



TRUNG TÂM PHÁT TRIỂN VÀ HỘI NHẬP
Center for Development and Integration

REPORT 2017

Floor 16, 169 Nguyen Ngoc Vu

Cau Giay dist., Ha Noi

Tel: +84 24 3538 0100 | Fax: +84 24 3537 7479

www.cd vietnam.org

PREFACE

Since its foundation in 2005, the Center for Development and Integration (CDI) has worked to support the rights of disadvantaged groups in Viet Nam in order to promote an equitable and sustainable society. All of CDI's decisions and actions aim at fulfilling our mission to narrow social gaps and to solve outstanding problems that exist in society.

In 2017, CDI continued to successfully implement a wide range of support, advocacy and capacity building activities with sponsorship from international NGOs and governments. Our priorities focus on three areas: Good Governance, Labor Rights and Inclusive Growth. Our work in these three areas has had a positive impact on the development of Vietnamese society and its people, especially on the lives of disadvantaged groups.

Readers will find in this Annual Report 2017 inspiring stories of change and meet some of the people who raised their voices in support of their interests and the rights of communities.

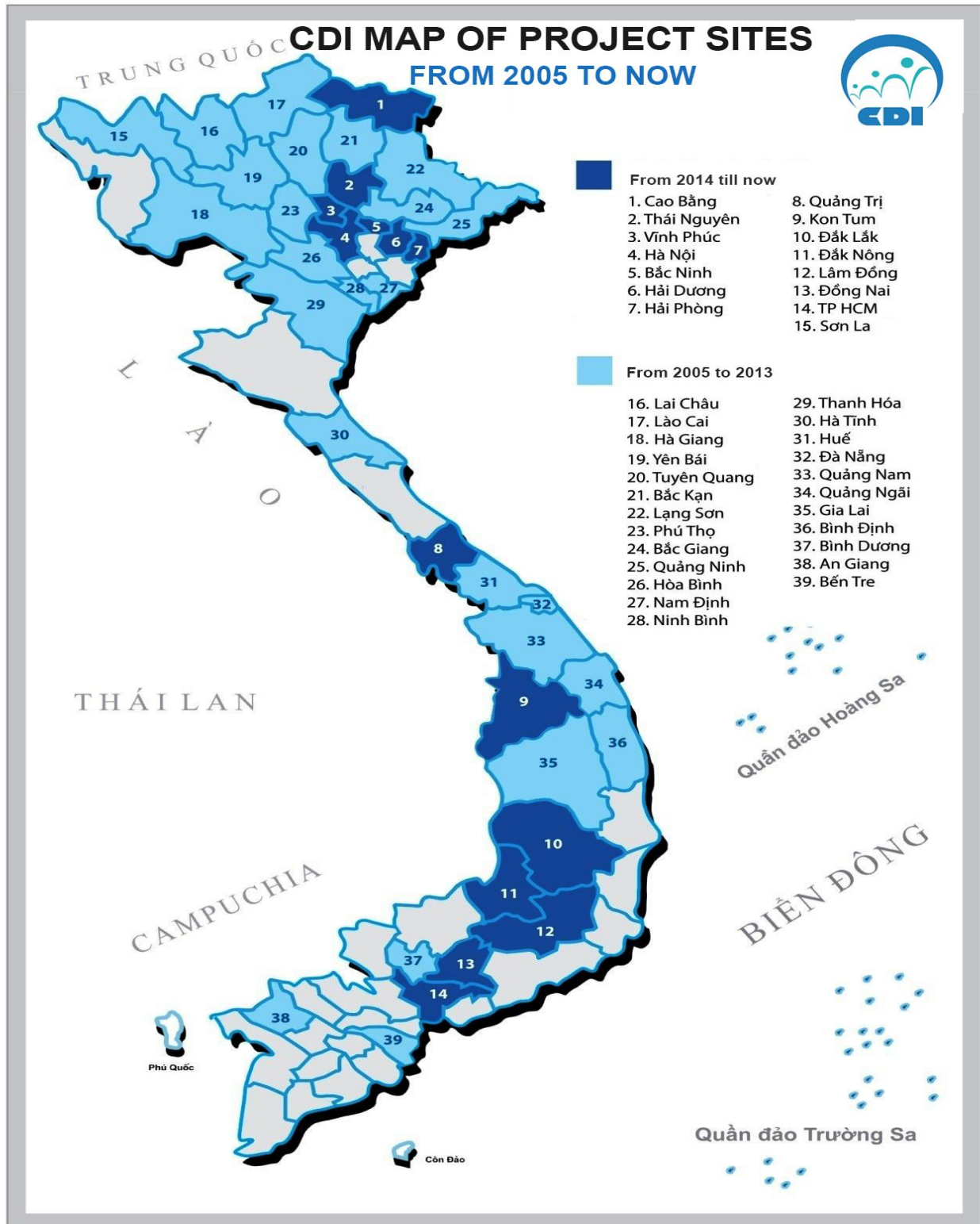
Special thanks are due to CDI's capable and committed staff who implement and manage our projects, to our donors (INGOs, international governments) and to all of those people who support development projects and who have supported CDI in implementation of our projects. We would also like to thank government agencies and People's Committees at all levels of government for their direct and indirect support for our projects.

2017

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PROJECT SITE MAP



INTRODUCTION



THE CENTER FOR DEVELOPMENT AND INTEGRATION (CDI) is a Vietnamese non-government, non-profit organization working for the rights of the disadvantaged groups to build a society of equity, solidarity and sustainable development.

VISION



The Center for Development and Integration aims to socio-economic development and good governance to build a society in which the poor, women, men and children are respected and treated fairly in the context of rapid economic integration in Viet Nam and Asia.

MISSION



To make a contribution to narrowing the social gaps and finds solutions to the emerging issues of the society through supporting activities, advocacy and capacity building.

GOAL (2015 – 2020)



To be a capable and prestigious civil society organization that aims towards equitable and sustainable development and shared prosperity through activities to promote and ensure the rights of disadvantaged groups.

CORE VALUES

- Building trust
- Respect
- Integration
- Dedication
- Growth
- Equity

Priority programs

- ❖ Good Governance
- ❖ Labor Rights
- ❖ Inclusive Growth

TARGET GROUPS

Migration labor



Women and girls



Small-holder farmers



Youth



Ethnic groups



MAIN INTERVENTIONS

Research for evidence



Capacity building



Advocacy



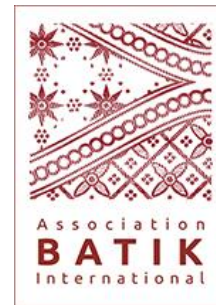
Support and create opportunity



Network of influence



DONORS



LABOR RIGHTS



Theme goal

To make contribute to the promotion and protection of labor rights in the context of rapid change in Viet Nam and Asia.

Beneficiaries

Workers in formal and informal sectors, especially migrant workers and female workers

Main interventions

- Organization of workers
- Capacity building for partners and workers
- Legal counselling and access to information for workers
- Improving living conditions for migrant workers
- Multi-stakeholder dialogues at national and local levels
- Enhancing access to basic public services
- Monitoring and improving working conditions
- Campaign for rights of workers
- Research and social surveys
- Policy advocacy
- Networking and alliance building

Projects

01

Project "Women phase 2- Improving living and working conditions for female migrant workers."

02

Project "Promoting community participation in health budget analysis and monitoring in some communes in Dong Anh district, Ha Noi."

03

Project "Strengthening protection of the right of Vietnamese workers to work abroad."

04

Project "Promoting rights and voice of migrant workers, especially women workers, towards better social security and working conditions in industrial zones in Bac Ninh and Hai Duong provinces."

Some outstanding achievements

In 2017, the Labor Rights program saw a number of notable achievements. Important connections were established between migrant workers (MWs), employers, government agencies and mass organizations at local levels, between MWs and other stakeholders (e.g. landlords, local authorities). CDI created a multi-stakeholder network for MWs to promote sharing of their experiences and to link workers in a forum for MWs based on mutual understanding and to provide assistance to workers in need. Awareness raising and policy advocacy on issues such as social insurance, maternity leave, working hours, rest times, unemployment insurance, safety, sexual harassment etc. - was achieved via online forums and mobile legal counselling meetings whereby MWs are provided with the most up-to-date information. In understanding their rights, MWs become more confident to engage in dialogue with local managers and stakeholders and in policy dialogues. Workers are empowered to 'voice up' their expectations for themselves and their fellow workers.

Some notable results on the Labor Rights theme in 2017 are presented in the following chart.

SOME OUTSTANDING RESULTS

Dong Anh



Establishment and maintainance of core worker groups

22 groups of workers
92 group activities
5 quater meetings



Capacity building/ Development

2 Trainings on the state budget management cycle & Role of the community in state budget management monitoring
1 training on friendly healthcare service
1 training on group working skills for group leaders/core workers
Application of CSC (communiy score card)

Hai Duong



Information support/ Legal consultation

3 legal consultations
 Consultations via online channels
Laodongxanh.net
Hotline 097.765.1884
Điểm dân pháp luật dành cho NLD



National and local multi-stakeholder dialogs

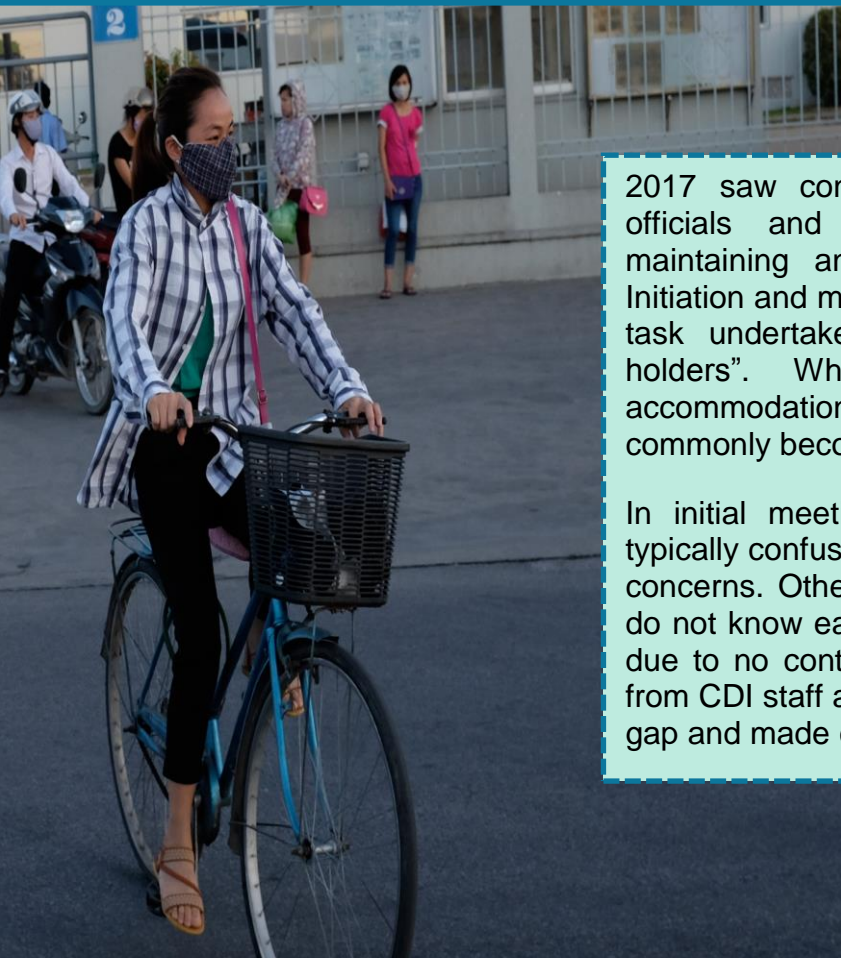
Policy seminar on overtime working
3 Policy recommendations
 Thematic talk

Bac Ninh

Communication products:

Online Contest | **Thematic talks** | **Publish and dissenmination of Hai Boi commune budget plan**
Media campaign for health care service for the community | **Production of video clip**

From isolate and shy workers...



2017 saw continuing efforts by CDI project staff, local officials and group executive boards, especially in maintaining and extending activities of worker Groups. Initiation and maintenance of group activities is a challenging task undertaken by core members, or so-called “torch holders”. When a torch holder changes his/her accommodation, goes back home or gets married, the Group commonly becomes inactive and needs to be re-started.

In initial meetings, core members or group leaders are typically confused and inhibited in voicing their questions and concerns. Other members, despite living in the same area, do not know each others’ names, hometowns or workplaces due to no contact. Encouragement, inspiration and support from CDI staff and volunteers have little by little narrowed the gap and made changes.

... to active and confident group leaders

Previously, like many migrant workers, Dang Thi Thu, a 32-year-old female worker living in Hai Boi commune, Dong Anh district, Ha Noi, was only interested in issues related to her work and her family's daily life. Local policies were considered "distant" and not for immigrants. There were few collective activities for migrant workers to share and talk to each other.

Since becoming involved in project activities in Dong Anh district, Thu has gained a better awareness of labor laws and policies and medical services at grassroots level. Appointed as a group leader, Thu participated in a number of activities and workshops and sharing with other group leaders. Being energized, Thu has become more open and confident in her presentation skills, management of group activities' and promoting mobilization of fellow workers. Thu participated in and contributed to quarterly meetings with local authorities and the project management board. She took an active role in Mnet activities - the Network of Migrant workers - and acted as a community researcher in a study of migrant workers' contributions to the network. In 2017, Thu represented migrant workers in Dong Anh district in the M.net annual meeting. At this event she played a role in a workers' short drama and was involved in a seminar on access of migrant workers to public services along with state agencies and research institute representatives.



Thu becomes more confident in talking and expressing her ideas in meetings and workshops.

"These community activities are good fun and improve knowledge of participants. I never thought I would meet and sit down with such high-level leaders!" Thu said. She hopes that more policies to support migrant workers and their children will be developed to raise incomes and improve their lives by providing better access to social welfare services, especially education and public health.

... CDI is always looking for evidences from research

"They are like buffaloes, they work year after year."

"For them, rest is a kind of luxury!"

Those are comments from research on workers' lives in the electronics industry in Bac Ninh when they did the first quarter survey in project sites.

92% of workers surveyed were under the age of 30; 81% had completed secondary and/or tertiary education; but nearly 68% had either not been trained or had been trained but had no certificates. As formal-sector workers, achieving "bread and butter" incomes was a constant challenge for young, low skill workers; working overtime was a common solution. In addition to working 8 to 12 hours daily, on average workers accrued over 30 hours of overtime per month – a figure higher than mandated by the Labor Code. Some workers accrued overtime of up to 115 hours/month. In other words, they worked an additional 4.8 hours overtime a day over a 24 working-day month. This number is alarming. Yet formal and overtime working hours still do not afford workers a good income.

In 2017, the project *"Promoting the rights and voices of migrant workers, especially women, towards social protection and better working condition in Bac Ninh and Hai Duong province"* conducted a social survey of 200 workers. The sample included workers living in motels in two large electronics industrial zones, namely Yen Phong and Que Vo, in Bac Ninh Province. The survey was conducted by CDI, supported by Oxfam, to provide an overview of the lives and work of workers, most of whom have travelled a long way from their hometowns to obtain work. Living far from home presents many difficulties.

Despite their long hours of work, 23% of respondents said that their incomes were only just adequate to cover daily living costs but allowed for no saving; 5% of workers said that their wages only covered a part of their living costs so their lives were especially hard.

At work, workers are exposed to hazardous chemicals but have limited knowledge of the associated risks. Up to 47% of the workers are exposed to chemical substances at work but 25% of exposed workers were not aware of the potentially harmful effects on their bodies. An estimated 55% of workers are exposed to cleaning substances; 46% were exposed through work on circuit boards; nearly 40% were exposed to electromagnetic radiation and 31% to toxic gases. At the time of the survey, undesirable effects on health related to working conditions were well documented. Commonly encountered symptoms are headache, dizziness, back and joint pain. The proportion of respondents with one or more of these symptoms was close to 70%. Other symptoms experienced by some workers included impaired vision (25%) and hearing loss (nearly 25%) due to machine noise. In addition, some

workers experienced nausea (30%) and dyspnea (20%). As for female workers, 54% faced at least one menstrual problem, most popularly known as disorder of the menstrual cycle (48%).

After a working day, workers return to their motels and spend most of their time resting. Living conditions in the motels are still limited with unsecured clean water sources (over 3% of workers use tap water for cooking and 21% use the water for other purposes); power outages (over 43% reported occasional power outages); shared toilets are not hygienic for usage (49%); and surrounding environmental sanitation is not good. Most workers do not participate in local community activities such as village meetings, local holidays/festivals, and community cleaning work. They interact with friends and networks primarily via social media (88%).

On the basis of initial survey findings, CDI's project team had a meeting with the project management board in Bac Ninh (chaired by Bac Ninh Provincial Labor Federation), representatives of local authorities and workers. Discussion of results not only provided good inputs for the project report they also gave a guide for follow-up activities to improve workers' lives and working conditions in the electronics industry in Bac Ninh.

And various approaches are used to make changes...



A large media event was organized under the project "Promoting community participation in analysis and monitoring of health budgets of some communes in Dong Anh district, Ha Noi". Aiming to mobilize the involvement of local people (especially migrant workers) in budget monitoring, this event was attended by c.600 people (both local people and migrant workers), authorities, related agencies and stakeholders. Daily situations in life, depicted in comics and stories on stage, were interesting surprises for viewers. From the messages embodied in stories and plays, the community learnt more about their role in budget monitoring and public health finance.

Migrant workers are less likely to have access to health care services than are local citizens. Most work in the informal sector and undertake unsafe and risky jobs. Their health status is commonly diminished due to poor living and working conditions. Although the demand for health care is high, over 90% of migrant workers do not have access to basic health insurance and medical care. This makes it even more difficult for them when they have to cover all medical expenses themselves.

The Project, "Promoting community participation in analysis and monitoring of health care budget in some communes in Dong Anh district, Ha Noi", executed by CDI and LIGHT, aimed to promote community participation, especially by migrant workers, in the process of health care budget analysis and monitoring in some communes in the project area.

In 2017, Community Score Card (CSC) was first introduced in Dong Anh to assess quality of Hai Boi commune Health Station services. With the CSC, migrant workers did assess the service quality and satisfaction that Hai Boi Health Station offered, which aimed at improvement of the service transparency and quality. In addition, process of local economic development plan 2018 with consultation of local people including migrant workers has been supported by the project in 2017. Via these activities, local people, especially migrant workers have opportunities to practise and contribute in socio-economic development plan and budget allocation of the commune. Local authorities and social organizations initially got used to a new process with the participation of people.

In early 2017, local authorities although showing support for the project supposed that local people, especially migrant workers, did not have enough knowledge or the capacity to participate in health budget analysis and monitoring. These processes were considered to be opaque and officials had no clear idea of how to facilitate people's involvement. Officials from the People's Committee, the People's Council of Dong Anh District and the various mass organizations now recognize the need for people's participation in the development and monitoring of the socio-economic development plan and health budget. Proposals and comments have been made and challenges to people's effective participation in these processes have been identified.

Local authorities and mass organizations, especially those directly involved in project activities, such as People's Committee, People's Council, Dong Anh Women's Union and Hai Boi Commune, have been have actively collaborated in the implementation of project activities. As a result of training courses and other capacity building activities, these groups have obtained better knowledge and skills to support workers. Via regular group meetings and training sessions, the Women's Union, in particular, now understands the concerns and expectations of group members. At the same time, direct participation in project activities is an opportunity for staff at all levels to exchange experiences and methods of conducting community activities.

GOOD GOVERNANCE



Theme goal

To enhance transparency, accountability, and participation of people and social organizations in state budget management at central and local levels. The state budget is thereby managed and used more effectively; the poor and disadvantaged groups are better able to benefit from development policies.

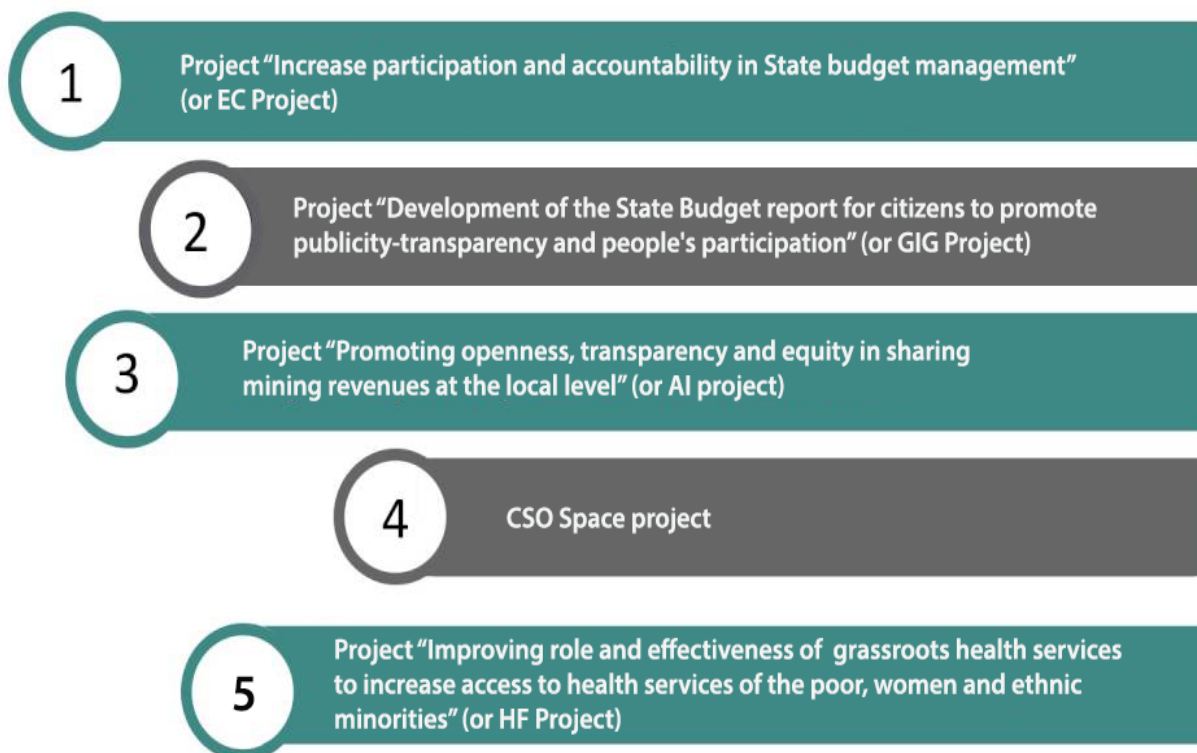
Beneficiaries

- All Viet Nam's citizens, especially the poor and disadvantaged groups
- Elected members in NA

Main interventions

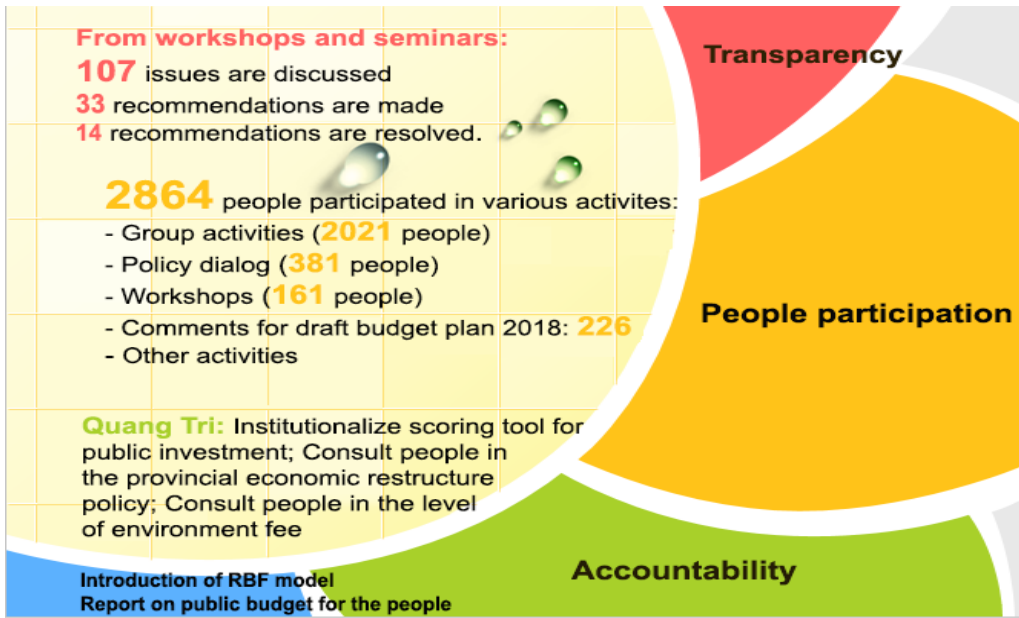
- Awareness raising trainings
- Workshops and policy dialogs
- Research
- Networking
- Policy advocacy
- Implementation of initiatives to promote transparency and people's participation from central to local levels in the management of state budget and natural resources.

Projects



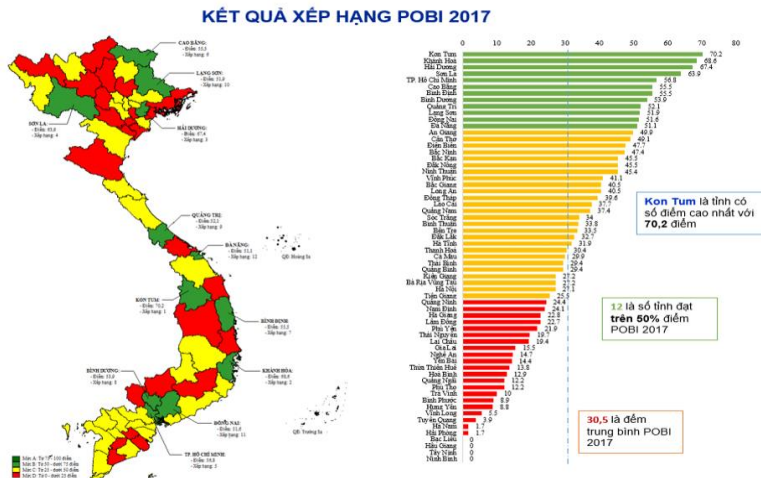
Outstanding results

In 2017, Good Governance Program has been working actively and effectively in enhancing transparency, accountability and people participation in state budget management in Viet Nam. CDI is currently coordinator of BTAP activities; acting as a member of the Alliance for Mineral and a member of Civil Society organization group which advocates Viet Nam government to participate in Open Government Partnership Initiative. Some outstanding results of Good Governance in 2017 are shown in the following table:



Provincial Open Budget Index (POBI2017)

POBI 2017 is a milestone among CDI's achievements. This is the first evidence-based survey in Viet Nam on level of provincial budget disclosure on the portal of the People's Committee, People's Council, Department of Finance, Department of Planning and Investment and the provincial newspaper, which covered 63 provinces and cities of Viet Nam. For the first time, provinces across the country have an opportunity to look at their budget openness and management processes in comparison with other provinces and regions nationwide. In 2017, for the first time, Good Governance has sent a letter of recommendations to the Government Office and the Ministry of Finance on disclosure of draft state budget plan 2018. Feedbacks from the two agencies as well as further process in state budget disclosure on the portal of Finance Ministry are of the positive changes that have been made.



Habit changes: setting a dialog

To Mai Thi Luu, a resident of Dong Tan An village, Hai An commune, Hai Lang district, Quang Tri Province, her first days of joining a community group was a big challenge to her. Who can think of a local person being involved in state budget management? Now she realizes: *"Well, it turns out that it is people's responsibility to involve in the state budget management. It is simply because the state budget is contributed by the people, of the people and thereby must be controlled by the people..."*

I met Luu on a sunny afternoon when she and her neighbors were busy working to earn their living. As usual, I saw a smile on her face and she seemed full of energy and a belief in the possibility for change.

To warm up the conversation, she talked with a smile: *"In the past, whenever I have had something to share, I and other people always hesitated. We dared not speak to the local authorities. When we met the chairman of the commune committee, we were very scared and trembled. We did not know what to say ... Now it is very different, once I have an idea, I share and once I need something, I just ask. When we face issues related to policies or rights of the people that we are not clear about, I ask for public dialogue. It's time for public conversation..."*




Photo: Mai Thi Luu - Leader of community group in Dong Tan An commune (in pink with handouts in her hands) is facilitating a group meeting

After being trusted and appointed by the community to be the leader of Dong Tan An village, Luu was very active in facilitation of group activities, especially dialogues at commune level.

"On the first day, when I joined a policy dialogue on health insurance, I did not dare to ask anything, for fear of being wrong or being laughed at by not asking good questions ... Now it is different, I am ready to join in and share my thoughts. Before the meeting, we assign specific tasks to each member. Therefore, they are confident to voice up their opinions in front of the local authorities".

She recalled: In a dialog on "Commune budget plan in 2018", I asked a question: *"As a population collaborator, let me ask, is the allowance for a population collaborator like me and other collaborators included in the budget plan? If the allowance is made, when can it be allocated?"*

My question was answered by Mrs. Van, a representative of the Provincial Economic and Budget committee. She said that the allowance policy had been approved by the province. Collaborators are to get an allowance of 180,000 VND monthly. Those who have not received it will get compensation in a supplementary budget to be approved by the province by early 2018. *"You see, it is a simple question but it takes time to address. That policy applies to many people, but if the issue is not raised, we don't know whether it is dealt with or not".*

Since Luu joined the community group, she and the group members have facilitated many activities for people's participation in monitoring public investment projects in the local area, thereby ensuring that tax monies are effectively and transparently spent.

From being UNINTERESTED, Luu is now actively PARTICIPATING. As a result, most recent community activities have involved Luu and her group members. And that is not all: she inspires local people in her work with the belief that wherever local people's participation is strong, budget management is more transparent.

Provide opportunities for local people, especially ethnic minorities, to contribute to budget formulation and monitoring

People may find it unbelievable that people from ethnic minorities can be involved in state budget management. However, here is the story of people in Baze village, Linh Thuong commune, Gio Linh district, who monitor expenditure on the project: "Upgrading the village's culture house."

Van Kieu ethnic people did not know whether the state budget related to them. Now they are actively involved in the management of the state budget in the local area. Mrs. Do Thi Nghia, leader of the Baze village community, told us: *"At first, it was a surprise for us all. We did not understand how to participate in those activities. Yet, after a number of group activities, we have joined in and felt it a necessity to be involved in monitoring local state budget expenditures..."*



Community members are monitoring the culture house upgrade

"Well, it turns out to be interesting for community members to join in common activities. When we learned that our local culture house was to be upgraded under the New Rural Program budget, our group gathered and made a plan of what to do and who should do what in order to do the monitoring", Nghia recalled in an excited voice. "Would the tax money contributed by the local community be spent effectively? Who is the manager of the project? How much will be spent for the culture house? From what source? When is the project to be

carried out? All of those concerns have been added to the group monitoring plan. Because, the budget for the project is not small. It is VND 275 million from the New Rural Program. Local people in the village contributed an additional VND 55 million", she said.

When the assignment on monitoring has been delegated to members, each one takes care of their tasks. As a result, the culture house has been implemented on schedule with high quality and with people keeping an eye on the process.

An old Vietnamese saying about the power of people's participation says that when something is 100 times easy, it cannot be done without the people, but when something is 10,000 times difficult, it becomes easy with people's participation. This old saying is so true for Van Kieu ethnic people. What is more important is that Van Kieu people now know that they can effect change. They have become actively involved in monitoring public investment in the local area; just a miracle compared with the past.

We want projects to be sustainability

“What is left for us when the project ends?” That question was raised by Mr. Nguyen Dang Anh, vice chairman of the Finance and Budget Committee, Quang Tri provincial People's Council, in closing the 3-year-project funded by the EU and Finland Government. And the answer was provided by himself: **“We now have the way of working to ensure transparency, accountability and participation in state budget management.”**

Transparency, accountability and participation are key elements of all state budget management initiatives in Quang Tri province. These elements have positively contributed to improving state budget management efficiency at the local level. Mr Anh affirmed that he will take responsibility for ensuring that these elements are integrated into all annual monitoring activities of the People's Councils.

This strong commitment is well founded on his persistent efforts during the past 3 years working with BTAP coalition.

He has contributed to the amazing changes in both perception and practice in the province. Three years ago, many local leaders questioned, “How can local communities be able to monitor the state budget with such limited awareness? Is people's participation really necessary?” However, the community oversight role is now quite well recognized by local leaders in Quang Tri province.

Photo: Nguyen Dang Anh is doing consultation with local people in rice-subsidy policy for poor pupils in Pa Nang commune - Dakrong - Quang Tri province.



When starting the project in 2015, Mr. Anh and his colleagues naturally felt unsure, confused and discouraged due to many challenges against promoting transparency and participation in state budget management. After much effort, his team finally discovered where the 'bedrock' lay. He shared: "We follow official procedures for the local policy making process. However, consultations were only conducted with related government units and formal associations. Therefore, the policies did not match very well with the local context in some cases. With project support, we have expanded consultation to local communities for decision-making processes related to local fees and agricultural extension. Thanks to these consultations, policies have more effectively addressed people's needs. The state budget has therefore been spent more efficiently."

Mr. Anh admitted that it was not easy to ensure transparency, accountability and participation due to challenges of time, resources and different perspectives. However, he still confirmed: *"we will make every effort to ensure that these elements are presented in all monitoring activities of the People's Councils."*

INCLUSIVE GROWTH



Theme's goals

To promote inclusive growth of farmers, small producers groups in a fair trade and value chains so that they enjoy fairly in development and integration; To ensure access to markets, natural resources and legal environment for vulnerable groups.

Beneficiaries

Farmers, smallholder groups, the poor, ethnic minorities, disadvantaged youth, women and children, small and medium enterprises.

Project

"Improving livelihoods of Vietnamese small scale farmers through building value chains for agricultural products and accessing markets"

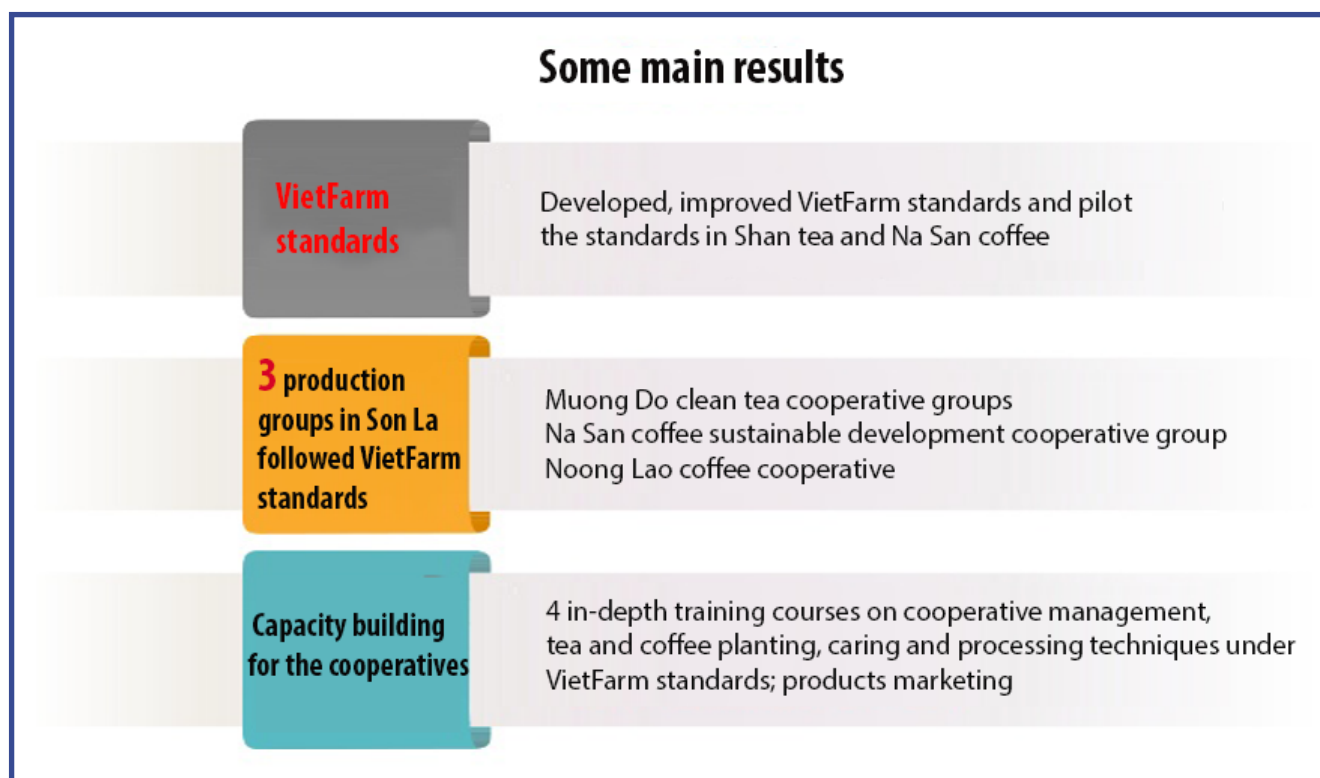
Main interventions

- Establish farmer groups/cooperative groups/cooperatives in specific crops and agro industries.
- Deliver training to produce safe and high quality agricultural products so that farmers can improve the quality of their products to meet the demands of global markets.
- Develop and get adoption of VietFarm Standards to conform with international standards for food and other agricultural products, on a voluntary basis and consistent with Viet Nam's culture of production. VietFarm aims to assist small-scale producers, small groups of producers, to produce goods of an international standard for export.
- Link to business partners in order to attract investment in agriculture; support initiatives to raise community and consumer awareness about certified products, including organic certification, FairTrade and VietFarm certification.
- Advocacy: conduct studies, workshops and forums to advocate for better conditions and more equality for farmers, the poor and ethnic minorities to access agricultural policies in order to improve equality and integration.



Some outstanding results

In 2017, the project *Improving livelihoods of Vietnamese small-scale farmers through building value chains for agricultural products and accessing markets*, focussed on building VietFarm standards – a system of standards for agricultural products to be recognized by international standards agencies and to be applied by individual smallholders, cooperatives, cooperative groups, alliances, small and medium sized enterprises. In the process of VietFarm standards completion, the project has constantly looked for and provided support for cooperatives, households and micro-enterprises who commit to agricultural production under VietFarm standards. Specifically, the project provided technical support and processing machinery, as well as support in marketing products and package design. Via Green Fairtrade, a social enterprise, market development for two typical products of Son Tra tea was supported: (1) Initial production of Son Tra tea under VietFarm standards was completed with sales of 20% increase in value chain and production from the group was insufficient to meet demand during New Year of 2018. In 2017, CDI Viet Nam, in collaboration with Green Fairtrade, brought the products to market on the e-commerce channel, Alibaba, and sales into a shop for foreign and domestic customers in Ha Noi. Some products directly from producers groups such as Son Tra tea, produced by Muong Do; Coffee produced by Ea Kmat Hoa Dong, Thuan An, Cau Dat Xuan Truong cooperatives; cocoa by Minh Tan Dat cooperative; and cashew nuts by Phuoc Hung cooperative. The project also made an effort to link cooperatives and small farmers with international trade networks, including the Asian Fairtrade Network (Korea), to exchange, learn about and introduce domestic agricultural products certified under VietFarm standards. Such exchanges help small-scale producers in Viet Nam to understand the tastes and needs of international customers, whilst international markets become more aware of the production and business process of agriculture cooperatives in Viet Nam. Hereunder are some key achievements of the project.



VietFarm standards

VietFarm is an independent standards system recognized by international standards bodies and can be applied openly to companies, enterprises, cooperatives and farms in the agricultural sector. With goods produced to international quality standards and a commitment to sustainability, small and medium agricultural producers in Vietnam will gain the trust of domestic and international customers and consumers. By developing and implementing standards, VietFarm standards will certify and label products.

10 core values of VietFarm

1. Enhance production and operational capacity
2. Promote economic opportunities and equality in market access
3. Ensure no child labor, forced labor and no discrimination
4. Clean production and safe working conditions
5. Sustainable environment in production
6. Safe and eco-friendly products
7. Guarantee traceability in production and trade
8. Responsible business
9. Fair trade
10. Transparency within the supply chain

... to initial successful models of production under VietFarm



Muong Do tea Cooperative was established in July 2017, with involvement of 15 Muong households in Muong Do commune, Phu Yen district, Son La province. The group has nearly 3000 ancient tea trees whose yields is about 4 tons of fresh tea a year. The goal set by the Cooperative is to increase the value of tea from trees over 50 years old, resulting in higher incomes for family members of the group.



Induction of tea processing technique of Shan tea in Muong Do clean tea Cooperative in Phu Yen, Son La

From March 2017 up to the present, CDI together with Green Fairtrade Company, has assessed current production and the market for Shan tea in Phu Yen, Son La and the potential market in Ha Noi. The survey shows that the demand for clean tea is very high and that preferences of tea drinkers have changed: younger people now like to drink clean tea that has been processed with less bitterness and a more subtle taste.

The introduction of tea processing machines is supported by CDI for the group to producer finished products. In addition, the design of product packaging and marketing for Son Tra tea has been undertaken.

To develop local capacity in production and processing, CDI organized a training course on tea processing for 15 members of the group. Technical experts guided households to produce three types of tea: yellow, green and black. In traditional processing, people pick only the bud and one leaf and process it into only one type of tea. In newly introduced processing, people pick up to 4 or 5 leaves and process into the three types. In comparison to the new technique, raw material from traditional methods yields only 57% by volume.

Son Tra tea products are packaged, stamped by the Cooperatives and introduced at Vuon Nang shop at 90C Ngoc Ha, in Tay market to attract the interest of international visitors and promoted on VITV channel. The fermented tea was initially marketed in Ha Noi market and orders taken for the Lunar New Year celebrations in 2018.

On average, every 3.88 kilos of fresh tea can be processed into 1 kilo dried tea. The price of fresh tea is 12,000 VND per kilogram. Once processed, 1 kilogram of dried tea is being purchased at an average price of VND 280 thousand. 3.88kg of fresh tea only attracts VND 47 thousand. The value of tea products has been increased six times after processing.

Members of the Muong Do Cooperative group are continuing to produce tea in conformance with Vietfarm standards in order to have clean and high quality products that meet market demand, enhance the value chain of tea products in Muong Do and improve their families' incomes.





The Noong Lao Farm Service Cooperative in Chieng Pha commune, Thuan Chau district, Son La province was established in 2006. Main products of the Cooperative are Kim Tuyen tea certified by VietGAP and Arabica coffee in mixed plantings with macadamia trees in a pilot initiative over the past 3 years. The areas on which tea and coffee are being planted is c.40 hectares per crop, and are husbanded by 43 members of the cooperative. 100 percent of these people are from the Thai ethnic minority and are hard-working and honest. As for tea, the cooperative has signed a sale contract with Thu Lan limited company – a one-member limited company in Phong Lai commune, Thuan Chau district, Son La province. Under the contract the cooperative will produce a permanent output at a stable price of 11.000 VND per kilo.



Training on wet coffee processing techniques in Chieng Pha commune, Thuan Chau district, Son La province for two Cooperatives: Na San and Noong Lao

Na San Highlands Sustainable Development Coop Group, established in November 2017, has 18 members. Nurtured by a desire to improve the value chain of agricultural products in general and coffee in particular, Na San coffee has been wet processed and cool dried since then.

Until July, 2017, members of the Na San Highlands Sustainable Development Cooperation Group still mainly grew coffee using traditional methods, sold fresh fruits and picked fruit in a non-selective manner. The average price for raw coffee paid by traders is from 6 to 7 thousand VND per kilo. When samples of Noong Lao and Na San coffee were sent to Da Lat for pilot wet processing, the result was very good. Experts defined coffee from Son La as greasy, fragrant and unique in taste.

In order to build capacity of Co-op Group members, CDI, in co-ordination with Mr. Vo Khanh, Director of Cau Dat Xuan Truong fairtrade coffee and agricultural product services Cooperative, held a training course on wet processing techniques and treatment of after-process waste for members of the Noong Lao Cooperative and Na San Sustainable Development Cooperation group. In the case of Lao Noong Cooperative, this was the first time that members had been involved in processing wet coffee. Na San Cooperative members were enabled to adjust some techniques in wet processing.



For example, when fruit are picked over 90% must be ripe. Another example concerns drying coffee: beans are dried on a frame and, after 5-7 days, are dried in double thickness layers to ensure best quality and thus improve the value of coffee. Farmers also now know how to test the moisture levels of coffee and how to treat and re-use wastewater after wet processing. Members of the two groups also exchanged experiences on coffee growing. Participants were very enthusiastic to attend the training, evaluated it highly and learned a lot to apply in their production.

At the event, Noong Lao Cooperative and Na San Cooperative, in cooperation with Green Fairtrade Company and CDI, signed an agreement to comply with VietFarm standards in coffee production. In 2018, it is expected that the two Coopertatives will produce and process finished ground coffee that meets VietFarm standards.

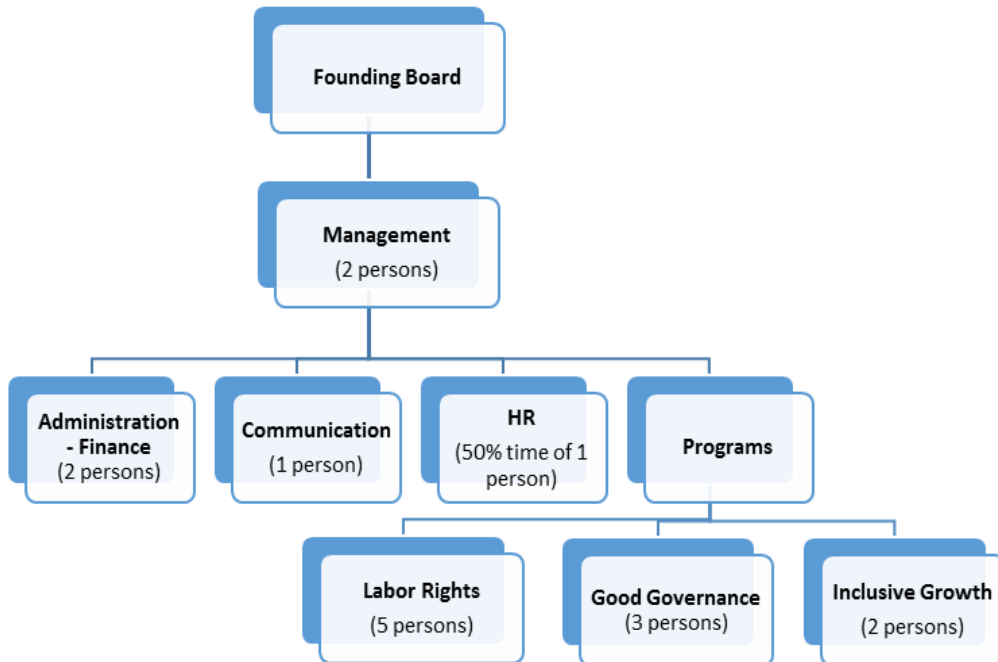


Noong Lao Cooperative and Na San Highland Sustainable Development Cooperative group committed to follow VietFarm standards in their argricultural products production.

CDI'S ORGANIZATIONAL DEVELOPMENT ACTIVITIES IN 2017

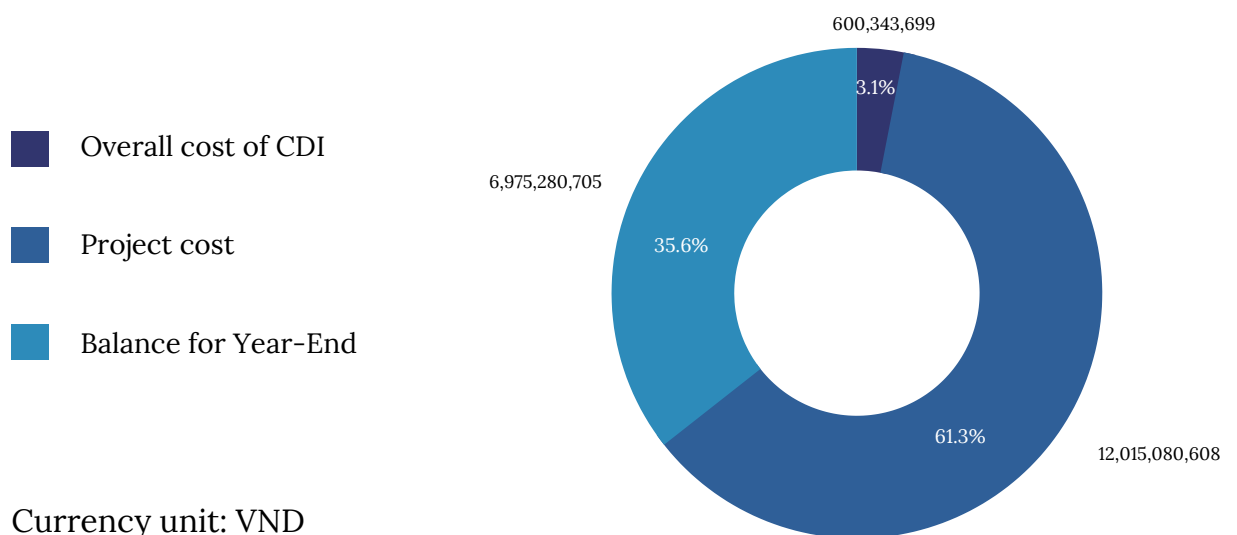
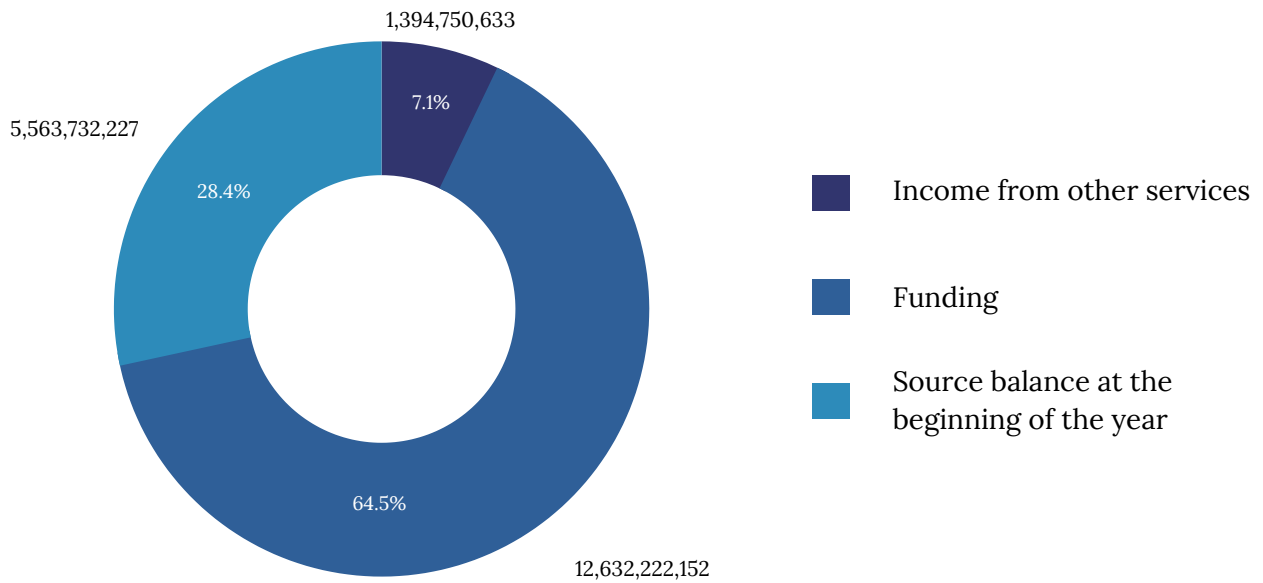
Human resource

During 2017, CDI's staff complement was 13-16 personnel as described in the following chart:



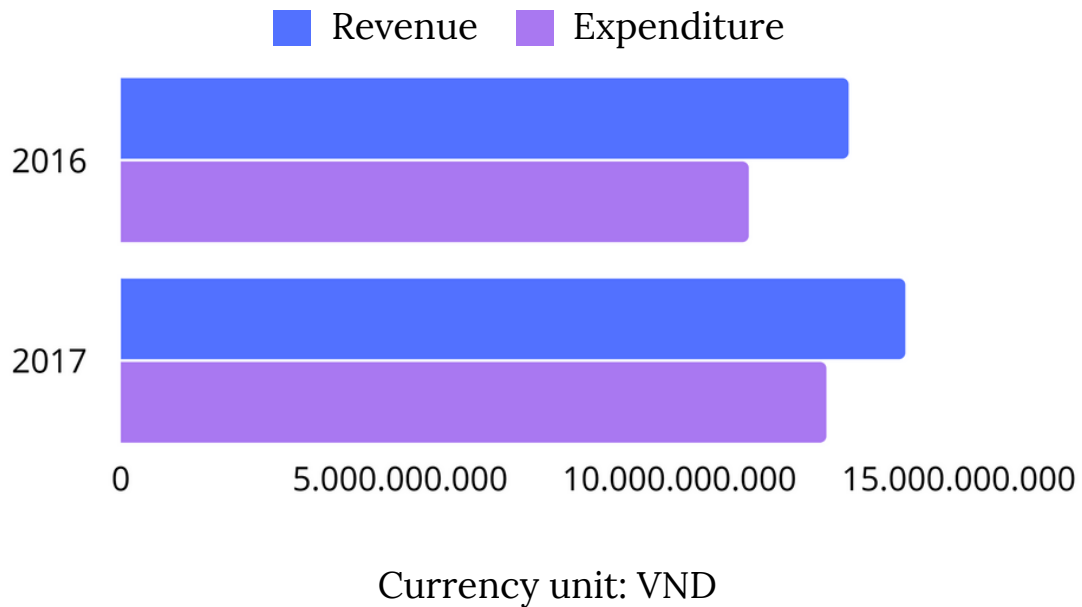
In 2017, CDI staffs participated in many training courses, seminars and dialogues suitable to their professionization and personal development. CDI's internal training activities on teamwork skills, team management skills, planning, monitoring and evaluation ect. have been regularly held.

CDI'S FINANCIAL REPORT 2017



Currency unit: VND

Financial status 2016 - 2017



- The 2017 financial statements have been audited by an independent auditing company.
- The difference between income - expenses in 2017 will be carried over to 2018 for further project activities".
- Receipts occurred in the current year may reflect the transfer of multiple year project budget.