

**INTERNATIONAL COOPERATION IN
AGRICULTURE AND RURAL DEVELOPMENT**

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BEST WISHES FOR 2004: GOOD LUCK, GOOD HEALTH AND HAPPINESS

- **Minister of Agriculture and Rural Development organized year - end reception to cheer donor representatives**
- **The Agriculture Sector strives for a 4.6% growth rate in 2004**
- **Ministerial Meeting on the current poultry disease situation**
- **Vietnam - Australia Cooperation Development**
- **Activities under prepared by ISG Secretariat**
- **Poverty Taskforce Meeting**

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Development organized year - end
reception to cheer donor
representatives**

Hanoi, January 15 2004- at the head quarter of the Ministry, no 2 Ngoc Ha, Ministry of Agriculture and Rural Development with the support of the International Support Group (ISG) held a reception to celebrate the beginning of the Monkey Year with donor community and international experts working in the agriculture and rural development sector.

Attending the reception was ambassadors to Vietnam of 20 countries which have embassy in Hanoi including Australian, Dutch and US Ambassadors to Vietnam, ADB Country Director in Viet Nam, representatives of other donors and organizations working in the agriculture and rural development sector.

In a friendly and intimate atmosphere, the Minister of Agriculture and Rural Development Le Huy Ngo pointed out achievements of the sector in the past time and strategies and goals that the agriculture and rural development sector will try to obtain in the time to come.

On behalf of multilateral donors at the reception, Mr. Bradford Phillips, ADB Country Director in Viet Nam responded the Minister. In his words, Mr. Bradford Phillips confirmed the continued commitment of ADB in cooperation and development of the agriculture and rural sector.

Also at the ceremony, Ambassador of the Royal Netherlands Embassy to Vietnam, Mr. Geber de Jong highly appreciated the achievement of the agriculture and rural development sector in the past time. He also expressed his belief of closer cooperation between the two countries Vietnam and Netherlands in the future.

Source: ISG Secretariat

**The Agriculture Sector strives for a
4.6% growth rate in 2004**

At the Conference to disseminate year 2004 work plan of the agriculture and rural development sector held in Hanoi on January 2nd and 3rd 2004, Minister Le Huy Ngo highlighted the planned goals of the 4.6% growth rate and exports of agro-forestry products worth \$ 3.25 billion.

Minister Le Huy Ngo outlined that the obstacles and challenges in 2004 such as unexpected natural disaster and weather as well as lack of investment

capital, and tariff cuts according to the AFTA commitment would put great pressure on the agriculture and rural development sector in the time to come.

"In 2004 the agriculture sector should focus on planning and projection review and development of investment policies to manage and implement plans and projections, intensifying the application of science and technology advancements, especially of processing and post-harvest preservation technology to improve quality and competitiveness of Vietnamese agricultural products" Deputy Prime Minister Nguyen Tan Dung emphasized at the Conference.

Planned objectives of the agriculture and rural development sector in 2004:

- Agricultural structure: cultivation 70%, husbandry 25%, and other 5%.

- Food production is 36.7 million tons, in which rice yield and corn are 34.2 and 2.5 million tons respectively;

- Industrial crops: coffee 700,000 tons, dry rubber latex 350,000 tons;

- Meats: 2.7 million tons

- Agro-industrial product exports: \$ 3.25 billion

- Afforestation of special protection forests: 88,000 ha; Afforestation of production forests: 130,000 ha; improving the forestry covering rate to 40%

- The rate of rural residents has access to clean water is 58%.

Source: MARD

Ministerial Meeting on the current poultry disease situation

January 28, 2004 – Agriculture and Health Ministers and senior officials of Cambodia, China, Republic of Indonesia, Japan, Republic of Korea, Laos, Malaysia, Singapore, Thailand, the United States, and Viet Nam, with the European Commission represented as an observer, met in Bangkok, Thailand.

The Ministers recognized that the outbreaks of the disease in affected countries do not only severely affect the poultry industry but also is a potential threat to human health, unless decisive actions being taken. Containment requires closer cooperation among governments, communities and businesses through the appropriate regional and international organisations, and other mechanisms as necessary.

The Ministers advised careful monitoring and investigation to guard against possible human to human H5N1 transmission. Currently, such transmission has not been scientifically demonstrated and travel advisories currently are not called for.

Recognizing the potential serious impact of Avian Influenza on global public health, livestock production, trade and economic development, the Minister decided to take action on nine commitments in order to keep the outbreaks under control. (please contact ISG Secretariat at isgmard@fpt.vn or isginfo@mard.gov.vn for more information.

Source: ICD-MARD

Vietnam - Australia Cooperation Development

Australian embassy in Vietnam announced the Vietnam - Australia Cooperation and Development Strategy 2003-2007. This document has been developed based upon the development cooperation experience and achievements during the past ten years and has been approved by the two Governments in 2003. The new strategy 2003-2007 emphasizes on more concentrate supports to deal with great challenges of development. Two main objectives of this Strategy are:

- Comprehensive growth by improved management of necessary institutions to facilitate a competitive market economy.

- Support the poor in the Mekong River Delta and the Central coast areas to improve the productivity and marketing.

Source: Ausaid

Poverty Taskforce Meeting

Ministry of Planning and Investment (MPI) in cooperation with the UK Department for International Development (DFID) held Poverty Taskforce Meeting in Hanoi on February 1st 2004. The meeting attracted the participation of agencies, organizations and donors acting in comprehensive poverty reduction and growth strategy (CPRGS) implementation in Vietnam such as: MPI, Ministry of Labor, Invalids and Social Affairs, Ministry of Agriculture and Rural Development, Ministry of Home Affairs, World Bank (WB), Asian Development Bank, United Nations Development Programme, GTZ, DANIDA, Ausaid...

Participants to the meeting had a chance to listen to reports on achievements and next steps for Regional Poverty Assessment, CPRGS-rolling out to the provincial level and practical experience in implementation of CPRGS of the province of Gia Lai-Dak Lak (ADB), Tra Vinh (UNDP) and Lao Cai (DFID).

Also in the sessions, a common template for implementation of CPRGS at provincial level was introduced by WB's representative for discussion.

Source: DFID

Seminar on the impact of public spending to growth and poverty reduction in Vietnam rural areas

Hanoi January 9th 2004 - Central Institute of Economic Management (CIEM) and World Bank organized a seminar on "Impact evaluation of public expenses to growth and poverty reduction in Vietnam". This study, which was donated by WB and whose implementation was led by CIEM, was carried out by civil servants of CIEM and Ministry of Agriculture and Rural Development (MARD) with the technical assistance of International Food Policy Research Institute (IFPRI).

The main objectives of this study:

- Data collection and change analysis on public expense level and structure (including investment and regular expenses) for Vietnam rural areas and explanation for this change.

- Impact analysis of public expenses of each sector to growth and poverty reduction in rural areas and quantifying the interchange nature and mutual interaction between these two objectives. The study also touched upon the investment impacts to agricultural ecological characteristics of regions such as transportation infrastructure and market access.

- Strengthening capacity for Vietnamese research staff and policy analysts on impact analysis methodology of public investment.

Please <http://www.isgmard.org.vn/Information%20Service/Report/General/GOV%20Spending%20draft%20Jan-04-e.pdf> to read draft version of this study.

click

Source: CIEM

Study on Vietnam Bilateral Trade Agreement (BTA) with the US

Under the framework of the ASPS, the study on Vietnam Bilateral Trade Agreement (BTA) with the US: Economic projections to 2020 and Implications for agriculture is being conducted. This study presents an empirical assessment of the long term economic effects of Vietnam's bilateral trade agreement with the United States (USBTA).

The bilateral trade agreement that Vietnam has negotiated with the United States has far reaching implications for its domestic economy, as well as for its place in regional and global trade. If the current agreement is implemented by both sides, there will very substantial external market opening and alignment between international and domestic Vietnamese prices. If US standards for market openness and institutional transparency are also implemented, both domestic and international economic interests can be expected to dramatically increase their commitment to accelerated and sustained economic growth in the country.

Using a dynamic forecasting model, it is indicated that, while agreements like the USBTA are essential to fuller Vietnamese

participation in the global economy and economic modernization generally, they are only a partial step toward realizing the country's great economic potential. Some observations have been drawn up as followings:

- Substantial reduction in nominal import protection and other barriers to trade, but the gains Vietnam could enjoy from external liberalization will be limited if without comprehensive and sustained domestic reform.
- Intensification of Vietnam's traditional comparative advantages.
- The USBTA has potential to nearly double the gains from Vietnam's existing trade initiatives, significantly diversifying its export demand, and contributing to capital formation and technology transfer.

Source: ICD-MARD

Activities under prepared by ISG Secretariat

- In cooperation with Department of Animal Health to hold a seminar on "Action Plan to control bird flu". This seminar is attracting concerns and support from international donors working in the agriculture and rural development sector.
- Preparation for the 3rd seminar of the Thematic Adhoc Group 3 (TAG3) on supporting the implementation of CPRGS in the field of agriculture and rural development.
- Preparation for an adhoc meeting of Thematic Ad hoc Group 2 (TAG2) on priorities in integrated management of water resource in Vietnamese river basins (see the enclosed for more detail)

TAG2 ad-hoc meeting on Priority Integrated Water Resources Management Issues in Vietnamese River Basins

As agreed at the last meeting of the ISG Thematic Ad-hoc Group 2 (TAG2) on Support to Hydraulic Works Development, Disaster Control, and Rural Water Supply, held 17 November 2003, an ad-hoc meeting on Priority

Integrated Water Resources Management Issues in Vietnamese River Basins would be organised on 12 February 2004, co-chaired by Dr. Pham Hong Giang, Vice Minister of MARD, and Pieter M. Smidt, Principal Project Implementation Specialist, ADB Viet Nam Resident Mission. Composition will be TAG2 members (including donors, INGO and relevant national agencies), and representatives of three river basin organizations.

The main purpose is to compare the three river basins, their water resource endowments vs. demand and the priority integrated water resources management (IWRM) issues and challenges in each basin from both the stakeholder and technical perspectives.

Meeting output will be a discussion of the implications for existing and future IWRM projects in the three basins.

Topics will include:

- Priority IWRM Issues in the Dong Hai River Basin
- Priority IWRM Issues in the Cuu Long River Delta
- Priority IWRM Issues in the Red River Basin
- Start-up of RBM for Ca and Srepok Rivers
- Comparison of Priority IWRM Issues in Three Basins
- Arrangements for Future TAG2 Meetings eg. on PIM, Water Rights and NGO Cooperation etc.

Source: ISG Secretariat