SIGNED

NB154

TRIPARTITE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE LAO PEOPLES' DEMOCRATIC REPUBLIC, THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM AND THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS FOR THE IMPLEMENTATION OF THE SPECIAL PROGRAMME FOR FOOD SECURITY IN LAO PEOPLES' DEMOCRATIC REPUBLIC

WHEREAS the Government of Lao Peoples' Democratic Republic and the Government of the Socialist Republic of Vietnam have concluded an agreement on the economic, trade, cultural, scientific and technical cooperation on 18 January 2000 in Vientiane, Laos;

WHEREAS the Director-General of the Food and Agriculture Organization of the United Nations has proposed the implementation of a Special Programme entitled "Special Programme for Food Security in Low-Income Food-Deficit Countries" (hereinafter the "Special Programme for Food Security - SPFS");

WHEREAS the FAO Council, at its 106th Session in May 1994, unanimously approved the SPFS as submitted by the Director-General;

WHEREAS the Government of Lao Peoples' Democratic Republic (hereinafter "the Host Government"), the Government of the Socialist Republic of Viet Nam, (hereinafter "the Cooperating Government"), and the Food and Agriculture Organization of the United Nations (hereinafter "FAO") have consulted within the framework of the SPFS;

WHEREAS, the Minister of Agriculture and Rural Development of the Government of the Socialist Republic of Viet Nam and the Minister of Agriculture and Forestry of Lao Peoples' Democratic Republic signed a Memorandum of Cooperation in Agriculture on 25 February 2000 in Hanoi, Viet Nam;

WHEREAS the Cooperating Government has decided, in collaboration with FAO, to place technical assistance services at the disposal of the Host Government, within the framework of the SPFS and following the procedures herein established; and

WHEREAS the Host Government has decided to provide the facilities to host the experts and field technicians supplied within the framework of this Agreement in accordance with the procedures herein established;

The three parties representing Lao Peoples' Democratic Republic, the Socialist Republic of Viet Nam and FAO hereby agree as follows:

ARTICLE I

1. The main purpose of this Agreement is to assist the Host Government in identifying, designing and implementing, in close collaboration with Host Government counterparts, the Special Programme for Food Security (SPFS), namely the three inter-related components: water management, sustainable intensification of crop productions systems and the diversification of production with emphasis on short-cycle animals and aquaculture.

2. The experts and field technicians provided by the Cooperating Country, as described below constitute the South-South Cooperation Mission.

3. The description of the services, terms of reference, budget and plan of work are set out in the Appendices hereto.

ARTICLE II

1. The Cooperating Government shall:

   (a) select, as and when required, qualified experts and field technicians according to the terms of reference laid out in Appendix 1 to this Agreement. The experts and field technicians will be seconded at central level in Vientiane (four experts for each stage of the Programme), and at local level (twenty-four field technicians during the first stage and ten for the second stage). Experts and technicians will be deployed for a total of 156 person/month and 564 person/month respectively, time off included, in accordance with the programme calendar. Contracts should be renewable, for a number of experts and field technicians, according to needs and as agreed by the with the three parties.

   (b) send, for each post, a CV of the selected experts and field technicians to FAO and the Host Government for technical clearance and approval. Assignment of the experts and field technicians shall be subject to the approval of the Host Government and FAO.

   (c) pay the salaries, social insurance and all other remuneration to which the experts and field technicians have a right in Viet Nam, and shall meet their travel expenses within Viet Nam on their departure and return. It will also provide for the experts' and field technicians' re-integration in their home country at the end of their contract.

   (d) provide the most appropriate technology, material and equipment to maximise technical cooperation in the various fields in question (water control, plant production, small animal husbandry and aquaculture, etc.) and to improve living conditions of the poor and the vulnerable groups in rural areas.

   (e) facilitate the issuing of a visa to Host Government and FAO staff on working visits to Viet Nam within the framework of this Agreement.

ARTICLE III

1. The Host Government shall:

(a) provide two furnished lodgings for experts permanently stationed in the capital and for field technicians working elsewhere in the country on a consultation visit to the capital; and seventeen furnished lodgings in the districts and rural communities.

(b) pay the cost of a reasonable consumption of electricity and water in the homes;

(c) provide entry and exit visas and all other administrative formalities required by the experts and field technicians for their stay;

(d) cover local and regional travel expenses;

(e) cover travel expenses for its own nationals;

(f) provide public administrative support services;

(g) grant duty-free import, within the first six months of the assignment, of all equipment needed by the experts and field technicians, and duty free export of goods purchased locally;

(h) provide insurance for the vehicles, including drivers and passengers, and motorcycles made available to the experts and field technicians by FAO;

(i) supplement upon request by the Cooperation Government, the coverage provided by FAO under Article IV e) and f) below, by providing experts and field technicians with medical insurance, including coverage against disease and accident and their consequences (partial or total disablement, or death), repatriation, if necessary, and all relevant compensation. Modalities for such supplementary coverage shall be jointly determined by the Host and the Cooperating Governments;

2. In cases of disaster or conflict, decisions on evacuations of experts and field technicians shall be taken by the UN Coordinator in the Host Country, in conformity with their status as "Experts on Mission" under Annex II of the Convention on Privileges and Immunities of the Specialized Agencies. The evacuation of experts and field technicians from one region to another within the Host Country shall be subject to the effective continuation of the activities of the Programme as agreed by the Parties. The costs of evacuation within the Host Country shall be borne by the Host Government. In case of evacuation out of the Host Country, or of impossibility to continue the activities of the Programme in cases of evacuation within the Host Country this Agreement and the relevant Special Services Agreements with experts and field technicians, shall be deemed to have terminated and the repatriation travel of these experts and field technicians shall be covered by FAO pursuant to Article IV a) below.

3. The terms of employment of the experts and field technicians shall reflect labour legislation in the Lao PDR. Experts and field technicians shall have an assignment of

16 – 20 months, with 2.5 days of time off per month. (Detailed length of assignment for experts and technicians for the first and second stage is described in Appendix 2.) If such time off does not take place during the period of assignment, no payment will be made in lieu thereof, unless such payment is approved in advance on a case-by-case basis, depending on the specific requirements, as agreed by the parties.

4. With regard to any matter relating to implementation of this Agreement, the Host Government shall apply to FAO, its property, funds and assets, and to its officials and other persons performing services on its behalf under this Agreement, the provisions of the Convention on the Privileges and Immunities of the Specialized Agencies and of Annex II as regards FAO.

5. The Host Government shall be responsible for dealing with any legal action initiated by third parties against FAO, its officials or persons performing services on its behalf, except where FAO and the Host Government agree that these have acted with gross negligence or wilful misconduct.

6. All payments made to the experts and field technicians by the Host Government and FAO, and any savings accumulated by experts and field technicians, shall be convertible into hard currency and exportable. The rate of exchange applicable shall be the UN operational rate of exchange in force on the date of payment or conversion.

ARTICLE IV

1. FAO, through a trust fund project (GCSP/LAO/011/JPN), shall:

   (a) cover international travel expenses, in accordance with FAO rules (by the quickest and cheapest route) including allowance for 50 kg of accompanied excess baggage, or a net weight of 100 kg of unaccompanied baggage, for each of the outward and return legs, and terminal expenses. If, after the outward journey has been undertaken at FAO's expense, an expert or field technician leaves the Host Country for whatever reason or otherwise terminates the Special Services Agreement before its expiration date, any right to repatriation transportation ceases and the expenses thereto shall be borne by the Cooperating Government, except when repatriation has been authorised by a UN medical practitioner on fully certified medical grounds

   (b) pay monthly allowances (US$1,000/month/expert required for overall guidance and supervision and US$600/month/field technician), including during time off calculated at 2.5 days/month;

   (c) pay installation grants (US$300 per expert and field technician);

   (d) cover medical clearance costs for medical examination of selected experts and field technicians, in accordance with FAO's rules;

   (e) provide to experts and field technicians medical insurance coverage under the Organization's MCS medical scheme;

   (f) provide to experts and field technicians coverage under the compensation plan of FAO, for service-incurred illness, injury or accidental death;

(g) cover local and regional travel expenses;

(h) provide transport facilities needed for official work;

(i) provide insurance for the vehicles, including drivers and passengers, motorcycles and bicycles made available to the experts and field technicians by FAO;

(j) over office operating costs, including office supplies that cannot be provided by the Host Government;

(k) cover the cost of freightage of appropriate equipment (materials and implements) provided by the Cooperating Government for use in Lao PDR;

(l) cover the costs of consumables (fuel, printing of reports, etc).

2. The experts and field technicians proposed by the Cooperating Government and approved by the Host Government and FAO shall be assigned to the Programme in accordance with the terms of conditions of FAO's Special Services Agreement, of which a standard form is attached herewith. They shall not be considered as FAO staff and their assignment under the Programme does not carry any other additional benefits, any expectancy of renewal, or conversion to any other type of contract or appointment in any activity of FAO. FAO shall only bear responsibilities towards them insofar as specified in this Agreement and in the Special Services Agreement as appropriate.

3. FAO, through its Representative in Lao PDR, shall make any payments due to the experts and field technicians through the Head of Mission designated by the Cooperating Government. All payments shall be made in US Dollars.

4. FAO, in consultation with the technical officer designated by the Host Government and the Head of Mission designated by the Cooperating Government, shall be responsible for the technical supervision and monitoring of the implementation of activities in accordance with the description of services (Appendix 1).

ARTICLE V

1. The Programme shall be placed under the responsibility of the Ministry of Agriculture and Forestry of the Host Country and shall be implemented by the South-South Cooperation Mission in collaboration with the Host Government counterparts and the farmers' associations.

2. Periodic technical reports shall be submitted by the South-South Cooperation Mission to the Ministry of Agriculture and Forestry of the Lao PDR, the Ministry of Agriculture and Rural Development of Viet Nam, and to FAO.

3. A tripartite review of the Programme (Host Country, Cooperating Country and FAO) shall be organized by the Host Country after each rainy season. It shall evaluate programme activities and shall deal with all matters related to the success of the tripartite cooperation, in particular the administrative and financial arrangements.

ARTICLE VI

1. The Cooperating Government shall have the right to change the monthly salaries of its experts and field technicians, on the basis of their different categories; however, the total monthly allowance paid by FAO (1,000 US dollars/month/expert and 600 US dollars/month/field technician) shall remain unchanged.

2. In order to facilitate the smooth delivery of the Programme, the Host Government shall deposit the funds corresponding to its obligations under this Agreement in a bank account which shall be jointly managed under the dual signature of the FAO Representative and the designated official of the Host Government.

ARTICLE VII

1. This Agreement and any dispute arising from it shall be governed by the general principles of law to the exclusion of a particular juridical system. Any dispute or claim directly or indirectly arising from this Agreement or resulting from an infringement of its provisions shall, where not settled by direct negotiation, be put to arbitration in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) in force on the date this Agreement becomes effective. The parties agree to be bound by such arbitration, which they hereby accept as final.

2. No provision of this Agreement shall be construed to signify any direct or indirect waiver of the privileges and immunities of FAO.

ARTICLE VIII

1. Amendments to this Agreement or its Appendices may only be made by joint agreement of the three parties through exchange of letters.

ARTICLE IX

1. This Agreement may be terminated by the Cooperating Government and/or by the Host Government at any time by serving written notice to this effect on the other Government and on FAO.

2. This Agreement may be terminated at any moment by FAO by serving written notice to this effect on the Cooperating Government and the Host Government if FAO deems that an event outside its control makes it impossible for FAO to honour its obligations under this Agreement.

3. The effectiveness of this Agreement shall cease 60 days after service of the notice referred to in paragraphs 1 or 2 of this Article.

4. The obligations on the parties under the terms of the Agreement shall remain in force after the effectiveness of this Agreement ceases, to the extent that may be necessary to properly wind up its activities, withdraw the personnel, funds and assets, settle accounts between the parties and meet contractual obligations.

ARTICLE X

1. The activities set forth in the description of the services shall be performed in accordance with the Plan of Work annexed hereto.

2. This Agreement shall enter into force on the date of signature by all three parties.

3. All notification between the parties under the terms of this Agreement shall be in writing. Notification shall be deemed effected if served personally to the addressee or sent by post, telegram, cable, telex or fax to the addressee c/o the address indicated below or any other address that the addressee may notify to the party effecting the notification.

IN WITNESS WHEREOF

The parties hereto, acting through their duly authorised representatives, have signed this Agreement.

For the Government of the
Lao People's Democratic Republic

Title: Deputy Minister
of Agriculture and Forestry

Name: Sitaheng Rasphone

Date: 26 MAR 2001

For the Government of the
Socialist Republic of Viet Nam

Title: Ambassador of the Socialist Republic of Viet Nam

Name: His Excellency Le Vinh Thu

Date: 12 November 2001

For the Food and Agriculture
Organization of the United Nations

FAO Representative in Lao People's Democratic Republic

Name: Tsukasa Kimoto

Date: 26/3/2001

Appendices of the Agreement include:

Appendix 1: Terms of Reference
Appendix 2: Deployment of Technical Experts and Field Technicians
Appendix 3: Estimated Programme Budget
Appendix 4: Project Proposal
Appendix 5: Financing Plan
Appendix 6: Standard Form of Special Services Agreement

APPENDIX 1

Terms of Reference

Applicable to all experts and technicians:

1. All experts and field technicians would be required to meet the following general standards:

(a) Experts would require as a minimum a University degree, with preferred post-graduate degree in a relevant subject, and at least 10 year's work experience in each field of specialisation.

(b) Field technicians would require as a minimum a Diploma in Agriculture, with preferred University degree, and at least 10 year's work experience in field extension in a relevant area of specialisation.

(c) A good working knowledge of English and Lao language is essential.

(d) To be in good health.

(e) To be able to adapt themselves to the difficulties in the rural area of Lao PDR.

1. Chief of Vietnamese Team of Experts and Technicians/Rice Cultivation Specialist

Work Station: Sarakham with regular trips to pilot sites in the project Districts and villages.

Duties: In close collaboration and co-ordination with the SPFS National Project Director and the SPFS Project Steering Committee, together with the Department of Crop Production, the National Food Security Programme and the National Agricultural Extension Agency of the Ministry of Agriculture and Forestry and the FAO country office, as required and assisted by the experts on cash crops (field crops, vegetables and fruits), water management, livestock, he/she will fulfil the following tasks:

(a) Act as the key contractor of Expert and Technician Team with relevant institutions in the local government and FAO/Donor Government, to ensure co-ordination and collaboration required for implementation of work plan.

(b) Take care of operational procedures, administration and financial requirements to ensure that the funds or contributions in kind allocated for the programme are mobilised on time.

(c) Prepare the regular reports of activities of the Vietnamese Team and send it to Ministry of Agriculture and Forestry of Lao PDR, FAO/Donor Government and Ministry of Agriculture and Rural Development in Viet Nam.

(d) In collaboration with the National Project Director, draft the agenda of tripartite review meetings (mid-term and final term).

(e) Ensure smooth implementation of programme of work of the Vietnamese Team with frequent monitoring and review.

(f) Responsible for all reporting requirements including auditing of accounts concerned with work of Vietnamese Team.

In addition to above tasks, he/she, as rice production specialist, will fulfill the following tasks:

(a) Become familiar with the traditional farming system of the project site, including rice cultivation, and review the capacity and opportunity to adapt local techniques with improved technologies.

(b) Identify the major constraints in rice production and recommend improved technology measures.

(c) Assist in the selection and planning of demonstrations and training courses in intensive technologies in rice production.

(d) Assist the field technicians in the implementation of the technical demonstrations and on the job training of farmers in the technical components of the programme.

(e) Advise on drafting simple extension materials and posters for the demonstration programme;

(f) Participate as a resource person in the training of trainers and farmers field school.

2. Expert on Livestock

Work Station: Sarakham with the regular trips to the pilot sites in the districts and villages.

Duties: Under supervision of the Chief of Team and in close consultation with the field technicians in the pilot sites and operational collaboration with the agriculture extension agency, will fulfil the following tasks:

(a) Become familiar with the traditional techniques of livestock (and fisheries) production at the project sites and review the capacity and opportunity to adapt local techniques with improved technologies of more intensive systems of livestock (and fisheries) production.

(b) Identify the major constraints in livestock (and fisheries) production and recommend improved technology measures.

(c) Assist in the selection and planning of demonstrations and training courses in intensive technologies of livestock (and fisheries) production.

(d) Assist the field technicians in the implementation of the technical demonstrations and on the job training of farmers in the diversification component of the project.

(e) Advise on drafting simple extension materials and posters for the demonstration programme;

(f) Participate as a resource person in the training of trainers and farmers field school;

(g) Prepare regular technical reports of activities undertaken to the Chief of Team and any reports that may be requested.

3. Expert on Water Management

Work Station: Sarakham with the regular trips to the pilot sites in the districts and villages.

Duties: Under supervision of the Chief of Expert and Technician Team and in close consultation with the field technicians in the pilot sites and operational collaboration with the agriculture extension agency, will have the following tasks:

(a) Study the existing irrigation systems developed at the SPFS sites and review the capacity and use of this system and the potential for improved water control;

(b) Identify the major constraints of water management at local sites and select and recommend technology measures to improve water use efficiency and system management;

(c) In collaboration with the Irrigation Specialist in the National Project Office, assist in the planning of demonstrations to improve water control in SPFS sites;

(d) Assist in the implementation of the technical components of the water control programme;

(e) Assist in the establishment and operational development of Water User Organiszations in villages to improve financial and operational management of the irrigation systems;

(f) Advise on drafting simple extension materials and poster for the demonstration programme;

(g) Participate as a resource person in the training of trainers and farmers field school;

(h) Prepare regular technical reports of activities to the Chief of Vietnamese Team and any other reports as may be requested.

4. Expert on Cash Crop (Vegetable and Fruit) Production:

Work Station: Sarakham with the regular trips to the pilot sites in the districts and villages.

Duties: Under supervision of the Chief of Expert and Technician Team and in close consultation with the field technician in the pilot sites and operational collaboration with the agriculture extension agency, will have the following tasks:

(a) Study the situation of local vegetable and fruit production and also forecast the development capacity;

(b) Overview the major constraints of vegetable and fruit production to find the necessary recommendations;

(c) Assist in the planning and selection of improved technologies in vegetable and fruit production;

(d) Assist in the implementation of the technical components of the programme.

(e) Advise on drafting simple extension materials and poster for the demonstration programme;

(f) Participate as a resource person in the training of trainers and farmers field school;

(g) Prepare the regular technical reports of activity to the Chief of Team and any reports as may be requested.

5. Field Technicians

Work Station: Field technicians will be located in the districts in which the SPFS sites are located (refer Appendix 2).

Duties: Under supervision of the Chief of Vietnamese Expert and Technician Team and in close collaboration with the District SPFS Teams in the pilot sites and operational coordination with the District and Provincial Agriculture and Forestry Services, the field technician duties are as follows:

(a) Assist with the establishment and functioning of a Farmer Field School for the conduct of training programmes on the various aspects of farm production, particularly associated with improved crop, soil, water and livestock management.

(b) In collaboration with the technical experts select the most appropriate technologies to be demonstrated at each site.

(c) In collaboration with farmers, assist with the establishment and conduct of technology demonstrations in farmers' fields to showcase appropriate water, crop and livestock management and production systems and other aspects to improve the production and profitability of the farming systems

(d) On a daily basis informally meet with individual farmers and communities to discuss practical aspects and means of improving their farming systems.

(e) Assist with the formation and functioning of Water User Organizations and any other production groups deemed necessary.

(f) Assist with the conduct of field days to showcase successful technology application to farmers.

(g) Arrange and participate in cross-visits for selected farmers to other pilot project sites.

(h) Assist with the preparation of training materials and provision of regular training programmes to farmers.

(i) Assist in the preparation of progress reports on the implementation of the SPFS and SSC at each site.

(j) Undertake other tasks as assigned by the authorities of programme.

APPENDIX 2

Deployment of Technical Experts and Field Technicians in Lao PDR

First Stage

Sites (residence)	Chief of mission/rice cultivation	Water management	Livestock	Cash crops	Total Number
Technical Experts - Sarakham (Vientiane City)	1 (19 months)	1 (19 m)	1 (19m)	1 (19m)	4 (76 months)
Field Technicians 1. Luangnamtha Province - Namtha District (Luangnamtha)	* 2 technicians per district selected from either of above technical backgrounds. * 16 months assignment per technician.				2 (32 montsh)
2. Oudomxay Province - Xay District (Oudomxay)					2 (32 montsh)
3. Vientiane Province - Kasy District (Viengkham) - Viengkham District (Viengkham)					2 (32 montsh) 2 (32 montsh)
4. Bolikhamxay Province - Paksan District (Paksan) - Bolikhanh District (Bolikhan)					2 (32 montsh) 2 (32 montsh)
1. 5. Khamouanne Province - Hinboune District (Hinboune) - Yommalat District (Yommalat)					2 (32 montsh) 2 (32 montsh)
6. Savannakhet Province - Xaypouthong District (Xaypouthong) - Kanthaboury District (Kanthaboury)					2 (32 montsh) 2 (32 montsh)
7. Champassak Province - Pathoumphone District (Pathoumphone) - Sanasomboon District (Sanasomboon)					2 (32 montsh) 2 (32 montsh)
Total Technicians					24 (384months)
Total Technical Assistance (First Stage)					**28 (460 months)**

Second Stage

Sites (residence)	Chief of mission/rice cultivation	Water management	Livestock	Cash crops	Total Number
Technical Experts - Sarakham (Vientiane City)	1 (20 months)	1 (20 m)	1 (20m)	1 (20m)	4 (80 months)
Field Technicians 1. Luangnamtha Province (site to be identified)	* 2 technicians per district selected from either of above technical backgrounds. * 18 months assignment per technician.				2 (36 montsh)
2. Oudomxay Province (site to be identified)					2 (36 montsh)
3. Vientiane Province (site to be identified)					2 (36 montsh)
4. Bolikhamxay Province (site to be identified)					2 (36 montsh)
5. Champassak Province (site to be identified)					2 (36 montsh)
Total Technicians					10 (180 months)
Total Technical Assistance (Second Stage)					**14 (260 months)**

APPENDIX 3

Estimated Programme Budget

Item	Unit	PY1	PY2	PY3	PY4	PY5	Total	Unit cost	Base cost	Total Cost (US$)
- Technical experts (4) see note	months	36	40		40	40	156	1,000	156,000	
- Field Technicians (2 per site)	months	144	240		90	90	564	600	338,400	
- International travel	persons	28	28		14	14	84	300	25,200	+ Service charge(13%)
- In-country travel/Experts	months	36	40		40	40	156	180	28,080	
- In-country travel/Technicians	months	144	240		90	90	564	80	45,120	+Price contingencies (2%)
- Installation grant	persons	28			14		42	300	12,600	
- Insurance	months	180	280		130	130	720	15	10,800	
- Operating cost	ls								20,400	
- Miscellaneous	ls								5,000	
Total	-	-	-	-	-	-	-	-	**641,600**	**737,840**

APPENDIX 4

PROJECT PROPOSAL

I. INTRODUCTION

1. A joint FAO-Viet Nam–Lao PDR South-South Cooperation Formulation Mission[1] worked in Lao PDR from 18 April to 2 May 2000, following consent by the Governments of the Lao Peoples' Democratic Republic (Lao PDR) and Socialist Republic of Viet Nam to enter into an agreement of cooperation under the South-South Cooperation (SSC), within the framework of the Special Programme for Food Security (SPFS) initiated by the FAO. The objective of the Mission was to identify the areas of co-operation under the SSC programme, the expertise that would be needed, and the modalities for the implementation of the programme, according to the Mission Terms of Reference (Appendix 1).

2. The Mission held initial discussions with representatives of the Ministry of Agriculture and Forestry of the Lao PDR. Field visits were made to seven of the twelve selected sites of the Stage 1 of the SPFS programme in Lao PDR (Appendix 2). Discussions were held with local officials of the respective Provincial Agriculture and Forestry Services (PAFSO) and the District Agriculture and Forestry Services (DAFSO) and farmers at the selected sites for the SPFS. Subsequently, final meetings were held with representatives of the Ministry of Agriculture and Forestry and Ministry of Foreign Affairs to present the findings and recommendations of the Mission and obtain agreement to the proposals for South-South Cooperation.

II. SOCIO-ECONOMIC SETTING

3. Agriculture in the Lao Peoples' Democratic Republic (Lao PDR) continues to be considered the spearhead of the economy, contributing approximately 52% of GDP, as compared to industry and service sectors that have a GDP of about 20.8% and 24.7% respectively (1997). Agriculture also contributes a significant share of officially recorded foreign exchange earnings (about 40%) and an estimated additional 15% in unofficial earnings, and it provides the main source of cash income for about 85% of the national labour force.

4. As in most developing countries, agriculture in the Lao PDR is still characterized primarily by a subsistence form of farm production with, traditionally, rice as the staple food. The national food production programme continues to focus, primarily, on boosting rice production in parallel with ensuring adequate supplies of plant and animal protein so as to ensure rice self-sufficiency and food security for both the urban and rural areas. However due to agricultural productivity being adversely affected by natural calamities, limited opportunities and capability for increased agricultural diversification, limited adoption of modern agricultural technologies and practices and limited non-farm employment activities, it is estimated that 46% of the Lao population still falls below the poverty line. The incidence of poverty is found to be more significant in the rural areas, since it affects about 53% of the rural population, as compared to 23.9% in urban areas.

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[1] Dr. D. A. Ivory, FAO, Mission Leader, Mr. Nguyen Chi Thanh (Senior Advisor) and Mr. Nguyen Quoc Dat (Senior Economist) representing the Government of Viet Nam, and Messrs. Boulouane Douangeune, Soulivanh Voravong, Chondara Hanh and Sondela Phinith, representing the Government of Lao PDR.

5. The country's social indicators such as life expectancy (50 years), literacy rates (56%), and infant mortality (113 per 1,000) are amongst the lowest in the world. In addition, the country has a high population growth rate (2.5%). As a consequence of such poor indicators and its low per capita income of around US$ 382 (1997), Lao PDR ranks among the world's Least Developed Countries. The Government thus places increasing emphasis on the development of human resources, particularly in the education and health sector in the rural areas. Primary education was made compulsory in 1991 and the Government has increased the proportion of public expenditure on the health and education sectors.

III. AGRICULTURE IN THE ECONOMY OF LAO PEOPLES' DEMOCRATIC REPUBLIC AND THE FOOD SECURITY SITUATION

6. Under the New Economic Mechanism (NEM), efforts are being made in the agricultural sector to move from subsistence farming to a market oriented economy. The government policy in the agricultural sector gives priority to increasing crop and livestock production in order to ensure food security, notably self-sufficiency in basic foodstuffs such as rice, and to ensure a more balanced diet by promoting the production and consumption of livestock products and other food items essential for the healthy nutrition of the population.

7. As rice is the staple food of the people, the Government has established a per capita requirement of 350 kg of paddy. Therefore, the national food security objective, with respect to production, is to produce two million tonnes of paddy by the year 2000 and 2.2 million tonnes by 2010. According to official statistics, the country has achieved the rice production target for 2000 and thereby overall food self-sufficiency, but because of disparities in area production there are still present significant areas of food insecurity in the country.

8. Agricultural production promotion policies focus on timely supply of inputs such as improved seeds, fertilizers, insecticides, pesticides, and agricultural tools at prices affordable to farmers. Integrated pest management systems are also encouraged. Efficient input and output markets will be developed, access to credit improved, and effective extension service capable of transferring new technology given priority. Research stations and centres will be rehabilitated and research activities expanded to new areas. Co-operation with research institutes abroad, especially in association with access to improved seed varieties and meteorology and hydrology studies and information will also be expanded. To encourage the production of marketable surpluses, the State plans to establish a guaranteed minimum price for paddy and hold a buffer stock. Intensification in the livestock sector will focus on a combination of improved feeding practices and veterinary services.

9. To increase rural incomes and stabilize rice supply, the irrigated area will be expanded in both wet and dry seasons. The target is to have an additional 50,000 ha of dry season irrigated area and 200,000 ha of wet season area with supplemental irrigation by the year 2010. An additional 35,000 ha of flood-prone areas will be protected. Construction of small-scale community-based irrigation schemes and household boreholes or wells will be emphasized.

10. The agriculture sector, comprising crops, livestock, fishery and forestry is the most important economic sector in the Lao PDR. Rice (the staple food) and livestock (source for cash incomes and for home consumption of those in farming) contribute approximately 40% each to agricultural GDP. A small number of self-sufficient farmers supply urban markets with their excess agricultural products, when available. These are mainly food products. During recent years, changes in the production economy and trade system have stimulated food production. Although some modifications in the pattern of food production (mainly in the lowlands) is to be

expected, it is considered likely that small farms will remain the basic source of food for the Lao society.

Crop Production

Rice

11. Rice is the staple foodstuff for Lao people of all ethnic groups. Paddy rice is produced in the Lao PDR through the use of lowland farming techniques, while upland rice is produced under a slash and burn cultivation system. In 1997, rainfed lowland areas covered about 421,000 ha (equivalent to 67% of the total area available for rice production) and accounted for an annual paddy production of about 1.3 million tons. A further 114,000 tons was produced on 26,700 ha under irrigation in the dry season. Rainfed upland rice was cultivated on an area of about 153,000 ha, producing only 247,000 tons of paddy per annum.

12. Due to irregular variations in climatic conditions each year, natural and semi-natural types of production are insecure. It is therefore not surprising that agricultural production in the Lao PDR is seriously affected by the vagaries of the climate, with at least 100,000 tons of paddy being lost each year. Mountain dwellers in remote areas, who are reliant on low yield, slash and burn cultivation, face the worst shortages. They are often without rice for 7-8 months of the year. Natural disasters, particularly drought and flooding exacerbate the chronic shortages.

13. The Government strategy to increase paddy production would be achieved through intensified production in the seven major plains and expansion of cultivated paddy area in mountain valleys with adequate water. The development of irrigation capacity in the dry season is a major objective to increasing rice production. Field surveys indicate an average yield of 2.08 ton/ha in Vientiane and only 1.46 ton/ha in the provinces, and upland rice yield estimated at 1.6 ton/ha in Vientiane and 1.31 ton/ha in the provinces. Yield per ha of rice can be significantly improved through better farming technologies. Initial results of the Lao-IRRI rice research project show that the use of improved seed alone can increase yield by 20-30 percent while chemical fertilizer (nitrogen and phosphate) could increase yield by 30-40 percent, when properly applied. In addition, there is scope to increase cropping intensity.

Subsidiary Crops

14. Consumption of subsidiary crops (other than rice) is still limited in Lao society. Some ethnic groups in the north consume other grains and root crops in combination with rice. This is likely due to insufficient rice production, as well as a means to meet nutritional needs. The two major groups of subsidiary crops are: i) maize, with production of around 78,300 tons (data 1997) and, ii) tuber and root crops with production of around 92,500 tons (data 1997). Part of the maize, tuber and root crop, approximately 10,000 tons/annum, is used as animal feed. The remainder is used for human consumption and is equivalent to about 50-150 tons of paddy. Two other additional crops cultivated for nutritional purposes are: sesame - approximately 4,000 tons in 1993, and sugarcane - approximately 95,000 tons in 1997.

Leguminous Crops

15. In general, leguminous crops are not produced extensively. Production of mungbean and groundnut is found mainly in the north and in the plains. Soybean is produced extensively in the northern provinces of Phongsaly, Luangnamtha, Xayaboury, Bokeo, Huaphanh and southern provinces of Saravane and Champassak. Annual production of the more important legume crops is

approximately 1,500 tons of mungbean, 2,295 tons of soybean 12,000 tons of groundnut (data, 1997). Such crops are mainly processed for food consumption into tofu, soybean milk, soybean sprouts and various cookies. These products have a high nutritional value.

Fruit and Vegetable Crops

16. Though the Lao people of all ethnic groups grow fruit trees, they cannot yet be considered as specialized fruit orchards. The trees are planted around the house and are mainly for household food consumption. Only a small surplus of fruits is sold. In general there are two types of fruit crops: tropical, sub-tropical and temperate. Nearly all types of tropical and sub-tropical fruits are grown in the Lao PDR and are sold in markets during the appropriate season, which lasts only a short period of time. Hence, demand is not met, and as a result some large cities have to import fruits from neighbouring countries.

17. Lao people of all ethnic groups are keen to grow vegetables in the early dry season (from November to April). Though vegetables are grown for sale in markets during the rainy season, the Lao people prefer to gather their vegetables in the wild. Vegetables in the Lao PDR are planted mainly in the vicinity of large cities along the Mekong River and its tributaries. Some of the vegetables grown include cabbage, cauliflower, and all types of Chinese cabbages, lettuce, tomato, chili, cucumber, and long bean. The total production of vegetables throughout the country amounts to approximately 88,853 tones (data, 1997), which gives an average of 19-20 kg per capita per annum. This indicates that vegetable consumption is still very low in comparison to the nutritional needs of the human body, which amounts to 70 kg of vegetables per capita per year.

Livestock Production

18. Livestock plays an important role in the economy of Lao PDR with an estimated contribution to GDP in 1996 of 22.0 percent through supply of animal protein to the population, draught animal for agriculture, fertiliser and increasingly an export item. Livestock raising is traditional and extensive with little resource input and small-holders owning 95 percent of animals. The government recognises the important role of livestock in rural development programmes. The major constraints to livestock production are the high incidence of diseases causing heavy mortality and morbidity and poor livestock nutrition (lack of feeds). Serious livestock and poultry diseases such as foot and mouth disease, haemorragic septicaemia, anthrax, swine fever, Newcastle disease, fowl cholera and duck plague are still endemic in Lao PDR.

19. Favourable conditions exist for both large and small livestock raising. There are some pastoral areas particularly suitable for animal husbandry such as: Thong Kang, Xieng Khuang, Na Kai, and the Bolovens plateau to name a few. As of 1997, there were 1.22 million buffaloes in the country, 1.23 million cattle, 1.81 million pigs, and 0.165 million goats/sheep. The poultry population was estimated at 11.95 million in 1997. The livestock sector accounted for approximately 11% of GDP, with an annual average per capita meat consumption distributed as follows: 20-22 kg poultry, 1.8 kg buffalo meat and 1.22 kg beef and 0.03 kg goat meat. In addition, 1 kg of eggs was consumed per person.

Fisheries Production

20. Subsistence fishing is carried out by almost everyone who has convenient access to water. Fish are regularly harvested from the Mekong River and its major tributaries, reservoirs and from wetlands. Cultivated fish production is also very important. Collectively, these are the most common sources of fish throughout the country. The pond fish culture; integrated farming;

rice-cum fish culture, hatchery and nursery farming system; fish production in irrigation canal and cage fish culture are becoming more commonly practiced in Lao PDR.

21. Information on the economic significance of the fisheries sector in the Lao PDR is not available. Total annual fish production was officially estimated to be 33,000 tones in 1995. Fish caught in the wild amount to 23,000 tons with approximately 10,000 tones from aquaculture production. This was equivalent to about 7 kg per capita per year in 1995. Actual fish consumption has been estimated at about 10 kg per capita in urban area and about 7 kg per capita per year in rural area (data of the Department of Livestock and Fisheries).

IV. THE SPECIAL PROGRAMME FOR FOOD SECURITY IN LAO PEOPLES' DEMOCRATIC REPUBLIC

22. The rationale for a Special Programme for Food Security (SPFS) initiative in the Lao PDR is based on the need to introduce economically attractive and viable technologies to farmers to intensify and diversify food production. This would assure household food requirements, generate surplus farm production for sale, increase household incomes and more efficiently utilize surplus farm labour. The major farm level constraints that must be overcome to achieve this goal include low level of farmer education, inefficient agricultural supply services, lack of transport, limited market facilities and market access, inefficient use of farm labour, lack of irrigation water, insufficient capital and credit, and poor infrastructure. The strategies (actions) required to overcome these constraints include training programmes for farmers and government staff, improved supplies and use of higher yielding crop varieties, fertilisers, pest control methods, and irrigation water, improved provision of research and extension support to farmers, improved credit supply, improved marketing and improved local infrastructure.

23. The overall goal of the SPFS is aimed at ***ensuring that all people in Lao PDR at all times have access to the food they need for a healthy, active life***. This would be achieved by increasing agricultural production per unit of area as well as ensuring stability in year-to-year production, on an economically viable and environmentally sustainable basis, through the introduction of appropriate water management practices in irrigation schemes, and through crop intensification and farm diversification in irrigated areas. This would require promotion of income generation activities in support of household food security and create greater awareness about the benefits of new agricultural technology in these areas.

24. The immediate objectives of the SPFS would be to:

- Improve crop production by introducing new technologies to farmers in the irrigation schemes through training, demonstrations and advice in selected area; and

- strengthen the capability of provincial, districts extension staff to support agricultural development through training programmes, advice and monitoring.

Programme Strategy

25. The strategy to achieve the objectives of the SPFS would be based on:

(a) Intensive training courses for selected extension agents, irrigation/agriculture technicians and farmers in the selected districts of the Pilot Stage.

(b) Trained farmer leaders and progressive farmers (both men and women) would serve as model farmers in their village / district and lead local agricultural development.

(c) Trained technicians would be formed into mobile multi-disciplinary teams to further provide advice and support to farmers in irrigated agriculture development.

(d) Demonstrations of new technologies would be carried out in farmers' fields to ensure participatory evaluation of new technologies

(e) Monitoring and evaluation of the adoption of new technologies and impact on farm production would be undertaken by the project.

(f) Water User Organizaions (WUOs) would be established in the selected irrigation schemes. The provincial authorities would approve the WUOs. These WUOs would be full partners in the SPFS.

(g) Necessary steps would be taken to improve input supply, credit, extension and marketing services as a coordinated package to participating farmers in the contiguous area.

(h) Field agents would be identified and given responsibility for providing all services to specific groups of farmers, with clear-cut responsibility and accountability.

(i) Regular surveys would be instituted to understand the existing farming systems and technologies of production.

(j) Technical recommendations would be developed on the basis of the whole farm situation.

(k) Project activities would concentrate on developing location specific technology.

(l) Recommendation would be modified to fit the resources endowment and conditions of major group of farmers.

(m) A farming systems approach to development would be adopted to help bridge the gap between research, extension and the farmer in the selected areas.

Programme Components

26. The SPFS would have four major components:

(a) improved water control and land development;

(b) sustainable intensification of crop production;

(c) diversification of farm production; and

(d) analysis of Socio-Economic constraints.

The details of the SPFS Stage I Programme in Lao PDR are provided in the previously prepared SPFS proposal (1999) for assistance under the FAO Technical Cooperation Programme, which was previously submitted and endorsed in principle by FAO in January 2000. The summary objectives of the component proposals are given below.

Water Control

27. The improved water control and land development component would aim to improve efficient use of water in irrigated agriculture and to assure adequate water availability to crops. Proper water control to crops is one of the most important factors affecting crop yield and production in rice-based farming systems inn Lao PDR. Water is an important factor for the regulation and efficient use of higher inputs of fertilizer, high yielding varieties and other factors (improved cultural practices, pest control measures, etc.).

Crop Intensification

28. Increased agricultural productivity would be achieved through intensification with adequate water and significantly improved farming technologies. Crop intensification would focus on new seeds (high yield variety), fertiliser (manure, compost, chemical fertiliser and other). Appropriate indigenous technologies would not be neglected.

Farm Diversification

29. Diversification of farm production through introduction of new crops and intensification of livestock enterprises, would not only guarantee higher and more stable food availability (by introducing multi-season crop production), but also reduce vulnerability to adverse climatic conditions. In addition, improved livestock production would also increase protein consumption by families and a more balanced diet. Increased production of fast growing animals, such as poultry (chickens and ducks), pigs and fish, and cash crops can also provide households with increased total and disposable income. Furthermore, crop and livestock production is synergistic, with crop forages used for animal feeding and wastes from animals used as fertilizer for crop production.

Constraint Analysis

30. Analysis of farm constraints will define the factors that limit farm production, as well as highlighting constraints that must be overcome to improve the success of the SPFS programme in the expansion stage. Monitoring would also allow measures of adoption and impact of new technologies introduced and promoted under the first stage of the SPFS.

Area Selection for First Stage

31. The selection of the sites for the SPFS in Lao PDR concentrated on the major rice growing areas of the country. All together twelve sites have been selected in twelve districts of seven provinces (Luangnamtha, Oudomxay, Vientiane, Borikhamsay, Khammouane, Savannakhet and Champassak provinces).

(a) In the Northern region, two sites have been selected for the SPFS. (i) Thongchai village in Namtha district of Luangnamtha province has been selected because it is located in a multi-cultured province (more than 30 ethnic

groups) and cultivated crop areas are more than 50% based on swidden fields. The rainfed cultivation area consists of two major small plains, Namtha and Muangsing. (ii) Thinh village in Muangxay district of Oudomxay province is located at the center of four northern provinces included Oudomxay itself. This site has similar agro-climatic conditions and topography to three other northern provinces, Luangprabang, Xiengkhuang and Huaphanh provinces.

(b) In the Central and Southern regions, ten sites are to be selected for the SPFS. Two sites have been selected in each of Vientiane province (May Phosy village in Viengkham district and Viengkham village in Kasi district), Bolikhamxay province (Hinlat village in Paksan district and Phonekhame village in Bolikhan district), Champassak province (Phalai Bok village in Pathoumphone district and Nakeo village in Sanasomboun district), Khammouane province (Nongping village in Yommalat District and Thinh village in Hinboune District) and Savannakhet province (Dan village in Xayphouthong District and Thasano village in Khanthaboury District). These ten sites are located in the five major plains (Vientiane, Borikhamxay, Xe Bangfai Xedone and Champasak plains) of the Central and Southern regions. The government has given priority to increase agricultural productivity through intensification in these areas. All of these provinces have high potential to increase irrigated area. Irrigated rice area in the dry season has increased dramatically from 1997/98 to 1998/99. Respective increases in dry season irrigated area have been 3,870 ha to 5,600 ha; 3,250 to 5,800; 6,300 to 6,700; 15,500 to 20,500 and 8,410 to 16,600 hectares in Vientiane, Bolikhamxay, Khammouane, Savannakhet and Champassak provinces.

V. TECHNICAL ASSISTANCE PROPOSALS IN THE FRAMEWORK OF SOUTH-SOUTH COOPERATION

General

32. South-South Cooperation is the initiative by FAO, to support the implementation of the Special Programme for Food Security of FAO. It is a very useful and appropriate approach for more developed countries to provide, in some concrete special sectors, the technical assistance to another developing country, which is participating in the Special Programme for Food Security. The Expert and Technician from the more developed countries will work in the field of other developing countries for 2 - 3 years, not only for sharing their experiences, but to transfer new techniques or knowledge from their countries, and also to encourage the use of potential local resources. The basic thrust of this transfer is to meet the permanent demand of local people and participants of the programme.

33. According to the general principles of Special Programme for Food Security and the South-South Cooperation, with the good achievement of increasing food production in the last decade in Viet Nam, specially in changing from a rice importing to a large rice exporting country, SR Viet Nam has accepted partnership with FAO to implement the first stage of Special Programme for Food Security in Lao PDR. The South-South Cooperation between Laos and Viet Nam would explore both internal and external resources for reaching the target of the Special Programme for Food Security in Laos.

34. The technical assistance proposal for the implementation of SPSF in Laos for the period 2001-2005 would be in the framework of South-South Cooperation and include four main components:

(a) Improved water control and land development.

(b) Sustainable intensification of crop production.

(c) Diversification of farm production.

(d) Analysis of Socio- Economic constraints.

Component 1: Water Management

35. The water management and land development would allow the mobilisation, and when needed, the training of local staff, in water control to undertake:

- Identification of area for development of small-scale irrigation, drainage and to establish priorities for the development programme.
- Conduct studies and identify appropriate water distribution structure and practices to improve water use efficiency in local areas.
- Preparation of work plan to improve water management and for their implementation, monitoring and control.
- Take part in studies of constraints.

The above mentioned technical assistance will allow the mobilization of farmers, men and women, in the rural communities and their training to effectively undertake improved water control and land development activities and ensure the maintenance of irrigation projects.

Component 2: Intensification of Sustainable Plant Production

36. Mobilisation, and when needed, the training of national, provincial and district extension staff, men and women to fulfil:

- Identification of sustainable technologies adequate for the different local ecological conditions and the selection of appropriate farming systems.
- Conduct of studies on: integrated plant nutrition systems (chemical and biological fertilizers, micro- nutrients and their relation with biosphere), integrated pest management (biological and chemical control), high yielding plant material production (seeds, plant cutting), post harvest technology (solar drying), information on yield, rate of losses and internal rate of return.
- Demonstration and promotion of cultivation of other field crops, cash crops and vegetables and fruits that are well adapted to the local conditions and have good market prospects.
- Mobilization and organization of farmers, men and women, to effectively conduct their agricultural activities using improved technologies and practices.

- In participation with farmers, prepare a production plan (work, equipment and supply) and select production techniques (land preparation, sowing and planning, control of weed and pest, fertilization, water supply and drainage, harvesting,)

- Monitoring and control of the different stages of the agriculture season to provide evaluation and impact assessment at the end of each season.

- Participation in constraints studies.

Component 3: Diversification of Farm Production

37. Diversification of farm production through introduction/expansion of other crops and small animal production systems (poultry and pig). Mobilization, and when needed, the training of national, provincial and district extension, animal husbandry staff to undertake:

- Identification of remunerative, efficient and sustainable technologies for alternative crops that are adapted to the different ecological conditions and the selection of appropriate small animal and fisheries production systems.

- Conduct of studies: climate and physiology, qualitative and energetic value of animal food (forage, pigs, and supplements) pathology and hygiene, adaptability and performance of different stock and breeds, production of performing and adapted stocks of poultry, pigs and fingerling production systems, stabling of small animal, baseline information, yield rate of losses, and internal rate of return.

- Demonstration and promotion of cultivation of crops for animal feeding and methodologies for the local processing of animal feeds.

- Mobilization and organization of farmers, men and women, to effectively conduct their agriculture activities using improved technologies and practices.

- In participation with farmers, prepare production techniques for poultry for pig.

- Monitoring and control of different stages of cropping and animal cycle of different production enterprises to provide an evaluation and impact assessment at the end of each season.

- Participation in constraints studies.

Component 4: Socio- Economic Constraint Analysis

38. The activities of socio- economic constraint analysis will allow mobilization, and when needed, the training of local extension staff and policy analysts to fulfill:

- Survey to establish baseline indicators for agricultural production and household incomes and expenditures in all sites.

- Identification of factors constraining productivity, production and trade of agricultural commodities.

- Prepare work plans, aimed at resolution of constraints, and their implementation, monitoring and control.

These activities will not only allow detailed, in depth exchanges of views with the rural communities on the objective and perceived problems they face, but also feasibility of solutions including those the would wish.

VI. MODALITIES FOR PROGRAMME IMPLEMENTATION, SCHEDULE OF THE TECHNICAL ASSISTANCE, BUDGET AND FINANCING

Mode of Implementation of South-South Cooperation

39. It is proposed that South-South Cooperation would be implemented in all sites of the proposed SPFS for Lao PDR. The organisational support for implementation of the SPFS would be based on a Project Management Unit (PMU) and district SPFS teams. It is proposed that under SSC the technical experts from Viet Nam would be based at the PMU in Vientiane and the field technicians would be deployed to the project districts, as given in Appendix 3.

Programme of Action for the South–South Cooperation

40. The overall implementation of SSC will be based on a Tripartite Agreement between the Governments of Lao PDR and the Socialist Republic of Viet Nam and FAO (refer separate document). The types of technical assistance identified, their modality of deployment and operation and the physical and financial support required is presented below.

Negotiation and Selection of Experts and Field Technicians

41. **Timetable for establishment of SSC in Lao PDR.** The timetable for the preparation and establishment of SSC would follow the procedures indicated below.

Timetable for Establishment of South-South Cooperation

Activities	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1. Approval of Tripartite Agreement	XX									
2. Application, selection and approval of candidates		XX	XX							
3. Language training				XX	XX	XX				
4. Deployment of four Experts to Lao PDR (April 2001)							XX			
5. Deployment of 24 Technicians to Lao PDR (July 2001)										XX

42. **Types of experts and field extension technicians required.** The experts and field technicians must collectively have an extensive knowledge of the problems related to rice, field and horticulture crop production, crop water use requirements, the design, implementation and management of small-scale irrigation systems and intensive, small animal and fisheries production systems. It is proposed that the team of experts under the SSC shall be composed of:

(i) Chief of Mission/Rice Cultivation Specialist

(ii) Water Management Specialist

(iii) Cash Crops Specialist

(iv) Livestock Specialist

43. Similarly, the field extension technicians shall be selected on the basis of their field knowledge and experiences in the application and extension of technologies on the above mentioned topics. Detailed Terms of Reference for experts and field technicians are given in Appendix 4.

44. **Source of candidates for the SSC.** Preferably, all field technicians and experts would be drawn from the pool of technical staff of the Department of Agriculture and Rural Development of the Socialist Republic of Viet Nam. The final selection of candidates would be subject to approval by the Government of Lao PDR and FAO.

45. **Dispatch of experts and technicians.** The tentative schedule for fielding of experts and technicians is to begin in April and July 2001. Each Expert will stay in Lao PDR for a period of 19 months during the first stage, and 20 months during the second stage (156 person/month in total). 24 technicians will be fielded for 16 months each during the first stage, and 10 technicians for 18 months during the second stage. In total, 34 technicians would be deployed for a total of 564 months.

Language Training

46. It is anticipated that most of the technical experts and field technicians from Viet Nam are not able to fluently speak the Lao language and that most of the Lao Government staff counterparts are unable to speak Vietnamese. It is therefore proposed that there would be a three-month training course in the Lao Language for the Vietnamese experts and technician staff, to be provided in Hanoi by the Government of Viet Nam prior to their departure for Lao PDR.

Institutional Arrangements for the SSC

47. A South-South Management Committee would be created, composed of representatives of FAO and the Governments of Lao PDR and Socialist Republic of Viet Nam. The Committee shall have the following functions:

- To evaluate the progress of implementation of the SSC; and
- To recommend to the FAO and the Governments of Lao PDR and SR of Viet Nam any other follow-up programmes required under the SSC.

Cost-Sharing Schemes for Financial Compensation of the SSC Team

48. The costs of the SSC are to be shared between the Government of Lao PDR, FAO and the Government of the Socialist Republic of Viet Nam, as indicated in the Tripartite Agreement. The Government of the Socialist Republic of Viet Nam would maintain payments of the salaries and fringe benefits of the experts and field technicians during their assignment in Lao PDR. The in-country costs of the SSC would be covered by the budget of the Trust Fund (refer Appendix 5). This would include those costs for which FAO would normally be responsible and for those usually payable by the Host Government under the Tripartite Agreement. The Trust Funds would be administered through the FAO Office in Lao PDR and expenditures would be according to the budget agreement of the SPFS/SSC and subject to approval by FAO.The

Government of Lao PDR and its Provincial and District Services would be responsible for the arrangement of lodging to the experts and technicians. The Government of Lao PDR would be responsible for providing lodging for the technical experts in Vientiane and the District administrations would be responsible for providing lodging to the field technicians in the respective project districts, as indicated in Appendix 3. The FAO would meet the cost of insurance coverage for each of the experts and field technicians from the Socialist Republic of Viet Nam.

Budget and Financing Arrangement

49. The proportional budget for assistance under SSC is estimated to be US$737,800 (28% of the total project cost) to cover the costs of the resident experts and field technicians from the Socialist Republic of Viet Nam. The detailed breakdown of the estimated cost of the SSC component is given in Appendix 5.

APPENDIX 4

Attachment A

Mission Terms of Reference

Formulation Mission for South-South Co-operation (SSC) programme between Viet Nam and Lao PDR within the Context of the Special Programme for Food Security (SPFS)

16-30 April 2000

Schedule

1. This joint FAO/Government of Viet Nam formulation mission is scheduled to visit the Lao PDR between 16-30 April 2000. On the Mission's return to Bangkok, there will be a debriefing with other mission members and the Mission may spend up to six days to prepare a Back-to-Office report and a draft Tripartite Agreement including the SSC Formulation Mission Report.

Mission Composition

1. David Ivory, FAO (Mission Leader)
2. Nguyen Chi Thanh, Senior Adviser (Viet Nam)
3. Nguyen Quoc Dat, Economist (Viet Nam)

Background

2. The SPFS in Lao PDR is under formulation. A draft National Programme Document has been prepared by the National SPFS Formulation Team. A proposal for funding the SPFS under TCP has been submitted to FAO and it is currently being reviewed.

3. The SPFS would focus on increasing rice production in the lowland near the Mekong River. The main constraints are unreliable irrigation, extreme shortage of improved rice varieties and sub-optimal cultural practices. The Ministry of Agriculture and Forestry has established a National SPFS Steering Committee and a SPFS National Team and several Districts Teams. Detailed Terms of Reference have been prepared for these Teams. Viet Nam has expressed interest to provide South-South Co-operation assistance to Lao, DPR.

Duties and Responsibilities

4. The SSC Formulation Mission will work as a team in close harmony and collaboration with the PMU, concerned Government officials, farmers and other international agencies. In particular, the Mission's main duties and responsibilities would include the following:

- conducting meetings/seminars with concerned Government officials, international and regional development agencies, stakeholders in Lao PDR to

discuss the SSC approach and to launch the mission, discuss its nature, scope, objectives and expected output;

- holding follow-up meetings as deemed necessary with concerned partners to further examine the structure, scope and contents of the SSC programme;

- visiting selected regions and identification of possible suitable sites for the execution of the SSC programme with Viet Nam as the partner country for implementation in Lao PDR;

- confirmation of water control projects and other activities, in accordance with the SPFS concept, in the appropriate number of sites;

- agreement on the areas of expertise and composition of the team of Vietnamese experts and field technicians to be fielded to Lao PDR, the numbers to be involved and the schedule for fielding them;

- preparation of draft standard terms of reference for experts and field technicians;

- finalisation of the necessary institutional, logistical and other arrangements, particularly for programme management, supervision and evaluation;

- preparation of detailed cost estimates and agreements on cost-sharing;

- on the basis of the above and following a participatory approach, identification and design of the SSC programme in relation to SPFS in Lao PDR with Viet Nam as the partner country; and obtaining general agreement between the Government of the Lao PDR and the Government of Viet Nam representatives (mission members);

- drafting a programme of action, based on the above for the SSC in relation to the SPFS during the coming 2-3 years as a prerequisite for the drafting of a formal agreement between Viet Nam and Lao PDR, the latter to be finalised in Rome and would be signed by concerned authorities in due course;

- preparation of a joint mission report, to be finalised and agreed upon in Lao PDR by the parties concerned, containing adequate information to enable the preparation of a draft South-South Co-operation Tripartite Agreement by the Mission. An annotated outline for such a report is presented in Annex 1 of SPFS/DOC/11-Rev.1, while a model for a Tripartite Agreement is contained in Annex 2 of that document;

- preparation of a draft Tripartite Agreement and discuss and agree with the parties concerned in Lao PDR, prior to the Mission's departure;

- debriefing in FAO Regional office, Bangkok, Thailand, on completion of field visit; and

- finalisation of the draft Tripartite Agreement and annexed Programme of Action and submission to Technical Co-operation Department and the SPFS secretariat, and subsequently revise the documentation, on the basis of comments received from the parties concerned.

5. In implementing the above responsibilities, the mission members would focus on their respective fields of specialisation. Thus, Mr. Nguyen Quoc Dat will pay particular attention to the technical aspects of the SPFS components and Mr. Nguyen Chi Thanh will focus on the administrative aspects of SSC implementation. Both would elaborate the activities and administrative mechanism for the respective components to be implemented in the selected sites in Lao PDR with Viet Nam as the partner country.

6. Mr. Ivory will lead the mission. While each member will provide his written contribution to the report, the Mission Leader will have the responsibility of integrating these contributions to the final mission's report.

APPENDIX 4

Attachment B

Sites Visited

1. The Formulation Mission visited seven of the twelve SPFS sites in Lao PDR to ascertain the needs for technical assistance from Viet Nam under South-South Cooperation as follows:

- Site 2: Xay District of Oudomxay Province
- Site 3: Kasi District of Vientiane Province
- Site 4: Viengkham District of Vientiane Province
- Site 5: Paksan District of Bolikhamxay Province
- Site 6: Bolikhanh District of Bolikhamxay Province
- Site 7: Yommalat District of Khammouane Province
- Site 8: Hinboune District of Khammouane Province

APPENDIX 5

FINANCING PLAN

1. The South-South Cooperation programme would be financed by the Government of the Lao PDR, FAO and the Government of the Socialist Republic of Viet Nam, according to the following general responsibilities.

The Government of the Socialist Republic of Vietam

- Provides the experts and technicians;
- Pays the salaries and personnel entitlements in the home country during the period the experts and technicians are in Lao PDR;
- Meets the costs of internal travel in Viet Nam; and

The Food and Agricultural Organisation (FAO)

- Pays the return air fares (Viet Nam/Lao PDR/Viet Nam) for the experts and technicians;
- Pays a settling in allowance to the experts and technicians;
- Pays a monthly stipend of US$1,000 and US$600 to each expert and technician respectively;
- Provides equipment and logistics for the experts and technicians;
- Provides local and regional travel expenses; and
- Provides for in-country medical coverage

The Government of Lao PDR

- Provides office and arrange housing accommodation to the experts and technicians;
- Provide public administrative support services; and
- Supplement in country medical coverage.

APPENDIX 6
Standard Form of Special Services Agreement

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
Viale delle Terme di Caracalla, 00100 - Rome, Italy
Cables: FOODAGRI ROME Telex: 625852 FAO I - 625853 FAO I - 610181 FAO I
Facsimile: 57053152 Telephone: 57051

SPECIAL SERVICES AGREEMENT
(SOUTH-SOUTH COOP.PROGRAMME)
CMT No.

TO	BANKING INSTRUCTIONS (to be completed by Subscriber)
	Bank: Payments through the FAO Representative
	Branch:
	Address:
DIVISION / INDEX	Account No.:
	Beneficiary:

PERSON TO BE NOTIFIED IN CASE OF EMERGENCY (Name, Address and Telephone No.)

NATURE AND SCHEDULE OF SERVICES (If space is insufficient attach additional sheet)

Terms of reference attached.

PAYMENT, subject to certification by division director of satisfactory completion of the services, will be made at the UN operating rate of exchange applicable on the day of payment (i.e. when instructions are given to the Organization's Bankers). The Organization accepts no responsibility for any changes in the rates of exchange which may be introduced after this agreement is signed.

TRAVEL (If applicable, normally arranged and paid by FAO through its travel agents). **Home country - duty station – home country (with allowance each way for 50 kg. of accompanied excess baggage, or a net weight of 100 kg. of unaccompanied baggage, plus terminal expenses.**

SOCIAL SECURITY Insurance and also compensation for death due to accident or illness are:

☒ *Provided* under Manual Section 343, Part VI, Medical Insurance/Compensation Plan for supernumeraries (MCS), when the Subscriber is required under this agreement to: (i) travel on behalf of the Organization; or (ii) serve on field assignments; or (iii) serve for more than six months. Contributions are deducible (in the amount of %) from, and benefits based on, the net salary portion of the Subscriber's honorarium, i.e. the equivalent of US$ **nil** per (WOC) The total contribution will be deducted from the first payment.

☐ *Provided* under Manual Section 343, Part VIII, Medical Insurance/Compensation Plan Non-Staff Persons Associated with the Organization (MCNS), when the Subscriber is not eligible for coverage under MCS as indicated above. The total contributions is paid by the Organization.

MEDICAL CLEARANCE, this agreement is subject to the satisfactory passing of a medical examination.

☒ Please have the enclosed medical forms completed by a qualified physician (preferably one connected with the UN), or a university hospital, or by one of the following medical practitioners:

and return them immediately, together with the chest X-ray to the Personnel Officer.

☐ Please submit to the undersigned a certificate, released by a qualified physician (e.g. your family doctor) stating that you are in good health and fit for the work considered and for travel.

GOVERNMENT CLEARANCES:	☒ Applicable	☐ Not applicable	DURATION OF AGREEMENT
Clearance from the Government of country of assignment	☐ Received	☐ Not yet received	From to or until the satisfactory completion of the services described in this Special Services Agreement, whichever is earlier, unless sooner terminated under the terms of this agreement.
Clearance release from your Government	☐ Received	☐ Not yet received	

NOTICE OF TERMINATION, (applicable to both parties) 30 days notice in writing. However, the agreement may be terminated without advance notice by FAO in case of force majeure (e.g. war, civil unrest, natural disaster or evacuation from the country of the duty station for security purposes, etc.). In the event of this agreement being terminated prior to its due expiration date the subscriber shall be compensated for the actual amount of work performed to the satisfaction of the Food and Agriculture Organization on a pro-rata basis.

STATUS OF THE SUBSCRIBER: The subscriber shall be considered as having the legal status of an independent contractor and shall not be considered in any respect as being a staff member of the Food and Agriculture Organization.

RIGHTS AND OBLIGATIONS: Manual Section 319 of the FAO Administrative Manual (copy attached) is part of the terms and conditions of this agreement. The rights and obligations of the subscriber are strictly limited to the terms and conditions of this agreement. Accordingly, the subscriber shall not be entitled to any payment, subsidy, compensation, or other benefits except as expressly provided in this agreement.

TITLE RIGHTS: The title rights, copyrights, and all other rights of whatsoever nature in any material produced under the provisions of this agreement shall be vested exclusively in the Food and Agriculture Organization.

UNPUBLISHED INFORMATION: The subscriber shall not communicate to any person or other entity any unpublished information made known to him by the Food and Agriculture Organization in the course of performing his obligations under the terms of this agreement except upon authorization by the Food and Agriculture Organization.

ARBITRATION: Any dispute arising out of the terms of this agreement shall be submitted to arbitration. Each party shall appoint one arbitrator and the two arbitrators so appointed shall appoint a third who shall act as Chairman. In the event that the two arbitrators appointed by the parties to the dispute should fail to reach agreement on the appointment of the third arbitrator within 30 days, either party may request the Independent Chairman of the FAO Council to appoint third arbitrator. The parties agree that any decision rendered by Arbitrators shall be accepted as the final adjudication of the dispute.

PERSONNEL OFFICER	SUBSCRIBER
Date: Signature:	Date: Signature:

☐ 1. TO BE KEPT BY SUBSCRIBER ☐ 2. PE 13/1 FILE

BỘ NGOẠI GIAO

Số: 90 /LPQT

SAO Y BẢN CHÍNH
(Để thực hiện)

Hà Nội, ngày 19 tháng 12 năm 2001

TL. BỘ TRƯỞNG BỘ NGOẠI GIAO
KT. Vụ trưởng Vụ Luật pháp và Điều ước quốc tế
Phó Vụ trưởng



Nguyễn Duy Chiến

Nơi nhận :

- Văn phòng Chính phủ (để báo cáo),
- Bộ Nông nghiệp và Phát triển nông thôn,
- Bộ Tài chính,
- Bộ Công an,
- Đại sứ quán Việt Nam tại Lào,
- Vụ các Tổ chức quốc tế,
- Vụ châu Á 2,
- Vụ LPQT,
- Lưu trữ.

Hiệp định ba bên giữa Chính phủ nước Cộng hoà xã hội chủ nghĩa Việt Nam, Chính phủ nước Cộng hoà dân chủ nhân dân Lào và Tổ chức Lương thực và Nông nghiệp của Liên hợp quốc về thực hiện Chương trình an ninh lương thực tại Cộng hoà dân chủ nhân dân Lào có hiệu lực từ ngày 12 tháng 11 năm 2001.