



Australian Government

**Australian Centre for
International Agricultural Research**

Final report

Small research and development activity

project

Scoping study for agricultural development policy review for Vietnam food security

project number

ADP/2015/001

date published

29/09/2016

prepared by

Dr Liz Petersen, University of Western Australia
Mr Nguyen Thanh Duong, Ministry of Planning and Investment,
Vietnam (MPI)

*co-authors/
contributors/
collaborators*

Mr Luu Ngoc Luong, MPI
Mr Uong Dinh Hoang, MPI
Mrs Vu Hoang Yen, MPI
Dr David Vanzetti, Australian National University (ANU)
Dr Tran Cong Thang, Institute of Policy and Strategy for Agriculture
and Rural Development, Ministry of Agriculture and Rural
Development, Vietnam (IPSARD)
Dr Ray Trewin, ANU
Ms Nguyen Le Hoa, IPSARD

approved by

Dr Ejaz Qureshi

final report number

FR2016-31

ISBN

978-1-925436-82-2

published by

ACIAR
GPO Box 1571
Canberra ACT 2601
Australia

This publication is published by ACIAR ABN 34 864 955 427. Care is taken to ensure the accuracy of the information contained in this publication. However ACIAR cannot accept responsibility for the accuracy or completeness of the information or opinions contained in the publication. You should make your own enquiries before making decisions concerning your interests.

© Australian Centre for International Agricultural Research (ACIAR) 2016 - This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from ACIAR, GPO Box 1571, Canberra ACT 2601, Australia, aciarc@aciarc.gov.au.

Contents

1	Acknowledgments	5
2	Executive summary	6
3	Introduction.....	9
4	Objectives, activities and deliverables	10
4.1	Objectives	10
4.2	Activities	10
4.3	Deliverables	11
5	Methodology	12
6	Achievements against objectives, activities and deliverables	14
6.1	Objectives	14
6.2	Activities	17
6.3	Deliverables	19
7	Conclusions and recommendations	20
7.1	Conclusions.....	20
7.2	Recommendations	21
8	References	23
8.1	References cited in report.....	23
8.2	List of publications produced by project.....	23
9	Appendices	25
9.1	Overview of agricultural development in Vietnam.....	25
9.2	How policy is developed in Vietnam	25
9.3	Cross-country comparison of policy development.....	26
9.4	Overview of food security in Vietnam.....	27
9.5	Summary tables of Vietnam's food security policies.....	27
9.6	Review of Vietnam's food security policy.....	29
9.7	Cross-country comparison of directions in food security policy.....	29
9.8	Survey results	30
9.9	Policy principles for food security.....	31
9.10	Evaluation of Vietnam's food security policies.....	32
9.11	Methods for analysing food security in Vietnam	32
9.12	Application and dissemination of methods for analysing food security in Vietnam	33
9.13	Australian study tour trip report.....	33

9.14 Indonesian study tour trip report	33
9.15 Workshop report.....	33

1 Acknowledgments

The authors would like to sincerely thank:

- the Australian Centre for International Agricultural Research for funding the project,
- colleagues in Vietnam for contributing to the project, particularly:
 - Mr Luu Ngoc Luong (MPI),
 - Mr Uong Dinh Hoang (MPI),
 - Mrs Vu Hoang Yen (MPI),
 - Mr Tran Cong Thang (IPSARD), and
 - Ms Nguyen Le Hoa (IPSARD).

We especially thank Mrs Vu Hoang Yen who provided excellent assistance in guiding the project, reviewed many of the publications and facilitated the project Final Workshop,

- colleagues in Australia who contributed intellectual property to the project and reviewed key project publications:
 - Dr David Vanzetti (ANU),
 - Dr Ray Trewin (ANU), and
- ACIAR Agricultural Development Policy Program Manager, Dr Ejaz Qureshi, who provided invaluable direction to the project and who reviewed key project publications.

2 Executive summary

Vietnam has made significant strides in the past thirty years to provide food security at a national level, but pockets of deprivation remain. Malnutrition and food safety are still significant problems. After years of development, Vietnam's food security related policies have exposed weaknesses. There is significant overlap and undue complexity across policies. While well-intentioned, a number of policies are more of a hindrance than a help at achieving food security. A few recent studies have reviewed Vietnam's agricultural policy with a view to identifying policy and regulatory weaknesses. However, these reviews do not evaluate the policy development process itself, and do not analyse the policies with respect to the methods and tools required for evidence-based policy analysis. It is these gaps that this project seeks to fill.

In order to create a strong food security policy framework in Vietnam, improved and sustained policy review and analysis are required. As a first step to achieving this, the objectives of this project are:

Objective 1: To review and evaluate Vietnam's food security policy development process and current policy direction, and suggest ways in which the process and direction could be reformed,

Objective 2: To identify specific areas of policy research where evidence and/or tools are deficient, and

Objective 3: To build capacity in evidence-based policy analysis in Vietnam.

This project has been of one-year duration, starting on 1st March 2015. The project objectives have been achieved in full and on time. This project has produced a number of outputs that are intended to be published in a separate monograph:

- 11 papers that were presented at the project's Final Workshop,
- 4 policy briefs, and
- 2 articles which have been submitted for possible publication in a peer-reviewed journal.

The project's evaluation of Vietnam's food security policies has highlighted a number of strengths:

1. strong focus on promoting economic growth;
2. targeted, in part, at those who are food insecure;
3. good focus on development of the market;
4. strong investment objectives to increase agricultural productivity through infrastructure; research; extension and training;
5. encouraged investment domestically from both the private and public sector; as well as internationally through foreign direct investment and overseas development assistance; and
6. consideration of food safety issues.

The project's evaluation has also highlighted a number of weaknesses in Vietnam's food security policies:

1. implication that food security is ensured through self-sufficiency of rice;
2. production decisions are directed through specific government-developed land use plans rather than allowing the private sector to determine production decisions based on comparative advantage;
3. property rights for land, which are owned by all Vietnamese people and administered by the state, do not provide incentives for the trade of land to those who can most efficiently use it. This is stifling the growth of land consolidation, agricultural productivity and international competitiveness of the agricultural sector;
4. quantitative trade restrictions exist (such as import and export quotas, and input subsidies);

5. price support for rice production is causing market inefficiencies;
6. underdeveloped social protection programs and reliance on the allocation of rice to food insecure households is distorting the market and is not addressing nutritional requirements or food security;
7. nutritional and food safety issues are not fully addressed; and
8. complex and overlapping suites of policies are resulting in conflicting and undesired outcomes at significant administrative cost.

Current capacity for evidence-based policy analysis is low. Building this capacity is required for Vietnam to build a strong policy framework for improved and sustained food security policy development, review and analysis. The project has made significant progress towards building capacity through:

1. Developing a greater understanding of different farming systems and food security policies,
2. Teaching policy principles and evidence-based analysis for food security policy,
3. Critical evaluation of Vietnam's food security policies,
4. Establishment of the Agricultural Development Policy Network (ADPN), and
5. Encouraging professional report writing.

The project's review of policy research identified several models available in Vietnam that may be used to inform evidence-based policy on food security issues in Vietnam; for example GTAP (Global Trade Analysis Project), several MONASH type single country CGE models, IMPACT and its variants, and VAST (Vietnam Agricultural Sector model). However, use of these models for policy analysis within Vietnamese government institutions is minimal.

Two sets of recommendations have been developed from the project. The first set of recommendations (Recommendations 1 to 7) relates specifically to food security policy reform and is outlined in Petersen, Yen and Vanzetti (2015) including:

Recommendation 1: Embark on policy reform to change the objectives and sub-objectives of Vietnam's Resolution on National Food Security by:

- a. Moving away from a self-sufficiency paradigm to one that can facilitate a diversity of domestic and international sources of food; and
- b. Giving greater emphasis to nutrition and food safety.

Recommendation 2: Embark on a reform process of related food security policy documents to simplify them and remove significant overlaps in terms of objectives, instruments and coordination;

Recommendation 3: Refocus planning activities away from land-use planning to risk-management planning (for example, managing the risk of natural disasters and containment of pests and diseases);

Recommendation 4: Remove price support mechanisms to minimise market distortions and inefficiencies and instead develop strong social protection programs, such as cash transfer programs (to provide safety nets during food crises), and education programs for nutrition;

Recommendation 5: Continue striving for sustainable agricultural productivity through improved governance and investing in targeted infrastructure construction, research and extension;

Recommendation 6: Continue land reform to facilitate well-defined, secure and tradeable private property rights to reduce land fragmentation and encourage mechanisation and economies of size and scale;

Recommendation 7: Invest in food safety accreditation and export traceability systems to enhance food safety credentials.

The second set of recommendations (Recommendation 8 to 15) relates to modelling needs within institutions to facilitate rigorous evidence-based policy on food security issues. These recommendations are outlined in Vanzetti, Petersen, Hoang and Que (2015) as follows:

- Recommendation 8:** Establish a set of simple policy tools for measuring the impact of various indicators on food security. A number of these simple policy tools are listed in IFPRI's Food Security Portal and include changes in world prices, production, exchange rates, tariffs and export taxes, subsidies on domestic production and consumption, imports, domestic prices, producer and consumer welfare and tariff revenues;
- Recommendation 9:** Maintain GTAP as the prime tool for trade analysis;
- Recommendation 10:** Link a micro-simulation model to GTAP (to consider poverty and equity issues);
- Recommendation 11:** IPSARD to purchase MONASH-VN as the prime tool for complex policy issues relating to regional production and consumption, and link it with a micro-simulation model (including household production, consumption, income, expenditure, saving, etc.);
- Recommendation 12:** Develop VAST within Excel and establish it as the prime tool for internal policy advice by IPSARD to examine regional production and consumption with short to medium time-frames;
- Recommendation 13:** Develop and apply a storage model for rice to understand the impact of rice policies on food security;
- Recommendation 14:** Examine the Chinese CCAP model and IFPRI's Indonesian model to see whether a version can be modified for Vietnam; and
- Recommendation 15:** Link nutrition data to household income and expenditure data to better understand the spatial nature of food insecure households, and their vulnerability to economic shocks.

3 Introduction

Food security is an important focus of Vietnam's economic development. More than 70% of Vietnam's population, and most of the country's food insecure population, live in rural areas and stand to benefit from agricultural and rural development. Vietnam's agricultural sector stands to gain from improved economic efficiency, capitalisation and technology improvement. Acknowledging this situation, the Vietnamese government has implemented several groups of agricultural policies which are expected to impact on agricultural and rural development, both directly and indirectly. These groups of policies focus on issues such as land, credit, investment, and agricultural extension. The government reviews these policies at a conference every five years. In their most recent evaluation (2013), the government deemed these policies to be adequate and useful to help farmers increase the effectiveness and efficiency of agricultural production.

However, after years of development, these policies have exposed weaknesses. There is significant overlap across policies, and undue complexity which makes it difficult for policy makers or donors to adequately analyse these policies to ensure they are achieving their goals. Moreover, the national and international economy is changing such that government policy is not addressing newer concerns (such as biosecurity, market-based integrated supply-chains, clean agriculture, nutrition and trade).

On the 5/8/2014, Vietnam's Prime Minister - Nguyen Tan Dung - signed a Public Investment Master Plan for 2016-2020 (Direction No 23/CT-TTg). The aim of the Plan is significant policy reform, especially in agriculture and rural development. It will require that a number of policies and/or national programs be eliminated or integrated to create a strong policy framework serving agricultural restructure objectives.

The potential impact of these policies is large as they deal with national and international food security policies across a broad range of commodities. Policies, being determined by policy-makers, can often be improved quickly in response to hard evidence-based economic policy analysis. This process can be relatively cheap, quick and can deliver large economic benefits, so the research rates-of-return can be very large.

A few recent studies have reviewed Vietnam's agricultural policy with a view to identifying policy and regulatory gaps (For example, Coxhead *et al.* (2010), OECD (2015) and Thang and Linh (2015)), However, these reviews do not evaluate the policy development process itself, and do not analyse the policies with respect to the methods and tools required for evidence-based policy analysis. Currently, there is low capacity for evidence-based policy analysis in Vietnam. Existing reviews have not led to the development of capacity for policy analysis within Vietnam. It is these gaps that this project seeks to fill.

This is a Small Research Activity (or SRA) starting on 1st March 2015 and ending 29th February 2016. This Final Report outlines the project's objectives, activities and deliverables (Section 4), methodology (Section 5), and the project's achievements against the objectives, activities and deliverables (Section 6). Key conclusions and recommendations from the project are summarised in Section 7.

This project has produced a number of outputs that are intended to be published in a separate monograph:

- 11 papers that were presented at the project's Final Workshop,
- 4 policy briefs, and
- 2 articles which have been submitted for publication in a peer-reviewed journal.

These publications are listed in Section 8, a summary of their key messages are provided in Section 9, and the full publications and are contained within the attached appendices.

4 Objectives, activities and deliverables

4.1 Objectives

In order to create a strong policy framework in Vietnam, improved and sustained agriculture-related policy review and analysis is required. As a first step to achieving this, the objectives of this project are as follows:

Objective 1: To review and evaluate Vietnam's food security policy development process and current policy direction, and to suggest ways in which the process and direction could be reformed,

Objective 2: To identify specific areas of policy research where evidence and/or tools are deficient, and

Objective 3: To build capacity in evidence-based policy analysis in Vietnam.

4.2 Activities

The research activities undertaken by the project take a significant step towards the long-term goal of effective and efficient policy development in Vietnam on which evidence-based economic policy analysis of current and plausible futures scenarios is undertaken and debated.

The research strategy is staged, with the first stage (including Activities 1 to 3) being concerned with the policy development and evaluation process, and the second stage (including Activities 4 and 5) concerned with identifying capacity deficiencies (both in terms of personnel and application of economic tools) and potential ways for ameliorating these deficiencies.

Activity 1: Review and evaluate the food security policy development process in Vietnam

This includes clearly articulating who develops the policies, and how they are developed, evaluated and reformed over time. The policy development process is compared with other countries (such as Australia and Indonesia) to draw from international lessons and experience.

Activity 2: Review and evaluate the major thrusts of recent policy shifts relating to food security

Stakeholders involved in the policy development process were consulted to develop practical ways in which policy development and strategy can be improved.

Activity 3: Initial review and evaluation of key government policies, proposing initial suggestions for food security policy reform

Several reviews were conducted at both the central and local levels. Initial suggestions for policy reform are determined from this review and evaluation. Information is disseminated through policy briefs, and establishment of the Agricultural Development Policy Network (ADPN).

Activity 4: Thorough assessment of how these policies may be analysed through time

The modelling tools and human-resource capacity requirements to achieve evidence-based policy analysis of key policies over time are determined. Economic policy analysis requires a suite of robust and up-to-date methodologies and models that can consider a broad range of issues at a broad

range of scales. This assessment draws from international policy development experience from Activity 1.

Activity 5: Identify specific areas of policy research where evidence and/or tools are deficient, and determine areas in which Australian expertise might be valued.

4.3 Deliverables

1	A Policy Chart that visually articulates the various policies, their relationships to other policies, and their objectives.
2	A Policy Development Flow Diagram that visually articulates the processes and institutions involved in the policy development process.
3	A paper comparing and contrasting Vietnam's Policy Chart and Policy Development Flow Diagram with those in other countries.
4	Submission of a paper based on Deliverables 1, 2 and 3 to a peer-reviewed international journal, and policy brief(s) disseminated through the Agricultural Development Policy Network (ADPN)
5	Agricultural Policy Evaluation Report
6	Assessment of Policy Analysis Requirements
7	Workshop Report
8	Final Report

5 Methodology

The project has a strong focus on partnership exchange (both between Australia and Vietnam, and between Vietnamese institutions) as policy reform is best achieved from within a country's own agencies.

Methodology 1: Literature review and familiarisation with food security policies and the policy development framework

Significant time was spent on this initial step to ensure key project personnel are familiar with the suite of policies affecting agricultural and rural development in Vietnam. There are a significant number of policies and directives, with significant overlap. Most policies and directives are in Vietnamese, so *Google Translate* and bilingual project team members proficient in both Vietnamese and English, contributed to ensuring the project team are thoroughly familiar with relevant policies.

Output 1: A Policy Chart that visually articulates the various policies, their relationships to other policies, and their objectives.

Output 2: A Policy Development Flow Diagram that visually articulates the processes and institutions involved in the policy development process.

Methodology 2: International study tour

Key project personnel visited policy makers and other policy stakeholders in three countries to compare and contrast food security policies and the policy development process in each country (Vietnam, Indonesia and Australia). This international study tour provided project personnel with ideas for potential policy reform in Vietnam.

Output 3: A paper comparing and contrasting Vietnam's Policy Chart and Policy Development Flow Diagram with those in other countries.

Methodology 3: Semi-structured interviews

Semi-structured interviews were conducted with key stakeholders involved in food security policy development and analysis in Vietnam. These interviews included central and local government, industry, consultants, farmers, academics and other stakeholders involved in these processes. The interviews had four main purposes:

- (1) To verify and augment the Policy Chart developed in Methodology 1,
- (2) To verify and augment the Policy Development Flow Diagram also developed in Methodology 1,
- (3) To understand the major thrusts in recent policy shifts,
- (4) To elicit stakeholder views about ways in which the policies and their development framework could be simplified and reformed for greater effectiveness and efficiency of Vietnam's agricultural sector, and
- (5) To develop an Agricultural Development Policy Network (ADPN) in Vietnam, through which the project can communicate with members on project activities and output.

Output 4: Publication of the verified and augmented Policy Chart and Policy Development Flow Diagram within peer-reviewed international journals, as well the ADPN through policy briefs.

Methodology 4: Evaluation of Vietnam's suite of food security development policies, and the policy development process

Using the results of the semi-structured interviews, the project team made an initial evaluation of Vietnam's suite of food security development policies and the policy

development process. Major thrusts of recent policy shifts were critically analysed. The suite of policies was reviewed for effectiveness, transparency, equity, administrative simplicity, and efficiency. Areas in which agricultural policies are deficient (such as biosecurity, food security, nutrition and trade) were also assessed.

Output 5: Draft Agricultural Policy Evaluation Report

Methodology 5: Assessment of key areas of policy analysis requirements

The key food security policies driving development of Vietnam's agricultural and rural sector were determined. The models or other tools required for evidence-based policy analysis of these policies were determined based on the outputs of the semi-structured interviews (Methodology 3) as well as the literature. Policy analysis deficiencies were highlighted, in particular the ways in which Australian expertise may be used to overcome these deficiencies.

Output 6: Draft Assessment of Policy Analysis Requirements

Methodology 6: Project workshop

The project workshop was central to the efficacy of the project. The objectives of the workshop were:

- (1) To bring together as many members of the ADPN as possible. The wider the scope of participants (i.e. the more varied the audience in terms of stakeholders involved in the various stages of policy development and analysis), the more effective the workshop, and
- (2) To present the project findings. This included presentation of the Policy Chart, the Policy Development Flow Diagram, the Draft Agricultural Policy Evaluation Report, and the Draft Assessment of Policy Analysis Requirements,

To allow significant discussion around these project findings. Care was taken to ensure that findings were presented in a non-judgemental way, offering a number of options for potential improvements (rather than dictating any one specific way). Partnership exchange was a focus; both between Australia and Vietnam, and between Vietnamese institutions (e.g. MPI and IPSARD).

Output 7: Workshop Report

Methodology 7: Write Final Report summarising the activities, findings, outcomes and outputs of the project

Output 8: Final Report

6 Achievements against objectives, activities and deliverables

6.1 Objectives

This project has made a significant first step towards creating a strong policy framework for improved and sustained policy review, analysis and reform in Vietnam. The project objectives have been achieved in full and on time. Vietnam's food security policy development process and current policy direction have been reviewed and evaluated, and recommendations for reform have been developed. Capacity for policy research has also been reviewed, specific areas of weaknesses in policy research have been identified, and recommendations have been developed to encourage remediation of deficiencies in evidence and/or tools. Significant progress has been made towards building capacity in evidence-based policy analysis in Vietnam, and recommended steps forward to progressing this capacity building are suggested (Section 7.2).

The project's specific achievements against each objective are highlighted below.

OBJECTIVE 1: To review and evaluate Vietnam's food security policy development process and current policy direction, and to suggest ways in which the process and direction could be reformed

This objective has been met, with output included in a number of project references. These references include:

- background papers on agricultural development and food security policy in Vietnam, as well as the development of key principles to consider when developing food security policy,
- papers reviewing and evaluating Vietnam's policy development process, and
- papers reviewing and evaluating Vietnam's current food security policy direction.

These papers are listed below and are contained in the Appendices. Findings from these papers have been disseminated through the project team and wider Agricultural Development Policy Network in Vietnam through presentation at the Final Workshop, circulation of a series of policy briefs, and peer-reviewed papers that have been submitted for publication in a Vietnamese journal.

Background documentation produced by the project:

Hoa, N.L. 2015. Overview of food security policy in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Luong, L.N. 2015. Overview of agricultural development in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Petersen, E.H. 2015. Policy principles for food security. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Petersen, E.H. 2016. Policy principles for food security. ***Policy Brief 1 of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security. Disseminated through the Agricultural Development Policy Network.***

- Thang, C.R., Phuc, V.H. and Petersen, E.H. 2015. Stakeholder perceptions on the development and effectiveness of food security policies in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015. Submitted for publication to Vietnam's Socio-economic Development.*
- Thang, C.R., Phuc, V.H. and Petersen, E.H. 2016. Perceptions on the development and effectiveness of food security policies in Vietnam. **Policy Brief 4** of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security. **Drafted, and permission will be sought from Vietnam's Socio-economic Development if it is accepted for publication in that journal.**
- Yen, V.H. 2015. Summary tables of Vietnam's food security policies. *Document prepared for ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security.*
- Yen, V.H. 2015. Review of Vietnam's food security policies. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Papers produced by the project reviewing and evaluating Vietnam's policy development process

- Hoang, U.D. 2015. Policy development in Vietnam: Theory vs practice. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*
- Petersen, E.H. 2015. Comparison of policy development in Vietnam, Indonesia and Australia. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*
- Petersen, E.H. 2016. Comparison of policy development in Vietnam, Indonesia and Australia. **Policy Brief 2** of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security. **Disseminated through the Agricultural Development Policy Network.**

Papers produced by the project reviewing and evaluating Vietnam's current food security policy direction

- Petersen, E.H. 2015. Comparison of food security policies in Vietnam, Indonesia and Australia. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*
- Petersen, E.H. 2016. Comparison of food security policies in Vietnam, Indonesia and Australia. **Policy Brief 3** of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security. **Disseminated through the Agricultural Development Policy Network.**
- Petersen, E.H., Yen, V.H., and Vanzetti, D. 2015. Evaluation of Vietnam's food security policies. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015. Submitted for publication to Vietnam's Socio-economic Development.*

OBJECTIVE 2: To identify specific areas of policy research where evidence and/or tools are deficient

This objective has been met, with output included in two papers presented at the Project Workshop:

Trewin, R. 2015. Tools for evidence-based analysis of Vietnam's food security policies: Practical application and dissemination. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Vanzetti, D., Petersen, E.H., Huong, P.L., and Que, N.N. 2015. Methods for analysing food security in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

OBJECTIVE 3: To build capacity in evidence-based policy analysis in Vietnam

Capacity in evidence-based policy analysis has been built through this project in the following ways:

- 1. Developing a greater understanding of different farming systems and food security policies.** In order for the Vietnamese project members to critically review and evaluate agricultural policies relating to food security in their country, it was important for them to understand alternative farming systems. It is difficult to consider policy reform without an understanding of alternative policies and farming systems. The Australian study tour allowed the Vietnamese project participants to understand farming systems in a developed country; where farm size is significantly larger, mechanisation is significantly more advanced and agricultural policy and regulations are simpler than in Vietnam. The Vietnamese spent a day visiting Western Australian farms which was key to providing this understanding and stimulating discussion. The Indonesian study tour allowed the Australian and Vietnam project participants to see a country with food security policies significantly different from Australia and Vietnam, and to witness the impact it is having on food security in Indonesia. Both these study tours stimulated discussions about what is needed for Vietnam to increase its food security and international competitiveness in the future,
- 2. Teaching in policy principles and evidence-based analysis for food security policy.** Through collaboration, discussions, and attendance of key workshop presentations, project participants studied policy principles, and methods for applying and disseminating evidence-based policy analysis. This has built valuable understanding and capacity in these areas, and a number of project participants have shown significant enthusiasm about using this capacity in their workplaces,
- 3. Critical evaluation of Vietnam's food security policies.** A number of Vietnamese collaborators contributed to the critical evaluation of Vietnam's food security policies. This contributed to capacity building in evidence-based policy analysis,
- 4. Establishment of the Agricultural Development Policy Network (ADPN).** This has allowed project findings to be disseminated to a wide number of policy stakeholders in Vietnam; within central and local government, universities, non-government organisations, business and other relevant fields. More importantly, it will allow shared knowledge, opportunities, connections, confidence and profiles to develop beyond the life of this project. Current members of the ADPN consist of project collaborators, Vietnamese stakeholders who participated in the project interviews (Methodology 3), and participants of the project's Final Workshop. MPI facilitates the ADPN, contacting members through email only. To date, activities of the ADPN have included dissemination of Project Briefs only, and

- 5. Professional report writing.** A number of Vietnamese collaborators produced papers detailing background material and critical evaluation for this project. For many of these collaborators, especially those in the Ministry of Planning and Investment, this is the first time they have produced an academic report. This has facilitated the building of capacity in literature review, critical thinking and professional writing.

6.2 Activities

The project's achievements against the project's activities are highlighted below. These achievements have largely been met through the writing of project documentation. This documentation is highlighted for each activity, and is provided in the Appendices.

Activity 1: Review and evaluate the food security policy development process in Vietnam

Hoang (2015) articulates who develops the policies, and how they are developed, evaluated and reformed over time in Vietnam.

Petersen (2015b, 2016b) compares the policy development process in Vietnam with that of Australia and Indonesia to draw from international lessons and experience.

Activity 2: Review and evaluate the major thrusts of recent policy shifts relating to food security

Luong (2015) provides an overview of agricultural development in Vietnam.

Hoa (2015) and Yen (2015a) provide an overview and review of food security and its policies in Vietnam.

Petersen (2015c, 2016c) provides a cross-country comparison of directions in food security policy in Vietnam, Indonesia and Australia.

Activity 3: Initial review and evaluation of key government policies, proposing initial suggestions for food security policy reform

Thang, Phuc, and Petersen (2015, 2016) provide the results of a 221 stakeholder survey to outline perceptions on the development and effectiveness of food security policies in Vietnam.

Yen (2015b) provides summary tables of more than 70 food security related policy documents in Vietnam as a basis for a thorough evaluation on this topic.

Petersen, Yen and Vanzetti (2015) conduct a thorough evaluation of Vietnam's food security policies. Suggestions for policy reform are provided in this review.

Three policy briefs have been disseminated through the Agricultural Development Policy Network (ADPN), and a further one is anticipated (subject to copyright issues with journal publication). The network was established by this project.

Activity 4: Thorough assessment of how these policies may be analysed through time

Vanzetti, Petersen, Huong and Que (2015) outline the methods for analysing food security in Vietnam, providing recommendations for modelling needs within Vietnamese institutions.

Trewin (2015) outlines issues associated with application and dissemination of evidence-based policy analysis for food security in Vietnam.

Activity 5: Identify specific areas of policy research where evidence and/or tools are deficient, and determine areas in which Australian expertise might be valued.

Vanzetti, Petersen, Huong and Que (2015) provide recommendations for modelling needs with Vietnamese institutions where Australian expertise might contribute to these needs.

6.3 Deliverables

	Deliverable	Achievement against deliverable
1	A Policy Chart that visually articulates the various policies, their relationships to other policies, and their objectives.	<ul style="list-style-type: none"> • Yen (2015) (Attachment 5) lists almost 70 food security-related policies. For each of these policy documents, Yen outlines their objectives and instruments. Overlaps across policies are also outlined in Table 11. • A condensed version of Yen's policy chart is presented in Petersen, Yen and Vanzetti (2015) (Attachment 10a, Table 1)
2	A Policy Development Flow Diagram that visually articulates the processes and institutions involved in the policy development process.	<ul style="list-style-type: none"> • Petersen (2015b,2016b) (Appendix 3) provides a Policy Development Flow Diagram for Vietnam, Indonesia and Australia (Figure 2).
3	A paper comparing and contrasting Vietnam's Policy Chart and Policy Development Flow Diagram with those in other countries.	<ul style="list-style-type: none"> • See points 1 and 2 above • In addition, Petersen (2015c,2016c) (Appendix 7) is a cross-country comparison of food security policy in three countries (Vietnam, Indonesia and Australia).
4	Submission of a paper based on Deliverables 1, 2 and 3 to a peer-reviewed international journal, and policy brief(s) disseminated through the Agricultural Development Policy Network (ADPN)	<ul style="list-style-type: none"> • Two papers have been submitted for publication in the peer-reviewed journal <i>Vietnam's Socio-economic Development</i>: <ul style="list-style-type: none"> ◦ Thang, C.R., Phuc, V.H. and Petersen, E.H. 2015 (Appendix 8a), and ◦ Petersen, Yen and Vanzetti (2015) (Appendix 10) • Three policy briefs have been disseminated through the Agricultural Development Policy Network: <ul style="list-style-type: none"> ◦ Policy Brief 1: Policy principles for food security (Appendix 9b) ◦ Policy Brief 2: Comparison of policy development (Appendix 3b) ◦ Policy Brief 3: Comparison of food security policies (Appendix 7b) • A further policy brief will be disseminated through the Network when permission is granted by the publishing journal: <ul style="list-style-type: none"> ◦ Policy Brief 4: Perceptions of Vietnam's food security policies (Appendix 8b).
5	Agricultural Policy Evaluation Report	<ul style="list-style-type: none"> • Petersen, Yen and Vanzetti (2015) (Appendix 10) is a comprehensive review of Vietnam's food security policy.
6	Assessment of Policy Analysis Requirements	<ul style="list-style-type: none"> • Vanzetti, Petersen, Huong and Que (2013) provide a comprehensive assessment of the methods for analysing food security in Vietnam, and the modelling requirements by institution in Vietnam (Appendix 11). • Trewin (2015) outlines issues associated with application and dissemination of evidence-based policy analysis for food security in Vietnam (Appendix 12).
7	Workshop Report	<ul style="list-style-type: none"> • Appendix 15
8	Final Report	<ul style="list-style-type: none"> • This document

7 Conclusions and recommendations

Project conclusions are summarised in Section 7.1 and project recommendations are listed in Section 7.2.

7.1 Conclusions

The over-arching aims of Vietnam's food security policy are clear and relatively simple. The country has experienced strong economic growth since the *Doi Moi* reforms of 1986 and its policymakers are keen to continue this process of market-oriented reform. They understand the potential for sustainable productivity growth to increase international competitiveness for its export markets and the importance of investing in infrastructure, research and extension to facilitate this.

However, the means by which the Vietnamese government plans to achieve these objectives is set out in over 70 policy documents (decrees, resolutions, decisions and circulars). The policy instruments include detailed planning solutions, infrastructure development, power generation goals and science and technology initiatives. Implementation is conducted over a number of government ministries (Ministry of Agriculture and Rural Development, Ministry of Health, Ministry of Planning and Investment) in a number of different ways, resulting in counter-productive outcomes, inefficiency and wasted resources.

Policy initiatives to improve markets and productivity growth are being stifled by the government's detailed land allocation plans. These plans allocate land area for rice and the other significant food commodities at a detailed geographic scale. Land rights in Vietnam are not fully privatised which, along with the government planning processes, is preventing farmers from changing land to those which allow them to maximise their incomes. It prevents them from allocating capital to its most efficient uses.

Vietnam is also continuing with self-sufficiency goals for most foods, and is implementing a rice price stabilisation scheme. Policy stakeholders in Vietnam perceive the rice stabilisation scheme to be one of the least effective of Vietnam's food security policies.

The project's evaluation of Vietnam's food security policies has highlighted a number of strengths:

1. strong focus on promoting economic growth;
2. targeted, in part, at those who are food insecure;
3. good focus on development of the market;
4. strong investment objectives to increase agricultural productivity through infrastructure; research; extension and training;
5. encouraged investment domestically from both the private and public sector; as well as internationally through foreign direct investment and overseas development assistance; and
6. consideration of food safety issues.

The project's evaluation has also highlighted a number of weaknesses in Vietnam's food security policies:

1. implication that food security is ensured through self-sufficiency of rice;
2. production decisions are directed through specific government-developed land use plans rather than allowing the private sector to determine production decisions based on comparative advantage;
3. property rights for land, which are owned by all Vietnamese people and administered by the state, do not provide incentives for the trade of land to those who can most efficiently use it. This is stifling the growth of land consolidation, agricultural productivity and international competitiveness of the agricultural sector;

4. quantitative trade restrictions exist (such as import and export quotas, and input subsidies);
5. price support for rice production is causing market inefficiencies;
6. underdeveloped social protection programs and reliance on the allocation of rice to food insecure households is distorting the market and is not addressing nutritional requirements or food security;
7. nutritional and food safety issues are not fully addressed; and
8. complex and overlapping suites of policies are resulting in conflicting and undesired outcomes at significant administrative cost.

Current capacity for evidence-based policy analysis is low. Building this capacity is required for Vietnam to build a strong policy framework for improved and sustained food security policy development, review and analysis. There are several models available in Vietnam that may be used to inform evidence-based policy on food security issues in Vietnam; for example GTAP (Global Trade Analysis Project), several MONASH type single country CGE models, IMPACT and its variants, and VAST (Vietnam Agricultural SecTor model). However, use of these models for policy analysis within Vietnamese government institutions is minimal.

7.2 Recommendations

Our project has developed two sets of recommendations. The first set of recommendations (Recommendations 1 to 7) relates specifically to food security policy reform and is outlined in Petersen, Yen and Vanzetti (2015). This paper provides further information relating to these policies, and a brief analysis on the expected impact, difficulty and time-frame for achieving each of these recommendations.

Recommendation 1: Embark on policy reform to change the objectives and sub-objectives of Vietnam's Resolution on National Food Security by:

- a. Moving away from a self-sufficiency paradigm to one that can facilitate a diversity of domestic and international sources of food; and
- b. Giving greater emphasis to nutrition and food safety.

Recommendation 2: Embark on a reform process of related food security policy documents to simplify them and remove significant overlaps in terms of objectives, instruments and coordination;

Recommendation 3: Refocus planning activities away from land-use planning to risk-management planning (for example, managing the risk of natural disasters and containment of pests and diseases);

Recommendation 4: Remove price support mechanisms to minimise market distortions and inefficiencies and instead develop strong social protection programs, such as cash transfer programs (to provide safety nets during food crises), and education programs for nutrition;

Recommendation 5: Continue striving for sustainable agricultural productivity through improved governance and investing in targeted infrastructure construction, research and extension;

Recommendation 6: Continue land reform to facilitate well-defined, secure and tradeable private property rights to reduce land fragmentation and encourage mechanisation and economies of size and scale;

Recommendation 7: Invest in food safety accreditation and export traceability systems to enhance food safety credentials.

The second set of recommendations (Recommendation 8 to 15) relates to modelling needs within institutions to facilitate rigorous evidence-based policy on food security issues. They are presented in Vanzetti, Petersen, Hoang and Que (2015) and draw from their review of models available in Vietnam, and the advantages and disadvantages of using them for evidenced-based policy on food security issues in Vietnam.

Recommendation 8: Establish a set of simple policy tools for measuring the impact of various indicators on food security. A number of these simple policy tools are listed in IFPRI's Food Security Portal and include changes in world prices, production, exchange rates, tariffs and export taxes, subsidies on domestic production and consumption, imports, domestic prices, producer and consumer welfare and tariff revenues;

Recommendation 9: Maintain GTAP as the prime tool for trade analysis;

Recommendation 10: Link a micro-simulation model to GTAP (to consider poverty and equity issues);

Recommendation 11: IPSARD to purchase MONASH-VN as the prime tool for complex policy issues relating to regional production and consumption, and link it with a micro-simulation model (including household production, consumption, income, expenditure, saving, etc.);

Recommendation 12: Develop VAST within Excel and establish it as the prime tool for internal policy advice by IPSARD to examine regional production and consumption with short to medium time-frames;

Recommendation 13: Develop and apply a storage model for rice to understand the impact of rice policies on food security;

Recommendation 14: Examine the Chinese CCAP model and IFPRI's Indonesian model to see whether a version can be modified for Vietnam; and

Recommendation 15: Link nutrition data to household income and expenditure data to better understand the spatial nature of food insecure households, and their vulnerability to economic shocks.

8 References

8.1 References cited in report

- Coxhead, I., Kim, N.B.N., Vu, T.T. and Nguyen, T.P.H. 2010. A robust harvest: Strategic choices for agriculture and rural development in Vietnam. Research topic #7: Accelerating growth in agriculture productivity and rural incomes in Vietnam: Lessons from Regional Experiences. Hanoi: Asia Foundation.
- OECD 2015. Agricultural Policies in Viet Nam 2015. OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264235151-en>.
- Thang, T.C., and Linh, D.T.B. 2015. Food safety policy review. Food and Fertilizer Technology Center for the Asian and Pacific Region, Taiwan. Available at http://ap.ffc.org.tw/ap_db.php?id=408.

8.2 List of publications produced by project

This project has produced a number of papers that are intended to be published in a separate monograph:

- 11 papers that were presented at the project's Final Workshop,
- 4 policy briefs (three of which have been disseminated through the Agriculture Development Policy Network and one pending permission for dissemination from journals), and
- 2 articles which have been submitted for publication in a peer-reviewed journal.

These papers are listed below. The full papers are attached in the Appendices, and key messages are summarised in the list of Appendices (Section 9).

- Hoa, N.L. 2015. Overview of food security policy in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 4).
- Hoang, U.D. 2015. Policy development in Vietnam: Theory vs practice. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 2).
- Luong, L.N. 2015. Overview of agricultural development in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 1).
- Petersen, E.H. 2015a. Comparison of food security policies in Vietnam, Indonesia and Australia. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 7a).
- Petersen, E.H. 2016a. Comparison of food security policies in Vietnam, Indonesia and Australia. **Policy Brief 3** of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security (Appendix 7b).
- Petersen, E.H. 2015b. Comparison of policy development in Vietnam, Indonesia and Australia. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01*

Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015 (Appendix 3a).

- Petersen, E.H. 2016b. Comparison of policy development in Vietnam, Indonesia and Australia. **Policy Brief 2 of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security** (Appendix 3b).
- Petersen, E.H. 2015c. Policy principles for food security. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 9a).
- Petersen, E.H. 2016c. Policy principles for food security. **Policy Brief 1 of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security** (Appendix 9b).
- Petersen, E.H., Yen, V.H., and Vanzetti, D. 2015. Evaluation of Vietnam's food security policies. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015. Submitted to Vietnam's Socio-economic Development for publication* (Appendix 10).
- Thang, C.R., Phuc, V.H. and Petersen, E.H. 2015. Stakeholder perceptions on the development and effectiveness of food security policies in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015. Submitted to Vietnam's Socio-economic Development for publication* (Appendix 8a).
- Thang, C.R., Phuc, V.H. and Petersen, E.H. 2016. Perceptions on the development and effectiveness of food security policies in Vietnam. **Policy Brief 4 of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security** (Appendix 8b).
- Trewin, R. 2015. Tools for evidence-based analysis of Vietnam's food security policies: Practical application and dissemination. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 12).
- Vanzetti, D., Petersen, E.H., Huong, P.L., and Que, N.N. 2015. Methods for analysing food security in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 11).
- Yen, V.H. 2015a. Review of Vietnam's food security policies. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015* (Appendix 6).
- Yen, V.H. 2015b. Summary tables of Vietnam's food security policies. *Document prepared for ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security* (Appendix 5).

9 Appendices

This set of Appendices comprises of the project publications which are attached to this report. They key messages from each publication are provided. The full publications are intended to be published in a separate monograph.

9.1 Overview of agricultural development in Vietnam

Luong, L.N. 2015. Overview of agricultural development in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Key Messages

Thanks to the rapid increase in food production since the *Doi Moi* Reform, Vietnam now meets most of its basic food needs through domestic production, and even has surplus for export. It is said that the significant increase in food production over the years has changed dramatically the perception of Vietnamese agriculture production, as it is now considered to be relatively efficient, productive and of high quality with an international market orientation of increasing competitiveness for export goods and services.

Vietnam is confronting different global issues, including natural disasters, floods, droughts, and pest and disease outbreaks, which all occur quite frequently. This situation is complicated by the impact of global climate change. Also, due to some difficulties in agricultural production, especially in mountainous areas, ethnic minorities still suffer from hunger and famine.

Constraints to development of Vietnam's agricultural sector are highlighted as problems of sustainability (both economic and environmental sustainability), ineffective organisation of the supply chain, low incomes, poor accesses to essential services, and inadequate policy mechanisms. The elements of agricultural production in rural areas are yet to be allocated by the market, and are still being allocated according to government direction and subsidy. This includes land and water resources and the application of science and technology. Addressing these constraints is likely to lead to further advances in agricultural productivity, economic efficiency and economic growth.

9.2 How policy is developed in Vietnam

Hoang, U.D. 2015. Policy development in Vietnam: Theory vs practice. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Key Messages

The formulation of Vietnam's legislation and policies has been given special importance from the inception of the country's independence. It has been improving gradually. The process of policy and law formulation has been standardized and improved, contributing to the socio-economic development of the country.

Food Security policy and law has set the framework at the macro level for the operation of the market economy, for the formation and development of the elements of democratic society as well as controlling negative impact of market mechanisms. This has included restraining macroeconomic imbalances in economy, ensuring the coordination

among institutional sectors of the economy in terms of politics, society, security, defence and human rights protection.

However, there have been many shortcomings in the process of policy development on food security; such as feasibility, predictability of policy content, solutions and conditions to ensure the implementation of suitable policies and laws. Resources for policy and legislation making are limited, which leads to the diminution of policy quality (which mainly depended on state funds).

9.3 Cross-country comparison of policy development

Petersen, E.H. 2015. Comparison of policy development in Vietnam, Indonesia and Australia. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Petersen, E.H. 2015. Comparison of policy development in Vietnam, Indonesia and Australia. ***Vietnam Agriculture Development Policy Network Policy Brief 2016/2***, The Australian Centre for International Agricultural Research, Canberra.

Key Messages

Regarding structure of government affecting policy making:

- Vietnam is a single-party state, with the only legal political party being the Communist Party of Vietnam (CPV) which has great influence over the National Assembly (Parliament). This leads to a stable policy direction but liberal inspired research findings tend to face obstacles in the form of conflicting ideology and economic interests.
- Indonesia's President is seen as the country's most influential policy-maker, holding the apex of power and setting the policy agenda. Indonesia has multiple strong political parties that govern in coalition and who face difficulties forming consensus on decisions and making reforms.
- In Australia, the real authority of government is exercised by a small group of Ministers called the Cabinet (the institution that must consider political, policy and administrative implications of any proposition, and settle a government position). Despite the power and significance of Cabinet, it is essentially an informal body governed largely by convention.

Regarding the policy cycle:

- In Vietnam, the process of policy and law formulation has been standardised and improved through time. However, stages in this process can be poorly completed due to a lack of capacity, time and/or resources. This leads to weaknesses in policy feasibility, predictability, outcomes and implementation conditions. The way in which civil servants are recruited, trained, managed, promoted and remunerated continues to be highly politicised, constraining the quality of policy-making.
- There is little documentation on any official procedures for policy development in Indonesia, leaving considerable discretion with the President.
- Of concern in both Vietnam and Indonesia is that policy compliance is extremely costly and time consuming. As a result, firms often sidestep these rules through deals such as bribes or favour through political connections.
- Developing the capacity and tools for evidence-based policy analysis is key to building a strong policy framework in Vietnam and Indonesia. Simplifying policy rules and strengthening governance will result in an increase in policy adherence, effectiveness and efficiency.

9.4 Overview of food security in Vietnam

Hoa, N.L. 2015. Overview of food security policy in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Key Messages

Food, especially rice, is very important for Vietnam. During the last decades, Vietnam has shown impressive achievements in reducing poverty and food insecurity. In the early 1980s, Vietnam was one of the poorest countries in the world with a stagnant economic growth and a high prevalence of poverty and hunger due to the insufficiency of food production, especially of rice. But, the reforms in 1986 have helped transform Vietnam from a chronic rice importer in the 1980s to the world's second largest rice exporter after Thailand in 1997. According to the Global Food Security Index, Vietnam has achieved a status of moderate food security. However, Vietnam's policy orientation must change if food security is to keep increasing. It should diversify, shifting away from being focussed on rice. The dominant role of Vietnam Food Administration (the government agency responsible for managing food hygiene, safety and quality) and state owned enterprises needs to change to allow equal ground for all stakeholders, creating fairer competition to the domestic and export markets, redistributing the benefit to all stakeholders in the value chain. Bigger investment should be made in research on new and better varieties, especially diseases and flood resistant varieties. Research should be carried out to find out suitable crop structures taking into account the ecological balance, ensuring production efficiency and suitability. It is also important to strengthen the evidence-base for an improved policy response. In the first place, specific patterns of vulnerability and the impact of higher food prices on vulnerable groups will have to be further researched and documented. In addition to this, it is important to strengthen national information systems including nutritional surveillance, early warning response to periods of food insecurity, and market information.

9.5 Summary tables of Vietnam's food security policies

Yen, V.H. 2015. Summary tables of Vietnam's food security policies. *Document prepared for ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security.*

A summary table is provided below.

Table: A visual summary of how Vietnam's agriculture-related food security policies overlap

Policy number	Policy name	Policy category									
		1	2	3	4	5	6	7	8	9	10
1. General planning											
124/QĐ-TTg	Master plan to develop production										
245/QĐ-TTg	The Master plan on economic and social development in Mekong river delta region to 2020, 2030 orientation.										
2. Paddy land planning											
35/2015/NĐ-CP	Management and use of land for rice cultivation										
580/QĐ-TTg	Seeding support policies on converting paddy to crops in Mekong river delta										
899/QĐ-TTg	Agricultural Restructuring										
3. Infrastructure development											
66/2000/QĐ-TTg	Policies and financial mechanism for irrigation upgrade implementation program										
69/2007/QĐ-TTg	Developing industries for agricultural production - industrialization and modernization										
4. Science and technological development and application											
1831/QĐ-TTg	Supporting the application and transfer of science and technology economic development in sub-mountainous regions										
11/2006/QĐ-TTg	Key program development and application of biotechnology in agriculture										
5. Human resources training											
02/2010/NĐ-CP	Extension Resolution										
162/2008/QĐ-TTg	Policy extension, extension in disadvantaged areas										
6. Encouraging farmers/localities/enterprises to keep rice											
142/2009/QĐ-TTg	Mechanisms and policies to support seed, breeding and aquaculture production to restore the damaged areas caused by natural disasters and epidemics										
210/2013/NĐ-CP	Encourage enterprises investing in agriculture and rural areas										
7. Social policies on food security											
1199/QĐ-TTg	Approving the national target program on population and family planning in 2012-2015 period										
2013/QĐ-TTg	Population and reproduction program from 2010- 2020										
1489/QĐ-TTg	Approving the national target program on Sustainable poverty reduction period 2012 - 2015										
8. To consolidate food circulation and export systems											
109/2010/NĐ-CP	Rice exportation										
606/QĐ-BCT	Roadmap for the implementation of raw materials or link production and consumption of rice, rice traders rice export										
9. To renovate production organisation											
62/2013/QĐ-TTg	Encouragement policies on cooperation development, agricultural production linkages, large paddy fields										
10. To develop food security information systems											
119/QĐ-TTg	Project on development of information and communication in rural areas for the period 2011-2020										
554/QĐ-TTg	Approving the scheme "common law Propaganda for rural people and ethnic minorities from 2009 to 2012"										

Key: = no policy overlap = moderate policy overlap = significant policy overlap

9.6 Review of Vietnam's food security policy

Yen, V.H. 2015. Review of Vietnam's food security policies. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Key Messages

Food security is a concerning issue for most countries, especially after the world food price crisis in late 2007 and early 2008 which had a negative impact on the political and economic situation in many Asian, African and Latin American countries. In 2009, the Government of Vietnam issued Resolution No. 63/NQ-CP on national food security. The policy aims to terminate food shortages and hunger by 2012, and to increase food production by 2.5 times by 2020. The stated resolution is to guarantee the availability of sufficient land for growing rice until 2020 of 3.8 million hectares, of which 3.2 million hectares is to be used for two crops of irrigated rice per year. This area is strictly protected for rice production and is mapped for each household to use. The resolution also outlines the objective of strengthening capacity for scientific research and extension, with a 10 – 15% increased budget for this use. Improved training and scientific knowledge and management of farmers are also goals of the resolution to improve efficiency of food production and income generation. The resolution has a target of 50% of food producers being well trained by 2020.

The Government of Vietnam has launched many policy documents to achieve the objective of the Resolution. This has helped local governments and other local authorities to identify appropriate agricultural direction, and to make policies to help improve output and quality in agriculture for the goal of food security. However, the current planning methodology focusses on convenience to each ministry's own purposes which leads to a fundamental lack of integration and cooperation. There is a lack of development models and the relationship between the objectives and conditions of legal development often do not match. This methodology brings out the subjectivity in planning, reducing the practicality and feasibility. Predictability and risk management in planning remains low, both in development planning and the planning of the sector. Database management for planning overall has not been well coordinated.

9.7 Cross-country comparison of directions in food security policy

Petersen, E.H. 2015. Comparison of food security policies in Vietnam, Indonesia and Australia. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Petersen, E.H. 2015. Comparison of food security policies in Vietnam, Indonesia and Australia. **Vietnam Agriculture Development Policy Network Policy Brief 2016/3**, The Australian Centre for International Agricultural Research, Canberra.

Key Messages

There are a number of lessons to be drawn from experience in Australia (a country with high food security in the Asian region) that can provide learnings for Vietnam:

- Australia is a developed country with well-functioning markets and strong governance institutions that support these markets (including private, secure and

tradeable property rights, enforcement of contractual obligations, and the rule of law),

- The government facilitates the functioning of markets, generally only intervening where markets fail¹, allowing the private sector to search out opportunities for which they will earn the highest net income,
- In general, capital is allowed to be allocated to its most efficient uses and land use change is common as the economy adjusts to changes in domestic and international input and output prices, and
- Australia does not strive for self-sufficiency; rather international trade is encouraged. Imports are encouraged with view to establishing networks and markets for exports.

Similarly, there are a number of lessons to be drawn from experience in Indonesia (a country with poor to moderate food security in the Asian region) that can provide learnings for Vietnam:

- Indonesia's food security policy is not well defined or applied in a coordinated way across relevant government ministries. It is likely that outcomes of policies implemented by the various institutions are counterproductive, inefficient and wasteful,
- Its policy direction is focussed on self-sufficiency which is an expensive and inefficient way of achieving food security compared with a mix of domestic production and international trade. Volatility in weather (such as floods, monsoons and drought) can lead to supply shocks, which leads to price volatility when food is largely obtained from domestic production alone, and
- Indonesia's price stabilisation scheme – implemented through the public storage of rice and monopoly control over exports and imports – has resulted in higher domestic prices for rice and exacerbated undernourishment.

Since the economic growth experienced after the 1986 *Doi moi* reforms, Vietnam continues to strive to strengthen markets and international competitiveness. However, markets are stifled by significant land-use planning and other constraints to land-use flexibility such as property rights that are not fully secure, private and tradable. Land is protected for rice production to ensure there are no shortages of rice. However, this has the effect of stifling agricultural productivity growth, in turn stifling farmer's abilities to earn profits from alternative enterprises. A number of suggestions for policy reform in Vietnam are provided at the end of this paper.

9.8 Survey results

Thang, C.R., Phuc, V.H. and Petersen, E.H. 2015. Stakeholder perceptions on the development and effectiveness of food security policies in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015. Submitted for publication to Vietnam's Socio-economic Development.*

¹ Examples of where markets fail include where monopoly power exists, where markets are missing (i.e. public goods such as defence and roads), where markets are incomplete (such as education and healthcare), where the production of goods is deleterious (such as cigarettes and alcohol), where negative externalities exist (where consumers and producers may fail to take into the account their negative actions on third parties such as the environment), where property rights are poorly defined or held in common, where full information is not available to all parties, or where inequality exists.

Thang, C.R., Phuc, V.H. and Petersen, E.H. 2015. Perceptions on the development and effectiveness of food security policies in Vietnam. ***Vietnam Agriculture Development Policy Network Policy Brief 2016/4***, The Australian Centre for International Agricultural Research, Canberra.

Key Messages

Results of a survey of 221 stakeholders are presented on ways in which food security policy and its development framework can be simplified and reformed in Vietnam. The biggest perceived issue of food security is low income, caused by limited and precarious livelihoods and small-scale production. Other significant perceived causes of food security include natural disaster risk, poor agricultural infrastructure, inadequate food safety net programs, and poor access to credit. The policy development process is perceived to be moderately effective, with identification of policy issues as the strength of the process and monitoring of policy impacts its main weakness. Non-government stakeholders were more pessimistic than government staff about the policy development processes. Over all, stakeholders perceive that the major problems of Vietnam's food security policy are lack of effectiveness and administrative complexity due to ineffective decision making processes, unreasonable roles among agencies, groups with vested interests, corruption, poor monitoring and assessment, late issuing of guidance documents, and unrealistic policy documents. The reserve fund on food circulation and specific infrastructure policies targeted at food insecure regions are considered to be most effective policies at improving food security, and the price stabilization policy the least effective. Stakeholders suggest that government could improve food security by removing itself from land use planning and allowing farmers to use market mechanisms for land use and production decisions.

9.9 Policy principles for food security

Petersen, E.H. Policy principles for food security. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Petersen, E.H. Policy principles for food security. ***Vietnam Agriculture Development Policy Network Policy Brief 2016/1***, The Australian Centre for International Agricultural Research, Canberra.

Key Messages

Food security is a complex issue. Food insecurity is caused by problems associated with access to and distribution of food, which is exacerbated by drought, conflict, population growth and poverty. So what is the role of government in ensuring food security for their country? How is food security best achieved? Governments play an important role in facilitating food security.

This paper outlines a set of key principles to consider when determining policies that relate to food security. These principles are chosen after an extensive study of the literature on the causes of food insecurity. They are inter-related and synergistic in their impact on food security (i.e. each policy simultaneously affects food availability, affordability and nutrition).

- Principle 1: Inclusive economic growth is key to food security
- Principle 2: Self-sufficiency is an inefficient and expensive way of achieving food security and leads to domestic price volatility
- Principle 3: Well-functioning markets lead to poverty alleviation and food distribution

- Principle 4: Sustainable agricultural productivity growth increases food availability and household incomes
- Principle 5: Private and tradeable property rights for agricultural land leads to productivity growth
- Principle 6: Standards for food safety can reduce safety risk
- Principle 7: Facilitate the allocation of capital to its most efficient uses
- Principle 8: Price support mechanisms lead to market distortions and inefficiencies
- Principle 9: Social protection programs provide safety nets during food crises
- Principle 10: An efficient food security policy has just one objective and instrument

9.10 Evaluation of Vietnam's food security policies

Petersen, E.H., Yen, V.H., and Vanzetti, D. 2015. Evaluation of Vietnam's food security policies. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015. Submitted for publication to Vietnam's Socio-economic Development.*

Key Messages

Vietnam has made significant strides in the past 30 years to provide food security at a national level, but pockets of deprivation remain. Malnutrition and food safety remain significant problems. Vietnam's food security policy and regulations are evaluated in this paper against ten policy principles. Strengths and weaknesses are suggested, with an associated strategy for policy reform. We find that these policies have a strong focus on promoting inclusive economic growth as well as agricultural productivity growth. However, they lack transparency and are not easy to administer. They have objectives of self-sufficiency, land rights are not private, transparent and fully tradeable, price support mechanisms for rice exist, social protection programs are underdeveloped and policies do not fully address the nutrition and food safety issues the country faces. While well-intentioned, a number of policies are more of a hindrance than a help at achieving stated goals. The Government should leave production decisions to farmers and focus its role on monitoring standards and addressing risks to ensure food safety is enhanced. Developing the capacity for, and tools to aid, evidence-based policy analysis is required to build a strong policy framework in Vietnam for improved and sustained food security policy development, review and analysis.

9.11 Methods for analysing food security in Vietnam

Vanzetti, D., Petersen, E.H., Huong, P.L., and Que, N.N. 2015. Methods for analysing food security in Vietnam. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Key Messages

Vietnam has made significant progress towards food security in the last 30 years. It satisfies its national calorific requirements, although in some areas food and nutrition deficiencies remain. The purpose of this report is to review the broad analytic methods available to Vietnam policymakers who wish to conduct evidenced-based policy analysis to address the issue of food security. We provide a taxonomy of model types and

features, examining models publically available in Vietnam with respect to theoretical foundations, available data, and institutional issues. We attempt to identify gaps in model coverage and draw on the experience of other countries. Our specific recommendations suggest Vietnamese institutions develop further capacity in a suite of models to allow both simple and more complicated analysis of food security issues. The suite of models provides capacity in international trade analysis as well as within-country regional production, consumption and trade analysis for different agricultural products, allowing for investigation of poverty, equity and nutritional issues.

9.12 Application and dissemination of methods for analysing food security in Vietnam

Trewin, R. 2015. Tools for evidence-based analysis of Vietnam's food security policies: Practical application and dissemination. *Paper presented at the Final Workshop of ACIAR Project ADP/2015/01 Scoping study for agricultural development policy review for Vietnam food security, Hanoi, 9th December 2015.*

Key Messages

The paper illustrates the need for evidence-based policy analysis and appropriate dissemination for proper policy assessment based on rigorous and objective evidence that also address the political economy surrounding stakeholders. The important steps in evidence-based policy analysis, like evaluating against realistic alternatives including at times no policies at all to avoid “policy-based evidence approaches”, are set out in the paper. Institutions and approaches are as, if not more, important than the various methodological tools used in evidence-based policy analysis. Often very simple quantitative approaches like graphics rather than sophisticated economic models can provide sufficient evidence for appropriate policy analysis which can then be easily disseminated to key stakeholders like Ministers. The processes undertaken by the Australian Productivity Commission are set out in the paper and are a good guide to what is required to undertake and disseminate good evidence-based policy analysis. Many practical examples were given in the paper of the approaches’ successful application.

9.13 Australian study tour trip report

Please see attached.

9.14 Indonesian study tour trip report

Please see attached.

9.15 Workshop report

Please see attached.