

Requested Project Component List

Item	Quantity	Remarks
Official Request on October 10, 2008		
Drainage Facilities Reinforcement and Improvement		
Trabek North Drainage System	5.60km	
Trabek West Drainage System	4.00km	
Trabek Center Drainage System	4.36km	
Trabek East Drainage System	1.34km	
Trabek South-1(1) Drainage System	6.61km	
Trabek South-1(2) Drainage System	1.20km	
Trabek South-2 Drainage System	2.73km	
TOTAL	25.84km	
Additional Request from Governor of Phnom Penh City on October 28, 2009		
Reconstruction of Big Chamber at R240	1 Location	
Procurement of High Water Jet Cleaner Equipment	not decided yet	Quantity and Specifications will be decided based on the results of preparatory survey.

JAPAN'S GRANT AID

The Government of Japan (hereinafter referred to as "the GOJ") is implementing the organizational reforms to improve the quality of ODA operations, and as a part of this realignment, a new JICA law was entered into effect on October 1, 2008. Based on this law and the decision of the GOJ, JICA has become the executing agency of the Grant Aid for General Projects, for Fisheries and for Cultural Cooperation, etc.

The Grant Aid is non-reimbursable fund provided to a recipient country to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for its economic and social development in accordance with the relevant laws and regulations of Japan. The Grant Aid is not supplied through the donation of materials as such.

1. Grant Aid Procedures

The Japanese Grant Aid is supplied through following procedures:

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

2. Preparatory Survey

(1) Contents of the Survey

The aim of the preparatory Survey is to provide a basic document necessary for the appraisal of the Project made by the GOJ and JICA. The contents of the Survey are as follows:

- Confirmation of the background, objectives, and benefits of the Project and also institutional capacity of relevant agencies of the recipient country necessary for the implementation of the Project.
- Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, financial, social and economic point of view.
- Confirmation of items agreed between both parties concerning the basic concept of the Project.
- Preparation of an outline design of the Project.
- Estimation of costs of the Project.

The contents of the original request by the recipient country are not necessarily approved in their initial form as the contents of the Grant Aid project. The Outline Design of the Project is confirmed based on the guidelines of the Japan's Grant Aid scheme.

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JICA requests the Government of the recipient country to take whatever measures necessary to achieve its self-reliance in the implementation of the Project. Such measures must be guaranteed even though they may fall outside of the jurisdiction of the organization of the recipient country which actually implements the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country based on the Minutes of Discussions.

(2) Selection of Consultants

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

(3) Result of the Survey

JICA reviews the Report on the results of the Survey and recommends the GOJ to appraise the implementation of the Project after confirming the appropriateness of the Project.

3. Japan's Grant Aid Scheme

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

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

(2) Selection of Consultants

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

(3) Eligible source country

Under the Japanese Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased. When JICA and the Government of the recipient country or its designated authority deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country. However, the prime contractors, namely, constructing and procurement firms, and the prime consulting firm are limited to "Japanese nationals".

(4) Necessity of "Verification"

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

(5) Major undertakings to be taken by the Government of the Recipient Country

In the implementation of the Grant Aid Project, the recipient country is required to undertake such necessary measures as shown in **Annex-6**.

(6) "Proper Use"

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

(7) "Export and Re-export"

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

(8) Banking Arrangements (B/A)

- a) The Government of the recipient country or its designated authority should open an account under the name of the Government of the recipient country in a bank in Japan (hereinafter referred to as "the Bank"). JICA will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the Verified Contracts.
- b) The payments will be made when payment requests are presented by the Bank to JICA under an Authorization to Pay (A/P) issued by the Government of the recipient country or its designated authority.

(9) Authorization to Pay (A/P)

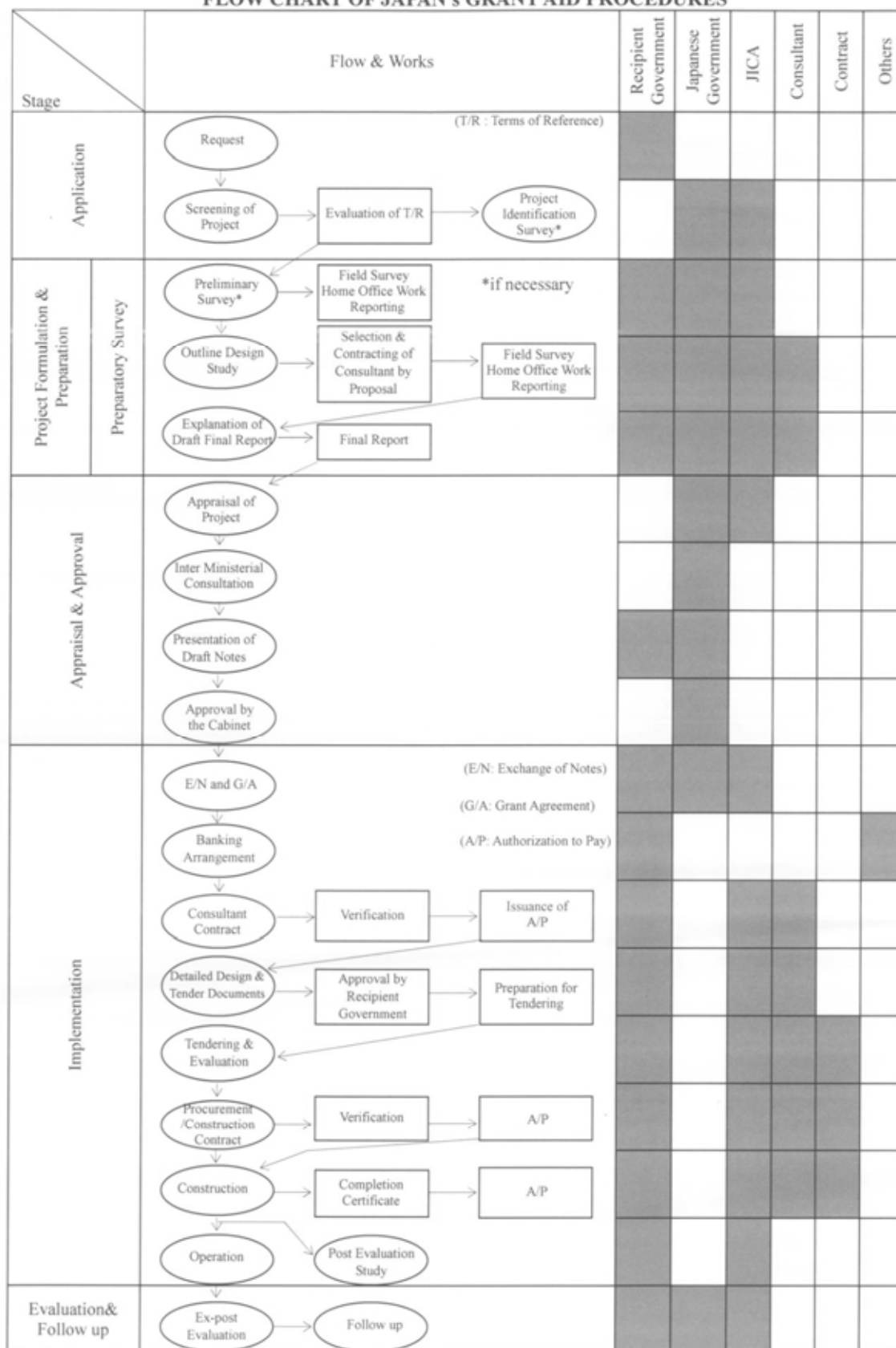
The Government of the recipient country should bear an advising commission of an Authorization to Pay and payment commissions paid to the Bank.

(10) Social and Environmental Considerations

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

(End)

FLOW CHART OF JAPAN'S GRANT AID PROCEDURES



Major Undertakings to be taken by Each Government

No.	Items	To be covered by	
		Grant Aid	Recipient Side
1	To secure of lands necessary for the implementation of the Project and to clear, level and reclaim the sites when needed		•
2	To construct the following facilities		
	1) parking lot during construction when needed	•	
	2) permanent gates and fences in and around the site		•
	3) roads within the site	•	
	outside the site		•
3	To provide facilities for distribution of electricity, water supply, drainage and other incidental facilities necessary for implementation of the Project		
	1) Electricity		
	a) The distributing power line to the site		•
	b) The drop wiring and internal wiring within the site	•	
	c) The main circuit breaker and transformer	•	
	2) Water Supply		
	a) The city water distribution main to the site		•
	b) The supply system within the site (receiving and elevated tanks)	•	
	3) Drainage		
	a) The city drainage main (for storm sewer and others to the site)		N/A
	b) The drainage system (for toilet sewer, common waste, storm drainage and others) within the site	•	
	4) Gas Supply	N/A	N/A
	5) Telephone System		
	a) The telephone trunk line to the main distribution frame/panel (MDF) of the building		•
	b) The MDF and the extension after the frame/panel	•	
	6) Furniture and Equipment		
	a) General furniture (e.g. workshop)		•
	b) Equipment procured by the project	•	
4	To ensure prompt unloading and customs clearance of the products at port of disembarkation in recipient country and to assist internal transportation of the products		
	1) Marine (Air) transportation of the products from Japan to the recipient country	•	
	2) Tax exemption and customs clearance of the products at the port of disembarkation		•
	3) Internal transportation from the port of disembarkation to the project site		
	a) Equipment(s) (if procured by the Project)		•
	b) Others (construction materials, construction equipments)	•	
5	To ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the purchase of the products and the services under the verified contract be exempted or borne by the Authority without using the Grant		•
6	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		•
7	To ensure that the facilities and the products provided under the Grant Aid be maintained and used properly and effectively for the implementation of the Project		•
8	To bear all the expenses, other than those covered by the Grant, necessary for the implementation of the Project		•
9	To bear the following commissions paid to the Japanese bank for banking services based upon the "Banking Arrangement (B/A)" ^(*)		
	1) Advising commission of "Authorization to Pay (A/P)"		•
	2) Payment commission		•
10	To give due environmental and social consideration in the implementation of the Project.		•

Note: ^(*) Payment advising and payment commissions are agreed on Exchange of Notes between the Government of Cambodia and the Government of Japan.

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Minutes of Discussions
on
the Preparatory Survey
on
the Project for Flood Protection and Drainage Improvement
in the Phnom Penh Capital City (Phase III)
in the Kingdom of Cambodia
(EXPLANATION ON DRAFT REPORT)

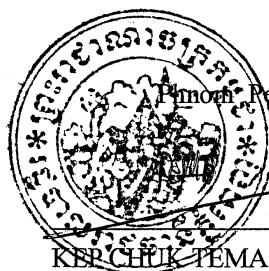
In response to a request from the Government of Cambodia (hereinafter referred to as “the GOC”), the Japan International Cooperation Agency (hereinafter referred to as “JICA”) dispatched the Preparatory Survey Team on the Project for Flood Protection and Drainage Improvement in the Phnom Penh Capital City (Phase III) (hereinafter “the Project”) to the Kingdom of Cambodia (hereinafter referred to as “Cambodia”) from March to May 2010, and through discussion, field survey and technical examination of the results in Japan, JICA prepared a draft report of the survey.

In order to explain and consult with the concerned officials of the GOC on the components of the draft report, JICA sent the Draft Report Explanation Team (hereinafter referred to as “the Team”), which is headed by Mr. Shiro NAKASONE, Director of Disaster Management Division 1, Water Resources and Disaster Management Group, Global Environment Department, JICA, and is scheduled to stay in the country from January 10 to 14, 2011.

As a result of discussions and field survey, both parties confirmed the main items described on the attached sheets.

for 小野 奇

SHIRO NAKASONE
Leader
Draft Report Explanation Team
Japan International Cooperation Agency



Phnom Penh, January 12, 2011

KER CHUK TEMA
Governor
Phnom Penh Capital City
Kingdom of Cambodia

ATTACHMENT

1. Components of the Draft Report

The Cambodian side agreed and accepted in principle the components of the draft report explained by the Team. The components of the Project are shown in Annex-1.

2. Japan's Grant Aid scheme

The Cambodian side understood the scheme of Japan's Grant Aid scheme and the necessary measures to be taken by the GOC as explained by the Team and described in Annex-4, Annex-5 and Annex-6 of the Minutes of Discussions signed by the both sides on 11 March, 2010 (hereinafter referred to as "the Previous M/D").

3. Schedule of the Survey

JICA will complete the final report in accordance with the confirmed items and send it to the GOC by March 2011.

4. Tentative Schedule of the Project

The Cambodian side understood the tentative time schedule of implementation stage of the Project as shown in Annex-2. The Cambodian side also understood the time schedule is subject to change, depending on the date of Exchange of Notes(hereinafter referred to as "E/N") and Grant Agreement(hereinafter referred to as "G/A").

5. Confidentiality of the Project

5.1 Detailed Specifications

The both sides confirmed all the information related to the Project including detailed specifications of the facilities, equipment and other technical information shall not be released to any other party(ies) before the signing of all contract(s) for the Project.

5.2 Project Cost Estimation

The Team explained to the Cambodian side the estimated Project cost to be borne by the Government of Japan (hereinafter referred to as "the GOJ") and by the GOC. The Cambodian side agreed to allocate necessary budget in order to bear requested

undertakings as shown in Annex-3. The Team also explained that these costs estimations are subject to change since they are provisional and need to be further examined.

Both sides agreed that the project cost estimation should never be duplicated in any form nor disclosed to any third parties before signing of contract(s) for the Project because this confidentiality of the project cost estimation is essential to ensure fairness of the tender procedure.

6. Undertakings of the Cambodian side

The Team requested and the GOC agreed on the following undertakings in addition to the major undertakings described in the Previous M/D.

6.1 Operation and Maintenance of Facilities and Equipment

(1) The Cambodian side agreed to take any necessary measures and allocate necessary budget in order to operate and maintain drainage facilities/cleaning equipments constructed/procured by the Project.

(2) The Project would implement the technology transfer and capacity building (Soft Component) in the areas of drainage pipe cleaning works which Drainage and Sewerage Division (DSD) is responsible to, so that the Cambodian side would be able to carry out the systematic and scheduled management of these works. The Cambodian side committed to utilize the technologies and knowledge acquired as a result of Soft Component for the effective and continuous maintenance of drainage facilities/cleaning equipments constructed/procured by the Project.

6.2 Internal Transportation of Cleaning Equipment for Drainage Pipes

Two (2) units of Sludge Sucker and two (2) units of High Water-Jet Machine will be procured as the cleaning equipment for drainage pipes by the Project. Cambodian side agreed that internal transportation cost of procured equipment from disembarkation port (Sihanoukville port) to Phnom Penh shall be borne by the Cambodian side.

6.3 Preservation of the Trabek South Regulation Pond

The Team requested the preservation of Trabek South Regulation Pond with present condition again as mentioned on the Previous M/D, because it is indispensable to ensure the effectiveness of present drainage facilities. The Cambodian side shall take necessary countermeasures if necessity arises.

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In addition, both sides also confirmed that there will be no resettlement under the Project, including the area around the Trabek South Regulation Pond. The Team also requested the Cambodian side to explain appropriately about these matters to concerned organizations/groups including residents around the Trabek South Regulation Pond in order to avoid any misunderstanding on the Project.

6.4 Periodical Environmental Monitoring

The Cambodian side (DPWT) shall execute the periodical environmental monitoring during construction to check circumstances of negative impacts derived from construction work and implementation state and effectiveness of countermeasures for the negative impacts in accordance with the Monitoring Plan for the Project described in the draft report. The results will be informed to JICA by filling in the Monitoring Form mentioned in the draft report, as a part of progress reports during the construction phase.

6.5 Establishment of Monitoring System of Inundation Condition

The Cambodian side is required to establish the inundation monitoring system and to carry out inundation monitoring periodically. Inundation monitoring shall be carried out in some locations in the city area where inundation damages are rather heavy, and some data shall be recorded such as date, time, inundation depth, duration of inundation, rainfall data, and so on in each monitoring point. The monitoring locations proposed by the Preparatory Survey Team of JICA are as shown in the draft report.

7. Other relevant issues

7.1 Change the name of the Project

The Cambodian side proposed to change the name of the Project to correspond to the name of capital. Both sides agreed as follows;

Before: the Project for Flood Protection and Drainage Improvement in the Municipality of Phnom Penh (Phase III) in the Kingdom of Cambodia

After: the Project for Flood Protection and Drainage Improvement in **Phnom Penh Capital City** (Phase III) in the Kingdom of Cambodia

END

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Tentative Schedule of the Project

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☐ Work in Japan

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
Mobilization, Preparatory Work	44 Months in Total																																												
Construction of Drainage Pipe																																													
Ou Russei Area																																													
Boeng Reang Area																																													
Monireth Area																																													
Tudl Svay Prey Area																																													
Tudl Sieng Area																																													
Boeng Keng Kang Area																																													
Tudl Tumpun North Area																																													
Tudl Tumpun South Area																																													
Reconstruction of Sediment Chamber																																													
Cleaning, Demobilization																																													
Manufacturing of Equipments																																													
Transportation & Custom Clearance																																													
Operational Guidance																																													
Soft Component																																													
Facility and System Management																																													
Equipment Maintenance																																													

Preparatory Work

11/11/11