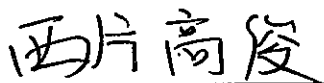
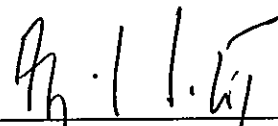


RECORD OF DISCUSSIONS
ON
PROJECT FOR INTEGRATED SOLID WASTE MANAGEMENT
MASTER PLAN IN GUJRANWALA
IN
THE ISLAMIC REPUBLIC OF PAKISTAN
AGREED UPON BETWEEN
THE AUTHORITIES CONCERNED OF THE GOVERNMENT OF
PAKISTAN
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

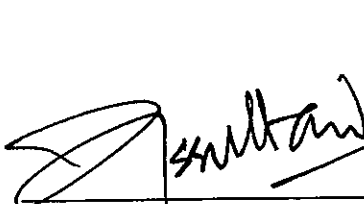
Lahore, 20 February, 2013




Mr. Takatoshi Nishikata
Chief Representative
JICA Pakistan Office



Mr. Afzal Latief
Joint Secretary (ADB/Japan)
Economic Affairs Division
Government of Pakistan



Mr. Sikandar Sultan Raja
Secretary
Local Government &
Community Development
Department
Government of the Punjab



Mr. Arif Anwar Baloch
Secretary
Planning & Development
Department
Government of the Punjab



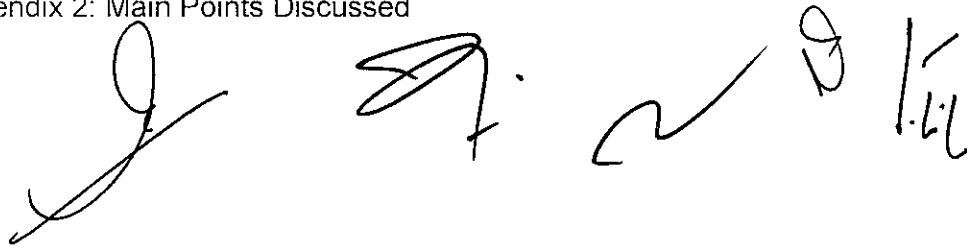
Mr. Najam Ahmad Shah
District Coordination Officer
City District Government
Gujranwala

Based on the minutes of meeting on the Detailed Planning Survey on the Project for Integrated Solid Waste Management Master Plan in Gujranwala (hereinafter referred to as "the Project") signed on October 11, 2011 between the authorities concerned of the Islamic Republic of Pakistan (hereinafter referred to as "Pakistan") and the Japan International Cooperation Agency (hereinafter referred to as "JICA"), and the PC-II which was approved by Central Development Working Party (hereinafter referred to as CDWP) on 22nd November 2012, Both parties agreed the details of the Project and the main points discussed as described in Appendix 1 and Appendix 2, respectively. ✓

Both parties also agreed that City District Government Gujranwala ((hereinafter referred to as "CDGG") the counterpart to JICA, will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of Pakistan. ✓

The Project will be implemented within the framework of the Agreement on Technical Cooperation signed on April 30, 2005 (hereinafter referred to as "the Agreement") and the Note Verbales is exchanged between the Government of Japan (hereinafter referred to as "GOJ") and the Government of Pakistan (hereinafter referred to as "GOP").

Appendix 1: Project Description
Appendix 2: Main Points Discussed



RECEIVED
26 FEB 2013
BY: (4)

Appendix 1

PROJECT DESCRIPTION

I. BACKGROUND

Solid Waste Management (hereinafter referred to as "SWM") has become a serious problem in Punjab due to rapid urbanization, uncontrolled population growth, lack of resources, institutional weaknesses and lack of civic sense towards solid waste disposal.

The average solid waste collection efficiency in Punjab is only around 50% causing spread of multiple diseases such as diarrhea and dengue fever. Whatever quantity of waste is collected, it is normally dumped in open areas along the roadsides, canal banks and low lying areas. The land contamination is affecting the quality of groundwater from shallow depth. Un-collected waste is illegally piled on sidewalks, in open spaces, sewer lines, or even in canals, and blockages of waste water flow in the sewers are seen and cause additional load for the local government.

In the Punjab Vision 2020, waste management is located under the priority area of water supply, sewerage and sanitation (WSS), and through the Urban Unit (hereinafter referred to as "UU") of the Government of the Punjab (hereinafter referred to as "GOPb"), solid waste management strategy was developed as the Guidelines of Solid Waste Management issued in 2007. GOPb has been tackling the issues which contribute to an improvement of solid waste management based on the guidelines.

However, the budget for SWM in Punjab is restrictive, and about 80% of the budget is spent on personnel expenses or institutional administrative expenses.

Moreover, although SWM is to be performed on the responsibility of each district government under the law, since the laws or the guidelines on SWM are not fully implemented, how to conduct SWM effectively and efficiently under the limited human resources and budget in each local government has been an important issue to be solved.

In 2009, JICA commissioned a sector study to take stock of the current status, problems, and necessity of the assistance in SWM sector in seven (7) major cities of Punjab Province. Through the study, the degree of assistance needs for SWM, SWM related budget, the number of the related department personnel, existence of master plan, existence of other donor support, existence of self-financed activities, motivation/commitment of top management, etc. were investigated. Based on the results of the study, followed by a series of discussion made by GOPb and JICA, the necessity of the assistance for SWM sector was ascertained, and in addition, Gujranwala city was identified as the highest priority among the surveyed cities considering the highly motivated top management and SWM related staff, no existence of donor support ever, conducting waste collection under the limited budget and etc.



Government of Japan received the official request, submitted by CDGG through UU, from Economic Affairs Division on July 30, 2010 for the Technical Cooperation to formulate the Master Plan to address improvement of SWM in Gujranwala. GOPb has also a plan to replicate the results of the Project to other major cities in Punjab. ✓

In response to the request from GOP, the Japanese Detailed Planning Study Team (hereinafter referred to as "the Team") headed by Ms. Hiroko Kamata was sent to Pakistan by JICA from September 28 to October 19, 2011 for the purpose of discussing and confirming the scope of work for the Project for Integrated Solid Waste Management Master Plan in Gujranwala (hereinafter referred to as "the Project"). ✓

II. OUTLINE OF THE PROJECT

1. Title of the Project

Project for Integrated Solid Waste Management Master Plan in Gujranwala ✓

2. Objectives of the Project

- (1) To develop a Master Plan of Integrated Solid Waste Management for Gujranwala City
- (2) To enhance the Institutional Capacity for Implementation of the SWM Master Plan
- (3) To draw lessons and best practices for replication of the master plan in other major cities of Punjab ✓

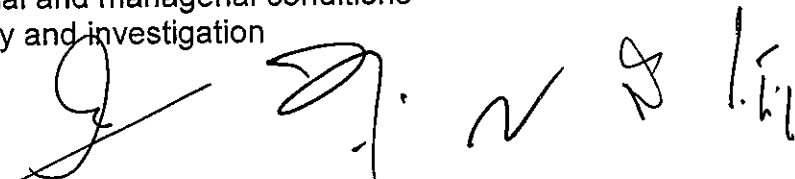
3. Target year of the Master Plan

The Master Plan will be developed from 2013 to 2015 through the technical assistance from JICA. The implementation period of the master plan is from 2015 to 2025. Both sides agreed that the scope of the master plan is from 2015 to 2025. ✓

4. Activities to be done by PMU

Phase 1: Review and analysis of the present situation

- (1) Establishment of Project Management Unit (PMU)
- (2) Collection and review of relevant data and reports on solid waste management (solid waste discharge, collection, intermediate treatment, existing recycling firms for municipal solid waste, illegal dumping sites, final disposal, medical and industrial waste, institutional systems, and privatization schemes)
- (3) Review of past and on-going studies and development projects related to solid waste management
- (4) Capacity Assessment of Individuals and Institutions
- (5) Survey of the present conditions
 - i) Social and economic analysis
 - ii) Review of existing laws, regulations, policies and institutional arrangements related to solid waste management
 - iii) Financial and managerial conditions
- (6) Field survey and investigation



- i) Characterization Study (Quantitative/Qualitative, 3 times seasonally, April-May, Aug-Sep., Jan-Feb, including public awareness)
- ii) Time and Motion Study
- iii) Measurement of waste volume/weight of waste collection vehicle
- (7) Survey of the Final Disposal Site
 - i) Survey on candidate sites for final disposal
 - ii) Selection of Final Disposal Site
 - iii) Environmental Impact Assessment for candidate site(s) by CDGG
 - iv) Social consideration around candidate site(s) (surrounding residents or natural environment)
 - v) Geological Survey of existing dumpsite
 - vi) Topographic Survey of existing dump site
 - vii) Water Quality Survey around existing dump site and candidate site(s)

Phase 2: Formulation of a Master Plan

- (1) Formation of basic strategy (setting up future socio-economic framework)
- (2) Estimation of prospective amount of generated solid waste
- (3) Estimation of resources, equipment and machinery, human resource, method of waste disposal
- (4) Planning of how to procure resources in different stages according to the geographical zoning
- (5) Formulation of an integrated master plan (strategy, dimensions of the plan and projects, financial and management plan, institution and organization plan, facility plan, operation and maintenance plan, and human resources development plan)
- (6) Selection of priority project(s)
- (7) Seminars, Trainings and workshops
- (8) Environmental and social consideration study; and
- (9) Cost estimation of projects under Integrated Solid Waste Master Plan and formulate implementation plan

Phase 3: Action Plans for the target year 2025

- (1) Selection of priority projects for Grant Aid and/or Technical Cooperation Project and/or Loan
- (2) Clarification of approximate costs for the priority projects; and
- (3) Formulation of action plans and a road map for implementation

5. Input

(1) Input by JICA

(a) Dispatch of Mission

- i) Solid Waste Management (1)
- ii) Final Disposal Plan (1)
- iii) Waste Collection and Transport Plan (1)
- iv) Intermediate Treatment and 3R Plan (1)
- v) People's Participation / Environmental Education (1)
- vi) Financial affairs and business management analysis (1)
- vii) Environmental impact assessment and social consideration (1)

Handwritten signatures and initials at the bottom of the page, including a large signature on the left and several smaller initials on the right.

viii) Institutional Strengthening and Restructuring Plan (1)

Input other than indicated above will be determined through mutual consultations between JICA and GOPb during the implementation of the Project, if necessary.

(2) Input by CDGG and GOPb

CDGG and GOPb will take necessary measures to provide at its own expense:

- (a) Services of CDGG and GOPb counterpart personnel and administrative personnel as referred to in II-6;
- (b) Suitable office space with necessary equipment;
- (c) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the equipment provided by JICA;
- (d) Information as well as support in obtaining medical service;
- (e) Credentials or identification cards;
- (f) Available data (including maps and photographs) and information related to the Project;
- (g) Running expenses necessary for the implementation of the Project;
- (h) Expenses necessary for transportation within Pakistan of the equipment referred to in II-6 as well as for the installation, operation and maintenance thereof; and
- (i) Necessary facilities to members of the JICA missions for the remittance as well as utilization of the funds introduced into Pakistan from Japan in connection with the implementation of the Project.

6. Implementation Structure

The proposed implementation structure, described below, will be discussed again and confirmed in the Joint Coordination Committee (JCC) meeting to be held at the start of the project as and when deemed appropriate.

The roles and assignments of relevant organization's staff are as follows:

(1) City District Government Gujranwala (CDGG)

1-1 District Coordination Officer (DCO)

Deputy Project Director

Incharge of liaison with Project Director on important project related matters (financial, interdepartmental coordination, staff recruitment & retention, addressing of bottlenecks & challenges that may cause potential delay in smooth implementation of the project etc.)

1-2 Executive District Officer (EDO) (MS: Municipal Services) Project Manager;
Responsible for overall

project administration and implementation in line with RD & in cooperation with JICA project Team.

1-3 Executive District Officer (EDO) (F&P)

Incharge of overseeing the implementation (activities and funds disbursements etc.) of PC-¹ & PC-II ² approved by the competent authorities and their alignment with agreed Record of Discussion (RD) & JICA supported project.

1-4 District Officer (DO) (SWM)
1-5 District Officer (DO) (Environment)
1-6 Chief Sanitary Inspector (Zone 1)
1-7 Chief Sanitary Inspector (Zone 2)

Project Team Member
Project Team Member
Project Team Member
Project Team Member

(2) The Urban Unit (UU)

2-1 Chief Executive Officer

Incharge of project knowledge management and its further utilization in other cities/districts of Punjab.

2-2 Urban Planner

Incharge of ensuring Integration of project knowledge management in overall Urban Planning of Punjab province

2-3 Sr. SWM Specialist
2-4 SWM Professional

Project Focal Person
Project Focal Person

2-5 Senior GIS Specialist

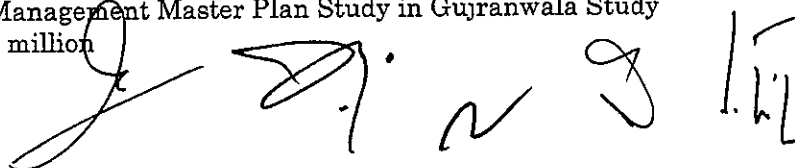
Project Team Member

2-6 Senior M&E Specialist
2-7 Research Associate
2-8 Research Assistant

Project Team Member
Project Team Member
Project Team Member

¹ Waste Managers for Integrated Solid Waste Management Master Plan in Gujranwala City
Estimated Cost: Rs. 41.71 Million

² Integrated Solid Waste Management Master Plan Study in Gujranwala Study
Estimated Cost: Rs 276.89 million



(3) Members of the JICA missions

Members of the JICA missions will give necessary technical guidance, advice and recommendations to CDGG and UU on any matters pertaining to the implementation of the Project.

(4) Project Management Unit (PMU)

JICA Project Team, CDGG and GOPb will create a Project Management Unit (PMU) that will implement and manage the Project. During the Project, four (4) research assistants/associates from UU and eight (8) solid waste managers from CDGG will acquire On-The-Job-Training from the JICA Project Team. The implementation structure of PMU is shown in Annex 1.

(5) Joint Coordination Committee

Joint Coordination Committee (hereinafter referred to as "JCC") will be established in order to facilitate inter-organizational coordination. JCC will be held whenever deems it is necessary. A list of proposed members of JCC is shown in Annex 2.

7. Project Site(s) and Beneficiaries

Gujranwala City and its people

8. Duration

The duration of the Project would be eighteen (18) months from the date when the JICA Project Team member(s) arrives. The Project will be carried out in accordance with the tentative schedule as below. The schedule is tentative and subject to change when both parties agree upon any necessity that will arise during the course of the Project.

TENTATIVE SCHEDULE

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Work in Gujranwala	■			■					■									
Inception Report	▲																	
Progress Report				▲														
Interim Report									▲									
Draft Final Report																	▲	
Final Report																		▲
Work in Japan	■			■					■								■	
Seminar/Workshop										■					■			

9. Reports

JICA will prepare and submit the following reports to CDGG and UU in English.

- (1) Thirty (30) copies of Inception Report at the commencement of the first work period in Pakistan
- (2) Thirty (30) copies of Progress Report three (3) months after the commencement of the first work period in Pakistan
- (3) Thirty (30) copies of Interim Report about eight (8) months after the commencement of the first work period in Pakistan
- (4) Fifty (50) copies of Draft Final Report at the end of the last work period in

Pakistan

- (5) Fifty (50) copies of Final Report within one (1) month after the receipt of the comments on the Draft Final Report

10. Environmental and Social Considerations

CDGG and UU agreed to abide by 'JICA Guidelines for Environmental and Social Considerations' in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

III. UNDERTAKINGS OF CDGG, GOPb AND GOP

1. CDGG, GOPb and the Government of Pakistan will take necessary measures to:

- (1) ensure that the technologies and knowledge acquired by the Pakistan nationals as a result of Japanese technical cooperation contributes to the economic and social development of Pakistan, and that the knowledge and experience acquired by the personnel of Pakistan from technical training as well as the equipment provided by JICA will be utilized effectively in the implementation of the Project; and
- (2) grant privileges, exemptions and benefits to members of the JICA missions referred to in II-5 (1) above and their families, which are no less favorable than those granted to experts of third countries performing similar missions in Pakistan under the Colombo Plan Technical Cooperation Scheme.

2. CDGG, GOPb and the Government of Pakistan will take necessary measures which are agreed on the Agreement of Technical Cooperation between the Government of Pakistan and Japan (Annex 3).

IV. PROMOTION OF PUBLIC SUPPORT

For the purpose of promoting support for the Project, CDGG and GOPb will take appropriate measures to make the Project widely known to the people of Pakistan.

V. MUTUAL CONSULTATION

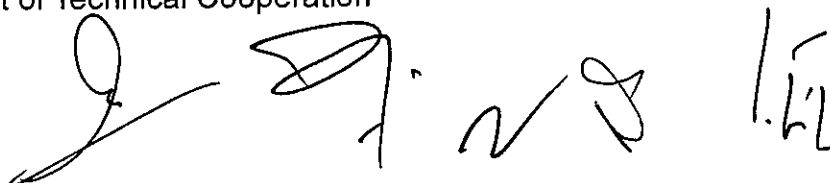
JICA, CDGG and GOPb will consult each other whenever any major issues arise in the course of Project implementation.

VI. AMENDMENTS

The record of discussions may be amended by the minutes of meetings among JICA, CDGG, GOPb, and EAD if necessary.

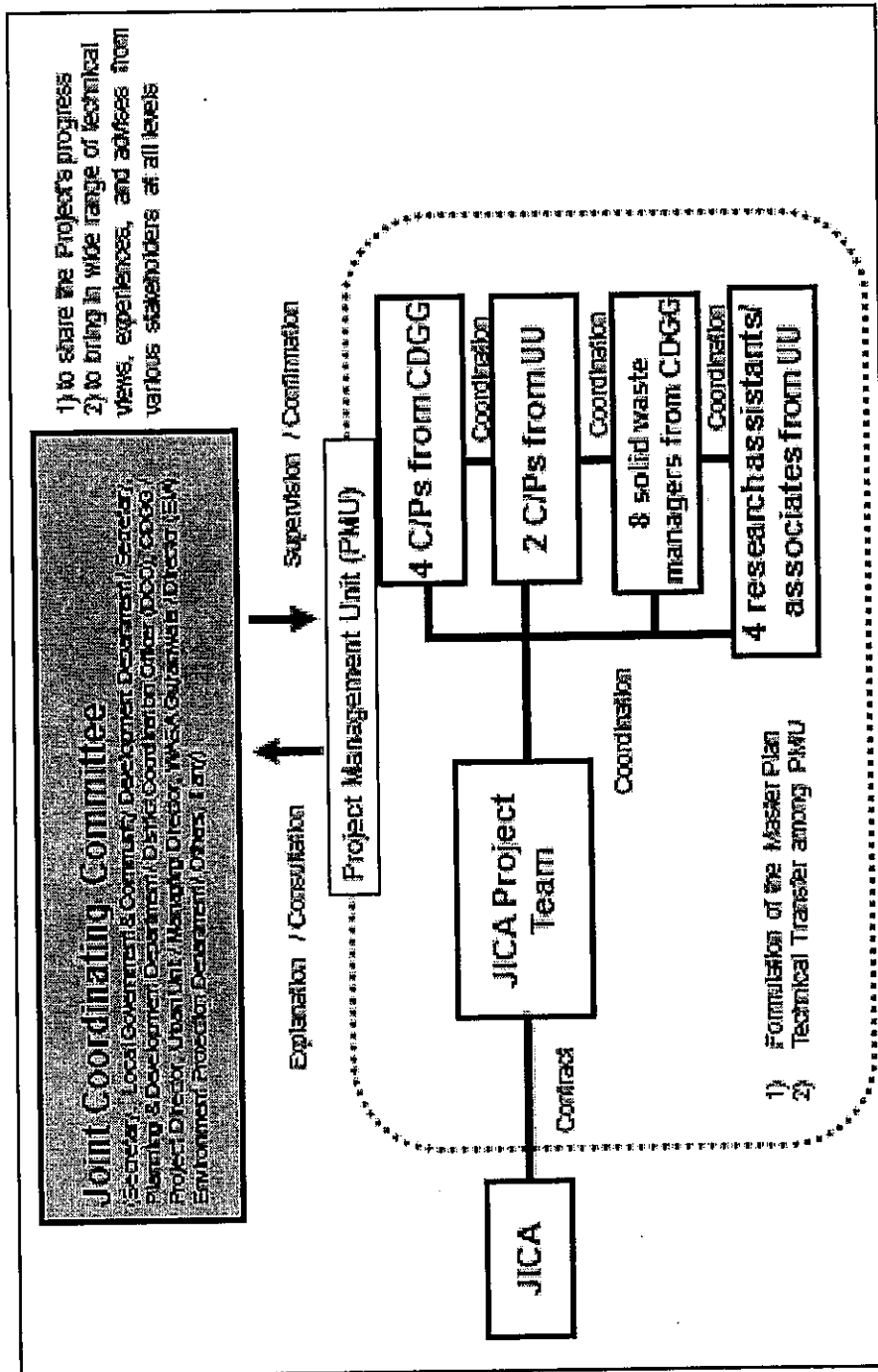
The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the record of discussions.

- Annex 1 Implementation Structure of the Project
Annex 2 List of Proposed Members of Joint Coordinating Committee
Annex 3 Agreement of Technical Cooperation



Annex 1 Implementation Structure of the Project

Implementation Structure of the Project



Handwritten signature and initials:
 [Signature]
 [Initials]

Annex 2 List of Proposed Members of Joint Coordinating Committee

The proposed Joint Coordination Committee (JCC) structure, described below, will be discussed again and confirmed in the JCC meeting to be held at the start of the project as and when deemed appropriate.

A: Government of the Punjab (GOPb)

1. Planning & Development (P&D) Department

1-1 Secretary

2. Local Government & Community Development Department

2-1 Secretary Project Director

3 The Urban Unit (UU)

3-1 Chief Executive Officer (CEO)

3-2 Urban Planner

4 Water and Sanitation Agency (WASA), Gujranwala

4-1 Managing Director

5 Environment Protection Department

5-1 Director (EIA), Environmental Impact Assessment

6 City District Government Gujranwala (CDGG)

6-1 District Coordination Officer (DCO) Deputy Project Director

6-2 Executive District Officer (Municipal services) Project Manager

7 Economic Affairs Division (EAD)

7-1 Deputy Secretary-Japan Incharge of Japan affairs in EAD

B: Government of Japan

1 JICA Pakistan Office

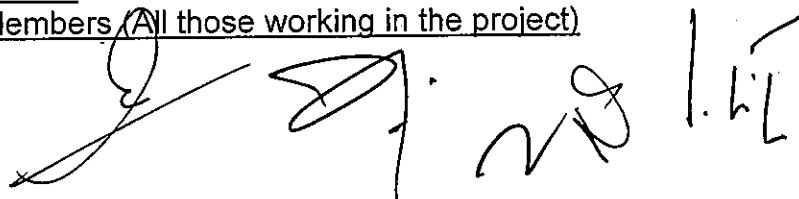
1-1 Senior Representative or/and Resident Representative

1-2 National Staff incharge of Environment Sector

2 JICA Study Team

2-1 Team Leader

2-2 Team Members (All those working in the project)



Annex 3 Agreement of Technical Cooperation

Handwritten signature and initials in black ink, appearing to be 'J. S. N. D. L. H.'.

**AGREEMENT ON TECHNICAL COOPERATION
BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF
PAKISTAN AND THE GOVERNMENT OF JAPAN**

The Government of the Islamic Republic of Pakistan and the Government of Japan,

Desiring to strengthen further the friendly relations existing between the two countries through the promotion of technical cooperation, and

Considering mutual benefits derived from promoting the economic and social development of their respective countries,

Have agreed as follows:

Article I

The two Governments (hereinafter referred to as "the Parties") shall endeavor to promote technical cooperation between the two countries.

Article II

Separate arrangements which govern specific technical cooperation programs carried out under this Agreement shall be agreed upon between the competent authorities of the Parties. The competent authority of the Government of the Islamic Republic of Pakistan is the Ministry of Economic Affairs and Statistics (Economic Affairs Division), and the competent authority of the Government of Japan is the Ministry of Foreign Affairs.

Article III

The following forms of technical cooperation will be carried out by the Japan International Cooperation Agency (hereinafter referred to as "JICA") at its own expense in accordance with the laws and regulations in force in Japan as well as with the arrangements referred to in Article II:

- (a) Providing technical training to Pakistani nationals;
- (b) dispatching experts (hereinafter referred to as the "Experts") to the Islamic Republic of Pakistan;
- (c) dispatching Japanese volunteers with a wide range of technical skills and abundant experience (hereinafter referred to as the "Senior Volunteers") to the Islamic Republic of Pakistan;
- (d) dispatching Japanese missions (hereinafter referred to as the "Missions") to the Islamic Republic of Pakistan to conduct surveys of economic and social development projects of the Islamic Republic of Pakistan;

- (e) providing the Government of the Islamic Republic of Pakistan with equipment, machinery and materials; and
- (f) providing the Government of the Islamic Republic of Pakistan with other forms of technical cooperation as may be decided upon by mutual consent between the Parties.

Article IV

The Government of the Islamic Republic of Pakistan shall ensure that the techniques and knowledge acquired by Pakistani nationals as well as the equipment, machinery and materials provided as a result of the Japanese technical cooperation as set forth in Article III contribute to the economic and social development of the Islamic Republic of Pakistan, and are not utilized for military purposes.

Article V

In case JICA dispatches the Experts, the Senior Volunteers and the Missions, the Government of the Islamic Republic of Pakistan shall:

1. (1) (a) exempt the Experts, the Senior Volunteers and members of the Missions from taxes including income tax, and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad ;
(b) exempt the Experts, the Senior Volunteers, members of the Missions and their families from taxes including customs duties and fiscal charges in respect of the importation of:
 - (i) personal effects, household effects and consumer goods; and
 - (ii) one motor vehicle per Expert and per Senior Volunteer assigned to stay in the Islamic Republic of Pakistan;(c) exempt the Experts and the Senior Volunteers who do not import any motor vehicle into the Islamic Republic of Pakistan from taxes including all indirect taxes and fiscal charges in respect of the local purchase of one motor vehicle per Expert and per Senior Volunteer; and
(d) exempt the Experts and the Senior Volunteers from the registration fee of the motor vehicles mentioned in (b)(ii) and (c).
- (2) (a) provide, at its own expense, suitable office and other facilities including telephone and facsimile services necessary for the performance of the duties by the Experts, the Senior Volunteers and the Missions as well as to bear the expenses for their operation and maintenance;
(b) provide, at its own expense, the local staff (including adequate interpreters, if necessary) as well as Pakistani counterparts to the Experts, the Senior Volunteers and the Missions necessary for the performance of their duties;
(c) bear expenses of the Experts and the Senior Volunteers for:

- (i) daily transportation to and from their place of work;
 - (ii) their official travels within the Islamic Republic of Pakistan whenever local conditions and financial possibilities of authorities concerned of the Government of the Islamic Republic of Pakistan may permit; and
 - (iii) their official correspondence;
- (d) provide the assistance for the acquisition of appropriate housing accommodation for the Experts, the Senior Volunteers and their families; and
 - (e) provide the assistance for receiving medical care and facilities for the Experts, the Senior Volunteers, members of the Missions and their families.
- (3) (a) permit the Experts, the Senior Volunteers, members of the Missions and their families to enter, leave and sojourn in the Islamic Republic of Pakistan for the duration of their assignment therein, offer them the assistance for completing the procedures of alien registration requirements, and exempt them from consular fees;
 - (b) issue identification cards to the Experts, the Senior Volunteers and members of the Missions to secure the cooperation of all governmental organizations necessary for the performance of their duties;
 - (c) offer the Experts, the Senior Volunteers and their families the assistance for the acquisition of car driving license; and
 - (d) carry out other measures necessary for the performance of the duties by the Experts, the Senior Volunteers and the Missions.
2. The motor vehicles mentioned in paragraph 1 shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within the Islamic Republic of Pakistan to individuals or organizations not entitled to exemption from such taxes or similar privileges.
 3. The Government of the Islamic Republic of Pakistan shall accord the Experts, the Senior Volunteers, members of the Missions and their families such privileges, exemptions and benefits as are no less favorable than those accorded to experts, senior volunteers, members of missions and their families of any third country or of any international organization performing a similar mission in the Islamic Republic of Pakistan.

Article VI

The Government of the Islamic Republic of Pakistan shall bear claims, if any arises, against the Experts, the Senior Volunteers and members of the Missions resulting from, occurring in the course of, or otherwise connected with, the performance of their duties, except when the Parties agree that such claims arise from gross negligence or willful misconduct on the part of the Experts, the Senior Volunteers or members of the Missions.

16

156

H

Article VII

1. (1) In case JICA provides the Government of the Islamic Republic of Pakistan with equipment, machinery and materials, the Government of the Islamic Republic of Pakistan shall exempt such equipment, machinery and materials from taxes including customs duties and fiscal charges in respect of the importation. The equipment, machinery and materials mentioned above shall become the property of the Government of the Islamic Republic of Pakistan upon being delivered c.i.f. at the port of the disembarkation to competent authorities of the Government of the Islamic Republic of Pakistan.

(2) In case JICA provides the Government of the Islamic Republic of Pakistan with equipment, machinery and materials, the Government of the Islamic Republic of Pakistan shall exempt such equipment, machinery and materials from taxes including all indirect taxes and fiscal charges in respect of the local purchase.

(3) The equipment, machinery and materials mentioned in sub-paragraph (1) and (2) shall be utilized for the purpose specified in the arrangements referred to in Article II unless otherwise agreed upon between the competent authorities of the Parties.

(4) The expenses for the transportation within the Islamic Republic of Pakistan of the equipment, machinery and materials mentioned in sub-paragraph (1) and (2) and the expenses for their replacement, maintenance and repair shall be borne by the Government of the Islamic Republic of Pakistan.

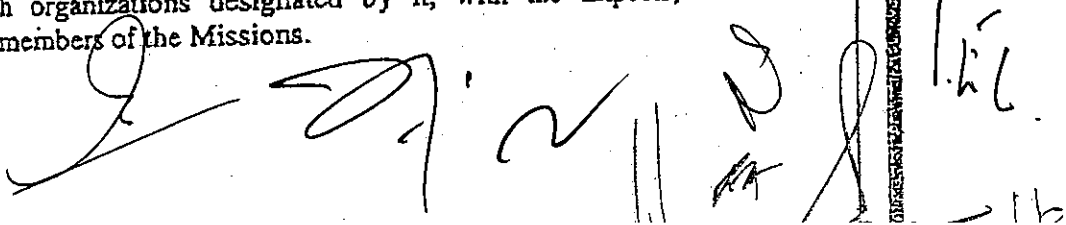
2. (1) The equipment, machinery and materials, prepared by JICA, necessary for the performance of the duties by the Experts, the Senior Volunteers and members of the Missions shall remain the property of JICA unless otherwise agreed upon between the competent authorities of the Parties.

(2) The Government of the Islamic Republic of Pakistan shall exempt the Experts, the Senior Volunteers and members of the Missions from taxes including customs duties and fiscal charges in respect of the importation of the equipment, machinery and materials mentioned in sub-paragraph (1).

(3) The Government of the Islamic Republic of Pakistan shall exempt the Experts, the Senior Volunteers and members of the Missions from taxes including all indirect taxes and fiscal charges in respect of the local purchase of the equipment, machinery and materials mentioned in sub-paragraph (1).

Article VIII

The Government of the Islamic Republic of Pakistan shall maintain close contact, through organizations designated by it, with the Experts, the Senior Volunteers and members of the Missions.



CONFIDENTIAL

Article IX

1. It is confirmed that JICA may maintain its overseas office in the Islamic Republic of Pakistan (hereinafter referred to as the "Office") with a resident representative and his/her staff to be dispatched from Japan (hereinafter referred to as the "Representative" and the "Staff" respectively) who shall perform the duties to be assigned to them by JICA relative to the technical cooperation programs under this Agreement in the Islamic Republic of Pakistan.

2. The Government of the Islamic Republic of Pakistan shall:

(1)(a) exempt the Representative, the Staff and their families from taxes including income tax and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad;

(b) exempt the Representative, the Staff and their families from taxes including customs duties and fiscal charges in respect of the importation of:

- (i) personal effects, household effects and consumer goods; and
- (ii) one motor vehicle per Representative and per Staff assigned to stay in the Islamic Republic of Pakistan;

(c) exempt the Representative and the Staff who do not import any motor vehicle into the Islamic Republic of Pakistan from taxes including all indirect taxes and fiscal charges in respect of the local purchase of one motor vehicle per Representative and per Staff;

(d) exempt the Representative and the Staff from the registration fee of the motor vehicles mentioned in (b)(ii) and (c);

(e) permit the Representative, the Staff and their families to enter, leave and sojourn in the Islamic Republic of Pakistan for the duration of their assignment therein, offer them the assistance for completing the procedures of alien registration requirements, and exempt them from consular fees;

(f) issue identification cards and special passes to the Representative and the Staff to enter airport/seaport beyond passport control point to receive and send off the Experts, the Senior Volunteers and members of the Missions;

(g) offer the Representative, the Staff and their families the assistance for the acquisition of car driving license; and

(h) carry out other measures necessary for the performance of the duties by the Representative and the Staff.

(2)(a) exempt the Office from taxes including customs duties and fiscal charges in respect of the importation of the equipment, machinery, motor vehicles and materials necessary for activities of the Office;

[Handwritten signatures and initials at the bottom of the page, including a large signature on the left and initials 'LWL' on the right.]

(b) exempt the Office from taxes including all indirect taxes and fiscal charges in respect of the local purchase of the equipment, machinery, motor vehicles and materials necessary for the functions of the Office; and

(c) exempt the Office from taxes including income tax and fiscal charges imposed on or in connection with office expenses remitted from abroad.

3. The motor vehicles mentioned in paragraph 2 shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within the Islamic Republic of Pakistan to individuals or organizations not entitled to exemption from such taxes or similar privileges.
4. The Government of the Islamic Republic of Pakistan shall accord the Representative, the Staff and their families as well as the Office such privileges, exemptions and benefits as are no less favorable than those accorded to representatives, staff and their families as well as offices of any third country or of any international organization performing a similar mission in the Islamic Republic of Pakistan.

Article X

The Government of the Islamic Republic of Pakistan shall take necessary measures to ensure security of the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in the Islamic Republic of Pakistan.

Article XI

The Government of the Islamic Republic of Pakistan and the Government of Japan shall consult with each other in respect of any matter that may arise from or in connection with this Agreement.

Article XII

1. The provisions of this Agreement shall also apply, after the entering into force of this Agreement, to the specific technical cooperation programs which have commenced prior to the entering into force of this Agreement, and to the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in the Islamic Republic of Pakistan as well as to the equipment, machinery and materials related to the said programs.

2. The termination of this Agreement shall neither affect the specific technical cooperation programs being carried out until the date of the completion of the said programs, unless otherwise decided upon by mutual consent between the Parties, nor affect the privileges, exemptions and benefits accorded to the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in the Islamic Republic of Pakistan for the performance of their duties in connection with the said programs.

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left and several initials on the right.

Article XIII

1. This Agreement shall enter into force on the date of the signature thereof.

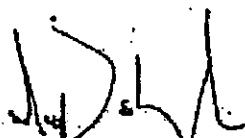
2. This Agreement shall remain in force for a period of one year, and shall be automatically renewed every year for another period of one year each, unless either Government has given to the other Government at least six months' written advance notice of its intention to terminate this Agreement.

Article XIV

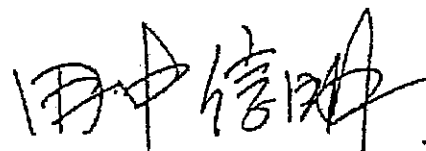
The Annex to this Agreement forms an integral part of this Agreement, and all reference to the "Agreement" shall include reference to the Annex.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Agreement.

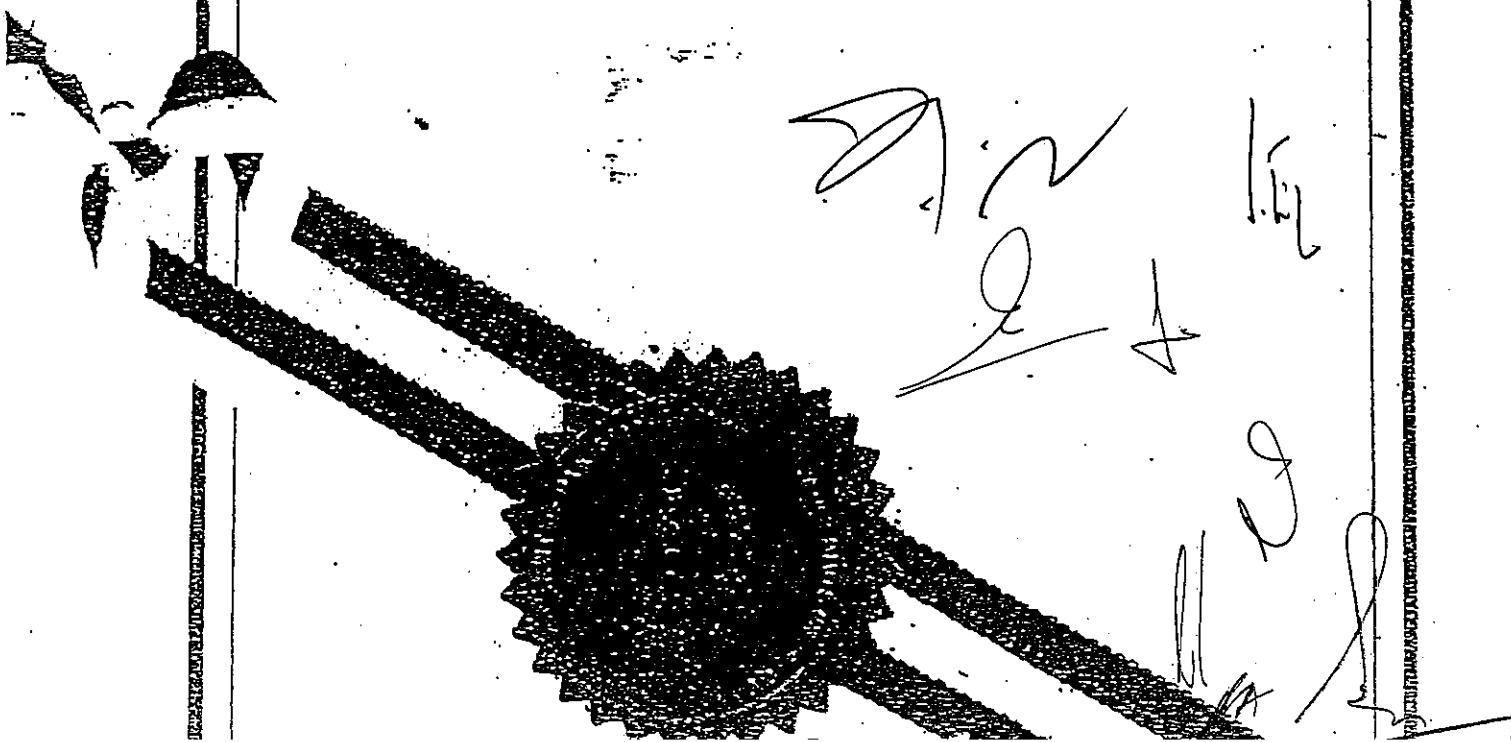
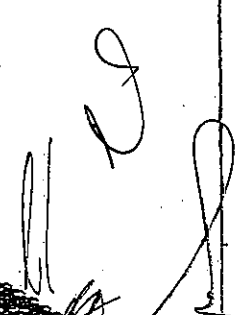
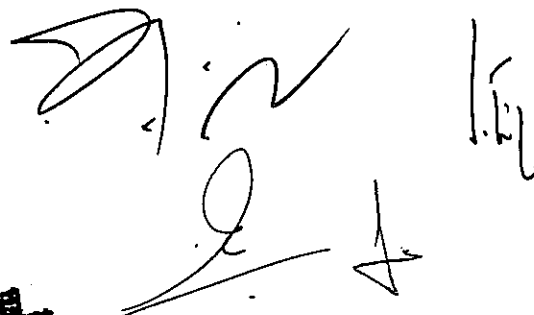
DONE in duplicate, in Japanese and English languages, both texts being equally authentic, at Islamabad on 30th April, 2005.



For the Government of
the Islamic Republic of Pakistan:

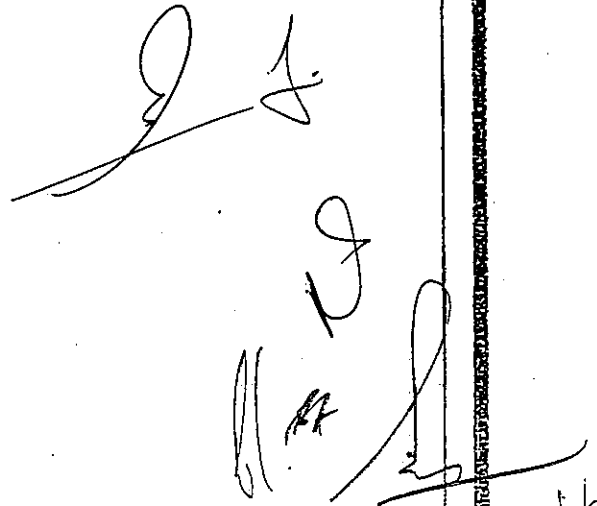
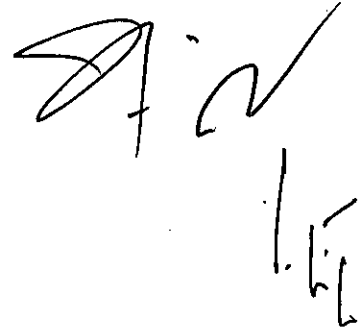


For the Government of Japan:



ANNEX

In case the Government of the Islamic Republic of Pakistan should impose consular fees or require the obtainment of import license or certificate of foreign exchange coverage in respect of the importation of items in the future, the Experts, the Senior Volunteers, members of the Mission, the Representative, the Staff and their families as well as the Office shall be exempted from such consular fees or such requirement, in respect of the importation of the items referred to in Article V.1.(1)(b), Article VI.1.(1) and 2.(2), and Article IX.2.(1)(b) and 2.(2)(a).



Appendix 2

MAIN POINTS DISCUSSED

1. Counterpart Personnel

GOPb will complete the recruitment of eight (8) new solid waste managers and four research associates/assistants who will be associated with the JICA Project Team in order to develop capacities to formulate a master plan of solid waste management at latest by the end of February 2013. Those eight (8) solid waste managers will be trained by UU in March 2013 and be dispatched to CDGG from April 2013.

2. Seminar and/or Workshops

Both sides agreed that seminars and/or workshops would be jointly held by CDGG, UU and JICA Project Team to provide opportunities of dialogue with stakeholders and technology transfer to the Pakistani counterparts. Especially, considering the intention to replicate the outcomes from the Project to other cities, it is preferable to invite relevant personnel from other major cities engaged in solid waste management, such as from Faisalabad, Rawalpindi, Multan, Sargodha, Bahawalpur or Sialkot, and/or other districts within Gujranwala division, and other related stakeholders. CDGG, UU, eight (8) solid waste managers and four (4) research assistants/associates shall use the opportunities to take lead on planning for replication to other cities in Punjab and/or districts in Gujranwala division. Cost for holding seminars/workshops will be mainly borne by JICA.

3. Necessary Equipment and Facilities for the Project

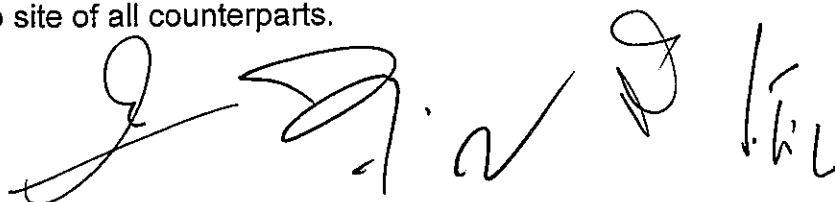
GOPb and CDGG agreed to provide the PMU with suitable office space, furniture, air conditioners, and communication facilities in the Solid Waste Management Office of CDGG during the Project.

Both sides agreed that CDGG shall provide the communication facilities and that the bills for the use of the communication would be paid by JICA Project Team.

About the vehicles one vehicle with a driver will be allocated to each of eight (8) waste managers starting from Fiscal Year (FY) July 2013. During the current Pakistani FY (July 2012-June 2013) the waste managers will use the existing vehicles on sharing basis with other CDGG staff. And transport for four (4) research associates from UU, UU will bear the cost of its staff transportation.

4. Reports

Both sides agreed that the reports of the Project shall be made available to stakeholders and open to the public. CDGG and GOPb agreed to make sure of disclosing the reports on web site of all counterparts.



5. Utilization of PC-I titled Institutional Capacity Building of Urban Solid Waste Management System in Punjab (Pilot Phase)

The approved PC-I budget will cover necessary expenses for eight (8) solid waste managers including staff salary, travel expenses for training, daily consumptions for the Project.

6. Environmental and Social Considerations

JICA provided JICA's Guidelines for environmental and social considerations (2010), (hereinafter referred to as the JICA guidelines) and explained that it would be applied to the project. The Pakistani side understood the policy of the JICA guidelines and agreed in principle as follows:

- (1) The Pakistani side will follow EIA regulations in Pakistan for project activities at final disposal site and take appropriate measures, if necessary. The JICA Project Team will provide the technical support to do it.
- (2) The information disclosure such as opening the study report shall be made in order to ensure the participation and dialogues with various stakeholders, in order to achieve appropriate environmental and social considerations.
- (3) In the course of implementation of the Project, public consultation with communities and stakeholders shall be included if necessary.
- (4) In view of the Project objectives, both side agreed the Project to follow the laws and regulations in force in Pakistan and the JICA guidelines.

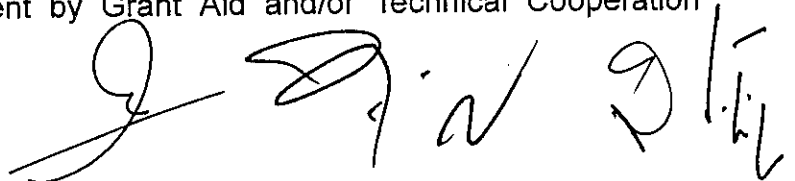
7. Continuous support for the Project

Both sides agreed that through the Project, capacity for formulation of a master plan in the field of solid waste management at city level will be developed and the capacity should be accumulated and transferred to GOPb for future extension of the master plan formulation to other major cities in Punjab.

Both sides agreed that UU and Department of Local Government will make every effort to retain professionally competent solid waste managers for the replication stage of the Project in other district(s) of Gujranwala and in other major cities in Punjab.

CDGG, GOPb and JICA will cooperate for the implementation of the master plan that will be developed as the outcome of the Project by conducting Grant Aid and/or Technical Cooperation.

GOPb expects next implementation phase of the Project for extension of the scope of capacity development by Grant Aid and/or Technical Cooperation



Project. GOPb through CDGG shall secure continuous engagement of solid waste managers as per decided number. Actions for further steps for Grant Aid and/or Technical Cooperation Project would be discussed between Pakistani side and Japanese side as the Project progresses as well as the monitoring and evaluation stage of the Project.

8. Others

(1) Office Space for the Project

CDGG confirmed the office space for the JICA Project Team located at the CDGG building. Necessary arrangement such as partition, desks, chairs, bookshelves, internet facility, telephone, air conditioners, etc, shall be made available before the commencement of the Project.

(2) Selection of the candidate areas of the new final disposal site in Gujranwala CDGG and GOPb will select candidate areas of a new final disposal site and inform JICA of the result of selection before the commencement of the Project and during the Project, the candidate sites will be compared and examined to determine the best new final disposal site in the master plan. Consequent upon the selection of final disposal site, CDGG will take up the process of EIA. Cost for EIA will be made available by Pakistani side.

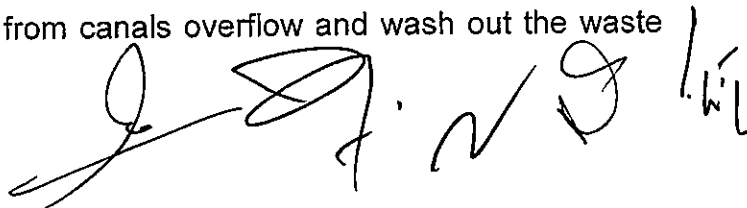
The Team requested to include following into the selection criteria for the candidate areas;

- i) Accessibility
- ii) Environmental and Social Consideration based on JICA Guidelines
- iii) Consideration of the location of the existing dump site as it will be used for future transfer station/material recovery facilities (MRF)
- iv) Sufficient land size to accept the waste at least for another 10 years

CDGG and GOPb agreed that the selection criteria will be prepared and shared with JICA by the end of December 2011, and the candidate areas will be identified and informed to JICA before the commencement of the Project.

(3) Collaboration with WASA

CDGG explained that there occurs blockage of sewers by solid waste in Gujranwala that causes less efficiency of waste water flow, on the other hand, when rainy season, waste water from canals overflow and wash out the waste

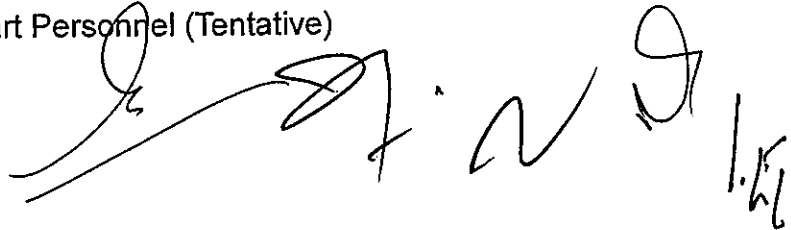
Handwritten signature and initials in black ink, appearing to be 'J. A. N. S.' followed by a vertical line and '1/11'.

compiled along the road. Likewise, waste water management and solid waste management are inter-related. Therefore, both sides agreed that the collaboration with WASA shall benefit mutually contributing to the better efficiency of collection of waste and sewage management. To support this collaboration, MD WASA Gujranwala shall be the member of JCC.

(4) Target waste

CDGG requested to include industrial waste and medical waste within the scope of the Project. Although the industrial waste is supposed to be properly treated by industries, and medical waste is to be segregated at source and treated properly by hospitals under Health Department, but in reality, those wastes are disposed mixed with other municipal solid waste, and this problem has to be addressed and improved. In this context, the JICA Project Team will propose the policy recommendation for the industrial waste and medical waste.

Annex 1: List of Counterpart Personnel (Tentative)

A large, stylized handwritten signature in black ink, followed by the initials 'M.K.' written vertically to the right.

Annex 1 List of Counterpart Personnel (Tentative)

The proposed composition of project Counterpart Personnel, described below, will be discussed again and confirmed in the Joint Coordination Committee (JCC) meeting to be held at the start of the project as and when deemed appropriate.

The Urban Unit (UU), Government of the Punjab (GOPb)

<u>Designation</u>	<u>Number</u>
1. Sr. SWM Specialist	1
2. Research Associate	5

City District Government Gujranwala (CDGG)

Current Staff (Permanent Staff):

1 Executive District Officer (EDO) (MS)	1
2 District Officer (DO) (SWM)	1
3 District Officer (DO) (Environment)	1
4 Chief Sanitary Inspector (Zone 1)	1
5 Chief Sanitary Inspector (Zone 2)	1

New Staff:

(Contract staff to be appointed under PC-I contract with a possibility of regularization depending on the staff performance and funds availability)

The following staff has been shortlisted and is expected to join CDGG in March 2013, after which they will receive training in UU until April and dispatched to CDGG in May 2013.

1. Solid Waste Manager

8

