

No. 18324

**INTERNATIONAL FUND FOR AGRICULTURAL
DEVELOPMENT
and
LAO PEOPLE'S DEMOCRATIC REPUBLIC**

Technical Assistance Agreement—*Water Resources Development Project* (with schedules). Signed at Rome on 23 November 1979

Authentic text: English.

Registered by the International Fund for Agricultural Development on 26 February 1980.

**FONDS INTERNATIONAL DE DÉVELOPPEMENT
AGRICOLE
et
RÉPUBLIQUE DÉMOCRATIQUE POPULAIRE LAO**

Accord d'assistance technique — *Projet de mise en valeur des ressources en eau* (avec annexes). Signé à Rome le 23 novembre 1979

Texte authentique : anglais.

Enregistré par le Fonds international de développement agricole le 26 février 1980.

TECHNICAL ASSISTANCE AGREEMENT¹ (*WATER RESOURCES DEVELOPMENT PROJECT*) BETWEEN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC AND INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Dated 23 November 1979

TA Grant No. 11-LA

TECHNICAL ASSISTANCE AGREEMENT

AGREEMENT dated 23 November 1979, between the LAO PEOPLE'S DEMOCRATIC REPUBLIC (hereinafter called the Government) and the INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (hereinafter called the Fund).

WHEREAS

(A) The Government has requested the Fund, as part of its technical assistance operations, to arrange for assistance for the purpose of the Project described in schedule 1 to this Agreement (hereinafter called the Project); and

(B) The Fund has agreed to arrange for such assistance upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto hereby agree as follows:

Article I. THE PROJECT AND THE COOPERATING INSTITUTION

Section 1.01. The Project consists of three parts (part A, part B and part C) as set out in schedule 1 to this Agreement.

Section 1.02. The Asian Development Bank (hereinafter called the Bank) is appointed as the Cooperating Institution for the administration of the technical assistance provided under this Agreement.

Section 1.03. The Bank, as the Cooperating Institution, shall be responsible for:

- (a) Supervising the carrying out of the Project on behalf of the Fund;
- (b) Employing consultants for part A of the Project; and
- (c) Performing all other functions assigned to it under this Agreement.

Section 1.04. Except where specifically provided in this Agreement, or requested by the Fund, the Government shall directly furnish all information, and address all communications to the Bank on all matters referred to in section 1.03 above.

Section 1.05. Except as otherwise provided in this Agreement, the Bank shall have the exclusive responsibility in respect of the matters referred to in section 1.03 above. Any action by the Bank pursuant to its responsibility thereto shall be regarded and treated by the Government as the action taken by the Fund.

¹ Came into force on 23 November 1979 by signature.

Section 1.06. (a) Part A of the Project shall be undertaken by consultants (hereinafter called the Consultants), who shall, as far as practicable, be the following experts:

- (i) An Irrigation Engineer;
- (ii) An Agronomist; and
- (iii) An Economist.

(b) The Consultants shall have the terms of reference set forth in paragraph 3 of schedule 1 to this Agreement. The terms of reference may be amended by written agreement between the Government and the Bank.

(c) Except as the Government, the Bank and the Fund shall otherwise agree, the Consultants are expected to commence their services on or before 1 July 1980 and are expected to be assigned for the respective periods set out in paragraph 2 (i) (b) of schedule 1.

Section 1.07. Part B of the Technical Assistance shall be undertaken by the Government through the Directorate of Irrigation of the Ministry of Agriculture, Forest and Irrigation (hereinafter called DI) which shall in consultation with the Government and the Bank, make appropriate arrangements for the selection and training of the staff in accordance with the provisions of paragraph 2 (ii) (b) of schedule 1.

Section 1.08. Part C of the Technical Assistance shall be undertaken by the Government through the Export and Import Corporation of Laos which shall, in consultation with the Fund, the Bank and the Consultants, make appropriate arrangements for the procurement of the equipment set out in paragraph 2 (iii) of schedule 1, in accordance with such procedures as determined by the Bank and the Fund.

Article II. RESPONSIBILITIES OF THE FUND

Section 2.01. The Fund, in cooperation with the Bank, shall make reasonable efforts to secure the services of the Consultants referred to in section 1.06 of this Agreement.

Section 2.02. Subject to the provisions of section 2.03 hereof, the Fund shall provide a part of the costs that the Fund has agreed to apply towards the expenses of carrying out the Project. Such expenses shall consist of:

For Part A:

- (i) Remuneration, per diem and other allowances;
- (ii) Cost of international travel;
- (iii) Reasonable out-of-pocket expenses incurred by the Consultants in foreign currency in the performance of their services.

For Part B:

—The foreign currency cost of the training including the cost of international travel.

For Part C:

—The foreign currency cost of the procurement of equipment.

Section 2.03. Except as the Government and the Fund shall otherwise agree, the total cost to the Fund of the technical assistance to be provided under

this Agreement shall not exceed the equivalent of two hundred forty thousand Special Drawing Rights (SDR 240,000) and shall be subject to a maximum of:

- For part A of the Project: thirty-nine thousand Special Drawing Rights (SDR 39,000);
- For part B of the Project: one hundred eight thousand Special Drawing Rights (SDR 108,000);
- For part C of the Project: ninety-three thousand Special Drawing Rights (SDR 93,000).

Section 2.04. The Government shall be entitled, subject to the terms of this Agreement, to withdraw the proceeds of the grant in respect of parts B and C of the Technical Assistance, after submission to the Bank of a written application in terms satisfactory to the Bank. After the Bank shall have approved such application it shall promptly notify the Fund that it has received an application for withdrawal from the grant account and that the amount to be withdrawn is eligible for payment by the Fund. Upon receipt of such notice the Fund shall, subject to the rights of suspension and cancellation of the grant, pay the amount so to be withdrawn from the grant account in the currency and to the payee stated in the notice.

Article III. RESPONSIBILITIES OF THE GOVERNMENT

Section 3.01. For the purposes of carrying out the Project, the Government shall make available to the Consultants, free of charge, the services, facilities, equipment, documents and information as set forth in schedule 2 to this Agreement.

Section 3.02. The Government shall provide suitable local counterparts from DI on a full time basis for working with and being trained by the Consultants in carrying out the Project, under part A of schedule 1 of this Agreement.

Section 3.03. The Government shall cooperate with the Fund, the Bank and the Consultants to ensure that each part of the Project is carried out as promptly and effectively as possible and, for this purpose, shall issue appropriate instructions to its officials, agents and representatives.

Section 3.04. (a) The Government confirms that the Consultants shall have the status of experts performing missions for the Fund and shall be accorded the following privileges, exemptions and immunities so far as is necessary for the effective exercise of their functions:

- (i) Immunity from personal arrest or seizure of their personal baggage;
- (ii) In respect of words spoken or written or acts done by them in the performance of their official functions, immunity from legal processes of every kind, such immunity to continue notwithstanding that the persons concerned are no longer employed on missions for the Fund;
- (iii) For expatriate personnel the same facilities in respect of currency and exchange restrictions and in respect of their personal baggage as is afforded to officials of foreign governments on official missions;
- (iv) Inviolability of all papers and documents relating to the work on which they are engaged for the Fund, and for the purposes of their communications with

the Fund and the Bank, the right to use codes and to receive papers or correspondence by courier or in sealed bags.

(b) The Government shall exempt from (or bear the cost of) any taxes, duties, fees, levies and other impositions levied under its laws and regulations or the laws and regulations in effect in its territories or of any political subdivision or agency thereof in respect of:

- (i) Any payments made to the Consultants (including payments made to a consulting firm and its personnel) in connection with the carrying out of their respective parts of the Project;
- (ii) Any equipment, materials and supplies brought into the territories of the Government for the purpose of carrying out the Project and which, after having been brought into such territories, shall be consumed therein or subsequently withdrawn therefrom; and
- (iii) Any personal effects of the Consultants which, after having been brought into the territories of the Government, shall be consumed therein or subsequently withdrawn therefrom upon their departure.

(c) The Government shall:

- (i) Make arrangements for the Consultants and their families promptly to be provided with any necessary entry and exit visas, residence permits, foreign exchange permits, and travel documents required for their stay in Laos; and
- (ii) Facilitate clearance through customs of any equipment, materials and supplies required for the Project and of the personal effects of the Consultants.

(d) The Government shall allow any of the items referred to in subparagraphs (ii) and (iii) of section 3.04 (b) which are not withdrawn from Laos upon completion of the Project to be disposed of locally in accordance with any applicable government regulations, or subject to such terms as are agreed upon between the Government and the Consultants.

Section 3.05. To enable the Bank to carry out effectively the functions entrusted to it herein, for the purposes of this Agreement the Government shall fully respect and accord to the Bank the status, immunities, exemptions and privileges as set forth in the Agreement establishing the Asian Development Bank.¹

Section 3.06. The Government shall be responsible for dealing with any claims arising out of, or resulting from, the Technical Assistance which may be brought by third parties against the Fund, the Bank or the Consultants against any costs, claims, damages or liabilities arising out of, or resulting from, any acts or omissions in connection with the Technical Assistance, except where it is agreed by the Government, the Bank and the Fund that such acts or omissions amount to gross negligence or willful misconduct of the Consultants.

Section 3.07. (a) The Government shall make arrangements satisfactory to the Bank for insurance of the equipment to be procured under part C of the Project to such extent and against such risks and in such amounts as shall be consistent with sound practice.

¹ United Nations, *Treaty Series*, vol. 571, p. 132.

(b) Without limiting the generality of the foregoing, the Government undertakes to insure or cause to be insured the goods to be imported and to be financed out of the proceeds of the Grant for the Project against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such goods.

Article IV. REPORT; POST-PROJECT MATTERS

Section 4.01. The Government, the Fund and the Bank shall exchange views with respect to the Consultant's final reports and the implementation thereof. Copies of each report shall be furnished to the Fund, the Government and the Bank.

Section 4.02. The Fund may use any reports prepared by the Consultants for such purposes as the Fund shall reasonably determine, but shall not release such reports for public information except at the request or with the consent of the Government.

Section 4.03. The Fund's willingness to participate in financing the Project does not commit the Fund to assist in the implementation of recommendations contained in any reports of the Consultants or to extend financial or further technical assistance to the Government with respect thereto.

Article V. SUSPENSION AND TERMINATION

Section 5.01. The Government may at any time in writing request the Fund to terminate any part of the Project, and the Fund may at any time, whether or not any such request shall have been received, suspend or, after consultation with the Government and the Bank, terminate any part of the Project if any circumstances arise which interfere or threaten to interfere with the successful carrying out of any part of the Project in the manner and upon the terms contemplated in this Agreement or with the accomplishment of the purpose thereof. In the event of any such termination or suspension, the parties shall consult with each other concerning the appropriate steps to be taken and any further action which it may be necessary or desirable to take with respect to the Project.

Article VI. MISCELLANEOUS

Section 6.01. The Bank shall require the Consultants to designate a Team Leader, who shall be responsible on behalf of the Consultants for liaison with the Government, the Bank and the Fund.

Section 6.02. Subject to the provisions of sections 1.03 and 1.04 of this Agreement, the officials responsible for the implementation of this Agreement shall be:

(a) For the Fund, the President;

(b) For the Government, the Director of Irrigation or any other officer(s), duly authorized in writing by the Minister of Finance and Planning.

Section 6.03. Any action required or permitted to be taken under this Agreement on behalf of the Government may be taken by the official designated in section 6.02 or any person thereunto duly authorized in writing by him.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed in their respective names and delivered at the principal office of the Fund as of the day and year first above written.

For the Lao People's Democratic Republic:

By: KHAMRING SAYAKONE

For the International Fund for Agricultural Development:

By:

SCHEDULE 1

TERMS OF REFERENCE OF THE CONSULTANTS

1. The Project is to enable the Government to conduct a review of presently identified water resources development projects, and to develop the necessary expertise in the technology and methodology required for project analysis and the carrying out of pre-feasibility analysis for selected projects for water resources development. It will also enable the Government to develop its capacity to effectively implement and operate on-going as well as future projects relating to water resources.

2. The Project will consist of three parts (part A, part B, and part C) as follows:

(i) *Part A*

- (a) The provision of advisory services for a countrywise review of presently identified water resources development projects, the carrying out of pre-feasibility studies and analysis in selected projects for water resources development, and the training of local counterparts on-the-job in such technology and methodology;
- (b) The advisory services shall be provided by three (3) consultants, *viz.*: an Irrigation Engineer, an Agronomist, and an Economist, for the following periods:
 - The Irrigation Engineer, for 12 man-months;
 - The Agronomist, for 6 man-months;
 - The Economist, for 6 man-months;

(ii) *Part B*

- (a) The provision of overseas training for selected local staff from DI in the fields of designing civil works connected with water resources (such as irrigation, drainage and flood control works), the construction of civil works in connection therewith, and the operation and maintenance of such civil works;
- (b) The number of personnel to be selected for such training and the respective periods of their training shall be:
 - 4 persons for training in designing for civil works relating to water resources, for a period of 4 weeks;
 - 4 persons for training in construction of civil works relating to water resources, for a period of 4 weeks;
 - 4 persons for training in the operation and maintenance of civil works relating to water resources, for a period of 4 weeks;
- (c) Such training shall be undertaken at suitable centers to be agreed upon between the Government and the Bank;

(iii) *Part C*

—The procurement of certain equipment necessary for the advisory services and on-the-job training to be provided under part A of the Technical Assistance.

3. Terms of reference of the Consultants:

- (i) In coordination with technical personnel of DI, review available engineering, technical, agricultural, economic and socio-economic studies, reports and data relevant to the water resource development projects in Laos;
- (ii) In coordination with DI, prepare an inventory of those projects, indicating in each case the project's objectives, scope, components, estimated cost, status of preparation and expected source of financing;
- (iii) Identify project priorities reflecting the Government's development strategy, and classify projects into (i) short-term (within 5 years), (ii) medium-term (within 10 years), and (iii) long-term (11 years or more);
- (iv) Collect necessary additional data to enable undertaking of pre-feasibility level studies of projects to be selected in consultation with the Bank and Government;
- (v) Provide on-the-job training to counterpart personnel on project formulation and analysis in the course of actual conduct of pre-feasibility studies.

SCHEDULE 2

SERVICES, FACILITIES AND EQUIPMENT PROVIDED BY THE GOVERNMENT

The services, facilities and equipment to be provided by the Government under section 3.01 of this Agreement are as follows:

- (1) Office accommodation (suitably furnished and equipped), office supplies, secretarial assistance, translation and interpretation services, and communication facilities which the Consultants reasonably require for the purposes of the Project;
 - (2) Vehicles (in addition to those to be procured under this Agreement) and drivers and such other internal transportation facilities in Laos (including the cost of maintenance and operation) which may be needed by the Consultants for carrying out the Project;
 - (3) Equipment, materials and supplies at the disposal of the Government (in addition to those to be procured under this Agreement) which may be necessary for the consultants for the efficient performance of their functions and duties.
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