

**MINISTRY OF AGRICULTURE
AND RURAL DEVELOPMENT**

**REPORT
ON IMPLEMENTATION OF 2007 ANNUAL PLAN**

I. INTRODUCTION

The year 2007 is the second year for the implementation of 5-year plan 2006-2010 of the agriculture and rural development sector. The deployment for implementation has undergone a context of intermingled difficulties and advantages.

Advantages: In 2007, the National Assembly and the government promulgated priority policies and mechanism in favor of the agriculture and rural development sector, linking the economic growth to hunger eradication and poverty alleviation; Vietnam officially became a member of WTO, creating larger opportunities for Vietnam to participate into the world economy; the political and social situations have been secured to create good chances for investors to make investments in Vietnam. The international organizations, governments of other countries have continued their official assistance, particularly in the agriculture and rural development, poverty alleviation; the prices of agricultural products tend to increase, among them the prices of stable agricultural produces for export commodities from Vietnam.

Challenges: In 2007 the agriculture and rural development sector confronted big difficulties and challenges: the climate turned out to be complicated, causing disadvantages for agricultural production, during the winter-spring crop, the unfavorable cold weather prolonged; draughts, floods now and then unexpectedly hit the localities; flushing floods, land slides caused more serious damages. Outbreaks of pestilence destroyed the plants, plagues returned to attack the domesticated cattle in many localities. The epidemic disease damaged the aquaculture. Prices of supplies and materials rocketed, in particular like prices of petroleum and fertilizers.

With a good co-ordination in management and governance between the government agencies, the local authorities and the effective support from the international organizations, the agriculture and rural development sector deployed the resources to implement the 5 year plan 2006-2010, realizing the second year implementation, exerting high efforts, the outcomes of the implementation in 2007 are presented in the following monitoring & evaluation frame:

II. Outcomes from key targets of 2007 plan (collated with the 5-year plan 2006-2010)

#	M&E indicators on the plan implementation	Targeted outputs 2006-2010	Implementation during 2001-2005	Implementation target		Comments
				2006	2007	
I	Objective 1: Sector Economic Growth					
	1. GDP growth in the sector, %	3,3-3,5	3,8	3,4	3,25	Though heavily impacted by the natural disasters and pestilence, the sector growth still reached the average level of the targeted norms, demonstrating the high efforts of the entire sector.
I.1	Objectives for cultivation development					
	1. Average growth in cultivation development, %/annual	2,7	3,5	2,7	2,4	The growth of cultivation value decreased, as some crops suffered from hard climatic conditions (the area of rice cultivation decreased with 125,000 hectares, causing a decrease of 625 thousand tons of paddy; the disadvantaged weather in the winter-spring crop also caused more decrease- estimated at 400 thousand tons)
	2. Grained crop cultivation:	44,8	39,6	39,6	40	The targeted grained crop can be hardly attained as decreased area of rice cultivation and severe weather. However, the national food safety is maintained, with exported rice of 4- 4.5 mio. tons/ annum hitting the plan.
	- Paddy, million tons	38,8	35,8	35,8	35,9	
	- Corn, million tons	6,0	3,8	3,8	4,1	
	- Annual average of grain per capita, kg	470	476	471	434	
	- Rice export, mio. tons	3,5 - 4,0	5,25	4,64	4,5	

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	3. Production of key cash crops for export: - Coffee bean, thousand tons - Dry rubber latex, thousand tons - Fresh tea bud, thousand tons - Pepper, thousand tons - Cashew nuts, thousand tons.	900 550 650 95 420	752 481 570 80 240	985 555 649 79 273	961 602 705 90 302	Most of the planned targets were reached for cash crops of 2010 (excluding Cashew).
I.2	<i>Objectives for husbandry development</i>					
	1. Average growth in husbandry development, %/annual	6,4	11,4	7,3	4,6	The growth of husbandry value decreased as to compare with that in 2006 as a result of plague, particularly the PRR (Pig Respiratory Reproduction).
	2. Main products: - Meat , million tons, - Eggs of various types, billion	4,7 8	2,81 3,95	3,07 3.97	3,83	Impacted by the epidemic outbreaks in cattle and poultry in 2006 and 2007, the targets for husbandry product were not achieved as scheduled plan.
	4. Proportion of husbandry in total agricultural production value, %	>26	24,7	24,7		Proportion of husbandry production value slowly increased.
I.3	<i>Objectives for fishery development</i>					
	1. Average growth in fishery development, %/annual	11,9	10,67	7,7	11	The growth of fishery value did not hit the target of 12% as a result of restriction of by-shore fishing (the fished value in 2006 did not really increase; it was 2.1% in 2007. The farmed value increased by 2.1%. The value of farmed fish (aquaculture) in 2006 increased by 13%, and 16.5% in 2007. This shows a positive trend).

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	2. Fishery yield (million tons), in which: - Catch - Farmed yield	4 2 2	3,47 1,99 1,48	3,72 2,03 1,69	4,15 2,06 2,08	The implemented amount surpassed the planned 2010 targets, taking into account the positive trend and the growing speed of farmed yield- higher than the catch.
	3. Export turn-over, billion USD	4	2,73	3,36	3,8	Export turn-over nearly reached the planned 2010 targets. Possibly, reaching the targets in 2008.
I.4	<u>Objectives for forestry development</u>					
	1. Average growth in forestry development, %/annual	1,5 - 2	1,2	1,2	1,1	The growth of forestry value has not been improved, requiring of continued renovation and effective enactment of forestry policies.
	2. Export turn-over, billion USD from forestry	2	1,78	2,175	2,563	The export turn-over increased rapidly and it surpassed the planned 2010 targets.
	3. Forest coverage, %	43- 44%	37	38	38,8	Rate of forest coverage increased at 1% per annum, foreseeing a 42% coverage by 2010 (the government assigned a target of 42-43%, which is 1% lower than the Ministerial 5 year plan)
II	<u>Objective 2: Rural development, improvement of livelihood and living conditions for the rural area residents</u>					
	1. Poor household percentage, %	(10- 11)		15,47	14,75	The rate of the poor in rural area steadily decreased. However, in the mountainous areas and places located by the minority peoples, this poverty reduce rate was still low. Such as: 55.32% in Lai Chau, 40.77% in Dien Bien, and 39.44% in Ha Giang, generally 3-4 times higher than the average.
	2. The personal average income, million dong per capita in rural area.	8	5.5	5.8	6.4	The personal average income increased eventually (10%). Nevertheless, the livelihood improvement was affected by the increasing consumption prices with average rate of 8.3%.

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	3. Rate of clean water coverage in rural area, %;	(75)	62	66	69	Rate of clean water supply to rural area increased at 3-4% per annum, possibly the targets (75%) assigned by the government will be hit in 2009.
	4. Rate of sanitary latrine coverage in rural area, %	(70)	50	52	54	Rate of sanitary latrine in rural area slowly increased and possibly will not respond to the scheduled targets of 68 - 70% by 2010.
III	Objective 3: Capacity strengthening for international competitiveness and integration					
	Openness of sector economy (sector export value /sector GDP), %	60	46.50	56.70	58.70	Openness of agricultural sector economy increased by 3.5% in 2007, thus, the WTO entry did not exert impact on the export of agricultural- forestry and fishery products.
	Rate of added value of agricultural products/ production value of agricultural products, %	45,50	42,20	43,00	43,60	As the cost on intermediary transaction was high, the added value of agricultural- forestry and fishery products is lower than the average 44%.
	Export price index / material import price index .	>1	1	1	1	The export prices of agricultural- forestry and fishery products are similar to the increasing rate of prices of imported materials, which means that the export turn over increased, but the net profits from export did not increase eventually.
IV	Objective 4: Protection and usage of natural resources and environment with sustainability and effectiveness.					
	1. Effective use of land resources:					No available data
1	2. Forest coverage rate, %	43- 44%	37	38	38,8	Forest resources have been better protected, forest coverage rate increased at 1% annually approximately.
	3. Effective use of water resources.					No available data

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V	Objective 5: Upgrade the capacity in sector governance for efficiency and effectiveness					
	1. Rate of rural workmen receiving vocational training, %	33	22			No available data.
	2. Rate of state employees receiving retraining annually, %	10				
	3. Rate of rural enterprises being renovated, %	100			75	On the whole, the renovation of state owned rural enterprises has been completed. In 2008 the focus is on renovating the offices of Corporations.
	4. Rate of transformed cooperatives, %	100			90	As to compare with the plan, this target was hit with fair achievement.

III. SOME FOCAL ASSIGNMENTS IN 2008 PLAN:

In 2008, the Ministry of Agriculture & Rural Development concentrates on the implementation of 5 focal assignments as follows:

1. Provide intense guidance with drastic measures to hit the economic targets in the 5-year plan of the sector;
2. Continue the guidance to develop the rural area, to contribute into the poverty alleviation, improvement of livelihood;
3. Booster up the construction of facilities and infrastructure, training and human resources development;
4. Strengthen and accomplish the system of sector governance and carry out the administrative reform;
5. Carry out the action plans against corruption, practice the habits of economical use and avoidance of wasteful use.

IV. SOME ACTIVITIES RELATING TO RENOVATION OF METHODS FOR PLANNING AND ESTABLISHMENT OF THE M&E SYSTEM FOR 5 YEAR PLAN IMPLEMENTATION 2006 - 2010:

Supported by the SDC and other donors, MARD provide guidance to its ministerial units in the renovation of methods for planning and establishment of M&E system to monitor the 5-year plan implementation. Many activities have been deployed:

1/ On the renovation of methods for 5-year and annual planning:

- The Ministry held a presentation on the renovation of methods for planning to fit in the economy market, organized the translation and presentation on the 5-year and annual planning practices of other countries for the Bureaus/Departments to take reference.
- In 2007 MARD prepared and promulgated the Form for sector planning and the Department Plan Form to apply in uniformity for the planning of 2008 plan. By now, MARD is taking a general review on the application of the plan Form so as to finalize the form.
- With the support from the donors, the Bureaus/Departments held many training sessions to introduce the methods of result-based planning, using the log frame to carry out the plan. At present, MARD assigned the School of Agriculture and Rural Development Management to set up the curriculum and to open the training courses to introduce the new methods of planning for managers from provinces.

2/ On the establishment of M&E system for plan implementation:

- Basing on the framework of the 5-year plan 2006-2010, which was compiled in 2005, MARD provides guidance for finalization of the contents to fit in the new situation after Vietnam had become a member of WTO, the Ministry of Agriculture and Rural Development and the Ministry of Fishery merged into one Ministry.
- Basing on the finalized framework of the 5-year Plan, MARD prepared and promulgated a set of M&E criteria for the 5-year Plan. This is a very important foundation to develop an appropriate M&E System for the 5-year Plan 2006- 2010 implementation. By now, MARD is working on the overall survey over the information and statistic systems of the Bureaus/Departments to set up a suitable M&E system to fit in the situations of MARD and to enable its sustainable operation in the future. The experience in M&E establishment and operation in the ministry will also be introduced and multiplied for future application in provincial Department of Agriculture and Rural Development (DARDs).

V. THE PROGRESS OF THE SECTOR'S POLICY AND STRATEGY FORMULATION:

- In 2007, under the context of Vietnam's becoming the WTO member, the formulation of policies and strategies became more important. The Ministry of Agriculture and Rural Development paid attention to 4 areas: reviewing the legal documents, newly promulgation of legal documents, and dissemination of legislation and checking the legislation implementation.
- As for the review of legal documents, the Ministry already reviewed more than 600 documents, of which 117 ones were proposed for revise, 14 ones were newly issued, 2 ones were removed, and 81 ones were annulled
- As for the formulation of legal documents, 25 Decrees and decisions signed by the Prime Minister, 92 decisions, Directives, and Circulars signed by the Minister were issued. Their contents are related to all sub-sectors and fields, of which focusing on forestry development and protection, irrigation, dyke and natural disaster prevention, rural development, poverty reduction, food safety.
- The development of strategy, planning and long-term plans were still the Ministry's focus:
- In agriculture: the development of planning on commodity industry for export, the strategy on livestock development by 2020 was submitted to the Prime Minister for approval.
- In forestry: the strategy on forestry development period 2006-2020 was submitted to the Prime Minister; the planning of 3 types of forest, the forest allocation proposal, the proposal on supporting the highland people to implement sustainable forestry, ...were also submitted to the Prime Minister
- In fisheries: focusing on the strategy on fisheries development and sea-port planning
- In rural development: focusing on the development of the proposal on agriculture, rural areas, and farmers, the program on rural development.