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Minister of Agriculture and Rural Development organized year - end reception to cheer donor representatives

Hanoi, January 26 2006- at the head quarter of the Ministry, no 2 Ngoc Ha, Ministry of Agriculture and Rural Development with the support of the International Support Group (ISG) held a reception to celebrate year – end of lunar year 2005 and the beginning of 2006, the Doggy Year with donor community and international experts working in the agriculture and rural development sector.

Attending the reception was ambassadors to Vietnam of 20 countries which have embassy in Hanoi, representatives of donors and organizations working in the agriculture and rural development sector.

In a friendly and intimate atmosphere, the Minister of Agriculture and Rural Development Cao Duc Phat pointed out achievements of the sector in the past time and strategies and goals that the agriculture and rural development sector will try to obtain in the time to come.

On behalf of the donor community at the reception, Mr. Markus Cornaro, Ambassador, Head of delegation, the European Commission in Viet Nam responded the Minister. In his

words, Mr. Markus Cornaro confirmed the continued commitment of EC in cooperation and development of the agriculture and rural sector.

Source: ISG Secretariat

Government and UN launch nationwide pre-tet communication campaign for avian influenza prevention

Hanoi, 26 January 2006 - With no new outbreaks of avian influenza among birds reported since the 15th of December last year and no reported human cases for over two months, the Government of Viet Nam and the United Nations are stepping up efforts to prevent the occurrence of a new outbreak of Avian Influenza with an intensive media campaign designed to provide the public with key facts on Avian Influenza prevention.

"This is the beginning of a longer-term intensive campaign to provide the public with simple, clear messages on how they can protect themselves, their families and their communities from this very serious threat," said Minister of Agriculture and Rural Development, Mr. Cao Duc Phat. "Information, education and communication lie at the very heart of prevention and control efforts," he added.

The nation-wide campaign is designed to deliver four key prevention messages in the days leading up to and during the Lunar New Year Tet celebrations when chicken consumption, transport and handling all increase dramatically.

"Bird flu kills but it can be prevented," said Mr. Jesper Morch, UN Resident Coordinator a.i. and UNICEF Representative in Viet Nam. "It is critical that individuals recognize the important role they have to play in preventing further outbreaks and the spread of the virus," he added.

Avian Influenza/ H5N1 continues to affect domestic poultry and cause human infections across East and Southeast Asia and is taking an ever-tightening grip in countries outside the region.

The IEC campaign is a key component of the Joint Government and UN Programme "Strengthening the management of public health emergencies in Viet Nam, with focus on the prevention and control of diseases of epidemic potential including Highly Pathogenic Avian Influenza (HPAI)," signed on 13 October 2005.

Four Key Messages

National and local mass media channels (television, radio and newspapers) will be used to promote four key preventive actions:

- Avoid contact with sick or dead poultry
 - Report immediately to the authorities.
- Handle and slaughter all poultry safely (wear mask, gloves, use disinfectant)
- Cook poultry thoroughly (do not eat pink meat and runny eggs or consume raw duck blood)
- Wash hands with soap after handling live poultry or poultry products, such as meat and eggs.

For further information, please visit the following websites for information in Vietnamese and English:

<http://www.un.org.vn/who/avian> ;
<http://www.isgmard.org.vn>

Source: UNDP

Expectations surpassed as international community pledges USD 1.9 bn in Beijing

Brussels, 18 January 2006 - The international community has pledged a total amount of \$1.9 billion dollars to fight avian influenza and prepare for a possible human influenza pandemic, EU Health and Consumer Protection Commissioner Markos Kyprianou announced today in his concluding speech at the International Ministerial Pledging Conference on Avian and Human Pandemic Influenza in Beijing, China. The European Commission co-sponsored the conference with the government of the People's Republic of China and the World Bank.

Commissioner Kyprianou said: "Today at the conclusion of the Beijing International Pledging Conference, I am glad to announce that the total amount pledged by the International Community amounts to 1.9 billion US Dollars. This is a significant achievement we all can be proud of. We have surpassed expectations by considerably exceeding the estimated overall financing gap of around \$1.2 billion, 1 billion of which is in grants. For its part, the European Commission has played a central role both as a co-host of this conference, and with a total pledge of €100 million (\$122 million). Taken together with the €114 million (\$140 m) pledged by the EU Member States, the EU has in total pledged around €214 million (\$260 m)."

Source: EU

Technical assistance for "Participatory Irrigation Management"

December 29th 2005 - the Prime Minister approved receiving the technical assistance "Participatory Irrigation Management" by the Decision No. 2136/TTg-QHOT. This US\$ 1.65 million grant from Japan Social Development Fund is entrusted through the World Bank (WB) to support the Ministry of Agriculture and Rural Development under the framework of the "Project to support irrigational system in Vietnam" financed by the WB.

The objectives of the technical assistance are (i) strengthening the role of the local community in management of irrigational system through improved participatory receiving capacity; (ii) reducing the poor ratio in rural areas by improving irrigational services and improving the income for the local community; (iii) supporting the participation of women in management of local irrigational structures.

The project counterpart capital of US\$ 250,000 is taken from the counterpart capital of the Project to support the irrigational system in Vietnam. The project is planned to be completed by December 31st 2008.

The project consists of 2 components:

Component A will develop water use organizations (US\$ 450,000) and Component B will support agricultural development for water use organizations (US\$ 1.2 million). Main activities of the component A are to establish water use organizations (WUOs) managed by farmers. Each WUO in charge of 250 ha will be responsible for providing water for and supporting agricultural activities in its area.

Component B will undertake infrastructure improvement activities in support of industrial water management at WUO level; support the inputs for agricultural production including land improvement, seedling, fertilizer and special agricultural extension services; support post-harvest activities such as product delivery, storage, transportation and marketing, and support administrative costs for WUOs such as office and equipment.

Project outputs include: (i) by 2007, around 80 WUOs will be established and put into operation in provinces of the Project to support irrigational system in Vietnam; (ii) agricultural development plan (ADP) established and approximately 80 sub-projects are submitted to WUOs for pilot implementation.

Project implementation will support the pilot implementation of the "Strategy for development of participatory irrigation management in Vietnam" in line with the guideline of the State aiming at mobilizing active participation of farmers in investment, management, exploitation and maintenance of irrigational structures in order to optimize efficacy of existing irrigational structures.

Source: WB

ADB supports Vietnam with more than US\$ 226 million in 2006

On January 24th, the Board of Directors of the Asia Development Bank (ADB) announced that ADB would increase the assistance amount for Vietnam in 2006 up to US\$ 226.56 million in comparison with US\$ 213 million in 2005.

According to ADB, "better operational capacity of Vietnam" helps improve receiving capacity of assistance capital from ADB.

ADB supports focus on hydro-power projects, improving living quality in the central highlands, HIV/AIDS prevention, supporting the development of junior secondary teachers and education, supporting trade sector, development of small and medium enterprises and financial sector, etc as well as regional integration with neighboring countries such as China, Lao, Thailand and Cambodia under the framework of the Mekong sub-region cooperation.

Source: ADB

Tea marketing experiences of Japan

One of the main reasons for increasing users of Japanese tea is **marketing activities**.

There are eight main kinds of tea, which called Sencha-Fukamushicha (the most popular tea in Japan), Bancha; Houjicha; Genmaicha; Gyokuro; Matcha (Tencha) are frequently used in festivals; Tamaryokucha (Guricha) and Kamairicha.

Japan tea association includes 2000 members, who involve in dissemination of tea benefits, tea making methods and processing different tea products, etc through training courses and developing manuals with simple and lively graphic and pictures easy to understand.

Japan has produced different products from tea such as food, cake, candy, canned and bottled drinking and tea flour, etc. Additionally, in order to attract more citizen classes to use tea, tea trademarks are printed on other products such as socks, clothes, towels and souvenirs.

Shizuoka province only (producing 60% of Japan tea outputs) has a tea museum, where 90 kinds of tea from 30 countries are displayed (Thanh Tam tea from Vietnam is also displayed in this museum). Visitors can taste different teas and can scrutinize teapots from different countries in this museum. Especially, if visiting Chinese, Turkish and Nepalese tearooms, visitors can watch tea-making process by Japanese women and taste tea under the Japanese custom to receive guests.

From Japanese experience, should Vietnam functioning agencies such as Ministry of Agriculture and Rural Development, Ministry of Trade and Vietnam Administration of Tourism consider to design tours to Vietnamese tea growing areas to make Vietnam tea an attractive destination for visitors from different countries in the world.

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Source: ICD-MARD

Agriculture and rural development sector is unattractive to investors

According to the Ministry of Agriculture and Rural Development (MARD) from 1999 up to now, Vietnam has received 782 foreign direct investment projects from 42 countries and territories in the field of agriculture, forestry, aquaculture with the total registered capital of around US\$ 4 billion. At present, 623 projects are in effect with the total registered capital of about US\$ 3.2 billion.

In 2005 only, the agriculture, forestry and aquaculture sectors have attracted more than 100 investment projects with the total investment capital estimated at US\$ 200 million. According to MARD, projects invested in the agriculture sector account for 14% of the total project numbers and 8% of foreign direct investment capital. The investors mainly focus on cultivation, sugar cane production, forestry development, and forestry product processing and development of paper material zones. Animal food production attracted a great number of investment projects during previous years.

However, in 2005 investment in this field reduced partly because of the avian influenza.

MARD appreciates foreign direct investment projects in the agriculture, forestry and aquaculture sector quite effective with annual turnovers of US\$ 1 billion, of which US\$ 300 million is contributed to the State budget. In addition, these projects have brought to Vietnam modern technology, high-yield and high-quality seedlings. Moreover, thanks to the fact that these products easily access the world market, these investment projects also help to enhance trade promotion and marketing of Vietnam agricultural products. This has made considerable contribution to creating more consumption opportunities for Vietnam agricultural and forestry products. Another important aspect is that foreign investment in the agriculture, forestry and aquaculture has contributed to improvement of socio-economic infrastructure in many localities and replacement of out-of-dated cultivation practices though foreign investment projects to develop material zones.

However, evaluation shows that foreign investment activities in the field of agriculture, forest and aquaculture are still modest. Allocation of investment sources is uneven, leading to the "water running to the lower areas" situation. Particularly, investment projects in the agricultural sector are mostly focusing on main economic zones. Quite a number of projects get into losses. The ratio of investment projects in the agriculture, forestry and aquaculture sectors dissolves before the closing date is higher in comparison with other sectors. Besides, most of projects are implemented slowly due to different reasons.

Source: Investment Review

Projects approved and signed in 2005

No.	Project Code	Project name	Donor	Money Unit	Type of funding		Total	Period
					Grant	Loan		
1	BNN-LN-05-006	Forest Rehabilitation and Sustainable Forest Management in Quang Nam, Quang Ngai, Binh Dinh and Phu Yen.	KfW	Euro	9,715,000	0	12,313,000	2005 - 2013
2	BNN-HH-05-002	Rural Infrastructure for Sustainable Livelihood Improvement in Central Region	ADB	USD	800,000	0	1,000,000	2005- 2006
3	BNN-LN-02-029	Vietnam Forest Sector Development	WB GEF FINANDA RNE	USD	19,000,000	39,500,000	74,500,000	2004-2011
4	BNN-HH-05-004	Development for the poor in the Northern Mountainous	EC	Euro	17,000,000	0	18,588,000	2005 - 2010
5	BNN-LN-05-005	The Project on the Villager Support for Sustainable Forest Management in Central Highland	JICA		3,000,000	0	3,000,000	2005 - 2008
6	BNN-LN-04-040	Use of Genetic Diversity and Biotechnological Advances in Forest Tree Improvement	SIDA	SEK\$ 1,790,000	235,256	0	235,256	2004 - 2007
7	BNN-LN-05-012	Capacity Building for Preparing Feasibility Studies and Implementation Plans for Afforestation Projects in the Socialist Republic of Vietnam.	JICA	YEN \$ 340,000,000	3,000,000	0	3,000,000	2005 - 2007
8	BNN-NN-05-013	Tea and Fruit Development Project	BFDW		292,000	0	453,000	2005 - 2007
9	BNN-HH-05-014	Promotion and Dissemination of Solar Water Micro-Organism Disinfection (SODIS)	SDC/Helvetas		324,500	0	350,000	2005 - 2009
10	BNN-LN-05-016	The Project of Development Assistance for Forest Sector	EC	EUR\$ 3,000,000	3,761,100	0	3,761,100	2005 - 2009
11	BNN-NN-05-009	Set up and Control of the Agricultural Products Quality	CIDA	CDN \$ 17,000,000	13,350,000	0	14,017,500	2005 - 2010
12	BNN-HH-05-017	MARD - SIDA Cooperation Program	SIDA	39,600,00 SEK	4,200,000	0	4,600,000	2005 - 2008
13	BNN-NN-04-040	Project for Improvement of Plant Quarantine Technique Against Fruit - Fly of Fresh Fruits	JICA		2,240,000	0	2,500,000	2005 - 2008

14	BNN-HH-02-018	Improvement Ability for Hydrological Engineer	JICA		5,400,000	0	5,400,000	2005 - 2010
15	BNN-NN-05-010	Breeding Development in Northern Mountain of Vietnam	SDC	CHF \$ 953,266	756,923	0	756,923	2005 - 2007
16	BNN-LN-05-011	Program to Promotion of Sustainable Utilization and Management of Natural Forest and Marketing of Important Forest Products	GTZ	EUR \$ 4,500,000	5,641,650	0	5,641,650	2005 - 2010
17	BNN-HH-04-003	Improving Poor Farmer's Livelihoods Through Post Harvest Technology	ADB, IRR		750,000	0	750,000	2005 - 2008
18	BNN-HH-05-015	Technical Assistance for Gender Mainstreaming Action Plan for ARD	ADB		250,000	0	315,000	2005 - 2006
19	BNN-NN-05-017	Strengthening facilities, basic knowledge and practical skills in dairy cattle production in Vietnam - Phase II	USAD		200,000	0	200,000	2005 - 2007
20	BNN-NN-05-018	Research and Development Flock of Goats	USAD		100,000	0	100,000	2005 - 2007
21	BNN-NN-05-019	Research and Development Vegetables Variety in Quang Binh	USAD		200,000	0	200,000	2005 - 2007
22	BNN-NN-05-020	Development of Mushroom Production profession for Increased Farmer income and meeting Local Need and Export Consumption, Phase II	USAD		200,000	0	200,000	2005 - 2007
23	BNN-NN-05-022	Strengthening VAEP Capacity to Monitor Chemical Residues and Toxins agro-products - Phase II	USAD		200,000	0	200,000	2005 - 2007
24	BNN-NN-05-023	Project Captive Bear Microchipping and Strengthening Public Awareness of Bear Protection	WSPA		203,511	0	203,511	2005 - 2006
25	BNN-HH-05-024	Development Assistance Capacity for Institute of Agricultural Economy	FF		280,000	0	296,250	2005 - 2007
26	BNN-TL-04-042	Natural Disaster Mitigation	WB	SDR	6,000,000	150,000,000	156,000,000	2006 - 2013
27	BNN-TL-04-043	Rural Infrastructure Improvement, Sanitation and Health in the Red River Delta	WB	SDR	0	44,003,000	44,003,000	2005 - 2007
28	BNN-HH-04-038	Coastal Technical Project - Phase II	RNE	3000000 Euro	3,761,100	0	3,761,100	2006 - 2009
29	BNN-HH-04-047	VOCTEC 2 Project	RNE	4,000,000 Euro	5,014,800	0	5,014,800	2006 - 2009

30	BNN-NN-05-025	Strengthening the Management of Public Health Emergencies in Vietnam - with focus on the Prevention and Control of Diseases of Epidemic Potential including Highly Pathogenic Avian Influenza (HPAI)	Donor Community and UNDP/FAO/WHO		6,926,599	0	6,926,599	10/2005 - 3/2006
31	BNN-TL-05-026	Innovative Approaches to Community-Based Disaster Risk Management	JSDF, Japan		1,460,000	0	1,600,000	2006-2008
32	BNN-TL-05-027	Japan PHRD Grant for Co-financing of the Natural Disaster Risk Management Project	PHRD, Japan		4,500,000	0	4,950,000	2006-2008
33	BNN-HH-05-028	Strengthening Capacity for Agricultural Science and Technology	JFPR, Japan - approved ADB		700,000	0	875,000	2005- 2007
34	BNN-LN-05-029	Asia Pangolin Conservation	Zoological Park/Newquay, Anh		36,258	0	36,258	2005 - 2007
35	BNN-LN-05-030	Study on impacts of integrated agro-forestry system with cacao tree to social, economy and environment of hillside areas in Nghia Trung, Bu Dang District, Binh Phuoc Province.	Master Foods Company - USA		34,300	0	34,300	2005-2006
		Total			119,532,997	233,503,000	375,782,247	