

RLED-EWEC FACT SHEET

PROGRESS & RESULTS IN VIETNAM
2013 – 2018



INTRODUCTION

The **Regional and Local Economic Development on East West Economic Corridor (RLED-EWEC) Project** of Mekong Institute and the Swiss Agency for Development and Cooperation has been in implementation in Quang Tri province, Vietnam since 2013. A good number of interventions and initiatives have been carried out, bringing significant benefits to the target groups primarily in terms of increasing participation in market-oriented linkage models, improving income and profit for both smallholder farmers and enterprises, and creating an enabling environment for cross-border trade of agricultural products and/or inputs at selected borders.

MARKET DEVELOPMENT

as of 31st December 2018

75

farmer groups
established
(65 coffee farmer groups
& 10 rubber farmer groups)

1,692

total members
(1,495 coffee farmer members
& 197 rubber farmer members)

30%

account for
female beneficiaries

36.4%

comprise of ethnic
minority groups



Project sites (districts & communes) as of March 2019

In the Direct Linkage model, coffee producers can sell their products directly with higher price, and processors earn more profit from a better and stable source of high quality materials. Crop years 2014-2017 recorded a steady increase in the income of coffee farmers, with each farmer group member earning an extra average of 195 USD per year.

The coffee farmer groups have also saved production costs since their participation in the Quadripartite model, which has enabled them to better access loans with a preferential interest rate for the purchase of quality fertilizer at cheaper prices.

In the period 2014-2018, 438 turns of loan-takers from farmer groups bought 865.38 tons of NPK fertilizers at factory price through preferential loans. Total costs saved have been 49,384.78 USD, equivalent to 57.07 USD saved per ton of fertilizer.

The Quadripartite model has helped create a systemic change in price corrections in the fertilizer market in that wider communities in Huong Hoa district benefit from the reduced price of NPK fertilizers over time. As indicated, there is a significant difference in the NPK price offered by the linked fertilizer company (Binh Dien Quang Tri Joint Stock Company) and the local dealers in the community.

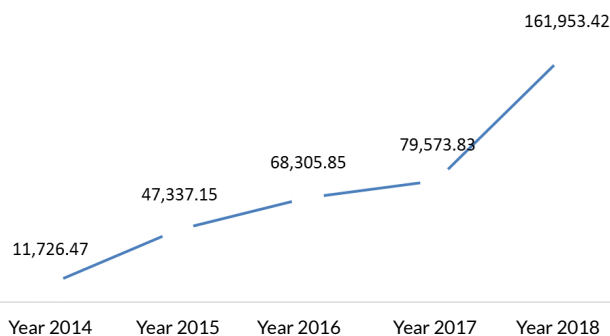


Fig. 1. Increase in income of coffee & rubber farmers

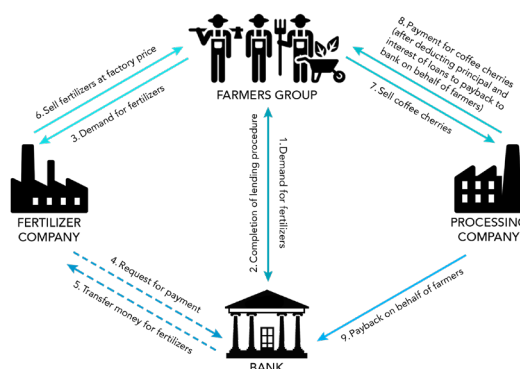


Fig. 2. Quadripartite model

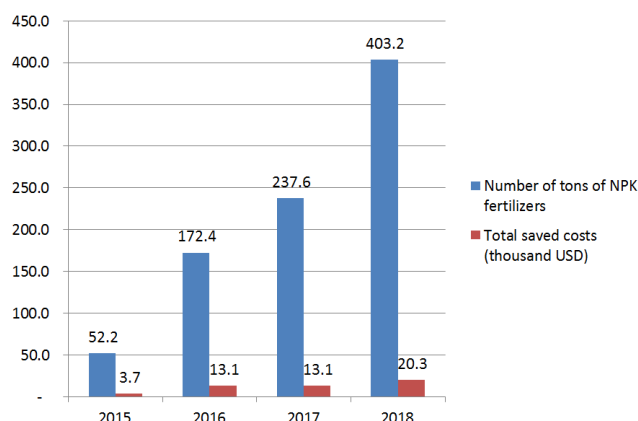
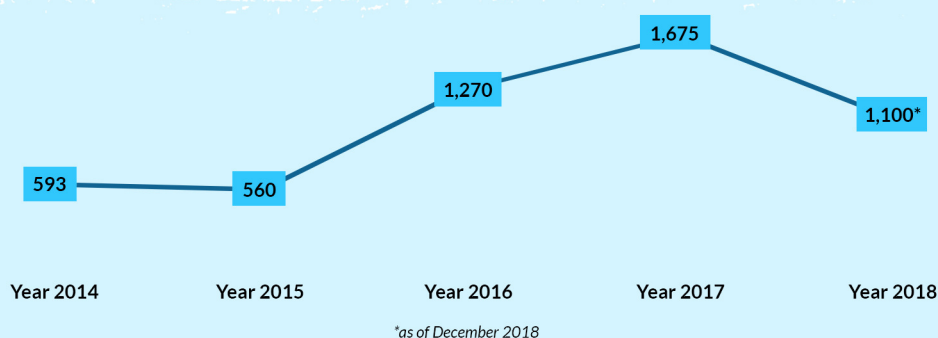
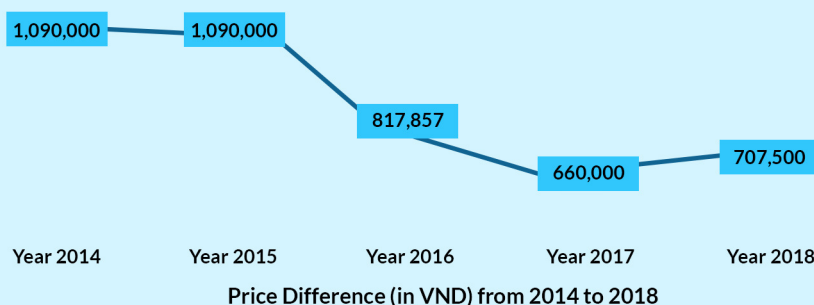


Fig. 3. Purchased volume of fertilizers and saved costs



NPK sales volume of Binh Dien Fertilizer Company



Price Difference (in VND) from 2014 to 2018

CROSS-BORDER TRADE FACILITATION



Of particular attention in the component of Cross-Border Trade Facilitation (CBTF) during this period are three initiatives and interventions: **Business – Government Dialogue (B2G), Action Plan No. 1, and Training on Clearance Procedures.**

Mekong Institute had facilitated the enterprise communities in the three provinces of Mukdahan of Thailand, Quang Tri of Vietnam, and Savannakhet of Lao PDR via meetings and conferences to discuss and identify challenges confronting the cross-border trading enterprises. The private sector developed and shared a 10-proposal paper with the three provincial governments at a Business – Government Dialogue (B2G) in Mukdahan in August 2018.

The **B2G** served as a platform to resolve issues and challenges as well as propose solutions and recommendations toward smoother and more efficient CBTF among the provinces. In open and constructive discussion sessions, the public sectors showed strong commitment for taking actions against identified bottlenecks. For instance, the provincial leader of Savannakhet province affirmed that the province would remove overtime fees at the border gates, and consider removing the weighing station at Dong Hen effective January 2019. A Memorandum of Understanding as an output of this event is being signed by the provincial leaders, which will pave the way for practical facilitation of cross-border trade among the provinces. Currently, Mekong Institute is facilitating relevant stakeholders from three provinces to follow up their commitments made in the B2G.

Resulting from an in-depth study on cross-border trade facilitation toward agricultural products/inputs

along the EWEC and the B2G Dialogue, **Action Plan No. 1** “Develop common standards for transparency on procedures and fees along EWEC borders” has been carried out in order to reduce time and costs for enterprises who complete border crossing compliances, and assure common transparency standards on process, procedures, fees and charges at all EWEC borders.

Upon the proposal by Quang Tri province’s enterprises at several events such as the B2G, the RLED-EWEC Project of Mekong Institute in cooperation with the relevant provincial agencies held a **Clearance Procedure Training** covering “Process and procedures of goods and vehicle clearance, and immigration at Lao Bao International Border Gate, Quang Tri province”. The training’s objective was to help reduce time and costs for enterprises and traders particularly by acquiring solid understanding and being capable of applying the process and procedures for crossings at the Lao Bao border gate.

Participating at the event were representatives of relevant bodies and agencies, and more than 60 cross-border trading enterprises within the province. The functioning agencies at Lao Bao International Border gate including Customs Sub-Department, Plant Quarantine Station, Animal Quarantine Station and Border Army facilitated the training and open discussions wherein each of the issues raised by the participating enterprises were fully addressed. All of the participants expressed their satisfaction over the training’s organization and quality.

More information about the RLED-EWEC Project: <http://www.mekonginstitute.org/what-we-do/ongoing-projects/rled-ewec-project/>