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ENTIRE ECONOMIC RESTRUCTURING ASSOCIATED WITH GROWTH MODEL RENOVATION

The Prime Minister has approved the Project on Entire Economic Restructuring associated with Growth Model Renovation towards improving the quality, efficiency and competitiveness in 2013-2020. The project has a extensive objective which covers many aspects and aims to change the entire economic growth model as well as creates a fundamental and radical change in economic development.

Specifically:

1. To maintain the favorable and stable macroeconomic environment
2. To effectively and drastically implement the economic restructuring focus, public investment restructuring focus; banking and financial system; business sector...
3. Restructuring on production and service sector
4. Restructuring on economic development appropriately

To make the project on entire economic restructuring, there are 10 groups of measures:

- Complete market economic institution towards socialist system, create a leverage system for proper, stable and long-term encouragement, tax incentives and other measures to encourage investment, promote the distribution and use of social resources by the market mechanism based on high competitive advantaged products, improve labor productivity and competitiveness of national economic environment.



Improve the quality of planning, raise the effectiveness of State management to planning issues. In addition, priority is also given to innovate the policies mobilization mechanism, allocate capital and restructure the credit and state enterprises system. Furthermore, it's also necessary to effectively implement the synchronous programs to support the development of interdisciplinary production clusters, enhance the network restructuring as well as improve the efficiencies and links between sectors and regions for the advantage improvement of each area. Another measure is to improve the quality of human resources and the development of science and technology for the economic restructuring associated with growth model innovation.

- In relation to agriculture, the 7th measure group of the project stated: agricultural development towards increasing scale,

modernizing and improving the quality, added and sustainable value associated with new rural development. The Ministry of Agriculture and Rural Development, Ministry of Natural Resources and Environment, other ministries/agencies, related localities are responsible to follow the issues on land policy, ensure national food security, implement the Green Growth

strategies and respond to climate change effectively. Priority is also given to increase the proportion of State's capital and improve extension services to serve and improve the living quality of people and communities.

For the full version of the Decision No. 339/QĐ-TTg, please visit the ISG website: www.isgmard.org.vn (NTH)

NEW RURAL DEVELOPMENT APPROPRIATE MECHANISM TO INCREASE INVESTMENT IN RURAL INFRASTRUCTURE

After more than two-year-implementation of the National Target Program on New Rural Development, many localities have achieved positive results which make a breakthrough in New Rural Development, particularly the investment in essential infrastructure at commune level.

Deputy Minister of Agriculture and Rural Development, H.E Nguyen Dang Khoa said that most of the local Steering Committee has been working actively, create the mechanisms and policies via the effective approaches.

According to the incomplete report of the provinces, the total investment for rural infrastructure at communes was about 42,000 billion VND, including central and local budgets from different programs and projects in the related areas, contributions from the people and other resources. These investment is to invest in renovating, upgrading and building nearly 100,000 main works.

According to the Central Steering Committee for the National Target Program on New Rural Development, the investment resources for the infrastructure of New rural development was still mainly based on the State budget whistthe the mobilization from other sources was very low. The investment capital was low and the investment plan was broad caused an inefficient results. These investment was just focusing on transportation and schools but culture, health care and sanitation in rural areas. Moreover, the post-invested infrastructures were still



lack of management and maintenance...

The Central Steering Committee requested the localities to focus on mobilizing resources for investment and improvement of basic infrastructure at commune level. It's also necessary to carefully review to complete quickly for better efficient use of capital.

The Steering Committee also proposed the government to have policies to specially support for rural transport infrastructure development and canals solidification with the 40-60% reduction of cement cost (the amount of support depends on the actual condition of the commune determined by the President of the provincial people's Committee); the rest of resources will be mobilized by the community. (DTV)

CHANGE OF 5 CRITERIA FOR NEW RURAL DEVELOPMENT



Full version of Decision No. 491/QĐ-TTg is shown on ISG Website: www.isgmard.org.vn (HNN)

The Prime Minister issued the Decision No. 342/QĐ-TTg dated 20 February 2013 on amending 5 criteria within the national set of criteria on new rural development which was issued in Decision No. 491/QĐ-TTg dated 16 April 2009:

- The criterion No. 7 on rural market was amended with the content entitled "market planned, standard met"
- The criterion No. 10 on income was amended to "Income per capital target in rural areas will reach 26 million and 44 million VND per person depending

on each region by 2015 and 2020 respectively"

- The criterion No. 12 on Labor structure was amended into "Regular employment labor force rate"
- The criterion No.14 on education was amended to "Compulsory education for Secondary school"
- The criterion No. 15 on Health was amended to "People's participation on Health Insurance rate". The target for the whole country was to reach more than 70% of the criterion.

20-YEAR-EXTENSION-WORK ACHIEVEMENT



The conference entitled “Wrap-up of 20-year extension activities (1993-2013)” on evaluating the extension activities helped farmers access to new and modern production methods, step-by-step apply high-tech in the agricultural sector, link the agricultural value chain from production to consumption according to the “sample field” and “sample farm” models...

The programs and projects on building and expanding the extension models were implemented comprehensively and positively affect the production and life in the fields of crops, livestock, forestry, fisheries, mechanization, agro- forestry storage and processing.

Speaking at the conference, Deputy Prime Minister, H.E Nguyen Thien Nhan said in the near future we need to do better in extension work on “3 connections” which are to connect producers with new technology applications, connect producers with training, and connect producers with consumption.

Priority is given to focus on the implementation of public-private partnership which needs the tripartite cooperation between government – enterprises - and farmers. In the other word, the business sector will take advantage of government support and connect with farmers whist farmers will buy insurance for products.

Deputy Prime Minister assigned MARD to coordinate with MOLISA on promoting vocational training for farmers in order to make Vietnam become a stronger country in agriculture.

PRODUCTION LINKAGE TO INCREASE FARMERS' INCOME

At the launching workshop on project entitled “ Building VNFU’s capacity of using right tools in Supporting the development of collective economic forms in Agriculture” financially supported by the Organization of Collective Strategic Alliance (CSA) and technically supported by AsiaDHRRA on 26 February 2013, Mr. Nguyen Duy Luong, Vice- Chairman of VNFU said:

Production linkage can improve the farmers’ income and help them to be more active in production, trade and market access.

The objective of the project is to support VNFU officials some tools to use in the development of collective economy; to create the guideline manual in accordance with the conditions in Viet Nam; to form teams of potential staff to be trained to be trainers in training facilities.

The main activities of the project include: Select appropriate tools to put into the guideline manual on the collective economic development!; Do research on different types of



collective economics supported by VNFU; Organize the training workshops; finalize, print and share the related documents...

AsiaDHRRA Program Manager on Agro-Business Solutions said: “The capacity determines the investment opportunities. Feasibility studies on investment opportunities are one of the important tools that the members and leaders of cooperatives need to ensure the efficiency in business ...”

PROPOSAL ON DEVELOPMENT OF AGRICULTURAL PRODUCTION LINKAGE MODEL

Ministry of Agriculture and Rural Development has submitted to the Government a Proposal on the development of agricultural production linkage model between farmers and the rural economic sectors in 2013-2020. In particular, the “large sample field” model is the solution to

enhance the value of agriculture.

In fact, the agricultural production linkage model has been implementing in the past 10 years according to the Decision No. 80/2002/QĐ- TTg. However, due to some inappropriate



mechanisms, this model faced many limitations when the proportion of product consumption value through the contract was still very low (2-15%). In order to solve the shortcomings and limitations of mechanisms, some localities have successfully applied a new production linkage models, especially in rice production.

According to the Ministry of Agriculture and Rural Development, after two years of implementation, the large sample field model has been implemented in 27 provinces with nearly 100,000 hectares. Although there are many different forms and sizes, large sample field model basically meets the criteria such

as: the area is at least 300 hectares; the farmers voluntarily participate, the model is based on the basis of four-side-link.

As summarized by the Department of Crop Production (MARD), the large sample field model has brought tangible benefits such as: Increase the income for farmers by increasing productivity, reducing costs which helped to increase profits from 2.2 to 7.5 million/hectare (particularly there was place reached 170 million/hectare); Make a better community and limit the gaps between farmers; Provide input materials well and timely; Apply the comprehensive techniques; reduce the land, irrigation, cultivation and harvesting services cost; Promote mechanization; Protect the environment and reduce emission; Associate agricultural product with market; Increase competitiveness.

In the new Project, the Ministry of Agriculture and Rural Development proposed that priority should be given to large sample field model. The Government will create an environment to promote the linkage through the mechanism, policy and implementation direction by financial support to build interior agricultural infrastructure, local warehouse. The business sector who takes responsible in the production will be given priority in loan and land, tax incentives as well as to be supported 100% of the cost to buy new seeds for the first crop, to be trained technically and to be supported in agricultural insurance.

INTERNATIONAL COOPERATION AND INTEGRATION

VIETNAM IS THE MOST ODA IMPORTANT PARTNER OF JAPAN



Mr. Tsuno Motonori –JICA Chief Representative in Viet Nam

After 20 year supporting ODA for Vietnam, Mr. Tsuno Motonori - Chief Representative of JICA office in Vietnam said: "In 20 years, Japan has always been the largest

ODA supporter for Vietnam (\$21 billion). As the ODA aid agency of the Japanese Government, JICA has been in close cooperation with the Government of Vietnam. We are proud to have contributed to the socio-economic development of Vietnam as well as improved living conditions for the people of Vietnam. "

Three main reasons for Japan to continue to be the largest ODA supporter for Vietnam in 20 years (i) ODA for Vietnam are being used effectively and achieving great results; (ii) It's also the bilateral relationship, in which, Japan and Vietnam to work together as partners; and (iii) Japan's ODA has been contributing greatly to strengthen the friendly relations between the government and the people of Japan and Vietnam.

about 46, 6 billion yen (\$ 500 million) during a visit to Vietnam in January 2013. The Projects which are targeted for ODA support include: Project on Metropolitan Railway in Hanoi route No. 1, Irrigation Project in Nghe An province, Project on rebuilding and replacing the bad bridges on highways, Program on response to climate change. The loan agreement is expected to be signed in March 2013.

Following these projects, if the preparation would be done well, the expected ODA of fiscal year 2012 would exceed 200 billion

yen which is equivalent to the funding in fiscal year 2011. The amount ODA disbursement calculated in calendar year 2012 also reached its highest level ever with about 150 billion yen.

Mr. Tsuno said, in fiscal year 2013 as well as in the near future, Japan will continue to see Vietnam as an important partner on ODA and support Vietnam with large scale ODA. (NTH).

80% OF HIGH-YIELD RICE SPECIES CULTIVATED IN THE MEKONG DELTA ARE RESULTS OF COOPERATION BETWEEN VIET NAM AND IRRI

Receiving Director General of the International Rice Research Institute (IRRI) Robert S. Zeigler on February 23, PM Nguyen Tan Dung highly valued the effective cooperation and assistance of the Institute for Viet Nam. PM Dung stated that up to 80% of high-yield rice species cultivated in the Mekong Delta are results of cooperation between Viet Nam and IRRI. He also highly appreciated the Institute's assistance for Viet Nam in improving rice cultivation and training professionals in this field.

Viet Nam desires to further coordinate with IRRI in the future, said the Government chief, expressing his hope that the two sides will find new species which can stand for climate change and sea-level rising as well as that IRRI can create favorable conditions for Vietnamese specialists to work there. Mr. Robert S. Zeigler applauded achievements of Viet Nam in agricultural development, adding that the country's policies for agricultural development are strategic and feasible.

IRRI will closely cooperate with Viet Nam in this field in the future, Mr. Robert S. Zeigler confirmed. (VDX)



PM Nguyen Tan Dung and IRRI Director General Robert S. Zeigler - Photographer: VGP/Nhat Bac

JAPAN PROVIDES NON-REFUNDABLE AID FOR FIVE PROJECTS OF VIET NAM



Japan's Consulate General to Vietnam Harumitsu Hida and representatives of benefiting localities from Dong Thap, Phu Yen, Ben Tre and Dak Lak signed documents on the \$570,000 non-refundable aid in HCM City on 26 February 2013.

About 122,300 USD will be used for equipping the Thu Hoa district-based general hospital in southern Phu Yen province.

A drainage system in An Hiep commune, southern Ben Tre province and a water work in Kuaih village, central highlands Dak Lak province will cost around 117,000 USD and 90,000 USD respectively.

The project to build eight new classrooms for Le Hong Phong primary school in Dak Lak province is expected to cost 120,000 USD.

WB EXPANDS FINANCE LINE TO VND350 BIL. FOR VIB

The World Bank has officially expanded the finance line to VND350 billion for Vietnam International Bank (VIB) under the rural financing project (RDF)

Joining RDF since 2003, VIB has so far disbursed a total of VND436 billion from the project's capital, and has thus been evaluated as one of the financial institutions that use RDF capital most excellently.

with this new finance line, VIB will look for and invest in feasible projects in order to contribute to developing rural areas and creating jobs for laborers in these areas.



VIETNAM GAINS \$200 MILLION IN WORLD BANK FUNDING FOR CLEAN WATER



The State Bank of Viet Nam (SBV) and the World Bank (WB) on February 22 signed a credit agreement of US\$200 million to assist Viet Nam in realizing

the National Target Program for Rural Water Supply and Sanitation.

According to the WB, the credit is aimed at providing clean and safe water for around 1.7 million people and improving the sanitary conditions for 650,000 people in eight Red River Delta provinces in 2012-2016. The same day, the Australian Government Overseas Aid Program committed to providing AU\$8 million for this target program to help Viet Nam raise its economic competitiveness and maintain environment sustainability.

The credit was provided by International Development Association – a World Bank member which offers concessional loans and grants to the world's poorest developing countries./.

NEARLY POOR HOUSEHOLDS ACCESS PREFERENTIAL LOANS

Under Decision 15/2013/QĐ-TTg signed by Prime Minister Nguyen Tan Dung last Saturday, households with incomes near the poverty line will get loans with an interest rate of 0.85% per month and more than 10% a year. The rate is set to be equivalent to 130% of the rate offered to poor households.

The decision also asks the Viet Nam Bank for Social Policies (VBSP), which is channeling the loans, to make plans to ensure annual capital for the preferential loans.

The new policy will help near-poor households to have capital to invest in business and production to improve their family finances, and prevent them from falling back into poverty again.

The new policy will take effect from April 16, 2013.



ARTIFICIAL FOREST LIQUIDATED AFTER LAND USE PLAN DETERMINED

On 20 February 2013, the Ministry of Finance issued Circular No. 18/2013/TT-BTC on directing the order and procedures for artificial forest liquidation. The Circular also showed how to manage the proceeds from the liquidation of failed plantations those are not possible to be forests.

The Circular indicated that the liquidation of failed plantations was implemented after decision of the competent authorities on forest liquidation and land use plan had been approved (new project investment in afforestation replaced or move to other approaches related to land use plan). However, there are failed plantations due to force majeure reasons which are no longer ecological value and badly affect the environment or remaining planted forest area. For those cases, after getting the decision on forest liquidation from the competent authorities, the investors have the right to do the liquidation immediately without waiting for the land use plan approved by the competent authority.

After liquidating artificial forests and forest products, the proceeds will be first settled to repay the state budget for liquidation expenses, and then will be distributed following the



beneficial policy in accordance with the laws and regulations on forest investment and development.

In case the artificial forests are invested by the state budget but there is no beneficial policy, the proceeds from the forest liquidation recovered after the refund for liquidation cost, will be paid to the State budget.

The Circular takes effect from 5 April 2013.

AQUACULTURE SAFETY IN VIETNAM MEET THE EC REGULATION

National Agro Forestry Fisheries Quality Assurance Department (NAFIQAD) said: the EU inspection team has released an evaluation on the system of laws and organizational structure of the Central and Local Authority in food safety and quality control. Viet Nam's aquaculture production chain continues to meet the EC regulation. This result is stated by the EU inspection team after an inspection trip on food safety and quality control in aquaculture products that exports to the EU in late 2012.

To implement the recommendations of the EU inspection team, NAFIQAD requested the Provincial Departments of Agriculture and Rural Development to further promote training course for ship owners, ship port staffs and aquaculture facilities on food safety assurance.

Seafood enterprises who export to the EU can only use raw material for processing seafood products from the facilities



certified by NAFIQAD and its branches following MARD's regulations; At the same time, priority should be given to promote training course for those enterprises and their facilities to increase the knowledge on food safety assurance. (HH)

LEGISLATION DOCUMENTS RELATING TO AGRICULTURE AND RURAL SECTOR ISSUED IN FEBRUARY 2013

Date of issue	Contents
From Prime Minsiter	
22/2/2013	Decision No. 348/QĐ-TTg on approving the Program on research, training and building high-tech infrastructure under the national program on high-tech development by 2020

22/2/2013	Decision No. 15/2013/QD-TTg on credit for nearly poor households
19/02/2013	Decision No. 339/QD-TTg on approving the Proposal on entire economic restructuring associated with Growth Model Renovation towards improving the quality, efficiency and competitiveness in 2013-2020.
18/02/2013	Decision No. 324/QD-TTg on approving the project on Ho Chi Minh Communist Youth Union participates in new rural development in 2013-2020.
07/02/2013	Decision No. 311/QD-TTg on the purchase of rice for storage in Winter-Spring 2012 - 2013.
05/02/2013	Decision No. 293/QD-TTg on supporting from the central budget for 23 districts with high poverty rates applied investment mechanisms and policy in infrastructure in accordance with the Resolution No. 30a/2008/NQ-CP dated 27/12/2008 on the program on rapid and sustainable poverty reduction in 62 poor districts.
30/01/2013	Decision No. 263/QD-TTg on the establishment of the Central Steering Committee for the implementation of the National Target Program on reducing environmental pollution and improving the environment in 2012-2015.
From the Governmental Office	
07/02/2013	Announcement No. 67/TB-VPCP on the conclusion of the Deputy Prime Minister Hoang Trung Hai - Head of the Steering Committee on PPP investment.
07/02/2013	Document No. 1243/VPCP-QHQT on the report of "Overall evaluation of socio-economic situation in Vietnam after five years joining the World Trade Organization (WTO)."
From MARD	
27/02/2013	Announcement No. 1173/BNN-HTQT on the cooperation with Algeria to prepare for the 10th session of Vietnam - Algeria
27/02/2013	Announcement No. 1175/TB-BNN-VP on the direction of the Minister Cao Duc Phat at a meeting with the Department of Science, Technology and Environment on the research plan on science and technology and extension in 2013
27/02/2013	Decision No. 376/QD-BNN-KHCN on recognizing the test results on evaluating the effects of transgenic maize to the environment and biodiversity
26/02/2013	Approve and correct (1st time) the Manual of project operation: Irrigation Management Project for Rural Development in the Mekong Delta
25/02/2013	Decision No. 351/QD-BNN-TCTL on approving the "flood irrigation planning against Ca Mau city"
25/02/2013	Report No. 632/BC-BNN-KTHT on the result of investment in particularly difficult socio-economic areas and ethnic minorities according to the Law on Investment from 2006 to 2012
25/02/2013	Decision No. 350/QD-BNN-KHCN on issuing the temporary technical norms applied for the models under the projects on agricultural extension in Forestry
28/01/2013	Document No. 325/BNN-TCLN on handling the tiger dead body.
From MIC	
08/02/2013	Circular No. 04/2013/TT-BCT on the regulations on operating principles of import tariff quotas for sugar, salt, eggs and poultry in 2013.
From MOFA	
03/01/2013	Announcement No. 01/2013/TB-LPQT on the validity of the Agreement between the Governments of the member countries in the Association of Southeast Asian Nations (ASEAN) and the Government of the
From MOF	
20/02/2013	Circular No. 18/2013/TT-BTC on directing the order and procedures for artificial forest liquidation and how to manage the proceeds from the liquidation of failed plantations those are not possible to be forests.
19/02/2013	Circular No. 17/2013/TT-BTC amending the provision 1 of Article 6 of the Circular No. 10/2011/TT-BTC dated 26/01/2011 of the Ministry of Finance Regulation on management and usage of management costs from the building investment projects using the State budget.
From PPP Steering Committee	
07/02/2013	Decision No. 20/QD-BCDPPP on issuing the 2013 Action Plan on the PPP investment.
From People's Committee of Ha Noi	
01/02/2013	Decision No. 710/QD-UBND on approving the "Forest protection and development Plan in Ha Noi during 2012-2020."