

Hanoi, October 21, 2004

## **DIRECTIVE**

### ***Issued by the Minister of the Ministry of Agriculture and Rural Development on the planning for agriculture and rural development of 5 year duration 2006-2010***

To realize the Directive issued by the Prime Minister No. 33/2004/CT-TTG dated September 23, 2004 on the planning for economic and social development for 5 year duration 2006-2010; to well plan for the rural development and rural economy, the Minister of the MARD issued the directive for the directors of DARDs in the provinces and central cities, heads of units under MARD on the following issues:

#### **I. Requirements for the plans of agriculture and rural development for 5 year duration 2006-2010**

The plans for the agriculture and rural development for 5-year duration 2006-2010 should meet the demands of comprehensive and fast development to create an impetus change for improved productivity, quality and effectiveness in rhythm with the economic international convergence. Economic growth must be connected to the improved effectiveness and the competitiveness, poverty alleviation, to increase the materials, cultural values for the farmers, to protect and improve the ecological environment. Therefore, DARDs and affiliated units must:

1. Basing on the domestic and international market demand forecast, the tendencies of science and technology development, start the review and the amendment on the plans to change the structure of agriculture and forest production, provincial rural economy, city economy; master plans for the commodity blocks and the key products for the Corporation, and Companies. Those master plans are to identify the objectives for the 5-year duration 2006-2010 with the perspective of 2015, 2020.
2. The objectives for the agriculture and rural development plans and the work plans of the affiliated Corporations, companies must rely on the Strategy of Sector Development, the strategy for social and economic development of the provinces and the cities and the Programs on animals and plants development, rural development approved by authorized levels; at the same time, the commitments to international agreements must also be ensured.
3. The plans must ensure the implementation of requirements – the realization of our country's commitments in the ASEAN AFTA, starting the implementation of commitments on the way to WTO, the bilateral agreement to increase the competitiveness of the agriculture, ensuring the effective undertaking of opportunities and confronting the new challenges.

4. The 5-year plan must pay proper attention to the improvement of productivity, quality and the effectiveness of production, and business, including the hi-tech, in all the processes from the agricultural and forestry production and storage and to the processes and consumption.
5. The 5-year plan must continue the renovation in policies and mechanism, to encourage and facilitate all the economic components to participate in the agriculture and rural development. The state continue the priority given to the investment into the agriculture – forestry in which there is an investment part for modernization of research institutions, facilities for science and technology transfer, human resources training, irrigation development, rural transport roads, safeguarding the dike and dams systems, rural water supply and sewerage development. In the development of irrigation, the orientation to social and economic development objectives in each of the areas.
6. The 5-year plan must continue the renovation to improve the effectiveness of governance with the enhancement of administration reform. The DARDs, Departments and Divisions should convert into the fulfillment of governance functions in the new economic mechanism of management; increase the delegation, empowerment of levels; with renovation of master planning and work planning.

## **II. Agriculture and forestry 5 year plans for 2006-2010**

The contents of the agriculture and forestry plans for 2006-2010 must concentrate on the following issues:

### **1. Assessment on implementation of agriculture and forestry development plan of 2001-2005:**

Basing on the result of the 2001-2003 plan implementation, estimates of output in 2004 and plan for 2005, the units should start the Assessment on implementation of agriculture and forestry development plan of 2001-2005, with focus on the followings:

#### **1.1. Assessment on implementation of agricultural structure change, and rural economy:**

- Assessment on implementation of agricultural structure change, and rural economy, highlighting the change in the sector structure and the products. Make assessment on the development in quantity (area, scope, development rate of each of the commodities) analyze and assess on the quality of growth: productivity, quality, cost, effectiveness of the production, and the business. Evaluation is to be made on the movement of fields and farms of high value of over VND 50 million/ha.
- Assess the industry of agricultural products processing, services in rural areas.
- Assess the current situation and the results of implementation of the 5 million hectare forest project, the development of the forestry.
- Assess the development of salt production.
- Assess the business of agricultural and forest product sales, particularly the goods for export and imports.

**1.2. Assessment on the development of irrigation schemes, dikes and dams, flood and typhoon prevention and natural disaster mitigation.**

- Current situation on the construction of irrigation works, the management of the irrigation system.
- The investment, rehabilitation of and upgrade of the dikes and dams, the management over the dikes and dams.
- Situation of natural disaster and the measure for mitigation.

**1.3. Assessment on the rural development**

- Assess implementation of programs in poverty alleviation and hunger eradication; employments, income generating, Program 143, 135, permanent settlement, permanent cultivation, migrants to new economic zones.
- Assess the development of rural infrastructure, the implementation of rural water supply and sanitation and environment.
- Assess the construction of model and the multiplication of the models for new rural life.

**1.4. Assessment on the results of mobilization of rural development solutions focusing particularly on:**

- Assess the implementation of Program crops - domesticated animals and plant species for forestry; the results of research and technology transfer into the production, application of the modern techniques, production of high quality and clean products to meet the demands in the market.
- Outcome of the solutions for domestic market stabilization, promotion in the export market expansion; the implementation and situation of the Decision No. 80/2002/QĐ-TTg issued by the Prime Minister on the encouragement the consumption of agricultural product through the form of contract.
- The situation of the production relationship renovation; renovation and improvement in the activities of Cooperatives; re-structure of state forestry enterprises, agriculture farms; equitization of state owned enterprises and corporate units; development of small and medium sized business organizations; development of household economy for commodity production; private farms, private economy.

The corporations, companies should make assessment on the restructure for renovation, equitization, measures in improvement of production and business, adjudge the structure of production to fit in the consumption market; situation of the investment into the development of raw material area; diversification of the products; expansion of the market; building up the business image, trade mark and label; improvement of the product quality and competitiveness.

The training units should assess on the new renovation of mechanism for activities, the results of research and studies, to meet the demand in reality, to contribute to the fast and sustainable development of the sector; the implementation of the Decision 192 issued by the government on the amount of work contract and the expense for administrative

overhead cost; the Decree No. 10 issued by the government on the financial application for educational units with self service income sources.

The situation and the results of the Administration Reform, enhancement of the governance, particularly the management over investment into the civil construction, forest protection and management, product quality control.

## **2. Objectives and the main duties of the plan for agriculture and rural development for 5 years 2006-2010**

### **2.1. Development objective**

The overall objective: continue the thrust of commodities production in agriculture with productivity, quality and competitiveness, high rate of growth, stability, basing on the application of achievements in advanced science and technology. Build up the new socialist rural life with reasonable economic structure, appropriate production relationship, developed infrastructure, and improved life for the farmers both in material and morality.

### **2.2. Orientation and the main tasks**

MARD requires DARDs and affiliated units to concentrate on the implementation of objectives and following main tasks:

#### ***(1) On salt production, agriculture and forestry***

- Implement the change of structure connected to the modern cultivation; striving to achieve a parameter of growth rate of 4-4.5% annually.
- Complete the master plans of the commodities areas, connected to processing and the consumption market, particularly the export market. Develop the advantageous and potential goods that have the market for consumption. Continue change rice cultivation land and/or low yield cropland with scanty market into the aquaculture and other type of crop cultivation in order to achieve higher effectiveness, including the planting feed crop, and high valued trees.
- Plan for areas to plant raw material trees for pulp, paper production, artificial canvas, supply wood for wood processing and export wood furniture, wood for construction, and in-house wood use. Apply the method of sustainable management over the forest so as to maintain the long-term forest land. Increase the pace of reforestation of economic efficiency. Continue the existing measures for forest protection.
- Push up the process of industrialization, modernization, of the salt production; multiply the model of clean salt production; create the high productivity and quality to meet the consumption and industry demands, so that later stop the import of industrial salt.
- Prepare and make ready the contingent plans to fight natural disasters such as flash flood, inundation, draught, and forest fire.

#### ***(2) On development of rural industries***

- Develop the processing industries for agricultural, forest products to create stable market for farmers and increase the value of the products; concentrate on the export goods series, which have been the main force for export and international

competition such as; rice, coffee, rubber, tea, cashew, pepper, and some kinds of vegetables and fruits, to ensure the growth rate not lower than 12%.

In the field of forestry product processing, investment in depth is recommended to be strengthened: with the renovation in technology and equipment of the existing facilities; encourage the construction of new processing factories to process the forest products with high values. Create conditions for supporting the artifact handicrafts and develop the facilities for processing special forest products, pine resin, lac, cinnamon, and anise.

- Prepare policies to support actively the development of the handicraft career village, encourage the families, private entrepreneur, Cooperatives, small and medium sized enterprises to make investment into the abundant and various handicrafts.
- Popularize the services in rural areas; attract the participation of all the economic components to ensure the supply of services for the production and life of the people.
- Encourage the economic components to make investments into the small and medium sized entrepreneur in the areas of post harvest, services. Support the concentration of industrial and service clusters with appropriate size in districts, and big handicraft career villages.

### ***(3) On rural development***

- Continue the implementation of special measures to support the hard life remote areas to alleviate the poverty and eradicate the hunger, to create the conditions for the farmers to access the health care and education, culture and improvement of life. Implement the programs of poverty alleviation and hunger eradication, create jobs, program 135, rural clean water supply and sanitation; integrate the programs in the same location to achieve higher efficiency.
- Continue the mobilization of capital sources for investment into the infrastructure construction in the rural areas; priority is given to practical effective works for production and the farmer's life.
- Plan and instruct the farmers to realize the measures for new rural life with developed infrastructure, healthy culture, and maintained security.

### ***(4) On science, technology and training***

- Set up a powerful and complete system of science and technology researches to absorb and manage the advanced technology, creating technical advances to meet the demands of modernization and industrialization.
- Change the mechanism of research management, by means of connecting with real production.
- In the next 5 years, the study and research should concentrate on the: selection of plant and animal species with high yield and high quality, adaptable with the local conditions; on the methods for intensive cultivation, animal feeding; post harvest technology; issues in economy, management in the mechanism of market. Attention should be made to study the techniques for the central areas and the mountain areas.

- Strengthen the system of extensionists; increase the application of research results. Each institute, vocational school should build up the demo-spot of high techs.
- The training institutions should orient into the human resource development for industrialization, modernization of the rural area. Diversify the types of trainees; priority is given to the vocational training for rural laborers; management for the Cooperative heads, farm owners, small and medium sized entrepreneurs.
- Strengthen the veterinary service, plant protection, and agriculture material quality control, control the production, business and use of chemicals, pesticides, veterinary medicines and fertilizers.

***(5) On market for consumption of agriculture products basing on the international convergence***

- Pay proper attention to the domestic markets, particularly the rural markets, the mountain markets, to create the strong links with all the regions and zones in the country. Organize the trade fairs, exhibition, advertisements, products presentation, customers links and partner in business, promote the domestic circulation of goods.
- Facilitate the private commerce (individual and household) together with the Cooperative forming a network of main consumption agents, and become the important partners in signing contract with business enterprises in consumption of agriculture products, supply of agriculture materials and commodities to and for the farmers.
- Realize the commitments with ASEAN in agriculture, particularly the food safety, commerce promotion, veterinary, plant protection, forestry, prepare the commitments with WTO in agriculture, plants and animals quarantine, veterinary with agricultural product importers.
- Support and instruct the business enterprises to expand the export market for forest products, organize the commercial promotion; set up and run a system of agricultural product quality control; instruct the business enterprises to register and protect the trade marks.
- Enhance the communication and the market forecast to meet the demands in the orientation of investment and production development of the enterprises and the farmers.

***(6) Orientation in civil construction and investment management***

For the next 5 years, the investment sources from the state budget and others are still scanty. Therefore the civil construction plans in for 5 years (2006-2010 must be adjudged with more focused investment, and intensiveness, paving the way to facilitate the change of economic structure in term of agriculture, forestry and rural area. Improve the competitiveness of agricultural products and the production efficiency, with the following specific direction:

- Priority is continuously given to programs, projects of selection – creation-multiplication of seeds and species, and forestry; upgrade the science research facilities, vocational schools, DCDC projects, Program 135, Rural water supply and sanitation program, project of new reforestation of 5 million hectares. Allocate sufficient funds for foreign investment projects, support the export, support the

trade promotion, searching the markets for export; enhance the information and communication on markets.

- Irrigation: priority is given to investment allocated to strengthening of dikes, safe works for reservoirs, works for safe productions and life, works potentially has efficiency and usefulness once it is completed, investment for irrigation for the subordinate crops, industrial crops and fruits trees, aquaculture, salt production.
- Continue the instruction for implementation the Directive 29/2003/CT-TTg dated December 23, 2003 issued by the Prime Minister on the enhancement of investment management and construction that use the state capital fund, ensure the principles in the construction and plan implementation; conduct well the controls, supervision, and assessment on sector's internal investment in all levels, units, timely detection and solutions are needed for impeachment of regulations in investment management.

**(7) Continue the re-organization and renovation in agriculture and forestry production**

- Create conditions for the family economy to develop basing on the principle of encouraging the households with potential capital, labor force and experience to expand the production in the model of farms. Poor households are supported and facilitated to overcome the poverty and to make rich.
- Implement the policies of economic cooperation, promotion of private economic sector, particularly the small and medium sized enterprises in rural areas in order to facilitate the change in production structure and labor structure.
- Renovate and improve the effectiveness of activities in state owned forestry enterprises; complete the plan for re-arrangement of state own business corporate enterprises in industry and services.

**III. Schedule of the 5 year plan 2006-2010 setting and the assignment for the implementation**

**1. On the schedule for plan setting**

- By October 2004, DARDs in the provinces and central cities, and units under MARD are expected to comprehend the Directive and bring it to grass root level units to make 5 year plan. The Department of Planning in collaboration with the Bureaus, other departments to set up the frame work for key parameters.
- In November 2004, DARDs in the provinces and units under MARD continue the 5-year planning for 2006-2010. By November 15, 2004, DARDs in the provinces and central cities should have collated the plans form districts, towns, and units under DARD; to organize workshops and discussions with local agriculture and forest units, submit the plans to the Provincial People's Committees, cities. By December 5th, 2004, DARDs in the provinces and central cities, and units under MARD should send the reports to MARD (Planning Department) for consolidation to submit to the Prime Minister.
- In December 2004, the Planning Department (MARD) consolidate the plan of agriculture and rural development for 5 year 2006-2010 of the whole sector; cooperate with Bureaus, departments, MARD office to hold discussions and workshops with the scientists, managers, DARDs representing regions and

affiliated units to produce the Draft plan for presentation in January 2005 before the Prime Minister and the other related Ministries.

## 2. Assignment for implementation

- The Planning Department in cooperation with Bureaus, departments to set up and consolidate the 5 year plan 2006-2010 of the whole sector and then organize workshop to get comments and to finalize the version.
- The bureaus set up the 5 year plan 2006-2010 which comprises the production plan, processing, consumption, civil construction investment for the whole sector within the operating scope of the bureau, the consolidate into a version to send to the Planning Department to ensure the above schedule.
- The functional departments set up the 5-year plan 2006-2010 within the specified scope of the departments to send to the Planning Department for consolidation in the above schedule.

Setting up the 5 year plan for 2006-2010 is particularly significant, with preparation of essential and sufficient factors for the development of the whole sector for the coming years, to contribute actively into the preparation of the Tenth nation wide Party Congress. Therefore, MARD request the accountability of directors of DARDs, directors of Bureaus, and departments, Officer in chief of MARD Office and heads of affiliated units in the implementation of this Directive.

### ACTING MINISTER OF MARD

**Recipients:**

- DARDs
- Bureaus, Departments
- Corporations, companies under MARD
- Vocational schools
- Institutes of planning and science research
- Centers, and other training institutions
- For files and archives in MARD office

(Sealed and signed)

**CAO DUC PHAT**