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VIETNAM'S AGRICULTURE RESTRUCTURE - SUSTAINABILITY AND ADDED VALUE



ISG Plenary Meeting 2012 with the theme: Agriculture Restructure: Sustainability and Added Value to discuss about the orientations towards 3 development pillars, which are: Economic development, Social development and Environmental protection

On 4th December 2012, the Ministry of Agriculture and Rural Development (MARD), International Cooperation Department, via the International Support Group (ISG) and financial support by FAO, JICA and IFAD, hold the ISG

Plenary Meeting 2012 with the theme: **Vietnam's Agriculture Restructure: Sustainability and Added Value**. There were nearly 300 participants, including leaders of MARD departments, related ministries/agencies and community

of international and domestic donors, organizations, NGOs, researchers, investors, social organizations, trade associations, state-owned and private enterprises and local authorities all over the country.

Opening the conference, Minister Cao

(Xem tiếp tr 2)

Duc Phat said that to keep the national reform progressing and economic restructuring orientation as well as to meet the objective requirement of the agricultural sector, MARD has identified prioritized tasks in the coming period (2012-2020) is to gradually implement the agriculture restructure in order to improve the quality, the added value and the sustainable development.

All discussions and speeches of the forum were again affirmed that Viet Nam should keep putting effort to maintain agriculture and rural development. It's necessary to have

an adjustment towards improving value added and sustainability in order to both maintain the economic growth and meet the requirements of society and the environment.

Minister Cao Duc Phat emphasized that priorities should be given to policy reform, public investment restructuring, private investment, PPP development, institutional reform and State management method reform for more effective Agriculture development, deeper integration, better adaptation to the impacts of climate change and the fluctuations of global economy.

The Minister strongly believed that ***“The higher determination we have, the more we can certainly do.”***

Once again, the Minister expressed his appreciation to the international organizations, the donor community and the experts who have been putting efforts to support the Vietnam agriculture and rural development for more comprehensive and sustainable development.

For more related information of the ISG Plenary Meeting 2012, please visit our link at: www.isgmard.org.vn (ISG)

PLAN FOR AGRICULTURAL DEVELOPMENT TO 2013 - OBJECTIVES AND KEY PROGRAMS

The plan objectives for agricultural development to 2013 are listed as follows:

1. Develop a qualified agriculture sector with high added value and efficiency, which includes: (i) GDP Growth: 2.4 – 2.8%; (ii) Production Value: 3.6 – 4.0%. (Cultivation: 2.0 – 2.5%; Animal Husbandry: 6.0 – 6.5%; Forestry: 5.5 – 6.0%; Fisheries: 4.5 – 5.0%)

2. Improve incomes, living conditions of the rural people: Reduce percentage of agricultural labour force down to less than 46% of the total labor force, the percentage of poor households down

to 12%; attain 82% of rural househouse using clean water and 61% of rural households having sanitary latrines.

3. Sustainable and effective manage, use and protect natural resources and environment, which includes: Forest cover: 40.5%; Rural population with hygiene water: 82%; Land area protected to maintain biological diversity: 11,2 %

4. Strengthen capacity, sectoral management efficiency and effectiveness via these following key programs: Legal documentation formulation; Sector stabilization;

Enhance and improve management in food hygiene and safety; Research and technology transfer; Human resources development; Reorganize and renovate state owned agricultural farm and SFE and Public administration reform

Particularly, the plan for agricultural development will be associated with the solutions for restructure plan, which are: (i) Call for private investment; (ii) Public investment priorities adjustment; (iii) Institutional reforms; and (iv) On-going completion and amendment of policy system. (NTH)

Solutions for Restructuring Agricultural Sector

The 2nd Draft of Proposal on Restructuring the Agricultural Sector written by MARD was submitted to the Prime Minister on 18 October 2012 with clear and coherent principles, orientations and objectives. Three main issues which are considered major “obstacles” in the Implementation Process on Restructuring are: (i) State

Management, (ii) Public Investment; and (iii) Institution.

Solutions for 3 major obstacles:

- State Management: Rearrange roles of the State; Improve capacity of policy advisory, formulation and implementation; Strengthen M&E system.
- Public investment: Improve the

quality, quantity and the coordination. More technology-intensive investment (S&T, maintenance, management...); Client-driven.

- Institution: Economic cooperation development is used as the driver to promote the development of agriculture and rural development. Farmer associations are supposed to be the representatives of farmers

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- Economic and land policies should be based on the interests of farmers. Priority should be given to scientific development in terms of both human resources and S&T markets. Other solutions are to ensure the social

equity; deconcentrate industrial and urban centers as well as improve the community development. Food nutrition security should be ensured in order to increase the income and living standard for the people. Policies should be based on ensuring the rights of vulnerable farmer groups, reducing disaster risk and preventing climate change. Furthermore, it's also necessary to reduce input and water usage, Develop the green production and green supply chain models to meet the food safety standards.

- Opportunities and challenges to the successful implementation of the agriculture restructuring are sort of equal. Therefore, high determination and coordination of the whole sector are needed to turn these orientations and goals into reality. (CK)

Foundation for Sustainable Development

The Consultative Group Meeting 2012 between the Government of Vietnam and Development Partners was held with the theme "Foundation for Sustainable". Delegates agreed that ensuring macroeconomic stability, developing education and skills, and ensuring a sound land policy are some of the key priorities for a successful middle income country. CG participants also agreed on the evolution of the CG into the Vietnam Development Partnership Forum (VDPF) from 2013 onwards, with the overall vision to support policy dialogue on areas of mutual interest in order to foster broad-based socio-economic development and improved well-being for all Vietnamese.



Development Partners pledged 6,485 million USD (ODA) for Vietnam's development agenda in 2013.

Year 2013 – the pivotal year in the socio-economic development plan from 2011 – 2015, Vietnam will continue to focus on stabilizing the macro-economy, reducing inflation, boosting the growth rate, and accelerating those three breakthroughs in conjunction

with economic growth model restructuring to create a firm foundation for the future.

WB Country Director for Vietnam Victoria Kwakwa commended Vietnam's economic stability in 2012 and encouraged tougher measures to prevent falling into the middle income trap. She said: "What is needed now is political commitments and demonstrable actions.

Development Partners commented that Vietnam needed to maintain macroeconomic stability and restructure the growth model for sustainable development.

Addressing the meeting, Prime Minister Nguyen Tan Dung said despite positive changes, Vietnam's economy is facing challenges: an unstable macro-economy; lack of

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resources for social welfare, poverty reduction and building new rural areas, and low competitiveness of the national economy. He said: "Such difficulties require the government to adopt more flexible and effective

measures, mobilize all domestic and foreign resources, aggressively deal with short-term issues and prepare for higher growth in 2013, creating a foundation for long-term sustainable development. To successfully achieve

socio-economic goals for next year, the government will focus on stabilizing the macro-economy and achieve growth higher than this year and inflation lower than this year." (HNN)

Year 2013 - solutions proposed to enhance support for Agriculture - Rural areas - farmers

The Minister of Finance has signed the Document No. 17615/BTC-CLTC dated 20 December 2012 to submit to the Prime Minister, on the solutions to solve difficulties by supporting business sector and market in 2013. In this Document, the solutions to enhance support and investment for Agriculture - Rural areas - farmers are very important.

Specifically, the Ministry of Finance proposed to add up 10,000 billion VND for investment credit programs on canals solidification, rural traffic infrastructure, aquaculture infrastructure and trade village development.

The Ministry also proposed to business sector, who are asking for loan to buy aquatic feed for export under the State export credit system, to extend the maximum loan period from 12 months to 36 months (only for the export of vegetables and aquaculture products).



The Ministry believed the support will help farmers to easily sell their products with high value...

In addition, the Agriculture - Rural areas - Farmers sector will receive more indirect support from the 21-financial-solution-Package which to solve difficulties by supporting

business sector and market in 2013 that mentioned above. This can be seen as an important motivation to keep promoting support and investment in Agriculture - Rural areas - Farmers for further developments. (More details are listed in the Document No. 17615/BTC-CLTC dated 20 December 2012).

Specific mechanism for New Rural Development

The National Target Program over the years has conducted with priority given to the provinces with economic-socio difficulties or extremely difficulties; the provinces located in the mountainous areas, remote areas border areas and island areas to achieve the goal of socio-economic development and sustainable poverty reduction.

It is expected that in 2011-2015, the Government will keep prioritizing the implementation of the National Target



Program on the mountainous areas, remote areas, border areas and island areas for socio-economic development and sustainable poverty reduction.

For National Target Program on New Rural Development, the Ministry of Planning and Investment is building a Circular on Specific Investment Mechanism. It's expected that the simple small-scale projects in the village won't need to set up investment project and technical and economic report (concept of investment project is given up), but put an estimate simply on the basis of technical design. In case of typical design issued by the local professional

agencies, communes, villages and even communities can put estimates and conduct implementation to reduce the

cost for hiring consultants, investment procedures. This mechanism is expected to be appropriate with the

spirit of giving authority to commune level and community residents. (NTH)

Food safety and Vietnam agricultural product



20% in the northern areas.

Minister required all departments to check the origin of all sorts of vegetables and food. Priority was given to check the quality of essential agricultural products such as vegetables, chicken, pork, seafood ... as well as from farm to dining table... It's very necessary to find out the important link to solve and the violations wouldn't be only administrative sanctions but also civil prosecution. Other related shipment must also be checked carefully

Minister of Agriculture and Rural Development confirmed that the quality management for agricultural materials and food safety in 2012 had been improved. However, the implementations were not equal at different localities which reduced

the efficiency of the result. Ministry of Agriculture and Rural Development set a goal in 2013, in which, harmful violations residues will be reduced at least 10% compared to 2012. In addition, slaughterhouses without food safety standard will also be reduced

On 18 December 2012, Minister Cao Duc Phat directed the decentralized administration to manage the quality of agricultural inputs and food safety between the central and the local levels in the Announcement No. 6248/TB-BNN-VP. (NTT)

Agriculture Market

The total export turnover of agro-forestry-fishery in 2012 was estimated to reach 2.66 billion USD, bring the export value of agro-forestry- fishery sector in 2012 to 27.54 billion USD, increased 9.7% compared to the same period last year. The export turnover of agricultural products this year earned US\$14.99 billion, up 10%, aqua-products US\$6.15 billion, up 0.7% and forestry products US\$4.9 billion, up 17.6%.

- The export of rice is expected to attain 8.1 million tons, gaining US\$3.7 billion, up 13.9% in volume and 2.1% in value. compared to the same period last year.
- Viet Nam earned US\$3.74 billion through exporting 1.76 million tons of coffee, up 40.3% in volume and 36% in value compared to the same



period last year.

- Rubber export in 2012 reached 1.02 thousand tons, earning 2.85 billion USD, an increase of 25% in volume but down 11.7% in value.

- Tea export in 2012 reached 148 thousand tons, with a turnover of 227 million USD, increased 10.8% in volume and 11.5 in value compared to the same period last year.

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- Cashew export in 2012 reached 223 thousand tons, with a turnover of 1.483 billion USD, increased 25.4% in volume and 0.7% in value compared to the same period last year.

- Pepper export in 2012 reached 118 thousand tons with a turnover of

802 million USD, decreased 4.3% in volume but increased 9,6% in value compared to the same period last year.

- Seafood export in December reached 548 million USD, increase the total seafood export value in 2012 to 6.15 billion USD, increased

0.7% compared to the same period last year.

- The United States maintained its position as the leading seafood import market in Vietnam, accounting for 19.49% of market share, followed by Japan (17.87%) and South Korea (8.27%). (NTT)

CONSTRUCTION INVESTMENT FUND PLAN

Construction investment fund managed by the Ministry of Agriculture and Rural Development in 12 months was estimated to reach 9447.28 billion, equal to 93.24% of the plan (Planning fund increased 1943 billion by using on account via the fund plan in 2013), in which:

Centralized budget is estimated at 5683.28 billion VND, equal to 98.68% of the plan, which includes: domestic fund reached 3074.49 billion VND, equal to 90.18% of the plan; Foreign fund reached 2608.79 billion , equal to 111.01% of the plan;

Government bond is estimated at 3764 billion VND, equal to 86.07% of the plan.

Project Fund: The volume is estimated at 5140.2 billion VND, equal to 98.5% of the plan; Domestic fund reached 2531.4 billion VND, equal to 88.25% of the plan; Foreign fund reached 2608.79 billion VND, equal to 111.01% of the plan.

+ **Irrigation Block:** The implementation volume of 12



months is estimated at 2826.9 billion VND, equal to 84.88% of the plan; Domestic fund reached 1,670 billion VND, equal to 84.33% of the plan; Foreign fund reached 1,156, 9 billion VND, equal to 85.7% of the plan.

+ **Agriculture Block:** The implementation volume of 12 months is estimated at 1,302.2 billion VND, equal to 134.32% of the plan; Domestic fund reached 193.5 billion VND, equal to 88.15% of the plan; Foreign fund reached 1,108.7

billion VND, equal to 147.83% of the plan.

+ **Forestry Block:** The implementation volume of 12 months is estimated at 443.79 billion VND, equal to 127.45% of the year plan; Domestic fund reached 100.6 billion VND, equal to 102.44% of the plan; Foreign fund reached 343.19 billion VND, equal to 137.28% of the plan.

+ **Fisheries Block:** The implementation volume of 12 months is estimated at 71 billion VND, equal to 83.53% of the plan.(ĐTV)

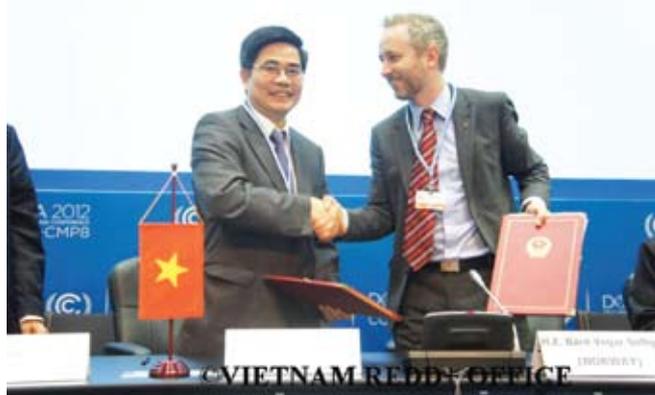
VIETNAM AND NORWAY SIGN JOINT DECLARATION ON REDD+

On 5 December 2012 in Doha, Qatar, during the Doha Climate Change Conference (COP18)

of the United Nations Framework Convention on Climate Change (UNFCCC), H.E Cao Duc Phat, Minister

of Agriculture and Rural Development of Vietnam and H.E Bard Vegar Solhjell, Norway's Minister of the Environment

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signed a broad joint declaration on Reduce Emissions from Deforestation and forest Degradation (REDD+)”

The declaration also highlights Viet Nam’s plans to further develop policies and measures that address the drivers of deforestation, and increase overall forest cover to 45 per

cent by 2020.

Norway signed a US\$30 million financing agreement with the United Nations to support a second phase of the UN-REDD National Programme in Viet Nam. This second phase (2012-2015) will significantly scale up the work Viet Nam has been doing, with support from Norway and the UN-REDD Programme since 2009, to Reduce Emissions from Deforestation and forest Degradation (REDD+).

As one of the original pilot countries of the UN-REDD Programme, Viet Nam has been a REDD+ leader over the past four years, trailblazing various areas of readiness work, such as developing fair and equitable benefit distribution systems for REDD+, and conducting robust stakeholder engagement to carry out activities such as participatory forest monitoring and ensuring the free, prior and informed consent of indigenous peoples and other forest dependent communities in REDD+ efforts. (HNN)

LEGISLATION DOCUMENTS RELATING TO AGRICULTURE AND RURAL SECTOR ISSUED IN DECEMBER 2012

Date of issue	Contents
From Prime Minsiter	
17/12/2012	Decision No. 1896/QĐ-TTg in 2012 on approving the project to prevent and control invasive exotic species in Vietnam by 2020 issued by the Prime Minister
17/12/2012	Decision No. 1895/QĐ-TTg in 2012 on approving the Agriculture Development Program on hi-tech application which is under the National Program on hi-tech development by 2020 issued by the Prime Minister
12/12/2012	Decision No. 1881/QĐ-TTg on establishing the Committee to draft the report to summarize the Resolution No. 28-NQ/TW by the Politburo on keep reorganizing and developing the SOF.
10/12/2012	Decision No. 1837/QĐ-TTg on using national reserve disinfectant chemistry for local support. Quyết định 1837/QĐ-TTg.
06/12/2012	Document No. 2066/TTg-QHQT on approving the fund apportionment of the Support Program to Respond to Climate Change (SP-RCC) in 2013.
04/12/2012	Decision No. 1797/QĐ-TTg by the Prime Minister on using the national reserve plant varieties for local support.
From the Governmental Office	
20/12/2012	Document No. 3965/VPCP-QHQT on restructuring the funds to expand the project entitled “Agricultural Competitiveness” (ACP) funded by the World Bank (WB).
17/12/2012	Document No. 10137/VPCP-QHQT on extending the time for technical support on microfinance funded by the Asian Development Bank (ADB).
12/12/2012	Document No. 10113/VPCP-QHQT on approving the Action Plan entitled “Clean water and rural sanitation program in 8 Red River delta provinces.” funded by the World Bank (WB).
11/12/2012	Document No. 10034/VPCP-QHQT on approving the negotiation result of the project entitled “ Public Private Partnership Support” loaned by the Asian Development Bank (ADB).
07/12/2012	Công văn 10034/VPCP-QHQT về việc phê duyệt kết quả đàm phán dự án “Hỗ trợ đối tác công - tư” vay vốn Ngân hàng Phát triển Châu Á (ADB).

From MARD	
26/12/2012	Circular No. 65/2012/TT-BNNPTNT on the regulation on the order and procedures for phytosanitary certification
24/12/2012	Document No. 4365/BNN-HTQT on allowing recipients from The Asian Food and Agriculture Cooperation Initiative (AFACI) under the Korea Administration of Rural Development from 2012-2014 to process the agro-climatic information for the adaptation to climate change.
24/12/2012	Announcement No. 6404/TB-BNN-VP on the conclusion of Minister Cao Duc Phat at the meeting with the Vietnam Association of Rural Science Development.
21/12/2012	Document No. 4348/BNN-HTQT on proposing the project funded by JAIF to build the water supply systems for people in Gio Quang Commune, Gio Linh, Quang Tri from 2013.
21/12/2012	Document No. 4343/BNN-XD on adding 3 sub-projects funded by the irrigation project in Phan Ri-Phan Thiet, Binh Thuan.
20/12/2012	Decision No. 3175/QD-BNN-CN on approving the technical-economic norm for the content applied for the project entitled "Development of goat, sheep varieties in 2011-2015"
19/12/2012	Document No. 6282/BNN-HTQT on starting the cooperation plan in agriculture and fisheries with India.
18/12/2012	Circular No. 61/2012/TT-BNNPTNT on the regulation for monitoring the safety of post-harvest fisheries products issued by the Minister of Agriculture and Rural Development.
18/12/2012	Announcement No. 6248/TB-BNN-VP on the direction of Minister Cao Duc Phat on reviewing the decentralized administration to manage the quality of agricultural inputs and agriculture-forestry-fishery safety issued by the Ministry of Agriculture and Rural Development.
17/12/2012	Document No. 4292/BNN-TCLN on evaluating the planning of forest protection and development in Ben Tre - phase 2012-2020 issued by the Ministry of Agriculture and Rural Development.
05/12/2012	Document No. 5942/BNN-CB on solving the difficulties for business sector on importing the products to improve the environment for aquaculture.
From Ministry of Industry and Trade	
13/12/2012	Decision No. 7684/QD-BCT in 2012 on assigning the organization to inspect the food safety and quality for imported food under the responsibility of the Ministry of Industry and Trade.
Committee for Nationalities	
17/12/2012	Document No. 1154/UBDT-CSDT on using the fund from 135 Program for the specially difficult communes, border communes, safe zone communes, specially difficult villages which are under the National Target Program on Sustainable poverty reduction in 2012-2015.
06/12/2012	Decision No. 330/QD-UBDT on the announcing the new administrative procedure entitled "Identification of the specially difficult areas and communes in ethnic minority and mountainous areas in 2012 - 2015."
Steering Committee on PPP approach	
11/12/2012	Decision No. 161/QD-BCDPPP on promulgating the Action Regulation for the Steering Committee on public private partnership (PPP) approach.
From Ministry of Finance	
24/12/2012	Circular No. 223/2012/TT-BTC on the regulation of fee control in the field of plant protection issued by the Minister of Finance.

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