

In this issue

- Agriculture sector implements the Resolution 11CP
 - New rural development
 - o Roles of farmers' voluntary economic associations in the new rural development
 - o Agriculture production alliance - success from the Viet Nam Agriculture Competitiveness Project
 - Solutions to attract private investment in forestation
- International integration and cooperation

Agriculture sector implements the Resolution 11/CP to curb inflation, increase income and improve farmers' living standard



Minister of Agriculture and Rural Development Cao Duc Phat has instructed the administrative institutions and organization under MARD to review and re-organize the duties so as to save 10% of the recurrent costs of the remaining months in the cost estimates for 2011. MARD required its institutions / organizations to spend 90% of the approved budget at most. The entire sector would reduce 15% of electricity cost, 10% of petrol and 10% of public procurements.

To comply with the Government's instruction to reduce public investment, contributing to reduce the State budget overspending, MARD has decided to

postpone implementation of 22 projects using State budget, transferred part of the budget to invest in other projects so as to push up the construction process. Meanwhile, MARD also adjusted investment, suspended 2 projects that had problems in the site clearance. The total cut-out, transferred budget in construction sector was 80.63 billion VND.

MARD also asked its Administrations, the Department of Construction Management and the Inspectorate to enhance inspection and monitoring the effectiveness of the development investment capital as well as Government bond. The State-own Corporations' equitization and re-structure process

was speeded up and production costs were tightly controlled and reduced, mostly focusing on the key production / business areas. Ineffective projects, including oversea investment projects, were rejected.

Minister Cao Duc Phat guided implementation of variety of measures to ensure social safety at rural area, improve income and living standards / conditions for rural residents. This year, MARD targeted to reduce the rural poor households to 11% and increase the



rural residents accessing clean water to 86%...

Enhancing production, improving productivity and quality to meet domestic consumption demands are among the important solutions that MARD applied so as to curb inflation in the sector and control the sharp fluctuation of food and agro-products' prices

(by NTT).

NEW RURAL DEVELOPMENT

ROLE OF FARMERS' VOLUNTARY ECONOMIC ASSOCIATIONS IN THE NEW RURAL DEVELOPMENT



Vice Minister Ho Xuan Hung and Ms. Marie Ottosson as co-chairpersons at the Dialogue

production inputs were not collectivized, farmers, depending on specific products and willingness, could cooperate to create new products”.

Agreed with Vietnamese Government's point of view, Ms. Marie Ottosson, representative of the Embassy of Sweden to Vietnam (Co-chairperson at the Policy Dialogue with Vice Minister Ho Xuan Hung) congratulated the added value gained by the Government of Vietnam and developed counterparts when making investment in voluntary farmer groups for sustainable and fair development in Vietnam.



Ms. Marie Ottosson emphasized that “we need to learn from and interact with the civilian-social organizations, how the support not only increases farmer's incentives, but also promotes their development. The Policy Dialogue is a good chance to further discuss existing issues specifically and directly as well as to push dynamic and creative relation of State agencies with civilian-social organizations.

At the forum, participants also confirmed that “agriculture sector of Vietnam has been going into new period and Vietnamese farmers really had changes in nature”. Ms. Marie Ottosson said that “it is necessary to link the farmers with markets, to mobilize socio-capital resource to construct infrastructure, thus establishing different

Together with the renewal in the civil society, the farmers' voluntary economic associations have developed dynamically and effectively to support economic development of their member households. However, in the development process, these voluntary economic associations faced with difficulties and perplexities due to their small scale at several regions and some commodities.

In order to support formulation of policies on new rural development, on the 14th January, 2011, the Ministry of Agriculture and Rural Development co-operated with Swedish International Development Agency (SIDA) to hold the policy dialogue on “Promotion to farmers' voluntary economic associations in the new rural development”

At that policy dialogue, Vice Minister of Agriculture and Rural Development Ho Xuan Hung affirmed that development of farmers' voluntary economic associations

including cooperatives and cooperation groups in agriculture sector was a consistent policy of the Communist Party and the State. In many past years, the Communist Party and the Government had issued many policies to promote development of those organizations, including the Decision No 800/2010/TTg-QĐ most recently approved by the Government.

The National Target Programme on rural development contained the contents of development support to cooperatives, cooperation groups. Vice Minister added that “at the Tenth Congress of the Communist Party, participants discussed comprehensively issues on agriculture, farmer and rural area in the integration period, and how to strongly develop the voluntary organizations. The Communist Party approved policy on changing the old - disadvantaged cooperative model into the new – voluntary cooperative model with different features such as

models of the inter-groups / teams. It is important to call upon community spirit in order that voluntary economic associations could contribute to the new rural development progress. It is also needed to clarify the role of these voluntary economic associations and the support functions of the Government as well as donors to create new motivation for development, namely: (i) investment in developing rural agriculture infrastructure; (ii) policy on supporting investment capital; (iii) training and skills on market access; (iv) investment in science and technology..."

Participants made many questions for state managers (i) which economic models

selected appropriately to farmers of Vietnam in the new period? (ii) which orientations for voluntary economic organizations to develop in sustainable manner and transform to larger production scale? (iii) Issues on social organization and knowledge improvement on civil societies of people...

Vice Minister Ho Xuan Hung requested the State management agencies to review the recommendations, good



experience for propaganda in order to promote development of voluntary economic associations, thus enhancing the success of the New Rural Program implementation.

(ISG)

AGRICULTURE PRODUCTION ALLIANCE - BASE FOR INCREASING COMPETITIVENESS OF AGRO-PRODUCTS

Credit Agreement on Agricultural Competitiveness Project code Cr. 4518-VN was signed between representatives of the Socialist Republic of Vietnam and the International Development Association (IDA) - the World Bank (WB) on the 9th December, 2008 with the total capital of US\$ 75 million, including US\$ 458.9 million from the WB loan, implementation period of the project was from 2009 to 2013.

Objective of the project was to improve competing capacity of small production households in the Central and the Highland regions via linkages with enterprises: specifically, increase market access of farmers, transfer and apply new production technologies, re-organize production groups of farmers to link with enterprises, support a part of essential infrastructure for production.

Up to date, after 2 years implementing the Agricultural Competitiveness Project - ACP,



at the mid-term review meeting organized in Can Tho, the mission's record from the field trip and representatives' comments of 8 beneficiary provinces showed that the component's implementation progress was very smooth and gained significant results. Production alliance's support under the ACP's Component B has been assessed effectively after implementation. The Component's objective was to improve competing capacity of small production households and enterprises basing on supports to establishment, development and operation of production alliances towards private enterprises, simultaneously to respond to market demand with the State support on the basis of competitiveness, transparency, and improved private services delivery. This component also aims at improving investment environment for agriculture sector at provincial level..

In order to improve capacity, knowledge, working skill for ensuring successful operation of the alliance, the ACP organized training courses on techniques, business, management such as: production management using VietGAP, guidelines for establishment of cooperative groups, negotiation skills and conflict address, management skills of cooperative

groups... for farmers, enterprises in the alliances.

Establishment of production alliances has been considered as an advanced step of success for a sustainable agriculture production.

With regard to the support to the production alliance, 71 production alliances were identified and 33 ones met adequate conditions for disbursements; under the component to provide essential infrastructure to serve agriculture production such as road, irrigation, bridge, dam... 72 construction works were identified and 6 ones were being implemented. The committed capital for the component was US\$ 37 million, which occupied 49% of the total project budget.

The provincial project management units confirmed to ensure completion of project's activities, whilst contributing many recommendations for the project adjustments, focusing on the improved agriculture technology and the production alliance support components. Representatives of DARDs from 13 provinces/cities in Mekong River Delta where main agro-products were rice and fruits with high competitiveness and

possible expansion of production scale, said that these provinces started to establish production alliances.

Production alliance of high quality rice, Phu Cat district, Binh Dinh province

Van Phuoc Agriculture LTd Company (its headquarter in Phu My district) co-operated with Cat Hanh 1 Agriculture Cooperative



Production alliance of high quality rice in Phu Cat, Binh Dinh province

at Phu Cat district to implement plan on establishing production alliance for high quality rice with 194 households under the ACP funded by the WB. The establishment of the alliance aimed at assisting enterprises and farmers to link production and consumption effectively. Binh Dinh province has about 120

thousands ha rice field per year with the rice production of 550 thousand tons. Every year, beside amount consumed in the province, approximately 200 thousand tons were for commerce. Binh Dinh's farmers would get additional income of hundreds of billion VND if they produced high quality rice. It was therefore necessary to establish production alliance for rice consumption based on voluntary basis between enterprises and farmers under the project's guidelines.

Dalat Milk – Hiep Thanh Milk production alliance, Duc Trong district, Lam Dong province

Attend and instruct the mid-term review meeting of the project, MARD Vice Minister Bui Ba Bong emphasized "ACP needs focal investment to create



production renewal and value chain for agro-products in the Mekong River Delta, simultaneously to concentrate on main products such as rice, fruit and to reject small scale projects. Each province should establish alliance for thousands ha of rice production. Provinces with advantages on fruit production should to pay attention to transform mixed tree garden into fruit tree garden. Southern Research Institute for Fruit was required to select and introduce 3 main fruit trees. Besides, it was also required to apply mechanized and intensive model, and advanced technology; selected technologies should be utilized, thus at the project's completion period a new production model and value chain would be set up, and finally, the farmers of the Mekong River Delta would gain an advanced economic model"

(MV).

PUBLIC - PRIVATE PARTNERSHIP (PPP) IN AGRICULTURE AND RURAL DEVELOPMENT

SOLUTIONS TO ATTRACT PRIVATE INVESTMENT IN FORESTATION



Currently, there are 2,369 non-State enterprises that made investments in forestry sector, including 88% for wood processing, 2.3% for forestry services and only 4% for forestation. What are the solutions to attract more investment to forestry sector which covers over

half of the land area of the country?

According to Mr. Nguyễn Nghĩa Biên, Director of the Planning Department - Administration of Forestry, though the Government had launched different incentives to attract investment in forestry sector, but the policies to

forestation are not very favorable. The main reason was the forest land planning and utilization were not matched with practical conditions and slowly adjusted. On top of that, the planning was regularly broken.

At the workshop on "Solutions to attract private investment to forestation", representatives from Ministries, sectors analyzed the causes to restrain investments in forestation like (i) The proportion of forest area and forest land allocated to households and individuals was low (33.7% out of the total forest area to be contracted); (ii) land allocation was not accompanied with beneficial mechanism, investment capital support, business options...

Forest Inventory and Planning Institute (FIPI) recommended to revise and supplement policies in the areas of the benefits for forest investors, encouragement for land

accumulation, priority for development of silviculture techniques. It was also required to clearly identify the functions and duties of management agencies at

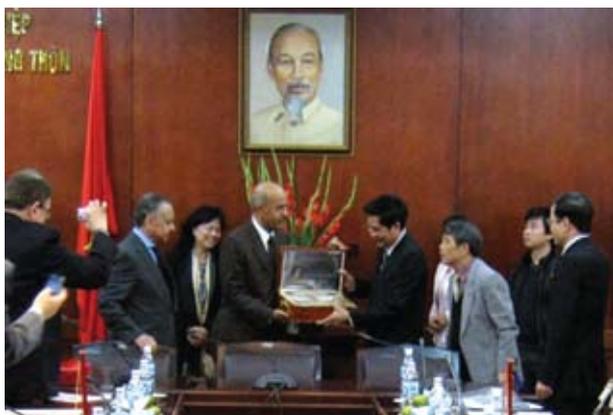
local levels, thus avoiding duplication and difficulties to the investors...

It was hoped that with the policy to improve investment environment

and practical solutions, more private companies would be attracted to make investments in forestation and development of forestry sector. (CP)

INTERNATIONAL INTEGRATION AND COOPERATION

VIET NAM AND SAUDI ARABIA AGRICULTURE COOPERATION



Saudi Arabia Minister of Agriculture of presented gift to Minister Cao Duc Phat

On the 25th March 2011 in Hanoi, Minister of Agriculture and Rural Development of Vietnam Cao Duc Phat had meeting with Minister of Industry and Commerce and Minister of Agriculture of Saudi Arabia.

At the meeting, both sides discussed cooperative lines such as Saudi Arabia would assist Vietnam to insure energy

security and Vietnam would help Saudi Arabia to ensure food security

At the meeting, Minister Cao Duc Phat said that: “ There are many potentials for both countries to cooperate, Saudi Arabia should assist Vietnam to insure energy security and Vietnam will help Saudi Arabia to ensure food security”.

Minister Cao Duc Phat also informed current status on applying Investment Law favorably to investment enterprises in agriculture and rural fields in Vietnam. In future, both Sides would have to negotiate cooperation on plant and animal quarantine in order to assure high quality goods trading

between two countries.

According to Dr. Fahd Bin Abdul Rahamn Balghanim – Minister of Agriculture of Saudi Arabia: “ I find that exchange of expert delegations to each country for study tour and learning is the first step in cooperative relation between our countries. Up to date, agriculture cooperation between both Sides is only at beginning period, our side’s concern is to explore potentials of two countries. We affirm that Saudi Arabia desires to promote cooperative relation on production and trading with Vietnam, we will make our effort to introduce specific products to both Sides’ consumers. In order to make favorable for advertising products of Vietnam, we are preparing to organize Saudi Arabia – Vietnam trade exhibition in Saudi Arabia in September, 2011”.

(Chu Khôi)

Viet Nam - Netherlands strategic cooperation

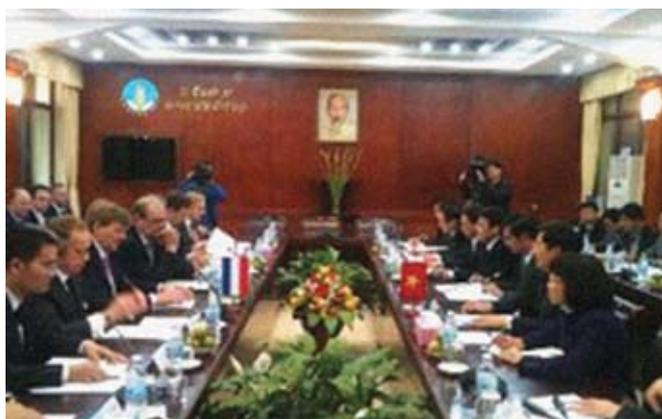
BILATERAL PARTNER ON IRRIGATION



Viet Nam – Netherlands Joint-Government Meeting

The first meeting of the Viet Nam - Netherlands Joint-Government Committee on Climate Change Adaptation and Water Resources Management took place in Ha Noi on 29 March 2011. Deputy Prime Minister Hoàng Trung Hải and Netherlands Royal Highest Willen Alexaded represented both delegations in the negotiations.

The meeting planned to consider and endorse important decisions in order to undertake the agreement, i.e. the integrated plan to response to the climate change at the Mekong Delta and Ho Chi Minh city; the possible cooperation to develop the climate change response plan for the Red river delta and other coastal



MARD Minister Cao Đức Phát met with the delegation led by Netherlands Royal Highest Willen Alexaded in the afternoon of 28 March 2011.

zones of Viet Nam; expand the cooperation in water resources area... Those decisions would bring back practical benefits for Vietnamese people.

At the meeting, Minister Cao Đức Phát thanked the Government and people of Netherlands for their effective support for Viet Nam in agricultural sector such as the assistance to science, technology, human resource development, animal husbandry, natural calamities control and climate change response.

The Minister also expressed the wish for continued support

from Netherlands, particularly in climate change response as well as the support to Viet Nam to implement the commitments with the World Trade Organization (WTO).

Viet Nam is always ready to collaborate with Netherlands Ministry of Agriculture and Foreign Trade to facilitate investment and business of the companies from both 2 countries.

Netherlands Minister of Agriculture, Nature and Products Quality, Mr. Henk Bleker emphasized the cooperation areas in the coming time, including support Viet Nam to formulate Mekong Delta Plan; carry out the Letter of Intent to support Cocoa Development Partnership in Viet Nam; support to Coffee Partnership, implement the Letter of Intent on livestock development, slaughtering and processing management; consider to assist the proposed project on improvement of potato production and protection of potato variety patent in Viet Nam; vocational training; trade and investment promotion. For the last 10 years, cooperation between the two countries have made great progress. Viet Nam trusted on the further cooperation of the two countries in agriculture in general and in irrigation in particular. However, along the cooperation process, different issues needed to be solved and would be further discussed at the coming meetings like slaughtering, animal husbandry, veterinary control, food security...

(CHK)

WORKSHOP ON VALUE CHAIN IN LIVESTOCK PRODUCTION AND FOOD SAFETY



In working program of the Netherlands delegation led by the Honorable Royal Highest, Willem Alexander and his Princess Maxima to Vietnam, on 31st March, 2011 in Ho Chi Minh city, the Ministry of Agriculture and Rural Development of Vietnam and the Embassy of Kingdom of Netherlands co-organized the Workshop "Value chain for

livestock production and food safety" with participation of experts, enterprises of Vietnam and Netherlands.

The Workshop was attended and opened by MARD Vice Minister Diep Kinh Tan and Netherlands Minister of Agriculture, Nature and Food Quality, Henk Bleker.

At the Workshop, experts and enterprises

of two countries exchanged ideas relating to legal foundation, mechanism, institution, policy of Vietnam and experience on livestock production such as breeding, feed, livestock model... Advanced food processing technology to assure standards on food quality, safety and veterinary was also discussed.

At the Workshop, MARD Vice Minister Diep Kinh Tan and Director General of External Economic Relation Department of Netherlands, Simon Smitsra signed the Letter of Intent for projects between the two States. Vice Minister Diep Kinh Tan affirmed that global economic crisis and climate change have made many nations' economy facing with difficulties, however Vietnam's economy was still risen thanks to the contribution from agriculture sector with average growth of 4.7%/year. Cattle production of Vietnam accounted for 27-28% of the aggregated value of agriculture sector, in which pig production occupied 75% of the cattle

production. Although Vietnam's livestock products have not been exported yet, these products could meet demand of domestic consumers. The target by the year 2020, livestock production would account for 42% of

the agriculture sector's value and the livestock production would develop comprehensively, the approach "from farm to table" linking with food safety and environment protection would be applied. MARD would implement

well contents under the signed Letter of Intent, which would contribute to dramatically promote bilateral cooperation between Vietnam and the Netherlands.

N.V.M

US AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) INVITED VIỆT NAM TO JOIN THE "EPT PROGRAM"



Signing Ceremony of the MOI on EPT Program between MARD and USAID

The Emerging Pandemic Threats Program (EPT) was the regional initiative funded by USAID).

The objective of the Program is to improve the capacity of Viet Nam and other countries in the region for early detection and response to dangerous pathogens in animals before they can become significant threats to human health.

With the climate change impact to the eco-environment, the more and more severe climate conditions, and the increasing threats of newly emerging pathogens, the pandemic preparedness and addressing other significant public health threats at the interface of wildlife animal – domestic animal – human being are the great concern of the international

community, and reflected through a new One Health approach so as to enable the control of the possibly emerging diseases in the future. Viet Nam is among the first countries in the world begins to identify practical ways to apply such new approach in the country.

On the occasion, Vice Minister Diep Kinh Tan note the very effective international cooperation that Vietnam has had on these issues during the past decade, which we consider to be extremely important due the global nature of these issues. On behalf of MARD, Vice Minister thanked the US Government for her valuable assistance extended to Viet Nam in the AI prevention and control over the past time, and expect to her continued support in the pandemic control in particular, and in the cause of agriculture and rural development in general.

(ISD-ICD)

INVESTMENT CAPITAL IN QUARTER I/2011

In 2011, MARD construction investment capital from Central budget allocated by the Prime Minister at the Decision 2145/QĐ - TTg of 23/11/2010 was **3,672.3 billion VND, including: 1,519.3 billion VND from the internal source and 2,153 billion**

VND from the external source.

According to the reports of the project management units (PMU), by end of March, construction investment capital managed by MARD was estimated at 1,495.46 billion VND, around 20.85%

of the allocated budget, including: central budget 963.46 billion VND - approx. 26.24% of the planned budget, Government bond 532 billion VND - approx. 15.2% as planned.

(Xem tiếp trang 8)

Updates of the implementation progress:

- Implemented investment capital: it was estimated at 939.21 billion VND, approx. 28.68% of the annual plan, including:

Investment areas	Estimated progress (billion VND)	% of the annual plan
Irrigation	605	32,05
Agriculture	266,43	38,01
Forestry	26,68	9,33
Fisheries	4,5	22,03
Key program on development and application of bio-technology	7,5	25%
Science – technology	13	21,67
Education - training	10,25	11,39
Other sectors	13,35	6,67
Budget implemented in accordance with the specific objectives and duties	19,75	6,85
Budget for investment preparation	4,5	11,84

Updates of project implementation at different sectors:

+ Irrigation:

Projects ADB3, ADB4, WB3, WB4, key irrigation projects that required enhanced implementation before flooding season such as Phước Hòa Irrigation project, Phan Rí - Phan Thiết project...

However, some irrigation projects have yet been allocated budget, causing lots of difficulties to the investing agencies like

Ô Môn - Xà No irrigation project - phase 2, Mây Phốp - Ngã Hậu Canals, Mỹ Thanh - Phú Hữu Dike embankment, Cái Lớn - Cái Bé sluices ...

+ Agriculture

- Emergency Rehabilitation of calamity damages project (loan from ADB) was speeded up implementation process and disbursement rate since

it came to the end of the framework of the Credit Agreement, the work quantity implemented for 3 months was estimated at 41.7 billion VND, including 6.3 billion VND from the internal source and 35.4 billion VND from the external source;

- Integrated rural development sector project for Central provinces (loan from WB) was agreed with the donor on the financial and disbursement mechanisms, therefore the implemented work as well as disbursement rate were rather high, approx. 205.1 billion VND in 3 months, including 21.3 billion VND from internal source and 183.9 billion VND from external source;

- Agriculture competitiveness project (loan from ADB) was completed the technical preparation, and was now at the process to recruit international consultants to start up the project

implementation at the Central coastal and Highland provinces.

+ Forestry

ODA projects funded by ADB: project on forestry for livelihood improvement in the Central Highlands, project on forest development at Hòa Bình - Sơn La provinces, which were pushed up their implementation process. However, due to the nature of the projects to mostly invest in consultant work and training, the implemented work was not very high.

+ Fishery

Most of fishery projects used the internal fund sources and mainly focused on construction of shelters for off-sea fishing boats to hide during storms, fish ports, logistics fishing areas

(NTT).

Publication permit No: 32/GP-XBBT, dated 19th July 2010 by the Press Department,
The Ministry of Information and Communication

Comments are welcome at ISG Secretariat - Room 102-104, BLD B4, No. 2 Ngoc Ha, Ba Dinh, Ha Noi
Tel: 04 37711 736 ❖ Email: isgmard@mard.gov.vn ❖ Website: www.isgmard.org.vn