



# ANNUAL REPORT 2016



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## FOREWORD

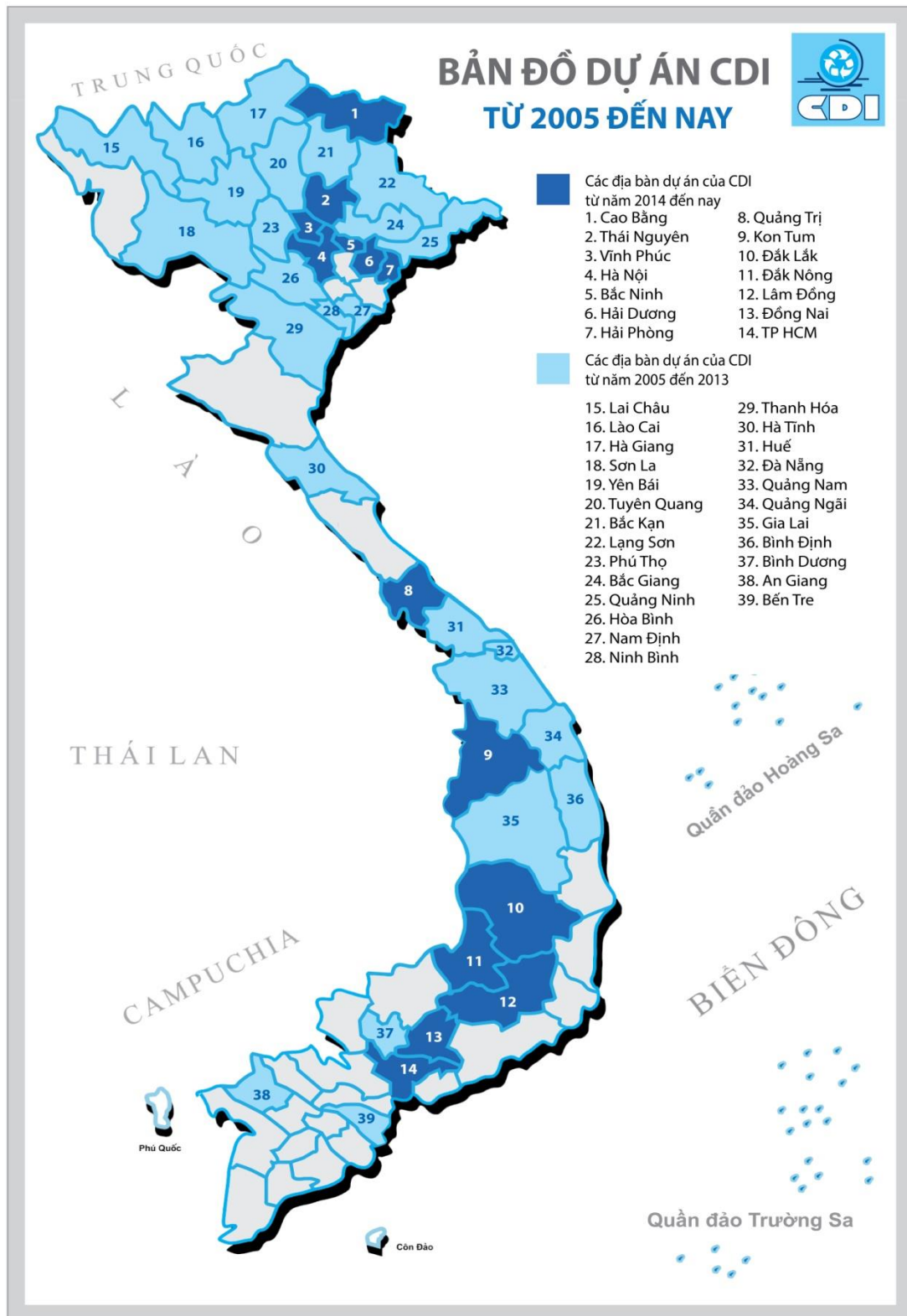
The Center for Development and Integration (CDI) is a Vietnamese Non-Government Organization (NGO) dedicated to supporting inclusive economic growth and social equity. Since Vietnam, in early 1990s, adopted the principle of free markets to drive national economic development strong growth in GDP and GDP per capita have occurred. The percentage of the population living below the locally calibrated poverty line has dropped sharply and Vietnam is now classified as a lower middle income country. Whilst economic growth has provided opportunities for many Vietnamese to lift their standards of living not all citizens have benefitted from the trend to the same extent. In most parts of the world, in both developed and emerging economies, the past several decades have seen a widening of wealth and income disparities within national populations. Wealth is becoming concentrated in fewer hands and those in the lowest social strata struggle to make ends meet.

In Vietnam these lower strata are predominantly located in the rural areas where small-scale farmers, many of whom are from ethnic minorities, lack the financial and knowledge resources needed to participate fully in the development of markets for their products. Typically farm-gate prices are a very small percentage of final prices achieved by retailers. In the rural areas of Vietnam, moreover, the effective decentralisation of governance has been restricted due to capacity constraints in bureaucracies and amongst elected representatives. Limited capacity to exercise their rights and access to opportunities – especially at district and commune level – also restrict the capacity of small-scale farmers to prosper. In those parts of Vietnam where there has been massive growth in numbers of factories – especially in foreign-invested electronics, clothing and textiles sectors - most of the workers have migrated from rural areas and small towns and cities in search of work. For them, the work and living environments are unfamiliar. Lack of knowledge of their rights as citizens and workers means that many are not fully able to take full advantage of the opportunities inherent in their new lives.

Governments at all levels in Vietnam are aware of these issues and needs but are limited in the resources that they can deploy to meet them. NGOs like CDI do act, supported by International NGOs, organisations and other governments, to fill the gaps. The themes listed above are the focus of CDI's work and for the most part have been since its inception. The following list of projects completed or underway in 2016 demonstrate the range of CDI's work.

Special thanks are due to CDI's capable and committed staff who execute and manage the projects and to the funding bodies, INGOs and other governments, whose foresight and commitment to the development project make it all possible. Thanks too are due to the government agencies and elected representatives at all levels who support CDI projects directly, through their participation, and indirectly through their endorsements.

## MAP OF PROJECTS



# I. ABOUT CDI

**The Center for Development and Integration (CDI)** is a Vietnamese non-government, not-for-profit organization working for the rights of disadvantaged groups to build a society based on equity, solidarity and sustainable development.

## Our vision

A well governed, materially and socially strong society in which disadvantaged groups are recognised and treated fairly in the context of Vietnam's rapid economic integration with other Asian states and globally.

## Our mission

To make a contribution to narrowing income and opportunity gaps by identifying solutions to emerging social issues via capacity building and advocacy.

## Our goal (2015 – 2020)

To be a capable and prestigious civil society organization that supports progress towards equitable and sustainable development by promoting understanding and advocating on behalf of the needs and rights of disadvantaged groups.

### Our programs:

- \* Labour Rights
- \* Good Governance
- \* Inclusive Growth

## Our values

- **B**uilding trust
- **R**espect
- **I**ntegration
- **D**edication
- **G**rowth
- **E**quity

## Development objectives

- Strengthen accountability and transparency of governments at all levels by facilitating the active engagement of citizens in policy formulation and the monitoring of implementation
- Support economic growth that is inclusive of disadvantaged groups by means of research, capacity development, policy formulation, and the creation of decent jobs and living environments

## Who we work for

- Women and girls
- Migrant workers
- Ethnic minority groups
- Small-scale agricultural producers
- Young people

## Methods of intervention

- Evidence-based research
- Capacity building
- Policy advocacy
- Support for opportunities
- Networking

## Donors (2016)

1. Oxfam in Vietnam: Labour Rights and Good Governance programs
2. European Commission in Vietnam (EC): Good Governance program
3. Irish Aid - Embassy of Ireland: Inclusive Growth program
4. Korea International Cooperation Agency (KOICA): Inclusive Growth program
5. The Asia Foundation (TAF): Labour Rights program
6. International Batik: Labour Rights program



## II. OUR ACHIEVEMENTS IN 2016

### A. Labour Rights theme

Since CDI's establishment, labor rights have been a high priority in our work.

Framing our work in a human rights perspective, CDI's actions include: organizing workers, building their capacity to act on their own behalf and to network; providing information, supporting and consulting; enhancing multi-partite dialogues; research; advocacy; organizing communication activities and campaigns; connecting regional and national networks. CDI is an active member of the Vietnam Action Network for Migrant Labor (M.net), the Asian Network for the Rights of Occupational and Environmental Victims (ANROEV) and the Mekong Migrant Network (MMN). In the current epoch of rapid economic and social change in Vietnam and across Asia CDI's goal is to protect and promote labor rights.

**Target groups:** Formal and informal workers, especially women and migrants (i.e. people who have moved away from their home areas to cities and other industrial areas in search of work and associated personal and family advancement)

#### Priorities:

- Improve the living and working conditions of migrant workers (focusing on electronics and garment sectors) in industrial zones and cities by organizing, capacity building and networking
- Promote policies to support decent working conditions and social protection through research, advocacy and networking
- Participate in research projects and advocacy campaigns to promote workers' rights and to improve their access to information and legal support, including workers from other countries
- Active participation in labor forums at international and national levels

#### Key activities

- Promote the formation and effective functioning of workers' groups
- Capacity building for local partners and workers (including development of IEC (International Electronics Commission) materials - leaflets, handbooks, guidelines, training courses, campaigns, events)
- Online legal aid and access to information:
  - Website: [www.laodongxanh.net](http://www.laodongxanh.net)
  - Facebook page: Diễn đàn pháp luật dành cho người lao động
  - Hotline: 0977 651 884
- Mobile legal aid and counselling iwithin workplaces and off-site
- Multi-stakeholder dialogues on labor issues at local and national levels
- Conducting social surveys and other types of research
- Policy advocacy



## Achievements in 2016:

- **15 workers clubs** were established in Hai Duong and have maintained regular activities, every 4-6 weeks, with more than **400 members (70% of whom are female)**
- In 2016, a total of **852 questions and proposals** were made in Hai Duong by members of workers' groups. 730 questions were posed in **146 club meetings**, 67 at mobile legal counselling sessions, 25 in two stakeholder dialogues and 30 through other events involving migrant workers, including end-of-term reviews, seminars and surveys.
- Among these, **23 migrant worker proposals/recommendations** were sent to stakeholders through club meetings, stakeholder dialogues, mobile legal counseling sessions, and workshops at provincial and national level. Of these, 10 recommendations related to working conditions in factories and 13 to living conditions of workers at inns.
- In 2016, laodongxanh.net website had **384,352 hits** at an average of 1000 hits per day. The Facebook fanpage “Diễn đàn Pháp luật dành cho người lao động” (The Law Forum for Workers) had **3560 likes** and posts reaching an audience of c. 5000.
- Workshop on **Migrant Workers and Social Security** - M.net's Annual Meeting had 140 participants, providing a holistic view of many aspects relating to migrant workers in Vietnam and the region
- A baseline survey to describe and analyse current issues, prior to project commencement, helped to define logframe and project objectives. **400 interviews** with people in Hai Boi commune, **10 group discussions**, **8 in-depth interviews** with leaders and residents of Dong Anh district.
- The new look laodongxanh.net website was officially launched in late December 2016, providing information on safe migration and employment opportunities for overseas workers with around **20,000 views/month**.
- Survey online: "Voices of workers and the stories behind overtime working" on [www.laodongxanh.net](http://www.laodongxanh.net). **508 questionnaires completed in three days**.
- Free consultation on website and Facebook with the support of collaborators (received and answered **27 questions per month** on content related to overseas workers).



## B. Good Governance theme

CDI brings more than eight years experience working in participatory planning and budget transparency, accountability and people's participation in Vietnam.

CDI is responsible for carrying out the Open Budget Survey in Vietnam every two years and also works on a monthly online budget tracker for Vietnam. Joining the international network on budget transparency has given CDI many opportunities for shared learning and to build its capacity to work on budget transparency and accountability, especially development of a citizen budget tool.

CDI is an active member of the Budget Transparency Coalition of Vietnam CSOs which advocate for amendments to State budget law that will improve Transparency, Accountability and Citizen Participation. CDI is also an active member of a CSO working group that is advocating for the Government of Vietnam's to join the Open Government Partnership.

### Key activities:

- Conduct, and coach others to conduct, social audits, budget monitoring, participatory budgeting and budget planning
- Promote citizen voices and participation in development process
- Capacity building for local partners, local institutions and other actors





## Achievements in 2016:

- **Consultations on central and local budget information needs.** Workshops in Quang Tri and Hoa Binh, plus other stakeholder consultations
- **Public transparency of state budgets.** Workshop (in coordination with RED Communication) with **74 participants**. **Building initiatives to promote public transparency.** Workshop (February 10, 2017) attracted over 50 participants, of which more than half were from reputable press agencies
- Production and publishing of materials: (1) Two video clips promoting general understanding of state budgets and budget management, and the role of citizens in budget management; (2) **100 Questions and Answers on State Budget** handbook. This book will be distributed to BTAP member organizations, CSOs and will be used in community level events/training.
- Coordination with the Financial Academy to organize the **SB 2016: Student View contest**. In three exciting and suprising rounds, teams had the opportunity to gain practical experience, research issues related to open budget and budget transparency, and to gain useful knowledge and skills from public finance experts.
- From April 2016 to March 2017: The website [www.ngansachvietnam.net](http://www.ngansachvietnam.net) published 80 posts and page views numbered c.30,000 (in 2016). Facebook fanpage, Ngan sach nha nuoc, currently has 2,217 likes; maximum reach for a post was 1,200; total reactions to the page was 497.

## C. Inclusive Growth theme

Small-scale farmers, women and children are especially vulnerable to changing physical environments, market conditions and government policies. Consistent with its mission to play a part in building a fairer society, in which everyone can contribute to and benefit from development, CDI engages with vulnerable groups to empower them to gain access to specific economic opportunities and to generally enhance their participation in markets for goods and services.

Under its Inclusive Growth theme, CDI's interventions encourage: socially responsible practices in businesses, including small and medium-sized enterprises; capacity building for small-scale producers and households in the agricultural sector; and fair trade practices for everyone in the value chain of goods production.

### Priorities:

- Improve the livelihoods of small-scale farmers, the poor and ethnic minorities
- Support enterprise establishment and encourage CSR in support of sustainable development
- Promote sustainable food production
- Encourage initiatives in sustainable production and consumption

### Key activities:

- Establish farmer groups/cooperatives in select product groups, notably coffee, tea and pepper
- Provide training on international standards for agri-food producers to enable higher quality to meet requirements of global markets
- Connect partners to attract investment in agriculture, support initiatives to raise awareness of community and consumers about certified products, such as organic, Fairtrade certification
- Policy advocacy: organize research, workshops, and forums to work on policies that provide better and fairer conditions for farmers, the poor, and ethnic minorities to benefit from equitable and inclusive growth

## Achievements in 2016:

- The Cau Dat, Xuan Truong cooperative newly established under the support of CDI and grant of Irish Aid and KOICA during 2016 has improved its capacity to apply clean coffee production methods that meet international standards. Cau Dat Cooperative is the only organisation in Vietnam to be certified to produce Fair Trade Arabica coffee.
- The project is demonstrating the advantages of Cau Dat as a producer of Arabica coffee. Set in the beautiful scenery around the tourist city of Da Lat, coffee production adds to the potential for ecotourism. The first tourist groups to visit the town to experience coffee culture occurred in 2016.
- Applying water-saving irrigation is one of the solutions that the project has implemented in the project's key coffee areas. Five economically efficient irrigation models were implemented in Krong Pak, Krong Nang and EaH'leo districts of Dak Lak province and the Dak Mil district, Dak Nong province. Early monitoring demonstrates savings in both labour costs and water use. In 2016, the project also collaborated with local partners (Department of Science and Technology, Cooperative Coalition of Dak Lak province) to transfer technology for processing coffee husks into microbiological fertilizer; two trainings for a total of 60 participants were conducted in Cu M'gar, Krong Buk and Ea H'leo districts of Dak Lak province, including ethnic minority households.
- Capacities for business planning, cooperative accounting, brand building and development for cooperatives have been enhanced by the project. In addition, trade promotion for cooperatives' coffee products was implemented through events, campaigns and fairs to disseminate and raise consumer awareness of coffee cultivated to international standards of sustainable production.



### III. OUR SIGNIFICANT PROJECTS IN 2016

#### A. Labour Rights theme

##### 1. Project: “Social and economic inclusion of women in industrial zones and urban



**Donors:** Oxfam, CCFD and AFD

**Implementation:** 2014-2016

**Location:** Hai Duong, Vinh Phuc provinces

**Budget:** 173.511 Euro

**Goal:** To improve the living conditions and social integration of women in the formal and informal sectors working in urban areas of Hai Duong and Vinh Phuc provinces.

**Objectives:**

- Facilitate women who work in formal and informal sectors in Vinh Phuc and Hai Duong industrial zones to take ownership of their social rights in both their personal and working lives
- Improve the coordination of local services and information providers concerned with living conditions and rights of women working in formal and informal sectors
- Alert related stakeholders (entreprises, landlords and local authorities) to major issues in improving the living conditions of women working in industrial zones

##### 2. Project: “Promoting community participation, particularly of migrant workers, in budget analysis and monitoring of health financing in Kim Chung commune, Dong Anh district, Hanoi”

**Donor:** Oxfam

**Implementation:** 12/2016 - 5/2019

**Location:** Dong Anh district, Hanoi

**Budget:** 207.800 EUR

**Brief introduction:** The project was implemented in a number of communes in Dong Anh District, Hanoi by the Action Network for Migrant Workers (Mnet). CDI and the Institute for Community Health Promotion (LIGHT) are the primary facilitators of the project.

**Project goal:** Community members and CSOs are empowered through a public budgetary process, focusing on public health services budgeting, in Kim Chung commune, Dong Anh district, Hanoi.

**Beneficiaries:** Self help group members including migrants; Communal and District Government, Hanoi Government, Health service providers, Media, CSOs.



### 3. Project: “Promoting protection of labor rights for overseas migrant workers”

**Donor:** The Asia Foundation

**Time of implementation:** 2016 - 2018

**Budget:** 658.625.000 VND

**Brief introduction:**

Working in partnership with a network of civil society actors and lawyers interested in labor issues, CDI has built an online platform, hosted on the [www.laodongxanh.net](http://www.laodongxanh.net) portal, to provide legal information and counseling for migrant workers. CDI continues to work with the Asia Foundation to expand this website through a new project, Promoting protection of labor rights for overseas migrant workers. The goal is to integrate knowledge of safe migration and employment opportunities for overseas migrant workers (including those who intend to work or have worked abroad). At the same time, CDI will maintain a network of social organizations and lawyers to provide on-going support to workers, thereby enhancing access to information before workers go abroad and after they returning home.

**Objective:**

Improve protection of the labor rights of potential and returning Vietnamese overseas migrant workers.

The Asia Foundation will continue to support CDI to implement a set of linked activities, using creative communication approaches and accessing new media, aimed at achieving following objectives:

- Improve the quality and reach of safe migration information and counselling to migrant workers;
- Enhance labor market reintegration for returning migrant workers;
- Support advocacy for increased awareness of labor conditions and issues faced by migrant workers and for an improved policy environment for overseas migrant workers.



## Luong Van Hung - A responsible team leader who dares to speak, dares to do

Hung assumed leadership of the Sum họp (Gathering) group for nearly a year until the project ended, after the former leader had moved away. Hung himself was a complete newcomer at that time.

He had spent nearly two months applying to more than 20 companies until he got his job in the textile department of Tinh Loi 2 - Nam Sach Industrial Zone, Hai Duong City, Hai Duong Province.

In accepting his leadership duties Hung has been a passionate, responsible, inquiring leader concerned with protection of workers' rights.

As a team leader, he was involved in a range of activities to improve awareness and build capacity through trainings on group operating skills, occupational safety and health knowledge in the garment industry; trainings on knowledge of labor law and health care; consultation on labor law for workers; contests on labor law and social security; sports and cultural exchange events between workers and local people. In every activity, he investigated information and knowledge related to workers' rights such as policies related to labor law, social insurance, overtime, maternity policy for female workers. As a person who is easy-going, cheerful, open-minded and caring of others, he is trusted by team members who come to seek advice when they have problems in the company and in life.

While attending a number of group meetings and trainings on the topic of protective clothing for garment workers, understanding the importance of ensuring occupational safety and health in the manufacturing process, he was very active in exchanging information and sharing about the current situation in the factory whereby he and many other workers were not fully equipped with protective equipment. After training sessions and group activities with members of his boarding house, he proactively proposed that the company provide sufficient labor protection equipment for workers, such as masks, ear protection, gloves... A month after his proposal was sent to the company, workers in his workshop were fully equipped with labor protection equipment. He proudly shared with us:

"My team raised the issue of occupational health and safety gear for workers at a corporate meeting. Previously the company did not provide protective clothing such as masks, ear protection, gloves. After about a month, the company provided the necessary protective gear. This issue was not only raised in that meeting but also to the Confederation of Labor [VGCL]. As a result, all workers in the workshop are equipped with protective clothing!"

Photo: Hung (lower row, second from right) and "Sum họp" team winning the First prize in the contest "Knowledge - Talent of workers 2016" in Nam Sach industrial zone, Hai



## B. Good Governance theme

### 1. Project: “Promoting transparency, accountability and citizen participation in managing the state budget”



**Donor:** The EU Delegation to Vietnam (through Oxfam)

**Implementation agencies:** BTAP Coalition, of which CDI is the coordinator, Quang Tri People's Council, Quang Tri Womens Union, Hoa Binh Peoples Council, Hoa Binh Farmers Union

**Location:** Vietnam (national level): Hoa Binh and Quang Tri provinces

**Duration:** 3 years (2015-2018)

**Budget:** 810.000 Euros

**Overall objective:** Contribute to increased public budget transparency, accountability and citizen participation (BTAP) in order to enhance development outcomes for women and men from marginalized communities in the provinces of Hoa Binh and Quang Tri.

**Specific objective:** Empower civil society organizations (CSOs), community-based organizations (CBOs) and communities in Hoa Binh and Quang Tri to influence the public process of poverty reduction and development programs with wider national impacts on relevant laws and decrees.

**Result 1:** Poor people, ethnic minorities and women at local level have increased awareness of the budget process and are able to exert influence on this process of poverty reduction and development programmes (including health issues).

**Result 2:** The BTAP coalition is expanded to include multiple stakeholders and strengthened to promote and advocate for budget transparency, accountability and participation at local and national levels, including in relevant laws and decrees at national level.

**Result 3:** Targeted people's councils from commune to provincial levels are more effective in the oversight of the budget process, promoting budget transparency, accountability and people's participation.

**Result 4:** Targeted People's Committees from commune to provincial levels open spaces for civil society's meaningful engagement in public budget formulation and budget monitoring of poverty reduction and development programmes (including health issues).

## 2. Project: “Promoting civil society organizations in social monitoring for improving public services and budget transparency”



**Donor:** UNICEF in Vietnam

**Implementing partner:** CDI (on behalf of BTAP Coalition)

**Duration:** 1/8/2016 - 30/11/2016 – extended to 20/2/2017

**Budget:** 36.890 USD

**Overall objective:** To build capacity for CSOs and promote budget transparency and equity for children

### Activities:

- Activity 1: Develop and deliver training programs in budget transparency and public finance for children for CSOs and elected bodies (PF4C)
- Activity 2: Assessment information needs to support a child focus in Citizen Budgets
- Activity 3: Conduct advocacy workshop on budget transparency and budget allocation, 2017, regarding child rights and protection of children
- Activity 4: Develop communication products on state budget (4.1 Develop 2 infographic videos on budget cycle and how people can engage in budgetary process; 4.2 Develop and print 350 copies of 100 Q&A on State budget and Budget transparency)
- Activity 5: Organize an online contest: young people's innovative ideas on budget transparency and accountability



## The core team in Quang Tri - “We question what doesn’t seem right!”

**Ho Thi Nghia, after only a short time participating in the project confidently questioned the Commune People's Council deputies about the budget for making inter-village concrete roads. Previously, she had thought that such knowledge about the state budget was unrelated to her life.**

In the meeting with voters that day in Baze village, most participants were women because many of the men worked far away. At the meeting, representatives of the Commune People's Council presented information on local socio-economic development, including the construction of a concrete road, 300 meters in length, across the Baze. Nghia was invited to this meeting with the villagers to listen to the Council's delegate reading the report from a printed document. Having waited for the Council's delegate to talk about the budget to make the road through her village, but getting no information, Nghia raised her hand to ask the question: "Could you please let us know how much is the budget for this road going through the production area of Baze village? »

To Nghia and the women in the village, standing up to ask questions of the deputies of the People's Council was a huge change. Shared Nghia: "In the past, at meetings with voters, they asked "Does anyone have any question ? »but noone commented. People did not understand and just sat in the meeting then left". Nghia said that she had been invited several times to meetings with voters. At the meetings people just listened, sometimes hearing things that they did understand but not daring not to speak up for fear of speaking wrongly. When the delegate mentioned the amount of money to do the works in the commune, Nghia thought the money was granted by the state; she later came to understand that the money was contributed by the people to the state budget.

Nghia's was subsequently invited by the Women's Union to join a group, the Baze Community Group (September 2016), of women to learn about the state budget. Nghia was elected to be the leader and was dispatched by her team members to go to the training on group organizing skills taught by Gio Linh Women's Union.

Since its inception, the Baze Community Group has been organizing monthly events and exchanges on public transparency issues. Their first events were supported by Ms Thuy, CDI Program Officer. Shared Nghia: "I liked the second event in November 2016 the most, where Ms. Thuy came to share about the theme "How are people related to the state budget?" Everyone actively participated and I myself also got to understand how people contribute to the state budget, which I did not know before."

After participating in the community group, Nghia has become more confident and willing to participate and contribute her opinions in meetings. She has also participated in monitoring activities implemented in her area, including the inter-village road connecting Cu Dinh and Baze.

Others in Nghia's group have also changed a lot since joining the group: "In the past, everyone just knew that the state subsidizes the poor, and just reckoned that money is supposed to be from the government ... Other members also actively participated just like me now, in the meetings, if we see people say something wrong or some information missing, we'd ask about it"

Nghia thinks that the activities of the group are becoming ever more practical and associated with the lives of people. She hopes that the Baze community group will be sustained over time, because in addition to acquiring knowledge, members meet regularly and interact with other groups, which they enjoy. Nghia also expects that trainings will be held in the commune (because the district capital is too far away, about 30km, and women have to arrange their own transportation).



Photo: Nghia giving a presentation in a meeting session

## “As much hard as much fun!”

Budget transparency is not an obviously attractive nor easy to understand topic for most young people. The organisers' first challenge was therefore to attract attention. The adopted solution was to organise activities seemingly unrelated to budgets that are of interest to young people (such as music, sports, fashion, etc.). Participants could then be gradually led to an awareness of associated budgetary issues (e.g. increased tuition fees, financial autonomy in public schools). During this lead-up process, young people were provided with elementary knowledge of state budgets. Activities aimed at young people need to be voluntary rather than compulsory. Awards, certificates of participation, information about career opportunities, and the like, are useful in attracting participation.

After discussions with the Public Finance Club of the Academy of Finance, the students majoring in economics and finance were targeted. It was hoped that this would promote interest on the part of other youth group. Although only implemented over a short period of time (from 28/12/2016 to 13/1/2017), the contest achieved encouraging results. The fanpage of the contest attracted **over 10,000 likes and page views**. Round 1 (an online contest) attracted 107 contestants from major universities including Foreign Trade University, National Economics University, National Trade University, National Academy of Public Administration and Academy of Finance.

**More than 300 students** attended and cheered for the four finalist teams. Throughout the three exciting and suprising rounds, teams had the opportunity to gain practical experience, actively researching issues related to open budget and budget transparency, as well as gaining knowledge and skills from public finance experts.

The organising board received much positive feedback from contestants. Dao Thi Hue, a member of Group 7: *"This is a very practical, useful competition for students. In addition to studying at the school theoretically, the competition gives us a real social experience, which is conducive to our future work in public finance."* Nguyen Giang Thanh, a member of Group 5: *"This is a contest of high practicality. In round 2, when it comes to identifying reality, there were situations that had to be resolved in order to keep going with the direction that the group had discussed initially. Through the competition, both myself and my friends gained a lot of experience. Thank you so much for giving us the opportunity to participate."*

After some challenges in determining the contest's theme and form, organizers successfully completed the project and gathered much useful experience in organizing activities for young people. It is hoped that, with these initial successes, BTAP will continue to be successful in its activities on the topic of state budget for the youth.



**Photo: The organization boards and finalist teams in the final round of SB 2016**

## C. Inclusive Growth theme

### 1. Project: “Improvement of livelihoods of the poor and ethnic minorities in the central highlands of Vietnam through engaging in sustainable coffee production and pro-poor market access”



**Donor:** Irish Aid

**Time of implementation:** 2015-2017

**Location:** Central Highlands

**Budget:** 330.000 Euros

**Introduction:**

The coffee industry is growing in the context of a general need for agriculture to restructure towards greater levels of efficiency and sustainability. Coffee's 'value chain' however lacks strategic orientation and farm-gate prices are a small fraction of prices received by processors and in final markets.

**Objectives:**

To help improve people's livelihoods, especially ethnic minorities, in the Central Highlands. The project has focused on these interventions:

- Improve livelihoods of poor farmers, including ethnic minority communities
- Provide small-scale producer groups (including ethnic minorities) with collective bargaining skills to improve their market access and coordination with networks of producers
- Connect with farmers and carry out advocacy activities so that coffee farmers benefit from consultation and engagement with dialogue mechanisms and models of effective co-operatives.

### 2. Project: “Sustainable coffee production and pro-poor market access”



**Donor:** KOICA

**Period of implementation:** 2015-2016

**Location:** Xuan Truong commune, Da Lat city, Lam Dong province

**Introduction:**

The project aims to improve the livelihoods of poor coffee farmers in Cau Dat, Xuan Truong, Da Lat, Lam Dong by encouraging sustainable coffee production and effective market access.

**Objectives:**

- Establish a self-sustaining social enterprise model and enhance community development for coffee farmers in Cau Dat, Da Lat and Lam Dong.
- Promote trade and market linkages for small-scale farmers, increase quality and quantity of coffee sold to large-scale buyers and broaden the market for coffee products to consumers through the distribution system.
- Farmer groups to produce branded local products. The quality of coffee production increased and the coffee certified Fairtrade/Organic.



## Minh Toan Loi Cooperative – Good practice in coffee pulp processing with probiotics

Minh Toan Loi co-operative was established in 2012. It is located in Ea Puk commune, Krong Nang district, Dak Lak province. In September 2015, the project undertook training on the Fairtrade certification process for the cooperative. With technical support from CDI and Green Fair Trade the co-operative earned Fairtrade certification in March 2016. There are currently 47 members of the co-operative. Half are ethnic minority households whilst 3 are defined as poor households. The average area of coffee cultivated by each household is 1.5 ha.

Since 2015, supported by several training activities, members of the co-operative have paid attention to improving the quality of their coffee in accordance with the international standards, especially Fairtrade standards. Simultaneously, with knowledge gained from the trainings, members have focused on coffee cultivation practices for adaptation to increasingly harsh farming conditions in Tay Nguyen - lack of water in the dry season and declining soil quality.

Members have paid particular attention to coffee pulp processing with probiotics to use as organic fertilizer instead of chemical fertilizers.

Each member harvests an average of six tons of coffee beans/1.5 ha and about two tons of coffee pulp. With microbial fermentation technology, implemented from January to March annually, farmers can use the microbial fertilizer for the rainy season after 2.5 months of composting. Households can replace 30% of the cost of buying chemical fertilizers, equivalent to a saving of 10 million VND per household. This model has been applied by all members of the co-operative and most of the households in the area in coffee cultivation because it saves costs, makes use of by-products (coffee pulp), minimizes the use of chemical fertilizers, improves soil quality, protects the environment and responds to climate change.

During the 2016 drought farmers were affected but generally less so than in other areas. Thanks to improved soil quality in the region, coffee trees did not die from the drought. The decrease in productivity was only 10-15%, compared with an average of 30% in Dak Lak province.

There are many activities for sustainable coffee cultivation that contributes to the adaptation to climate change, including the processing of coffee pulp into microbiology organic fertilizer which is an indirect solution that brings economic and environmental benefits.



**Photo: Dr. Pham Cong Tri - Tay Nguyen Science and Technology Institute of Agriculture and Forestry guiding members to compost micro-organic fertilizer from the coffee pulp, November 2016**



## Mr. Nguyen Bong – A lifetime dedicated to coffee cultivation

Mr. Nguyen Bong is a long term coffee farmer in Cau Dat village, Xuan Truong commune, Da Lat city, Lam Dong province. His family now cultivates 2 hectares. Although he had grown coffee for decades, it was not until 2015 that he came to know about Fairtrade and cooperatives. Also in that year he was one of the first farmers to join Cau Dat coffee and agricultural production-trade-service cooperative.



Although elderly, he has acquired a good knowledge of Fairtrade standards and technical requirements. When talking with him, we saw the zeal and belief in his decision in his eyes. Before joining the cooperative, small-scale farmers had many struggles in producing and selling, due especially to instability of farm-gate prices. “Farmers face many difficulties in selling fresh coffee beans. The price of red coffee cherries is quite different from the price of mixed red and green coffee cherries. And if we harvest beans in such faraway gardens that the cherries get added, the price of cherries will go down ... The price is based on the market. We have to accept the price that is made by companies and dealers.”

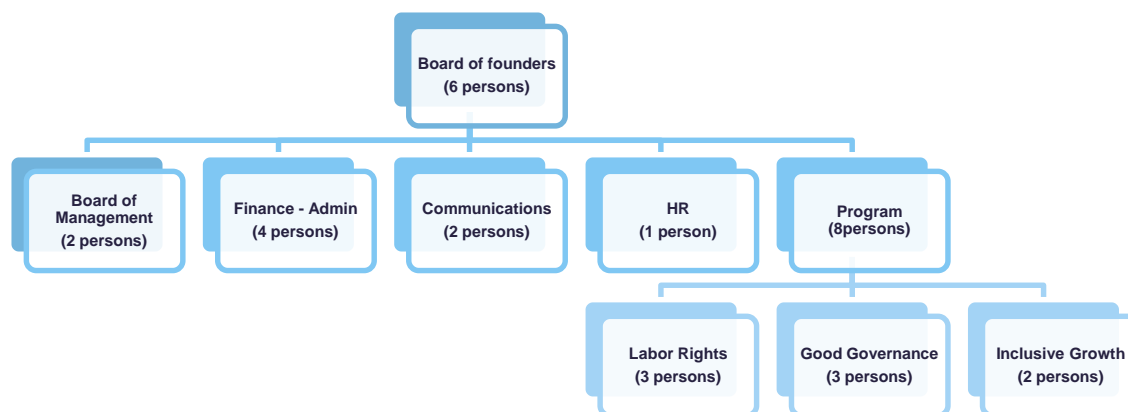
In the cultivation process, Mr. Bong's family does not use chemical fertilizers and fresh coffee after harvest must be dried well within standards. Because of the rigorous Fairtrade coffee harvesting standards, his family must also hire more workers during the harvest season. Before, only 10 workers could harvest 1 ton of fresh coffee, now it requires 17 workers to do the job. He still wants to continue to update and learn new techniques to increase productivity and quality of coffee. “We hope that when we join the cooperative, the cooperative will provide techniques that go close to the locality to make coffee trees grow well and we have high productivity.”

To make up for that additional labor cost, Mr Bong's coffee is now sold into the Fairtrade channel with a higher price. Last year, the fresh coffee production of his family was 30 tons. Mr. Bong was able to sell 30-40% of this volume into the cooperative, with the price from 11.000 to 12.000 VND/kg, while the purchase price from dealers was only about 9,000 VND/ kg. As for the dried coffee, with outstanding quality achieved by a standardized process, the coffee price sold to Fairtrade channel could be up to 160% compared to the market price (in 2015 the price of dried coffee sold to Cau Dat cooperative was 80,000 VND while the market price was only 50,000 VND). The results of this first step bring joy to many farmers, the pioneers who got involved in the Fairtrade cooperative, a very new model in Xuan Truong. These results also return the care and labour of the farmers, so they can continue to trust in the techniques through trainings received.

## IV. ORGANIZATION DEVELOPMENT ACTIVITIES IN 2016

### 1. Human resources

In 2016, the CDI's human resources structure remain stable as presented in the graphic below. The total number of staff was around 13 - 17 persons.



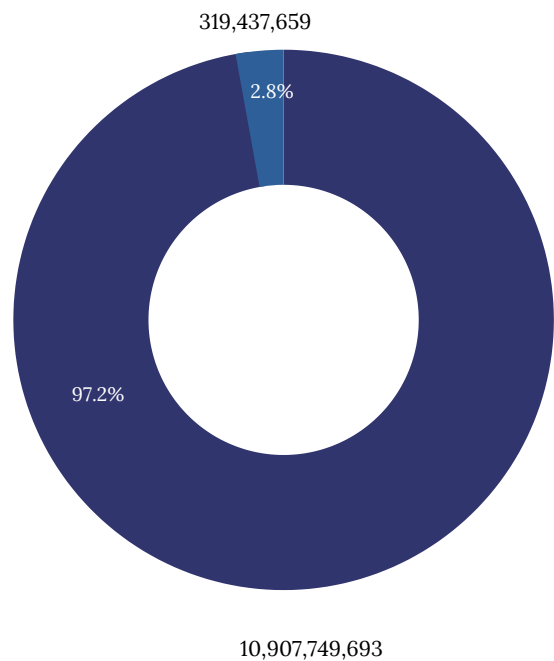
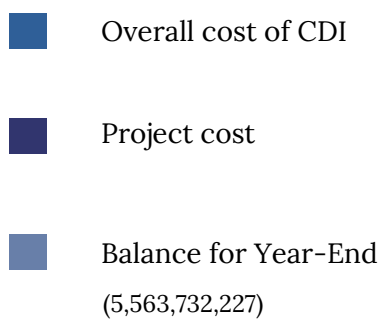
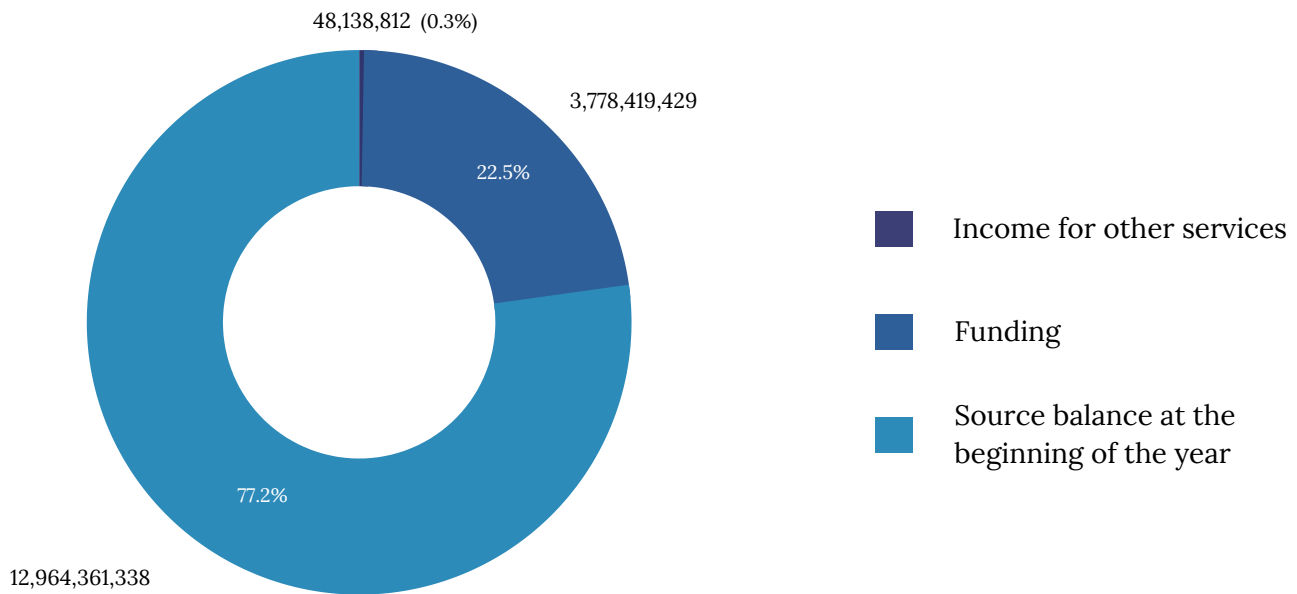
From May to June 2016, some staff had saw their labor contracts expire or resigned or had maternal leave so some positions needed to be supplemented. Recruitment to these positions was difficult due to strict requirement of experience and professional qualifications.

### 2. Organizational development

Quality human resource training and staff development are key areas in CDI's personnel policy. In 2016, CDI staff were involved in a number of capacity building, team building and teamwork activities, including seminars, workshops, conferences and staff retreat.

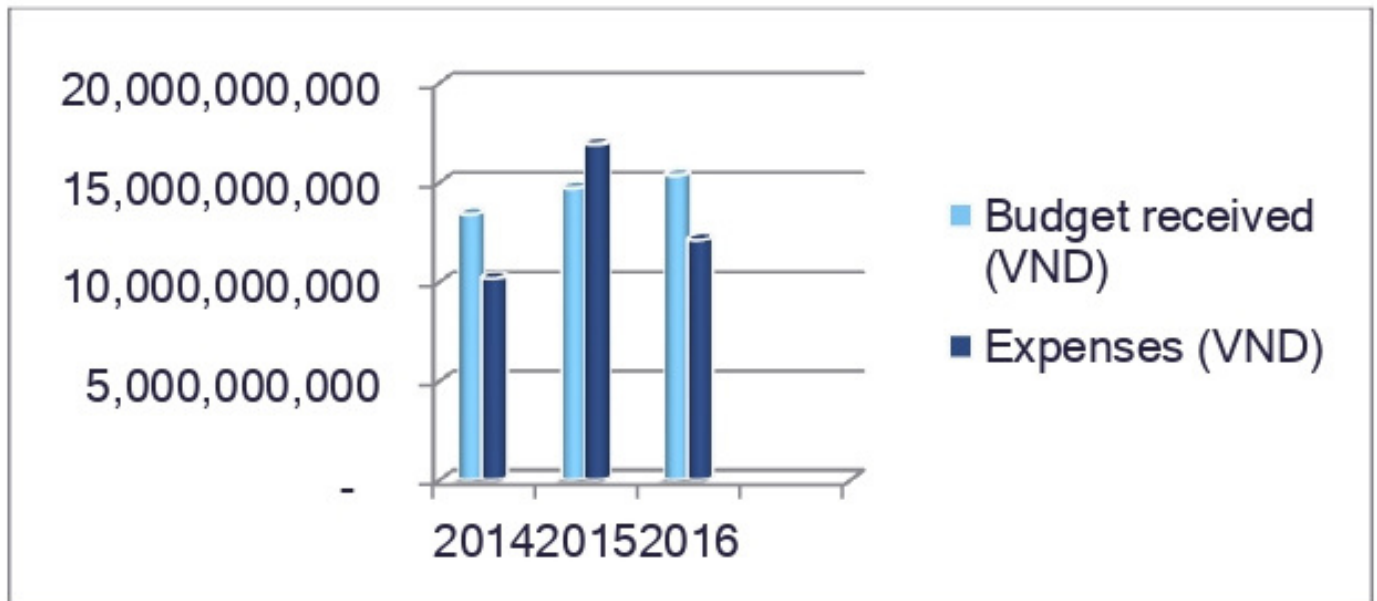
- **Thematic talks** were held once every two months. The content of each session is determined according to the needs of staff, updated according to changes in the socio-economic and political context of Vietnam as well as the region and the world, especially those issues directly affecting CDI's operational themes such as (1) multi-dimensional poverty; (2) social-economic development planning; (3) TPP; (4) FTA; (5) Human rights.
- On July 26, 2016, CDI staff participated in the training "**Building the spirit of working effectively**" in Ninh Binh. The course provided many interesting and useful lessons for the staff to enable them to continue to develop and improve the spirit of working and dedication to the common goal: being a civil society organization that has the capacity and prestige to develop equity, sustainability and shared common prosperity through promoting and securing the rights of vulnerable groups.
- A **Policy Brief** training course was held on December 28-29, 2016. The course focussed on the process of writing a policy research report. It equipped participants with relevant skills and methods such as: using data, graphics, good paragraph writing, how to use full-text citations, how to write stories, how to design a research report, how to write a policy summary report.

## CDI'S FINANCIAL REPORT 2016



Currency unit: VND

## Financial status 2014 – 2016



- The 2016 financial statements have been audited by an independent auditing company
- The difference between income - expenses in 2016 will be carried over to 2017 for further project activities".
- Receipts occurred in the current year may reflect the transfer of multiple year project budget