

**RECORD OF DISCUSSIONS
BETWEEN
JAPAN INTERNATIONAL COOPERATION AGENCY AND
MINISTRY OF WATER RESOURCES AND IRRIGATION OF
THE GOVERNMENT OF ARAB REPUBLIC OF EGYPT
ON JAPANESE TECHNICAL COOPERATION
FOR
Water Management Improvement Project II**

The Japan International Cooperation Agency (hereinafter referred to as "JICA") through its Resident Representative to Egypt, exchanged views and had a series of discussions with Ministry of Water Resources and Irrigation of the Government of Arab Republic of Egypt (hereinafter referred to as "MWRI") concerned with respect to the desirable measures to be taken by JICA and Egypt for the successful implementation of the Project on **Water Management Improvement Project II** (hereinafter referred to as "the Project").

As a result of the discussions, and in accordance with the provisions of the Agreement on Technical Cooperation between the Government of Japan and the Government of Egypt, signed in Cairo on 15th June, 1983 (hereinafter referred to as "the Agreement"), JICA and the Egyptian authorities concerned agreed on the matters referred to in the document attached hereto.

Cairo, 9th March, 2008

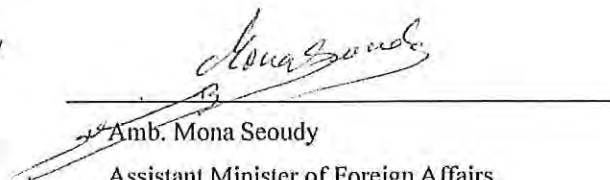


Mr. Katsuhiko Ozawa
Japan International Cooperation Agency
Resident Representative of
JICA Egypt Office



Dr. Hussein I. El-Atfy
Ministry of Water Resources and Irrigation
Senior Undersecretary and
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Witnessed by



Amb. Mona Seoudy
Assistant Minister of Foreign Affairs
Cultural Relations
Ministry of Foreign Affairs
The Arab Republic of Egypt

THE ATTACHED DOCUMENT

I. COOPERATION BETWEEN JICA AND THE GOVERNMENT OF EGYPT

1. The Government of Egypt will implement the Project in cooperation with JICA
2. The Project will be implemented in accordance with the tentative Project Design Matrix (PDM) and the tentative Plan of Operations which are given in Annex I and II, respectively.

II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan, JICA, as the executing agency for technical cooperation by the Government of Japan, will take, at its own expense, the following measures according to the normal procedures of its technical cooperation scheme.

1. DISPATCH OF JAPANESE EXPERTS
JICA will provide the services of the Japanese experts as listed in Annex III. The provision of Article III of the Agreement will be applied to the above mentioned experts.
2. PROVISION OF MACHINERY AND EQUIPMENT
JICA will provide such machinery, equipment and other materials (hereinafter referred to as "the Equipment") necessary for the implementation of the Project activities as listed in Annex IV. The provision of Article VII of the Agreement will be applied to the Equipment. The machinery and equipment will become the property of the Government of Egypt upon being delivered c.i.f. (cost, insurance and freight) at the port of disembarkation to MWRI.
3. EXPENSES NECESSARY
JICA will bear expenses necessary for the implementation of the Project activities as listed in Annex IV.
4. TRAINING OF EGYPTIAN PERSONNEL IN EGYPT, IN JAPAN AND/OR IN THE THIRD COUNTRIES
(1) JICA will receive Egyptian personnel connected with the Project for technical training in Japan and/or in the third countries.

- (2) The training of Egyptian personnel in Egypt as written in Annexes I (activity 2-10) and II (activity 2-10) will be conducted jointly by JICA and MWRI in accordance with Annex IV.

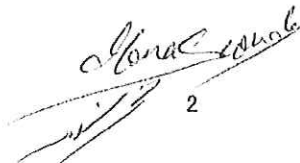
III. MEASURES TO BE TAKEN BY THE GOVERNMENT OF EGYPT

1. The Government of Egypt will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. The Government of Egypt will ensure that the technologies and knowledge acquired by the Egyptian nationals as a result of the Japanese technical cooperation will contribute to the promotion of empowerment of the people.
3. In accordance with the provision of Article IV and V of the Agreement, the Government of Egypt will grant in Egyptian privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families.
4. In accordance with the provision of Article VII of the Agreement, the Government of Egypt will take the measures necessary to receive and use the Equipment provided by JICA under II-2 above and equipment, machinery and materials carried in by the Japanese experts referred to in II-1 above.
5. The Government of Egypt will take necessary measures to ensure that the knowledge and experience acquired by the Egyptian personnel from technical training of the Project will be utilized effectively in the implementation of the Project activities.
6. In accordance with the laws and regulations in force in Arab Republic of Egypt, the Government of Egypt will take necessary measures to provide the following at its own expense:

(1) Services of the Egyptian counterpart personnel and related personnel as listed in Annex V

(2) Land, building and facilities as listed in Annex VI and any other facilities necessary for the implementation of the Project activities, other than the undertakings of JICA.




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7. In accordance with the laws and regulations in force in Egypt, the Government of Egypt will take necessary measures to meet:

(1) Expenses necessary for transportation within Arab Republic of Egypt for the Equipment referred to in II-2 above as well as for the installation and operation thereof;

(2) Customs duties, internal taxes and any other charges, imposed in Arab republic of Egypt on the Equipment referred to in II-2 above; and

(3) Expenses necessary for implementation of the Project activities as listed in Annex IV.

IV. ADMINISTRATION OF THE PROJECT

1. Head of Central Directorate of Irrigation Advisory Service, as the Project Director, will bear overall responsibility for the administration and implementation of the Project and give advice in financial issues in cooperation with the Chief Advisor.

2. The General Directors of Irrigation Advisory Service, will supervise and manage the Project within the administration responsibilities of General Directorate of Irrigation Advisory Service (GDIAS).

3. The Chief Advisor will provide necessary recommendations and advice to the Project Director and the General Directors of Irrigation Advisory Service on any matters pertaining to the implementation of the Project activities.

5. The Japanese experts will give necessary technical guidance and advice to the Egyptian counterpart personnel on technical matters pertaining to the implementation of the Project activities.

6. For the effective and successful implementation of technical cooperation for the Project, Joint Steering Committee will be established with functions and composition as described in Annex VII.

7. The Joint Coordinating Working Group (hereinafter referred to as "JCWG") which shares the information related to the Project at national level will be established before starting the

Project, and be held at least four times a year or whenever necessity arises. Its members and main roles are shown in Annex VIII.

8. Regional Management Committee (hereinafter referred to as "RMC"), which is existing committee that handles the matters about regional water resource, will support the activities of the Project at regional level and will discuss the progress of the Project at least four times a year or whenever necessity arises. Its members and main roles are shown in Annex IX.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and MWRI, at the middle and during the last six months of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

In accordance with the provision of Article VI of the Agreement, the Government of Egypt undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in Egypt except for those arising from the willful misconduct or gross negligence of the Japanese experts.

VII. MUTUAL CONSULTATION

There will be mutual consultation between JICA and the Government of Egypt on any major issues arising from, or in connection with this Attached Document. Modification or addition of project activities, experts, training and equipment shall be mutually agreed between JICA and MWRI in the form of Minutes of Meeting, referring to this Record of Discussions.

VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE PROJECT

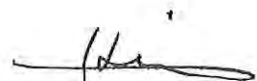
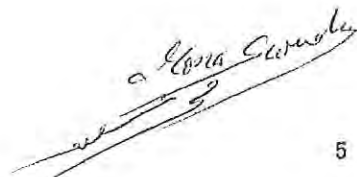
For the purpose of promoting support for the Project among the people of Egypt, the

Government of Egypt will take appropriate measures to make the Project widely known to the people of Egypt.

IX. TERM OF COOPERATION

1. The duration of the technical cooperation for the Project under this Attached Document will be three years and ten months from the date of arrival in Arab Republic of Egypt of the first Japanese long-term experts.
2. The expected date of the arrival of the first Japanese long-term experts is early June, 2008.

ANNEX I	TENTATIVE PROJECT DESIGN MATRIX
ANNEX II	TENTATIVE PLAN OF OPERATIONS
ANNEX III	LIST OF JAPANESE EXPERTS
ANNEX IV	LIST OF UNDERTAKINGS
ANNEX V	LIST OF EGYPTIAN COUNTERPARTS AND RELATED PERSONNEL
ANNEX VI	LIST OF LAND, BULDINGS AND FACILTIES
ANNEX VII	JOINT STEERING COMMITTEE
ANNEX VIII	JOINT COORINATING WORKING GROUP
ANNEX IX	REGIONAL MANAGEMENT COMMITTEE



Tentative Project Design Matrix 1 (PDM-1)

Project Name: The Water Management Improvement Project II
 Project Area: 1st Group of pilot sites (4 pilot sites) and 2nd Group of pilot sites (3 pilot sites), the Whole Egypt
 Target Group: CDIAS Staff (direct target), WUOs (indirect target)

Durations: June 2008 - March 2012 (5 years and 10 months)

Prepared on: 9th March, 2008

Overall Goal		After 3-5 years of the completion of the project	
WUOs at the district, branch and mesqa levels are technically, organizationally and financially self-operational nationwide to meet the national agenda of efficient water resource management.	Water management plan is prepared by WUOs nationwide, and implemented at X % satisfactory level. Water quality is maintained or improved by WUOs nationwide at Y % satisfactory level.	Reports from GDIASs	The government does not change its policy to designate CDIAS as a catalyst for establishing and strengthening WUOs. monitoring and evaluation of WUOs. The IAS staff, who have trained by the project, remain at IAS.
Project Purpose The capacity of CDIAS staff is enhanced to be able to establish and strengthen WUOs nationwide.	By the end of the project period, - A master plan and an implementation plan for establishing and strengthening WUOs are prepared by CDIAS and GDIAS - A long-term capacity development plan for CDIAS staff is prepared	- A master plan and an implementation plan for establishing and strengthening WUOs - A long-term capacity development plan for CDIAS staff	
Output 1 Ideal forms and functions of WUOs at the different levels are identified for the realization of proper district-based integrated water resource management.	By the end of the project period, - An Operation Manual for WUOs, including the ways of organizational management and water management, is prepared. (The followings are the indicators at the 1st Group of pilot sites) - Water management plan is prepared, and implemented at A % satisfactory level. - The member and water fees are collected from B% of the members of WUO, and recorded properly into accounting books. - C % of the WUO members always participate to their group activities. - Special Committees for xxx (e.g. environment, gender, etc.) are organized, and their meetings are held regularly. - Claims from farmers is decreased D%.	- An Operation Manual for WUOs - Field Survey	
Output 2 Methods of strengthening WUOs are developed for the realization of proper district-based integrated water resource management.	- An M&E Manual for strengthening WUOs is prepared. - The capacity of the IAS staff reaches to 1 % satisfactory level.	- an M&E Manual - Examination, or other means of qualification	
Output 3 Institutions are built nationwide among the government agencies for strengthening WUOs in the country.	- All DIASs are set up as planned. - RMC is held monthly and submit annual work plan. - A training plan for all DIASs staff is prepared.	- Reports from GDIASs - RMC's meeting records - A Training Plan - RMC annual Plan	The government allocates necessary budget for implementing the Project activities as shown in Annex IV or R/D in order to continue the activities nationwide.
Activities	Japan side 1. Dispatch of Japanese Experts 1-1. Long-Term Experts (three experts) - Chief Adviser/Institutional Development - Water Resource Management - Water Users' Organization/Coordinator 1-2. Short-Term Experts - As required 2. Provision of machinery and equipment - Vehicles - PCs - Other necessary expenses, machinery and equipment as shown in Annex IV-2 of R/D.	Egyptian Side 1. Assignment of counterpart personnel and administrative staff - Project Director - Project Site Managers at all GDIASs - Counterpart personnel in the field of: 1) Water Resource Management 2) Water Users' Organization - Administration staff including secretaries, accountants - Drivers and other supporting staff 2. Provision of land, buildings and facilities such as project offices and related facilities, expert's room and so on.	Equipment supplied from Japan for technical guidance and other activities is cleared at custom.
Common Activities 0-1. To have a kick-off meeting 0-2. To review and revise PDM-1 and PO-1 0-3. To have Joint Steering Committees (JSCs) 0-4. To have Joint Coordinating Working Group (JCWGs) 0-5. To make a PR plan 0-6. To conduct final evaluation 0-7. To prepare a master plan and an implementation plan for establishing and strengthening WUOs 0-8. To prepare a long-term capacity development plan for CDIAS staff 0-9. To have a dissemination seminar Output 1 (at the pilot sites) 1-1. To review existing guidelines and manuals, which describe the roles and mandates of WUOs at the different canal levels and at the different development stages			

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<p>1-2. To conduct PRA or group discussions with WUOs at the 1st Group of pilot sites</p> <p>1-3. To review the WUOs' performances at the 1st Group of pilot sites through the internal regulations, records of the regular meetings and their group activities, water management practice, etc.</p> <p>1-4. To identify the WUOs' problems, issues to be considered for each of the 1st Group of pilot sites</p> <p>1-5. To make PO (Plan of Operations) for each of the 1st Group of pilot sites (including agreement with ISC)</p> <p>1-6. To make PDM-1 for the Project by indicating expected Outputs at each of the 1st Group of pilot sites</p> <p>1-7. To prepare a tentative operation manual for WUOs, that indicates their ideal forms and functions, to be applied nationwide</p> <p>1-8. To make a training plan for WUOs members (e.g. O&M planning, water management planning, organizational management planning, etc.)</p> <p>1-9. To prepare training materials</p> <p>1-10. To conduct trainings to WUOs in the 1st Group of pilot sites (Outputs shall be O&M plan, water management plan, organizational management plan, etc.)</p> <p>1-11. To combine and analyze the results of Outputs 1 and 2</p> <p>1-12. To prepare an operation manual for WUOs</p> <p>1-13. To provide advice to CDIAS for making an activity plan for each of the 2nd Group of pilot sites</p> <p>1-14. To conduct trainings to WUOs in the 2nd Group of pilot sites by applying the operation manual</p> <p>Output 2 (at the pilot sites)</p> <p>2-1. To review existing M&E systems and methods for strengthening</p> <p>2-2. To draft a tentative M&E system and method to be applied for existing WUOs at the 1st Group of pilot sites</p> <p>2-3. To set up an implementation structure, including an implementation team, for applying the tentative M&E system</p> <p>2-4. To apply the tentative M&E system to existing WUOs at the 1st Group of pilot sites</p> <p>2-5. To extract lessons learnt necessary to strengthen WUOs for enabling them to realize proper district-based integrated water resource management</p> <p>2-6. To prepare an M&E manual that indicates M&E system and method for strengthening WUOs, to be applied nationwide</p> <p>2-7. To conduct training needs assessment for the IAS staff</p> <p>2-8. To make a training plan for the IAS staff</p> <p>2-9. To prepare training materials for the IAS staff</p> <p>2-10. To conduct trainings for the IAS staff</p> <p>2-11. To apply an M&E manual for strengthening WUOs at the 2nd Group of pilot sites</p> <p>Output 3 (nationwide)</p> <p>3-1. To provide advice to CDIAS for making a national database related to the strengthening WUOs</p> <p>3-2. To make a plan to set up DIAS nationwide</p> <p>3-3. To make an action plan with GDIAS for strengthening DIAS staff as well as WUOs nationwide</p> <p>3-4. To conduct follow-up meetings with GDIAS for DIAS set up and strengthening</p> <p>3-5. To provide advice to Regional Management Committees (RMCs) for enabling them to coordinate the related agencies for strengthening WUOs</p>	<p>3. Training of Egyptian counterpart personnel in Japan</p>	<p>3. The supply or replacement of equipment, machinery, vehicles, instruments, tools, spare parts and any other materials other than that provided through JICA.</p> <p>4. Allocation of operating expenses for the Project</p> <p>1) Construction, operation and maintenance of irrigation facilities in the project area</p> <p>2) Personnel expenses of counterpart</p> <p>3) Operating expenses necessary for the implementation of the Project such as utilities as shown in Annex IV-2 of R/D</p>	<p>Personnel</p>
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ANNEX III LIST OF JAPANESE EXPERTS

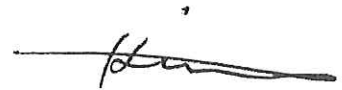
1. Three long term Experts in the following fields will be dispatched.

- (1) Chief Adviser/Institutional Development
- (2) Water Resource Management
- (3) Water Users' Organization/Coordinator

2. Short term Experts will be dispatched as necessary. Details will be determined through mutual agreement.



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ANNEX III-1
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ANNEX IV LIST OF UNDERTAKINGS

1. Both of MWRI and JICA sides pay efforts to utilize the existing equipment, materials and facilities.
2. Items listed below are subject to be changed according to the actual needs.
3. The amount or number of each item is discussed and decided during the Project implementation.
4. Expenses borne by both parties will need to comply with the regulations respectively.

Main items of expenses, machinery and equipment to be prepared by MWRI and JICA for implementation of the Project are as follows:

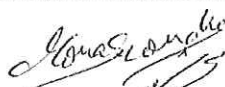
Items	Prepared by	
	MWRI	JICA
<i>Office equipment for the project offices at HDQ and 7 pilot sites</i>		
PC		*
PC software		*
Scanner		*
Laptops		*
Digital camera		*
Printer		*
Copy machine		*
Telephone device	*	
Fax machine	*	
Air conditioner	*	
Others	To be discussed and agreed by both sides	
<i>New offices and furniture</i>		
Office spaces	*	
Carpets	*	
Desks	*	
Desk chairs	*	
Round tables	*	

ANNEX IV-1

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Table chairs	*	
Curtains	*	
Replacement of office equipment	*	
Counterparts salaries	*	
Experts		
Long term experts		*
Short term experts		*
Vehicles and motorcycles		
Motorcycles		*
Vehicles		*
Drivers		*
Maintenance, spare parts and other running cost for vehicles and motorcycles		*
Maintenance, spare parts and running cost (except for vehicles and motorcycles)		
The expenses for maintenance, spare parts and running cost of items are borne by the Egyptian side, except those of items which are used mainly by experts.	*	(*)
Field equipment		
Field equipment necessary for the Project activities such as topographic survey, monitoring water discharge and water use, and examining soil and water quality will be identified in accordance with the advice of the JICA experts.		*
Training equipment		
Flip charts		*
Screen		*
Video projector		*
Pin boards		*
Television		*
Video player		*
Others		*
Training implementation		
On shore training (incl. awareness activities)		
Accommodation for trainers and participants	*	


 ANNEX IV-2

CDIAS trainers' allowances	*	
Transportation inside command area	*	
Transportation beyond command area	Govt. Staff	Non-Govt. Staff
Honoraria for trainers/facilitators	Govt. Staff	Non-Govt. Staff
Fee for helpers		*
Rentals (Fee for facilities outside MWRI facilities)		*
Refreshment (coffee, tea, snack, etc)		*
Stationery		*
Handout, textbooks, brochures, photocopying		*
Others	To be discussed and agreed by both sides	
Off shore training		
Travel expenses	Domestic travel and Tax	*
Per diem		*
Accommodation		*
Training fees		*
<i>Seminar, workshops, conference, reception</i>		
Accommodation, per diem and transportation inside command area	*	
Transportation beyond command area	Govt. Staff	Non-Govt. Staff
Honoraria for speakers/facilitators	Govt. Staff	Non-Govt. Staff
Fee for helpers		*
Rentals (Fee for facilities outside MWRI facilities)		*
Refreshment (coffee, tea, snack, etc)		*
Lunch		*
Stationery		*
Handout, textbooks, brochures, photocopying		*
Others	To be discussed and agreed by both sides	
<i>Studies, research and surveillance</i>		

Accommodation, per diem and transportation inside command area	*	
Transportation beyond command area	Govt. Staff	Non-Govt. Staff
Fee for consultants		*
Purchasing data, information etc		*
<i>JSC, JCWG meeting and RMC</i> (same as seminar)		
<i>Printing of manuals</i>		*

ANNEX IV-4

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ANNEX V LIST OF EGYPTIAN COUNTERPARTS AND RELATED PERSONNEL

1. Counterpart Personnel


- (1) Head of Irrigation Department
- (2) Project Director
Head of Central Directorate of Irrigation Advisory Service
- (3) General Directors of Irrigation Advisory Service
- (4) Undersecretary of Water Resources and Irrigation at each project site
governorate
- (5) Other counterparts personnel in each organizational levels
CDIAS staff

2. Related Personnel

- (1) Administration and financial staff in each Project Office.



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ANNEX V-1



ANNEX VI LIST OF LAND, BULDINGS AND FACILTIES

1. Project Offices will be prepared in MWRI Headquarter and in each of the 7 pilot sites as below;

1st Group of pilot sites: Abo Hommos, Bahr Biyala, Beni Ebeid and Sinnoris

2nd Group of pilot sites: Bustan, El Hella and Ray 1

2. The necessary facilities for on-shore training will be prepared.
3. A meeting space will be prepared within MWRI Headquarter.
4. Other rooms and facilities necessary for the implementation of the Project activities will be prepared, if necessary.



Wahid S. S. S. S.
ANNEX VI-1



ANNEX VII JOINT STEERING COMMITTEE

1. Functions

The Joint steering committee (JSC) will meet at least twice a year and whenever the necessity arises, and its functions are as follows;

- (1) To approve the Plan of Operations and the annual plan of the Project under the framework of the Record of Discussions (R/D).
- (2) To review the overall progress of the project activities as well as the achievements of the above mentioned annual plan.
- (3) To examine and exchange opinions on major issues in connection with the Project arising from Joint Coordinating Working Group (JCWG) or Regional Management Committee (RMC) and to recommend appropriate measures.
- (4) To discuss any other issues pertinent to the smooth implementation of the Project.

2. Composition

- (1) Chairperson

Head of Irrigation Department

- (2) Members

- 1) Egyptian Side

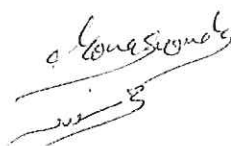
- Chairman of Egyptian Public Authority for Drainage Project (EPADP)
- Head of Planning Sector
- Head of Irrigation Sector
- Head of Irrigation Improvement Sector
- Head of Central Directorate of Irrigation Advisory Service
- Representative of Ministry of Agriculture and Land Reclamation (Head of Agricultural Extension Sector)
- Representative of Institutional Reform Unit (Observer)

- 2) Japanese Side

- JICA Experts
- Resident Representative of JICA Egypt Office
- JICA Policy Advisor for Agricultural Water Resources Management in MWRI

Notes

- 1) Officials of the Embassy of Japan may attend the JSCs as observers.
- 2) Persons, if designated by the Chairperson, such as representatives of relevant projects may attend the JSCs.



ANNEX VII-1



ANNEX VIII JOINT COORDINATING WORKING GROUP

1. Functions

The Joint Coordinating Working Group (JCWG) will meet at least four times a year and whenever the necessity arises, and its functions are as follows;

- (1) To support and facilitate the project activities under the framework of the Record of Discussions (R/D).
- (2) To share the overall progress of the project activities as well as the achievements of the above mentioned annual plan.
- (3) To exchange opinions on major issues arising from or in connection with the Project and to recommend appropriate measures.
- (4) To discuss any other issues pertinent to the smooth implementation of the Project.

2. Composition

- (1) Chairperson

Head of Central Directorate of Irrigation Advisory Service

- (2) Members

- 1) Egyptian Side

- Representative of Egyptian Public Authority for Drainage Project (EPADP)
- Representative of Planning Sector
- Representative of Irrigation Sector
- Representative of Irrigation Improvement Sector
- Representative of Ministry of Agriculture and Land Reclamation (Head of Agricultural Extension Sector)
- Representative of Institutional Reform Unit

- 2) Japanese Side

- JICA Experts
- Representative of JICA Egypt Office

Notes

Persons, if designated by the Chairperson, such as representatives of relevant projects may attend the JCWG meetings depending on issues to be discussed.

ANNEX VIII-1

ANNEX IX REGIONAL MANAGEMENT COMMITTEE

1. Functions

The Regional Management Committee (RMC) will meet at least four times a year and whenever the necessity arises, and its functions are the same as those of JCWG, but at the Directorate level, as follows;

- (1) To support and facilitate the project activities under the framework of the Record of Discussions (R/D).
- (2) To share the overall progress of the project activities as well as the achievements of the above mentioned annual plan.
- (3) To exchange opinions on major issues arising from or in connection with the Project and to recommend appropriate measures.
- (4) To discuss any other issues pertinent to the smooth implementation of the Project activities.

2. Composition

The composition of RMC is according to the Ministerial Decree that defines RMC, including the Chairperson.

Notes

Persons, if designated by the Chairperson of RMC, such as representatives of relevant projects may attend the RMC depending on issues to be discussed.



Alina Sorely
ANNEX IX-1



