

SUMMARY OF PROCEEDINGS
MARD-DONOR CONSULTATION WORKSHOP
DEVELOPMENT OF 5-YEAR PLAN 2006-2010 FOR AGRICULTURE AND
RURAL DEVELOPMENT SECTOR
Hanoi 18 March 2005

I. OPENING REMARKS

In his introductory remarks, **Dr. Le Van Minh** emphasized MARD's commitment to engage in close consultations with international MARD partners and other stakeholders on the preparation of the FYP and summarized the work of the FYP Task Force formed to facilitate this consultation process. While the time is short, the process has been intensive and productive. Comments received from donors will be taken into consideration.

In his opening remarks, **Dr. Cao Duc Phat Minister of MARD** expressed his appreciation of the international partners' support to the development of the FYP. The FYP the key planning instrument for the Ministry and the ARD a priority in the GoV's efforts to pursue socio-economic development and reducing poverty. With many new challenges facing the sector, support from the international community to the development and implementation of the plan is essential. GOV considers international donors "internal partners" in this process and will actively solicit recommendations from international partners to the plan renovation process and to the content of the Plan. The plan renovation process is new for MARD and a departure from the past ways which had little participation from the people. This time there will be consultation with the international partners, other Ministries, Provinces and institutes. When finalized, 10 departments in MARD will prepare realistic plans of action based on the plan.

Mr. Klaus Rohland noted that the Plan is being prepared in a setting that is radically different from when the previous Plan was elaborated. Vietnam is moving towards global integration and the private sector and other stakeholders are progressively taking an increased role within the sector. As MARD is therefore no longer the only player in ARD, the nature of the planning process needs to change. The Plan therefore needs to provide the overall direction for the development of the sector and an enabling framework for the engagement of state, private sector and civil society actors in the implementation of the Plan. The key challenge for the Plan is to ensure that sector development activities adhere to the overall Government's objectives of economic growth, social inclusion and equity, and environmental sustainability – how will MARD's work contribute to these objectives? The Plan needs a clear vision: enhanced market-based growth, development based on people empowerment and participation, and sustainable natural resource management. The international partners share the overall vision and objective, and the international partners are keen to support MARD in moving towards its new strategy. The international partners would like to use this to form a framework for our investments. We need to move from an assumption that the integration of all of our projects is sufficient, to a more strategic approach that the plan would provide.

II. PRESENTATIONS

MPI presentation: “Building the five-year socio-economic development plan 2006-2010. Mdm Dinh Thi Chinh, Head of the Planning and Forecast Division, National Economic Issues Department

This presentation covered the shortcomings in the plan development in terms of process, content and method; the basis for the reform of the process; the requirements for the 2006-2010 period and the timeframe for plan approval.

MARD Presentation: Agriculture and Rural Development sector five year plan, 2006-2010, Mr Bui Tat Tiep, Deputy Director General, MARD’s Planning Department.

This presentation covered the plan development process; the overall objectives of the plan, specific goals and objectives, the logical framework and linkages of the plan with the medium term budget .

Joint statement by donors providing comment on the draft MARD five year plan.

HE Gerben de Jong, Ambassador, Royal Netherlands Embassy presented the Joint Statement of Comments from Key Donors on the Plan.

III. MARD REACTIONS TO DONOR RECOMMENDATIONS TO THE 5-YEAR PLAN 2006-2010 AND THE PLANNING RENOVATION PROCESS

Dr. Cao Duc Phat, Minister of MARD expressed his agreement with the 11 key points raised in the Joint Donor Statement. In this context the Minister specifically emphasized the following:

- ⇒ MARD agrees with the need to create an overall Vision for the ARD sector and the need to create linkages between the FYP, sub-sector plans, and sub-sectoral and thematic strategies and regulatory frameworks. The FYP must be considered an *instrument* to realizing these various plans and strategies.
- ⇒ MARD appreciates that the Plan should function as *action plan* for the sector as a whole and for all stakeholders, and consequently that the Plan more clearly should seek to prioritize interventions and link objectives to specific programs, institutional implementation mechanisms and resource allocation. The Plan should be practical, applicable and realistic. MARD will therefore instruct individual departments to review their proposed programmes, actions, indicators and resource projections to ensure that resources available are used efficiently to achieve Plan objectives and targets.
- ⇒ MARD agrees that the Plan as of now mainly focuses on pursuing the growth objective through agricultural development, and that the Plan needs to pay more attention to the *social and environmental Plan objectives* (pillars). More attention to this balance has been paid in the forestry sub-sector, less so for land and water. MARD will therefore ask its departments to specify measures towards securing sustainable use of natural resources and social inclusion (empowerment) and poverty reduction in the Plan. This would be in line with the Doi Moi renovation process and is about enabling farmers to make their own choices and encourage the people to participate in the development process, work with MARD and work with each other. The Plan should more clearly reflect this social inclusion issue, and MARD hopes to receive support from its international partners to defining how to pursue this pillar.
- ⇒ However, emphasis on agricultural development, trade and plant protection and veterinary safety will be maintained as these issues are critical in order for Vietnam to obtain early accession to the WTO.

- ⇒ MARD agrees with the need to strengthen the linkages between sub-sectors and between the ARD sector and other sectors/Ministries and will prioritize on this issue before submitting the draft Plan to MPI by the end of March. MARD will also continue coordinating its FYP input with MONRE, MOSTE, MOLISA and other relevant Ministries.
- ⇒ The Plan should be linked to Public Administrative Reform process and emphasise decentralization of authority to ensure active engagement of the provinces and people. The decentralization effort must be accompanied by support as well as and supervision from the Center to ensure that provinces and people has capacity to implement the plan within the framework of Plan objectives.
- ⇒ MARD agrees that it is essential that the Plan is based on strong analysis as this is required to justify action choices. MARD has therefore asked the Agricultural Economic Institute to lead a review and improvement of the analysis contained in the current version of the Plan. Other institutes will also be involved.
- ⇒ MARD intends to adopt the logical framework methodology and will therefore instruct its departments and DARDs to apply this format. ICD will therefore facilitate donor support to helping departments to apply the LF framework in their respective plans next week. MARD will furthermore liaise with MPI to ensure that this new format an approach will be applied in the final plan. MARD appreciates and welcome donors' involvement in this process, specifically and immediately by strengthening the capacity of key planners at all levels of the sector.
- ⇒ MARD will continue the close consultation with its international partners and will invite donors and the consultation Task Force to provide inputs to the sub-sector plans (e.g. forestry, agriculture, irrigation, etc.).

IV. PLENARY DISCUSSION

Dr. Cao Viet Sinh, Director General, Department of National Economic Issues, MPI expressed appreciation of MARD's decision to adopt the new planning approach and noted that MPI is currently in the process of developing guidelines to Ministries, provinces and other state actors on the application of the new approach, including for monitoring. In addition to the points mentioned by Dr. Cao Duc Phat, he emphasized the need to link ARD development to land use, reduce regional gaps in living conditions, expedite the process of renovating SOE/SFEs, enhance the quality of science and technology interventions and to prioritize efficient monitoring of Plan implementation. It was further emphasized that consultation on the Plan will be an ongoing process that will continue after the prime Minister has reviewed the initial draft Plan in early April.

Representatives of the international partners expressed their appreciation of the open and consultative approach applied by MARD in seeking inputs to the Plan from donors and of the efforts to renovate the planning process.

The plenary discussion in addition focused on the following key issues:

- ⇒ **Process for consultations on the Plan with other Ministries, provinces and other stakeholders:** MARD will invite provincial authorities for consultations on the Plan - to facilitate that provincial plans' support for the objectives, approaches and indicators set out in the Plan and to ensure that the Plan is "realistic". MARD expects provincial level DARDs to follow the new planning approach. MARD will furthermore submit the Plan to other Ministries for comments. Coordination is required on many issues. MARD appreciates MPI's support to MARD's planning renovation process.

- ⇒ **Mainstreaming of social and environmental concerns across all planned programs:** Several participants noted the efforts to recognize social and environmental concerns in the Plan and the logical framework. However it was felt that social and environmental concerns need to be further *mainstreamed*, i.e. needs to be reflected in *all* goals rather than in the context of Goal 2 and 3 only (e.g. increased agricultural employment for rural poor could be achieved in the context of mainstream economic growth focused programs under Goal 1 *as well as* programs with a specific poverty reduction focus under Goal 2). It was further noted that the Plan is still highly focused on the agriculture sub-sector, and that more attention to other rural development sectors/issues would be desirable. Finally, it was felt that the Plan should more clearly outline measures to include communities and users in planning and implementation of interventions. In his reply, **Dr. Cao Duc Phat** recognized that improving living conditions is a consideration that is of relevance across all goals, and that integration of the 3 goals constitutes a key challenge that needs further consideration. The Planning Department and sub-sector departments therefore need to ensure that sub-sector plans are coordinated and aligned vis-à-vis the FYP (e.g. agricultural production and water availability / irrigation interventions need to be aligned). Dr. Phat further agreed that rural development issues need more attention and that the “how-to issue” needs to be reflected better, including in particular identification of solutions needed to realize the social pillar and social “empowerment” and outreach to the village level. Donors were requested to support MARD in doing so.
- ⇒ **Measures to ensure private sector involvement:** The participants noted the key role granted to the private sector in ensuring production outputs, quality assurance and employment opportunities. However it was felt that the Plan needs to provide more clarity as to *how* increased private sector engagement is to be achieved. MARD reemphasized that the private sector (including “the people”) is seen as a key “plan implementer” and that the Ministry is committed to seeking increase private sector engagement and investments in ARD (including FDI) through provision of incentives, renovation of SOEs/SFEs and rural infrastructure development.
- ⇒ **Need to move from quantitative targets to qualitative indicators for poverty reduction and improved income:** Participants felt that Plan indicators are still too focused on establishing quantitative targets rather than establishing qualitative poverty reduction bench-marks such as increase in farmer income, diversification of income, etc. While agreeing that more qualitative indicators are needed, MARD emphasized the need to specify quantitative targets (e.g. coffee production).
- ⇒ It was agreed that the Plan should **more clearly specify ways to enhance administrative decentralization** through delegation of authority to and capacity building of local institutions.
- ⇒ **Need to strengthen the links between research and extension and to ensure that research and extension reflect the needs of farmers.** MARD realizes the need to strengthen research-extension linkages and has among other initiatives suggesting to Prime Minister to merge 8 crop research institutes into one consolidated institute with high level leadership. MARD is furthermore in the process of developing an appropriate legal framework for research in and carefully monitored introduction of GMO technologies, which is considered a key technology for Vietnam. Human resource capacity constraints however hamper progress in this context.
- ⇒ **Focus on further development of sub-sector plans and inter-sectoral coordination:** Pointing to the critical linkages between sustainable water management and agricultural production (as exemplified by the serious impacts of the current drought in parts of the country), **Dr. Cao Duc Phat** acknowledged the need for the Plan to emphasise inter-sectoral coordination between MARD and other Ministries and coordination of intra-MARD sub-sector.

V. DISCUSSION WRAP-UP

In his concluding remarks, **Klaus Rohland** noted MARD and the GoV's efforts to move from target-based planning towards higher emphasis on "the quality of growth". The general planning mind-set is gradually changing from a "GoV doing it all" to a "people empowerment" perspective. He also noted the increased emphasis on integration at various levels, i.e. between sub-sectors, between Ministries (especially between MARD and MoNRE), between the central and local levels, and between Vietnam and the global economy. Emphasizing that MARD's international partners feel confident that this FYP will be "much better" than the last Plan, he also stressed the need to ensuring that the Plan is effectively linked to relevant implementation and financial expenditure frameworks. Effective monitoring and regular plan adjustment is key to ensuring that the Plan reflects changes in the "world around us" at all times. He was noted that the consultation process will continue until June and even beyond and re-emphasized the international community's commitment to contribute to this process. He expressed hope that more donors will realign their planning and funding frameworks to those of the GoV.

VI. WORKSHOP CONCLUSION

In his closing remarks, Minister Cao Duc Phat once again expressed MARD's sincere thanks to the donor community for their contribution to development of the sector's FYP. He emphasized that suggestions and questions from the consultation process have created important ideas that the sector should take into more careful consideration.

Planning is a quite complicated task, but it is our responsibility. In the time to come, we expect to receive your continued support, not only financially, but also in terms of provision of comments/ideas to contribute to the following issues:

- (1) Development and completion of the sector's FYP.
- (2) Development and completion of the sub-sectors' FYP.

Hanoi, 18 March 2005