

Signatura: EB 2008/94/R.8/Rev.1
Tema: 9 b)
Fecha: 11 septiembre 2008
Distribución: Pública
Original: Inglés

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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

Junta Ejecutiva — 94º período de sesiones
Roma, 10 y 11 de septiembre de 2008

Para **examen**

Nota para los Directores Ejecutivos

Este documento se presenta a la Junta Ejecutiva para su examen.

A fin de aprovechar al máximo el tiempo disponible en los períodos de sesiones de la Junta Ejecutiva, se invita a los Directores Ejecutivos que deseen formular preguntas técnicas acerca del presente documento a dirigirse al funcionario del FIDA que se indica a continuación antes del período de sesiones:

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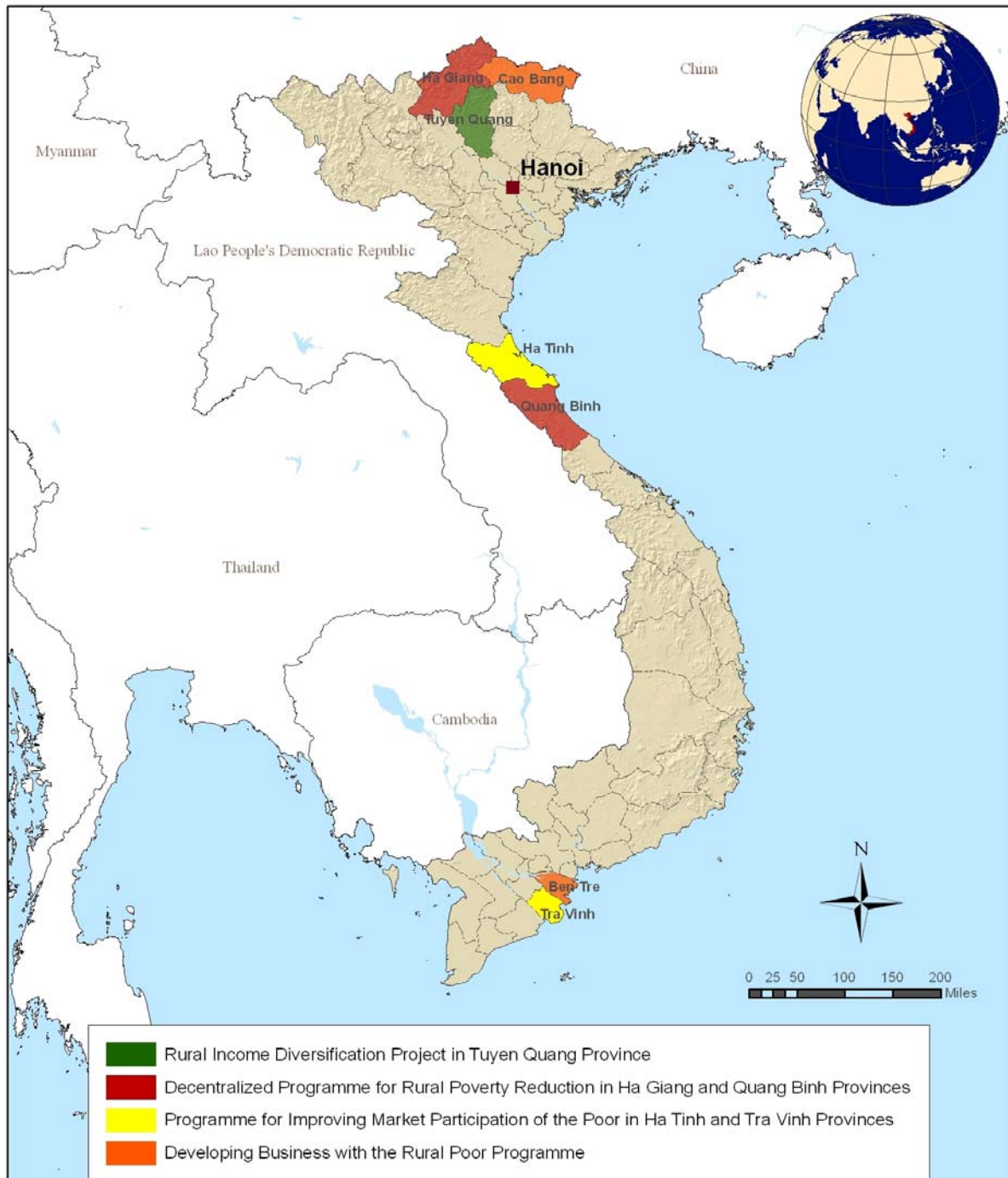
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Abreviaturas y siglas

AOD	asistencia oficial para el desarrollo
ASDI	Agencia Sueca de Cooperación Internacional para el Desarrollo
ASEAN	Asociación de Naciones del Asia Sudoriental
CIDA	Organismo Canadiense de Desarrollo Internacional
COSOP	programa sobre oportunidades estratégicas nacionales
COSUDE	Agencia Suiza para el Desarrollo y la Cooperación
DFID	Ministerio Británico para el Desarrollo Internacional
ENRAP	Red de Conocimientos para el Desarrollo Rural en la Región de Asia y el Pacífico
FMAM	Fondo para el Medio Ambiente Mundial
GTZ	Organismo Alemán para la Cooperación Técnica
IPC	índice de precios al consumidor
IRAI	índice de asignación de recursos de la Asociación Internacional de Fomento
NZAID	Organismo Neozelandés de Desarrollo Internacional
PBAS	sistema de asignación de recursos basado en los resultados
PI	División de Asia y el Pacífico
SNV	Servicio Holandés de Cooperación al Desarrollo
SyE	seguimiento y evaluación

Mapa de las operaciones del FIDA en Viet Nam



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. En dos decenios de crecimiento económico rápido Viet Nam ha pasado de ser un país con dificultades para atender las necesidades básicas de subsistencia de sus habitantes a una economía de mercado emergente con la ambición de convertirse en un país de ingresos medios. La economía se está diversificando y en ella crece la parte correspondiente al sector privado y aumenta el número de empresas pequeñas, medianas y grandes. El ingreso de Viet Nam en la Organización Mundial del Comercio, su calidad de miembro de la zona de libre comercio de la Asociación de Naciones del Asia Sudoriental (ASEAN), el crecimiento de las exportaciones del país y su fuerza de trabajo cada vez más instruida han creado un clima favorable para las inversiones, entre ellas la inversión extranjera directa. Así pues, están surgiendo muchas oportunidades.
2. Puesto que la mayoría de la población vive en zonas rurales y sus medios de vida dependen de la agricultura, los buenos resultados que la agricultura ha registrado en el pasado explican en gran medida los impresionantes avances que Viet Nam ha realizado en la reducción general de la pobreza. La agricultura sigue siendo la principal fuente de empleo para la mayoría de la población y una fuente importante de creación de empleo para ocupar a la numerosa fuerza de trabajo rural. Si bien es posible seguir reduciendo la pobreza a medida que los mercados para la exportación se amplíen y las inversiones creen más empleo, la vía más eficaz para conseguirlo sería mejorar la productividad, la rentabilidad y la sostenibilidad de la agricultura de pequeñas explotaciones. No obstante, la sostenibilidad de esas actividades depende de muchos factores, como la aplicación de iniciativas para mejorar los conocimientos especializados de los pobres y su capacidad para responder a las conmociones derivadas de las fluctuaciones de los mercados, así como medidas eficaces de adaptación al cambio climático.
3. El crecimiento continuado, el progreso hacia la categoría de país de ingresos medios y la integración en la economía mundial, y el compromiso del Gobierno de Viet Nam con la reducción de la pobreza, consagrado en su Plan de desarrollo socioeconómico, han creado el entorno para una notable reducción de la pobreza. En el Plan de desarrollo socioeconómico se pone de relieve la necesidad de aplicar un enfoque coherente e integrado al desarrollo sostenible y, sin disminuir la importancia que se asigna al crecimiento económico, también se determina que es esencial que mejoren la equidad social y la sostenibilidad ambiental. En el plan se prevé que Viet Nam entrará en el grupo de los países desarrollados en 2020, con una economía basada en los conocimientos y medios de vida estables y seguros para todos los sectores de la sociedad.
4. El punto de partida del programa sobre oportunidades estratégicas nacionales (COSOP) para 2008-2012 del FIDA es la creciente disparidad entre los medios de vida de las zonas rurales y las urbanas, y particularmente las dificultades de las personas pobres de las zonas de tierras altas^a. Estas comunidades rurales pobres supondrán uno de los principales desafíos en materia de reducción de la pobreza en Viet Nam durante los próximos cinco años y más adelante. La ventaja comparativa del FIDA residirá en mantener su mandato, estrictamente centrado en métodos innovadores para la reducción de la pobreza y el desarrollo agrícola y rural; establecer firmes asociaciones con las provincias; garantizar un diseño y una

^a Tierras altas es un término que utiliza el Comité para las Minorías Étnicas para referirse a las 20 provincias situadas en zonas montañosas altas y de altitud media situadas en las regiones central y septentrional de Viet Nam. Además, hay otros 114 distritos de tierras altas situados en otras 26 provincias. Las tierras altas tienen una topografía complicada y generalmente están habitadas por grupos de minorías étnicas.

ejecución flexibles de los proyectos al promover la identificación del Gobierno con las iniciativas, así como suministrar información procedente de sus préstamos y donaciones a la formulación de políticas. Además, el FIDA debe asegurarse de que sus inversiones tienen en cuenta las posibles situaciones de cambio climático y aportan contribuciones en materia de medidas de adaptación.

5. Éste es el contexto en que se proponen los cuatro objetivos estratégicos interrelacionados siguientes: i) lograr que los hogares rurales pobres de las tierras altas obtengan acceso a los mercados gracias al aumento de las asociaciones del sector privado; ii) lograr que los hogares pobres y vulnerables aprovechen oportunidades de negocio rentables; iii) lograr que las comunidades pobres de las tierras altas consigan acceso a los activos productivos naturales y obtengan beneficios de esos activos de forma ininterrumpida, y iv) lograr que la población pobre de las zonas rurales contribuya a procesos de nivel subnacional en materia de políticas agrícolas favorables a los pobres y orientadas al mercado.

República Socialista de Viet Nam

Programa sobre oportunidades estratégicas nacionales

I. Introducción

1. El objetivo de Viet Nam es alcanzar la categoría de país de ingresos medios en 2010. La transformación de una economía planificada en una economía orientada al mercado ha tenido un efecto liberador en la productividad de las personas y en su deseo de mejorar su nivel de vida. Las reformas macroeconómicas que se iniciaron en 1987 liberalizaron el comercio interno introduciendo derechos de uso de la tierra, permitiendo la aplicación de precios de mercado a bienes no esenciales y eliminando el sistema de racionamiento y de regulación de precios para la adquisición de arroz y otros productos agrícolas. Estas reformas estimularon la respuesta de la oferta a la demanda creciente y promovieron la circulación de bienes. Las oportunidades de mercado en Viet Nam indujeron una transición rápida de la agricultura de subsistencia a la orientada al mercado en un contexto de liberalización económica y crecimiento económico rápido. Como resultado de ello, en 1998 participaban en el mercado dos terceras partes de los pequeños agricultores que en 1992 se dedicaban a la agricultura de subsistencia.² Aproximadamente el 73% de la población vive en las zonas rurales y la agricultura sigue siendo su medio principal para ganarse la vida.
2. Antes de definir su nuevo programa sobre oportunidades estratégicas nacionales (COSOP) basado en los resultados, se pidió al FIDA que participara en un examen dirigido por el Gobierno de su programa en el país en el marco del COSOP para el período 2002-2007. Durante este período, el FIDA aportó unos USD 71 millones en concepto de financiación para tres proyectos/programas en Viet Nam. Ese examen constituyó la base de la formulación del presente COSOP, que será el marco del programa del FIDA en el país durante 2008-2012. El COSOP alinea el apoyo del FIDA con el Plan de desarrollo socioeconómico del Gobierno para 2006-2010 y con los principios de la Declaración de Hanoi sobre la Eficacia de la Ayuda. Se forjarán alianzas más firmes con otros organismos de las Naciones Unidas en el contexto del proceso de reforma de las Naciones Unidas en Viet Nam.
3. El proceso de preparación y consolidación del COSOP abarcó las medidas y asociaciones siguientes: i) la formación de un equipo de gestión del programa en el país en mayo-junio de 2007; ii) un examen del programa en el país dirigido por el Gobierno en julio-agosto de 2007; iii) un análisis de la pobreza realizado por estudiantes de la Universidad de Lund (Suecia), en septiembre de 2007; iv) un análisis conjunto de los efectos del cambio climático,³ realizado por el Mecanismo Mundial de la Convención de las Naciones Unidas de Lucha contra la Desertificación entre octubre de 2007 y abril de 2008; v) una misión de formulación del COSOP en noviembre de 2007 para preparar documentos de trabajo,⁴ en cuyo marco también se realizaron consultas con asociados fundamentales en el desarrollo; vi) una asociación con el Fondo para el Medio Ambiente Mundial (FMAM) y el respaldo del FMAM para la preparación de una propuesta de proyecto con apoyo del FIDA recibidos en febrero de 2008, vii) la traducción del documento provisional para entregarlo a los homólogos gubernamentales en marzo de 2008, y viii) una misión

² Banco Mundial, *Informe sobre el desarrollo mundial 2008: Agricultura para el desarrollo*.

³ La finalidad del análisis conjunto era garantizar la sostenibilidad de las inversiones del FIDA en el contexto de las posibles situaciones derivadas del cambio climático que se han previsto y de la agravación de la degradación de la tierra en Viet Nam. En el análisis se definieron actividades preliminares para incluir en las actividades generales las intervenciones de adaptación al cambio climático y movilizar financiación complementaria mediante la aplicación de medidas de mitigación de las emisiones de gases de efecto invernadero.

⁴ Se redactaron documentos de trabajo sobre agricultura, financiación rural, cambio climático (en colaboración con el Mecanismo Mundial), gestión de los conocimientos, nivel de referencia de la pobreza y gestión del programa en el país.

conjunta del Gobierno y el FIDA para la consolidación del COSOP⁵ realizada en abril de 2008, que abarcó visitas sobre el terreno a provincias donde podrían ejecutarse proyectos, un taller de consultas con asociados de investigación nacionales y grupos de estudios sobre agricultura y una reunión con los coordinadores de las donaciones iniciadas por el FIDA.

4. Está previsto realizar una evaluación del programa en el país⁶ en 2010. Esta evaluación servirá para que a mediano plazo se realinee el COSOP con la situación en que se encuentre el país y con las metas y los objetivos formulados en el Plan de desarrollo socioeconómico para 2011-2015.

II. Contexto nacional

A. Situación económica, agrícola y de la pobreza rural

Antecedentes de la economía del país

5. En dos decenios de crecimiento económico rápido Viet Nam ha pasado de ser un país con dificultades para atender las necesidades básicas de subsistencia de sus habitantes a una economía de mercado emergente con la ambición de convertirse en un país de ingresos medios. Entre 2001 y 2007, el PIB de Viet Nam registró un crecimiento medio del 7,8% anual, equivalente a un 6,7% per cápita. Esto se tradujo en un incremento del PIB per cápita, que pasó de USD 415 a USD 835. El crecimiento registrado en 2007 fue del 8,5% y en el primer trimestre de 2008 del 7,4%. El objetivo de crecimiento del PIB establecido por el Gobierno para 2008 es del 7%, un porcentaje que inicialmente se había estimado en un 8,5%, pero que debió revisarse a la baja debido a la elevada inflación.⁷ La población de Viet Nam, que se estima en 84 millones de habitantes, de los cuales el 73% viven en las zonas rurales, registra un crecimiento del 1,3% anual. Aproximadamente el 54% de la fuerza de trabajo participa directamente en la producción agrícola, forestal y pesquera. En 2007 se crearon unos 1,7 millones de nuevos puestos de trabajo y se registraron 82 500 trabajadores migrantes que vivían en el extranjero.
6. La economía se está diversificando y en ella crece la parte correspondiente al sector privado y aumenta el número de empresas pequeñas, medianas y grandes. El ingreso de Viet Nam en la Organización Mundial del Comercio, su calidad de miembro de la zona de libre comercio de la Asociación de Naciones del Asia Sudoriental (ASEAN), el crecimiento de las exportaciones del país y su fuerza de trabajo cada vez más instruida han creado un clima favorable para las inversiones, y también para la inversión extranjera directa. El volumen total de inversión extranjera directa fue de USD 20 300 millones en 2007, y el volumen de inversiones de capital extranjero alcanzó los USD 87 000 millones a finales de abril de 2008. En 2007, los donantes internacionales prometieron un volumen de asistencia oficial para el desarrollo (AOD) de USD 5 400 millones, de los que aproximadamente la mitad corresponden a proyectos como carreteras, puertos y generación de electricidad.⁸ Las remesas desde el extranjero se estiman en USD 6 000 millones anuales. El crecimiento de las exportaciones a partir de 1990 ha sido superior al de China, y el mayor volumen de crecimiento se registra en las fábricas de propiedad extranjera. En 2007, la cuantía total de ingresos por concepto de exportaciones alcanzó los

⁵ Los miembros de la misión final del COSOP fueron Francesco Goletti, Vo Tong Xuan, Garry Smith, Stewart Pittaway, Bhujang Rao Dharmaji, Luong Quang Huy y Narasimhan Srinivasan (consultores del FIDA); Sunil Abraham (administrador de la Red de Conocimientos para el Desarrollo Rural en la Región de Asia y el Pacífico – ENRAP); Luu Quang Khanh y Dao Trinh Bac (Ministerio de Planificación e Inversiones); Chu Tac Nhan y Bui Dinh Vinh (Oficina del Gobierno); Nguyen Huong Yen y Duong Quynh Le (Ministerio de Finanzas); Thomas Elhaut (Director, División de Asia y el Pacífico); Nguyen Thanh Tung (oficial de enlace en el país); y Atsuko Toda (Gerente del Programa en el País).

⁶ El último examen y evaluación del programa en el país para Viet Nam se llevó a cabo en 2000 en estrecha consulta con el Gobierno por la que entonces era la Oficina de Evaluación y Estudios del FIDA.

⁷ La inflación ha aumentado a lo largo de un período de 12 meses hasta llegar al 25% a finales de mayo de 2008. (Banco Mundial, informe de la reunión del grupo consultivo para Viet Nam celebrada a mitad del ejercicio, junio de 2008).

⁸ El volumen de desembolso de asistencia oficial para el desarrollo es de USD 2 000 millones, aproximadamente (Ministerio de Planificación e Inversiones, junio de 2008).

USD 48 500 millones, lo que supone un incremento interanual del 21,9%, mientras que las importaciones aumentaron en un 39,4% hasta llegar a una cuantía de USD 62 700 millones. Ese mismo año se registraron reservas de divisas por valor de USD 10 200 millones.

7. Viet Nam sufre los problemas de una elevada inflación y de un déficit comercial creciente, lo cual refleja tanto la expansión de la demanda interna como los precios internacionales más elevados de los productos importados fundamentales como los derivados del petróleo y otros insumos materiales. El índice de precios al consumidor (IPC) de diciembre de 2007 aumentó un 2,91%, con lo que el IPC alcanzó el 12,6%, un porcentaje que supera en buena medida el del crecimiento económico, que registró una media del 8,5%. El crecimiento de ese índice se debió principalmente al aumento de los precios de los alimentos. Para responder al deterioro de las condiciones macroeconómicas, en marzo de 2008 el Gobierno asignó prioridad a la estabilización económica y redujo el gasto gubernamental, detuvo los proyectos de inversión pública ineficaces, aplazó los nuevos y permitió un mayor grado de flexibilidad en el tipo de cambio.

La agricultura y la pobreza rural

8. Durante los últimos cinco años el crecimiento combinado de los sectores agrícola, forestal y pesquero se ha mantenido estable a un nivel medio del 3,7% anual, a pesar de los brotes de enfermedades de los animales y de las condiciones climáticas desfavorables, como el crudo invierno que sufrieron las regiones septentrionales y centrales en el primer trimestre de 2008. Gracias al aumento de la producción de cereales, que en 2007 superó en 5,5 millones de toneladas la de 2000, la cantidad media de alimentos por persona ha aumentado de 420 kilos en 2001 a 470 kilos en 2007. Viet Nam es un exportador importante de productos alimentarios y exporta al año más de 4 millones de toneladas de arroz. Si bien en general el país se beneficia de los precios más elevados de los alimentos, en algunas zonas rurales ese aumento de los precios internacionales no llega hasta los pequeños agricultores. En 2007, el valor de las exportaciones de productos agrícolas alcanzó los USD 12 500 millones, lo que equivale al 25,8% del volumen total de las exportaciones de ese año. En el período comprendido entre 2002 y 2007, el crecimiento de las exportaciones agrícolas se mantuvo cerca del 20% gracias al constante aumento de la productividad y la calidad, a la mejora de las infraestructuras que conectan las zonas de producción con los puertos y al mayor acceso a los mercados y a la información técnica y las comunicaciones. Los principales productos de exportación son los agrícolas (arroz, café, anacardo, pimienta negra, té, caucho, hortalizas) y acuáticos (camarones, langostinos, etc.). La producción de la ganadería y la acuicultura ha registrado un crecimiento anual de entre el 7% y el 8% aproximadamente. La exigencia de los mercados internacionales de mayores niveles de calidad y seguridad está transformando el sistema de comercialización de los productos alimentarios y agrícolas.
9. Más recientemente Viet Nam ha tenido dificultades para aumentar su producción agrícola, ya que la disponibilidad de tierras de cultivo se ha reducido, los costos de los insumos como los abonos han aumentado considerablemente y la productividad de los cultivos se ha estancado. El crecimiento en otros sectores de la economía (que en 2007 fue del 10,2% en la industria, del 11,1% en la construcción y del 8,7% en los servicios) ha sido muy superior al registrado en el sector agrícola, lo que explica el descenso del porcentaje del PIB que corresponde a la agricultura (que ha pasado de aproximadamente el 25% en 2000 al 21% en 2006). Se prevé que la proporción de la producción agrícola en la economía seguirá disminuyendo, y que en 2010 será de aproximadamente el 15%. Este descenso no irá acompañado de la reducción correspondiente de la proporción de mano de obra agrícola respecto al total de mano de obra, lo que indica que en la agricultura el crecimiento de la productividad de la mano de obra es inferior al de otros sectores. El crecimiento anterior de la agricultura se debió a cambios en las políticas relativas a la tierra (la concesión de

derechos de uso de la tierra a hogares dedicados a la agricultura y no a explotaciones estatales) y a la expansión de factores físicos de producción fundamentales (tierra, mano de obra, riego e insumos). Estos factores están llegando ahora a sus límites físicos y financieros. La fuerza de trabajo en el sector agrícola está disminuyendo anualmente en un 2% frente a los sectores no agrícolas, como las pequeñas empresas, el comercio y los servicios. La inversión anual privada en la agricultura sólo supone el 15% de los nuevos proyectos de inversión, y la inversión extranjera directa supone menos del 5%.

10. Puesto que la mayoría de la población vive en zonas rurales, los buenos resultados que la agricultura ha registrado en el pasado explican los impresionantes avances que Viet Nam ha realizado en la reducción general de la pobreza y los efectos positivos para los pequeños agricultores y otras personas cuyos medios de vida dependen de la agricultura. Si bien es posible seguir reduciendo la pobreza a medida que los mercados para la exportación se amplíen y las inversiones creen más empleo, los pequeños agricultores carecen de información y conocimientos sobre los mercados, servicios de desarrollo empresarial para la producción y el comercio, capacidad en materia de seguridad alimentaria y gestión de la calidad y vínculos con los mercados. La vía más eficaz para reducir la pobreza es mejorar la productividad, la rentabilidad y la sostenibilidad de la agricultura de los pequeños agricultores.

B. Políticas, estrategias y contexto institucional

Contexto institucional nacional

11. El Ministerio de Planificación e Inversiones tiene el mandato de coordinar los recursos de la AOD en la planificación del desarrollo socioeconómico y es el principal organismo homólogo en la asignación y planificación de los recursos del FIDA. El Ministerio de Finanzas es el representante de Viet Nam en los convenios de préstamo y se encarga de la coordinación de los procesos de desembolsos y del fomento de la capacidad de administración financiera a nivel provincial, que es una cuestión muy importante para el programa en el país. El Ministerio de Agricultura y Desarrollo Rural aporta orientación en materia de políticas en cuestiones de agricultura y desarrollo rural y se encarga de la coordinación de las actividades para la ampliación de la escala de las experiencias de ejecución. Los comités populares provinciales son vitales para la ejecución efectiva de los proyectos y programas y para que las experiencias de ejecución se integren en todas las actividades. A nivel nacional hay otros asociados que participan en los programas, como el Banco Vietnamita para la Agricultura y el Desarrollo Rural, el Banco Vietnamita de Política Social, las organizaciones colectivas (las asociaciones de agricultores, la Unión de Mujeres, la Unión de Jóvenes) y el Comité para las Minorías Étnicas. En el futuro, en el programa en el país participarán las instituciones nacionales de investigación, como el Instituto de Políticas y Estrategias para la Agricultura y el Desarrollo Rural del Ministerio de Agricultura y Desarrollo Rural, el Instituto Nacional de Gestión Económica del Ministerio de Planificación e Inversiones y el Instituto para las Minorías Étnicas del Comité para las Minorías Étnicas, y organizaciones del sector privado y de la sociedad civil.

Estrategia nacional de reducción de la pobreza rural

12. El Plan de desarrollo socioeconómico para 2006-2010 es un plan nacional quinquenal que se basa en los cuatro pilares siguientes: i) el crecimiento económico acelerado; ii) la mejora del acceso a los servicios básicos; iii) la protección del medio ambiente, y iv) la mejora de la gestión pública. Como parte del pilar del crecimiento, promueve la integración general con la economía mundial (Organización Mundial del Comercio, Asociación de Naciones del Asia Sudoriental y otros mecanismos comerciales), la reestructuración de las empresas de propiedad estatal, el desarrollo del sector privado, la mejora del sector financiero y la inversión en infraestructuras de gran escala. Por lo que se refiere al pilar social, el Plan de desarrollo socioeconómico promueve programas focalizados a nivel nacional para reducir la pobreza en las comunas más pobres, asigna prioridad a las necesidades de las minorías étnicas de

las regiones remotas y promueve sistemas universales de seguridad social y de salud. En el marco del pilar relativo al medio ambiente, se promueve la integración en todas las actividades de evaluaciones ambientales estratégicas, la introducción de instrumentos de control de la contaminación, la mejora del saneamiento y del tratamiento de los desechos sólidos y la protección de la diversidad biológica con la ampliación de las zonas protegidas. Como parte del pilar de gestión pública, el plan propone la mejora de los métodos de planificación, una buena administración financiera pública, reformas de la administración pública y medidas de lucha contra la corrupción.

13. En el marco de los pilares del Plan de desarrollo socioeconómico, los ámbitos pertinentes para el FIDA son: i) respecto al pilar del crecimiento, promover mecanismos y políticas para asegurarse de que los pobres de las zonas rurales y las minorías étnicas se beneficien del aumento del crecimiento y del acceso a los mercados; ii) respecto al pilar social, apoyar redes de protección de la productividad que contribuyan a reducir la vulnerabilidad de los hogares y los pobres de las zonas rurales ante las situaciones de riesgo (relacionadas con la salud, los desastres naturales, el cambio climático, las fluctuaciones del mercado); iii) respecto al pilar relativo al medio ambiente, tratar los asuntos relacionados con el cambio climático que afectan al sector del desarrollo agrícola y rural, acelerar el proceso de transferencia a nivel local de la propiedad de la tierra y los bosques, lograr que los servicios ambientales (como la financiación relacionada con el carbono) se traduzcan en recompensas para quienes protejan los recursos y promover prácticas sostenibles en materia de recursos naturales entre las comunidades pobres de las tierras altas, y iv) respecto al pilar de la gestión pública, crear sistemas e instituciones que se responsabilicen ante la población pobre de las zonas rurales y tengan en cuenta las opiniones de esa población en los procesos de adopción de decisiones. Puesto que el Plan de desarrollo socioeconómico actual se revisará para el período 2011-2015, el COSOP del FIDA se reexaminará a mitad de período para garantizar su pertinencia y coherencia.⁹

Armonización y alineación

14. Viet Nam fue el primer país que aplicó los principios de la Declaración de París sobre la Eficacia de la Ayuda al Desarrollo en el contexto local, y el compromiso del Gobierno en materia de armonización está articulado en la Declaración de Hanoi. Como ocurre con las estrategias para el país de la mayoría de asociados en el desarrollo que actúan en Viet Nam, el COSOP del FIDA está alineado con el Plan de desarrollo socioeconómico. El FIDA es miembro del Grupo de Apoyo Internacional del Ministerio de Agricultura y Desarrollo Rural, del Grupo de Apoyo al Sector Forestal y del Grupo de Trabajo sobre Microfinanciación. Además, el Fondo se ha unido al Comité de Asociaciones para la Fase II del Programa 135, con el fin de armonizar metodologías e integrar las actividades del FIDA con este programa focalizado de alcance nacional. El FIDA también forma parte de las actividades de reforma de las Naciones Unidas y de la iniciativa "Una ONU" en Viet Nam, en cuyo marco se trabaja para avanzar en la aplicación de los "cinco unos": un plan único, un presupuesto único, un líder único, un conjunto único de prácticas de gestión y una casa única de las Naciones Unidas. El FIDA está estudiando si sería conveniente ser signatario de la fase II de la iniciativa "plan único", que abarca los organismos especializados de las Naciones Unidas presentes en Viet Nam.

⁹ Se ha pedido a la Oficina de Evaluación del FIDA que realice una evaluación del programa en el país en 2010.

III. Enseñanzas de la experiencia del FIDA en el país

A. Resultados, impacto y desempeño anteriores

15. Desde 1993, el FIDA ha financiado siete proyectos/programas en Viet Nam, con un total de compromisos para préstamos de unos USD 168,3 millones, que se estima que han beneficiado directamente a unos 520 000 hogares. En el marco del COSOP para el período 2002-2007, el FIDA aportó unos USD 87 millones en concepto de financiación para tres programas. Actualmente en el país se están llevando a cabo cuatro proyectos o programas apoyados por el FIDA; todos ellos han recibido cofinanciación de entes financiadores externos, entre los que figuran organismos multilaterales, como el Programa de las Naciones Unidas para el Desarrollo, y donantes bilaterales, como los gobiernos de Suecia¹⁰, Alemania¹¹, Noruega¹² y Luxemburgo¹³. Si bien los progresos en materia de pobreza no pueden atribuirse únicamente a las intervenciones del FIDA, ésta se ha reducido en las provincias que han recibido financiación del FIDA. La focalización ha sido eficaz y se ha basado en una combinación de criterios de focalización geográfica; datos sobre la pobreza de los hogares suministrados por el Ministerio de Trabajo, Inválidos de Guerra y Asuntos Sociales; clasificaciones según los ingresos basadas en la comunidad; la participación de los grupos étnicos minoritarios y de las mujeres, y la aplicación de actividades de autofocalización como el suministro de crédito especialmente adaptado a través de la Unión de Mujeres, y el desarrollo de infraestructura en pequeña escala dirigida a las comunidades remotas. Uno de los éxitos notables de los proyectos del FIDA ha sido la promulgación de legislación provincial por la que se transfiere la propiedad de las actividades de inversión a los distritos o las comunas y la planificación y ejecución de las inversiones a las comunidades.

B. Enseñanzas extraídas

16. Entre las enseñanzas fundamentales extraídas de las actividades de ejecución figuran las siguientes: i) los procesos de planificación participativos apoyados por los proyectos tienen que integrarse de forma general en las estrategias de desarrollo provincial y los procesos de los planes de trabajo y presupuestos anuales, y no deben requerir un uso intensivo de recursos (tiempo y capacidad del personal, presupuesto y tiempo comunitario) ni ser complejos; ii) las actividades de fomento de la capacidad deben estar vinculadas con las necesidades de capacitación y con evaluaciones de la competencia anteriores y posteriores a los cursos que permitan determinar las carencias en materia de conocimientos especializados y competencia y evaluar el grado de retención y aplicación de los conocimientos; iii) aunque en los proyectos anteriores y en curso del FIDA en Viet Nam se han abordado con buenos resultados cuestiones reglamentarias fundamentales, éstas tienen que integrarse de forma general en la reforma administrativa provincial; iv) debe atribuirse más importancia a las intervenciones que aumenten la competitividad y reduzcan las barreras comerciales a fin de mejorar el acceso de los hogares pobres a los mercados; v) para lograr que los medios de vida mejoren es crucial el desarrollo de tecnologías favorables a los pobres de las tierras altas sobre la base de análisis de los sistemas agrícolas autóctonos y de las opciones que tienen los agricultores pobres de las tierras altas reacios a asumir riesgos; vi) las infraestructuras en

¹⁰ El Gobierno de Suecia cofinancia el Proyecto de Diversificación de los Ingresos Rurales en la Provincia de Tuyen Quang.

¹¹ El Gobierno de Alemania cofinancia el Programa para Mejorar la Participación de la Población Pobre en los Mercados en las Provincias de Ha Tinh y Tra Vinh. Este programa se mantiene centrado gracias a una unidad de gestión de los conocimientos establecida en el marco de la iniciativa para conseguir que los mercados funcionen mejor para los pobres patrocinada por el Ministerio Británico para el Desarrollo Internacional y el Banco Asiático de Desarrollo.

¹² El Gobierno de Noruega, a través de disposiciones para el canje de deuda, contribuye al Programa Descentralizado de Reducción de la Pobreza Rural en las Provincias de Ha Giang y Quang Binh. El programa está centrado en la aplicación de la legislación del país en materia de democracia a nivel de base.

¹³ El Gobierno de Luxemburgo proporciona asistencia técnica al Programa de Desarrollo de Actividades Empresariales con la Población Rural Pobre, situado en las provincias de Ben Tre y Cao Bang, en cuyo marco la gestión de la calidad estará a cargo de los organismos competentes a nivel central.

pequeña escala elegidas por las propias comunidades contribuyen a mejorar los vínculos con los mercados y la productividad de los hogares y comunidades, y vii) el FIDA tiene que elaborar una estrategia de largo plazo en materia de grupos de ahorro y crédito en las aldeas como opción para el suministro de financiación rural en lugares remotos.

17. El diseño de los proyectos, particularmente en los ámbitos relacionados con el ensayo y el suministro de tecnologías y el desarrollo de infraestructura rural no debe ser excesivamente prescriptivo. En la fase de diseño el presupuesto del proyecto debe servir como directriz, y las misiones de supervisión deberían reforzar este aspecto en sus análisis de los desembolsos de los proyectos. Por lo que se refiere a la sostenibilidad, se requiere que los proyectos empleen menos personal a todos los niveles de las estructuras provinciales. Las corrientes de actividad paralelas derivadas de la separación de responsabilidades entre las unidades de gestión de los proyectos y los comités de las administraciones locales pueden hacer más difícil la identificación con las actividades a nivel local. Por último, los sistemas de seguimiento y evaluación (SyE) deben estar apoyados por sistemas de información de gestión de datos centrados en los resultados y el impacto; los datos básicos que hay que reunir deben definirse cuidadosamente, y los sistemas de SyE de los proyectos y las provincias deben estar vinculados. Los sistemas de SyE de los proyectos requieren análisis para mejorar la gestión de los proyectos y exámenes y evaluaciones constantes en lo relativo a los objetivos.
18. Es importante que el programa en el país aproveche el programa de donaciones, que ofrece oportunidades para el fomento de los conocimientos, la transferencia de tecnologías y metodologías fundamentales para ampliar la ejecución de los proyectos y la integración de información procedente del proyecto en las iniciativas sobre políticas. También se requiere una coordinación eficaz para lograr más sinergias con el programa de préstamos apoyado por el FIDA.

IV. Marco estratégico del FIDA en el país

A. Ventaja comparativa del FIDA en el país

19. La ventaja comparativa del FIDA reside en su mandato firmemente focalizado y basado en métodos innovadores para la reducción de la pobreza y el desarrollo agrícola y rural, las firmes relaciones de asociación con las provincias y la flexibilidad en las actividades de diseño y ejecución que promueven el sentido de apropiación del Gobierno. Para aprovechar su ventaja comparativa, es claramente necesario que el FIDA procure de forma más activa garantizar que la experiencia obtenida a través de la ejecución de su programa de préstamos y donaciones se integre en las políticas a nivel nacional.
20. Sobre la base de los enfoques de mercado favorables a los pobres que se pusieron en marcha durante el COSOP para el período 2002-2007, la estrategia para el período 2008-2012 se dirigirá a las zonas de tierras altas. Entre los criterios de selección figuran: i) las tasas de pobreza de la provincia; ii) la presencia de minorías étnicas; iii) el nivel total de recursos que se ha puesto a disposición de la provincia, tanto si se trata de inversiones a través del sector privado como del presupuesto estatal u otro tipo de financiación procedente de donantes; iv) el grado de compromiso de la provincia, su estado de preparación y su capacidad de absorción, y v) el posible impacto de la contribución del FIDA.

B. Objetivos estratégicos

21. El mantenimiento del crecimiento, el paso a la categoría de país de ingresos medios y la integración en la economía mundial, así como el compromiso del Gobierno con la reducción de la pobreza consagrado en el Plan de desarrollo socioeconómico, forman el entorno de la considerable reducción de la pobreza. El presente COSOP se centra en los pobres de las tierras altas, que representan el principal desafío para la reducción de la pobreza en Viet Nam durante los próximos cinco años y más

adelante. La información contenida en estudios de la región demuestra que las inversiones en las zonas menos favorecidas tienen un mayor impacto en el crecimiento, la reducción de la pobreza y el medio ambiente que inversiones equivalentes en zonas más favorecidas.¹⁴ Además, el FIDA debe asegurarse de que sus inversiones tengan en cuenta las distintas situaciones que podría causar el cambio climático y de que contribuyan a las medidas de adaptación.

22. Para mejorar los medios de vida de la población rural pobre de las tierras altas, se proponen los cuatro objetivos estratégicos interrelacionados que se resumen a continuación.
23. **Objetivo estratégico 1. Lograr que los hogares rurales pobres de las tierras altas obtengan acceso a los mercados gracias al aumento de las asociaciones del sector privado.** A diferencia de lo que ocurre en las tierras bajas, donde la inversión privada está aumentando, las zonas de tierras altas están atrasadas por lo que se refiere a atraer inversión privada. Si bien los alimentos básicos se producen de forma más económica en las zonas de tierras bajas y las llanuras irrigadas, las zonas de tierras altas son más adecuadas para la producción de productos de elevado valor, productos ganaderos y productos agroforestales, y para la acuicultura y los servicios de ecoturismo. La adecuación agroecológica se traducirá en un aumento de las oportunidades de obtención de ingresos para los pobres si se establecen vínculos con los mercados y cadenas de valor eficaces, y si las inversiones son realizadas por empresas viables. Las inversiones del sector privado en las zonas de tierras altas se ven limitadas por la falta de una política provincial dinámica para atraer y promover las actividades del sector privado, la debilidad de las instituciones, la inexistencia casi total de un entorno propicio para los negocios y la deficiencia de las infraestructuras.
24. El FIDA trabajará con las provincias en medidas específicas para promover la aparición de un entorno de negocios y una cultura institucional favorables. Para ello se tratarán cuestiones como los costos en las fases iniciales, el acceso a la tierra y la seguridad de la tenencia, la transparencia y el acceso a la información, los costos en tiempo del cumplimiento de la reglamentación, los cobros no oficiales, la reducción del favoritismo hacia las empresas de propiedad estatal, la creación de programas de capacitación laboral o especializada y las instituciones jurídicas. Los proyectos promoverán la información sobre los mercados y los conocimientos de mercado entre las organizaciones del sector de la oferta (grupos de productores y agricultores, asociaciones y cooperativas) y procurarán atraer inversiones privadas mediante la promoción de los mercados (por ejemplo, mediante ferias comerciales, exposiciones, misiones comerciales, diálogo comercial, redes comerciales). Este objetivo estratégico vincula a los pobres de las zonas rurales con el primer pilar del Plan de desarrollo socioeconómico, centrado en el crecimiento económico y la competitividad.
25. **Objetivo estratégico 2. Lograr que los hogares pobres y vulnerables aprovechen oportunidades de negocio rentables.** Para que los hogares pobres y vulnerables participen en oportunidades de negocios rentables es necesario que se cumplan unas condiciones básicas, esto es, que haya seguridad alimentaria a nivel del hogar y servicios básicos a nivel de la comunidad (abastecimiento de agua y saneamiento, escuelas, clínicas). Teniendo en cuenta las conmociones estacionales, particulares y estructurales (muerte, enfermedades, epidemias, cambios repentinos en los precios de mercado, desastres naturales), los hogares vulnerables y que sufren inseguridad alimentaria, particularmente los de las tierras altas, tienen

¹⁴ Shenggen Fan y Peter Hazell, "Are Returns to Public Investment Lower in Less-Favoured Rural Areas? An Empirical Analysis of India," *Economic and Political Weekly* (22 de abril de 2000): 1455B1463, y Shenggen Fan, Linxiu Zhang y Xiaobo Zhang, "Growth and Poverty in Rural China: The Role of Public Investments," *Environment and Production Technology Division Discussion Paper No. 66* (Instituto Internacional de Investigaciones sobre Políticas Alimentarias, Washington, D.C., 2000).

dificultades para diversificar su producción mediante cultivos distintos de los productos alimentarios básicos (arroz, maíz, mandioca, batata). Además, estos hogares carecen de acceso a las infraestructuras, se enfrentan a costos cada vez más elevados de los insumos agrícolas (como semillas, plaguicidas, herbicidas y fertilizantes) y no tienen instalaciones de elaboración, y su acceso a las tecnologías agrícolas que les ayudarían a generar excedentes que podrían comercializar es escaso o inexistente.

26. El FIDA promoverá obras públicas seleccionadas por la comunidad y que requieran mucha mano de obra (caminos de acceso, sistemas de abastecimiento de agua y de saneamiento, depósitos de agua y planes de riego en pequeña escala, instalaciones de almacenamiento, actividades de mejora de la tierra, etc.) y fondos rotatorios y microfinanciación para actividades productivas con las que los hogares de las tierras altas puedan formar una base inicial de activos. Los proyectos del FIDA:
- i) promoverán la infraestructura comunitaria vinculada con los mercados y la infraestructura a nivel nacional; ii) fortalecerán la capacidad de las organizaciones de agricultores; iii) desarrollarán y transferirán tecnologías adecuadas para las zonas de tierras altas de modo que se puedan reducir los costos de producción de los productos básicos y diversificar el sector mediante productos agrícolas, ganaderos y forestales más productivos, y prestarán atención a las actividades posteriores a la cosecha; iv) facilitarán el acceso a los servicios financieros (crédito, depósitos, microseguros), y v) mejorarán los conocimientos especializados en materia de actividades empresariales no agrícolas (por ejemplo, las iniciativas de elaboración y de comercialización y el ecoturismo). Este objetivo estratégico vincula a los pobres de las zonas rurales con el segundo pilar del Plan de desarrollo socioeconómico, cuyo objetivo es promover el progreso social y garantizar el acceso a los servicios sociales y productivos básicos.
27. **Objetivo estratégico 3. Lograr que las comunidades pobres de las tierras altas consigan acceso a los activos productivos naturales y obtengan beneficios de esos activos de forma ininterrumpida.** Los medios de vida de las comunidades de las tierras altas dependen de los recursos naturales (tierra, agua, bosques). Estos recursos están sometidos a presiones debidas tanto a unos derechos de propiedad mal definidos y a la utilización de prácticas insostenibles, como la deforestación, la agricultura itinerante de corta y quema y la intensificación agrícola en entornos frágiles (como tierras empinadas en laderas de colinas), como a unas condiciones climáticas cada vez más imprevisibles. Para responder a la magnitud creciente del cambio climático, en este objetivo estratégico se pone de relieve la necesidad de abordar las formas en que el impacto del cambio climático puede afectar a la población pobre de las zonas rurales y los recursos naturales de los que esa población depende de poner en marcha medidas de adaptación para reducir el grado de vulnerabilidad ante esa situación y de reducir las emisiones de gases de efecto invernadero.
28. Se emprenderán actividades para realizar ensayos piloto destinados a crear sistemas de producción agrícola y modalidades de cultivo con capacidad de recuperación en situaciones de cambio climático y que mantengan o aumenten el rendimiento de los cultivos y al mismo tiempo introduzcan un mayor volumen de residuos de carbono en los suelos. A este respecto, en el diseño de los proyectos se integrarán prácticas de ordenación sostenible de la tierra que fortalezcan la capacidad de recuperación en situaciones de cambio climático. La intensificación agrícola sostenible en las tierras altas debería equilibrar la necesidad de lograr la seguridad alimentaria con las oportunidades que presentan a más largo plazo productos de mayor valor adecuados para las zonas frágiles de las tierras altas. Asimismo, mediante la promoción de la silvicultura sostenible, puede obtenerse una gran variedad de servicios ambientales, como la fijación de carbono, la conservación de la diversidad biológica, la regulación de los cursos de agua y el suministro de agua limpia aguas abajo. Se emprenderá un conjunto fundamental de actividades para reducir las emisiones de gases de efecto invernadero, con lo que se pondrán en marcha mecanismos de financiación

relacionados con el cambio climático como los contenidos en el Protocolo de Kyoto y de otro tipo, que sirvan para movilizar financiación complementaria para los proyectos del FIDA. Este objetivo estratégico está vinculado con el tercer pilar del Plan de desarrollo socioeconómico, cuyo objetivo es proteger los recursos naturales y el medio ambiente para lograr el desarrollo sostenible.

29. **Objetivo estratégico 4. Lograr que la población pobre de las zonas rurales contribuya a procesos de nivel subnacional en materia de políticas agrícolas favorables a los pobres y orientadas al mercado.** Se formulará y ejecutará una estrategia provincial para la promoción de una agricultura favorable a los pobres y orientada al mercado, y se fomentará la capacidad para asegurar que esta estrategia se ejecute de forma satisfactoria. El FIDA ayudará a las administraciones locales a preparar y ejecutar estrategias y planes de desarrollo de mercados agrícolas participativos y basados en los resultados a los niveles provincial y de los distritos y las comunas. Esto abarcará reformas institucionales y de los procedimientos aplicables a los procesos de planificación pertinentes a nivel provincial, de distrito y de comuna, los organismos administrativos y de apoyo técnico y el personal asociado con miras a lograr una participación más eficaz y eficiente del sector privado en los servicios de apoyo y de producción agrícola. Este objetivo estratégico está vinculado con el cuarto pilar del Plan de desarrollo socioeconómico, que se centra en la gestión pública y en particular en la capacidad de las administraciones subprovinciales.

C. Oportunidades de innovación

30. En los proyectos en tramitación del FIDA se procurará incorporar las innovaciones que figuran a continuación para ampliarlas a través de intervenciones programáticas:
- **Inversiones favorables a los pobres en las zonas de tierras altas.** El FIDA contribuirá a la formulación de estrategias para promover inversiones del sector privado que sean favorables a los pobres mediante talleres, estudios, capacitación, asistencia técnica y diálogo en materia de políticas con las autoridades provinciales y los organismos centrales. Se continuará ampliando la innovadora labor de investigación que se puso en marcha en el marco de la iniciativa para conseguir que los mercados funcionen con más eficiencia para los pobres. Podría formularse un índice de competitividad rural provincial para hacer un seguimiento del desempeño en distintas provincias con intervenciones del FIDA.
 - **Desarrollo y transferencia de tecnología para las tierras altas.** Hay un potencial considerable para que los institutos de investigación del Ministerio de Agricultura y Desarrollo Rural y las universidades de agricultura tomen parte en actividades de investigación participativa y adaptativa aplicada (en las explotaciones) destinadas al entorno agroecológico y social único de las zonas de tierras altas. Los proyectos iniciarán contratos de investigación basados en los resultados para actividades de investigación participativa aplicada y la transferencia de tecnología. Los institutos de investigación, las universidades, las organizaciones no gubernamentales, las organizaciones colectivas y el sector privado podrían competir en ese ámbito.
 - **Mecanismos de adaptación y financiación para el cambio climático.** Como cuestión intersectorial, el FIDA procurará lograr que se desarrollen sistemas agrícolas con capacidad de recuperación frente al cambio climático que estén orientados a la reducción de las emisiones de gases de efecto invernadero, a la reducción de las emisiones derivadas de la deforestación y la degradación de los bosques y a la realización de actividades de agrosilvicultura basadas en la comunidad para el secuestro de carbono en las tierras altas. El FIDA, en asociación con el Mecanismo

Mundial, podría prestar apoyo a la iniciativa en curso de formulación de un plan de acción de mitigación y adaptación frente al cambio climático.¹⁵ Los proyectos piloto, los estudios y las actividades de fomento de la capacidad serán aportaciones fundamentales para el programa y las políticas nacionales en materia de cambio climático.

D. Estrategia de focalización

31. Los grupos-objetivo del FIDA están formados por la población rural pobre de las zonas de tierras altas. Entre ellos figuran: i) pequeños agricultores que participan en los mercados y venden una gran parte de su producción; ii) agricultores de subsistencia que consumen la mayor parte de su propia producción y al mismo tiempo participan en otros mercados, sobre todo como proveedores de mano de obra, y iii) trabajadores no especializados y asalariados. Las intervenciones se adaptarán para asegurar que lleguen a los grupos étnicos minoritarios y las mujeres. La estrategia de focalización consistirá en aumentar la productividad y la competitividad de los pequeños agricultores que participan en los mercados, ampliar las oportunidades de entrada en el mercado y mejorar los medios de vida de los agricultores de subsistencia, y diversificar los medios de vida de los trabajadores no especializados y asalariados de modo que se ocupen en actividades fuera de las explotaciones. La estrategia apoyará el desarrollo de la gestión pública a nivel de las comunas y las aldeas y el empoderamiento de los hogares pobres de las tierras altas para elegir las inversiones y servicios que les permitan atender las necesidades que ellos mismos consideran que tienen.
32. El diseño de los programas tendrá el objetivo de facilitar una mayor participación de los grupos étnicos minoritarios y de que la corriente de beneficios se dirija hacia ellos. Esto se logrará a través de una estrategia de información adecuada (ya que muchos grupos no entienden bien el idioma nacional y la incidencia del analfabetismo es elevada), la alfabetización y capacitación en aritmética elemental, la atención especial que se prestará a identificar las necesidades y asignarles un orden de prioridad, la ejecución de actividades que respondan a las necesidades de las minorías étnicas y la sensibilización del personal de los programas en cuestiones y problemas relacionados específicamente con las minorías étnicas.
33. Las cuestiones de género seguirán incorporándose en las actividades del programa. Para llegar a las mujeres se mantendrá el equilibrio de género en los procesos de adopción de decisiones de gestión, se realizarán actividades de extensión y capacitación laboral y especializada dirigidas a las mujeres, se promoverán grupos de ahorro y crédito de mujeres, se orientarán las actividades de alfabetización y capacitación en aritmética elemental específicamente a las mujeres de minorías étnicas y se impartirá capacitación sobre las cuestiones de género al personal de los programas en todos los niveles.

E. Vinculaciones con las políticas

34. A medida que Viet Nam se acerque a la categoría de país de ingresos medios, es probable que el enfoque general de la AOD deje de orientarse principalmente a la prestación de servicios para dirigirse a la gestión de los conocimientos, el fortalecimiento de la capacidad, la asistencia técnica y el diálogo sobre políticas. A través de la presencia del FIDA en el país se realizará un esfuerzo sistemático para planificar, ejecutar, supervisar y examinar los procesos de políticas, especialmente en los ámbitos que quedan cubiertos por los objetivos estratégicos. El FIDA también promoverá los vínculos en materia de políticas mediante la coordinación entre provincias de la misma región. En particular, el programa del FIDA en el país podría influir para que se produjeran cambios en las cuestiones de política que se resumen en el cuadro 1.

¹⁵ El Gobierno de Viet Nam ha puesto en marcha un proceso para formular un plan de acción de mitigación y adaptación frente al cambio climático para el sector del desarrollo agrícola y rural.

Cuadro 1

Cuestiones de políticas a las que hay que prestar atención en el programa del FIDA en el país

<i>Cuestiones de políticas</i>	<i>Política relacionada con</i>	<i>Función del FIDA</i>	<i>Cómo influir para lograr que se produzcan cambios</i>
Inversiones del sector privado para la agricultura de las tierras altas	Derecho mercantil unificado	Promover la inversión privada en las zonas de tierras altas y vinculaciones con los mercados favorables para los pobres.	Apoyar la formulación de estrategias y planes de acción provinciales para el desarrollo del sector privado mediante asistencia técnica, capacitación, talleres y diálogo sobre políticas.
	Derecho común en materia de inversiones		Apoyar a distintas instituciones para facilitar las inversiones privadas (contratos, indicadores geográficos, zonas de elaboración de productos agrícolas, centros de promoción de inversiones, servicios de información sobre los mercados). Patrocinar estudios sobre las cadenas de valor pertinentes para las zonas de tierras altas. Documentar las experiencias de los programas en la reducción de la pobreza orientada al mercado y el desarrollo de las cadenas de valor. Celebrar talleres y proporcionar a las autoridades provinciales y a los organismos centrales información derivada de la experiencia en materia de políticas.
Capacidad de la población pobre de las tierras altas para beneficiarse de las oportunidades de negocio	Plan de desarrollo socioeconómico	Promover la infraestructura comunitaria y las organizaciones de agricultores.	Promover una estrategia de comunicaciones que abarque la utilización de diversos métodos de comunicación a nivel local como la televisión, las reuniones y los boletines informativos.
	Fase II del Programa 135		Suministrar a los distritos y comunas directrices en apoyo de la ejecución, también en los idiomas de las minorías étnicas.
	Decreto 59		Apoyar el desarrollo y el fortalecimiento de las organizaciones de agricultores y de los grupos de usuarios para cuestiones de funcionamiento y mantenimiento.
	Decreto 29		Promover la aparición de instituciones alternativas de microfinanciación. Establecer un programa de protección social para la población pobre productiva. Apoyar la transformación de los grupos informales de ahorro y crédito o de los fondos de capitalización productiva en instituciones de microfinanciación en las provincias con intervenciones del FIDA. Efectuar ensayos piloto de servicios de remesas e integrarlos en las actividades generales para dar facilidades a los migrantes (particularmente dentro del país). Suministrar asistencia técnica, fortalecer la capacidad sectorial, establecer normas de calidad, adoptar códigos de conducta y contribuir al diálogo sobre políticas. Participar en calidad de patrocinador en el Grupo de Trabajo sobre Microfinanciación.
	Derecho en materia de empresas aseguradoras	Promover la aparición de productos financieros como los microseguros en las zonas rurales.	Establecer operaciones piloto de microseguros agrupando riesgos de poco volumen de varias familias y facilitando que las empresas aseguradoras aseguren esos riesgos mediante la intervención de ONG, organizaciones colectivas, organizaciones de microfinanciación, fondos de capitalización productiva e incluso sucursales bancarias.
	Decreto 56	Promover el desarrollo y la difusión de tecnologías apropiadas para las zonas de tierras altas y la población pobre.	Apoyar la formulación de estrategias y planes de acción provinciales para el desarrollo y la difusión de tecnologías. Apoyar la investigación aplicada en las explotaciones y la difusión de tecnologías en colaboración con los institutos de investigación de las tierras altas (contratos basados en los resultados) y el sector privado (donaciones de contrapartida). Grupo de donantes de la Fase II del Programa 135. Prestar apoyo para grupos de trabajo, talleres, demostraciones, giras de estudio, capacitación profesional, asistencia técnica.

<i>Cuestiones de políticas</i>	<i>Política relacionada con</i>	<i>Función del FIDA</i>	<i>Cómo influir para lograr que se produzcan cambios</i>
Derechos de aprovechamiento de los bosques y pagos por servicios ambientales	Estrategia de desarrollo del sector forestal Decreto 23 Resolución 28	Promover la asignación de tierra forestal a comunidades, hogares y empresas privadas.	Realizar ensayos piloto de planes de pagos basados en la comunidad a cambio de servicios ambientales. Apoyar la aplicación de la política de asignación forestal con los comités populares provinciales. Apoyar la formulación del plan de acción de Viet Nam sobre medidas de adaptación y mitigación frente al cambio climático.
Fomento de la capacidad	Programa general de fomento de la capacidad Reforma de la administración pública	Mejorar la capacidad de las instituciones provinciales, de los distritos y de las comunas.	Formular estrategias y planes de acción provinciales para mejorar el entorno de negocios y la gestión pública orientada al mercado. Hacer que participen las instituciones de investigación y las universidades nacionales y regionales.

V. Gestión del programa

A. Gestión del COSOP

35. Sobre la base del marco de gestión de los resultados del COSOP, el equipo de gestión del programa en el país preparará un informe anual sobre la marcha de la ejecución del COSOP. Ese informe contendrá la información específica que se detalla a continuación: i) el impacto sobre la pobreza; ii) una evaluación sobre el logro de los objetivos estratégicos del COSOP con inclusión de indicadores de realizaciones y criterios de referencia que muestren el progreso hacia el logro de los objetivos estratégicos; iii) información sobre los resultados de la focalización; iv) los resultados de la cartera de proyectos, y v) exámenes de las opiniones de los clientes. El informe sobre la marcha de la ejecución se presentará para su debate en una reunión anual conjunta de examen a la que asistirán representantes del Gobierno, del FIDA y de los asociados en el desarrollo.

B. Gestión del programa en el país

36. En septiembre de 2007, la Junta Ejecutiva del FIDA aprobó la continuación del programa de presencia del FIDA en los países. En ese momento Viet Nam ya tenía una oficina piloto de enlace en el país, que ahora se ha ampliado al haberse asignado a esa oficina con carácter experimental un gerente del programa en el país. Para que el FIDA mantenga su pertinencia en el contexto dinámico de este país, la oficina de enlace en el país tendrá que tratar de forma más frecuente y regular con el Gobierno, participar más activamente en el diálogo sobre políticas, unirse a asociaciones y crearlas, asignar más importancia a la gestión de los conocimientos y apoyar la ejecución eficaz de la cartera en curso.
37. El equipo de gestión del programa en el país está compuesto principalmente por representantes de los ministerios de Planificación e Inversiones, Finanzas y Agricultura y Desarrollo Rural; la Oficina del Gobierno; las autoridades provinciales y los directores de los proyectos y programas; la Oficina de las Naciones Unidas de Servicios para Proyectos; la sede del FIDA y el personal sobre el terreno, como el Director de la División de Asia y el Pacífico (PI), el equipo de gestión de los resultados de la PI, la Oficina del Contralor del FIDA, la Oficina del Consejero Jurídico General, la División de Asesoramiento Técnico, el oficial de enlace del FIDA en el país y el Gerente del Programa en el País destacado sobre el terreno. El programa en el país contempla el establecimiento de alianzas con un conjunto selecto de grupos de expertos, institutos de investigación nacionales y personas conocedoras del país, que participan en distintas fases del diseño y la ejecución de los proyectos y programas y en la gestión y el seguimiento del programa en el país.
38. Las actividades de supervisión las lleva a cabo directamente la oficina de enlace del FIDA en el país con el apoyo de la Sede del FIDA.

C. Asociaciones

39. **Asociación con el Gobierno y las instituciones locales.** Como parte de las iniciativas para mejorar la calidad del programa en el país, se intensificarán las asociaciones con el Gobierno y las instituciones locales, lo que abarca la sociedad civil, las organizaciones colectivas, instituciones nacionales de investigación, grupos de expertos y universidades. Se consultará regularmente con el sector privado.
40. **Asociación con los organismos de las Naciones Unidas.** El FIDA participa en el proceso piloto de reforma de las Naciones Unidas y está llevando a cabo iniciativas específicas en el contexto del programa en el país para establecer asociaciones con la Organización de las Naciones Unidas para la Agricultura y la Alimentación, la Organización de las Naciones Unidas para el Desarrollo Industrial y el Programa de las Naciones Unidas para el Desarrollo. Los objetivos estratégicos del presente COSOP serán objeto de seguimiento por parte de la iniciativa de "Una ONU" en Viet Nam en el marco de la fase II de la iniciativa "plan único". El FIDA también está estudiando la posibilidad de firmar un memorando de entendimiento con la iniciativa "líder único".
41. **Asociación con los socios en el desarrollo.** El FIDA está estudiando los temas concretos que figuran a continuación en colaboración con sus socios en el desarrollo.
- i) **Mejorar el impacto mediante la gestión de los conocimientos.** El FIDA colaborará con el Organismo Alemán para la Cooperación Técnica (GTZ) y la fase II de la iniciativa para conseguir que los mercados funcionen mejor para los pobres a fin de documentar y absorber las enseñanzas extraídas de las actividades de reducción de la pobreza orientadas al mercado y la generación de productos relativos a los conocimientos y las experiencias de ejecución obtenidas en esos ámbitos.
 - ii) **Promover las alianzas para extraer enseñanzas.** El FIDA establecerá una alianza para extraer enseñanzas con un grupo amplio de socios en el desarrollo, entre los que figurarán el Banco Asiático de Desarrollo, el Organismo Australiano de Desarrollo Internacional, el Organismo Canadiense de Desarrollo Internacional (CIDA), el Organismo Danés de Desarrollo Internacional, Finlandia, el Mecanismo Mundial, el GTZ, el Organismo Neozelandés de Desarrollo Internacional (NZAID), el Servicio Holandés de Cooperación al Desarrollo (SNV), la Agencia Sueca de Cooperación Internacional para el Desarrollo (ASDI), la Agencia Suiza para el Desarrollo y la Cooperación (COSUDE), el Ministerio Británico para el Desarrollo Internacional (DFID), la Agencia de los Estados Unidos para el Desarrollo Internacional y el Banco Mundial. Esta alianza se ocupará de cuestiones como el cambio climático, los pagos por servicios ambientales, la seguridad alimentaria y las normas de calidad para los alimentos, y de hacer que la población pobre de las zonas rurales pueda acceder a los mercados.
 - iii) **Integrar las experiencias en todas las actividades a través de las instituciones y políticas provinciales.** Se crearán plataformas conjuntas provinciales para incorporar las experiencias de los proyectos en los procesos institucionales y de políticas a nivel provincial; por ejemplo con la ASDI en la provincia de Ha Giang, con el CIDA en las provincias de Ha Tinh y Tra Vinh, con el COSUDE y Luxemburgo en la provincia de Cao Bang y con el GTZ en las provincias de Ben Tre, Tra Vinh y Ha Tinh.
 - iv) **Asegurar la sostenibilidad a través de un diálogo sobre políticas con entidades importantes a nivel nacional.** Se procurará mejorar la coordinación con los organismos pertinentes de las Naciones Unidas en el marco de la iniciativa "Una ONU". Por lo que se refiere a las iniciativas de desarrollo rural, el FIDA mantendrá la calidad de miembro del Grupo de Apoyo Internacional del Ministerio de Agricultura y Desarrollo Rural. Para las cuestiones forestales, el FIDA participará en el marco del Programa nacional de

ordenación sostenible de las tierras forestales del Ministerio de Agricultura y Desarrollo Rural, que es el órgano nacional encargado de coordinar la aplicación de la Convención de las Naciones Unidas de Lucha contra la Desertificación. Para las cuestiones relacionadas con el desarrollo impulsado por la comunidad, el FIDA permanecerá en el Comité de Asociaciones para la Fase II del Programa 135.

42. En el expediente principal 3 figura una matriz de asociaciones que describe las sinergias y las complementariedades.

D. Gestión de conocimientos y comunicación

43. El FIDA centrará sus iniciativas en materia de gestión de los conocimientos en los temas que se correspondan con los objetivos estratégicos del COSOP. En el futuro, todos los proyectos de préstamos y donaciones se diseñarán de modo que contengan un "programa de aprendizaje" en el que se indique qué es lo que los interesados esperan aprender del proyecto, cómo absorberán lo que aprendan, cómo tienen previsto comunicarlo y a quién. Las iniciativas de planificación, presentación de informes y seguimiento de las cuestiones de gestión de los conocimientos se realizarán a través de planes de trabajo y presupuestos anuales, informes sobre la marcha de las actividades e informes de supervisión. En todos los proyectos financiados por el FIDA, tanto si la financiación procede de préstamos como de donaciones, se elaborará anualmente por lo menos un trabajo (un documento de investigación, una presentación audiovisual u oral, por ejemplo) que trate sobre un aspecto de los temas de los objetivos estratégicos. Los documentos en que figuren los conocimientos extraídos se difundirán mediante visitas de intercambio entre proyectos y en una feria anual de conocimientos en la que numerosos expositores presentarán materiales sobre gestión de los conocimientos. Además, el programa del FIDA en el país tomará medidas para mejorar la gestión de las donaciones, mejorando con ello su contribución a lograr los efectos directos del COSOP en materia de gestión de los conocimientos y de diálogo sobre políticas y las sinergias con el programa de préstamos.

E. Marco de financiación con arreglo al PBAS

44. El sistema de asignación de recursos basado en los resultados (PBAS) del FIDA determina la cuantía de financiación disponible para Viet Nam en el marco del COSOP para el período 2008-2012. Esa cuantía se basa en una evaluación del marco sectorial del país para el desarrollo rural, una calificación de los proyectos en situación de riesgo, el índice de asignación de recursos de la Asociación Internacional de Fomento (IRAI) y las puntuaciones finales. Durante el período del COSOP propuesto, el volumen total de la asignación disponible para el país es, a título indicativo, de USD 80 millones, aproximadamente.

Cuadro 2
Cálculo para el primer año del COSOP con arreglo al PBAS

<i>Indicadores</i>	<i>Primer año del COSOP</i>
Puntuaciones del sector rural	
A i) Marco de políticas y jurídico para las organizaciones rurales	4,60
A ii) Diálogo entre el Gobierno y las organizaciones rurales	4,50
B i) Acceso a la tierra	4,20
B ii) Acceso a agua para fines agrícolas	3,71
B iii) Acceso a servicios de investigación y extensión agrícolas	3,25
C i) Condiciones propicias al desarrollo de los servicios financieros rurales	3,75
C ii) Clima favorable a las inversiones en empresas rurales	4,50
C iii) Acceso a insumos agrícolas y mercados de productos	4,75
D i) Acceso a la educación en las zonas rurales	5,00
D ii) Representantes de las mujeres	4,75
E i) Asignación y gestión de recursos públicos para desarrollo rural	4,67
E ii) Rendición de cuentas, transparencia y corrupción en las zonas rurales	4,22
Suma de las puntuaciones combinadas de las evaluaciones de los resultados del sector rural	51,9
Media de resultados del sector rural	4,33
Calificación de los proyectos en situación de riesgo (2007)	3,0
Calificación con arreglo al IRAI (2006)	3,9
Puntuación del país (2007)	11 778
ASIGNACIÓN ANUAL PARA EL PAÍS (2009)	19,99 millones

Cuadro 3
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	3,5	4,03	-21%
Hipótesis básica	4,5	4,33	0%
Hipótesis alta	5,5	4,63	24%

F. Riesgos y gestión del riesgo

Cuadro 4

Factores que obstaculizan el logro de los resultados estratégicos del COSOP

<i>Objetivo estratégico</i>	<i>Riesgo</i>	<i>Gestión del riesgo</i>
Objetivo estratégico 1. lograr que los hogares rurales pobres de las tierras altas obtengan acceso a los mercados gracias al aumento de las asociaciones del sector privado.	La poca inclinación del sector privado a invertir en las provincias de tierras altas.	<ul style="list-style-type: none"> • Asegurarse de que los comités populares provinciales hayan elaborado reglamentación local relativa al entorno propicio para los negocios y el apoyo a las inversiones del sector privado. • Fortalecer las instituciones locales, incluidos los centros provinciales de promoción de las inversiones. • Incluir en los proyectos del FIDA donaciones de contrapartida para el fomento de los negocios o garantizar cofinanciación para asistencia técnica.
Objetivo estratégico 2. lograr que los hogares pobres y vulnerables aprovechen oportunidades de negocio rentables.	El elevado grado de variabilidad de los precios internacionales y los cambios rápidos en las oportunidades de mercado.	<ul style="list-style-type: none"> • Obtener estudios de mercado y documentos de información sobre mercados y dar a conocer los resultados a las autoridades provinciales.
	Situaciones difíciles de prever relativas a la vulnerabilidad de los hogares más pobres en caso de desastres naturales y enfermedades de los animales y las plantas.	<ul style="list-style-type: none"> • Promover un sistema de redes productivas de protección social. • Promover los microseguros y productos de microfinanciación adecuados.
	Lentitud con que los hogares responden a las oportunidades de negocio que surgen.	<ul style="list-style-type: none"> • Mejorar los conocimientos sobre los mercados y la comprensión del mercado. • Mejorar la secuencia del programa de redes productivas de protección social. • Acelerar la construcción de infraestructuras comunitarias y el desarrollo de servicios financieros.
Objetivo estratégico 3. lograr que las comunidades pobres de las tierras altas consigan acceso a los activos productivos naturales y obtengan beneficios de esos activos de forma ininterrumpida.	Poca inclinación a nivel de las provincias a asignar tierras forestales y agrícolas a los agricultores pobres.	<ul style="list-style-type: none"> • Tener un programa de asignación de tierras forestales como condición indispensable para los desembolsos correspondientes a un componente determinado. • Hacer que los comités populares provinciales ejecuten el plan del Gobierno para reestructurar las empresas forestales estatales.
Objetivo estratégico 4. lograr que la población pobre de las zonas rurales contribuya a procesos de nivel subnacional en materia de políticas agrícolas favorables a los pobres y orientadas al mercado.	Lentitud en la ejecución de los proyectos por parte de las comunas y distritos.	<ul style="list-style-type: none"> • Hacer que los proyectos impartan directrices de apoyo a la ejecución para los distritos y las comunas. • Asegurarse de que las actividades planificadas en materia de proyectos se incluyan en el plan anual de desarrollo socioeconómico de las comunas y se aprueben en los procesos de los comités populares provinciales y los distritos. • Establecer un sistema de gestión de la información y de SyE como parte de los sistemas provinciales de seguimiento y presentación de informes.

COSOP consultation process

1. May/June 2007 and onwards: Formation and Development of the Country Programme Management Team (CPMT):

While support from the different Ministries has always been strong, the CPR and COSOP has helped to form a stronger CPMT within the Government and 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

Strengths: The CPMT led by the government has coordinated inputs from different ministries, which is usually difficult to do in Viet Nam, as Ministries tend to stick to their jurisdictions. In IFAD, within the Asia Division, the PI Director, Regional Grants Coordinator and Knowledge Management focal point contributed and made proactive inputs into the process and there were inputs from the PMD front office for PBAS and quality enhancement process.

Weaknesses: If the CPMT is to involve other IFAD in-house offices, there could have been more support from the policy division, technical division, FCL and OL during formulation. It is envisaged that during the quality enhancement process that this will take place. In-country, while it was planned that there would be much more consultation and team building within the UN Country team, this has not been possible due to time constraints. This would be developed during implementation.

2. July/August 2007: Country Programme review:

Prior to defining a new COSOP, the Government requested IFAD to partake in a review of the IFAD country programme, which was led by a Country Programme Review (CPR) Working Group. This CPR–WG was led by the Ministry of Finance (MoF) and comprised of representatives of the Ministry of Planning and Investment (MPI), Ministry of Foreign Affairs and consulted Ministry of Agriculture and Rural Development and Office of Government. IFAD participated in the CPR covering all projects and programmes financed during the period of the current COSOP 2002 – 2007.

The overall goal of the CPR was to assist Government, together with provincial level authorities and implementing partners, to learn from the IFAD experience, to provide direct input into the COSOP (2008 – 2012) for Viet Nam and to improve the future performance of the IFAD country programme. The review process was carried out in 2 phases. Prior to the CPR Mission, site visits were conducted to IFAD projects by CPR Working Group to make assessments.

The CPR Mission (23 July – 10 August) consisted of a desk review of all available reports and other documents produced by the projects, the Cooperating Institution and by IFAD in relation to programme design, implementation and performance, supervision or follow-up; discussion with partners and site visits to IFAD project provinces.

It was agreed that the findings, recommendations, and conclusions would be discussed after further internal consultation.

Strengths: The CPR is an exercise that is internally mandated by the Government and hence the Ministry of Finance needed it with or without IFAD. Hence, their leadership of the exercise was obligated, so it was excellent for IFAD to be able to synchronize its timing with the Government CPR-WG so that outputs were mutually reinforcing.

Weaknesses: While it was envisaged that Project Directors from on-going IFAD-financed projects; donor agencies who have cofinanced the IFAD Country and the UN

family would be active members to the process and party to the conclusion, the most we could do at this stage was to consult them.

3. September 2007: Poverty Analysis:

A preliminary baseline poverty analysis was carried out by students from Llund University. The students were part of Master's programme in International Development.

Strengths: Students were able to dedicate their time to an effort, which turned out to be beneficial for the COSOP process and also in line with their work for the University.

4. October 2007-April 2008: Special Topics: Partnership with the Global Mechanism for Mainstreaming Climate Change and Land Degradation Concerns into the COSOP:

The main objective was to incorporate analysis on climate change and land degradation (CC/LD) in the COSOP for facilitating the uptake of climate change adaptation/mitigation measures in the pipeline. A number of outputs were requested in a rolling manner initiated in October of 2007 and eventually finalized in April of 2008. A final report was produced analysing CC/LD impacts based on predicted climate change scenarios in Viet Nam and accompanying policy implications for orienting IFAD's support over the next 5 years. In addition, the report articulated key intervention areas for IFAD operations; an estimate of the greenhouse gas mitigation potential in the agricultural sector and estimated monetary value; and an approach for capturing carbon financing mechanisms. This initiative was cofinanced by the Global Mechanism (GM) and IFAD, while technical guidance was provided by the GM.

Strengths: In a new area, where IFAD does not have identified partners for articulating climate change issues, the partnership with the Global Mechanism was key in providing technical expertise for ensuring that CC/LD issues were adequately taken into consideration in orienting the strategic thrust of the COSOP.

Weaknesses: Introducing new areas such as climate change into the country programme proved to be much more challenging within the originally intended time frame given the complexity of the topic and limited available information.

5. November 2007: COSOP Formulation Mission:

The COSOP Mission started off with a start up workshop with a validation of preliminary findings and conclusions of the CPR at the Ministry of Planning and Investment with the members of CPR-WG on the 12 of November to. The conclusion points can be found in Appendix IV.

The COSOP Mission worked in Hanoi and based its findings on consultations with the central line agencies, local officials, academics and development partners and secondary review of their different programmes and projects.

Strengths: Overall strategy was formulated in line with the Government's ongoing SEDP 2006–2010 and separate technical working papers were formulated with additional features, e.g. knowledge management, COSOP management and monitoring and climate change.

Weaknesses: Time was not allocated to do field visits as it was felt that field findings from the CPR would be sufficient. However, Hanoi based work did not give us a basis for the Project Concept Notes. While it was planned that a debriefing would be held in MPI (23 November), where an Aide-memoire would be discussed, the Mission did not feel that the COSOP was in a form that was ready to share.

6. January/February 2008: Global Environment Facility Partnership and PIF Development:

An IFAD/GEF Mission was mounted in January to design a concept (Project Identification Form, PIF) for GEF financing. The PIF was submitted to the GEF as part of the Country

Program Framework for Sustainable Forest Land Management (CPPSFLM) in February, and should be approved in April this year. Activities would fit within the larger Forest Sector Support Program and Partnership, which promotes sustainable forest and land management, linking Rural Livelihoods and sustainable land management and Support to the implementation of the national forest land allocation program. GEF would be mobilising much needed financing for capacity building for some of the new aspects of the country programme, which require closer follow up.

The proposal works towards avoiding the degradation of forests, forest margins and further forest fragmentation caused by agriculture, logging and unsustainable harvesting of fuel wood, promotion of market-based instruments for biodiversity conservation (payments for environmental services, forest certification) and supporting the reduction of emissions from deforestation and forest degradation through conservation and management.

Strengths: GEF was able to mobilize a mission very quickly and used its capacities to develop the PIF and its institutional partnerships to submit to the GEF Secretariat in an incredibly short time frame. GEF financing would be complementary to the projects that IFAD will initiate within the context of the COSOP and be particularly useful as there will need to be capacity building to implement these ideas. Moreover, partnership with GEF would ensure quality in the areas of its concern.

7. April 2008: COSOP Consolidation Mission:

The objective is to verify the medium term action plan for IFAD and sharpen the approach in which to work with Viet Nam on its pathway to middle income status. The Mission was able to get government concurrence on the strategy around a limited number of key strategic objectives and agenda for policy dialogue, knowledge management and partnerships. The COSOP Consolidation Mission included members of MPI, MoF, OoG and national academia.

During the first week COSOP consolidation team divided into 2 teams, one team going to the North and Central Highlands Region and the other team going to the Mekong Delta Region. The second week was for consultation with key national resource persons in agriculture, development partners, UNCT, grants' focal points. The Divisional Director joined the Mission to work on the results management framework and provide strategic guidance to the team.

Strengths: By dividing the COSOP mission, between formulation and consolidation, it gave time for better consultation, modification and finalization of ideas. Moreover, in Viet Nam as documents need to be translated, it is useful to divide the process between draft and finalization, allowing time for comments and enhancing participation. The Mission had excellent participation by the Government giving them an opportunity to understand IFAD's target group and to interact with the Provincial authorities and also to mould their ideas about what the IFAD country programme should look like.

Weaknesses: Long engagement for development of the COSOP.

Country economic background

Land area (km² thousand) 2005 1/	310	GNI per capita (USD) 2005 1/	620
Total population (million) 2005 1/	83.12	GDP per capita growth (annual %) 2005 1/	7
Population density (people per km²) 2005 1/	268	Inflation, consumer prices (annual %) 2005 1/	8
Local currency Dong (VND)		Exchange rate: USD 1 = VND 15,940.00	
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1999-2005 1/	1.2	GDP (USD million) 2005 1/	52 408
Crude birth rate (per thousand people) 2005 1/	18	GDP growth (annual %) 1/	
Crude death rate (per thousand people) 2005 1/	6	2000	6.8
Infant mortality rate (per thousand live births) 2005 1/	16	2005	8.4
Life expectancy at birth (years) 2005 1/	71	Sectoral distribution of GDP 2005 1/	
Number of rural poor (million) (estimate) 1/	n/a	% agriculture	21
Poor as % of total rural population 1/	n/a	% industry	41
Total labour force (million) 2005 1/	44.04	% manufacturing	21
Female labour force as % of total 2005 1/	48	% services	38
Education		Consumption 2005 1/	
School enrolment, primary (% gross) 2005 1/	95	General government final consumption expenditure (as % of GDP)	6
Adult illiteracy rate (% age 15 and above) 2005 1/	n/a	Household final consumption expenditure, etc. (as % of GDP)	64
Nutrition		Gross domestic savings (as % of GDP)	30
Daily calorie supply per capita	n/a	Balance of Payments (USD million)	
Malnutrition prevalence, height for age (% of children under 5) 2005 2/	43	Merchandise exports 2005 1/	31 625
Malnutrition prevalence, weight for age (% of children under 5) 2005 2/	27	Merchandise imports 2005 1/	36 476
Health		Balance of merchandise trade	-4 851
Health expenditure, total (as % of GDP) 2005 1/	6 a/	Current account balances (USD million)	
Physicians (per thousand people)	n/a	before official transfers 2005 1/	-3 163
Population using improved water sources (%) 2004 2/	85	after official transfers 2005 1/	217
Population with access to essential drugs (%) 2/	n/a	Foreign direct investment, net 2005 1/	1 889
Population using adequate sanitation facilities (%) 2004 2/	61	Government Finance	
Agriculture and Food		Cash surplus/deficit (as % of GDP) 2005 1/	n/a
Food imports (% of merchandise imports) 2005 1/	6 a/	Total expenditure (% of GDP) 2005 1/	n/a
Fertilizer consumption (hundreds of grams per ha of arable land) 2005 1/	2 993 a/	Total external debt (USD million) 2005 1/	19 287
Food production index (1999-01=100) 2005 1/	124 a/	Present value of debt (as % of GNI) 2005 1/	38
Cereal yield (kg per ha) 2005 1/	4 780	Total debt service (% of GNI) 2005 1/	2
Land Use		Lending interest rate (%) 2005 1/	11
Arable land as % of land area 2005 1/	21	Deposit interest rate (%) 2005 1/	7
Forest area as % of total land area 2005 1/	42		
Irrigated land as % of cropland 2005 1/	34 a/		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2007

2/ UNDP, *Human Development Report*, 2007/2008

COSOP results management framework

<i>Country Strategy Alignment</i>	<i>COSOP Strategic Objectives</i>	<i>COSOP Outcome Indicators</i>	<i>COSOP Milestone Indicators¹⁵</i>	<i>COSOP Institutional/Policy Objectives (in partnership mode)</i>
Improve economic efficiency and competitiveness (1.1.2)	SO1: Rural poor households in uplands access markets through increased private sector partnerships	Total value in two strategically chosen value chains increases (in each intervention province)	<ul style="list-style-type: none"> Private investment in upland provinces increases by 20% Number of micro, small, medium enterprises registered increases by 30% Provincial competitiveness index increases 	<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 Development of rural provincial competitiveness index
Reduce poverty and inequality (2.5.1)	SO2: Poor and vulnerable households take advantage of profitable business opportunities	Rural household income and food security increases, for at least 75% of the target group	<ul style="list-style-type: none"> Agricultural productivity and production increases by 20% Diversification of agricultural production Number of rural poor employed in non-farm opportunities increases 20% 	<ul style="list-style-type: none"> Technology transfer/ participatory adaptive strategy and action plan established at provincial level Government's resource allocation for public goods (research, infrastructure) in support of agricultural development Provincial VSCG and PCF evolving into microfinance institution Establishment of productive safety nets programme
CT 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	(i) 15% increase in forest coverage (ii) 30% decrease in land degradation of farmland	<ul style="list-style-type: none"> Number of households with improved access to forestlands increases by 25% Ha of land improved through enhanced land / water management techniques increased by 20% Upland poor communities adopt sustainable natural resource management practices 	<ul style="list-style-type: none"> Institutional capacities are strengthened at provincial, district and commune level, for the participatory formulation and implementation of pro-poor and market-driven agricultural policies Climate change mitigation and adaptation strategy and action plans implemented at the provincial level Establishment of payment for ecosystem service schemes
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	75% satisfaction rate of the quality of public service provision	<ul style="list-style-type: none"> Participatory multi-stakeholder processes implemented Results-based frameworks adopted by provincial institutions 	<ul style="list-style-type: none"> Capacity strengthening strategy and action plans

¹⁵ These numbers have been formulated as indicative figures but would be assessed in the first year annual COSOP review and updated accordingly.

Previous COSOP results management framework

In pursuance to the Millennium Development Goals, IFAD and the GoVN are committed to halving by the year 2015, the proportion of people whose incomes are less than one dollar per day, and the proportion of people who suffer from hunger, as clearly stated in the corporate, regional and country strategies and the CPRGS respectively. The following table summarizes the main thrusts thereof.

<i>IFAD's Strategic Framework</i>	<i>Regional Strategy</i>	<i>CPRGS: Rural Poverty And Vulnerability Reduction</i>	<i>Viet Nam's COSOP</i>
<p>Vision statement IFAD believes that increasing access to assets (human, social, natural, technological and financial assets) is crucial for broad-based growth and poverty reduction. Thus it fosters social development, gender equity, income generation, improved nutritional status, environmental sustainability and good governance within the following main thrusts:</p> <p>Human and social assets</p> <ul style="list-style-type: none"> Strengthening the capacity of the rural poor and their organizations <p>Financial assets and markets</p> <ul style="list-style-type: none"> Increasing access to financial services and markets <p>Productive assets and technology</p> <ul style="list-style-type: none"> Improving equitable access to productive natural resources and technology 	<p>Within the corporate thrusts, the Regional Strategy focuses on:</p> <ul style="list-style-type: none"> Enhancing women's capabilities in order to promote social transformation and agricultural development Reducing poverty by enhancing the capabilities of indigenous peoples and other marginalized groups Building coalitions of the poor Enhancing peace for poverty reduction Developing less favoured areas 	<p>Human and social assets</p> <ul style="list-style-type: none"> Building up new institutions that involve active participation of farmers, in production, processing and marketing; Establishing an education system for the people that is more egalitarian and of higher quality; <p>Financial and productive assets, markets</p> <ul style="list-style-type: none"> Reforming policies on land (e.g. security of land tenure), business environment, finance, investment and credit in order to make investments more pro-poor; enhancing access to credit and financial services for the rural poor; Facilitating sustainable management of natural resources with the involvement of all stakeholders, while protecting the environment and maintain a healthy life for the poor; Creating more jobs and raising rural incomes by developing rural industry, services and other off-farm activities; Increasing competitiveness of agricultural products in domestic and international markets, while improving processing capability in order to raise product quality and better meet domestic and export demand; Developing infrastructure to create opportunities and enable access to public services in poor areas; <p>Technology</p> <ul style="list-style-type: none"> Increasing productivity, reducing production costs, and promoting diversification in agricultural, forestry and fishery production, while, protecting and encouraging household, farm and private economies towards large-scale labour intensive production; 	<p>Human and social assets</p> <ul style="list-style-type: none"> Building the capacity of poor households and grass-roots institutions to enable them to take the lead in the development process and more effectively address poverty; Improving the role and status of women to improve their position within households and communities, and enhance their capabilities as agents of change. <p>Productive Assets and Technology</p> <ul style="list-style-type: none"> Improving food security for poorest and most vulnerable households in line with the regional target group focus by diversifying rural incomes and increasing rural employment ; Increasing access of the poor to productive resources, particularly land, credit and forest resources; Improving the management of these resources, by enabling the poor to access knowledge and technology, to generate income on a sustainable basis; Improving village-level infrastructure as an entry-point and critical foundation for social and economic development in poor areas; <p>Cross-Cutting Thrusts</p> <ul style="list-style-type: none"> Promoting good governance, with emphasis on implementation of decentralized project management and promotion of grass-roots democracy; Sharing lessons learned in the implementation of the IFAD-funded country programme to influence national policies and programs, in collaboration with like-

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- Strengthening applied research and technology transfer and improving the extension system, paying special attention to the needs of farmers in mountainous areas; while developing a disaster Prevention Strategy to minimize losses, and stabilize livelihoods in disaster-prone areas.
-

minded ODA agencies.

Accelerating Market Orientation of Agriculture

I. Background

1. Market demand for the main crop commodities has increased over 2006 and 2007 and continues to be the cornerstone of agricultural exports. The major export contributors were rice USD 1.3 billion, coffee USD 1 billion, rubber USD 1.3 billion, cashew nuts USD 500 million, pepper USD 200 million, fruit and vegetables USD 260 million, and forestry products USD 1.92 billion. Quality of the exports is the main concern and Ministry of Agriculture and Rural Development (MARD), in its assessment of sector achievements, states that the quality of agricultural and forestry products is still limited and this reduces the competitiveness of Viet Nam's agricultural and forestry products. Rural industries and services, especially traditional handicraft villages, have also experienced growth rates of about 11 per cent/year since 2000, with almost 3,000 craft villages creating employment for 1.4 million households and generating US\$600 million in export value.
2. MARD and other government institutions have little experience and knowledge of the complex World Trade Organisation (WTO) regulatory environment and limits the support that can be provided to support exporters. MARD's Department of Science and Technology is responsible for standards and technical issues related to agricultural exports. The Department has yet to form a section responsible for these functions and provide comprehensive training in WTO regulations for the staff. While WTO membership brings a number of benefits, it also brings challenges. Farmers and whole industries struggle to meet the increased quality and other regulatory demands required under WTO and other trade agreements. The more commercialised segment of the sector is responding to market opportunities for the main commodities, but poor product quality limits income and market expansion. Development of agribusiness, increased efficiency of SOEs, continued investment in rural infrastructure, improved agricultural research and technology transfer are some of the factors that will contribute to increasing sector output.
3. Accelerating market orientation is essential for rural development in Viet Nam. Market development that includes transmission of market information to farmers in the value chains and the integration of small holders into evolving market structures is also important. There is considerable scope to improve business linkages amongst farmers, traders, processors and buyers through value chains. Stronger autonomous farmer organisations would facilitate speedier market development. Some of the challenges that the rural sector faces is low productivity, lack of irrigation facilities, poor condition of rural roads and other infrastructure, lack of skills of the labour force, lack of jobs in the rural sector, and growing illiteracy and the illiteracy of women.
4. Farm size is small and is commonly fragmented. Farmers are unable to achieve size economies and this influences profitability. It is estimated that there is just 0.1 hectare of agricultural land per person in Viet Nam, making land pressure one of the highest in the world. Moreover it is estimated that over the last 5 years arable land has decreased by over 70,000 hectares per year due to demands from housing, infrastructure and other uses. Data from the 2004 Viet Nam Household Living Standards Survey (VHLSS) shows that some 12 per cent of the ethnic minority population have no access to land (Swinkels and Turk 2006). While progress made towards poverty reduction has been impressive, the risk of households graduated out of poverty returning to poverty is high.

II. Geographic Area and Target Group

5. The target group would comprise of the rural poor households, which includes wage labourers, landless and farmers and vulnerable farmers with limited pieces of land, subsistence farmers and smallholder farmers who are market participants. There would be a specific focus on ethnic minorities. Project efforts would ensure the integration of rural poor households with those of other value chain participants.

III. Justification and Rationale

6. MARD has assessed that the main factors that constrained growth over the period 2000 to 2005 were: slow progress in restructuring the agricultural sector- slow development of the livestock breeding, industry and rural sectors; low productivity, quality and efficiency of agricultural products as well as weak competitiveness of agricultural products; inadequate investment in infrastructure to meet the demands of the sector; slow progress with reorganisation of agricultural institutions; high rates of poverty in the regions especially the Northern Mountains and Central Highlands.
7. Investment in agriculture is 5-6 per cent of total public expenditure. Features of the expenditure are the increasing amount under the control of provincial governments (74 per cent in 2005) and inappropriate balance between capital and operations and maintenance (O&M) expenditure. The main areas for expenditure reform are: redressing the balance between capital and recurrent expenditure, especially in the irrigation sub sector; and increasing expenditure on agricultural research and extension.
8. A small agricultural private sector is another growth constraint. Many of the agribusiness firms are State Owned Enterprises (SOEs). While there is an increased recognition of the need to increase the role of the private sector in agricultural development and reduce the burden of SOEs on public expenditure, the GoVN has yet to develop policies and regulations to facilitate this and encourage private sector investment, including FDI, in agriculture.
9. Knowledge of markets, prices, and product quality by farmers and state officials, including extension staff is limited. Several market information schemes have been developed with donor support, but have not been sustained. Main reasons for failure of these information systems are: the farmers were required to pay for the information; and the information was out of date by the time the farmers received it.
10. Performance of the agriculture, science and technology (AST) sector is poor. Research has been under funded and outputs have had a limited impact upon farm productivity. Investment in AST has been low at just 0.1 per cent of agriculture GDP – this compares to 1.4 per cent for Thailand, and 0.4 per cent for the People's Republic of China. Little effort has been made to develop appropriate technologies for poor upland farmers - most technologies are based on low land farming systems.
11. Technology transfer is weak. There is a national extension network managed through each province. Staff capacity is limited and their performance especially at the commune and district levels is poor. Extension is very focused on top down delivery systems based upon standardised models with weak linkages to markets and associated value chains. There are weak vertical and horizontal linkages with research organizations and other agriculture agencies. The Government has initiated a program to have an extension agent in each commune. The provision of extension agents alone, however, will have limited impact. Commune extension agents need to be part of a coordinated program that includes linkages with research programs, skills development and funding to enable them to service their farmer clients.
12. Access to credit can be limited if farmers do not have secure title to their land (red book). Developments in the banking sector means that lending to small farmers is higher risk and not a priority for the banks as they become more commercially focused. The Bank for the Poor (Social Bank) has a variety of lending rates of the

poor, but also has limited capital, thus reducing its capacity to meet the needs of the poor farmers. Recent changes in micro credit legislation mean that organisations such as the Women's Union (WU) can now become registered microfinance institutions. This will enable them to increase their capital base and lending to support their rural development programs, especially for the rural poor.

13. The thrusts of the proposed project 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) the exploration of productive safety net systems.

IV. Project Approach

14. Small farm areas of agricultural and forestry land, low productivity of soils and other constraints limit significant output growth being achieved. Rural development should not be just focused upon the assumption that increased agricultural and forestry outputs will provide the income needed to lift, and keep, the rural poor out of poverty. Livelihood developments for the rural poor, therefore, need to consider a range of options – both agricultural and non-agricultural.
15. Successful smallholder development will be enhanced if the farmers are able to develop linkages with marketers and processors through agribusiness value chains. Programs that have adopted this approach have already shown some success. Agricultural livelihoods for the rural poor can also be developed through the encouragement of private sector investment at the provincial level.

V. Key Project Objectives

16. 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 enhancing competitiveness and agricultural diversification targeting rural poor households.

VI. Components and Activities

Component 1: Agriculture Market Planning and Private Sector Promotion

17. Component-level outcomes would include: (i) targeted, participatory and results-based agriculture market development plans at provincial, district and commune levels; (ii) profitable and sustainable relationships between poor farmers and rural businesses established.
18. The Project would assist the province to prepare provincial agriculture market development plans based on market assessments to identify strategic regional markets. The Project would assist the authorities at provincial and district/commune levels to prepare, implement and monitor targeted, participatory market analysis and planning and carry out periodic market assessments identifying local comparative advantage. Participatory market analysis and planning would be carried out with all stakeholders: the landless, poor farmers, and local leaders. Capacity would be built of local government, technical support agencies including DARD, Department of Commerce and associated staff with a view to more efficient and effective market oriented planning within the context of the New Rural Development Strategy.
19. The Project would promote private sector engagement in the commodities being produced in the province. Companies willing to generate jobs for the rural population, add value, provide technology development or buyback produce would be given incentives to invest in the province. Enhancing the role of private sector would involve institutional, legislative and procedural reform; those areas of concern include: (i) administrative reform in investment environment and business procedures, especially those for business start-up and exit; (ii) the legal framework for areas such as

business registration and contract enforcement; and (iii) reform to attract more private investment to the rural sector. A rural sector PCI would be developed based on a simple set of indicators.

20. The Project would set up a virtual market where by market information for buyers and sellers of commodities, extension services and labour market information would be made available. Technical assistance, capacity building, and other investments necessary to implement identified reforms for the promotion of private sector agribusiness and supporting services would be provided.

Component 2: Enhancing Competitiveness and Technology Transfer

21. Component outcomes include: (i) appropriate services and technology development for increasing agriculture productivity and enhancing product quality provided to the rural poor, essential for their integration into value chains and their beneficial participation in markets (ii) participatory and pluralistic approaches developed for extension; and (iii) innovative group-based enterprise models and farmer-to-farmer networking developed.
22. At the provincial level, the capacity to carry out necessary technology development is not available. The GoVN has commenced the implementation of Decree 115 where AST institutions will become autonomous. MARD, in late 2007, will finalise the preparation of its major policy document detailing the renovation of the AST sector. Technology development can be carried out in partnership with the private sector, provided that the partnership is worked out. Specialised services could be provided by the private sector to support technology development for production and value addition within specific commodity or product chains. In order to mobilise private sector interest, the province will need to provide incentives for the promotion of R&D (e.g. tax breaks for putting private sector resources towards R&D) and ensure supply. Complementary resources in terms of land for demonstration sites and credit to farmers for replication would be provided through the Project. Once demonstrated a full scale effort for replication would be made using contract farming arrangements.
23. The project would support Provincial/ District Agriculture Extension Centres with training on participatory research/extension, value chain networking, storage and processing technology, marketing and product quality certification. At the commune level, project efforts would be made in promoting enterprise models through key farmers and groups, based on local experience and opportunities. A network of 'Rural Development Workers' would be established at the village level, based on identified key farmers having a broad knowledge of rural development subjects and training would be provided with an emphasis on participatory extension. The 'Rural Development Workers' would be paid by the cooperative or group that they are a member of.
24. Farmer/producer and agri-processing associations, farmers' cooperatives, and formal and informal groups at community level would be developed by the project where they do not already exist. These groups would be provided training and capacity building activities through mass organizations for better management capacities, particularly in terms of business management, marketing, and financial management. Special support would be provided to the poorest and vulnerable households. Cooperation among poor households is essential, as economy of scales in procurement of agriculture inputs, production, and sale of outputs represent important factors to establish linkages with enterprises and markets.
25. Province and District Extension Centres would promote and enforce contract-farming arrangements with private businesses to develop and expand market opportunities, introduce, demonstrate and transfer new and improved technologies and best business practices. Contract farming can be effective in providing assured prices to small and marginal farmers for their products and a means of integrating them into agricultural value chains. Commune level extensionists and village level 'Rural Development Workers' would link market infrastructure investments to new economic

opportunities and link households and groups to credit made available through AgriBank, Social Policy Bank, Women's Union, NTP-PR and others.

26. Project efforts would ensure integration of the activities of rural poor households with those of other value chain participants. The Project would promote and monitor contract-farming arrangements with private businesses to develop and expand market opportunities, introduce, demonstrate and transfer new and improved technologies and best business practices. Contract farming can be effective in providing assured prices to small and marginal farmers for their products and a means of integrating them into agricultural value chains. The Project will assist in establishing the conditions under which contract farming could be successful.
27. Project activities would support the development of food standards and safety assurance regimes which would contribute to enhancing the competitiveness of specific value chains. This would be linked to capacity building for farmers and would involve support of storage and processing to reduce losses and to extend the shelf life of aqua-related products. Farmers' group and associations would be trained in compliance with food safety and product quality standards.

Component 3: Job Skills Improvement and Remittances

28. A large number of people migrate to other parts of the country and outside in search of employment. These migrants usually have no skills and are not able to get better employment opportunities. Component outcomes include: (i) skills of wage labourers, landless farmers improved and being employed; (ii) rural employment created, and (iii) remittances mobilised.
29. The Project would carry out: (a) short-course outreach training by vocational training centres (VTCs) keyed to specific demand in the province for semi-skilled labour; and (b) training within enterprises linked to jobs in those enterprises. Programme investment would be focused on training for poor job seekers from programme communes, with preference for women. Project funding would include equipment for outreach training being the main focus. For training programmes run in partnership with enterprises, there would be an additional pre-requisite that the participating enterprises must commit to provide jobs to successful trainees. The enterprises would levy no down payment or participation fee, as is the current practice, which often bars poorer job seekers. The same eligibility criteria as above would be applied for participants.
30. The available mechanisms of remittance that efficiently pay out money to the intended recipients are limited. This is on account of the limited network of financial institutions in rural areas and the problems of the poor in accessing the branches of banks. A remittance service that could identify the recipient and make the payments in his home is likely to be a welcome development in the market and would improve demand for other financial services. The requirements for introducing a remittance product in Viet Nam are:
 - Selection of suitable NGO/MFIs that have a presence in both remittance origin and payment centre. (If they do not have a presence they should be willing to establish a presence)
 - Enrolment of people who have a remittance service requirement as a member and establish identification means of the remitter and the recipient family
 - Banking arrangements for the NGO for transfer of funds
 - Systems for collection of remittance funds from clients
 - setting up a system of secure and reliable communication from collection centres to payment centres within the NGO/MFI based on an electronic network
 - Systems for making payments to the recipients at their homes, through field staff.

Component 4: Market Infrastructure

31. Component outcomes include: (i) productive and sustainable market-enabling infrastructure; (ii) timely, adequate transfers to target households, allowing effective consumption smoothing and asset protection, and future-proof communities against disaster shocks.
32. Under the project, infrastructure would be defined only as those market-enabling and productive infrastructures that contribute positively to the market/business environment and impact the local economy. Investment in roads, bridges, irrigation, storage facilities and small-scale processing are likely have the highest priority to improve market accessibility.
33. The Project will pilot safety nets schemes to help reduce vulnerability of households and establish the conditions for them to engage in sustainable market linkages. Safety net include cash based transfers to targeted households (particularly the most vulnerable among them) for the implementation of community identified, labour intensive infrastructure/public works and environmental protection services. The Project would ensure the quality and environmental impact of productive safety net activities.

Component 4: Project Management

34. The project would establish a supporting Project Management Unit (PMU), whose primary task would essentially be value chain management particularly connecting the higher ends of the value chain (buyers) with producers. The PMU would be a small unit with responsibility for project financial and procurement management, information management and monitoring and evaluation. The PMU would also include 1-2 person teams of skilled professional staff responsible, respectively, for supporting the provincial departments.
35. **Agri-Business Development Facility:** An agribusiness development facility in DARD connected to Provincial Extension Centre would direct resources towards enhancing the competitiveness and value of rural poor households' products and test new instruments. These resources would provide through competitive grants for appropriate technologies.

VII. Issues on which further guidance is sought

36. 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.

VIII. Costs and Financing

37. The project is estimated to cost USD 18.5 million, including a USD 15 million IFAD loan, a USD 3 million government contribution delivered through and USD 0.5 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)			
	IFAD	GoVN	Beneficiary	Total
Agricultural Market Planning and Private Sector Promotion	2.0	0.0	0.0	2.0
Enhancing Competitiveness and Technology Transfer	4.0	1.0	0.0	5.0
Employment Generation and Job Skills	0.5	0.0	0.0	0.5
Market Infrastructure	7.5	1.0	0.5	8.5
Project Management	1.0	1.5		2.5
Total	15.0	3.0	0.5	18.5

IX. Organization and Management

38. At the Provincial level, a Provincial Project Steering Committee would be established under the PPC for oversight, guidance on policy issues and coordination between different line agencies. A PMU would be established for day-to-day management and operations, and implementation would be decentralized to the relevant level. At the District level, the DPC would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune/village level and therefore, there should be a number of Rural Development Workers from cooperatives and rural collaborative groups to assist implementation.

39. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

X. Monitoring and Evaluation Indicators

40. Key success indicators might include:

- At Goal (Impact) level:
 - (i) Improvement in RIMS household asset and malnutrition indicators;
 - (ii) Reduction in the prevalence of poor households below the poverty line in targeted areas and near poor households
- At Purpose level:
 - (iii) Total value in two strategically chosen value chains increases (in each intervention province)
 - (iv) Increased poor household income
 - (v) Increased number of rural poor employed in private agribusiness enterprises
 - (vi) Poverty gap index declines
- At Component level
 - (vii) All participating provinces and districts/communes adopt and implement market oriented agricultural development plans and strategies, including public-private partnerships;
 - (viii) At least 10 profitable technology packages developed through participatory action research;

- (ix) Provincial DARD's contract extension delivery and private sector service providers;
- (x) At least 30 per cent of farmers adopt technology package.

XI. Risks

41. Institutional risk is associated with the inability of provincial departments and institutions to adapt their procedures and programs to more market oriented approaches to agriculture and rural development. This risk would be addressed by (i) close participation of PPC and provincial departments and institutions in the project design process, including visits to provinces already implementing aspects of the proposed project; (ii) PPC approval of an agreed provincial agricultural market development plan a condition of related component implementation; (iii) increased dialogue between government agencies and project beneficiaries including stakeholder participation in the PCC; and (iv) capacity building of provincial staff through technical assistance and competency based training programs.

XII. Exit strategy

42. Exit strategies will be part of the project design and commence from project implementation. For the proposed IFAD interventions there are 3 main sustainability themes: provincial agribusiness – development of the enabling environment that encourages the private sector and investment; strengthening of provincial institutions (PPC, line agencies and at district and commune level) to plan and implement the project; and develop viable small businesses, value chains and profitable farming enterprises.
43. The project management method used has considerable impact on capacity development of the implementation agencies and sustainability. IFAD's embedded Project Management Unit (PMU) approach, where the project management team is integrated into the provincial implementing department, should continue to be developed. The provincial department is the implementing agency and the role of the IFAD project staff is to support the departmental staff to implement the project activities. The embedded approach is the final stage in the move to budget support and compliance with the Hanoi Core Statement and other donor agreements. Features of the approach should include the phased withdrawal of project management support. The process should be underpinned by development of strengthened systems, including project implementation guidelines.

Forestland Management for Diversification of the Upland Economy

I. Background

44. In Viet Nam, approximately 25 million rural people, most of them poor and ethnic minorities, are using forest resources to meet subsistence needs. Forest resources provide these rural poor households with reliable sources of energy and safety nets when they encounter economic shocks. However, natural forests are declining quickly because of over-exploitation. It is estimated that in the period 1976-1990, natural forest cover decreased on average 185 000 hectares per year (ADB, 2000). The dramatic decrease in forest cover has resulted primarily from industrial timber extraction, permanent conversion of forestlands to agriculture, shifting agriculture, forest fires, overgrazing, establishment of human settlements and the American war (Earth Watch 2005; ADB 2000).
45. Nevertheless, overall forest cover in Viet Nam has been increasing in recent years to a current level of 37.6 per cent while there has not been a corresponding increase in the quality of forest cover. Rich and medium stocked forests are now concentrated mainly on hilltop or steep slope areas that are unsuitable for other land uses. Likewise, the number and total area of forests under protected area status increased from 0.4 per cent of the total land area in 1992 to 7 per cent in 2005. Despite increases in the number and coverage of protected areas, the management of these areas is compromised by lack of proper institutions or management boards with low levels of funding and staff capacity (IUCN 2006).
46. In Viet Nam, forestry and land use change contribute 19.38 million tons of CO₂ equivalent and make up 18.7 per cent of the national emissions (Viet Nam Initial National Communication to the UNFCCC 2003). The Government of Viet Nam is taking various steps to address the degradation and loss of forests. More than 100,500 km² have been identified for reforestation while a further 27,000 km² of degraded forest have been allocated for regeneration. Also, a Forest Sector Support Programme (FSSP) has been established with the World Bank taking the lead in coordination. A draft National Forest Strategy up to 2010 is currently under compilation. In addition, according to the National Forestry Development Plan for the period 2001 -2010, in order to protect forests, the State has restricted the exploitation of timber in natural forests, and will gradually eliminate timber exploitation in natural forests all together (Forest Sector Manual - 2004). This trend clearly indicates the reform in the Government's forest policy and bodes well for capturing emerging UNFCCC financing opportunities associated with Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD).

II. Geographic Area and Target Group

47. The target group would comprise of forest dwellers and vulnerable farmers with limited pieces of land but that have access to forest resources including protected areas and large tracts of degraded forest. There would be a specific focus on ethnic minorities. Project efforts would ensure the integration of rural poor households with those of other value chain participants.

III. Justification and Rationale

48. The forested area in Viet Nam was estimated to be 181 500 km² (55 per cent of the total land area of 330 000 km²) in the late 1960s declining to 56 680 km² (17 per cent of total) in the late 1980s (Collins et al, 1991; De Koninck, 1999). The loss of two-thirds of its forest cover over this time period makes Viet Nam the most rapid case of deforestation among Southeast Asian countries (De Koninck, 1999).

49. Households and communities have currently little incentive to improve and expand the forest cover or engage in landscape improvement activities. Slow progress with forestry land allocation to land users (especially households) and secure property rights to the users of forests and forest land has been slow. This situation is impacting upon the livelihoods of the ethnic minorities as they are much more dependent upon forest lands than Kinh people (majority of the population). The 2004 VLHSS shows that only 24 per cent of ethnic minorities have forestry land. In the North West 42 per cent have access while in the North East 28 per cent of ethnic minorities have access to land. Customary land use allocation to members of rural communities can contribute to forest resource management, and assist poverty reduction in upland areas.
50. Poor integration between environment, land and forest management programs will continue to result in accelerated forest and forest land degradation. Institutional weaknesses including the lack of coordination between government departments at national and local levels, and weak capacity at all levels and lack of involvement of local communities in forest management will hamper the enforcement of national regulations necessary for the conservation of natural resources.

IV. Project Approach

51. The Programme approach for improving the livelihoods of the rural poor would be from various dimensions taking heed of emerging business opportunities. The approach would combine aspects of sustainable natural resource management, improving technology development and transfer through more participatory, efficient and effective extension services, micro-finance and the development of marketing linkages. IFAD support would also be provided for improving the policy environment for private sector engagement and payments for environmental services.
52. Given the extensive land degradation taking place in the uplands, promotion of agroforestry will enable the mitigation of soil erosion processes, ensure resilience of agricultural systems in the face of climate change affects, and will also enable the mobilisation of revenue flows from carbon sequestration. Carbon revenue in itself will not be able to finance a project in its entirety; it can only be an additional source of revenue (Global Mechanism 2008). Carbon revenue would help to improve the incentive framework for local communities to adopt SLM practices and to strengthen the financial sustainability of development initiatives post project completion.

V. Key Project Objectives

53. The proposed **development objective** of the Project would be to improve the incomes and reduce vulnerability of households, especially ethnic groups. The **purpose** of the Project is to demonstrate an environmentally sustainable, socially equitable and profitable rural development model based around forest resources targeting rural poor households.

VI. Components and Activities

Component 1: Promotion of Strategic Private Sector Investment

54. Component outcomes would include: (i) forestland allocation; (ii) improved business environment ready promoting engagement with the private sector; (iii) identification of strategic investments / sectors for private sector development; (iv) implementation of participatory and results-based business development plans at provincial, district and commune levels.
55. While recent improvements in the legislative framework by the government provide a foundation, a clear and consistent framework of policies, laws and regulations to create enabling conditions for sustainable forestland management is lacking. State Forest Enterprises (SFEs) with control over large areas of forest land, but limited risk capital, have generally concentrated on State funded protection forestry rather than developing their own commercial forest plantations. The Project would need to put

policies in place for forestland allocation to poor households and support private sector production plantations.

56. The Project would assist the province to prepare provincial market-based enterprise and investment development plans and promote private sector engagement, which would involve institutional, legislative and procedural reform. Areas of concern include: (i) forest land allocation; (ii) administrative reform in investment environment and business procedures, especially those for business start-up and exit; (iii) building the legal framework for areas such as business registration and contract enforcement; and (iv) reform to attract more private investment to the rural sector. Strategic sectors for the province would include: (i) agroforestry; (ii) agribusiness; and (iii) ecotourism.
- Promotion of agroforestry enterprises would result in the emergence of small and medium enterprises linked to ethnic communities and poor households to take advantage of the recent changes in forest policy (Decree 38 and Decree 147) that have reclassified forestry and emphasized the development of productive forestry. Timber production (e.g. *truc* bamboo, acacia) and wood processing could be undertaken by small and medium enterprises in association with smallholders and communities.
 - Promotion of agribusiness activities would include the development of a livestock industry primarily based on improved cattle and pig production. This could be facilitated by the promotion of a feed industry sourcing raw materials from the local production of maize and soybeans. This could lead to a boost to livestock and feed production in the Northern Mountains.
 - Promotion of ecotourism would lead to the emergence of service industry (food and lodging, tour operators and guides, entertainment, cultural shows, handicrafts) with a key role played by small and medium enterprises and local communities.
57. The Project would assist the relevant provincial departments to access necessary technical assistance, capacity building, information and communication technology and other investments necessary to implement identified reforms.
- Technical assistance to the authorities at provincial and district/commune levels to prepare, implement and monitor targeted, participatory market development plans and carry out periodic market assessments identifying local comparative advantage. Support would be provided for more participatory commune development planning to assess needs and priorities.
 - Capacity would be built of local government and line agencies including Department of Planning and Investment (DPI), Department of Agriculture and Rural Development (DARD), Department of Sport and Tourism, Department of Commerce and associated staff with a view to market oriented planning, promotion of private sector agroforestry/agribusiness/ecotourism and supporting services and more efficient and effective implementation of agricultural production.
 - Communication technology and other investments need to make trade in local markets more structured.

Component 2: Enhanced Agricultural Productivity and Agroforestry Practices

58. Component outcomes include: (i) appropriate services and technology for improved agriculture productivity and agroforestry practices that could be adopted by the rural poor and are essential for their integration into value chains and their beneficial participation in markets (ii) participatory and pluralistic approaches developed to extension taking into account the specificities of upland agriculture and food insecure households; (iii) innovative group-based enterprise models involving agroforestry enterprises and agribusiness (e.g. feed enterprises) working with farmer groups and communities; and (iv) establishment of profitable and sustainable arrangements between poor farmers, communities, and business enterprises, e.g. contract farming.

59. Technology development would include: (i) enhanced sustainable food crop productivity in upland areas and sloping hills; (ii) forage production and storage for enhanced cattle nutrition; (iii) agroforestry products (chuc bamboo, acacia); (iv) high value products (altitude tea, cinnamon, fruit trees, spices, ginger, essential oil plants); and (v) certified organic vegetable production. Complementary resources in terms of land for demonstration sites and credit to farmers for replication would be provided through the Project. Specialized services would need to be provided by the private sector to support value addition within specific commodity or product chains. Once demonstrated a full scale effort for replication would be made.
60. The project would support Provincial/ District Agriculture Extension Centers and mass organisations with training on participatory research/extension, value chain networking, storage and processing technology, and product quality certification. At the commune level, efforts would be made in promoting enterprise models through key farmers and groups, based on local experience and opportunities. Technical support providers would include the Thai Nguyen University and the regional research centers. A network of 'Rural Development Workers' would be established at the village level, based on identified key farmers having a broad knowledge of rural development subjects and training would be provided with an emphasis on participatory extension. The 'Rural Development Workers' would be paid by the cooperative or group that they are a member of.
61. Farmer/producer formal and informal groups at community level would be strengthened where they exist and developed by the project where they do not already exist. These groups would be provided training and capacity building activities through mass organizations for better management capacities, particularly in terms of business management, marketing, and financial management. Special support would be provided to the poorest and vulnerable households in terms of value chain networking, production and postharvest technologies, and marketing. Cooperation among poor households is essential, as economy of scales in procurement of agriculture inputs, production, and sale of outputs represent important factors to establish linkages with enterprises and markets.

Component 3: Development of Market Linkages

62. Component outcomes include: (i) improved market information of provincial agencies, communities and households; (ii) access to microfinance and piloting micro-insurance schemes; (iii) productive market-enabling infrastructure built and maintained.
63. Commune level extensionists and village level 'Rural Development Workers' would ensure that linkages would be made between enhanced agricultural productivity and agroforestry practices with the activities of Component 3, market information, credit and micro insurance made available through AgriBank, Social Policy Bank, Women's Union, NTP-PR and others and market infrastructure investments. The Project would support the gathering and dissemination of market information about strategic investment sectors for the province. Improved communication facilities at the province and district level would facilitate the obtaining of information on prices, buyers and markets, and trends that will be disseminated at the commune and village level.
64. In the view of district and commune leaders, access to microfinance has been one of the most effective ways to reduce poverty over the recent past. Strengthening group lending, savings and credit revolving funds could be effective means to ensure a growing capacity of self-sufficient farmers to acquire the skills to manage money and engage in productive investment or smoothing consumption. Presently the PCFs are designed to be small and do not have sustainable access to resources to finance their expansion potential. The systems, products and client acquisition procedures need a revamp if these institutions are to emerge as credible competitors. Some amendments to the law on credit cooperatives would be necessary if their envisaged growth is to be sustainable.

65. Piloting microinsurance schemes (linked to microfinance schemes) could be an innovative provincial response to vulnerability. The need is to bring in intermediaries between the insurance companies and the rural communities that could bundle the risks, enable that the insurance companies to deal with several small risks in one lot so that transaction costs are kept at a minimum and help the insurance company in understanding the rural market for design of appropriate products and facilitate in claims processing. Mass organisations, NGOs, MFIs and PCFs may be well suited for this role where they become agents of the insurance company and also represent the local community's interests. The subject of insurance could be life, health, productive assets – especially those banks financed and risks such as weather, natural calamities etc.
66. Under the Project market-enabling infrastructure would consist of those facilities that contribute positively to the market/business environment and impact the local economy. Investment in roads, small scale irrigation, field and hill slopes layout, lines connecting to electricity grid, micro hydroelectric generation plants, and storage facilities are likely to have the highest priority.
67. The Project will pilot safety nets schemes to help reduce vulnerability of households and establish the conditions for them to engage in sustainable market linkages. Safety net include cash based transfers to targeted households (particularly the most vulnerable among them) for the implementation of community identified, labour intensive infrastructure/public works and environmental protection services. The Project would ensure the quality and environmental impact of productive safety net activities.

Component 4: Payment for Environmental Services

68. Component outcomes include: (i) upland communities benefiting from forestland allocation; (ii) increased area of forest cover; (ii) sustainable mechanisms developed and plan of action being implemented for payments for environmental services to upland communities.
69. The proposed intervention will address natural resource management issues (land degradation, deforestation, biodiversity loss, carbon emissions, unsustainable use of resources), exploring at the same time innovative mechanisms for their perdurable use (payment for environmental services and forest certification), and supporting national efforts to reform the forest sector (policies on forestland allocation and forest development and protection and community involvement). Carbon financing schemes as part of clean development mechanism (CDM) or non-Kyoto mechanisms such as Voluntary Emission Reduction (VER) schemes could be piloted in the provinces. Carbon financing schemes involving reforestation of protected forests in remote areas would require innovative approaches (including using project funds to add to the current insufficient funds of Government programs to improve protected forest) that improve upon the current weak motivations offered by Program 661.
70. Activities to be promoted would include avoiding deforestation and mitigating forest degradation and protecting forests as a valuable carbon sink tradable under the Kyoto Protocol. Reducing Emissions from Avoided Deforestation and Forest Degradation in Developing Countries (REDD) is now a tradable commodity under the Kyoto mechanism as a decision was taken in the UNFCCC CoP -13 / MoP – 3 held in Bali during December 2007. REDD has the potential to augment additional resources through non-Kyoto mechanisms such as The Global Forest Partnership. However, institutional support and capacity building are vital for Viet Nam to carry forward carbon trading through both Kyoto and non-Kyoto markets.
71. Landscape improvements could occur if closely linked to an effective plan for ecotourism development in the region. The extreme high potential of the province for ecotourism development depends on maintaining and improving its current exceptional landscape and rich biodiversity. This suggests that the maintenance and improvement of the landscape and biodiversity could be linked to paid environmental

services. The services could be provided by communities and paid by tourists (e.g. a portion of the entrance fees of tourists in protected areas) and tourist companies (e.g. a part of their license fees).

Component 5: Project Management

72. The project would establish a supporting Project Management Unit (PMU), whose primary task would essentially be value chain management particularly connecting the higher ends of the value chain (buyers) with producers. The project would establish a supporting Project Management Unit (PMU) for day-to-day management and operations, and implementation would be decentralized to the relevant level. The PMU would be a small unit with responsibility for project financial and procurement management, information management and project monitoring and evaluation. The PMU would also include 1- skilled professional staff who would be supporting the provincial departments responsible for formulating and implementing the business investment plans in strategic sectors, facilitated market linkages, competitive market grants, participatory action research and extension programs. The Project would be required to prepare provincial agriculture market plans, which would be approved by the Provincial People's Committee (PPC).
73. **Agri-Business Development Facility:** An agribusiness (including agroforestry) development facility in the DARD connected to Provincial Extension Centre and regional research institutions would direct resources towards enhancing the competitiveness and value of rural poor households' products and test new instrument. These resources would be provided through competitive grants for appropriate technologies.
74. At the District level, the DPC would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune/village level and therefore, there should be a number of Rural Development Workers from cooperatives and rural collaborative groups to assist implementation.
75. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

VII. Issues on which the team seeks guidance

76. 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.

VIII. Costs and Financing

77. The project is estimated to cost USD 18.5 million, including a IFAD loan of USD 15 million, a government contribution of USD 3 million delivered through and USD 0.5 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)			Total
	IFAD	GoVN	Beneficiary	
Promotion of Strategic Investment	2.0	0.5	0.0	2.5
Enhancing Agricultural Productivity and Agroforestry Practices	3.0	1.0	0.0	4.0
Development of Market Linkages	8.0	0.0	0.5	8.5
Payment for Environmental Services	1.0	0.0	0.0	1.0
Project Management	1.0	1.5	0.0	2.5
Total	15.0	3.0	0.5	18.5

IX. Organization and Management

78. At the Provincial level, a Provincial Project Steering Committee would be established under the PPC for oversight, guidance on policy issues and coordination between different line agencies. A PMU would be established for day-to-day management and operations, and implementation would be decentralized to the relevant level. At the District level, the DPC would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune/village level and therefore, there should be a number of Rural Development Workers from cooperatives and rural collaborative groups to assist implementation.
79. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

X. Monitoring and Evaluation Indicators

80. Key success indicators might include:

- At Goal (Impact) level:
 - (i) Improvement in RIMS household asset and malnutrition indicators;
 - (ii) Reduction in the prevalence of poor households below the poverty line in targeted areas and near poor households
- At Purpose level:
 - (iii) Increased forest coverage
 - (iv) Land degradation decreases
 - (v) Biodiversity is maintained
- At Component level
 - (vi) Forestland allocated to households
 - (vii) Administrative reform in investment environment and business procedures, especially those for business start-up and exit;
 - (viii) Framework for areas such as business registration and contract enforcement;
 - (ix) Reform to attract more private investment to the rural sector
 - (x) Sustainable mechanisms developed and plan of action being implemented for payments for environmental services to upland communities.
 - (xi) Participatory and pluralistic approaches developed to extension taking into account the specificities of upland agriculture and food insecure households;

- (xii) Innovative group-based enterprise models involving agroforestry enterprises and agribusiness (e.g. feed enterprises) working with farmer groups and communities;
- (xiii) Establishment of profitable and sustainable arrangements between poor farmers, communities, and business enterprises, e.g. contract farming.

XI. Risks

81. Institutional risk is associated with the inability of provincial departments and institutions to adapt their procedures and programs to more market oriented approaches to agriculture and rural development. This risk would be addressed by (i) close participation of PPC and provincial departments and institutions in the project design process, including visits to provinces already implementing aspects of the proposed project; (ii) PPC approval of an agreed provincial agricultural market development plan a condition of related component implementation; (iii) increased dialogue between government agencies and project beneficiaries including stakeholder participation in the PCC; and (iv) capacity building of provincial staff through technical assistance and competency based training programs.

XII. XII. Exit strategy

82. Exit strategies will be part of the project design and commence from project implementation. For the proposed IFAD interventions there are 3 main sustainability themes: provincial agribusiness – development of the enabling environment that encourages the private sector and investment; strengthening of provincial institutions (PPC, line agencies and at district and commune level) to plan and implement the project; and develop viable small businesses, value chains and profitable farming enterprises.
83. The project management method used has considerable impact on capacity development of the implementation agencies and sustainability. IFAD's embedded Project Management Unit (PMU) approach, where the project management team is integrated into the provincial implementing department, should continue to be developed. The provincial department is the implementing agency and the role of the IFAD project staff is to support the departmental staff to implement the project activities. The embedded approach is the final stage in the move to budget support and compliance with the Hanoi Core Statement and other donor agreements. Features of the approach should include the phased withdrawal of project management support. The process should be underpinned by development of strengthened systems, including project implementation guidelines.

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

Priority areas	Affected group	Major issues	Actions needed
Moderate (23%) malnutrition, especially among children and women	Children and women in rural areas of all ethnic groups and lowland people.	<ul style="list-style-type: none"> Lack of knowledge on nutrition among rural women Limited or no access to land for the production of the staple crops (rice, cassava, sweet potato) and common and simple-to-grow fruit trees such as banana, lemon, pineapple. 	<ul style="list-style-type: none"> Nutrition and health education for women and men. Encourage them to grow banana, lemon, pineapple around their houses, in home gardens. Develop income-earning potential for poor households through literacy, vocational training and small credit disbursement to women and men. Set up of a Disaster Preparedness Fund.
Rural unemployment	Young men and women in rural areas. Some ethnic minorities; lowland people of extremely poor origin	<ul style="list-style-type: none"> Lack of skills; unavailable job opportunities Landlessness; Lack of diversification of agriculture. Non existence of value added for local primary products. 	<ul style="list-style-type: none"> Improve vocational training system in the country by establishing, or improving the competence of, low cost vocational schools in each province to provide opportunities for rural youth to learn. Create infrastructure construction jobs to absorb rural youth; Create rural industries, handicraft production, sustainable farming systems linked to markets. Attract and promote private investment in rural areas
Poor rural infrastructure	Most farmers, particularly in upland areas; business groups; other stakeholders concerned for rural development.	<ul style="list-style-type: none"> Transport system: dirt roads, temporary (monkey) bridges, or lack of bridges. Limited electricity at the village level Telephone service not available in remote areas Squatting market places. Limited clean water. Limited irrigation and drainage (I/D) system, especially for farmers in saline areas and in the uplands. 	<ul style="list-style-type: none"> Invest in local transport infrastructure; avoid requiring free labour contribution from the poor rural people. Provide facilities to bring electric lines to rural areas. Establish telephone service to reach remote areas; particularly wireless mobile phone system Provide facilities for clean water, such as deep well. Improving the I/D system by dredging the existing canals; only create new system when good water source available, otherwise introduce appropriate rain-harvesting technologies; negotiate with different stakeholders (farmer's associations, cooperatives) a shared vision for the equitable and sustainable development of the existing system –possibly by forming water users' groups; negotiate modalities for cost recovery, introduction of cash crops in order to sustain O&M, diversify and increase farming incomes.
Problematic livestock production	Poultry farmers and livestock owners in rural areas.	<ul style="list-style-type: none"> Contagious diseases affecting livestock: avian flu, foot and mouth, pig's blue ears. Farmer's resistance towards animal vaccination. 	<ul style="list-style-type: none"> Establish an effective livestock extension service and integrate into the existing extension system. Enforce livestock vaccination scheme.

		<ul style="list-style-type: none"> Farmer's frequent violation of safety measures for livestock. 	<ul style="list-style-type: none"> Loans to help households re-stock.
Problematic aquaculture production	<p>Catfish producers in the Mekong Delta.</p> <p>Many shrimp producers in the coastal areas of Viet Nam.</p>	<ul style="list-style-type: none"> Contagious fish diseases spreading due to inappropriate water management, leading to overuse of antibiotics. Shrimp diseases spreading due to inappropriate water management, leading to overuse of antibiotics. 	<ul style="list-style-type: none"> Strictly require all producers to stick to regulations concerning sustainable fish and shrimp culture. Provide scientific water management schemes for aquaculture production to replace existing unscientific, unorganized production practices.
Low productivity and unsustainable use of forestry resources	Upland communities	<ul style="list-style-type: none"> Swidden agriculture, leading to deforestation and land degradation Limited use of productive forestry Low rate of forest allocation to households particularly in the Central Highlands 	<ul style="list-style-type: none"> Accelerate forest land allocation to households and communities Promote agroforestry through linkages of communities with agroforestry enterprises including SME Accelerate programme for disseminating sustainable practices in upland areas combining agriculture, productive use of forestry, and conservation
Vulnerability to natural disasters	Farmers in flood-prone areas (e.g. Mekong Delta), cyclone areas (e.g. Central Coast), and drought areas (e.g. Central Highlands and Northern Mountains)	<ul style="list-style-type: none"> Poor households forced to sell productive assets (livestock, land) to cope with distress Lack of insurance schemes to protect from disease, death in the family, accidents, and loss/damage of productive assets (livestock, irrigation systems) 	<ul style="list-style-type: none"> Improve early warning system and preparedness to natural disasters Productive safety nets Promote microinsurance schemes
Low value added of agriculture	Most farmers	<ul style="list-style-type: none"> Difficulty in diversifying towards high-value commodities Low-quality of products Little postharvest and processing at the village level Little negotiation power of farmers 	<ul style="list-style-type: none"> Promote farmer organizations better able to organize production, procure inputs, engage in postharvest activities (storage, packaging, grading, labelling), and market products Promote contract farming with agribusiness enterprises Disseminate market information and ensure agricultural extension improves linkages of farmers to markets Make finance available for multi-year commodity systems (e.g. perennial crops, livestock, essential oils) Support integration of farmer groups with value chains
Moderate illiteracy rates	Among older women and men of all groups; ethnic youth.	<ul style="list-style-type: none"> Lack of access to education and illiteracy, particularly among women. Illiteracy persists as rural households did not take formal education; although children education is free, but schools impose many fees beyond parents' capacity; and high involvement of girls and boys in domestic and agricultural tasks. 	<ul style="list-style-type: none"> Step up illiteracy eradication campaign. Mobilizing students on vacation to teach farmers and their children. Alternative community and state financing for the poorest households to be able to send their children to schools. Integrate educational level as one of the requirements to obtain social/civil services (such as obtaining driving license, rural business license...).

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

Organization	Strengths	Weaknesses	Opportunities/Threats
Enablers			
<p>Ministry of Planning and Investment (MPI)</p> <p>Department of Planning and Investment (DPI) in provinces</p>	<p>This Ministry is the authority for coordinating ODA and local resources in socio-economic development planning.</p> <p>Responsible agency for investment promotion and private sector development at the Central level and the provincial levels.</p> <p>Strong decentralized organizational structure from central to province, district levels in terms of planning and integration of different resources.</p> <p>Qualified staff and high commitment to international cooperation.</p> <p>Working partnership between central and provincial agencies.</p>	<p>Weak mechanism to ensure harmonization of ODA and government budget.</p> <p>Weak coordination of different development programmes, government and donor.</p> <p>Current planning schedule does not allow time to apply bottom-up planning even when capacities have been generated through donor-supported initiatives.</p> <p>Insufficient capacity in monitoring of project implementation after their approval.</p>	<p>The Ministry has decided to change local planning processes towards participation and market-based approaches. Three provinces have been selected to implement the pilot innovative planning mechanism. IFAD has opportunities to institutionalize the participatory market-based planning approach.</p> <p>Creation of a dedicated Country Programme Management Team (CPMT) with the MPI playing the coordination role will mobilize Government agencies for implementation support of IFAD activities.</p> <p>Through better cooperation with MPI and DPI in the province, IFAD projects and activities can be better integrated into Government led rural development projects and programs, in particular Program 135.</p> <p>MPI has launched a unified Quality Management System and a Roadmap for harmonization of procedures for all ODA projects. CPMT under MPI leadership can assist IFAD in making more effective the project M&E systems and harmonization of management procedures.</p>
<p>Ministry of Finance (MOF) including the State Treasury System</p>	<p>This Ministry represents Viet Nam in IFAD's Governing Council and representative of the Borrower. This Ministry also manages financial flows from IFAD to all projects.</p> <p>Responsible for financial management norms for the province, district and commune levels.</p> <p>Qualified and experienced staff in financial management and international cooperation.</p> <p>Consolidated procedures and cost norms available</p>	<p>Slow revision of cost norms to keep pace with inflation and rising prices makes project staff less motivated due to low salaries with little travel allowance,</p> <p>IFAD activities in remote areas cannot access qualified to service providers due to low incentives set.</p> <p>Given the complicated procedures of the Treasury for withdrawal of funds on top of the low capacity of accountants at the commune level project</p>	<p>Through better communication and engagement in the Country Programme Management Team (CPMT), MOF can accelerate resource circulation, improve financial management capacities and update norms for IFAD activities.</p> <p>Cooperation with MOF and the State Bank, to review all the microfinance models under IFAD projects in the past and identify the best practices for replication or modification.</p> <p>Harmonization between Government and IFAD</p>

Organization	Strengths	Weaknesses	Opportunities/Threats
	<p>for management of ODA project activities</p> <p>District Treasury Units are well established to hold accounts of Commune People's Committees, who are the decentralized owners of IFAD project resources.</p>	<p>activities have been delayed.</p> <p>Lack of initiative in solving problems of delayed availability of IFAD funds, for example, the Province Treasury does not pre-finance prefinance activities for IFAD projects.</p>	<p>procedures will reduce work burden in financial management for both MOF and IFAD</p> <p>Innovative experiments of financial services such as the Equity Fund, Guarantee Fund under IFAD projects should be assessed and considered for replication.</p>
<p>Ministry of Agriculture and Rural Development (MARD-DARDs in provinces)</p>	<p>Mandated for agriculture and rural development, MARD is a strategic partner of IFAD for formulation, implementation and monitoring/evaluation of the IFAD programme in Viet Nam.</p> <p>As the agriculture and rural development policy and decision maker, MARD has capacities in policy and technology development and research as well as services including extension, plant protection and veterinary.</p> <p>Managing nearly 200 projects funded by different donors and partners MARD has an important role in the coordination among Government and donors.</p> <p>The International Support Group (ISG) under MARD is the most substantive policy dialogue and partnership for agriculture and rural development in Viet Nam.</p>	<p>Unclear roles of MARD in linking farmers with markets and establishing institutions to enable the development of value chains.</p> <p>Established mandate of the extension system is to provide top-down technology transfer for increasing production. Currently, the provision of marketing and business development services is lacking.</p> <p>Limited qualification and expertise of MARD staff, especially at the district and commune levels, in market linkages and business/private sector partnership promotion.</p> <p>Dominant mindset of giving subsidies to farmers. Limited understanding among extension staff of their role in facilitation of farmer's access to private resources and business ideas.</p> <p>Quality of the agriculture development plans of upland provinces rely more on subsidized support from the Government rather than on commercialization through private investment development.</p> <p>Role of facilitating the growth of private sector not clear and lack of decentralized and pluralistic extension delivery.</p>	<p>MARD is a major partner for IFAD, knowledge management and policy development at the national level by the IFAD-supported innovative experiences generated at the local levels.</p> <p>Opportunities have been identified by the COSOP formulation workshop with think tanks, agencies and research institutes under MARD.</p> <p>IFAD would cooperate with MARD and DARDs in provinces to strengthen the commune/village-based extension network in providing marketing and business development services.</p> <p>To implement Decree No. 56, IFAD would cooperate with DARDs in provinces to develop extension workers to become facilitators of the private sector and more demand driven service delivery.</p> <p>The Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), the Institutes under Agriculture Science and Technology Academy, the Northern Upland Agriculture and Forestry Institute, the Thai Nguyen Agriculture University, 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.</p> <p>The central agencies/institutes would cooperate with IFAD project stakeholders to upscale innovative practices and institutionalize the market-based approach in national policies and programmes.</p>
<p>Department for Ethnic Minorities (CEMMA)</p>	<p>Mandated for ethnic issues, mountainous and rural development, CEMMA is the Coordinator of Programme 135, which has generated substantive</p>	<p>As a political committee CEMMA needs technical expertise from line agencies to implement the Programme 135 and other poverty reduction</p>	<p>There are great opportunities for IFAD to integrate and harmonize IFAD-funded projects in the provinces with Programme 135, so that</p>

Organization	Strengths	Weaknesses	Opportunities/Threats
	<p>resources and implementation experience for poverty reduction in mountainous areas.</p> <p>As the special Government Committee on ethnic issues, CEMMA has advantages of its position to advocate for changes in the policies and programmes to develop mountainous areas.</p>	<p>initiatives.</p> <p>Lack of qualified staff and expertise in integrated rural development approach to function as the rural development coordinator.</p> <p>Top-down subsidies and welfare centred approach.</p>	<p>the methodologies introduced by IFAD could be replicated under the national programme.</p>
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 Government policies and the local SEDP.</p> <p>The PPC leads the IFAD Project Steering Committee and is responsible for overall planning, development, coordination and implementation of IFAD projects.</p> <p>PPCs in IFAD supported provinces have made considerable efforts in issuing decisions and guidelines to enable innovative models, for example the regulations related to participation and decentralization initiatives over the past COSOP.</p> <p>PPCs have demonstrated strong commitment to enable the IFAD-supported initiatives in the new COSOP promoting market-based poverty reduction approach.</p>	<p>In poorer provinces, PPCs are highly dependent on central government for development resources and this limits local independence of actions and initiatives.</p> <p>Weak capacity for coordination and integration of donor assisted projects with the Government programmes and projects.</p> <p>Lack of qualified and experienced staffs to assist the PPC leaders who are overburdened with leadership responsibilities.</p> <p>Prioritization of political agenda over economic agenda with regards to the usage of funds.</p> <p>Less flexible local administration due to high reliance on central procedures.</p>	<p>Emerging opportunities for IFAD to assist PPCs in realization of new rural development and poverty reduction policies based on markets linkages and private sector partnership as Viet Nam has joined WTO</p> <p>Strong decentralization of power in decision making to the PPCs. PPC's commitment to further decentralization and capacity building at lower levels like districts and communes.</p> <p>Opportunity for IFAD to assist the PPCs in improving coordination and integration between various sources of development funding.</p>
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>	<p>Highly dominated by the supply-driven planning</p> <p>Part-time staff availability for project work.</p> <p>Overall staff capacity and qualifications still limited, especially for participatory rural development.</p> <p>Limited independence of action and local initiative</p> <p>Frequent staff transfers.</p> <p>Insufficient logistics.</p>	<p>Provision of full time project staff is possible.</p> <p>Focal point of provincial and district partners in project implementation.</p> <p>Opportunity for further market demand-driven capacity development for effective technical support to commune level.</p>
Commune People's	Mandated government institution for planning and	Limited ability to handle finances.	Opportunity to develop CPC financial and

Organization	Strengths	Weaknesses	Opportunities/Threats
Committees	<p>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>	<p>Participatory planning capacity .still weak</p> <p>Little self-confidence and pro-active approach due to decades of top-down development delivery.</p>	<p>administrative capacities to become an effective implementer of Grass Roots Democracy decree and effectively translate beneficiaries' preferences into action.</p> <p>Continuing need for capacity building of CPC level for better implementation.</p>
Village	<p>Main foci 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>	<p>Village is not a formal level of administration in Viet Nam's administrative system.</p> <p>Village heads and mass organization staff have limited literacy levels and understanding.</p> <p>Many villages are very small and are widely dispersed</p> <p>A number of target villages inhabited by different ethnic groups resulting in linguistic difficulties and lack of cultural cohesion.</p>	<p>Opportunity to create formal grassroots institutions capable of articulating local needs and participating in village level development.</p> <p>Only place where poor can participate directly in the decision-making affecting their lives.</p> <p>Opportunity to develop and improve village level skills and capacities.</p> <p>Possible lack of political will at provincial and district level to afford effective say to the village level institutions</p>
Service Providers			
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>	<p>High transaction costs as individual lending methodology is main and group lending not mainstreamed.</p> <p>Lending procedures still not geared to give access to medium and long term loans.</p>	<p>Can be helped to improve the orientation and approach to micro-finance and group lending.</p> <p>Limited outreach in mountainous and remote areas, weak network compared to VBSP in difficult areas.</p> <p>Ongoing policy dialogue with bank management to provide better finance access for SMEs and business groups.</p>
Mass organizations (Farmers' Associations, Women's Union, Youth Union) at the central,	Well structured organization from the central level to villages.	In principle they are organizations with political mandates therefore they have met many difficulties in delivering economic development	IFAD could continue to develop cooperation with Women's Union in delivery of microfinance service through the Women's Saving and Credit

Organization	Strengths	Weaknesses	Opportunities/Threats
<p>province, district and commune levels and the other Non-Government Organizations.</p>	<p>As representative bodies of social classes, mass organizations have advantages in providing feedback and comments on state policies and activities</p> <p>Mandated to mobilize social support for implementation of the national policies and programmes, the mass organizations have a substantive number of staffs at the grassroots level</p> <p>Under market reforms, mass organizations have been mobilized to deliver public services such as legal assistance, microfinance delivery and social welfare activities. They have accumulated experience in development of community capacities and promotion of grassroots democracy.</p>	<p>services.</p> <p>Lack of understanding on civil society concepts and skills for social mobilization in addition to professional areas.</p> <p>Markets-based approach is new area for mass organizations</p>	<p>Groups</p> <p>Common interest group, rural collaborative group and association development is an ideal objective for possible cooperation with the Farmer's Union</p> <p>Mass organizations are very good partners to deliver the public awareness programme on markets and business opportunities</p> <p>Opportunity to improve the role of mass organizations for strengthening the "Voices of the Poor" under their mandate to provide social feedback to decision makers.</p>

Key file 3: Complementary donor initiative/partnership potential

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
World Bank	<ul style="list-style-type: none"> • Improving the Business Environment • Strengthening Social Inclusion • Strengthening Natural Resources and Environmental Management • Improving Governance 	<ul style="list-style-type: none"> • 2007 – 2011 	<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. • Programme 135 Phase II (P135-II): While the production support component through MARD continues to present challenges for successful implementation of P135-II, IFAD will use its grant resources around pilot provinces that are implementing the component in a market oriented and socially inclusive manner. • 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: An area that both WB and IFAD would like to see brought forward in consultation with the Government and other development partners.
Asian Development Bank	<ul style="list-style-type: none"> • Pro-poor Business-led Economic Growth • Social Equity and Balanced Development • Environmental Protection and Management 	<ul style="list-style-type: none"> • 2007-2010 	<ul style="list-style-type: none"> • Geographic area: In the Country Operations Business plan (2008 – 2010), ADB has identified 'Transport Connections in Northern Mountainous Provinces', which will be prepared in 2008 and develop road connections from Hanoi to China border. In this context, seek complementarities with IFAD initiatives to promote market oriented planning and pro-poor options for livelihoods improvement with the improved connectivity that the small holder farmers would have. Complementarities would be pursued with ADB to this effect • Making Markets Work Effectively for the Poor (M4P): M4P, which is financed by ADB and DFID, is a active partner for IFAD in the implementation of the ongoing country programme, documenting and providing a learning platform upon which the 'Programme for Improving Market Participation for the Poor' in Ha Tinh and Tra Vinh provinces, which were designed around M4P ideas and then more recently from Cao Bang and Ben Tre provinces for the new 'Developing Business with the Rural Poor Programme'. M4P- II would also have a challenge fund that can partner with private initiatives to create a social and economic impact in the concerned provinces. • Quality and Safety Enhancement of Agriculture Products: ADB has recently designed and approved this Project, which will provide an anchor for some of the food safety related activities that IFAD would be implementing in the IFAD supported Project provinces.
Japan (JICA/JBIC)	<p>JBIC</p> <ul style="list-style-type: none"> • Assistance to Economic Infrastructure to Sustain Economic Growth and to Strengthen International Competitiveness • Support for Poverty Reduction; 	<ul style="list-style-type: none"> • 2004 – under discussion (JICA) 	<ul style="list-style-type: none"> • Transport corridors: JBIC 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

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
	<ul style="list-style-type: none"> • Contribution to Environmental Conservation and Management; • Assistance to Human Resources Development. <p>JICA</p> <ul style="list-style-type: none"> • Promotion of Growth and Competitiveness; • Livelihood Improvement and Narrowing Disparities; • Environment Protection; • Governance Strengthening. 		<p>and knowledge. Particularly in the context of rural transformation and development, 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.
DFID (UK)	<ul style="list-style-type: none"> • Ensure that the poor benefit from the opportunities provided by World Trade Organization (WTO) accession and work to minimize the negative impacts on them • Improve the quality and inclusiveness of services for the poor and vulnerable • Promote effective and accountable governance 	<ul style="list-style-type: none"> • 2007 - 2011 	<ul style="list-style-type: none"> • Making Markets Work Effectively for the Poor (M4P): Viet Nam still suffers from a number of institutional bottlenecks, which may be one of the downside of such rapid economic growth. DFID and IFAD are working on the institutional elements of pro-poor economic growth through an established partnership with M4P. This partnership will be built upon as lessons are learnt during implementation and partnerships with institutions like the Viet Nam Chambers of Commerce develop. • P135-II: The modality of using the one budget support instrument for funding to basic services is being tested. In the future, there is a possibility that collaborative work could be pursued with regards to strengthening the voice of civil society. • 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 interministerial 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.
Luxembourg	<ul style="list-style-type: none"> • Social Development • Health, • Education, including vocational training access to labour markets • Integrated rural development with a strong emphasis on water and sanitation • Microfinance 	<ul style="list-style-type: none"> • 2006 to 2010 	<ul style="list-style-type: none"> • Integrated Rural Development: In the new programme 'Developing Business with the Rural Poor' in Cao Bang province, it is proposed that Lux Development and IFAD work together. A technical cooperation package is being put together to complement and provide implementation support to the investment. • Knowledge management: As Cao Bang is one of Luxembourg's priority provinces, Luxembourg has a number of initiatives in this province. Luxembourg and IFAD would make joint efforts to consolidate experience in the context of the knowledge management strategy, in specific areas, e.g. vocational training. Joint implementation would enable joint knowledge products documenting options for upland areas in Cao bang Province.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
New Zealand	<ul style="list-style-type: none"> • Sustainable rural livelihoods • Education • Health • Governance 		<ul style="list-style-type: none"> • Province-level Planning: New Zealand with a group of like minded donors are carrying out an assessment of provincial level planning and programming, IFAD would be interested in joining the initiative
Germany	<ul style="list-style-type: none"> • Sustainable Economic Development • Environmental policy, Protection and sustainable use of natural resources including water supply, waste water and solid waste disposal • Health 		<ul style="list-style-type: none"> • Knowledge Management: As GTZ and IFAD are collaborating in 2 provinces, Ha Tinh and Tra Vinh, and there is a proposal to widen the scope of the partnership, GTZ and IFAD will work with M4P in the future to capture the lessons learnt from implementation of pro-poor market oriented interventions to consolidate experience. • Climate Change and Environmental services: This is an area where GTZ has a comparative advantage and experience. Therefore, as IFAD expands its programme into carbon creditation, 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 an excellent example of a programme based approach and strengthens the rationale for technical cooperation to complement the investment through harmonized planning and monitoring processes.
Finland	<ul style="list-style-type: none"> • Multi-sectoral poverty reduction programmes • Water supply and sanitation • Rural development • Forestry 	<ul style="list-style-type: none"> • 2005 – 2015 	<ul style="list-style-type: none"> • P135-II: Finland is coordinating a number of studies to be carried out in light of the upcoming MTR, instrumental to having the necessary analytical underpinnings; IFAD will collaborate with Finland in this endeavour. A Working Group to support the production support component, led by the Government would be useful to ensure that there is more progress made on the component and that the development partners can have a forum for sharing lessons learnt with the Government. • 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, it is proposed t that the partnership with Finland be strengthened. • Climate Change: An area where Finland would be interested to partner with Government and other development partners proactive.
USAID	<ul style="list-style-type: none"> • Improved Regional Governance and Economic Reform • Vulnerable Populations in The Region Assisted • Increased Effective Regional Response to HIV/AIDS and Infectious Diseases • Improved Regional Environmental Conditions 	<ul style="list-style-type: none"> • 	<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.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
DANIDA	<ul style="list-style-type: none"> • Support to the reform program underpinning Viet Nam's development and poverty reduction strategy and the necessary framework for implementation of the sector programmes • Support to sustainable production increases in agriculture, fisheries and other parts of the private sector where potential for pro-poor growth is highest • Development of human resources • Strengthening of democratization, popular participation, and respect for human rights as well as gender and environment. • Strengthening the fight against the HIV/AIDS-epidemic. 	<ul style="list-style-type: none"> • 2006 - 2010 	<ul style="list-style-type: none"> • Business Linkage Programme: Danish support for agriculture and fisheries contributes to strengthening the private sector. DANIDA's business sector programme focuses on improving the business environment and the conditions for small and medium-sized enterprises, contributing to creating new jobs. As IFAD is also promoting an approach which tries to induce the efforts of private sector activity that benefits the poor, partnership based on lesson sharing would be beneficial. • 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.
Netherlands	<ul style="list-style-type: none"> • Forestry and biodiversity • Water management • Health 		<ul style="list-style-type: none"> • Forest Sector Support Programme (FSSP) and Partnership: In November 2001, a Partnership Agreement to support the implementation of Viet Nam National Forest Development Strategy and the National Target Programme for forests (the 661 Programme) was signed by the Vietnamese Government, and presently 25 donors and other relevant agencies. Netherlands is a major donor in providing support to the implementation of priorities agreed in the framework of the FSSP; help coordinate ODA support to the Forest Sector, especially for achieving a sector-wide support mechanism and improving poverty targeting. IFAD would benefit from engaging with development partners in the FSSP.
CIDA (Canada)	<ul style="list-style-type: none"> • To support equitable economic growth through reforms that promote transparent and accountable governance • To improve rural livelihoods through support for agriculture and rural development • To improve access to quality basic education, especially for the rural poor and disadvantaged boys and girls 	<ul style="list-style-type: none"> • 2004-2009 	<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. IFAD will be developing a group of skilled gender experts in Viet Nam, for which CIDA has expressed interest.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
Switzerland Swiss Agency for Development and Cooperation (SDC)	<ul style="list-style-type: none"> • Governance • Natural Resource Management • Urban Governance • Humanitarian Aid 	<ul style="list-style-type: none"> • 2006-2010 	<ul style="list-style-type: none"> • Supporting Public Administration Reform in Cao Bang Province (SPAR-CB): IFAD supported 'Developing Business with the Rural Poor Programme' would build on SDC's SPAR initiative to strengthen local capacities in financial management at provincial and district levels; and (planning at provincial and district levels. • Financial Management Reform: The Government of Viet Nam (GoVN) 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 to engage, • Monitoring and Evaluation (M&E) System: 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 institutionalize 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 harmonized M&E system. • Extension and Training Support for Forestry and Agriculture in the Uplands (ETSP): IFAD would welcome learning from the sustainable Natural Resource Management planning and extension processes as basis for training that have been identified: land use planning, forest land allocation, forest protection, forest management planning, participatory technology development, market analysis and development, village/commune development planning. ETSP is disseminating experiences and best practices.
UN	<ul style="list-style-type: none"> • Equitable and Inclusive Social and Economic Policies, Plans and Laws • Universally Available, High Quality Social and Protection Services • Environmental Protection and the Rational Use of Natural Resources • Accountable, Transparent and Participatory Governance • Reduced Vulnerability to Natural Disasters 	<ul style="list-style-type: none"> • 2006 - 2010 	<ul style="list-style-type: none"> • One Plan 2: Government has agreed to a rewording of the original 5 Outcomes to reflect the mandates of the incoming UN Agencies including IFAD, and the clusters of Outputs and Results under each Outcome are amended to reflect their programmatic contributions. IFAD is a member of the inter-agency Working Group on M&E (MEWG) is established to develop a Monitoring and Evaluation Framework (MEF) for the One Plan, which can measure the results from the One Plan towards a more effective, coherent and efficient UN. The SOs of this COSOP is reflected in the One Plan-2. • One Leader: the Resident Coordinator has the authority to give guidance on One Plan; is the ultimate decision maker on the allocation of funds from One Plan Fund; acts as One Voice on behalf of UNCT as appropriate; RC and UNCT members would provide reciprocal feedback on performance. • One Set of Management Practices: The second draft of the Harmonized Programme and Project Management Guidelines (HPPMG) consists of a narrative and a set of standard templates, samples, preparation guidelines and key reference documents. IFAD would adopt the management practices where appropriate, e.g. grant financed activities.
SIDA (Sweden)	<ul style="list-style-type: none"> • Social development (health, education, gender equality, access to social services) 	<ul style="list-style-type: none"> • 2004 - 2008 	<ul style="list-style-type: none"> • Provincial platform building for partnership and policy dialogue: Sweden will support capacity building at the local levels of participatory planning and implementation of bottom up decision making processes through Chia Se, which

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
	<ul style="list-style-type: none"> • Promoting Viet Nam's capacity to reduce poverty on a long-term and environmentally sustainable basis • Promoting openness and a development towards democracy and increased respect for human rights <p>Subgoals</p> <ul style="list-style-type: none"> • To promote an equitable pro-poor and sustainable use of natural resources based on local initiatives • To promote a professional, transparent, accountable service-oriented and non-discriminatory public administration • To contribute to increased respect for human rights and democratic access for poor people, with a special focus on development of the rule law that ensure predictability, equality, non-discrimination and protection against abuse. • To work to promote the right to adequate health care for all people including improved access to health services for the poor • To work to promote pro-poor growth based on a dynamic private sector and open trade relations 		<p>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.</p> <ul style="list-style-type: none"> • Sustainable use of natural resources: Environmental management and climate change is coming up on the agenda of both Sweden and IFAD; increased dialogue needs to take place with the Government in a concerted fashion. • Gender: IFAD will be developing a cadre of resource persons to call upon for gender related matters in the country, as for Sweden, gender is a crosscutting issue, mainstreamed in all sectors, we could try to share the capacity that is built.

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 small holder farmers	<ul style="list-style-type: none"> • Low yield and low productivity • Vulnerability to natural disasters, calamity, Loss of crops • Market fluctuations • Difficulty in transportation to market • Reliance on traders • Lack of access to credit • Weak position of farmers putting them at disadvantage in negotiations with buyers 	<ul style="list-style-type: none"> • Migration • Credit from relatives and moneylenders, mortgage land • Livestock activities • Small businesses 	<ul style="list-style-type: none"> • Improved practices for cropping, husbandry • Agricultural diversification • Value addition to production • Access to markets • Small business promotion • Savings and credit • Physical infrastructure 	<p>Program 120. This program aims to encourage investment in production and job creation through the provision of subsidised loans to households for training and development of SMEs.</p>	<ul style="list-style-type: none"> • Integration with investments by private enterprises • Smallholder farmers are target group for value chain development • 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 and health care) • Microfinance schemes
Subsistence farmers in upland areas	<ul style="list-style-type: none"> • Difficult conditions for transportation and telecommunication' • Poor market access • Poor access to services including education, healthcare, clean water, and information • Lack of access to credit • Lack of appropriate technology for steep gradient slopes and fragile soil • Standardized development interventions applied in diverse geological and cultural conditions • Low availability of good farming land and other and productive assets • Dependency on the environment and natural resources 	<ul style="list-style-type: none"> • Migration /Resettlement • Subsistence farming and livestock • Make-do with existing farming system • Transfer land rights to better-off households in exchange for financial compensation • Move closer to the watersheds, leading to more conversion to forest into swidden fields • Collecting some forest products, distilling alcohol, charcoal and handicraft • Borrow from moneylenders who apply unfair repayment conditions • When food is severely scarce, children are prioritized 	<ul style="list-style-type: none"> • 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; • 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 	<p>Program 135. Program 135 aims to improve infrastructure, generate income and employment, and build local administrative capacity in identified poorest communes in remote and upland areas.</p> <p>Programme 133: Government's Hunger Eradication and Poverty Reduction (HEPR) has the following measures:</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. • Access of the poor to basic health and education. 	<ul style="list-style-type: none"> • Subsistence farmers access markets, capitalising on niches/ opportunities • Expanding the capabilities of subsistence farmers and the vulnerable through self-help, asset accumulation, and acquisition of new skills and technologies • Reducing vulnerability through productive safety nets • The target group would benefit from improved essential services (e.g. clean water and health care)

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> Reduced access to forest resources Vulnerability to natural shocks, loss of livestock due to disease and weather shocks Few economically active household members Indebtedness Low caloric intake coupled with increased incidences of disease. Illness 			<p>Program 327/661 - Five Million Hectare Reafforestation Program (5MHRP). This program seeks to create rural employment through reafforestation activities, and to increase the protection of key watershed areas through the establishment of forest protection contracts under which individual households are contracted to protect allocated areas of protection forest.</p>	
Unskilled and Waged Labour	<ul style="list-style-type: none"> No land or limited productive land Vulnerability to natural disasters Little access to credit Few economically active household members Seasonal underemployment Limited income from seasonal labour Unskilled workers (resident and migrant) employed without contracts. Migrants last to arrive in an area where majority of productive land had already been allocated to local residents Indebtedness Illness in the family 	<ul style="list-style-type: none"> Seasonal labour and waged employment in uncertain conditions Debts with moneylenders who apply unfair repayment conditions 	<ul style="list-style-type: none"> Creation of stable employment Information of employment opportunities Better skills to have better paid job for more sustainable livelihoods Strong savings and credit groups and the establishment of effective linkages with the formal banking sector 	<p>Lending for the Poor. Viet Nam Bank for Social Policy provides subsidised loans to poor households for productive activities.</p>	<ul style="list-style-type: none"> 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 Improved access to employment and vocational training opportunities Appropriate savings and credit schemes would be developed for the target group
Ethnic Minorities	<ul style="list-style-type: none"> Tend to live in geographically isolated in areas (roughly 75% live in upland mountainous areas) with difficult conditions for transportation and telecommunication. 	<ul style="list-style-type: none"> Have many children Migration Assimilation with Kinh society 	<ul style="list-style-type: none"> Literacy and numeracy 	<p>Program 132. Program 132 provides additional agricultural land to ethnic minorities through reclamation of paddy land, purchase by government of state enterprise-owned land and subsequent redistribution to needy households, and reallocation of under-utilized land previously allocated to SOEs.</p>	<ul style="list-style-type: none"> Literacy programmes to allow ethnic minorities to understand the content of legislation, and negotiate effectively with government structures and representatives.
	<ul style="list-style-type: none"> Limited participation in government structures and local politics 			<p>Program 154. This program provides housing support to ethnic minority communities in the form of</p>	

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> Forestland allocation not reflective of indigenous land use patterns and farming systems 			<p>concessional loans, channelled mainly through SPB, for new house construction or improvement.</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; extension of the public broadcasting network to ethnic minority areas. 	

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Women	<ul style="list-style-type: none"> Inequity in access to productive resources/agricultural inputs (e.g. technology, extension services) Gender biases in rights and entitlements: Land Use Certificates (LUCs) are in many cases, not issued with jointly with husband and wife or the woman's name in the case of women headed households. Poor access to credit Lower participation in informal education, vocational and job training and agricultural extension Weaker health status Disparities between males and females in power: maternal deaths due to abortion 	<ul style="list-style-type: none"> Subsistence farming and livestock Seasonal labour and waged employment in uncertain conditions Gender-gap in access to decision-making positions in local government Women are often in unskilled labour positions and lower incomes 	<ul style="list-style-type: none"> Access to productive resources for women Livelihood improvement activities through training and credit support Better labour opportunities Improving accessibility and affordability of essential services (e.g. clean water and health care; kindergartens) Empowering women through participation in grassroots decision making. Physical infrastructure that are gender-responsive such as farm-to-market roads that reduce travel time of women Increasing awareness of ethnic minorities of the importance of girls' education and health 	<ul style="list-style-type: none"> SEDP refers to entering names of both husband and wife in the LUCs and to increase women's roles in local decision making. Viet Nam Women's Union and the National Committee for the Advancement of Women Law on Gender Equality 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 	<ul style="list-style-type: none"> Participatory development, improving participation of women in planning, programming and monitoring of development projects in rural areas Investment in human capital through equal access to job skills, agricultural extension, and market opportunities etc Physical Investments that are gender-responsive Gender-disaggregated poverty data Literacy training
Women in Uplands	<ul style="list-style-type: none"> All the above mentioned issues compounded by remoteness, e.g. services more limited, including schools, hospitals 				
Ethnic Minority Women	All the above-mentioned, compounded by lower literacy rates and lower enrolment rate of ethnic girls in schools				