

Cote du document: EB 2012/105/R.6
Point de l'ordre du jour: 5 b)
Date: 13 mars 2012 **F**
Distribution: Publique
Original: Anglais



Ouvrer pour que les
populations rurales pauvres
se libèrent de la pauvreté

République socialiste du Viet Nam

Programme d'options stratégiques pour le pays

Note pour les représentants au Conseil d'administration

Responsables:

Questions techniques:

Atsuko Toda
Chargée de programme de pays
téléphone: +39 06 5459 2638
courriel: at.toda@ifad.org

Transmission des documents:

Kelly Feenan
Chef du Bureau des organes directeurs
téléphone: +39 06 5459 2058
courriel: gb_office@ifad.org

Conseil d'administration — Cent cinquième session
Rome, 3-4 avril 2012

Pour: **Examen**

Table des matières

Sigles et acronymes	ii
Carte du pays indiquant les zones d'intervention du FIDA	iii
Résumé de la stratégie pour le pays	iv
I. Introduction	1
II. Le contexte du pays	1
A. Économie, agriculture et pauvreté rurale	1
B. Politiques, stratégies et contexte institutionnel	4
III. Enseignements tirés de l'expérience du FIDA dans le pays	6
A. Résultats, impact et performance des opérations antérieures	6
B. Enseignements tirés	6
IV. Cadre stratégique du FIDA pour le pays	7
A. Avantage comparatif du FIDA au niveau du pays	7
B. Objectifs stratégiques	8
C. Perspectives d'innovation et de reproduction à plus grande échelle	9
D. Stratégie de ciblage	10
E. Articulation au niveau des politiques	11
V. Gestion du programme	13
A. Suivi du COSOP	13
B. Gestion du COSOP	13
C. Partenariats	13
D. Gestion des savoirs et communication	14
E. Cadre de financement SAFP	14
F. Risques et gestion des risques	15
Appendices	
I. COSOP consultation process (Processus de consultation pour l'élaboration du COSOP)	1
II. Country economic background (Situation économique du pays)	4
III. COSOP results management framework (Cadre de gestion des résultats du COSOP)	5
IV. Previous COSOP results management framework (Cadre de gestion des résultats du précédent COSOP)	7
V. CPE agreement at completion point (Accord conclusif de l'EPP)	8
VI. Project pipeline (Réserve de projets)	15

Dossiers clés

Dossier clé 1:	Rural poverty and agricultural/rural sector issues (Pauvreté rurale et secteur agricole et rural)	46
Dossier clé 2:	Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis) (Matrice des organisations [analyse des forces, faiblesses, possibilités et menaces])	48
Dossier clé 3:	Complementary donor initiative/partnership potential (Initiatives complémentaires d'autres donateurs/possibilités de partenariat)	54
Dossier clé 4:	Target group identification, priority issues and potential response (Identification du groupe cible, questions prioritaires et options envisageables)	59

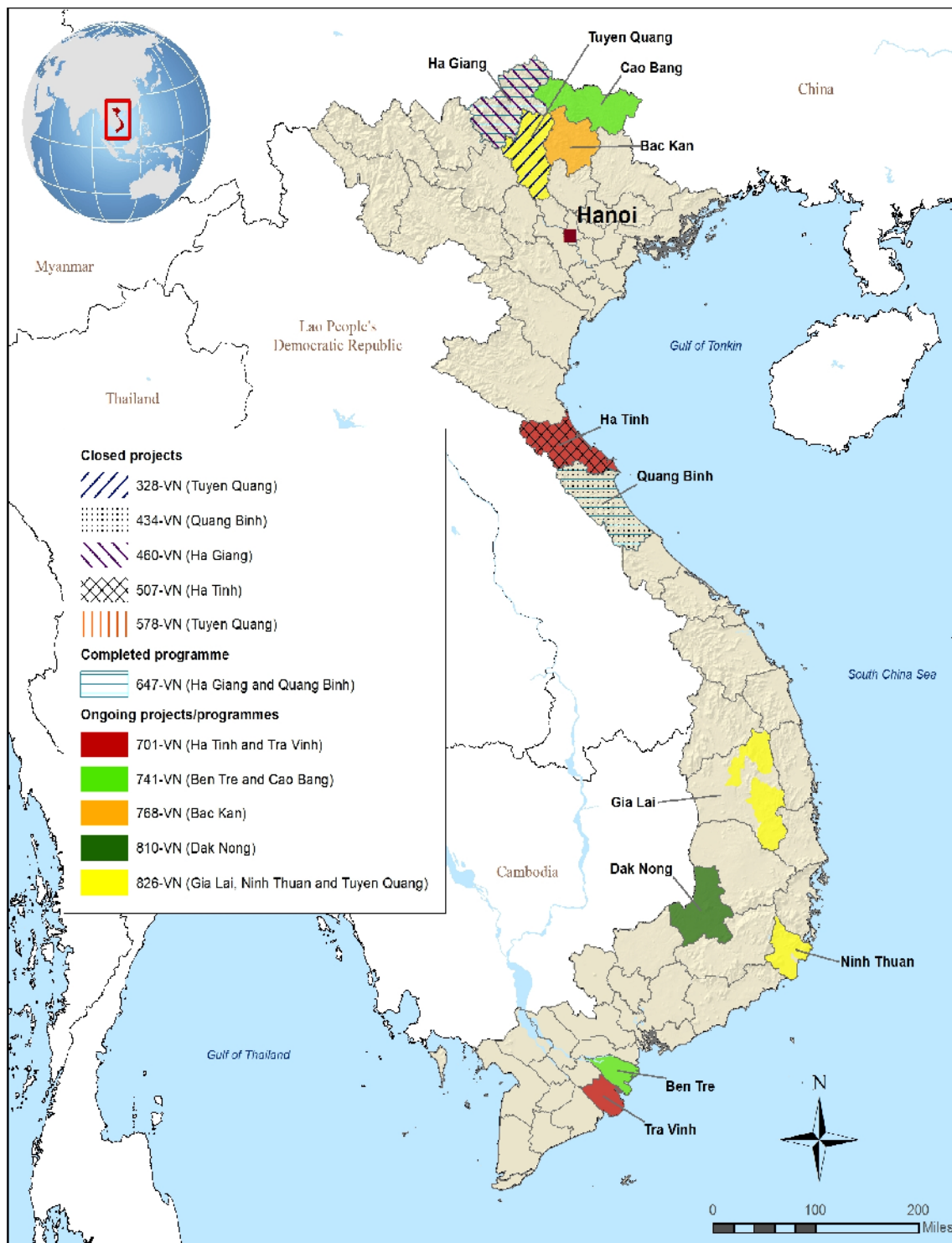
Sigles et acronymes

AGCA	Agence gouvernementale de coordination de l'aide
CMRGPP	Cadre de mesure des résultats de la gestion du programme de pays
COSOP	Programme d'options stratégiques pour le pays
EPP	Évaluation du programme de pays
GEC	Groupement d'épargne et de crédit
GIC	Groupement d'intérêt commun
MADR	Ministère de l'agriculture et du développement durable
MPI	Ministère du plan et de l'investissement
NTP-NRD	Programme indicatif pour le nouveau développement rural
NTP-PR	Programme indicatif de réduction de la pauvreté
NTP-RCC	Programme indicatif pour répondre au changement climatique
OS	Objectif stratégique
PDSE	Plan de développement socioéconomique
PPP	Partenariat public-privé
S&E	Suivi-évaluation
UFV	Union des femmes vietnamiennes
UPV	Union des paysans vietnamiens

Carte du pays indiquant les zones d'intervention du FIDA

Socialist Republic of Viet Nam

IFAD-funded operations



31-1-2012



Source: FIDA

Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés

Résumé de la stratégie pour le pays

1. Deux décennies de croissance économique rapide et d'intégration aux marchés ont transformé le Viet Nam, qui est passé d'une économie de subsistance à une économie émergente et est devenu un pays à revenu intermédiaire de la tranche inférieure, intégré dans les marchés mondiaux. La structure de l'économie s'est réorientée de l'agriculture vers l'industrie et les services, et la croissance du PIB s'est accélérée. Malgré cette évolution rapide, 70% de la population continue de vivre de l'agriculture, qui reste une source importante de création de revenus et d'emploi pour la nombreuse population active rurale. La population rurale englobe 91% des pauvres du pays. Au cours du programme d'options stratégiques pour le pays (COSOP) 2012-2017, la création de richesses au Viet Nam, en particulier pour ces derniers, restera tributaire de la poursuite du développement du secteur rural et de l'exploitation durable de ses ressources naturelles. Le FIDA doit donc se concentrer sur des activités susceptibles d'avoir le maximum d'impact afin de remédier à la pauvreté résiduelle en milieu rural, dans le cadre des défis et des occasions qui se présentent dans un pays à revenu intermédiaire de la tranche inférieure, une structure économique en mutation et une urbanisation rurale croissante.
2. Les évolutions amorcées et les conclusions de l'évaluation du programme de pays (EPP) conduite par le Bureau indépendant de l'évaluation du FIDA (IOE) nous ont amenés à redéfinir la stratégie pour la prochaine période. Fort du précédent COSOP, le COSOP couvrant la période 2012-2017 propose de développer dans le portefeuille courant des innovations favorables aux pauvres et axées sur le marché en approfondissant les réformes institutionnelles et politiques au niveau provincial et en renforçant les capacités aux niveaux des districts, des communes et des ménages de paysans pauvres afin de soutenir la mise en œuvre de ces innovations ainsi que la croissance. Le présent COSOP se concentrera donc sur la reproduction à plus grande échelle des expériences soutenues par le FIDA dans les systèmes et programmes gouvernementaux. Ce processus aura pour but d'intégrer la planification locale participative et axée sur le marché, soutenue par le FIDA, dans les processus gouvernementaux de planification du développement socioéconomique; de renforcer les capacités à tous les niveaux afin d'améliorer la gestion des résultats obtenus en matière de développement rural; d'améliorer l'accès à des services ruraux diversifiés et de qualité; de développer les infrastructures à l'initiative des communautés; d'ouvrir l'accès aux marchés et de mettre en place des filières ainsi que des moyens de subsistance agricoles et non agricoles en faveur des pauvres; et de former et appuyer des groupements d'intérêt commun. L'une des importantes innovations figurant dans le présent COSOP est la prise en compte de la réponse au changement climatique dans l'exécution du programme de pays, le Viet Nam étant l'un des pays les plus vulnérables au changement climatique et donc particulièrement exposé à son impact.
3. Le COSOP 2012-2017 repose sur des investissements dans les régions des montagnes du Nord-Est, du Centre et du delta du Mékong et cible les populations rurales pauvres (minorités ethniques, femmes et jeunes), en particulier les paysannes, qui sont le principal moteur de la croissance agricole dans les communautés des minorités ethniques et dans les zones rurales reculées ainsi que les garantes de la sécurité alimentaire et nutritionnelle des ménages. Le COSOP propose les trois objectifs stratégiques (OS) suivants:
 - OS1: permettre aux provinces rurales pauvres de réaliser un développement rural orienté vers le marché et favorable aux pauvres;
 - OS2: améliorer l'accès de la population rurale pauvre – en particulier des femmes – aux marchés des produits et du travail; et
 - OS3: renforcer la capacité d'adaptation au changement climatique des ménages ruraux pauvres.

4. La gestion du programme de pays du FIDA exigera des efforts accrus en matière de courtage des connaissances dans le pays et au-delà, de remontée d'information et de concertation sur les politiques avec le gouvernement, ainsi que de partenariat avec de multiples parties prenantes, dont le secteur privé, les institutions financières internationales, les acteurs du développement et la société civile.

République socialiste du Viet Nam

Programme d'options stratégiques pour le pays

I. Introduction

1. Le présent programme d'options stratégiques pour le pays (COSOP) couvre la période 2012-2017. La note conceptuelle du COSOP a été établie et discutée avec les agences gouvernementales de coordination de l'aide (AGCA)¹ en juillet 2011. Un examen du programme de pays a eu lieu en août 2011, et les directeurs des programmes soutenus par le FIDA, en cours d'exécution dans 11 provinces, ont été consultés sur les principaux piliers du nouveau COSOP. Des documents préparatoires ont été élaborés sur les sujets suivants: i) collaboration avec le secteur privé; ii) réduction de la pauvreté sur la base d'une approche régionale; iii) analyse de référence de la pauvreté; et iv) changement climatique. Une mission conjointe gouvernement/FIDA de conception du COSOP², exécutée du 24 septembre au 14 octobre 2011, a tenu de larges consultations avec des représentants du gouvernement central, des autorités provinciales, des partenaires du développement, des entreprises du secteur privé et des agriculteurs. Des consultations ont eu lieu séparément avec la communauté des ONG et un certain nombre de partenaires bilatéraux. Le 22 décembre 2011, un atelier de validation du COSOP s'est tenu dans le pays afin de mettre en commun une révision du COSOP prenant en compte les observations formulées à l'issue de l'examen d'amélioration de la qualité et par la direction du FIDA. Le processus d'élaboration du COSOP est présenté de façon détaillée à l'annexe I.
2. L'évaluation du programme de pays (EPP) exécutée par le Bureau indépendant de l'évaluation du FIDA (IOE) en 2011 fait partie intégrante de l'élaboration du COSOP. Dans le cadre d'un processus itératif d'évaluation et de missions dans le pays, la principale mission de l'EPP a été montée en mars 2011 et ses conclusions ont été examinées au cours d'une table ronde nationale qui s'est tenue à Hanoï en novembre de la même année. Le COSOP s'appuie sur les recommandations de l'EPP et sur les accords conclus avec le Gouvernement vietnamien.

II. Le contexte du pays

A. Économie, agriculture et pauvreté rurale

Situation économique générale

3. Le Viet Nam a acquis en 2010 le statut de pays à revenu intermédiaire de la tranche inférieure. Le PIB moyen par habitant a connu une augmentation régulière, passant de moins de 200 USD en 1989 à plus de 1 000 USD en 2009, la croissance des revenus la plus forte étant associée aux zones urbaines et aux activités économiques tournées vers l'exportation. La croissance économique du pays devrait atteindre 6,5% à 7% par an en moyenne au cours de la période 2011-2015, tirée par l'augmentation soutenue de la consommation, de l'investissement et des exportations. L'amélioration du marché du travail et la hausse des salaires réels stimuleront la consommation, tandis que la lente amélioration de la situation économique mondiale devrait stimuler l'activité manufacturière, qui alimentera à son

¹ Les AGCA comprennent les Ministères du plan et de l'investissement, des finances, de l'agriculture et du développement rural, et des affaires étrangères, ainsi que le Cabinet du gouvernement.

² Cette mission avait la composition suivante: Garry Smith (chef de mission), Nguyen Thanh Tung (chargé d'appui au programme de pays du FIDA), Roshan Cooke (spécialiste FIDA de l'environnement et du climat de la région), Michael Hamp (Conseiller principal FIDA pour la finance rurale), Sarah Dadush (Conseiller juridique du FIDA), James Smyle (consultant sur le changement climatique), Nguyen Yen Hai (Directeur général adjoint du Département des relations économiques étrangères au Ministère du plan et de l'investissement [MPI]), Tran Anh Tuan (Fonctionnaire principal, Département de la coopération internationale, Cabinet du gouvernement), Nguyen Lan Huong (Directeur de la Division multilatérale, Ministère des finances) et Atsuko Toda (chargée de programme de pays du FIDA). Thomas Elhaut (Directeur de la Division Asie et Pacifique du FIDA) a participé à la réunion de clôture.

tour la hausse des salaires. Malgré le récent fléchissement de l'investissement étranger direct (5,3 milliards d'USD au premier semestre de 2011), l'intérêt des investisseurs étrangers pour les activités tournées vers l'exportation demeure assez robuste.

4. Le Viet Nam a connu en 2011 un taux d'inflation à deux chiffres et une instabilité macroéconomique qui ont conduit le gouvernement à adopter la résolution 11, prévoyant des mesures telles que le resserrement de la politique monétaire et fiscale, la réduction de l'investissement public et du déficit budgétaire, le contrôle du déficit commercial et la promotion des exportations. En conséquence, l'inflation a été de mieux en mieux maîtrisée (l'indice des prix à la consommation a été de 18,13% en 2011)³, la dette publique a été maintenue à un niveau raisonnable, soit 54,6% du PIB à la fin de 2011, et le déficit budgétaire total a été ramené à 4,9% du PIB. Les exportations continuent de croître. Leur valeur totale a été estimée à 96,3 milliards d'USD en 2011 (41,8 milliards d'USD dans les secteurs d'activité intérieurs et 54,5 milliards d'USD dans les secteurs d'investissement étranger), soit une augmentation de 33,3% par rapport à 2010. Alors que le déficit commercial de 9,5 milliards d'USD enregistré en 2011 est le plus faible des dix dernières années, le compte courant devrait rester déficitaire à moyen terme en raison de la forte croissance de la consommation et de l'investissement et du rapatriement croissant des bénéfices par les investisseurs étrangers.

Agriculture et pauvreté rurale

5. La croissance de l'agriculture a assuré la sécurité alimentaire et apporté une contribution essentielle au développement et à la stabilité économiques et sociales. Environ 69,4% de la population vit en milieu rural, soit une augmentation de 11,5% par rapport à 2006⁴. L'augmentation du nombre de ménages ruraux au cours de la période 2006-2011 a été plus forte qu'en 2001-2006, en raison à la fois de l'accroissement de la population rurale et de la multiplication des ménages. La structure de l'économie s'est modifiée parallèlement à la diminution du nombre des ménages dépendant de l'agriculture, dont la part est tombée de 71,1% en 2006 à 62% en 2011, et à la participation croissante des ménages à l'industrie et aux services, qui est passée de 25,1% en 2006 à 33,2% en 2011. Ce changement de structure de l'économie rurale varie toutefois beaucoup d'une région à l'autre. Les trois régions où la part des ménages non agricoles dépasse 30% sont celles du Sud-Est (58,1%), du delta du fleuve Rouge (44,5%) et du delta du Mékong (32,2%). Au contraire, dans les régions des Hautes Terres centrales, de la Côte centrale et des Hautes Terres du Nord, plus de 80% de la population tire ses revenus de l'agriculture et la part des ménages non agricoles demeure relativement faible, d'où de nombreuses ramifications avec la pauvreté.
6. Alors qu'entre 2005 et 2010 la croissance annuelle globale de l'agriculture avait été en moyenne de 3,4%, elle est passée à 5,2% en 2011 (respectivement 4,8% pour les cultures et l'élevage, 5,7% pour les forêts et 5,7% pour les pêches). Le riz occupe 54% de la superficie cultivée totale, les autres cultures annuelles 26%, et les cultures pérennes les 20% restants. La production rizicole a atteint un total de 42,3 millions de tonnes en 2011, soit une augmentation de 2,3 millions de tonnes par rapport à 2010, ce qui représente la plus forte progression des dix dernières années. La hausse du coût de la main-d'œuvre agricole pousse à une lente augmentation de l'efficacité (mécanisation et remembrement) et à la diversification accélérée de la production. Le sous-secteur de l'élevage, qui représente 25% du PIB agricole, devrait connaître une croissance importante. La production des pêches a augmenté en moyenne de 9,4% par an, entre 2002 et 2009, les progrès de la production de l'aquaculture d'eau douce et de crevettes ayant été particulièrement rapides, dépassant maintenant celle des poissons sauvages. La production halieutique totale a atteint 5,43 millions de tonnes en 2011, soit une augmentation

³ General Statistics Office (GSO), MPI, décembre 2011.

⁴ GSO, 1^{er} juillet 2011.

de 5,6% par rapport à 2010. Les exportations de produits de la mer ont rapporté 6,1 milliards d'USD en 2011 (soit une hausse de 21,7% par rapport à 2010) contre 3,4 milliards d'USD en 2006, ce qui en fait le cinquième poste d'exportation en valeur du Viet Nam.

7. En dépit de cette forte performance, un certain nombre de contraintes subsistent. La qualité des produits vietnamiens est médiocre et ils sont généralement payés nettement moins cher que ceux des pays voisins et de la concurrence sur les marchés à l'exportation, qu'il s'agisse du riz, du café, du thé, du caoutchouc ou des produits aquacoles. Les systèmes de connaissances agricoles exigent un investissement important et une orientation plus forte vers le client et le marché, tandis que des investissements d'infrastructure massifs sont nécessaires dans la gestion de l'eau et les transports. Les marchés ruraux sont caractérisés par le faible accès des agriculteurs à l'information sur les marchés, l'intégration limitée des filières, le bas niveau de valeur ajoutée, et la prédominance persistante d'entreprises étatiques sur certains produits et marchés, notamment les marchés d'exportation. Conjugées au sous-développement du secteur de la transformation, ces contraintes techniques, commerciales et qualitatives, représentent une importante perte d'investissements, de revenus et d'emplois, tout en restreignant sérieusement la rentabilité des exploitations agricoles. Du fait de la hausse des salaires de la main-d'œuvre agricole et de la rareté croissante des ressources naturelles, le secteur agricole doit de toute urgence se diversifier vers des produits de meilleure qualité, promouvoir la création de valeur ajoutée et la transformation, et accroître l'efficacité tout en assurant la durabilité des ressources de base.
8. Malgré la distribution de 9 millions d'hectares de terres agricoles à 12 millions de ménages et l'approbation de 11,5 millions de certificats de droits d'utilisation des terres, le processus de réforme agraire est incomplet: des investissements supplémentaires sont nécessaires pour assurer la délivrance des certificats, la mise en place de systèmes d'information foncière, ainsi que de planification et de remembrement des terres, et l'intégration des régimes fonciers coutumiers dans les droits collectifs d'utilisation des terres, en particulier pour les "communautés résidentielles" de minorités ethniques. L'utilisation non durable des ressources naturelles, en particulier de l'eau et des forêts, crée des problèmes de pénurie d'eau et de dégradation des terres, notamment par la salinisation, la perte de biodiversité et les inondations. Cela accentue la vulnérabilité au changement climatique et aux aléas climatiques naturels, dont la fréquence et la gravité vont croissant. Ces contraintes sont aggravées par les capacités limitées des institutions d'appui, en particulier aux niveaux des provinces et des échelons inférieurs.
9. Du fait de ses "méga-deltas" et des fortes densités de population dans les deltas du Mékong et du fleuve Rouge, le Viet Nam a été qualifié dans le quatrième rapport du Groupe d'experts intergouvernemental sur l'évolution du climat (GIEC) de "point menaçant pour les impacts et les vulnérabilités climatiques futurs en Asie". Les prévisions à long terme indiquent que les impacts attendus sur l'agriculture et le développement rural proviendront principalement des changements concernant les températures, les précipitations et le niveau des mers. Une étude de la Banque mondiale conduite en 2007 a abouti à la conclusion que l'élévation d'un mètre du niveau de la mer, prévue pour 2100, entraînerait la perte directe de plus de 5% de la superficie terrestre du pays, de plus de 7% des terres agricoles, de 28% des terres humides et de plus de 10% du PIB. Environ 11% de la superficie totale des zones peuplées et urbaines serait touchée.
10. Entre 1993 et 2008, l'incidence de la pauvreté au niveau national est passée de 58,1% à 14,5%, puis à moins de 10% en 2010, permettant ainsi à quelque 30 millions de Vietnamiens de se libérer de la pauvreté. Au cours de la même période, la pauvreté rurale est tombée de 66,4% à 18,7%, puis à 17,4% en 2010. Cependant, la pauvreté reste un phénomène essentiellement rural: en 2010, la population rurale comprenait 91% de la totalité des pauvres, chiffre qui n'a guère

diminué depuis 1993, époque à laquelle il était de 95%. Alors qu'elles ne représentent que 15% de la population totale, les minorités ethniques affichent un taux de pauvreté de 45%, ce qui est particulièrement préoccupant. Ce taux varie sensiblement d'un groupe ethnique à l'autre. Les facteurs à l'origine de la plus forte incidence de la pauvreté au sein des peuples minoritaires sont: le plus faible taux de fréquentation de l'enseignement primaire et la sortie plus précoce du système d'enseignement; la qualité inférieure des équipements éducatifs ou physiques communautaires et le plus faible rendement des actifs; la localisation dans des lieux isolés, moins bien équipés et plus exposés aux catastrophes; le manque de capital social, physique, humain et financier; la plus grande dépendance à l'agriculture comme source de revenu; l'accès restreint à l'emploi et le niveau plus bas des rémunérations; les contraintes sociales entravant le passage de régimes fonciers communaux à des systèmes reposant sur le marché; l'ignorance de la langue majoritaire (le vietnamien kinh); et le stéréotype négatif attaché aux communautés minoritaires.

11. En dépit de l'adoption d'une loi sur l'égalité des sexes, les femmes, en particulier en milieu rural et ethnique, demeurent défavorisées en ce qui concerne la nature des possibilités qui leur sont offertes et la qualité des ressources dont elles peuvent disposer. Les femmes sont surreprésentées dans les secteurs qui sont vulnérables en temps de récession économique, notamment dans le secteur informel, et elles ne bénéficient pas encore de l'égalité d'accès à la terre (les femmes ne détiennent que 19% des certificats de droits fonciers), au crédit et aux techniques agricoles. Malgré les progrès du Viet Nam en matière d'égalité scolaire, les filles sont plus susceptibles d'abandonner l'école pour collaborer aux travaux ménagers. Dans les milieux ethniques, le cinquième des filles n'est jamais allé à l'école, et dans l'enseignement secondaire elles sont 10% moins nombreuses que leurs homologues kinh. Le manque de connaissances sur les bienfaits de l'allaitement au sein et des micronutriments et le temps insuffisant dont disposent les femmes pour les soins maternels et personnels semblent être les principaux facteurs de retard de croissance. La réduction des niveaux de malnutrition des enfants, qui restent élevés dans les communautés ethniques, et de l'abandon précoce par les filles du système d'enseignement officiel sont des objectifs du FIDA dans le présent COSOP.
12. Le lien entre le risque climatique et la pauvreté ne laisse pas d'être préoccupant. Les groupes socialement les plus vulnérables (femmes, minorités ethniques et porteurs de handicap) ont une probabilité disproportionnée d'être moins aptes à s'adapter au changement climatique. Ils courent des risques plus grands en raison de leur fréquente dépendance directe à l'égard de l'agriculture et des ressources naturelles pour leur subsistance, de leur exposition majeure aux catastrophes naturelles, de leur manque de biens et de capitaux pour se redresser et trouver d'autres moyens de subsistance ainsi que de leur vulnérabilité aux problèmes de santé liés au climat.

B. Politiques, stratégies et contexte institutionnel

Le contexte institutionnel national

13. Le rôle du gouvernement dans la conduite du programme de pays du FIDA est primordial pour la bonne performance des projets, l'établissement de partenariats et une concertation constructive. Le MPI a pour mandat de coordonner l'aide publique au développement dans le cadre de la planification du développement socioéconomique et est l'interlocuteur principal pour l'allocation et la planification des ressources. Le Ministère des finances est le représentant de l'emprunteur et à ce titre est le point focal pour la coordination des procédures de décaissement pour tous les investissements soutenus par le FIDA. Le Ministère de l'agriculture et du développement rural (MADR) prodigue des conseils d'ordre politique et opérationnel pour les questions d'agriculture et de développement rural, et est le point focal pour la reproduction à plus grande échelle de l'expérience tirée des opérations dans le secteur rural. Les partenaires du FIDA comprennent un certain nombre d'institutions au sein de ce dernier ministère. L'une d'entre elles, l'Institut de politique et de

stratégie pour l'agriculture et le développement rural, fournit au gouvernement des services d'analyse et de conseil pour l'élaboration des politiques et des stratégies concernant le développement agricole et rural. Le Ministère des ressources naturelles et de l'environnement est responsable de la réponse du Viet Nam au changement climatique. Les autres partenaires du développement dans le cadre national sont l'Agribank, la Banque du Viet Nam pour la politique sociale et des organisations de masse (associations d'agriculteurs, Union des femmes vietnamiennes (UFV), Union de la jeunesse) et le Comité des minorités ethniques.

La stratégie nationale de réduction de la pauvreté rurale

14. La vision du gouvernement en matière de développement est exposée dans sa stratégie de développement socioéconomique pour 2011-2020, approuvée par le Congrès du Parti en janvier 2011. Le but général de cette stratégie est de faire du Viet Nam un pays industriel moderne d'ici à 2020, en mettant l'accent sur la qualité de la croissance et l'efficacité de l'investissement. Ses principaux piliers sont le développement durable, la valorisation des ressources humaines, l'amélioration des institutions du marché et de l'administration publique et le développement d'un système synchronisé d'infrastructures dotées d'équipements modernes. Le plan de développement socioéconomique (PDSE) 2011-2015 recense les mesures à prendre et les ressources nécessaires à leur mise en œuvre. Une croissance équitable et intégrante, la nécessité d'une plus grande cohérence entre les plans sectoriel, provincial et national et la fixation des priorités en fonction des contraintes de ressources y sont des considérations importantes. Le gouvernement a mis en place un ensemble de programmes nationaux ciblés, dont le programme indicatif de réduction de la pauvreté (NTP-PR), qui vise à réduire la pauvreté grâce à un ensemble complet de mesures d'appui à la valorisation du capital humain et à l'accès au crédit et aux services de base (éducation, santé, vulgarisation agricole, droits fonciers, aide juridique) et s'adresse aux ménages dirigés par des femmes.

Harmonisation et alignement

15. L'alignement du programme de pays du FIDA sur les efforts de réduction de la pauvreté et les objectifs de développement durable du gouvernement s'appuie sur le PDSE 2011-2015. En matière de développement rural, le FIDA alignera ses activités sur la stratégie Tam Nông du MARD relative à l'agriculture, aux agriculteurs et aux zones rurales et sur son plan de développement du secteur agricole 2011-2015. La stratégie Tam Nông, lancée en août 2008, établit le cadre d'une croissance agricole à large assise et favorable aux pauvres jusqu'à l'horizon 2020. Chose importante, il prévoit un partenariat entre le gouvernement, les agriculteurs, la recherche scientifique et le secteur privé. Le FIDA aidera les provinces pauvres à élaborer et à mettre en œuvre avec efficacité un développement rural inclusif et tourné vers le marché dans le cadre du processus d'alignement de ses investissements sur ces principes. Aux fins de la stratégie Tam Nông, le programme indicatif pour le nouveau développement rural (NTP-NRD)⁵ a été lancé en juin 2010 pour transformer les zones rurales⁶; il établit des indicateurs permettant de mesurer les progrès des régions rurales. Les projets soutenus par le FIDA contribueront à la mise en œuvre du NTP-NRD en faisant leurs certains des objectifs de ce dernier, en appuyant le développement de possibilités de commercialisation afin de favoriser l'instauration d'un nouvel espace rural, en encourageant le changement d'attitude nécessaire au niveau des ménages et en renforçant les capacités nécessaires pour l'exécution des

⁵ Décision du Premier Ministre n° 800/QĐ-TTg.

⁶ Les objectifs spécifiques du NTP-NRD sont les suivants: i) un taux de croissance annuel de 3,3-3,5% pour l'agriculture, les pêches et la production forestière; ii) la réduction de la population active agricole à 30%, 50% d'agriculteurs ayant reçu une formation; iii) une amélioration sensible de l'infrastructure rurale, tous les systèmes d'irrigation étant capables d'assurer une double récolte, la plupart des communes étant reliées par des routes à viabilité permanente, la plupart des villages étant accessibles aux véhicules, l'infrastructure des ports de pêche étant développée et la plupart des services sociaux ruraux ayant atteint le niveau dont bénéficient les zones urbaines de taille moyenne; iv) l'amélioration de la qualité de la vie rurale et sa mise en relation avec l'économie industrielle; et v) l'amélioration de la protection de l'environnement, la réduction du risque de catastrophe et l'adaptation au changement climatique.

activités de planification envisagées au niveau des communes. S'agissant de l'alignement des activités relatives au changement climatique, le Fonds travaillera avec le MADR dans le contexte du plan-cadre d'action pour l'adaptation au changement climatique dans le secteur de l'agriculture et du développement rural et du programme indicatif pour répondre au changement climatique (NTP-RCC) 2009-2015. Le FIDA harmonisera ses efforts avec ceux des autres partenaires du développement intervenant dans le domaine du changement climatique en vue d'aider le MADR à élaborer les options de politique, tout en restant concentré sur la mise en œuvre des mesures d'adaptation et d'atténuation dans l'agriculture.

III. Enseignements tirés de l'expérience du FIDA dans le pays

A. Résultats, impact et performance des opérations antérieures

16. L'EPP de 2011 a jugé que la performance du programme de pays était satisfaisante dans l'ensemble et en particulier dans les domaines de l'appui à la décentralisation, du renforcement des capacités, de la planification participative, de l'intégration de l'égalité des sexes, de la petite infrastructure, du développement des groupements d'épargne et de crédit (GEC) et de l'amélioration des moyens de subsistance ruraux grâce à la production commerciale. L'EPP a estimé que le programme de pays avait eu un impact positif sur les revenus et les biens des ménages, grâce en particulier au programme d'épargne et de crédit axé sur les femmes, aux progrès de la productivité agricole et à l'investissement dans l'élevage et l'amélioration des services de santé animale. L'impact du programme de pays sur la qualité de vie des femmes et leur autonomisation a été positif, tandis que la formation professionnelle a été importante pour la diversification des revenus et la promotion de l'emploi non agricole en faveur de la jeunesse rurale. En ce qui concerne l'efficacité, l'exécution et la gestion des projets, le renforcement des capacités aux niveaux des provinces, des districts et des communes, ainsi que la planification, la coordination, le suivi-évaluation (S&E), la supervision directe et l'appui à l'exécution ont fait de grands progrès. L'EPP a noté que, dans chaque province où le FIDA était intervenu, on constatait une réduction importante des niveaux de pauvreté.
17. L'EPP a également pointé la nécessité d'une approche globale dans la poursuite du développement des minorités ethniques des hautes terres. Le présent COSOP intègre les principales recommandations de l'EPP, soit le nécessaire renforcement de l'approche tournée vers le marché, l'extension de la couverture géographique, un environnement plus favorable aux petits exploitants en matière de crédit, une gestion des savoirs plus stratégique, un renforcement des partenariats, une augmentation du financement de contrepartie par le gouvernement, une approche stratégique de la conservation des ressources naturelles et de la réponse au changement climatique, et le renforcement du bureau du FIDA dans le pays.

B. Enseignements tirés

18. Parallèlement à la décentralisation, l'approche participative demeure au cœur des interventions soutenues par le FIDA et a été intégrée dans les programmes gouvernementaux. Les enseignements tirés du portefeuille en cours sont notamment les suivants:
 - Application de processus participatifs de planification économique locale tournés vers le marché dans les provinces pauvres: des processus efficaces de planification tournés vers le marché nécessitent i) une coordination entre les agences à travers les comités directeurs des projets et les équipes techniques; ii) du personnel ayant les capacités pour élaborer et mettre en œuvre les processus participatifs de planification socioéconomique tournés vers le marché et les approches-filières; et iii) l'intégration de l'information sur les marchés et de l'analyse des filières dans le processus participatif tourné vers le marché du PDSE.

- Ciblage de la pauvreté et intégration de l'égalité des sexes dans l'approche tournée vers le marché: l'établissement de liens avec les marchés peut être bénéfique pour les ruraux pauvres des deux sexes par: i) la sélection et la promotion de filières favorables aux pauvres et créatrices d'emplois et de systèmes de production, de transformation et de commercialisation pertinents pour la population pauvre; ii) une vulgarisation d'agriculteur à agriculteur et l'utilisation accrue de technologies appropriées par les agriculteurs pauvres et en particulier les minorités ethniques; iii) des possibilités de formations professionnelles pour les ménages pauvres, ciblées sur les minorités ethniques et les femmes; et iv) une infrastructure axée sur le marché et de meilleures liaisons avec les zones reculées.
 - Développement des minorités ethniques: pour l'autonomisation des minorités ethniques et en particulier des femmes, l'engagement dans la prise de décision communautaire, la représentation dans les institutions locales, la création d'emplois en dehors de l'agriculture, l'accès des femmes aux droits fonciers, et la formation de GEC féminins pour investir dans l'amélioration de la productivité agricole ainsi que de la production et de la santé animales se sont révélés payants.
 - Renforcement de l'action collective et de l'accès au crédit: la formation volontaire de groupements d'intérêt commun (GIC) peut favoriser le passage d'une production de subsistance à une production marchande et servir de base aux populations pauvres pour coopérer avec les groupes plus favorisés et les entreprises privées. L'amélioration de la collaboration avec les organisations de masse, telles que l'Union des paysans vietnamiens (UPV) et l'UFV, ainsi qu'avec les agriculteurs clés pour faciliter le développement des GIC a prouvé son utilité. Les GIC ayant accès au crédit et les GEC féminins ont été les plus performants à cet égard.
 - Engagement du secteur privé: les parties prenantes et les prestataires de services privés impulsent le développement des filières et l'investissement dans la production agricole et la transformation des produits, y compris dans les régions pauvres, lorsque: i) la législation et les politiques en place habilite le secteur privé et renforcent la concurrence et la transparence; ii) les provinces et les districts disposent d'un personnel compétent pour promouvoir le secteur privé; et iii) l'accès aux financements, aux compétences et à l'information sur les marchés est possible. L'établissement de partenariats avec les petites et moyennes entreprises du secteur privé peut apporter aux petits exploitants les technologies et les qualifications qui leur font tant défaut, ouvrant ainsi l'accès aux marchés.
19. En ce qui concerne le changement climatique et la gestion du risque catastrophique, les enseignements tirés localement sont notamment les suivants: i) les politiques d'adaptation au changement climatique doivent se concentrer sur les populations pauvres et vulnérables; ii) l'adaptation au changement climatique dans les zones marginales exposées à des risques élevés doit cibler des approches "sans regret", par exemple celles qui permettent à peu de frais d'améliorer les moyens de subsistance, de favoriser l'agriculture durable et de réduire la pauvreté; iii) les systèmes agricoles et hydrauliques doivent renforcer leurs capacités de faire face à la variabilité météorologique actuelle tout en demeurant suffisamment souples; et iv) un accroissement de l'investissement à long terme dans les savoirs agricoles et leur diffusion est important pour aider les agriculteurs à s'adapter au changement climatique.

IV. Cadre stratégique du FIDA pour le pays

A. Avantage comparatif du FIDA au niveau du pays

20. Le précédent COSOP, portant sur la période 2008-2012, avait pour objet de remédier à la disparité croissante des moyens de subsistance entre zones urbaines

et zones rurales et d'améliorer le sort des populations pauvres des hautes terres en appliquant une approche de réduction de la pauvreté tournée vers le marché. Durant son exécution, le FIDA a aidé avec efficacité les gouvernements de 11 provinces et établi de solides relations de travail avec les provinces concernées. Grâce à la mise en œuvre des projets multisectoriels soutenus par le FIDA, les autorités provinciales et les organismes de tutelle, ainsi que les autorités de district et les exécutants au niveau des communes, ont eu la possibilité d'adopter une approche de réduction de la pauvreté axée sur le marché. De ce fait, le FIDA dispose, dans les provinces où il est intervenu, du capital institutionnel nécessaire pour appuyer, influencer et renforcer les stratégies et les principales initiatives provinciales dans le domaine de la réduction de la pauvreté impulsée par le marché. Ces relations avec les provinces permettent au FIDA de reproduire des activités à plus grande échelle, allant des innovations issues des projets aux politiques et institutions à l'échelle provinciale. Au-delà de leurs frontières, les provinces qui ont bénéficié d'une aide passée du FIDA peuvent devenir des modèles susceptibles d'être reproduits dans d'autres provinces. En raison de l'ouverture du gouvernement à l'apprentissage nourri de données factuelles, l'avantage comparatif du FIDA est de permettre une intégration plus systématique des enseignements tirés des projets au niveau provincial au niveau provincial dans la concertation sur le développement rural au niveau national.

21. Depuis que le Viet Nam est devenu un pays à revenu intermédiaire de la tranche inférieure, disposant de ressources financières accrues et de la capacité de lutter contre la pauvreté, la communauté internationale intervenant dans le pays a réduit son soutien à l'agriculture et au développement rural. Les projets des donateurs ou du gouvernement permettant de piloter les réformes indispensables pour faire face aux problèmes ruraux émergents, en particulier dans les provinces pauvres, se sont raréfiés. C'est dans ce contexte que l'avantage comparatif du FIDA au Viet Nam correspond à celui qui est cité dans le cadre stratégique du FIDA: par exemple, pour aider les populations rurales pauvres à se libérer de la pauvreté, il faut cibler les activités de manière à "améliorer leur sécurité alimentaire et leur nutrition, augmenter leurs revenus et renforcer leur résilience". Le FIDA doit continuer à se concentrer sur les innovations impulsées par le marché à l'intention de l'agriculture paysanne, à piloter des activités telles que la formation de groupements d'agriculteurs et leur autonomisation, la fourniture de services décentralisés, l'amélioration de la productivité, l'intégration des marchés et le développement de filières favorables aux pauvres – l'accent étant toujours davantage mis sur la reproduction à plus grande échelle des opérations pilotes grâce à des réformes politiques et institutionnelles au niveau local. Au cours du COSOP 2012-2017, le FIDA produira son plus fort impact sur les poches résiduelles d'insécurité alimentaire et de faim en milieu rural en collaborant avec les provinces pauvres en se concentrant sur la création de possibilités génératrices de revenus agricoles et non agricoles pour les femmes des communautés de minorités ethniques, tout en renforçant la résilience au changement climatique et en créant un environnement davantage orienté vers le marché.

B. Objectifs stratégiques

22. Fort des enseignements tirés de l'exécution du précédent COSOP, le COSOP 2012-2017 promouvra les réformes institutionnelles afin d'élaborer des approches et des ensembles de mesures permettant d'atteindre une vaste gamme d'objectifs sectoriels ruraux nouvellement définis dans le contexte très changeant de l'agriculture et du développement rural, et s'attaquera au changement climatique. Pour appuyer la transition en cours dans le secteur rural des provinces auxquelles il apporte son soutien, le FIDA: facilitera la mise en place d'un environnement favorable à l'engagement du secteur privé dans l'offre d'emplois ruraux et la création de revenus ruraux; développera et promouvra des filières favorables aux pauvres mettant en relation les ménages ruraux pauvres et la demande croissante des centres urbains; et élaborera des accords entre agriculteurs et acheteurs de manière à diminuer les risques découlant, pour les premiers, de la diversification et de la

création de valeur ajoutée. Ces initiatives s'appuieront sur des PDSE participatifs et tournés vers le marché et sur la réalisation de réformes législatives conformes à de bonnes pratiques, à l'appui de marchés plus compétitifs et plus transparents. Parallèlement, le programme de pays continuera à reconnaître l'importance des agriculteurs pauvres pour l'approvisionnement des marchés locaux.

23. La création de revenus et d'emplois provenant d'activités non agricoles en milieu rural sera renforcée, et ciblée sur les femmes et les ménages ruraux pauvres, par l'accès à des fonds gérés par les communautés afin, notamment: de réduire le risque catastrophique et de mettre en place une infrastructure d'accès aux marchés à l'épreuve du climat; de mettre en œuvre une vulgarisation répondant à la demande et renforçant la création de valeur ajoutée et la compétitivité des produits agricoles; de promouvoir l'emploi rural non agricole grâce en particulier à la formation professionnelle; et d'appuyer les activités des GEC. Ces activités visent: à accroître la productivité et la compétitivité de l'agriculture, et principalement des petites agricultrices; à élargir les possibilités d'entrée sur les marchés et améliorer les moyens de subsistance des agricultrices; et à diversifier les occasions offertes aux travailleurs non qualifiés et aux salariés en développant les activités non agricoles. Les activités auront particulièrement pour but de faciliter une plus large participation des groupes ethniques minoritaires et de leur permettre d'en recueillir les fruits en mettant à profit leur savoir, leur culture, leurs systèmes de gouvernance et leurs ressources naturelles traditionnels.
24. Les investissements soutenus par le FIDA seront concentrés sur: le renforcement de la résilience des agriculteurs pauvres face au changement des conditions climatiques et à la fréquence accrue des catastrophes naturelles; la réalisation d'investissements et d'outils appropriés pour la gestion communautaire du risque catastrophique; et le ciblage d'approches du changement climatique propres à renforcer les moyens de subsistance, l'agriculture durable et la réduction de la pauvreté. Le FIDA s'emploiera à mettre en œuvre les mesures d'adaptation et d'atténuation concernant l'agriculture au niveau des ménages: en soutenant l'adaptation en cours des agriculteurs par des actions de recherche et de vulgarisation appropriées; en appliquant des outils simples de planification de l'utilisation des terres au niveau des communautés, à l'appui des investissements locaux de réduction du risque catastrophique; en élaborant des plans d'action provinciaux destinés à répondre aux risques liés au changement climatique; en assurant la prise en compte dans le PDSE des facteurs relatifs à la gestion du changement climatique et du risque catastrophique; et en communiquant ces plans et ces enseignements au niveau national en vue de leur intégration dans les plans d'investissement, les programmes indicatifs nationaux et les autres politiques.
25. Les objectifs stratégiques suivants sont proposés pour la période 2012-2017:
 - OS1: permettre aux provinces rurales pauvres de réaliser un développement rural orienté vers le marché et favorable aux pauvres;
 - OS2: améliorer l'accès de la population rurale pauvre – en particulier des femmes – aux marchés des produits et du travail; et
 - OS3: renforcer la capacité d'adaptation au changement climatique des ménages ruraux pauvres.

C. Perspectives d'innovation et de reproduction à plus grande échelle

26. Des innovations relatives à la réduction de la pauvreté tournées vers le marché ont été pilotées dans diverses provinces bénéficiant de l'aide du FIDA et, si l'on estime qu'un certain niveau d'impact et de réussite, ainsi que d'engagement provincial, a été atteint, une évaluation plus rigoureuse de l'impact de ces innovations est nécessaire pour les reproduire à plus grande échelle. Le but ultime serait que ces interventions soient exécutées dans toutes les communes et districts de la province,

et institutionnalisées par les organismes de tutelle provinciaux. Étant donné que, au sein d'une même région géographique, les provinces font face aux mêmes problèmes et conditions, le cas échéant, dans le cadre de plateformes de concertation interprovinciales, les interventions exécutées par le FIDA dans les provinces auxquelles il apporte son soutien seront partagées et mises en œuvre dans les autres provinces de la région concernée.

27. Les comités populaires provinciaux et leurs homologues aux niveaux du district et de la commune sont le principal moteur de la reproduction à plus grande échelle des innovations. Pendant la durée de vie d'un projet, la reproduction à plus grande échelle peut être réalisée: i) par le renforcement institutionnel, la formation et le développement des capacités des organismes de tutelle et des collectivités locales existants, selon les besoins; ii) par l'intégration de la planification, de la budgétisation, de l'exécution et de la gouvernance des projets soutenus par le FIDA dans les processus gouvernementaux normaux, aux niveaux des communes, des districts et des provinces; iii) par de vastes réformes permettant le développement du secteur privé de façon à assurer l'expansion des revenus des ménages ruraux et des possibilités de création d'actifs, au profit en particulier de la population pauvre; et iv) par le renforcement des systèmes de S&E, axés sur les résultats et sur l'allocation efficiente des ressources, par opposition aux approches des projets, plus étroites et centrées davantage sur les produits.
28. Afin de reproduire à plus grande échelle les approches de réduction de la pauvreté tournées vers le marché dans d'autres provinces, l'expérience sera partagée par la participation à des ateliers régionaux et par des "événements de partage" mettant en relation les expériences provinciales. Au niveau régional, les possibilités de financement parallèle et de cofinancement seront recensées avec les institutions financières internationales (IFI) désireuses d'investir dans l'infrastructure à grande échelle, le FIDA se concentrant fortement sur les petits exploitants et la population rurale pauvre. Les partenariats du FIDA avec les donateurs bilatéraux en matière de coopération technique sont essentiels à l'introduction de l'innovation (par exemple, les Gouvernements allemand et luxembourgeois apportent actuellement leur appui à des projets soutenus par le FIDA). Le FIDA continuant à promouvoir l'innovation dans le cadre de la réforme orientée vers le marché du secteur agricole et de l'adaptation au changement climatique, la collaboration dans ces domaines avec les organisations bilatérales est primordiale.
29. Le cadre du NTP-NRD, qui s'applique à toutes les communes du Viet Nam, se prête à la reproduction à plus grande échelle des innovations ainsi qu'à l'intégration des enseignements tirés. En ce sens, il est important de considérer les projets soutenus par le FIDA comme des opérations pilotes en matière d'apprentissage. Au niveau provincial, les comités directeurs des projets du NTP-NRD intégreront les enseignements tirés et les innovations issues des projets du FIDA dans les politiques et institutions provinciales. Au niveau national, il est indispensable d'établir au sein du secrétariat du NTP-NRD un mécanisme d'apprentissage permettant d'intégrer les enseignements tirés et de reproduire à plus grande échelle les opérations pilotes. L'orientation des investissements du FIDA vers une approche reposant davantage sur les programmes permettra l'établissement de liens opérationnels plus solides entre le FIDA et les programmes indicatifs nationaux.

D. Stratégie de ciblage

30. Étant donné que la demande de produits agricoles aux petits agriculteurs émanera probablement des marchés urbains et locaux au sein de la région, les investissements du FIDA seront localisés dans certaines régions afin de faciliter la création de filières favorables aux pauvres, la promotion de l'investissement privé et la mise en relation des agriculteurs avec les marchés. En outre, l'investissement dans les provinces voisines peut contribuer au partage des savoirs et à l'établissement de liens entre les provinces. Aux fins du présent COSOP, le FIDA investira dans les régions du Nord-Est et du Centre (y compris les côtes du Centre-

Nord et du Centre et le Sud-Est) ainsi que dans la région du delta du Mékong. Ces régions, où les taux de pauvreté rurale et le nombre des pauvres recensés sont élevés, sont touchées de façon sensible par une ou plusieurs manifestations du changement climatique. Chose importante, elles hébergent des projets en cours soutenus par le FIDA dont le bilan en matière d'efficacité de l'aide est établi et qui peuvent servir de modèles d'innovation à reproduire à plus grande échelle dans d'autres provinces de la région⁷.

31. Au sein des régions, les critères de sélection des provinces⁸ seront les suivants:
 - i) taux de pauvreté rurale, nombre de pauvres recensés (dans lequel la pauvreté des minorités ethniques pèse de tout son poids) et la gravité de la pauvreté;
 - ii) engagement, disponibilité et capacité d'absorption de la province à l'égard de l'application et de l'intégration des innovations relatives à l'orientation vers le marché et le changement climatique;
 - iii) soutien passé du FIDA et performance des projets évalués en termes d'efficacité de l'aide et d'impact potentiel des investissements ultérieurs du FIDA; et
 - iv) prise en charge gouvernementale des besoins en ressources de la province, compte tenu du soutien central, des budgets provinciaux, des contributions du secteur privé et des ressources des autres partenaires du développement. Dans les provinces où des communautés de minorités ethniques sont présentes, les districts concernés seront prioritaires.
32. Le principal groupe cible sera celui des ménages ruraux pauvres, qui se compose essentiellement d'agriculteurs de subsistance, de salariés, de personnes sans terre et de petits agriculteurs participant aux marchés. Il comprendra aussi les ménages "à la limite de la pauvreté", groupe de revenus de plus en plus vulnérable aux chocs et qui retombe facilement en dessous du seuil de pauvreté sous l'effet des fluctuations des cours et de la variabilité climatique. Les femmes seront aidées spécifiquement par:
 - i) le maintien de l'équilibre entre les sexes dans la gestion et la prise de décisions au niveau communautaire;
 - ii) l'élaboration d'une stratégie d'information appropriée (de nombreux autochtones ne parlent pas couramment la langue kinh et l'incidence de l'analphabétisme féminin est élevée);
 - iii) l'expansion des moyens de subsistance offerts aux femmes en accordant à ces dernières la priorité en matière d'alphabétisation, de calcul, de gestion financière, d'orientation vers le marché, de formation professionnelle et de vulgarisation;
 - iv) la promotion des GEC et groupements de commercialisation féminins;
 - v) la sensibilisation du personnel gouvernemental aux sujets et aux problèmes touchant spécifiquement les minorités ethniques et les femmes; et
 - vi) une prise de conscience accrue chez les femmes de l'importance de la nutrition et des soins aux enfants, en particulier en milieu ethnique minoritaire.

E. Articulation au niveau des politiques

33. La présence du FIDA dans le pays renforcera significativement la remontée d'information sur les politiques aux niveaux provincial, régional et national. En ce qui concerne l'OS1, les principales questions de politique relatives à la capacité des provinces rurales pauvres à mener à bien un développement rural favorable aux pauvres et tourné vers le marché concernent l'institutionnalisation de la planification d'un développement socioéconomique fondé sur le marché, l'établissement de partenariats public-privé (PPP) dans l'agriculture et le développement rural, et la planification et la coopération entre les provinces d'une même région en matière de développement régional. S'agissant des politiques, référence est faite au projet de

⁷ D'après les données disponibles sur l'incidence de la pauvreté en 2008 et en 2010, les quatre sous-régions les plus pauvres, avec des taux de pauvreté dépassant 20%, sont celles du Nord-Est, du Nord-Ouest, du Centre-Nord et des Hautes Terres centrales. D'après le nombre de pauvres recensés en 2008, les trois sous-régions représentant près de 70% de la population pauvre du Viet Nam sont le Nord-Est (19%), le delta du Mékong (15%) et le Centre-Nord (19%). En ce qui concerne le changement climatique, un impact sévère est prévu dans les "méga-deltas" par suite de l'élévation du niveau des mers et de la salinisation dans les zones à forte densité de population des deltas du Mékong et du fleuve Rouge.

⁸ L'inclusion de provinces proches des régions identifiées et présentant des profils de pauvreté et des conditions agroécologiques analogues, sera prise en considération.

décret du gouvernement relatif aux directives concernant les PDSE locaux, au décret du gouvernement 61/2010/ND-CP du 4 juin 2010 portant promotion de l'investissement du secteur privé dans l'agriculture et les zones rurales, et à la décision no 800/QD-TTg du Premier Ministre en date du 4 juin 2010 concernant la mise en œuvre du Tam Nông. Il est indispensable que les conseils populaires provinciaux, les organisations de la société civile et le secteur privé soient informés du processus de planification du développement local fondé sur le marché et y participent. Le FIDA soit s'engager de façon proactive aux côtés du MPI pour consolider le décret sur les PDSE locaux afin de tirer profit de l'expérience acquise dans les provinces bénéficiant du soutien du FIDA. En ce qui concerne les PPP, le FIDA appuiera les plateformes de dialogue public-privé et les initiatives de reproduction à plus grande échelle des modèles de PPP. Le FIDA participera aux discussions régionales sur l'amélioration de l'environnement commercial et de la gouvernance orientée vers le marché et sur la promotion des filières, et les encouragera.

34. S'agissant de l'OS2, les principales questions de politiques relatives à l'amélioration de l'accès de la population rurale pauvre, et en particulier des femmes, aux marchés des produits et du travail portent sur la formation de GIC, de groupements de collaboration et de coopératives, et sur l'accès des agriculteurs pauvres aux ressources naturelles durables et aux services d'appui agricole, notamment aux services financiers ruraux. Au niveau des politiques, référence est faite au décret 151/2007/ND-CP concernant l'établissement et le fonctionnement des groupements de collaboration, à la loi 18/2003/QH11 sur les coopératives, à la loi foncière 13/2003/QH11, à la loi 29/2004/QH11 sur la protection et l'exploitation des forêts, au décret 165/2007/ND-CP portant amendement du décret 28 et à la loi 47/2010/QH12 sur les institutions de crédit. Le FIDA renforcera les capacités des organismes chargés de faciliter les groupements de collaboration et les coopératives, et aidera les collectivités locales à consolider les politiques visant à promouvoir l'action collective. Les projets soutenus par le FIDA aideront les collectivités locales dans le processus de planification territoriale et de distribution des terres, dont le but est d'accroître l'accès à la terre des pauvres et des femmes, et dans le processus d'échange des parcelles (remembrement foncier). Il est nécessaire que la concertation sur la politique d'utilisation des terres se poursuive dans les provinces en invitant les organismes nationaux concernés par la révision de la loi foncière à envisager des processus participatifs de planification de l'utilisation des terres innovants et garants de l'égalité des sexes. Le FIDA soutiendra la diversification des services financiers ruraux ainsi que la transformation des fonds de crédit populaires et des unions provinciales de femmes et d'agriculteurs en institutions microfinancières telles que définies par le décret 28.
35. Au sujet de l'OS3, la question politique principale concernant le renforcement de la capacité d'adaptation des ménages ruraux pauvres au changement climatique est l'intégration dans le PDSE de considérations en faveur des pauvres. En matière de politiques, référence est faite principalement à la décision 158/2008/QD-TTg relative au NTP-RCC et au plan-cadre d'action du MADR pour l'adaptation au changement climatique dans le secteur de l'agriculture et du développement rural. Parmi les mesures que devra prendre le FIDA figurent l'établissement de partenariats avec les autres acteurs du développement, la fourniture d'une assistance technique destinée à renforcer la capacité du MADR à élaborer et à mettre en œuvre des politiques relatives au changement climatique, et la création d'une plateforme du changement climatique sous les auspices du MADR en vue de l'adaptation et de l'atténuation dans le secteur agricole.

V. Gestion du programme

A. Suivi du COSOP

36. Les AGCA et le bureau du FIDA dans le pays suivront le COSOP en se fondant sur les indicateurs du cadre des résultats de la gestion du programme de pays (CMRGPP)⁹ et sur l'alignement du COSOP sur le PDSE afin de garantir l'efficacité de l'aide. Le suivi du COSOP comportera l'examen des résultats et de l'impact des projets, de façon plus programmatique, dans le contexte des buts et objectifs du gouvernement. Le gouvernement, les autorités provinciales, les directeurs de projets/programmes ainsi que le personnel du siège du FIDA et de son bureau d'Hanoi participeront aux examens annuels de l'exécution du programme de pays. Le S&E des projets sera lié à une base de données sur la pauvreté au niveau du programme de pays en regard des indicateurs du CMRGPP. L'examen à mi-parcours du COSOP aura lieu vers la fin de 2015, et l'examen à son achèvement, à la fin de 2017. Lors des examens annuels et à mi-parcours, on s'efforcera de réaligner les priorités du COSOP en fonction de l'évolution des politiques et priorités gouvernementales et, le cas échéant, de la politique institutionnelle du FIDA.

B. Gestion du COSOP

37. La gestion du COSOP incombe au gouvernement et au FIDA. La conception des projets, l'appui à l'exécution et les activités de supervision seront exécutés conjointement par le gouvernement et le FIDA. L'appui à l'exécution, avec le renfort du siège du FIDA, sera fondé sur des questions thématiques, notamment la production pour le marché, les filières favorables aux pauvres, les problèmes des minorités ethniques et la microfinance. Une assistance supplémentaire sera apportée aux AGCA pour la conception de nouveaux projets, la reproduction à plus grande échelle des investissements existants et le suivi du programme de pays. La présence du FIDA dans le pays est constituée par un chargé de programme de pays (CPP), qui est le représentant accrédité du FIDA au Viet Nam, un fonctionnaire de programme de pays (FPP), un assistant de programme de pays (APP), un agent à temps partiel responsable de la passation des marchés et un agent à temps partiel chargé des communications. Durant le présent COSOP, la mission essentielle du CPP évoluera vers la concertation, les partenariats et la gestion des savoirs. Le FPP aura pour tâche essentielle d'assurer la supervision directe et l'appui à l'exécution, y compris l'examen des plans de travail et budgets annuels, des études d'impact et des rapports de situation. L'APP aura pour responsabilité principale l'administration des prêts et la gestion financière. Afin de renforcer les capacités de gestion des savoirs du bureau du FIDA dans le pays, les attributions de l'agent chargé des communications seront étendues à la coordination des liaisons provinciales/nationales, ainsi qu'au suivi et à l'évaluation des activités de gestion des savoirs des projets.

C. Partenariats

38. Les efforts en matière de partenariat avec le gouvernement, les provinces, les acteurs du développement, le secteur privé, la société civile et les organisations de masse se concentreront sur les options de politique concernant le renforcement de l'orientation vers le marché, les partenariats avec le secteur privé, la finance rurale et le changement climatique. Pour établir un solide partenariat avec le NTP-NRD, le FIDA aidera le MADR à assimiler les enseignements tirés sur le terrain. Au niveau national, le FIDA poursuivra son aide au MADR et son partenariat avec celui-ci, en collaboration avec l'Organisation des Nations Unies pour l'alimentation et l'agriculture, de manière à garantir la coordination des donateurs dans le secteur agricole et la concertation sur l'agriculture et le développement rural. Le FIDA

⁹ Les indicateurs du CMRGPP sont fondés sur les résultats attendus des projets en cours et des opérations nouvelles dont la mise en œuvre est probable durant la période couverte par le présent COSOP. Les rapports statistiques nationaux et provinciaux, les résultats globaux du suivi des projets ainsi que des études spécifiques et des enquêtes auprès des clients seront utilisés pour mesurer les progrès accomplis par le COSOP.

poursuivra ses partenariats avec l'UPV, l'UFV et les autres organisations de masse afin de renforcer la concertation sur les organisations d'agriculteurs et d'obtenir une remontée d'information des provinces. En ce qui concerne le changement climatique, le FIDA travaillera avec le MADR en vue de déterminer les options politiques disponibles pour l'adaptation et l'atténuation dans le secteur agricole.

39. Au cours du présent COSOP, le partenariat avec les IFI sera étudié de façon proactive à l'occasion des projets conçus pour les régions où elles sont présentes. Des partenariats avec les acteurs bilatéraux intervenant dans les mêmes provinces et accomplissant une mission de coopération technique analogue seront recherchés, en particulier pour le renforcement des capacités d'orientation vers le marché et d'intégration du changement climatique. Le FIDA étant un participant actif aux groupes de travail des ONG concernant l'agriculture, des partenariats supplémentaires avec les ONG seront recherchés pour le partage des savoirs et l'exécution des projets. Des partenariats seront élaborés avec les grandes sociétés désireuses de travailler avec le FIDA sur la base des principes d'un investissement agricole sain, en particulier par le truchement du groupe du forum économique mondial des PPP. En ce qui concerne l'initiative Unité d'action des Nations Unies au Viet Nam, le bureau du FIDA à Hanoï ne dispose pas de ressources humaines suffisantes pour participer régulièrement à ses réunions. L'EPP fait observer que, du fait que le FIDA est le seul organisme prêteur des Nations Unies, sa participation à l'initiative est moins intéressante car son modèle opérationnel est différent de celui des autres institutions participantes. Elle se limitera donc à certaines réunions, consacrées aux questions de développement rural, et aux documents stratégiques tels que le plan Unité d'action.

D. Gestion des savoirs et communication

40. Mettant à profit les projets soutenus par le FIDA comme source de savoir, d'apprentissage et d'innovation, le bureau du FIDA dans le pays recueillera les connaissances dégagées au niveau des projets par l'intermédiaire des fonctionnaires chargés de la gestion des savoirs, en fera la synthèse au niveau du programme de pays et les diffusera aux clients, événements et instances appropriés. Le programme de pays nouera des alliances avec un groupe choisi d'universités et d'instituts de recherche nationaux qui contribueront à l'exécution d'analyses politiques et techniques plus approfondies. Selon les besoins des clients en matière de connaissances, les produits correspondants consisteront en notes de politique, documents d'analyse, informations diffusées sur le web (IFADAsia), rapports sur les produits de base, information sur les marchés, articles de presse, etc.
41. Le FIDA recourra à ses dons pour combler certaines lacunes des savoirs, afin de développer une approche plus globale du développement à l'intention des minorités ethniques des hautes terres, une meilleure compréhension de la migration des jeunes et des possibilités offertes à la jeunesse rurale, les PPP et l'analyse des filières favorables aux pauvres, la recherche sur l'adaptation au changement climatique et le renforcement des capacités correspondantes, etc. Un financement sera mobilisé pour les dons en faveur de la recherche en matière de politiques et de l'assistance technique au NTP-NRD et au NTP-RCC, ainsi qu'aux instituts nationaux de recherche.

E. Cadre de financement SAFF

42. Le COSOP couvre deux cycles du système d'allocation fondé sur la performance (SAFF) – 2013-2015 et 2016-2018. À l'heure actuelle, l'allocation SAFF 2010-2012 s'élève à 62,33 millions d'USD et les allocations pour 2013-2015 doivent encore être définies dans le cadre de la neuvième reconstitution. Ce montant pourrait varier selon la performance du portefeuille et du secteur rural. Si la situation des projets à risque et la performance du secteur rural s'améliorent, la note du SAFF pourrait augmenter jusqu'à 28%, mais il pourrait aussi baisser de 25% en cas de mauvais résultats (tableau 2).

Tableau 1
Calcul de l'allocation SAFP pour la première année du COSOP

Indicateurs		COSOP année 1
Notes évaluant le secteur rural		
A i)	Dispositif politique et juridique encadrant les organisations rurales	4,50
A ii)	Dialogue entre le gouvernement et les organisations rurales	3,88
B i)	Accès à la terre	3,75
B ii)	Accès à l'eau à usage agricole	4,50
B iii)	Accès aux services de recherche et de vulgarisation agricoles	4,00
C i)	Conditions propices au développement des services financiers ruraux	3,63
C ii)	Climat des investissements pour les entreprises rurales	4,00
C iii)	Accès aux marchés des intrants et produits agricoles	3,83
D i)	Accès à l'éducation dans les zones rurales	5,25
D ii)	Représentation	4,67
E i)	Affectation et gestion des fonds publics en faveur du développement rural	4,00
E ii)	Obligation redditionnelle, transparence et corruption dans les zones rurales	4,13
Somme des notes cumulées de l'évaluation du cadre sectoriel de développement rural		50,14
Moyenne des notes cumulées de l'évaluation du cadre sectoriel de développement rural		4,18
Notation des projets à risque (PAR)		3
Indice d'affectation des ressources de l'IDA		3,82
Note du pays		8 401
Allocation annuelle pour 2012 (en USD)		24 889 921

Tableau 2
Relations entre les indicateurs de performance et la note du pays

Scénario de financement	Note PAR (+/- 1)	Note de performance du secteur rural (+/- 0,3)	Variation en pourcentage du score SAFP du pays par rapport au scénario de base
Hypothèse basse	2	3,88	-25%
Hypothèse de base	3	4,18	0%
Hypothèse haute	4	4,48	28%

F. Risques et gestion des risques

43. Le risque principal est que le financement de contrepartie du gouvernement devienne insuffisant durant les prochaines années, par suite des efforts que celui-ci déploie pour parvenir à la stabilité macroéconomique. Pour parer à ce risque, le FIDA alignera ses projets sur les processus de planification, de manière que ce financement provienne des budgets des provinces et des programmes indicatifs nationaux. Un autre risque est lié au NTP-NRD, qui pourrait ne pas être favorable aux pauvres, et à ses rapports avec le NTP-PR, qui demeurent mal définis. Le FIDA collaborera étroitement avec les départements du MADR en charge de l'exécution du NTP-NRD afin d'intégrer dans la mise en œuvre de ce dernier les savoirs dégagés du pilotage des interventions favorables aux pauvres soutenu par le FIDA dans les communes pauvres.

44. Le principal risque concernant l'OS1 est que les fonctionnaires au niveau de la province et en dessous soient mal préparés à la prise d'initiatives tournées vers le marché; un renforcement des capacités de développement impulsé par le marché et l'amélioration de l'obligation redditionnelle vis-à-vis du citoyen seront mis en œuvre à cet égard. L'appui à l'amélioration de l'indice de compétitivité provincial (ICP) et à la réforme de la législation visera à parer au risque qu'un cadre réglementaire défavorable au secteur privé ne paralyse la croissance de l'activité économique. Un risque important pour l'OS2 est l'incertitude du financement des petites et moyennes entreprises et des petites exploitations agricoles par les marchés du crédit; à cet égard, un renforcement des capacités et une formation seront offerts aux institutions de crédit. La fraude et la corruption demeurent un risque, en particulier dans le domaine du développement de l'infrastructure. Il y sera remédié par l'application systématique dans les projets du FIDA de mesures de lutte contre la corruption, notamment la sensibilisation et la transparence au niveau des communes et les pratiques d'audit social promues par les projets. S'agissant de l'OS3, le danger est que la gestion du risque catastrophique et la planification de la réduction de la vulnérabilité ne soient pas intégrées efficacement dans la planification aux niveaux du village, de la commune et du district. Un effort systématique d'intégration des questions liées au changement climatique dans les processus d'élaboration du PDSE au niveau des communes, des districts et des provinces sera donc mis en œuvre pour y remédier.

COSOP consultation process

1. The Country Programme Management Team (CPMT) in Viet Nam is composed of:
 - Focal points, Ministry of Planning and Investment
 - Focal points, Ministry of Finance
 - Focal points, Office of the Government
 - Focal points, Ministry of Foreign Affairs
 - Focal points, Ministry of Agriculture and Rural Development
2. Members of the CPMT travelled with the country strategic opportunities programme (COSOP) preparation team on all field visits and contributed significantly to the conceptualization of the COSOP. The IFAD country team has met regularly with the Government Aid Coordination Agencies (GACA) throughout the process.
3. In February of 2011, the first CPMT for the development of the COSOP was held in which the timeline for development of the COSOP was shared and the CPMT was established. In July of 2011, a GACA meeting was held Meeting to discuss the draft COSOP framework, whereby the following was agreed:
 - That the identification of objectives, target regions and the strategy for working in each region would need to be made within the context of the Socio-economic Development Plan (SEDP) 2011-15;
 - there is no need to select all the provinces to be supported at this stage but we would need to choose the first year provinces;
 - a notification would need to be made with regards to the IFAD financing available for Viet Nam and its lending terms.
4. In August of 2011, a country programme review was held in which IFAD project directors of 11 supported provinces participated. At this meeting, ideas were collected from the IFAD project directors with regards to the direction of the COSOP. The COSOP concept note was endorsed.
5. In March 2011, a country programme evaluation (CPE) conducted by IFAD's Independent Office of Evaluation, reviewed all projects in IFAD's supported programme in Viet Nam in order to enhance learning. The evaluation made it possible to assess the results and impact of IFAD-funded activities in the country and to generate findings and recommendations that served as building blocks for the COSOP.
6. To support the COSOP preparation, national consultants and institutes were contracted to prepare analytical papers on: (i) collaboration with the private sector; (ii) poverty reduction measures based on a regionalization approach; (iii) a poverty baseline analysis; and (iv) climate change. The collaboration with the private sector studies were guided and supervised by Michael Hamp, IFAD Senior Rural Finance Adviser, PTA. The climate change studies were guided and supervised by Roshan Cooke, IFAD Regional Climate & Environmental Specialist, APR. Sarah Dadush, IFAD Legal Counsel, LEG, provided comments during the development of the COSOP and participated in the COSOP Design Mission.
7. The COSOP Design Mission was held between 24 September and 15 October 2011. During the Design Mission, the following consultations were held:
 - Start-up workshop (27 September) was held to consult the GACA on the direction of the COSOP and a completion workshop (14 October) held to present the aide memoire including a draft Results Management Framework (RMF);

- Donor coordination meeting for addressing the impacts of climate change in agriculture (28 September) was organised by the Ministry of Agriculture and Rural Development (MARD) International Cooperation Department (ICD), where IFAD shared its initial findings on the climate change strategy in the COSOP and also collected the findings and activities of many development partners working in climate change;
 - Field visits consultations (28 September- 9 October) were held in 4 provinces (Tra Vinh, Ha Tinh, Ha Giang and Quang Ngai) representative of 4 regions of Viet Nam, with potential for IFAD investment, including 3 provinces with ongoing IFAD financed investments and one without prior IFAD involvement, but a history of Australian development assistance;
 - Development partner forum (6 October) was held to discuss innovative financing mechanisms for working with the private sector, participated by IFC, WB, ADB, Making Markets Work for the Poor, EU, Dutch Embassy and a number of other bilateral agencies;
 - Interviews were held (5 October) with a number of multinational lead firms, including PepsiCo, Mars, Nestle were conducted, under the auspices of the World Economic Forum programme in Viet Nam;
 - Final wrap up meeting (14 October) was held at the MPI with members of GACA to discuss the aide memoire, which summarized the key findings of the COSOP main mission and field visits. Tom Elhaut, APR Regional Director participated in the meeting to provide guidance.
8. Separate consultations with the NGO community and bilateral partners are envisaged for December 2011.
9. A final COSOP in-country validation meeting to share the final COSOP after the quality enhancement reviews and OSC is to be held in December 2011.

Climate change consultation

10. As climate change is a new area for IFAD in Viet Nam, a rigorous consultation process and analysis was undertaken to identify the key climate change issues and areas of intervention.
- A climate change brainstorming workshop was held on 9 May 2011 in Hanoi bringing together key national research institutes working on climate change (CC) and environment related issues, ministries of agriculture and environment and bilateral and multilateral donors. This workshop provided insight into the current status of CC research and interventions related to the ARD sector and also, highlighted gaps in understanding of specific CC issues. A follow up analysis was undertaken of the 3 target provinces (Tra Vinh, Ha Tinh and Ha Giang) as a means to understand on-the-ground CC impacts in the representative agro-ecological zones.
 - On 28 September 2011, IFAD supported a policy discussion forum convened by MARD International Cooperation Department (ICD) for presenting MARD's Climate Change Action Plan (RCC-ARD) together with the Ministry of Natural Resources and Environment's (MONRE) National Target Program to Respond to CC (NTP-RCC). This was the first meeting where a discussion was undertaken on the respective ministries CC policy frameworks among a large group of representatives from the departments of the 2 ministries, national and regional research institutes and universities, the CC NGO Network and bilateral and multilateral donors. IFAD presented its preliminary analysis of the climate change impacts on the ARD sector and also, collated a list of development cooperation activities addressing CC in the ARD sector. A policy issues note was drafted, which constitutes an initial guidance note for further strengthening pro-poor aspects of adaptation to CC in the ARD sector, and a detailed report titled *Climate Change Analysis and Adaptation Responses* was drafted to inform COSOP design.

Country programme evaluation (CPE)

11. The CPE reviewed the three main building blocks: (i) project portfolio; (ii) non-lending activities; and (iii) COSOP performance (relevance and effectiveness) and used internationally-recognized evaluation criteria and a six-point rating scale, covering a period of about 17 years (since 1993). The CPE process started with an inception workshop held in 15 December 2010, was followed by a desk review report completed in May 2011. The main mission took place in March 2011 and the report was finalised in September-October 2011. A national round-table workshop was held in November 2011 in Hanoi to discuss the main findings of the CPE report. The agreement at completion point is currently under discussion but should be submitted by December 2011. All key findings and recommendations of the CPE have been appreciated and taken in context of the Viet Nam as input into the COSOP 2012-2017.

Country economic background

Land area (km2 thousand) 2009 1/	310	GNI per capita (USD) 2009 1/	1 000
Total population (million) 2009 1/	87.28	GDP per capita growth (annual %) 2009 1/	7
Population density (people per km2) 2009 1/	281	Inflation, consumer prices (annual %) 2009 1/	7
Local currency Dong (VND)		Exchange rate: USD 1 = 20,955.00 VND	
Social Indicators		Economic Indicators	
Population growth (annual %) 2009 1/	1	GDP (USD million) 2009 1/	97 180
Crude birth rate (per thousand people) 2009 1/	17	GDP growth (annual %) 1/	
Crude death rate (per thousand people) 2009 1/	5	2000	6.8
Infant mortality rate (per thousand live births) 2009 1/	20	2009	5.3
Life expectancy at birth (years) 2009 1/	75		
		Sectoral distribution of GDP 2009 1/	
Total labour force (million) 2009 1/	46.60	% agriculture	21
Female labour force as % of total 2009 1/	49	% industry	40
		% manufacturing	20
		% services	39
Education		Consumption 2009 1/	
School enrolment, primary (% gross) 2009 1/	112	General government final consumption expenditure (as % of GDP)	6
Adult illiteracy rate (% age 15 and above) 2009 1/	7	Household final consumption expenditure, etc. (as % of GDP)	66
		Gross domestic savings (as % of GDP)	28
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita	n/a	Merchandise exports 2009 1/	57 096
Malnutrition prevalence, height for age (% of children under 5) 2008 1/	31	Merchandise imports 2009 1/	59 949
Malnutrition prevalence, weight for age (% of children under 5) 2008 1/	20	Balance of merchandise trade	12 852
		Current account balances (USD million)	
Health		before official transfers 2009 1/	-12722
Health expenditure, total (as % of GDP) 2009 1/	7.2	after official transfers 2009 1/	-6 274
Physicians (per thousand people) 2008 1/	1		6
Population using improved water sources (%) 2008 1/	94	Foreign direct investment, net 2009 1/	900
Population using adequate sanitation facilities (%) 2008 1/	75		
Agriculture and Food		Government Finance	
Food imports (% of merchandise imports) 2009 1/	n/a	Cash surplus/deficit (as % of GDP) 2009 1/	n/a
Fertilizer consumption (kilograms per ha of arable land) 2008 1/	287	Total expense (% of GDP) a/ 2009 1/	n/a
Food production index (1999-01=100) 2009 1/	138	Present value of external debt (as % of GNI) 2009 1/	27
Cereal yield (kg per ha) 2009 1/	5 075	Total debt service (% of GNI) 2009 1/	1
Land Use		Lending interest rate (%) 2009 1/	10
Arable land as % of land area 2008 1/	20	Deposit interest rate (%) 2008 1/	13
Forest area as % of total land area 2006 1/	42.5		
Agricultural irrigated land as % of total agric. land 2008 1/	n/a		

a/ Indicator replaces "Total expenditure" used previously.

1/ World Bank, *World Development Indicators* database CD ROM 2011-2012

COSOP results management framework

Country Strategy Alignment	COSOP Strategic Objectives	COSOP Outcome Indicators (by end 2017)	COSOP Milestone Indicators (by end-2015)	COSOP Institutional/Policy Objectives (in partnership mode)
<p>Investments would be aligned to:</p> <ul style="list-style-type: none"> (i) national 5-year Socio-economic Development Plan (SEDP) 2011-2015, particularly improving market institutions (ii) Rural development strategy for Agriculture, Farmers and Rural Areas (<i>Tam Nông</i>) (iii) National Target Programme for New Rural Development (NTP-NRD) 2010-2020 with a vision to 2030 (iv) 2011-2015 Agriculture & Rural Development 5-Year Plan. (v) Ordinance on Implementation of Democracy at the Grassroots Level (vi) Government Decree number 61/2010/ND-CP of 4 June 2010 on policies to promote private sector investment in agriculture and rural areas 	<p>45. SO1: Enable poor rural provinces to carry out market-led pro-poor rural development</p>	<ul style="list-style-type: none"> i) 20% increase in the number of agribusiness related private sector investments in project provinces¹³ (Source: DPI annual report) ii) 20% reduction in income poverty in project communes (differentiated data for ethnic minority and women headed households) (NTP-NRD indicator) (Source: DOLISA/DPI) 	<ul style="list-style-type: none"> • Provincial competitiveness index score increased in the IFAD supported provinces (as against the baseline year) – (Source: PCI annual report) • 85% of project commune plans surpass performance standards for participation, practicality and relevance¹⁴ (NTP-NRD indicator) (Source: M&E) 	<ul style="list-style-type: none"> • IFAD supported climate smart , participatory market oriented SEDP approach mainstreamed into DPI's annual planning and budgeting process • Decree on Local SEDP drawing upon relevant experience in IFAD supported provinces • Provincial policy supporting agroindustry clustering and producer organizations; • Technical protocols and standards being carried out based on market demand; • Fair contractual relations between companies and smallholder farmers established in project regions; • Commune market readiness indicators developed;
<p>IFAD investments will support:</p> <ul style="list-style-type: none"> (i) Resolution No. 63 on National Food Security (ii) Rural development strategy for Agriculture, Farmers & Rural Areas (<i>Tam Nông</i>), particularly agriculture science and technology (AST) strengthening, market oriented vocational training, household economic strengthening, and economic integration (value chains) (iii) Decree number 151/2007/ND-CP on Establishment and Operation of Collaborative Groups 	<p>SO2: Improve access of the rural poor– particularly women - to commodity and labour markets</p> <p>46.</p>	<ul style="list-style-type: none"> (i) Project participating households have at least a 25% increase in income from targeted commodities (differentiated data for ethnic minority and women headed households) (Source: Annual outcome survey) (ii) % increase of number of rural poor households having waged employment and non- 	<ul style="list-style-type: none"> • Number of men and women benefiting from extension and skills training opportunities (disaggregated by gender, ethnicity and income) (Source: Annual outcome survey) • Number of labourers trained (employed) disaggregated by gender and poverty (NTP-NRD indicator) (Source: M&E, DOLISA) 	<ul style="list-style-type: none"> • Diversified financial service providers lending to poor households; • Broad-based, demand-driven extension service models (farmer-to-farmer, private service providers, participatory annual extension plans, etc.) tested, proven, and being replicated by Provincial DARDs in non-IFAD communes; • Common Interest Groups and Collaborative Groups identified and oriented¹⁵ • Organization of land use policy dialogues in provinces to consider innovative participatory and gender

¹³ COSOP Milestone Indicator for Strategic Objective 1: Rural poor households in uplands access markets through increased private sector partnerships

¹⁴ NTP-NRD Criteria No 1: Having planning for basic infrastructure on production (Agriculture, industry, handicraft & service), population, socio-culture & organization & implementation to be available according to planning

¹⁵ NTP-NRD Criteria no 14: The availability of cooperative & cooperative operates effectively

Country Strategy Alignment	COSOP Strategic Objectives	COSOP Outcome Indicators (by end 2017)	COSOP Milestone Indicators (by end-2015)	COSOP Institutional/Policy Objectives (in partnership mode)
<p>(iv) Decree No.: 165/2007/ND-CP on amending Decree 28</p> <p>(v) Law on Land number 13/2003/QH11</p>		<p>farm sector (disaggregated by gender, ethnicity and income);</p> <p>(Source: M&E)</p>		<p>sensitive land use planning process in provinces</p>
<p>Investments will support:</p> <p>(i) MARD Action Plan to Respond to CC in the Agriculture & Rural Development Sector during the Period 2011-2015 with a Vision to 2050</p> <p>(ii) MONRE-coordinated National Target Program for Response to CC (NTP-RCC); Viet Nam National CC Strategy to 2050 & Vision to 2100</p>	<p>SO3: Enhance the capacity of poor rural households' to adapt to climate change</p>	<p>(i) Number of pro-poor climate resilient farming system packages adopted by poor and near poor households;</p> <p>(Source: Annual outcome survey)</p> <p>(ii) Locally tailored strategies for climate change adaptation developed and under implementation at District/ Commune-levels (IFAD Districts)</p> <p>(Source: DPI,M&E)</p> <p>(iii) Pro-poor climate change issues mainstreamed into Provincial level SEDP;</p> <p>(Source: DPI)</p>	<ul style="list-style-type: none"> • Number of women (and men) trained on key adaptation approaches and technologies (Source: M&E, output) • No. of Districts and Communes (IFAD Districts) with operational community-based disaster risk management (CBDRM) and CC schemes (Source: DPI,M&E) • No. of Districts and Communes (IFAD Districts) applying climate smart livelihoods planning tools and integration into SEDP developed & being implemented; (Source: M&E, DPI) 	<ul style="list-style-type: none"> • Pro-poor climate change adaptation toolkits modified and applied by extension service providers; • Climate proofing tools for (IFAD provinces) District/Commune SEDP planning developed & tested; • Provincial assessments (IFAD provinces) of ARD sector's vulnerability to CC using social vulnerability & sensitivity to CC impact criteria • Provincial M&E systems, including indicators for increased CC resilience, ethnic minority poverty and gender baselines and reports contain relevant information

Previous COSOP results management framework

COUNTRY STRATEGY ALIGNMENT	COSOP STRATEGIC OBJECTIVES	COSOP OUTCOME INDICATORS	COSOP MILESTONE INDICATORS	COSOP INSTITUTIONAL/POLICY OBJECTIVES (IN PARTNERSHIP MODE)
Improve economic efficiency and competitiveness (1.1.2)	SO1: Rural poor households in uplands access markets through increased private sector partnerships	Household net margins increased by at least 25% (Disaggregated by poverty, ethnicity and gender)	<ul style="list-style-type: none"> Private investment in upland provinces increases by 10%, and in lowland areas by 20% Number of micro, small, medium enterprises registered increases by 15% in upland areas and 30% in lowland areas Provincial competitiveness index increases Agricultural productivity and production increases in upland areas by 20% and 30% in lowland areas Per cent of rural poor employed in non-farm sector increases in upland areas by 10%, and in lowland areas by 20% and 30% in lowland areas 	<ul style="list-style-type: none"> Provincial pro-poor, market driven private sector development policies and action plan Emergence of a favourable business environment and institutional culture at the provincial level
		Change in annual income per capita in the project area (Baseline)		
Reduce poverty and inequality (2.5.1)	SO2: Poor and vulnerable households take advantage of profitable business opportunities	Food security increases, for at least 75% of the target group (disaggregated by poverty and ethnicity households)	<ul style="list-style-type: none"> Per cent of households with improved access to forestlands increases by 25% Ha of land improved through enhanced land / water management techniques increased by 20% 	<ul style="list-style-type: none"> Government's resource allocation for public goods (research, infrastructure) in support of agricultural development Technology transfer/ participatory adaptive research strategy and action plan established at provincial level
		Reduction in the prevalence of people below the poverty line in targeted areas by a 20%; (this would need to be reviewed in light of the new poverty line) 15% increase in forest coverage in upland areas		
Improve forestry and biodiversity management (3.1.1) Adopt sustainable use of water resources (3.1.2) Adopt more effective land management (3.1.3)	SO3: Upland poor communities secure access to/ and derive sustained benefits from productive natural assets	Proportion of poor households receiving project funded services in the selected villages with data disaggregated by sex of household head	<ul style="list-style-type: none"> Participatory multi-stakeholder processes implemented 	<ul style="list-style-type: none"> Capacity strengthening strategy and action plans for environmental management Establishment of payment for ecosystem service schemes
		75% satisfaction rate of the quality of public service provision		
Strengthen capacity of sub-national government (4.3.1)	SO4: The rural poor contribute to pro-poor agricultural, market-driven policy processes at sub-national level			<ul style="list-style-type: none"> Institutional capacities strengthened at provincial, district and commune level, for the participatory formulation and implementation of pro-poor and market-driven agricultural policies

CPE agreement at completion point

A. Background and introduction

1. The Independent Office of Evaluation (IOE) of IFAD undertook a country programme evaluation (CPE) in Viet Nam in 2010-2011. This was the second wide-ranging, strategic IFAD evaluation to be undertaken in Viet Nam. In 2000/2001, a country portfolio review and evaluation (CPRE) was undertaken jointly by IFAD's Asia and the Pacific Division (APR) and the then Office of Evaluation and Studies. The 2010-2011 CPE had two main objectives: (i) to evaluate the performance and impact of IFAD's operations in the country; and (ii) to generate lessons and recommendations to inform the next country strategic opportunities programme (COSOP) for Viet Nam.

2. The agreement at completion point (ACP) reflects the understanding between the Government of Viet Nam (represented by the Ministry of Planning and Investment) and IFAD Management (represented by the Programme Management Department) on the main evaluation findings (see section B below), as well as the commitment by IFAD and the Government of Viet Nam to adopt and implement the CPE recommendations within specific timeframes (see section C of this ACP). The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management. In addition, this ACP will be submitted to the Executive Board of IFAD as an annex of the new COSOP for Viet Nam.

B. Main Evaluation Findings

3. The CPE considers the overall performance of the Viet Nam portfolio to be satisfactory, particularly in terms of support for decentralization, capacity-building, participatory planning, gender mainstreaming, small-scale infrastructure, development of savings and credit groups (SCGs), and improving rural livelihoods through production for markets. This support remains relevant, and should continue to form the essential building blocks of the country programme. There is still room for improvement, however, as the CPE found that IFAD-supported projects/programmes in Viet Nam have not invested enough in business development services, and that partnering with the small and medium-scale private sector, which could impart marketing skills and know-how to smallholders and ethnic minorities, has been limited to date. Improvement is also needed in terms of measuring results and establishing a standardized M&E system for the entire country programme.

4. The IFAD-Government programme has supported two mechanisms for the provision of microfinance. The first was the establishment of savings and credit groups, which have been reasonably successful in enabling members to manage and allocate small loans among themselves, mostly for livestock purchases and other means of increasing their income. The second involved the provision of credit through the banking system, but that mechanism has not been effective. The CPE considers that IFAD has not had a consolidated approach towards access to rural financial services to engage the Government or national financial institutions in tackling the challenges of providing access to rural credit.

5. Overall, the country programme has had a positive impact on household income and assets, mainly through increased levels of agricultural productivity and investments in livestock. Vocational training has been important for income diversification and for promoting non-farm employment for rural youth. The impact on gender equality and on the quality of women's lives and their empowerment is positive because funding was earmarked for programmes to assist poor rural women. The building up of the capacity of local institutions and policy support for sustainable use of land for production forestry is also judged to be positive. While projects have supported activities related to natural

resources management, the environment and climate change, the CPE considers that the IFAD-Government approach to such problems is too ad hoc and project-based, and is not part of a systematic and strategic approach – especially in view of the enormous challenges the country is facing in this respect.

6. Since the establishment of the IFAD-Government partnership in 1993, the central government has provided strong support to the IFAD-assisted country programme and provincial governments continue to demonstrate solid ownership and commitment, and have promoted the effective participation of line departments in project implementation. However, in the past, the Government preferred for IFAD to finance projects covering non-contiguous provinces with different economic and social conditions, which created challenges to design and implementation and supervision. The CPE also noted that, compared with other middle income countries, Viet Nam provides less counterpart funding as a component of total project cost than other countries with similar economic status, covered by IFAD-funded operations.

7. IFAD's performance as a partner is well appreciated by the Government and other organizations. Direct supervision and implementation support is more effective as compared to supervision by co-operating institutions, and is appreciated by all local partners. The establishment of IFAD's country office including outpost from Rome to Hanoi of the IFAD CPM for Viet Nam has been a positive step to strengthen dialogue and performance. While there has been some policy impact based on experience at the provincial levels, more efforts are required for linking the provincial implementation experience to policy dialogue at the national level. This will however also require that the CPM and other staff in the country office are provided with the required resources, time and space to engage appropriately in national policy dialogue initiatives.

8. As for knowledge management, good progress has been made in implementing the 2008 COSOP strategy. However, while the activities put emphasis on a broad range of learning themes, there has been little documentation regarding the benefits of different knowledge-sharing approaches promoted under the projects. With regard to partnerships, IFAD has established itself as a trustworthy and reliable partner at the central, provincial and local government levels, whereas IFAD has not yet been able to forge deeper partnerships in Viet Nam with key international financial institutions such as World Bank and AsDB, which are both active in rural areas of the country and support nationwide programmes that complement a number of IFAD micro-level activities on the ground, and with bilateral donors and NGOs. Although there has been a gradual increase in private-sector involvement in project operations through value chain and enterprise development, and in support to rural services, partnerships with the private sector have been limited thus far.

C. Recommendations

9. The below recommendations have been agreed by the Government of Viet Nam and IFAD.

10. Recommendation 1:

- a) **A strengthened market-oriented approach.** The programme's shift from an area-based multi-sector approach to supporting value chains has brought more benefits to vulnerable groups such as landless labourers, farmers with very limited land and unemployed youth. As the limited but evolving public-private partnerships developed thus far show potential for achieving better results on the ground, the CPE recommends that this approach be strengthened in the next COSOP. However, because the value chain approach is still relatively new and unknown in many of the areas covered by IFAD-funded operations, a thorough analysis of selected value chains (e.g. rice and coffee) will be needed before new small-scale agriculture interventions are

designed for rural areas. Ways and means of bringing ethnic minorities into the development process, at different stages of the value chain, will also need to be explored. Moreover, given the somewhat limited investments in business development services and limited partnerships with the small- and medium-scale private sector, the CPE recommends that IFAD and the Government encourage the strategic engagement of the private sector in supporting this building block in the next COSOP.

- b) **Proposed follow-up:** Strategic Objective SO1 of the COSOP is 'to accelerate the transition in the rural sector toward sustainable market led development in poor provinces and associated regions'. In order to achieve this, private sector will be a main proponent in partnership with the Government. SO 1 will carry out a number of activities to provide the enabling environment to promote pro-poor value chains and private sector engagement with smallholder farmers. Meanwhile SO 2 specifically ensures that it is women, ethnic minority households, where possible, that participate and gain from IFAD supported activities, including the following:
- Provincial, district and commune market oriented participatory socio-economic development, planning processes promoted to incorporate business ideas;
 - Savings and credit schemes linked to financial markets developed for the target group;
 - Investment in human capital (particularly ethnic minorities) through equal access to job skills, agricultural extension, markets opportunities etc.;
 - Physical investments that improve women's access to basic rural infrastructure and services, such as water, energy, roads and transport;
 - Literacy and numeracy programmes to allow ethnic minorities to understand their rights, negotiate effectively with government structures and representatives and participate in community based development activities. GACA comment: This issue will be integrated into the Government's support activities at provinces. It's not necessary to be developed as sub component of IFAD projects.
- c) **Deadline:** During the entire COSOP period.
- d) **Responsible entities:** Provincial Peoples' Committee of the selected provinces responsible for implementation; Central Government to provide policy advice and ensure timely implementation of this recommendation; and IFAD to work with the provincial authorities to design and monitor the recommendation.

11. Recommendation 2:

- a) **More comprehensive geographic coverage.** The CPE recommends that the Government and IFAD should move towards a model that combines, for example, three to five contiguous provinces as part of a single IFAD-funded operation when possible. This would facilitate a move from current area-based development activities to a more thematic model covering wider geographic areas and more poor people, and allow IFAD to focus on issues such as forestry development in upland areas, environmental protection in coastal zones, and private-sector development in provinces with large ethnic minority populations.
- b) **Proposed follow-up:** IFAD will work in the provinces belonging to a region, as there is more cross learning between the provinces through being more closely situated. As agro-ecological conditions are likely to be similar, it would facilitate project design. More importantly, the benefits of working with provinces from the same region is that the demand for products is likely to

come from the same urban growth poles, making it easier to promote businesses that are sourcing from the project area and making investments. The project concept notes in the COSOP for future investments are identified in a regional manner.

- c) **Deadline:** During the entire COSOP period.
- d) **Responsible entities:** Ministry of Planning and Investment and IFAD.

12. Recommendation 3:

- a) **A more favourable credit environment for smallholders.** Microfinance and the role of the banking system are features of the current programme that will need to be strengthened to support the market integration approach. Current solutions mainly involve funding subsistence-level production. Overall, the programme has had a very limited impact on bank operations and lending policies for supporting farmers and the rural poor. The CPE recommends that IFAD should make every effort to address this major gap in rural finance in any future policy dialogue with the Government.
- b) **Proposed follow-up:** IFAD will consolidate lessons learnt options in relation to the institutions that we are working with, which include Women's Union, Viet Nam Bank for Social Policy, and AgriBank. In the next COSOP, IFAD would focus on what has worked, i.e. providing access to rural financial services for smallholders through building the Women's Union and up scaling the model of Women's Saving and Credit Groups in line with regulations of Government and IFAD. IFAD through its Hanoi office would pursue active discussion with the Women's Union, Viet Nam Bank for Social Policy, and AgriBank.
- c) **Deadline:** During the COSOP period.
- d) **Responsible entities:** IFAD to facilitate more dialogue with banks with regards to access to rural financial services, and Ministry of Planning and Investment.

13. Recommendation 4:

- a) **A more strategic knowledge management programme.** There is a growing realisation – particularly as Viet Nam moves further into middle-income country status – that IFAD's knowledge, and its ability to impart that knowledge on a wide scale, will be a significant aspect of its future contribution to Viet Nam's development. Efforts as a result of the 2008 COSOP knowledge management component were a step in the right direction, and IFAD should build on those efforts in the years ahead. With regard to the next COSOP, IFAD will need to concentrate on its non-lending activities and grant capacity in order to fill specific knowledge gaps, such as the need for a holistic approach to the development of ethnic minorities in upland areas, better understanding of youth migration and opportunities for rural youth, etc. The CPE also recommends that knowledge-sharing be strengthened by establishing a standardized, countrywide M&E system, which would make it possible to follow up progress in implementing the results-based COSOP and fine-tune the evolving country strategy.
- b) **Proposed follow-up:** DEPOCEN, a local partner, IFPRI and IFAD HQ are working to put together a standardised country wide M&E system, and to improve the impact assessment of project activities. With regards to grants, these need to support the future pipeline and specific investments. Possible areas for grant financing include: (i) technical assistance to the National Targeted Programme for New Rural Development (NTP-NRD) and the National Targeted Programme for Response to Climate Change (NTP-RCC) for support in implementing specific areas including public-private partnerships, pro-poor

value chains, climate change adaptation research and capacity building, etc., (ii) working with the national research institutions on policy analysis and, (iii) building the capacity of the Government Aid Coordination Agencies (GACA) to design new projects and monitor project performance. Specific themes that would be looked into are a holistic approach to the development of ethnic minorities in upland areas, migration from rural areas and opportunities for rural youth.

- c) **Deadline:** During the entire COSOP period.
- d) **Responsible entities:** IFAD to identify grants needs to support the future pipeline and specific investments and Ministry of Planning and Investment to ensure better M&E and support the grant activities listed above.

14. **Recommendation 5:**

- a) **Strengthening partnerships.** IFAD will need to re-think its approach to partnerships with the private sector and donor community in Viet Nam. It is recommended that IFAD should continue to participate in the One UN Initiative, albeit in a selective manner, with regard to agenda items commensurate with its resources and comparative advantage. On the other hand, enhanced partnering with AsDB, World Bank, IFC, major bilateral donors and NGOs could contribute to more effective synergies and/or to the scaling up of successful models supported by IFAD over the last 18 years. The analytic capacity of the larger IFIs and their role in supporting the Government's donor coordination mechanisms could provide significant leverage, both for IFAD's lending programme and for its non-lending activities.
- b) **Proposed follow-up:** The IFAD office would focus on identifying, developing partnerships with the private sector, and linking business opportunities with the project provinces. At the provincial level, projects would develop the enabling environment for engaging the private sector. With regards to the partnership with the Delivery as One Initiative in Viet Nam (formal ONE UN in Viet Nam), we will maintain relationships with select UN Agencies of relevance to the strategic objectives of IFAD programming.¹⁶ With regards to partnerships with International Finance Institutions, opportunities for joint and cofinancing would be pursued with the World Bank and with the Asia Development Bank, among others. Partnerships would be sought with bilateral development partners in the context of promoting innovation in the IFAD supported projects. IFAD would actively engage with NGOs through participating in the NGO working groups at the central level and where possible on the ground in IFAD supported project areas. National research institutions would be important partners in knowledge management and policy dialogue.
- c) **Deadline:** During the COSOP.
- d) **Responsible entities:** MPI and IFAD to promote partnerships.

15. **Recommendation 6:**

- a) **Increased counterpart funding from the Government.** It is recommended that, during formulation of the next COSOP, IFAD should reach agreement with the Government on increased levels of counterpart funding, especially in view of the country's middle-income country status and numbers of poor rural people. The COSOP might also include broad criteria for determining the proportion of such counterpart funding (e.g. minimum percentage of total projects costs) in future IFAD-supported projects in Viet

¹⁶ Some examples include UNDP (climate change and governance issues), FAO (agriculture and rural development), UNIDO (working with the private sector and value chains) and ILO (microfinance).

Nam. The CPE recognizes, however, that counterpart funding is a matter for IFAD Management to consider at the global level, including the establishment of related guidelines (currently missing).

- b) **Proposed follow-up:** The most effective way to increase counterpart financing would be met through the budgets of the national targeted programmes at the provincial level. During the design of future IFAD supported interventions, we would ensure closer planning with the provincial governments to ensure integration of our activities into the implementation of the Government programmes, provincial budgets, aligning objectives, so that the level of counterpart financing would increase.
- c) **Deadline:** During the COSOP.
- d) **Responsible entities:** MPI, Provincial governments and IFAD.

16. Recommendation 7:

- a) **A strategic approach to the conservation of natural resources and response to the impact of climate change.** IFAD should scale up its involvement in issues relating to the environment, natural resources management and climate change. While it is true that other donors are heavily engaged in these areas, IFAD is in a unique position to explore the impact of potential environmental damage and the effects of climate change on the rural poor. It is also well placed to introduce measures against erosion or salt water intrusion or in support of forest cover rehabilitation. This should be an important feature of the next COSOP and, possibly, one of the key pillars of IFAD's future engagement in Viet Nam. While these issues are largely peripheral to current programme design in Viet Nam, and are not commensurate with the priority given to such concerns, they are important features of Government policy and programmes. IFAD could well make a valuable contribution to developing local-level approaches that support the efforts of both the Government and the international community.
- b) **Proposed follow-up:** Efforts would be focused on supporting farmers' adaptation through appropriate extension and research by provincial and national research networks, strengthening both climate change technology transfer and the upscaling of autonomous adaptation undertaken by smallholder farmers, raising provincial staff awareness of climate change risk and integrating climate proofing tools into lower level planning processes, supporting the development and improvement of provincial action plans for addressing climate change risks, ensuring the incorporation of climate change factors into the provincial SEDP, and feeding these lessons to national level policies for response to climate change.
- c) **Deadline:** During the COSOP.
- d) **Responsible entities:** Provincial Peoples' Committees at all levels, MARD, MONRE and IFAD.

17. Recommendation 8:

- a) **A strengthened IFAD country office.** The CPE believes that IFAD's country office in Viet Nam has made an important contribution to the overall success of its country programme. The establishment of a country office with sufficient capacity to support project preparation, implementation and supervision has been broadly successful and should be maintained. Looking forward, policy dialogue at the central level and the scaling up of successful innovations will need to be more systematic, anchored in IFAD's operational field experience, and in line with the structures and processes of the Hanoi Core Statement. IFAD will need to provide its country office with clear guidelines on prioritizing

this agenda, in line with IFAD's new business model and an enabling work environment, i.e. appropriate human and financial resources.


- b) **Proposed follow-up:** With regards to policy, there have been efforts to learn lessons emanating out of the projects, and provide feedback to the national level Ministries. We will step up our efforts for policy dialogue at the national level with the National Assembly, and at the provincial level with the Provincial Peoples' Councils. Systematic learning processes would need to be put in place through the M&E system, and knowledge products developed to ensure that our target group is reached. To ensure that this is possible, the country office would hire a KM officer, and the CPM would dedicate more time to the policy dialogue at the central level.
- c) **Deadline:** During the COSOP.
- d) **Responsible entities:** IFAD.

Signed by:



Date: 16/02/2012

H.E. *Nguyen The Phuong*
Vice-Minister of Planning and Investment
Ministry of Planning and Investment
Government of the Socialist Republic of Viet Nam
Hanoi



Date: 7 March 2012

Mr Kevin Cleaver
Associate Vice-President, Programmes
Programme Management Department
IFAD
Rome

Project Pipeline

Project Concept Note 1: Programme Based Support for Implementation of the National Targeted Programme for New Rural Development (NTP-NRD) Northeast Mountainous Region

Background

1. In the future, MARD's role in achieving Government's poverty reduction goals through promotion and facilitation of sustainable market-based opportunities will be critical¹⁸. The policy for New Rural Development¹⁹ (*Tam Nong*) sets out a framework for the continued development of rural areas and a substantial agenda in addressing both poverty and broad-based agricultural growth, closing the growth and poverty gap between those poorer and better-off provinces, addressing the issues of continued low agricultural and labour productivity; low value and low quality agricultural production; lack of strategic and operational clarity in identifying and promoting market-driven options for tapping agricultural comparative and competitive advantage; reversing the threats on sustainable natural resource management and associated forest degradation.
2. Following *Tam Nong*, on 16 April 2009, the Government issued Decision No. 491/QĐ-TTg on the establishment of a set of 19 national criteria for "New Rural Commune", "New Rural District" and "New Rural Province". These criteria, covering all socio-economic development aspects (master planning and master plan implementation, transport, irrigation, power, school, technical facilities, rural market, post office, housing, income, number of poor households, labour structure, production organization, education, health care, culture, environment, socio-political organizational system and social security) form the basis for the development of several national and sectoral development programmes. The National Target Programme for New Rural Development (NTP-NRD) for the period 2010-2020 with a vision to 2030 will bring under one umbrella the existing NTPs in the rural and agricultural sector and re-align them – through an estimated twenty-two separate projects or sub-programs. As a new umbrella programme, the NTP-NRD builds on the experience of past and current government programmes and comprises central and provincial components and will soon be approved by the Government. It intended that financing for the NTP-NRD will come from various sources, with substantial contributions expected from the business and cooperative sector (around 30%) and the banking / rural finance sector (around 20%), in addition to national and provincial state budget resources (around 40%) and peoples contributions (around 10%). It is significant that these private and rural finance sector contributions are explicitly identified, since this further indicates a shift to a more comprehensive and integrated programmatic approach.
3. Carrying out a programme based approach (PBA) would enable the possibility of achieving a stronger operational linkage and integration between proposed financing and provincial-level agriculture and rural development strategies with budgetary allocations and the NTP-NRD. Institutional reform would be carried out through a

¹⁸ It is still too early to assess the impact of WTO membership on the ARD sector and rural poverty, however, many observers predict that the new economic opportunities which membership offers Vietnam are likely to contribute to rapid migration, urbanization and land sales which in turn will generate new vulnerable groups and pockets of poverty. Particular attention will have to be paid to ensuring that the poor and small producers are benefitted rather than hurt by the WTO agreement.

¹⁹ Resolution No.26-NQ/TW, dated 5 August 2008, of the 7th Congress by the Session X Central Executive Committee on Agriculture, Farmers and Rural Areas.

process of systematic and strategic improvements in the annual planning and budgetary processes and strengthening of key institutional roles and processes at Provincial, district, and commune, village levels. The PBA is ultimately to help the Provincial Government attain a substantially enhanced participatory “planning, budgeting, implementation and governance cycle” (“PBIG cycle”). Accordingly, for implementation, institutional and policy reforms and development and re-orientation of public expenditures will need to take place.

4. The basic principles for a PBA are as follows:
 - **Government ownership.** The programme would be based on an Agriculture and Rural Development Plan prepared by the province, which is consistent with the overall Province Socio-Economic Development Strategy, and with the principles of the NTP-NRD. The programme would be designed to provide build capacity for implementation of the province Agriculture and Rural Development Plan.
 - **Single comprehensive program and budget framework.** Financing will come from various sources, including: (i) national and provincial state budget resources – incorporating funds from the various NTPs and other rural sector programmes; (ii) IFAD loan funds; (iii) private sector businesses; and (iv) beneficiary contributions.
 - **Efforts to increase use of local systems over time.** The programme will adopt a phased transition from a project-based approach to a full PBA over the 5 year period. This phased transition will allow capacity building to take place around essential programme management and financial management aspects of the PBA. It will also allow institutional innovations to be scaled-up and integrated into the regular government system.

Geographic Area and Target Group

5. The primary household level target group for the programme will be defined as: “poor and near-poor households, according to prevailing official classification (MOLISA), living in rural areas including households and individual of all ethnic backgrounds, age and gender.”
6. The targeting strategy would be mostly self-targeting to ensure high participation of poor households and more widespread adoption of improved practices: for example through farmer field schools and key farmer approaches. Ethnic minority households and women would be targeted through delivering extension and use of training materials in native languages of ethnic groups (where needed), visual tools and at times and locations convenient to the specific target sub-groups recognising their different roles and time burdens. To the extent possible, the recruitment of ethnic minority and women workers would be promoted.
7. The project would geographically cover 2-3 provinces in the Northeast Mountains region, selected based on the following criteria: (i) prevailing poverty rates and poor household numbers in the underlying provinces (strongly weighted by ethnic minorities poverty); (ii) commitment, readiness and absorptive capacity of the province for implementing and mainstreaming innovations particularly related to market orientation and climate change; (iii) past project performance, should there have been a previous IFAD or equivalent bilaterally funded project and potential impact of further IFAD investment; and (iv) Government endorsement of the need for resources for the province, taking into consideration provincial budgets including NTP-NRD counterpart financing, private sector contributions and other development partner resources.
8. The project would need to take into account the specific situation and needs of ethnic minority women, men and rural youth. For ethnic minority youth, in particular, this

means providing them with opportunities through which to learn necessary life-skills and vocational skills to ensure their future well-being and to develop their interests. For ethnic minority women, it means enhancing their learning opportunities to regain and assume new leadership and entrepreneurial roles in their communities. For ethnic minority women, it means increasing the opportunities for productive and stable on-farm and off-farm employment. A gender sensitive approach which clearly differentiates and responds to these needs is warranted.

9. Interventions to maintain the momentum of poverty reduction are to centre around
 - (i) transparent targeting criteria giving priority to ethnic minorities and women;
 - (ii) institutional capacity development, linked to more gender sensitive, climate smart, and market oriented socio-economic development planning process at commune level;
 - (iii) increased investment in rural infrastructure and health services, including vocational training, particularly for women;
 - (iv) empowered rural men and women, particularly ethnic minorities, managing community allocated funds;
 - (v) conditional support, including cash transfers and scholarship programmes, especially for ethnic girls; and
 - (vi) increased awareness building for women on improving nutrition for children, particularly in ethnic minority groups.

Justification and Rationale

10. The provinces in the North-East region are largely agricultural and their economies have only recently begun to develop market-oriented cash based production on a larger scale. For most households, production of rice for self-consumption remains an important part of household livelihoods and dominates production on the limited available areas of agricultural land, especially in the upland areas. At the same time, numerous market opportunities and potential comparative advantage strategies exist for the development of the rural economy in livestock, crops, aquaculture and forest products in part driven by the rapidly growing market of the Red River Delta region with its population of around 20 million people. The programme therefore needs to support the development of the main productive sub sectors by exploiting market opportunities and comparative advantages tailored to different locations and types of rural household. The transition to more market oriented agriculture will also require productivity gains in basic food crop production so productive resources, especially land and labour, can be assigned to higher value cash-based production.
11. Particularly relevant would be to support the transition in the rural sector, there would be a strong emphasis on building enabling environments for engagement of the private sector providing rural jobs and generating rural income, developing and promoting pro-poor value chains linking rural poor households to the growing demand in urban centres, and building farmer-buyer arrangements lowering the risks of farmers to diversify, add value. These initiatives would be underpinned by participatory market oriented SEDP at provincial, district and commune levels. At the same time, the programme would continue to recognise the importance of supply to local markets by poor farmers. Generation of income and jobs from rural non-farm activities will be enhanced, targeted towards poor rural households and women, through access to community managed climate proofed market access infrastructure, demand-driven extension enhancing the competitiveness of agricultural products, promotion of non-farm rural employment, and savings and credit activities.
12. There needs to be a series of profound institutional reforms while developing new strategies, approaches, farming packages to achieve a broad range of newly articulated sector goals within a rapidly shifting context for agriculture. All Strategic objectives of the COSOP are relevant in the guiding of this programme.
13. The rationale for some of the North-Eastern provinces to move into a PBA includes:

- Scaling-up and Sustaining the Results of Past IFAD Support: Positive results from IFAD's past experience in the provinces, promoting the scaling-up, institutionalization and sustainability of numerous project interventions and innovations which were successfully developed, tested and implemented into the on-going Government programmes and activities (including NTP-NRD, P135 Phase 2, Programme 30 A).
- Private Sector development: A PBA will help lay the required conditions and supporting actions for promoting the development of a more dynamic and inclusive private sector. Private sector development is in an incipient phase, and there is a need to broaden the targeted interventions, including appropriate policy and regulatory reforms consistent with its comparative and competitive advantage (including value chain development), rather than just focusing on a targeted approach with low income ethnic minorities, and isolated and micro-level interventions for private sector development.
- Commitment and Capacity of Provincial Government: Provincial leadership is committed to mobilize available and additional resources to help realize their potential. The leadership of the Province is committed to introducing the use of public expenditure analysis (diagnostic and forward-looking aspects) as a tool for better assessing expenditure efficiencies and setting and re-orienting priorities, beginning with the agriculture and rural development sector.

Goal and Purpose

14. The **goal** of the programme is to reduce poverty and hunger for rural poor and ethnic minority households in selected Northeast provinces. The purpose of the programme would be the mainstreaming of innovations in the NTP-NRD, and improve quality and effectiveness of agriculture and rural development strategies in the province.
15. The proposed component outcomes are: (i) a competitive, market-oriented agricultural economy based on smallholder production exploiting local comparative advantages, while improving rice productivity for self-consumption; (ii) a demand responsive, sustainable system of high quality agriculture and key rural services and infrastructure to support the development of a competitive and inclusive agricultural economy; (iii) strengthened commune and village level participatory planning, implementation, and management of decentralized expenditures for commune infrastructure and support services for agriculture and rural development, as part of the commune and village level SEDP process and related expenditure priorities; and (iv) enhanced institutional capacity and roles of key stakeholders in agriculture and rural development at all levels strengthened to implement pro-poor market-driven policies, strategies and decentralized decision making and budget management.

Components and Activities

16. **Component 1: Promotion of subsectors** - The Programme will address the following productive sub-sectors: (i) crops – including cash crops and subsistence crops (mainly rice); (ii) livestock - including pigs, chickens, cattle and buffalo, aquaculture; (iii) forestry – including economic forestry sub-sector and natural resource management. For the development of market-oriented agriculture in each of the sub-sectors, the programme will be guided by a common approach that will be adapted to the specific priorities, constraints and opportunities in each sub-sector. The main elements of the approach include:
 - Farmers and communities making informed and free choices on their production priorities having being presented with accessible and reliable information of the range of different market and production opportunities suited to their area and resources.

- Mainstreaming of improved technology transfer approaches (FFS, FD etc.) of field validated and appropriate improved production practices to farmers, including associated costs, benefits and risk.
 - Availability of affordable inputs and services (e.g. feed, plant / animal health), where possible produced competitively to high quality, but from locally available production (e.g. forages for animal feed).
 - Improved access to rural finance for farmers to invest in market-oriented production of their chosen products.
 - Concentrated production zone development, based on farmer self-selecting decision to participate in production of the concerned crop/product and the establishment of necessary productive infrastructure for the commodity zone.
 - The formation of common interest groups (CIGs) and construction of local wholesale markets to facilitate transaction with buyers where necessary
 - Pro-active facilitation of private sector investment and sourcing in priority industries by medium and larger buyers and processing companies, in particular once large scale production resources are available.
17. **Component 2: Support Services Development** - A demand responsive, sustainable system of high quality agriculture and rural services and infrastructure would be developed to support the development of a competitive agricultural economy. For irrigation, recognising the past weakness in O&M, a small number of models will be established on improvement of irrigation scheme use and management efficiency using new locally adapted technical and management norms. Once validated, successful models will then be more widely promoted within the province.
18. For rural financial services, the strategy will be to work with VBSP to roll-out the network of SCG to all communes, within the mainstream framework of VBSP, targeting poor households. In parallel the programme will promote the formation of a network of joint liability groups (JLGs) as a conduit for bank lending, with support of the Farmers' Union and Women's Union with larger loans available from VBARD to enable farmers with limited collateral to access larger productive loans through the JLGs. The programme will provide seed capital through matching grants to new and expanded SCG and also to VBARD in support of the JLG lending mechanisms.
19. **Component 3: Community Empowerment (SEDP Commune Development Fund/CDF)** - The Commune Development Fund is a strategic mechanism to promote directly bottom-up planning and implementation of SEDP processes at commune and village level, including decentralized funding from both Government and donors. It is a direct complement to the provincial and district level provision of infrastructure and key services outlined in Component 2 above, but with decision making and accountability decentralised at the closer possible level to the end user to improve responsiveness to local needs. The programme will roll-out the participatory commune SEDP process and associated Commune Development Funds, under which the CPC is the Investment Owner.
20. **Component 4: Institutional Development for NTP-NRD** - Activities include the following key elements:
- strengthening cooperation and coordination among the four key stakeholders in agriculture and rural development, namely the farmers, the public service providers, the private sectors, and the scientists and researchers;
 - development and strengthening of community-based organizations and interest groups, strengthening of household's capacities in business management and their expanded access to services;
 - public administration reforms and institutional capacity building programmes, promoting decentralization and strengthening capacities to develop and

implement sound agriculture and rural development strategies and efficiency-based planning, allocation and management of public resources;

- knowledge management activities designed to capture and share information and knowledge related to research and innovation in order to promote good practice, scale up innovations and influence policies; and
- establishing a Programme Coordination Unit (PCU) to support the PPC and DARD in programme delivery and inter-agency coordination.

Issues on which the team seeks guidance

21. IFAD seeks guidance on the following:

- Shaping the development objectives
- Allocation of IFAD resources;
- Selection of districts and communes for inclusion in the project;
- Most appropriate location of the provincial PMUs in pulling together the various project activities; to minimize overlap and ensure maximum national benefit;
- Possible like-minded-donors who would be interested to co-finance;
- Duration of the project.

Costs and Financing

22. The project is estimated to cost USD 82.5 million, including an IFAD loan of USD 43 million, IFAD grant of USD 1 million, a government contribution of USD 76 million through the NTP-NRD, and USD 2 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)					Total
	IFAD loan	IFAD grant	GoV	Private Sector	Beneficiary Co-financing	
Subsector Development	13.0	0.5	26.0	0.0	2.0	41.5
Support Services Development	12.0	0.0	24.0	0.0	0.0	36.0
Community Empowerment (SEDP Commune Development Fund/CDF)	13.0	0.0	26.0	0.0	2.0	41.0
Institutional Development	5.0	0.5	0.0	0.0	0.0	5.5
Total	43.0	1.0	76.0	0.0	2.0	124

Organization and Management

23. At the Provincial level, a Provincial Project Steering Committee has been established for the NTP-NRD. The proposed programme would establish a separate PSC to feed into the PSC for NTP-NRD. A PMU would be established for day-to-day management and operations, and implementation would be decentralized to the relevant levels. The main responsibility for component implementation and coordination of technical inputs will be with DARD. A critical element of the delivery of the sub-sector strategies is the significant upgrading of an Agricultural Market Development Unit (AMDU) within DARD to ensure its adequate capacity and focus to deliver a market-

oriented approach. To complement the provincial level AMDU, Agricultural Market Development officers would be recruited in each district and in each commune.

24. At the District level, the DPC would implement project activities with particular involvement of the Agricultural Market Development officers, accountant and infrastructure coordinator. In many respects, the district level is most critical, because this is the point at which province policies are converted into services on the ground. With the increased decentralization of planning and budgetary responsibilities envisaged, the district administration will have the major role in supporting the communes.
25. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the Agricultural Market Development officers, accountant and infrastructure coordinator.
26. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

Project Concept Note 2: Inclusive Market Development and Agricultural Diversification in the Central Region²⁰

Background

1. In recent years, there has been much debate in Vietnam concerning the potential for dependency amongst some ethnic minority communities on external support. The Country Social Assessment conducted by the World Bank in 2009²¹ identifies six main areas of difference which lead to comparative disadvantages for ethnic minorities, including: (i) less access to quality education with consequently lower levels of educational attainment and achievement; (ii) limited mobility which keeps ethnic minorities from expanding their networks, limiting access to new ideas and technologies etc.; (iii) limited access to financial services which limits opportunities to improve production and engage in new businesses; (iv) reliance on less productive land resources combined with less diversified non-farm or off-farm income and employment opportunities; (v) lower market access and poorer returns from markets combined with less involvement in trading or service provision; and (vi) stereotyping whereby ethnic minorities are in some cases subject to social attitudes and inappropriate policies which inhibit their participation in socio-economic development.
2. While some of the constraints on physical assets are similar for all population groups in the remote rural areas (e.g. weak infrastructure and limited physical access to markets), many of the most critical and distinctive factors of ethnic minority poverty are related to human and social capital development. For any project working with ethnic minority poverty reduction, therefore, there are two major implications. Firstly, with regard to human capital, it is necessary to have a highly articulated gender strategy which takes into account the particular situation and respective needs of ethnic minority women, men and youth. Secondly, with regard to social capital, it is necessary to strengthen and work through community based organizations based on existing social structures, and which will help these communities to develop self-reliance in adapting to the modern day social and economic context.
3. Literacy and language constraints continue to be a major concern for many ethnic minority women in particular. This is an aspect in which there is a large discrepancy between official statistics and reality. In some localities in Vietnam, with the official achievement of the universalization of primary education, funding for adult literacy and basic education classes has been reduced; yet many ethnic minority women continue to lack essential national language and functional literacy skills.²² In particular, there is a need for better numeric skills to deal with the market place, and bi-lingual training programs that use ethnic minority languages. One study concluded that the gap between what women used to know and was highly valued in traditional society and what women need to know to survive in modern-day contexts has widened to such an extent that many non-Kinh women are no longer convinced that their traditional knowledge of livelihood systems has any utility.

²⁰ This region is including North Central Coastal, Central Coastal, South East regions

²¹ World Bank, (2009), Country Social Assessment: Ethnicity and Development in Vietnam, East Asia Social Development Unit, World Bank, Washington DC.

²² VASS (2009) Participatory Poverty Assessment: Synthesis Report, Vietnam Academy of Social Sciences, Hanoi.

Geographic Area and Target Group

4. The project is to be implemented in selected poor districts in a number of provinces of the Central Region. Poorer districts are located in parts the provinces, and are generally less well-endowed in terms of the natural resource base for agricultural production and development of the rural economy, as compared to other districts of the provinces where the major commodity crops including coffee, pepper and rubber are concentrated. The selected districts would be characterized by a higher proportion of minorities, and by a high poverty rate and/or number of poor households.
5. While the project would target districts, the province in which the district is located would need to follow the following criteria: (i) prevailing poverty rates and poor household numbers in the underlying provinces (strongly weighted by ethnic minorities poverty); (ii) commitment, readiness and absorptive capacity of the province for implementing and mainstreaming innovations particularly related to market orientation and climate change; (iii) past project performance, should there have been a previous IFAD or equivalent bilaterally funded project and potential impact of further IFAD investment; and (iv) Government endorsement of the need for resources for the province, taking into consideration provincial budgets including NTP-RCC, NTP-NRD counterpart financing, private sector contributions and other development partner resources.
6. The project would target the poor, with a special focus on ethnic minority women, men and youth. For ethnic minority youth, in particular, this means providing them with opportunities through which to learn necessary life-skills and vocational skills to ensure their future well-being and to develop their interests. For ethnic minority women, it means enhancing their learning opportunities to regain and assume new leadership and entrepreneurial roles in their communities. For ethnic minority men, it means increasing the opportunities for productive and stable on-farm and off-farm employment. A gender sensitive approach which clearly differentiates and responds to these needs is warranted.
7. Interventions to maintain the momentum of poverty reduction in are likely to centre around (i) transparent targeting criteria giving priority to ethnic minorities and women; (ii) institutional capacity development, linked to more gender sensitive, climate smart, and market oriented socio-economic development planning at commune level; (iii) increased investment in rural infrastructure and health services, including vocational training, particularly for women; (iv) empowered rural men and women, particularly ethnic minorities, managing community allocated funds; (v) conditional support, including cash transfers and scholarship programmes, especially for ethnic girls; and (vi) increased awareness building for women on improving nutrition for children, particularly in ethnic minority groups.

Justification and Rationale

8. The major constraints faced by the indigenous ethnic minority communities in the project area are, therefore, not so much to do with their lack of involvement in agricultural markets and labour markets, but rather their limited capacity to diversify and increase their productivity within these markets, due to a range of market barriers and resource constraints.
9. It will, be important make improvements in crop production techniques, as well as promoting the diversification of production and income sources to enhance food security and to reduce household vulnerability to price fluctuations and climatic fluctuations. It will also be important to address market barriers faced by ethnic

minority farmers in these annual cash crop markets. The removal or amelioration of these markets barriers would, in itself, do much to improve the economic situation of the target groups. These complex market barriers arise from various economic, institutional and cultural factors, and commonly include:

- Limited bargaining power with farm-gate traders, including a lack of price information and knowledge of how agricultural markets operate, and a lack of numeric skills (i.e. weights and measures) and national language skills to ensure fair price negotiations.
 - The prevalence of local petty traders in farm-gate trading for some annual cash crops, such as cassava, who may take advantage of the lack of market knowledge amongst ethnic minority producers to reduce farm-gate prices through various usury practices. There is also a lack of regulation of these traders by the district authorities.
 - The prevalence of un-regulated 'production contract' relations with traders, in particular for sugar-cane, whereby production inputs are advanced to farmers by the traders, who in turn control farm-gate prices for the product.
 - Inadequate post-harvest crop storage facilities, which may force farmers to sell their products at the time of peak supply and hence with reduced price. For instance, this is particularly critical for cassava because the beginning of the harvesting season coincides with the end of the rainy season, and with the traditional festival season, which means that farmers face difficulties in storage and sale of their products.
 - Limited development of producer or marketing cooperatives, or of 'cooperative groups' in the project area, with the result that there is a lack of social organization and collective bargaining power amongst ethnic minority producers.
10. It is recognized by provincial officials that the land allocation process, and the involvement of indigenous ethnic minorities in agricultural land markets, is complicated for a variety of reasons. Their cultural unfamiliarity with intensive farming practices, and with the ways in which land markets operate, mean that many indigenous ethnic minority farming communities are still ill-equipped to make the transition to more intensive production systems. Today, many rural communes in the region are populated by both indigenous ethnic minorities and migrants from various parts of the country, which creates a socially complex context for strengthening local governance institutions to ensure equitable land distribution. It is recognized, however, that there are a number of outstanding issues related to land allocation, including: (a) the situation of newly divided 'satellite' villages, which are often made up newly-separated young households and poor households with limited land assets; (b) the situation whereby a some ethnic minority households sell their newly allocated land indiscriminately; and (c) the slow pace of SFE reform and limited re-allocation of forest land to households.
11. Casual and seasonal labour is a critical element of the livelihood strategies of many households in the project area, particularly the poor and young households with limited land assets. The involvement of indigenous ethnic minorities in labour markets is still constrained by a lack of vocational skills to obtain more lucrative off-farm employment, as well as by a lack of self-confidence, national language skills and knowledge about labour opportunities.
12. To support the transition in the rural sector in programme provinces, there would be a strong emphasis on building enabling environments for engagement of the private sector providing rural jobs and generating rural income, developing and promoting pro-poor value chains linking rural poor households to the growing demand in urban centres, and building farmer-buyer arrangements lowering the risks of farmers to diversify, add value. These initiatives would be underpinned by participatory market oriented SEDP at provincial, district and commune levels. At the same time, the

country programme would continue to recognize the importance of supply to local markets by poor farmers. Generation of income and jobs from rural non-farm activities will be enhanced, targeted towards poor rural households and women, through access to community managed climate proofed market access infrastructure, demand-driven extension enhancing the competitiveness of agricultural products, promotion of non-farm rural employment, and savings and credit activities. IFAD supported investments would focus on enhancing the resilience of poor farmers in light of changing climatic conditions and more frequent natural disasters, targeting “no regret” approaches that enhance livelihoods, sustainable agriculture and poverty reduction. IFAD would address the gap when it comes to implementation of adaptation and mitigation in agriculture at the household level, supporting ongoing farmers’ adaptation through appropriate extension and research, developing provincial action plans for addressing climate change risks, ensuring the incorporation of climate change factors into the SEDP, and feeding back these plans and lessons to the national level for incorporation into investment plans, national targeted programmes and other policies.

13. There needs to be a series of profound institutional reforms while developing new strategies, approaches, farming packages to achieve a broad range of newly articulated sector goals within a rapidly shifting context for agriculture and rural development and the increasing impact of climate change. All Strategic objectives of the COSOP are relevant in the guiding of this project.

Goal and Purpose

14. The **goal** of the project is to reduce poverty and hunger for rural households, with focus on the poor and indigenous ethnic minority households. The **purpose** of the project would be as follows:
 - Potential productive resources utilized and managed effectively to increase sustained value of production;
 - Market oriented competitive production and processing systems developed and effectively managed;
 - Vulnerability of target communities reduced through development and maintenance of integrated systems of infrastructures, human and social capital enhancement, and diversified on-farm and off-farm incomes;
 - Institutional roles and capacity of key stakeholders in agriculture and rural development at all levels strengthened to implement pro-poor market-driven policies, strategies and decentralized decision making & allocations.

Proposed Components and Activities

15. One of the main constraints faced by the indigenous ethnic minority communities is the lack of information and learning opportunities that are directly related and adapted to their particular culture, language and social organization. Difficulties in communicating in the national language, and low levels of functional literacy especially amongst ethnic minority women, continue to serve as barriers to improved access to markets, employment and income earning opportunities. These market barriers include their limited bargaining power with farm-gate traders, a lack of price information, a lack of numeric knowledge and skills to ensure fair price negotiations, as well as broader awareness of how agricultural markets operate.
16. The proposed project would take a coherent approach that takes steps such as the following:

- equipping indigenous ethnic minority households and communities with the necessary knowledge and skills to interact with agricultural markets and labour markets in more equitable ways;
 - focus on a coordinated range of interventions that will improve the sustainability of existing annual cash crop production systems and ameliorate market barriers;
 - promoting the development and diversification of home-garden production systems, in order to help increase household food security and reduce vulnerability;
 - expanding the opportunities for smallholder producers to supply the cattle production systems and value chain for the planned meat processing industries;
 - promoting the diversification of micro-enterprise activities and seasonal income generation activities;
 - supporting the formation of culturally appropriate farmer organizations and common interest groups;
 - investments in of small-scale productive infrastructure at village level, linked to improved production, market access, water resources management, and local employment opportunities; and
 - increasing the quality and appropriateness of vocational skills training provided to ethnic minorities, particularly young adults.
17. **Component 1: Strengthening institutional mechanisms for pro-poor market development** This component would entail conducting value chain assessments and market analysis on product lines that generate greater profits for the poor in the project districts and communes; specific initiatives to encourage the private sector to support the integration of the rural poor in agricultural markets in more effective ways; developing policies to encourage and support the formation of effective cooperative groups and micro-enterprise activities amongst the target groups; piloting organizational models for linking producers with private sector services, suppliers, technical advice and markets in more effective ways; developing appropriate Rural Financial Services for micro-enterprise and economic farm development, and small-scale trading and processing enterprises; preparing operational guidelines and training curricula for linking employment skills training to productive infrastructure works; materials production for the Market Knowledge, Training and Information Program for ethnic minority farmers; and monitoring, lesson-learning, and supporting the integration of successful models with province policies and national policy initiatives.
18. **Component 2: Enhancing the economic capacities of the rural poor** - This component would entail building local capacity for effective market assessment and planning and utilization of the resource base; improved production and processing systems for income generation and food security; demonstrating improved production and processing technologies; strengthening community organizations and farmer groups; strengthening regulatory systems and public services; and facilitating private sector involvement in market development.
19. **Component 3: Employment linked commune infrastructure fund** – This project would entail infrastructure investment management and construction skills training. This component will introduce an improved and more systematic approach to linking investments in productive infrastructure to improved employment opportunities for local labourers. This will be through the provision of construction skills training and providing short-term employment on construction works funded by the project. Longer-term employment opportunities will also be enhanced through re-fresher training and the step-by-step approach to increasing the skills of the local labour force. For labourers from poorer households and young households in particular, this will also serve as a productive safety net by increasing household cash reserves.

Issues on which the team seeks guidance

20. IFAD seeks guidance on the following:

- Shaping the project development objective and allocation of IFAD resources;
- The selection of districts and communes for inclusion in the project
- The most appropriate location of the provincial PMUs in pulling together the various project activities to minimize overlap and ensure maximum national benefit;
- Possible like-minded-donors who would be interested to co-finance;
- The duration of the project.

Costs and Financing

21. The project is estimated to cost USD 52.4 million, including a USD 38 million IFAD loan, USD 1 million from IFAD grant funds, a USD 7.6 million government contribution delivered through the NTP-NRD, and USD 3.8 million in beneficiary co-financing. We do envisage that there will be a contribution from the private sector. Project costs by component are estimated as follows:

Component	Component Funding (USD million)					
	IFAD loan	IFAD grant	GoV	Private Sector	Beneficiary Co-financing	Total
			20%	10%	10%	
Strengthening institutional mechanisms for pro-poor market development	6	1.0	1.2	0.0	0.6	8.8
Enhancing the economic capacities of the rural poor	20	0.0	4.0	2.0	2.0	28.0
Employment linked commune infrastructure fund	12	0.0	2.4	0.0	1.2	15.6
Total	38	1.0	7.6	2.0	3.8	52.4

22. With regards to cofinancing and partnerships, present some of the principal opportunities appear to lie with:

- Asian Development Bank – which is carrying out an infrastructure development project, focussed at the district level, on rehabilitation of key infrastructure.
- World Bank is developing a Central Highlands Project of USD 150 to 250 million, possibly to include relatively poor districts in the highland parts of Quang Nam and some other provinces with support to: (i) participatory planning processes, (ii) improvements in key productive/other community infrastructure, and (iii) various livelihood initiatives, perhaps with a combination of grants and microfinance for group/community initiatives in agriculture, crafts, etc.
- JICA – development of an infrastructure project with elements of community based integrated rural development
- Private sector (Nestle, PEPSICO) – development of demonstration sites, outreach and dissemination to smallholder farmers, contract farming and sourcing of material.

Organization and Management

23. Component 1 will support the Province to establish a cross-sector coordination mechanism under the project, which in turn will serve as a platform for integrating lessons and institutional innovations from the project into the broader Agriculture and Rural Development (A&RD) policies and programs of the province. A Technical Working Group (TWG) will be established to facilitate this process. The main focus and function of the TWG activities will be to propose, develop and assess specific mechanisms through which the target group of the project (i.e. poor farm households and ethnic minority farming communities) can be more actively and profitably engaged in agricultural markets and labour markets to promote diversified livelihoods and income earning opportunities.
24. The TWG will work under the guidance of the Project Steering Committee (PSC), with support and coordination from the Province Project Coordination Unit (PPCU). It will consist of specialists from those province agencies that are already involved in the Project Preparation Board, plus additional agencies as required, representing a continuation of this organizational arrangement into the project implementation phase. The proposed core members of the TWG will include the following:
- Sub-department of Cooperatives and Rural Development under DARD,²³
 - Province Extension Centre (PEC) under DARD;
 - Other technical sections of DARD as required for specific TWG activities;
 - Province Committee on Ethnic Minorities;
 - Industrial Extension and Trade Promotion Centre under DTI;
 - Investment Promotion Centre under DPI;
 - DOLISA and the Vocational Training Schools under DOLISA;
 - Province Farmers Association;
 - Province Women's Union;
 - Province Business Association;
 - Tay Nguyen Forestry Training School;
 - VBARD and VBSP representatives.
25. The essential feature of the implementation approach under Component 2 is that it will require a coordinated and integrated range of activities involving different public and private sector agencies, and the mass associations, at district and commune levels. Various district technical sections will need to be actively involved (including the Agriculture and Rural Development Section, the District Extension Station, and the Commerce Section). Active and effective coordination of these activities will be required through the District Peoples Committee (DPC). For component 3, the Commune Peoples Committee (CPC) will be the Investment Owner, with funds disbursed through the commune fund accounts, assisted by the Commune Project Management Board (CPMB) and the DPC to provide necessary coordination.

²³ This Sub-Department of DARD at province level, and the corresponding Department of the Ministry of Agriculture and Rural Development (MARD), is primarily responsible for guiding and monitoring the development of the NTP-RD in this sector.

Project Concept Note 3: Adaption to Climate Change in the Mekong River Delta Region

Background

1. Viet Nam is a country that will be disproportionately impacted by climate change over the coming decades. In more recent years, Viet Nam has seen an almost literal explosion in the number of strategic and operational initiatives coming on line to confront climate risk and climate change. Since 2008, when the National Target Program for Response to Climate Change (NTP-RCC) and the Action Plan Framework for Adaptation to Climate Change in the Agriculture and Rural Development Sector were approved, there has been tripling of investment in climate change response relative to that of the previous fifteen years. From 2008 until present, at least US\$0.9 billion have been committed for adaptation, mitigation, capacity building, research, and awareness raising investments. MONRE, who is charged with the implementation of the NTP-RCC, is reportedly in the process of developing the overarching strategy for its implementation. In the meantime, the principal challenges would seem more to lie with the various line ministries who themselves are charged, under the NTP-RCC, to develop their own sector's strategy and action plan for climate change response.
2. For the agricultural and rural development sector, MARD developed its national-level framework some three years ago and earlier this year approved the strategy/action plan for its implementation: the *Action Program In Response to Climate Change of the Agriculture and Rural Development Sector During 2011-2015 and Vision to 2050*. While the longer term vision to 2050 provides for a reasonably comprehensive approach, the priority investments in the five year plan are heavily oriented towards "hard"²⁴ investments in dikes, levees, and hydraulic structures. The inclusion of such key issues as integration into the SEDP process, poverty reduction, household-level food security among vulnerable populations, support for and facilitation of farmer-led adaptation processes, sustainable natural resources management, or other needs for "soft" adaptation measures of the type required to increase local institutional capacity and social capital for building resilience, is not clear. Moreover, the Action Program does not set out to address the mainstreaming of climate change responses into the ARD sector's other programs, especially the poverty reduction and rural development programs that fall under the NTP-NRD umbrella. It is clearly through those programs where MARD and the Provinces have the greater opportunity to work through issues of ensuring that rural development investments are climate smart and support both the building of adaptation capacity as well as the adaptation processes themselves.
3. There will be three key objectives to achieve in order for the COSOP to deliver climate smart outcomes. First, it will be critical to elevate to the level of the ARD sector's policy dialogue the issues of pro-poor climate change adaptation and mitigation. Secondly, the principal instruments of Government for addressing the needs of the rural poor and vulnerable populations are its programs for agriculture and rural development, poverty reduction and disaster risk management. While the Action Program is important as well, it is only a partial instrument whose role should be to ensure that these other programs internalize natural disaster and climate change risks and themselves support climate proofing of rural communities and livelihoods and make climate smart investments. Thus there is a fundamental need to align these several programs and ensure that their investments jointly contribute

²⁴ In most definitions, "hard" adaptation measures usually imply the use of specific technologies and actions involving capital goods, such as dikes, seawalls, and reinforced buildings, whereas "soft" adaptation measures focus on information, capacity building, policy and strategy development, and institutional arrangements (World Bank 2010c).

to climate smart rural development and poverty reduction in the communities they operate. Thirdly, it will be at the local level where the various government support programs will require articulation through the SEDP planning process. Therefore instruments and approaches to support local-level "climate smart" investment planning and implementation through the SEDP process are essential.

Geographic Area and Target Group

4. Firstly, sensitivity to climate risk and climate change impacts is a direct function of social vulnerability. Therefore, in Viet Nam, it is the rural poor who are the most sensitive and, among the rural poor, it is the ethnic minorities, women and children who are the most vulnerable. Secondly, poverty reduction is one of, if not the best, way to enhance household and community-level capacity for adaptation. Therefore, the targeting strategy of the project would be to target poor rural households, particularly ethnic minorities, women and children.
5. IFAD will give extra weight and consideration to the regions, where the rural poor are particularly sensitive and exposed to climate risk and climate change threats and thus merit additional consideration. In order of priority, the Mekong River Delta Region stands out. On a poverty head count basis (i.e., not on poverty rate), the Delta has a very large population of rural poor and it is the region in the country that is likely to suffer the greatest impacts from climate change. It will not just be the biophysical impacts, but also the likelihood of a very large number of rural poor suffering from economic displacement as their current livelihood activities are either lost to rising sea level and/or salinization and/or increasingly scarce fresh water resources.
6. The project would cover 2-3 provinces in the Mekong, selected based on the following criteria: (i) prevailing poverty rates and poor household numbers in the underlying provinces (strongly weighted by ethnic minorities poverty); (ii) commitment, readiness and absorptive capacity of the province for implementing and mainstreaming innovations particularly related to market orientation and climate change; (iii) past project performance, should there have been a previous IFAD or equivalent bilaterally funded project and potential impact of further IFAD investment; and (iv) Government endorsement of the need for resources for the province, taking into consideration provincial budgets including NTP-RCC, NTP-NRD counterpart financing, private sector contributions and other development partner resources.
7. The project would need to take into account the specific situation and needs of ethnic minority women, men and youth. For ethnic minority youth, in particular, this means providing them with opportunities through which to learn necessary life-skills and vocational skills to ensure their future well-being and to develop their interests. For ethnic minority women, it means enhancing their learning opportunities to regain and assume new leadership and entrepreneurial roles in their communities. For ethnic minority women, it means increasing the opportunities for productive and stable on-farm and off-farm employment. While it will be beyond the scope of this project to cover all these aspects, a gender sensitive approach which clearly differentiates and responds to these needs is warranted.
8. Interventions to maintain the momentum of poverty reduction are to centre around (i) transparent targeting criteria giving priority to ethnic minorities and women; (ii) institutional capacity development, linked to more gender sensitive, climate smart, and market oriented socio-economic development planning at commune level; (iii) increased investment in rural infrastructure and health services, including vocational training, particularly for women; (iv) empowered rural men and women, particularly ethnic minorities, managing community allocated funds; (v) conditional

support, including cash transfers and scholarship programmes, especially for ethnic girls; and (vi) increased awareness building for women on improving nutrition for children, particularly in ethnic minority groups.

Justification and Rationale

9. The current Government strategies and planned responses to climate risk and climate change threats in the agricultural and rural development sector are, for the period 2011-2015, predominantly focused on: (i) for investments – hard, infrastructure investments to protect against flooding and saline intrusion in the coastal zones and deltas; and (ii) for policy and planning – further assessment of climate change and sea level rise impacts on ARD subsectors; integration into sector/subsector/local action plans, policies and planning of climate change concerns; and development of programs and projects for mitigation and adaptation and sector development. There is little explicit content or focus in either the proposed investments or the policy/planning interventions on vulnerable populations, on facilitation of autonomous adaptation by farmers and households and communities, on the need for hard adaptation measures by individuals to protect their assets or on soft interventions to support the building of local capacity for adaptation and to enhance the resilience of vulnerable communities to climate risk.
10. IFAD will primarily focus its strategy for climate smart development. By doing so, the opportunity exists to widen and deepen government's approach to social vulnerability in climate change policy, planning and investment. IFAD's role would be to promote pro-poor climate risk and climate change threat response. It would pursue this role by, among others, supporting (i) holistic approaches that include a balanced concern for poverty reduction, rural development, "soft" capacity building, and facilitation of local, autonomous adaptation responses and; (ii) better coordination and cooperation between sectors and integrated planning for public investments at the local levels; and (iii) better informed decision-making processes within the policy and planning spheres through a systematic knowledge management approach that provides policy relevant information and "learning from the field". It will be important for IFAD to engage in this dialogue to promote that climate change adaptation and mitigation resources are directed in a "climate smart" fashion towards groups where either (i) persistent, structural poverty makes natural resources-based livelihoods non-viable and provision of alternatives are required (the permanently vulnerable) or (ii) "temporary" poverty becomes persistent poverty due to recurrent losses from drought, flash flooding, and other natural disaster/climate risk-related phenomena. While the Provinces will need policy support and guidance from the national-level to allow this to happen, the national role will most usefully be of accompanying the Provinces in order to better understand the challenges, to learn from Provincial experiences, and to adapt national policies and programs to meet the operational needs on the ground.
11. Over the next two to three decades, significant upheaval in local livelihoods will be experienced as a result of sea level rise and ground subsidence with consequent saline water intrusion, increased ambient temperature and hydrological change. Two of the important primary food production sectors in the lower reaches of the Mekong River Delta that are destined to be affected are rice and catfish (*Pangasianodon hypophthalmus*) farming. In 2006, rice farming in the Mekong River Delta accounted for 50 percent of the country's rice production and in excess of 80 percent of the rice exports, while the catfish farming sector accounts for an annual revenue of US\$1.4 billion of export value (De Silva and Soto 2009). With rising sea level, areas impacted by flooding will expand. The Mekong River Delta, which would be most impacted, could see as much as 90% of its total area subjected to flooding. It is anticipated that by 2050 a 30 cm sea level rise will lead to an increase of flood inundation area deeper than 0.5 m of 276 000 ha in the rainy season. In the dry

season areas affected by salinity intrusion (>4 g/l) will increase by 420 000 ha. The combined loss of rice production due to inundation and saline intrusion will amount to about 13 percent of the 2007 total rice harvest in the Mekong Delta (IFPRI 2010 a).

12. Interviewed households in the Mekong reported that they coped with hotter days by buying fans, and with colder days by wearing more clothes. They undertook disaster risk reduction measures like preparing houses before storms. The biggest short-term needs after climate events were cash, fuel, a clean water supply, and rebuilding their house. In terms of medium-term measures, most households (more than 75 percent) said they have done nothing. Most respondents have not changed their production system in the last five years, and only a few residents have grown more trees or dug water pools to improve their farming systems. Long-term, residents had no ideas on how to adapt, they said they need more knowledge.
13. IFAD supported investments would focus on enhancing the resilience of poor farmers in light of changing climatic conditions and more frequent natural disasters, targeting "no regret" approaches that enhance livelihoods, sustainable agriculture and poverty reduction. IFAD would address the gap when it comes to implementation of adaptation and mitigation in agriculture at the household level, supporting ongoing farmers' adaptation through appropriate extension and research, developing provincial action plans for addressing climate change risks, ensuring the incorporation of climate change factors into the SEDP, and feeding back these plans and lessons to the national level for incorporation into investment plans, national targeted programmes and other policies
14. There needs to be a series of profound institutional reforms while developing new strategies, approaches, farming packages to achieve a broad range of newly articulated sector goals within a rapidly shifting context for agriculture and rural development and the increasing impact of climate change. Particularly relevant of the COSOP strategic objectives (SOs) is SO3: Enhance the capacity of poor rural households' to adapt to climate change.

Goal and purpose

15. The proposed **goal** of the Project would be to improve the incomes and reduce vulnerability of poor and near poor households in the Mekong Region. The **purpose** of the programme is to demonstrate a rural development model of environmentally sustainable, socially equitable and profitable growth inclusive of rural poor households.
16. The project through its community presence, experience and knowledge, would be capitalized upon for developing systematic and structured learning and knowledge dissemination processes for "pro-poor, climate smart" agriculture and rural development. The goal would be to inform both Provincial-led implementation efforts and to bring "learning-from-the-field" into national policy discussions. For the former, supporting Provincial governments through learning is extremely important given the decentralization of fiscal resources and management responsibilities to them and their needs to learn in near-real time in order to improve practices, methodologies, efficiencies and outcomes. For the latter, at the national level there is significant unmet stakeholder demand for consultation on policy implementation and "learning-from-the-field" in support of high-level policy dialogue (Smyle and Binh, 2009).

Proposed Components and Activities

17. From an operational perspective, the approach for the COSOP should be to avoid becoming too prescriptive as the types of threats, practices and opportunities will be dependent on the context and content of the future projects. There are, however, important steps that each project should take during design and implementation phases.
18. Assistance will be needed for adaptation and change of agricultural and aquaculture systems, for shifting to entirely new activities in response to the opportunities created by the new biophysical conditions (e.g. mariculture), as well as becoming prepared to migrate under more favourable conditions (e.g., with an education) as conditions require. Mainstreaming climate risk management will require harmonizing the various policy, strategy and program instruments through a set of planning and operational tools that can be used for local (District, Commune, Village) CBDRM/climate smart investment planning and integration *into the SEDP process*.
19. The proposed project would take a coherent approach that takes steps such as the following:
 - assesses vulnerabilities (physical, social, livelihoods) to natural disasters and climate risks at agro-ecoregional, District, Commune and village-levels;
 - identifies requirements to climate proof current livelihoods and opportunities for new/alternative sustainable livelihoods in the context of climate change;
 - builds awareness among key stakeholders at all levels on climate risk and climate change to enhance adaptation capacity and the resilience of groups and communities;
 - promotes community-based natural resources management, integrating disaster vulnerability reduction through local land use planning and alternative investments in vulnerable and protection zones;
 - supports "climate smart" development of land use planning/zoning at the Commune-level, watershed-based zoning and land use/water resources planning at the District-level and agro-ecoregional land use planning, policy, norms, regulations and incentives at the Provincial-level;
 - development of knowledge networks among farmers and researchers to identify successful adaptive behaviours and extend them to other groups and communities;
 - development of PPP in the context of climate smart value chains;
 - and knowledge management, as detailed above; and promotion and support for stakeholder engagement and coordination forums.
20. **Component 1: Sustainable livelihoods improvement:** This component would entail sustainable agriculture; improving access to and effectiveness of services, especially agricultural extension and village-level animal health services; support to adaptation-focused research that is relevant to rural poor; promoting access and linkages to markets and value chains; education and vocational training; and securing long term access for households to land, forest and water resources; improving access to credit.
21. Activities would be based on locally tailored strategies for facilitation of adaptation by: (i) identifying the principal adaptation pathways for the ARD sector over the medium-term, on a District-by-District basis (stratified by appropriate agro-ecosystems, socio-economic, cultural and gender factors); (ii) analyzing the current and likely future barriers to adaptation, and (iii) based on these and with the participation of local stakeholders, develop appropriate targeting and support mechanisms to facilitate long-term adaptation. The coverage of the agricultural extension system through would be broadened through systematic development of

farmer networks (to share knowledge on successful adaptation); farmer-to-farmer extension approaches (to facilitate technology transfer); continued development of community-based technical services (e.g., para-veterinarians for vaccinations and control of plagues); promotion and utilization of private service delivery and; strengthening functional linkages between researchers and farmer networks to ensure the relevance of the research agendas.

22. **Component 2: Climate smart community development:** This component would entail local land use planning with CBDRM hazard mapping for vulnerability reduction, disaster risk management and orientation of public investments; targeted investments specifically for climate proofing, reducing vulnerability, increasing resilience and capacity for adaptation and/or maintenance of environmental services important to water supply and natural resources-based livelihood; securing physical access to markets (e.g., all-weather and life-line roads).
23. Implementing the public awareness and capacity building programs called for in both the Strategy for Natural Disaster Prevention, Response and Mitigation (especially as relates to CBDRM) and in the climate change response plans in order to inject DRM and climate proofing concerns into local development planning (District, Commune, Village) is key. Based on local planning, the current and emerging priorities for climate risk adaptation and reduction of vulnerability to disasters is to be identified, on a commune-by-commune basis, in order to identify and adapt best practice responses for further research, piloting or dissemination as appropriate;
24. **Component 3: Mainstreaming climate change:** This component would mainstream tools for climate proofing local investments into the SEDP planning processes; support for developing the knowledge management capacities and approaches required to learn from experience and feed this knowledge back into policy and planning processes; support at the Provincial-level and in MARD for developing policy relevant information on pro-poor climate change adaptation and adaptation financing, strengthen mechanisms for coordination of the MARD's Action Program through programmatic frameworks, better stakeholder engagement strategy, knowledge-sharing/learning.
25. During design, current agriculture, forestry, livestock and aquaculture policies and priorities would need to be reviewed to ascertain the extent to which they facilitate adaptation and long term resilience as well as the maintenance of option values at the landscape-scale versus increasing risk and future uncertainty. The purpose of such analysis would be to initiate, from the Provinces, a national-level dialogue on agricultural policies and priorities and related issues of how to build the needed flexibility into sectoral policies and NTPs in order to support local adaptation over the long term. Harmonizing the various policy, strategy and program instruments into a set of tools that can be used for local (District, Commune, Village) CBDRM/climate smart investment planning is crucial. Under this component, appropriate targeting criteria would be developed.
26. At the provincial and national level, knowledge management capacity would be built around the themes of climate smart SEDP planning processes; CBDRM, management of climate risk and farmer adaptation; and successful, pro-poor climate change adaptation (i.e., balancing climate change adaptation with development and poverty reduction imperatives).

ISSUES ON WHICH THE TEAM SEEKS GUIDANCE

27. IFAD seeks guidance on the following:
 - Shaping the project development objective and allocation of IFAD resources;

- The selection of districts and communes for inclusion in the project
- The most appropriate location of the provincial PMUs in pulling together the various project activities to minimize overlap and ensure maximum national benefit;
- Possible like-minded-donors who would be interested to co-finance;
- The duration of the project.

Costs and Financing

28. The project is estimated to cost USD 49 million, including a USD 28 million IFAD loan, USD 6 million from SAP funds, a USD 8.4 million government contribution delivered through the NTP-RCC and USD 4.2 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)					Total
	IFAD loan	IFAD grant (SAP)	GoV	Private Sector	Beneficiary Co-financing	
			30%	20%	15%	
Sustainable livelihoods improvement	12.0	0.0	3.6	2.4	1.8	19.8
Climate smart community development	12.0	6.0	3.6	0.0	1.8	23.4
Mainstreaming climate change	4.0	0.0	1.2	0.0	0.6	5.8
Total	28	6	8.4	2.4	4.2	49.0

27. With regards to cofinancing and partnerships, present some of the principal opportunities appear to lie with:
28. JICA – which is carrying out a master planning exercise in the Mekong River Delta. An IFAD pro-poor adaptation to climate change program could capitalize upon that plan and put into place planning and livelihood elements for the rural sector and rural poor for master plan implementation;
29. World Bank is developing a \$150 million “Mekong River Delta Water Management for Rural Development” (2012-17) under which IFAD might find opportunities to partner, particularly around support to the most vulnerable populations. Also, the World Bank is implementing a grant from the UK/DFID to provide technical assistance for enhancing capacity in MONRE, MOIT, MARD, MPI and MOF to formulate and implement climate change policies. This ends in 2014. Any support for MARD and policy research should be done in close collaboration with the Bank to avoid potential overlap.

Organization and Management

30. The institutional and organizational arrangements for implementation of the project would be the People’s Committee’s at all levels as they are a focus for awareness, capacity building, local policy discussion, recipients of outputs from knowledge management activities, and for raising “lessons from the field” to central level for policy dialogue. For implementation the key partners would be provincial DPI – the Departments of Planning and Investment (from Provincial to District) are charged with implementing the SEDP process; and (iii) provincial DARD – Department of Agriculture and Rural Development for analysis, research and technology transfer for climate change adaptation in production systems and for implementation of

CBDRM; and (iii) DONRE – Department of Natural Resources and Environment for planning and implementing the climate change response. At the District level, the District Peoples' Committee (DPC) would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the Commune Peoples' Committee (CPC) would be focal to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator.

31. For component 3, IFAD's principal institutional partners for implementation will be:
 - (i) MARD – for issues of policy, coordination and prioritization of investment project orientation. It is recommended that IFAD support MARD's coordination and policy dialogue functions through ICD and its ISG program.
 - (ii) MPI – for issues of integration of climate change considerations into the SEDP, IFAD should offer support to MPI for them to achieve this commitment, which is a part of the NTR-RCC.
 - (iii) MONRE – for purposes of coordination of IFAD's overall support and contribution to climate change response in the ARD sector. This can be done most effectively through the SP-RCC.
 - (iv) MOLISA – for coordination of questions of integration of climate change concerns into the local SEDP planning process for making the national poverty programs "climate smart" in their investments and implementation.

Project Concept Note 4: Scaling up Improving Market Participation for the Poor (IMPP) in the North Central Region

Background

1. There are key strategic issues which need to be addressed in order to consolidate the successes to date of the IMPPP and scale up IFAD supported interventions in the North Central Region.
2. First, **targeting** of disadvantaged groups (women, landless and ethnic minorities) needs to be intensified with emphasis on interventions that can be implemented within their financial and technical capabilities. There is no intention to exclude the better off members of communities, but inclusive measures to engage poor and marginalised households need to be stepped up. Related to this, the M&E system needs to shed further light on who benefits and how, as part of the Project completion impact assessment.
3. Second, a **line of credit** needs to be better directed towards SMEs and household businesses that support the value chains in which the IFAD target group are involved, and those that provide jobs for the IFAD target group. Information on the socio-economic profile of indirect benefits to the IFAD target group from the use of loan funds needs to be improved.
4. Third, there is a need for intensive **knowledge management** activities by capacity building, and documenting and disseminating its many success stories such as vocational training/employment generation and participatory market oriented social economic development planning (MoSEDP) so that these can be replicated within and beyond the Province.

Geographic Area and Target Group

5. The project would be targeted to the provinces of North Central Region. The project would need to take into account the specific situation and needs of rural poor women, men and youth. For ethnic minority youth, in particular, this means providing them with opportunities through which to learn necessary life-skills and vocational skills to ensure their future well-being and to develop their interests. For women, it means enhancing their learning opportunities to regain and assume new leadership and entrepreneurial roles in their communities. For ethnic minority women, it means increasing the opportunities for productive and stable on-farm and off-farm employment. While it will be beyond the scope of this project to cover all these aspects, a gender sensitive approach which clearly differentiates and responds to these needs is warranted.
47.
6. Interventions to maintain the momentum of poverty reduction are to centre around (i) transparent targeting criteria giving priority to ethnic minorities and women; (ii) institutional capacity development, linked to more gender sensitive, climate smart, and market oriented socio-economic development planning at commune level; (iii) increased investment in rural infrastructure and health services, including vocational training, particularly for women; (iv) empowered rural men and women, particularly ethnic minorities, managing community allocated funds; (v) conditional support, including cash transfers and scholarship programmes, especially for ethnic girls; and (vi) increased awareness building for women on improving nutrition for children, particularly in ethnic minority groups.

Justification and Rationale

7. Given the success in achieving the goals of the current phase of IMPP, it is intended that the next phase would allow activities to be mainstreamed and scaled up province wide. A strong comparative advantage is its working relationships with the authorities of the Provinces in which it operates. Through a track record of support through project implementation, these Provinces have the potential to upscale activities from project induced innovations to Province-wide policies and institutions to sustain activities.
8. While building on implementation in the current phase, promotion of the private sector would be enhanced. The thrusts of the proposed ensuing phase include: (i) strengthened pro-poor targeting; (ii) more participatory and pluralistic research and advisory services; (iii) improved agricultural market planning at provincial and local levels; (iv) increased private sector participation in market development and service delivery; and (v) enhanced job skills training through private sector models.
9. To support the transition in the rural sector in programme provinces, there would be a strong emphasis on building enabling environments for engagement of the private sector providing rural jobs and generating rural income, developing and promoting pro-poor value chains linking rural poor households to the growing demand in urban centres, and building farmer-buyer arrangements lowering the risks of farmers to diversify, add value. These initiatives would be underpinned by participatory market oriented SEDP at provincial, district and commune levels. At the same time, the country programme would continue to recognize the importance of supply to local markets by poor farmers. Generation of income and jobs from rural non-farm activities will be enhanced, targeted towards poor rural households and women, through access to community managed climate proofed market access infrastructure, demand-driven extension enhancing the competitiveness of agricultural products, promotion of non-farm rural employment, and savings and credit activities. IFAD supported investments would focus on enhancing the resilience of poor farmers in light of changing climatic conditions and more frequent natural disasters, targeting "no regret" approaches that enhance livelihoods, sustainable agriculture and poverty reduction. IFAD would address the gap when it comes to implementation of adaptation and mitigation in agriculture at the household level, supporting ongoing farmers' adaptation through appropriate extension and research, developing provincial action plans for addressing climate change risks, ensuring the incorporation of climate change factors into the SEDP, and feeding back these plans and lessons to the national level for incorporation into investment plans, national targeted programmes and other policies
10. There needs to be a series of profound institutional reforms while developing new strategies, approaches, farming packages to achieve a broad range of newly articulated sector goals within a rapidly shifting context for agriculture and rural development and the increasing impact of climate change. All Strategic objectives of the COSOP are relevant in the guiding of this project.

Key Project Objectives

11. The proposed **development objective** of the Project would be to improve the incomes and reduce vulnerability of rural poor households. The **purpose** of the programme is to demonstrate an environmentally sustainable, socially equitable and profitable rural development model around promoting pro-poor value chains, market linkages and enhancing competitiveness and non-farm enterprises targeting rural poor households.

Components and Activities

12. Essentially, the project would be a scaling up of the on-going IMPP and therefore have the similar components:
13. Component 1 Commune Market Opportunities Support would be the core of the Project, accounting for almost half the total budget, and making a major contribution to the decentralisation process in the 30 participating communes. Developing Capacity and Market Awareness would help develop awareness of market and value chain development opportunities, the benefits of joining CIGs and CGs and how to propose market opportunity ideas (MOIs) in the commune planning process. The Sub-Component has also trained staff on the decentralised management of infrastructure investments. Commune Market Opportunities Planning would facilitate major advances in market oriented planning at commune level through development and institutionalisation of the market-oriented socio-economic development planning (MoSEDP) process.
14. **Component 2 Job Enterprise Facilitation and Market Development** would facilitate improved access by the rural poor to employment opportunities, and increased productivity and value added to their production through stronger value chain linkages. Job Linkage and Skill Improvement would provide vocational training for poor and landless households in partnership with vocational training centres and business enterprises. Market Development and Business Support would involve market analysis, business and market linkage support and improvement of the market enabling environment. With support from GIZ, a value chain task force has been established to undertake analysis and development of value chains. Linked to this, the Project has also supported the formation of CIGs, CGs and Cooperatives and helped them to develop their capacity for closer integration into value chains. This has resulted in the formation of alliances between a number of groups and agro-industrial enterprises, including contract farming arrangements which appear to be reducing farmer's costs and improving revenues.
15. **Component 3 Project Coordination** includes three management levels (Province, District and Commune); there is a closer description in the organisation and management section.

Costs and Financing

16. The project is estimated to cost USD 41.6 million, including a USD 21 million IFAD loan, a USD 8.1 million government contribution delivered through the NTP-NRD, USD 5.4 million private sector contributions, and USD 4.1 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)					Total
	IFAD loan	IFAD grant	GoV	Private Sector	Beneficiary Co-financing	
Commune Market Opportunities Support	11.0			3.0	2.3	16.3
Job Enterprise Facilitation and Market Development	6.0	1.0	3.6	2.4	1.8	14.8
Project management Ha Tinh	4.0	1.0	4.5			9.5
Total	21.0	2.0	8.1	5.4	4.1	40.6

Organization and Management

17. At the Provincial level, a Provincial Project Steering Committee has been established for the NTP-NRD. The proposed programme would establish a separate PSC to feed into the PSC for NTP-NRD. A PMU would be established for day-to-day management and operations, and implementation would be decentralized to the relevant levels. The main responsibility for component implementation and coordination of technical inputs will be with DARD. A critical element of the delivery of the sub-sector strategies is the significant upgrading of an Agricultural Market Development Unit (AMDU) within DARD to ensure its adequate capacity and focus to deliver a market-oriented approach. To complement the provincial level AMDU, Agricultural Market Development officers would be recruited in each district and in each commune.
48.
18. At the District level, the DPC would implement project activities with particular involvement of the Agricultural Market Development officers, accountant and infrastructure coordinator. In many respects, the district level is most critical, because this is the point at which province policies are converted into services on the ground. With the increased decentralization of planning and budgetary responsibilities envisaged, the district administration will have the major role in supporting the communes.
19. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the Agricultural Market Development officers, accountant and infrastructure coordinator.
20. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

Scaling-up strategy (IFAD country programme)

Ideas/ Innovations	Vision - the desired scale	Drivers - who owns and will drive the process	Spaces - how to create the space for scaling up (financial, institutional, policy, political, etc.)	Pathway - the intermediate results	IFAD role
Market-oriented institutional capacity building					
The market-oriented participatory bottom-up SEDP mechanism	<ul style="list-style-type: none"> 100% of communes in each IFAD supported provinces (full coverage) sustainably carrying out a MoP-SEDP process 	<ul style="list-style-type: none"> MPI PPC DPI 	<ul style="list-style-type: none"> Legal reform by MPI Political support from PPC Institutional planning reform at DPI (provincial level) District and commune level capacity to carry out participatory market oriented planning procedures Financial support from the Provincial Government 	<ul style="list-style-type: none"> 100% of IFAD supported communes (coverage in IFAD project communes) 	<ul style="list-style-type: none"> Carry out impact evaluation, cost benefit analysis and client surveys at the commune level Work with MPI to reflect IFAD experience in planning reform and Local Planning Law Work with PPC to roll out of MoP-SEDP process from IFAD project communes to all communes in the province Develop awareness of DPI Planning officers with regards to MOP-SEDP, as well as other line agencies Build capacity of district and commune level planning officers to carry-out MoP-SEDP Ensure the cost of MOP-SEDP is included in the provincial budget
Introduction of value chain to local agencies	<ul style="list-style-type: none"> 15 000 farmers in each IFAD supported province benefiting from participation in pro-poor value chain activities 	<ul style="list-style-type: none"> MARD PPC DARD 	<ul style="list-style-type: none"> MARD awareness of the value chains Promotion by PPC of selected value chains Coordination of different provincial line agencies for value chain promotion Institutional capacity at DARD and provincial extension centre (PEC) Investment by businesses in selected value chains 	<ul style="list-style-type: none"> 3-5 pro-poor value chains in each province effectively generating additional revenue for poor smallholder farmers in each province 	<ul style="list-style-type: none"> Monitor the number of persons benefiting, value added generated of select value chains Share successful experience with MARD of pro-poor value chain development Work with PPC to ensure development of pro-poor value chains Technical assistance to DARD and PEC for capacity development for value chain promotion Develop awareness of businesses to opportunities in value chains in IFAD supported provinces
Participatory land allocation and planning	<ul style="list-style-type: none"> 100% of communes in all IFAD supported provinces (full coverage) carrying out participatory land 	<ul style="list-style-type: none"> MARD MONRE PPC DARD DONRE 	<ul style="list-style-type: none"> Policy reform by MARD and MONRE Incorporation of NTP-NRD of participatory land allocation and 	<ul style="list-style-type: none"> 100% of IFAD supported communes (coverage in IFAD project communes), carrying out participatory land allocation and planning, where needed 	<ul style="list-style-type: none"> Carry out impact evaluation, cost benefit analysis and client surveys at the commune level Work with MARD and MONRE to reflect IFAD experience in land

Ideas/ Innovations	Vision - the desired scale	Drivers - who owns and will drive the process	Spaces - how to create the space for scaling up (financial, institutional, policy, political, etc.)	Pathway - the intermediate results	IFAD role
	allocation and planning, where needed		planning in master planning process at commune level <ul style="list-style-type: none"> • Political support from PPC • DARD, DONRE, district and commune level capacity to carry out participatory land allocation and planning procedures • Financial support from the Provincial Government 		allocation and planning in Land Law <ul style="list-style-type: none"> • Agree with the NTP-NRD Secretariat with regards to master planning procedures at the commune level • Work with PPC to ensure rolling out of participatory land allocation and planning process from IFAD project communes to other communes in the province • Develop awareness of DARD and DONRE to participatory land allocation and planning • Build capacity of district and commune level planning officers to carry-out participatory land allocation and planning • Ensure the cost of participatory land allocation and planning is included in the provincial budget
Empowerment of Poor Farmers					
Village Development Boards(VDBs), Self-help groups (SHGs), community supervision boards (CSBs) of infrastructure schemes	<ul style="list-style-type: none"> • 30 000 farmers participating in VDBs, SHGs, CSBs in each IFAD province 	<ul style="list-style-type: none"> • PPC • DPC • CPC 	<ul style="list-style-type: none"> • Political support from Provincial Peoples' Council and PPC • District and commune level capacity to develop VDBs, SHGs, CSBs • Financial support from the Provincial Government • Farmers to understand the objectives and merits of being in VDBs, SHGs, CSBs 	<ul style="list-style-type: none"> • Active VDBs, SHGs, CSBs developed in all villages of IFAD supported communes 	<ul style="list-style-type: none"> • Work with the Provincial Peoples' Council and PPC to develop guidelines for VDBs, SHGs, CSBs • Technical assistance for capacity building of district and commune level capacity to develop VDBs, SHGs, CSBs • Project support for farmers to understand the objectives and merits of being in VDBs, SHGs, CSBs • Ensure allocation is included in the provincial budget
Common Interest Groups (CIGs)/cooperative development as foundation for the poor to cooperate with better-off farmers and	<ul style="list-style-type: none"> • 15 000 farmers participating in CIGs/cooperatives in each IFAD province 	<ul style="list-style-type: none"> • VWU and VFU • PPC • District extension centre and district mass organisation representatives • Commune extension worker 	<ul style="list-style-type: none"> • Policy support from VFU and VWU • Political support from PPC • District and commune level extension and mass organisations' capacity to develop 	<ul style="list-style-type: none"> • Active CIGs/cooperatives developed in all villages of IFAD supported provinces 	<ul style="list-style-type: none"> • Policy development on CIGs with VFU and VWU • Work with the PPC to issue guidelines for CIGs empowerment • Technical assistance for capacity building of district and commune level capacity to develop CIGs/cooperatives

Ideas/ Innovations	Vision - the desired scale	Drivers - who owns and will drive the process	Spaces - how to create the space for scaling up (financial, institutional, policy, political, etc.)	Pathway - the intermediate results	IFAD role
private business		and mass organisation representatives	CIGs/cooperatives • Farmers to understand the objectives and merits of being in CIGs/cooperatives • Financial support from the Provincial Government		<ul style="list-style-type: none"> • Project support for farmers to understand the objectives and merits of being in CIGs/cooperatives • Ensure allocation is included in the provincial budget
Women's saving and credit groups (SCGs), Women's Livelihood and Right Clubs (LARCs)	<ul style="list-style-type: none"> • 15 000 farmers participating in SCGs and LARCs in each IFAD province 	<ul style="list-style-type: none"> • VWU and VFU • PPC • District extension centre and district mass organisation representatives • Commune extension worker and mass organisation representatives 	<ul style="list-style-type: none"> • Policy support from VFU and VWU • Political support from PPC • District and commune level extension and mass organisations' capacity to develop groups • Farmers to understand the objectives and merits of being in groups • Financial support from the Provincial Government 	<ul style="list-style-type: none"> • Active groups developed in all villages of IFAD supported provinces 	<ul style="list-style-type: none"> • Work with the VWU to develop guidelines for SCGs and LARCs • Policy development on SCGs and LARCs with VWU • Technical assistance for capacity building of district and commune level capacity to develop SCGs and LARCs • Project support for women to understand the objectives and merits of being in SCGs and LARCs • Ensure allocation is included in the provincial budget
Farmer-to-farmer extension approach	<ul style="list-style-type: none"> • 30 000 farmers participating in farmer to farmer extension in each IFAD province 	<ul style="list-style-type: none"> • PPC • DARD • PEC • District Extension Station • Commune extension worker 	<ul style="list-style-type: none"> • Political support from PPC • District and commune level capacity to develop farmer to farmer extension • Financial support from the Provincial Government • Farmers to understand the objectives and merits of being in groups 	<ul style="list-style-type: none"> • Active key farmers developed in all villages of IFAD supported provinces 	<ul style="list-style-type: none"> • Carry out impact evaluation, cost benefit analysis and client surveys at the commune level • Work with PPC to ensure development of pro-poor value chains • Technical assistance to DARD and PEC for capacity development for value chain promotion • Develop awareness of business opportunities in value chains in IFAD supported provinces • Project support for farmers to understand the objectives and merits of farmer extension • Ensure allocation is included in the provincial budget

Ideas/ Innovations	Vision - the desired scale	Drivers - who owns and will drive the process	Spaces - how to create the space for scaling up (financial, institutional, policy, political, etc.)	Pathway - the intermediate results	IFAD role
Private Sector Development					
Improvement of private sector enabling environment (policies, guidelines, PCI)	<ul style="list-style-type: none"> 10 000 additional jobs in each province and 50 additional agribusiness investments in IFAD supported provinces 	<ul style="list-style-type: none"> VCCI MPI PPC DPI 	<ul style="list-style-type: none"> Incentive policies at the MPI, VCCI carried out at the provincial level PPC support to ensure business conducive measures and promote investment in the province DPI aware of how to improve the business environment 	<ul style="list-style-type: none"> 20% increase in local processing enterprises and investment in agribusiness in IFAD supported provinces 	<ul style="list-style-type: none"> Promote interaction between central and province levels and with regards to business promotion and a enabling business environment Work with PPC to develop awareness of the importance of business promotion Build capacity of DPI for improving the PCI and carrying out measures for promoting investment and local businesses Improved coordination among provincial line agencies through the Project Steering Committees
PPP models (contract and linkages with farmers)	<ul style="list-style-type: none"> 6% private sector growth in agriculture related businesses and investment in rural areas in IFAD support provinces 	<ul style="list-style-type: none"> MARD PPC DPI DARD Businesses 	<ul style="list-style-type: none"> MARD recognition of PPP models Support from the PPC and DPI DARD capacity to replicate and promote PPP models Incentives for businesses to grow in remote provinces 	<ul style="list-style-type: none"> 20% increase in PPP in IFAD supported provinces and increase in number of rural jobs 	<ul style="list-style-type: none"> Carry out impact evaluation, cost benefit analysis and client surveys of PPP models Support for policies and guidelines on PPP to be issued by PPC Workshops on PPP and business fair in regions led by DPI Technical assistance to DPI for capacity development of PPP Technical assistance to DARD and PEC for capacity development of PPP promotion Develop awareness of businesses of PPP in IFAD supported provinces Ensure allocation is included in the provincial budget
PPP platforms (private sector, public sector)	<ul style="list-style-type: none"> PPP platform operating in every IFAD province involving key stakeholders from multi-sectors 	<ul style="list-style-type: none"> VCCI PPC DPI Businesses 	<ul style="list-style-type: none"> Support from the PPC DPI ownership to promote PPP Platform 	<ul style="list-style-type: none"> Effective dialogue platform for competitiveness improvement and inclusive business ventures 	<ul style="list-style-type: none"> Support for policies and guidelines on PPP platforms to be developed by VCCI Work with PPC to ensure sustainability and ownership of PPP Platform Technical assistance to DPI for capacity development of PPP Awareness raising and capacity development (Year 1+2) of DPI

Ideas/ Innovations	Vision - the desired scale	Drivers - who owns and will drive the process	Spaces - how to create the space for scaling up (financial, institutional, policy, political, etc.)	Pathway - the intermediate results	IFAD role
Tools including finance tools (PPP Grant Fund, Credit lines) and business development services (BDS) are important	<ul style="list-style-type: none"> Financial tools to support the private sector established in all IFAD supported provinces 	<ul style="list-style-type: none"> PPC DPI Businesses 	<ul style="list-style-type: none"> Support from the PPC DPI ownership to promote PPP financial tools 	<ul style="list-style-type: none"> APIF is validated and recognized tool for attraction of private sector investments while generating job and income for poor farmers in Bac Kan province 	<ul style="list-style-type: none"> Support for policies and guidelines on PPP to be issued Awareness raising and capacity development (Year 1+2) of DPI Development of proper strategies and procedures Ensure allocation is included in the provincial budget

Key file 1: Rural poverty and agricultural/rural sector issues

Priority areas	Affected group	Major issues	Actions needed
Preparation and implementation of participatory market oriented, climate smart planning in poor provinces	<p>Smallholder farmers, particularly poor and ethnic minority households and women</p> <p>Small and medium scale agribusiness related enterprises (SMEs) and lead firms interesting in sourcing materials from and investing in poor provinces</p>	<ul style="list-style-type: none"> Rural development in poor provinces may not be inclusive of the priorities of poor and ethnic minority households and women; Government staff and People's Council representatives at provincial, district and commune level may have little experience in market-led development and climate change adaptation; SEDPs are not climate smart, market oriented and inclusive; Women and ethnic minorities' households may be distant from and poorly informed of market opportunities and may not have their priorities heard; All actors may lack skills to make financially and economically rational investment choices. 	<ul style="list-style-type: none"> Provide capacity development in climate smart, participatory market-led planning and mentor development of the MOP-SEDP; Develop climate proofing tools for (IFAD provinces) District/Commune SEDP planning to incorporated in the provincial SEDP; Engage in policy dialogue and experiential learning with Provincial People's Council and People's Committee representatives; Institutionalise commune and community consultation and experiential training in participatory market oriented planning development;
IFAD targeted provinces with business environments attracting private sector investment in and for rural areas	<p>Smallholder farmers, particularly poor and ethnic minority households and women</p> <p>Small and medium scale agribusiness related enterprises (SMEs) and lead firms interesting in sourcing materials from and investing in poor provinces</p>	<ul style="list-style-type: none"> Investment from the private sector in poor provinces to create new income and market opportunities is lacking; Information in poor provinces including commodities, infrastructure, potential supply is not clear; System of enforcing contracts, ensuring quality control and standards, and forming farmers' groups not in place; Provincial business registration and operating procedures are complex and time consuming; Provincial staff view private business negatively or seek rents for its establishment; Provincially or State owned enterprises (SOEs) hold oligarchic market positions in key commodities; 	<ul style="list-style-type: none"> Ensure provincial capacity to work with private sector and realise investment opportunities that would be beneficial for rural development; Review and revise business registration and operating regulations in line with national best practice and PCI evaluation criteria; Provide provincial staff with experiential training in business-friendly provinces; Equitise SOEs in accordance with national laws and directives;
Agricultural science and technology services with outreach to ethnic minorities and women, client and market orientation, and awareness on climate change risks	Smallholder farmers, particularly poor and ethnic minority households and women and SME owners.	<ul style="list-style-type: none"> Smallholder farmers, particularly poor and ethnic minority households and women in poorer and remoter areas are in need of new skills and technologies to help them to enhance productivity, engage with businesses in a profitable manner and adapt to climate change risks; 	<ul style="list-style-type: none"> Establish and develop participatory agricultural science and technology advisory boards at provincial level; Train scientists and extension workers in farm and business management and gender sensitization and provide tools for application at farm and SME level, and participatory research; Develop participatory technology transfer strategy and action plan – with specific, culturally appropriate approaches for ethnic minorities

Priority areas	Affected group	Major issues	Actions needed
		<ul style="list-style-type: none"> Extension workers and supporting scientists lack farm financial and business management skills, are not guided by clients' needs, and lack capacity to address climate change risks; Barriers to farmer-led adaptation must be identified and removed; Government cost norms limit opportunity for establishment of more diversified, demand driven advisory services. 	<ul style="list-style-type: none"> as relevant – established at provincial level; Build innovative provincial extension programme that help smallholder producers – both women and men – improve their resilience to climate change; Regularly survey poor women and male smallholder farmers and SME owners on technology needs and uptake; Conduct participatory assessments with target group to assess quality, performance and impacts of production support activities;
Community resources and capacity for participatory and inclusive development	Smallholder farmers, particularly poor and ethnic minority households and women	<ul style="list-style-type: none"> There is a growing poverty gap and marginalisation of voice between the rural population which is Kinh and ethnic minority households and women. Community capacity for inclusive, pro-poor and market oriented planning and association is limited. 	<ul style="list-style-type: none"> Train men and women smallholders and ethnic minorities in numeracy, farm financial management, broaden market knowledge, community development; Establish and empower Commune Infrastructure Supervision Boards; Based on agreed disbursement and M&E procedures, provide block grants provided for community managed conditional cash transfers for market-based infrastructure development and economic and social services;
Sustainable income increases for poor rural households, particularly women, from commodity and labour markets.	Poor rural female and male smallholder and landless households.	<ul style="list-style-type: none"> Female and male farmers lack skills and resources to effectively associate for increased agriculture production and productivity and climate change adaptation; Poor rural men and women need off-farm employment to lift themselves out of poverty, but lack requisite vocational skills; Ethnic women smallholder farmers may be illiterate, innumerate or not speak Vietnamese; 	<ul style="list-style-type: none"> Support the development of farmer common interest groups (CIGs) that initiate savings driven credit programs, link to financial service providers and invest to improve the production and productivity of marketable commodities; Implement community managed conditional cash transfer schemes that support education inclusion and continuity and vocational training targeted at female members of poor households and ethnic minorities;
Progress in gender equality and women's empowerment	Poor rural women, particularly in ethnic minority groups	<ul style="list-style-type: none"> Each sector needs to strengthen capacity building on gender for their staff and in order to fully implement the National Strategy on Gender Equality. Political leadership is not aware of their responsibility in gender mainstreaming and do not take the lead so their staff mainstream gender in projects and programs. Government does not allocate funds to initiatives that support gender equality and monitor and evaluate projects and programs; 	<ul style="list-style-type: none"> Put in place accountability mechanisms to systematically monitor progress towards gender equality targets set in national and international development strategies and commitments. Build the capacity of officers to work on gender equality at all levels including gender awareness, sex disaggregation, gender analysis and auditing, gender responsive budgeting, reporting system Increase the role of gender experts in projects and programs Strengthen an M&E indicators for gender equality at all levels
Adaptation of smallholder agriculture to climate change risks	Poor female and male smallholder farmers	<ul style="list-style-type: none"> Climate change risks are causing rural poor households to remain poor, and near poor households to be vulnerable or poor again; Climate change policy and associated support services must be adapted to protect the poor, the vulnerable, and those least able to respond to changing climatic stresses; 	<ul style="list-style-type: none"> Develop districts and communes (IFAD Districts) community-based disaster risk management (CBDRM) and climate change schemes; Capacity building program (IFAD provinces) for local government staff & communities on implementation of CBDRM/RCC-ARD; Conditional cash transfers finance smallholder farmers' transition costs associated with adopting diversified agro-silvo-pastoral systems;

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organisation	Strengths	Weaknesses	Opportunities/Threats
<p>Enabling Institutions</p> <p>Ministry of Planning and Investment (MPI)</p> <p>Department of Planning and Investment (DPI) in provinces</p>	<p>The competent authority for ODA and local resources integration in socio-economic development planning. At the same time this is the responsible agency for investment promotion and private sector development.</p> <p>Strong and well-decentralized organizational structure from central to province, district levels in terms of planning and integration of different kinds of resources.</p> <p>Qualified staff in reasonable strengths and high commitments to international cooperation.</p> <p>Close working partnership with central and local agencies.</p>	<ul style="list-style-type: none"> • Weak mechanism to ensure harmonization of ODA and government budget. • Current planning mechanism does not allow provinces to apply the bottom-up planning approach even the capacities for this have been generated through donor-supported initiatives. • Insufficient capacity in monitoring of projects implementation after their approval. 	<ul style="list-style-type: none"> • The Ministry has delayed for some time the issue of new Decree on the local planning process towards participation and bottom-up approach. • IFAD has opportunities to use experience of the programme in market-driven participatory SEDP planning process to advocate for changes in the new Decree on planning mechanism. • With strategic cooperation with MPIs and DPIs, IFAD projects and activities can be better integrated into other rural development projects and programs, in particular the NTP New Rural Development. • MPI is revising the Decree on Management of ODA projects to improve its effective and efficiency.
<p>Ministry of Finance (MOFI) including the State Treasury System</p>	<p>This Ministry represents Viet Nam in IFAD Governing Council and as Borrower in IFAD Loan Agreements. This Ministry also manages financial flows from IFAD to all projects.</p> <p>Decentralized organizational structure from central to province, district levels in terms of resource management.</p> <p>Qualified and experienced staffs in financial management and international cooperation.</p> <p>Consolidated procedures and cost norms available for transparent management of ODA project activities</p> <p>District Treasury Units are well established to hold</p>	<ul style="list-style-type: none"> • Slow revision of cost norms to keep pace with inflation and increased prices makes project staffs less motivated due to low travel allowance, IFAD activities in remote areas less attractive to consultants and service providers. • Complicate procedures of the Treasury for funds withdrawal on top of the low capacities of accountants at the commune level have delayed project activities. • Lack of flexibilities and initiatives in solving problems of delayed availability of IFAD funds, for example the Province Treasury hesitated to use funds from other sources to advance to IFAD projects. 	<ul style="list-style-type: none"> • Participation in the Country Programme Management Team (CPMT) with financial management capacities of MOFI will accelerate resource circulation and ensure update revision of cost norms to IFAD activities. • Cooperation with MOFI and the State Bank will help IFAD to review all the microfinance models under IFAD projects in the past and identify the best practices for replication or modification. • Design of large-scale loan to cover more projects will reduce work burden in financial management to both MOFI and IFAD • Innovative experiments of finance services

Organisation	Strengths	Weaknesses	Opportunities/Threats
	accounts of Commune People's Committees, who are decentralized owners of IFAD project resources.		such as the Equity Fund, Guarantee Fund under IFAD projects should be assessed and considered for replication by the cooperation with MOFI.
Ministry of Agriculture and Rural Development (MARD-DARDs in provinces)	<p>Mandated for agriculture and rural development MARD is the strategic partner of IFAD who assist IFAD in formulation, implementation and monitoring/evaluation of IFAD programme in Vietnam.</p> <p>As the ARD policy and decision maker the MARD has substantive capacities in policy and technology research as well as well-structured agriculture development services such as extension, plant protection and veterinary. Therefore MARD is the major partner of IFAD for quality direct supervision of IFAD initiatives in provinces, knowledge management and policy development at the national level by the IFAD-supported innovative experiences generated at the local levels.</p> <p>Managing nearly 200 projects funded by different donors and partners MARD has an important position for coordination and cooperation among Government and donors. The International Support Group (ISG) under MARD is the most substantive policy dialogue and partnership for agriculture and rural development in Viet Nam.</p>	<ul style="list-style-type: none"> Unclear roles of MARD in linking farmers with markets and establishing institutions to enable effectiveness of value chains. These roles are also unclear to the Ministry of Trade and Industry. Established mandate of the agriculture extension system is to provide top-down technology transfer for increased production, lacking their roles in providing marketing and business development services. Limited qualifications and expertise of MARD staffs, especially at the district and commune levels, in market linkages and business/private sector partnership promotion. Dominant mindset of staffs in giving Government subsidies to farmers. Limited understanding among agriculture extension staffs on their roles in facilitation of farmer's access to private resources and business ideas. Quality of the agriculture development plans of upland provinces rely more on subsidized supports from the Government rather than on commercialized products through private investment development. Role of facilitating the growth of private sector not clear and lack of decentralised and pluralistic extension delivery. Weak capacity for transfer of technologies suitable to the agro-ecological environments of upland areas. 	<ul style="list-style-type: none"> Opportunities have been identified by the COSOP formulation workshop with agencies and institutes under MARD. IFAD would cooperate with MARD and DARDs in provinces to further strengthen the commune-based extension network in providing marketing and business development services. The Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), the Institutes under Agriculture Science and Technology Academy, and the Department of Cooperative and Rural Development (DCRD) etc. have committed to be long-term partners with IFAD to provide technical assistance and human resources for policy and capacity building activities under IFAD projects. At the same time the central agencies/institutes will cooperate with IFAD project stakeholders to upscale innovative practices and institutionalize the market-based ARD approach in the national policies and programmes.
Provincial People's Committee (PPC)	<p>Mandated to coordinate all rural development activities from national/provincial and donor sources, PPC is the major counterpart to IFAD programme/projects and the executive body to ensure IFAD activities are in line with the Government policies and the local SEDP.</p> <p>The local Government leads the IFAD Project Steering Committee accountable to IFAD and responsible for overall planning, development,</p>	<ul style="list-style-type: none"> In disadvantaged provinces, PPCs are highly dependent on central government for development resources and this limits local independence of actions and initiatives. Weak capacity for coordination and integration of donor assisted projects with the Government programmes and projects. Lack of qualified and experienced staffs to assist the PPC leaders who are overburden with development 	<ul style="list-style-type: none"> Great opportunities for IFAD to assist PPCs in realization of new rural development and poverty reduction policies based on markets linkages and private sector partnership when Viet Nam has joined WTO and the current strong decentralization of power in decision making to the PPCs. PPC's commitments to further decentralization and capacity building at lower levels like districts and communes.

Organisation	Strengths	Weaknesses	Opportunities/Threats
	<p>coordination and implementation of IFAD projects.</p> <p>PPCs in provinces have made considerable efforts in issuing PPC decisions and guidelines to enable IFAD-supported innovative models, for example the regulations related to participation and decentralization initiatives over the past COSOP.</p> <p>PPCs have showed strong commitment to enable the IFAD-supported initiatives in the new COSOP promoting market-based poverty reduction approach.</p>	<p>leadership responsibilities.</p>	<ul style="list-style-type: none"> • Opportunity for IFAD to assist the PPCs in improving coordination and integration between various sources of development funding. • Higher political than economic agendas in usage of funds. • Less flexible local administration due to high reliance on central procedures.
District People's Committees	<p>Key role in planning, financing and implementing investments at district level.</p> <p>Close working partnership with provincial agencies and commune authorities.</p>	<ul style="list-style-type: none"> • Highly dominated by the supply-driven planning • Part-time staff availability for project work. • Overall staff capacity and qualifications still limited, especially for participatory rural development. • Limited independence of action and local initiative • Frequent staff transfers. • Insufficient logistics. 	<ul style="list-style-type: none"> • Provision of full time project staff is possible. • Focal point of provincial and district partners in project implementation. • Opportunity for further market demand-driven capacity development for effective technical support to commune level.
Commune People's Committees	<p>Mandated government institution for planning and coordination at commune level.</p> <p>Grassroots democracy decree established in communes</p> <p>Some communes under previous projects received training courses on participatory planning and market approach</p> <p>Increasing roles of mass organizations such as the Women's Union in delivery of microfinance.</p> <p>Improved technical capacity to oversee infrastructure works.</p>	<ul style="list-style-type: none"> • Limited ability to handle finances. • Participatory planning capacity .still weak • Little self-confidence and pro-active approach due to decades of top-down development delivery. 	<ul style="list-style-type: none"> • Opportunity to develop CPC financial and administrative capacities to become an effective implementer of Grass Roots Democracy decree and effectively translate beneficiaries' preferences into action. • Continuing need for capacity building of CPC level for better implementation.
Village	<p>Main focus of planning and implementation involving the target group.</p> <p>Important for local planning needs identification and implementation of village public works.</p> <p>Closest to the target group and is the entry point for providing information.</p>	<ul style="list-style-type: none"> • Village is not a formal level of administration in Viet Nam's administrative system. • Village heads and mass organization staff have limited literacy levels and understanding. • Many villages are very small and are widely dispersed 	<ul style="list-style-type: none"> • Opportunity to create formal grassroots institutions capable of articulating local needs and participating in village level development. • Only place where poor can participate directly in the decision-making affecting their lives. • Opportunity to develop and improve village

Organisation	Strengths	Weaknesses	Opportunities/Threats
		<ul style="list-style-type: none"> A number of target villages inhabited by different ethnic groups resulting in language difficulties and lack of cultural cohesion. 	<p>level skills and capacities.</p> <ul style="list-style-type: none"> Possible lack of political will at provincial and district level to give voice to the village level institutions.
Service Providers			
Agriculture Extension System	<p>The system has been well established with solid legal framework and implementation structure from the central down to village levels</p> <p>Mandates and functions of the agriculture extension units have been update towards market-oriented agriculture development Well-educated extension staffs at all levels</p> <p>The extension system has strong partnership with the mass organizations, professional associations</p> <p>Funds for extension activities are also mobilized from province's budgets</p>	<ul style="list-style-type: none"> The scale of the investment in the extension system is rather small compared to the number and demands of local farmers Cost norms stipulated by the Government do not afford the extension staffs to apply the FFS approach Capacities of extension staffs in development of market linkages or value chains of agriculture commodities, facilitation of partnership with private sectors and the cooperation between the poor and better-off farmers are very limited There is yet missing implementation guidelines on what and how the extension workers could work for market linkages Lack of incentives and promotion to extension workers Serious lack of a monitoring and evaluation of agriculture extension activities The current financial management mechanism of the State Treasury only finances extension activities for common crops and does not allow the private sector to be service providers. 	<ul style="list-style-type: none"> To implement the Government Decree No. 56, IFAD will cooperate with DARDs in provinces to develop extension workers to become facilitators of the private sector and more demand driven service delivery. For policy and institutional development in terms of market-oriented extension and ppp IFAD needs to establish a systematic partnership with the National Agriculture and Fisheries Extension Centre (NAFEC)
VAAS - Agricultural research and applied science institutes and IPSARD	<p>Well-developed system of a large number of research institutes on particular sub-sectors and some major crops such as the Rice Research Institute, fruit and vegetable research institute</p> <p>Many institutes based in particular regions focusing on geographical and regional differences</p> <p>Clear mandates and strategies for particular institutes</p> <p>Qualified staffs with higher educational background</p>	<ul style="list-style-type: none"> Lack of strong linkages to the realities on the ground to assist decision-makers and policy-makers to make rational decisions about future policies and actions Weak cooperation with private sectors and lack of private research institutions in agriculture Poor monitoring and evaluation of efficiency and impacts of research projects to the changes in agriculture performance Absence of agriculture applied research institutes in remote and difficult areas Lack of pro-poor agriculture value chain research at 	<ul style="list-style-type: none"> Opportunities for IFAD to develop partnership with the research institutes in improvement of linkages between the researchers and the market demands Need for establishment of a policy network linking monitoring points in provinces with the central level research institutes Threats remain with the Government commitment to reform the mechanism of management of research projects and programmes

Organisation	Strengths	Weaknesses	Opportunities/Threats
		both regional and province levels	
Rural Cooperatives and the Viet Nam Cooperative Alliance	<p>Cooperatives work in the interest of cooperative members and contribute to the local community development.</p> <p>Cooperatives work at the grassroots level and provide very wide scale and very responsive services to local farmers</p> <p>VCA could be a very good service provider in facilitation of cooperative and collaborative group development, provision of trainings on legal framework and capacity building for cooperative business management.</p>	<ul style="list-style-type: none"> Their main constrains are lack of capital, limited knowledge and skills, use of backward technology and limited access to markets 	<ul style="list-style-type: none">
Rural Collaborative Groups	<p>RCGs are informal cooperatives and therefore have many strengths in easy establishment and flexible mandates and functions</p> <p>RCGs could gather farmers with a same interest at their initial development stage – Common Interest Groups (CIGs) which could enable cooperation among the better-off and the poor</p> <p>CIGs enable contract farming between private sectors and the farmers.</p> <p>RCGs could help the farmers to enjoy economy of scales through buying inputs and selling produces together</p>	<ul style="list-style-type: none"> RCGs can not directly access resources such as land or credits from the banks in the names of the RCGs, since they do not have legal status like cooperatives or enterprises RCGs can not be direct sub-contractors in commodity transactions, therefore, RCGs face many constraints in linking rural farmers with the markets RCGs usually do not have good business management skills and marketing abilities. 	<ul style="list-style-type: none"> IFAD has opportunities in continuing its support to develop RCGs and CIGs in many provinces and link the local experience with policy formulation process at the central level RCGs have opportunities to develop the farmer's groups into either local enterprises or cooperatives RCGs need better financial assistance and BDS at their early stage. However, their access to finance services remain key obstacles Local government and IFAD projects have opportunities to pilot a competitive mechanism of grant allocation to CIGs and RCGs (like CLAR mechanism in Peru)
Viet Nam Bank for Agriculture and Rural Development	<p>Mandated micro-finance activities targeted at the rural population with priorities to the poor but with market-based interest rates.</p> <p>Reasonably good liquidity position to meet local micro-finance needs.</p> <p>Expanding branch network and services down to the commune level.</p> <p>VBARD has used model of partnership with mass organization for individual loans delivery but through interactions of group members.</p>	<ul style="list-style-type: none"> High transaction costs as individual lending methodology is main and group lending not mainstreamed. Lending procedures still not geared to give access to medium and long term loans. 	<ul style="list-style-type: none"> Can be helped to improve the orientation and approach to micro-finance and group lending. Limited outreach in mountainous and remote areas, weak network compared to VBSP in difficult areas. Ongoing policy dialogue with bank management to provide better finance access for SMEs and business groups.
Viet Nam Farmer's	Very well structured organizations from the central	<ul style="list-style-type: none"> In principle they are organizations with political 	<ul style="list-style-type: none"> Farmer's Organizations development is ideal

Organisation	Strengths	Weaknesses	Opportunities/Threats
Union Viet Nam Women's Union	<p>level to villages.</p> <p>As representative bodies of social classes the mass organizations have advantages in providing feedback and comments on state policies and activities</p> <p>Mandated to mobilize social supports for implementation of the national policies and programmes, the mass organizations have a substantive number of staff at the grassroots level</p> <p>Under the market reforms, mass organizations have been mobilized to deliver public services such as legal assistance, microfinance delivery and social welfare activities. They have accumulated experiences in development of community capacities and promotion of grassroots democracy.</p>	<p>mandates therefore they have met many difficulties in delivering economic development services.</p> <ul style="list-style-type: none"> • Needs of training to mass organization cadres on civil society concepts and skills for social mobilization in addition to professional areas. • Markets-based rural development approach is quite new area to the mass organizations • Lack of policy, mechanism and initiatives for VFU and VWU in policy feedback and policy advocacy • Weak capacities of local mass organization units, in terms of social mobilization and policy feedback, business management, marketing, finance and human resources management 	<p>objective for possible cooperation with the Farmer's Union</p> <ul style="list-style-type: none"> • Mass organizations are very good partners to deliver the public awareness programme on markets and business opportunities • Opportunity to improve the roles of mass organizations for strengthening the "Voices of the Poor" under their mandate to provide social feedback to decision makers. • IFAD could continue to develop cooperation with Women's Union in delivery of microfinance service through the Women's Saving and Credit Groups, and with VFU in facilitation of development of RCG/CIG

Key file 3: Complementary donor initiative/partnership potential {tc "Key file 3: Complementary donor initiative/partnership potential" \f C \l 1}

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
Asian Development Bank	<ul style="list-style-type: none"> business-led, pro-poor economic growth; social equity; and the environment. 	2011 - 2015	<ul style="list-style-type: none"> Making Markets Work Effectively for the Poor (M4P/M4P2): M4P2, including a Challenge Fund and a Policy Action Research Unit, is financed by the ADB and DFID, is an active partner for IFAD in the implementation of the ongoing country programme, documenting and providing a learning platform. The M4P- II Challenge Fund could partner with private initiatives to create a social and economic impact in project provinces or provide a model for a comparable IFAD project approach. Quality and Safety Enhancement of Agriculture Products: This ADB Project, could provide an anchor for some of the food safety related activities that IFAD would be implementing in the IFAD supported Project provinces. Agricultural Science and Technology. This ADB project will serve as a model for the implementation of participatory, market oriented and needs based extension service delivery in IFAD project provinces. Agricultural finance: Possible collaboration on rural financial services development (reform of the VBSP) Climate change: Opportunities exist to collaborate with the ADB on climate change adaptation initiatives in MARD.
Australia (AusAID)	<ul style="list-style-type: none"> stimulating regional trade by supporting major infrastructure projects; improved access to water and sanitation services; climate change adaptation and mitigation; human health including sustainable health services and combating HIV and emerging diseases; high priority regional economic and trans-boundary issues. 	2010 - 2015	<ul style="list-style-type: none"> IFAD will explore opportunities to collaborate with AusAID in the fields of climate change adaptation and mitigation in the MARD
Belgium	<ul style="list-style-type: none"> improved governance; improved access to water and sanitation services; 	2010 - 2015	<ul style="list-style-type: none"> IFAD will explore opportunities to collaborate with Belgium in the fields of improved governance at provincial level and SEDP planning tools, particularly in light of the draft Decree on local SEDP guidelines
Canada (CIDA)	<ul style="list-style-type: none"> poverty reduction focused on supporting rural enterprise development and agricultural productivity. 		<ul style="list-style-type: none"> Reforms for transparent and accountable governance: At the provincial level, both CIDA and IFAD are working in Ha Tinh and Tra Vinh provinces on similar objectives of pro-poor economic growth through area development; a provincial level partnership should be formed to carry out related policy and institutional reforms. CIDA has a comparative advantage in mainstreaming and building capacity. Improved Rural Livelihoods: As CIDA and IFAD are working on improved viability of rural small and medium enterprises for improving livelihoods, it is an area where joint knowledge management products can be generated at the provincial level. IFAD would like to learn from CIDA with regards to increased national capacity to meet international food-quality standards and gain access to regional international markets. Gender: For CIDA and IFAD, gender and environmental sustainability are crosscutting themes.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
Denmark (DANIDA)	<ul style="list-style-type: none"> • good governance and corruption reduction; • pro-poor economic growth; • human resource development. 	2011 - 2015	<ul style="list-style-type: none"> • Grassroots Democracy Decree: DANIDA's interventions are in provinces where the poverty incidence is high, i.e. in the Central Highlands, the Mekong Delta and in the North Central provinces. It would be useful to approach DANIDA to work together to operationalize the Grassroots Democracy Decree to actively involve local communities in the preparation and implementation of activities. Improved governance, including increased transparency and accountability in the public sector and the development of a better functioning judicial system, limits the arbitrariness of decisions and rights. This will particularly benefit the population groups without connections and influence, primarily poor women and men. It will also reduce corruption and improve predictability, which is essential for the development of the private sector.
European Commission (EC)	<ul style="list-style-type: none"> • SEDP implementation; • human health development. 	2007-2013	<ul style="list-style-type: none"> • IFAD will explore opportunities with the EC to collaborate in the field's market-based socio-economic development at provincial level. • Public private partnerships (PPP) – EC is commencing a twinning arrangement to introduce its private sector companies to different sectors in Viet Nam, IFAD could work with the EC to look at agricultural investment in Viet Nam.
Finland	<ul style="list-style-type: none"> • multi-sectoral poverty reduction programs; • improved access to water supply and sanitation; • rural development; and • forestry. 	2006-2015	<ul style="list-style-type: none"> • Forestry: Finland continues to support the establishment of a National Forest Strategy and its integration into the national five-year planning system as well as the strengthening of sector coordination and monitoring capacity. As IFAD strengthens its efforts for sustainable and equitable use of natural assets and addressing climate change risks, it is proposed that the partnership with Finland be strengthened.
France/AFD	<ul style="list-style-type: none"> • banking and non-banking financial sector reform • decentralization and local authorities; • urban infrastructure and public market services; • rural economic development 		<ul style="list-style-type: none"> • NTP-NRD: IFAD will explore opportunities with France to collaborate in the fields of market led growth, human capital development, poverty reduction and community based development.
Germany (BMZ, GIZ, KfW)	<ul style="list-style-type: none"> • sustainable economic development and vocational training; • environmental policy and protection and sustainable natural resources use; • urban development; and • human health. 		<ul style="list-style-type: none"> • Knowledge Management: GIZ and IFAD collaborate in 2 provinces, Ha Tinh and Tra Vinh under the Improving Market Participation of the Poor (IMPP) project. This collaboration will extend into the new COSOP. • Climate Change and Environmental services: This is an area where GIZ has a comparative advantage and experience. As IFAD expands its programme into carbon accreditation, it would be beneficial to build on the experience of GTZ. As climate change impacts heavily the Delta areas, it is suggested that there should be some collaborative learning in the Mekong provinces of Tra Vinh, Ben Tre and Soc Trang • Programme based approach: GTZ and IFAD collaboration is a good example of a programme based approach and strengthens the rationale for technical cooperation to complement the investment through harmonised planning and monitoring processes.
Japan (JICA)	<ul style="list-style-type: none"> • institutional strengthening and growth; • environmental development 		<ul style="list-style-type: none"> • Transport corridors: JICA projects tend to be medium to larger scale infrastructure projects, where there is possibility; complementary agricultural and livelihoods improvement investments could be made by IFAD. More detailed planning would need to take place. • Promotion of Growth and Competitiveness: JICA efforts are made in strengthening human resource and institution building by transferring technology and knowledge. Particularly in the context of rural transformation and development,

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
			<p>it would be excellent if possibilities for technical cooperation partnership with JICA could be developed.</p> <ul style="list-style-type: none"> • Geographical focus: Development Studies (DS) are conducted to formulate development plans at the national or regional level in various social and economic fields. If the geographic focus is the same, IFAD can look at the possibility of building on JICA's DS. • Climate change: Opportunity to collaborate in the MARD on climate change mitigation through biofuels and climate change adaptation research and development.
Luxembourg	<ul style="list-style-type: none"> • poverty reduction; • institutional capacity development in the banking and finance sector; • hospitality and tourism industry development. 	2010 - 2015	<ul style="list-style-type: none"> • Integrated Rural Development: In a technical cooperation partner in the 'Developing Business with the Rural Poor' in Cao Bang province, • Knowledge management: As Cao Bang is one of Luxembourg's priority provinces; Luxembourg has a number of initiatives in this province. Luxembourg and IFAD are making joint efforts to consolidate experience in the context of the knowledge management strategy, in specific areas, e.g. vocational training
The Netherlands	<ul style="list-style-type: none"> • equitable growth • pro-poor value chains 		<ul style="list-style-type: none"> • Public Private Partnership: The Netherlands is a major donor in providing support to the implementation of Public Private Partnerships. IFAD would like to partner with the Netherlands with regards to knowledge sharing on how to work with the private sector and on specific pro-poor commodities.
Norway (NORAD)	<ul style="list-style-type: none"> • environment, climate change and sustainable development; • human rights, including workers' rights. 		<ul style="list-style-type: none"> • IFAD will explore opportunities to collaborate in the fields of market led growth, natural resource management environment, climate change, human capital development, gender, poverty reduction and community based development. Norway has a comparative advantage in REDD and climate change related activities and IFAD could learn from Norway.
One UN	<ul style="list-style-type: none"> • support to vulnerable groups (ethnic minorities, HIV/AIDS, migrants) • mainstreaming gender; • rights based development, including youth. 		<ul style="list-style-type: none"> • IFAD is working with the UN One to develop provincial policy options defined and decisions promulgated to promote "inclusive, green, people-centered, and equitable development; Provincial planning processes are climate proofed and specific programs have been formulated and to reduce climate change vulnerabilities in rural areas; and a conducive environment for private sector engagement and enterprise with particular focus on micro and small enterprises is developed • FAO on the Monitoring and Evaluation (M&E) System for the NTP-NRD: The system will serve as a strong tool and a reliable information base for evidence-based policy formulation and results-oriented planning processes. Appropriate policy documents needed to institutionalise the M&E system in the sector will also be worked out accordingly. AS IFAD is putting more efforts in working with MARD, it would be interesting to try to engage and build a harmonised M&E system.
Spain	<ul style="list-style-type: none"> • poverty reduction through environment and rural development; • gender in development. 		<ul style="list-style-type: none"> • IFAD will explore opportunities with Spain to collaborate in the fields of natural resource management environment, climate change, gender, poverty reduction and community based development.
Sweden (SIDA)	<ul style="list-style-type: none"> • Swedish development assistance is being phased out over the strategy period, however, there will be selective cooperation on: <ul style="list-style-type: none"> ○ improved governance; ○ human rights; 	2009 - 2013	<ul style="list-style-type: none"> • Provincial platform building for partnership and policy dialogue around participatory planning: Sweden is supporting capacity building at the local levels of participatory planning and implementation of bottom up decision making processes through Chia Se, which has done excellent work in the areas that it works. Sweden and IFAD are in the same provinces, it is possible to support Provincial level reforms

Agency	Priority sectors and areas of focus			Period of current country strategy	Complementarity/Synergy Potential
	<ul style="list-style-type: none"> ○ environment protection. 				<p>for public administration, the regulatory framework and public financial management.</p> <ul style="list-style-type: none"> • Sustainable use of natural resources: Environmental management and climate change are of mutual interest to Sweden and IFAD; increased dialogue needs to take place with the Government in a concerted fashion. • Gender: For Sweden, gender is a crosscutting issue, mainstreamed in all sectors; we could try to share the capacity that is built.
Switzerland	<ul style="list-style-type: none"> • improved governance; • rural livelihoods and natural resource management; • private sector development. 			2007 - 2011	<ul style="list-style-type: none"> • Financial Management Reform: The Government of Viet Nam (GoV) has started developing a comprehensive Public Financial Management Modernisation Programme (PFMMP). The Like-Minded Donor Group (LMDG) members including Governments of Denmark, the Netherlands, Norway, Sweden, Canada, the United Kingdom and Switzerland decided to support the PFMMP. While IFAD is not part of this initiative, currently, it would be seen whether IFAD can engage.
United Kingdom (DFID)	<ul style="list-style-type: none"> • poverty reduction • improved governance and anti-corruption; • human rights. 			2011 - 2015	<ul style="list-style-type: none"> • Making Markets Work Effectively for the Poor (M4P/M4P2): M4P2, including a Challenge Fund and a Policy Action Research Unit. is financed by the ADB and DFID, is an active partner for IFAD in the implementation of the ongoing country programme, documenting and providing a learning platform. The M4P- II Challenge Fund could partner with private initiatives to create a social and economic impact in project provinces or provide a model for a comparable IFAD project approach. • UN Reform: DFID is a strong advocate of the UN reform process and 'Delivering as One' - One Plan, One Leader, One Budget, One House and One set of Management Practises. Within this umbrella, IFAD continues to work towards being part of the One UN initiative and indirectly benefits from DFID support of the initiative. • Climate Change: While this remains a large area that needs to be addressed, there is still a need for inter-ministerial dialogue. DFID is working with other donors to encourage the Government of Viet Nam to address climate change in its programme. As this is a new area for IFAD, it would be explored with a consortium of development partners.
United States of America (USAID)	<ul style="list-style-type: none"> • economic growth; • HIV/AIDS treatment; • Access to education and other social services. 				<ul style="list-style-type: none"> • Information and Communication Technology (ICT) activities: in the context of Viet Nam's efforts to set up the application and development of IT targeting communities at the village level to improve access to, knowledge of, and appreciation for telecommunications technology, IFAD can collaborate with USAID.
World Bank	Competitiveness <ul style="list-style-type: none"> • Improved economic management • infrastructure services • capacity for innovation and value addition 	Sustainability <ul style="list-style-type: none"> • Improved natural resources management; • Strengthened environmental protection and management; • Disaster preparedness and climate change 	Opportunity <ul style="list-style-type: none"> • Poor household resilience to shocks; • Improved basic infrastructure and public service delivery; 	2012 - 2016	<ul style="list-style-type: none"> • Innovation: Based on continued dialogue with the WB country office, linking innovations emanating from IFAD projects to the applied research department in the WB, may ensure that there is learning from the innovations and to ensure that the methodology can be captured in a systematic way. • Rural finance: As the guidelines for Decree 28 have been issued recently on the establishment of microfinance institutions, there is a possibility of creating sustainable institutions in that rural space and guiding them as credible MFIs. As WB would be developing a Rural Finance Project – III, IFAD should link microfinance experience to the larger policy framework discussions. • Climate change and disaster preparedness: An area that both WB and IFAD would like to see brought forward in consultation with the Government and other development partners. • Partnering: The major area of opportunity for partnering with the World Bank is with

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarity/Synergy Potential
				their multi-sector poverty reduction program in the Central Highlands. WB support is expected to include: upgrades in basic productive infrastructure; measures to enhance/diversify livelihood opportunities (and linkages to product and labour markets); safeguards against weather-related and other risks/shocks; strengthened provision of and access to micro-finance and other financial services for the rural poor and rural SMEs, including through ICT applications; and conditional cash transfers in support for household-targeted social protection systems.
International Non-Government Organizations (INGOs)				
Oxfam GB	<ul style="list-style-type: none"> • sustainable livelihoods and gender equity; • disaster preparedness and climate change adaptation. 			<ul style="list-style-type: none"> • IFAD will explore opportunities to collaborate with Oxfam in the fields of natural resource management environment, climate change, gender, poverty reduction and community based development.
CARE International	<ul style="list-style-type: none"> • community based development; • rural development and natural resource management; • health (HIV/AIDS) and other social programmes 			<ul style="list-style-type: none"> • IFAD will explore opportunities to collaborate with CARE in the fields of natural resource management environment, climate change, human capital development, gender, poverty reduction and community based development.
SNV	<ul style="list-style-type: none"> • increased production, employment and equitable income opportunities; 	<ul style="list-style-type: none"> • improved access, coverage and quality of basic services. 		<ul style="list-style-type: none"> • IFAD will explore opportunities to collaborate with SNV on public private partnership development.
	<ul style="list-style-type: none"> • Advisory services cover: energy, smallholder cash crops, forest products, pro-poor sustainable tourism, and water, sanitation and hygiene 			

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Market participant farmers and micro-entrepreneurs	<ul style="list-style-type: none"> • Fewer market opportunities; • Inadequate land use rights; • Low levels of collective action; • Insufficient access to credit; • Indebtedness; • Asymmetric market information vis a vis traders/buyers ; • Low yield and low productivity; • Vulnerability to natural disasters, calamity, • Market fluctuations; • Poor infrastructure and poor market access; • Low caloric intake coupled with increased incidences of disease. 	<ul style="list-style-type: none"> • Labour migration; • Livestock production and sale; • Loans from non-financial sources; • Limited VBSP concessional lending; • Local micro-businesses; • Children prioritized during periods of food scarcity 	<ul style="list-style-type: none"> • Market oriented infrastructure development; • climate smart agriculture technologies; • farming contracts; • value addition through market chain linkages; 	<p>NTP-NRD. This programme strengthens infrastructure for agriculture production (mainly irrigation), market access and social services, builds farmer and government staff capacity and reduces environmental risk. Twenty percent of communes are expected to achieve the 19 NTP-NRD targets by 2015 and 50% by 2020.</p> <p>MPI has proposed the introduction of a programme to encourage investment through the provision of subsidized loans for training and development of SMEs.</p>	<ul style="list-style-type: none"> • Enhancing the enabling environment for further investment by private sector; • Provincial, district and commune MOP-SEDPs support climate smart, market-led development; • Small and marginal farmers are target group for value chain engagement; • Small rural entrepreneurs target group for enterprise development; • Savings and credit schemes linked to financial markets would be developed for the target group; • Needs-based, gender sensitive and diversified extension services developed; • Alternative adaptation to climate change pathways developed and tested; • Risk management strategies piloted, including insurance; • Improved essential services (e.g. clean water and health care); • Conditional cash transfers to support enhanced community based productivity investments (child care centres, market access infrastructure, etc.); • Vocational training in support of off-farm employment;
Subsistence farmers in upland areas	<ul style="list-style-type: none"> • Poor market access and communications • Poor access to social services • Limited access to credit • Lack of appropriate upland farming technology • lower quality of natural 	<ul style="list-style-type: none"> • Migration /Resettlement • Subsistence farming and livestock • Sell land rights • Expand swidden fields • Collect, process and sell forest products; 	<ul style="list-style-type: none"> • vocational training in support of off-farm employment; • Food security for the poor and most vulnerable households • Improved access to markets and vocational training opportunities • Development of grass-roots institutions with capacity to guide the development process; 	<p>The NTP-PR seeks to help poor households and communities through:</p> <ul style="list-style-type: none"> • access to land and agricultural production support for the poor. • micro credit for the poor • investing in rural infrastructure; • vocational training and technology transfer for the poor. 	<p>(As above, but with greater emphasis on following)</p> <ul style="list-style-type: none"> • Improved market access for upland poor, capitalising on niches/ opportunities • Expanding the capabilities of the upland poor and the vulnerable through self-help, asset accumulation, and acquisition of

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<p>and social endowment;</p> <ul style="list-style-type: none"> Higher dependency on the environment and natural resources Vulnerability to natural shocks, loss of livestock due to disease and weather shocks Few economically active household members Indebtedness Illness in family 	<ul style="list-style-type: none"> Limited VBSP concessional lending; Borrow from moneylenders having usurious repayment conditions 	<ul style="list-style-type: none"> Strong savings and credit groups and the establishment of effective linkages with the formal banking sector Improved access to and management of forest resources to generate income on a sustainable basis Integration with emerging value chain and business enterprises 	<ul style="list-style-type: none"> access of the poor to basic health and education. 	<p>new skills and technologies.</p> <ul style="list-style-type: none"> Reducing vulnerability through conditional cash transfers and improved access to microfinance
Ethnic minority communities	<p>In 2006, ethnic group poverty rates included Khmer-Cham (34.6%), Tay-Thai-Muong-Nung (45.6%), Other Northern Uplands (72.4%) and Central Highlands (73.6%). Causes of poverty include:</p> <ul style="list-style-type: none"> lower quality of natural and social endowment; lower education participation, particularly girls; Number of dependents; isolation and weak rural infrastructure; lower returns on their assets social constraints to market-led economic transition; frequent inability to communicate effectively in Vietnamese; greater exposure to natural hazard; negative stereotyping of minority communities; higher malnutrition, particularly amongst children. 	<ul style="list-style-type: none"> government subsidies; VPSP concessional lending; community support; cut food expenses; take unfavourably loans from local merchants; seek on and off-farm labour employment (especially youth); asset sales, especially livestock; exit schooling; Reduced health care. 	<p>(Same as above plus)</p> <ul style="list-style-type: none"> Adult numeracy and literacy; improved female education participation. 	<p>Program 135-iiiis expected to improve rural infrastructure, generate income and employment, and build local administrative capacity in identified poorest communes in remote and upland areas. The programme will include preferential loans to poor households.</p> <p>Other Ethnic Minority Support Programs. A number of other programs are managed by CEM to provide support specifically to poor ethnic minority households, as follows:</p> <ul style="list-style-type: none"> free distribution to disadvantaged households of items such as iodized salt, kerosene, fabric, medicines for treatment of malaria and diarrhoea, school textbooks and notebooks, and school fee exemptions; provision of price subsidies to service providers (especially to cover transport costs to remote areas) and price-support for products marketed by disadvantaged ethnic minority communities; production support, including provision of basic production tools, seed, fertiliser, pesticides, and training; 	<p>(Same as above plus)</p> <ul style="list-style-type: none"> Literacy and numeracy programmes to allow ethnic minorities to understand their rights, negotiate effectively with government structures and representatives and participate in community based development activities; Conditional cash transfers targeted to keep ethnic girls in education; An appropriate information strategy (since many ethnic people are not fluent in the Vietnamese language and the incidence of female illiteracy is high); Prioritization and sensitization of government staff to issues and problems relating specifically to ethnic minorities.

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
				<ul style="list-style-type: none"> extension of the public broadcasting network to ethnic minority areas. 	
Unskilled and waged labour	<ul style="list-style-type: none"> Few capital assets; No land or limited productive land; Vulnerability to natural disasters; Limited skills; Little access to credit; Few economically active household members; Seasonal under-employment; Low wage seasonal labour; Indebtedness; Illness in the family; 	<ul style="list-style-type: none"> Seasonal low wage employment; take usurious loans from local merchants; 	<ul style="list-style-type: none"> employment information and brokerage; vocational training for off-farm employment; savings and credit programs linked to financial institutions; local entrepreneurs creating employment opportunities 	<p>VBSP provides subsidised loans to poor households for productive activities.</p>	<ul style="list-style-type: none"> Vocational skills training to expand employment opportunities; Landless and waged labour benefit from employment on farms and rural and peri-urban enterprises The target group would benefit from employment on labour intensive rural infrastructure works; Appropriate savings and credit schemes would be developed for the target group The target group would benefit from improved essential services (e.g. clean water) Integration with investments by private enterprises
Women, particularly Ethnic Minority Women	<ul style="list-style-type: none"> Inequity in access to productive resources/ agricultural inputs Gender biases in rights and entitlements: Land Use Certificates (LUCs) (women hold just 19% of Land Tenure Certificates). Poor access to credit Lower participation in informal education, vocational and job training and agricultural extension Weaker health status Power disparities between males and females in community: maternal deaths due to abortion 	<ul style="list-style-type: none"> Subsistence farming and livestock Seasonal and unskilled labour and waged employment in uncertain conditions Gender-gap in access to decision-making positions in local government Handicraft production 	<ul style="list-style-type: none"> Empowerment of women to participate in grassroots decision making Women's savings and credit programmes linked to financial markets; Strengthened farm financial management skills Improved accessibility, quality and affordability of essential services Secure land use rights; Maternal and child health care and nutrition support. Livelihood improvement activities through training and credit support Better labour opportunities Literacy and numeracy training for ethnic women. 	<ul style="list-style-type: none"> Viet Nam Women's Union and the National Committee for the Advancement of Women Law on Gender Equality Law on Domestic Violence Directive No. 27/2004/CT-TTg promotes the Advancement of Women in all ministries, governmental agencies and the Provincial People's Committees. SEDP integrates gender equality indicators into areas such as agriculture, employment, environmental management, health and education, however, monitoring of outcomes is very weak 	<ul style="list-style-type: none"> Women empowered to fulfil their role in decision-making at the community level and beyond including allocation of community block grants; Women's savings and loan group development Investment in human capital through equal access to job skills, agricultural extension, and markets; opportunities etc. Physical investments that improve women's access to basic rural infrastructure and services, such as water, energy, roads and transport; Literacy and numeracy training Gender-disaggregated poverty and programme monitoring data Community based conditional cash transfers to support girls continued education.

{tc "Key file 4: Target group identification, priority issues and potential response" \f C \l 1}