

ISG Secretariat : Room 209-210 Building A9 - 2 Ngoc Ha, Hanoi – Tel: (84-4) 733 6610 – Fax: (84-4) 733 6624
Email: isgmard@fpt.vn – Website: <http://www.isgmard.org.vn>

Issue No. 19 - February 2005

In this issue:

[German Reconstruction Bank continues its support for Vietnam forestry sector](#)

[Signing cooperation agreement between Vietnam Ministry of Agriculture and Rural Development with its Poland counterpart](#)

[The 4th Meeting of Inter-government Committee between Vietnam and Iran](#)
[MARD asks for support in implementation of Law and ordinance development program to 2010](#)

[Six Key Solutions to Steer the Implementation of Socio-economic Plan in 2005](#)

[Five Solutions for Sustainable Development of Tea Industry](#)

[Summarizing 3 Year Operation of Partnership Assisting Poor Communes \(PAC\)](#)

[Training to strengthen project monitoring and evaluation capacity](#)

[Reporting on Development Issues](#)

[ADB Lowers Lending Rates for US Dollar and Japanese Yen Loans](#)

[List of projects to be signed in 2005](#)



German Reconstruction Bank

continues its support for Vietnam's forestry sector

Hanoi, January 18th 2005, Vice Minister of MARD, Mr. Hua Duc Nhi and Mr. Klaus Mueller, Director of Representative Office of German Reconstruction Bank (KfW) in Hanoi signed a financial agreement for the project "Restoration and sustainable management of forests in provinces of Quang Nam, Quang Ngai, Binh Dinh and Phu Yen" (shortened as KfW6).

This project will be implemented in 9 years (2005 - 2013) with total budget of 12.3 million Euros, in which the non-refundable assistance by the Bank is 9.715 million Euros, and the counterpart contribution of Vietnam Government is 2.598 million Euros. Project KfW 6 is implemented with objectives of improving living standard of rural forest-

dependent people through employment generation and income increasing in order to protect natural resources, harmonize water resources in the areas, of which forests are restored and neighboring areas, make regional air equable and increase bio-diversification.

Source: ICD-MARD

Cooperation agreement between MARD and its Poland counterpart

January 17th 2005, on the occasion of Poland Prime Minister Marek Belka on his official visit to Vietnam, after talks between the two countries and under attendance of the two Prime Ministers, Vice Minister of MARD, Mr. Bui Ba Bong and Mr. Miroslaw Gajewski, Poland Extraordinary and Plenipotentiary Ambassador to Vietnam in Hanoi signed an agreement between the Ministry of Agriculture and Rural Development of the Socialist Republic of Vietnam and its counterpart of Poland Republic on cooperation

in the field of agriculture, rural development and market for agricultural products.

This special agreement emphasizes on strengthening relations in the above-mentioned fields through information exchange on current status of the agricultural sector, conditions to import animals and animal-originated products as well as orientation of agricultural policies and concerned solutions. The two parties will cooperate to study and evaluate prospect of bilateral cooperation and at the same time to make recommendations and support meeting forms such as consultation, training and exhibition and so on.

Source: ICD-MARD

The 4th Meeting of Inter-government

Committee between Vietnam and

Iran

During January 10th -12th 2005, the 4th meeting of the Inter-government Committee on cooperation in the field of economy and trade between the Socialist Republic of Vietnam and Islamic Republic of Iran took place in Hanoi. Vietnam delegation was led by MARD Minister Mr. Cao Duc Phat and Iran delegation was headed by Mr. Mohammad Shariatmadari, Minister of Trade.

In the field of agriculture in particular, the two parties agreed to cooperate in the two contents: (i) implementing general projects in the field of rice cultivation including Integrated Pest Management (IPM), post-harvest technology, bio-technology, pedology and agro-chemistry; (ii) encouraging private sector of the two countries to exchange agricultural products of Iran such as pythons, dates, saffrons and herbs with best tropical and semi-tropical fruits of Vietnam such as bananas, mangos, papayas, tea seedlings and transfer of rice seedlings.

Source: ICD-MARD

MARD's Law and Ordinance development program to 2010

MARD has prepared Law and ordinance development program to 2010. However, implementation of this Program in an effective manner is still big challenge. Therefore, MARD Legislation Department has just exposed the needs of the Ministry to seek

support both in terms of technical and financial assistance as well as experience sharing from domestic and international donor community for implementation of the following contents:

1. Supporting legal works of the Ministry
2. Supporting Law and ordinance development program to 2010 of the Ministry
 - a. Developing Law on agriculture and rural areas
 - b. Upgrading Dyke ordinance and Ordinance on Animal Health into law
 - c. Developing Ordinance on Animal Foods, Salt Ordinance and Fertilizer Ordinance
 - d. Amending and supplementing Ordinance on exploitation and protection of irrigational works

For more information please visit ISG website at <http://www.isgmard.org.vn/Proposal/Proposals-e.asp>

Source: Legislation Department

Issuance of Framework Strategy on development of PIM in Vietnam

Hanoi, December 30, 2004 - Ministry of Agriculture and Rural Development published an announcement issuing the Framework Strategy on development of PIM in Vietnam, including the Road map for OPIM implementation in Vietnam.

Full texts of the Announcement and the Strategy, and the Road map (in Vietnamese and English) is now available on ISG web site at http://www.isgmard.org.vn/Information/Service/Legal_docs/Legaldoc.asp

Source: ISG Sec

GoV Key Solutions to Steer the Implementation of Socio-economic Plan in 2005

On January 14th, the Government issued the Resolution no 01/2005/NQ-CP on some key solutions to steer the implementation of socio-economic plan and State budget in 2005.

In order to implement resolutions of the 11th Congress, sixth tenure on tasks of socio-economic development and State budget estimation in 2005, the Government proposes 6 key solutions, which need focusive steering and coordination in 2005, including:

- i- continuing to improve business environment and promote economic growth both in speed and quality;
- ii- improving investment effectiveness, fighting against losses and misspending in investment;
- iii- managing financial and monetary policies;
- iv- speeding up export and promoting international economic integration;
- v- some solutions in the social field;
- vi- promoting public administration reform, strengthening anti-corruption.

Based on the annual working program 2005 and this resolution of the Government, ministries and provincial people's committees develop their own specific action plans, specifying each objective, task, implementation duration and those responsible for each task. Implementation situation of these plans will be reviewed and evaluated monthly and quarterly. At the same time, emulation movement is to be launched in celebration of big festivals in 2005, the seventh national emulation congress and tenth National Party Congress to contribute in promoting completion of the 5 year socio-economic development plan 2001-2005.

Source: People Daily

Five Solutions for Sustainable Development of Tea Industry

In the seminar on tea development in the period 2006-2010, MARD brought forward 5 main solutions for the tea industry to reach the goal of exporting 120,000 tons of tea in 2010 with an export value of US\$ 200 million

- i- planning for development of the tea industry;
- ii- strengthening scientific and technological works and transfer of technical advances in tea production and processing;
- iii- strengthening international cooperation, trade promotion and expanding tea consumption market;
- iv- encouraging every economic sectors to invest in development of industrial tea processing factories/units;
- v- re-structuring the tea industry.

The Ministry has assigned the National Institute of Agricultural Planning and Projection (NIAPP) and Vietnam Tea Corporation to develop the countrywide tea production and processing projection in 2005; to define optimally appropriate areas for each regions and provinces as well as guide tea-growing provinces to plan concentrative tea-growing areas in the neighboring areas of industrial tea processing units to create qualified raw material sources and pro-activeness for factories.

Tea Research Institute needs to research and select a seedling collection suitable with each ecological region of high productivity and quality; and carry out research on advancement of growing skills, well-proportioned fertilizing, integrated pest management, limiting use of chemicals, humidity keeping, harvesting process.

The Ministry also requires tea production/business enterprises to promote product marketing and promote trademark development and registration activities.

Source: MARD

Summarizing 3 Year Operation of Partnership Assisting Poor Communes (PAC)

Hanoi, January 17th 2005 - Ministry of Planning and Investment cooperated the World Bank to organize a summing-up seminar in order to evaluate activities taking place from 2002 to 2004 and discuss the future plan of Partnership Assisting Poor Communes, a forum between Vietnam Government and the international donor community. In this seminar, participants were introduced to the summary record of the national conference on "Socio-economic development in poor communes" which was organized during 3 days from 24th to 26th November 2004 in Hanoi.

Also in this seminar, participants listened to presentations and took part in discussion on options for future plan and institution of the Partnership.

For more information, please contact: PAC Secretariat
Tel: 080 43057; Fax: 04-734 2859 Email: dagiamngheo@netnam.vn

Source: ISG Sec

Training to strengthen project monitoring and evaluation capacity

Hanoi 24-25 January, 2005 - In the framework of the project "Vietnam - Australia project monitoring and evaluation strengthening phase II" (VAMESP II) funded by Australia Government, Ministry of Planning and Investment cooperated with Ministry of Agriculture and Rural Development to organize a training course with an objective of improving project monitoring and evaluation capacity for those who are directly or indirectly carrying out the task of monitoring and evaluating ODA programs and projects of the agriculture and rural development sector.

This training course attracted participation of nearly 20 learners, who are civil servants and staff of Departments, which are directly involve in project management of the sector and staff from Central Projects Office (CPO), Agricultural Projects Management Unit and some Institutes under the Ministry.

After this training course, officers from International Cooperation Department and Central Projects Office together with consultants of VAMESP project will practice monitoring and evaluation skills through practical evaluation of the Irrigation for central provinces, a World Bank funded project.

Source: ISG Sec

Reporting on Development Issues

Hanoi, January 6, 2005 – An initiative to strengthen capacity of the Vietnamese journalists in reporting development issues was launched this morning in Hanoi.

Organized jointly by the World Bank and the Ho Chi Minh City University of Social Science and Humanities (HCMC USSH), "Reporting on Development Issues," is a practical course designed to introduce participants to news writing and reporting techniques - skills vital to success in most areas of journalism. In addition, the course also aims to equip them with a wealth of knowledge on different development issues facing Vietnam both currently and in years to come.

The major objectives of the course are the development of a clear, concise writing style that is easy to understand and, at times, enjoyable to read; a dedication to accurate reporting; and sensitivity to various audiences' needs and interests.

Relevant development issues will be introduced, especially in the context of globalization, and Vietnam's imminent ascension to the World Trade Organization. The aim is to raise participants' awareness of Vietnam's development goals, growth strategy, and poverty alleviation efforts, as well as endeavors made by different stakeholders regarding these matters. Therefore, they may produce more thorough stories on development issues in an interesting way.

The course consists of seven modules; three in-class and four web-based over the period of 9 months. Through reading, discussion, mini- lectures, including those by guests speakers, participants will learn to develop story ideas and to use many of the basic information-gathering strategies.

Source: WB

ADB Lowers Lending Rates for US

Dollar and Japanese Yen Loans

MANILA, PHILIPPINES (7 January 2005)

- The Asian Development Bank (ADB) has lowered its lending rates for both US dollar and Japanese yen single currency pool based loans.

For the period from 1 January to 30 June 2005, the lending rate for US dollar pool-based loans will drop to 6.06% from 6.09%. This reflects the average cost of borrowings - 5.66% per annum from 1 July to 31 December 2004 plus a spread of 40 basis points per annum (this represents a lending spread of 60 basis points and a waiver of 20 basis points).

During the same period, the lending rate for Japanese yen pool-based loans will fall to 1.73% from 1.93%. This reflects the average cost of borrowings for the pool of 1.33% per annum from 1 July to 31 December 2004 plus a spread of 0.4% per annum.

Separately, ADB announced its rebate rates for ADB Libor-based loans. For those USD LIBOR-based loans that were billed with a rate of LIBOR + 0.40% per annum during the

period of 1 July to 31 December 2004, the rebate is 0.35% per annum. For Japanese yen LIBOR-based loans that were billed with a rate of LIBOR + 0.40% per annum during the period of 1 July to 31 December 2004, the rebate is 0.39% per annum. Both rebate rates are unchanged from the last period. The rates reflect ADB's average costs of borrowings dedicated to LIBOR-based loans in their respective currencies.

More [at adb.org/media](http://adb.org/media)

Source: ADB

List of projects to be signed in 2005

International Cooperation Department, MARD has basically completed negotiations to sign 28 agricultural development projects in 2005 with total capital of closed to US\$ 700 million.

Loans are US\$ 556 million and non-refundable capital is worth US\$ 116 million.

The above budget will mainly be invested in 4 key fields: upgrading and improving irrigation and drainage network for irrigational works; investment in planning concentrative raw material areas in service of processing factories; developing science and technology and improving quality of seedlings and breeding animals; and afforestation.

List of ODA projects to be signed in 2005

Unit: USD

No	Project code	Name	Donor	Grant	Loan	Total
1.	BNN-LN-02-029	Forest sector development project	WB	19,350,000	39,540,000	58,890,000
2.	BNN-HH-04-003	Improving poor farmers' livelihoods through post harvest technology (Under GMS cooperation)	ADB	400,000	0	400,000
3.	BNN-HH-02-018	Capacity building for Vietnam Water Resources Science Institute in irrigation, drainage and water resources management for sustainable development of agriculture	JICA	5,000,000	0	5,000,000
4.	BNN-NN-03-040	Capacity building for food safety, plant and animal quarantine	AUSAID, JICA	350,000	0	350,000
5.	BNN-NN-03-038	Rural Infrastructure for improving sustainable livelihood in Central Region.	ADB	800,000	0	800,000
6.	BNN-TL-04-035	Technical Assistance for Evaluation of Rural Water Supply and Sanitation	ADB	250,000	0	250,000
7.	BNN-NN-02-027	Tea development in Phu Tho province	AFD	0	12,000,000	12,000,000
8.	BNN-LN-03-029	Fund for Supporting Vietnam Forestry Sector	EC	3,800,000	0	3,800,000
9.	BNN-HH-03-030	Initiative Pro-poor Development in the Northern Uplands, Vietnam	EU	21,500,000	0	21,500,000
10.	BNN-HH-04-036	Route-map for international economic Integration of Agricultural sectors	AUSAID	300,000	0	300,000
11.	BNN-HH-04-021	MARD - SIDA Cooperation program on natural resources management	SIDA	4,500,000	0	4,500,000
12.	BNN-HH-04-037	Improvement of rural infrastructure for hunger elimination and poverty reduction in Central region.	JICA	12,000,000	0	12,000,000
13.	BNN-HH-01-014	Study on a Master Plan for agricultural and rural development and enhancement of living standard 5 Northern mountainous provinces	JICA	2,500,000	0	2,500,000
14.	BNN-TL-02-053	Kago Mat protection of river banks and dikes from erosion	JICA	12,000,000	0	12,000,000
15.	BNN-HH-02-038	Quality improvement and strengthening of a demand-driven agro-forestry vocational and technical education training system (VocTech 2)	RNE	4,000,000	0	4,000,000
16.	BNN-HH-04-038	Capacity building in coastal techniques training in Hanoi Water Resources University, Phase II	RNE	5,200,000	0	5,200,000
17.	BNN-NN-03-039	Agricultural diversification - Phase 2	WB/AFD	0	86,000,000	86,000,000

18.	BNN-TL-03-041	Rural water and sanitation infrastructure and health improvement project (Loan)	WB	0	100,000,000	100,000,000
19.	BNN-TL-02-036	Natural disasters mitigation (WB4 - Loan)	WB	0	150,000,000	150,000,000
20.	BNN-LN-03-019	Forest development for improvement of livelihood in Central Highland (loan)	ADB	0	40,000,000	40,000,000
21.	BNN-TL-03-020	Central region water resource sector (Loan)	ADB/ AFD	0	120,000,000	120,000,000
22.	BNN-LN-02-019	Afforestation project in Quang Nam, Quang Ngai, Binh Dinh and Phu Yen provinces (<i>signed on 18th January 2005</i>)	KfW	9,500,000	0	9,500,000
23.	BNN-LN-03-006	Afforestation project in Son La and Hoa Binh provinces	KfW	2,100,000	7,900,000	10,000,000
24.	BNN-LN-03-012	Development of national strategy for combining sustainable forest management and marketing of key forest products in Vietnam.	GTZ	5,000,000	0	5,000,000
25.	BNN-LN-04-039	Integrated financial and technical cooperation in afforestation projects in Vietnam.	GTZ	2,500,000	0	2,500,000
26.	BNN-HH-04-020	Rural policy support in implementation of CPRGS	SDC, WB	1,500,000	0	1,500,000
27.	BNN-HH-04-010	Professional village development for sustainable growth and poverty reduction in rural area.	UNIDO	2,592,265	0	2,592,265
28.	BNN-NN-01-041	Investment in sericulture development in Yen Lac District, Vinh Phuc Province	ITA-GOV	1,500,000	0	1,500,000
	Total			116,642,265	555,440,000	672,082,265

Source: ICD-MARD