

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 necessary for the implementation of the Project.
- Evaluation of the feasibility of the Project to be implemented under the Japanese Grant 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.
- Confirmation of Environmental and Social Considerations

The contents of the original request by the Recipient are not necessarily approved in their initial form. The Outline Design of the Project is confirmed based on the guidelines of the Japanese Grant.

JICA requests the Recipient to take 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 executing agency of the Project. Therefore, the contents of the Project are confirmed by all relevant organizations of the Recipient based on the Minutes of Discussions.

(2) Selection of Consultants

For smooth implementation of the Survey, JICA contracts with (a) 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 feasibility of the Project.

3. Basic Principles of Project Grants

(1) Implementation Stage

1) The E/N and the G/A



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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 to make a pledge for assistance, which is followed by the conclusion of the G/A between JICA and the Recipient to define the necessary articles, in accordance with the E/N, to implement the Project, such as conditions of disbursement, responsibilities of the Recipient, and procurement conditions. The terms and conditions generally applicable to the Japanese Grant are stipulated in the “General Terms and Conditions for Japanese Grant (January 2016).”

2) Banking Arrangements (B/A) (See “Financial Flow of Japanese Grant (A/P Type)” for details)

- a) The Recipient shall open an account or shall cause its designated authority to open an account under the name of the Recipient in the Bank, in principle. JICA will disburse the Japanese Grant in Japanese yen for the Recipient to cover the obligations incurred by the Recipient under the verified contracts.
- b) The Japanese Grant will be disbursed when payment requests are submitted by the Bank to JICA under an Authorization to Pay (A/P) issued by the Recipient.

3) Procurement Procedure

The products and/or services necessary for the implementation of the Project shall be procured in accordance with JICA’s procurement guidelines as stipulated in the G/A.

4) 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 to continue to work on the Project’s implementation after the E/N and G/A.

5) Eligible source country

In using the Japanese Grant disbursed by JICA for the purchase of products and/or services, the eligible source countries of such products and/or services shall be Japan and/or the Recipient. The Japanese Grant may be used for the purchase of the products and/or services of a third country as eligible, if necessary, taking into account the quality, competitiveness and economic rationality of products and/or services necessary for achieving the objective of the Project. However, the prime contractors, namely, constructing and procurement firms, and the prime consulting firm, which enter into contracts with the Recipient, are limited to “Japanese nationals”, in principle.

6) Contracts and Concurrence by JICA

The Recipient will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be concurred by JICA in order to be verified as eligible for using the Japanese Grant.

7) Monitoring

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The Recipient is required to take their initiative to carefully monitor the progress of the Project in order to ensure its smooth implementation as part of their responsibility in the G/A, and to regularly report to JICA about its status by using the Project Monitoring Report (PMR).

8) Safety Measures

The Recipient must ensure that the safety is highly observed during the implementation of the Project.

9) Construction Quality Control Meeting

Construction Quality Control Meeting (hereinafter referred to as the “Meeting”) will be held for quality assurance and smooth implementation of the Works at each stage of the Works. The member of the Meeting will be composed by the Recipient (or executing agency), the Consultant, the Contractor and JICA. The functions of the Meeting are as followings:

- a) Sharing information on the objective, concept and conditions of design from the Contractor, before start of construction.
- b) Discussing the issues affecting the Works such as modification of the design, test, inspection, safety control and the Client’s obligation, during of construction.

(2) Ex-post Monitoring and Evaluation Stage

1) After the project completion, JICA will continue to keep in close contact with the Recipient in order to monitor that the outputs of the Project is used and maintained properly to attain its expected outcomes.

2) In principle, JICA will conduct ex-post evaluation of the Project after three years from the completion. It is required for the Recipient to furnish any necessary information as JICA may reasonably request.

(3) Others

1) Environmental and Social Considerations

The Recipient shall carefully consider environmental and social impacts by the Project and must comply with the environmental regulations of the Recipient and JICA Guidelines for Environmental and Social Considerations (April, 2010).



2) Major undertakings to be taken by the Government of the Recipient

For the smooth and proper implementation of the Project, the Recipient is required to undertake necessary measures including land acquisition, and bear an advising commission of the A/P and payment commissions paid to the Bank as agreed with the GOJ and/or JICA. The Government of the Recipient shall ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the Recipient with respect to the purchase of the Products and/or the Services be exempted or be borne by its designated authority without using the Grant and its accrued interest, since the grant fund comes from the Japanese taxpayers.

3) Proper Use

The Recipient is required to maintain and use properly and effectively the products and/or services under the Project (including the facilities constructed and the equipment purchased), to assign staff necessary for this operation and maintenance and to bear all the expenses other than those covered by the Japanese Grant.

4) Export and Re-export

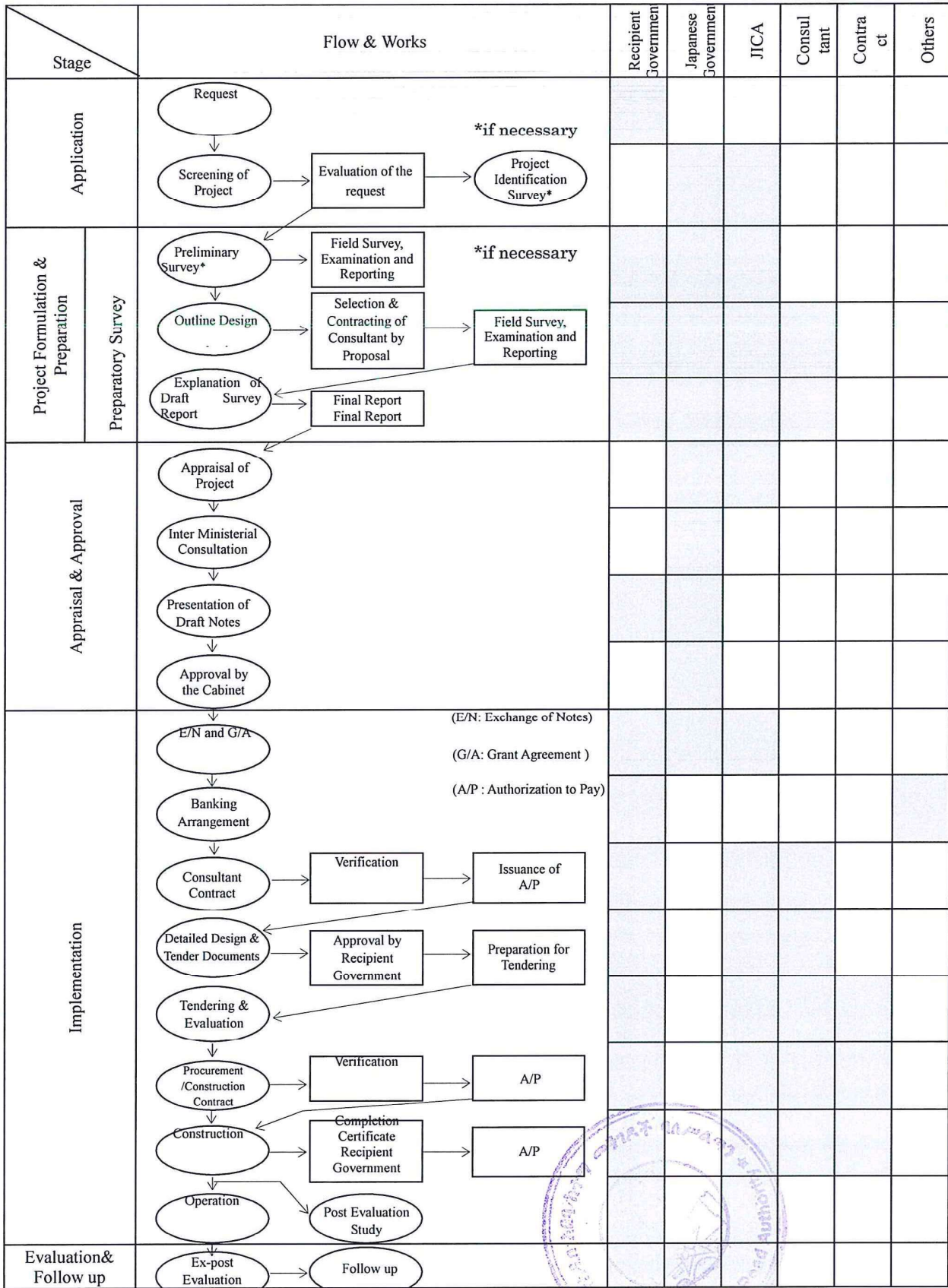
The products purchased under the Japanese Grant should not be exported or re-exported from the Recipient.



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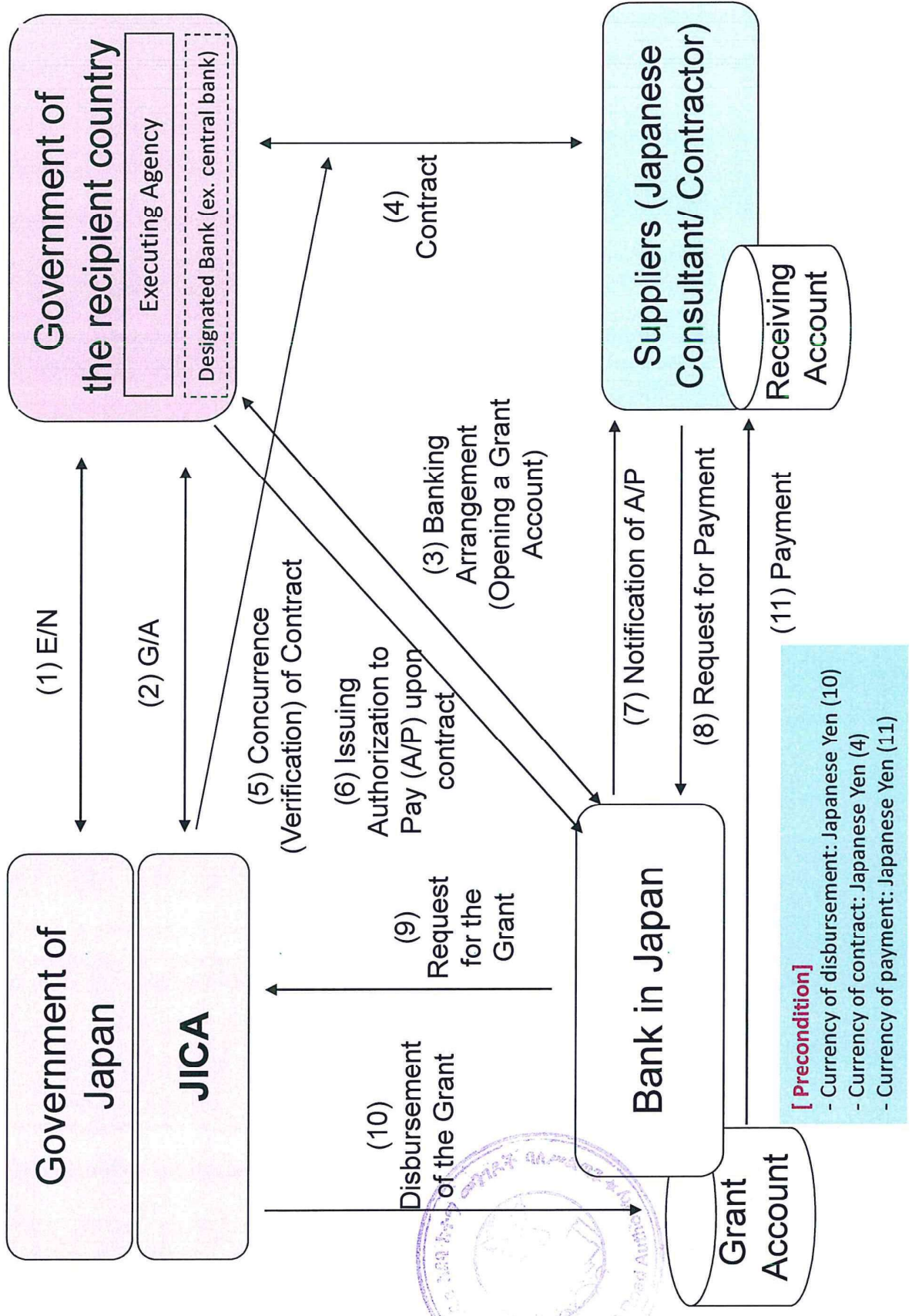
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FLOW CHART OF JAPANESE GRANT PROCEDURES



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Financial Flow of Japanese Grant (A/P Type)



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Project Monitoring Report
on
Project Name
Grant Agreement No. XXXXXXXX
 20XX, Month

Organizational Information

Signer of the G/A (Recipient)	_____ Person in Charge (Designation) _____ Contacts Address: _____ Phone/FAX: _____ Email: _____
Executing Agency	_____ Person in Charge (Designation) _____ Contacts Address: _____ Phone/FAX: _____ Email: _____
Line Ministry	_____ Person in Charge (Designation) _____ Contacts Address: _____ Phone/FAX: _____ Email: _____

General Information:

Project Title	
E/N	Signed date: Duration:
G/A	Signed date: Duration:
Source of Finance	Government of Japan: Not exceeding JPY _____ mil. Government of (_____): _____



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1: Project Description

1-1 Project Objective

1-2 Project Rationale

- Higher-level objectives to which the project contributes (national/regional/sectoral policies and strategies)
- Situation of the target groups to which the project addresses

1-3 Indicators for measurement of "Effectiveness"

Quantitative indicators to measure the attainment of project objectives		
Indicators	Original (Yr)	Target (Yr)
Qualitative indicators to measure the attainment of project objectives		

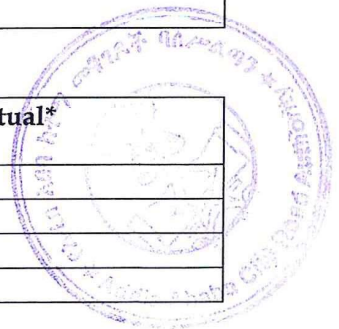
2: Details of the Project

2-1 Location

Components	Original <i>(proposed in the outline design)</i>	Actual
1.		

2-2 Scope of the work

Components	Original* <i>(proposed in the outline design)</i>	Actual*
1.		



Reasons for modification of scope (if any).

(PMR)

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2-3 Implementation Schedule

Items	Original		Actual
	<i>(proposed in the outline design)</i>	<i>(at the time of signing the Grant Agreement)</i>	

Reasons for any changes of the schedule, and their effects on the project (if any)

--

2-4 Obligations by the Recipient

2-4-1 Progress of Specific Obligations

See Attachment 2.

2-4-2 Activities

See Attachment 3.

2-4-3 Report on RD

See Attachment 11.

2-5 Project Cost

2-5-1 Cost borne by the Grant(Confidential until the Bidding)

Components			Cost (Million Yen)	
	Original <i>(proposed in the outline design)</i>	Actual <i>(in case of any modification)</i>	Original ^(1),2) <i>(proposed in the outline design)</i>	Actual
1.				
Total				

Note: 1) Date of estimation:
 2) Exchange rate: 1 US Dollar = Yen

2-5-2 Cost borne by the Recipient

Components			Cost (1,000 Taka)	
	Original <i>(proposed in the outline design)</i>	Actual <i>(in case of any modification)</i>	Original ^(1),2) <i>(proposed in the outline design)</i>	Actual
1.				

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- Note: 1) Date of estimation:
2) Exchange rate: 1 US Dollar =

Reasons for the remarkable gaps between the original and actual cost, and the countermeasures (if any)

(PMR)

2-6 Executing Agency

- Organization's role, financial position, capacity, cost recovery etc,
- Organization Chart including the unit in charge of the implementation and number of employees.

Original (at the time of outline design) name: role: financial situation: institutional and organizational arrangement (organogram): human resources (number and ability of staff):
Actual (PMR)

2-7 Environmental and Social Impacts

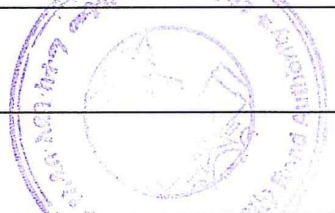
- The results of environmental monitoring based on Attachment 5 (in accordance with Schedule 4 of the Grant Agreement).
- The results of social monitoring based on in Attachment 5 (in accordance with Schedule 4 of the Grant Agreement).
- Disclosed information related to results of environmental and social monitoring to local stakeholders (whenever applicable).

3: Operation and Maintenance (O&M)

3-1 Physical Arrangement

- Plan for O&M (number and skills of the staff in the responsible division or section, availability of manuals and guidelines, availability of spareparts, etc.)

Original (at the time of outline design)
Actual (PMR)



3-2 Budgetary Arrangement

- Required O&M cost and actual budget allocation for O&M

Original (at the time of outline design)

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Actual (PMR)

4: Potential Risks and Mitigation Measures

- Potential risks which may affect the project implementation, attainment of objectives, sustainability
- Mitigation measures corresponding to the potential risks

Assessment of Potential Risks (at the time of outline design)

Potential Risks	Assessment
1. (Description of Risk)	Probability: High/Moderate/Low
	Impact: High/Moderate/Low
	Analysis of Probability and Impact:
	Mitigation Measures:
	Action required during the implementation stage:
2. (Description of Risk)	Probability: High/Moderate/Low
	Impact: High/Moderate/Low
	Analysis of Probability and Impact:
	Mitigation Measures:
	Action required during the implementation stage:
3. (Description of Risk)	Probability: High/Moderate/Low
	Impact: High/Moderate/Low
	Analysis of Probability and Impact:
	Mitigation Measures:
	Action required during the implementation stage:

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	Contingency Plan (if applicable):
Actual Situation and Countermeasures	
(PMR)	

5: Evaluation and Monitoring Plan (after the work completion)

5-1 Overall evaluation

Please describe your overall evaluation on the project.

5-2 Lessons Learnt and Recommendations

Please raise any lessons learned from the project experience, which might be valuable for the future assistance or similar type of projects, as well as any recommendations, which might be beneficial for better realization of the project effect, impact and assurance of sustainability.

5-3 Monitoring Plan of the Indicators for Post-Evaluation

Please describe monitoring methods, section(s)/department(s) in charge of monitoring, frequency, the term to monitor the indicators stipulated in 1-3.



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Attachment

1. Project Location Map
2. Specific obligations of the Recipient which will not be funded with the Grant
3. Monthly Report submitted by the Consultant
Appendix - Photocopy of Contractor's Progress Report (if any)
 - Consultant Member List
 - Contractor's Main Staff List
4. Check list for the Contract (including Record of Amendment of the Contract/Agreement and Schedule of Payment)
5. Report on Proportion of Procurement (Recipient Country, Japan and Third Countries) (PMR (final) only)
6. Pictures (by JPEG style by CD-R) (PMR (final) only)
7. Equipment List (PMR (final) only)
8. Drawing (PMR (final) only)
9. Report on RD (After project)



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Report on Proportion of Procurement (Recipient Country, Japan and Third Countries)
 (Actual Expenditure by Construction and Equipment each)

	Domestic Procurement (Recipient Country) A	Foreign Procurement (Japan) B	Foreign Procurement (Third Countries) C	Total D
Construction Cost	(A/D%)	(B/D%)	(C/D%)	
Direct Construction Cost	(A/D%)	(B/D%)	(C/D%)	
others	(A/D%)	(B/D%)	(C/D%)	
Equipment Cost	(A/D%)	(B/D%)	(C/D%)	
Design and Supervision Cost	(A/D%)	(B/D%)	(C/D%)	
Total	(A/D%)	(B/D%)	(C/D%)	



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Major Undertakings to be taken by the Government of Ethiopia

1. Specific obligations of the Government of Ethiopia which will not be funded with the Grant

(1) Before the Bidding

NO	Items	Deadline	In charge	Estimated Cost	Ref.
1	To open bank account (B/A)	within 1 month after the signing of the G/A	[TBD]		
2	To issue A/P to a bank in Japan (the Agent Bank) for the payment to the consultant	within 1 month after the signing of the contract(s)	[TBD]		
	1) Payment commission for A/P	within 1 month after the signing of the consulting services agreement	[TBD]		
4	To submit the Project Monitoring Report (with the result of Detail Design)	before preparation of bidding document(s)	AACRA		

(B/A: Banking Arrangement, A/P: Authorization to pay, N/A: Not Applicable)

(2) During the Project Implementation

NO	Items	Deadline	In charge	Estimated Cost	Ref.
1	To issue A/P to a bank in Japan (the Agent Bank) for the payment to the Supplier(s)	within 1 month after the signing of the contract(s)	[TBD]		
2	To bear the following commissions to a bank in Japan for the banking services based upon the B/A				
	1) Advising commission of A/P	within 1 month after the signing of the contract(s)	[TBD]		
	2) Payment commission for A/P	every payment	[TBD]		
3	To secure and clear the sites for the garage of equipment and spare parts	before the delivery of equipment	AACRA		
4	To ensure prompt customs clearance and to assist the Supplier(s) with internal transportation in the country of the Recipient	during the Project	AACRA		
5	To accord Japanese physical persons and/or physical persons 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 country of the Recipient and stay therein for the performance of their work	during the Project	AACRA		
6	To ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the country of the Recipient with respect to the purchase of the products and/or the services be exempted or	during the Project	[TBD]		

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	be borne by its designated authority without using the Grant;				
7	To bear all the expenses, other than those covered by the Grant, necessary for the implementation of the Project	during the Project	AACRA		
8	1) To submit the Project Monitoring Report after each work under the contract(s) such as shipping, hand over, installation and operational training	within one month after completion of each work	AACRA		
	2) To submit the Project Monitoring Report (final)	within one month after signing of Certificate of Completion for the works under the contract(s)	AACRA		
9	To submit a report concerning completion of the Project	within six months after completion of the Project	AACRA		

(3) After the Project

NO	Items	Deadline	In charge	Estimated Cost	Ref.
1	To maintain and use properly and effectively the facilities constructed and equipment provided under the Grant Aid 1) Allocation of maintenance cost 2) Operation and maintenance structure 3) Routine check/Periodic inspection	After completion of the construction	AACRA		

2. Other obligations of the Government of Ethiopia funded with the Grant

NO	Items	Deadline	Amount (Million Japanese Yen)*
1	To procure equipment 1) To ensure prompt unloading and customs clearance at the port of disembarkation in recipient country a) Marin (Air) transportation of the products from Japan to the country of the Recipient b) Internal transportation from the port of disembarkation to the project site 2) To provide equipment with installation and commissioning		/
2	To implement detailed design, bidding support and procurement supervision (Consulting Service)		
	Total		

*The Amount is provisional. This is subject to the approval of the Government of Japan.



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Minutes of Discussions
on the Preparatory Survey for the Project for
Upgrading Road Maintenance Equipment in Addis Ababa City
(Explanation on Draft Preparatory Survey Report)

With reference to the minutes of discussions signed between Addis Ababa City Roads Authority (hereinafter referred to as “AACRA”) and the Japan International Cooperation Agency (hereinafter referred to as “JICA”) each on March 21, 2019 in response to the request from the Government of the Federal Democratic Republic of Ethiopia (hereinafter referred to as “Ethiopia”), JICA dispatched the Preparatory Survey Team (hereinafter referred to as “the Team”) for the explanation of Draft Preparatory Survey Report (hereinafter referred to as “the Draft Report”) for the Project for Upgrading Road Maintenance Equipment in Addis Ababa City (hereinafter referred to as “the Project”).


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

Addis Ababa, August 29, 2019




Mr. Takeshi Matsuyama
Leader, Preparatory Survey Team
Senior Representative
JICA Ethiopia Office





Mr. Moges Tibebe
Director General
Addis Ababa City Roads Authority
The Federal Democratic Republic
of Ethiopia



As witness:



Mr. Kokeb Misrak
Director
Bilateral Cooperation Directorate
Ministry of Finance
The Federal Democratic Republic
of Ethiopia



ATTACHMENT

1. Objective of the Project

The objective of the Project is to achieve adequate road operation and maintenance and improve road conditions by providing equipment for road construction and maintenance, thereby contributing to improve economy and access to social services in Addis Ababa.

2. Title of the Preparatory Survey

Both sides confirmed the title of the Preparatory Survey as “the Preparatory Survey for the Project for Upgrading Road Maintenance Equipment in Addis Ababa City”.

3. Project Site

Both sides confirmed that the sites of the Project are in Addis Ababa, which is shown in Annex 1.

4. Responsible Authority for the Project

Both sides confirmed the authorities responsible for the Project are as follows:

- 4-1. AACRA will be the executing agency for the Project (hereinafter referred to as “the Executing Agency”). The Executing Agency shall coordinate with all the relevant authorities to ensure smooth implementation of the Project and ensure that the undertakings for the Project shall be managed by relevant authorities properly and on time. The organization charts are shown in Annex 2.
- 4-2. Addis Ababa City Administration shall be responsible for supervising the Executing Agency on behalf of the Government of Ethiopia.

5. Contents of the Draft Report

After the explanation of the contents of the Draft Report by the Team, the Ethiopian side agreed to its contents. JICA will finalize the Preparatory Survey Report based on the confirmed items. The report will be sent to the Ethiopian side around December, 2019 . Equipment List is shown in Annex 3.

6. Cost Estimation

Both sides confirmed that the cost estimate explained by the Team is provisional and will be examined further by the Government of Japan for its approval. The current cost estimation is shown in Annex 4.

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7. Confidentiality of the Cost Estimation and Technical Specifications

Both sides confirmed that the cost estimate and technical specifications of the Project should never be disclosed to any third parties until all the contracts under the Project are concluded.

8. Procedures and Basic Principles of Japanese Grant

The Ethiopian side agreed that the procedures and basic principles of Japanese Grant (hereinafter referred to as “the Grant”) as described in Annex 5, 6 and 7 shall be applied to the Project. In addition, the Ethiopian side agreed to take necessary measures according to the procedures.

9. Timeline for the Project Implementation

The Team explained to the Ethiopian side that the expected timeline for the project implementation is as attached in Annex 8.

10. Expected Outcomes and Indicators

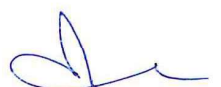
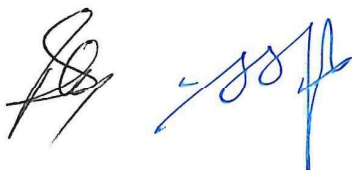
Both sides agreed that key indicators for expected outcomes are as follows. The Ethiopian side will be responsible for the achievement of agreed key indicators targeted in year 2024 and shall monitor the progress for Ex-Post Evaluation based on those indicators.

[Quantitative Effect]

	Indicator	Current Figure (Year 2019)	Target Figure (Year 2024)
1	Length of Annual Road Pavement & Rehabilitation (km)	113	140
2	Percentage of Operational Equipment (%)	79	88

[Qualitative Effect]

- Improved traffic safety by increased road pavements in Addis Ababa city.
- Improved transport efficiency and improved urban economy by shortening traffic time and reducing traffic costs which caused by increased road pavements in Addis Ababa city.
- Improved citizens’ access to social services such as schools and health facilities by increased road pavements in Addis Ababa city.



11. Ex-Post Evaluation

JICA will conduct ex-post evaluation after three (3) years from the project completion, in principle, with respect to five evaluation criteria (Relevance, Effectiveness, Efficiency, Impact, Sustainability). The result of the evaluation will be publicized. The Ethiopian side is required to provide necessary support for the data collection.

12. Technical Assistance (“Soft Component” of the Project)

Considering the sustainable operation and maintenance of the products and services granted through the Project, following technical assistance is planned under the Project. The Ethiopian side confirmed to deploy necessary number of counterparts who are appropriate and competent in terms of its purpose of the technical assistance as described in the Draft Report.

13. Undertakings of the Project

Both sides confirmed the undertakings of the Project as described in Annex 9.

13-1. Tax Issues

Regarding indirect taxes such as Custom Duties, VAT and Stamp duties etc., which may be imposed in Ethiopia with respect to the purchase of the products and the services to be exempted by Ministry of Finance or borne by the Executing Agency without using the Grant. However, with respect to direct taxes such as corporate taxes and personal income taxes, both sides understand that further discussion will be necessary between the Government of Japan and the Government of Ethiopia.

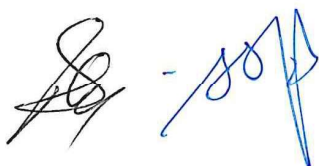
13-2. New Equipment Management Center

The Ethiopian side explained that the Executing Agency plans to construct New Equipment Management Center in two phases as shown in Annex 10. The first phase consists of basic infrastructure, such as parking lot, storage for spare parts and workshop for equipment maintenance. The Executing Agency will finish the first phase by the end of October 2020 to store all the equipment and spare parts procured by the Project.

The Executing Agency also explained that they finish the second phase by the end of October 2022 as shown in Annex 10. The second phase consists of developing other facilities such as workshop.

13-3. Security Measures

Both sides confirmed that the Executing Agency shall take necessary measures to



ensure and maintain the security of the Project site and the persons related to the implementation of the Project, in cooperation with relevant authorities during the Project period. Such security measures shall reasonably reflect needs of the Consultant/the Supplier(s) engaging in the Project, as shown in Annex 8.

Both sides agreed that in case the additional security cost would be necessary for the implementation of the Project, such cost shall be borne by the Executing Agency without using the Grant.

14. Monitoring during the Implementation

The Project will be monitored by the Executing Agency and reported to JICA by using the form of Project Monitoring Report (PMR) attached as Annex 11. The timing of submission of the PMR is described in Annex 9.

15. Project Completion

Both sides confirmed that the Project completes when all the facilities constructed and equipment procured by the Grant are in operation. The completion of the Project will be reported to JICA promptly, but in any event not later than six months after completion of the Project.

16. Environmental Guidelines and Environmental Category

The Team explained that ‘JICA Guidelines for Environmental and Social Considerations (April 2010)’ (hereinafter referred to as “the Guidelines”) is applicable for the Project. The Project is categorized as C because the Project is likely to have minimal adverse impact on the environment under the Guidelines.

17. Other Relevant Issues

17-1. Annual Road Pavement and Rehabilitation

As shown in the indicator 1 of article 10, both side confirmed that the Executing Agency will conduct 140 km road pavement and rehabilitation annually by 2024. Both sides confirmed that the Ethiopian side shall secure enough budget and personnel necessary for the annual road pavement and rehabilitation by utilizing equipment procured by the Project.

17-2. Operation and Maintenance of the Equipment

As shown in the indicator 2 of article 10, both side confirmed that the Executing Agency will increase percentage of operational equipment from 79% to 88% by 2024.

The Team explained the importance of operation and maintenance of equipment considering that proper asset management affects greatly on life span of equipment and its maintenance cost. The Team also emphasized the necessity to take advantage of the Soft Component to develop capacity of the Executing Agency to repair and maintain equipment properly.

The Ethiopian side explained that the Executing Agency shall secure enough staff and budgets necessary for appropriate operation and maintenance of equipment.

17-3. Procurement of Spare Parts

The Team explained the procurement method of spare parts for the equipment based on the Draft Report. While official agents in Ethiopia can provide major spare parts, there is no official agent available for some minor spare parts.

To procure those minor spare parts, the Executing Agency, can contact with local contact point(s) for making orders. A list of local contact point(s) is/are shown with the Certificate of After Sales Services that will be informed to the Executing Agency at the implementation stage.

17-4. Safety Measures

The Ethiopian side understood the importance of safety measures in construction and service stage based on “The Guidance for the Management of Safety for Construction Works in Japanese ODA Projects” published on JICA’s URL below.

http://www.jica.go.jp/activities/schemes/oda_safety/ku57pq00001nz4eu-att/guidance_en.pdf

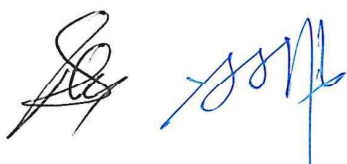
17-5. Misconduct

If JICA receives information related to suspected corrupt or fraudulent practices in the implementation of the Project, the Executing Agency and relevant organizations shall provide JICA with additional information, including information related to any concerned official of the government and/or public organizations in Ethiopia.

The Executing Agency and relevant organizations shall not, unfairly or unfavorably treat the person(s) and/or company which provided the information related to suspected corrupt or fraudulent practices in the implementation of the Project.

17-6. Disclosure of Information

Both sides confirmed that the study results excluding the Project cost will be disclosed to the public after completion of the Preparatory Survey. All the study



results including the Project cost will be disclosed to the public after all the contracts for the Project are concluded.

Annex 1 Project Site

Annex 2 Organization Chart

Annex 3 Equipment List

Annex 4 Project Cost Estimation

Annex 5 Japanese Grant

Annex 6 Procedure of Japanese Grant

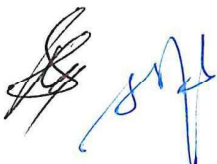
Annex 7 Financial Flow of Japanese Grant

Annex 8 Project Implementation Schedule

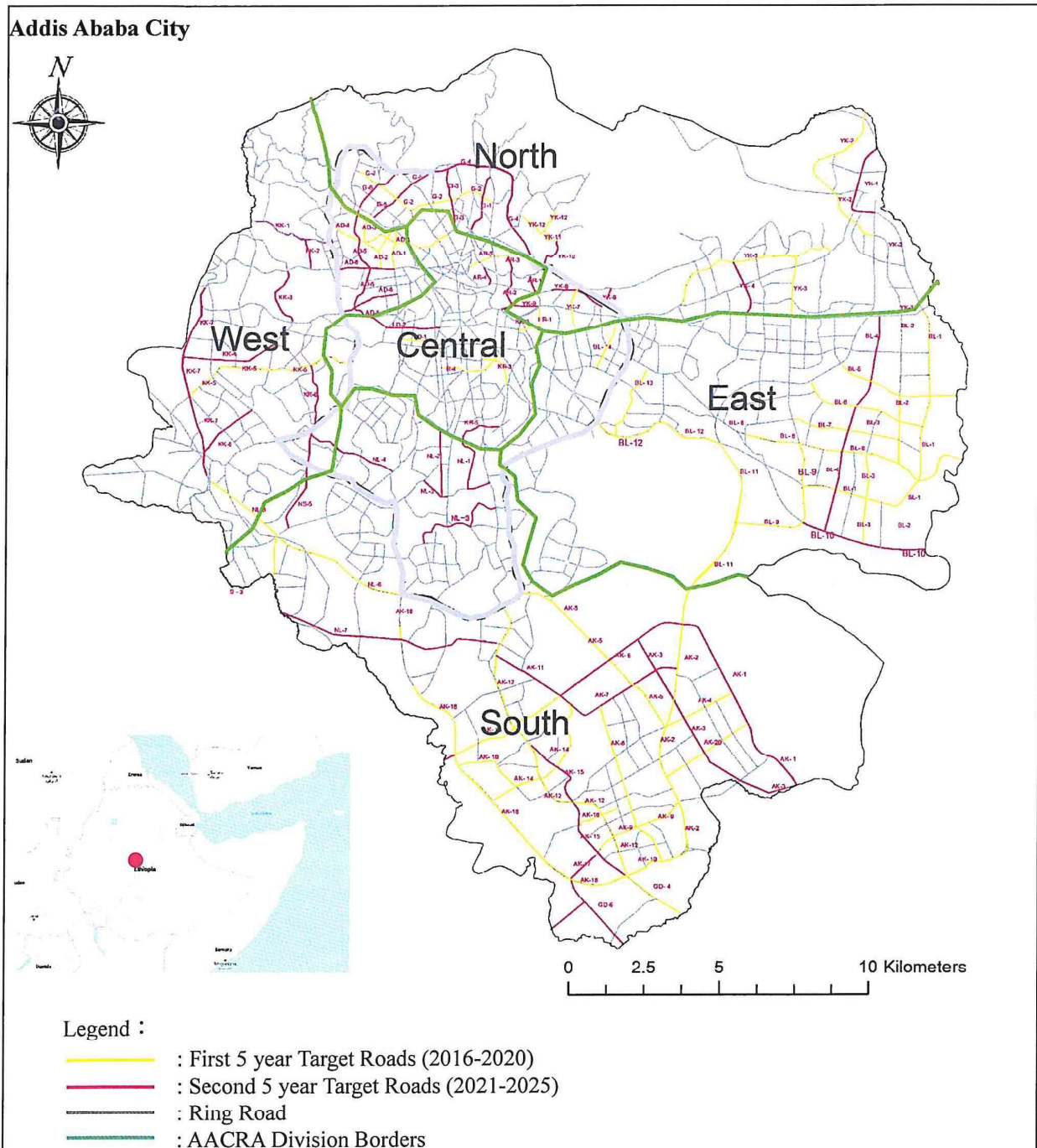
Annex 9 Major Undertakings to be taken by Government of Ethiopia

Annex 10 Schedule for New Equipment Management Center

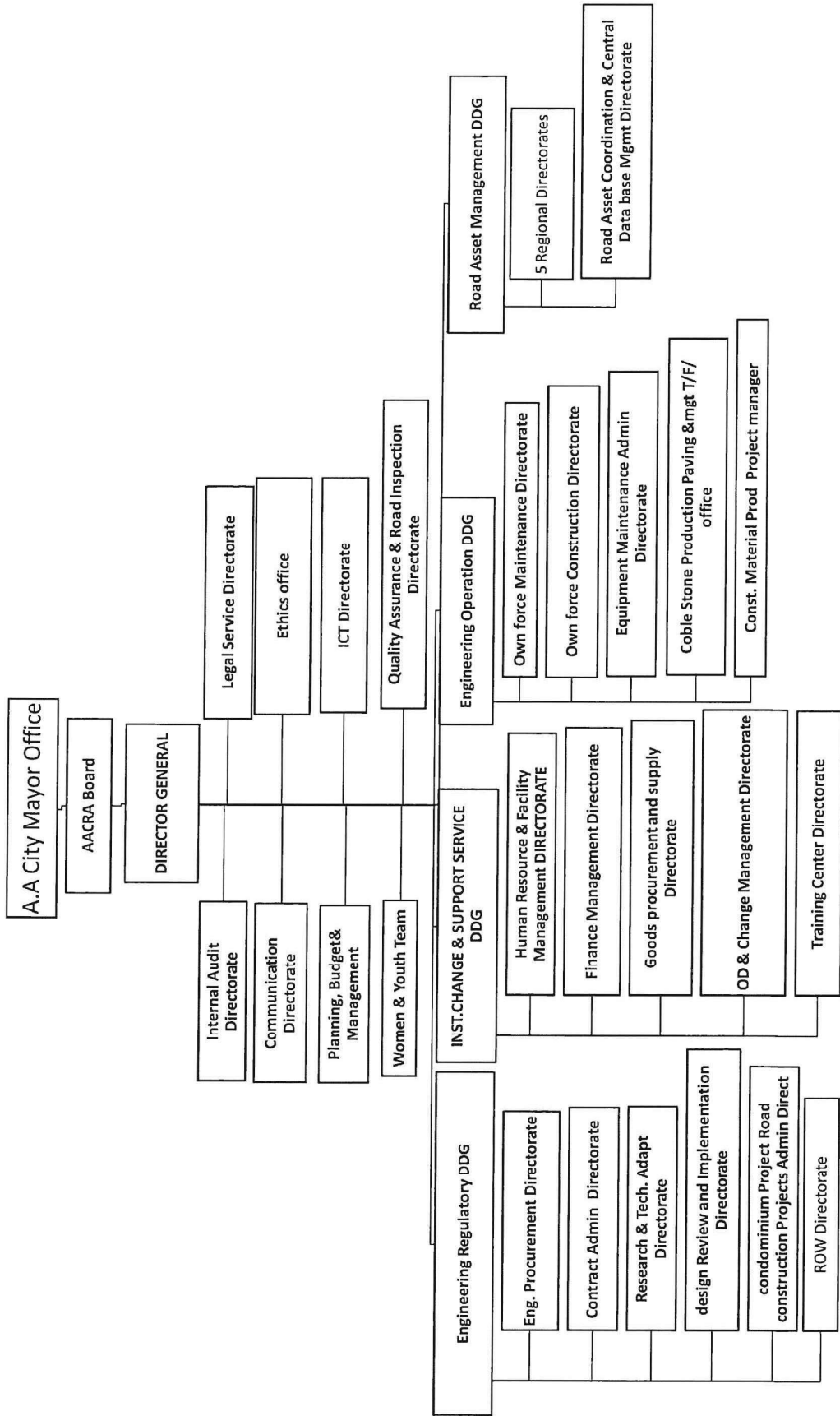
Annex 11 Project Monitoring Report (template)



Project Site



Organization Chart



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Equipment List

No.	Equipment	Quantity
(1) Road Maintenance Equipment		
1	Wheel Loader	3
2	Backhoe Loader	7
3	Excavator	5
4	Road Stabilizer	1
5	Sheep Foot Compactor	5
6	Vibratory Tandem Roller	5
7	Tire Roller	3
8	Water Bowser	3
9	Dump Truck	10
10	Cab-back Crane (3t)	2
11	Cab-back Crane (8t)	1
12	Aerial Work Platform Vehicle	4
13	High-pressure Drainage Cleaning Vehicle	3
14	Vacuum Tank Truck	3
15	Bitumen Distributor	3
16	Asphalt Burner	5
17	Asphalt Cutter	5
18	Asphalt Crack Sealer	5
19	Air Compressor	4
20	Air Breaker	5
21	Asphalt Mixer	3
22	Asphalt Plant	1
23	Mobile Workshop	1
(2) Workshop Equipment		
24	Container Workshop	1
25	Tire Changer	2
26	Portable Gantry Crane	2
27	Wheel Dolly	2
28	High Pressure Washer	5
29	Hot Water High Pressure Washer	1
30	Engine Driven Welding Generator	2
31	AC Arc Welding	4
32	Portable Motor Driven Air Compressor	2
33	Parts Washing Stand	3
34	Jacks	2
35	Desktop Computer	1
36	Database Software	1

PROJECT COST ESTIMATION

1. Cost Estimation Borne by the Government of Japan

Components	Estimated Cost (Million Japanese Yen)
Equipment	/
Detailed Design and Supervision Work	
TOTAL	1,396

2. Cost Estimation Borne by the Government of Ethiopia

Item		Estimated Cost (USD)
Preparation for the delivery of equipment	Securing equipment yards and a storage for spare parts	27,000
	Securing the asphalt plant yards, leveling, storage for materials and equipment, security measures, etc.	18,000
Cost for operation and maintenance training for the Road Stabilizer	Pilot works and mix design	9,000
	Preparation of pilot works and asphalt pavement works after training	27,000
Bank Commissions		18,000
TOTAL		99,000

The Ethiopia side is supposed to provide the budget of approximately USD 39 million in order to implement the target roads construction and maintenance in the year 2021 to 2024.

Notes:

- 1) Conditions of cost estimation
 - Estimated timing: April 2019
 - Exchange rates: USD 1.00 = JPY 111.21

- 2) Others

The project is implemented in accordance with the system of Japanese Grant. The above cost estimation does not assure the ceiling cost on the E/N and will be reviewed by the Government of Japan before the conclusion of E/N between the two governments.

JAPANESE GRANT

The Japanese Grant is non-reimbursable fund provided to a recipient country (hereinafter referred to as “the Recipient”) to purchase the products and/or 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. Followings are the basic features of the project grants operated by JICA (hereinafter referred to as “Project Grants”).

1. Procedures of Project Grants

Project Grants are conducted through following procedures (See “PROCEDURES OF JAPANESE GRANT” for details):

(1) Preparation

- The Preparatory Survey (hereinafter referred to as “the Survey”) conducted by JICA

(2) Appraisal

- Appraisal by the government of Japan (hereinafter referred to as “GOJ”) and JICA, and Approval by the Japanese Cabinet

(3) Implementation

Exchange of Notes

- The Notes exchanged between the GOJ and the government of the Recipient

Grant Agreement (hereinafter referred to as “the G/A”)

- Agreement concluded between JICA and the Recipient

Banking Arrangement (hereinafter referred to as “the B/A”)

- Opening of bank account by the Recipient in a bank in Japan (hereinafter referred to as "the Bank") to receive the grant

Construction works/procurement

- Implementation of the project (hereinafter referred to as “the Project”) on the basis of the G/A

(4) Ex-post Monitoring and Evaluation

- Monitoring and evaluation at post-implementation stage

2. Preparatory Survey

(1) Contents of the Survey

The aim of the Survey is to provide basic documents necessary for the appraisal of the 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 necessary for the implementation of the Project.
- Evaluation of the feasibility of the Project to be implemented under the Japanese Grant 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.
 - Confirmation of Environmental and Social Considerations

The contents of the original request by the Recipient are not necessarily approved in their initial form. The Outline Design of the Project is confirmed based on the guidelines of the Japanese Grant.

JICA requests the Recipient to take 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 executing agency of the Project. Therefore, the contents of the Project are confirmed by all relevant organizations of the Recipient based on the Minutes of Discussions.

(2) Selection of Consultants

For smooth implementation of the Survey, JICA contracts with (a) 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 feasibility of the Project.

3. Basic Principles of Project Grants

(1) Implementation Stage

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 to make a pledge for assistance, which is followed by the conclusion of the G/A between JICA and the Recipient to define the necessary articles, in accordance with the E/N, to implement the Project, such as conditions of disbursement, responsibilities of the Recipient, and procurement conditions. The terms and conditions generally applicable to the Japanese Grant are stipulated in the “General Terms and Conditions for Japanese Grant (January 2016).”



2) Banking Arrangements (B/A) (See “Financial Flow of Japanese Grant (A/P Type)” for details)

- a) The Recipient shall open an account or shall cause its designated authority to open an account under the name of the Recipient in the Bank, in principle. JICA will disburse the Japanese Grant in Japanese yen for the Recipient to cover the obligations incurred by the Recipient under the verified contracts.
- b) The Japanese Grant will be disbursed when payment requests are submitted by the Bank to JICA under an Authorization to Pay (A/P) issued by the Recipient.

3) Procurement Procedure

The products and/or services necessary for the implementation of the Project shall be procured in accordance with JICA’s procurement guidelines as stipulated in the G/A.

4) 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 to continue to work on the Project’s implementation after the E/N and G/A.

5) Eligible source country

In using the Japanese Grant disbursed by JICA for the purchase of products and/or services, the eligible source countries of such products and/or services shall be Japan and/or the Recipient. The Japanese Grant may be used for the purchase of the products and/or services of a third country as eligible, if necessary, taking into account the quality, competitiveness and economic rationality of products and/or services necessary for achieving the objective of the Project. However, the prime contractors, namely, constructing and procurement firms, and the prime consulting firm, which enter into contracts with the Recipient, are limited to "Japanese nationals", in principle.

6) Contracts and Concurrence by JICA

The Recipient will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be concurred by JICA in order to be verified as eligible for using the Japanese Grant.

7) Monitoring

The Recipient is required to take their initiative to carefully monitor the progress of the Project in order to ensure its smooth implementation as part of their responsibility in the G/A, and to regularly report to JICA about its status by using the Project Monitoring Report (PMR).

8) Safety Measures

The Recipient must ensure that the safety is highly observed during the implementation of the Project.

9) Construction Quality Control Meeting

Construction Quality Control Meeting (hereinafter referred to as the “Meeting”) will be held for quality assurance and smooth implementation of the Works at each stage of the Works. The member of the Meeting will be composed by the