



**PSAV**

Partnership for Sustainable Agriculture in Viet Nam - PSAV

# PSAV Newsletter

MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

1<sup>st</sup> Quarter – 2018

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## UPDATES ON ACTIVITIES OF PUBLIC – PRIVATE PARTNERSHIP TASK FORCES IN AGRICULTURE

### The Coffee Task Force



- Experience Sharing: On January 23 and 24, the PPP Task Force on Coffee Products collaborated with member organizations and partners to organize experience-sharing workshops in Gia Lai and Dak Nong provinces.
- The workshop was attended by more than 30 participants, who were the leaders of farmers' groups involved in sustainable coffee development projects of the Production Sub-Committee of the Vietnam Coffee Coordinating Board (VCCB), Nescafe Plan project, the VnSAT project, and representatives of other relevant agencies. Through the workshop, the experiences and knowledge from the successful

practices of the models were shared and exchanged vividly and specifically, helping the participants to capture information in a more effective and practical way.

- Connecting with other programs and projects: To enhance the efficiency of networking activities between members and partners, the Global Coffee Platform (GCP) will be the Secretariat of the Coffee PPP Task Force (or the Production Sub-Committee of the Vietnam Coffee Coordinating Board - VCCB). As the Secretary of the Sub-Committee, GCP will undertake the following major tasks: (i) To assist the Co-Chair and its partners in the technical content and related issues in accordance with specific activities of the task force; (ii) Coordination of the task force's activities, including sharing information and implementation of activities with its members and partners; (iii) Act as the link between Co-chair and members/partners for dialogue and/or modifications of the project to achieve the highest results.

### The Tea Task Force:

- The guideline for implementing the model



of plant protection team focused on tea trees has been finalized and is in the process of seeking for approval by the Plant Protection Department before being officially used on the whole sector.

- In the VUI field project, the remaining nine enterprises are urgently taking final preparation steps before officially registering the audit of the Rain Forest Alliance certification in the second quarter of 2018. Two more companies have registered to implement the plant protection team model within the VUI project, which has raised the total number of companies participating in the project to 11.
- The National Sustainability Curriculum (Sustainable Training Materials used in tea industry) was completed and entered the training phase.
- The Plant Protection Department and Vietnam Tea Association issued certificates to 12 companies successfully organized the plant protection team, effectively control pesticides and effectively manage pests and diseases on tea, contributing to Sustainable tea industry in Viet Nam.
- Coordinate with the Plant Protection Department to pilot the use of telephone software for searching pesticides information in the coming time.

## The Pepper Task Force:

- The final draft of the National Sustainability Curriculum for Pepper (NSC) was finalized and stakeholder comments had been well received through the Consultation Workshop.
- The Vietnam Pepper Association, IDH and some companies jointly set up a plan to produce a documentary on the supply chain of Vietnamese pepper in order to promote the awareness of Public Private Partnership in sustainable pepper production.



- The members of the PPP Task Force on Pepper proposed in detail the establishment of the Pepper Coordination Board to establish a management mechanism receiving consultation from representatives from public sector, private and non-governmental organizations.

## The Fisheries Task Force:

- On January 29, VASEP, with support from IDH and Seafood Taskforce (STF), organized a business consultation meeting on plans to join the STF to address priorities of the fisheries supply chain in Vietnam. The meeting was attended by 19 fisheries

enterprises and provided information on STF as well as opportunities, conditions and ways to participate in STF.

- With the aim of improving the performance of the PPP on Fisheries, the team has reviewed and made some amendments on: (1) Organization structure; (2) Cooperative Regulation; (3) Extend the scope of membership (especially members of enterprises in the fisheries supply chain).
- In order to complete the framework of the project "Promoting sustainable



development in fisheries through Public Private Partnership in the Mekong Delta", the working groups of the Directorate of Fisheries, VINAFAIS, IDH and WWF organized a trip to four provinces: Dong Thap, An Giang, Soc Trang and Bac Lieu to work with the Provincial Department of Agriculture and shrimp and pangasius enterprises in the provinces. Basically, the working group has agreed with the provincial officials and enterprises on the environmental monitoring plan for aquaculture in the coming time, as well as discussing the possibility of cooperating to support enterprises in traceability, one of the new requirements of the market.

### The Rice Task Force:

- The pilot rice project of Bayer Company and Vinafood 2 Company was harvested at the end of March 2018.
- The Co-Chair of the Private Sector Task Force, Bayer Company, together



with the key members, agreed on the implementation of the field projects. It is expected that field projects will be implemented in the second quarter of 2018.

### The Agro-Chemicals Task Force:

The Task Force has carried out the following activities:

- Developing and finalizing the component on Agricultural Chemicals Management for Tea and Pepper in the National Sustainability Curriculum.
- Making a report on the current situation of pesticides used in coffee and intercropped plants (avocado, pepper, durian) and proposed alternative use of environmentally friendly plant protection chemicals; participating in the development of a list of active ingredients in accordance with ISEAL standards for coffee.
- Completing the research and assessment on the status of management and use of pesticides in Lam Dong Province for Coffee and Tea
- Participating in the development of telephone software to provide information on plant protection chemicals, implemented by the Plant Protection Department in cooperation with IDH and related parties; It is expected that this software will be completed and piloted in the second quarter of 2018 ■

## ACTIVITIES OF PSAV SECRETARIAT OFFICE

### Direction by the Minister of Agriculture for PSAV in 2018

On February 27, 2018, Minister Nguyen Xuan Cuong chaired a meeting with the Partnership for Sustainable Agriculture in Vietnam (PSAV) to review the activities of the PPP Task Forces in 2017 and to guide the focus on attracting investment from the private sector to develop the value chains of agricultural products, build clean raw material plantation areas and obtain international certificates for export expansion.

The Minister also assigned PPP Task Forces to review the activities and develop the medium-term action plan (2018-2020) of each Task Force,



with an orientation to promoting communication, establishing separate trading floors of each commodity line, and attracting large domestic firms to participate in this process..

### Review the activities of all PPP Task Forces.

Following the direction of Minister Nguyen Xuan Cuong, the PSAV Secretariat has coordinated with the Institute of Policy and Strategy for Agriculture and Rural development (IPSARD) to carry out the review in order to promote the activities of all task forces. through

the consultation with all members, IPSARD and the PSAV Secretariat has completed the assessment report as well as recommending the action plans for each task force in line with the overall development of the sector.

### Review membership and consolidate the membership fee collection process.

In the first quarter of 2018, the PSAV Secretariat teamed up with the CO-Chairs of the PPP Task forces to review the membership of each task force. In addition, the Secretariat also updated the

membership fee collection process. It is expected that in the second quarter of 2018, the PSAV Secretariat will carry out membership fee collection according to the PSAV operational regulation.

**Experience sharing:** On March 22 and 23, 2018, representatives of the PSAV Secretariat participated in the “Philippine Coffee Conference” in Baguio, Philippines. At the meeting, representatives of the Secretariat

shared their experience in forming and supporting the development of the PPP Task force on Coffee, the role of the Public and Private sectors in promoting the development of the coffee sector in Viet Nam.

## OTHER ACTIVITIES:

- PSAV Secretariat in collaboration with the Agro-Info Center of the IPSARD developed a research proposal on establishing a PPP Task force on Livestocks. The Agro-Info Center will be responsible for conducting research activities in the second quarter of 2018.

- In support of the enhancement of dialogue and sharing of experience among PPP

Task forces, the PSAV Secretariat and the Grow Asia Forum together with partners plan to organize the “ the 2nd Dialogue Conference on Agricultural Chemicals Issues” and “Workshop on the sharing of experience among PPP Task Forces”. These activities are expected to be held in the second and third quarters of 2018.

## OTHER RELEVANT ACTIVITIES.

### Partnership for Sustainable Agriculture in Viet Nam (PSAV) General Meeting

On January 9, 2018, the Ministry of Agriculture and Rural Development (through PSAV) held the PSAV General Meeting within the framework of the Partnership for Sustainable Agriculture in Vietnam (PSAV) led by the Vice Minister Le Quoc Doanh and co-chaired by General Director of Yara Vietnam Co., Ltd. Mrs. Glotin Martinez Marion Elisabeth, with the participation of about 60 representatives from PPP Task Forces; members of PSAV; Grow Asia; CEOs of multinational corporations co-chairing each task force; domestic and international enterprises; Industry associations under the Ministry; relevant agencies and international organizations.

The PSAV 2017 General Meeting is an opportunity for Task Forces to share the experiences, difficulties and obstacles that Task Force are facing, and to provide suggestions and solutions to further develop and expand PPP production models in 2018, fulfilling Vietnam’s commitment to the New vision of agriculture with the World Economic Forum.



At the closing session, Vice Minister Le Quoc Doanh and Mrs. Marion Martinez agreed that: (i) All Task Forces should review their activities, have specific and long-term goals and roadmaps for each field; avoiding restraining the application to only some enterprises; (ii) Develop mechanisms to attract more members and local businesses to participate in the PPP models; (iii) PSAV Secretariat and all the Task Forces need to rebuild the long-term strategy; Ministry leaders will participate in discussions and dialogues with each Task Force.

## Consultation Workshop to finalize the National Curriculum on Sustainable Pepper Production

On March 23, 2018 in Dak Lak, The National Agricultural Extension Center and IDH co-chaired the Consultation Workshop to finalize the National Curriculum for Sustainable Pepper Production. The workshop was attended by 60 participants, including agricultural material companies, pepper processing and trading companies, cooperatives, pepper production companies, provincial and national pepper associations,



research institutes, provincial department of agriculture and provincial agricultural extension centers. After the workshop, the team continued to receive comments to adjust and complete the set of materials before using them for training.

## Promoting sustainable pepper production



On January 25, 2018 in Ho Chi Minh City, the Ministry of Agriculture and Rural Development (MARD) held a Conference "Promoting the sustainable development of pepper production". Minister Nguyen Xuan Cuong chaired the meeting with the participation of representatives from several provincial departments of Agriculture and Rural Development in key pepper provinces in the South East and Central Highlands, Vietnam Pepper Association, some departments MARD and pepper production companies..

At the conference, delegates had listened to several reports on the current difficulties - challenges that the pepper industry were facing. Therefore, in order to develop sustainable pepper, Minister Nguyen Xuan Cuong requested the following measures to be taken quickly to promote restructuring progress in the sector: (i) not to increase the pepper plantation area without planning; (ii) Concentrating on state sustainable management of input materials such as seedling and planning, enhancing the quality management of fertilizers and pesticides; (iii) Developing the linkages for pepper production value chain, enhancing the role of the Vietnam Pepper Association in developing the pepper value chain; (iv) Strengthening the involvement of local authorities in all aspects, from planning to production, linking production and consumption, providing more incentive policies to promote the development of sustainable pepper production.

## A meeting with PSAV member companies.

A meeting of PSAV member companies was held on March 9, 2018 in Ho Chi Minh City. The meeting was chaired by Mrs. Marion Martinez, Managing Director of Yara Vietnam and Mr. Grahame Dixie, Managing Director of Grow Asia. There were 22 representatives attending to discuss the development of the PSAV reform proposal. At the end of the meeting, Grow Asia was responsible for developing a reform plan and sharing with the PSAV Secretariat.



## COMPLETION OF THE DRAFT DECREE REPLACING DECREE NO. 30/2015/ND-CP

With the aim of removing obstacles in the selection of investors for the PPP projects, Deputy Prime Minister Trinh Dinh Dung has assigned the Ministry of Planning and Investment (MPI) to complete the draft decree replacing the Decree No. 30/ 2015/ND-CP, scheduling to be submitted to the Prime Minister in March 2018.

The draft Decree replacing Decree No. 30/2015/ND-CP on selection of investors has received many comments from the Cabinet Members; The majority of opinions agree with the proposal of the Ministry of Planning and Investment. However, the Government's Decree should ensure that its principle does not contravene the law, so some contents needed to be studied and adjusted accordingly such as the appointment of investors; time for calculating land use and land renting fees...

One of the biggest bottlenecks in PPP implementation is the overwhelming opinions of the role of public investment in investment management. It is from the perspective of PPPs with the heavy role of public investment that leads to the burdensome investment procedures and especially the fear that implementing this unprecedented type of investment is relatively new in Vietnam.

Therefore, the revised draft Decree is expected to remove difficulties and obstacles as well as creating a more coherent legal framework for PPP.

In addition, this draft will also regulate more details on the selection of investors. Regarding the process of selection of investors for land use investment projects, the Drafting authority also made two scenarios: If only one investor is interested and meets the preliminary criteria, the approval process of investment policy will be carried out in accordance with the Investment Law. In the case of two



investors, the bidding process will be carried out with the rating criteria not tilted towards the highest level of land use, but towards the most effective implementation.

The draft requires that investors implementing the PPP projects must have the financial-trading capacity, ability to arrange budget and ability to implement the project along with extensive experience in similar projects. In cases of partnership, capability and experience of the investor is determined by the total capacity and experience of all partnership members, the investor leading the partnership must have a minimum capital percentage of 30%, each following partner in the partnership has a minimum capital percentage of 15% in the partnership.

The reason for this provision, according to the Ministry of Planning and Investment, is to bind the responsibility of investors as well as the minimum equity requirement in the partnership to avoid the situation when investors "participate only in name" but remain unclear about the financial obligations in the implementation of the project ■

## FIRST QUARTER OF 2018: AGRICULTURAL GDP INCREASED 4.05% - THE HIGHEST INCREASE IN 13 YEARS

According to the General Statistics Office, in the first quarter of 2018, GDP growth rate of agriculture, forestry and fishery increased 4.05% - the highest increase in 13 recent years. This is a great achievement of the industry contributing to the high growth of the country.

The value of agricultural, forestry and fishery production in the first quarter was estimated at VND189.5 trillion, up by 4.18% compared to the first quarter of 2017; Of which, agriculture reached VND143.86 trillion, up 3.92% (cultivation reached VND90.6258 billion, up 5.16%; livestock production reached VND50.466 trillion, up 1.85%); forestry reached over VND7,065 billion, up 5.15%; aquatic products reached VND38,569.9 billion, up 4.96%. In the first three months of this year, the total export turnover of agriculture, forestry and fishery products in the first three months was estimated at \$ 8.7 billion, up 9.6% over the same period last year and reaching 21.4% of the 2018 target.

In the first quarter of 2018, the national target program for new rural development also achieved impressive results. Until March 20th, the country has 3,289 communes (36.84%) which are recognized to meet new rural standards, increased 220 communes (2.47%) compared to the end of 2017; 47 new rural districts, increased 3 districts in comparison with the end of 2017.

In order to contribute to the country's overall growth target of 6.5-6.7%, the Ministry of Agriculture and Rural Development is determined to strive to achieve a GDP growth rate of at least 3.0%, export value reaches 40 -40.5 billion USD, 39.8% of communes achieved the new rural standards and forest cover reaches 41.65% of the total land area. To achieve these objectives, the Ministry will continue to promote restructuring, improve productivity, quality of agricultural products and efficiency of production and business.

Accordingly, the ministry will continue to review the planning, assess the advantages and potential to build product structure in three groups to meet market demand and adapt to climate change: The National Special Product Group; Provincial Special Product Group and Village/Commune Special Groups for specific guidance; At the same time, focusing on market expanding and new market development for timely and efficient



consumption of the agricultural products would also be emphasized. In particular, in 2018, the sector will focus on developing the processing industry for agricultural, forestry and fishery, especially in processing vegetables and animal products (chicken and pig), serving the domestic market and export.

At the briefing in March 2018, Minister of Agriculture and Rural Development Nguyen Xuan Cuong commented: The agricultural picture in the first quarter of 2018 was very positive, especially the high growth rate of the industry, creating a premise for next quarters as well as the implementation of the assigned objectives and tasks in 2018. The minister has assigned the vice ministers under the Ministry shall have to review the current implementation progress monthly, on a drastic basis of the growth scenarios of each sector in order to take initiative in implementing solutions to ensure the excellent completion of the objectives and tasks assigned by the Government and the Prime Minister.

The minister also asked the leaders of units under the Ministry to strictly eliminate and simplify business conditions and procedures. In April, 1818, units under the Ministry must unify the inspection point of shipments, cutting down on the list of specialized inspection for cargo items and simplifying specialized inspection procedures; At the same time, the ministry will soon complete the Decree amending the relevant decrees on the conditions for investment and business ■

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