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Dar a la población rural
pobre la oportunidad
de salir de la pobreza

República Socialista de Viet Nam

Programa sobre oportunidades estratégicas nacionales

Nota para los representantes en la Junta Ejecutiva

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Para **examen**

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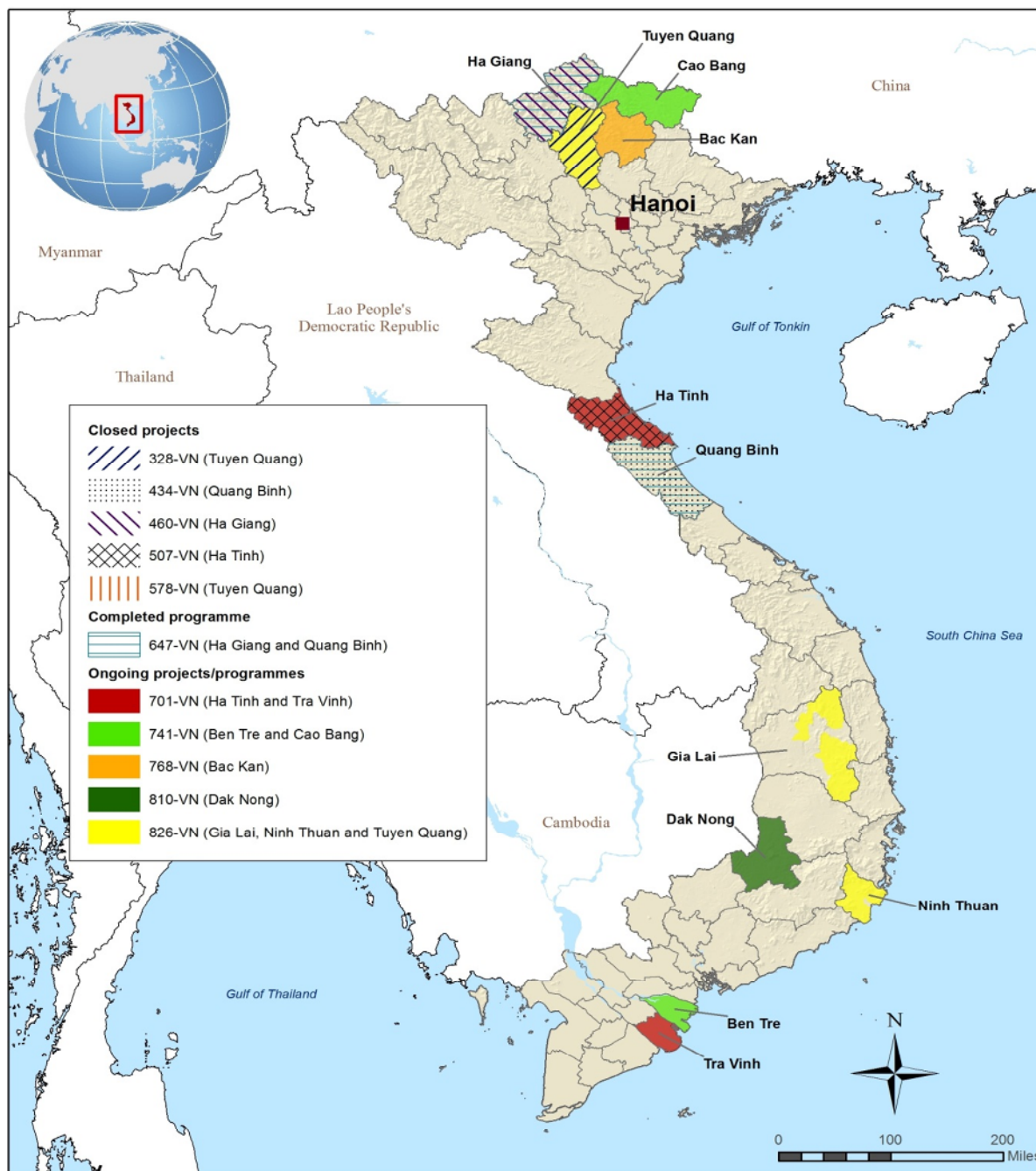
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Acrónimos y siglas

COSOP	programa sobre oportunidades estratégicas nacionales
EPP	evaluación del programa en el país
IOE	Oficina de Evaluación Independiente del FIDA
MADR	Ministerio de Agricultura y Desarrollo Rural
MPI	Ministerio de Planificación e Inversiones
NTP-NRD	Programa nacional para el nuevo desarrollo rural
NTP-PR	Programa nacional para la reducción de la pobreza
NTP-RCC	Programa nacional para responder al cambio climático
OE	objetivo estratégico
ONG	organización no gubernamental
PBAS	sistema de asignación de recursos basado en los resultados
PDSE	Plan de desarrollo socioeconómico
PIB	producto interno bruto
SyE	seguimiento y evaluación

Mapa de las operaciones del FIDA en el país

Socialist Republic of Viet Nam IFAD-funded operations



31-1-2012



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

Fuente: FIDA

Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Resumen de la estrategia en el país

1. Tras dos decenios de rápido crecimiento económico e integración en los mercados, Viet Nam ha dejado de ser una economía de subsistencia para convertirse en una economía emergente incluida entre los países de ingresos medianos bajos integrada en los mercados mundiales. La estructura de la economía ha pasado de la agricultura a inclinarse hacia la industria y los servicios, y se ha acelerado el crecimiento del producto interno bruto (PIB). A pesar de la rápida evolución de las circunstancias, el 70% de la población sigue viviendo en las zonas rurales y su medio de vida sigue siendo la agricultura, que aún es una importante fuente de ingresos y de creación de empleo para la cuantiosa mano de obra rural. La población rural representa el 91% de la población pobre del país. Durante el programa sobre oportunidades estratégicas nacionales (COSOP) para 2012-2017, la generación de riqueza en Viet Nam, particularmente para este segmento de la población, seguirá dependiendo del desarrollo sostenido del sector rural y del uso sostenible de sus recursos naturales. El FIDA debe centrarse en actividades que tengan el máximo impacto en la reducción de la pobreza residual en las zonas rurales, teniendo presentes las dificultades y oportunidades propias de un país de ingresos medianos bajos que vayan surgiendo, una estructura económica que se va modificando y la urbanización cada vez mayor de las zonas rurales.
2. Los acontecimientos que se han ido presentando y las conclusiones de la evaluación del programa en el país (EPP) realizada por la Oficina de Evaluación Independiente del FIDA han llevado a redefinir la estrategia para el próximo período. Sustentado por el COSOP anterior, el COSOP correspondiente a 2012-2017 propone desarrollar innovaciones en la cartera actual que favorezcan a la población pobre y estén orientadas por el mercado, profundizando en la reforma institucional y normativa a nivel provincial y fomentando la capacidad a nivel de los distritos, las comunas y los hogares de agricultores pobres para lograr una innovación y un crecimiento sostenido en favor de los pobres y orientados por el mercado. El presente COSOP se centrará en la ampliación de las experiencias que han recibido apoyo del FIDA a los sistemas y programas del Gobierno. El proceso tendrá los siguientes propósitos: integración de una planificación local participativa orientada por el mercado con apoyo del FIDA en los procesos gubernamentales de planificación del desarrollo socioeconómico; fomento de la capacidad en todos los niveles para mejorar la gestión de los resultados del desarrollo rural; mejoras de la calidad de servicios rurales diversificados y acceso a estos; desarrollo de infraestructuras dirigido por la comunidad; acceso a los mercados y a las cadenas de valor favorables a la población pobre y medios de vida sostenibles en la agricultura y fuera de ella, y formación y apoyo a grupos de intereses comunes. Una innovación importante en este COSOP es la incorporación de la respuesta al cambio climático a la ejecución del programa en el país, habida cuenta de que Viet Nam es, según las previsiones, uno de los países más vulnerables a ese cambio y uno de los que experimentará repercusiones más importantes.
3. El COSOP correspondiente a 2012-2017 se basa en las inversiones realizadas por el FIDA en la región de las Montañas del Nordeste, la región Central y la región del Delta del Río Mekong y está dirigido a la población rural pobre (minorías étnicas, mujeres y jóvenes), en particular a las agricultoras, principales impulsoras del crecimiento agrícola en las comunidades de minorías étnicas y las zonas rurales remotas, y custodias de la seguridad alimentaria y nutricional en los hogares. El COSOP propone tres objetivos estratégicos (OE):

- OE1: dotar a las provincias rurales pobres de los medios necesarios para un desarrollo rural orientado al mercado y favorable a los pobres;
 - OE2: mejorar el acceso de la población rural pobre, en particular de las mujeres, a los mercados de productos básicos y de trabajo, y
 - OE3: aumentar la capacidad de los hogares rurales pobres para adaptarse al cambio climático.
4. La gestión del programa del FIDA en el país exigirá intensificar los esfuerzos en pro de la intermediación para intercambio de conocimientos dentro de Viet Nam y fuera del país, la información sobre las políticas aplicadas y el diálogo con el Gobierno, y el establecimiento de relaciones de asociación con una gama más amplia de interesados directos, entre ellos el sector privado, las instituciones financieras internacionales, los asociados en el desarrollo y la sociedad civil.

República Socialista de Viet Nam

Programa sobre oportunidades estratégicas nacionales

I. Introducción

1. El presente programa sobre oportunidades estratégicas nacionales (COSOP) abarca el período 2012-2017. La nota conceptual del COSOP fue preparada y examinada con los organismos gubernamentales de coordinación de la ayuda¹ en julio de 2011. En agosto del mismo año se efectuó un examen del programa en el país y se consultó a los directores de proyectos de los programas que estaban recibiendo apoyo del FIDA en 11 provincias acerca de los grandes pilares del nuevo COSOP. Se elaboró documentación preparatoria sobre las siguientes cuestiones: i) colaboración con el sector privado; ii) reducción de la pobreza siguiendo un enfoque regional; iii) análisis del nivel de referencia de la pobreza, y iv) cambio climático. Del 24 de septiembre al 14 de octubre de 2011 se llevó a cabo una misión conjunta entre el Gobierno y el FIDA² para el diseño del COSOP; durante la misión se celebraron amplias consultas con funcionarios del Gobierno central, autoridades provinciales, asociados en el desarrollo, empresas del sector privado y agricultores. Se mantuvieron consultas por separado con la comunidad de organizaciones no gubernamentales (ONG) y varios asociados bilaterales. El 22 de diciembre de 2011 se organizó un taller de validación del COSOP dentro del país con el fin de dar a conocer una revisión del COSOP basada en las observaciones formuladas durante el examen de mejora de la calidad y por la dirección del FIDA. El proceso de elaboración del COSOP se expone en detalle en el apéndice I.
2. Una parte integral de la elaboración de este COSOP fue la evaluación del programa en el país (EPP) realizada por la Oficina de Evaluación Independiente del FIDA (IOE) en 2011. Como parte de un proceso iterativo de evaluación y de misiones en el país, la misión principal de la EPP se desplegó en marzo de 2011 y sus conclusiones se debatieron en una mesa redonda nacional celebrada en Hanoi en noviembre de 2011. El COSOP tiene presentes las recomendaciones de la EPP y los acuerdos alcanzados con el Gobierno de Viet Nam.

II. Contexto nacional

A. Situación económica, agrícola y de la pobreza rural

Antecedentes de la economía del país

3. Viet Nam adquirió la condición de país de ingresos medianos bajos en 2010. El producto interno bruto (PIB) medio *per capita* ha avanzado constantemente desde menos de USD 200 en 1989 hasta más de USD 1 000 en 2009; el mayor crecimiento de los ingresos está asociado a las zonas urbanas y a las actividades económicas orientadas a la exportación. Está previsto que el crecimiento económico de Viet Nam alcance un promedio del 6,5% a 7,0% en el período 2011-2015, impulsado por el crecimiento sostenido del consumo, la inversión y las exportaciones. La mejora del mercado laboral y el crecimiento constante de los salarios reales impulsarán el consumo, mientras se prevé que la lenta mejora de las condiciones económicas

¹ Estos son: los Ministerios de Planificación e Inversiones, Finanzas, Agricultura y Desarrollo Rural, y Relaciones Exteriores, así como la Oficina del Gobierno.

² Participaron en la misión Garry Smith (Jefe de Equipo), Nguyen Thanh Tung (Oficial del Programa del FIDA en el País), Roshan Cooke (Especialista Regional del FIDA en Clima y Medio Ambiente), Michael Hamp (Asesor Superior de Financiación Rural del FIDA), Sarah Dadush (Asesora Jurídica del FIDA), James Smyle (consultor sobre el cambio climático), Nguyen Yen Hai (Subdirector General, Departamento de Relaciones Económicas Exteriores, Ministerio de Planificación e Inversiones [MPI]), Tran Anh Tuan (Oficial Superior, Departamento de Cooperación Internacional, Oficina del Gobierno), Nguyen Lan Huong (Director, División Multilateral, Ministerio de Finanzas) y Atsuko Toda (Gerente del Programa del FIDA en el País). Thomas Elhaut (Director de la División de Asia y el Pacífico del FIDA) se sumó a la reunión de recapitulación.

mundiales estimularán la fabricación, lo que a su vez impulsará el aumento de los salarios. A pesar de un reciente descenso de la inversión extranjera directa (USD 5 300 millones en el primer semestre de 2011), el interés de los inversores extranjeros con miras a la exportación sigue siendo razonablemente firme.

4. Durante 2011 Viet Nam presentó cifras de inflación de dos dígitos e inestabilidad financiera, lo que llevó al Gobierno a publicar la Resolución 11, que incluía medidas como el endurecimiento de la política monetaria y fiscal, la reducción de la inversión pública y el déficit presupuestario, el control del déficit comercial y la promoción de las exportaciones. El resultado ha sido que la inflación ha bajado de manera ininterrumpida hasta estar bajo control (el índice de precios de consumo correspondiente a 2011 fue del 18,13%)³, la deuda pública se mantiene a un nivel seguro, en torno al 54,6% del PIB a finales de 2011, y el déficit presupuestario total se ha reducido al 4,9% del PIB. Las exportaciones siguen creciendo; su valor total se estimó en USD 96 300 millones en 2011 (USD 41 800 millones en los sectores económicos internos y USD 54 500 millones en los sectores de inversión extranjera), lo que supone un aumento del 33,3% respecto de 2010. Mientras que el déficit comercial en 2011 se eleva a USD 9 500 millones, el más bajo de los últimos 10 años, está previsto que las cuentas corrientes sigan presentando un déficit a medio plazo, debido al firme crecimiento del consumo y las inversiones y a la creciente repatriación de beneficios de empresas con inversión extranjera.

La agricultura y la pobreza rural

5. El crecimiento agrícola ha garantizado la seguridad alimentaria y ha hecho una contribución fundamental al desarrollo y la estabilidad económicos y sociales. Alrededor del 69,4% de la población vive en las zonas rurales, es decir, un aumento del 11,5% frente a las cifras de 2006.⁴ El aumento del número de hogares rurales correspondiente al período 2006-2011 es mayor que el de 2001-2006, debido tanto al crecimiento de la población rural como a la multiplicación de hogares. La estructura económica ha cambiado: el número de hogares que dependían de la agricultura pasó del 71,1% en 2006 al 62% en 2011 y sigue creciendo la proporción de hogares que viven de la industria y los servicios, desde el 25,1% en 2006 hasta el 33,2% en 2011. Este cambio de la estructura económica rural varía en gran medida de unas regiones a otras. Las tres regiones con proporciones de hogares no agrícolas superiores al 30% son las regiones Sudoriental (58,1%), del Delta del Río Rojo (44,5%) y del Delta del Río Mekong (32,2%). Por el contrario, en las regiones de las Tierras Altas Centrales, la Costa Central y las Tierras Altas Septentrionales más del 80% de la población depende de ingresos agrícolas, mientras que la proporción de hogares no agrícolas se mantiene relativamente baja, lo cual tiene muchas ramificaciones para la pobreza.
6. Mientras que el crecimiento anual global de la agricultura entre 2005 y 2010 ha sido del 3,4% en promedio, en 2011 fue del 5,2% (los cultivos y el ganado aumentaron un 4,8%, la silvicultura, el 5,7% y la pesca, el 5,7%, respectivamente). De la superficie cultivada total, el 54% se dedica al arroz y el 26% a otros cultivos anuales; el 20% restante se utiliza para cultivos perennes. En 2011 la producción total de arroz se elevó a 42,3 millones de toneladas, lo que supone 2,3 millones de toneladas más que en 2010, el mayor aumento de los últimos 10 años. El incremento de los costos de la mano de obra agrícola está impulsando lentamente la adopción de medidas de aumento de la eficiencia (mecanización y consolidación de tierras) y acelerando la diversificación de la producción. El subsector ganadero representa el 25% del PIB agrícola y, de acuerdo con las proyecciones, aumentará considerablemente. La producción pesquera tuvo un crecimiento anual del 9,4% entre 2002 y 2009, con incrementos particularmente rápidos en la producción de la acuicultura en agua dulce y la producción de camarón, que hoy supera las capturas

³ Oficina General de Estadística, MPI, diciembre de 2011.

⁴ Oficina General de Estadística, 1 de julio de 2011.

de pescado silvestre. En 2011 la cifra total de capturas pesqueras llegó a 5,43 millones de toneladas, un aumento del 5,6% respecto de 2010. Las exportaciones de marisco ascendieron a USD 6 100 millones en 2011 (un aumento del 21,7% frente a 2010 y desde USD 3 400 millones en 2006), lo que hace de él el quinto producto de exportación más valioso de Viet Nam.

7. A pesar de estos sólidos resultados, aún existen varias limitaciones. La calidad de los productos es baja, y Viet Nam típicamente recibe precios considerablemente inferiores a los de los países vecinos y los competidores en el mercado por su arroz, café, té, caucho y productos de la acuicultura. Los sistemas de conocimientos agrícolas requieren inversiones importantes y una mayor orientación hacia los clientes y el mercado, mientras que en la gestión de los recursos hídricos y en los transportes se requieren enormes inversiones en infraestructuras. Los mercados rurales se caracterizan por el escaso acceso de los agricultores a información de mercado, la limitada integración en las cadenas de valor, los bajos niveles de adición de valor y la persistente dominancia de empresas públicas respecto de algunos productos básicos y de los mercados, en particular el de exportación. Estas limitaciones comerciales, de mercado y de calidad, acompañadas por el escaso desarrollo del sector de elaboración, representan una importantísima pérdida de oportunidades de inversión, ingresos y empleo, al tiempo que limitan gravemente la rentabilidad de las explotaciones. Con los mayores salarios de la mano de obra rural y una base de recursos naturales cada vez más escasa, el sector agrícola necesita con urgencia diversificar aún más la producción para dar lugar a productos de mayor calidad, promover la adición de valor y la elaboración y aumentar la eficiencia, velando al mismo tiempo por la sostenibilidad de la base de recursos naturales.
8. Aunque se han concedido 9 millones de hectáreas de tierras cultivables a 12 millones de hogares y se han aprobado 11,5 millones de certificados de derechos de uso de tierras, el proceso de reforma territorial aún no se ha completado y exige más inversiones en la emisión de certificados, sistemas de información territorial y planificación y consolidación del uso de la tierra, así como la incorporación de los sistemas de tenencia consuetudinarios a los derechos de uso colectivos, particularmente para las "comunidades de residentes" o las minorías étnicas. El uso no sostenible de los recursos naturales, especialmente del agua y en el sector de la silvicultura, genera problemas de escasez de agua y degradación de tierras, incluidas la intrusión salina, la pérdida de biodiversidad y las inundaciones. Todo ello está amplificando la vulnerabilidad al cambio climático y los riesgos climáticos naturales, cuya frecuencia y gravedad están creciendo. Estos problemas se ven complicados por la escasa capacidad de las instituciones de apoyo, particularmente en los planos provincial e inferiores.
9. Con sus "megadeltas" y la elevada concentración de la población en los deltas de los ríos Rojo y Mekong, Viet Nam fue caracterizado por el Grupo Intergubernamental de Expertos sobre el Cambio Climático en su cuarto informe de evaluación como uno de los lugares críticos en cuanto a los futuros efectos y vulnerabilidades fundamentales respecto del clima en Asia. Las previsiones a largo plazo indican que los impactos en la agricultura y el desarrollo rural se derivarán primordialmente de las alteraciones en la temperatura, la pluviosidad y el nivel del mar. Un estudio del Banco Mundial de 2007 concluyó que la elevación en un metro del nivel del mar prevista para 2100 ocasionaría directamente la pérdida de más del 5% de la superficie de tierra firme del país, más del 7% de las tierras agrícolas y el 28% de los humedales, además del 10% del PIB. Su impacto afectaría a alrededor del 11% del total de zonas pobladas y urbanas.
10. En el período comprendido entre 1993 y 2008, la incidencia nacional de la pobreza disminuyó del 58,1% al 14,5% y a menos del 10% en 2010, lo que significó que unos 30 millones de vietnamitas habían salido de la pobreza. La pobreza rural durante ese mismo período cayó del 66,4% al 18,7% y de ahí al 17,4% en 2010. No obstante, la pobreza sigue siendo básicamente un fenómeno rural: en 2010 la

población rural integraba al 91% del total de pobres, cifra poco menor que la de 1993, cuando alcanzaba el 95%. Mientras que las minorías étnicas representan apenas el 15% de la población total, la tasa de pobreza entre ellas es del 45%, cifra particularmente preocupante. Las tasas de pobreza varían considerablemente entre los distintos grupos étnicos. Los factores responsables de la mayor incidencia de la pobreza en estos grupos son, entre otros, los siguientes: menores tasas de matriculación en la enseñanza primaria y salida a edad más temprana del sistema de educación formal; menor calidad de las dotaciones en la comunidad, los activos educativos o físicos y menor rendimiento de los activos; localización en zonas aisladas, más deprimidas y más propensas a los desastres; falta de capital social, físico, humano y financiero; mayor dependencia de las fuentes de ingresos agrícolas; menor acceso a oportunidades de empleo y sueldos más bajos; limitaciones sociales que se oponen a la transición desde sistemas de tenencia de tierras comunales a sistemas basados en el mercado; incapacidad de hablar el idioma mayoritario (el vietnamita *kinh*), y estereotipos negativos respecto de las comunidades minoritarias.

11. Las mujeres, en particular las del campo y las de minorías étnicas, siguen estando desfavorecidas en lo que se refiere a la naturaleza de las oportunidades y la calidad de los recursos a su disposición, a pesar de que recientemente se ha aprobado legislación sobre la igualdad de género. Las mujeres están excesivamente representadas en sectores económicos vulnerables en situación de crisis económica, entre ellos el sector no estructurado, y siguen padeciendo falta de igualdad en el acceso a la tierra (las mujeres son titulares de apenas el 19% de los certificados de tenencia), al crédito y a las tecnologías agrícolas. A pesar de los avances de Viet Nam hacia la equidad en la educación, las niñas tienen más probabilidades de abandonar la escuela para atender las tareas domésticas. La quinta parte de las niñas de minorías étnicas nunca ha acudido a la escuela y, en la escuela secundaria, están por detrás de las tasas de matriculación de las niñas *kinh* en un 10%. La falta de conocimientos acerca de los beneficios de la lactancia materna y los micronutrientes, así como la falta de tiempo de las mujeres para ocuparse de los niños y de sí mismas, parecen ser los principales factores que contribuyen al retraso del crecimiento. La reducción de los niveles pertinazmente altos de malnutrición infantil en las comunidades étnicas y del abandono precoz del sistema educativo formal por las niñas de esas comunidades es una de las metas fundamentales del FIDA en el presente COSOP.
12. El nexo entre el riesgo climático y la pobreza es cada vez más preocupante. Los grupos más vulnerables desde el punto de vista social (mujeres, minorías étnicas y personas con discapacidad) tienen una capacidad desproporcionadamente menor para adaptarse al cambio climático. Su riesgo es mayor, pues con frecuencia dependen directamente de la agricultura y de la base de recursos naturales para ganarse la vida, están más expuestos a los desastres naturales, carecen de activos y de capital para recuperarse o para adoptar otros medios de vida, y son propensos a padecer problemas de salud relacionados con el clima.

B. Políticas, estrategias y contexto institucional

Contexto institucional nacional

13. El papel del Gobierno en la dirección del programa del FIDA en el país es crucial para el éxito de los proyectos, el establecimiento de relaciones de asociación y un diálogo sobre políticas de carácter constructivo. El Ministerio de Planificación e Inversiones (MPI) tiene el mandato de coordinar la asistencia oficial para el desarrollo en el marco de la planificación socioeconómica del desarrollo y es el homólogo principal en la asignación y planificación de recursos del FIDA. El Ministerio de Finanzas es el representante del prestatario y actúa como coordinador de los procesos de desembolso en todas las inversiones respaldadas por el FIDA. El Ministerio de Agricultura y Desarrollo Rural (MADR) proporciona orientación normativa y operacional sobre cuestiones de agricultura y desarrollo rural y es el centro desde el que se coordina el aumento de escala de las experiencias de ejecución en el sector

rural. Entre los asociados del FIDA figuran varias instituciones pertenecientes a este ministerio. Una de ellas es el Instituto de Políticas y Estrategias para la Agricultura y el Desarrollo Rural, que presta servicios de análisis y asesoramiento al Gobierno en la formulación de políticas y estrategias de desarrollo agrícola y rural. El Ministerio de Recursos Naturales y Medio Ambiente es el responsable de la respuesta de Viet Nam al cambio climático. Otros asociados del programa en el contexto nacional son Agribank, el Banco de Viet Nam para la Política Social, organizaciones colectivas (de agricultores, la Unión de Mujeres de Viet Nam, la Unión de Jóvenes) y el Comité para las Minorías Étnicas.

Estrategia nacional de reducción de la pobreza rural

14. La visión del Gobierno en relación con el desarrollo está recogida en su Estrategia de desarrollo socioeconómico para 2011-2020, aprobada en el Congreso del Partido en enero de 2011. El objetivo general de la estrategia es conseguir que Viet Nam se convierta en un país moderno e industrializado de aquí a 2020, haciendo hincapié en la calidad del crecimiento y la eficiencia de las inversiones. Los grandes pilares son el desarrollo sostenible, el desarrollo de los recursos humanos, las mejoras en las instituciones de mercado y la administración pública, así como el desarrollo de un sistema de infraestructuras sincrónico con medios modernos. El Plan de desarrollo socioeconómico (PDSE) para 2011-2015 define las medidas y los recursos necesarios para la ejecución. El crecimiento equitativo e incluyente, la necesidad de aumentar la coherencia entre los planes nacionales, provinciales y sectoriales, y el establecimiento de prioridades a la luz de las limitaciones de recursos son consideraciones importantes. El Gobierno ha puesto en pie un conjunto de programas nacionales con fines concretos, incluido el Programa nacional para la reducción de la pobreza (NTP-PR, por sus siglas en inglés), cuyo objetivo es reducir la pobreza mediante un paquete completo de medidas de apoyo para el desarrollo del capital humano y el acceso a servicios de crédito y servicios básicos (educación, salud, extensión agraria, derechos sobre la tierra y asistencia jurídica) que se dirige particularmente a los hogares encabezados por mujeres.

Armonización y alineación

15. La base de la alineación del programa del FIDA en el país con los esfuerzos del Gobierno en cuanto a las metas de reducción de la pobreza y desarrollo sostenible es el PDSE para 2011-2015. En el desarrollo rural, el FIDA alineará sus actividades con la estrategia Tam Nông sobre agricultura, agricultores y zonas rurales del MADR y su Plan de desarrollo del sector agrícola para 2011-2015. La estrategia Tam Nông, lanzada en agosto de 2008, proporciona un marco para un crecimiento agrícola de base amplia y favorable a los pobres hasta 2020. Uno de sus rasgos importantes es que propugna una asociación entre el Gobierno, los agricultores, los científicos y el sector privado. El FIDA apoyará a las provincias pobres en la preparación y la ejecución efectiva del desarrollo rural incluyente y orientado al mercado como parte del proceso de alineación de las inversiones del FIDA con esos principios. Para conseguir los objetivos de Tam Nông, en junio de 2010 se puso en marcha el Programa nacional para el nuevo desarrollo rural (NTP-NRD, por sus siglas en inglés)⁵, cuyo propósito es transformar las zonas rurales,⁶ y en el cual se establecen indicadores para medir los avances logrados en las zonas rurales. En el marco de los proyectos respaldados por el FIDA, se prestará apoyo a la ejecución del NTP-NRD mediante la incorporación de algunos de los objetivos de dicho programa, el apoyo al

⁵ Decisión del Primer Ministro n.º 800/QĐ-TTg.

⁶ Entre los objetivos concretos del NTP-NRD figuran los siguientes: i) una tasa de crecimiento anual del 3,3%-3,5% para la producción agrícola, pesquera y forestal; ii) la reducción de la mano de obra rural al 30%, de los cuales el 50% serán agricultores con formación; iii) mejoras significativas de la infraestructura rural, en las que todos los sistemas de riego podrán soportar dobles cosechas, la mayoría de las comunas tendrán acceso por carreteras transitables todo el año, la mayoría de las aldeas serán accesibles por vehículo, se habrán ampliado las infraestructuras portuarias para la pesca y la mayoría de los servicios sociales rurales alcanzarán el nivel de que disfrutaban las zonas urbanas de nivel medio; iv) la mejora de la calidad de la vida en el medio rural y de sus vínculos con la economía industrializada, y v) la mejora de la protección ambiental, la reducción del riesgo de desastres y la adaptación al cambio climático.

aumento de oportunidades de mercado a fin de contribuir a desarrollar una nueva zona rural, el fomento del cambio de mentalidad necesario en los hogares y el fortalecimiento de la capacidad de llevar a cabo las actividades de planificación previstas en las comunas. En cuanto a la alineación en el contexto de las actividades relacionadas con el cambio climático, el Fondo trabajará con el MADR en el ámbito del Marco del plan de acción para la adaptación al cambio climático en el sector agrícola y del desarrollo rural y del Programa nacional para responder al cambio climático (NTP-RCC, por sus siglas en inglés) para el período comprendido entre 2009 y 2015. El FIDA armonizará sus esfuerzos con otros asociados para el desarrollo que se ocupan de cuestiones relacionadas con el cambio climático a fin de ayudar al MADR a elaborar opciones normativas, y al mismo tiempo seguir centrando la atención en la aplicación de medidas de adaptación y mitigación en la esfera agrícola.

III. Enseñanzas de la experiencia del FIDA en el país

A. Resultados, impacto y desempeño anteriores

16. La EPP de 2011 concluyó que los resultados globales del programa en el país eran satisfactorios, particularmente en lo que se refiere al apoyo a la descentralización, el aumento de la capacidad, la planificación participativa, la incorporación de las cuestiones de género, la infraestructura de pequeña escala, el desarrollo de grupos de ahorro y crédito y la mejora de los medios de vida rurales mediante la producción para los mercados. La EPP observó que el programa en el país ha ejercido un impacto positivo en los ingresos y los activos de los hogares, particularmente por medio del programa de ahorro y préstamos centrado en las mujeres, los mayores niveles de productividad agrícola, y la inversión en ganado y en la mejora de los servicios de sanidad animal. La repercusión que ha tenido el programa en la calidad de vida y el empoderamiento de las mujeres es positiva, mientras que la formación profesional ha sido importante para la diversificación de los ingresos y la promoción del empleo no agrícola para los jóvenes del medio rural. En cuanto a la eficiencia, se han conseguido muchos resultados en materia de ejecución y gestión de proyectos, fomento de la capacidad en los planos provincial, distrital y comunal, la planificación, la coordinación, el seguimiento y evaluación (SyE), la supervisión directa y el apoyo a la ejecución. La EPP señaló que en todas las provincias en las que ha trabajado el FIDA hay pruebas de una reducción significativa de los niveles de pobreza.
17. La EPP también señaló la necesidad de adoptar un criterio holístico respecto del desarrollo sostenido de las minorías étnicas en las tierras altas. El presente COSOP incorpora las recomendaciones clave de la EPP, entre ellas la necesidad de adoptar un criterio más firme de orientación al mercado, una cobertura geográfica más amplia, un entorno crediticio más favorable para los pequeños agricultores, una gestión del conocimiento más estratégica, el fortalecimiento de las relaciones de asociación, mayor financiación de contrapartida por el Gobierno, un enfoque estratégico respecto de la conservación de los recursos naturales y la respuesta al cambio climático, y una oficina del FIDA en el país fortalecida.

B. Enseñanzas extraídas

18. El enfoque participativo, junto con la descentralización, sigue siendo uno de los grandes temas de las intervenciones que han recibido apoyo del FIDA y ha sido incorporado por los programas del Gobierno. Entre las enseñanzas extraídas de la cartera en curso figuran las siguientes:
 - Aplicación de procesos de planificación económica local participativos orientados al mercado en las provincias pobres: para ser eficaces, los procesos de planificación orientados al mercado necesitan lo siguiente: i) la coordinación entre organismos mediante comités de orientación del proyecto y grupos de trabajo técnicos; ii) capacidad del personal para preparar y aplicar procesos de planificación socioeconómica orientados al mercado y participativos y enfoques centrados en la cadena de valor, y

iii) integración de la información sobre mercados y el análisis de cadenas de valor en el proceso participativo de planificación del desarrollo socioeconómico. Focalización de la pobreza e incorporación de las cuestiones de género al enfoque de orientación al mercado: la participación en los vínculos con el mercado puede beneficiar a las mujeres y los hombres pobres del medio rural mediante lo siguiente: i) selección y promoción de cadenas de valor favorables a los pobres que creen empleo y sistemas pertinentes de producción, elaboración y comercialización para la población pobre; ii) actividades de extensión entre agricultores y mayor uso de tecnologías apropiadas que deben adoptar los agricultores pobres, en particular los de minorías étnicas; iii) oportunidades de formación profesional para los hogares pobres, dirigidas específicamente a las minorías étnicas y las mujeres, y iv) infraestructura basada en el mercado y mejor conectividad en las zonas remotas.

- Desarrollo de las minorías étnicas: para el empoderamiento de las minorías étnicas, y en particular de las mujeres de esas minorías, se han obtenido buenos resultados con la participación en los procesos de adopción de decisiones en la comunidad, la representación en las instituciones locales, las oportunidades de empleo no agrícola, los derechos de las mujeres en cuanto al uso de la tierra y los grupos de ahorro y crédito de mujeres para invertir en la mejora de la productividad agrícola, la producción ganadera y la sanidad animal.
 - Fortalecimiento de la acción colectiva y el acceso al crédito: el desarrollo voluntario de grupos de intereses comunes puede promover la transición desde la producción de subsistencia hacia una producción orientada a los productos básicos y servir como base para que la población pobre coopere con grupos más prósperos y empresas privadas. Se ha demostrado que la mejora de la colaboración con organizaciones colectivas, como la Unión de Agricultores de Viet Nam y la Unión de Mujeres de Viet Nam, así como con agricultores importantes para facilitar el desarrollo de grupos de intereses comunes rinde buenos resultados. En este contexto se obtienen resultados sumamente positivos con los grupos de intereses comunes que tienen acceso al crédito y los grupos de ahorro y crédito de mujeres.
 - Hacer participar al sector privado: interesados directos y proveedores de servicios del sector privado orientan el desarrollo de las cadenas de valor y las inversiones en producción agrícola y elaboración, inclusive en zonas pobres, donde: i) existen leyes y políticas que generan un entorno favorable para el sector privado y refuerzan la competitividad y la transparencia; ii) se dispone de competencias entre el personal a nivel provincial o distrital para la promoción del sector privado, y iii) es posible el acceso a financiación, competencias e información sobre los mercados. La asociación con los sectores privados de pequeña y mediana escala puede hacer llegar tecnologías muy necesarias a los pequeños agricultores, lo que a su vez abre los mercados.
19. En lo que se refiere al cambio climático y la gestión del riesgo de desastres, entre las enseñanzas pertinentes que se desprenden de la experiencia local figuran las siguientes: i) las políticas de adaptación al cambio climático han de centrarse en la población pobre y vulnerable; ii) la adaptación al cambio climático en comunidades muy expuestas y marginadas debe orientarse a los enfoques de la "utilidad en todo caso", es decir, aquellos que representan pocos costos adicionales en la mejora de los medios de vida, la agricultura sostenible y la reducción de la pobreza; iii) hay que mejorar las capacidades de los sistemas agrícolas e hídricos para hacer frente a la actual variabilidad meteorológica, manteniendo la flexibilidad suficiente, y iv) es

importante aumentar las inversiones a largo plazo en conocimientos sobre agricultura y la difusión de estos para apoyar la adaptación de los agricultores al cambio climático.

IV. Marco estratégico del FIDA en el país

A. Ventaja comparativa del FIDA en el país

20. El eje principal del anterior COSOP del FIDA para 2008-2012 era abordar la creciente disparidad en los medios de vida entre las zonas rurales y urbanas y la crítica situación de la población pobre en las tierras altas, aplicando un enfoque de reducción de la pobreza orientado al mercado. Durante su ejecución, el FIDA ha asistido efectivamente a los gobiernos provinciales de 11 provincias y ha entablado sólidas relaciones de trabajo con esas provincias. Mediante la ejecución de proyectos multisectoriales que han recibido apoyo del FIDA, las autoridades provinciales y los organismos competentes, las autoridades de distrito y los encargados de la ejecución a nivel de comunal han obtenido la capacidad de aplicar el enfoque de reducción de la pobreza orientado al mercado. Habida cuenta de ello, en las provincias en las que ha venido trabajando el Fondo, este cuenta con el capital institucional necesario para apoyar, influenciar y fortalecer las estrategias e iniciativas provinciales en la reducción de la pobreza orientada por el mercado. Esas relaciones con las provincias ofrecen al FIDA la oportunidad de aumentar la escala de las actividades, desde innovaciones generadas por los proyectos hasta políticas e instituciones de ámbito provincial. Más allá de las fronteras provinciales, las provincias que han recibido apoyo del Fondo en el pasado pueden convertirse en modelos que pueden reproducirse en otras provincias. Dada la buena disposición del Gobierno respecto del aprendizaje basado en pruebas, una de las ventajas comparativas del FIDA es la incorporación más sistemática de enseñanzas basadas en proyectos en el plano provincial al diálogo sobre políticas acerca del desarrollo rural a nivel nacional.
21. Puesto que Viet Nam se ha convertido en un país de ingresos medianos bajos, con mayores recursos fiscales y capacidad para hacer frente a la pobreza, la comunidad nacional que trabaja con el país ha reducido su apoyo al desarrollo agrícola y rural. Hay menos proyectos de donantes y del Gobierno que puedan ensayar reformas muy necesarias para abordar los retos que van surgiendo en el medio rural, particularmente en las provincias más pobres. En este contexto es en el que la ventaja comparativa del FIDA en Viet Nam refleja la citada en su marco estratégico, es decir, la de dar a la población rural pobre la oportunidad de salir de la pobreza, centrándose en actividades encaminadas a mejorar su seguridad alimentaria y su nutrición, incrementar sus ingresos y fortalecer su capacidad de adaptación. El FIDA debe seguir centrándose en las innovaciones orientadas por el mercado para la agricultura de pequeñas explotaciones; ensayar actividades como la formación y el empoderamiento de grupos de agricultores, la prestación de servicios descentralizada, la mejora de la productividad, la integración en los mercados y el desarrollo de cadenas de valor que favorezcan a los pobres, y aumentar la escala de las actividades ensayadas por conducto de las instituciones a nivel local y de reformas normativas. Durante el período del COSOP para 2012-2017, el FIDA logrará el máximo impacto en los reductos de inseguridad alimentaria y hambre que aún persisten en las zonas rurales centrándose en la creación de oportunidades de generación de ingresos agrícolas y no agrícolas para las mujeres de comunidades de minorías étnicas, al tiempo que fomenta la capacidad de adaptación al cambio climático y crea un entorno más orientado al mercado en las provincias pobres.

B. Objetivos estratégicos

22. Basándose en las enseñanzas extraídas durante la ejecución del COSOP anterior, el COSOP para 2012-2017 promoverá reformas institucionales para elaborar enfoques y paquetes de medidas encaminados a alcanzar una amplia gama de metas sectoriales recientemente articuladas, en un contexto de rápida evolución para la agricultura y el desarrollo rural, y abordará las repercusiones del cambio climático.

Para apoyar la transición en el sector rural en las provincias que reciben su apoyo, el Fondo hará lo siguiente: facilitar entornos que promuevan la participación del sector privado en la oferta de empleo rural y la generación de ingresos en el medio rural; desarrollar y promover cadenas de valor favorables a los pobres que vinculen los hogares rurales pobres con la creciente demanda de los centros urbanos, y fomentar mecanismos entre agricultores y compradores que reduzcan los riesgos que entrañan la diversificación y la adición de valor para los agricultores. Esas iniciativas se basarán en planes de desarrollo socioeconómico participativos y orientados al mercado y en la introducción de reformas legislativas sobre mejores prácticas que fomenten mercados más competitivos y transparentes. Al mismo tiempo, el programa en el país seguirá reconociendo la importancia de los agricultores pobres como proveedores de los mercados locales.

23. Se mejorarán la generación de ingresos y los empleos en actividades rurales no agrícolas, especialmente para los hogares y las mujeres pobres de las zonas rurales, mediante el acceso a fondos administrados por la comunidad para, entre otras cosas, lo siguiente: la reducción del riesgo de desastres y una infraestructura de acceso a los mercados que resista a las variaciones climáticas; actividades de extensión orientadas por la demanda, que mejoren la adición de valor y la competitividad de los productos agrícolas; la promoción del empleo rural no agrícola, particularmente mediante la formación profesional, y actividades de grupos de ahorro y crédito. Esas actividades se proponen: aumentar la productividad y la competitividad agrícolas, primordialmente de las agricultoras de pequeñas explotaciones; aumentar las oportunidades de entrada en el mercado y mejorar los medios de vida de las agricultoras, así como diversificar las oportunidades de ganarse la vida a trabajadores sin formación y asalariados, tanto hombres como mujeres, en actividades no agrícolas. Las actividades tendrán por objeto en particular facilitar la mayor participación de los grupos étnicos minoritarios y orientar a estos sus beneficios, aprovechando sus conocimientos tradicionales, su cultura, sus sistemas de gobernanza y sus recursos naturales.
24. Las inversiones apoyadas por el FIDA se centrarán en lo siguiente: aumentar la capacidad de resistencia de los agricultores pobres a la luz de la evolución de las condiciones climáticas y la mayor frecuencia de los desastres naturales; proporcionar inversiones e instrumentos apropiados para una gestión del riesgo de desastres basada en la comunidad, y centrarse en enfoques sobre el cambio climático que mejoren los medios de vida, la agricultura sostenible y la reducción de la pobreza. El FIDA abordará la ejecución de medidas de adaptación y mitigación en agricultura a nivel de los hogares por los siguientes medios: apoyando la adaptación en curso de los agricultores mediante actividades apropiadas de extensión e investigación, aplicando instrumentos sencillos de planificación del uso de la tierra en el plano comunitario para apoyar las inversiones locales en reducción del riesgo de desastres, elaborando planes de acción provinciales para abordar el riesgo de cambio climático, asegurando la incorporación de los factores del cambio climático y la gestión del riesgo de desastres al PDSE, e incorporando esos planes y enseñanzas a nivel nacional para su integración en los planes de inversiones, los programas nacionales con fines concretos y otras políticas.
25. Para el período 2012-2017 se proponen los siguientes objetivos estratégicos (OE):
 - OE1: dotar a las provincias rurales pobres de los medios necesarios para un desarrollo rural orientado al mercado y favorable a los pobres;
 - OE2: mejorar el acceso de la población rural pobre, en particular de las mujeres, a los mercados de productos básicos y de trabajo, y
 - OE3: aumentar la capacidad de los hogares rurales pobres para adaptarse al cambio climático.

C. Oportunidades de innovación y ampliación de la escala

26. En varias provincias que reciben apoyo del FIDA se han ensayado innovaciones relacionadas con la reducción de la pobreza orientada al mercado, y aunque parece que se ha alcanzado cierto nivel de impacto y de éxito y se ha logrado el compromiso a nivel provincial, para los fines de la ampliación de escala es preciso realizar una evaluación más rigurosa del impacto de esas innovaciones. El propósito final sería que esas intervenciones se desplegasen a nivel provincial hasta todas las comunas y todos los distritos y fueran institucionalizadas por organismos competentes de rango provincial. Dado que las provincias de la misma región geográfica comparten dificultades y condiciones, se espera que, donde proceda, las intervenciones realizadas en provincias que reciben apoyo del FIDA sean compartidas con otras provincias vecinas de su región y se reproduzcan en ellas.
27. En la ampliación de escala de las innovaciones, el principal motor son los comités populares de provincia y sus homólogos a nivel distrital y comunal. Durante el plazo de vida de un proyecto, la ampliación de escala puede hacerse por los siguientes medios: i) fortalecimiento institucional, capacitación y fomento de la capacidad de los organismos competentes y las autoridades locales, según sea preciso; ii) integración de la planificación, presupuestación, ejecución y gobernanza de los proyectos que reciben apoyo del FIDA en los procesos gubernamentales ordinarios en los planos comunales, distritales y provinciales; iii) reforma de base amplia para el desarrollo del sector privado con el fin de asegurar el aumento de los ingresos de los hogares rurales y las oportunidades de generación de activos, particularmente para la población pobre, y iv) un sistema de SyE reforzado, prestando particular atención al logro de resultados y a la asignación eficiente de recursos, en lugar de enfoques basados en proyectos, más limitados y orientados por los productos.
28. Con miras a ampliar la escala de la innovación de los enfoques de reducción de la pobreza orientados al mercado a otras provincias, las experiencias se divulgarán mediante la participación en talleres regionales y en eventos de intercambio que vinculen las experiencias provinciales. En el plano regional se buscarán oportunidades de financiación paralela y de cofinanciación con instituciones financieras internacionales interesadas en invertir en infraestructura en mayor escala, mientras que el FIDA asegurará una atención firmemente centrada en los pequeños agricultores y la población rural pobre. Las asociaciones del Fondo con donantes bilaterales para la cooperación técnica son críticas para la introducción de innovaciones (por ejemplo, los gobiernos de Alemania y Luxemburgo están actualmente prestando apoyo a proyectos financiados por el FIDA). En la labor sostenida del Fondo de promoción de las innovaciones en la reforma orientada al mercado en el sector agrícola y en la adaptación al cambio climático, el trabajo con las organizaciones bilaterales para apoyar esas esferas es fundamental.
29. Como marco para todas las comunas rurales de Viet Nam, el NTP-NRD proporciona una oportunidad de ampliar la escala de las innovaciones y de integrar las enseñanzas extraídas. En este contexto es importante ver los proyectos que reciben apoyo del FIDA como proyectos piloto que generan enseñanzas. A nivel provincial los comités de orientación de proyectos del NTP-NRD incorporarán el aprendizaje e integrarán las innovaciones de proyectos del FIDA en las políticas e instituciones provinciales. A nivel nacional es imperativo que se establezcan mecanismos de aprendizaje dentro de la secretaría del NTP-NRD para integrar las enseñanzas y la ampliación de escala de los proyectos piloto. Adoptar un enfoque más basado en programas en relación con las inversiones del FIDA permitirá conseguir un vínculo operacional más firme entre el Fondo y los programas nacionales con metas concretas.

D. Estrategia de focalización

30. Habida cuenta de que la demanda de productos agrícolas procederá probablemente de mercados urbanos y mercados locales dentro de una región geográfica, las inversiones del FIDA se dirigirán a una selección de regiones, lo que facilitará el desarrollo de cadenas de valor favorables a los pobres, promoverá las inversiones del sector privado y vinculará a los agricultores con los mercados. Además, la inversión en las provincias vecinas puede asegurar el intercambio de conocimientos y relaciones entre provincias. Para los fines del presente COSOP, las inversiones del FIDA se localizarán en las regiones del Nordeste y Central (incluidas la Costa Septentrional Central, la Costa Central y el Sudeste) y del Delta del Río Mekong. Esas regiones tienen elevadas tasas de pobreza rural y una importante población pobre y se ven considerablemente afectadas por una o más manifestaciones del cambio climático. Además, lo que es importante, esas regiones albergan proyectos financiados por el FIDA en curso con un buen historial de resultados en materia de eficacia de la ayuda, que pueden servir como modelos de innovación ampliables a otras provincias de la región.⁷
31. Dentro de las regiones, los criterios de selección de provincias⁸ incluirán los siguientes: i) tasa de pobreza rural, recuento de la pobreza (fuertemente sesgada por la pobreza de las minorías étnicas) y gravedad de la pobreza; ii) compromiso, disposición y capacidad de absorción de la provincia para ejecutar e incorporar innovaciones relacionadas con la orientación al mercado y el cambio climático; iii) apoyo y resultados de los proyectos del FIDA en el pasado, evaluado en relación con la eficacia de la ayuda y el impacto potencial de nuevas inversiones del Fondo, y iv) respaldo por el Gobierno de las necesidades de recursos de la provincia, teniendo en cuenta el apoyo del nivel central, los presupuestos provinciales, las contribuciones del sector privado y otros recursos de asociados en el desarrollo. Dentro de las provincias, se dará prioridad a los distritos donde haya comunidades de minorías étnicas.
32. El grupo objetivo primario serán los hogares rurales pobres compuestos principalmente por agricultores de subsistencia, trabajadores asalariados, personas sin tierra y pequeños agricultores participantes en el mercado. También incluirá a los hogares "casi pobres", un grupo de ingresos cada vez más vulnerable a las crisis y que caen fácilmente por debajo de la línea de la pobreza cuando se producen fluctuaciones en los precios del mercado y por la variabilidad climática. Se llegará a las mujeres específicamente por los siguientes medios: i) manteniendo un equilibrio de género en la gestión y la adopción de decisiones basada en la comunidad; ii) formulando una estrategia de información apropiada (pues muchos miembros de minorías étnicas no dominan el idioma *kinh* y la incidencia del analfabetismo entre las mujeres es elevada); iii) ampliando las posibilidades de medios de vida dirigiendo específicamente a las mujeres actividades de alfabetización, formación en aritmética básica, gestión económica, orientación al mercado y adquisición de competencias, y actividades de extensión; iv) promoviendo los grupos de ahorro y crédito de mujeres y los grupos de comercialización; v) sensibilizando al personal del Gobierno respecto de las cuestiones y los problemas relacionados específicamente con las minorías étnicas y las mujeres, y vi) fomentando aún más el conocimiento por parte de las mujeres de la mejora de la nutrición y la atención de los niños, particularmente en los grupos étnicos minoritarios.

⁷ Los datos disponibles sobre la incidencia de la pobreza en 2008 y 2010 indican que cuatro subregiones (Nordeste, Noroeste, Septentrional Central y Tierras Altas Centrales) son las más pobres, con tasas superiores al 20%. Según las cifras del recuento de la pobreza de 2008, las tres subregiones que contienen casi el 70% de la población pobre del país son las del Nordeste (19%), Delta del Río Mekong (15%) y Septentrional Central (19%). En cuanto al cambio climático, se prevé un impacto grave en los "megadeltas" a causa del aumento del nivel del mar y la salinización en zonas densamente pobladas de los deltas del Río Mekong y del Río Rojo.

⁸ Se estudiará la posibilidad de incluir provincias cercanas a las regiones elegidas que tengan perfiles de pobreza y condiciones agroecológicas análogas.

E. Vinculaciones con las políticas

33. La presencia del FIDA en el país reforzará significativamente la obtención de información sobre los resultados de las políticas en los planos provincial, regional y nacional. En lo que se refiere al OE1, las principales cuestiones normativas a la hora de dotar a las provincias rurales pobres de los medios para llevar a cabo un desarrollo rural orientado por el mercado y en favor de los pobres son la institucionalización de la planificación del desarrollo socioeconómico orientada al mercado, la puesta en marcha de asociaciones entre los sectores público y privado en la agricultura y el desarrollo rural, y la planificación del desarrollo regional y la cooperación entre provincias de la misma región. Las referencias normativas son el proyecto de decreto gubernamental sobre las directrices de los PDSE locales, Decreto del Gobierno 61/2010/ND-CP de 4 de junio de 2010 para promover las inversiones del sector privado en la agricultura y las zonas rurales, y la Decisión del Primer Ministro n.º 800/QD-TTg de 4 de junio de 2010 para la ejecución de Tam Nông. Es indispensable que los consejos populares provinciales, las organizaciones de la sociedad civil y el sector privado sean informados y participen en el proceso de planificación del desarrollo local orientado al mercado. El FIDA debe colaborar de manera activa con el MPI para consolidar el Decreto sobre PDSE locales a fin de aprovechar la experiencia obtenida en las provincias que han recibido apoyo del Fondo. Respecto de las asociaciones entre los sectores público y privado, el FIDA prestará apoyo a plataformas de diálogo entre ambos y para iniciativas en la ampliación de escala de modelos de asociación público-privada. El Fondo participará y promoverá el debate regional sobre la mejora del entorno empresarial y la gobernanza orientada al mercado y en la promoción de cadenas de valor.
34. Respecto del OE2, las cuestiones normativas fundamentales en la mejora del acceso de la población rural pobre, en especial las mujeres, a los mercados de productos básicos y de trabajo son el establecimiento de grupos de intereses comunes, grupos de colaboración y cooperativas, el acceso de los agricultores pobres a recursos naturales sostenibles y a servicios de apoyo a la agricultura, incluidos servicios de financiación rural. Las referencias normativas son el Decreto 151/2007/ND-CP sobre el establecimiento y la operación de grupos colaborativos, la Ley sobre cooperativas 18/2003/QH11, la Ley sobre el territorio 13/2003/QH11, la Ley de protección y desarrollo de los bosques 29/2004/QH11, el Decreto 165/2007/ND-CP sobre enmienda del Decreto 28 y la Ley 47/2010/QH12 sobre instituciones de crédito. El FIDA fortalecerá las capacidades de los organismos que participan en la facilitación de grupos de colaboración y cooperativas y asistirá al gobierno local en la consolidación de políticas para promover la acción colectiva. Los proyectos que reciben apoyo del FIDA ayudarán al gobierno local en la planificación territorial y el proceso de asignación de tierras, que tiene por objeto aumentar el acceso de los hombres y mujeres pobres a la tierra, y el proceso de intercambio de terrenos (concentración parcelaria). Es preciso continuar el diálogo sobre políticas de uso de la tierra en las provincias, invitando a los organismos nacionales que participan en la revisión de la ley territorial a tener en cuenta procesos de planificación del uso de la tierra innovadores, de carácter participativo y sensibles a las cuestiones de género. El FIDA prestará apoyo a la diversificación de los servicios de financiación rural para incluir el apoyo a los fondos de crédito comunitarios y las uniones provinciales de mujeres y agricultores para que se conviertan en instituciones de microfinanciación de acuerdo con la definición del Decreto 28.
35. En cuanto al OE3, la principal cuestión normativa en el aumento de la capacidad de los hogares rurales pobres para adaptarse al cambio climático es la integración de consideraciones sobre el cambio climático favorables a los pobres en el PDSE. La principal referencia normativa es la Decisión 158/2008/QD-TTg sobre el NTP-RCC y el Marco y Plan de acción del MADR para la adaptación al cambio climático en el sector de la agricultura y el desarrollo rural. Entre las medidas que debe adoptar el FIDA figuran la vinculación con otros asociados en el desarrollo, la prestación de asistencia técnica con el fin de aumentar la capacidad del MADR para formular y

aplicar políticas sobre el cambio climático, y el establecimiento de una plataforma sobre el cambio climático bajo los auspicios del MADR para la adaptación y la mitigación en el sector agrícola.

V. Gestión del programa

A. Seguimiento del COSOP

36. Los organismos gubernamentales de coordinación de la ayuda y la oficina del FIDA en el país harán el seguimiento del COSOP basándose en los indicadores del marco de resultados de la gestión del programa en el país⁹ y la alineación del COSOP con el PDSE para asegurar la eficacia de la ayuda. El seguimiento del COSOP entrañará una consideración más programática de los resultados y el impacto de los proyectos en el contexto de los objetivos y las metas del Gobierno. Los exámenes anuales de la ejecución del programa en el país incluirán al Gobierno, las autoridades provinciales y los directores de proyectos y programas, la Sede del FIDA y el personal de la oficina del FIDA en Hanoi. El SyE de los proyectos se vinculará a una base de datos sobre la pobreza en el nivel del programa en el país para informar en relación con los indicadores del marco de resultados de la gestión del programa en el país. El examen a mitad de período del COSOP se realizará a finales de 2015 y el informe de revisión final, a finales de 2017. Durante los exámenes anuales y de mitad de período, se procurará reajustar las prioridades del COSOP con las políticas y prioridades gubernamentales que vayan surgiendo y, cuando proceda, con la política institucional del FIDA.

B. Gestión del COSOP

37. La gestión del COSOP incumbe al Gobierno y al FIDA. El diseño del proyecto, el apoyo a la ejecución y las actividades de supervisión serán realizadas conjuntamente por ambos. El apoyo a la ejecución se basará en cuestiones temáticas, entre ellas la producción basada en el mercado, las cadenas de valor en favor de los pobres, las cuestiones relativas a las minorías étnicas y la microfinanciación, con el apoyo de la Sede del FIDA. Se prestará más asistencia a los organismos gubernamentales de coordinación de la ayuda para diseñar nuevos proyectos, ampliar la escala de las inversiones existentes y seguir el programa en el país. La presencia del FIDA en Viet Nam está formada por el Gerente del Programa en el País, que es el representante acreditado del Fondo en Viet Nam, un oficial del programa en el país, un asistente del programa en el país, un oficial de adquisiciones a tiempo parcial y un oficial de comunicaciones a tiempo parcial. Durante el período del presente COSOP, la responsabilidad fundamental del Gerente del Programa en el País evolucionará hacia el diálogo sobre políticas, el establecimiento de relaciones de asociación y la gestión de conocimientos. La responsabilidad fundamental del oficial del programa en el país será la supervisión directa y el apoyo a la ejecución, incluido el examen de planes operativos anuales, encuestas sobre el impacto e informes sobre los progresos realizados. Las responsabilidades básicas del asistente del programa en el país incluirán la administración de préstamos y la gestión financiera. Con el fin de mejorar las capacidades de gestión de los conocimientos de la oficina del FIDA en el país, las responsabilidades del oficial de comunicaciones se ampliarán para coordinar los vínculos provinciales/nacionales, asegurar el seguimiento y vigilar las actividades de gestión de conocimientos de los proyectos.

C. Asociaciones

38. Las actividades de asociación con el Gobierno, las provincias, los asociados en el desarrollo, el sector privado, la sociedad civil y las organizaciones colectivas se centrarán en las opciones de política para mejorar la orientación al mercado y las

⁹ Estos indicadores están basados en los efectos previstos de proyectos en marcha y proyectos nuevos que probablemente se ejecuten durante el período del presente COSOP. Para medir los progresos del COSOP se utilizarán informes estadísticos nacionales y provinciales, resultados agregados del seguimiento de los proyectos, estudios específicos y encuestas entre los clientes.

alianzas con el sector privado, la financiación rural y el cambio climático. Para entablar una asociación sólida con el NTP-NRD, el FIDA apoyará al MADR en el aprendizaje de enseñanzas procedentes del terreno. En el plano nacional, el Fondo mantendrá su apoyo al MADR y su asociación con él, en colaboración con la Organización de las Naciones Unidas para la Alimentación y la Agricultura, para la coordinación de donantes en el sector agrícola y el diálogo sobre políticas en materia de agricultura y desarrollo rural. El FIDA mantendrá sus relaciones de asociación con la Unión de Agricultores de Viet Nam, la Unión de Mujeres de Viet Nam y otras organizaciones colectivas para mejorar el diálogo sobre políticas en relación con las organizaciones de agricultores y obtener información desde las provincias sobre esas políticas. En cuanto a las cuestiones relativas al cambio climático, el FIDA trabajará con el MADR para encontrar opciones de política para los sectores agrícolas de adaptación y mitigación.

39. Durante el presente COSOP, se buscará activamente la asociación con instituciones financieras internacionales allí donde se estén diseñando proyectos en sus regiones. Se procurará entablar relaciones de asociación con asociados bilaterales que trabajen en las mismas provincias y tengan un mandato análogo en materia de cooperación técnica, particularmente para el fomento de la capacidad sobre orientación al mercado e integración del cambio climático. El FIDA participa activamente en los grupos de trabajo de ONG para la agricultura, y se procurará establecer nuevas asociaciones con ONG para el intercambio de conocimientos y la ejecución de proyectos. Se entablarán asociaciones con empresas importantes que estén interesadas en trabajar con el Fondo, sobre el principio de una inversión sólida en agricultura, particularmente mediante el grupo de asociaciones público-privadas del Foro Económico Mundial y con otros organismos bilaterales activos en esas asociaciones. En cuanto a la iniciativa "Una ONU" en Viet Nam, la oficina del FIDA en Hanoi carece de recursos humanos suficientes para participar en las reuniones ordinarias de la iniciativa "Unidos en la acción". La EPP señala que, como único organismo de las Naciones Unidas que concede préstamos, la participación del FIDA en la iniciativa "Una ONU" es menos atractiva, puesto que su modelo de operaciones difiere del de las demás organizaciones participantes. Por consiguiente, su participación se limitará a la representación en cuestiones de desarrollo rural en determinadas reuniones y para documentos estratégicos, como el "Plan Único".

D. Gestión de conocimientos y comunicación

40. Utilizando los proyectos que reciben apoyo del FIDA como fuente de conocimientos, aprendizaje e innovación, la oficina del FIDA en el país compilará los conocimientos que se obtengan en el plano de los proyectos a través de oficiales de gestión de conocimientos, los sintetizará a nivel del programa en el país y los difundirá entre los clientes, eventos y foros apropiados. El programa en el país entablará asociaciones con un grupo seleccionado de instituciones de investigación nacionales y universidades para ayudar a realizar un análisis normativo y técnico más profundo. Atendiendo al tipo de clientes de conocimientos, los productos de conocimientos se organizarán en notas informativas sobre políticas, documentos analíticos, información en el sitio web (IFADAsia), informes sobre productos básicos, información sobre mercados y artículos en los medios de información, entre otros.
41. El FIDA utilizará sus donaciones para colmar ciertas lagunas de conocimientos, lo que incluye un enfoque más holístico del desarrollo para las minorías étnicas en las tierras altas, un mejor conocimiento del fenómeno de la migración juvenil y oportunidades para los jóvenes rurales, asociaciones público-privadas y análisis de las cadenas de valor en favor de los pobres, investigaciones sobre adaptación al cambio climático y fomento de la capacidad, entre otros. La financiación mediante donaciones se concederá a investigaciones relacionadas con las políticas y asistencia técnica al NTP-NRD y el NTP-RCC y con las instituciones de investigación nacionales.

E. Marco de financiación con arreglo al PBAS

42. El COSOP para 2012-2017 abarca dos ciclos del sistema de asignación de recursos basado en los resultados (PBAS), los correspondientes a 2013-2015 y 2016-2018. La asignación actual con arreglo al PBAS para 2010-12 asciende a USD 62,33 millones, mientras que las asignaciones para 2013-15 están por ultimarse teniendo en cuenta los debates mantenidos durante la Consulta sobre la Novena Reposición de los Recursos del FIDA.. Esa cantidad puede verse afectada por los resultados de la cartera y los del sector rural. Si la situación de riesgo de los proyectos y los resultados del sector rural mejoran, la puntuación en el PBAS puede aumentar hasta un 28%, y del mismo modo disminuir en un 25% en caso de obtenerse malos resultados (cuadro 2).

Cuadro 1

Cálculo para el primer año del COSOP con arreglo al PBAS

	<i>Indicador</i>	<i>Primer año del COSOP</i>
Puntuaciones del sector rural		
A i)	Marco normativo y jurídico de las organizaciones rurales	4,50
A ii)	Diálogo entre el Gobierno y las organizaciones rurales	3,88
B i)	Acceso a la tierra	3,75
B ii)	Acceso al agua para la agricultura	4,50
B iii)	Acceso a la investigación y los servicios de extensión agrícola	4,00
C i)	Creación de condiciones para el desarrollo de los servicios de financiación rural	3,63
C ii)	Clima de inversión para los negocios rurales	4,00
C iii)	Acceso a los mercados de insumos y productos agrícolas	3,83
D i)	Acceso a la educación en las zonas rurales	5,25
D ii)	Representación	4,67
E i)	Asignación y gestión de recursos públicos para el desarrollo rural	4,00
E ii)	Rendición de cuentas, transparencia y corrupción en las zonas rurales	4,13
	Suma de las puntuaciones agregadas de la evaluación del marco sectorial para el desarrollo rural	50,14
	Promedio de las puntuaciones agregadas de la evaluación del marco sectorial para el desarrollo rural	4,18
	Calificación de los proyectos en situación de riesgo	3
	Calificación de la asignación de recursos por parte de la Asociación Internacional de Fomento	3,82
	Puntuación del país	8 401
	Asignación anual para 2012 (en USD)	24 889 921

Cuadro 2

Relación entre los indicadores de resultados y la puntuación del país

<i>Hipótesis de financiación</i>	<i>Calificación de los proyectos en situación de riesgo (+/- 1)</i>	<i>Puntuación de los resultados del sector rural (+/- 0,3)</i>	<i>Variación porcentual de la puntuación del país con arreglo al PBAS respecto de la hipótesis básica</i>
Hipótesis baja	2	3,88	-25%
Hipótesis básica	3	4,18	0%
Hipótesis alta	4	4,48	28%

F. Riesgos y gestión del riesgo

43. Uno de los principales riesgos es que en los años venideros se disponga de pocos fondos de contrapartida del Gobierno, debido a los esfuerzos de este por lograr la estabilidad macroeconómica. Para afrontar ese riesgo, el FIDA alineará sus proyectos

con los procesos de planificación, de modo que la financiación de contrapartida pueda hacerse con cargo a los presupuestos provinciales y los programas nacionales con metas específicas. Otro riesgo guarda relación con el NTP-NRD, pues puede resultar que no sea favorable a los pobres, y porque su relación con el programa paralelo del Gobierno NTP-PR sigue estando poco definida. El FIDA colaborará estrechamente con el departamento encargado de la ejecución en el MADR responsable del NTP-NRD con el fin de integrar las enseñanzas extraídas del ensayo de intervenciones favorables a los pobres apoyadas por el FIDA en comunas pobres en la ejecución del NTP-NRD.

44. El principal riesgo en relación con el OE1 es que los funcionarios provinciales y de niveles inferiores tal vez no estén preparados para emprender iniciativas orientadas al mercado; esto se abordará mediante el fomento de la capacidad en desarrollo orientado al mercado y la mejora de la rendición de cuentas a los ciudadanos. El apoyo a la mejora del índice de competitividad provincial y la reforma legislativa abordarán el riesgo de que un marco reglamentario del sector privado poco favorable pueda asfixiar el crecimiento empresarial. Un riesgo fundamental en relación con el OE2 es si los mercados de crédito financiarán a empresas pequeñas y medianas y a pequeños agricultores; esto se abordará aumentando las competencias y la capacitación para instituciones de crédito. El fraude y la corrupción siguen siendo un riesgo, particularmente en el desarrollo de infraestructuras. Esto se abordará mediante la aplicación sistemática en los proyectos de las medidas del FIDA contra la corrupción, incluida la sensibilización en las comunidades sobre la notificación de prácticas corruptas, y las prácticas de auditoría social promovidas por los proyectos. En cuanto al OE3, el riesgo es que la gestión integrada del riesgo de desastres y la planificación de la reducción de la vulnerabilidad no se integrarán efectivamente en la planificación a nivel de las aldeas, comunas y distritos. Esto se abordará mediante un esfuerzo sistemático por incorporar las cuestiones relativas al cambio climático en los procesos de desarrollo del PDSE en los planos comunal, distrital y provincial.

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
		Lending interest rate (%) 2009 1/	10
Land Use		Deposit interest rate (%) 2008 1/	13
Arable land as % of land area 2008 1/	20		
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>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 provinces¹⁰ (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 relevance¹¹ (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 	<p>SO2: Improve access of the rural poor– particularly women - to commodity and labour markets</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 	<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 oriented¹² • Organization of land use policy

¹⁰ COSOP Milestone Indicator for Strategic Objective 1: Rural poor households in uplands access markets through increased private sector partnerships

¹¹ 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

¹² 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>Collaborative Groups</p> <p>(iv) Decree No.: 165/2007/ND-CP on amending Decree 28</p> <p>(v) Law on Land number 13/2003/QH11</p>		<p>employment and non-farm sector (disaggregated by gender, ethnicity and income);</p> <p>(Source: M&E)</p>		<p>dialogues in provinces to consider innovative participatory and gender 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.¹³ 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

¹³ 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).

percentage of total projects costs) in future IFAD-supported projects in Viet 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.

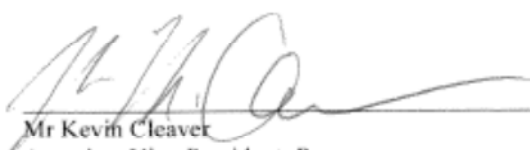
- b) **Proposed follow-up:** With regards to policy, there have been efforts to learn lessons emanating out of the projects, and provide feedback to the national level Ministries. We will step up our efforts for policy dialogue at the national level with the National Assembly, and at the provincial level 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:



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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 critical¹⁴. The policy for New Rural Development¹⁵ (*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

¹⁴ 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.

¹⁵ 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.

allocations and the NTP-NRD. Institutional reform would be carried out through a 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 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.
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 Region¹⁶

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 2009¹⁷ 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.¹⁸ 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.

¹⁶ This region is including North Central Coastal, Central Coastal, South East regions

¹⁷ World Bank, (2009), Country Social Assessment: Ethnicity and Development in Vietnam, East Asia Social Development Unit, World Bank, Washington DC.

¹⁸ 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; ffacilitating 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,¹⁹
 - 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.

¹⁹ 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"²⁰ 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

²⁰ 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 align these several programs and ensure that their investments jointly contribute 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 30%	Private Sector 20%	Beneficiary Co-financing 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.
46.
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.
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.
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 <ul style="list-style-type: none"> 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; ○ environment protection. 	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 for public administration, the regulatory framework and public financial management.

Agency	Priority sectors and areas of focus			Period of current country strategy	Complementarity/Synergy Potential
					<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 their multi-sector poverty reduction program in the Central Highlands. WB support is

Agency	Priority sectors and areas of focus		Period of current country strategy	Complementarity/Synergy Potential
				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

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> and social endowment; • 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. 	<ul style="list-style-type: none"> accumulation, and acquisition of new skills and technologies. • 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 	VBSP provides subsidised loans to poor households for productive activities.	<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.