



MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

Thematic Report

IMPLEMENTATION OF CPRGS IN THE AGRICULTURE AND RURAL DEVELOPMENT

(Briefing for the Break-out Group Discussion Mid-Term CG - Vinh, June 16-17, 2004)

A. UPDATING ON MARD'S IMPLEMENTATION OF CPRGS

1. In 2002 MARD actively contributed to the preparation of CPRGS. Report of the Working Group (2002) "Rural Dimension of CPRGSP –A Cross-Sectoral Vision" has contributed several important contents to the CPRGS document.
2. MARD is considering integration of the CPRGS into its annual plans in 2003-2004; however, methodology of the integration and roles of MARD and DARDs upon sector planning need more specific guidance from the Government and MPI;
3. A study on the poverty reduction and growth impact of rural public spending took place in 2003. Informatics Center for Agriculture and Rural Development (ICARD) of MARD is carrying out a follow-up work, evaluating agriculture and rural development policy implementation since *doi moi*. MARD is one of the four ministries (Education, Transportation, Health, and MARD), who get involved in the 2004 Public Expenditure Review (PER). The government (MPI and MOF) is keen to have MARD as a pilot ministry to develop and implement a Medium Term Expenditure Framework (MTEF).
4. Good governance has also been mentioned in the CPRGS document. The PAR process has been considered by MARD to integrate sectoral policies and plans, and decentralization into CPRGS implementation. Those provinces supported by PAR in MARD project will be the platforms that can facilitate linking efforts in CPRGS implementation from central down to local levels.
5. MARD is now preparing to further strengthen its M&E system. A concept has been developed with support from WB for a set of indicators for monitoring and evaluation of CPRGS implementation in rural areas. Project document are under consideration by Vietnamese authorities. Besides, M&E indicators in forestry sector have been prepared with adoption of CPRGS approaches. These indicators will give supplementary tools for the general M&E system of CPRGS;
6. MARD is finalizing a proposal for capacity building in policy analysis for CPRGS implementation with IFPRI which SDC and WB will fund.
7. MARD, with cooperation of MPI, completed a awareness raising workshop in March to build up consensus on CPRGS implementation at the sector level.
8. MARD through the International Support Group (ISG), MARD is piloting preparation of the Advisory Briefings with consultations with MARD units and

relevant donors. The first Advisory Briefing titled “Streamlining CPRGS into MARD rural development strategy” is being prepared with comments from several donors.

9. In 2003, MARD revised TOR of the ISG and established TAG 3 in support of the CPRGS implementation not only at MARD but also in provinces.

B. MAJOR LESSONS LEARNT

1. CPRGS is not a new concept. In the rural sector, CPRGS is a growth strategy centered on the poor and disadvantaged areas.
2. GoV and MARD will implement CPRGS by integrating it into regular socio-economic development plans at sector, sub-sector and local levels but not through a separate program or projects.

Example 1: An Giang Poverty Reduction Programme

An Giang is one of the provinces where planning for poverty reduction is streamlined into a general frameworks. “National target programme on poverty reduction and employment of An Giang in 2001-2005” approved by the Provincial People’s committee in the decision No 1340/2001/QĐ-UB dated 16 August 2001 is a synthesis and inter-disciplinary programme under the socio-economic development strategy of the province. This reflects a result-based approach of planning, based on defined specific targets and capacity analysis of resources, and assigned tasks between agencies under province.

Economic growth basing on local advantages is a new approach for poverty reduction. An Giang has issued 9 Decision on investment encouragement (already replaced by Decision No 522/2002/QĐ-UB) to implement policies that encourage production to create valuable products and goods. These policies have impacted in:

- Rural infrastructure
- Agricultural production development toward commodities (cultivation, husbandry, aquaculture and post-harvest technologies)
- Jobs in flood season.
- Consuming farm-products through the contracts with farmers
- Human sources training.

Source: An Giang DARD, ISG

3. Implementation of CPRGS focuses largely on improving planning and budgeting at all levels, moving away from focusing on inputs to poverty reduction and growth outcomes with monitorable indicators and specific policy and resource allocation measures. Due to the new, diversified and complex natures of this task, agriculture and rural sector has to conduct the integration of CPRGS into its 5-year and annual plans step by step “learning by doing”.
4. Issuing and implementing suitable policies that creates favorable and equal conditions for farmers and different economic sectors together to develop and contribute in poverty reduction are also important measures.

Example 2: Policy advisory briefings

Follow-up the ISG proposal, a group of donors convened and sent some recommendations on policy themes that need to be discussed:

- Streamlining CPRGS into MARD rural development strategy
- Preparation for WTO accession of Vietnam
- The Law on forest protection and development
- Implementation of Water Resources Strategy and PIM
- Others: (a) State-managed enterprises reform; (b) water supply and rural sanitation sector assessment; (c) public administration reform in MARD; (d) professionalization and human resources development in agricultural sector.

The first Advisory Briefing titled “Streamlining CPRGS into MARD rural development strategy” is being prepared. Upon the MARD’s request via questionnaires, MARD units from their perspectives and mandates have sent feedbacks related to the mentioned policy themes.

Source: ISG

5. CPRGS implementation requires efforts on all levels of the GoV, civil society, communities and the poor. Donors’ cooperation and collaboration are necessary and very important. Thus, close cooperation and effective coordination are critical.

Example 3: Provincial dialogue platforms

Up to May 2004, under authorization of MARD, ISG has conducted dialogues with 5 provinces (An Giang, Soc Trang, Tra Vinh, Thanh Hoa, Thai Nguyen). ISG’s forums are creating coordination and dialogue support mechanism between MARD, other Ministries and provinces. Some policy dialogue platforms are under establishment in those provinces where donor-supported programs/projects and partnerships are being implemented, such as PAR project in MARD, FSSP and NDM partnerships, etc. It is expected that in a short-term, 20 DARD with the support for strengthening IT capacity from PAR project in MARD will be promoted.

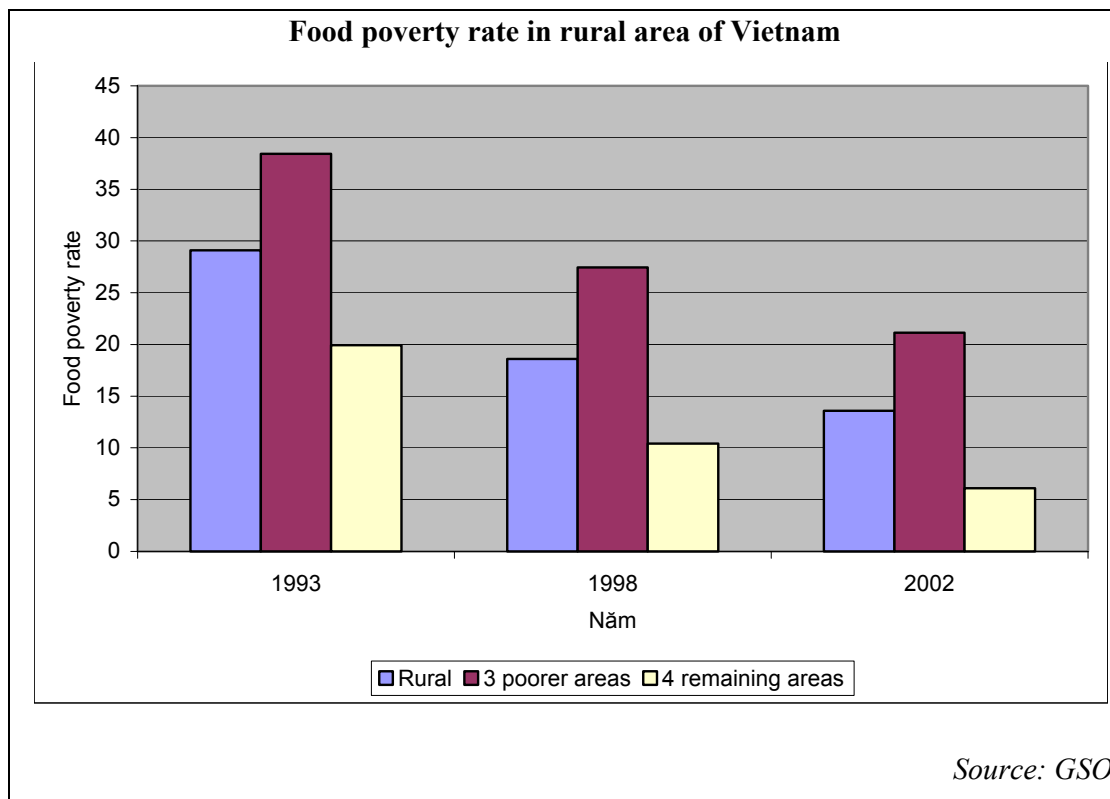
Canadian Centre for International Studies and Cooperation (CECI) is coordinating with ISG to support DARDs where CICE and CDEEP funded projects are being implemented to build up plans with CPRGS streamlining.

In addition, AusAID expressed their interested in selecting some competent provinces to support for building up pilot local models on policy dialogue, strengthening capacity on governance and public services provision in the field of agricultural and rural development.

Source: ISG, CECI

C. MAIN CHALLENGES

- Maintaining agricultural production rate of 4.5% and poverty reduction in rural area at the rate of 2% per year is a great challenge. From 1993 to 2002, the poverty rate in rural area has reduced 50% but the rate is gradually slowing down (period 93-98 was 2.1% per year, period 98-2002 was 1.2% per year) especially poor areas as Central HighLands, Northwest and Northern Central regions.



- Integration and WTO Accession:** This challenge is reflected in aspects: strengthening capacity for governance and public services delivery; strengthening capacity for market orientation for enterprises; providing market information and knowledge to farmers. Roadmap and capacities serving for integration of agriculture sector in general and WTO in particular are developed under the direction of MARD.
- Increasing productivity and competitiveness:** applying new technologies and strengthening governance capacity toward market economy could improve productivity and competitiveness. However, mapping out priorities for investing, adjusting economic structure of the sector and provinces (macro level), adjusting business structure and products of enterprises (micro level) requires large capacity building and investment for state management agencies, public services providers, scientists, enterprises and farmers.
- Creating off-farm jobs and incomes:** This is a big issue of rural development that requires applying science and technology; changing economic structure towards an industrialized agriculture and rural areas, diversifying and developing rural industries; developing input and output services for production; developing financial services and labour markets in the rural area.

5. **Natural Resources Sustainable Management:** Rural development requires projections and policies on utilization and exploitation of land, water, forest and other natural resources. Therefore, it is needed a long-term strategy for natural resources sustainable management and development.
6. **Reducing vulnerability, especially in lagging behind areas:** equitably development and narrowing poverty gap while increasing growth is not only required a reasonable public welfare and social security system towards poor people and poor areas but it is necessary to have long-term pro-poor development strategy.

D. PLANS FOR THE FUTURE

With the goal of attaining strong economic growth and poverty reduction, the 10 year agriculture and rural development strategy for the period of 2001 – 2010 focuses on the achievement of three strategic goals:

1. **Increased income in the rural sector by broad-based, sustainable and high quality growth**
2. **Reduced income disparities, risks and vulnerability, and improved food security and social well-being of the poor**
3. **Improved sustainability of natural resources in rural areas**

In the long run, there are **four focus areas** for MARD's CPRGP implementation:

1. **Monitoring and evaluation.** The first job to be done is linking the three pillars (continued reforms, inclusive and sustainable development, good governance), each with their set of objectives, to a series of indicators for monitoring outcomes (e.g. increase in rural incomes or expenditures), outputs (for example, number of new technologies released to farmers), and inputs (public and private spending, policies). For each of these indicators, targets could be set. And MARD will then need to determine on which of these indicators information is currently being collected, and on which ones no information is being collected. These indicators are part of the overall CPRGS monitoring under responsibility of MPI and GSO;
2. **Public spending.** Implementation of the CPRGS means making sure that MARD's public investments and recurrent expenditures contribute to the three pillars that it has identified. First steps here include trying to assess the impact of past public spending on the three goals, and trying to analyze planned future investments for their ability to contribute to these three goals (appraise them). Further studies for this purpose can be identified. Following the 2004 PER, MARD is proposed to establish a Medium Term Expenditure Framework together with other 3 Ministries and 4 provinces;
3. **Policy Reform Measures.** To reach the desired goals and targets, a number of policy reform measures are needed. But in order to know which policy measures work best for the three pillars and which ones do not work very well, more research may be needed to evaluate current policy measures. Topics for further research can be identified. Then, adjustments can be made, according to the findings of the research. The idea is to make sure that MARD's policy decisions make more use of good quality analysis of field data and also make more use of discussions with the rural poor to obtain their feedback on these policy measures. ISG's initiative to produce

Advisory Briefings can support MARD in identifying the hottest issues confronted by Vietnam's agriculture and rural development. VPAAN (now can be called RPAAN) offers a framework for building capacity of Vietnamese policy researchers to help them improve the quality of their research and to make them more influential with policy makers;

4. **Rolling out the CPRGS to the provinces.** At the provincial level, similar challenges exist. The most important thing is to make sure that more and better information is made available to policy makers on which policy measures and spending measures contribute most for the three pillars. The 2003 Poverty Assessment includes strong regional components which provide more and in depth information of regional specific causes of poverty that can be used for this. And, a coordination between ISG, FSSP Partnership and NDM Partnership, on-going projects in MARD and provinces can stimulate the process.

In the short run, there are **four measures** to be implemented:

1. Raising awareness of the CPRGS within MARD and provincial DARDs;
2. Finalizing the institutional arrangements within MARD to ensure that broad-based cross-departmental discussions and consultation within MARD will take place, and making sure there are clear communication lines to other ministries and provinces;
3. Evaluation of 20-year reform experience in agriculture and rural sector;
4. Integrating CPRGS into the sector's next 5-year socio-economic development plan.

E. PROPOSED TOPICS FOR DISCUSSION

1. Priority areas and actions of implementing CPRGS in agriculture and rural sector;
2. Role of MARD and provincial DARDs in CPRGS implementation;
3. Cross-sectoral coordination between MARD and related GoV agencies;
4. How donors and NGO community can coordinate and support CPRGS implementation in the rural sector best.

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