

PARTNERSHIP BETWEEN SOC TRANG AND THE DISTRICT OF NORTH VANCOUVER

CREATING AND GROWING PROSPERITY IN SOC TRANG CITY

1. Overview of the Project

1.1. Summary

With financial support from the Department of Foreign Affairs, Trade and Development of the Government of Canada (DFATD) through the Municipal Partnership for Economic Development (MPED) program, the Association of Cities of Vietnam (ACVN) and the Federation of Canadian Municipalities (FCM) are collaborating to promote the role of local governments (LGs) in local economic development (LED) in Vietnam. Local governments are assuming greater responsibility for economic growth and development in the country. The aim of the collaboration is to implement the country's decentralization policies and processes and to address local government capacity development needs, thereby contributing to the achievement of effective and efficient LED in Vietnam.

In August, 2011, the District of North Vancouver and Soc Trang City were paired to undertake a two-year partnership under the 2nd MPED Demonstration Project on "Local Economic Development Strategic Planning for Cities/Towns."

Soc Trang City, with a population of more than 137,000, is the capital of Soc Trang Province. The city's population has been growing by 15 per cent annually, and its GDP has just been keeping pace with a 15 per cent rate of annual increase. This is a remarkable rate of growth; there has been significant public investment in infrastructure and private investment in banking and insurance. There is, however, a need to generate increases in GDP per capita and to provide sustainable livelihoods for the city's residents, especially those who remain relatively poor.

A strategic planning process in 2011 that engaged staff of Soc Trang City, stakeholders in the community, and resource people from the District of North Vancouver identified two key areas of focus that promised to diffuse economic benefits throughout the city's population: value-added urban agriculture and accelerated growth of small and medium-sized enterprises (SMEs).

Local farmers faced several issues: low productivity, poor crop quality and hygiene, and the limited marketability of their products. City staff were aware of VietGAP, the national food inspection and certification program that aims to raise the quality of agricultural products to international standards. Certification could potentially increase the value of crops, but would require changes

in farming methods and post-harvest processing. It would also require changes in the City's role in urban agriculture. A project developed for this sector aimed to bring together farmers, City staff, and agricultural specialists from Can Tho University to raise the quality of urban agricultural products to VietGAP standards and to expand their markets.

For SMEs, the most evident issue was a lack of business promotion, but beneath this was a deeper issue of lack of engagement between local businesses and local government. Local business leaders felt they had ideas for improving the business environment but did not have support from the local government to pursue them. Two projects — development of a business centre and a website — became means to build better working relationships between business leaders and the local government, and thereby improve the perception of Soc Trang as an attractive place for investment.

1.2. Project methodology

Scenario planning

Soc Trang City already had an established process of creating long and medium term plans. The problem was to move from these planning documents to develop concrete local economic development projects and actions. It is unusual in Vietnamese cities to plan specifically for LED; to involve stakeholders from outside is even more unusual.

Scenario planning allowed staff and community stakeholders to think differently about their city, including the factors driving change, and the challenges and opportunities affecting the achievement of their vision.



The exercise was preceded by a survey and workshop with key stakeholders in the community. Responding to a series of questions in a facilitated session, key City staff then identified four alternative scenarios of the future and adapted these into a consolidated vision. Once this was achieved, they identified two discrete sub-projects that would advance the shared vision and goals: improving urban agricultural products and processes through the existing VietGAP certification framework, and supporting local businesses by means of a website and business centre services. A potential third project — improving transportation and traffic infrastructure — was also identified through the process, but deferred.

Improving urban agriculture

The role of the local government in urban agriculture had previously been limited to providing direction regarding available and acceptable pesticide and fertilizer products. The need to become more involved in advising on and monitoring the use of these products and related farming practices was seen as an important expansion of the City's role. A key component of this change in role and approach was to introduce and support training, certification, and monitoring in the VietGAP program of national standards for the production of clean agriculture products for the domestic market.



The first step by City staff was to connect with local farmers and to analyze the strengths, weaknesses, opportunities, and threats facing them (SWOT analysis). This process identified a need to test soils and water in several of the city's ten wards in order to find suitable places to grow vegetables. With the assistance of agricultural experts from Can Tho University, they identified several wards in the city where contamination was too great to be appropriate for agriculture, but eventually found three wards that would be suitable. University experts also conducted value chain analysis to identify the crops and markets that offered the greatest opportunities for increasing production and incomes.

A key component of the project was the construction of a raw processing plant for cleaning vegetables. The MPED project provided the equipment for this plant. The City staff organized farmers into groups and provided training in VietGAP standards, which range from soil preparation to cultivation, harvesting, post-harvest processing and storage, and related factors such as the use of chemicals, crop protection products, packaging, and the working conditions and welfare of farm workers.

The project supported the establishment of a vegetable growers cooperative in Block 6, Ward 4 of Soc Trang. The cooperative achieved VietGAP certification and opened a market stall in Ward 2 of Soc Trang, where average incomes are higher. Advertising the compliance of their products with VietGAP standards allowed the cooperative to charge higher prices and make gains in income. Operating their own retail stall also allowed the farmers to reduce intermediary costs.

The City now supports ongoing efforts to expand the marketing strategy on a regional basis and to negotiate supply contracts with supermarkets, restaurants, and dining halls. More farmers are in training to achieve VietGAP certification.



The Small and Medium Enterprise (SME) Project

Launched in 2012, the SME Project had two major components, a website and a business centre. Its objectives were to encourage new small business startups and expansions by simplifying the business registration process and fostering a supportive City environment. The expected result was that this would accelerate growth and expansion of local enterprises, leading to stronger working relationships with the City and boosting Soc Trang's reputation as an attractive place for new investment. Specific expectations for the website were that it would provide a forum for local products, leading to increased exposure and sales, while fostering linkages between businesses.

Project activities included drafting an initial SME Development Strategy, establishing dedicated staff committees, engaging a consultant to build and populate the website, training City staff to administer the website, targeting key business owners (notably youth and female entrepreneurs), reaching out to business associations, and setting up the City business centre, the function of which is to develop an investment promotion plan and to receive, support and guide potential investors in the completion of necessary legal procedures.

1.3. Partners and stakeholders

The main implementers were the District of North Vancouver and the City of Soc Trang. The City of Soc Trang had one team working on project coordination while another led on its implementation. The Department of Finance and Planning played the lead role in developing the SME Marketing Strategy, while the Department of Economics, which supported the SME Marketing Strategy, had the lead in implementing the agricultural initiative.

The beneficiaries included two groups of people: the SMEs in Soc Trang, through the City Association of Young Entrepreneurs, and the farm households in Ward 4. Both men and women were involved and benefited positively from the project.

Technical assistance to the SME Marketing Strategic Planning Process was provided by the North Vancouver team. Sectoral technical assistance for the two projects was provided by the Province of Soc Trang, Can Tho University, and a professional Institute in Tien Giang Province.

2. Project results

2.1. Expected versus actual results

Improving urban agriculture

The urban agriculture project had several significant results, some of which were not envisaged in the initial design. Can Tho University provided essential baseline information regarding soil health and crop suitability,

developed a value chain analysis as the basis for a marketing strategy, and produced teaching and training resources. Thirteen farmers achieved VietGAP certification and additional farmers were in training at the completion of the project period. A local system was established to distribute growing, processing, and marketing responsibilities. Household incomes have increased 5-10%, with greater income potential now dependent on securing supply contracts.

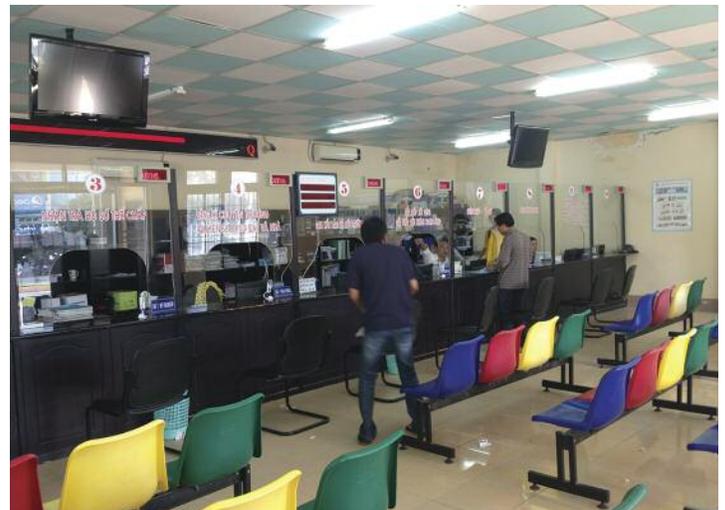
Beyond these measurable results, key achievements include increased awareness and acceptance of new production methods, increased community ownership and pride, and improved environmental and human health outcomes. The project resulted in the building of a collaborative and productive network — farmer to farmer, farmer to customer, and farmer to City.

The project changed the thinking and behaviours of farmers, improved the capacity for decision making in City staff, changed the agricultural production process, built collaborative relationships, identified and developed leaders, and resulted in significant knowledge and skill transfer.

SME Project

The SME project strategy evolved after it was first conceived in 2012. A range of challenges required flexibility and adaptation over the course of the project. These included, for example, securing a suitable location for the business office, scoping target business groups and associations, aligning City and Provincial programs, initiating dialogue with business leaders, encouraging access to the website, and convincing users of the benefits of technology for their traditional businesses.

By August, 2014, there were dedicated City staff implementing the business centre services and managing the website. The website still had limited scope by the end of the project period, but it had elicited a strong



sense of commitment from the City staff and business representatives. The staff expressed willingness to keep developing the site in line with business needs, while, in return, business representatives emphasized how the City's effort and involvement were essential for building relationships and giving credibility to the participating businesses in the broader community.

The SME project did not unfold as initially designed, and targets for new businesses, expansions, increased sales, investment, and brand creation could not be measured at the end of the project. However, the project did result in a functioning business centre and website. Furthermore, the project validated the principle that a most effective role for local government in LED is to focus on relationships with local businesses and on a high service standard towards these businesses. In their feedback, business owners reiterated the significant achievement of having built relationships — both with government and across businesses — and having engaged in dialogue and created newfound capacity to use collaborative approaches to promote growth and prosperity.

2.2. Compatibility with program crosscutting goals

The urban agriculture initiative focused on modern, pollution-free urban agricultural production, as monitored and certified by VietGAP. The VietGAP clean vegetable production uses organic and clean cultivation processes which are not harmful to the environment as they use natural inputs and produce organic goods.

The SME project had no direct environmental aspect, but it did target assistance to youth and to female entrepreneurs in the city. It provided exposure opportunities for women during study tours and training and improved revenues and livelihood for women participants and their families. The city has committed to continue supporting farmers and SMEs with a strong emphasis on Khmer cultural minority groups. The city is developing opportunities for them to voice their interests and opinions in public-community dialogues.

2.3. Success factors

For the urban agriculture initiative, the involvement of Can Tho University and the active support of City staff for soil testing and value chain analysis was critical for building the credibility of the project. The visible and active involvement of the local government at key points in the process was a critical success factor. Equally important was the careful selection of early adopters of the VietGAP certification process. Soc Trang staff emphasized the importance of personal attributes, such as openness to change and commitment, as well as credibility within the farming community. Being able to have the participants speak to the personal and financial impacts of new approaches is a powerful tool. Not only

were the early adopters open to learning and change, they accelerated expansion of the project by relaying their experience to other farmers.

A key success factor of the SME project was the use of tangible project initiatives as means for building positive working relationships between City staff and business leaders in Soc Trang. The strength of these relationships built credibility for the local government's role in LED with local, national, and international communities. This was true even where provincial and national programs existed. The local government was seen to have a unique and critical role in facilitating linkages among businesses and between businesses and various authorities.

2.4. Sustainability of results

The LED strategic plan has been approved by the City People Committee. Financial and human resources from the city have been dedicated to the implementation of the initiative put forward in the plan. This instructional commitment ensures administrative and political engagement towards sustaining the project results.

For the urban agriculture initiative, the transfer of knowledge and skills inherent in the VietGAP certification process should guarantee sustainable improvement in production methods and marketing, and therefore in farm household incomes. Continuing to strengthen and support linkages between farmers and the local authorities and broader networks should contribute to sustained success.

The SME Project has embedded the business services centre and website administration in the City's structure. This should guarantee its sustainability as long as these facilities are serving the purpose of supporting the SME sector and encouraging new investment.

3. Sharing the experience: what did stakeholders learn from the experience that could be adapted by other municipalities?

3.1. Lessons

The initial Scenario Planning exercise worked well; it was a quick and effective way to establish goals and directions, and it led directly to the identification of priorities for action to promote LED. It was important in this early stage to foster open-mindedness about problems and possible ways of addressing them. Involvement of key stakeholders in the community in the process leading up to the Scenario Planning exercise helped to establish commitment to the goals of the initiatives that emerged from it.

It was important to remain flexible and to adapt the project implementation plans as unforeseen issues and

obstacles arose. This flexibility allowed the City staff to introduce elements not envisaged in the original designs, notably the engagement of experts from Can Tho University to work on soil and water analysis and to develop a value chain analysis to enhance the marketability of agricultural products. In this light, the decision to defer the initiative on traffic management seems appropriate, since this element would have overloaded the capacity of the partnership, given the limited resources and time available. With a manageable set of initiatives, City staff had greater freedom to address unexpected obstacles creatively.

It was essential, moreover, to have clear objectives and the commitment of the key stakeholders to achieving those objectives, even if methods had to be adapted as implementation proceeded. For the City staff, establishing strong initial connections with both farmers and local business leaders, and continuing to strengthen those connections, gave them greater flexibility as the need for adaptation arose, and contributed to the sustainability of gains beyond the project period.

3.2. Good practices

In addition to the points mentioned in Section 3.1, there are several other good practices worth highlighting. The urban agriculture initiative benefited from careful selection of the farmers who were the first to receive training and to adapt their practices to achieve VietGAP certification. City staff looked for those who were open to learning and change, and who were capable of relaying their learning to others. This care in selection proved to be effective, as the initial success of the first group has proven to be a powerful demonstration to others of the value of adapting their practices, notably with the use of natural fertilizers.

Recruiting experts from Can Tho University not only brought valuable expertise to the project but also gave the initiative much greater credibility in the eyes of the participants. The visible presence of City staff added to this effect and helped to strengthen the connections between the City and the farmers.

Expanding the scope of the project to include value chain analysis helped to speed up the decision-making process regarding choice of crops and promising markets.

In the case of the SME Project, an important good practice was the focus on tangible objectives – the website and the business services centre – as means for building strong relationships between City staff and business leaders.

3.3. Success stories

The urban agriculture initiative deserves to be featured and communicated as a success story. Tangible results were achieved even within the brief, two-year period of the project, as one group of farmers organized themselves into a cooperative, adapted their methods to achieve VietGAP certification, improved their household incomes through product improvement and enhanced marketing methods, and served as an example to other farmers who are following their lead.

Results of the SME Project were less dramatic but represented a qualitative breakthrough by orienting City staff towards the needs of SME entrepreneurs, building strong connections with them, giving the City greater credibility in the SME community, and building the mutual trust that is essential to sustaining these gains in the future.

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