

GRANT APPLICATION FORM

1. Project title	Implementation of ASEAN GAP in Lao PDR
2. Theme 1, 2 and/or 3	<p>The project will primarily relate to Theme 2 (Capacity building for public and private organizations). Some of the activities undertaken will include the creation of domestic legislation in line with international standards, training of staff in GAP (food safety) systems, and creating the “institutional infrastructure” needed to ensure market access for Lao agricultural products. Piloting activities will begin the process of extending this capacity into the private sector.</p> <p>In order to achieve the goals listed above, the project will also make a limited contribution to Theme 1 (SPS capacity evaluation... including the need for and implications of international standards and their application.)</p>
3. Starting date	The proposed starting date for this project is July 1st, 2009. The actual starting date will be subject to the timing of funding approval.
4. Completion date	The anticipated completion date will be June 30 th , 2011, or two years after the actual starting date.
5. Requesting organization(s)	<p>The primary contact organization for this project will be the Lao Clean Agriculture Development Centre (CADC). This center is an operating unit of the Lao Department of Agriculture, a department of the Lao Ministry of Agriculture and Forestry.</p> <p>The Clean Agriculture Development Centre can be contacted via: Ministry of Agriculture and Forestry Department of Agriculture P.O. Box 811 Vientiane Capital, Lao PDR Tel/Fax: 21 780042 Mobile: 020 777 7889</p> <p>This project is supported by other Lao Government departments, including the National Agriculture and Forestry Extension Service (Ministry of Agriculture and Forestry), the Production and Trade Promotion Department (Ministry of Industry and Commerce) and the Food and Drugs Department (Ministry of Health). Letters of support from these departments are attached in Appendix 1.</p>
6. Implementing organization(s)	<p>The Clean Agriculture Development Center, along with its sub-institutions, will be the main implementing organization. The sub-institutions involved in this project include the Lao Certification Body (LCB) and the Internal Control System Support Unit (ICS Support Unit). The Department of Agriculture (especially the Regulatory Division) will also be involved in the project. All of the institutions mentioned above can be contacted at the same central address:</p> <p>Ministry of Agriculture and Forestry Department of Agriculture P.O. Box 811</p>

	<p>Vientiane Capital, Lao PDR tel: (+856 21) 412350 fax: (+856 21) 412349 e-mail: doag@laotel.com.</p> <p>A letter of endorsement from this institution is attached in Appendix 2.</p>
<p>7. Project background and rationale</p>	<p>Despite rapid growth in other parts of the economy, agriculture remains the most important economic sector in the Lao PDR. Modernization of agriculture is the top priority for the Lao Department of Agriculture, and this process is guided by the <i>Lao Clean Agriculture Policy</i>. This policy framework encourages economically and environmentally sustainable agricultural production based on a range of approaches (organic agriculture, pesticide free agriculture, certification of Good Agricultural Practices and improved traditional agriculture.)</p> <p>While donor support for organic agriculture has allowed the DOA to create a legal and institutional framework for organic agriculture, Lao PDR is the only ASEAN country without a national version of the harmonized ASEAN GAP. A national GAP system is needed to maintain and improve access to markets in ASEAN and East Asian countries where demand for GAP products is growing and where very few importers are interested in standards designed for European markets such as GlobalGAP. GAP certification is already necessary for access to markets in Singapore, and is increasingly required for sales to supermarket chains in Thailand (the major destination for most Lao fruits and vegetables.)</p> <p>Previous attempts to introduce Good Agricultural Practices were piecemeal and failed due to the lack of an institutional and regulatory framework needed to support GAP production. This project will adopt ASEAN GAP standards in Lao PDR and adapt existing regulations and institutions to create the legal and institutional framework for GAP agriculture. Despite the short timeframe of the project, these institutions will also pilot GAP training and certification services in Lao PDR. Successful completion of the project will allow Lao and international businesses to maintain and expand access to international markets for GAP fruits and vegetables.</p> <p>For more details about the project's background and rationale, please see Appendix 3 attached below.</p>
<p>8. Project management</p>	<p>The project management structure will maximise accountability and will include clearly defined roles. The project will be lead by a project manager who will oversee operations, deal with legal and regulatory issues and maintain links with external institutions. Project activities will be delivered by two project officers, one of whom will also act as an office management assistant.</p> <p>The project will be overseen by a 9 member steering committee and membership in the committee will be representative of public and private institutions and groups with an interest in food safety. The steering committee will be responsible to provide guidance to the project manager, and to make decisions on major financial and policy issues.</p>

	<p>A diagram showing the proposed management structure and a list of the organizations that will participate in the steering committee is included in Appendix 4.</p>
<p>9. Project objectives</p>	<p>Although some work to promote <i>Good Agricultural Practices</i> has taken place, GAP is largely unknown in Lao PDR. The Lao Department of Agriculture participated in the development of ASEAN GAP standards. These standards were created to harmonize GAP systems in ASEAN, with the understanding that countries such as Lao PDR would adapt and then adopt the ASEAN standards into a national GAP system.</p> <p>A previous project delivered GAP “master trainer training” without creating the institutions or regulatory framework needed to support and promote GAP production in Lao PDR. The lack of an inspection and certification system also made farmers reluctant to adopt GAP practices because most markets that require GAP products also require certification.</p> <p>The purpose of this project is to create a robust and self supporting infrastructure to promote, train and certify producers in GAP production. The proposed project will fill this need and will work with the Lao Department of Agriculture and international partners such as the FAO and the ASEAN Secretariat to implement GAP production in Lao PDR. This project will be the starting point to achieve:</p> <ol style="list-style-type: none"> 1. poverty alleviation through improved market access for Lao large and small agricultural products in ASEAN and other international markets, and; 2. improved human health in Lao PDR and neighbouring countries through better control of hazards in the food production system, with a focus on fruits and vegetables. <p>Given the two year time-frame for the project and the institutional challenges that must be overcome, the objectives of the project will be narrowly focused. These objectives will include:</p> <ol style="list-style-type: none"> 1. To contribute to the development of the national food safety strategy by clarifying the roles, responsibilities and jurisdiction of the Department of Agriculture for GAP in relation to other government departments. On completion of this project, the DOA will have a system in place to support GAP as the “starting point” for the food safety system. This system will be integrated with efforts by other departments (Food and Drug Department, Department of Industry and Commerce) to implement systems for Good Manufacturing Practices, Good Hygienic Practices and HACCP systems. 2. To help complete the SPS system by creating legislation and regulations to support GAP in Lao PDR. This effort will be guided by ASEAN GAP standards, the regionally developed norm for Good Agricultural Practices in ASEAN member states. Lao PDR has committed to adopting the ASEAN standards, but is the only country in ASEAN that has not yet done so.

	<p>On completion of the project, Lao PDR will have standards and regulations clearly defining all aspects of GAP. This framework will define the national standards, control accreditation of certification bodies, control food safety claims related to Good Agricultural Practices and outline the responsibilities of the Department of Agriculture and its sub-institutions (Clean Agriculture Development Centre, Lao Certification Body etc.) Lao PDR will then be able to participate in the continued development of ASEAN GAP system, including benchmarking of national standards against ASEAN GAP and obtaining international recognition as a recognized trading standard.</p> <p>3. To create a competent authority to deal with GAP accreditation, inspection, certification and related issues in Lao PDR. Special attention will be given to creating a self-sustaining business model for GAP certification and inspection body(s), including training of core staff. The certification body initially be supported by the Department of Agriculture, but will become an independent private company or arm’s length government institution in the future.</p> <p>The Department of Agriculture will have a core group of knowledgeable policy staff capable of accrediting GAP certifiers and guiding the development of GAP system in the future. This group will allow the Department of Agriculture to continue developing the Lao SPS system in the future.</p> <p>4. By the end of the project GAP training will be available, with trained staff ready to deliver services to private sector operators seeking to produce certified GAP products. This is expected to include training on technical aspects of GAP production and training on related issues such as the use of Internal Control Systems (ICS) for certification of groups of small farmers.</p> <p>Training capacity developed during the project will also be available for non-commercial training of government departments such as the National Agriculture and Forestry Extension Service and projects sponsored by NGOs that may choose to implement non-certified GAP production for local markets. Master-trainer training will also be available for private sector operators who will offer GAP training services as a commercial service</p>
10. Project outputs	<p>Based on extensive consultations with project stakeholders and other projects, five project outputs are anticipated. These include:</p> <p>1. The adoption of national GAP standards based on and harmonized with ASEAN GAP standards. On the recommendation of FAO consultant Dr. Robert Premier, the GAP standards are expected to include one system for conventional agricultural products and a second set of standards for organic agricultural products. (The standards for organic production will focus on biological and physical hazards.)</p> <p>Other laws and regulations that will be created include a “GAP seal”, rules governing food safety claims related to agricultural production and creation of the laws and regulations needed to</p>

	<p>implement the standards.</p> <p>3. Participation in the creation of competent authorities responsible for GAP regulation, accreditation and monitoring in Lao PDR in line with ASEAN and WTO commitments. The competent authority for regulation will be housed within the Department of Agriculture's regulatory division, and will work independently from the Clean Agriculture Development Center's training, inspection and certification services. The competent authority for accreditation will be shared with other certification systems dealing with plant and animal agriculture and forestry. This authority will most likely be housed at the level of the Ministry of Agriculture and Forestry, and will be created in cooperation with other initiatives.</p> <p>4. The Clean Agriculture Development Center will deliver GAP training, inspection and certification services as part of their responsibility to implement the government's <i>Clean Agriculture Policy</i>. Training services will include technical training on GAP standards and techniques for commercial operators, creation of Internal Control Systems for groups of small farmers implementing GAP, and training of other government institutions, NGOs and private enterprises</p> <p>5. Pilot production of certified GAP products will take place in coordination with a proposed FAO project that will run concurrently to this project. If other suitable partners are found, in the private sector, additional piloting of GAP production and certification may also take place.</p>
11. Project activities	<p>ACTIVITIES</p> <p>1. Legal and Regulatory Development</p> <p>1.1 Adoption of standards and regulatory scheme</p> <p>1.2 Public consultation and submission of standards and regulations</p> <p>1.3 Promotion and dissemination of regulations and standards</p> <p>1.4 Coordinate with international institutions</p> <p>2. Institutional Development</p> <p>2.1 Develop business plans for institutions needed to deliver GAP training and certification</p> <p>2.2 Working approval for GAP institutions</p> <p>2.3 Training of certification and training staff</p> <p>2.4 Develop training, inspection and certification materials</p> <p>3. Training and Pilot Implementation</p> <p>3.1 Publicizing GAP production to potential clients</p> <p>3.2 Initial training of public and private organizations</p> <p>3.3 Piloting of inspection and certification</p> <p>4. Project Management and Administration</p> <p>4.1 Hiring and orientation of staff and consultants</p> <p>4.2 Planning and operational support</p> <p>4.3 Office management and general administration</p> <p>4.4 Monitoring and reporting</p> <p>4.5 Financial management and audit</p> <p>4.6 End of project review, assessment and recommended action</p>

	<p>plan</p> <p>A detailed work plan is attached as Appendix 5 to define the substantive activities required to produce the outputs of the project.</p>
12. Timetable	<p>Due to the complexity of the proposed project and the need to pilot the new system, the project will require a full two years to implement. This timeline is very ambitious, but should be possible if planned partnerships with other projects take place. The project is currently scheduled to begin on June 1st, 2009 and finish May 31st 2011, pending approval of project funding and selection of the project administrative body.</p> <p>A detailed timetable is attached as Appendix 6.</p>
13. Private/public sector co-operation	<p>Good Agricultural Practices are primarily used by private sector actors ranging from large multi-national agri-food companies to smallholder farmers. This project will work primarily with the public sector to adopt standards, create a regulatory framework and develop institutions in the public sector to serve these private sector actors.</p> <p>The private sector will be involved in developing the GAP system in three ways: 1. Public consultation meetings will be held to ensure private sector needs guide the new GAP system; 2. Representatives from the private sector will have a prominent role on the project steering committee, and; 3. Piloting activities will work to train, inspect and certify private sector actors producing fruits and vegetables.</p> <p>Private sector actors will contribute the labour and investment needed to prepare themselves for these training and certification activities. This will include substantial investments needed to improve production practices and post-harvest handling. At this time, one private sector actor (LAICO Inc.) has volunteered to act as a test case for the training and certification system.</p>
14. Budget	<p>The total project cost will be US 368,210.50, of which US \$325,850.00 will be grant funding for project activities and US \$42,360.50 will be grant funding allocated to the administering body.</p> <p>A detailed breakdown of the proposed uses of the funds is contained in Appendix 7.</p> <p>A summary of the budgeted costs are provided below:</p> <p><u>Personnel services</u>: US \$56,200.00, of which US \$25,200.00 is for local support services and US \$31,000 is for consultancies needed to deliver project activities.</p> <p>Terms of reference for project staff and consultants are provided in Appendix 8.</p> <p><u>Travel</u>: US \$108,350 will be spent on travel, including \$50,250 for international travel costs and \$58,100 for in-country travel</p> <p><u>Training and Piloting</u>: US \$92,700 will be spent on training and</p>

	<p>piloting activities, including meetings</p> <p><u>General operating expenses:</u> US \$54,600 will be spent on general operating expenses and administration.</p> <p><u>Equipment:</u> A total of US \$14,000 will be spent on equipment for the project and partner institutions</p> <p>A specified list of IT equipment is provided in Appendix 9, with estimated costs.</p>
15. Non STDF contributions	<p>The total non-STDF contributions will be US\$85,200. Non-STDF contributions will come from the Department of Agriculture and the Clean Agriculture Development Center and its sub-institutions (LCB, ICS Support Unit). These contributions will include use of office space and staff time spent contributing to project work or participating in meetings and training.</p> <p>(Time for participating in project work, training and meetings is calculated only when these institutions are not receiving direct financial benefits from the project. Time spent on piloting activities where these institutions are providing piloting services for the project at a daily rate are not included in this calculation.)</p> <p>Additional information about the non-STDF contribution is contained in the last section of Appendix 7.</p>

Appendix 1: Supporting letters

LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Ministry of Health
Food and Drug Department
Fax: 856 21-214015

No. 1004 /FDD.08

Vientiane, 18 December 2008

STDF Secretary
World Trade Organization
Centre William Rappard,
Rue de Lausanne 154,
CH-1211 Geneva,
Switzerland

To Whom It May Concern:

This letter is being submitted in support of the proposed *Developing a Good Agricultural Practices Scheme for the Lao PDR* project. The Food and Drug Department, Ministry of Health; Food Safety Authority of Lao PDR is pleased to support the proposed project and is willing to assist in its implementation where possible.

As Lao PDR has identified the role and responsible in relation to food safety (Food Safety Policy annex 1) that MAF is responsible for controlling food safety through the period of primary production and MOH is responsible for food safety quality assurance from food processing to consumer. Therefore GAP is important and necessary for assuring safe raw materials for future processing, also to improve food safety and hygiene through implementation of *Good Manufacturing Practices (GMP)* and *Hazard Analysis at Critical Control Points (HACCP)* and by improving the safety of unprocessed fruits and vegetables and also processed food products.

On behalf of the Food and Drug Department, I would once again like to express our support for this important project. I would also be pleased to deal with any questions, concerns or comments you have related to our support for this project or our role in food safety regulation and promotion of food safety quality assurance system in Lao PDR.

Thank you.



Somthavy CHANGVISOMMID



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Agriculture and Forestry
Department of Agriculture

No. 0889-... /DOA
16 DEC 2008
Vientiane,

Attention: STDF Secretary
World Trade Organization
Centre William Rappard,
Rue de Lausanne 154,
CH-1211 Geneva,
Switzerland

To Whom It May Concern:

This letter is being submitted in support of the proposed *Developing a Good Agricultural Practices Scheme for the Lao PDR* project. The Lao Department of Agriculture (DOA) believes that this project is critical for the development of a functional SPS system in Lao PDR, an issue that is at the heart of DOA's mandate.

As one of the departments responsible for SPS issues in Lao PDR, the Department of Agriculture will be an active participant and eager contributor to the project. We are aware that this project will require substantial human and other resources, but we believe this is an efficient and effective use of these resources. The DOA is also committed to support the implementation of GAP as part of our *Clean Agriculture Policy* long after the proposed project is complete.

On behalf of the Department of Agriculture, I would once again like to express our full support for this important project. I would also be pleased to deal with any questions, concerns or comments you have related to this project, the role of the Department of Agriculture or to SPS issues in the Lao PDR.

Sincerely Yours



Mr. Viravanh Pannourath
Director General
Department of Agriculture



People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Industry and Commerce
Foreign Trade Policy Department

Rcf. 0019 /FTP.D.MOIC
Vientiane Municipality, Date..... 08 JAN 2009

STDF Secretary
World Trade Organization
Centre William Rappard,
Rue de Lausanne 154,
CH-1211 Geneva,
Switzerland

To Whom It May Concern:

This letter is being submitted in support of the proposed *Developing a Good Agricultural Practices Scheme* for the Lao PDR Project. The Department of Foreign Trade Policy, Ministry of Industry and Commerce, is pleased to support the proposed project and is willing to assist in its implementation where possible.

We believe that this project will have an important impact on Lao PDR. As the only country in ASEAN without a national GAP system, Lao PDR needs to make quick progress to meet its commitments of ASEAN and take advantage of the ASEAN Common Market planned for 2012. The project will also assist us as we work towards full membership in the WTO.

On behalf of the Department of Foreign Trade Policy, I wish to express our support for this important project. I would also be pleased to provide any comments you may have related to this project or to our role in promoting agricultural trade in Lao PDR.

Thank you,




Bounsom PHOMMAVIHANE ,

Director General
Department of Foreign Trade Policy

Appendix 2: Endorsement of implementing organization

December 18, 2008

STDF Secretary
World Trade Organization
Centre William Rappard,
Rue de Lausanne 154,
CH-1211 Geneva,
Switzerland

To Whom It May Concern:

This letter is being submitted in support of the proposed *Developing a Good Agricultural Practices Scheme for the Lao PDR* project. As the requesting and implementing body, the Clean Agriculture Development Center believes strongly in this project and the impacts it will have on agriculture, trade and human health in Lao PDR. This project will allow CADC to build and test the tools needed to improve food safety practices at the producer level.

As an arms-length operating unit of the Lao Department of Agriculture, CADC will be able to work collaboratively with the DOA and with other public and private sector organizations involved in SPS issues in Lao PDR. We are aware that this project will require a substantial amount of our resources, but it will also make us a stronger, more capable organization. Having completed the project, I am confident that CADC will be able to lead the implementation of GAP in Lao PDR for many years to come.

On behalf of the Clean Agriculture Development Center, I like thank-you for your anticipated support for this important project. I would also be pleased to deal with any questions, concerns or comments you have related to the project or to the mandate and operations of the CADC and its various sub-institutions.



Thank you,
Mr. Khamheng Kinnavong
Director
Clean Agriculture Development Center

Appendix 3: Description of the project background and rationale

Introduction

The Lao horticulture industry has been slow to take advantage of its many comparative and natural advantages. Despite suffering from disadvantages such as the high cost of transportation and low labour productivity, the fruit and vegetable sector should benefit from fertile soils, adequate irrigation water, low labour costs and the ability to produce tropical and off-season temperate fruits and vegetables. Despite these advantages, trade in fruits and vegetables remains small and focused on a few low value crops produced using primitive techniques and sold into uncoordinated supply chains. A few companies have been able to penetrate higher value markets for fresh and processed products, but these are exceptions to the rule.

Obstacles and Constraints

Sanitary and Phyto-sanitary (SPS) issues were identified as a constraint to trade growth by the *Diagnostic Trade Integration Survey* (DTIS) for Lao PDR, and confirmed by the field study conducted during the project preparation process. Progress on phyto-sanitary issues is noticeably more advanced, with quarantine stations operating at borders and a new quarantine law approved by the National Assembly on December 8th, 2008.

With a stronger plant health and quarantine system in place, food hygiene and safety has become a more important constraint for Lao fruit and vegetable producers and exporters. Standards such as GAP, GHP, and GMP are needed to help Lao farmers meet the needs of international and domestic buyers. While commercial GAP standards such as **Global GAP** are available for highly sophisticated producers with large financial resources, the expense and complexity of these systems are inappropriate for most Lao producers. Most importantly Global GAP is not required by any of Lao PDR's main trading partners for fruits and vegetables, most of whom are located in East and South East Asia.

Currently, Lao PDR is the only ASEAN country that does not have a national GAP system harmonized (or in the process of harmonization) with ASEAN GAP. The field study found that the lack of a food safety certification system has stunted the development of the fruit and vegetable industry. Producers are unable to access important regional markets for fresh horticultural products, while neighbouring countries such as Thailand have moved forward aggressively with GAP certification for both domestic and export markets. The lack of a food safety system will become much more important in the future as Lao PDR is integrated to the planned ASEAN common market in 2012, and as the country works towards full WTO membership. A functional GAP system that assists small-holders to obtain collective certification is needed to prepare both large and small producers and exporters for these changes.

While it was impossible to contact all potential clients for GAP certification during the field study, a representative sample of 14 agricultural enterprises were interviewed. Of these, 5 companies were interested in Lao GAP certification, including 4 large vegetable producers and exporters, 1 medium sized vegetable producer and canner. A large tobacco producer and exporter expressed interest in GAP certification, but this may not be possible without extensive revision of ASEAN standards for non-edible crops. The other companies interviewed were not interested in GAP certification because they produced non-perishable commodities (4), because they planned to use another GAP system (2) or because they did not plan to export their products (2).

The most enthusiastic agricultural enterprise interviewed was a Thai owned sweet corn producer and exporter. This company operates an HACCP certified sweet corn canning plant which processes sweet corn grown mostly by approximately 150 small farmers. The company exports their product to European and ASEAN countries and their primary interest in GAP certification is to improve the quality of products entering their canning plant, especially related to pesticide residues. The company feels that GAP certification is complementary to HACCP, and they have volunteered to become a test

case for pilot certification. This process would involve the certification of approximately 150 small farmers, and it would help the company maintain access to European markets because it would reassure customers that the company can meet European MRLs. The company has not considered GAP certification in the past because of the expense and difficulty of certifying many small farmers.

Most of the other companies interested in local GAP certification would also involve large numbers of small producers, many of whom would need to be organized into *Internal Control Systems*. These enterprises include:

- A medium sized Lao producer and exporter of fruits and vegetables that would certify its own plantation along with approximately 150 small producers. This company has existing business dealings with Thai distributors who resell products to supermarkets, and who is actively pursuing opportunities in Singapore, Malaysia and Taiwan. Should these sales be successful, this company would consider expanding GAP certification to fruit exports for Thai and Vietnamese customers.
- A group of Thai investors interested in producing GAP and organic certified high-value vegetables in Southern Lao PDR for export primarily to supermarkets in Thailand. GAP certification by this business is estimated at more than 500 small producers over 4 years. This company considers it cost prohibitive to certify smallholder farmers to an international GAP certification unless public support is provided. An international recognized local certification would reduce these costs dramatically.
- A second group of Thai investors interested to produce organic and GAP certified products for sale in ASEAN countries and for export to other areas in Asia. This company expects to work with approximately 400 small farmers over the next 4 years.
- A Japanese owned, Thai based company producing okra for export to Japan is interested in Lao GAP certification if it proves to be less expensive than the current GAP-like, non-certified and non-audited system in place for export to Japan. (The Japanese importer would also have to approve this change.) This company produces product only on its own plantation, and does not buy from small farmers.

In total, an ASEAN GAP based national GAP system could expect to certify four large farms and approximately 1000-1200 small producers over the next 5 years using the contacts developed during the field study. In addition to these enterprises, substantial opportunities exist in other provinces not visited by the study team. These include:

- Watermelon producers operating in Khammuane and Savannakhet provinces in central Lao PDR. These melons would be intended for markets in Thailand, Singapore and possibly for China. Melon production for Chinese markets also takes place in Northern Lao PDR, and additional opportunities may be available in this area.
- Orange producers in Bokeo and other north-western provinces. Small producers in this area have existing links to Thai packing houses with established customer bases in Thailand, Malaysia, Singapore, Myanmar and other regional countries.
- Vegetable growers in Vientiane Capital region. Small to medium sized distribution companies are emerging to serve the needs of tourist-oriented restaurants and hotels that currently buy imported GAP certified produce.

Impacts of the Project on Constraints

This project will “jump start” the GAP certification system, allowing Lao PDR to access regional and international markets for fruits and vegetables. Demand for certified GAP products is growing rapidly in ASEAN countries, where importers are generally uninterested in Global GAP. ASEAN GAP is intended to be “... recognized as a voluntary standard... by stakeholders within the ASEAN region and globally in trading countries”. Use of ASEAN standards will dramatically improve market access for Lao producers exporting to all of Lao PDR’s most important and trading partners for fruit and vegetable products.

For the Lao GAP system to have maximum effect on international trade, benchmarking and international recognition is desirable. The national standard will be based on the regional ASEAN

GAP, and in that sense it is part of the bigger program for ASEAN economic integration. Benchmarking and international recognition for ASEAN GAP and related national standards will be managed by the *Expert Working Group on ASEAN GAP* with funding expected from the AADCP II program. For Lao PDR to participate in this process, the government must first implement Lao GAP standards (as proposed by this project.) According to ASEAN GAP expert Dr. Robert Premier, national standards will then be benchmarked to the ASEAN GAP standard and then ASEAN will then negotiate reciprocal recognition with international trading partners. Additional information about benchmarking is contained in the *ASEAN GAP Strategic Plan*, excerpts of which are attached in **Appendix 10**.

This project will be a major step towards completing the SPS system in Lao PDR, and will provide a supply of safe, certified inputs for food packers and processors using downstream food safety systems such as GMP and HACCP. The ability to certify the entire supply chain will protect the health of consumers inside and outside of Lao PDR, and will increase the competitiveness of existing and new GMP and HACCP certified processed fruit and vegetable products for export. As an example, the sweet corn processing company contacted during the survey was especially interested in GAP certification to reassure existing and new European customers that they can consistently meet maximum residue limits (MRLs) for pesticides.

Information gathered during the field study showed that the lack of a certification system is harmful for small commercial vegetable and fruit farmers. These farmers and the traders they deal with depend on exports of low value semi-perishable products to ASEAN countries such as Thailand and Vietnam. These farmers and traders lack the human and financial resources to implement complex commercial GAP systems such as Global GAP, but many feel that they would be able to implement a simpler system based on ASEAN GAP.

While GAP certification is often promoted as a way of getting a “premium price” for farm products, farmers in other ASEAN countries have often found the situation to be more complex. GAP certification in the region usually leads to better management and cultural practices and higher quality fruits and vegetables suitable for higher-value, coordinated supply chains.¹ Experience with conventional and organic production in Lao PDR has shown that coordinated supply chains must offer a premium of 10% or more over regular market rates for equivalent quality products to avoid leakage into traditional market chains. The real benefit of GAP certification is therefore a combination of better prices for improvements to quality, a small premium to cover the costs of certification, greater price stability and access to more reliable markets.

Most small producers and traders interviewed by the project participated in uncoordinated supply chains that often experienced price collapses due to over-supply and uncertain markets. The most extreme example observed was the collapse of the export market for cabbage and Chinese cabbage in Champasak province in mid-2008 when prices fell to less than ¼ of production costs. Certified GAP production is a necessary (but not sufficient) tool for these small farmers to access more stable markets and participate in coordinated supply chains. The project will make it possible for small farmers to get GAP certification for products using low cost *Internal Control Systems*, encouraging linkages with exporters and allowing them to access new markets in ASEAN and other regional countries. Small farmers will usually be linked to markets through a larger private sector entity capable of coordinating supply chains and maintaining links with sophisticated, modern customers such as distributors and retailers.

Additional information about the commercial impacts of GAP certification systems in neighbouring ASEAN countries are given in **Appendix 11**.

¹ Personal correspondence, Dr. Robert Premier, ASEAN GAP development consultant and expert on GAP development in the Asia-Pacific region.

In addition to the benefits for large and small producers, field study results also found that certified GAP production by larger farms can improve the quality and quantity of jobs for rural labourers. Farms using GAP systems to produce fruits and vegetables were found to use more labourers than farms producing other crops in the same area. As an example, a 62 hectare okra farm using a GAP-like production system employed 180 local people full time in production and 100 people full time in their HACCP certified packing house. A nearby cassava farm of 100 hectares employed only 30 people full time and 15 people part time. The labour intensity of the two farms was less than 0.5 people per hectare on the cassava farm and approximately 4.5 people per hectare at the okra farm.

Other crops suitable for GAP production also require substantial amounts of labour compared to competing crops such as maize, cassava or sugar cane. Banana production in Lao PDR requires approximately 1 person for every 1.5 hectares cultivated and many other types of fruit and vegetable production require up to two employees per hectare. Increased production of GAP certified fruits and vegetables in Laos will therefore increase employment in Lao PDR compared to commodity crop production.

In addition to increasing the number of jobs, the quality of employment offered by GAP certified establishments is better than equivalent work on farms producing commodity crops or non-certified products. While the numbers are based on a very small sample size, farms with commercial GAP systems paid 20-50% more than neighbouring farms in the study. The higher average pay was also supplemented by improved social security, including medical coverage for workers. Higher salary rates and benefits were used to attract and maintain the high-quality, trained employees needed to operate a certified farm.

In addition to better average wages, GAP certified farms were more likely to offer non-payroll benefits. In order to comply with standards, farms using GAP systems normally provide better facilities, health and safety support and training for workers. Farms interested in producing GAP products were also more likely to offer full time employment throughout the year. In almost all cases, the requirements for GAP certification exceed the benefits and protections offered to agricultural workers under Lao laws.

Linkages With Other Projects

The proposed project links with previous, ongoing and planned work done nationally and internationally. The most important linkages are with the ASEAN GAP project which recently completed Phase II. This project developed harmonized GAP standards for ASEAN, and will continue to work regionally with AADCP II financing starting in 2009. The proposed project will adopt these standards and will enable Lao PDR to continue working with ASEAN on regional and international recognition of national GAP standards based on ASEAN GAP.

The project also links with other projects, including a proposed FAO project to raise awareness and begin training on GAP standards in Lao PDR. This proposal is described in detail in the report by Dr. Robert Premier that is included with this application. A graphic representation of the relationship between these projects is included in the tables on the following page, and additional information about potential FAO involvement is given in **Appendix 11**.

Relationship With Other Projects and Clean Agriculture Policy

Table 1: Short term vision

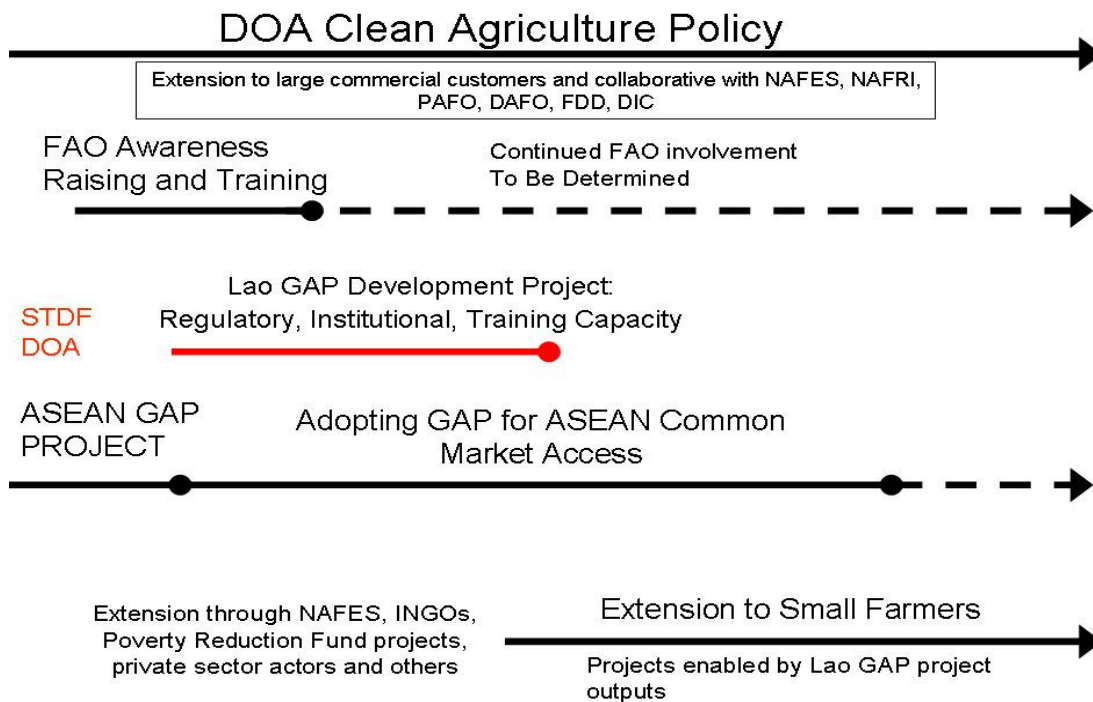
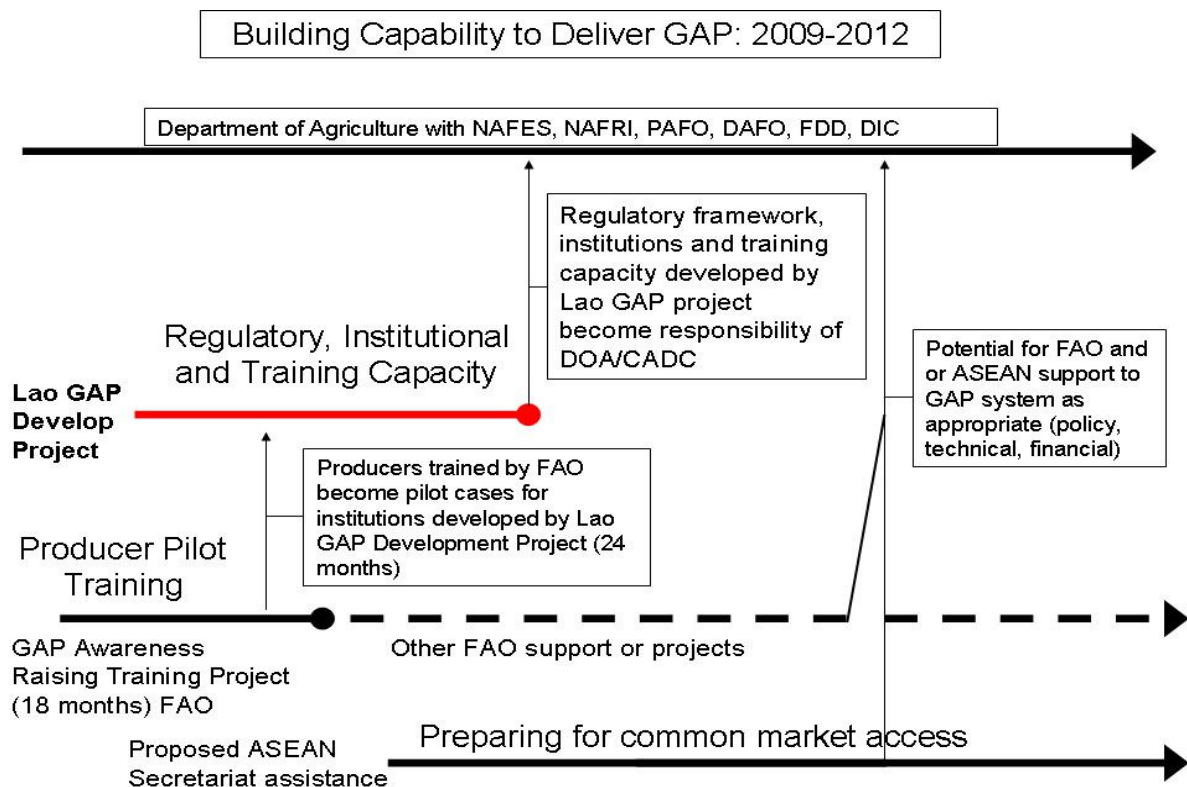


Table 2: Long-term vision



The GAP project will also have strong linkages with work done to develop organic agriculture by PROFIL project supported by the Swiss NGO Helvetas. This project has developed a certification system for organic agriculture that can now be used to deliver GAP certification as well. Institutions such as the Lao Certification Body and the Internal Control System Support Unit were created through PROFIL, and will become stronger, more capable and more economically viable when they are able to offer both organic and GAP certification services. It is also expected that a special GAP certification for organic producers (which only includes biological and physical threats) will help improve market access for exports of organic fruits and vegetables.

Cost Effectiveness

This project has been designed to have the maximum impact with limited financial resources and time. To achieve this, the project will use existing standards and institutions, adapting them when necessary, and building their capacity to manage and deliver a GAP scheme in Lao PDR. The project will also take advantage of work done by previous and ongoing projects. This cooperation will include a proposed FAO project that will “pre-train” producers (for inspection and certification) and proposed work by ASEAN to benchmark national standards to ASEAN GAP and to get ASEAN GAP recognized as a trading standard by the WTO.

The most important advantage of the proposed project is that it will use institutions created to serve the organic industry, such as the LCB and the ICS Support Unit. Expanding the mandate of these institutions is faster and less expensive than creating new institutions to implement the GAP scheme. This arrangement will also reduce overhead costs in the long term, and will make it easier to attract and maintain skilled and committed staff.

Other options for implementing GAP in Lao PDR were investigated but were found to be inappropriate. Some individuals interviewed during the field study suggested Global GAP as an appropriate standard, but other regional countries such as Indonesia have not found this to be a successful strategy. Others (particularly provincial and district government officials) suggested that the GAP system should be decentralized, but this option would be expensive to implement and operate and logistically impossible under the proposed timeframe.

The design of this project includes four project positions that are expected to be filled by appointees from the Clean Agriculture Development Center, the Lao Department of Agriculture. While CADC staff members are enthusiastic about developing the GAP system, local and international resources will be needed to supplement and upgrade their skills. The original design of the project also considered a part-time technical advisor, but this expense could not be justified based on the small size of the project. As an alternative, it is strongly recommended that the administering agency should assign a part-time technical/liaison person to participate in weekly project meetings and to act as a resource person for project activities.

Another option for project delivery considered during the project is to work through the newly created Trade Development Facility (TDF) based in Vientiane. Interviews and correspondence with individuals responsible for the design and implementation of the TDF made it clear that the TDF cannot support the proposed project in its current format. Given their funding constraints and operational procedures, TDF can fund work on the legal and regulatory reform components of the project, especially if these are broken into separate small projects. The aspects of this project which are most suitable for TDF funding include:

1. Creation of regulations surrounding GAP certification and GAP related food safety claims
2. Adoption of national GAP standards based on ASEAN GAP standards
3. Creation/adaptation of regulations for accreditation of agricultural certification bodies to accommodate GAP production

The limited scope of TDF activities could leave many of the activities proposed by this project “orphaned”. Extensive training of Lao trainers, certification officers and ICS Support Unit staff would still be needed before the new system could be implemented, and significant coordination would be needed between TDF, the CADC/DOA and other working partners such as FAO or ASEAN. Unless a committed “champion” is found to coordinate the process, this piecemeal approach is almost certain to lead to delays and difficulties in implementing an functional GAP system.

Sustainability

Use of existing centralized institutions is important to ensure the sustainability of the project over the long term. Previous attempts to introduce GAP into Lao PDR through “train the trainer” events and planning workshops have not been successful. This project will avoid repeating this mistake by assigning specific responsibilities to individual institutions, building sustainable business plans for these institutions and then creating an initial base of clients through piloting activities.

Two of the most important institutions involved in the project (LCB and ICS Support Unit) will operate as self-sustaining entities, with funds generated by fees for the services they deliver. Both organizations will move closer to self sufficiency by offering both GAP and organic certification services, with additional agricultural certifications possible in the future. Over time, some of the operations of the LCB and/or the ICS Support Unit should be privatized and opened to competition from inspection and certification services from neighbouring ASEAN countries.

For the Clean Agriculture Development Center, having the resources to continue policy support and training activities after the project ends will be the major challenge. The business plan developed for the CADC should consider cost-recovery for commercial training services offered to companies, commercial farms and development projects. Non-commercial training should be delivered through the agricultural extension system, especially for extension of GAP techniques to small farmers producing for local markets where GAP certification is not required. Regulatory and standards issues are not expected to require major time or resources once the system is in place, and are not considered a major factor in the sustainability of the project’s results.

Catalytic Role

Developing a regulatory, institutional and certification system for Good Agricultural Practices in Lao PDR is a necessary first step for modernizing Lao agriculture, improving trade relationships and decreasing food related illnesses. Without this project Lao PDR will remain the only ASEAN country without a national GAP system, unable to participate fully in ASEAN economic integration. Implementation of this project will allow Lao PDR to catch-up to its neighbours, and will complement work being done on other SPS issues (such as the new Plant Quarantine Law approved by the legislature on December 8th, 2008).

The availability of GAP certification is expected to have an enabling effect on rural development efforts in Lao PDR. During the field study, multiple international aid agencies expressed interest in using certified agriculture as a tool in rural development schemes. Low cost, locally appropriate and internationally recognized GAP certification should help many of these projects to achieve their goals. Training expertise and materials created by this project will also be available for projects working to improve health and sanitation in Lao PDR, although these are unlikely to require inspection or certification services.

The proposed GAP project will create the tools needed to achieve policy goals, but will only implement GAP production on a pilot scale. The Lao government, businesses and investors will be responsible to use the tools created by this project to implement certified (and uncertified) GAP agriculture with support from NGOs and international organizations. Leadership, vision and collaboration will be needed from all parties. The project preparation process has shown that this is possible and if this interest can be maintained the Lao GAP scheme will improve access to markets inside and outside of ASEAN, improve food safety for Lao consumers and help Lao PDR move off the list of Least Developed Countries in an environmentally and socially responsible way.

Appendix 4: Description of the project management structure

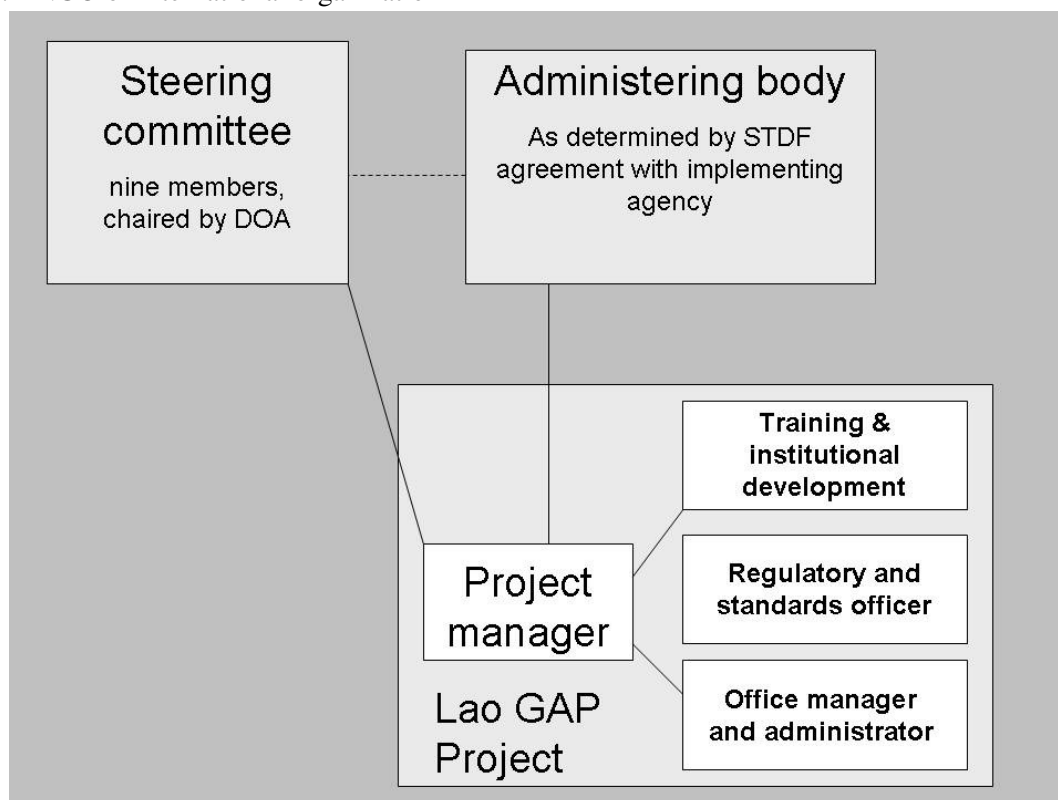
Composition of Steering Committee

Chairman: Department of Agriculture

Vice-Chairman: Provincial Agriculture and Forestry Department (Province to be determined)

Members:

1. National Agriculture and Forestry Extension Service (Ministry of Agriculture and Forestry)
2. Food and Drug Department (Ministry of Health)
3. Production and Trade Promotion Department (Ministry of Industry and Commerce)
4. Private Fruit or Vegetable Exporter
5. Small Fruit or Vegetable Grower
6. Representative of Processing or Retail Industry
7. NGO or international organization



Accountabilities

Project manager: Reports to steering committee and administering body

Technical advisor: Collaborates with project manager and reports to steering committee

All other project staff: Report to project manager

Appendix 5: Work Plan

Activities		Activity Description	Output
1	Legal and Regulatory Development		
1.1	Creation of standards and regulatory scheme	<ul style="list-style-type: none"> Standards are adapted from international scheme (ASEANGAP) for Lao GAP and Lao GAP for Organic certifications; <i>Lao GAP</i> seal is created and associated regulations are put in place to control use of the seal and GAP related food safety claims; Regulations and decrees needed to support the development of GAP training, inspection and certification institutions are created The accreditation system for agricultural certification in Lao PDR is adapted to accommodate GAP agriculture 	<ul style="list-style-type: none"> National standards are adapted from international norms A system is created to regulate food safety claims for agricultural products Legislation is drafted to enable GAP institutions Regulations allow for accreditation of GAP certification bodies
1.2	Public consultation and submission of standards and regulations	<ul style="list-style-type: none"> Public consultation meetings are held to gather input on proposed GAP standards Public consultation meeting is held to gather input on <i>Lao GAP</i> seal and associated regulations controlling GAP related food safety claims Input from public consultation meetings is integrated into standards, regulations and decrees Standards, regulations and decrees are submitted for approval by government 	<ul style="list-style-type: none"> Public input is solicited and used to improve the content of proposed legislation (regulations, decrees, etc.) Legislation is duly approved by appropriate government institutions
1.3	Promotion and dissemination of regulations and standards	<ul style="list-style-type: none"> Introduction at project inception meeting Publicize proposed and/or adopted standards and regulations at 12 month stakeholder review meeting Creation and distribution of educational and promotional materials related to the standards and regulations Distribution and promotion of standards and regulations at final stakeholder meeting (to be continued by CADC and others after the end of the project) 	<ul style="list-style-type: none"> Key public and private sector stakeholders are aware of GAP standards and regulations from start of project Educational materials are created and freely available to interested parties nationally Plans are in place to continue promoting GAP after the project is complete
1.4	Coordinate with international institutions	<ul style="list-style-type: none"> Coordinate development of the national system with ASEAN secretariat initiatives (reciprocal recognition agreements, status as WTO recognized trading standard) Work with FAO to certify producers trained under parallel ASEAN GAP based training program 	<ul style="list-style-type: none"> Lao GAP is recognized as a trading standard by ASEAN and WTO Producers trained by FAO participate in pilot certification to Lao GAP standard
2	Institutional Development		

2.1	Develop business plans for institutions needed to deliver GAP training and certification	<ul style="list-style-type: none"> Business plans are created or adapted for institutions involved in the GAP system (Lao Certification Body, Internal Control System Support Unit, and possibly Clean Agriculture Development Center Technical Unit). 	<ul style="list-style-type: none"> Business plans are created and used to guide institutional development activities during and after the project
2.2	Working approval for GAP institutions	<ul style="list-style-type: none"> Business plans for institutions are submitted for government approval Technical and professional support is provided for operational planning and implementation of business plans for GAP institutions 	<ul style="list-style-type: none"> All GAP related institutions have approved business plans Institutions translate business plans into action
2.3	Training of Certification and Master Trainer Staff	<ul style="list-style-type: none"> Training of Lao Certification Body staff for GAP inspection and certification duties Training of Internal Control System Support Unit staff to support certification of groups of smallholder farmers Training of CADC <i>GAP Master Trainers</i> 	<ul style="list-style-type: none"> LCB, ICS Support Unit and CADC Technical Division have adequately trained staff to deliver expected services and outputs
2.4	Develop Training, Inspection and Certification Materials	<ul style="list-style-type: none"> Adaptation of ASEAN GAP training materials to national Lao GAP standards for conventional and organic agriculture Creation or adaptation of inspection and certification materials, including applications, paperwork, manuals etc. 	<ul style="list-style-type: none"> Appropriate training materials are available for Lao GAP All necessary paperwork is available for inspection and certification activities
3 Training and Pilot Implementation			
3.1	Publicizing GAP production to potential clients	<ul style="list-style-type: none"> Raising awareness of major stakeholders and potential clients at 12 month stakeholder meeting and final project review meeting Promotion of GAP production and certification to private sectors actors and potential investors Distribution of introductory educational and promotional materials for training, inspection and certification services being piloted 	<ul style="list-style-type: none"> Key stakeholders are aware of anticipated training, inspection and certification services Potential customers are aware of training, inspection and certification services being offered Educational and promotional materials are available nationally Plans are in place to continue promoting GAP after the project is complete
3.2	Initial training of public and private organizations	<ul style="list-style-type: none"> Promotion of GAP production through CADC training activities for private sector actors, including supplementary training for producers participating in FAO sponsored project based on ASEAN GAP Training for public sector stakeholders (Provincial Agriculture and Forestry Offices and National Agriculture and Forestry Extension Service) responsible for policy implementation and extension 	<ul style="list-style-type: none"> Producers trained by FAO project adapt to Lao GAP standards New producers interested in GAP certification are identified and trained Related public sector institutions are identified and trained

3.3	Piloting of inspection and certification	<ul style="list-style-type: none"> ICS Support Unit organization and training of small producer groups working towards certified GAP production LCB pilot inspection and certification of producers trained to ASEAN GAP standards by concurrent FAO project 	<ul style="list-style-type: none"> ICS Support Unit creates and trains ICS units to support certification (from FAO project or others) LCB inspects producers trained by FAO and project for possible certification
4	Project Management and Administration		
4.1	Hiring and orientation of staff and consultants	<ul style="list-style-type: none"> Selection and appointment of project staff and technical advisor Orientation of project staff Hiring of consultants to deliver services as required 	<ul style="list-style-type: none"> Highly capable staff are contracted for the project Staff are given adequate training Technical advisor and consultants provide required expertise to project
4.2	Planning and operational support	<ul style="list-style-type: none"> Creation of biannual work plans Activity planning (budgeting, objectives and results for major activities) Weekly project meetings 	<ul style="list-style-type: none"> Planning and operations allow for successful implementation of all proposed activities
4.3	Office management and general administration	<ul style="list-style-type: none"> Management of office operations (maintaining supplies, equipment and facilities) Organizing meetings and events Facilitating communication and providing a central contact point for the project Keeping and distributing meeting minutes, records of activities in English and Lao languages Supporting activities of Project Manager, Project Officers, Technical Advisor and consultants 	<ul style="list-style-type: none"> Office operations efficiently support project activities and outputs Communications and record keeping supports activities and maintains an "institutional memory"
4.4	Monitoring and reporting	<ul style="list-style-type: none"> Monitoring of project activities by project manager and technical advisor Preparation of activity reports for major activities Writing of regular progress reports (biannual reports reporting on progress of biannual work plans or as required by donors) Quarterly reports to steering committee at meetings Reporting to stakeholders at 12 month and final project review meeting 	<ul style="list-style-type: none"> Proper monitoring deals with issues arising in the project promptly Accurate and insightful reports are available in a timely manner Stakeholders, donors and the administering body receive adequate information about the project's activities
4.5	Financial management and audit	<ul style="list-style-type: none"> Tracking and booking of all cash expenses and in-kind contributions Book-keeping and financial management in-line with donor and administrative body requirements Annual financial audit of project 	<ul style="list-style-type: none"> Proper financial records are maintained and submitted to the administering body in a timely manner Annual audits take place and recommendations are acted upon
4.6	End of project review, assessment and action plan	<ul style="list-style-type: none"> Locating and contracting external review consultant Support and participate in external review and assessment process 	<ul style="list-style-type: none"> An external review of the project is successfully completed An action plan is created for future development of GAP in Lao PDR

Appendix 6: Timetable

Activity #	Activity Description	Gantt Chart By Quarter								Comments
		1	2	3	4	5	6	7	8	
1	Legal and Regulatory Development									
1.1	Creation of standards and regulatory scheme	■	■	■	■	■				Standards and regulations will be drafted during the first year of the project and will be adapted based on feedback from consultations
1.2	Public consultation and submission of standards and regulations			■	■	■	■			Public consultations will begin when draft versions of standards and regulations are ready for comment, and will be submitted for approval after public consultation
1.3	Promotion and dissemination of regulations and standards				■	■	■	■		Standards and regulations will be promoted after being submitted for approval, with final dissemination after formal approval
1.4	Coordinate with international institutions			■	■	■	■	■		Coordination with proposed FAO project and ASEAN secretariat will take place as standards and regulations are ready for review
2	Institutional Development									
2.1	Develop business plans for institutions needed to deliver GAP training and certification	■	■							Local consultants will be hired to create business plans for GAP related institutions as the starting point for institutional development activities
2.2	Working approval for GAP institutions		■	■						Working approval for GAP related institutions will be obtained based on business plans and proposed regulatory changes prepared in Activity 1
2.3	Training of Certification and Master Trainer Staff		■	■	■	■	■	■		Most training will take place in quarters 2-5 of the project, with supplemental training possible in quarters 6-8
2.4	Develop Training, Inspection and Certification Materials				■	■	■	■		Training, inspection and certification materials will be continuously developed after business plans for GAP institutions are approved
3	Training and Pilot Implementation									
3.1	Publicizing GAP production to potential clients	■	■	■	■	■	■	■	■	The project initiation meeting and project activities will publicize the system in quarters 1-3, while pilot operations of new institutions will provide greater publicity in quarters 4-8

3.2	Initial training of public and private organizations													As training of employees of GAP institutions are complete, piloting activities will start to take place
3.3	Piloting of inspection and certification													As training of employees of GAP institutions are complete, piloting activities will start to take place
4	Project Management and Administration													
4.1	Hiring and orientation of staff and consultants													Hiring of staff and business plan consultants will take place in quarters 1-2, with training and certification consultants located and hired in quarters 3-5
4.2	Planning and operational support													Planning and operational support will take place continuously
4.3	Office management and general administration													Office management and general administration will take place continuously
4.4	Monitoring and reporting													Monitoring and reporting will take place biannually
4.5	Financial management and audit													Financial management will take place continuously, with audits scheduled for quarter 4 and quarter 8
4.6	End of project review and assessment													Project review and assessment will take place at the end of quarter 8

Appendix 7: Budget

Cost Category		Cost	Details
1	Personnel and Consultants	\$56,200	
1a	Local Project Support	\$25,200	3 Project staff
1.1	Project management Support Services	\$12,000.00	\$6,000 per year for ad hoc project management assistance, including coaching of project manager
1.2	Institutional Development, Standards and Training Support Services	\$13,200.00	\$6,200 per year for two years for ad hoc assistance or consultancies
1 b	International Personnel and Technical Assistance	\$31,000	
1.6	GAP, training and certification consultants	\$21,000.00	30 working days at \$700 per day
1.7	Business plan consulting for LCB	\$10,000.00	20 working days @ \$500 per day
2	Travel Costs	\$108,350.00	
2a	International Travel Costs	\$50,250.00	
2.1	International Consultant and Trainer Travel	\$15,000.00	6 trips at \$2500
2.2	International Consultant and Trainer DSA	\$11,250.00	150 working days at \$75 per day
2.3	Travel for international events	\$18,000.00	12 trips at \$1500

	(ASEAN GAP, other events)		
2.4	DSA for international travel	\$6,000.00	12 trips of 5 days @ \$100 per day
2b	Internal Travel Costs	\$58,100.00	
2.5	National travel (fuel, airfare, vehicle rental) for project staff	\$7,500.00	10 trips with 3 participants @ \$250 per trip
2.6	DSA for national travel	\$3,600.00	120 days at \$30 per day
2.7	Travel for steering committee	\$5,400.00	8 meetings with 9 participants, average travel cost of \$75 (per receipt or km driven)
2.8	DSA for steering committee members residing outside Vientiane Capital Region	\$960.00	8 meetings with 2 people travelling for 2 days @ \$30 per day
2.9	Travel cost for workshop participants	\$16,000.00	300 ground trips at an average of \$20 per person, plus 40 airfares at \$250 per person
2.10	DSA for workshop participants	\$8,500.00	340 person days @ \$25 per person
3	Meeting, workshop and training costs	\$92,700.00	
3 a	Meeting, workshop and training costs for internal stakeholders	\$47,600.00	
	Sitting fee for steering committee	\$3,600.00	8 meetings with 9 participants @ \$50 per person
	LCB Training event costs	\$21,600.00	6 training events at \$600 per event for meeting and \$3000 for training services
	ICS Training event costs	\$10,400.00	4 training events @ \$ 600 per event and \$2000 for training services
	CADC master-trainer training events	\$7,200.00	2 training events of at \$600 per event meeting costs and training costs of \$3000
	Registration for International Events	\$4,800.00	12 registrations at \$400 each
3b	Meeting, workshop and training costs for external stakeholders	\$45,100.00	
	Project inception workshop	\$3,000.00	1 meeting @ \$3,000 (estimated attendance by 80 people)
	Public consultation on proposed Lao GAP seal	\$1,000.00	1 consultation meeting for 40 participants @ \$25 per participant
	Public consultation on Lao GAP standards	\$3,000.00	3 consultation meetings for 40 participants @ \$25 per participant
	Public consultation on changes to regulatory system	\$2,000.00	2 consultation meeting for 40 participants @ \$25 per participant
	Midterm stakeholder meeting (12 month reporting)	\$2,000.00	1 meeting @ \$2,000 (estimated attendance by 60 people)
	Project conclusion workshop	\$3,500.00	1 meeting @ \$2,500 (estimated attendance by 80 people)
	Materials development, printing and distribution	\$5,000.00	Lump sum
	Piloting of LCB field inspection and certification service	\$12,000.00	60 working days @ \$200 per day (based on estimated future inspection costs of two inspectors @ \$100/person/day)
	Piloting of Internal Control System	\$9,600.00	120 working days @ \$ 80 per day

	Support Unit Training Service for GAP		(Based on estimated cost of two trainers from ICS Support services of \$40/person/day)
	Piloting of CADC training service for GAP	\$4,000.00	50 working days @ \$80 per day (based on estimated cost of training services using two trainers @ \$40/person/day)
4	Equipment	\$14,000.00	
	Project IT Equipment and Office setup	\$9,700.00	IT equipment and basic office furniture
	Equipment for LCB	\$2,900.00	IT equipment
	Equipment for ICS Support Unit	\$1,400.00	IT equipment
5	General Expenses and Project Administration	\$54,600.00	
5.1	Project monitoring, reporting and general administration	\$3,600.00	\$150 per month for 24 months
5.2	Internet, website and communications	\$3,600.00	\$150 per month for 24 months
5.3	Stationary and materials	\$4,800.00	\$200 per month for 24 months
5.4	Vehicle fuel (general use)	\$7,200.00	\$300 per month for 24 months
5.5	Vehicle maintenance	\$4,000.00	\$2000 per year for two years
5.6	Office maintenance and utilities	\$2,400.00	\$100 per month for 24 months
5.7	Legal and professional services	\$4,000.00	\$4000 lump sum
5.8	Audit	\$10,000.00	1 year end audit, \$4,000 and one final audit \$6,000
5.9	End of project evaluation	\$15,000.00	1 project evaluation @ \$15,000
	Cash cost	\$325,850.00	
	Overhead charge (administering institution)	\$42,360.50	13% Administration charge
	Total Cash Grant	\$368,210.50	
6	Non STDF In-Kind Contributions	\$85,200.00	
	Use of office space with parking for three people	\$13,200.00	\$550 per month for 24 months
	CADC Staff Time	\$60,000.00	Assumes 250 working days per year for four employees over 24 months at \$30 per day
	Use of government vehicle	\$12,000	Assumes 24 months depreciation on a \$30,000 vehicle with a useful life of 5 years, calculated using straight-line depreciation
	Total budget including non-STDF contribution	\$453,410.50	

Appendix 8: TORs of key project staff

Terms of References for Project Manager

The Lao GAP Development Project is a two year project to develop and pilot a national system of Good Agricultural Practices (GAP) in Lao PDR.

SUPERIOR POSITIONS	Project Steering Committee Donor representative and/or representative of project administering body (as determined by donor requirements)
Experience and competencies required	<ul style="list-style-type: none"> • Five to ten years of progressive experience in agriculture or food with at least two years of experience in a management role • Excellent command of spoken and written Lao and English languages (other languages an asset.) • Good computer skills (MS Word, Excel, PowerPoint) • Personal integrity and a commitment to delivering excellent results in a time and resource scarce environment • An excellent understanding of government's role in facilitating private sector development • A strong commitment to maintaining an open, transparent and honest relationship with donors and the project administering agency
Duties and tasks	<ul style="list-style-type: none"> • Take general responsibility and accountability for successful implementation of the project, including transparent, open and honest financial management and coordination and management of project staff activities • Set project priorities and lead planning and implementation of project activities with the assistance of project staff • Set up a systematic project management system that ensures transparency, efficiency and effectiveness with the assistance of the technical advisor • Develop and maintain working relations with public and private sector entities interested in Good Agricultural Practices and other food safety issues • Act as the project spokesperson at national and international events and meetings • Provide leadership, guidance and coaching to project staff, assess staff performance and provide feedback as required • Preparation of biannual and other reports required by donors, the administrative body and the steering committee
Duration	24 month assignment

Terms of References for Regulatory and Standards Officer

The Lao GAP Development Project is a two year project to develop and pilot a national system of Good Agricultural Practices (GAP) in Lao PDR.

SUPERIOR POSITIONS	Project Manager
Experience and competencies	<ul style="list-style-type: none"> • Four to six years of progressive experience in agriculture, food or rural development

required	<ul style="list-style-type: none"> • An excellent understanding of the Lao legal and regulatory system • A good understanding of public consultation processes and techniques • Excellent command of spoken and written Lao with an excellent command of spoken English and a good command of written English. (Other languages an asset.) • Good computer skills (MS Word, Excel, PowerPoint) • Personal integrity and ability to cope with a demanding work schedule • The ability to excel in an international and inter-cultural work environment
Duties and tasks	<ul style="list-style-type: none"> • Lead the adoption of national GAP standards based on existing ASEAN GAP standards, including consultations about the proposed standards with public and private sector stakeholders • Lead the creation of a <i>Lao GAP</i> seal, including public consultations on design and regulations surrounding use of the seal and food safety claims related to primary agricultural production • Lead the process of adapting or formulating regulations and decrees needed to support accreditation, inspection and certification of GAP agriculture • Work with training and institutional development officer to develop appropriate training materials for the Lao GAP standards and to create or adapt regulations and decrees needed to support the development of institutions needed to implement GAP agriculture • Represent Lao PDR in international discussions about GAP (especially ASEAN GAP) • Take responsibility to create TORs for national and international consultants
Duration	24 month assignment

Terms of References for Training and Institutional Development Officer

The Lao GAP Development Project is a two year project to develop and pilot a national system of Good Agricultural Practices (GAP) in Lao PDR.

SUPERIOR POSITIONS	Project Manager
Experience and competencies required	<ul style="list-style-type: none"> • Four to six years of progressive experience in agriculture, food or rural development • An excellent understanding of training, • A good understanding of institutional development and • Excellent command of spoken and written Lao with an excellent command of spoken English and a good command of written English. (Other languages an asset.) • Good computer skills (MS Word, Excel, PowerPoint) • Personal integrity and ability to cope with a demanding work schedule • The ability to excel in an international and inter-cultural work environment
Duties and tasks	<ul style="list-style-type: none"> • Work with the officer to create a competent authority for GAP in Lao PDR • Lead the process of adapting training materials for Lao GAP, and create new materials as required

	<ul style="list-style-type: none"> • Arrange and participate training activities for partner institutions and public and private sector partners in the piloting process with the assistance of national and international consultants • Determine the institutional development and business planning needs of GAP related institutions (CADC, ICS Support Unit, LCB) with the assistance of consultants and the technical advisor • Facilitate the development of self-sustaining institutions delivering GAP related services according to business plans • Work with GAP related institutions, the private sector and international institutions to deliver pilot training, inspection and certification services • Arrange for, manage and contribute to the work of consultants delivering training and business planning services • Report progress to the project manager as required by the project management system (i.e. activity reports) • Other training and institutional development related activities as required
Duration	24 month assignment

Terms of References for Office Manager and Administrative Assistant

The Lao GAP Development Project is a two year project to develop and pilot a national system of Good Agricultural Practices (GAP) in Lao PDR.

SUPERIOR POSITIONS	<p>Project Manager</p> <p>Financial officer or accountant at project administering body (as determined by donor requirements)</p>
Experience and competencies required	<ul style="list-style-type: none"> • One to three years work experience in office management and administration • Knowledge and work experience in office management and communications, with experience in translation an asset • Excellent command of spoken and written Lao and English languages sufficient to translate documents • Good computer skills (MS Word, Excel, PowerPoint) • Personal integrity and willingness to take initiative • A strong commitment to maintaining an open, transparent and honest relationship with donors and the project administering agency
Duties and tasks	<ul style="list-style-type: none"> • Manage the daily operations of the project office • Document and publicize the project's work, including communication with stakeholders, writing press releases and writing content on a project website • Be responsible for an efficient and effective use of office and project materials • Organise meetings, seminars, business-trips, visits of advisors, consultants and other visitors (including visas and ticketing) • Type and edit letters and documents in Lao and English • Write minutes of meetings in Lao and English • Establish and maintain paper and electronic filing systems for project documents • Provide administrative support to project staff as required • Procure project and office supplies and manage expenditures and

	<p>financial documentation in line with donor and administering body requirements</p> <ul style="list-style-type: none"> • Translate documents from Lao to English and English to Lao
Duration	24 assignment

Terms of References for Business Plan Development Consultant(s)

The Lao GAP Development Project is a two year project to develop and pilot a national system of Good Agricultural Practices (GAP) in Lao PDR.

DESCRIPTION OF CONSULTANCY	<p>The consultant(s) will develop three interconnected business plans. These business plans will be submitted in both English and Lao languages, and will each be 15-20 pages in length.</p> <p>Two of these business plans will be written for quasi-governmental agencies operating in Vientiane Prefecture, Vientiane, Lao PDR. The two quasi-governmental agencies are the Lao Certification Body (LCB) and the Internal Control System Support Unit (ICS Support Unit). The third business plan will be created for the training branch of the Clean Agriculture Development Center (CADC) Technical Division.</p> <p>The consultant(s) will work with the <i>Lao GAP Development Project</i> team and the agencies mentioned above to create business plans that will guide these institutions as they integrate Good Agricultural Practices training, inspection and certification into their operations. Implementation of the business plans will allow these organizations to offer services efficiently, effectively and transparently. The business plans will also consider the economic viability and sustainability of these organizations.</p>
Experience and competencies required	<ul style="list-style-type: none"> • Substantial experience in developing business plans for quasi-governmental and government agencies • Knowledge of agriculture, agricultural policy and agricultural development issues in Lao PDR • Excellent command of spoken and written English and Lao. • A good understand of technical, legal and management aspects of food safety systems in developing countries • Understanding of government's role in facilitating private sector development
Duration	Approximately 20 man-days

NOTE ON TERMS OF REFERENCE FOR CONSULTANTS

Terms of reference for some consulting services are not included in this application. Additional consultants will be needed to provide training in Good Agricultural Practices application training techniques and the development of the inspection and certification system.

The project development team felt it would be more appropriate to create TORs for local support services and for international training, inspection and certification consultants based on business cases developed early in the project. When these business cases have been approved, the project manager and project officers will create TORs for additional national and/or international consultants as described in the project budget and work plan.

Appendix 9: Equipment list

Project Office IT Equipment:

- Four laptops with MS Office and other required software installed (estimated cost \$1400 each)
- Four external hard-drives for backup of laptops (estimated cost \$100 each)
- One printer/fax/scanner/copier (estimated cost \$2000)
- One router and internet system (estimated cost with installation \$500)
- Small IT equipment (mouse, USB drive estimated cost \$200)

Project Office Furniture:

- Four office chairs (estimated cost \$100 each)
- Four desks (estimated cost \$200 each)

Lao Certification Body IT Equipment:

- Two laptops with MS Office software (estimated cost \$1400 each)
- One external hard-drive for backup (estimated cost \$100)

Internal Control System Support Unit IT Equipment:

- One laptop with MS Office software (estimated cost \$1400)

Appendix 10: Excerpts from ASEAN GAP STRATEGIC PLAN

Excerpt 1: Executive summary

The purpose of this strategic plan is to provide a “road map” for sustaining the immediate and long-term development and use of the ASEAN GAP standard.

ASEAN GAP is a voluntary standard for good agriculture practice for production and harvesting of fresh fruit and vegetables and for post-harvest handling on farm and in locations where produce is prepared and packed for sale. It contains four modules covering food safety, environmental management, worker’s health, safety and welfare, and produce quality.

ASEAN GAP was initially developed as an activity under the AADCP project, Quality Assurance Systems for ASEAN Fruit and Vegetables (QASAFV – 37703). ASEAN GAP was presented to the AMAF meeting in Singapore in November 2006 and was formally approved as a voluntary standard for good agricultural practice in member states.

At the 2007 meeting of ASWGC, the following recommendations were passed:

- Those member states with a national GAP program should benchmark against ASEAN GAP while those without national GAP should adopt ASEAN GAP.
- ASEAN GAP should be promoted towards gaining equivalency with other international GAP programs and be recognised by WTO as an international trading standard.

The 10 member states of ASEAN have common farming practices, infrastructures, and weather patterns. The implementation of GAP programs within the region varies, with some countries having established GAP programs, some currently developing GAP programs and others beginning the journey with awareness programs for farmers.

National GAP programs exist in five countries – Thailand, Malaysia, Singapore, Indonesia, and Philippines. All of these GAP programs are voluntary and are managed by government departments in each country. The government provides all of the associated resources and services – administration, training, auditing and certification.

Brunei Darussalam and Viet Nam are currently developing a national GAP program while Cambodia, Lao PDR, and Myanmar have conducted training for farmers in GAP for food safety and quality.

All of the existing national GAP programs are closely aligned with the food safety module of ASEAN GAP. Alignment with the other modules of ASEAN GAP varies depending on the objectives of the national GAP program.

To sustain the immediate and long-term development of the ASEAN GAP standard, the following strategic goals need to be achieved:

- establish a mechanism to manage ASEAN GAP,
- develop national GAP programs in Cambodia, Lao PDR, Myanmar and Viet Nam,
- align existing national GAP programs with ASEAN GAP,
- create awareness and knowledge of ASEAN GAP, and
- engage the private sector in future development of ASEAN GAP

The following actions are recommended.

1. Establish an interim mechanism to manage ASEAN GAP.
-An Experts Working Group on ASEAN GAP is established to manage the interim development of ASEAN GAP.
2. Implement national GAP programs in CLMV.
-A management committee is formed in Cambodia, Lao PDR, Myanmar, and Viet Nam to develop and implement a national GAP program. The national Gap program in each country is aligned with ASEAN GAP and launched by 2012. (***NOW ACHIEVED IN ALL COUNTRIES BY LAOS. Author***)
3. Align national GAP programs with ASEAN GAP.
-Implementation teams in all member states continue to develop their national GAP program to closely align with the relevant modules of ASEAN GAP.
4. Create awareness and knowledge of ASEAN GAP.
-Promotional and training plans are implemented to increase awareness and knowledge of ASEAN GAP by stakeholders within and outside of the ASEAN region.
5. Engage the private sector in future development of ASEAN GAP
-Key organisations from the private sector are consulted prior to the annual review of the ASEAN GAP standard.
-Key organisations from the private sector are encouraged to promote/ adopt national GAP programs and ASEAN GAP.

Excerpt 2: Forces driving demand for GAP in ASEAN region

Income growth and reduced poverty

In many of the member countries, there is an expanding middle class, particularly in the 20 to 39 year old age group. As individual or family income grows there is more money to spend on additional items apart from the essentials.

More income encourages consumers to try new and more exotic foods. The demand for higher quality also increases. Income growth allows for purchases such as refrigerators, microwaves and cars which alter shopping patterns that lead to preferences for shopping in supermarkets.

Changing consumer lifestyle

Lifestyle changes in the ASEAN region are following close behind the trends of other parts of the world as income increases. There are a growing proportion of smaller families and one-person households.

Exposure to western influences is changing preferences in shopping, food, cooking and eating habits. Increased education levels mean a better awareness of nutritional value and food safety in the diet.

Increasing imports and exports

Freer trade between countries has made it easier to import and export produce. Supermarkets are searching for cheaper and alternative sources of products to remain competitive and provide all year round supply to consumers.

ASEAN member countries have an advantage of being able to produce fruit and vegetables relatively cheaply and opportunities to export to new markets exist provided the quality is right and the produce is safe to eat. GAP programs are compulsory for export of fresh produce to many markets.

Development of infrastructure

The development of roads and transport are changing the way produce is distributed and favour the development of supermarket chains. The development of centralised procurement systems for supermarkets requires associated facilities such as holding, cooling, and ripening rooms.

Growth in supermarkets

Increased income and lifestyle changes are shifting shopping habits towards one-stop supermarket shopping. In Malaysia's major cities, 60% of fruit sales and 35% of vegetable sales are through modern retail chains. In Bangkok and other major provinces, 40% of fruit sales and 30% of vegetables sales are through supermarket chains, and demand for GAP certified produce has increased.

The centralised procurement system associated with supermarkets leads to "preferred suppliers" and requirements for specific quality and food safety standards.

Increased tourism

Tourism in the ASEAN region is increasing and a wide range of tourists from throughout the world are visiting member countries. Changes in retailing are occurring to cater for western tastes in food and shopping. The quality of food has to be of similar standard to what tourists expect in their home countries. Food must be safe to ensure that tourists don't become ill and cause tourism to decline.

Increased travel by Asians

People from member countries are travelling more within and outside of the ASEAN region. This exposes them to modern retailing, a wider range of products and the availability of fresh produce out-of-season.

Increasing consumer awareness of the need to protect the environment

The community in member countries is increasingly requiring accountability for food to be produced using practices that protect the environment and secure the food source for future generations.

Government policy changes

Governments in member countries are responding to community concerns and are introducing legislation to ensure the safe supply of food and to protect the environment and farm workers.²

² *Strategic Plan Sustaining the Development of ASEAN GAP: Good agricultural practices for production of fresh fruit and vegetables in ASEAN countries*, March 2008, Harmonisation and Implementation of ASEAN GAP (Project No. 370-025), ASEAN-AUSTRALIA Development Cooperation Program, Regional Partnerships Scheme

DRAFT ONLY

FAO Mission Report

“Improving safety and quality of fresh fruits and vegetables in Laos”

Vientiane Lao PDR

November/December 2008

Dr Robert Premier

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1. Background

Laos PDR is going through major changes related to economic growth and integration with the world trading community. The most important developments in this area are statutory WTO trade requirements and requirements for trade as part of the newly created ASEAN block. The ASEAN trade block which is due to start trading as a common market in the year 2012 will be the largest common market in terms of population in the world. This development alone should be one of the largest economic issues facing the LAO PDR in the next 10 years. The potential markets for Lao PDR available through the ASEAN region will increase to over half a Billion people in four years and this could be an exceptional opportunity for the Lao PDR Government to increase the living standards of the Lao people.

Laos PDR is rapidly integrating their standards to those required to be part of the ASEAN community and for the WTO. One standard that the Laos PDR needs to have in place is that of Good Agricultural Practices for their agricultural sector, including horticulture.

The aim of this mission is described in the Terms of Reference document (annex 2). Basically the consultant attended a number of meetings, presented at regional workshops, interviewed a number of stakeholders and conducted a number of field visits. This report will outline the findings of the mission and will outline a proposal for additional training and proposed training material.

2. Mission Findings

2.1 Regional Issues: South East Asia

South East Asia is undergoing a major development that will have a large economic impact on the 10 countries that make up the ASEAN trade block as well as neighbouring countries that import fruit and vegetables from ASEAN countries. The ASEAN economic community will be a regional trade block of over half a billion people with a growing GDP per capita and has the potential to develop into a force larger than the EU, MerSUR and the NAFTA. ASEAN comprises of 10 member countries that include Brunei Darussalam, Singapore, Malaysia, Indonesia, Philippines, Thailand, Myanmar, Cambodia, Vietnam and Laos PDR.

The ASEAN Secretariat based in Jakarta has been working in establishing harmonised standards across the ASEAN region in order to prepare for economic integration. The agricultural sector has figured prominently in this standard implementation exercise. This is because at least of 6 of the 10 countries have nominated their agricultural sectors as being the most important sectors that they depend on for economic development particularly in the rural areas. Harmonised standards have been developed across all areas of agriculture. In the horticultural area the ASEAN secretariat in conjunction with the Australian donor agency AusAid have developed ASEAN GAP, a good agricultural practice standard for the ASEAN region. This standard has been mandated by the ASEAN secretariat to be implemented across the 10 countries. At a recent ASEAN Sectoral Working Group on crops the resolution by the representatives of the 10 countries clearly stated the following:

The resolution has been adopted by ASEAN and ASEAN GAP is now a recognised standard in ASEAN adopted by the 10 ministers of Agriculture of the member countries at the Twenty-Eight Meeting of the ASEAN Ministers on Agriculture and Forestry (28th AMAF) held in Singapore, 16 November 2006 (<http://www.aseansec.org/21366.htm>).

ASEAN GAP is unique in that it comprises of 4 modules, a Food safety module that covers food safety issues at on farm and packing level and included chemical, microbiological and physical contaminant management and minimisation. The quality module, a unique module in GAP, ASEAN GAP is the only GAP with a prominent quality module. Worker's health

and safety module and a comprehensive environmental module. All ASEAN countries must have as a minimum the food safety module up and going before 2012.

In response to this Malaysia, Thailand, Singapore have modified their existing GAP standards to match closer the ASEAN GAP standard. Cambodia, Myanmar, Brunei Darussalam, Philippines Vietnam have developed a GAP standard based on ASEAN GAP. Indonesia implemented a GAP based on EuropGAP (now GlobalGAP) during the development of ASEAN GAP and now have to modify their INDOGAP standard significantly to harmonise with the rest of ASEAN. Laos PDR is the only ASEAN country that has not yet developed a GAP standard although they have conducted some training funded by the ASEAN GAP project.

Neighbouring countries to ASEAN mostly have GAP standards in place, ChinaGAP in China, IndiaGAP in India, Korea GAP in South Korea, JGAP in Japan and FreshCare in Australia are all in place and at various stages of implementation. Trade with these countries in the future will involve produce grown under a recognised GAP program.

2.1.2 Impact of GAP on the horticultural industry in South East Asia

Countries that have implemented GAP programmes in the ASEAN region have seen major benefits from GAP implementation. Singapore has introduced VF GAP in all of the vegetable farms in Singapore. All produce is labelled and retail outlets are advertising the advantages of GAP certification. With preference for locally grown GAP certified products clearly benefiting local growers as locally grown leafy vegetables sell at a premium over imported leafy vegetables. Singapore is now asking importers of fresh fruit and vegetables into Singapore to only source produce from GAP certified farm in Malaysia, Thailand and Indonesia.

Thailand is another clear example of the benefits that GAP can have on the industry. The Q GAP system has been implemented into over 135,000 farms around Thailand and supermarkets have been marketing Thai grown fruit and vegetables based on the Q GAP logo to the point where over 50% of all fruit and vegetables sold through supermarkets are now Q GAP labelled. The Q GAP has also been beneficial to Thailand growing export markets. The Q GAP has allowed the export of some tropical fruits to Australia by regulating the amount of chemical residues left on the produce. In addition farms with Q GAP find it an easy step to move onto the more rigid commercial GAP requirements such as Global GAP.

Malaysia has also benefited from the introduction of the SALM GAP system. This has served a number of purposes, firstly it has increased the awareness of GAP grown produce with local consumers. Supermarkets have not really assisted with this but Government sponsored advertising through newspapers and billboards have increased awareness in this area. The second major thing that SALM GAP has done is serve as an introductory step to those growers that must implement commercial GAP's such as EuropGAP or GlobalGAP. At least a dozen growers have undergone training and implementation of SALM GAP before moving on to GlobalGAP. This has allowed export markets to develop in Malaysia.

By introducing country GAP there is clear evidence of the development of the following benefits

- 1- Increased trade and ease of trade with countries with similar standards
- 2- Consumer awareness of GAP certification
- 3- Ease of translation from country GAP to commercial GAP for specific exports
- 4- Consumer protection against food safety risks
- 5- Increased quality

2.1.3 Development and Implementation of ASEAN GAP

ASEAN GAP was developed through a joint project funded by the ASEAN Secretariat and AusAID. It was part of a larger project called Quality assurance systems for the ASEAN fruit and Vegetable. The overall value of the project was \$2.1 Au Million dollars. It began in 2004 and finished in 2008.

As part of the project ASEAN GAP was developed through a working party comprising of representatives from Malaysia, Thailand, Philippines, Brunei Darussalam, and Singapore at first and then representatives of all 10 ASEAN countries. The working group designed the ASEAN GAP standard based on existing country GAP. It was designed in 4 modules consisting of a food safety module, worker's health and safety module, Environmental module and Quality module. Each module has its own interpretative guideline for implementers and auditors. ASEAN GAP has now been accepted by the ASEAN secretariat as a standard and has been implemented in 8 of the 10 ASEAN countries. Indonesia that developed a GAP based on EurepGAP is in the process of redesigning the country GAP. Laos PDR has not yet addressed the issue of a country GAP. It is expected that every member nation of ASEAN will have a GAP standard based on ASEAN GAP by 2012.

2.1.4 Use of GAP to improve Food Safety and Quality in South East Asia

Food safety is becoming an important issue in South East Asia. Some countries are in the process of addressing food safety across the whole food sector. Interestingly agricultural food safety is in some countries being addressed before food safety across the processed food industry. Thailand's Department of Agriculture for example nominated 2004 as the year of food safety. Cambodia has trained farmers in foods safety as part of the ASEAN GAP program although the other sectors of the food industry have not been trained in food safety. Myanmar has Good Agricultural Practices standards in place for food safety and has no well developed food safety standards across other sectors of the food industry. These countries see the benefits of safe agricultural foods as the key to potential exports. Often food safety in South East Asia means control of chemical residues. While this has been the case in the past in more developed ASEAN countries like Singapore and Brunei Darussalam

Microbiological issues are now being addressed at on farm level. There seems to be a transition period between the less developed countries and the more developed developing countries where microbiological issues kick in. In some developed countries microbiological issues are as important as chemical residues. The USA is a good example where GAP specific only to microbiological contamination are taught in countries that export to the USA.

ASEAN GAP has a large component devoted to practices that reduce microbiological contamination. The use of GAP to improve food safety and quality in South East Asia is still in its infancy in many countries but there has been a significant move towards using GAP to minimise chemical residues, especially as new Codex MRL are being developed in the region and to address the issue of microbiological contaminants that may be very important in export markets.

2.2 Laos PDR

2.2.1 Status of GAP implementation in Laos PDR

There is no national GAP standard in Lao PDR, the Department of Agriculture has received some assistance through ASEAN as have the other three new member countries (Vietnam, Cambodia, Myanmar) for the introduction of ASEAN GAP. The following activities have taken place in Laos PDR, a train the trainer training, a special farmer training workshop, a member of the Department was sponsored to travel to Australia to see how a national GAP system worked (FreshCare).

To date the Department of Agriculture have trained in ASEAN GAP food safety and quality some farmers and officials in Sayaboury, Vientiane, Bolikhamxay, Champasak provinces. This training has not been followed up with any other activity since as there is no active infrastructure to continue with training and farmer education in GAP. There is a sense of urgency in establishing a country GAP in Laos PDR and activity by the Department of Agriculture in seeking funds to develop a country GAP and associated documentation is gaining momentum. Discussions held at the DoA suggested that the FAO input in this area is needed to successfully gain the funds to carry out this component of the work. Andrew Wilson (Marketing Advisor, PROFIL II project, Helvetas) has been employed to prepare a formal application for funding. This application however will not be ready for a few months and realistically if funding of the project is successful the funds will not be ready till the second half of 2009.

It is proposed that this project if successful be located within the Clean Agriculture Development Centre (CADC) of the Department of Agriculture of the LAO PDR Ministry of Agriculture and Forestry. Two other organisations within the LAO PDR Government Ministry of Agriculture and Forestry are the National Agriculture and Forestry Extension Service (NAFES) and the National Agriculture and Forestry Research Institution (NAFRI). These may have a role in the development and implementation of the GAP standard in Laos PDR.

The Department of Agriculture has four standards of farming as priorities

- 1- Organic
- 2- Conventional GAP farming
- 3- Conventional Pesticide free farming
- 4- Conventional sustainable (Traditional)

All four standards lend themselves to improved farming through GAP.

2.2.2 Institutional and coordination issues

The development of GAP standard in Laos PDR seems to be fall under the responsibility of the Clean Agriculture Development Centre (CADC) of the Department of Agriculture of the LAO PDR Ministry of Agriculture and Forestry. This was established in 2007 and has the responsibility of developing a number of programmes including clean agriculture technology and the implementation of Lao guidelines for GAP using ASEAN and other countries standards and development of National GAP with relevant certification.

Aside from these two major programmes the CADC also is implementing organic agriculture in selected commodities and postharvest technology. They plan to achieve this by training and with the use of demonstration plots. CADC has 27 staff members and is divided into 4 units, a certification unit, an inspection of quality unit, a unit to develop clean technology for agriculture and a postharvest and processing unit. It appears to be the most suitable group to work with in developing training programmes for GAP in Laos PDR.

Two other organisations within the LAO PDR Government Ministry of Agriculture and Forestry are the National Agriculture and Forestry Extension Service (NAFES) and the National Agriculture and Forestry Research Institution (NAFRI) may also have a role in providing consulting services. One other organisation may have an input, this is the Laos Extension for Agriculture project (LEAP) a project funded by Helvetas.

Another area of interest in formulating a training program is activities that are already taking place in Laos PDR. In particular the work that is being carried out by Oxfam and the FAO country vegetable IPM programme.

The training that has already been carried out in this area has been beneficial in both the conventional and organic agricultural sectors. Organic agriculture is being developed in Laos PDR due to a number of projects by donor organisation such as the Promotion of organic agriculture and marketing in Lao – PROFIL sponsored by Helvetas.

3. Follow up and recommendations

There are two major recommendations that emanate from this mission:

First and foremost is a recommendation is that the FAO starts a train the trainer training program based on ASEAN GAP as soon as possible. It is proposed that this training be called “Awareness training in quality and clean agriculture through good agricultural practices”. This training should be based on existing training material available in Lao language (see annex 2). It should be complemented by an introduction on what IPM can do to reduce pest damage. The training should be tailored for organic and conventional agriculture in the four standards that are being developed by the Department of Agriculture.

For organic agriculture the training should include Quality, IPM and microbial food safety

For conventional agriculture the training should include Quality, IPM, chemical and microbial food safety.

The second recommendation is that the FAO work with Andrew Wilson in developing a project proposal that aims at developing a Good Agricultural practice standard for LAO PDR. This will involve the FAO as a manager of the funds for this project. The reason for this recommendation is that without a Country GAP in place, the awareness training will be wasted. The awareness training will pave the way for a rapid introduction of the Lao GAP when it is eventually completed.