



# Vietnam

In Vietnam ACDI/VOCA has focused primarily on farmer organization development, rural business support and the establishment and strengthening of a nascent cocoa industry. In 1967 ACDI began working in South Vietnam as part of the U.S. strategy to prevent the spread of communism from North Vietnam. At that time, agriculture made up approximately 30 percent of South Vietnam's economy. As a result, some of ACDI's earliest projects relied on USAID funding to work with farmer organizations.

## Increasing Production and Agricultural Expertise

Development agencies introduced high-yielding "miracle rice" to South Vietnam in the late 1960s as part of the Green Revolution. South Vietnamese farmers needed assistance to convert to these input-intensive new varieties, and ACDI provided technical assistance to farmer organizations all over the country. Objectives included strengthening existing cooperative systems, providing business and financial management assistance to co-ops and other farm organizations and promoting cooperative milling complexes for rice, corn, and animal and poultry feed. As a complement to this agricultural support, ACDI also helped develop



banking and credit systems through a rural banking program, which involved collaboration with the Agricultural Development Bank. Experienced rural banking technicians from the Philippines provided valuable assistance.

## Cooperative Development and Training

In following decades, ACDI continued to work in cooperative development. From 1972-1974, ACDI assisted the Ministry of Agriculture in reorganizing and building capacity of Vietnam's Directorate of Farmer Organizations and Cooperatives. The project developed technical training resources in business management, organizational strengthening and good membership practices. The project also helped to rehabilitate the Ministry of

Agriculture's Cooperative Training Center to serve farmer organizations better and worked with selected farmer organizations to demonstrate the effectiveness of improved management practices.

However, ACDI ceased activities in Vietnam in July 1974 as conditions deteriorated due to the war. But in 1994, after two decades of absence, ACDI was again engaged, this time with a U.S.-based Cooperative Principles Training Program for senior officials from the country's Ministry of Agriculture. This program relied on funding from the USAID **Farmer-to-Farmer (F2F) Program** and introduced the Vietnamese to U.S. cooperative principles. ACDI/VOCA led visiting officials on a tour of cooperatives, including the ACDI member organization, Southern States Cooperative based in Richmond, Va. The project laid the groundwork for future relations.

### Supporting Rural Businesses with Technical and Financial Assistance

ACDI/VOCA's more recent programs in Vietnam have provided technical assistance to rural enterprises in order to build local capacity. In 2002, ACDI/VOCA began implementing the **Vietnam Rural Business Support (RBS)** project to develop sustainable business support services for nonfarm rural businesses and improve access to lending for rural entrepreneurs. Working with the State Bank of Vietnam and the Asian Development Bank (ADB), ACDI/VOCA assessed 300 enterprises with approximately 15,000 workers and identified six rural business center (RBC)

partners. ACDI/VOCA helped these RBCs strengthen their capacities to provide technical assistance to rural enterprises.

RBS also helped create a tourism training school on Phu Quoc Island in 2005 to upgrade national tourism standards and practices. During the course of the program, ACDI/VOCA helped two state-funded credit institutions, the Vietnam Bank for Agricultural and Rural Development (VBARD) and the People's Credit Fund (PCF) network, develop improved lending and credit management procedures and strengthen monitoring and evaluation systems.

From 2003-2009, ACDI/VOCA implemented a USDA **Food for Progress (FFP)** project to develop the nascent cocoa sector and continue the work started under the ADB in supporting the RBCs. Through FFP, ACDI/VOCA facilitated the establishment of business support services for 900 small- and medium-scale cocoa-oriented rural enterprises involved in the provision of inputs, post-harvest equipment, processing, transportation and marketing.

### The SUCCESS Alliance in Vietnam

A decade ago, Vietnam was becoming aware that cocoa presented an opportunity to boost rural incomes and diversify its agricultural base. The government had attempted to establish a cocoa sector several times previously, but these efforts were unsuccessful: in 2003, cocoa production was limited to only 1,600 hectares. Since that time,

ACDI/VOCA has supported Vietnamese cocoa farmers through the **Sustainable Cocoa Enterprise Solutions for Smallholders (SUCCESS) Alliance**. An international public-private alliance, SUCCESS aims to increase smallholder incomes around the world by developing a global cocoa sector that is economically, socially and environmentally sustainable. Many organizations—USDA, USAID, the World Cocoa Foundation (WCF), commercial members and local government and research institutions—have collaborated with ACDI/VOCA on the SUCCESS program in Vietnam and elsewhere.

The Alliance introduced an innovative value chain approach, which first analyzes the demands of the global market, then assists and informs farmers so they are able to produce for this market with its strict quality requirements. This approach has helped to build a small but sustainable cocoa industry. By December 2012, over 6,500 hectares of cocoa had been planted, and 22,000 farmers had received training on sustainable cropping. In this time, the SUCCESS Alliance also distributed over 900,000 seedlings to farmers for planting and training purposes.

In the Central Highlands, where cocoa cultivation increased by over 1,400 hectares, it is estimated that total annual income generated by cocoa planted in 2007 (the first year ACDI/VOCA worked there) will reach over \$3,500,000 by 2015. Throughout its implementation, the program has instituted cocoa bean quality standards and provided training in quality monitoring to help farmers

and processors meet these standards. In this way, Vietnamese cocoa can better compete in the global marketplace.

The latest phase of the SUCCESS Alliance activity is the USAID-funded **Sustainable Cocoa for Farmers (SCF)** project in Dak Lak and Lam Dong provinces. SCF targets all levels of the cocoa value chain to increase farmers' incomes and support the growth and sustainability of the cocoa industry. ACDI/VOCA works with farmers, fermentary owners, nursery operators and quality labs to increase the volume of cocoa produced; ensure high quality at production, harvesting and processing stages; and build the capacity of local institutions. The project is currently working with about 3,400 farmers (of whom 20 percent are female and 70 percent ethnic minority). A typical nursery receiving SCF assistance will produce 10,000 seedlings per year.

In another effort to build partnerships across the public and private sectors, ACDI/VOCA has teamed up with Mars, Inc., to form the **Mars Ambassador Program (MAP)**. Established in 2008, the program gives selected employees of the company the opportunity to visit fermentaries, testing labs and other cocoa-related facilities and activities aligned with the SUCCESS Alliance to contribute hands-on assistance. Past MAP participants have assisted in cocoa fermentation, sampling and quality testing and assurance, as well as health and nutrition assistance to schools.

## A Lasting Legacy from Which to Look Ahead

Since the 1960s, ACDI/VOCA projects in Vietnam have strengthened farmer organizations, built the capacity of small- and medium-scale enterprises in rural areas and increased the availability of credit. Particularly in the past decade, the country's cocoa sector has grown significantly. ACDI/VOCA has contributed technical assistance that will endure long after our projects end. Since ACDI/VOCA began working in Vietnam, the nation has experienced an extraordinary, and at times tumultuous, political and economic evolution. Still, it has provided enduring lessons on the primacy of ordinary people, their need for productive livelihoods and their relationship to markets.

ACDI/VOCA stands ready to continue to assist Vietnam in consolidating gains in broad-based, resilient economic development, particularly in such areas as farmer organization, rural business support and strengthening of specialty crops industries.