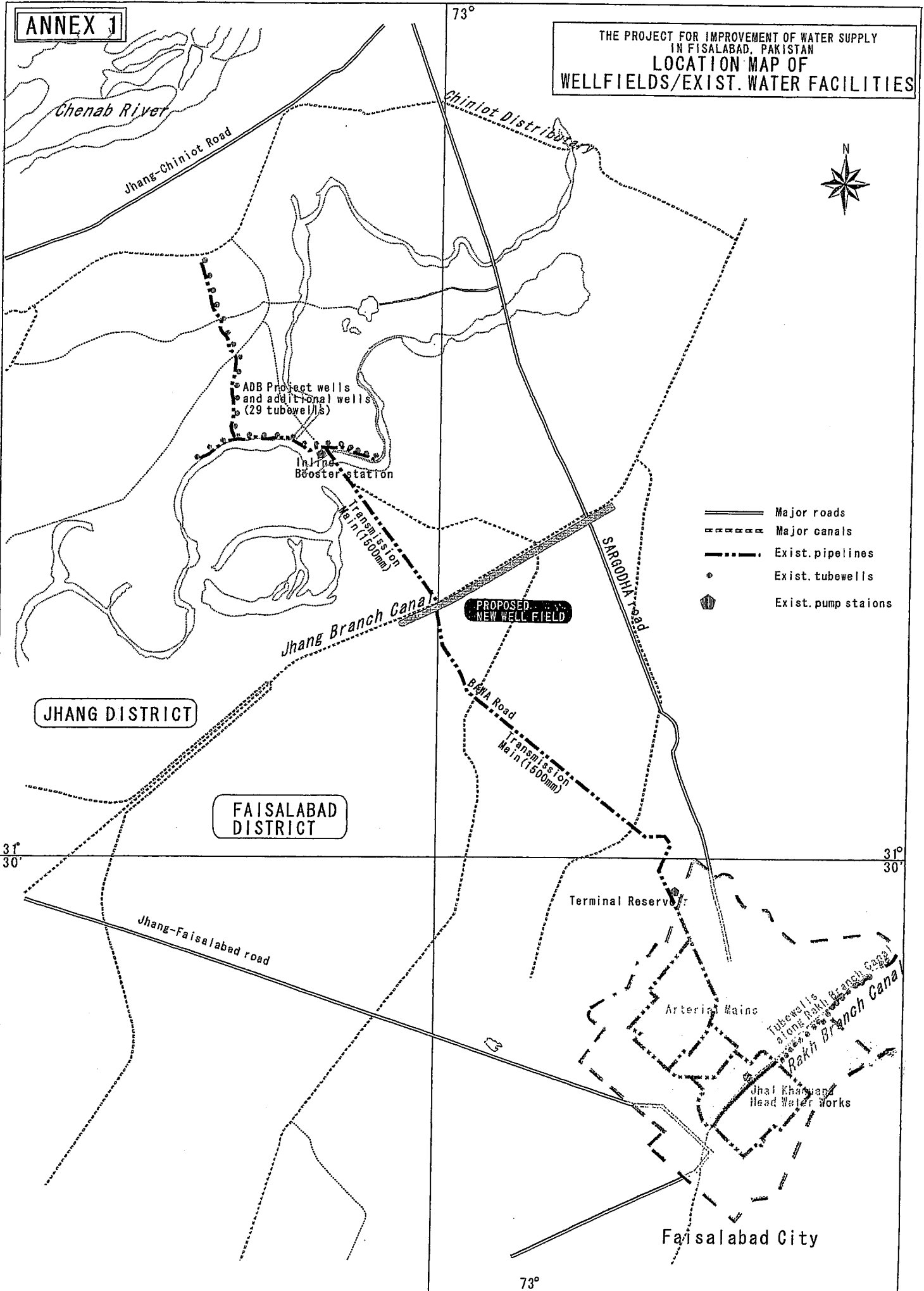
Date: August 28, 2003

  
\_\_\_\_\_  
LT. COL. ENGR SYED HIAS UD DIN  
Managing Director,  
Water and Sanitation Authority (WASA)  
FDA, Faisalabad

  
\_\_\_\_\_  
T. NIWANO, Chief Consultant  
JICA Basic Design Study Team  
for the Project

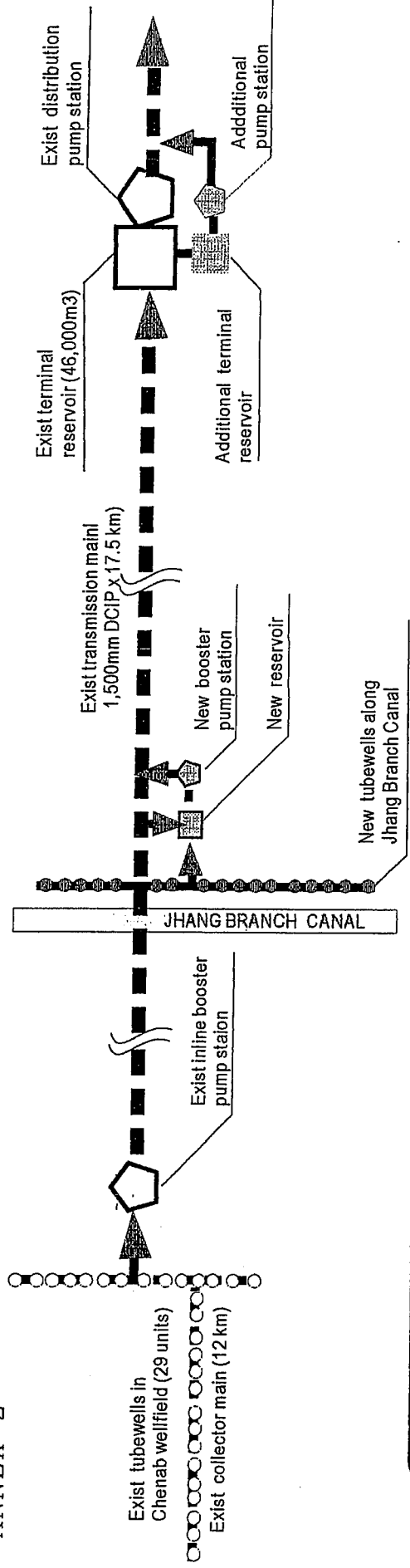
**ANNEX 1**

**THE PROJECT FOR IMPROVEMENT OF WATER SUPPLY  
IN Faisalabad, Pakistan  
LOCATION MAP OF  
WELLFIELDS/EXIST. WATER FACILITIES**

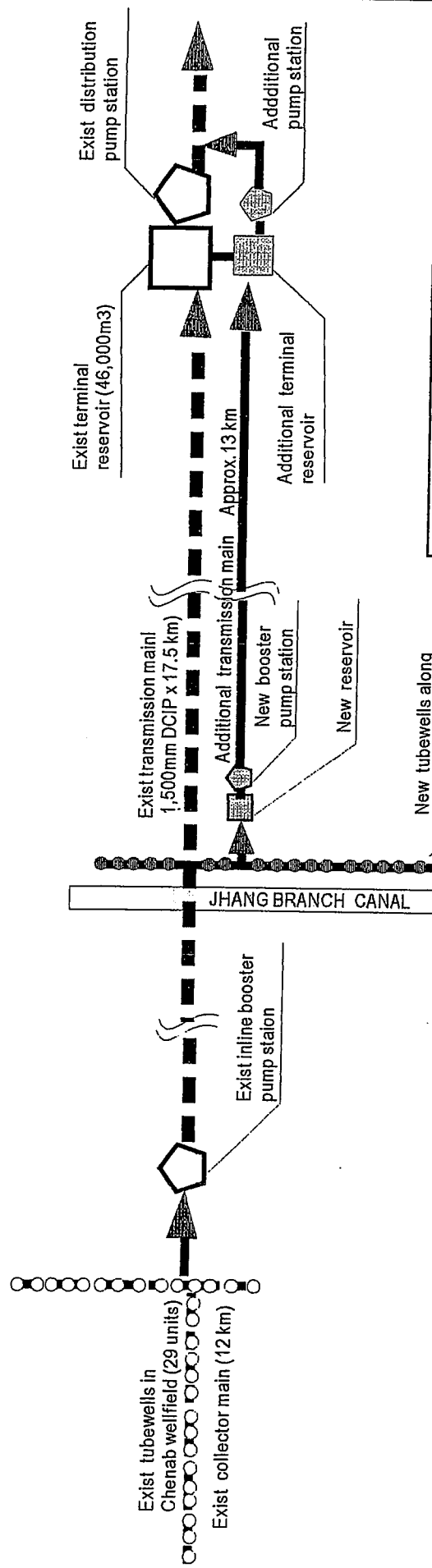




ANNEX - 2



**ALTERNATIVE A**



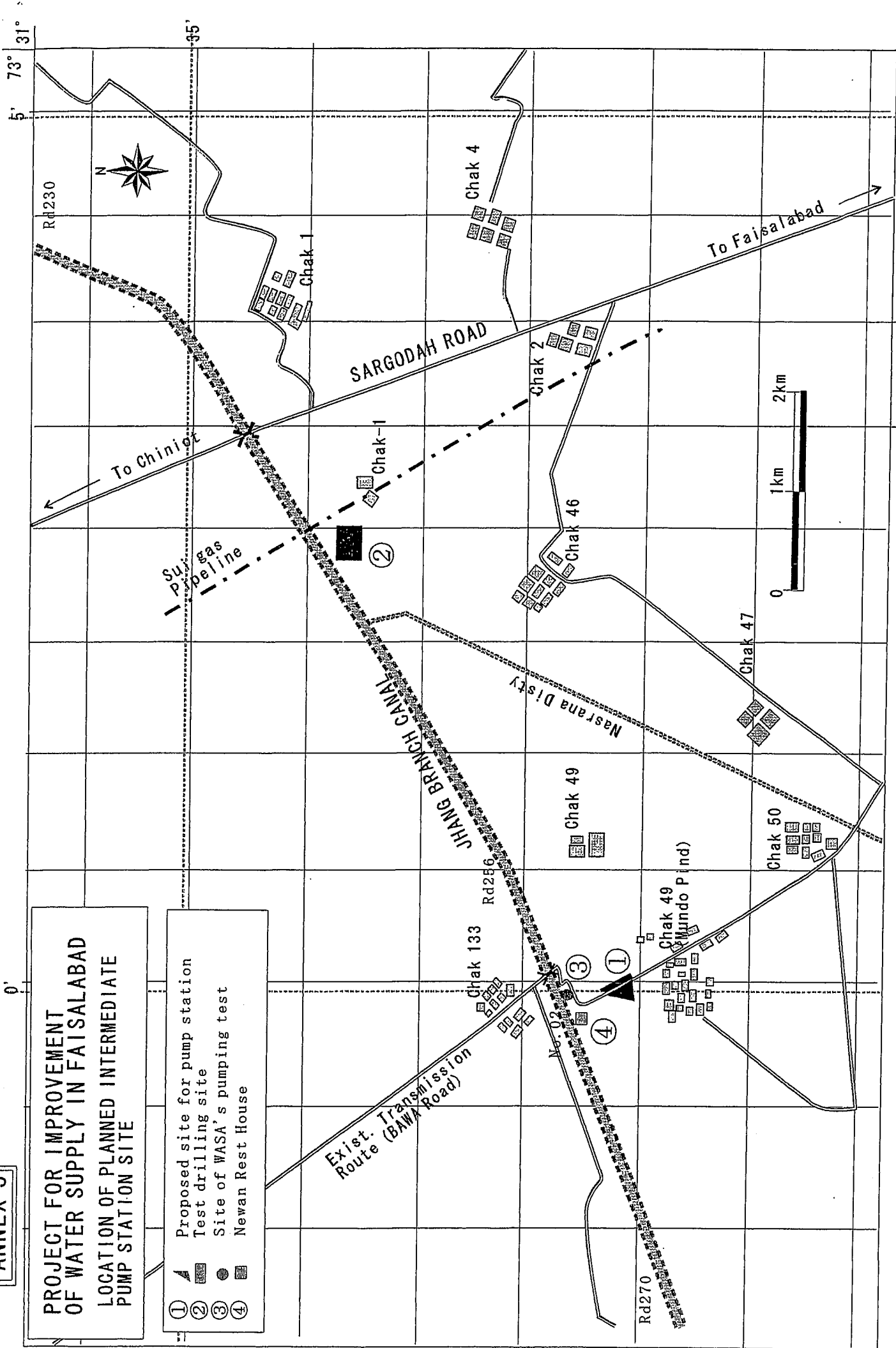
**ALTERNATIVE B**

**PROPOSED PLANS FOR IMPROVEMENT OF WATER SUPPLY IN FAISALABAD**

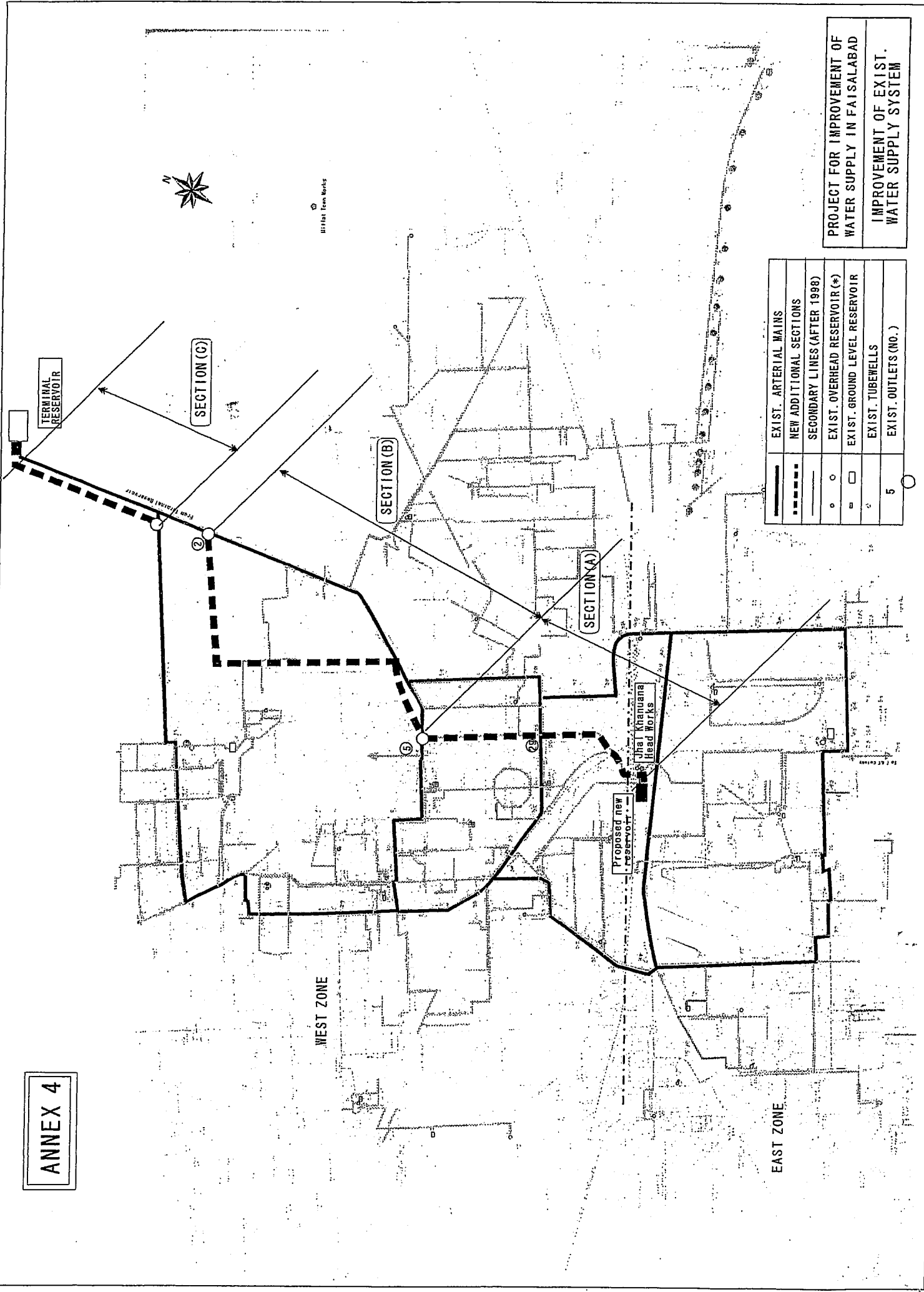
**ANNEX 3**

**PROJECT FOR IMPROVEMENT OF WATER SUPPLY IN FAISALABAD**  
**LOCATION OF PLANNED INTERMEDIATE PUMP STATION SITE**

- ① Proposed site for pump station
- ② Test drilling site
- ③ Site of WASA's pumping test
- ④ Newan Rest House



**ANNEX 4**



—	EXIST. ARTERIAL MAINS
- - - - -	NEW ADDITIONAL SECTIONS
—	SECONDARY LINES (AFTER 1998)
○	EXIST. OVERHEAD RESERVOIR (*)
□	EXIST. GROUND LEVEL RESERVOIR
○	EXIST. TUBEWELLS
5	EXIST. OUTLETS (NO.)

**PROJECT FOR IMPROVEMENT OF WATER SUPPLY IN FAISALABAD**  
**IMPROVEMENT OF EXIST. WATER SUPPLY SYSTEM**

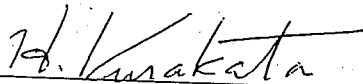
Minutes of Discussions  
The Basic Design Study on  
The Project for Improvement of Water Supply in Faisalabad  
in Islamic Republic of Pakistan  
(Explanation on Draft Final Report)

In December 2002, Japan International Cooperation Agency (hereinafter referred to as 'JICA') dispatched a Basic Design Study Team on the Project for Improvement of Water Supply in Faisalabad (hereinafter referred to as "the Project") to the Islamic Republic of Pakistan (hereinafter referred to as 'Pakistan'), and through discussions, field survey, and technical examination of the results in Japan, JICA prepared a draft final report of the study.

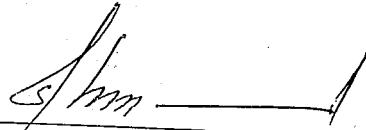
In order to explain and to consult with the Pakistan side on the contents of the draft final report, JICA sent to Pakistan the Draft Final Report Explanation Team (hereinafter referred to as 'the Team'), which was headed by Mr. Hiroshi Kurakata, Director, First Project Management Division, Grant Aid Management Department, JICA, and was scheduled to stay in the country from Mar. 16th to Mar. 28th, 2004.

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

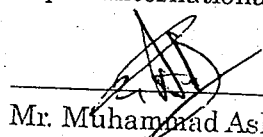
Lahore, March 25th, 2004



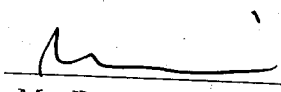
Mr. Hiroshi Kurakata  
Leader  
Basic Design Study Team  
Japan International Cooperation Agency



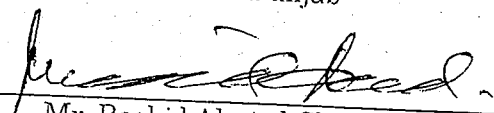
Mr. Sohail Ahmad  
Secretary  
Planning & Development Board  
Government of Punjab



Mr. Muhammad Ashraf Khan  
Joint Secretary  
Economic Affairs Division  
Ministry of Economic Affairs & Statistics  
Government of Pakistan



Mr. Riaz Ahmed  
Secretary  
Housing, Urban Development &  
Public Health Engineering Department  
Government of Punjab



Mr. Rashid Ahmad Chaudhry  
Managing Director  
Water and Sanitation Agency  
(WASA/FDA), Faisalabad

## ATTACHMENT

### 1. Components of the Project

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

### 2. Japan's Grant Aid scheme

The Pakistan side understood the Japan's Grant Aid Scheme and the necessary measures to be taken by the Government of Pakistan as explained by the Team and described in Annex-III and Annex-IV of the Minutes of Discussions signed by both sides on December 17th, 2002.

### 3. Schedule of the Study

The Team was informed of the revision of tariff system by WASA in March 2004.

The Team confirmed that JICA would complete the final report with employing a new tariff for its financial analysis and send it to Pakistan side by May 2004.

### 4. Other relevant issues

Both sides confirmed the importance of the following items in order to realize the Project smoothly and effectively.

#### (1) Information disclosure and public meeting

The Team requested the Pakistan side to disclose the information about the impact of the Project clearly through the public meeting with the participation of the residents who might be affected by the Project. The Pakistan side will take necessary measures to mitigate the impacts including appropriate compensatory development package up to the extent of Rs.50 million, which would be provided to upgrade the infrastructure system and to subsidize the installation/improvement of the tubewells in the affected area.

And also the Pakistan side confirmed to provide an undertaking in this regard to the Japanese side until 10th April 2004.

#### (2) Preparation of PCI

For the earlier approval of this project by the Government of Japan, it is a prerequisite for the Pakistan side to secure the approval of PCI by the related agencies of the central government.

The Pakistan side confirmed to inform the Japanese side of its progress and the results on each of the following stages and whenever it would be deemed necessary:



- 1) WASA's submittal of PC1 form to the Punjab government
- 2) Approval of the Punjab government (PDWP)
- 3) CDWP
- 4) ECNEC

The Pakistan side also confirmed to take necessary steps to promote the procedure of approval, targeting its finalization by the end of June 2004.

(3) Environmental Impact Assessment

The Pakistani side explained to undertake the procedures required for environmental protection in compliance with the related regulations of Pakistan during the detailed design stage after the implementation agreement between the governments of Pakistan and Japan.

(4) Plan for Phasing of the Project

Both side agreed that the implementation of the Project would be planned to divide into the following two phases:

- 1) Phase 1 Improvement of existing distribution system (reinforcement of existing network with supplementary sections to arterial mains)
- 2) Phase 2 Construction of facilities for water source, collection, transmission and distribution (construction of tubewells, collector main, booster pump station, transmission main and terminal reservoir)

(5) Requirement for Personnel for Operation and Maintenance of Facilities

WASA will formulate an appropriate plan for recruitment, allocation and training of personnel for operation and maintenance of facilities to be constructed under the Project.

(6) Improvement of Existing Distribution Network

For the purpose of ensuring the maximum effect of increased water supply through the Project, WASA confirmed to carry out the improvement and rehabilitation of existing distribution network, particularly from secondary distribution lines to house connections.



(7) Monitoring System

WASA agreed to establish an appropriate monitoring system of water level in the planned wellfield to check the influence of the Project as well as water quality with reference to the proposal of the Japanese side.

(8) Grading and leveling of Land

The Pakistani side confirmed to secure the land and to level the sites for the tubewells, the booster pump station and the terminal reservoir, prior to commencement of work on condition that Grant Aid is extended.

(9) Financial Improvement

With the implementation of the project, WASA agreed to take effective measures to secure sound financial status through the improvement of billing, tariff collection and acquisition of new clients.

(10) Tax Exemption

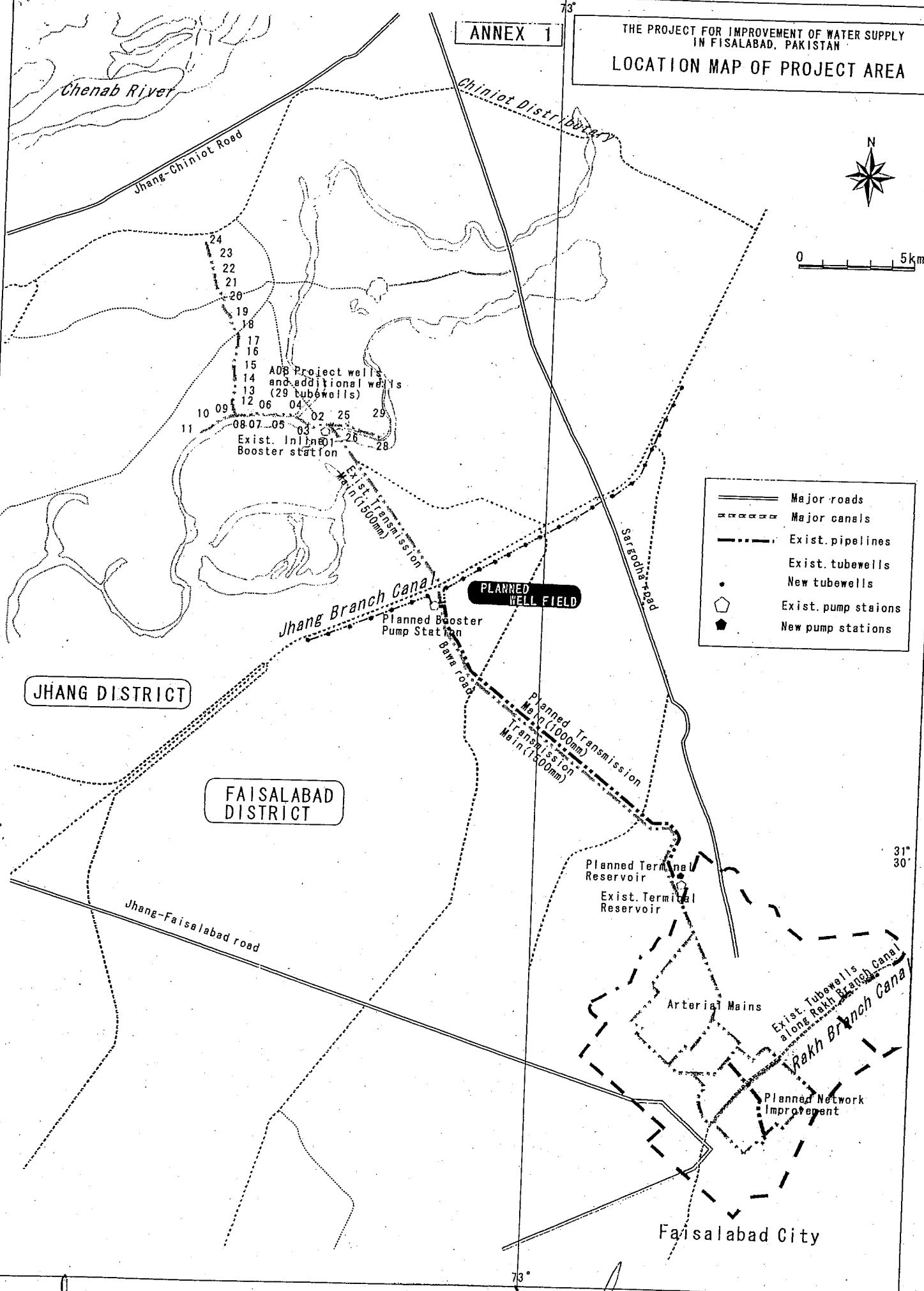
The Pakistan side confirmed to bear all the taxes including customs duties, the Value Added Tax (VAT) related to the Project.

ANNEX 1

THE PROJECT FOR IMPROVEMENT OF WATER SUPPLY  
IN Faisalabad, PAKISTAN  
LOCATION MAP OF PROJECT AREA



0 5km



	Major roads
	Major canals
	Exist. pipelines
	Exist. tubewells
	New tubewells
	Exist. pump stations
	New pump stations

JHANG DISTRICT

FAISALABAD DISTRICT

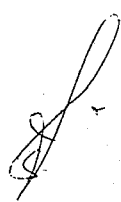
Faisalabad City



## ANNEX II

### LIST OF PLANNED FACILITIES

1. Water Source Facilities
  - a. Tubewells 25 Nos.
  - b. Pumps for tubewells 25 Nos.
  - c. Tubewell stations 25 Nos.
  
2. Collecting facilities
  - a. Collector mains 14,400m
  
3. Transmission facilities
  - a. Booster pump station 1 No.
  - b. Intermediate reservoir 1 No.
  - c. Chlorinator 1 No.
  - d. Transmission main 13,000 m
  
4. Distribution facilities
  - a. Terminal reservoir 1 No.
  - b. Terminal pump station 1 No.
  
5. Improvement of existing network
  - a. Installation of supplementary sections to existing network 6,000 m



## Japan's Grant Aid Scheme

### 1. Grant Aid Procedures

1) Japan's 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)

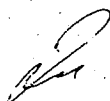
2) Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA (Japan International Cooperation Agency) to conduct a study on the request.

Secondly, JICA conducts the study (Basic Design Study), using (a) Japanese consulting firm(s).

Thirdly, the Government of Japan appraises the Project to see whether or not it is suitable for Japan's Grant Aid Program, 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.



A-1



## 2. Basic Design Study

### 1) Contents of the Study

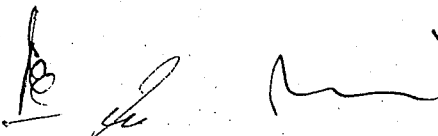
The aim of the Basic Design Study (hereafter referred to as "the Study"), conducted by JICA on a requested project (hereinafter referred to as "the Project") is to provide a basic document necessary for the appraisal of the Project by the Japanese Government. The contents of the Study are as follows:

- a) Confirmation of the background, objectives, and benefits of the requested Project and also institutional capacity of agencies concerned of the recipient country necessary for Project's implementation.
- b) Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economic point 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.
- 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 Japan's Grant Aid Scheme.

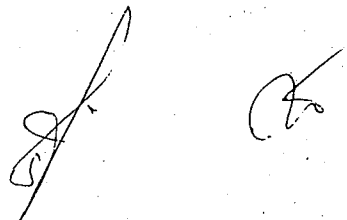
The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even though they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

### 2) Selection of Consultants



A-2

A-77



For smooth implementation of the Study, JICA uses (a) registered consultant firm(s). JICA selects (a) firm(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

The consultant firm(s) used for the Study is(are) recommended by JICA to the recipient country to also work on the Project's implementation after the Exchanges of Notes, in order to maintain technical consistency.

### 3. Japan's Grant Aid Scheme

#### 1) Grant Aid

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure 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)

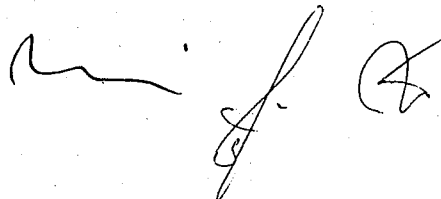
Japan's Grant Aid is extended in accordance with the Notes exchanged by the Governments concerned, in which the objectives of the Project, period of execution, conditions and amount of the Grant Aid, etc. are confirmed.

- 3) "The period of the Grant Aid" means the one fiscal year which the Cabinet approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consultant firm(s) and (a) contractor(s) and a 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 by mutual agreement between the two Governments.



A-3



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- 4) Under the Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased. When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However the prime contractors, namely, consulting, 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.)


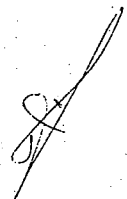
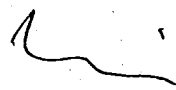


- 5) Necessity of the "Verification"

The Government of recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

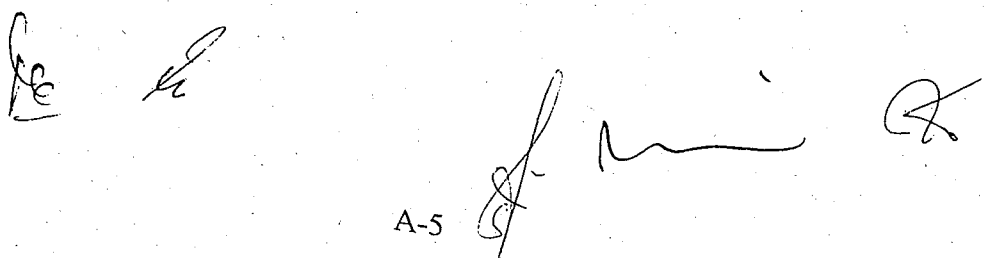
- 6) Undertakings required of the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following:

- (1) To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction.
- (2) To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities in and around the sites.
- (3) To secure buildings prior to the procurement in case the installation of the equipment.
- (4) To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid.



- (5) To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts.
- (6) 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.
- (7) Proper Use  
The recipient country is required to maintain and use facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign staff necessary for this operation and maintenance as well as to bear all the expenses other than those covered by the Grant Aid.
- (8) Re-export  
The products purchased under the Grand Aid should 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 a bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the verified contracts.
- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an authorization to pay issued by the Government of the recipient country or its designated authority.

Handwritten signatures and initials in black ink, including a large signature on the left, a smaller one in the middle, and a stylized mark on the right.

**ANNEX-IV**

**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 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)	Furniture and Equipment		
a.	General furniture		●
b.	Project equipment	●	
8	To bear the following commissions to a bank of Japan for the banking		
1)	Advising commission of A/P		●
2)	Payment commission		●
9	To ensure prompt unloading and customs clearance at the port of		
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		●

## 資料5 事業事前計画表（事業化調査時）

<b>1. 案件名</b>
パキスタン・イスラム共和国 ファイサラバード上水道拡充計画
<b>2. 要請の背景(協力の必要性・位置付け)</b>
<p>(1) パ国では、都市部への急激な人口流入によりインフラ整備が追いつかず、都市部の給水状況と衛生環境が悪化し、近年パキスタン全土の各所で大きな問題となっている。</p> <p>(2) このことから、パ国政府は、良質な飲料水を全国民に提供するための指針として、2009年9月に「国家飲料水政策」(National Drinking Water Policy)を国会で承認した。同政策は、給水普及目標を、中期開発政策とミレニアム開発目標に基づき、2015年までに全国民の93%とし(現時点から30%の増加)、最小給水量は、一人一日あたり地方給水は45ℓ、都市では120ℓとする旨規定している。また、パンジャブ州政府計画・開発省は、州政府による水道セクター体制整備として、2006年「都市部における上下水道改善のロードマップ」を策定し、州内給水施設の増強を目指している。</p> <p>(3) ファイサラバード市は、2009年時点で280万人の推定人口を擁するパ国第3の都市であるが、同年の上水道普及率は58%にとどまっている。ファイサラバード市上下水道公社(以下、WASA)は、1992年にADBの支援により上水道施設を建設し、その後も既存水源地に追加の深井戸を建設し、市内でも旧水源井戸の更新を行うなどの自助努力を重ねてきたが、主要の水源井の揚水量減少等により、1993年時点での評価水量32.5万m<sup>3</sup>/に対して現在最大20万m<sup>3</sup>/の給水にとどまっており、総人口280万人に対する供給量が著しく不足している。</p> <p>(4) このことにより、全市の約1/3の人口を有し、配水幹線の末端に位置する市内東部地区は恒常的な配水不良に悩まされている。同地区の消費者の多くは、それを補うために自家用井戸水に依存しており、水に起因した肝炎、下痢、チフス等の罹患者が多くなっている。</p> <p>(5) 以上を踏まえ、本計画ではファイサラバード市の給水量増加を目的に、水源施設の建設を行うものである。本計画は上述の「国家飲料水政策」及び州政府による「都市部における上下水道改善のロードマップ」の方向性に合致する。</p> <p>(6) なお、我が国支援によるファイサラバード上水道整備計画(1/2)では、市内東部区域に対して、幹線給水圧0.5kg/cm<sup>2</sup>から1.0~1.5kg/cm<sup>2</sup>まで改善し、東部区域への配水システムを改善すべく、配水管補強工事を実施した。また、ファイサラバード上水道整備計画(2/2)では、配水管から上流の給水システムを整備すべく、現在上水道施設の建設を行っている。</p>
<b>3. プロジェクト全体計画概要</b>
<p>(1) <b>プロジェクト全体計画の目標(裨益対象の範囲及び規模)</b>                  ファイサラバード市の給水サービスが改善される</p> <p>(2) <b>プロジェクト全体計画の成果</b>                  水源・取水施設が整備される。</p> <p>(3) <b>プロジェクト全体計画の主要活動</b>                  ア. 水源・取水施設を建設する。</p>



イ. 新規施設の技術者・操業要員に対し運転・維持管理に必要な技術訓練を実施する。

**(4) 投入（インプット）**

ア 日本側：無償資金協力 8.2 億円

イ 相手国側

- 1) プロジェクト実施に必要な人員（施設要員）
- 2) 建設資機材
- 3) 施設の運営・維持管理に係る経費

**(5) 実施体制**

主管官庁：パンジャブ州政府住宅・都市開発・公衆衛生省

実施機関：ファイサラバード上下水道公社（WASA）

**4. 無償資金協力案件の内容**

**(1) サイト**

ファイサラバード市（パンジャブ州）

**(2) 概要**

ファイサラバード市における 25 の水源・取水施設の建設

**(3) 相手国側負担事項**

- ① 建設用地の確保、整地
- ② 工事用仮設道路の建設
- ③ 一次側電力工事
- ④ 施設防護柵・門扉等建設
- ⑤ ポンプ場内設備・備品の確保

**(4) 概算事業費**

概算事業費：10.7 億円（無償資金協力：8.2 億円、パ国側負担：2.5 億円）

**(5) 工期**

詳細設計・入札期間を含め、約 17 ヶ月

**(6) 貧困、ジェンダー、環境及び社会面への配慮**

特になし。

**5. 外部要因リスク（プロジェクト全体計画の目標の達成に関するもの）**

- (1) 周辺農村環境が大きく変化し（生活排水の増大、工場の進出等）水源地の地下水水質を悪化させるような事態とならない。
- (2) 社会情勢の変化等に伴う急激な人口の増減が生じない。

**6. 過去の類似案件からの教訓の活用**

特になし。

**7. プロジェクト全体計画の事後評価に係る提案**

**(1) プロジェクト全体計画の目標達成を示す成果指標**

	現状(2009 年)	計画目標年次 (2012 年)
ジャン用水路沿い 水源量	0m <sup>3</sup> /日	91,000m <sup>3</sup> /日

(2) その他の成果指標

特になし

(3) 評価のタイミング

2012年（本計画にかかる施設建設完工以降）