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NEW RURAL DEVELOPMENT

THE “TAM NONG” IS A STRATEGIC ISSUE



The Prime Minister Nguyen Tan Dung chaired the online meeting held on 07/11/2011 with the participation of provinces and centrally-run cities with aims to review the implementation of the 7th Resolution of the X National Assembly Meeting on agriculture, farmers and rural areas (the Resolution No. 26-NQ/TW)

Aiming to boost further investment in agriculture, the state budget for agriculture is estimated to be more than 2.2 times in 2011 as much as in 2008, the proportion of expenditures on agriculture and rural areas to the total expenditure budget increased from 32.8% in 2008 to 39.8% in 2011. In general, the total investment in agriculture and rural areas has reached nearly 290,000 billion dong, accounting for about 52% of the total development investment

capital from the state budget and government bonds over the 3 recent years 2009-2011.

Addressing a conclusion speech at the meeting, the Prime Minister Nguyen Tan Dung said that the policy “agriculture, rural areas and farmers” is the country’s strategic and vital important issue. It is also a key task of the entire political system. The next task is to continue to raise public awareness the Resolution No. 26 and bring it into life, widely launching a revolutionary movement among people.

SUPPORT ENTERPRISES TO INVEST IN AGRICULTURE

The Circular 84/2011/TT-BTC guiding a number of financial incentive policies targeted at enterprise investing in agriculture and rural development under the Decree 61/2010/ND-CP

dated 4th June, 2010 by the Government take shall effective since 1st August, 2011.

As stipulated by Article 3 of the Decree No. 61/2010/



ND-CP, an investor with an agricultural project eligible for investment incentives or investment promotion, who are leasing land and water surface of the

State is entitled to exemption from land and water surface rents and exemption from land use levy in case of land conversion. This shall be applied to all investment projects which had been implemented before the Decree No. 61/2010/ND-CP took effect.

Furthermore, investors are entitled to state budget supports equal to different levels of 100%, 70%, 50% and 30% to human resource training, consulting service and market development, scientific and technological application as well transport service depending on different type of enterprises and business fields.

FOOD SAFETY LAW ENFORCEMENT

AGRICULTURE, FORESTRY AND FISHERIES: IMPROVE QUALITY TO THE STANDARD FRAMEWORK



The Food Safety Law on imports of animal origin (meat, eggs, seafood) which adopts new standards became effective as from 1st July, 2011 whilst this law on the commodity group of fruits and vegetables shall not come into force until 1st September, 2011.

Food quality and safety of imported and home-made meat products, eggs, aquatic products and agricultural products will be strictly controlled in accordance with EU and U.S standards. Since the Food Safety Law has become effective, consumers expect more positive changes in quality control over agro-forest and marine products on current markets.

Under the Food Safety Law, the Ministry of Agriculture and Rural Development (MARD) is responsible for managing the custody of chain (CoC) ranging from cultivation, collection and semi-processing to marketing. The Department of

quality control of agro-forest and marine products (MARD) is assigned to manage nine commodity groups, including vegetables, fruits, dairy products, seafood and aquatic products, meat and products of meat origin (livestock and poultry meat etc...), eggs and egg-made products, bee honey and forest products.

As stated by Mr. Phung Huu Hao, the Deputy Director of the Department of Quality Control of agro-forest and marine products, new regulations on food quality and safety control are stricter since they follow the principle of origin and CoC control (even in exporting countries to Vietnam). This will help consumers certainly enjoy imported products with better food quality and safety.

According to Mr. Phung Huu Hao, the Codex Alimentarius Commission's food standards (International Committee for Food Standardization) are the basis for developing indicators, allowable limits, as well as control processes and procedures.



They are also equivalent to provisions promulgated by EU and U.S. which are the countries that have the strictest standards and procedures to control imported food in the world today.

Provided that production and business entities have their names registered by competent agencies of exporters in cooperation with Vietnam's authorities with aims to meet food safety requirements that Vietnam have defined, they are allowed to export their goods to Vietnam. In addition, imported goods shall be accompanied by a food safety certificate issued by authorities from the exporting country. In case

of illegal consignments, in addition to compulsory regulation on re-export or destruction, Vietnam shall suspend imports of certain companies or countries which do not adequately meet requirements and barriers.

However, only five countries such as the United States, Australia, China, Canada and Thailand have the aforesaid registration with Vietnam. For countries which do not comply with Vietnam's provisions, consignments from the countries which have not yet registered will be banned to be imported into Vietnam.

THE LIST OF MECHANISMS AND POLICIES OF THE DEPARTMENT OF QUALITY CONTROL OF AGRO-FOREST AND MARINE PRODUCTS SUBMITTED TO THE MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT FOR ISSUANCE OVER FIRST SIX MONTHS IN 2011

No.	Number and date of issuance	Abstract
1	Decision No. 809/QD-TTg dated 30/5/2011	Approving the project for improving quality control of agro-forest and marine products and salt for the period 2011 - 2015
2	Circular No. 03/2011/TT-BNNPTNT, 21/01/2011	Stipulating on traceability and withdrawal of marine products which do not meet requirements for food quality and safety
3	Circular No.13/2011/TT-BNNPTNT, 16/3/2011	Guiding the food safety control for imported foodstuffs of plant origin
4	Circular No. 14/2011/TT-BNNPTNT, 29/03/2011	Stipulating on inspection and assessment on agricultural materials and agro-forestry and seafood products producing enterprises
5	Circular No. 23/2011/TT-BNNPTNT, 06/4/2011	Amending some provisions on administrative procedures for food quality control over seafood products under the Resolution No. 57/ NQ-CP dated 15th October 2010
6	Circular No.44/2011/TT-BNNPTNT dated 20/6/2011	Supplementing the list of products and commodities which might cause food unsafety within MARD's responsibility
7	Directive 1159/CT-BNN-QLCL dated 27/04/2011	Guiding implementation and assessment of food quality and safety conditions of agricultural material and agro-forestry and seafood products producing enterprises
8	Decision No. 414/QD-BNN-QLCL dated 9/3/2011	Promulgating the work plan for food safety risk analysis of all products administered by MARD
9	Decision No. 1280/QD-BNN-QLCL dated 13/6/2011	Approving contents and budget of the project for food safety in agro-forest and marine production

Climate change

VIETNAM'S AGRICULTURE DEVELOPMENT ADAPTABLE TO CLIMATE CHANGE



As confirmed by Mr. Dao Xuan Hoc, the Deputy Minister of Agriculture and Rural Development, climate change impacts has been clearly found in Vietnam. Many provinces suffered from tide inundation, salt intrusion and floods ... 1.3 – 1.5% GDP has been lost by climate change, of which agriculture is the most heavily affected.

Hanoi, 22/7/2011, the Institute of Agricultural Environment and Science of Vietnam together with the International Crops Research Institute for the Semi-Arid Tropicals (ICRISAT) co-organized a seminar on “Advice on vulnerability to Climate Change in agriculture” and the policy dialogue on building the capacity of agricultural sector to adapt to climate change in Asia and Vietnam.

As stated by Mr. Nguyen Van Bo, the Director of Vietnam Academy of Agricultural Sciences (VAAS) at the seminar, Vietnam’s agricultural products play an important role in ensuring food security, stabilizing livelihoods of rural people. However, such climate change phenomenon as rising sea level,

salt intrusion, soil degradation, and desertification has caused challenges and adverse impacts on production and productivity as well as sustainable agricultural development.

Therefore, this seminar aims to share experiences and research and expertise findings on vulnerability to climate change, agricultural policy dialogue on climate change adaptation among scientists and administrators in such countries as Bangladesh, China, Pakistan, Thailand, India, Sri Lanka and Vietnam

As confirmed by Mr. Dao Xuan Hoc, the Deputy Minister of Ministry of Agriculture and Rural Development at the seminar, climate change impacts has been clearly found in Vietnam. Many provinces suffered from tide inundation, salt intrusion and floods ... 1.3 – 1.5% GDP has been lost by climate change, of which agriculture is the most heavily affected. This requires the Government of Vietnam, Ministry of Agriculture and Rural Development to seek solutions to developing Vietnam’s agricultural sector in a sustainable way and enable it to adapt to climate change in all regions

At the workshop, Mr. MCS Bantilan, Director of the ICRISAT, shared her point that poor farmers who are the most seriously affected and the most vulnerable in case of climate change. Therefore, according to her experiences, it is supposed to enhance the capacity to climate change adaptability by taking social and institutional aspects and developing scenarios and solutions to climate change adaptation as well as providing necessary relevant information for local people.

REDUCED EMISSION FROM RICE CULTIVATION

MODEL IN HAI DUONG PROVINCE

Under the project “Development of innovative policy on mitigating climate change impacts and market exploration” sponsored by International Food Policy Research Institute (IFPRI), the International Fund for Agricultural Development (IFAD) and the Center for Agriculture System Research and Developments (CASRAD) – the Food Crop Research Institute, the Agriculture Science Institute of Vietnam in Hai Duong with three key objectives: (i) reduce emissions from greenhouse, (ii) ensure farmer households’ economic efficiency, (iii) easy for farmers to apply

Reduced emission from rice cultivation is based on



a set of effective, eco-friendly rice farming practices (SRI) with aims to ensure high productivity and on some additional reduced emissions from greenhouses, following the principle of “5 to be reduced, 2 to be eliminated” specifically:

Innovative techniques to be newly applied to the model:

1. Burning rice straw with Biochar burning technology
2. Manure to reduce chemical fertilizer and improve soil conditions
3. Grow rice seedlings on home yard to economize rice varieties

4. Transplant fewer rice seedling units with a thin and shallow density.
5. Apply chemical fertilizers in accordance with proper techniques in order to reduce the volume of emissions (evaporation).
6. Apply mixed wet and dry irrigation method
7. Perform 4 right steps in the use of pesticides
8. Establish groups: support and work together to comply with technical measures which were absorbed through the training

One of the sample models which apply quite simple but efficient techniques is the use of iron drums and straw to produce biochar (biological charcoal). This technique is a substitute for the post-harvest straw burning method which helps to reduce CO₂ emissions and to make soil loose thanks to biochar and increase the ability to retain moisture and organic fertilizer during the paddy cultivation. Water from rice fields is to be drained in unnecessary stages (mixed wet and dry irrigation), helping save irrigation water and reduce CH₄

emissions. Reduction in using chemical fertilizers, especially nitrogen fertilizer and pesticide also contributes to lower production costs and environmental protection.

The center will continue to build other models for the crop 2011 and scale up the application of reduced emission farming techniques with the principle of “5 to be reduced, 2 to be eliminated “ to a number of high quality rice varieties (Q5 is the current rice variety). Simultaneously, it will have specific and scientific assessments of these models’ impacts on environment as well as economic efficiency of farmer households in the coming time. “

(LTG, NNM - CASRAD)...

REDUCED EMISSION FROM AGRICULTURAL CULTIVATION IN AN GIANG

The experimental results in the winter-spring crop 2010-2011 showed that the mixed wet and dry cultivation model which use fertilizers on the basis of the leaf color changing chart has reduced CH₄ emissions by 31.6%. The paddy production of these models, on average, jumped by 2.7%, saving 2 to 2.5 turns of irrigation pumping and increased profits from 19.2% to 32.7% (5-8 million dong/hectare) compared to the conventional model (constant flooding). If the model is scaled up, farmers not only get benefits from lower production costs and higher production but also apply for emission reduction certificate and then sell them to voluntary carbon markets (VM). This will increase income for rice

The reduced greenhouse emission rice cultivation project which is being implemented in An Giang province is a pioneering project in Vietnam. This



project is following the world's trends. Other provinces are expected to express their interests in scaling up this project throughout the Mekong Delta in the coming time. (Dr. H.Q.Tin, Mekong Delta R & D Institute)

International cooperation and integration

WORLD BANK SIGNED A LOAN AGREEMENT OF US\$710 MILLION FOR THREE PROJECTS



On 13rd July, 2011, the State Bank of Vietnam and the World Bank (WB) signed a loan agreement and other relevant legal documents related to the Development Policy loans for the 2nd Public Investment Reform Program, the water resource management project for Mekong Delta development and the water supply and urban waste water project.

The total WB loan agreement for the three projects is up to US\$710 million.

As informed by Ms. Victoria Kwakwa, the

representative from the World Bank in Vietnam, financing the 3 aforesaid projects aims to enhance investment efficiency ranging from project proposal development, appraisal, tendering and public financial administration.

In addition, signing loan agreements has contributed to clean water supply and climate change adaptation in project-selected residential areas... The aforesaid projects not only support to infrastructure but also to policy issues.

The 3rd loan of US\$160 million is funded for water resources management project for rural development in the Mekong Delta. The project sites include seven provinces and cities to the west of the Mekong Delta, namely An Giang, Hau Giang, Kien Giang, Ca Mau, Bac Lieu, Soc Trang and Can Tho city.

The project aims to protect and improve the efficiency of water use in the Mekong Delta, increase agricultural productivity in a sustainable manner, improve water supply for households in rural areas, contributing to climate change adaptation./.

AGRO-FOREST INVESTMENT PROMOTION WORKSHOP AND APIF FUND START-UP



supporting local people in sustainable poverty reduction and equity.

With the total budget of US\$2 million, the Agro-Forestry Promotion Investment Fund (APIF) is a tool to promote the sustainable access to markets, job creation and income improvement for low income target groups in selected districts, i.e. Ba Be, Pac Nam and Na Ri (3PAD) by means of supporting business cooperation initiatives launched by investors. Key beneficiaries consist of enterprises, small scale producers, low-income populations within the province and stakeholders involved in pro-poor projects. APIF will finance agriculture, animal

husbandry, fisheries, forestry and tourism.

IFAD representative in Vietnam also posed some questions related to APIF project appraisal process and its transparency. Besides, IFAD concerned over APIF investor selection for forestry projects as well as balance between wood processing plant capacity and local plantation yield.

On the basis of the cooperation between the Government of Vietnam and the International Fund for Agricultural Development (IFAD), the project “Pro-poor partnership for agro-forestry development in Bac Can” (3PAD) funded by IFAD officially approved on 11th November, 2008. The project has been implemented between 2009 and 2015 in three poor districts, i.e. Ba Be, Pac Nam, Na Ri with the aim to improve livelihoods,

EU SUPPORTS TO POVERTY REDUCTION IN VIETNAM

The amount of EUR17 million out of the EUR 44 million non-refundable grant under the agreement signed by EU and Vietnam in 2009 was the last disbursement of the European Poverty Reduction Support Program (EPRSP). The remaining EUR 12 million was the full disbursement of the program for improving living standards of ethnic minorities in Vietnam under a financing agreement signed by EU and the Government of Vietnam in October, 2010.

The two disbursements are not only based on macroeconomic achievements, public financial administrative policy reform and poverty reduction attainments but also on a strong commitment from

the Government of Vietnam to these issues in the coming time

According to Mr. Emmanuel Mersch, the EU Delegation is planning to provide a non-refundable grant EUR 150 million (US\$212 million) for poverty reduction and health care from now to 2013. However, this can only be done provided that public financial administration policy reform is continuously conducted while macroeconomic environment is stabilized.

As assessed by EU, the Government of Vietnam is on the right track and achieved positive developments in which macroeconomic environment rather than growth is put premium on

FURTHER COOPERATION IN AGRICULTURE WITH SRILANKA

Hanoi, 13rd July, 2011, Mr. Cao Duc Phat, the Vietnamese Minister of Agriculture and Rural Development Ministry and Mr. Yapa Abeyardana Mahianda, Srilanka Minister of Agriculture Ministry had a round table talk on their action plan for cooperation program for the next phase.

The two parties have reviewed the implementation of the MoU signed by the two countries in Hanoi in November, 2006 and discussed their action plan for the next phase. Minister Cao Duc Phat emphasized on technical cooperation in tea processing technique and biological pesticide use and genetic resource exchange of such plants as rice, pepper and coffee.

During the dialogue, the two parties have jointly agreed on further cooperation in agricultural product trade promotion, research, exchange of experts specialized in agriculture science and technology.



They also agreed to enhance the cooperation between international organizations and state and private enterprises. The two parties agreed to establish the inter-sectoral Agricultural Cooperation Committee (JACC)

FURTHER COOPERATION IN AGRICULTURE BETWEEN VIETNAM AND SIERRA LEONE



27/07/2011, Ms. Nguyen Thi Xuan Thu, the Deputy Minister of MARD and Mr. Alie Mansaray, the First Deputy Minister of the Agriculture, Forestry and Food Security Ministry in Sierra Leone signed a MOU on agriculture cooperation between the two countries.

The two parties reached a consensus on further bilateral cooperation in fisheries, rice production and Vietnamese experts seconded to Sierra Leone with aims to conduct surveys and propose specific projects/programs.

Before 25th, July at the dialogue, Mr. Alie Mansaray also highlighted challenges and he also stressed that the problems which Sierra Leone needs cooperation include rice low yield varieties, conventional farming methods, deficient machinery and fertilizers.

During their stay in Vietnam, the Sierra Leone delegation visited and worked in freshwater aquaculture establishments of the Institute of Aquaculture No. 1, Fisheries and Agriculture Corporation, Van Dien phosphate production JSC.