

## **Appendices**

## Appendices 1 Member List of the Study Team

### 1) Field study period

Name	Position	Occupation
Mr. Shunji SUGIYAMA	Team Leader	Senior Advisor, Rural Development Department, JICA
Ms. Miyoko INOUE	Cooperation Planning	Deputy Assistant Director, Paddy Field Based Farming Area Division 1, Rural Development Department, JICA
Mr. Munehiro SHIMADA	Project Manager / Operation & Maintenance Planning / Fisheries Development	OAFIC Co., Ltd.
Mr. Toshio ISHII	Architectural Designing & Facilities Planning	OAFIC Co., Ltd.
Mr. Azusa KIKAWADA	Civil Engineer / Construction Planning / Natural Conditions Survey	International Communications Interface Corporation
Mr. Rikio USHIODA	Equipment Planning / Procurement Planning / Cost Estimation	OAFIC Co., Ltd.
Mr. Kazuishi WATABE	Environmental & Social Consideration / Project Effects Measurement	International Communications Interface Corporation

### 2) Draft report explanation period

Name	Position	Occupation
Mr. Kenji KANEKO	Team Leader	Advisor, Paddy Field Based Farming Area Division 1, Rural Development Department, JICA
Mr. Munehiro SHIMADA	Project Manager / Operation & Maintenance Planning / Fisheries Development	OAFIC Co., Ltd.
Mr. Toshio ISHII	Architectural Designing & Facilities Planning	OAFIC Co., Ltd.

## Appendices 2 Study Schedule

### 1) Field study period

NO	Date	Day	Itinerary		
			Official Member	Consultant ①、②	Consultant ③、④、⑤
1	1/19	Sat.		①、② Leave Narita →	
2	1/20	Sun.		→Arrive Cairns, Leave Cairns→Arrive Port-Moresby (POM)	
3	1/21	Mon.		Courtesy visit to JICA office, Courtesy visit and Explanation of IC/R (Inception Report) to NFA (National Fishing Authority), Contract negotiation for sub-contracting survey items	
4	1/22	Tue.	Leave Narita→Hong Kong→	Contracting for sub-contracting survey items, Leave POM→Arrive Madang	
5	1/23	Wed.	→Arrive POM, Courtesy visit to JICA office, Embassy of Japan and NFA	Courtesy visit & Explanation of IC/R to the concerned parties of Madang Province including DFMR (Division of Fisheries & Marine Resources) and Madang Urban Local Level Government (MULLG)	
6	1/24	Thr.	Leave POM→Arrive Madang, Courtesy visit to the concerned parties of Madang Province and MULLG	Site Survey (Market activities, facilities situation, social impacts, operation & maintenance system, land acquisition, etc.)	
7	1/25	Fri.	Meeting with DFMR, NFA Madang office and Madang Fisheries Cooperative, Site survey at Madang Town Market		
8	1/26	Sat.	Site survey at Madang Town Market, Inspection on the other retail markets around Madang	③、④、⑤ Leave Narita→	
9	1/27	Sun.	(Madang Town Market closure day) Project site present status confirmation survey.	→Arrive Cairns, Leave Cairns→Arrive Port-Moresby (POM), Leave POM → Arrive Madang	

10	1/28	Mon.	Consolidated meeting with PNG side on the contents of the Project, Additional survey	Confirmation on the market activities, Technical surveys around the tidal lagoon
11	1/29	Tue.	First Stakeholder meeting, Consolidated meeting with PNG side on the contents of the Project, Processing of the draft Minutes of Understandings	Start of Natural conditions survey, Construction cost information survey
12	1/30	Wed.	Courtesy visit to the Madang Province office & Division of Lands, Consolidated rap-up meeting Processing of the draft Minutes of Understandings	Construction & procurement regulations survey, etc.
13	1/31	Thr.	Leave Madang→Arrive POM, Meeting with NFA & Department of National Planning on the Minutes of Understandings	Infrastructure conditions survey, Retailers activities survey, etc.
14	2/1	Fri.	Signature on the Minutes of Understandings, Reporting to JICA office and Embassy of Japan (Consultant) Leave POM → Arrive Madang	Marketing survey, Site technical detail survey, Social conditions survey including temporary movement circumstances, etc.
15	2/2	Sat.	Leave POM → Arrive Narita	Review on natural conditions survey
16	2/3	Sun.		Site conditions detail technical survey and Topographic survey inside the Madang Town Market.
17	2/4	Mon.		Discussions with DFMR and MULLG on detail contents of the Project including EIA matters, the higher development plan, operation & maintenance system, etc.
18	2/5	Tue.		Discussions with DFMR and MULLG on the EIA matters, acquisition of land, PNG responsibilities & their budget, etc.
19	2/6	Wed.		Second Stakeholder meeting, Additional site survey, Transportation and stevedore conditions survey, Construction cost information survey
20	2/7	Thr.		Consolidated meeting with DFMR and MULLG for the matters of Project effects, budget, etc.
21	2/8	Fri.		Third Stakeholder meeting, Consolidated meeting with DFMR and MULLG for the matters of

				implementation schedule, budget preparation, etc.
22	2/9	Sat.	,	Evaluation on natural conditions survey
23	2/10	Sun.		Additional survey for market conditions and topographic situation
24	2/11	Mon.		Leave Madang→Arrive POM, Reporting to JICA office Additional meeting with the concerned parties in Madang
25	2/12	Tue.		Leave POM → Arrive Cairns Construction & procurement circumstances additional survey
26	2/13	Wed.		Leave Cairns → Arrive Narita Construction cost information additional survey
27	2/14	Thr.		Leave Madang→Arrive POM, Additional survey
28	2/15	Fri.		Leave POM → Arrive Cairns
29	2/16	Sat.		Leave Cairns → Arrive Narita

Indicator for Consultant Member : ① Project manager/ Operation & maintenance planning/ Fisheries development, ② Architectural & facilities planning, ③ Civil engineer/ Construction process planning/ Natural conditions survey, ④ Equipment & procurement planning/ Cost estimation, ⑤ Environmental & social consideration/ Project effects evaluation.

2) Draft report explanation period

NO	Date	Day	Itinerary	
			Official Member	Consultant ①、②
1	7/25	Thr.		①、② Leave Narita →
2	7/26	Fri.		→Arrive Cairns, Leave Cairns→Arrive Port-Moresby (POM), Courtesy visit to JICA office, Leave POM→Arrive Madang
3	7/27	Sat.	Leave Narita →	Survey at the Madang Market
4	7/28	Sun.	→Arrive Port-Moresby	Survey at the Madang Market
5	7/29	Mon.	Consultant ①: Leave Madang→ Arrive POM, Draft Explanation to NFA and the Department of National Planning	Consultant ② : Draft Explanation to DFMR and MULLG.
6	7/30	Tue.	Official Member & Consultant ①: Leave POM→Arrive Madang,, Courtesy visit to MULLG and discussion on the contents of the Project.	
7	7/31	Wed.	Leave Madang→ Arrive POM, Meeting with NFA and the Department of National Planning on the contents of the Minutes of Understandings	
8	8/1	Thr.	Reporting to the Embassy of Japan	
9	8/2	Fri.	Reporting to JICA office	Reporting to JICA office, Leave POM→ Arrive Cairns
10	8/3	Sat.	Leave POM→ Arrive Narita	Leave Cairns→ Arrive Narita

Indicator for Consultant Member : ① Project manager/ Operation & maintenance planning/ Fisheries development, ② Architectural & facilities planning.

## **Appendices 3 List of Parties Concerned in the Recipient Country**

### 1. PNG Concerned Parties at the Central Government side

#### 1) National Fisheries Authority

Mr. Sylvester Pokajam	Managing Director
Mr. John Kasu	Executive Manager
Mr. Leka Pitoi	Provincial Liaison Coordinator
Mr. Bolton Towok	Project Officer
Mr. Andrew Taunega	Project Planner

#### 2) Department of National Planning and Monitoring

Mr. Joe Kapa	Deputy Secretary
Mr. Dan Lyanda	Aid Coordinator, Bilateral Branch, Foreign Aid Division
Mr. Piter Pim	Senior Program Officer, Bilateral Branch, Foreign Aid Division
Mr. Hideo Kobayashi	Development Advisor, Foreign Aid Division

#### 3) Department of Environment and Conservation

Mr. Brenden Trawen	Senior Environment Officer, Section of Environment Permit
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### 2. PNG Concerned Parties at Madang side

#### 1) Madang Provincial Government: MPG

Mr. Jim Kas	Governor
Mr. Peter Pasum	Administration Officer, Governor's Office
Mr. Michael Tataki	Project Officer, Governor's Office
Mr. Seamus Takei	Project Officer, Governor's Office
Mr. Bernard Lange	Provincial Administrator
Mr. Laurence Pitor	Madang District Administrator
Mr. Francis Irara	Director, Lands and Environment
Mr. Micah M. Mer	Assistant Director, Lands and Environment

#### 2) Division of Fisheries and Marine Resources of MPG

Mr. Berom Angurru	Director of Fisheries and Marine Resources
Mr. Thomas Amepou	Provincial Fisheries Officer/Project Coordinator
Mr. Alois Koyo	District Fisheries Coordinator
Mr. Greg Serar	Enforcement Officer
Ms. Agnes Kruter	Coastal Fisheries Development Officer
Mr. Mathew Svarkia	Inland Fisheries Development Officer
Ms. Magret Saguman	Executive Assistant

#### 3) Madang Urban Local Level Government: MULLG

Mr. Mike Kamo	Madang Town Mayor
Mr. Chris Tomong	Deputy Madang Town Mayor
Mr. Titus Futrera	Town Manager
Mr. Phillip Posanau	Deputy Town Manager, Coordinator of Health & Social Services
Mr. Asa Kain	Building Inspector
Mr. Patrick Warren	Town Planner, Volunteer
Mr. CR Joe Dambui	Word 10 member

#### 4) Madang Fisheries Cooperative Society Ltd.

Ms. Catherine Kila	Chairlady
Mr. Benny Kum	Fisheries Cooperative Representative
Mr. Charlie Yambut	Manager

5) NFA

Ms. Veronica Graut	Audit & Certification Officer, Madang ACU office
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6) Water PNG

Mr. Mayarom Elrud	Business Manager, Madang Branch
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7) PNG Power Ltd.

Mr. Bustin Joseph	Center Manager, Madang
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3. Japanese side concerned parties

1) Japanese Embassy in PNG

Mr. Satoshi Abe	Counselor and DCM
Mr. Miki Takahama	First Secretary
Mr. Yasuhiro Yamauchi	First Secretary
Mr. Reki Kataoka	First Secretary
Mr. Kou Shishido	Second Secretary

2) JICA Office in PNG

Mr. Shigeru Sugiyama	Resident Representative
Mr. Noriyuki Itoh	Deputy Resident Representative



## Appendices 4 Minutes of Discussions

### 1) Field study period

#### MINUTES OF DISCUSSIONS ON PREPARATORY SURVEY (PHASE 2) ON THE PROJECT FOR REHABILITATION OF MADANG TOWN MARKET IN PAPUA NEW GUINEA


Based on the results of the Preparatory Survey (Phase 1), the Government of Japan decided to conduct the second Preparatory Survey on the Project for Rehabilitation of Madang Town Market in Papua New Guinea (hereinafter referred to as "the Project") and entrusted the survey to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to the Independent State of Papua New Guinea (hereinafter referred to as "PNG") the Preparatory Survey Team (hereinafter referred to as "the Team"), which was headed by Mr. Shunji Sugiyama, Senior Advisor, JICA and was scheduled to stay in the country from January 20 to February 15, 2013.

The Team held discussions with the officials concerned of the Government of PNG and conducted a field survey at the Project site.

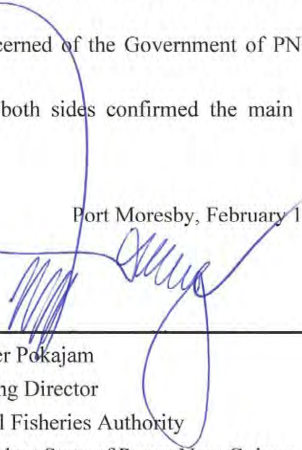
As a result of discussions and the field survey, both sides confirmed the main points described in the attached sheets.

Port Moresby, February 1, 2013



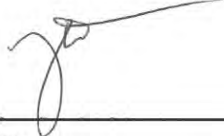
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Shunji Sugiyama  
Leader  
Preparatory Survey Team  
Japan International Cooperation Agency  
(JICA)



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Sylvester Pokajam  
Managing Director  
National Fisheries Authority  
Independent State of Papua New Guinea



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Joe Kapa  
Acting Deputy Secretary - Policy Wing  
Department of National Planning and Monitoring  
Independent State of Papua New Guinea

## ATTACHMENT

### 1. Objective of the Project

Both sides reconfirmed that the objective of the Project is to improve the functions of and working conditions at the Madang town market by rehabilitating market facilities including fish landing area.

### 2. Project site

The Project site is located in the town of Madang as shown in the Annex-I. The area adjacent to the existing market will be acquired to extend the Project site. It was informed that the acquisition of the extension area will require the following administrative process;

- i). A planning application is to be submitted to the Department of Lands and Physical Planning (DLPP) together with the reference information on the assessment of potential damages to water quality in the lagoon and of the effect of permanent closure of the road between the market and lagoon.
- ii). Upon approval of the application above, DLPP proceeds with gazettal of a legal title of the area (Special purpose lease and Underwater lease)

As part of the planning application, an experimental road closure was commenced on 29 Jan 2013 for the period of four weeks. In addition to this, a cadastral survey needs to be conducted to determine the topographical plan of the project site.

The PNG side affirmed that the planning application shall be submitted immediately after completion of the experimental road closure. Upon submission of the application, it will be reported to JICA PNG office.

It was also reiterated that prior to the implementation of the Project, the site needs to be cleared by removing all the existing facilities/structures/objects and secured by proper fencing. These shall be conducted as responsibilities of the PNG side.

### 3. Responsible and implementing agencies

The National Fisheries Authority (NFA) is the responsible agency of the Project, which oversees the implementation of the Project.

The Madang Urban Local Level Government (MULLG), in close consultation and cooperation with the Madang Provincial Administration (MPA) and NFA, takes charge of the implementation of the Project. The Division of Fisheries and Marine Resources, MPA will take a coordinating role during the Project studies. Their organization charts are shown in the Annex-II.

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

After discussions with the Team, PNG side agreed to replace the request of ice plant with that of ice storage/retail area, which is equipped with chest freezers for storing ice and a block ice crusher. In this connection, a request was made from MULLG to spare some space for future installation of an ice plant. Revised list of requested items is attached as the Annex-III.

The Team informed that composition of the Project components will be determined after detailed analysis of survey results. JICA will assess the appropriateness of the request and will summarize it into the draft outline design report.



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## 5. Environmental and Social Considerations

### 5-1. JICA's guidelines

PNG side agreed to abide by 'The JICA Guidelines for Environmental and Social Considerations (April 2010)' in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

### 5-2. Environmental Impact Assessment

PNG side agreed to obtain an environmental permission for the Project by conducting the proper environmental impact assessment (EIA) as required by the PNG's national laws and regulations before the implementation of the Project. It was confirmed that MULLG shall take charge of this process as Project proponent, and NFA shall meet the cost of the EIA.

### 5-3. Temporary relocation of vendors at the Madang Town Market

Construction of new market facilities in the existing market site inevitably requires temporary relocation of vendors at the Madang Town Market. Currently four local markets located in the peripheral areas of Madang town are considered as relocation sites. These candidate markets are 1) Mildas market, 2) Balasigo market, 3) 4-miles market, and 4) MIS market. In addition to these, vacant sites inside the town may also be designated for temporary market areas. PNG side shall take necessary measures for smooth relocation of vendors, which include;

- i). Elaboration of relocation plan that include budget estimation and timeframe setting;
- ii). Negotiation with customary land owners of candidate markets
- iii). Consultation with vendors and determination of their allocation to each candidate site
- iv). Preparation work at candidate markets/sites
- v). Complete closure of the Madang town market for site clearance

It was agreed that PNG side will periodically inform JICA PNG office of the progress of the above procedures and complete all the process by the end of February 2014.

### 5-4. Stakeholder consultation

A stakeholder consultation meeting was held on 29<sup>th</sup> January, 2013 at the Madang Town Market. In the meeting, participants were informed of the proposed development plan of the market, which would involve temporary relocation of vendors during the construction work and permanent closure of part of Yamuan Street.

Participants had given their general consent for the proposed plan and there were no strong objections observed during the meeting. With regard to the candidate markets for relocation, a number of participants expressed that relocation sites within the town areas were most preferred. Representatives of MULLG responded that such requests would be taken into consideration. The minutes of the meeting with the list of participants will be submitted to the Team and JICA PNG office by 13 February 2013.

## 6. Japan's Grant Aid Scheme

The PNG side understood that the Japan's Grant Aid Scheme (Annex-IV) and the necessary measures taken by PNG side as explained by the Team and described in Annex-V.

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## 7. Other relevant issues

### 7-1. Operation and Management Plan

With regard to the operation and management plan of the market, the PNG side reported the followings

- i). Current operation team of the Madang Town Market will be retained to operate and manage new market facilities. The proposed operation/management structure of the market requires the recruitment of additional staff, which shall be taken care of by MULLG.
- ii). The arrangement of financial management is still under discussion by the Financial Executive Committee of MULLG. The results of discussion will be reported to the Team and JICA PNG office by 13 February 2013.
- iii). It is planned that ice storage/retail area of the market will be leased out to the Madang Fisheries Cooperative Society. Ice blocks will be brought from cooperative's ice plant in Binnen point and retailed in the market
- iv). For the adequate supervision of market operation and management, a Market Board will be established. It is envisaged that Board members consist of Deputy Town Manager, MULLG, a Representative of MPA, Provincial Fisheries Officer, and representatives of the community and market vendors.

The PNG side affirmed that in the discussion of financial management of the market, due considerations shall be paid to ensure that a sufficient portion of income generated from the market shall be secured for proper management and maintenance of the market.

### 7-2. Legal title of land

It was reported that land title of extension areas would be combined with that of existing market area. This means that single consolidated land title will be acquired for the entire project site. PNG side affirmed that registration of land title shall be completed before the end of September, 2013. Upon completion of the process, it will be reported to the JICA PNG Office.

### 7-3. Construction permission

The PNG side promised to make necessary arrangements to obtain the construction permission prior to the implementation of the Project.

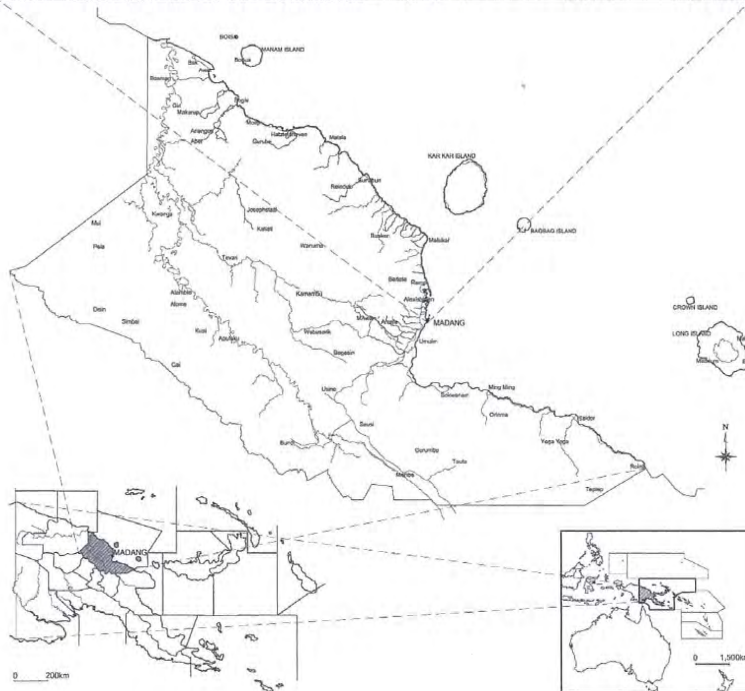
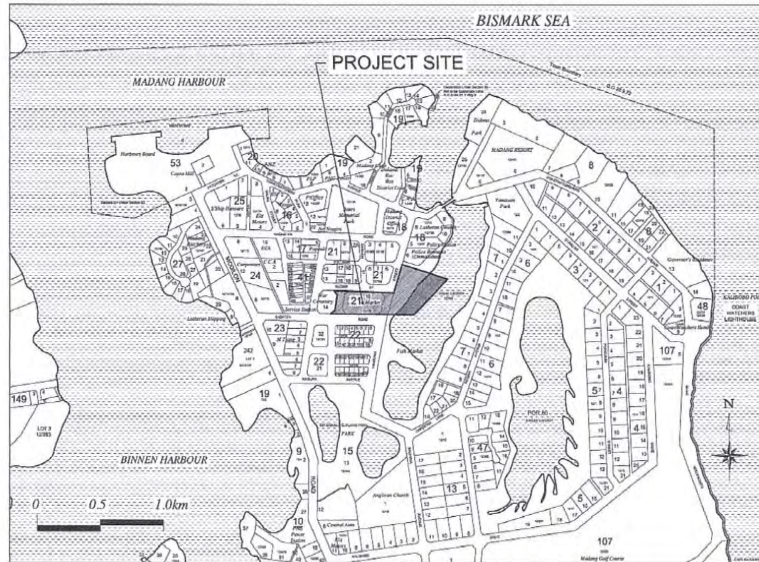
## 8. Schedule of the Survey

The consultant members of the Team will continue their surveys in the country until 16 February, 2013. Based on the survey results, JICA will prepare the draft (outline design) report of the Project and dispatch a mission in order to explain its contents in August, 2013.

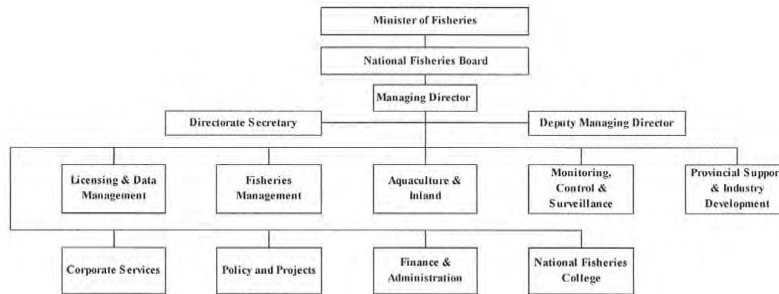
Once both side agreed in principle on the contents of the report, JICA will finalize the report and send it to the PNG in due course.

- Annex-I: Project site
- Annex-II: Organization charts of responsible and implementing agencies
- Annex-III: Revised list of requested items
- Annex-IV: Japan's Grant Aid Scheme
- Annex-V: Major Undertakings to be taken by Each Government

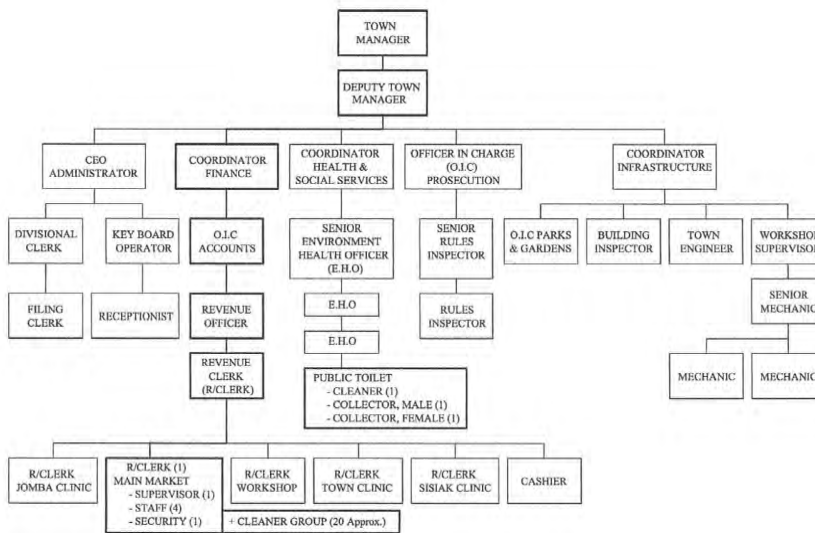
Annex-I: Project site



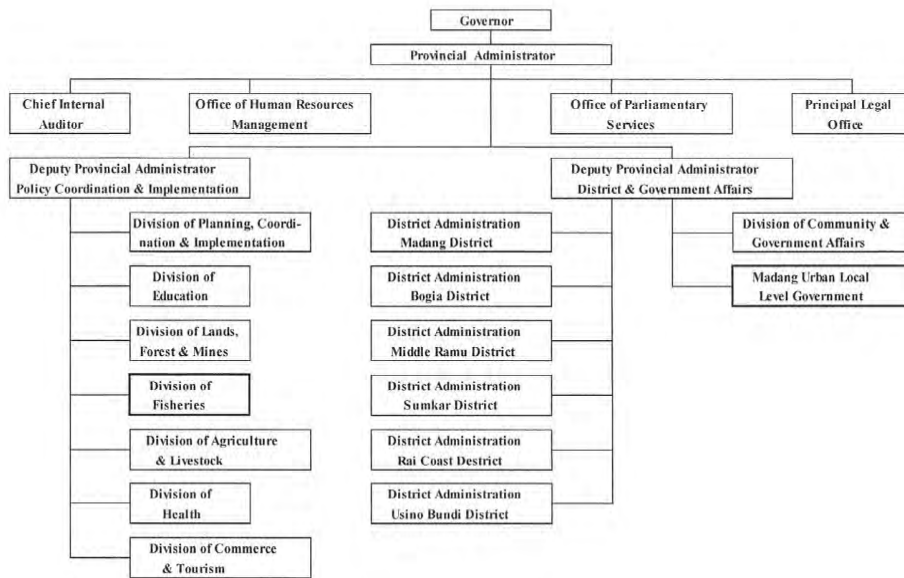
Annex-II: Organization Charts of Responsible and Implementing Agencies



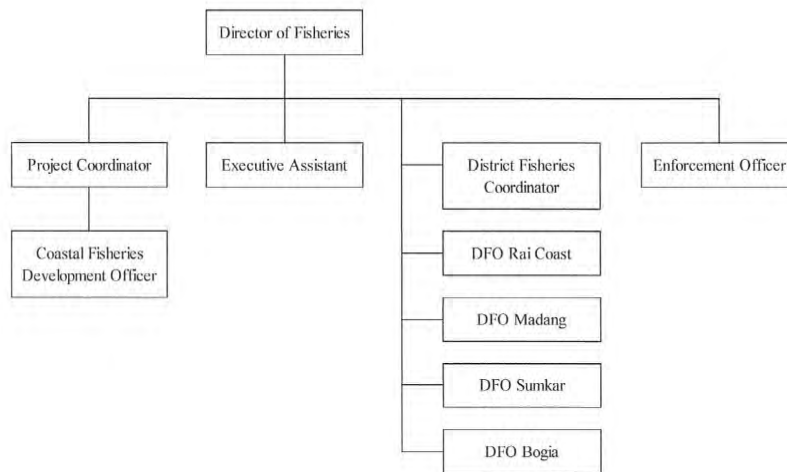
Responsible Agency: National Fisheries Authority



Implementing Agency: Madang Urban Level Local Government



Madang Provincial Administration



\*DFO: Development Fisheries Officer

Division of Fisheries and Marine Resources

**Annex-III: Revised List of Requested Items**

	Component	Specification/Remarks	QTY	QTY	Priority	Remarks
1	Common Market Shed I	One story, table sales type, steel structure, 7m x 20m	4	TBD	A	
2	Common Market Shed II	One story, floor sales type, steel structure, 7m x 26m	2			
3	Fish Market Shed	One story, chair sales type, steel structure, 6m x 10m	5	TBD	A	
4	Public Toilet	Market toilet and Town toilet	2	TBD	A	Inclusion of town toilet to be examined
5	Kiosk	-	-	TBD	A	Additionally requested item
6	Administration Office Building	-	-	TBD	A	ditto.
7	Storage for Venders	-	-	TBD	A	ditto.
8	Gatehouse for Ticketing	-	-	TBD	A	ditto.
9	Special Purpose Space	-	-	1	B	to be used for promotion of local products etc
10	Ice Storage/ Retail area			1	B	to be equipped with ice sotrage (chest freezers) and a block ice crusher
11	Interlocking Pavement	Market shed area	1	1	A	
12	Market Parking Space	Concrete Pavement	1	1	A	
13	Ancillary Facilities	Refreshment space, drainage trenches, standby rubbish bays	1	1	A	Proper sewage treatment system to be included
14	Offloading Space	-	-	1	A	Additionally requested item
15	Seawall	-	-	1	A	Additionally requested item With fish landing function
16	Standby generator		-	TBD	B	Needs of the generator will be consider on the basis of the rate of blackout.

A: Considered to be essential items

B: Further studies to confirm their necessity required

TBD: To be decided in further studies



## 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 and 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.

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

by all relevant organizations of the recipient country based on the Minutes of Discussions.

(2) Selection of Consultants

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

(3) Result of the Survey

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

**3. Japan's Grant Aid Scheme**

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

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

(2) Selection of Consultants

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

(3) Eligible source country

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

(4) Necessity of "Verification"

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

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

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

(6) "Proper Use"

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

(7) "Export and Re-export"

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



(8) Banking Arrangements (B/A)

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

(9) Authorization to Pay (A/P)

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

(10) Social and Environmental Considerations

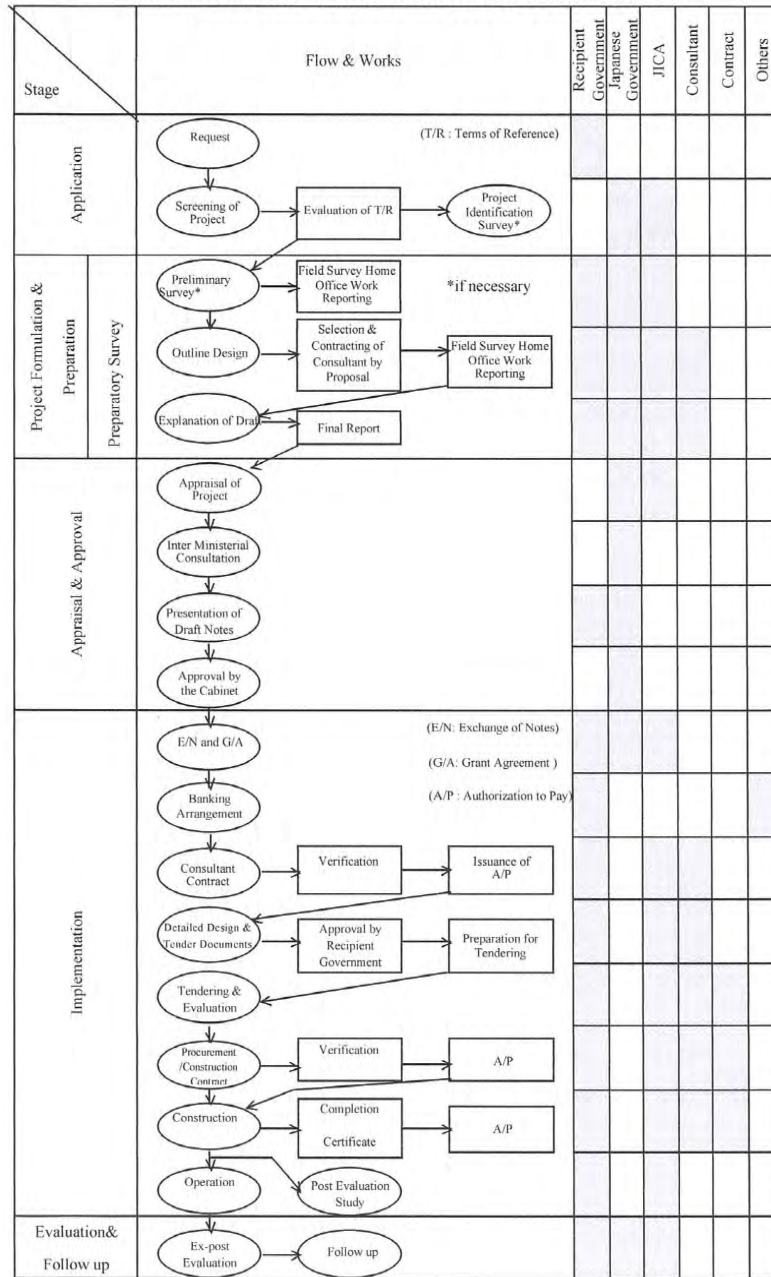
A recipient country must carefully consider social and environmental impacts by the Project and must comply with the environmental regulations of the recipient country and JICA socio-environmental guidelines.



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FLOW CHART OF JAPAN'S GRANT AID PROCEDURES



## 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 [a lot] / [lots] of land necessary for the implementation of the Project and to clear the [site] / [sites];		●
2	To construct the following facilities		
	1) The building	●	
	2) The gates and fences in and around the site		●
	3) The parking lot	●	
	4) The road within the site	●	
	5) The road outside the site		●
3	To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities necessary for the implementation of the Project outside the [site] / [sites]		
	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)		●
	b. The drainage system (for toilet sewer, common waste, storm drainage and others) within the site	●	
	4) Gas Supply		
	a. The city gas main to the site		●
	b. The gas supply system within the site	●	
	5) Telephone System		
	a. The telephone trunk line to the main distribution frame/panel (MDF) of the building		●
	b. The MDF and the extension after the frame/panel	●	
	6) Furniture and Equipment		
	a. General furniture		●
	b. Project equipment	●	
4	To ensure prompt unloading and customs clearance of the products at ports of disembarkation in the recipient country and to assist internal transportation of the products		
	1) 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	(●)	(●)
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 be exempted		●
6	To accord Japanese nationals and / or nationals of third countries whose services may be required in connection with the supply of the products and the services such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
7	To ensure that [the Facilities and the products] / [the Facilities] / [the products] 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 B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
10	To give due environmental and social consideration in the implementation of the Project.		●

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

2) Draft report explanation Period

**MINUTES OF DISCUSSIONS  
ON  
THE PREPARATORY SURVEY  
ON  
THE PROJECT FOR REHABILITATION OF  
MADANG TOWN MARKET  
IN PAPUA NEW GUINEA  
(EXPLANATION OF DRAFT REPORT)**

In February, 2013, the Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Preparatory Survey (Phase 2) Team on the Project for Rehabilitation of Madang Town Market to the Independent State of Papua New Guinea (hereinafter referred to as "PNG"), and through discussions, field survey and technical examination of the results in Japan, JICA prepared the draft report of the survey.

In order to explain and to discuss with the concerned officials of the Government of PNG on the components of the draft report, JICA sent the Preparatory Survey Team (hereinafter referred to as "the Team"), from July 26<sup>th</sup> to August 2nd, 2013 headed by Mr. Kenji Kaneko, Advisor of Paddy Field Based Farming Area Division 1, Rural Development Department of JICA to PNG.

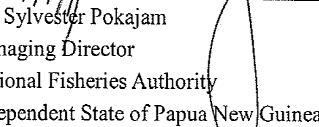
As a result of discussions, both sides confirmed the main items described in the attached sheets.

Port Moresby, July 31, 2013

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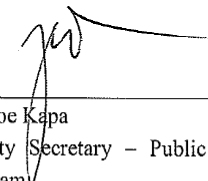
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Mr. Kenji Kaneko  
Team Leader  
Preparatory Survey Team  
Japan International Cooperation Agency  
(JICA)



---

Mr. Sylvester Pokajam  
Managing Director  
National Fisheries Authority  
Independent State of Papua New Guinea



---

Mr. Joe Kapa  
Deputy Secretary – Public Investment  
Program  
Department of National Planning and  
Monitoring  
Independent State of Papua New Guinea

## ATTACHMENT

### 1. Components of the Draft Report

PNG side agreed and accepted in principle the components of the draft report explained by the Team. Through the explanation made by the Team on the draft report, PNG side understood that the requests such as a change in above-mentioned components of the Project or the addition of components will not be accepted basically. In addition, PNG side confirmed that the components of the Project could be subject to change according to the results of the tender to be carried out in the implementation stage.

### 2. Japan's Grant Aid Scheme

- (1) PNG side confirmed the Japan's Grant Aid scheme as explained by the Team as described in Annex-IV of Minutes of Discussions signed by both sides on February 1st, 2013 attached as Annex-I.
- (2) The Team explained the major undertakings to be taken by each Government for smooth implementation of the Project as a condition for the Japan's Grant Aid, which is described in Annex-V of Minutes of Discussions signed by both sides on February 1st, 2013, as a condition of the Japan Grant Aid to be implemented.
- (3) Both sides agreed that they will take necessary actions to implement the above measures as described in Annex II.

### 3. Schedule of the Survey

JICA will complete the final report in accordance with the confirmed items and send it to PNG by the end of November, 2013.

### 4. Cost Estimation

- 4-1. The Team explained the cost estimation of the Project as described in Annex-III.
- 4-2. Both sides agreed that the Project Cost Estimation should never be duplicated or released to any outside parties before signing of all the contract(s) for the Project.
- 4-3. PNG side understood that the Project cost estimation described in Annex-III is a provisional one as a result of the survey and could be subject to change according to further examination by the Government of Japan.

### 5. Environment and Social Considerations

#### 5.1 Categorization and its reason

##### 1) Category: B

Insignificant social and environmental impacts are foreseen except for some



1



negative impacts that may emerge from land usage and construction work.

2) Reason: The Project is not located in a sensitive area, nor has it sensitive characteristics, nor falls into sensitive sectors under the JICA guidelines for environmental and social considerations (April 2010), and its potential adverse impacts on the environment are not likely to be significant.

3) Environmental Checklist

The environmental and social considerations including major impacts and mitigation measures for the Project are summarized in the Environmental Checklist attached as Annex-VI.

#### 5-2. Environmental Impact Assessment

PNG side explained that the categorized environmental impact for the Project is designated as level 2A activity according to the PNG Environmental Guideline 2000, and therefore NFA will complete necessary Environmental Management Plan for submission to the Department of Environment and Conservation in order to obtain an environmental permit by the end of September. The copy of environmental permit will be submitted to JICA PNG office.

#### 5-3. Monitoring for Environmental and Social considerations

Monitoring for Environmental and Social considerations will be conducted by the Madang Urban Level Local Government (MULLG) and NFA in accordance with the Monitoring Plan for the Project. The results will be provided to JICA on a quarterly basis until the completion of the Project by filling in the Monitoring Form attached as Annex-VII as part of progress reports during the construction phase.

#### 5-4. Disclosure of Monitoring Results

1) PNG side agreed that JICA may disclose the part of the monitoring results conducted by MULLG and NFA in JICA Homepage. JICA also explained that it is better to disclose those results to local stakeholders at implementation stage.

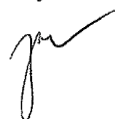
2) JICA explained that JICA will disclose further information, when third parties request, subject to approval of PNG side.

#### 5-5. Temporary relocation of vendors at the Madang Town Market

Construction of new market facilities in the existing market site inevitably requires temporary relocation of vendors at the Madang Town Market. Currently Bates Oval in the peripheral areas of Madang Town Market is considered as relocation site.

#### 6. Confidentiality of the Project

PNG side agreed that all the information related to the Project such as detailed drawings, specifications, and the result of cost estimate shall not be released to a third party before conclusion of all the contract(s) for the Project, because they are confidential documents





that contain information related to the tender.

#### 7. Other Relevant Issues

##### 7-1. Cost of operation and maintenance of market facilities to be rehabilitated under the Japan's Grant Aid

The Team explained the necessary cost for the operation and maintenance of market facilities to be rehabilitated as shown in the section 5-2 of the Draft Final Report. The PNG side confirmed that the cost will be secured in the annual budget.

PNG side agreed to allocate necessary budget for the operation and maintenance of market facilities as described in the section 5-2 of the Draft Final Report in order to provide better quality of the services to the customers in a sustainable manner.

##### 7-2. Assignment of Personnel

Both sides confirmed that the Madang Town Market will be operated and managed by MULLG. Both sides also confirmed that MULLG assigns necessary number of administrative personnel and support staff such as market supervisor, clerks, and so on, to fully utilize the facilities of the Madang Town Market to be constructed by the Project.

##### 7-3. Legal title of land

PNG side explained that it has already submitted the application for the registration of land title for the extended area. PNG side also committed that this process shall be completed before the end of September, 2013. Upon completion of the process, it will be reported to the JICA PNG Office including a copy of title. Both sides agreed that MULLG and NFA will take lead in following up this process.

##### 7-4. Construction Permission

Both sides confirmed that PNG side through MULLG continues to make necessary arrangements to obtain the construction permission prior to the implementation of the Project.

##### 7-5. Preparation of Land

Both sides confirmed that PNG side should prepare the land for the construction of the market facilities to be procured through the said grant in Madang Town Market before the commencement of the construction work.

##### 7-6. Close coordination and harmonization among related organizations

The Project will be implemented under the supervision and financial support of NFA as the responsible agency of the Project. In addition, MULLG is responsible for the implementation of the Project in cooperation with the Madang Provincial Administration (MPA) and NFA. Therefore, close collaboration among NFA,



MULLG and MPA is indispensable for the smooth and successful implementation of the Project.

7-7. Reporting on Operational Plan

PNG side agreed to cooperate to collect the monitoring data which are useful to evaluate the outputs of the Project and will submit annual reports described in Annex-VIII on the use of the facilities to be procured under the said grant, in order to monitor the performance of the market activities every year for at least 3 years after the completion of the construction work in the Project.

7-8. Proper Maintenance of the Facilities

PNG side agreed to ensure that the facilities to be procured through the said grant including outward appearances be maintained and used properly and effectively for the Project.

ANNEXES:

Annex-I Minutes of Discussions signed in February 1<sup>st</sup>, 2013

Annex-II Obligation of the Governments of PNG and Japan

Annex-III Project Cost to be borne by Japan's Grant Aid)

Annex-IV Project Cost to be borne by PNG side

Annex-V Flow Chart of Japan's Grant Aid Procedures

Annex-VI Environmental Checklist

Annex-VII Monitoring Form

Annex-VIII Annual Report and Monitoring Sheet



**MINUTES OF DISCUSSIONS ON  
PREPARATORY SURVEY (PHASE 2) ON  
THE PROJECT FOR REHABILITATION OF  
MADANG TOWN MARKET  
IN PAPUA NEW GUINEA**

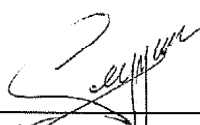
Based on the results of the Preparatory Survey (Phase 1), the Government of Japan decided to conduct the second Preparatory Survey on the Project for Rehabilitation of Madang Town Market in Papua New Guinea (hereinafter referred to as "the Project") and entrusted the survey to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

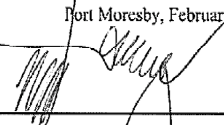
JICA sent to the Independent State of Papua New Guinea (hereinafter referred to as "PNG") the Preparatory Survey Team (hereinafter referred to as "the Team"), which was headed by Mr. Shunji Sugiyama, Senior Advisor, JICA and was scheduled to stay in the country from January 20 to February 15, 2013.

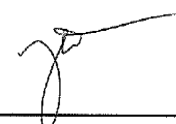
The Team held discussions with the officials concerned of the Government of PNG and conducted a field survey at the Project site.

As a result of discussions and the field survey, both sides confirmed the main points described in the attached sheets.

Port Moresby, February 1, 2013

  
\_\_\_\_\_  
Shunji Sugiyama  
Leader  
Preparatory Survey Team  
Japan International Cooperation Agency  
(JICA)

  
\_\_\_\_\_  
Sylvester Pokajam  
Managing Director  
National Fisheries Authority  
Independent State of Papua New Guinea

  
\_\_\_\_\_  
Joe Kapu  
Acting Deputy Secretary - Policy Wing  
Department of National Planning and Monitoring  
Independent State of Papua New Guinea





全十

ATTACHMENT

**1. Objective of the Project**

Both sides reconfirmed that the objective of the Project is to improve the functions of and working conditions at the Madang town market by rehabilitating market facilities including fish landing area.

**2. Project site**

The Project site is located in the town of Madang as shown in the Annex-1. The area adjacent to the existing market will be acquired to extend the Project site. It was informed that the acquisition of the extension area will require the following administrative process;

- i). A planning application is to be submitted to the Department of Lands and Physical Planning (DLPP) together with the reference information on the assessment of potential damages to water quality in the lagoon and of the effect of permanent closure of the road between the market and lagoon.
- ii). Upon approval of the application above, DLPP proceeds with gazettal of a legal title of the area (Special purpose lease and Underwater lease)

As part of the planning application, an experimental road closure was commenced on 29 Jan 2013 for the period of four weeks. In addition to this, a cadastral survey needs to be conducted to determine the topographical plan of the project site.

The PNG side affirmed that the planning application shall be submitted immediately after completion of the experimental road closure. Upon submission of the application, it will be reported to JICA PNG office.

It was also reiterated that prior to the implementation of the Project, the site needs to be cleared by removing all the existing facilities/structures/objects and secured by proper fencing. These shall be conducted as responsibilities of the PNG side.

**3. Responsible and implementing agencies**

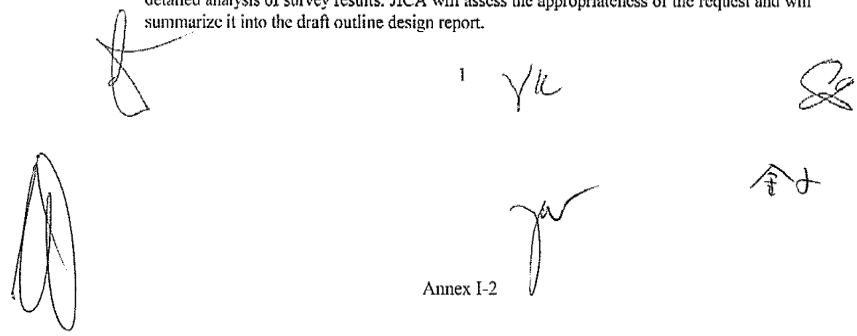
The National Fisheries Authority (NFA) is the responsible agency of the Project, which oversees the implementation of the Project.

The Madang Urban Local Level Government (MULLG), in close consultation and cooperation with the Madang Provincial Administration (MPA) and NFA, takes charge of the implementation of the Project. The Division of Fisheries and Marine Resources, MPA will take a coordinating role during the Project studies. Their organization charts are shown in the Annex-II.

**4. Items requested by the Government of PNG**

After discussions with the Team, PNG side agreed to replace the request of ice plant with that of ice storage/retail area, which is equipped with chest freezers for storing ice and a block ice crusher. In this connection, a request was made from MULLG to spare some space for future installation of an ice plant. Revised list of requested items is attached as the Annex-III.

The Team informed that composition of the Project components will be determined after detailed analysis of survey results. JICA will assess the appropriateness of the request and will summarize it into the draft outline design report.



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Annex I-2

**5. Environmental and Social Considerations**

**5-1. JICA's guidelines**

PNG side agreed to abide by 'The JICA Guidelines for Environmental and Social Considerations (April 2010)' in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

**5-2. Environmental Impact Assessment**

PNG side agreed to obtain an environmental permission for the Project by conducting the proper environmental impact assessment (EIA) as required by the PNG's national laws and regulations before the implementation of the Project. It was confirmed that MULLG shall take charge of this process as Project proponent, and NFA shall meet the cost of the EIA.

**5-3. Temporary relocation of vendors at the Madang Town Market**

Construction of new market facilities in the existing market site inevitably requires temporary relocation of vendors at the Madang Town Market. Currently four local markets located in the peripheral areas of Madang town are considered as relocation sites. These candidate markets are 1) Mildas market, 2) Balasigo market, 3) 4-miles market, and 4) MIS market. In addition to these, vacant sites inside the town may also be designated for temporary market areas. PNG side shall take necessary measures for smooth relocation of vendors, which include;

- i). Elaboration of relocation plan that include budget estimation and timeframe setting;
- ii). Negotiation with customary land owners of candidate markets
- iii). Consultation with vendors and determination of their allocation to each candidate site
- iv). Preparation work at candidate markets/sites
- v). Complete closure of the Madang town market for site clearance

It was agreed that PNG side will periodically inform JICA PNG office of the progress of the above procedures and complete all the process by the end of February 2014.

**5-4. Stakeholder consultation**

A stakeholder consultation meeting was held on 29<sup>th</sup> January, 2013 at the Madang Town Market. In the meeting, participants were informed of the proposed development plan of the market, which would involve temporary relocation of vendors during the construction work and permanent closure of part of Yamuan Street.

Participants had given their general consent for the proposed plan and there were no strong objections observed during the meeting. With regard to the candidate markets for relocation, a number of participants expressed that relocation sites within the town areas were most preferred. Representatives of MULLG responded that such requests would be taken into consideration. The minutes of the meeting with the list of participants will be submitted to the Team and JICA PNG office by 13 February 2013.

**6. Japan's Grant Aid Scheme**

The PNG side understood that the Japan's Grant Aid Scheme (Annex-IV) and the necessary measures taken by PNG side as explained by the Team and described in Annex-V.



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Annex I-3

**7. Other relevant issues**

**7-1. Operation and Management Plan**

With regard to the operation and management plan of the market, the PNG side reported the followings

- i). Current operation team of the Madang Town Market will be retained to operate and manage new market facilities. The proposed operation/management structure of the market requires the recruitment of additional staff, which shall be taken care of by MULLG.
- ii). The arrangement of financial management is still under discussion by the Financial Executive Committee of MULLG. The results of discussion will be reported to the Team and JICA PNG office by 13 February 2013.
- iii). It is planned that ice storage/retail area of the market will be leased out to the Madang Fisheries Cooperative Society. Ice blocks will be brought from cooperative's ice plant in Birnen point and retailed in the market
- iv). For the adequate supervision of market operation and management, a Market Board will be established. It is envisaged that Board members consist of Deputy Town Manager, MULLG, a Representative of MPA, Provincial Fisheries Officer, and representatives of the community and market vendors.

The PNG side affirmed that in the discussion of financial management of the market, due considerations shall be paid to ensure that a sufficient portion of income generated from the market shall be secured for proper management and maintenance of the market.

**7-2. Legal title of land**

It was reported that land title of extension areas would be combined with that of existing market area. This means that single consolidated land title will be acquired for the entire project site. PNG side affirmed that registration of land title shall be completed before the end of September, 2013. Upon completion of the process, it will be reported to the JICA PNG Office.

**7-3. Construction permission**

The PNG side promised to make necessary arrangements to obtain the construction permission prior to the implementation of the Project.

**8. Schedule of the Survey**

The consultant members of the Team will continue their surveys in the country until 16 February, 2013. Based on the survey results, JICA will prepare the draft (outline design) report of the Project and dispatch a mission in order to explain its contents in August, 2013.

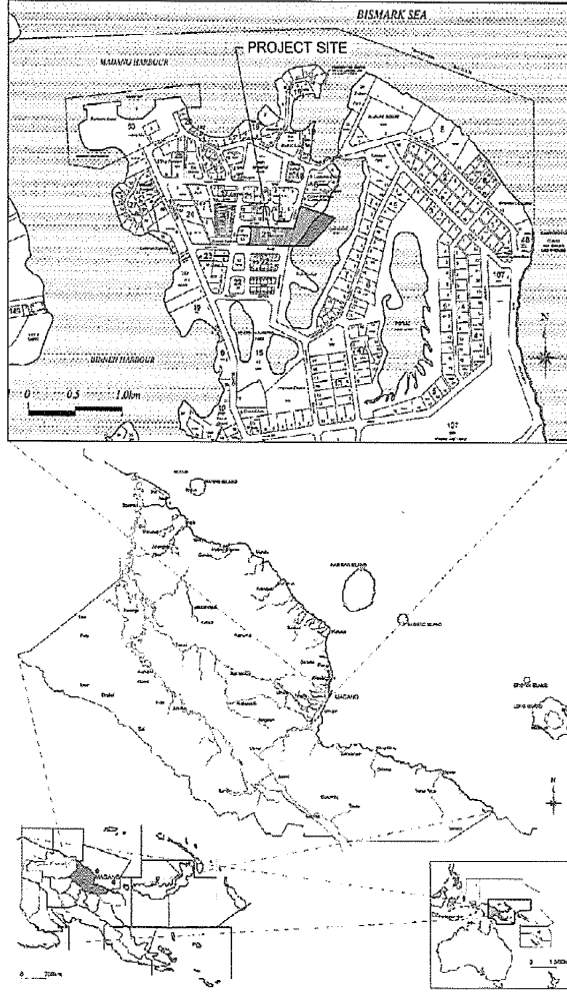
Once both side agreed in principle on the contents of the report, JICA will finalize the report and send it to the PNG in due course.

- Annex-I: Project site
- Annex-II: Organization charts of responsible and implementing agencies
- Annex-III: Revised list of requested items
- Annex-IV: Japan's Grant Aid Scheme
- Annex-V: Major Undertakings to be taken by Each Government

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Annex I-4

Annex-I: Project site



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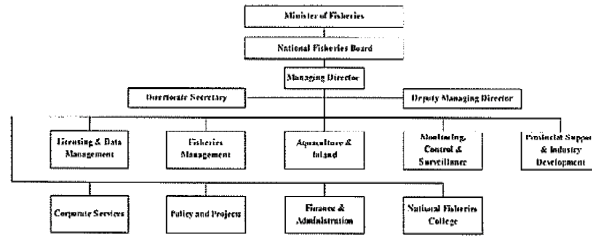
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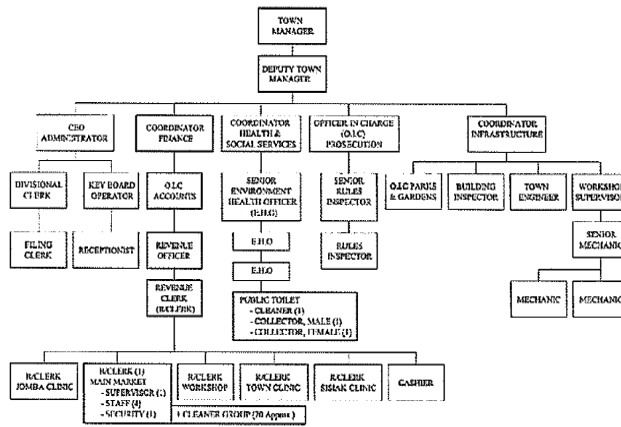
Annex I-5

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
Annex-II: Organization Charts of Responsible and Implementing Agencies



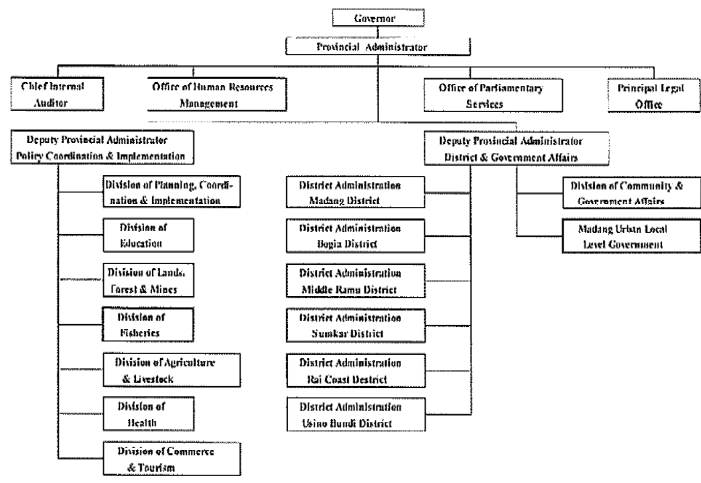
Responsible Agency: National Fisheries Authority



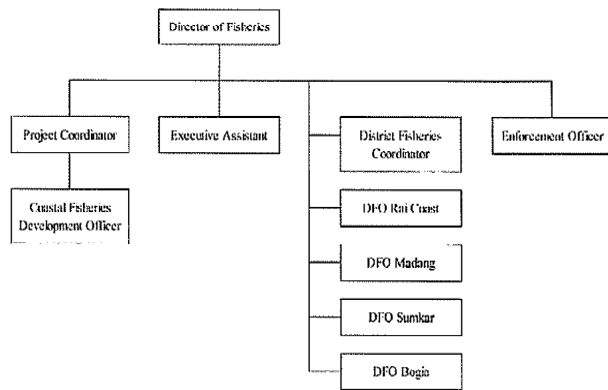
Implementing Agency: Madang Urban Level Local Government





Madang Provincial Administration



\*DFO: Development Fisheries Officer

Division of Fisheries and Marine Resources

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Annex I-7







Annex-III: Revised List of Requested Items

	Component	Specification/Remarks	QTY	QTY	Priority	Remarks
1	Common Market Shed I	One story, table sales type, steel structure, 7m x 20m	4	TBD	A	
2	Common Market Shed II	One story, floor sales type, steel structure, 7m x 26m	2			
3	Fish Market Shed	One story, chair sales type, steel structure, 6m x 10m	5	TBD	A	
4	Public Toilet	Market toilet and Town toilet	2	TBD	A	Inclusion of town toilet to be examined
5	Kiosk	-	-	TBD	A	Additionally requested item
6	Administration Office Building	-	-	TBD	A	ditto.
7	Storage for Venders	-	-	TBD	A	ditto.
8	Gatehouse for Ticketing	-	-	TBD	A	ditto.
9	Special Purpose Space	-	-	1	B	to be used for promotion of local products etc
10	Ice Storage/ Retail area	-	-	1	B	to be equipped with ice storage (chest freezers) and a block ice crusher
11	Interlocking Pavement	Market shed area	1	1	A	
12	Market Parking Space	Concrete Pavement	1	1	A	
13	Ancillary Facilities	Refreshment space, drainage trenches, standby rubbish bays	1	1	A	Proper sewage treatment system to be included
14	Offloading Space	-	-	1	A	Additionally requested item
15	Seawall	-	-	1	A	Additionally requested item With fish landing function
16	Standby generator	-	-	TBD	B	Needs of the generator will be consider on the basis of the rate of blackout.

A: Considered to be essential items

TBD: To be decided in further studies

B: Further studies to confirm their necessity required

Annex I-8

### 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 and 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.

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

1

Annex I-9

by all relevant organizations of the recipient country based on the Minutes of Discussions.

(2) Selection of Consultants

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

(3) Result of the Survey

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

**3. Japan's Grant Aid Scheme**

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

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

(2) Selection of Consultants

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

(3) Eligible source country

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

(4) Necessity of "Verification"

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

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







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

(6) "Proper Use"

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

(7) "Export and Re-export"

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

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 Annex I-10  

(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.

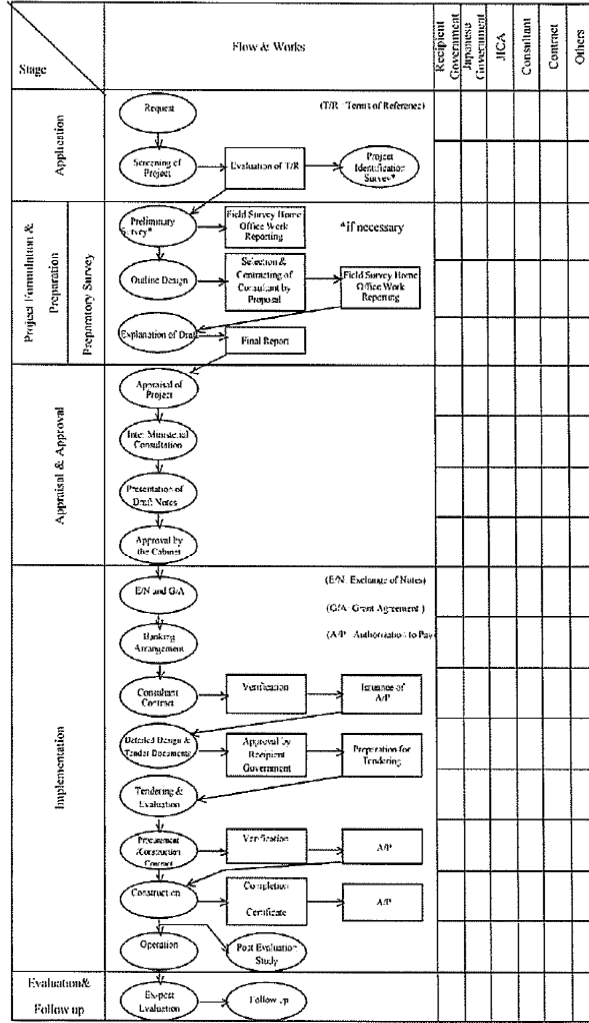
(10) Social and Environmental Considerations

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.

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FLOW CHART OF JAPAN'S GRANT AID PROCEDURES



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Annex I-12

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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 [a lot]/[lots] of land necessary for the implementation of the Project and to clear the [site]/[sites].		●
2	To construct the following facilities		
	1) The building	●	
	2) The gates and fences in and around the site		●
	3) The parking lot	●	
	4) The road within the site	●	
	5) The road outside the site		●
3	To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities necessary for the implementation of the Project outside the [site]/[sites]		
	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		●
	b. The drainage system (for toilet sewer, common waste, storm drainage and others) within the site	●	
	4) Gas Supply		
	a. The city gas main to the site		●
	b. The gas supply system within the site	●	
	5) Telephone System		
	a. The telephone trunk line to the main distribution frame/panel (MDF) of the building		●
	b. The MDF and the extension after the frame/panel	●	
	6) Furniture and Equipment		
	a. General furniture		●
	b. Project equipment	●	
4	To ensure prompt unloading and customs clearance of the products at ports of disembarkation in the recipient country and to assist internal transportation of the products		
	1) 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	(●)	(●)
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 be exempted		●
6	To accord Japanese nationals and/or nationals of third countries whose services may be required in connection with the supply of the products and the services such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
7	To ensure that [the Facilities and the products]/[the Facilities]/[the products] 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 BA		
	1) Advising commission of A/P		●
	2) Payment commission		●
10	To give due environmental and social consideration in the implementation of the Project		●

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



**Annex-II Obligation and Schedule of the Government of PNG and Japan**

No.	Items	To be covered by Grant Aid	To be covered by Recipient Side	Due Schedule
1	To secure land necessary for the implementation of the Project and to demolish and remove any remains including the existing facilities and foundations.		●	before the Project
2	To provide an alternative market site and relevant facilities for the Madang Town Market users during the construction work of this Project.		●	
3	To ensure prompt customs clearance of the products and to assist internal transportation of the products in the 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	●		
4	To ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the purchase of the products and the services be exempted.		●	
5	To accord Japanese nationals whose services may be required in connection with the supply of the products and the services such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work as well as to ensure security for them during their residence.		●	
6	To ensure that the facilities be maintained and used properly and effectively for the implementation of the Project including assignment of staff and allocation of budget necessary for operation and maintenance. To inform the Japanese side of the conditions of operation and maintenance of the facilities and equipment upon request.		●	


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Annex II-1







7	To bear all the expenses, other than those covered by the Grant, necessary for the implementation of the Project		•	
8	To bear the following commissions paid to the Japanese bank for banking services based upon the Banking Arrangement			
	1) Advising commission of Authorization to pay		•	
	2) Payment commission		•	
9	To provide electrical, water supply and other project implementing facilities if needed.		•	
10	To secure permissions for construction and building works from the authorities concerned for those works to be implemented.		•	before the Project
11	To construct required fences and gates for this Project.		•	
12	To explain about the project for the resident people and other beneficiaries in order to secure people's understanding and consent on the project implementation works (about road use, temporary suspension of irrigation water supply, etc.).		•	before the Project
13	To give due environmental and social consideration in the implementation of the Project including regular reporting to JICA on monitoring results.		•	




Annex-III Project Cost to be borne by Japan's Grant Aid)

<Confidential>

This page is closed due to the confidentiality.

Note:

(1) The cost estimates in the above table are provisional and will be further examined by the government of Japan for the approval of the Grant.

(2) Estimation Conditions

- a) Date of estimation : February, 2013
- b) Foreign exchange rate : US\$ 1.00 = JPN85.46  
: Local currency PGK1.00 = JPN42.62
- c) Implementation schedule : Referred to "Implementation Schedule" specified in the PREPARATORY SURVEY REPORT (DRAFT)
- d) Others : Cost estimation shall be based on the framework of Japanese Grant Aid Assistance



Annex III-1



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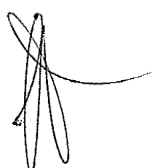
Annex-IV Project Cost to be borne by PNG side

(1) Project Cost to be borne by PNG side

Item of PNG's Responsibility	Amount of Share (1000 Kina)	Yen equivalent (1000 yen)	Remarks
Environmental and social considerations	174	7,420	
Before the commencement of the construction work Demolition and removal of existing facilities, foundations and unnecessary trees and ground leveling in construction work area	600	25,570	
During the construction period Lead-in wiring to the power board and connection to the public water supply	23	980	
During the construction period Construction of fences and gates	220	9,380	
After the completion of the construction work Procurement of office supplies, furnitures and fixtures out of the scope of works by the Japanese side	23	980	
Other expenditures Commissions for banking arrangement (B/A) and authorization to pay (A/P)	21	900	
Total	1,061	45,230	

(2) Estimation Conditions

- a) Date of estimation : February, 2013
- b) Foreign exchange rates : US\$ 1.00 = JPN85.46  
:Local currency PGK1.00 = JPN42.62
- c) Implementation schedule: Referred to "Implementation Schedule" specified in the PREPARATORY SURVEY REPORT (DRAFT)
- d) Others : The cost estimation shall be based on the framework of Japanese Grant Aid Assistance

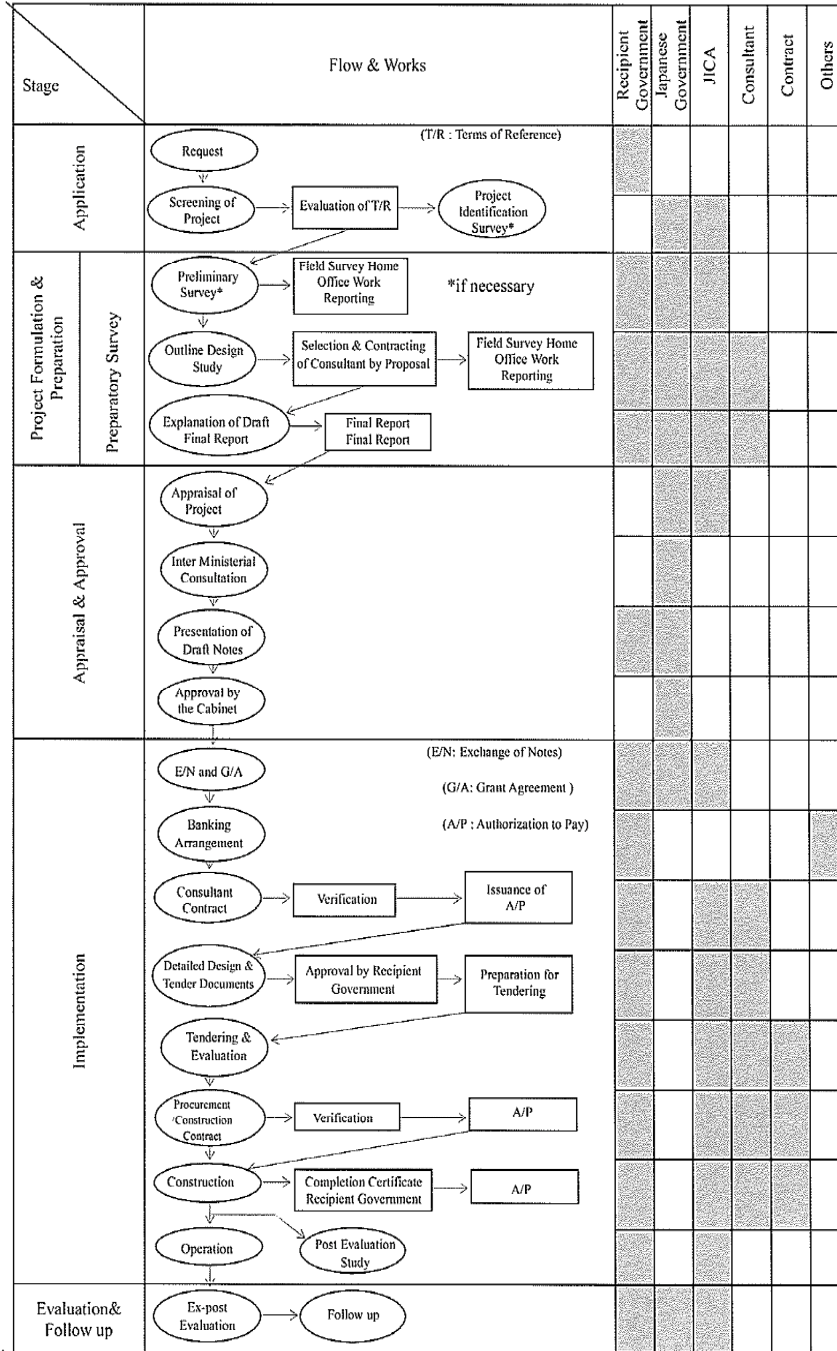


Annex IV-1




Annex-V Flow Chart of Japan's Grant Aid Procedures

FLOW CHART OF JAPAN'S GRANT AID PROCEDURES



Annex V-1

Annex-VI Environmental Checklist

**Environmental Checklist**

Category	Environmental Item	Main Check Items	Confirmation of Environmental Considerations
1. Permits and Explanation	(1) EIA and Environmental Permits	<ol style="list-style-type: none"> <li>1. Have EIA reports been officially completed?</li> <li>2. Have EIA reports been approved by authorities of the host country's government?</li> <li>3. Have EIA reports been unconditionally approved? If conditions are imposed on the approval of EIA reports, are the conditions satisfied?</li> <li>4. In addition to the above approvals, have other required environmental permits been obtained from the appropriate regulatory authorities of the host country's government?</li> </ol>	<ol style="list-style-type: none"> <li>1. The Project was anticipated to be either Level 2 A or Level 2B which is only required to submit EPA (Environmental Permit Application) report to DEC (Department of Environmental Conservation). EPA report has not yet completed. After submission of Intent of EPA preparation, judgment of EPA is decided by DEC(Department of Environmental Conservation)</li> <li>2. Not yet submitted to DEC.</li> <li>3. In case of Level 2B project, application of EPA will be submitted and after appraisal, DEC will request the project proponent to notify the project contents to the public through the media such as newspaper. In case of Level 2A project, application of EPA will be submitted and after appraisal, environmental permit will be approved.</li> <li>4. After obtaining environmental permit from DEC, land registration will be required.</li> </ol>
	(2) Explanation to the Public	<ol style="list-style-type: none"> <li>1. Are contents of the Project and the potential impacts adequately explained to the public based on appropriate procedures, including information disclosure? Is understanding obtained from the public?</li> <li>2. Are proper responses made to comments from the public and regulatory authorities?</li> </ol>	<ol style="list-style-type: none"> <li>1 &amp; 2. At the preparatory study stage, a public consultation was held on 26 March 2010 by Madang local level government (MULLG). At the meeting, environmental and social impacts caused by the implementation of the Project were explained. The questions raised at the meeting were about offensive odor, management of the market, sewerage treatment control and so on. The proper responses were made to those questions. Another public consultation was held to gather opinions from vendors, customers and landowners on 10<sup>th</sup> April, 2012 during preparatory study stage. This consultation was aiming to receive the opinion from vendors, wholesalers, glossary stores and other people operating their business in and around the Market. A major concern expressed by the people was the contents of the relocation procedures for vendors. During the second phase of the preparatory study, a series of stakeholder meetings were held during January and February, 2013 in order to explain the duration of temporal relocation and to receive the temporal relocation places and procedures of vendors. MULLG reflected their opinions of the places of temporal relocation and held a stakeholder meeting to explain..</li> </ol>

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Category	Environmental Item	Main Check Items	Confirmation of Environmental Considerations
2. Pollution Control	(1) Air Quality	<p>1. Is there a possibility that air pollutants emitted from various sources, such as vehicle traffic will affect air quality? Does air quality comply with the country's environmental air quality standards?</p> <p>2. Is there a possibility that the dust caused by the vehicle will affect air quality around the Project site?</p>	<p>1. There is no major emission source around the market except vehicles which commute/carry passengers to or around the proposed project site.</p> <p>2. After completion of the market, emission from the vehicles such as trucks and PMV will affect air quality near the market. However, adverse impact is not serious to cause air pollution. Burning of garbage on site shall be strictly prohibited.</p>
	(2) Water Quality	<p>1. Do effluents from the project facilities comply with the country's effluent and environmental standards?</p>	<p>1. Proper drainage system in and around the market and proper toilet treatment system will be introduced to comply with PNG's effluent standard.</p>
	(3) Wastes	<p>1. Are wastes generated from the infrastructures and other additional facilities properly treated and disposed of in accordance with the country's regulations?</p>	<p>1. There is no standard for the treatment of wastes generated from the infrastructures and other additional facilities in PNG's regulations. Wastes such as, concrete blocks, roof materials, generated by the Project's construction activities will be sold and recycled. In case of the unsold such wastes, MULLG will stock those materials at its stock yard temporarily and use them as materials for the reclamation purpose. As for the organic garbage generated by the new market will be carried by MULLG trucks as usual to the municipal's designated area.</p>
	(4) Soil Contamination	<p>1. Are adequate measures taken to prevent contamination of sediments by discharges or dumping of hazardous materials from the ships and related facilities?</p>	<p>1. The Project will not cause soil contamination.</p>
	(5) Noise and Vibration	<p>1. Do noise and vibrations from vehicles comply with the country's standards?</p>	<p>1. During re-habilitations, construction activities may generate some noise and vibration. Around project site, there is no resident within 100m from the Project site. Construction work will be restricted during nighttime from 8:00 PM, and low noise level machinery will be used for the construction.</p>
	(6) Ground Subsidence	<p>1. Is there a possibility that the Project cause ground subsidence in case of pumping much volume of groundwater?</p>	<p>1. The Project will not plan to pump ground water thus the Project will not cause ground subsidence.</p>
	(7) Offensive Odour	<p>1. Is there a possibility that the new market constructed by the Project will cause by offensive odour due to the waste generated by vendors at the market?</p> <p>2. Are necessary measures taken?</p>	<p>1. As of now fish processing including gutting fish will not be implemented in the new market. Occasional left over garbage causes offensive odour.</p> <p>2. All garbage from the market activities will be transported to the designated dumping location on daily basis. Upon the operation of the new market, market rubbish disposal system will be cleaned on daily basis to eliminate offensive odor.</p>

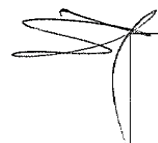
Category	Environmental Item	Main Check Items	Confirmation of Environmental Considerations
3. Natural Environment	(1) Protected Areas	1. Is the project site located in protected areas designated by the country's laws or international treaties and conventions? Is there a possibility that the project will affect the protected areas?	1. The Project site does not locate in protected areas designated by the country's laws or international treaties and conventions. There is no possibility that the Project affect the protected areas.
	(2) Ecosystem	1. Does the Project site encompass primeval forests, tropical rain forests, ecologically valuable habitats (e.g., coral reefs, mangroves, or tidal flats)? 2. Does the Project site encompass the protected habitats of endangered species designated by the country's laws or international treaties and conventions? 3. If significant ecological impacts are anticipated, are adequate protection measures taken to reduce the impacts on the ecosystem? 4. Is there a possibility that the water usage of the Project will adversely affect the aquatic environment such as river? If any negative impacts are anticipated, are adequate measures taken to reduce the impacts on the environment?	1. The Project site locates at the place approximately 50m from the tidal lagoon. However, the site is not locating any of the ecologically valuable habitats, such as, coral reef, mangroves and tidal flats. 2. The Project site does not encompass to the protected areas of endangered species designated by the PNG's laws or international treaties and conventions. 3. No significant ecological impacts are anticipated. 4. The Project will use tap water and will not adversely affect the aquatic environment.
	(3) Hydrology	1. Do the project facilities affect adversely flow regimes, waves, tides, currents of rivers and etc if the project facilities are constructed on/by the seas?	1. The Project will not adversely affect flow regimes, waves, tides, currents of rivers.
	(4) Topography and Geology	1. Does the project require any large scale changes of topographic/geographic features or cause disappearance of the natural seashore?	1. The Project will not require any large scale changes of topographic/geographic features or cause disappearance of the natural seashore. Existing market area is facing tidal lagoon, some turbulence by banana boat and operation of those boats may cause erosion of the root of trees and mangroves. Along the seashore of the tidal lagoon, rehabilitation and extension of seawall are planned to prevent erosion of vegetation.

Category	Environmental Item	Main Check Items	Confirmation of Environmental Considerations
4. Social Environment	(1) Resettlement	<ol style="list-style-type: none"> <li>1. Is involuntary resettlement caused by project implementation? If involuntary resettlement is caused, are efforts made to minimize the impacts caused by the resettlement?</li> <li>2. Is adequate explanation on compensation and resettlement assistance given to affected people prior to resettlement?</li> <li>3. Is the resettlement plan, including compensation with full replacement costs, restoration of livelihoods and living standards developed based on socioeconomic studies on resettlement?</li> <li>4. Are the compensations going to be paid prior to the resettlement?</li> <li>5. Are the compensation policies prepared in document?</li> <li>6. Does the resettlement plan pay particular attention to vulnerable groups or people, including women, children, the elderly, people below the poverty line, ethnic minorities, and indigenous peoples?</li> <li>7. Are agreements with the affected people obtained prior to resettlement?</li> <li>8. Is the organizational framework established to properly implement resettlement? Are the capacity and budget secured to implement the plan?</li> <li>9. Are any plans developed to monitor the impacts of resettlement?</li> <li>10. Is the grievance redress mechanism established?</li> </ol>	The Project will not cause resettlement.
	(2) Living and Livelihood	<ol style="list-style-type: none"> <li>1. Is there a possibility that the Project will adversely affect the living conditions of the people operating their business in the existing Madang Market?</li> <li>2. Are adequate measures considered to reduce the impacts, if necessary?</li> </ol>	<ol style="list-style-type: none"> <li>1. Economic activities of up to 800 vendors utilizing the existing market will be negatively affected because of the construction of the new market. Those people will have to move temporarily to some existing markets for temporarily under the supervision of MULLG during the construction period of the new market. As the results of the discussion during the series of the stakeholder meetings, Madang local level government (MULLG) reflected vendors' opinions of the places of temporal relocation and held another stakeholder meeting to suggest. Vendors consented to MULLG's suggestion. The scale of the negative impact on the activities of the vendors is assumed to be a relatively small since the temporal relocation places will offer ideal place for them to continue their business because of the 200m distance from the existing market together with the location.</li> <li>2. MULLG will prepare the temporal market places for those vendors. As for the fees hike, existing fees imposed to the vendors are not fair in view of area occupied and new market fee system will be based on the area size occupied by each of vendors.</li> </ol>

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4. Social Environment	(3) Heritage	1. Is there a possibility that the project will damage the local archaeological, historical, cultural, and religious heritage? Are adequate measures considered to protect these sites in accordance with the country's laws?	1. The Project will not damage the local archaeological, historical, cultural, and religious heritage.
	(4) Landscape	1. Is there a possibility that the Project will adversely affect the local landscape? 2. Are necessary measures taken?	1. Design of the market such as roof, toilet will be considered properly. 2. Trees including mangrove along the tidal lagoon will remain with seawall to protect erosion.
	(5) Ethnic Minorities and Indigenous Peoples	1. Are considerations given to reduce impacts on the culture and lifestyle of ethnic minorities and indigenous peoples? 2. Are all of the rights of ethnic minorities and indigenous peoples in relation to land and resources respected?	1. The Project will not adversely affect the culture and lifestyle of ethnic minorities and indigenous peoples.

Category	Environmental Item	Main Check Items	Confirmation of Environmental Considerations
5. Others	(1) Impacts during Construction	<ol style="list-style-type: none"> <li>Are adequate measures considered to reduce impacts during construction (e.g., noise, vibrations, turbid water, dust, exhaust gases, and wastes)?</li> <li>If construction activities adversely affect the natural environment (ecosystem), are adequate measures considered to reduce impacts?</li> <li>If construction activities adversely affect the social environment, are adequate measures considered to reduce impacts?</li> <li>If necessary, is health and safety education (e.g., traffic safety, public health) provided for Project personnel, including workers?</li> </ol>	<ol style="list-style-type: none"> <li>During re-construction procedures, mitigation measures will be implemented for controlling noise, vibrations, turbid water, exhaust gases, and wastes.</li> <li>Re-construction of the market will not have negative impact on ecosystem.</li> <li>Adequate mitigation measures will be implemented to reduce the negative impacts.</li> <li>Health and safety education such as traffic safety, public health measures are necessary for project personnel and workers.</li> </ol>
	(2) Monitoring	<ol style="list-style-type: none"> <li>Does the proponent develop and implement monitoring program for the environmental items that are considered to have potential impacts?</li> <li>Are the items, methods and frequencies included in the monitoring program judged to be appropriate?</li> <li>Does the proponent establish an adequate monitoring framework (organization, personnel, equipment, and adequate budget to sustain the monitoring framework)?</li> <li>Are any regulatory requirements pertaining to the monitoring report system identified, such as the format and frequency of reports from the proponent to the regulatory authorities?</li> </ol>	<ol style="list-style-type: none"> <li>Monitoring items are water and temporal relocation procedures for vendors.</li> <li>The items, methods and frequencies included in the monitoring programme are judged to be appropriate.</li> <li>MULLG together with NFA will prepare adequate financial and personnel to carry out the proposed monitoring plan.</li> <li>PNG's DEC will make a final judgment for the contents of monitoring plan and then request to MULLG to follow the plan.</li> </ol>
6. Note	(1) Reference to Checklist of Other Sectors	<ol style="list-style-type: none"> <li>Where necessary, pertinent items described in the Forestry Projects checklist should also be checked (e.g., projects including large areas of deforestation).</li> <li>Where necessary, pertinent items described in the Power Transmission and Distribution Lines checklist should also be checked (e.g., projects including installation of power transmission lines and/or electric distribution facilities).</li> </ol>	1.2. N.A.
	(2) Note on Using Environmental Checklist	<ol style="list-style-type: none"> <li>If necessary, the impacts to transboundary or global issues should be confirmed, if necessary (e.g., the project includes factors that may cause problems, such as transboundary waste treatment, acid rain, destruction of the ozone layer, or global warming).</li> </ol>	1. N.A.

Annex-VII Monitoring Form

**MONITORING FORM for the Project for Rehabilitation of Madang Town Market**

The latest results of the below monitoring items shall be submitted to JICA as part of attachment to SR (Project Status Report) on quarterly basis throughout the construction phase.

**Construction Phase**

**1. Response/Actions to Comments and Guidance from Government Authorities and the Public**

Monitoring Item	Monitoring Results during Report Period
Number and contents of formal comments made by the public	
Number and contents of responses from Government agencies	

**2. Mitigation Measures for Construction**

**- Water Quality (Sea water)**

Item	Unit	Measured Value (Mean)	Measured Value (Max.)	Country's Standards <sup>*1</sup>	Referred International Standards <sup>*2</sup>	Measurement Point	Frequency
pH	-			7.0-8.3	7.8-8.3	Six Stations: Station No1 and No2 for near shoreline of the propose project site of the tidal lagoon, Station No3 and No4 for the Centre of the lagoon, Station No5 and No6 for the other side of the lagoon	Quarterly
DO	mg/l			5.0<	>7.5		
Coliform	MPN/100ml			<2000	<1000		
Oil Content	mg/l			0	0		
Tar	mg/l			0	0		
Grease	mg/l			0	0		

\*1: Environmental Act 2000, Schedule 1 Water Quality Criteria for Aquatic Life Protection

\*2: Japan: Standards for seawater quality (Class A)

\*3: Japan: Standards for seawater quality (Class II)

**3. Social Environment**

**- Vendors at the Project Site and Fish Vendors around the Project Site**

Monitoring Item	Monitoring Results during Report Period	Measures to be Taken	Frequency
Vendors operating within existing Madang Town Market will be the target of the monitoring whether they are able to temporally move to the places in which MULLG will prepare for the their temporal relocation.	Details of interview results (date, by who, contents, etc.) and measures taken by MULLG	1. MULLG will prepare brief report for the MULLG's preparation of the temporal places including, fencing, toilet facilities, leveling the land. 2. Hold the meeting at the temporal relocation places and ask the vendors if they are able to move as they wanted.	Quarterly
Grievances from vendors who temporally move together with fish vendors who continue their business nearby the Project's construction site.	Details of grievances (date, by who, contents, etc.)	1. Record the grievances made by those vendors to the MULLG Market Management staff. 2. Hold the meeting with those vendors and ask their grievances.	

### MONITORING FORM for the Project for Rehabilitation of Madang Town Market

The latest results of the below monitoring items shall be submitted to JICA as part of attachment to PSR (Project Status Report) on quarterly basis throughout the construction phase.

#### Operation Phase

#### 1. Response/Actions to Comments and Guidance from Government Authorities and the Public

Monitoring Item	Monitoring Results during Report Period
Number and contents of formal comments made by the public	
Number and contents of responses from Government agencies	

#### 2. Mitigation Measures for Construction

##### - Water Quality (Sea water)

Item	Unit	Measured Value (Mean)	Measured Value (Max.)	Country's Standards*1	Referred International Standards*2	Measurement Point	Frequency
pH	-			7.0-8.3	7.8-8.3	Six Stations: Station: No1 and No2 for near shoreline of the propose project site of the tidal lagoon, Station: No3 and No4 for the Centre of the lagoon, Station: No5 and No6 for the other side of the lagoon	Quarterly
DO	mg/l			5.0<	>7.5		
Coliform	MPN/100ml			<2000	<1000		

\*1: Environmental Act 2000, Schedule I Water Quality Criteria for Aquatic Life Protection

\*2: Japan: Standards for seawater quality (Class A)

\*3: Japan: Standards for seawater quality (Class II)

**3. Social Environment**

- Road users near the New Madang Market Site

- Vendors at the New Madang Market Site

Monitoring Item	Monitoring Results during Report Period	Measures to be Taken	Frequency
Condition of Yamauan Road usage in front of the new market	Details of interview results (date, by who, contents, etc.) and measures taken by MULLG	Interview survey to the member of chamber of commerce and other commercial facilities owners around the new market	Every 6 months for the 2years upon the completion of the new market
Waste management of the new market	Details of interview results (date, by who, contents, etc.) and measures taken by MULLG	Number of the samples for the interview survey will be 40- 50 which is approximately 10% of the total number of the vendors operating at the existing Madang Town Market. MULLG's records of truck drive frequency to the new Madang Town Market.	
Vendors including fish vendors operating within the new Madang Town Market will be the target of the monitoring whether they are able to move back to the New Madang Market.	Details of grievances (date, by who, contents, etc.) and measures taken by MULLG	Hold the meeting at the new Madang Town Market and ask the vendors if they are able to move back to the new market.	
Grievances from vendors including fish vendors	Details of grievances (date, by who, contents, etc.)	1. Record the grievances made by those vendors to the MULLG Market Management staff 2. Hold the meeting with those vendors and ask their grievances and record them.	

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Annex-VIII Annual Report and Monitoring Sheet

**Annual Report Sheet**

Annual Report on the Use of Japan's Grant Assistance (submitted on ○○○)

1. Outline of the Project

- (1) Name of Country:
- (2) Name of the Project:
- (3) Date of the Grant Agreement:
- (4) Name of the Executing Organization:

2. General Situation (how the facilities and/or equipment are used in general)

3. Detailed Explanation

Facilities and/or equipment;	How they are being used;	In case they haven't been used as planned	
		Reason for it; (Please specify the reason such as budgetary problems and problems in employing appropriate staffs etc.)	Measures to be taken to redress the situation;

4. Photos (please attach photos of the facilities and/or equipment)



## **Appendices 5. Soft Component (Technical Assistance) Plan**

### **Project for Rehabilitation of Madang Town Market in the Independent State of Papua New Guinea**

#### 1. Backgrounds for implementation of Soft Component

Madang Urban Level Local Government has operated the Madang Town Market for years and has provided rules of market operation and usage even though they are not stipulated, and has achieved such enactment of “Ban on trading of betel nuts and tobacco inside the market” that was the far advanced rule at marketplaces in Papua New Guinea. On the other hand, some issues have arisen, including lack/deterioration of market facilities to satisfy the actual operational scale, lack of sanitation facilities and incomplete pavement on the premises. The Project will lead to the solutions for those issues and new approaches as shown below will be correlatively initiated from the operational perspective:

- ① The charging system of market usage fees will be shifted to a charge on sales place from a charge on baggage of products in order to improve area-efficiency of retail sections.
- ② Public (pay) toilets will be introduced in the Market.
- ③ Ice sales services will be introduced (mainly) for fresh fish retail sales in the Market.
- ④ Surveillance over rubbish dumping, collection and disposal will be performed more appropriately.
- ⑤ Financial management will be implemented in order to raise the fund from profits through market operation for further maintenance costs of the market operation.

Even with the credit of Madang Urban Level Local Government in long-standing market operation, it is necessary that Soft Component should be implemented to commence operation and maintenance of the base services of the Project. Soft Component will address development of procedures and rules for the operation and maintenance.

- ① New charging system will imply modification of voucher formats, accounting process, charging procedures, etc. It is essential to implement certain procedures including documentation of the relevant operational manuals and test operation in order to facilitate the introduction of the new system.
- ② In Papua New Guinea, various kinds of retail markets have recently been constructed and advanced operational methods are being introduced. Therefore, instances and lessons learned are available as reference for new operational methods of the Madang Town Market.
- ③ Expertise in accounting and financial procedures will be required for most cases in order to realize financial management that raises the fund from profits through market operation and secures it for further maintenance costs of the market operation.

#### 2. Objective of Soft Component

Soft Component is intended “to facilitate commencement of operation and maintenance in connection with the base services of the Madang Town Market” ,to develop fundamental rules for operation and maintenance as well as methodologies for charging system and accounting/financing procedures, and provide technical instructions of facilities and equipment maintenance to Operation Management Body.

### 3. Outcomes of Soft Component

To achieve the objective of Soft Component, three outcomes are set as follows:

- (1) Outcome 1 “To provide fundamental rules applied to operation and maintenance of market facilities”

After the rehabilitation of the Madang Town Market, it will be operated primarily according to the existing operational and usage rules that have been underlain for years, yet have not been stipulated (e.g. open days, open hours, restrictions, etc.). On the other hand, rules and procedures for operation of new facilities and new charging systems are not incorporated in those existing rules. In order to realize the more appropriate operation and maintenance, it is essential that the existing rules should be reviewed for evaluation, instances and lessons learned in other similar markets should be leveraged as benchmarks, and the operational and usage rules should be stipulated.

When the draft rules of the market operation and usage are created, the situations, issues and lessons learned should be investigated in other similar markets with Madang Urban Level Government, Operation Management Body of the base services, and then, in coordination with Division of Fisheries and Marine Resources, an advisory organization in terms of fishery technology, and retailers (or market users), full examination and agreements are executed to clarify the operational framework, responsibilities and roles, and users' obligations.

The establishment of the said rules is expected to facilitate commencement of the main services in the market facilities. The documentation of the rules should be compiled in Pidgin English (local language), for the purpose of better understanding across stakeholders including retailers.

- (2) Outcome 2 “To establish frameworks for collecting usage fees of market facilities and accounting as well as financing”

To realize continuous and stable operation and maintenance, it is mandatory that simple and transparent rules and a framework of financial management for maintenance costs should be established. The framework of financial management should be in place in view of the independent profitability by means of adequate pricing for usage fees from users and its collection, bookkeeping and financing. This will lead to the appropriate collection and financing of facility usage fees resulting in stabilized operation and maintenance of the facilities.

- (3) Outcome 3 “To transfer maintenance techniques of market facilities and equipment”

Any special technical skill is not required for the maintenance of the facilities and equipment introduced into the base services, but the following deficiencies of maintenance performed in Papua New Guinea are identified: lack of systematic maintenance methods and lack of preventive and secured maintenance methods. In view of these deficiencies, the relevant technique required for maintenance of facilities and equipment in the market will be transferred through development and introduction of maintenance notes, which are similar to certificates of historical inspection reports residing in automobiles, etc.

### 4. Confirmation Measures for Achievement of Outcome

In order to examine the extent of progress for Outcome, the indices listed below are specified. Any relevant information or documentation for measurement to these indices is collected in



cooperation with local counterparts and the effects of performance are identified.

- (1) Outcome 1 “To provide fundamental rules applied to operation and maintenance of market facilities”

The applicable index and measurement for evaluation will be as follows:

Index 1: To establish the appropriate rules for operation and usage

Measurement: To check the draft of the said rules for finalization

Index 1 will evaluate that the said rules are substantially established.

- (2) Outcome 2 “To establish frameworks for collecting usage fees of market facilities and accounting as well as financing”

The applicable index and measurement for evaluation will be as follows:

Index 2: To establish the collecting/accounting and financial procedures in connection with the usage fees of market facilities

Measurement: To check the documentation of the said collecting/accounting and financial procedures for finalization

Index 2 will evaluate that the said procedures are substantially established.

- (3) Outcome 3 “To transfer maintenance techniques of market facilities and equipment”

The applicable index and measurement for evaluation will be as follows:

Index 3: To establish maintenance notes for the market facilities and equipment and financial plans for its maintenance costs

Measurement: To check the said maintenance notes and financial plans for finalization

Index 3 will evaluate that the said maintenance notes and financial plans are substantially established.

## 5. Activities (Inputs) of Soft Component

### (1) Contents of the Activities

To achieve all Outcomes, the activities will be as follows:

- 1) Outcome 1 “To provide fundamental rules applied to operation and maintenance of market facilities”

The following activities will be required for the achievement of Outcome 1:

Activity 1-1. To deliberate a framework for rules to be applied to operation and usage of the market facilities.

Based on the Preparatory Survey Report, to analyze the appropriate framework and services of facility operation, to deliberate a framework for rules to be applied to the market operation and usage (including scope of rules, principles for execution and review procedures), and to identify any issues to establish those rules.

Activity 1-2. To analyze issues residing in the market operation and usage.

To specify the similar market facilities in order to investigate the actual situation, issues and lessons learned concerning the operation through the site visits with counterparts in Papua New Guinea, and to analyze any issue to establish rules in order

to establish the framework for rules

Activity 1-3. To run workshops involving Operation Management Body, the organization for the market operation, and retailers (or market users) and to discuss on operation and usage of the facilities.

To invite representatives from retailers (or market users) in order to discuss on operation of facilities, and to clarify the issues and solutions from users' point of view.

Activity 1-4. To draft rules to be applied to operation and usage of the market facilities.

Based on the results from reviews of the said framework and issues as well as on aggregated information and lessons learned, to draft the rules to be applied to operation and usage of the market facilities. This draft will be finalized through discussion with the counterparts in Papua New Guinea, and documented in Pidgin English.

Activity 1-5. To walk through operation of the planned facilities based on the draft of operation and usage rules.

Operation Management Body is to walk through the operation and usage rules finalized in Activity 1-4. in the proximate market after providing the presentation to the retailers, etc. Based on the said rules, the representatives of retailers are to participate in simulation of facility usage, and Operation Management Body is to conduct practical training to provide services to users. The practical trainings will be implemented through semi-on-the-job training method to provide instructions and guidance to Operation Management Body, and any need of users or any issue in connection with the provided services will be monitored for further improvement.

Activity 1-6. To evaluate operation of the facilities based on the said draft of operation and usage rules and to revise the draft.

After the practical training described in Activity 1-5., the evaluation committee will convene concerning operation of the facilities based on the said draft of the rules, and the participants will be the counterparts, Operation Management Body and users. In response to the conclusions of the committee, the more practical operational and usage methods will be developed, and the draft will accordingly be revised with the counterparts.

2) Outcome 2 "To establish frameworks for collecting usage fees of market facilities and accounting as well as financing"

The following Activities will be required for the achievement of Outcome 2:

Activity 2-1. To investigate the methods to collect usage fees of the market facilities and its accounting and the status of financial procedures applied to the similar market facilities.

Once the similar market facilities are specified, their ledgers and journals will be reviewed through the site visits with the counterparts in Papua New Guinea, and collecting and accounting methods will be examined as well as financial procedures in order to deliberate the appropriate frameworks for collecting and accounting methods as well as financial procedure to be introduced into the Madang Town Market.

Activity 2-2. To explore the optimum collecting and accounting methods of facility usage fees.

The practical measures with appropriate error prevention should be in place to ensure fee collections for services including ice sales and usage fees. In addition, the practical methods should be designed to ensure the transparency that enables to identify any loss or fraud of the collected fees during the course of entry and aggregation process.

Activity 2-3. To create proposals of collecting and accounting procedures of the facility usage fees and financing procedures.

The proposals should be created to describe specifics of ledgers and its entries, retention of evidences and bank accounts management for smooth introduction. The proposals should also include the conduct of regular financial audit, involving the representatives of retailers.

Activity 2-4. To walk through the fee collection and accounting services at the proximate markets based on the preceding proposals of collecting and accounting procedures of the facility usage fees and financing procedures, and to identify any issue, etc.

Operation Management Body should present the proposals created in Activity 2-3. to the users and then conduct the test operation of the relevant fee collection and accounting in the proximate markets based on the proposals. The practical trainings will be implemented through semi-on-the-job training method to provide instructions and guidance to Operation Management Body, and any need of users or any issue in connection with the provided services will be monitored for further improvement.

Activity 2-5. To evaluate the facility operation conducted according to the said proposals of collecting and accounting procedures of the facility usage fees and financing procedures, and to revise those proposals.

After the practical training described in Activity 2-4., the evaluation committee will convene concerning operation of the facilities conducted according to the said proposals, and the participants will be the counterparts, Operation Management Body and users. In response to the conclusions of the committee, the more practical procedures of collection and accounting as well as the more practical method of providing services will be developed. In addition, the counterparts and Operation Management Body will discuss on any issue including entries into accounting ledgers and retention of evidences and make any revision if required. The test of financial audit will be conducted if possible, along with support for opening bank accounts.

### 3) Outcome 3 “To transfer maintenance techniques of market facilities and equipment”

The following Activities will be required for the achievement of Outcome 3:

Activity 3-1. To create the initial maintenance notes of the market facilities and equipment.

Prior to providing any services in Papua New Guinea, the initial maintenance notes of the market facilities and equipment will be prepared. Discussion on them will be held in advance through communication with the stakeholders in Papua New Guinea, if required.

Activity 3-2. To instruct methodologies for systematic maintenance, preventive and secured maintenance, and leveraging maintenance notes of key facilities and equipment.

Clear and simple explanation and instructions will be provided by means of showing instances and using textbooks, etc. with regard to methodologies for systematic maintenance and preventive and secured maintenance of key facilities and equipment.

Activity 3-3. To instruct methodologies for information collection related to maintenance of key facilities and equipment.

The necessity of information collection will be fully explained to Operation Management Body of the market facilities in connection with the status of deterioration, any symptom of failure, cost estimation for maintenance, etc., and the simplest possible method of data collection will be applied through discussion in order to prevent any constraint on the responsible staff.

Activity 3-4. To instruct methodologies to keep records into maintenance notes of key facilities and equipment and to analyze them.

The smooth conduct of both systematic maintenance and preventive and secured maintenance methods requires to keep records of the information from daily inspection and maintenance of the key facilities and equipment into the maintenance notes and analyze them. Therefore, the methodologies for record retention and analysis will be instructed while ensuring the responsible staff to understand the significance of records.

Activity 3-5. To create the maintenance notes and financial plans of the market facilities and equipment.

Based on the information, results and lessons learned from Activities 3-2 to 3-4, the maintenance notes and financial plans of the market facilities and equipment will be created.

## (2) Contents of Inputs

### 1) Inputs plan of the Japanese side

The contents of Inputs will be grouped into “Operational Management” and “Technical Maintenance”

- i) Operational Management (Phase 1)
  - Outcome 1 “To provide fundamental rules applied to operation and maintenance of market facilities”
  - Outcome 2 “To establish frameworks for collecting usage fees of market facilities and accounting as well as financing”
- ii) Technical Maintenance (Phase 2)
  - Outcome 3 “To transfer maintenance techniques of market facilities and equipment”

Considerable differences in instructions and expertise are identified between “Operational Management” and “Technical Maintenance”. In addition, as shown below, the appropriate timings for implementation of Soft Component are not aligned. As a result, the relevant consultants will be dispatched individually.

The Outcomes achieved by Soft Component in connection with “Operational Management” will be realized by the commencement of the base services, and the relevant vouchers and documentation of procedures should also be completed. Therefore, the relevant consultant will be dispatched, aiming at 2 months prior to the completion of the construction work for base facilities.

The outcome achieved by Soft Component in connection with “Technical Maintenance” will be expected to be provided when the facilities and equipment of the base services are substantially available. As a result, it is deemed adequate to conduct it along with the timeframe for the final inspection of the said facilities and equipment.

The Input is planned as follows:

- ① 1 of Japanese consultant for “Operational Management (Phase 1)” for 1.13 MM (0.22 MM for work in Japan and 0.93 MM for work in Papua New Guinea):  
Competency: Abilities and/or backgrounds to create manuals and establish rules in connection with the conduct of market operation, design technologies and procedures for quality and sanitation control of agricultural and fishery products as well as accounting procedures of market operation
- ② 1 of local consultant for “Operational Management (Phase 1)” for 1.83 MM:  
Competency: Backgrounds to manage quality and sanitation control of agricultural and fishery products, and research and investigate technologies related to market facilities.
- ③ 1 of Japanese consultant for “Technical Maintenance (Phase 2)” for 1.13 MM (0.40 MM for work in Japan and 0.73 MM for work in Papua New Guinea):  
Competency: Abilities and/or backgrounds to be familiar with structures and functions of the relevant facilities and equipment, and their operation and repair procedures along with maintenance techniques and procedures, and to create maintenance notes of those facilities and equipment.
- ④ Vehicle lease for 42 days in total (Operational Management (Phase 1): 23 days, Technical Maintenance (Phase 2): 19 days)
- ⑤ Equipment for workshops

2) Input plans of the Papua New Guinea side

At the Project Site, the responsible staff from Madang Urban Level Government and Division of Fisheries and Marine Resources will cooperate with Japanese consultants as counterparts. They will also function as an organizer for workshops.

The Input is planned as follows:

- ① Responsible staff from Madang Urban Level Government and Division of Fisheries and Marine Resources
- ② Key members of Operation Management Body for the facilities of base services
- ③ Participants representing users (retailers) in workshops
- ④ Any stationery, tools and materials required

6. Provision of Resources for implementation of Soft Component

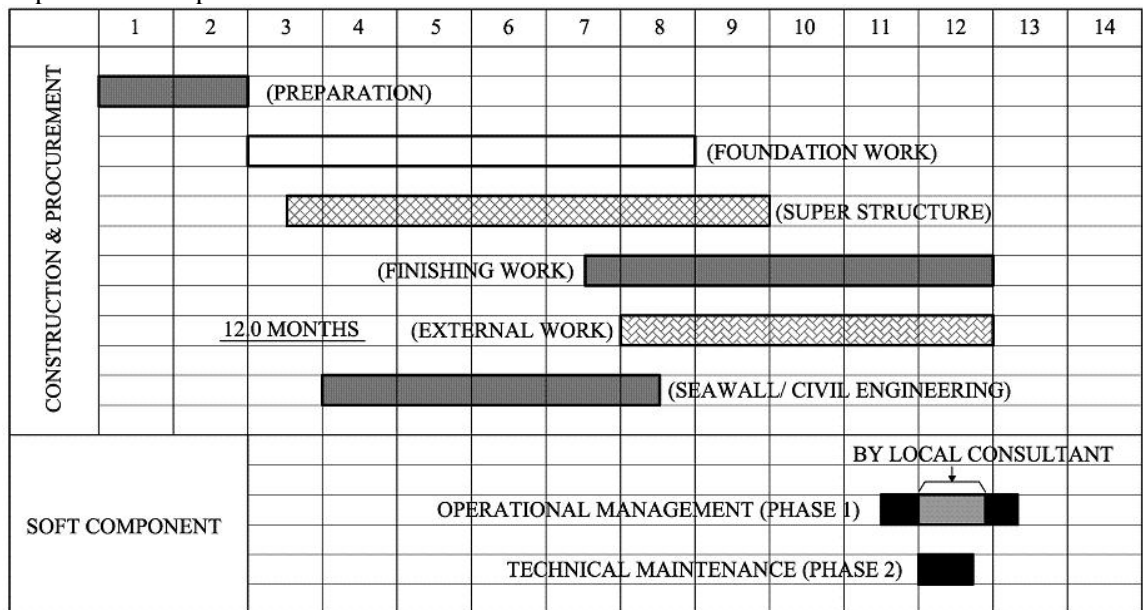
Competent consultants are available in Papua New Guinea for Soft Component at “Operational Management” phase, and Japanese consultants will therefore be appointed only at stages to deliberate operation and maintenance rules and frameworks for proposals of procedures related to fee collection, accounting and financing and to conduct evaluation followed by the practical trainings, and local consultants will be maximized at the remaining stages.

On the other hand, for “Technical Maintenance”, Japanese consultant who participated in the preparatory survey will be appointed and dispatched, because either local consultant or NGO is not available who has the appropriate experience or expertise in the systematic maintenance and preventive and secured maintenance as well as adequate budget management that are expected for “Technical Maintenance”.

## 7. Implementation Process of Soft Component

In accordance with the below implementation process chart, the services for the Soft Component will start before the completion of the construction of the key facilities and will be continued as phase 1 and phase 2.

### (1) Implementation process chart



### (2) Implementation process for Operational Management (Phase 1)

- 1) Pre-work in Japan (2days, 0.10 MM): To establish a framework for drafts of operation and maintenance rules of the facilities.
- 2) Work in Papua New Guinea (15 days and 13 days for Japanese consultant, 0.93 MM in total, and 55 days for local consultants, 1.83 MM):

Day		Services provided by Japanese Consultant for the first half of the timeframe (Accompanied with locally appointed consultants)	Stay
1	Sat	Depart from Japan	In flight
2	Sun	Arrive at and depart from Cairns for Port Moresby	Moresby
3	Mon	Provide presentation about the outline of services to JICA Office and NFA Depart from Port Moresby for Madang	Madang
4	Tue	Discuss on the designs of operation and maintenance rules at Madang Urban Level Local Government	Madang
5	Wed	Discuss on the designs of operation and maintenance rules at Madang Urban Level Local Government Depart for Wewak	Wewak
6	Thu	Conduct site visits at Wewak public market for operational situation	Wewak

		and discuss on any issue	
7	Fri	Depart from Wewak for Rabaul via Port Moresby	Rabaul
8	Sat	Conduct site visits at Rabaul/Kokopo public markets for operational situation and discuss on any issue	Rabaul
9	Sun	Depart from Rabaul for Madang Documentation of references	Madang
10	Mon	Run workshops (Presentation about operational designs and rules of market)	Madang
11	Tue	Run workshops (Presentation about usage rules and penalties of market)	Madang
12	Wed	Meetings on policies and procedures of operation and maintenance rules at Madang Urban Level Local Government	Madang
13	Thu	Depart from Madang for Port Moresby Report to JICA Office and NFA	Moresby
14	Fri	Depart from Port Moresby for Cairns	Cairns
15	Sat	Depart from Cairns for Narita	
Intermediate activities by local consultants			
Third Week		Draft operation and maintenance rules Create samples for accounting vouchers	Moresby
Forth Week		Discuss with Madang Urban Level Local Government on workshops and any revisions for presentation about operational designs and rules	Madang
Fifth Week		Create operation and maintenance rules Revise the final accounting vouchers and create the version in local language	Moresby
Sixth Week		Organize and provide workshops and practical trainings (semi-OJT instructions and monitoring) to present the final draft of operation and maintenance rules	Madang
		Services provided by Japanese Consultants for the last half of the timeframe (Accompanied with locally appointed consultants)	
1/43	Sat	Depart from Japan	In flight
2/44	Sun	Arrive at and depart from Cairn for Port Moresby	Moresby
3/45	Mon	Provide presentation about the outline of services to JICA Office and NFA Depart from Port Moresby for Madang	Madang
4/46	Tue	Discuss on the status of practical trainings at Madang Urban Level Local Government	Madang
5/47	Wed	Provide final practical trainings (semi-OJT instructions and monitoring)	Madang
6/48	Thu	Run the comprehensive workshop (discussions on any further improvement based on the comprehensive evaluation of practical trainings)	Madang
7/49	Fri	Discuss at Madang Urban Level Local Government on revisions of the draft of operation and management rules for further improvement	Madang
8/50	Sat	Provide instructions for the preceding revisions to local consultants	Madang
9/51	Sun	Provide instructions for the preceding revisions to local consultants	Madang
10/52	Mon	Discuss with Madang Urban Level Local Government about the revisions on drafts of operation and maintenance rules	Madang
11/53	Tue	Depart from Madang for Port Moresby Report to JICA Office and NFA	Moresby

12/54	Wed	Depart from Port Moresby for Cairns	Cairns
13/55	Thu	Depart from Cairns for Narita	

3) Post-work in Japan (2 days, 0.10 MM): Create the closing report of the services and report to JICA

(3) Implementation process for Technical Maintenance (Phase 2)

1) Pre-work in Japan (6 days, 0.30 MM): Create proposals of the operation and maintenance plan of the facilities and equipment and its maintenance notes.

2) Work in Papua New Guinea (22 days, 0.73 MM):

Day		Services (tentative)	Stay
1	Sat	Depart from Japan	In flight
2	Sun	Arrive at and depart from Cairns for Port Moresby	Moresby
3	Mon	Provide presentation about the outline of services to JICA Office and NFA Depart from Port Moresby for Madang	Madang
4	Tue	Provide presentation about the services at Madang Urban Level Local Government involving the stakeholders from Operation Management Body.	Madang
5	Wed	Provide presentation about services (objectives and schedules of Soft Component ) to the relevant parties as mentioned above	Madang
6	Thu	Describe the specific functions of the facilities and equipment, and their mutual and organic relationships	Madang
7	Fri	Describe methodology of maintenance plans from the financial perspective, and specifics and usage of maintenance notes	Madang
8	Sat	Inspect the activation of facilities and devices at the Site	Madang
9	Sun	Prepare for workshops	Madang
10	Mon	Run workshops (Methodologies for creation and usage of maintenance notes)	Madang
11	Tue	Run workshops (Preventive and secured measures by advanced usage of maintenance notes)	Madang
12	Wed	Run workshops (Daily maintenance and full OJT instruction of preventive and secured maintenance)	Madang
13	Thu	Run workshops (Methods to create maintenance plans and points from financial perspective)	Madang
14	Fri	Evaluate any issue identified through workshops, analyze lessons learned, and hold the comprehensive discussion for further improvement, etc.	Madang
15	Sat	Check activation and operation of the facilities and devices in connection with the preceding comprehensive discussion	Madang
16	Sun	Deliberate points for revisions of maintenance notes and maintenance plans	Madang
17	Mon	Discuss on the revisions of maintenance notes and maintenance plans with the stakeholders	Madang
18	Tue	Revise the maintenance notes and maintenance plans with the stakeholders	Madang
19	Wed	Finalize the maintenance notes and maintenance plans	Madang
20	Thu	Depart from Madang for Port Moresby Report to JICA Office and NFA	Moresby
21	Fri	Depart from Port Moresby for Cairns	Cairns
22	Sat	Depart from Cairns for Narita	

3) Post-work in Japan (2 days, 0.10 MM): Create the closing report of the services and



report to JICA

8. Outputs (draft) of Soft Component

- 1) Service completion report
- 2) Draft of the facilities operation and usage rules
- 3) Proposals of procedures for fee collection and accounting for facilities usage and proposals of financial procedures
- 4) Maintenance notes for the market facilities and equipment and financial plans for maintenance costs

9. Cost estimation of Soft Component services

The cost estimation of Soft Component is JPY 11.69 million. The breakdown is as follows:

Direct cost	JPY 7,681,929
Direct labor cost	JPY 1,758,280
Indirect cost	JPY 2,250,598
Total	JPY 11,690,807

Converted to JPY 11.69 million (by rounding down figures under thousands.)

10. Obligations of the Recipient Country Side

With regard to the implementation of the Soft Component, the capability of coordination among the parties concerned and proactive initiatives are required to act as counterpart, not only knowledge of facility maintenance. Therefore it is important to appoint the appropriate personnel for the counterpart role.

Furthermore, with regard to selection of the personnel for Operation Management Body of the key facilities, the qualified personnel should be appointed from perspectives of personality, ability and proactivity in order to ensure proper operation.

## **Appendices 6 Other Relevant Data**

Nil

## **Appendices 7    References**

Nil