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FORUM ON DONOR COORDINATION FOR NEW RURAL DEVELOPMENT IN VIETNAM 2013

The Ministry of Agriculture and Rural Development, International Support Group (ISG), with the support of the Food and Agriculture Organization of the UN (FAO), held a forum on “Donor coordination for new rural development in Vietnam” aiming at updating new policies and specifying investment priorities, as well as difficulties and challenges to create “a new momentum” for new rural development in Vietnam.

Nearly 100 delegates including multilateral and bilateral donors, international organizations, representatives of management and research agencies of the Ministry of Agricultural and Rural Development, associations and communication agencies attended the forum.

More information about the forum can be found on the ISG website: www.isgmard.org.vn

At the Forum, the Minister of Agriculture and Rural Development Cao Duc Phat said that through the implementation of the National Target Program of New Rural Development (NRD), several areas achieved good results utilizing their internal resources. For example, in a poor province like Tuyen Quang, more than 1,000 km of rural roads have been built in just 2 years. However, Minister Cao Duc Phat stated that the program still has many issues to be considered in terms of adjustments in policies and implementation solutions, particularly for the development



Minister Cao Duc Phat and Mr. Jean-Marc Gravellini, Director of the French Development Agency (AFD) hosted the forum

of agricultural production and income improvement for rural residents. The minister stressed that NRD program was built by the people and for the people and it is not an investment program funded by the State. He also claimed that “if we work together, we can make the change.”

A general recommendation from the forum is how to create “The new momentum” – The momentum of the inner strengths of Vietnam, international support and the new policy framework, ultimately promoting new rural development in Vietnam as expected. (ISG / MARD)

FOOD SAFETY OF AGRICULTURAL, FORESTRY AND FISHERY PRODUCTS – THE MAIN TASK OF AGRICULTURAL SECTOR IN 2013

As a consequence of excessive violations related to food safety, the quality management of agricultural materials and food safety of agricultural, forestry and fishery products have been identified as the main tasks of the agricultural sector in 2013. Particularly, violations associated with livestock products or pesticide residues in vegetables show that the quality management of agricultural materials and food safety of agricultural, forestry and fishery products has not improved much yet.

In the online conference on quality management of food safety of agricultural, forestry and fishery products held on April 4, 2013, the Minister of Agriculture and Rural Development Cao Duc Phat mentioned that the underlying causes tend to be the knowledge. Some of the staff and people are not fully aware of the issue of quality management, the document system is inappropriate and slowly adopted in many areas, and there is still a lack of economic policies to create incentives for those who perform well.

The Minister Cao Duc Phat requires local authorities and ministerial units to review the planning of safe production



areas and thoroughly supervise and handle violations of food safety, especially in the phases containing the highest risk.

The important solution is to urgently build a comprehensive legal document system and ensure a transparent legal framework with strict sanctions, in order that ministries and sectors can closely coordinate with local governments to strictly, quickly and effectively handle violations of food safety of agricultural, forestry and fishery products, as well as successfully implement the food safety management policy of the supply chain from food production to consumption.

RESULTS AFTER 2 YEARS OF IMPLEMENTATION OF PILOT AGRICULTURAL INSURANCE



In the beginning of May 2013, the Ministry of Finance and the Ministry of Agriculture and Rural Development held a conference to review the results after 2 years of the implementation of pilot agricultural insurance in 21 of 63 provinces and cities selected for pilot insurance of crops, livestock and fisheries under Decision 315 of the Prime Minister.

As of April 30, 2013, 234,233 households engaged in signing insurance contracts (80.8% of which are poor ones). The total insurance value of crops, livestock and fisheries was 5,437 billion dong and total direct insurance premium income was

303,295 million dong.

Results from the pilot program of 3 particular categories, namely rice (7 provinces), livestock (9 provinces) and fisheries (5 provinces) rise up the following three issues:

- ✓ Agricultural insurance policy is appropriate and necessary to support agricultural producers, both, corrective actions and compensation of the financial losses as a result of natural disasters and diseases contribute to stabilize the security of rural social protection and promote the development of agricultural production.
- ✓ Cooperation with all levels of industry, often closely, was required to grasp the actual situation of the implementation, timely adjustment policies and provide appropriate solutions to production practices.
- ✓ The main difficulty in the implementation of agricultural insurance is that it is a new insurance type with a new, complex and unprecedented mechanism and incomplete policies issued in a wide range. On the other hand, the insured objects are influenced by complicated natural conditions and many other factors that cause difficulty, slowness and inaccuracy for the insurance appraisal process. Due to limited understanding and economic conditions of the people, they tend to be unwilling to engage in insurance or choose high risk objects to be insured.

However, to evaluate the results of the pilot program of insurance, the Deputy Minister of Agriculture and Rural Development Nguyen Thi Xuan Thu stated that the program initially confirmed the importance of ensuring social security, so that those who benefit from the agricultural insurance get the opportunity to continue production and escape poverty. The Deputy Minister Thu also expressed that on the basis of the experiences in solving local problems, the Ministry of Agriculture and Rural Development issued a number of guidelines on disclosure of disease, disease control, production process, etc... and had the framework program for local areas to set up suitable regulations by themselves. In this way, the Ministry of Agriculture and Rural Development will oversee the implementation process. On the whole, the program has achieved its goals and proved to be effective.

The Central Steering Committee for Agricultural Insurance set out the tasks to be implemented next:

- Reviewing and issuing the processes of rice cultivation, livestock and aquaculture to make them suitable for the characteristics of local agricultural production.
- Enhancing the forms of propaganda to raise people's awareness on agricultural insurance, to increase the number of households engaging in the pilot period.

The businesses currently participating in the pilot agricultural insurance include Bao Viet Insurance Corporation, Bao Minh Insurance Corporation and Vietnam National Reinsurance Corporation – Vinare and Agriculture Bank Insurance Joint Stock Corporation (ABIC). (NTT-Tapchitaichinh.vn)

INTERNATIONAL COOPERATION AND INTEGRATION

9 PRIORITY AREAS FOR ODA AND CONCESSIONAL LOAN USE



According to Decree No. 38/2013/ND-CP on the management and use of Official Development Assistance (ODA) and donors' concessional loans use recently issued by the Government, 9 priority areas are defined.

1. Construction of comprehensive, large-scale and modern economic infrastructure.
2. Development of social infrastructure including culture, health, education and training, vocational training, social security, poverty reduction, population and development.
3. Development of science, advanced technology and source technology and development of science and technology in some prioritized and concentrated areas, knowledge economy and high quality human resources.

4. Development of agriculture and rural areas, including the restructuring and development of agricultural economy and rural socio-economic infrastructure and new rural building.

5. Enhancement of institutional capacity and administrative reforms.

6. Protection of the environment and natural resources, disaster prevention and mitigation, climate change response, sustainable development and green growth.

7. Support for promotion of trade, investment, finance, banking, tourism and some production and business fields with the aim of strengthening the competitiveness of the economy.

8. Support for implementation of national target programs.

9. Some other priority areas under the decisions of the Prime Minister.

The Decree also specifies the conditions of receiving ODA and concessional loans for private sector with 4 different approaches. This Decree took effect on June 6, 2013.

VIETNAM - JICA IDENTIFIES PRIORITY AREAS FOR AGRICULTURAL DEVELOPMENT COOPERATION

The Ministry of Agriculture and Rural Development, in collaboration with the Japan International Cooperation Agency (JICA) in Vietnam, held a workshop to assess the situation of the agricultural sector on May 10, 2013. The

Deputy Minister of Agriculture and Rural Development Nguyen Thi Xuan Thu explained that so far Japan has supported the agricultural and rural development of Vietnam with over 30 projects of technical assistance, grant aid and emergency



assistance valued at about 150 million USD and a number of big loan projects valued at nearly 500 million USD in the field of irrigation and forestry, all contributing to improve the infrastructure system and help Vietnam develop sustainable agriculture and rural areas. The Deputy Minister Nguyen Thi Xuan Thu also expressed the desire that the Government of Japan through JICA continues to promote cooperation and supports Vietnam to develop modern agriculture, ensure food security and adapt to climate change. Vietnam will send staff to Japan as soon as possible, in order to propose specific priority areas in need of support to JICA.

According to Mr Tsuno Motonori, Chief Representative of JICA

Vietnam, the aid orientation of Japan in the coming time aims at increasing the competitiveness of Vietnam in the international arena through projects of infrastructure investment, policy improvement, narrowing the gap between urban and rural areas and enhancing management ability for staff and public employees. Mr. Tsuno Motonori assessed agriculture and rural development as a very important sector and intended to scale up ODA funding in the coming time.

According to JICA experts, the major cooperation forms of JICA include grant aid, technical cooperation and loan aid cooperation. Together with cooperation activities in forestry and measures to climate change response and disaster prevention, the cooperation program is expected to achieve a number of outcomes such as improving production techniques of food crops and irrigation management techniques for agricultural crops, completing guidelines and manuals for new rural building program, upgrading local infrastructure that ensures quality and safety level in accordance with international standards and promoting policy dialogues between the Ministry of Agriculture and Rural Development and donors, with the aim of improving living standards for people in rural areas.

To enhance the efficiency of cooperation between the two sides, JICA also suggested that Vietnam should strengthen the intersectoral coherence among ministries and sectors and between central and local government and improve policy mechanism.

THE MEDAL “FOR THE CAUSE OF AGRICULTURE AND RURAL DEVELOPMENT” AWARDED TO THE CHIEF REPRESENTATIVE OF JICA VIETNAM

By the end of the working term in Vietnam of Mr Motonori Tsuno, Chief Representative of JICA Vietnam, the Minister of Agriculture and Rural Development Cao Duc Phat sincerely thanked the valuable support of JICA through the guidance and major contribution of the Chief Representative and office staff and awarded him “The medal For the Cause of Agriculture and Rural Development”.

This is a prestigious award given to international staff/experts, who have great achievements and contributions to agriculture and rural development.



Minister Cao Duc Phat awarded Mr Motonori Tsuno, Chief Representative of JICA Vietnam The medal “For the Cause of Agriculture and Rural Development”

THE COOPERATION OF VIETNAM AND IRRI ON RICE SECTOR DEVELOPMENT RESEARCH

In the afternoon of May 7, 2013 in Hanoi, the Minister of Agriculture and Rural Development Cao Duc Phat and the director general of International Rice Research Institute

(IRRI) Robert S. Zeigler signed a Memorandum of Understanding on technological cooperation to develop rice sector in Vietnam.

Speaking at the signing ceremony, Minister Cao Duc Phat stressed that the cooperation between Vietnam and IRRI would mark a new step of development between the two sides in the rice sector. Although rice sector



development is considered of high importance, Vietnam still needs to deal with enormous challenges to enhance this strength, like improving the productivity, quality and added value in the rice sector and bringing higher incomes for rice farmers in the context of cultivation area, which are being constantly narrowed. On the other hand, Vietnam must prepare to adapt to climate change, which is expected to have a great impact on

key rice cultivation areas, primarily the Mekong Delta.

Director general of IRRI Robert S. Zeigler expressed pride in the contribution of IRRI to the achievements in rice production of Vietnam. He also assessed that the experience of Vietnam would be an example in agricultural development for many other countries. In the future, IRRI and Vietnam will closely coordinate to research on climate change for the entire Southeast Asian region.

According to the experts, the rice varieties of IRRI or derived from IRRI have been planted in 60-70% of the rice cultivation areas nationwide, contributing to the improvement of productivity, yield and quality of rice in Vietnam in recent years. Every year, IRRI provides Vietnam with thousands of new rice lines and varieties, as well as valuable materials for research and breeding. Besides, thousands of PhD students, trainees and scientists of Vietnam have been trained or sponsored for training by IRRI.

IRRI also assists research institutes of Vietnam to access to new researches in the field of rice in the world; implement a number of projects in key areas such as seed production, plant protection and rice nutrition requirements.

AGRICULTURAL COOPERATION BETWEEN VIETNAM AND THE NETHERLANDS: GREAT POTENTIAL

In the past years, the cooperation between Vietnam and the Netherlands in agricultural sector has made important strides. In the near future, this partnership has the opportunity to reach even greater heights, when the connection between agricultural enterprises of the Netherlands and partners in agriculture sector of Vietnam becomes closer.

Vietnam and the Netherlands signed a strategic partnership agreement on water resource management in 2010 and are expected to sign a strategic partnership agreement in the agricultural sector in 2013.

Currently, Vietnam is among the 11 countries around the world testing the model public-private partnership (PPP) in agriculture, with the participation of 20 groups and leading companies in the world, including the Netherlands .

To enhancing competitiveness in exporting seafood, Neitherland has supported Vietnam becomes a full member of the Central Committee of Fisheries and the Western Pacific (WCPFC). Neitherland also facilitate for applying PPP with coffee value chain toward towards sustainable production in Vietnam in 2020.

Additionally, Netherlands supports Vietnam in developing a national strategy for food and water for ecosystems, food safety, sustainable tuna farming and join international fisheries



Opening Ceremony Cocoa Development Center under the Public Private Partnership project for cocoa development between Vietnam and the Government of the Netherlands

agreements. Dutch help Vietnam to carry out comprehensive studies to assess environmental impact of tra catfish in the Mekong Delta region, thereby helping to ease concerns about the impact on the world of aquaculture production environment in this area.

To exploit further the strong agricultural cooperation between the two countries, beginning in 2013, a group of Neitherland agricultural enterprises named ABC Logistics, Kooppert Biological, Hortimax, LBP BV, Nederlandse, Priva Asia, Eidder Driver, Stoop Flowerbulbs Holland ... joining in PPPs. These businesses bring to Vietnam the advance and high-tech and help to increase value from seed to food processing.

FAO CALLS FOR STRONGER INTERSECTORAL COOPERATION TO CONTROL RABIES

On May 13 – 14, 2013 in Hanoi, the Department of Animal Health and FAO held a national workshop on rabies to present findings of a study on the topic, discuss strategies of preventing and controlling rabies in a larger scale, and learn lessons from rabies management of Southeast Asian neighbors (Philippines, Thailand, and Indonesia).

The workshop gathered about 60 senior representatives and technical experts from ministries/sectors, international and regional partner organizations (WHO, OIE, FAO, World Society for the Protection of Animals (WSPA), provincial representatives and other relevant stakeholder groups.

Dr. Scott Newman, Senior Technical Coordinator of FAO, said: “To achieve a better strategy for disease prevention and control, we must overcome the challenges of coordination policies and resolve the technical and communication drawbacks. FAO highly recommends building an effective intersectoral coordination mechanism, so that additional relevant stakeholder groups and sectors can be mobilized to closely cooperate with the Public Health and Animal Health sector”.



ADB ASSISTS VIETNAM TO DEVELOP LOW-CARBON AGRICULTURE

On March 7, 2013, Asian Development Bank (ADB) and the Government of Vietnam signed two loan agreements with total value of 111.88 million USD to assist Vietnam to develop low-carbon agriculture.

The Country Director of ADB in Vietnam, Mr Tomoyuki Kimura said that agriculture sector involves high greenhouse gas emissions, especially in the livestock sector. Meanwhile, livestock sector is effectively contributing to poverty reduction and economic development in rural areas. Therefore, the pressure of livestock sector on the environment will become higher.

The 74 million USD loan from the Asian Development Fund of ADB (ADF) will be used to fund The low-carbon agricultural support project, which focuses on developing infrastructure for agricultural waste management and facilitating transfer of technology on agricultural waste management.

The objectives of the project are to reduce agricultural pollution and contribute to make a cleaner environment in 10 provinces of Vietnam. Another loan worth 37,88 million USD from the



ADF will be used for the construction support and project preparation fund to help Vietnam initiate, prepare and better implement the projects funded by the ADB, ensuring aid effectiveness. Mr Tomoyuki Kimura also confirmed that the ADB is willing to help Vietnam realize the vision of low carbon emission and agricultural production transformation towards sustainable and environmentally friendly development.

AGRICULTURAL TRADE RICE EXPORT VALUE REACHED 1 BILLION USD

According to Vietnam Food Association (VFA), from May 1 – 16, 2013, national rice export volume reached 233,645 tonnes, earning 95.756 million USD in FOB value and 105.798 million USD in CIF value. Since the beginning of this year, rice export volume has totalled 2.385 million tonnes, earning 1.038 billion US dollars in FOB value and 1.087 billion in CIF value.

Up to now, rice export volume reaches about 30% of the 7.5 million tonne target set by VFA at the beginning of the year. In 2012, Vietnam exported 7.72 million tonnes of rice.

Global rice market is currently in a gloomy period in terms of both prices and number of transactions, thanks to excess of supplies.



According to the Food and Agriculture Organization of the United Nations (FAO), global rice yield will increase by 2.1% to 497.7 million tonnes in this year. Rice inventories are expected to reach 171.8 million tonnes because of excessive supply.

According to FAO data cited by Bloomberg, the FOB price of Vietnam 25% broken rice, a standard type in Asia, has dropped from 373 USD/ton in January to 361 USD/ton in April. Meanwhile, the price of India rice of the same type has increased from 398 USD/ton to 418 USD/ton and that from Pakistan stayed at 378 USD/ton in April. (Vneconomy)

FRUIT AND VEGETABLE EXPORTS WITH THE 1 BILLION USD GOAL

From 2007 to present, fruit and vegetable export industry always achieved double-digit growth rate. According to the Food and Agriculture Organization of the United Nations (FAO), global consumption demand of fruits and vegetables increased averagely by 3.6% per year, while fruit and vegetable yield increased by only 2.8%.

According to Vinafruit, fruit and vegetable export value is likely to reach 1 billion USD in 2013. For the first 4 months of this year, fruit and vegetable export turnover increased by 17% compared to the same period last year.

The Plant Protection Department of the Ministry of Agriculture and Rural Development has been working with other countries to gradually remove the technical barriers to trade and quarantine procedures on many fruits such as pitaya, rambutan and longan, etc... These items are already imported into the US, Japan and Australia, among others. From June 30, 2013, after 1 year of closing, Vietnam fresh fruit and vegetables will be granted quarantine permits to be exported to the countries of the European Union (EU). Thus, export value could reach 1 billion USD this year (instead of 2015 as expected), if there



Vegetable production under VietGAP standard for export to Europe at Phuoc An Cooperative in Binh Chanh District. Photo: Cao Thang

is a clear direction towards establishing specialized growing areas of pitaya in Binh Thuan, lychee in Bac Giang, vegetables in Da Lat, etc... However, the production process must meet international standards of Global GAP and ensure good post-harvest preservation.

LEGAL DOCUMENTS IN THE FIELD OF AGRICULTURE AND RURAL DEVELOPMENT ISSUED IN APRIL - MAY 2013

| Issue date | Content |
|-----------------------|--|
| Prime Minister | |
| 13/05/2013 | Decision No. 735/QĐ-TTg on approval and signing of the “Memorandum of Understanding between the Government of the Socialist Republic of Vietnam and the Government of Brunei Darussalam on agricultural and fisheries cooperation.” |
| 26/04/2013 | Decision No.23/2013/QĐ-TTg on promulgating the regulation on coordination of management of natural resources and protection of marine and island environment. |
| 04/04/2013 | Decision No.550/QĐ-TTg on approval of the “Communication project on the prevention of transport and trading of illegal poultry and poultry product imports and food safety.” |
| 04/04/2013 | Decision No. 551/QĐ-TTg on approval of Program 135 on infrastructure investment and production development support for communes with extreme difficulties, border communes, safety zone communes and villages facing extreme difficulties. |

| Government Office | |
|--|--|
| 07/05/2013 | Notice No. 191/TB-VPCP on the conclusion of Deputy Prime Minister Nguyen Thien Nhan of the working visit in Ha Nam Province on the application of technological advances in agriculture, production development and services. |
| 24/04/2013 | Notice No. 178/TB-VPCP on the conclusion of the Prime Minister at the conference on implementation review of pilot support measures for poor households on improvement of safety housing conditions and flood response in the north central and central coastal regions. |
| 23/04/2013 | Decree No. 38/2013/ND-CP on management and use of official development assistance (ODA) and concessional loans from donors |
| 16/04/2013 | Notice No. 164/TB-VPCP on the conclusion of Deputy Prime Minister Vu Van Ninh at the conference on review of 10 years of implementation of Resolution No. 28/NQ-TW of the Politburo on rearrangement and renovation of state farms and forest enterprises. |
| Ministry of Agriculture and Rural Development | |
| 06/05/2013 | Circular No. 24/2013/TT-BNNPTNT on regulations of alternative forest plantation for forest conversion to other purposes. |
| 04/05/2013 | Circular No. 23/2013/TT-BNNPTNT on regulations of amelioration of poor-nutrient natural forest as production forest. |
| 24/04/2013 | Decision No. 887/QD-BNN-KHCN on approval of the List of regular and ministerial-level tasks in 2013 of National key laboratory of sea and river hydraulics. |
| 17/04/2013 | Circular No. 21/2013/TT-BNNPTNT on promulgating the List of permitted, restricted, and banned pesticides and the supplementary list of plant varieties permitted for production and trading in Vietnam. |
| 02/04/2013 | Decision No. 699/QD-BNN-HTQT on approval of the project "To develop policies of sustainable forest management and promote forest certification in Vietnam" funded by the Trust Fund for Forests (TFF) |
| 02/04/2013 | Decision No. 691/QD-BNN-HTQT on approval of the project "Development of Management Information System for Forestry Sector in Vietnam - Phase II" funded by the Government of Finland. |
| 01/04/2013 | Decision No. 677/QD-BNN-TCCB on defining functions, tasks, powers and organizational structure of Northeast Forest Science Centre under the Forest Science Institute of Vietnam. |
| 01/04/2013 | Decision No. 676/QD-BNN-TCCB on defining functions, tasks, powers and organizational structure of South Central Coast and Central Highlands Forest Science Institute under the Forest Science Institute of Vietnam. |
| 01/04/2013 | Decision No. 675/QD-BNN-TCCB on defining functions, tasks, powers and organizational structure of Northwest Forest Science Centre under the Forest Science Institute of Vietnam. |
| 01/04/2013 | Decision No. 688/QD-BNN-TY on approving the implementation plan of rabies control and elimination program in 2013-2015. |
| 01/04/2013 | Official Dispatch No. 1072/BNN-QLCL on planning of the project on food safety control of imported goods. |
| Ministry of Finance | |
| 06/05/2013 | Circular No. 57/2013/TT-BTC, amending and supplementing Circular No. 121/2011/TT-BTC dated August 17, 2011 of the Ministry of Finance, on guiding some articles of Decision No. 315/QD-TTg dated March 1, 2011 on the implementation of pilot agricultural insurance in the period of 2011 – 2013. |
| 03/05/2013 | Circular No. 52/2013/TT-BTC on guiding of support for organizations and units using employees who are ethnic minorities in mountainous areas and areas with extreme difficulties under Decision No. 42/2012/QD-TTg dated August 8, 2012 of the Prime Minister. |
| Ministry of Natural Resources and Environment | |
| 24/04/2013 | Circular No. 04/2013/TT-BTNMT on regulations of land database development. |
| Ministry of Foreign Affairs | |
| 08/04/2013 | Official Gazette No. 20/2013/TB-LPQT on the validity of the Agreement between the Government of the Socialist Republic of Vietnam and the Government of the Republic of Kazakhstan on cooperation in the field of plant protection and quarantine. |