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MAJOR FOCUSES AND THRUSTS OF THE AGRICULTURE AND RURAL DEVELOPMENT SECTOR, AND THE NATIONAL PROGRAMMES

(Report to be delivered at the ISG Plenary Meeting 30th May 2001)

Part I

AN OVERVIEW OF THE AGRICULTURE AND RURAL AREAS 2000 - 2001

1.1 Agricultural production in 2000 and in the first 4 months of 2001

In 2000, agricultural production met with numerous major difficulties because of adverse changes in the weather and climate, especially early floods with high frequency and intensity happening for long duration's in most of provinces in the Mekong catchment areas, severe floods happening in coastal areas in the central part of the country. However, overcoming all such major difficulties, agricultural production still managed to achieve high growth rates in a rather comprehensive manner. The value of agricultural production has achieved a growth rate of 5% as compared with 1999.

- Total agricultural production in rice equivalent is worth 35.6 million tons - the highest level up to now - an increase of 1.4 million tons as compared with 1999. Paddy rice production has increased by 3.7%, corn by 10%, vegetables and beans by 18.8%, and pea nuts by 11%. Production of cotton and soybean has decreased (by 14% and 3.5% respectively) because of unfavourable climate and weather conditions; sugar cane production has decreased by 14.7% because of re-planning and re-zoning of raw products areas. Production of coffee has increased by 26.2%, cashew nuts by 71.4%, rubber by 22.2%, tea by 8.6%, and pepper by 25%.

- The value of animal husbandry has increased by 6.7% as compared with the previous year. The livestock has increased by 6.6%, dairy cattle by 12.5%, and poultry by 6.9%.

- The implementation of the 5 million hectares of forests project has seen a positive progress. Forest protection on a contractual basis has covered 1,860,000 hectares, having achieved 102% of the plan; zoning for forest recovery of 507,000 hectares, having achieved 115% of the plan; concentrated afforestation of 181,000 hectares; and providing care for 350,000 hectares.

- During the first 4 months of 2000, agricultural production throughout the country has been rather advantageous. The area of planting Spring rice crops in Northern provinces has been on the same level with the same time previous year, with rice plants growing well. Southern

provinces have harvested 93% of the cultivated land (the Mekong Delta area alone accounting for 97%). The average yield has been at 5.28 tons per hectare (as compared with 5.26 tons per hectare for the Spring rice crop of the previous year). The rice production has been at more than 8 million tons, a little bit higher than that of the same time in 2000. Corn farming covers an area of 394 hectares, equal to 93% of that of the same time of the previous year because of much rain fall at the beginning of the corn crops, wet soil, adversely affecting the progress of corn planting. The area of short-term industrial plant crops has increased by 3.4% and vegetables and beans by 6.1%. Long-term industrial plant crops have been rather well and intensively cultivated, afforestation has been progressed well, and animal husbandry keeps on growing.

- In 2000, world values of many agricultural and forestry commodities were dramatic decreasing as compared with 1999 (rice price dropping by 16%, coffee by 41%, cashew nuts by 17%, etc.). Therefore, although the volume of exported commodities has increased (e.g. vegetables and fruits increased by more than 90%, cashew nuts by 39%, pea nuts by 36.7%, tea by 36%, coffee by 30%, pepper by 3.4%, rubber by 2.2%), the total export turnover was only at 2.8 billion USD compared with 3.2 billion USD in 1999.

- Dramatic decrease in prices of agricultural commodities in world markets has led to a fall in the prices of agricultural commodities in domestic markets, and adversely affected the driving forces for agricultural production. The Government has taken numerous measures to support marketing and exporting of agricultural products, especially for such commodities as rice and coffee in order to reduce losses for farmers.

- For the first 4 months of 2000, there have been continued difficulties in selling agricultural and forestry products because the prices of Vietnamese commodities with enormous export turnover such as rice, coffee, rubber, cashew nut, pepper, etc., all have dropped by 30-50% as compared with the beginning of 2000. Therefore, export turnover has been at a lower level than that of the same time previous year while the volume of almost all export commodities has increased to much higher levels (rice by 72.5%, coffee by 41.5%, pepper by 42.7%, etc.).

- Recently, the Government has decided to take certain measures to help farmers and to reduce part of their difficulties, such as purchase of 1 million tons of rice for temporary reserves, purchase of 150,000 tons of coffee and some other supports in order to help farmer households to have necessary conditions for re-investment.

- However, during the recent past, the agricultural sector has also revealed certain weaknesses and shortcomings, especially the agro-economic structure and rural areas have shifted a bit too slowly, yield and quality of many products were still low with poor competitiveness, production has not been responding to market demands, marketing and selling of products still face with difficulties.

1.2 Industrial and business development in rural areas:

In 2000 construction of some fruit processing factories started in Bac Giang, Hai Phong, Dong Giao and Kien Giang. Small-scale fruit and vegetable processing lines, suitable for household and inter-household economies such as establishments for drying lichees and longans, storage of fresh fruits such oranges, lichees, dragon fruits, etc., were started in localities with concentrated production of product and commodities. Capacity for processing foods, coffee, rubber, vegetables, fruits has increased by 10%. During the first 4 months of 2001, the yield of processed agricultural and forestry products all have achieved or surpassed the levels of the same time last year, especially frozen meat, vegetables, fruits, tea, dry rubber latex, natural silk, and cashew nut.

1.3 Infra-structural development

In 2000 and the first 4 months of 2001, the agricultural sector continued to give priority to investments in developing irrigation, maintaining secure dyke systems, and completed construction of more than 80 works in important areas of which 6 works under project ADB1, 10 under project ADB2 and many major works such as Lower A Yun, Vinh Te (phase 2), Go Mieu Lake (Thai Nguyen), Bao Dai Lake (Quang Tri), Nhue River system (Ha Tay). Strategies for making solid of canals and irrigation systems, building rural transport systems, infra-structural development for poor communes have brought about initial positive relevant socio-economic impacts. In 2000, the whole country built 3,554 kilometres of new roads, upgraded 26,750 kilometres of roads, and built 6,176 new bridges, etc.

1.4 Job creation, income generation, and hunger eradication and poverty reduction (HEPR)

In 2000, labour force in agriculture, forestry, and fisheries reduced by 1.2% as compared with 1999, currently accounting for 61.3% of the total labour force of society. Rural areas provided 23,5 million secure job opportunities and attracted approximately new 400,000 labourers; the ratio of making use of working time in rural areas increased by 74.2%. The program for direct job support provided help to 160,000 people to have new jobs and approximately 200,000 people to have additional jobs; 140 job centres are operating vigorously in rural areas and provided job consultancy and vocational training to about 400,000 people and provided job announcements to 175,000 people.

In 1999 and 2000, the total amount of capital mobilised for programs and projects were approximately 9,600 billion VND. Income of rural people increased by about increased by approx. 12% as compared with 1999. The rate of poor households in rural areas (according to old criteria) in 2000 accounted for 10.6% with a 1.7% decrease. However, under-employment and unemployment still remain as hot issues.

Part II DEVELOPMENT PRIORITIES OF THE SECTOR IN THE UPCOMING YEARS

1. To shift the structure of agro-economics in light of Government Decree 09

- *Food production:* To stabilise the rice production at a level of 33 million tons to be sufficient for the domestic demand and to have surplus for export of approximately 4 million per year. Farmers can shift part of their rice farming land to farming of other crops that are more efficient; increase the areas of corn farming 1.5 times larger than the current level, using the high-yield hybrid and cross-bred varieties to achieve yields of 5-6 million tons per year.

- *To develop those plant crops that have comparative advantage, high economic values and competitive edge:* To stabilise the area for robusta farming land; to support farmers to start farming coffee primarily in mountainous areas in the North; to continue to expand the area for farming cashew nut in central zone of the country; to expand the areas for farming rubber trees and tea trees in favourable regions; to develop high-value fruit trees especially speciality fruit crops such as longans, lichees, dragon fruits, pineapple, mango, etc. To stabilise the area for farming sugar canes to ensure input supplies for sugar factories. To support farmers

to expand the area for farming pea nuts, soybeans, cotton, mulberry for silk production, cigarettes which are the products that currently having good markets.

- *To enhance the effectiveness of forestry:* To continue to implement the project of 5 million hectare afforestation, to enrich forests by allocation of natural forests to farmers, mountainous communities, agricultural and forestry plantations and other organisations on a contractual basis for them to protect and to exploit on a sustainable basis. They should be encouraged to enter contracts for protection and development of forests by incentives measures such as promises of tangible interests and benefits, to create a conducive environment for farmers to be at ease when making investments in afforestation.

- *To vigorously develop animal husbandry:* To overcome present shortcomings in veterinary medicine, breeds and feeds to support farmers to develop their pig and poultry raising especially in the Red Rive Delta and Mekong Delta regions; to vigorously raise meat cattle in the direction of the Zebu cows in the centre, South East and Tay Nguyen Plateaux; to raise dairy cattle in suitable and favourable areas, especially Son La, Ba Vi, Lam Dong, outskirts of Ho Chi Minh City and Hanoi City.

- *To vigorously develop industries, traditional trades and professions, and services in rural areas* on the basis of good implementation of policies mentioned in Decision No. 132/2000/QD-TTg dated 24 November 2000 by the Prime Minister, focusing on:

(i) To create industrial and service clusters in provincial cities, towns and district urban centres and townships, to create favourable conditions in land and infra-structure for SMEs in rural areas;

(ii) To create favourable conditions for SMEs in rural areas to access credit facilities, markets and technologies.

2. To develop science and technology:

To step up research work and transfer of technology in order to create driving forces for the development of an agriculture with strong competitiveness. In the upcoming years, the following orientations should be given priorities:

- To implement projects for improving the quality of seedlings, breeds, creating breakthroughs in productivity and quality of agricultural products;

- To conduct research work into tackle some relevant issues in post-harvest technologies, first and foremost technology for drying rice, corn, coffee, cassava, etc., processing technologies, technologies for conserving and storing fresh fruits and vegetables in order to lengthen the time of consumption and to add commercial values;

- To conduct R&D in regards of intensive cultivation, pest management, effective protection and use of natural resources such soil, water, forestry, etc., in order to better exploit potentials in productivity and quality of products, to reduce production costs, and to avoid environmental pollution.

In order to create favourable conditions for the implementation of the above-mentioned tasks, it is planned that the system for administration of science and technology should be renovated, scientific research organisations should be re-organised; physical bases and investments for human resources development should be strengthened; international co-operation should be expanded; the systems for science and technology transfer should be enhanced; research work should be better linked to production; agricultural extension systems especially at the district and communal levels should be strengthened.

For the immediate future, MARD will focus its leadership and guidance on reorganisation and rearrangement of research institutions, giving priority to the upgrading of leading research institutes such as the Institute of Agricultural Science of Vietnam, the Institute of Genetics and Bio-Technology, the Institute of Animal Husbandry, the Institute of Forestry, and Institute of Science and Economics of Water Conservancy.

3. To develop markets for agricultural products

- To continue adjusting and fine-tuning of policies in order to create favourable conditions for enterprises and businesses of various economic sectors engaged in the business of agro-forestry products and agricultural materials, especially for exportation.

- To organise the system of market information systems from the central down to local levels, using mass media, the Internet, etc., to provide information to producers on the scope, demand, standards of commodities and products in markets in order for them to make well-informed business decisions.

- To make investments in infra-structural development to serve trading of agro-forestry products; to build trading centres in highly commercial areas and in big cities that have sufficient surface areas, infrastructural facilities, banks, quality assurance and quarantine, warehouses, communications and other support services.

- To develop market consultancy services, advertisements, marketing, exhibition trade fairs, product showcases, etc.; to develop various methods of payment domestically and internationally aiming at simple, fast and convenient services with minimized market risks.

- To provide guidance for entrepreneurs to apply product quality standards, to control and to check the quality of exported commodities; to build credibility for Vietnamese agricultural products in domestic and international markets.

4. To develop suitable and conducive infra-structure to push up the shift of economic structure

4.1. Water conservancy: To develop water conservancy in the direction of catering for multi-purposes, to enhance the effective use of works and projects; to vigorously shift to intensive farming of food tree crops, industrial plants crops, fruits crops, sugar canes, etc.; to give priority to small scale water conservancy projects in mountainous areas combined with serving agricultural production and supplying water for industries and everyday life of the people; to strengthen and to upgrade systems of river dikes and sea dikes to enhance safety and security against floods and storms ; to enhance effective administration and operation of water conservancy works with more active participation of beneficiaries; to take more robust measures to protect and to secure water sources.

4.2. To develop transportation for rural areas, to ensure smooth transportation in all climatic and weather conditions; *to develop the electric grids and post and telecommunication systems in rural areas.*

4.3. To push up the creation of towns, townships and urban centers, industrial service centers in rural areas. Depending local conditions, to develop plans for development of infrastructure and public services such as transport, electricity, post, water supply and sewerage, environmental sanitation, creation of industrial and service zones, to create favorable

conditions for creation of establishments specialized in storage and processing of agricultural products linked to large-scale commodities production zones.

5. Human resource development

To develop and to deliver vocational training to working people and technical officers and managers for rural areas, especially for district and communal levels. In the near future, to focus on implementation of training programs in agricultural and farming techniques through providing short-term training courses, agricultural extension courses and other types of training for farmers. At the same time, each year about 15,000 technical workers, 5,000 holders of vocational and technical secondary school certificates, 3,000 holders of university or higher school degrees, 300 holders of master degrees and Ph.D. degrees, 4,000-5,000 agricultural extension workers and co-operatives managers. To increase the level of funding for training especially for mountainous areas.

6. Policy renewal and institutional renewal

6.1. Land policies

- To make clear the legal framework, to create favourable conditions for farmers to shift and to convert agricultural land use purposes, and for SMEs to have land for their enterprise and business operation.

- To encourage and to create favourable conditions for investors to implement projects on effective exploitation and use of barren land and open land in midlands and highlands, and uncultivated land along the banks of rivers and the coasts; to ensure and to safeguard the rights and benefits of those people that are renting land or granted with land use permits.

6.2. Investment policies

- To increase the levels of investment in agricultural and rural development; to shift the structure of investments; to increase investments to research work and transfer of science and technology, development of marketing infrastructure, human resource development, research on marketing and expansion of markets especially export markets; to implement Punic tasks and services such as water management, forestry protection, veterinary medicine, plant protection, quality assurance for agro-forestry products and agricultural materials; to continue to implement the decentralised management of capital resources for investments, to implement the mechanism for popular participation in selection, decision-making, construction and management of projects and to give more priority to disadvantaged and poor regions.

- Step by step to reduce the tax burden and contributions from farmers. In 2001, to reduce tax on land use for poor households, households in 2,235 specially disadvantaged communes; to reduce tax burden for rice farmers and coffee farmers.

6.3. Policies on agricultural credits and farmers

To increase mid-term and long-term investment credit facilities for households, individuals, and co-operatives to develop agricultural production, industrial production, traditional trades and professions, services, and expansion of trading and commercial activities.

6.4. Policies on international economic integration:

To take measures to enhance effective use of ODA funds and other international assistance; to strengthen bilateral and multi-lateral Cupertino in trade and investments, to provide active support to foreign-invested enterprises operating in agriculture for them to be profitable and effective.

7. To strengthen State administration, and to promote democratic exercise in rural areas

To make clear and to make necessary adjustments in functions, responsibilities and tasks of various State administration agencies of agriculture and rural development; to deepen decentralisation for local governments; to improve managerial leadership for all levels, especially at district and communal levels.

Part III NATIONAL PROGRAMMES

I. HUNGER ERADICATION AND POVERTY REDUCTION (HEPR) PROGRAMMES

1. The national programme for HEPR and employment

1.1 Objectives:

- To reduce the rate of poor households to below 10% (according to new criteria for poor households); each year an averaged decrease of 1.5-2% (equivalent approximately to 28,000-30,000 households per year); to make sure that no chronic hunger can re-occur, and that poor communes have sufficient essential and necessary infrastructure facilities.
- Each year to provide 1.4-1.5 million job opportunities; to reduce unemployment rate in urban areas to below 6%, to increase the rate of using working time in rural areas to more than 80%.

1.2 This programme consists of 3 groups of projects. (1) The group of projects on general HEPR; (2) The groups of projects on HEPR for those poor communes that are not included in Programme 135, and (3) The group of projects on jobs and employment.

1.3 The need for invested capital for the entire programme 18.825 billion VND (excluding international Cupertino funds).

1.4 Distribution of work: MOLISA will takes the main responsibility in implementation of this programme. MARD has been assigned by the Government to take the main responsibility in co-ordinating Government sectors and agencies concerned and local governments for management and organisation for implementation 5 projects (Decision No. 71/2000/QD-TTg dated 04 May 2001 by the Prime Minister) as follows:

- (1) The project for development of infrastructure in poor communes;
- (2) The project for supporting production and development of traditional trades and professions in poor communes;
- (3) The project to provide guidance for poor people in income generation, agricultural extension, forestry extension, fisheries extension;
- (4) The project for settlement of residence and farming in poor communes; and
- (5) The project for stabilisation of migrating people to new economic zones in poor communes (including stabilisation of free migrating people, migrating people to new

economic zones, reallocation of population according to established plans; projects under the old programme 773 belonging to the agricultural sector as regulated by the Prime Minister at Official Document No. 1123/CP-NN dated 06 December 2000 regarding the reallocation of projects under programme 773).

2. Programme 135: “*Socio-economic development in 2.235 specially disadvantaged communes*”, MARD has been assigned the tasks of implementing the following 2 projects:

- (1) Planning for stabilisation of populations;
- (2) Stabilisation and development of agro-forestry production linked to processing and marketing products.

3. The project for eradication and replacement of opium crops under the main responsibility of MARD in co-ordination with the Commission on Ethnic and Mountainous Areas, ministries, agencies and 10 provinces concerned. The purposes of this project are to basically eradicate the farming of opium crops and to assist the socio-economic development in replacement so that eradication of opium crops can be sustainable thus improving the people’s livelihood.

In 2001, opium crops are still grown in 153 communes of 8 provinces covering an area of 325 hectares (as compared with 16,000 hectares during 1992-1993).

The above-mentioned tasks are focused on highlands, mountainous and remote areas. To carry out these tasks, apart from effective integration of various sources of funds, it is necessary to implement well the following jobs:

- Policy adjustments and revisions;
- To develop scientific research and technology transfer in the high land and mountainous areas;
- To train agro-extension workers, technicians for poor communes; to provide favourable conditions for their effective operations.

II. THE FIVE MILLION HECTARE AFFORESTATION PROGRAM

1. General objectives to the year 2010:

- To plant 5 million hectare of forest as well as to protect the existing forests in order to increase the coverage to 43%, contributing to the environment security, alleviation of natural disasters, increase of aquatic livability, conservation of genetic pools and biodiversity.
- To make efficient use of the wild land and bold hills to create more jobs for labourers, contributing to hunger elimination and poverty reduction, settlements, increase of the income for mountainous inhabitants, socio-political stability, national defence and security, especially in the border area.
- To provide wood as materials for paper production, plywood to meet the needs for woods and other forestry products for domestic consumption and production for exports as well as to develop the forestry processing industry in order to make forestry in important economic sector, contributing to socio-economic development in the mountainous areas.

2. Contents:

- To well protect existing 10 million hectare of forests;
- To delineate areas for reforestation and afforestation of additional 1 million hectare and another million hectare of protective and special forests;
- To provide favourable condition for farmers and businesses to plant 3 million hectare of forests to provide materials for production: forests to provide materials for production of paper, plywood, timbers used in mining industry, forest of special trees of about 2 million hectare; perennial industrial crops and fruit trees of about 1 million hectare; in addition to encourage people and organisations to make full use of wild land to plant dispersed trees.

3. Schedule:

- 1998 – 2000 period: To protect and afforest 700,000 hectare (of which 260,000 hectare is protective forests), delineate areas for reforestation and afforestation of additional 1 million hectare;
- 2001 – 2005 period: to afforest 1,3 million hectare (of which 350,000 hectare is protective forests), delineate areas for reforestation and afforestation of additional 650,000 hectare;
- 2006 - 2010 period: afforest 2 million hectare (of which 930 hectare is protective and special forests)

4. Structure of investment capital:

- Capital from the State budget;
- Credit for investment capital (national credit fund for investment, preferential credit sources, ODA and other sources of loans)

Achievements:

The first phase of the project (1998 - 2000) has been completed with the following outcomes:

- Forest protection assignment 1,830 thousand-hectare equivalent to 91.5% of the plan;
- Delineation of areas for reforestation 412 thousand hectare equivalent to 117% of the plan;
- Forest care 1,072.2 thousand hectare, equivalent to 170 % of the plan;
- Afforestation: 514,3 thousand hectare equivalent to 74.2 % of the plan

One of the reasons why the first phase failed to meet its objectives as provided by the Decision 661 is low budget allocation as compared with its demand: The total demand for 3 years (1998-2000) was VND 1,484 billion whereas the amount allocated by the budget was only VND 945 billion (equivalent to 64.3 %). In addition, the markets, processing industry, credits... were not favorable for farmers to plant economic forests.

Things to be done:

The second phase of the project (2001 - 2005) will have to well protect existing natural forests; plant and replant protective forests; provide favorable condition for farmers to speed up economic afforestation.

III. THE NATIONAL PROGRAM FOR RURAL WATER SUPPLY AND SANITATION

(Decision No 104/2000/Q&Tg, dated August 25,2000 by the Prime Minister)

1. The Program's objectives to the year 2020: All rural residents will have access to at least 60 liter/day of clean water in line with the national standard, hygienic latrine and exercise personal hygiene and keep the environment in villages and communes clean.

The Program's objectives to the year 2010: 85% of rural residents will have access to at least 60 day/day of clean water in line with the national standard and 70% have access to hygienic latrines and exercise personal hygiene.

Objectives (main focus) to the year 2005:

- To provide enough clean water and hygienic latrines for all kindergartens, schools, and other education institutions. Hospitals, clinic, offices and markets in the rural areas;
- To control the domestic farming, collective farming, and production in craft villages in order to keep the environment clean
- To prevent exhaustion, pollution of underground water, surface water in pools, rivers, springs in order to preserve its quality...

2. Capital demand: From 2000 to 2020, about VND 50,000 billion (USD 3.45 billion) will be needed.

Estimated structure of investment capital: (1) Capital from the State budget (including ODA), (2) other sources of capital (capital mobilised from the people, various economic sectors, capital from the integration into other national programs at the locality and (3) funding of international organisations (including non-refundable assistance and preferential credits).

As assigned in the Decision No 237/1998/Q&Tg, dated December 3, 2001, by the Prime Minister, the MARD has co-operated with Ministries, provinces and agencies to implement the Program and has achieved some initial results:

- Develop the components within the Program in order to ensure the feasibility in terms of objectives, target groups, contents and measure for the implementation of the program to the year 2005.
- Total amount of mobilised capital: VND 1200 billion of which the State budget account for VND 300 billion (25%), international organisations for about VND 140 billion (11%), mobilisation from the people and local budgets for VND 800 billion (64%).
- Clean water supply: 65,000 water supply stations have been constructed (including 1000 concentration water supply stations), providing clean water for about 6 million people; increasing the ratio of people having access to clean water to 42 % in 2000 from 38% in 1998 (equivalent to an annual increase of 5%). The capital from the State budget and international organisations has been preferentially channelled into extremely underprivileged communes in the high land, mountainous areas, and islands... therefore; these areas enjoyed a high annual growth rate of 12-16 %.

- Environmental hygiene in the rural areas: many pilot models have been developed, propaganda and education on pollution prevention and protection of rural landscape have been conducted; many advanced technology models on water supply and sanitation have been introduced; training courses have been conducted for staff who directly implement the project. In 2000, about 20% of the household (2.8 million households) use hygienic latrines and 15% of the farming cages have met the hygienic standards.

IV. ENFORCEMENT OF THE LAW ON WATER RESOURCE

1. Achievements:

- After the Law on Water Resource was promulgated, the MARD has direct functional agencies to formulate a plan for implementing related ordinances. The MARD has pay attention to the draft of such documents as: Revision of the Ordinance on Dykes; Ordinance amending and supplement a number of article of the Ordinance on Flood and Storm Prevention; Ordinance on the management, utilisation of hydraulic works superseding the former one. The Standing Committee of the National Assembly has passed these ordinances and they have come to effect. At present, the MARD is trying to finalise decrees guiding the implementation of the above-mention ordinances to submit to the Government for promulgation.

- Many assistance projects supported by international organisation are now in progress. The ADB project has played an active role in institutional establishment; the DANIDA funded SPS program is providing assistance for the formulation of a master plan for Law enforcement. The Government has decided to establish the National Council on Water Resource. The Minister of Agriculture and Rural Development has decided to establish the Management of Planning of basin of Red river, Thai Binh River, Mekong River and Dong Nai River... In addition, a national conference on capacity building for water resource management (funded by the ADB) also help to develop useful recommendations for the implementation of the Law on Water Resource. Recently, May 8-9, 2001) the DANIDA funded a conference in Hanoi on issues relating to the implementation of the Law on Water Resource and regulation on the enforcement of this Law.

2. Things to be done: a detailed and uniform plan for various contents in the Law on Water Resource should be formulated; the development of sublaws should be continued, functional organisations and activities as provided by the Law should be developed. This is a new area for Vietnam, therefore, there is a need for strong international support for enhancing the general knowledge in resources, environments, legal affairs, management skills, use of systems facilitating decision making....

INTERNATIONAL CO-OPERATION

1- ISG process has been implemented and encouraging results achieved. The ISG Plenary Meeting May 2000 passed Terms of Reference (ToR) for the new stage: development of an action plan, financial mechanism, selection of a manager and an accountant for the ISG Secretariat... Many donors (Denmark, Sweden, Netherlands, Australia, UNDP, ... pledged to provide strong support in terms of consultants, finance for the operation of the ISG process.

2- The Five Million Hectare Reforestation Partnership (5MHRP) has been formed and financial regulations for the Partnership operation formulated.

3- Completion of the preparations for the Partnership of Natural Disaster Mitigation for Central provinces.

4- MARD is implementing 133 projects signed by the Government and international donors with the total fund of over USD 1.4 billion (76 projects on agriculture, 36 projects on forestry and 21 projects on irrigation). In 2000, MARD signed 22 projects with total fund of nearly USD 279 million (of which loan counts for USD 73 million, grant for USD 188 million, counterpart contribution for USD 18 million).

5- MARD is actively guiding the preparations to meet the pledge with the AFTA, the APEC and for the discussion for WTO membership.

Request for internal support

MARD highly appreciate and is grateful for the considerations of international donors for Vietnam agriculture and rural development. We expect to further develop the co-operation and receive strong support from countries, international organisations for the implementation of the program, which has been worked out. In addition to financial support, we would like you to pay attention to assistance for integration, market penetration, science and technology, and promotion of direct investment in agriculture and rural development.

ministry of agriculture and rural development