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INTERNATIONAL ECONOMY COOPERATION AND INTEGRATION

PUBLIC SERVICES PROVISION IMPROVEMENT IN AGRICULTURE AND RURAL DEVELOPMENT (PS-ARD)



Having carried out since May, 2011 to April, 2015 in Hoa Binh and Cao Bang province, Public Services Provision Improvement in Agriculture and Rural Development (PS-ARD), phase II is funded by Swiss Government with a non-refundable aid through Swiss Development and Cooperation Agency (SDC). The total budget of the project for the 2 phases is estimated at USD 20 million.

The chief goals of the project are to enhance the capacity of commune level in socio-economic planning, to build capacity for the public service providing system so as to operate more effectively and meet the demands of the local people.

The focal activities of the project are: socio-economic development planning (SEDP), commune development finding (CDF), commune financial management (CFM), farmer field school (FFS), plant protection service points (PPSP), water usage groups (WUG).

At phase 2, the program aims at expanding the planning, which have been carried out since the the first phase I, divide the financial management to commune level and improve public services. Accordingly, some plans models basing on local people's demands, which have been tested successfully at the commune, phase I, shall be standardized in the provinces of Hoa Binh and Cao Bang.

AGRICULTURAL TRADING BETWEEN VIETNAM – CHINA

The seminar “Mutual trading of refined cassava powder and fertilizers, plant pesticide of Vietnam – China” was held on June 10, 2011 by Vietnam Cooperation Association and China – ASEAN Bureau of Agriculture and Commerce.

In terms of agriculture alone, China is the significant potential importer of Vietnam cassava powder, rubber and fruits. Moreover, China has high demands of refined cassava powder. In return, Vietnam is currently importing a large amount of fertilizers and plant pesticides from China.



For the said background, Vietnam and China are the two highly appreciated markets, which require mutual support and potential cooperation.

JICA SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES



Since the efforts made by Vietnam Government towards small and medium-sized enterprises (SME) by issuing policies for development of SMEs in 2001 and establishment of Department of Enterprises Development (previously known as Department of Small and Medium-sized Enterprises Development) in 2002, JICA has been continuously supporting with the presence of long-term specialists appointed to Department of Enterprises Development as well as other technical assistance.

Latest reports reveal that SMEs make up more than 97% total number of enterprises and play an important role in the development of our economy. However, in the process of globalization with harsh competition and macro instability worldwide, SMEs in Vietnam has to learn how to apply the effective assistance policies of the central ministerial agencies as well as at the local levels so as to improve the business.

Japan International Cooperation Agency (JICA) and Department of Enterprises Development – Ministry of Planning and Investment have approved the Project on capacity strengthening of state agencies for assistance of SMEs on June 20, 2011.

The project aims at assisting Department of Enterprises Development in capacity strengthening by effectively designing and implementing policies and methods, ensuring the proactive and regular participation of the agencies from central to local levels in the comprehensive assistance framework of SMEs.

“In addition to technical assistance, we have been assisted in terms of finance through the 2-stage loan for SMEs since 1999. So far, the total value has estimated at Yen 27 billion. Therefore, we are willing to help Vietnam to accelerate its SMEs so that these enterprises could be strong enough, especially in the general context of additional industrial development assistance by combining between financial assistance and technical assistance within one comprehensive and overall framework of Vietnam Government for the development of SMEs” said Mr. Tsuno Motonori at the signing ceremony.

The project shall be carried out from 2011 to 2014 with the participation of some localities in Hanoi and Vinh Phuc province.

COOPERATION WITH NGO (NON-GOVERNMENT ORGANIZATION) FOR AGRICULTURAL INVESTMENT

“For the first half of the year in 2011, 11 NGOs has funded for Ministerial agencies in agriculture, forestry, aquaculture and irrigation fields including 9 approved projects with the total budget of more than USD 2.26 million,” said Ministry of Agriculture and Rural Development.

Majority of NGO projects contain specific and realistic goals towards local people. Despite limited scale as well as medium execution period of NGO projects, a large number of national consultants have been mobilized so as to meet the demands of management and utilization of aided locations. New technology with reasonable prices for local farmers has been applied to NGO projects.

Added to financial aid, NGOs give supports in terms of education, experimental exchange, technology and trials of production models, etc with participatory approach methods from community, social organizations, private and state sectors. Nevertheless, NGOs’ operations are often carried out with small and direct scale at the localities. As a result, it is not easy to connect these operations with development planning and strategy of the ministry. In addition, model extensions are not simple to be conducted.

The Ministry has made recommendation to Working Committee regarding NGO and related agencies for further mechanism in order to mobilize ultimately the NGO funding sources for development investment of agriculture and rural development. Initially, this source of capital should be focused on irrigation; forest plantation; development of sustainable agricultural models in combination with production and environmental protection, prevention of natural disaster and other activities related to enhancement of tolerance for rural community toward bad impacts of climate change.

LIST OF INTERNATIONAL NON-GOVERNMENTAL ORGANIZATION APPROVING IN FIRST 6 MONTHS 2011

1. Expand and promote rural environmental management model based on GAP-based practice on aquaculture - GAP (AECIC funded by a total cost of 662.868USD)
2. New rural Development in Cu Chi District, Ho Chi Minh, the period 2010-2013 Chifon sponsored by the Chifon Group during the period 2011-2013 with total cost of US\$527.125)
3. Transfer and installation of electricity-generating solar energy system funded by the GOEDE Fund with a total cost \$US393,000)
4. Study models of degraded coastal mangrove forest rehabilitation funded by AKECU Korea - with



US\$14,270

5. Capacity building for training, management and development of circulating aquaculture systems in Can Tho, Cai Be, Vung Tau - Mekong Delta by the Netherlands University of Wageningen - The Netherlands sponsored US\$46.866

6. Evaluation and use of characteristics of existing soybean in the Bean Research and Development Center sponsored by the Central America Research and Development Fund - MARDF with a total cost US\$12,000

7. The study of interactions between land use and climate change in river basin Vu Gia - Thu Bon in Vietnam funded by ITT - University of Cologne - Germany financed with US\$137,588

8. Dissemination of some suitable technologies to improve socio-economic conditions for people in rural and mountainous northern of Vietnam funded by BORDA – Germany a total of US\$169.788

9. Assessment of ecological health (eco-health) in poultry production clusters with aims to improve living standards of farmers specialized in small –scale livestock production funded by the Center for International Development IDRC - Canada with total budget of US\$300.181.

In addition, the 2 projects are anticipated to be approved as follows:

1. Research on mechanisms to promote high biodiversity conservation through REDD+ in Vietnam sponsored by the Ministry of Natural Resource Conservation and Nuclear Safety – German with a total fund 968,232 Euro
2. Improvement livelihoods of poor farmers through the community-based goat raising system in Vietnam and Cambodia funded by the LINK DELPHE with the fund of US\$96,800

ACTIVITIES

DEVELOPMENT OF FAST WARNING SYSTEM OF FOOD SAFETY

The Review Meeting on the national target program on food safety for the period 2006-2010 held by Ministry of Health showed that food poisoning causes

tend to change from the trend in reducing poisoning caused by microorganism into increasing poisoning caused by chemical toxicity and natural toxins.

According to Mr. Nguyen Cong Khan, the Director of Food Safety Department (MOH), Vietnam has 9.3 million small production households and more than 10,000 kinds of new food products produced everyday. Therefore, the higher number of food products has resulted in more difficult food management and food safety control. Thus, a fast warning system and risk analysis is needed to collect information from different sources with aims to inform of food insecurity through the



warning system

The Health Ministry is urgently developing a project proposal on “fast warning system and risk analysis” to be submitted to the Prime Minister for approval

FROM JULY 1/2011: GENERAL SURVEY ON RURAL AREA, AGRICULTURE AND AQUACULTURE

According to the General Statistics, a general survey on rural area, agriculture and aquaculture shall be conducted in 63 provinces nationwide from July 1 to 30/2011.

The purposes of the general survey are to collect basic information for the evaluation of real conditions and orientation of agriculture and rural development in Vietnam; establish the foundation as a basis of planning and determining agricultural and rural development policies in the upcoming phase and goals of socio-economic strategy.

Three main contents of the survey shall be focused on including real status of agricultural production, forestry and aquaculture; real status of rural area, basic information regarding rural residents.

Basing on the Decision made by the Government, Steering Committee of the Central Survey and other levels has been established; of which Mr. Vu Hong Phuc – Minister of Ministry of Planning and Investment shall be the Chairman; the Bureau chief



of General Statistics shall function as Chairman. The General Statistics has completed the general survey schedule and organized some training courses for surveyors at the provincial level.

A new method of data processing shall be applied in this survey. Preliminary results and final ones of the General survey will be published in December 2011 and Quarter 3, 2012, respectively.

EFFORTS TO STRUGGLE WITH EPIDEMIC AMONG SHRIMP RAISING IN CUU LONG DELTA



According to the Department of Animal Health, Ministry of Agriculture and Rural Development, the total area for shrimp raising in Cuu Long Delta coasted provinces has reached 547 ha, of which the loss area hits 53 ha, accounting for 10% of the total area and over 98% of the nationwide. Soc Trang province is most severely suffered from the loss.

Paying a field trip to shrimp raising areas in Soc Trang, Minister of Agriculture and Rural development, Mr. Cao Duc Phat said that the shrimp diseases are now becoming more seriously

and spreading to a larger scale, which causes great loss for local people as well as the shrimp harvest of 2011. Firstly, the Ministry has submitted to the Government for provision of 120 tons of Chlorine from the National Storage Fund for the affected provinces to struggle with the epidemic and recover the environment.

The Minister also request units under the Ministry, scientists and the locality to timely take measures in response to the epidemic and support the local people in production restoration. The Department is requested to monitor the epidemic, cooperate with the provinces in order to cope with the epidemic so that other provinces could follow this legal basis. More international vets shall be invited to identify the causes of epidemic. Moreover, management of shrimp breeds is to strictly enhance; food, chemicals for aquaculture will also be tightly inspected. Furthermore, information on the shrimp epidemic will be disclosed to the local people and other competent agencies for the prevention of epidemic as an urgent task.

A QUALITY CERTIFICATION SYSTEM REQUIRED FOR VIETNAM CATFISH

Currently, enterprises and fish raisers are yearning for a quality certification system of aqua-products applied on catfish of Vietnam. "Catfish raising in Vietnam is now encountering a lot of difficulties due to the issuance of so many certified systems" said many delegates at the seminar "Sustainable certification and development of Vietnam catfish", held in Ho Chi Minh city dated June 27, 2011 with the attendance of international certified organizations, particularly WWF.

According to Dr. Nguyen Viet Thang – Chairman of Vietnam Fish Raising, so many certified systems in Vietnam have now been challenging the country's aquaculture, especially to the households with small scale of fish farming.

Thang added that besides the requirements of imported countries, each retailed system and other importers have their own standards and regulations to be applied on the raising establishments. As a consequence, importing enterprises are required to apply and certified for their products.



Accordingly, more certified systems namely Global GAP, MSC, BAP-ACC or recent ASC system have been issued to meet the said demands.

As reported by catfish farming households and enterprises, so many certifications have obstructed

the raisers from raising and processing due to the fact that they fail to foresee who their future importers are.

Investment cost to be granted with the certification is another challenge to many households whereas the cost for being certified is now reaching VND hundreds of millions.

Mr. Bui Phu Kiet, Assistant to General Director of Viet An company said that the cost for Global GAP within one year is estimated at USD 6,000 million, which is a burden to small-scaled households in

Vietnam. For the purpose of resolving the said issue, Association of Fish Farming has proposed to the Government (General Department of Aquaculture), independent certified organizations, Vietnam Fish Farming, Vasep for common criteria, VietGAP, for instance.

After this set of criteria has been issued, if aquaculture raising has met the demands as regulated at VietGAP of Vietnam, it will meet the demands of other independent certified systems thereof. Hence, cost for certification will be decreased, according to Mr. Nguyen Viet Thang.

AGRICULTURE VIETNAM'S ECONOMIC AGREEMENTS AND COMMITMENTS

The following memoranda of commitments and agreements have been signed over the first six months in 2011, including:

- Cooperation in Agriculture between MARD and the Ministry of Agriculture and Water Resources of Myanmar
- Cooperation in Fisheries between MARD with the Ministry of Fisheries and Livestock Production of Myanmar
- Framework Agreement on agricultural cooperation with the Government of Belarus

- Agreement on cooperation in agriculture, livestock and marine production between Vietnam and Saudi Arabia
- Agreement on Cooperation in food safety and animal health between Vietnam and Algeria
- Agreement on [lant protection and quarantine between Vietnam and Algeria
- An aids package of 32 billion yen for countries which are adapting to with climate change

ODA PROJECTS/PROGRAM S APPROVED BY MARD IN THE FIRST YEAR OF THE YEAR 2011

Optimizing environment friendly biogas production from livestock manure aims to reduce greenhouse gas emissions (DKK6,124,101 ≈ 23.383 millionVND):

1. Support the national long-term program for monitoring and evaluation of forest resources and forest trees in Vietnam (funded by FAO from the capital of Finland) (the total of US\$3,252,800, including \$ 489,300 counterpart contribution).
2. Support appropriate livelihoods to adapt to climate change in provinces which have their territorial rural development developed (Thai Nguyen and Quang Ninh provinces, the total investment of 500,000 EUR, including ≈ 150,000 counterpart contribution)
3. Overcome technical and environmental limitations to expand beef production to attain profits in the northwest of Vietnam funded by the Australian,

(total funding - US\$ 1,500,000)

4. Regional Project for strengthening capacity of cassava mealybug control in the Mekong region Greater Mekong river countries, (funded by FAO with US\$491,000)
5. Feasibility study project for providing information for technical cooperation program development (FAO funded with US\$40.988)
6. Regional Project for capacity building to reduce post-harvest losses in horticultural chains in the Greater Mekong subregion (GMS) (total fund of US\$451,000)
7. Water Resource Management Project for rural development in Cuu Long River Delta (Decision No. 752/BNN-XD dated on 4/15/2011) (WB total budget of US\$160,000,000)
8. The project "Strengthening capacity for natural disaster and risk management - Ministry of Agriculture and Rural Development" (Decision

No. 944/BNN-HTQTd dated 09/5/2011) (GFDRR funded with US\$900,000 USD)

9. The Technical Assistance Project for improving the preparedness of emergency response to highly pathogenic avian influenza (HPAI) in Vietnam" (OSRO/RAS/604/USA) Phase IV (additional

capital) (FAO funded US\$2.200.000)

10. The project for "Prevention of Avian, human influenza pandemic in Vietnam" (VAHIP) period from 2011 to 2014 (WB funded with a total cost U.S.\$ 5,000,000)

ODA PROGRAMS AND PROJECTS TO BE APPROVED IN THE YEAR 2010

ODA programs, projects	Donors
Irrigation management for rural development in the Mekong Delta (tentatively approved in December, 2010)	WB
Loan agreement for the project "rehabilitation and sustainable management of watershed protection forests" in 12 central provinces	Japan
Loan agreement for the investment project for Bac Ben Nghe An irrigation system restoration and upgradation	Japan
Loan agreement on Northern Bac Ben Tre Irrigation Project	Japan
Water Resources Management for Red River and Thai Binh River system in an integrated and sustainable manner under the context of climate change	Japan
The project for adaptation to climate change to sustainable agriculture and rural development in the coastal Mekong Delta	Japan
Coastal resources for sustainable development	WB, GEF
Technical support to sustainable forest management in watershed of the North-West Region	Japan
Forest plantation along the coastal sandy land area in the Central Region of Vietnam for the Phase 2	Japan
Forestation and environmental protection in Luc Ngan district, Bac Giang province	Japan
Poverty reduction through sustainable animal husbandry development in Northern provinces of Vietnam for the 3rd Phase	Switzerland

The anticipated fund (million USD) is US\$271,79

PROJECTS, PROGRAMS AND LEGAL INSTRUMENTS

The approved projects

- Project for building capacity of quality control and food safety of agro forest and marine products and salt from the central to local levels as approved by Decision 809/QD-TTg on 30/05/2011
- Project for aquaculture development for the period 2011-2020 as approved by the decision 332/QD-TTg on 03/03/2011

The projects submitted to the Government

- Project for forest management and protection for the period 2010-2015, re-named it *into the plan for forest protection and development for the period 2011-2015 as stipulated by Decision No. 83/CP dated on 5/6/2011*
- Master plan for the agricultural sector by the year 2020 and vision by 2030
- Clean Water and Environmental Sanitation Program for the period 2011-2015
- Project for forest ranger development by 2010 (at a press conference dated 06.03.2011 by the government, Minister Cao Duc Phat said the prime minister agreed and relevant ministries/ departments are actively developing the schemes to be submit to the Government for its decision)

Projects to be prepared and submitted

- The project for building capacity of animal health management
- The Project for natural disaster control, adaptation to climate change and sea level rising.
- The project for centralized vegetable production expansion with aims to ensure food safety
- The project for capacity building for applied research and transfer of science and technology in agriculture and rural development
- The project for raw material zone planning for biofuel production
- The project for consistent development of small-scale fishery management mechanism
- Fisheries protection and development program

- The project for incentive policies targeted at fishermen in the region which are periodically prohibited against the catching

Plan for developing legal instruments

- Decree on organization and operation of MARD Inspectorate
- Decree on rice land management policies
- Decree on management of production and consumption of cattle fish
- Decree amending the administrative sanctions against illegal cases of plant varieties
- Decree on handling of administrative violations in plant protection
- Decree on the management of production and trade of fertilizers

Submission to the Prime Minister for approval

- Decision on incentive policy on VietGAP application
- Decision on incentive policy on linkage between production development and agricultural product consumption, between farmers and other economic components for the period 2011-2020
- Decision on pilot mechanism of shared responsibility and resources for special-use forest management, protection and development
- Decision on seafood export program for the period 2011-2015 and vision 2020
- Decision on policy and forest use related to the 5MHRP
- Decision on the Regulation on import and export of bonsai, shade trees and century-old trees
- Decision on promulgation mechanisms and specific policies and further support investment in sustainable comprehensive development of communes that have resettlement sites and resettlement households during the period of post-resettlement