

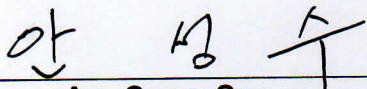
RECORD OF DISCUSSIONS
BETWEEN
THE MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS
OF THE REPUBLIC OF KOREA
AND
THE MINISTRY OF AGRICULTURE AND FORESTRY OF THE LAO
PEOPLE'S DEMOCRATIC REPUBLIC
ON
THE PROJECT OF "IMPROVEMENT OF VEGETABLE
CULTIVATION TECHNOLOGY IN HAD XAY FONG DISTRICT,
VIENTIANE CAPITAL, Lao PDR"

The Korean Implementation Survey Team (hereinafter referred to as the "Team") organized by the Korea Rural Community Corporation (hereinafter referred to as "KRC") which is authorized by the Ministry of Agriculture, Food and Rural Affairs (hereinafter referred to as the "MAFRA") of the Republic of Korea (hereinafter referred to as the "KOREA") visited The Lao People's Democratic Republic (hereinafter referred to as the "Lao PDR") from 21th to 22th day of May, 2019, for the purpose of working out the details of the project in Lao PDR.

During the visit, the Team held a series of discussions with the National Agriculture and Forestry Research Institute (hereinafter referred to as the "NAFRI"), Ministry of Agriculture and Forestry (hereinafter referred to as the "MAF") and other relevant government agencies with respect to the desirable measures to be taken by both parties for successful implementation of the Project.

As a result of the discussions, both parties have agreed to their respective Government the matters referred to in the "Terms of Reference" attached hereto for their approval.

Done and signed in Vientiane Capital, Lao PDR in two (2) original copies on the 22th day of May, by the representatives of both Governments.



An, Sung-Soo

Director

Korea Rural Community Corporation

Republic of Korea



Bounthong BOUAHOM, Ph.D.

Director General

*National Agriculture and Forestry
Research Institute
Lao PDR*

TERMS OF REFERENCE

I. OUTLINE OF THE PROJECT

1. ProjectTitle

The project is titled "Improvement of Vegetable Cultivation Technology in Hadxayfong District, Vientiane Capital, Lao PDR"(hereinafter referred to as the "Project")

2. Objectives

The objectives of the Project are as follows

- A. To develop appropriate vegetable cultivation technology adapted to Lao PDR environment
- B. To build up capacity of researchers, agricultural extension workers and farmer leaders with advanced vegetable cultivation technology transfer
- C. To increase farmers'vegetable productivityand incomethrough adapting improved cultivation technology
- D. To Strength vegetable research capabilities by improving horticulture research center(HRC) infrastructure, facilities and equipment

3. Project Components

The Project components are as follows:

- A. Research and develop suitable technology for vegetable
- B. Construction of and/or rehabilitation of facilities
- C. Dispatch of Korean experts
- D. Invitation training programme in Korea
- E. Capacity building: HRC staff, extension workers, farmer& leader
- F. Provision of equipment
- G. Knowledge products dissemination



4. Project Duration

The duration of the Project is approximately forty (48) months (2019-2022), Starting from the first day when the Project Manager is dispatched to the Lao PDR

5. Project Site

The Project site will be operated in the Hadxayfong District, Vientiane Capital, Lao PDR

6. Budget for the Project

- A. The total grant aid from Korea is 4 billion Korean Won (KRW 4,000,000,000). This budget is equivalent to USD 3,478,260 based on the exchange rate of KRW 1,150 = USD 1
- B. The budget may change based on the prevailing exchange rate.
- C. The budget is provided as grant aid from the Government of Korea.
- D. The Lao People's Democratic Republic autonomously develops and execute a sufficient budget to cover the expenses required to fulfil its undertaking as agreed in Section III, Article 2 (described at page 9)

7. Implementing Agencies

On behalf of the Republic of Korea, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) and on behalf of The Lao People's Democratic Republic, the Ministry of Agriculture and Forestry (MAF) will implement the Project

MAFRA designates the Korea Rural Community Corporation (KRC) as the agency to manage the Project and KRC appoints the Project Management Consulting (hereinafter referred to as "PMC") to implement the Project

MAF (NAFRI / HRC) will designate the counterpart agency for the implementation of the project

* HRC: Horticulture Research Center



II. THE PROJECT SCOPE

The Project will include the following components

1. Research and develop suitable technology for vegetable

Research and develop technology alternative in order to increase vegetable productivity, reduce the cost of production, postharvest technology, and processing technology

2. Construction and/or rehabilitation of facilities , Demonstration farms

Horticulture Research Center(HRC): Office building and accommodation facilities (rehabilitation), demonstration farm, warehouse, etc.

Model Village: On-site Demonstration Farms, local green houses, etc.

3. Dispatch of Korean experts

Korean experts dispatched for the Project will be 80 months(Man/Month).

Local experts also will be hired

4. Invitation training programme in Korea

Training Program designed to enhance the understanding on Vegetable Cultivation Technology shall be carried out in Korea. It consists of two courses: management level and working level

- A. The management level course will be implemented for five (5) people who shall be invited to Korea for 7 days. This program will be conducted one time during the project period
- B. The working level course will be implemented for fifteen (15) people who shall be invited to Korea for 15 days. This program will be conducted two times during the project period. (Total beneficiary will be 30 persons)

5. Local capacity building

Local training programmes and workshops held for HRC staff, extension workers, farmer & leader to enhance the effectiveness of the Project. In addition, to support smallholder farmers with adoption and scaling of vegetable technology

6. Provision of Equipment

The equipment described in Attachment 2 will be provided for the successful implementation of the Project and to offer continued management after completion of the project

7. Knowledge products dissemination

All technology documentations created by the execution of the project disseminate to extension workers, farmers and other different stakeholders

III. UNDERSTANDINGS OF THE REPECTIVE GOVERNMENTS

1. Understanding of the Republic of Korea

In accordance with the laws and regulations of the Republic of Korea, and within its budgetary limitations indicated in Article I, Section 6-A, KRC will perform the following activities

A. Research and develop suitable technology for vegetable

- 1) Research and develop technology alternative in order to increase vegetable productivity, reduce the cost of production, postharvest technology, and processing technology
- 2) The experts provide the vegetable technology options to smallholder farmers in order to increase productivity, reduce the cost of production, postharvest technology and processing technology



B. Construction and/or rehabilitation of facilities, and Demonstration farms

- 1) KRC will conduct engineering, design and construction works for establishment and/or rehabilitation of Horticulture Research Center
 - a. KRC will rehabilitate existing office building and accommodation facilities
 - b. KRC will establish demonstration farms
 - c. KRC will establish green-house (Mongolian & Local type)
 - d. KRC will establish multi-purpose warehouse
 - e. KRC will establish cold storage
- 2) KRC will conduct engineering, design and construction works for establishment of Model Village
 - a. KRC will establish green-house (Local type)
 - b. KRC will establish multi- purpose warehouse
- 3) The details of facilities can be changed through mutual consultation between KRC and NAFRI

C. Dispatch of Korean experts

- 1) KRC will dispatch Korean experts who will work with its counterpart agencies and provide technical guidance/advice on Project implementation. The experts will be responsible for the following tasks
 - a. Project Manager (PM) : Operation of the Project Office, consultation with the Government of Lao P.D.R, supervision and management of PMC members, project monitoring, and writing various documents
 - b. Vegetable Cultivation : Transfer of vegetable cultivation technology

- c. Plant Protection: Detect plant insect pests and diseases, transfer of insect pests and diseases management skills
- d. Greenhouse Cultivation : Transfer of greenhouse vegetable cultivation technology
- e. Soil Management :Transfer of technology on farm soil management by training and consulting
- f. Constructionengineering: Review of design, selection of contractors, and building construction management
- g. Marketing : Provide marketing consultation to farmers
- h. M&E : Implement M&E (Monitoring and Evaluation) activities
- i. Agricultural machinery : Transfer of farming machine operation and management skills

2) Number of Korean experts and duration of activities are as follows:

- a. Project Manager (PM): one (1) expert for twentytwo (22) months
- b. One (1) expert in Vegetable Cultivation for nine (9) months
- c. One (1) expert in Plant protection for nine (9) months
- d. One (1) expert in Greenhouse Cultivation for nine (9) months
- e. One (1) expert in Soil Management for nine (9) months
- f. One (1) expert in Construction for six (6) months
- g. One (1) expert in M&E for five (5) months
- h. One (1) expert in Marketing for nine (9) months
- i. One (1) expert in Agricultural machinery for two (2) months

3) The dispatch duration of PMC experts can be changed through mutual consultation between KRC and NAFRI

D. Invitation training program in Korea

- 1) KRC will invite government officers, researchers, extension workers and farmers & leaders involved in the Project for training in Korea to transfer knowledge on vegetable cultivation, education, post-harvest management, value added and marketing
- 2) The main topics of the programme are as follows
 - a. Introduction of the vegetable industry policy of Korea to the policy makers of the Laotian vegetable industry
 - b. Introduce Korean vegetable cultivation and marketing technologies
- 3) The management level course will be implemented for five (5) people who shall be invited to Korea for 7 days. This program will be conducted one time during the project period
- 4) The working level course will be implemented for fifteen (15) people who shall be invited to Korea for 15 days. This program will be conducted two times during the project period. (Total beneficiary will be 30 persons)
- 5) The duration of the programme and candidate may change depending on circumstances of the Project. Details and changes are decided through consultation between the Parties

E. Local capacity building

- 1) Under the guidance of Korean experts, the HRC staff will be trained with technologies so that they can directly identify and develop cultivation technologies and vegetable varieties
- 2) Stakeholder workshops will be carried out to promote the project and seek stakeholder opinions to confirm and improve project performance, and share policy proposals



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F. Provision of equipment

- 1) KRC will purchase and provide equipment listed in "Attachment 2" necessary for the effective implementation of the project
- 2) The details of items (quantities and specification) will be discussed and decided through further consultation between both sides

G. Overall Administrative Measures

- 1) PMC and MAF/NAFRI will jointly comprise a Project Office (hereinafter referred to as the "PO"), PMC and Project Steering Committee (PSC), and government representative of Lao PDR jointly establish an Action Plan within One (1) month following-detailed
- 2) The Action Plan will include the followings
 - a. An organization chart of PSC and the operation system
 - b. A detailed plan of activities under the Project, and environmental and social conditions
 - c. Economic and financial analysis, and the estimated cost for each activities
 - d. Project implementation schedule
 - e. Result of baseline survey
 - f. Follow-up management plan for infrastructure and equipment after completion of the Project

2. Understanding of the Lao People's Democratic Republic

In accordance with the laws and regulations of the Lao PDR, and within its budgetary limitations indicated in Article I, Section 6-D, the Government of the Lao PDR will perform the following activities

A. Research and develop suitable technology for vegetable

MAF/NAFRI/HRC supports Information and experts for research and technology development

B. Construction and/or rehabilitation of facilities, and Demonstration farms

- 1) MAF/NAFRI/HRC will provide the land necessary for the construction of facilities and demonstration farms
- 2) MAF/NAFRI/HRC will define model farmers in Hadxayphong district to secure lands for model cultivation farm (Model Village)
- 3) If there are land issues related with farmers who farm within the Project area, MAF/NAFRI/HRC will be responsible
- 4) MAF/NAFRI/HRC is responsible for electricity connection to the facilities
- 5) MAF/NAFRI/HRC is responsible for the electrical connection for building operation
- 6) MAF/NAFRI/HRC is responsible for sustainable operation and maintenance of buildings and facilities after completion of the project

C. Dispatch of Korean experts

- 1) MAF/NAFRI/HRC facilitates the issuing of permits and authorizations required for Korean experts such as entry and exit visas, and travel documents
- 2) MAF/NAFRI protects Korean experts from any accidents (Project-related) resulting from, occurring in the course of, or otherwise connected with, the performance of the task assigned to them, except from those arising from wilful misconduct or gross negligence on their part
- 3) MAF/NAFRI/HRC designates appropriate Government officials (project coordinators, collaborative scientists), who will work with Korean experts, their role play in the project and model farmers who will test technologies

- 4) MAF/NAFRI/HRC provides sufficient project office (i.e. electricity, the water system etc.) and other assistance they may require in carrying out the Project
- 5) MAF/NAFRI/HRC ensures the safety of Korean experts and provides them with assistance in case of emergencies

D. Invitation training program in Korea

- 1) MAF/NAFRI/HRC recommends appropriate candidate officials/experts for training in Korea no later than one (1) month in advance of the commencement day of the training course
- 2) MAF/NAFRI/HRC guarantees that the candidates are directly involved with the Projects, and can participate in the Project after completion of the Project

E. Local capacity building

- 1) MAF/NAFRI/HRC recommends trainees who are directly involved in the Project and provides administrative supports for the local training and workshop.
- 2) MAF/NAFRI/HRC supports the selection of appropriate trainees, such as farmers, leaders and farmers' associations, and continuously manages and supports them within or after the project is completed

F. Provision of equipment

- 1) MAF/NAFRI/HRC designates an owner and an operator of the equipment provided by KRC, and appoints a government official in charge of equipment management to avoid private ownership
- 2) MAF/NAFRI/HRC supports PMC to draw up a maintenance manual for the equipment

G. Overall Administrative Measures

- 1) MAF/NAFRI/HRC secures sufficient budget to carry out the Project during and after the project period
- 2) MAF/NAFRI/HRC plans for the appropriate budget for taxes, duties and other charges imposed under the Lao PDR laws and regulations regarding the equipment and supplies brought from Korea for the Project
- 3) MAF/NAFRI/HRC arranges all necessary approvals and consent from the authorities concerned and settle all legal matters regarding the implementation of the Project
- 4) MAF/NAFRI/HRC assigns human resources for the management during and after the Project period
 - a. One (1) Project Coordinator from HRC who is responsible for management of the overall Project implementation under the supervision of the NAFRI in the Lao PDR
 - b. Appropriate number of engineers to be in charge of duties on the construction, architecture, farming, agriculture machinery, agriculture extension and other relevant areas as required
- 5) MAF/NAFRI/HRC and PMC jointly organize the PSC for successful implementation of the Project. NAFRI designates focal persons to coordinate the Project within the PSC and provides Project Office
- 6) PSC and PMC prepare an Action Plan that describes activities necessary to fulfil the objectives of the Project. Experts from NAFRI and Government work with PMC experts to make and implement the Action Plan
- 7) MAF/NAFRI/HRC ensures the followings
 - a. all the administrative procedures that are necessary for implementation of the Project from approval of basic design to completion of the Project
 - b. Recommendation of appropriate contractors for construction work

- c. Provide drawings, blueprints and other relevant documents for the construction works
 - d. Covering the cost required for existing design drawings, ground breaking and completion of construction work, and taking administrative actions such as issuance of permits and authorization
- 8) Awareness Creation and Support among all Stakeholders of the Project For the purpose of creating awareness among the stakeholders of the Project, the Government of the Lao PDR will take appropriate measures to publicize the Project to the people of the Lao PDR and ensure their support for Project implementation

IV. INITIATION OF THE PROJECT

The Project initiates when KRC, authorized by MAFRA on behalf of the Government of the Republic of Korea and NAFRI, authorized by MAF on behalf of the Government of the Lao People's Democratic Republic, sign the "Record of Discussions"

V. EVALUATION OF THE PROJECT

A joint team appointed by both sides will conduct evaluations during and after the implementation of the Project. In accordance of results of the evaluation, each government will take necessary measures

VI. MUTUAL CONSULTATION

There will be mutual consultations between the both sides on any major issues arising from, or in connection with, the Terms of Reference. Further revisions and/or changes to the Terms of Reference may be made, if necessary, by mutual consultation between the both sides through exchange of official letters even after approval



Attachments

1. List of Construction and/or rehabilitation (tentative)
2. General Schedule of the Project (tentative)
3. List of Equipment and materials (tentative)



[Attachment 1]

List of Construction and/or rehabilitation(tentative)

Construction and/or rehabilitation of facilities	
1. Horticulture Research Center(HRC)	
1) Rehabilitation	Existing office building and accommodation facilities, seed processing room
2) Establishment	Demonstration farms(0.5ha + 0.5ha)
	Mongolian type of greenhouse(6m x 30m, 3ea)
	Local type of greenhouses(6m x 12m, 3ea)
	Nursery(Greenhouse,6m x 30m, 1ea)
	Multi-purpose warehouse(15m x 30m, 1ea) -Storage, Workplace, Garage and others
	Cold storage(6.6sqm, 2ea)
2. Model Farms(4 villages)	
1) Establishment	Local type of greenhouses(6m x 12m, 2ea) - Each of the four(4) villages
	Multi-purpose warehouse(9m x 29m, 1ea) - Storage, Workplace, Garage and others - Each of the four(4) villages

* The listed construction and/or rehabilitation are set to be confirmed after the action plan is ready and is subject to change at the actual implementation stage of the Project upon mutual agreement of the implementing agencies.

Project Schedule (Tentative)

Categories	Implementation															
	2019				2020				2021				2022			
	3	6	9	12	3	6	9	12	3	6	9	1 2	3	6	9	1 2
1. Consultation of implementation and Signing the Record of Discussions																
2. Designating the PMC																
3. Construction of Facilities																
4. Provision of equipment																
5. Expert dispatch																
6. Invitation programme																
7. Local training																
8. Monitoring																
9. Evaluation																

* The timeline above is set to be confirmed after the action plan is ready and is subject to change at the actual implementation stage of the Project upon mutual agreement of the implementing agencies.

[Attachment 3]

List of Equipment (tentative)

Equipment		Quantity	
2) Vehicles	Pick-up truck	1	ea
	SUV	1	ea
	Motor cycles (below 150 cc)	4	ea
3) Agricultural Machineries	Tractor (100 horse power)	1	ea
	Cultivator	2	ea
	Tiller	2	ea
4) Basic Laboratory supplies	Biological microscope, Stereoscopic binocular, microscope, digital weight scale, Soil analyzer And other basic laboratory supplies	1	unit
5) Basic Seed Processing facility	Seed Blower, Seed gravity separator, seed dryer Seed coating unit, Seed packing system And other basic seed processing facility	1	unit
6) Office Supply	Desktop computer	6	ea
	Laptop computer	4	ea
	Copier and Printer	2	ea
	Camera	2	ea
	Projector with screen	1	ea
	Office supplies (furniture and others)	1	unit
	Dormitory and other supplies (furniture and others)	1	unit

* The listed equipment above is set to be confirmed after the action plan is ready and is subject to change at the actual implementation stage of the Project upon mutual agreement of the implementing agencies.