PI-CAP Market Strategy Project

Achievements in 2008 and Future Perspectives

The Center for Agricultural Policy and Prosperity Initiative

The Australian Embassy, 3 June 2009

Supported by: The Australian Government's Overseas Aid Programme (AusAID); The Swiss Agency for Development and Cooperation (SDC), Oxfam Hong Kong (OHK) and Oxfam America (OA)

Agenda

10.00–10.20	Objectives and introduction to CAP-IPSARD and PI
10.20–10.50	Presentation on joint CAP-PI Programme in 2008
10.50–11.00	Future collaboration
11.00–11.45	Comments and discussion

The team today from CAP and PI

Pham Ngoc Linh	Director	Center for Agricultural Policy
Nguyen Anh Phong	Head Commodities Group	
Ta Thi Khanh Van	Senior Analyst	
John Marsh	Executive Director	Prosperity Initiative
Antony Feeny	Head of Strategy	

Agenda

Objectives and introduction to CAP-IPSARD and PI

Presentation on joint CAP-PI Programme in 2008

Future collaboration

Comments and discussion

Objectives of today's meeting

- To present the context and outcomes of the AusAID/SDC-funded CAP-IPSARD Project
- To draw lessons for future collaborations of this nature
- To highlight current and potential future sectoral and other projects of CAP-PI relevant to the future of agriculture and rural development in Vietnam

The Center for Agricultural Policy (CAP)

- A semi-autonomous centre within the Institute of Policy & Strategy for Agriculture and Rural Development (IPSARD)

- Main activities:
  Research
  Consultancy
  Training
  on
  Market and commodities
  Rural development
  Economic modeling
  Environment and natural resource management

- Main clients
  Government
  Other stakeholders

Prosperity Initiative – Vision and Objectives

What PI does:

- Identifies and develops strategies for high poverty impact sectors
- Measures impacts for the poor (jobs and income)
- Engages with public and private sector lead actors
- Implements sector facilitation programmes with others
- Builds capacity to address local constraints and gaps

PI works with business, government and other partners to select and promote market sectors in the Mekong subregion each with the potential to help move 100,000s of poor people over the poverty line

Core Donors: SDC, Oxfam
Project Donors: AusAID, Irish Aid, World Bank, IFC

market forces reducing poverty

PROSPERITY INITIATIVE

Prosperity Initiative – Main areas of work

- **Market development programmes with research and intervention activities**
  - –Key sector is bamboo led by Mekong Bamboo
  - –Other areas under review including coconuts, tourism, etc.

- **Skills and organisation building with leading market research and policy institutes**
  - –Enables ideas behind PI to be disseminated more widely and effectively
  - –Strengthens national government institutions to implement market-oriented strategies and policies to achieve national poverty targets
  - –Initial partnership with CAP-IPSARD
  - –Now in discussion with NAFRI-PRC in Lao PDR

Rationale and basis for collaboration between CAP and PI

- **The collaboration between CAP and PI enables both organisations to further their objectives:**
  - **Provides CAP with continuous access to a more market-based and commercial approach to agricultural and rural issues**
  - **Enables PI to insert market-based ideas into the common currency of policy-making effectively**

- **The chosen method of collaboration through working on common projects at the same location (PI office):**
  - **Ensures strong PI-CAP team collaboration**
  - **Locating CAP staff within a foreign organisation provides a novel and effective TA capacity building experience**

Agenda

Objectives and introduction to CAP-IPSARD and PI

Presentation on joint CAP-PI Programme in 2008

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Agenda

Objectives and Introduction to CAP-IPSARD and PI

Presentation on joint CAP-PI Programme in 2008

- Objectives of the Programme
- Activities of the Programme
- Key areas of study
- Improvement in capabilities of CAP staff
- Lessons learned
- Revised focus for 2009 and current projects

Future collaboration

Comments and discussion

Initial objectives of the Joint National Market Strategy Programme

- To demonstrate the value of strategic market analysis outputs for driving large-scale poverty impact
- To develop the capabilities of partner staff to undertake work relevant to shaping national policy-making and direction on value-added agriculture and commodities development in Vietnam
- To undertake exploratory reviews to identify opportunities for the development of specific products and sectors in support of the policy-making objective
- To progress the approach to the next stage of development for the Programme

Activities and outputs relevant to these objectives in 2008

- Staff from CAP/IPSARD and PI working routinely together as part of the Project team
- Completion of the screening analysis of 10 sectors covering aspects of demand, competitiveness, supply chain, impact and opportunities
- Development of Programme and partner staff who are capable of completing market screening of other sectors using relevant methodologies
- Documentation of the sector-screening methodologies
- Establishing programme management and reporting structures.

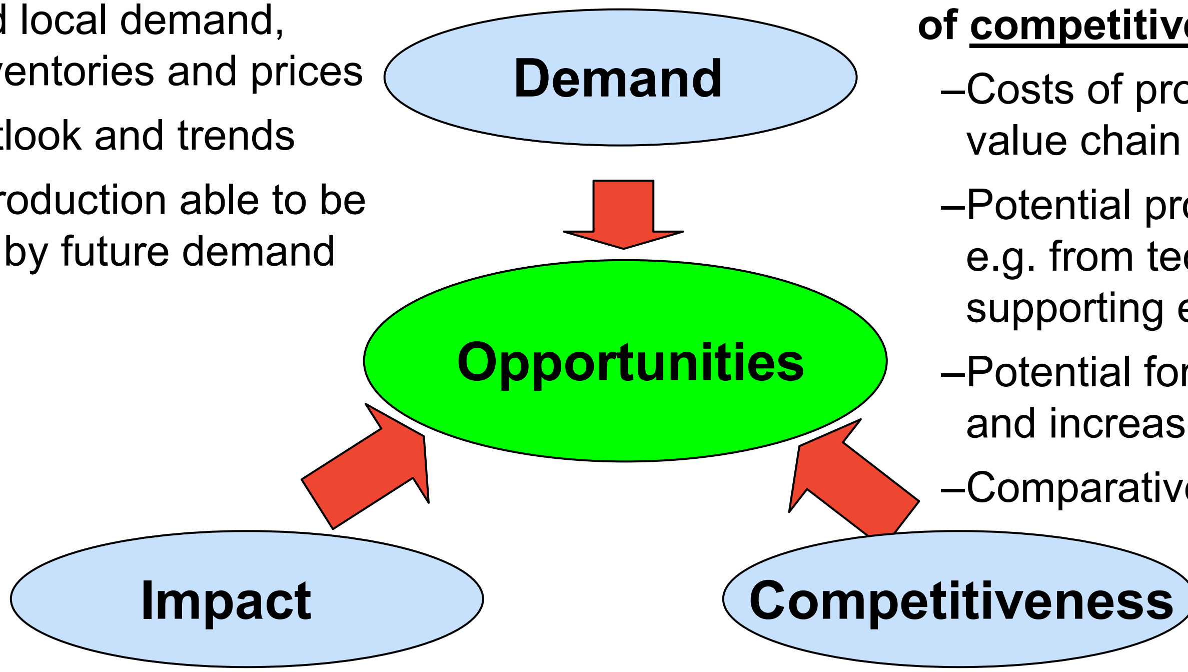
The sectoral screening analysis involved assessing demand and competitiveness and the potential impact on household incomes

Understanding <u>demand</u> and other market dynamics

– Global and local demand, supply, inventories and prices
– Market outlook and trends
– Scale of production able to be supported by future demand

Benchmarking and analysis of <u>competitiveness</u>

– Costs of production along the value chain in VN and others
– Potential productivity gains, e.g. from technology, skills, supporting environment, etc.
– Potential for market access and increased market share
– Comparative sector analysis



Distribution of potential benefits

– Current pro-poor economic <u>impact</u>
– Pro-poor potential
– Environmental impact
– Social implications

The sectoral reviews aimed to answer several questions

- Is there likely to be sufficient future demand, i.e. a domestic or international market with the willingness and ability to spend on the relevant commodity?
- Are there international benchmarks to support the case for industry investment in Vietnam as against other countries?
- What other opportunities do there appear to be to enhance the industry's competitiveness in favour of the target group of poorer people?
- How is development of the industry likely to benefit poorer people in the rural areas of Vietnam?
- Why should a target poor group choose to make their livelihood from the commodity rather than an available alternative?
- Does the sector look sufficiently promising in terms of potential size and impact on rural poverty to merit more in-depth review/feasibility?
- If the sector presents opportunities for a reduction in poverty, are CAP and PI best placed to take this further or how should it otherwise be handled?

Ten sectors were reviewed during 2008

Sector	Scope and Comments	Timing	Survey Province
Coffee	Current and future supply and demand for coffee in global & Vietnamese context (PI with CAP support)	07Q3 – 03/08	Daklak
Honey	First report prepared entirely by CAP staff under PI's management covering the demand and supply of honey	12/07 – 03/08	Daklak
Bananas	Small-scale review of bananas (local and international demand & supply, and the competitiveness & opportunities for VN)	02/08 – 06/08	Dong Nai and Quang Tri
Groundnuts	Small-scale review of groundnuts	04/08 – 07/08	Nghe An
Soybeans	Small-scale review of soybean oil, meal and foods	07/08 – 10/08	Lao Cai
Coconuts	Small-scale review of coconuts, esp. copra, virgin oil and desiccated. Led to a larger feasibility project until mid-2009 in more detail at pro-poor opportunities in Ben Tre	07/08 – 09/08	Ben Tre
Cardamom	Small-scale review of (black and green) cardamom	08/08 – 11/08	Lai Chau
Chili	Small-scale review of chilis	11/08 – 02/09	Thai Binh and Tien Giang
Pomelo	Small-scale review of pomelos (grapefruit)	10/08 – 01/09	Vinh Long
Cacao	Small-scale review of cocoa including potential policy options for Vietnam	11/08 – 02/09	Daklak

Sectors were originally selected by a quick scan against key criteria

Criteria	Pros	Cons	Weight	Score*	Score Weighted**
Demand potential	▪ Increasing potential local demand for lotus nut and root, because lotus is thought as medicinal food and luxury good, hence increase income lead to increase demand for lotus	▪ No information about international demand forecast ▪ Demand is limited to Asian region or Asian cultural communities ➔ depends on production of other countries	20%	2	*0.4*
Entry barriers	▪ Low capital intensiveness ▪ Little know-how requirements ▪ Low production technologies ▪ Easy to intercrop with raising fish and rotation with rice	▪ Local variety has lower productivity than foreign varieties➔ difficult for farmer when starting	15%	4	0.45
Labor Intensiveness	▪ High labour intensive and only use low- skilled labour ▪ When weather is favorable year around, labour is need year-around	▪ Limited opportunity to create jobs in processing factories	11%	3	0.33
Competitiveness	▪ Possible cost advantage (low labor cost, etc.) ▪ Low cost input ▪ Climate of Mekong River Delta favorable for lotus	▪ Productivity mainly depends on variety and water quality, not economy of scale	10%	3	0.2
Supply chain opportunities	~ EXAMPLE OF LOTUS ~	▪ All part of lotus are already being used. ▪ Processing is very simple (usually packing) ▪ There exists a well contracted linkage between farmers and trade companies in some areas	10%	2	0.3
Profitable at production level	▪ Possible for farmer to make a profit even when the price for the seed head drops as low as 300 VND/ head ▪ Easy to shift harvest alternative products to response to changes in market demand (e.g. shift from flower to root)	▪ Unstable income because of price fluctuation. ▪ Profit depends on excess of foreign demand because of small local market volume	9%	3	0.09
Geographical match	▪ Lotus can grow in almost provinces of the country, however Mekong River Delta have favor conditions to concentrate production (i.e. floating water season, large water area)	• Relevant provinces in MRD have low poverty rate	9%	3	0.27
Sector profile	▪ Low skilled labors especially women can be involved this sector ▪ No regulation of government ▪ No information about support from NGOs	▪ Private sector is actively involved because of high profit experience where cultivated	9%	2	0.18
Economic Sustainability	▪ Almost no bad effect on environment ▪ Areas not suitably for rice can be used for lotus ▪ Lotus can be interchanged with rice during flooded season		7%	5	0.14
			100%	*27* (out of 45)	*2.36* (out of 3)

*Score: 5 High 4 med to high 3 medium 2 lower medium 1 Negative

**Weighted score (abs) = "Weight" x score*

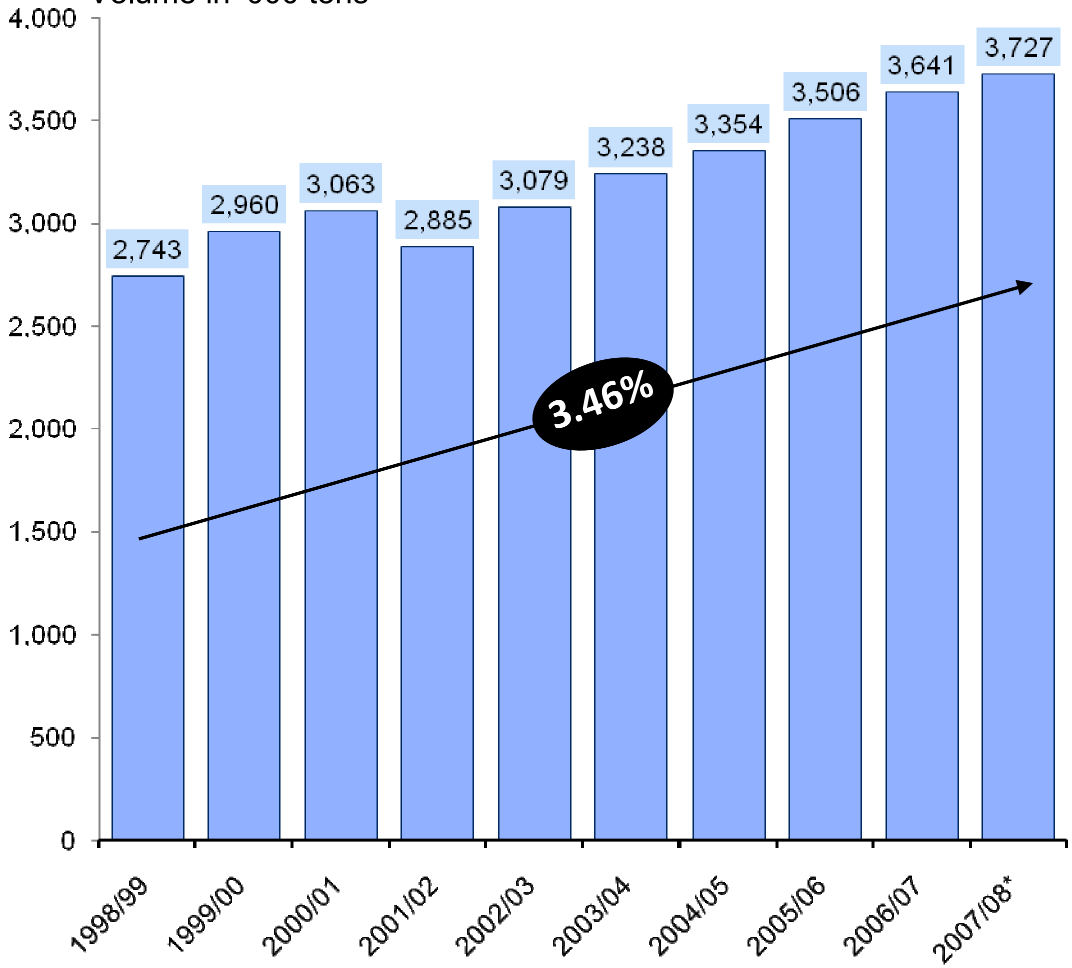
While the reviews covered several aspects of each sector, the key areas for CAP and PI were the market and poverty impact analyses

- **PI concerned to highlight <u>poverty impact</u> aspects of the sector**
- **CAP concerned especially about <u>economic development potential</u>**

- **Now a quick illustration of some examples from some of the studies, in particular highlighting these points …**

World cocoa grindings have shown a higher growth rate of 3.46% p.a. over the last 10 years, with demand increasing from ~2.7 million tons to ~3.7 million tons – an increase of some 36% since 1998/99

Total world cocoa grindings 1998/99 - 2007/08
Volume in '000 tons



Main Drivers of the Increase

- **Changing consumer preferences**

  - Consumers demanding chocolate with a higher cocoa content owing to health and nutrition benefits.
  - Growing preference for premium chocolates which growing strongly but represent a small share (c.3-5%) of the total chocolate market

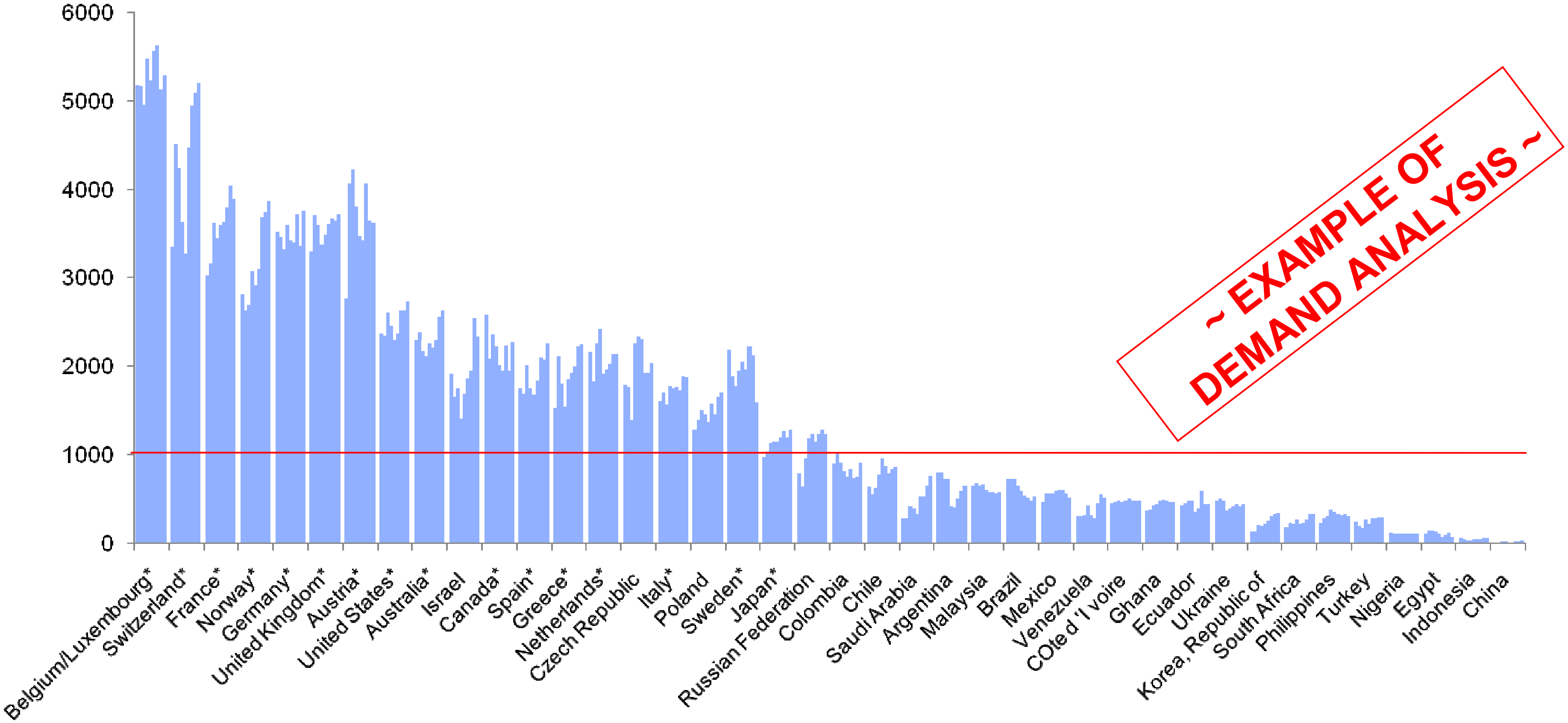
- **Introduction of new products in response to changing or increasing consumer demand**
  e.g. Low sugar, single origin, fair trade, etc. – many of which a cocoa content

- **Expansion into n**
  Increase real i pita in developing

Source: Assessment of the movement of global supply and demand, 3 April 2008, ICCO
Exploration of opportunities West African cocoa, 31 Jan 2008, Vienna Virginia.

Industrialized countries (which except for Japan comprise West Europe & North America) are mostly traditional markets with high consumption levels compared to the rest of the world where annual consumption is less than 1kg per capita

Cocoa consumption per capita 1997/98 - 2005/06**
Volume in grams/person

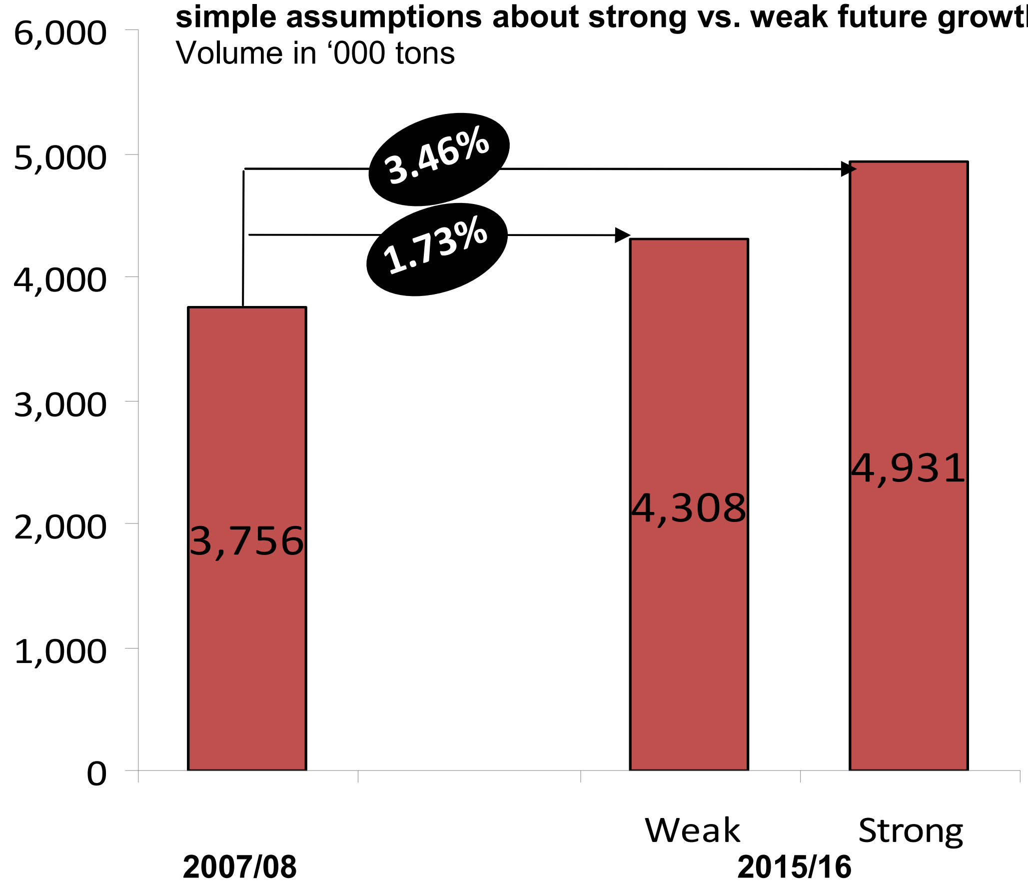


(*) Industrialized countries
(**) Apparent domestic consumption of cocoa per capita

Source: Assessment of the movement of global supply and demand, 3 April 2008, ICCO

In the longer term, historical experience suggests that growth in world demand will continue driven by shifts in tastes and thinking, by the health concerns of traditional consumers, and by the economic growth of developing countries

Projected cocoa consumption* 2007/08 - 2015/16 (based on simple assumptions about strong vs. weak future growth)
Volume in '000 tons



- **Strong demand assumes:**
  - Traditional consumers maintain the current trend of demanding chocolate with a higher cocoa content
  - Strong economic growth continues in developing countries especially in Russia, China, India, and Eastern Europe
- **Weak demand assumes:**
  - World economic recession negatively affects the real income of traditional consumers who maintain a preference fo consuming bulk chocolat use vegetable oil inst cocoa butter for c chocolate
  - Economic eloping countri

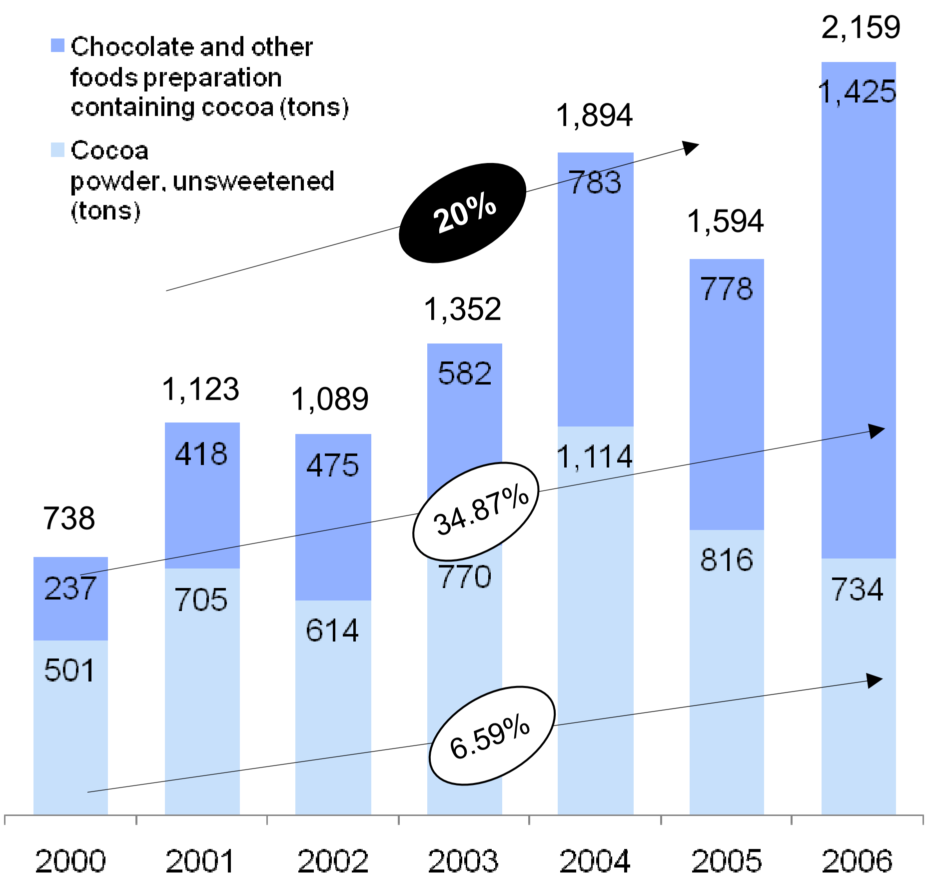
~ EXAMPLE OF DEMAND ANALYSIS ~

*Note: Projected cocoa consumption in terms of world cocoa grindings. "Strong growth" assumes that growth the same annual growth rate as over the last 10 years (3.46%), while "weak growth" assumes half this rate (1.73%

PROSPERITY INITIATIVE

In recent years, there has been a significant increase in imported cocoa and chocolate products in Vietnam for domestic consumption

Domestic utilization*



Used for:

- **An important and common ingredient of many products of confectionery companies**
- **Input for manufacturing/marketing by domestic chocolate manufacturers**: SK Food Tech Ltd, Belcholat, etc.
- **Final products imported and consumed directly by consumer**
- **Input of dairy, soft drink industries, e.g.** Nestlé, Vinacacao
- **Used by bakeries, hotels, restaurants**, etc for foods in which chocolate is an ingredient.

Drivers:

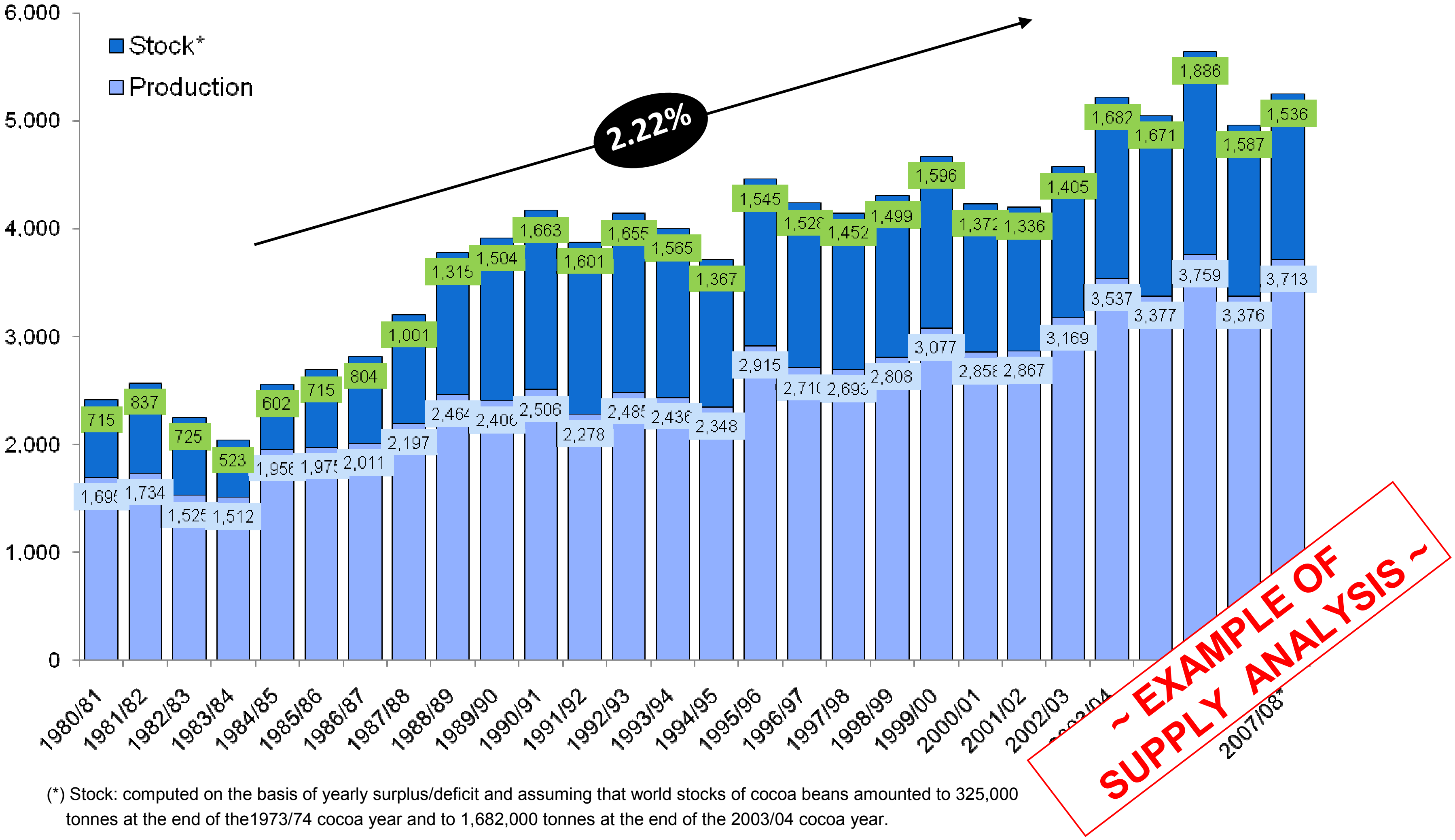
- **Rise in living standards**, especially of urban citizens
- Advertisement and **marketing s**... both domestic and internati... confectionery manufactu...
- Growing **acceptance** ... **styles** especially by you... ...ion

(*) Domestic utilization = import - export

Source: UN Comtrade database

World cocoa supply has increased from ~2.4 to ~5.3 million tons over the past 28 years – a growth rate of 2.2% p.a.

Total world cocoa supply 1980/81 - 2007/08
Volume in ‘000 tons



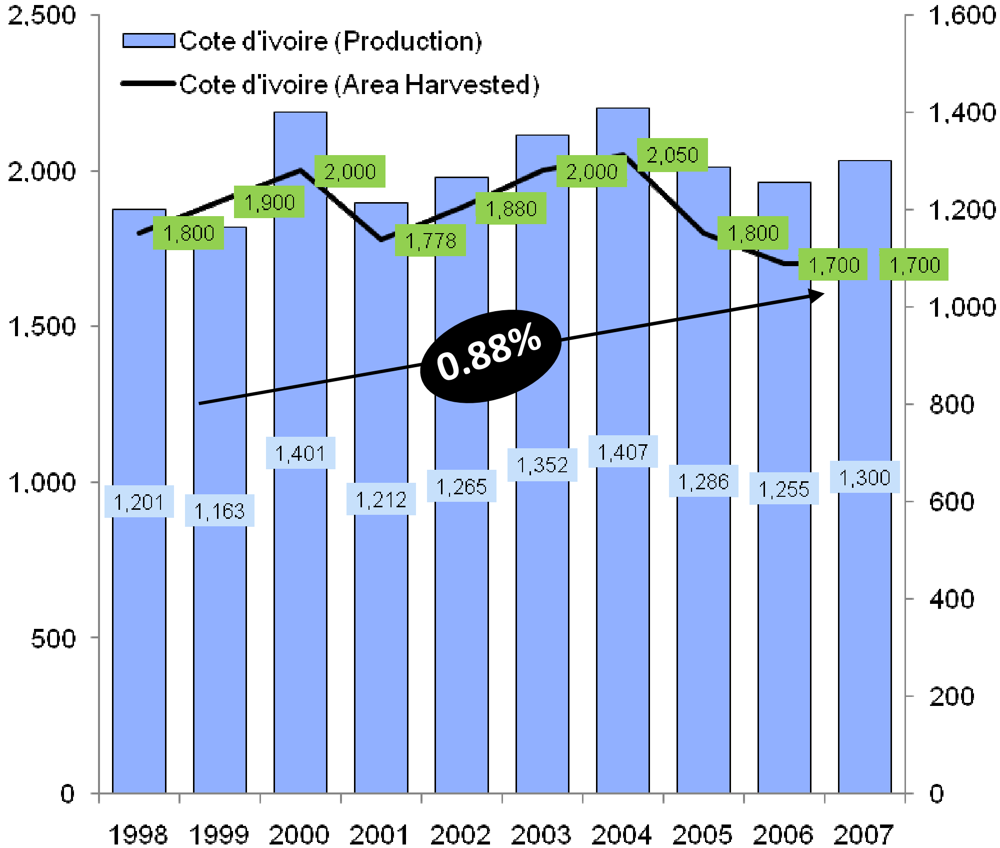
(*) Stock: computed on the basis of yearly surplus/deficit and assuming that world stocks of cocoa beans amounted to 325,000 tonnes at the end of the1973/74 cocoa year and to 1,682,000 tonnes at the end of the 2003/04 cocoa year.

Source: Assessment of the movement of global supply and demand, 3 April 2008, ICCO

Although production by Côte d'Ivoire, the world's largest cocoa producer, has grown slightly over the last 10 years, it faces problems including a high % of aging trees, high taxation and lack of financial and technical support

Cocoa production 1998 - 2007
Volume in '000 tons

Cocoa area 1998 - 2007
Volume in '000 ha



- **Political crisis**: There was a civil war in 2002-2003, and the problems between the Government and rebels have not yet been resolved.
- **Rural areas have been starved of investment** so farmers have neither money nor incentive to buy fertilizer or replant
- **Large numbers of cocoa trees are 35 to 50 years old** after which productivity falls sharply
- **Cocoa farmers receive just 35-40% of the international price** compared to 75-90% in rival producing countries
- Many growers have **switched from co to rubber and palm** as they seek returns
- **Limited land for furthe**
- **Expert assessm** s don't change, the uction could drop to 6 year – which would present the economy of Côte d'Ivoire.

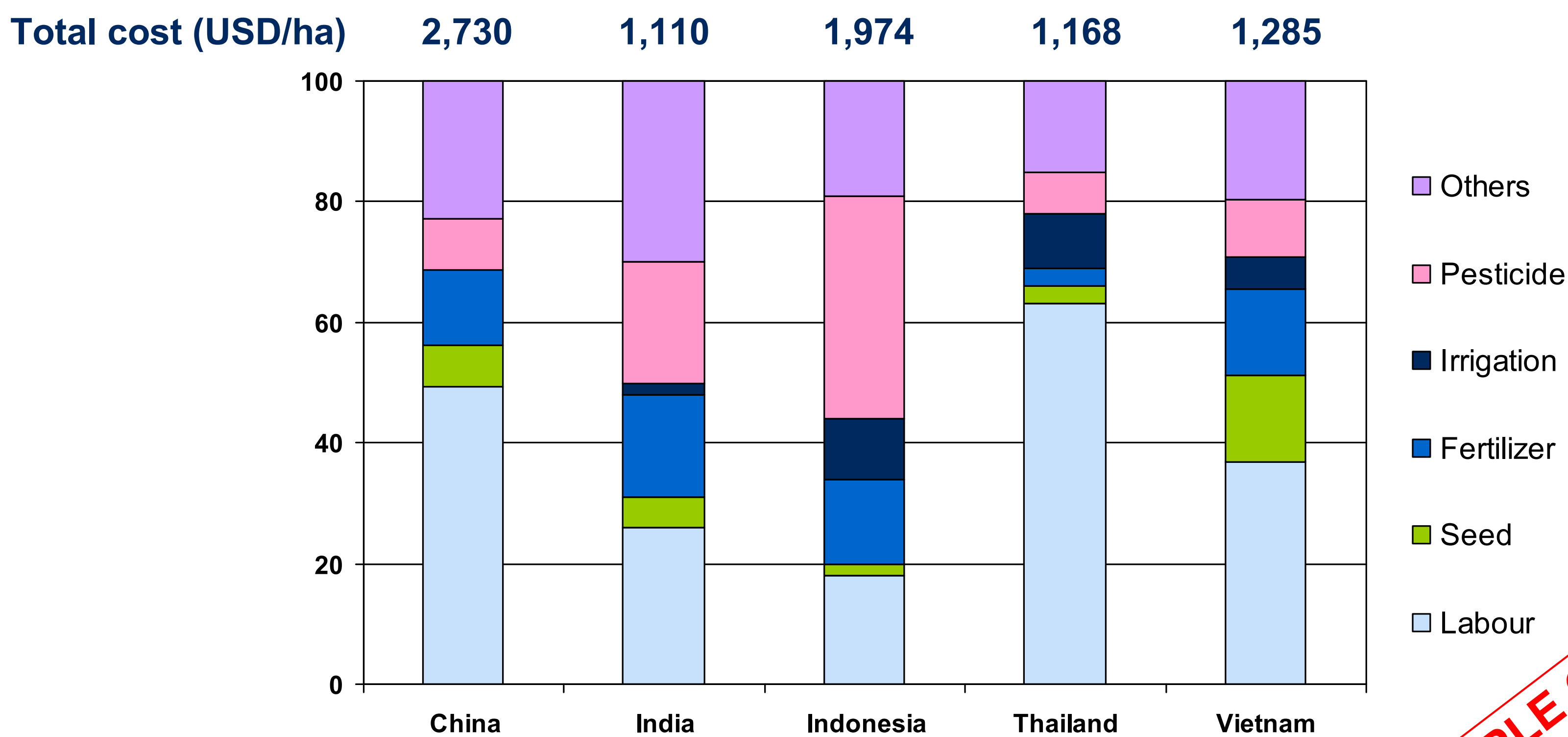
~ EXAMPLE OF SUPPLY ANALYSIS ~

Source: FAOSTAT; ICCO
Financial Times, 14/01/2009, Matthew Green – West Africa correspondent
Reuters, 18/02/2009 ; Bloomberg 10/03/2009; MARS Inc.

CAP Prosperity Initiative

Vietnam’s unit costs of production are substantially cheaper than China and Indonesia, but its cost structure differs from all comparator countries

Factor share (%) of chili production cost in selected countries in 2002



Additional costs:

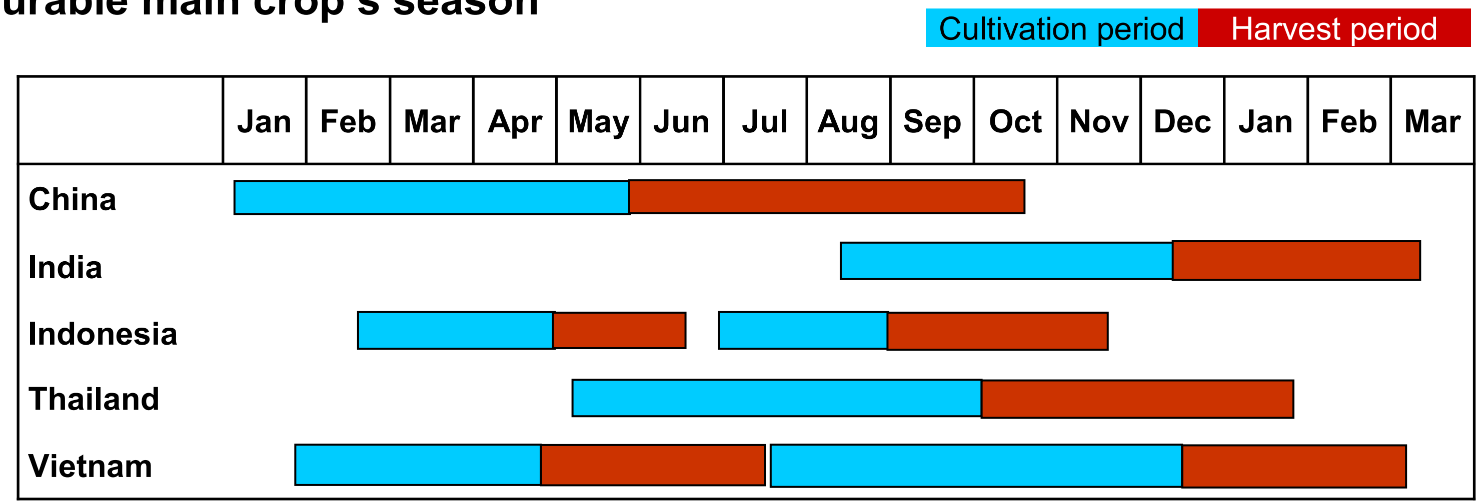
- Regional producers (India, Thailand) can supply their own seeds
- Vietnamese processors not only have to compete with importers for materi[illegible]o have to rely on imported seeds, packages, and labels, thus increasing their p[illegible]n costs

~ EXAMPLE OF COMPETITIVENESS ~

Source: ARVDC, IMF – Chili team estimated

Vietnam has some competitive advantage arising from its comparatively long chili cultivation period, but is weak on branding and quality certification

- **Favourable main crop's season**



- <u>Hybrid</u>: The different timing of its main crop favours Vietnam's exports of fresh Hybrid chili to China
- <u>*Chi thien*</u>: Vietnam's harvest time is later than Thailand's, creating an opportunity to export to Thailand
- Hotter weather in the South enables year-round cultivation and supply of Chi thien / Kim, while northern provinces can mainly grow 1 Autumn-Winter crop of both varieties

Quality Control and Branding

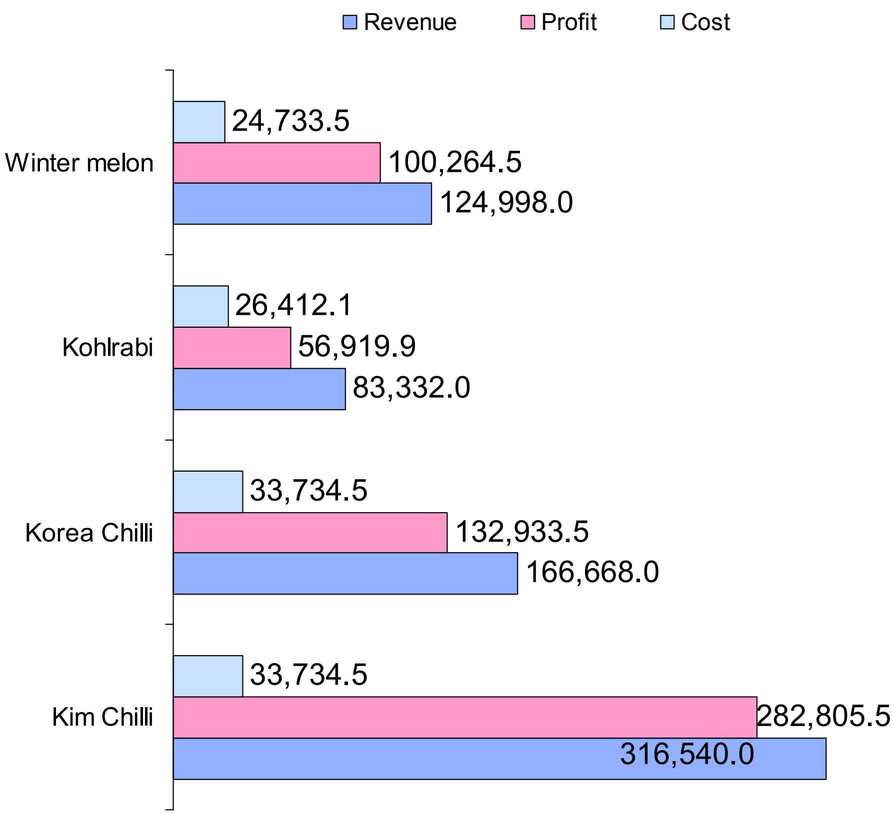
- Vietnam has no programme for branding chili, nor for quality certification. Small areas grow d… varieties using low quality control technologies resulting in different quality levels (size, co… …cy etc.) even for the same variety grown in the same province. This makes it difficult to i… …ndustrial production or to scale up to large quantities of fresh exports
- Vietnam has no system like India where the National Spice Board stamps certi… …qualified products, or Indonesia where major processors set quality criteria and regul… …e quality.

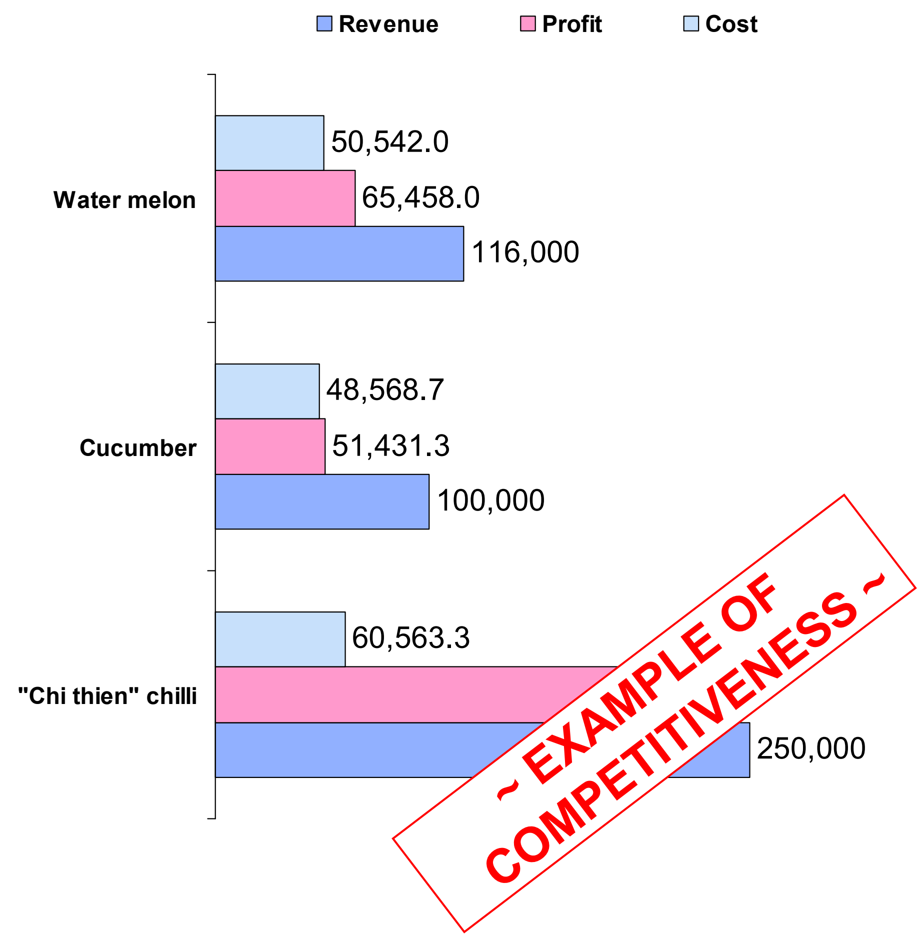
Source: India Spice Board, Australia-Indonesia report on chili value chain 2007, team analysis

Brief surveys in these two provinces indicate that, compared with other vegetables, chili requires more investment capital – but also results in higher profits

Thai Binh Province | **Tien Giang Province**

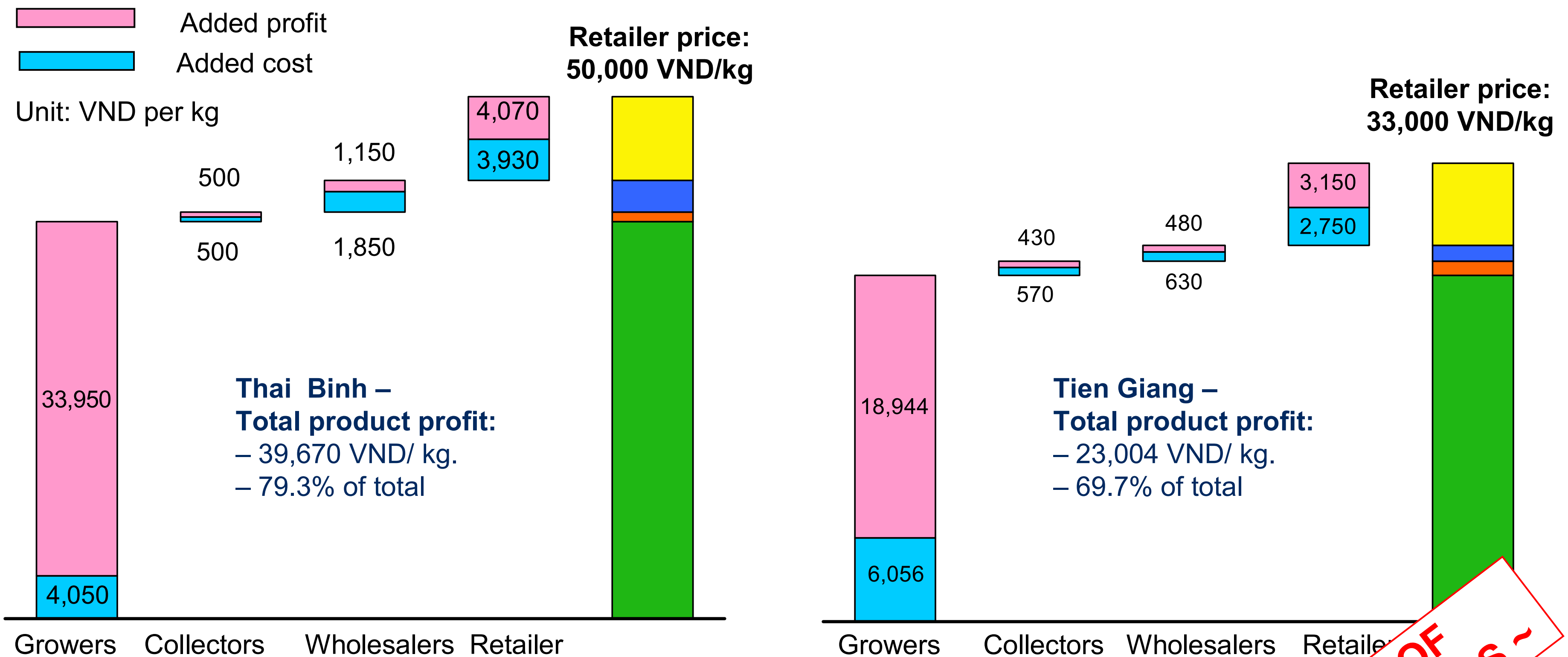
Unit: 1000 VND/Ha





Source: Field trip data in Thai Binh, Tien Giang in January 2009

A quick survey of the value chain for "Chi thien"/Kim Chili in two provinces (Thai Binh and Tien Giang) shows that growers take more than two thirds of the profit available throughout the chain



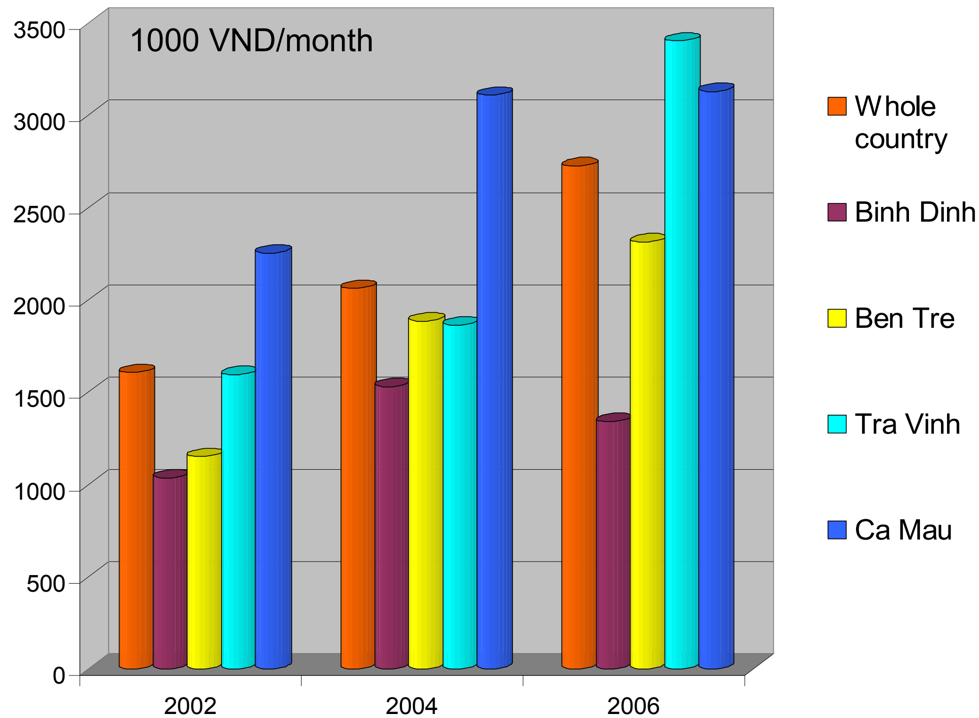
- Based on a small sample of interviews in Thai Binh and Tien Giang Provinces, growers earn the hi... on of the profit available in the chili value chain: 33,950 VND/kg or 85.6% of the total for farmers in ... d 18,944 VND/kg or 82.4 % of the total in Tien Giang (at a lower retail price)
- The total profit eventually earned by other stakeholders is much higher than that of the ... use their production is much bigger and their business cycle is shorter.

~ EXAMPLE OF IMPACT ANALYSIS ~

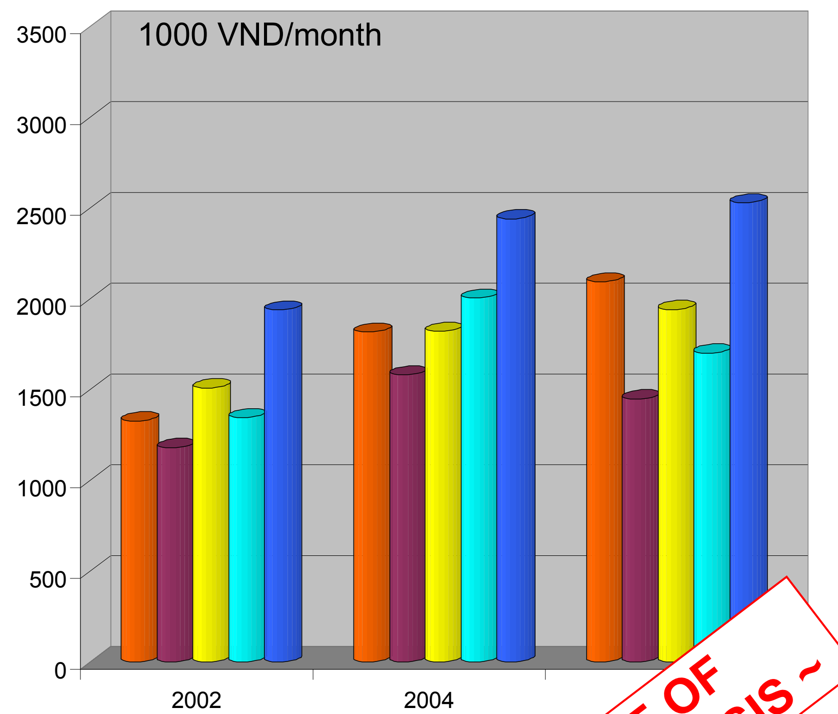
Source: Team analysis, Field trips in Thai Binh and Tieng Giang, January 2009

Provincial data also confirm that, in general, the average monthly incomes of coconut-producing households are higher than those of non-coconut HHs

Avge. income for coconut-producing HHs



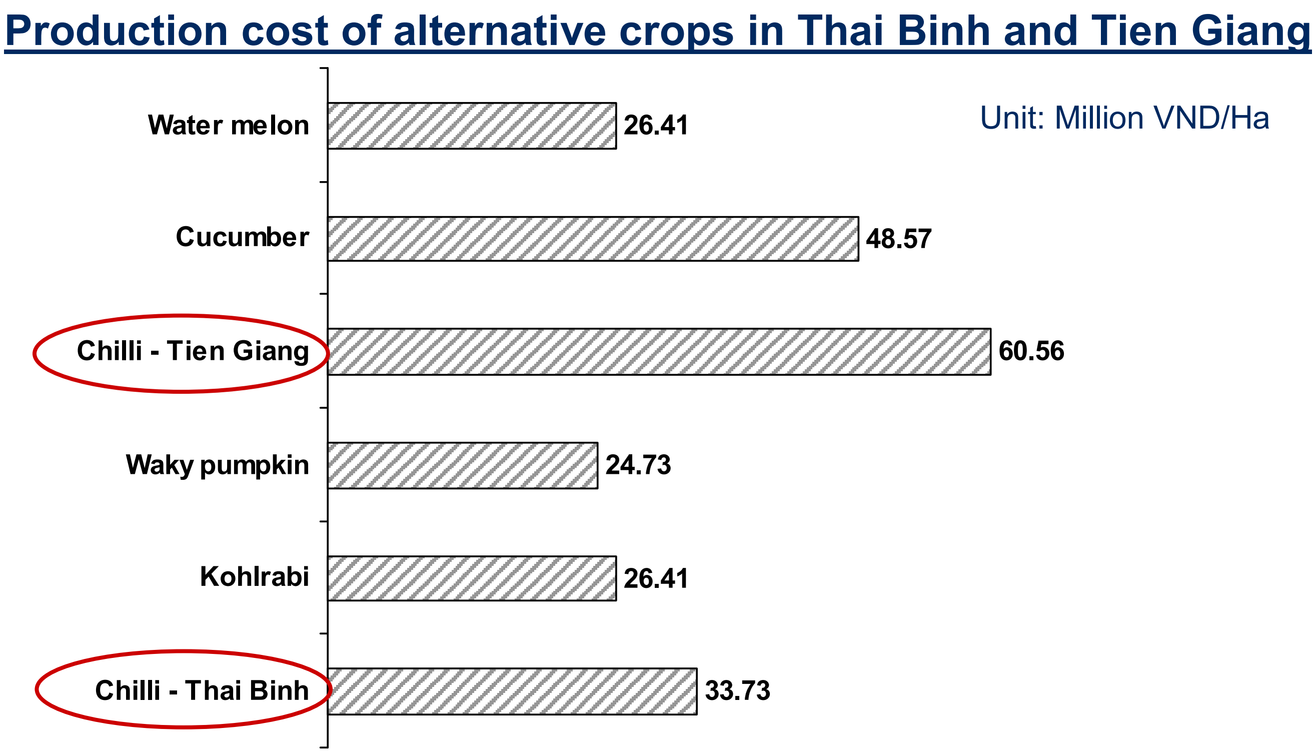
Avge. income for non-coconut-producing HHs



- According to VHLSS data from 2006, the average income per month (AIPM) for coconut-producing ho ... s) is higher than the AIPM for non-coconut-producing HHs in some provinces as well as in the country ...
- Coconut-producing HHs in Tra Vinh enjoyed the highest AIPM in 2006 (3.4 mn. VND), while th ... oconut HHs in Binh Dinh was the lowest (1.3 mn. VND) compared with averages of 2.7 mn. VND for coc ... g HHs and 2.1 mn. VND for non-coconut-producing HHs in Vietnam as a whole.

Source: Calculated from VHLSS data, GSO

Production costs of chili are relatively high compared to other crops, so there may be barriers to entry for poor growers considering shifting to chili production



Entry opportunities for poorer people may be limited by:

- Higher investment capital requirements compared with other crops
- Higher risk of loss, due to weak disease control, and less adaptability of imported seeds t… developed to suit other countries' conditions

Most chili growers have their own land and capital accumulated from previous … er sources of income. In Tien Giang landless farmers have to pay additional land rental equa… % of the above cost

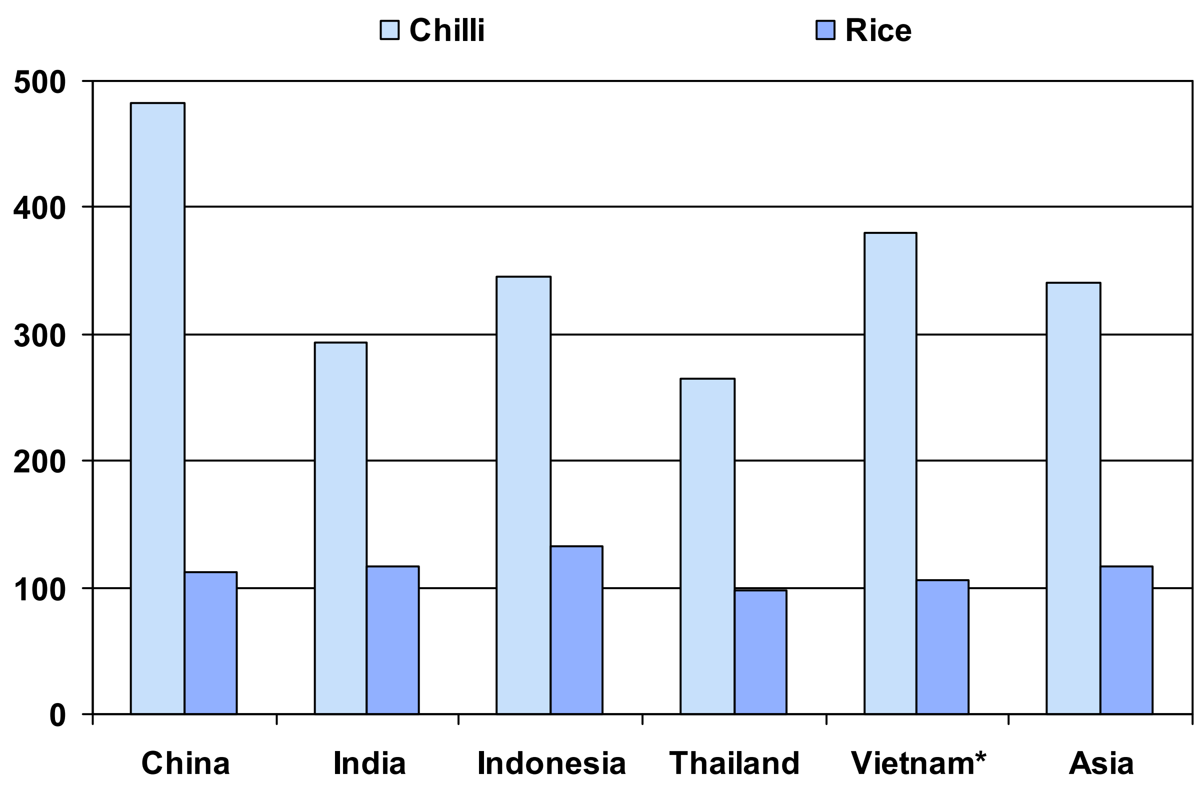
~ EXAMPLE OF IMPACT ANALYSIS ~

Source: Team analysis

While chili can create more jobs for growers, intensive cultivation may have negative health effects

Labour use in chili and rice production in selected countries

Unit: Labour day per ha



Source: AVRDC, Vietnam*: team estimates

Employment: Chili has the potential to create more jobs than rotational crops (such as paddy rice) and alternative crops (such as cucumber, watermelon etc.) owing to a higher requirement for intensive care throughout the crop life due mainly to chili's high vulnerability to diseases.

Health effect: Chili plants require medium to high use of chemicals, plus pesticide for disease control. Such intensive chemical use may result in a higher exposure of growers to health risks.

~ EXAMPLE OF IMPACT ANALYSIS ~

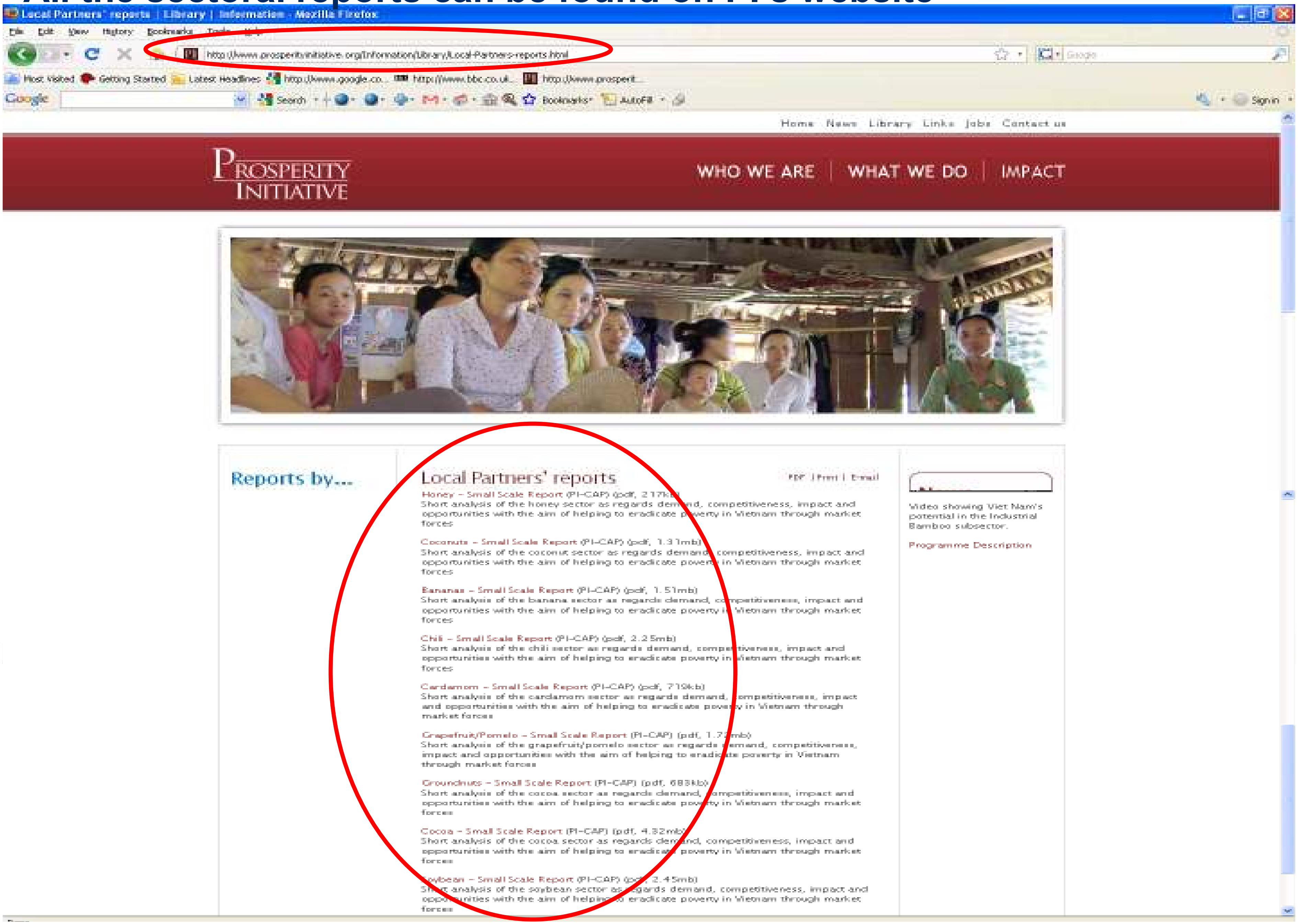
CAP PROSPERITY INITIATIVE

There are four main options covering potential next steps for the sectors being reviewed by CAP with PI

Potential Next Step	Associated Action	Decision Criteria
Further review/ Feasibility	• If the product/sector appears to offer strong potential for CAP and PI, a more in-depth feasibility study should be undertaken	• Clear pro-poor potential, e.g. a "significant" portion of the value accrues to poorer people Scale opportunity, e.g. at least 20,000 people likely to benefit from developing the product/sector Clear link to skills/networks of PI
Discussion with other NGOs	• If the product/sector does not meet CAP-PI's criteria for further action but might be of interest to another NGO, then the report can be sent to, and discussions initiated with, other NGO(s)	• Limited scale opportunity, but sufficient evidence of pro-poor impact (e.g. some value for poorer people) to be of interest to an NGO Knowledge of NGO(s) who might be interested in the product/sector to support or extend existing activities in relevant sector or location
Discussion with private sector	• If the product/sector does not meet CAP-PI's criteria for further action but might be of commercial relevance, then the report can be sent to, and discussions initiated with, commercial companies with minimal further involvement from PI	• Some evidence of commercial opportunity but requires investment or commercial expertise not available to PI or NGO sector May or may not have significant pro-poor imp[illegible] No clear link to skills/networks of PI
No further action	• If the product/sector is unlikely to be of interest to either CAP-PI, other NGOs or the private sector then no further action should be taken apart from possibly posting the report on PI's website	• Not promising: very limited p[illegible]ct, scale opportunity or commerci[illegible]

~ EXAMPLE OF NEXT STEPS ~

All the sectoral reports can be found on PI’s website



Staff from PI and CAP have been working side by side in the office …

… and in the field

Since one objective has been skills development, targeting and measuring improvements in staff capabilities has been a key outcome

	Junior Analyst	Senior Analyst	Project Team Leader
Technical –Data collection –Data analysis –Problem-solving –Reporting	Main focus of skills acquisition	Relevant for adding to skills inventory and applying techniques already learned	Focus on technical coaching since assumed largely to have acquired technical skills
Inter-personal –Team-working –Communications –Cultural attitude –Relationship mangt.	Second focus of skills acquisition	Relevant for developing wider skills and assisting junior analysts to acquire basic skills	Focus on interpersonal coaching for team
Project Management –Design & Planning –Co-ordination –Monitoring –Delivery	Relevant mainly to self-management within the context of a project	Acquisition of initial skills and assistance to Project Team Leader	Key focus of attention
People Management –Task allocation –Supervision –Coaching –Appraisal	Relevant mainly in the context of managing upwards	Acquisition of initial skills and assistance to Project Team Leader	Key focus of attention

Examples of appropriate practice for different staff have been developed and used as a template for checking progress

	Junior Analyst should be able to:	**Senior Analyst** should be able to:	**Project Team Leader** should be able to:
Technical Data collection	▪ Work with other team members to identify required data ▪ Search on-line and paper information sources for the required data ▪ Collect primary data unassisted ▪ Follow up identified external contacts and assist with preparing for, carrying out and documenting interviews ▪ Follow instructions in field surveys	▪ Identify appropriate sources of data ▪ Guide junior analysts with data collection ▪ Carry out collection of more complex data ▪ Identify, arrange, prepare for, carry out and document external interviews ▪ Design field surveys according to set examples and other parameters	▪ Provide guidance on key data sources ▪ Guide and monitor analysts in identifying required data ▪ Carry out senior interviews and other more complex data collection activities ▪ Organise and manage field surveys and other primary data collection activities
Technical Data analysis	▪ Check, synthesize, reformat, and carry out primary evaluation of data ▪ Draw simple conclusions from data ▪ Use MS Excel functions effectively in data analysis ▪ Develop appropriate charts and other outputs to represent the data effectively	▪ Apply standard analytical techniques to data collected ▪ Apply critical thinking to the analysis of data, especially where there are conflicts or uncertainties ▪ Supervise the analytical work carried out by junior analysts ▪ Devise more complicated charts and other outputs ▪ Contribute to the development of working hypotheses covering key dynamics in relevant markets	▪ Apply appropriately in-depth knowledge and experience of analytical techniques ▪ Coach analysts and supervise the application of different techniques ▪ Guide and assist analysts in the production of appropriate charts and other outputs ▪ Ensure the development of working hypotheses covering key dynamics in relevant markets
Technical Problem-solving	▪ Solve simple technical problems ▪ Use techniques previously explained ▪ Demonstrate some innovation and initiative in approaching problems	▪ Solve more complex problems ▪ Demonstrate innovative ways to approach problems ▪ Support other team members' creative efforts ▪ Contribute to the development of strategic options	▪ Use knowledge and experience to apply problem-solving techniques ▪ Lead the process of solving more complex problems ▪ Develop strategic options ▪ Encourage partners and team members to think and act 'outside the box'
Technical Reporting	▪ Follow an agreed structure and storyline to prepare a report ▪ Use MS PPT and Word effectively ▪ Prepare data in a form suitable for inclusion in a report ▪ Identify potentially redundant data	▪ Develop sections of a report along previously agreed lines ▪ Write sections of a report logically and effectively ▪ Distinguish more critical data and analysis for inclusion	▪ Lead the development of a relevant report structure and storyline ▪ Produce high quality written reports that can be provided to internal and external partners ▪ Ensure reports focus on material issues and solve the identified problems

During the time together, PI and CAP have learned some of the key points for a successful functioning partnership

Important to have a practical partnership …

- A joint team delivering projects of common interest
- A relationship extending over several people in each organisation
- Sustained day-to-day working over a long period
- A focus on building trust and value early on through a limited range of activities which are gradually extended
- A flexible approach within the context of a contractual relationship
- A wider and long-term view of the relationship rather than just projects

… leading to …

- **Deeper understanding, Stronger partnership, Better results**

Among the more challenging issues that were faced during 2008 …

Management

- Ensuring consistent and rational direction when both organisations are still relatively new and building resilience
- Ensuring continuity of personnel (on both sides)
- Maintaining the appropriate level of management oversight
- Involving CAP staff in other parts of PI's activities

Technical

- Ensuring a shift in focus from concerns about production and supply to markets, demand, and commercial issues
- Successfully integrating the varying components of the work, including global and local research, poverty impact, etc.

Agenda

Objectives and introduction to CAP-IPSARD and PI

Presentation on joint CAP-PI Programme in 2008

Future collaboration

Comments and discussion

Based on improved capacity of staffs, the focus for 2009 is more in-depth research into a major commodities including rice and rubber

Rice – Sector Profile and Improved Crop Monitoring

•Objective: to improve the evidence and analysis available to policy – makers at national and provincial levels to support rice sector policy and strategy decisions including particular outputs in the areas of:

- A detailed evidence-based and gradually updated profile of the rice industry in Vietnam
- Recommendations and plan for pilot improvements in crop monitoring systems to improve harvest forecasting and monitoring
- Support to longer-term policy-making in food security strategy

Rubber – Sector Overview

•Objective: to understand more about the dynamics of the rubber sector with the aim of contributing to continuing discussion on:

- Development strategy of rubber sector in Vietnam, especially opportunity to develop rubber in northern uplands
- Public and private sector's roles in developing the rubber industry

Within the framework of their longer-commitment, CAP and PI will continue to review the most appropriate forms of future collaboration which may include:

- More in-depth studies focusing on areas of concern to both organisations, such as pro-poor economic development, sectoral policy-making, etc.
- Expanding the scope of CAP collaboration out from study and analysis to policy/project implementation phase projects in PI such as Bamboo
- More attention to the impact assessment of sectors
- Extension into more provincial engagements

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