

## Progress Report for PPP Measures

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**Country:** Vietnam

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**Project title:** Fruit and vegetable value chain development and improvement of domestic market policy for the distribution network

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**Project number:** 2004-116

**Term:**  
1.1.2005 – 31.06.2008

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**Contract number:** 81076660

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**Name of the German/European company:**  
Metro Cash & Carry Vietnam Ltd.

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**Name of the company/partner in the partner country:**

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**Reporting period:** 01.10.2007 – 31.08.2007

**Report number:** 4

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**Date:** 15.09.2008

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**Signature of the contact at the German/European company:**

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Please attach at least five relevant photos to this report as an annex.

## 1. Brief description

The objective of the project is to qualify market players within the value chain of the fruit and vegetable value chain and to establish a modern regulatory and legislative framework for the national distribution network.

The project consists of two parts. On the one hand, a training and technology transfer component which will qualify farmers, collectors, wholesalers and retailers involved throughout the supply chain in the 3 main farming areas: the Red River Delta in the north, the Mekong River Delta in the south, and the centre of Vietnam. Topics to be covered in the training program include cultivation technology, harvesting methods, quality classification, sorting, storage, packaging for sales and transportation, truck loading, methods of transportation and basic business knowledge. The training will be provided by local training institutions and service providers, in cooperation with relevant business associations like the Department of Agriculture and Rural Development, the Departments of Trade in the respective provinces, Agricultural Engineering and Post-Harvest Technology Institute, Fruit Research Institute,... In total, about 5000 participants shall be qualified in about 80 workshops and seminars. Additionally, 2 – 3 groups of farmers will be supported in their efforts to achieve EurepGAP (now being GlobalGAP – Global Partners for Good Agricultural Practice) certification to improve their export potential. This will be done in cooperation with relevant partners, such as the Department of Agriculture and Rural Development in the respective provinces, consultancy bodies and certification bodies. Finally, 20 collectors in the three regions will be supported to upgrade their equipment for washing, processing, sorting and packaging. Thus, many aspects to improve quality and hygiene standards throughout the value chain of fruits and vegetables will be covered by the project.

The second component is the advisory and know how transfer to the Department for Domestic Market Policy of the Ministry of Trade. It consists of consultancy and recommendations for a legislative framework (including processes and norms) for managing and supporting the national distribution networks. Support from the PPP to the MoT will be on sponsoring a field trip of senior officers to Europe and neighboring countries. This will help them study and do research on experiences in developed and emerging countries when it comes to developing distribution networks and building up legislative frameworks for managing distribution services. It also includes providing consultancy on the above mentioned issues and organizing seminars and consultation workshops at national and provincial level in order to come up with a draft Decree and related legislative documents/regulations on distribution services which are to be submitted for the government's approval.

## 2. Current project context

### 2.1 Degree to which objectives have been achieved, as shown by the indicators

#### Project objective:

Qualify market players within the value chain of the fruit and vegetable business and establish a modern regulatory and legislative framework for the national distribution network.

**Result 1:** Farmers, collectors and retailers have been qualified to reduce losses and improve quality and hygiene standards.

Indicators	Achievement of indicators, and corresponding activities conducted so far	
	In reporting period (01.10.2007 – 31.08.2008)	In total (1.1.2005 – 31.08.2008)
• 80 workshops and seminars have been hold until 31.12.2006	• 34 workshops have been organized (for details, please see the list enclosed)	• 112 workshops have been organized (include 02 workshop on television, 01 leaflet)
• 5000 participants have been trained until 31.12.2006	• 1646 participants have been trained	• 6771 participants have been trained.

Indicators	Achievement of indicators, and corresponding activities conducted so far	
	In reporting period (01.10.2007 – 31.08.2008)	In total (1.1.2005 – 31.08.2008)
<ul style="list-style-type: none"> <li>Metro and other buyers confirm a continued improvement in quality and hygiene standards</li> </ul>	<ul style="list-style-type: none"> <li>Over 40 farmers/cooperatives has become Metro supplier. This suppliers have label, brand name, quality of products better than other suppliers.</li> <li>More and more, Metro and other buyers are interested in certified products (VietGAP, GlobalGAP, ..). As a result, producers and authorities have applied these standards for their quality management system.</li> <li>For Metro, we have               <ul style="list-style-type: none"> <li>Established our standards for all purchased fruits and vegetables and agreed with the relevant suppliers about our standards.</li> <li>Operated 3 platforms (in Binh Duong, Da Lat and Ha Noi) with cool storages to receive fruits and vegetable and ensured cool preservation for fruits and vegetables when transportation, storage and selling.</li> <li>Applied HACCP and invested new processing line in Da Lat Platform</li> </ul> </li> </ul>	

**Result 2:** Farmers meet new exporting requirements by complying with the EurepGap (GlobalGAP) standard

Indicators	Achievement of indicators, and corresponding activities conducted so far
<ul style="list-style-type: none"> <li>2 – 3 groups of farmers have been certified by EurepGap until 30.06.2008</li> </ul>	<ul style="list-style-type: none"> <li>There are 3 groups of farmers have got GlobalGAP certificate with support of the project (for application and/or certification):               <ol style="list-style-type: none"> <li>Vinh Kim “Lo Ren” Milk Apple Cooperatives (Tien Giang Province) – in May, 2008</li> <li>Song Hau Farm (Can Tho City) for “Hoa Loc” Mango – in August, 2008.</li> <li>My Hoa “5 Roi” Pomelo Cooperatives (Vinh Long Province) – in September, 2008</li> </ol> </li> <li>Nhuan Duc Vegetables Cooperative was supported to apply GlobalGAP from October, 2007 to now. They are planning to get GlobalGAP certificate in February, 2009 (at the main season of vegetable in this area).</li> <li>Based on the need of F&amp;V producers, the project has conducted (1) a TOT course on GlobalGAP standards for MARD departments, research institutes and service providers in this certification field. (2) 05 courses on Introduction and implication of GlobalGAP standards for F&amp;V producers, extension officers, and staff of provincial Agricultural Departments</li> </ul>

**Result 3:** Collectors have improved their washing, sorting and packaging infrastructure

Indicators	Achievement of indicators, and corresponding activities conducted so far
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Indicators	Achievement of indicators, and corresponding activities conducted so far
<ul style="list-style-type: none"> <li>20 collectors have received new equipment until 31.12.07</li> </ul>	<ul style="list-style-type: none"> <li>The project supported farmers/cooperatives/companies to invest/upgrade their premises. The supporting programs are to:               <ol style="list-style-type: none"> <li>Upgrade 01 litchi cool storage for Thanh Ha Company in Hai Duong</li> <li>Invest and upgrade 05 litchi dryers for Thanh Ha Litchi Association in Hai Duong</li> <li>Invest 01 processing station for 5 Roi Pomelo – My Hoa Cooperative in Vinh Long province</li> <li>Invest 01 processing station for Phuoc An Cooperative in Ho Chi Minh city</li> <li>Invest 01 processing station for Phuong Vien Cooperative in Ha Tay</li> <li>Invest 01 processing station for Cho Gao Dragon Fruit Cooperative in Tien Giang Province</li> <li>Invest 01 processing station for Nhuan Duc Safe Vegetable Cooperative in HCMC</li> <li>Invest 01 processing station for Thu Nhon Company in Daklak province.</li> <li>Invest 2000 crates and 01 cool truck to support packing and transportation means for about 33 farmers in Lam Dong province, who supply fruits and vegetables to Metro</li> </ol> </li> <li>Note: changes in amount of investment from EURO2,000 each station to bigger amount of EURO 2,500 – 4,000 have been made in order to focus on viable projects, to meet with customer requirements and to ensure sustainability of the investments, where private partners contributed from 50 to 80 percent of investment.</li> </ul>

**Result 4:** The regulatory and legislative framework for the distribution network is improved

Indicators	Achievement of indicators, and corresponding activities conducted so far	
	In reporting period (01.03.2007 – 31.08.2008)	In total (1.1.2005 – 31.08.2008)
<ul style="list-style-type: none"> <li>The government has approved a new Decree and legislative documents and regulations by 31.12.2007</li> </ul>	<ul style="list-style-type: none"> <li>Instead of organizing a 3<sup>rd</sup> study tour of MOIT officers to Europe, the project decided to organize 01 TOT and 5 GlobalGAP training courses as stated under Result No. 2 to meet current demand of local partners in F&amp;V sector.</li> </ul>	<ul style="list-style-type: none"> <li>Study tour to Germany, 17-27/04/05 organised by METRO</li> <li>4 training courses for 233 MoT/DoT officers.</li> <li>Study Tour of MoT delegation (5 members) to China from 24/12/06-02/01/07</li> <li>“Strategy for domestic trade development 2006-2010, orientation to 2020” was approved by the Prime Minister on 15/02/07</li> </ul>

**2.2 Major deviations from the original results/indicators**

If there have been any effects (either positive or negative) on the objectives / results / indicators, please give details of the reasons behind them. If there is a need for action, e.g. an alteration to the existing contract (term, cost sharing, etc.), please refer readers to section 4 of the report and explain it there.

**2.3 Partner inputs / contributions by third parties**

Please explain briefly whether any third parties have provided inputs in accordance with the original plans and what they are.

Ord.	Partner	Input
1.	Provincial Departments of A&RD: <ul style="list-style-type: none"> <li>Department of Plan Protection</li> <li>Department of Agriculture Encouragement</li> </ul>	<ul style="list-style-type: none"> <li>Co-organizers in workshop arrangement for farmers, collectors.</li> <li>Provide training in cultivation technique</li> <li>Advice and take part to control EurepGAP certification (in HCM City and Vinh Long Province)</li> </ul>

Ord.	Partner	Input
2.	Provincial Departments of Trade	Co-organizers in workshop arrangement for wholesalers and retailers
3.	Southern-Sub-Institute of Agricultural Engineering and Post-Harvest Technology (SIAEP)	Provide training and technology transfer for cultivation, harvest, and post-harvest techniques for fruits and vegetables
4.	Southern Fruit Research Institute (SOFRI)	
5.	HCMC's Forest and Agriculture University	
6.	Can Tho University	
7.	Ha Noi I Officer Management College	
8.	Vietnam Fruit Association/ Tien River GAP Association	Advice to develop supporting programs, especially in training and EurepGAP application in Mekong Delta
9.	Qualiservice VietNam (Aquaservice VietNam)	Consultancy for GlobalGAP (EurepGAP)
10.	SGS Vietnam	- Training GlobalGAP (EurepGAP) - Certification for GlobalGAP (EurepGAP)
11.	Centre of Biotechnology, Department of Science and Technology, Tien Giang Province	- Training GlobalGAP (EurepGAP)
12.	Centre for Research and Technology Transfer – University of Technical Education HCMC	- Provide training service
13.	Farmer Association	- Co-organizers training arrangement on HoChiMinh Television

### 3. Evaluation of achievement of objectives

(Please give a brief summary and a critical evaluation of what can be derived from the achievement of results and indicators. If there are any particular risks, they should also be noted here. If there is a need for action, please refer readers to section 4 of the report and explain it there as specifically as possible.

Started from March of 2005, up to date, the project has got following achievement:

- Baseline studies of 18 fruit and vegetable supply chains.
- 4 training courses for 233 MoT/DoT officers
- 112 training courses for 6771 farmers, collectors, wholesalers and retailers
- 03 GlobalGAP certification for 02 cooperatives and 01 farm.
- 13 Processing station investment: finished investment in 9 company/cooperative.

During the project implementation, the local authorities, functional agencies, institutes and associations have been supportive in driving our project. The Provincial Departments of Agriculture and Rural Development have provided expertise, training locations and administrative support to ensure the program's progress. In the workshops, the professors worked whole heartily to transfer their knowledge and experience for farmers. They are willing to go to remote areas where the workshops were organized. The farmers have been eager to attend the workshops. In the summary of the Evaluation Note rated by all participants at the end of every workshop, all farmers greatly appreciated to the project for organizing these helpful workshops and expressed their desire for similar courses in the future.

**4. Need for action**

(Please give details of proposed actions on the part of GTZ derived from sections 2 and 3 above or from other findings. Your proposals may relate to specific recommendations, provision of funds / reallocations or other changes to the contract).

**4.1 Consequences and need for action by the German company / company in the partner country**

(N/A because the project finished)

**4.2. Consequences and need for action by GTZ**

### LIST OF TRAINING COURSES

Ord.	Time organize	Location (Province/City)	No. of Participants	Note
1	18/10/2007	Can Tho	67	
2	19/10/2007		84	
3	19/10/2007	HCMC	88	
4	26/10/2007		28	
5	31/10 - 01/11/2007		32	
6	07 - 08/11/2007		30	
7	14 - 15/11/2007		25	
8	19/11/2007	Gia Lai	87	
9	20/11/2007		81	
10	27/11/2007	HCMC	58	
11	05-06/12/2007		33	
12	11/12/2007		33	
13	20-21/12/2007		29	
14	19/11/2007 (show on HTV)	HCMC		
15	20/12/2007 (show on HTV)			
16	Jun - May/2008	HCMC		
17	1/3/2008	HCMC		
18	27 - 28/05/2008	Lam Dong	106	
19	29 - 30/05/2008		82	
20	23 - 24/06/2008		102	
21	19 - 20/06/2008		101	
22	10 – 13/06/2008	Ha Noi	26	TOT GlobalGAP training course
23	15/07/2008	Dong Nai	69	
24	16/07/2008		80	
25	17/07/2008		77	
26	18/07/2008		71	
27	17 – 20/07/2008	Ha Noi	30	
28	24 – 27/07/2008		30	
29	30/07 – 02/08/2008		30	
30	09 – 11/07/2008	HCMC	46	GlobalGAP training courses for MARD officers, research institutes, service providers and practitioners in the field of standard and certifications.
31	22 – 24/07/2008		38	
32	28 – 30/07/2008		38	
33	15 – 17/07/2008	Ha Noi	28	
34	22 – 23/07/2008		17	
<b>Total</b>			<b>1646</b>	