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TARGET OF AGRICULTURE SECTOR IN 2014



Some specific targets:

- GDP reaches 2,6-3%;
- Production value increases 3.1-3.5% compared to 2013;
- Export turnover of agro-forestry-fishery reaches 28.5 billion USD;
- Forest coverage rate reaches 41.5%, etc.

At the conference on 2014 work-plan implementation for ARD (held 31/12/2013), the Prime Minister Nguyen Tan Dung emphasized the key directions: in 2014, the agriculture sector must show breakthrough efforts in the implementation of the sector's restructuring towards greater added value and sustainable development in association with NRD. This is the hot

issue, which shall be thoroughly implemented via synchronized solutions. Further mechanisms and policies focusing on added value for agricultural products shall be issued. And further studies on science and technology for agricultural production shall be applied. Forms of association and linkages in productions, processing, and consumption of

In general, the core target of the agriculture sector in 2014 is to implement the sector's restructuring, in order to accelerate its growth; to progressively develop greater added value and sustainable agriculture in association with the new rural development; to contribute to the economic development; to ensure the social welfare; and to improve the people's quality of life

products shall be made and replicated. Private investments in rural infrastructure and agriculture sector shall be promoted and encouraged. Vocational trainings and implementation of social programs shall be well organized and implemented.

The Prime Minister requested the agriculture sector to engage its organizational machinery to strengthen the effectiveness of the state management, particularly regarding agricultural materials and food safety. (NTH)

FOCUS ON ADMINISTRATIVE REFORM

On 15/1/2014, MARD wrapped up its administrative reform implementation for 2013 and started up the administrative reform work-plan for 2014. The administrative reform was considered as one of the core and cross-cutting targets of MARD in 2013, in accordance to the spirit of the Resolution No 30c by the Government on the State Administrative reform 2011-2020.

During 2013, the institutional reform made significant renovations focusing on legal documents review by sub-sectors, such as husbandry, veterinary and irrigation. As a result, 13 documents were abolished; 16 documents were supplemented and adjusted; 7 administrative procedures were proposed to be replaced or abolished; 36 administrative procedures were adjusted and supplemented. All of these works aimed at creating a more convenient framework for people and enterprises in their production and business activities contributing to social-economic development.



The core objective of the administrative reform in 2014 for the agriculture sector shall be the review, consolidation, and systematization of legal documents towards simplification of administrative procedures, to create suitable conditions for people and enterprises. According to the Minister Cao Duc Phat, the Veterinary law must be developed and the Irrigation Law must be basically completed within this year. In parallel, the development of the Decree No 8, the Decision No 15, 60 Circulars and many other relating standards and regulations must be conducted. (TV).



MOBILIZATION OF SOCIAL RESOURCES IN THE FOOD SAFETY ASSURANCE

still remains. This is a battle requiring braveness, drastic measures, and the tenaciousness of all stakeholders. The implementation must be a continuous process. The in-depth and wide communication must be also focused to inspire the best in each individual, in all activities of production, transportation, agribusiness.

Beside the implementation and piloting of the issued regulations and laws, ministries, sectors and local authorities shall study and propose clear and specific mechanisms in social resource mobilization in the food safety assurance. This is the request from Vice Prime Minister Vu Duc Dam in his working session with Hanoi's leaders on food safety held 16 January 2014.

In this working session, the Minister Cao Duc Phat also pressed that "We cannot take it lightly about those providing unsafe food for people". The Minister of Health Nguyen Thi Kim Tien proposed that all the activities, including inspection and checking, must be deeply and comprehensively conducted to result in clear improvements.

Vice Prime Minister emphasized that food safety is an issue that has been discussed for many years. However, unsatisfaction among people

The Vice Prime Minister Vu Duc Dam requested Hanoi to invest on the food safety checking machines, firstly at all the leading whole sale markets; and at the same time study and propose the mechanism for socialization of food safety checking and for publicity of facilities and individuals who violate the FS law and regulations.

NEW POLICIES ON STRENGTHENING AGRICULTURE AND RURAL DEVELOPMENT

THE OVERALL OBJECTIVE ON CLIMATE CHANGE RESPONSE IN 2014

The 2014 policy matrix of the Support Program to Respond to Climate Change (SP-RCC) was approved by the Government through the Decision No 44/QĐ-TTg dated 8/1/2014.

The eight (08) overall objectives are:

1. Proactive preparedness and response to disasters and climate monitoring;
2. Ensuring water and food security in the context of climate change ;
3. Proactive respond to sea level rise in vulnerable areas;
4. Sustainable forest management and development;
5. Mitigation of greenhouse gas emissions in the process of socio-economic development;
6. Strengthening the capacity of government agencies in climate change response;
7. Enhancing community capacity in coping with climate change;
8. Increasing investments and diversification of funding sources.

(Entire text of the Decision N o 44/QĐ-TTg can be seen in the www.isgmard.org.vn)



SUPPORTING POLICY FOR NRD PROGRAM WILL BE EFFECTIVE FROM 1/2/2014

Inter-ministries MARD, and MOF issued the Inter-Ministerial Circular No 191/2013/TTLT-BTC-BNNPTNT dated 13/12/2013 guiding the financial management mechanisms for the Budget of the Science and Technology Program serving to NRD, which will take effect by 1/2/2014.

The Circular stipulates the supports for implementation of the projects on NRD social

organization model; pilot models on application of typical policies and mechanisms in infrastructure investment and construction in NRD (supports total 100% of the budget for implementation of model projects in accordance to the current state budget decentralization).

(Detail text of the Circular No 191/2013/TTLT-BTC-BNNPTNT can be found on www.isgmard.gov.vn)

SYNCHRONOUSLY IMPLEMENT POLICIES ON ETHNIC MINORITY

CEM in association with MPI and MOF shall developed the medium and long term capital plan, in order to synchronously and effectively implement the EM policies, in cooperation with ministries and sectors.

Above was the direction made by the Vice Prime Minister Nguyen Xuan Phuc in the Announcement No 02/TB-VPCP, regarding the implementation of the EM task up to 2020.

In this direction, ministries and sectors, should prioritize people's intellectual standard and performance of EM officers, in order to realistically and effectively implement EM tasks accelerating fast and sustainable socio-economic development among EM areas, This shall result in strengthening the entire capacity of the political system among the EM areas and in reducing the poor household rate in the mountainous areas compared to the average poverty rate reduction of the entire country.



APPROVAL OF THE PROJECTION ON “CONSTRUCTION AND DEVELOPMENT MODEL OF AGRICULTURE-FORESTRY-FISHERY FOOD SAFETY SUPPLY CHAIN AT NATIONAL SCALE”

MARD has approved the above mentioned projection, aiming to improve the food safety of agriculture-forestry-fishery products of Vietnam, food origin traceability and branding development, via the renovation of production methods and management of food safety in compliance with the Food Safety Law..

The projection will be implemented in two phases: 1st phase in 2013-2015 developing 30 safe food supply chain models, resulting from food safety and greater added value agricultural models; 2nd phase in 2016-2020 developing safe food supply chain models of at least 50% core agriculture-forestry-fishery leading products, among high food safety risk groups, by establishing strict quality checking in every single central's province/city.

The beneficiary groups targeted by this projection include: (1) consumers: access to safe agriculture-forestry-fishery products, differentiate food safety checked products, from those who are not; (2) producers: increase yield and value from production, stabilize and sustain their production; and (3) controlling and management agencies: control food safety within the whole production processes, businesses of agriculture-forestry-fishery products in the “field to fork” principle. In addition, traceability and timely response to food safety violation, shall be applied contributing to strengthen safe food



production and business, for both domestic and export markets.

The total estimate budget for the projection is 353.5 billion VND, from which: 20% from international support; 60% from the state budget; and 20% from local authorities, enterprises/organizations and individuals.

NAFIQAD was assigned by MARD for the implementation of this projection. The Department of Finance, the Department of Planning are assigned to cooperate and provide advice on budget allocation of the projection.

APPROACH TO DEVELOP THE AGRICULTURE RESTRUCTURING ACTION PLAN

The Sector's restructuring towards greater added value and sustainable development was approved by the PM at the Decision No 899/QĐ-TTg (under the name 899 Projection).

To implement it, the Minister issued the Decision on the implementation action plan. So far, the sub-sectors' restructuring having been approved by the Minister include: Forestry at the Decision No 1565/QĐ-BNN-TCLN dated 8/7/2013 and Fishery at the Decision No 2760/QĐ-BNN-TCTS dated 22/11/2013.

However, for the projection to bring a realistic effect, each sub-sector must develop its appropriate action plan, inheriting the gained achievements and using their competitive advantages towards greater added value and sustainable development for agricultural products.

Since August 2013, the (Technical Assistance) TA funded by FAO has been conducted to help MARD developing action plans for three sub-sectors: agriculture, husbandry and fishery. Based on the foundation of the restructuring, the action plans clarify the tasks, the road-maps for implementation, and the needed resources for the restructuring. Based on the demand analysis of the domestic and export markets, the potential commodity chains are defined. From the supply capacity analysis, each sub-sector shall review its competitive advantages to select the core commodities for current and future periods. In-depth analysis on each commodity has been conducted to identify the prospects for greater added value, from increasing yield and quality, to apply deep processing and by-product using. The analyses were made basically based on the value



chains and the variation in the production during 15 to 20 years, to determine the prospects, the trends, and the competitive advantages of each commodity creating new and sustainable values.

These sub-sectors action plans are from the state management agencies. The activities were proposed based on the modern state management principles, with specific perspectives: the role of the state management is to create preferable conditions and to ensure the provision of public services for other economic sectors to invest in ARD. In addition, the state also takes the leading role in some economic sectors via the re-determination of public investment.

The FAO funded technical assistance has coordinated with the current agreement on the detail outline of the action plan of each sub-sector proposed by consultants, in the supports from international specialist (FAO RAP) and the professional advisory from MARD's departments (General Directorate of Fishery, DCP and DLH). The 1st draft of the sub-sectors' implementation action plans for restructuring will be presented by the end of February 2014. This is a critical start for determining an appropriate approach in the development of action plan for restructuring of the agriculture sector.

INTERNATIONAL COOPERATION AND INTEGRAION

UNITED STATES ANNOUNCED ITS DEVELOPMENT COOPERATION STRATEGY FOR VIETNAM

On 14/1/2014 in Hanoi, the United State Agency of International Development (USAID) announced its National Development Cooperation Strategy for Vietnam, containing the directions of USAID support programs in Vietnam during the period 2014-2018.

In his speech at the announcement, the Ambassador David Shear stated that the National Development Cooperation Strategy for Vietnam presents the forthcoming phase of the cooperation between the two countries, founding planning and budget allocation

for Vietnam in the next 5 years. With this strategy, USAID aims to enhance Vietnam-USA comprehensive cooperation, as well as development cooperation in Vietnam.

The objectives in the strategy include: enhancing the state governance for sustainable and in-depth development; strengthening the capacity in protection and improvement of health and welfare.

The Minister of MPI Bui Quang Vinh thanked USAID for its announcement of the Development Cooperation Strategy for Vietnam and expressed his trust toward its



contribution in capacity building; strengthening the health care system, climate change response, environmental protection; and the resolution of war-remaining issues in Vietnam.

VIETNAM AND KOREA STRENGTHEN THEIR COOPERATION IN AGRICULTURE

On 13/1/2014 in Sejong, the administrative capital of Korea, leaders of Vietnam and Korea signed the agreement accelerating

cooperation in agriculture, for their common efforts in keeping food security. This agreement follows that reached between the heads of the

two countries during the Korean President Park Geun-Hye visit to Vietnam, at the beginning of September 2013.

In his meeting with the Minister Cao Duc Phat, the Minister Lee Dong-Phil stated that Korea shall share its development experience and supply agricultural technologies to Vietnam. The two Ministers also discussed other issues, including the export of Korean pork to Vietnam.

In a press release, the Korean Minister of Agriculture announced: “Ministries of both countries positively agreed to enhance the exchanges and the cooperation in the agriculture sector, including the establishment of the common agricultural cooperation committee, in order to further exchange information and personnel, as well as common efforts to improve the food security in both countries”. The Korean Minister



of Agriculture clarified that the above mentioned agreement presents the strategic cooperation between the two countries, as well as promotes new investments in the agricultural sector of both country.

NEW POLICIES ON TAXES FOR ODA PROJECTS



According to the taxation department, the Circular No 181/2013/TT-BTC dated 27-12-2013 by MOF guiding the implementation of taxation policies and taxation incentives for programs/projects funded by ODA source and other preferable loan sources from donors, shall be officially effective from 17/1/2014.

Thus, investment owners and contractors of ODA grant projects, shall be exempted from export tax, special excise tax (if any), VAT for products directly imported or consigned for import and used for ODA grant projects implementation purposes. .

included strict regulations on management of leading and sub- contractors. Detail text of this Circular can be found on www.isgmard.org.vn.

Nevertheless, the Circular No 181/2013/TT-BTC

STANDARD CHARTERED CHANNELED 70 MILLION USD FOR AGRICULTURE

Standard Chartered bank has just signed a contract with An Giang Plant Protection Company, developing the rice production chain applying sustainable development procedures for a greater value for Vietnamese farmers.

Via this 70 million USD contract, the bank shall satisfy the short and

medium term financial demands for the “Large Field” model including pre-export support, recovery support, project related support and international client network expansion.

“Large Field” is the model that has been implemented by An Giang Plant Protection Company since 2010, in order to create



a sustainable rice production chain. Thus, farmers, after signing the fresh rice provision contracts with An Giang Plant

Protection Company, shall be supplied breeds, pesticide, fertilizer with 0% interest rate in the entire season. In addition, they can also enjoy buckshee packaging, transportation, drying and harvesting services in accordance to market price.

An Giang Plant Protection Company has constructed 5 rice processing plants in Vĩnh Bình, Thoại Sơn (An Giang province), Vĩnh Hưng (Long An province), Tân Hồng (Đồng Tháp province), and Hồng Dân (Bạc Liêu province). In their plan by 2018, 12 processing plants with

capacity of 200,000 tons per year each will be completed reaching a cultivation area of 360,000 ha. Representative of Standard Chartered bank said that the bank highly appreciated the “Large Field” model and trusted it shall provide new value to Vietnamese rice in the international market.

VIETNAMESE AGRICULTURE GAINED CONSIDERATION IN DAVOS ANNUAL GLOBAL ECONOMIC FORUM

During 22-25/1/2014, more than 2,500 representatives from more than 100 countries shall gather in Davos (Switzerland) to discuss the hot issues of the global economic. A large proportion of time shall be spent discussing about agriculture, which will be the focus of MARD's Minister, Cao Duc Phat's speech on the regional agricultural development strategy.

In the efforts of Vietnam and other nations to ensure global food security, and following the agreement and support from ASEAN's secretary, the Initiative on “new vision in agriculture” will be upgraded at regional scale, with the name of “Grow Asia” and will be officially proclaimed during this 44th annual global economic forum.

In the 44th annual WEF forum, Vietnam shall share its experience in PPP implementation in agriculture. Vietnam, in the East Asia international economic forum held in Ho Chi Minh City in 2010, approached the initiative “new vision in agriculture”. 13 multi-national companies participated in this forum with Minister Cao Duc Phat, under the direction of Prime Minister Nguyen Tan Dung. A remarkable result of this event was the establishment of the Vietnam PPP



Task Force with the participation of more than 50 organizations, including MARD, 17 global companies and 4 Vietnamese companies and other members. This task force focused on 05 prioritized commodities (fisheries, coffee, tea, potato, maize/soya bean). The key targets of the task force are the promotion of sustainable production; provision of trainings to farmers and financial support for agriculture. Currently, the initial achievements on promotion and attraction of investment from private sector and PPP acknowledge the remarkable and effective path for agriculture sector.

ISG – HIGH LEVEL POLICY DIALOGUE FORUM OF MARD

Since 1997, the International Support Group of agriculture sector (ISG) has been established as an initiative of MARD in the foundation of the first national ODA coordination mechanism. Since its foundation, ISG has proved its benefits as an important tool for top-level policy dialogue and policy development, management and co-ordination of information related to foreign aid in agriculture and rural development sector.

ISG established and has facilitated high level policy dialogue between MARD and donor community, providing investors relevant

information and lesson learnt for their selection of effective solutions and interventions.

In this new development phase of the nation, with in-depth international integration and implementation of economic restructuring, changes in the strategic direction, require that ISG applies new tools and approaches in the organization of dialogues, to strengthen the “effect” and ensure ISG's function of “international support”.

The ISG is working as the highest level of multi-stakeholders forum, to build a shared sector

development vision, and a hub to transfer international expertise to Vietnam. One of the main approaches used by ISG is to stimulate meaningful participation and effective contribution of all relevant parties, to implement the overall objectives of the sector. With the active participation of donors and international experts, and functional agencies/ departments, key sector policies are results from studies/researches/survey/ public opinion. The readiness for policy implementation shall only result from dialogues where all stakeholders share a common understanding and prioritisation setting. Furthermore, policy recommendations from ISG's forums are always considered and gain support throughout all policy development stages, from policy initiative to revision of the legal framework.

Since 2013, ISG's forums continuously highlight the "key strategic" policy directions such as: Agriculture sectoral restructuring; Agricultural



Vice minister Nguyen Thi Xuan Thu made speech at the forum on "development of safe agricultural product market", 25/11/2013

PPC and PPP legal framework; New Rural Development; Food safety; and Climate change, Global economic integration vs smallholder farmers, RIA capacity building, etc.

LEGISLATION DOCUMENTS IN AGRICULTURE SECTOR ISSUED IN 12/2013 AND 1/2014

Issued date	Contents
By Prime Minister	
14/01/2014	Decision No 03/2014/QĐ-TTg stipulating the regulations on state management for promotion of investment 002E
14/01/2014	Decision No 04/2014/QĐ-TTg stipulating the regulations on coordination in resolving of international investment disputes.
13/01/2014	Decision No 02/2014/QĐ-TTg stipulating the organization and operation of environmental protection fund of Vietnam.
08/01/2014	Decision No 44/QĐ-TTg approving the policy matrix for 2014 of the SP-RCC
08/01/2014	Decision No 45/QĐ-TTg approving the master planning for national bio-diversity conservation up to 2020, vision to 2030.
31/12/2013	Decision No 2621/QĐ-TTg in 2013 adjusting the support for production stipulated in the Resolution No 30a/2008/NQ-CP.
30/12/2013	Decision No 2612/QĐ-TTg approving the clean technology using strategy up to 2020, vision to 2030.
By the Government	
13/01/2014	Resolution No 05/NQ-CP strengthening the implementation of the UN's Millennium Development Goals in health care sector.
02/01/2014	Resolution No 01/NQ-CP stipulating the key tasks and solutions for the execution of the socio-economic development plan and the state budget estimation for 2014.

By the Government Office

14/01/2014	Announcement No 15/TB-VPCP regarding the conclusion by Vice Prime Minister Vu Duc Dam at the 3rd meeting session of the National Council for Sustainable Development and Strengthening of National Competitive Capacity.
08/01/2014	Announcement No 08/TB-VPCP regarding the conclusion by Vice Prime Minister Vu Duc Dam at the online handling meeting with provinces on food safety.
27/12/2013	Document No 10944/VPCP-QHQT reporting the results of the 8th general review conference on the implementation of ODA programs/projects (JPPR8) and the highlighted issues in ODA fund and preferable loan mobilization and disbursement.

By MARD

09/01/2014	Report No 61/BC-BNN-PC regarding the implementation results of the law dissemination to rural citizens and ethnic minority citizens in 2013.
09/01/2014	Document No 50/QLCL-CL1 regarding the management of food safety at fishery businesses.
08/01/2014	Decision No 36/QĐ-BNN-PC stipulating the administrative procedure controlling plan in 2014 of MARD.
02/01/2014	Decision No 04/QĐ-BNN-TCCB in 2014 transferring the entire status of duties, organization of the Rural Enterprise Reform and Management Committee into the Department of Enterprise Administration
31/12/2013	Document No 4633/BNN-KTHT in 2014 assessing the status of life standard and production activities of resettlement citizen from irrigation and hydro-power plant projects.
30/12/2013	Report No 4617/BC-BNN-TCCB reporting the implementation progress of the National One-Door Custom pilot of MARD.
27/12/2013	Decision No 3073/QĐ-BNN-QLCL approving the projection “Construction and development model of agricultural-forestry-fishery food safety supply chain at the national scale”
27/12/2013	Decision No 3074/QĐ-BNN-QLCL establishing the inter-sectoral checking delegation on food safety for the traditional TET of 2014.
26/12/2013	Decision No 3065/QĐ-BNN-TCCB stipulating the administrative reform work-plan 2014.
26/12/2013	Document No 4584/BNN-QLCL implementing the Instruction No 4313/CT-BNN-QLCL and the Plan No 19/KH-CĐTUVSATTP.

By MPI

09/01/2014	Circular No 01/2014/TT-BKHĐT guiding the implementation of some items in the Decree No 38/2013/NĐ-CP dated 23/04/2013 by the Government on the management and utilization of ODA and preferable loan resources from donors.
23/12/2013	Document No 10266/BKHĐT-KTĐN announcing the application of the instruction by UN-EU cost norm in Vietnam (the updated version of 2013).

By CEM-MOF

27/12/2013	Inter-Ministerial Circular No 06/2013/TTLT-UBDT-BTC guiding the implementation of the Decision No 33/2013/QĐ-TTg dated 04/06/2013 by Prime Minister on the implementation of the support policies for resettlement and agricultural settlement for ethnic minority up to 2015.
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By MARD-MPI-MOF

02/12/2013	Inter-Ministerial Circular No 51/2013/TTLT-BNNPTNT-BKHĐT-BTC supplementing the Inter-Ministerial Circular No 26/2011/TTLT-BNNPTNT-BKHĐT-BTC guiding the Decision No 800/QĐ-TTg on the approval of the NTP-NRD 2010-2020.
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