



Provincial Engagement Strategy in Son La Province

(Full version)



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TABLE OF CONTENTS

ABBREVIATIONS	IV
1 INTRODUCTION	1
2 AUS4EQUALITY GREAT PROGRAM	2
2.1 GOALS AND OBJECTIVES.....	2
2.2 PROGRAM LOGIC.....	2
2.3 IMPLEMENTATION APPROACHES.....	3
2.3.1 Partnership Approach.....	3
2.3.2 Adaptive Management.....	4
2.3.3 MSD/M4P/WEE.....	4
2.3.4 GESI.....	5
2.3.5 Innovation.....	5
3 BACKGROUND AND CONTEXT	7
3.1 POVERTY AND GENDER.....	7
3.1.1 Poverty Overview in Son La.....	7
3.1.2 Ethnic minority Women in Economic Activities.....	8
3.1.3 Hindering Factors for Ethnic Minority Women’s Economic Empowerment.....	9
3.1.4 Strategies for Economic Empowerment of Ethnic Minority Women.....	10
3.2 AGRICULTURE SECTOR: OVERVIEW AND SELECTION OF POTENTIAL PRODUCTS.....	12
3.2.1 Agriculture Sector Overview.....	12
3.2.2 Selection of Products for Interventions.....	14
3.2.3 Market Systems of the Selected Products.....	15
3.3 TOURISM SECTOR: OVERVIEW AND SELECTION OF POTENTIAL SERVICES.....	18
3.3.1 Tourism Sector Overview.....	18
3.3.2 Selection of Services for Program Interventions.....	20
3.3.3 Market Systems of the Selected Services.....	21
3.4 ENABLING ENVIRONMENT.....	24
3.4.1 Policies and Programs the Central Level.....	24
3.4.2 Policies and Programs at Provincial Level.....	26
3.4.3 Projects Supported by Development Partners.....	26
4 AUS4EQUALITY GREAT INTERVENTION STRATEGIES	28
4.1 INTERVENTION STRATEGIES IN THE AGRICULTURE SECTOR.....	28
4.1.1 Key Indicators.....	28
4.1.2 Opportunities and Constraints for the Selected Products.....	29
4.1.3 Aus4Equality GREAT Intervention Strategies.....	34
4.2 INTERVENTION STRATEGIES IN THE TOURISM SECTOR.....	37
4.2.1 Key Indicators.....	37
4.2.2 Sector strategies.....	38
4.2.3 Promotion of the Agri-Tourism Sub-Sector.....	39
4.2.4 Sustainable and Equitable Community-Based Tourism.....	42
4.2.5 Employment in the Hospitality Sub-Sector.....	44
4.2.6 Other Intervention Opportunities.....	46
4.3 INTERVENTION STRATEGIES FOR ENABLING ENVIRONMENT.....	46
4.3.1 Overview of Intervention Strategies for Enabling Environment.....	46
4.3.1.1 Key Indicators Measuring Interventions for Enabling Environment.....	46
4.3.2 AUS4EQUALITY GREAT Intervention Strategies.....	47
PILOT INTERVENTION STRATEGIES.....	54

4.3.3	<i>Purposes of Pilot Interventions</i>	54
5	IMPLEMENTATION ARRANGEMENTS	56
5.1	<i>AUS4EQUALITY GREAT PARTNERSHIPS</i>	56
5.1.1	<i>Implementation Partners</i>	56
5.1.2	<i>Strategic Partners</i>	57
5.1.3	<i>Role of Aus4Equality GREAT</i>	57
5.2	<i>INVESTMENT STRATEGIES</i>	58
5.2.1	<i>Women’s Economic Empowerment and Policy Funding Scheme (scheme 1)</i>	59
5.2.2	<i>Inclusive Business Funding Scheme (Scheme 2)</i>	59
5.2.3	<i>Innovation Funding Scheme (Scheme 3)</i>	60
5.3	<i>PRINCIPLES FOR PARTNERSHIP SELECTION AND CALLS FOR PROPOSALS</i>	60
5.4	<i>RISK MANAGEMENT</i>	61
	ANNEX 1: ALLOCATION OF FUNDING FOR GREAT FUND SCHEMES	63

LIST OF TABLES

TABLE 1:	ESTIMATED NUMBER OF TARGET HOUSEHOLDS AND ADULT WOMEN BY SECTORS	3
TABLE 2:	POVERTY DYNAMICS IN SON LA, 2015-2017	7
TABLE 3:	PRODUCT SELECTION CRITERIA	14
TABLE 4:	KEY INDICATORS FOR PROGRAM INTERVENTIONS IN THE AGRICULTURE SECTOR IN SON LA	28
TABLE 5:	PROJECTED NUMBER OF HOUSEHOLDS REACHED BY THE PROGRAM IN THE SON LA AGRICULTURE SECTOR.....	28
TABLE 6:	KEY INDICATORS FOR AUS4EQUALITY GREAT INTERVENTIONS IN THE SON LA TOURISM SECTOR	37
TABLE 7:	PROJECTED NUMBER OF HOUSEHOLDS IMPACTED BY THE PROGRAM IN THE SON LA TOURISM SECTOR	38
TABLE 8:	KEY INDICATORS FOR AUS4EQUALITY GREAT INTERVENTIONS FOR ENABLING ENVIRONMENT	46
TABLE 9:	SUMMARY OF KEY RISKS	61

LIST OF FIGURES

FIGURE 1:	AUS4EQUALITY GREAT THEORY OF CHANGE.....	3
FIGURE 2:	PRODUCT SELECTION STAGES	14
FIGURE 3:	MARKET SYSTEM OF THE AGRICULTURE SECTOR IN SON LA	15
FIGURE 4:	PROCESS FOR POTENTIAL PRODUCT SELECTION IN THE TOURISM SECTOR.....	21
FIGURE 5:	MARKET SYSTEMS OF THE TOURISM SECTOR IN SON LA.....	21
FIGURE 6:	SUMMARY OF INTERVENTION STRATEGIES BY PRODUCT GROUP.....	37
FIGURE 7:	STRATEGIES FOR IMPLEMENTING OBJECTIVE THREE OF THE PROGRAM.....	48

Abbreviations

ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
BDS:	Business Development Services
CBO	Community-Based Organizations
CBT	Community-Based Tourism
CDD	Community Driven Development
CEMA	Central Committee for Ethnic Minority Affairs
CIG	Common Interest Group
DARD	Department of Agriculture and Rural Development
DFAT	Australian Department of Foreign Affairs and Trade
DoCST	Department of Culture, Sports and Tourism
DOLISA	Department of Labour, Invalids and Social Affairs (Provincial)
DPI	Department of Planning and Investment
EM	Ethnic Minorities
EMW	Ethnic minority women
EU	European Union
FA	Farmer Association
GALS	Gender Actions Learning System
GESI	Gender Equality and Social Inclusion
GoV	Government of Vietnam
GREAT	Gender Responsive and Equitable Agriculture and Tourism
GSO	General Statistics Office
Ha	hectare(s)
IB	Inclusive Business
INGO	International Non-Government Organisation
M&E	Monitoring and evaluation
M4P	Markets for the Poor
MARD	Ministry of Agriculture and Rural Development
MCST	Ministry of Culture, Sports and Tourism
MERL	Monitoring, Evaluation, Research and Learning
MoLISA	Ministry of Labour, War Invalids, and Social Affairs
MPI	Ministry of Planning and Investment
MSD	Market systems development
MTR	Mid-Term Review
NGO	Non-Government Organisation
NMPRP2	Northern Mountains Poverty Reduction Project Phase 2
NTP NRD	National Target Program on New Rural Development
NTP SPR	National Target Program on Sustainable Poverty Reduction
NTP	National Target Program
PCEM	Provincial Committee for Ethnic Minority Affairs
PES	Provincial Engagement Strategy
PMU	Project Management Unit
PPC	Provincial People Committee
PPC	Provincial People's Committee
PwD	People with Disabilities
SC	Steering Committee
SCG	Saving and Credit Group
SEDP	Socio-Economic Development Program
SHG	Self-Help Group
VC	Value chain
VBSP	Vietnam Bank for Social Policy
VWU	Vietnam Women's Union
WB	World Bank
WEAMS	Women's Empowerment and Market Systems (WEAMS)
WEE	Women's Economic Empowerment

1 Introduction

Economic development and women's empowerment are at the forefront of Australia's current aid policy, which are intertwining issues that Australia's bilateral Aid Investment Plan for Vietnam 2015-2020 is focusing on through a single program: Gender Responsive Equitable Agriculture and Tourism (Aus4Equality|GREAT, referred to as 'the Program'). The Program also reflects the priorities in DFAT's Vietnam Agricultural Strategy, such as innovation, private sector engagement and inclusive agriculture as well as DFAT's Vietnam Gender Equality Strategy which promotes women's economic empowerment and leadership.

The concentration of Aus4Equality|GREAT on the agricultural and tourism sectors is a strategy to reach vulnerable ethnic minority women in Son La and Lao Cai. Both sectors have major growth potential in these two provinces, while also presenting more opportunities for ethnic minority women, given their longstanding engagement in these sectors. Aus4Equality|GREAT aspires to reach even further with its gender equality and social inclusion aims by seeking to reach the poorest and most marginalised ethnic minority women who have thus far not benefited from Vietnam's socio-economic development. This is being facilitated through a three-pronged approach which targets women at the community and household level; within market systems and value chains; and in relation to the enabling environment that influences women's engagement in markets. Aus4Equality|GREAT partners must demonstrate through their planning, that they are committed to socially inclusive economic growth that promotes ethnic minority women's economic empowerment (WEE).

This Provincial Engagement Strategy (PES) is based on the Aus4Equality|GREAT Design Document and three background studies conducted during the Program's Inception Phase. The PES is tailored to the specific context of Son La in order to: select potential products in the agriculture sector and services in the tourism sector that are most likely to promote women's (particularly ethnic minority women) economic empowerment; identify the opportunities and constraints for strengthening socially inclusive market systems for these products and services; and on that basis, propose the interventions that Aus4Equality|GREAT will invest in over the coming 4 years.

This PES is structured as follows: Section one is the introduction. Section two describes the Program's goals and objectives, program logic, principles and implementation approaches. Section three discusses the poverty and gender situation in Son La with a focus on engagement of ethnic minority women in economic activities. This section also provides overviews of the agriculture and tourism sectors, the process and criteria used to select the priority products and services for Program interventions as well as the analysis of market systems in the two sectors. In addition, this section describes the most relevant policies, programs and projects for the Program. Section four presents the Program's proposed intervention strategies, which are structured in three groups, including interventions strategies in agriculture, those in tourism, and finally the strategies to promote an enabling environment for sustainable inclusive market systems development. Section five outlines implementation arrangements.

In addition to this PES, other strategies developed to guide Aus4Equality|GREAT interventions are the Gender Equality and Social Inclusion (GESI) Strategy, the Innovation Strategy, the Communication Strategy, and the Monitoring, Evaluation, Research, and Learning Framework (MERLF). These strategies should be considered alongside the implementation of this PES.

2 Aus4Equality|GREAT Program

2.1 Goals and Objectives

The overarching goal of Aus4Equality|GREAT is that *Women living in north-west Vietnam have improved social and economic status*. To achieve this, the Program will work in partnership with other market actors and initiatives so that: *Women living in Son La and Lao Cai equitably engage in the agriculture and tourism sectors at all levels*.

To reach this goal Aus4Equality|GREAT has three linked objectives:

- **Objective 1** - Empowering local women: Women living in local communities have increased capacity, space and choices to beneficially engage with agriculture and tourism businesses. The key outcomes include: incomes of 20,000 self-employed women will have increased; and 80% of women beneficiaries will have increased confidence, self-esteem and experienced changes in gender roles and norms.
- **Objective 2** – Inclusive businesses partnerships: Selected private sector actors within the agriculture and tourism sectors innovate to profitably and sustainably trade with more women entrepreneurs and operate in gender sensitive ways. The key outcomes include: the creation of 2000 new waged jobs for women; a 15% increase in women led and co-managed formal businesses; and, USD6¹ million in private sector investment will be leveraged.
- **Objective 3** – Improving sector governance and policy: Government agencies reinforce policies, and enact plans, regulations and services that enable more inclusive socio-economic development: The key outcomes include: 80% of agriculture and tourism businesses have improved communication and access to government regulators, sector plans and strategies address issues related to inclusive growth, progress in related policy implementation, central level policy influenced by provincial level evidence derived from program impact.

While Objective 1 will work at the grass-roots level to build women's capacity, readiness and confidence to engage with markets, Objective 2 will work in parallel to build the capacity of private sector actors working in the agriculture and tourism sectors, by improving their inclusivity, economic returns and sustainability. Objective 3 seeks to create an enabling environment for sustainable pursuit of Objectives 1 and 2.

2.2 Program Logic

The Aus4Equality|GREAT Program logic is summarised in Figure 1 below. Further elaboration and detailed description of the Theory of Change (ToC) is provided in the Monitoring, Evaluation, Research, and Learning (MERL) framework.

¹ The realistic leverage funding from private sector may be lower than the target of 3 Million USD based on the facts that the total funding amount of 2.7 million AUD for Business Challenge Fund and business will invest at least 51% of the total business plan investment cost. It is suggested to review the target of leveraging private sector investment during the mid-term evaluation.

Figure 1: Aus4Equality|GREAT Theory of Change



As shown in the table below, for both sectors, it is estimated that the total number of households with increased income will be 14,300 which is equal to 20,270 women at working age, the total number of jobs created will be 1,500 under the condition that assumption mentioned in the MERLF is met.

Table 1: Estimated Number of Target Households and Adult Women by Sectors²

Product	# of potential households	# women at working age ³
<i>1. Agriculture sector</i>		
# income increased	13,800	19,320
Total jobs created	1,000	1,000
<i>2. Tourism sector</i>		
# income increased	500	700
Total jobs created	500	500
Total GREAT		
# women with income increased	14,300	20,020
Total jobs created	1,500	1,500

2.3 Implementation Approaches

Aus4Equality|GREAT approaches include partnership, adaptive management, market systems development (MSD), Markets for the Poor (M4P), Women’s Economic Empowerment (WEE), Gender Equality and Social Inclusion (GESI), and Innovation. The essentials of these approaches are summarised below.

2.3.1 Partnership Approach

As the implementer of a market systems development program, Aus4Equality|GREAT does not fully control impact: we facilitate and hence rely on market players to lead the change process, which is how sustainability is achieved. Catalysing lasting change requires partnerships and success will depend on who we partner with, what we do with them and

² For detailed estimation per selected products per sectors see Table 5 and Table 7

³ Each household has an average 1.4 working age women, Aus4Equality|GREAT baseline survey 2-3/2018

how we do it. We will need different partnerships at different times in order to see system level changes adopted and maintained, expanded and supported by other players.

In recognition of the fact that strengthening inclusive market systems in developing economic contexts requires the simultaneous engagement of various stakeholders at multiple levels, the Program will create and manage a portfolio of partnership agreements with a wide range of stakeholders to achieve these outcomes. This will require a clear understanding of the key actors, their capacity to influence change and how our partnership will extend and broaden this capacity. The Program team and the PMUs will identify and select a core group of partners who collectively will support the implementation of the two PES' to achieve program outcomes. This will require them to not only focus on their own activities but to also develop meaningful linkages with the other key partners. This will be facilitated through the Partner Forum.

2.3.2 Adaptive Management

The Adaptive Management approach focuses on learning and adapting, through active engagement of partners and other stakeholders who learn together how to address the challenges during the implementation of the Program as well as to respond to new opportunities. This helps the Program and its partners maintain flexibility in their decisions, knowing that uncertainties exist and so provides the latitude to adjust direction to improve progress towards desired outcomes.

2.3.3 MSD/M4P/WEE

Market systems development programs for women's empowerment should leave behind more efficient and inclusive systems that function and adapt without external support and deliver benefits to large numbers of ethnic minority women in the future. Interventions should support relevant market players to innovate and perform more effective roles and capacitate them to maintain and adapt these improvements in the future.

In keeping with a market systems development approach, we will aim to build the capacity of partners to influence systemic change, by testing and reviewing the impact of interventions not just vertically within individual value chains but also horizontally across different ones within each sector. Of most importance overall, we will support partners to adopt and adapt lasting solutions to specific root causes or bottlenecks to deepening engagement of ethnic minority women within the agriculture and tourism market systems, and to expand or scale-up those that have demonstrated success – with aims of stimulating a 'crowding-in' effect with other actors, in particular the private sector. Taking an M4P approach promotes market systems development that is equally inclusive of all economic actors, especially ethnic minority women.

The Program will work closely with individual market players to clearly understand market dynamics and test whether necessary behaviour and practice changes can endure. At other times the Program will work with a diversity of players to encourage behaviour and practice changes to deepen and broaden market system responses and improve the functioning of supporting systems.

The Women's Empowerment and Market Systems (WEAMS) Framework allows us to understand and recognise where program resources need to shift to ensure ongoing achievement of outcomes and identifies five key dimensions of women's economic

empowerment. All interventions should be screened to assess whether they will address these five dimensions of women's economic empowerment:

- Economic advancement and increased income and return on labour
- Access to opportunities and life chances such as skills development or job openings
- Access to assets, services and needed support to advance economically
- Decision-making authority in different spheres including household finances
- Manageable workloads for women

The Program will introduce and build capacity of our government counterparts and implementation partners to use these tools and approaches in designing and implementing interventions.

2.3.4 GESI

The GESI offers strategic direction for the inclusion and empowerment of women, ethnic minorities, and people with disabilities (PwD) in the Program and is seen as a complementary strategy to the PES and the SOP. GESI is comprised of (i) background information on gender and social inclusion and women's empowerment in agricultural and tourism sectors in Son La and Lao Cai, with implications for the Program, and (ii) the goals, approach and roles and responsibilities for gender equality and social inclusion in the Program, and the process activities (consultations, workshops, trainings, monitoring missions, etc). GESI will be used to: ensure that all program activities and partnerships comply with the inclusion principles of the project; to encourage and influence gender transformational processes in the target communities and market systems, and; create an enabling environment. GESI compliance will be included in the criteria for partner selection, partner project design and overall program monitoring.

2.3.5 Innovation

Innovation in the context of Aus4Equality|GREAT is the process of designing and trialling new partnerships, services, and interventions to improve the lives of women in poor and marginalised communities. Understanding how innovations can catalyse change within and across complex development ecosystems will strengthen the enabling environment for promoting women's access to new economic opportunities and provide a foundation to better identify, test and scale high impact innovations. Innovation should trigger behaviour change at community and household level by modelling the benefits of equal gender roles, more inclusive business practices by incentivising linkages with hard to reach groups such as ethnic minority women and policy/institutional reform by generating evidence for the business case of change at the policy/program levels. All partners will be encouraged to emphasise innovation in their project designs and the Program has developed an innovation strategy to guide this process. The Program will also support specific initiatives to foster and showcase innovation such as:

- Implementing an Innovation Challenge Fund to explore 'seedling' innovation ideas, and disseminating lessons learned in the context of the partner forum.
- Trialling a results-based funding approach to creating employment and business opportunities for women by offering a financial incentive to business incubators/accelerators that achieve successful growth and financing outcomes for women-owned and run businesses; to training institutes that successfully place women into fulltime employment, or businesses that create waged employment for ethnic minority women at scale.
- Implementing "success roadshows" that will support inspirational ethnic minority women and men to travel across communities to promote their successes and

encourage learning. Roadshows are a peer learning approach that also fuels motivation for innovative thinking across communities.

- Piloting new mobile phone technologies to support access to finance and value chain linkages (given 80% of ethnic minority women have access), and particularly applications that facilitate communication between groups that speak and read in different languages.
- Piloting new methods to increase gender awareness, inclusion of ethnic minority groups and people with disabilities in value chains and market systems.

3 Background and Context

3.1 Poverty and Gender

3.1.1 Poverty Overview in Son La

The North West region encompasses the part of the country that the Vietnam Government (GoV) and its development partners (DPs) recently declared as the ‘unfinished poverty agenda’ that still remains despite Vietnam’s rise as a major development success story. In these remaining pockets of entrenched poverty, ethnic minorities and in particular ethnic minority women are particularly vulnerable.

Son La is the largest province of the Northwest Vietnam, 80% of which is mountainous. Son La has the largest population of all of the Northwest provinces, with 1.218 million inhabitants and is home to 12 ethnic groups. Ethnic minorities make up 82% of the total population, including Thai (53%); Hmong (15%) and Muong (8%). The Kinh population represents just 18% of the total population in the province. The majority of the population reside in rural areas (86.4%) and women comprise of 49.7%. The rural population in Van Ho district is 99% and Moc Chau, 64.8%.

As indicated in Table 2. , the poverty headcount rate of the province aligns with the average rates of the Northwest region. Poverty rates in the province are four times higher than the national average. According to a recent survey by the Provincial Committee for Ethnic Minority Affairs, Thai and Muong experience poverty rates of 31.8% and 25.5% respectively. The Hmong group is amongst the poorest in the province with a poverty rate of 64%.

Table 2. Poverty Dynamics in Son La, 2015-2017

	2012	2013	2014	2015	2016	2017
Son La						
Poverty rate	28.69	27.01	23.94	34.44	31.91	26.1
Near poor rate	10.53	11.86	11.78	9.3	10.92	10.8
North West region						
Poverty rate	28.55	25.86	22.76	34.52	31.24	29.8
Near poor rate	11.48	12.92	12.89	9.87	11.55	10.7
National average						
Poverty rate	9.6	7.8	5.97	9.88	8.23	7.2
Near poor rate	6.57	6.27	5.62	5.2	5.41	5.32

Note: Since 2015, a new poverty line has been applied. This poverty line is higher than that of the previous period resulting in higher poverty rates for 2015 compared to earlier years.

Source: compiled from the official poverty data (using the GoV poverty line) published by MoLISA

The pilot baseline survey conducted in 2018 by |Aus4EqualityGREAT in four communes of Van Ho and Moc Chau districts show that the poverty rates are significantly different ranging from 10-62%, which is close to the official commune figures.

3.1.2 Ethnic minority Women in Economic Activities

The background inception studies have identified characteristics of ethnic minority women's engagement in income generation activities in the Program design document target districts, which are summarised below:

Ethnic minority women in the project areas tend to engage only in agriculture activities and diversification into other nonfarm activities is very limited (except in some villages with developed community-based tourism (CBT)). Baseline data indicates that 99.2% of the respondents reported agriculture being the most important income source. This is a function of their 'traditional' roles as wives and mothers who are responsible for the health and welfare of family members. In contrast, men have more options for income generation activities. Most ethnic minority women can only earn cash income a few times per year after harvesting crops or selling livestock. These women's income is most often used for family expenses, especially for medical costs incurred by children and old parents, buying gifts and donations for weddings and funerals etc. Women still rely on their husband's earnings from waged labour or other non-farming activities. This reliance of ethnic minority women on their husbands for cash expense undermines the role and autonomy of women in the household economy.

Men are also involved in agriculture, but they are more active in the nonfarm sector than women. Ethnic minority women rarely work as hired labour. Migration is increasingly popular in ethnic minority areas, but mostly for men. There are strong social stigmas regarding women migrating for work. The practice of labour exchange is prevalent and is used to help villagers solve temporary labour shortages in the wake of natural disasters or during peak harvesting season. Given many men are engaged in casual jobs outside their villages, women are therefore responsible for most of the productive labour exchange within the villages.

Ethnic minority women do not effectively participate in the agricultural market systems. There is an over-reliance on single traders except in the case of tea or some fruits. Ethnic minority women are not engaged in semi-processing, marketing or other post-harvest value added efforts. This combined with poor or non-existent storage facilities, results in farmers selling their products right after harvest, which can create seasonal over-supply and lead to downwards pressure on farmgate prices. Access to market information is quite limited with around only 59% of farmers having reported being aware of market prices.

Increasing risk from natural disasters. Between 67-72% of the baseline survey respondents stated incidences of extreme weather conditions such as spells of unusually cold or hot temperatures, drought, floods, and hail have significant impacts on their livelihoods in agriculture (both crops and livestock). Likewise, 32% of the respondents said that natural disasters and climate change also have a substantial impact.

Potential risk in shifting from food staples to high value crops. Ethnic minority households were encouraged to switch from food staples to high value cash crops such as fruit trees, and perennial crops in line with the government agenda for agriculture restructuring. For many this presents high risks due to lack of relevant production skills, information on which varieties to produce, and access to inputs required for these non-traditional crops. Extension services support for traditional crops and hi-tech farming. However, the latter is implemented in limited scale and requires very high investment which go beyond the financial and technical capacity of ethnic minority households. For these new products, farmers rely on

their friends and relatives for technical knowledge. As women are more dependent than men on agricultural incomes, this risk is even more pronounced for them.

Tourism offers opportunities for ethnic minority women but only in some specific locations such as in Moc Chau district, including CBT related services such as the operation of home stays, offering cultural shows, selling souvenirs or tour guide services for trekking and visiting attractions in CBT villages. Opportunities for employment in hotels and tourism are mainly in Moc Chau, but overall formal waged employment opportunities for ethnic minority women in the tourism sector remain quite limited as Moc Chau has only recently become a tourist attraction. Tourism is the main source of income for only 9% of the households in the pilot communes.

3.1.3 *Hindering Factors for Ethnic Minority Women's Economic Empowerment*

The following factors were found as hindering forces for WEE for ethnic minority women:

Language barriers are pronounced particularly for ethnic minority women over 35 years old, and this is a significant obstacle to accessing technical knowledge and training, and market information. Access to information is also limited as ethnic languages are rarely used in media. Limited fluency in the national language also affects labour market opportunities for ethnic minority women. In fact, the number of illiterate ethnic minority women who do not speak the national language was much higher than the official figures reported. The baseline data indicated that the percentage of female respondents who were not able to read and write Vietnamese in Son La was 16% compared for 4% for male.

Lack of land ownership. For most of the ethnic groups in the Program provinces, land is only inherited by sons. After women get married, they often reside with their husband's family without land ownership rights, which can hinder them from being able to make livelihood decisions such as crop choices. There were cases where married women wanted to switch to perennial crops such as fruit trees but had to clear it first with their parents-in-law who ended up only allowing them to use the land for short-term crops. This makes women more dependent on their husbands and in-laws in making economic decisions. In addition, land is usually the best form of collateral for accessing finance to increase productivity, expand production area, and trial new, higher value crops. Without formal land ownership, women's access to finance and other services is also curtailed setting up a cycle that reinforces low poverty status.

The socio-economic impacts of marrying at a younger age. Some ethnic minorities within the target areas tend to marry at younger ages (e.g. 16-18 years of age), which can limit girls' schooling and women's engagement in off-farm income generating activities due to the obligations of unpaid care work that falls to women. Working in local agriculture is the main, and in most cases, the only option for ethnic minority women because of its flexibility to combine unpaid care work.

Biases against women, gender-inequitable and patriarchal attitudes. For all the ethnic groups interviewed, care-giving for children and elderly family members appeared to be a critical impediment to women's economic opportunity. There are negative attitudes against women, especially young women, seeking jobs far from home in urban areas for a number of reasons such as fear of their being trafficked to China and the concern that long absences might cause family conflict or a marriage breakup. There is strong social stigma against women working in "hospitality" i.e. hotels and restaurants. Men's experience of economic marginalization limits them from achieving a sense of respectability and masculine success

through earning a living for their household. In turn they seek other forms of identity and respect, and at times it could be through physical control and dominance over women. In short, women's access to productive means, and the agency to take advantage of opportunities are negatively impacted by social norms that restrict their activities and options in life.

Weak social network. When a woman marries and moves out of her natal family, and her sisters and friends have also dispersed and become members of other families and residents of other villages, this undermines social solidarity among women and their ability to maintain social ties. All of the married women interviewed in the study said they return to their parental home for visits only two or three times a year. Being burdened with childcare and other housework, the bulk of agricultural labour, and in some cases an inability to drive a motorbike, women are not able to establish and maintain social networks, especially outside the village, at least not at the same level as men, which weakens women's ability for collective action in the markets (e.g., bulk selling and negotiating, bulk buying to reduce costs) enabling environment (e.g. advocacy, awareness raising, access to services). The baseline survey indicates that only 39% of surveyed respondents participate in a network, indicating weak engagement in social or economic networks.

Impacts of private sector investments. In the areas with strong links to tourism, there has been increasing investment in tourism services by Kinh investors, who are said to be more aggressive and skilled in marketing than ethnic minority groups. Ban Ang commune of Moc Chau district is host to one of the most developed CBT villages in Son La and has recently received a large private investment in a luxury resort covering 200 ha, including the pine tree forest which had been a community area and attraction for CBT tourists. However, now that construction has started, access to that area is no longer possible for tourists. In addition, CBT is clearly getting "overloaded" in that commune, thus reducing the attraction as a unique destination. Given these two factors, it is anticipated that CBT in that area is unsustainable.

3.1.4 Strategies for Economic Empowerment of Ethnic Minority Women

The Program will develop multiple partnership modalities with business partners, NGOs (local or international), mass organizations, research institutes, and government agencies to address complex challenges faced by ethnic minority women related to economic empowerment and effective participation in market systems. The Program will encourage partnership arrangements that include more than one type of implementing partner, in order to foster the cross-partner learning and coordination required for systemic and transformational changes in market systems required to achieve sustainable ethnic minority women's economic empowerment. Recognising the above obstacles to WEE, the Program will address these factors at all levels, including:

At the policy level, promoting gender inclusion in the actual implementation of policies and programs led by the Government is important. It is noted that gender equity is always considered as a cross-cutting policy issue and government agencies expressed their support for gender equity in the policy making process. Gender equity is a principle in the existing policies and programs but implementation in practice is challenging due to lack of implementation capacity to operationalize this principle and, because to some extent, the above hindering factors are not obviously "policy amenable". That said, gender roles and divisions of labour are known to respond to market signals, such as inclusive business models that "pull" marginalised women into market systems. In this regard, the recent Prime Minister's Decision 1898 on promoting gender equity in the ethnic minority areas serves a

relevant policy platform for Aus4Equality|GREAT to leverage our future initiatives to make the business case for investing in women.

Strategy: promoting gender and social inclusion in actual implementation of policies and programs led by the Government through:

- Awareness raising and training on WEE approaches, good practice, certification and lessons learned;
- Enhance the gender and social inclusion focus in the implementation of the NTPs as well as other relevant policies in the two provinces.
- Focus on key areas that will provide immediate benefits for women such as tailoring extension services to meet the needs of women for both productive and post-harvest skills, knowledge, access to information and technology.
- Improve women and women's groups' ability to advocate for a more supportive enabling environment beyond the life of the project.

Evidence, lessons learned from these interventions will feed into relevant policy dialogue and advocacy at the national level with the ultimate aim of promoting gender equality, especially for ethnic minority women's access to services and markets, as a thematic focus of the poverty reduction framework after 2020.

At the market system level, all the products and services targeted for program interventions selected based on criteria, including relevance to and potential for engagement of ethnic minority women in related market systems. This criterion is reflected into sub-criteria including (i) number ethnic minority women currently engaged in the agricultural products and tourism services; (ii) potential for increased income for ethnic minority women; (iii) potential to substantially increase number of ethnic minority women engaged in these market systems, and (iv) possibility of shifting women's roles in the market system leading to new opportunities, higher income, increased status and women role models (see Section 3.2 and 3.3 for the selection of potential products and services for Program interventions). Once the products and services were selected, further analysis was conducted for each of them to identify key opportunities and constraints for engaging ethnic minority women in the market systems for these products and services. Intervention strategies for each product and service selected are then proposed on the basis of the identified opportunities and constraints. Details of the intervention strategies are provided in Section 4, examples of interventions include the following:

- Introduce improved production techniques and product diversification to reduce climate and market risks for women producers;
- Introduce improved post-harvest techniques (from basic sorting and grading to more complex processing) to enable village women to retain greater value particularly in agriculture;
- Promote application of innovative approaches to provide business and technical training for ethnic minority women producer groups, trialling certification and traceability with more advanced groups of women;
- Support women's cooperatives, producer/common interest groups' access to quality and affordable input supply, technical training, BDS and credit;
- Link these groups to traders, cooperatives, companies, to improve their access to markets;
- Improve access to and quality of vocational training linked to waged employment;
- Promote information on labour market opportunities for ethnic minority women in agriculture and tourism;

- Promote women-led and co-managed businesses to expand their work with women producers and other business partners resulting in greater access to markets and services for women.

At the community, household and individual level, the Gender Action Learning System (GALS) is the most relevant approach to foster transformational changes in gender relations that hinder WEE and engagement in market systems. GALS ensures full participation of both women and men in the families (including “in-laws”) in recognition of the fact that unless men fully buy into the process and objectives, and change their gender biased attitudes and behaviours (against participation of their wives or daughters in-law in the household decision making process), efforts to engage women in market systems may not be successful or result in heavier workloads for women, without increasing their economic decision making and leadership in the household and economic spheres. The Program will encourage partners to adapt the GALS approach (or other alternatives) to conditions specific to the selected products or services. Partner’s funding proposals and designs will demonstrate how GALS (or other alternatives) will be used to address the constraints for ethnic minority women’s meaningful engagement in market systems. Other community level WEE interventions include:

- Organise women producers into groups (producer, common interest, collective, cooperatives) for higher productivity and quality and link these groups with traders, enterprises and service providers including input suppliers and financial institutions;
- Promote initiatives that improve language, literacy and numeracy skills; and
- Raise awareness about the importance of vocational and life skills training and career development for women especially girls to participate in the labour market and link them to potential employers.

3.2 *Agriculture Sector: Overview and Selection of Potential Products*

3.2.1 *Agriculture Sector Overview*

Agriculture is a major economic sector for the province. By the end of 2016, gross output from the agriculture sector was 9.095 million VND, making up 30.3% of the provincial GDP. Total product value per hectare of cultivated land was 25.7 million VND and 96.32 million VND per one hectare of aquaculture surface (DARD Son La, 2017). It is estimated that 80% of the province’s population is primarily engaged in the agriculture and forestry sectors. In 2016, the total employment in the sector was 648,600 people. In the target districts, the role of agriculture is generally more important than for the province as a whole. Ethnic minority groups in particular rely on agriculture as their main source of income. The provincial SEDP 2016-2020 projects a 3.3% growth rate in income from agriculture, forestry and fishery per annum. The agriculture sector is projected to contribute 28% of total GRDP, while the corresponding figures for industry and services are 24% and 48%, respectively.

The primary agricultural products produced in Son La are: dairy, maize, coffee, tea, sugar cane, fruits (longan, mango, banana and passion fruit), vegetables and buffalo. By the end of 2016, a number of agricultural products reached significant scale such as maize (150,000 ha), tea (4,300 ha), dairy (23,000 head), sugar cane (6,300 ha), Arabica coffee (12,000 ha), fruit trees (Longan (8,500ha), Mango (3,000 ha) and Plum (4,000 ha)) and rice (51,000 ha). Opportunities exist in smaller scale and unique local products, such as medicinal plants, rattan, lung bamboo, bamboo-shoot, arrow-root, pumpkin and mushroom. In recent years, higher-value products have emerged such as flowers in Moc Chau (around 100ha); sturgeon fish breeding and vegetables in Moc Chau and Mai Son; and passion fruit in Moc Chau, Van Ho, Thuan Chau, and Yen Chau districts. Improvements were also made toward more

sustainable agricultural practices including replacement of maize in sloping land areas by fruit trees and other perennial crops. There were also improvements in certification, quality management and traceability to add value to a number of agricultural products with significant market potential. The sector has attracted increased investment from the private sector, both foreign and domestic. Most notably, Nafoods Tay Bac Company has invested in a passion fruit factory; TH Group has released a plan to build a beverage factory that would process different types of fruit juice in the province; SI is a joint venture between Korean, German and Vietnamese businesses investing in hi-tech vegetable processing.

Women represent the primary labour force in agriculture in the province. Research studies undertaken during inception indicate a high level of engagement by women in key agricultural products, ranging from 60-80% of total labour. However, access to technical training or waged employment opportunities remains limited for women, especially ethnic minority women. For instance, in many technical trainings organised by the State extension services, female participation was only between 20-30%. For many ethnic minority women, domestic workloads, lack of understanding of the national language and hesitation to work far from home villages prevent them from attending technical training or being employed in agricultural processing businesses. The studies identified a number of good examples of women-led agribusinesses in fruit and vegetables, including recently established women-led cooperatives in vegetable processing in Moc Chau. However, by the end of 2016, only 0.03% of SMEs focused on agriculture in Son La. Limited access to credit and other business development services were reported to be key constraints for women-led or co-managed businesses.

There have been a number of policies developed by the provincial authority to promote the agriculture sector in Son La. Annex 2 provides a list of important policy initiatives. Supporting mechanisms have shifted from providing direct support (on basic inputs like seedlings or fertilizers) to assisting cooperatives and companies which have clear market linkages to farmers, emphasising value chain development, quality management, post-harvest processing, product branding and marketing skills. In general, these policies aim to:

- Improve skills in agriculture by providing vocational and technical training for 50-55% of rural labour force.
- In terms of agricultural production, the main objectives are to promote large scale production on a commercial basis by improving access to support services, value addition, and more efficient usage of land resources.
- Enhancing quality management by promoting applications of VietGAP, Global GAP and strengthening linkages across key actors and stakeholders in agricultural supply chains.
- Promoting domestic and foreign investment in agricultural processing to add value to products.
- Promoting consumption and export via trade promotion, branding, traceability etc. with a target growth rate of 6-8% per year in agricultural exports.
- Focusing on the key agricultural products as the 'backbone' of the sector. These would include perennial crops such as tea, coffee, rubber, and sugarcane; fruits such as mango, longan, passion fruit, plum and avocado; vegetables such as cabbage, kohlrabi, potatoes and tomatoes; husbandry of buffaloes, cows, lean pig, chickens and ducks; and aquatic products including sturgeon, tilapia, carp, black carp and grass carp.

3.2.2 Selection of Products for Interventions

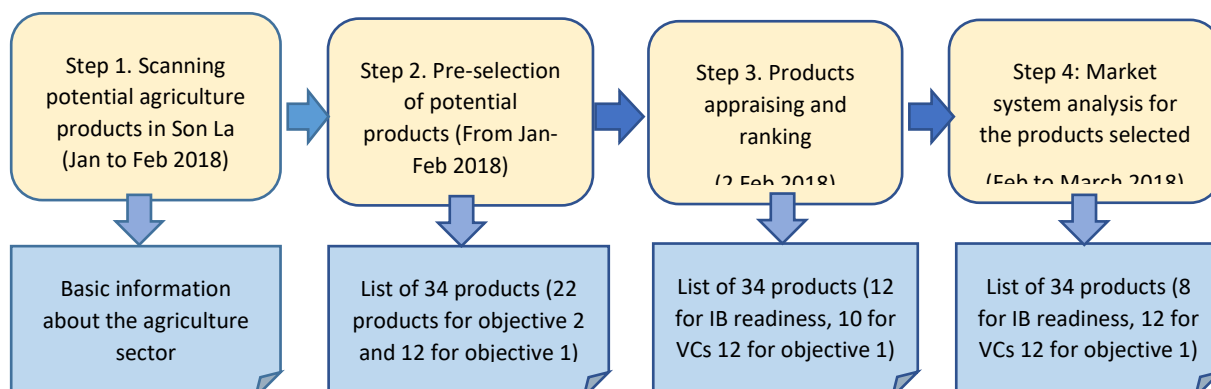
A selection matrix was developed to select the most relevant products for Aus4Equality|GREAT based on three main criteria summarised in Table 33 below.

Table 3. Product Selection Criteria

Relevance for ethnic minority women
<ul style="list-style-type: none"> • #/% ethnic minority women currently providing related products and services, and labour; and potential for increased income for these target women • There is potential for substantially increasing the number of ethnic minority women participating in this value chain, and to increase their income
Growth Opportunity
<ul style="list-style-type: none"> • The subsector has anticipated stability/growth in value for the last 3-4 years • Current market scale (small, sufficient scale, large scale) • Opportunity to develop supply (Unmet Market Demand) • There are opportunities to leverage markets, finance and other improved support in the subsector
Feasibility
<ul style="list-style-type: none"> • There are potential large business partners, or business associations in the subsector (i.e. inclusive business readiness) • There is a successful model to be replicated • There are potential community/development/business partners and service providers to participate in the subsector • Any barriers, challenges, risks can be mitigated or overcome, in order to foster the development of value chain/subsector/market and to create opportunities for women's participation in the sub-sector • Contribute to the preservation of cultural identity and not damage the environment

Using these criteria, a selection process was implemented using four stages illustrated in Figure 2 below. The selection process started with screening the long list of potential products, and once the shortlist was agreed, fieldwork was undertaken to assess the products' fit with the criteria, based on consultation with relevant stakeholders, especially private sector, and related service providers. Building upon the information collected from the field, the shortlisted products were appraised and ranked, and market systems analysis for the selected products was conducted in order to recommend the intervention strategies.

Figure 2: Product Selection Stages



The products selected for Program interventions are categorised into two groups. The level of relative concentration of raw material supply areas and level of readiness of inclusive business partners are two criteria used to classify products into these two groups.

Group 1 consists of 5 selected potential products (tea, fruit, vegetable, local specialty rice and caged fish). An inclusive business partnership model will be applied for this product group in line with the Program Objective 2. Where the private sector is not ready for the IB model for tea, vegetables and fruits, the intervention strategies for these three products will be similar to Group 2 (see below) Group 2 include 13 selected potential products (livestock, medicinal plants, spice crops, natural ingredients, other local specialities) with low readiness of IB private companies. Intervention strategies for this group of products will focus on value chain development solutions which are in line with the Program Objective 1 to prepare women to be ready for IB models when meeting with the 2 above-mentioned criteria.

In addition to this, there is a third group which consists of products with potential but no identifiable inclusive business partners. Interventions for this group will focus on promoting group-based production models, linking them with collectors, traders and businesses to improve their access to the market. This intervention corresponds to the Program Objective 1. During the course of the Program, efforts will be made to promote these products and encourage interest of inclusive business partners. It should be noted that it is an open list of products groups given time constraints for study to identify other potential products which could be added later on by partners.

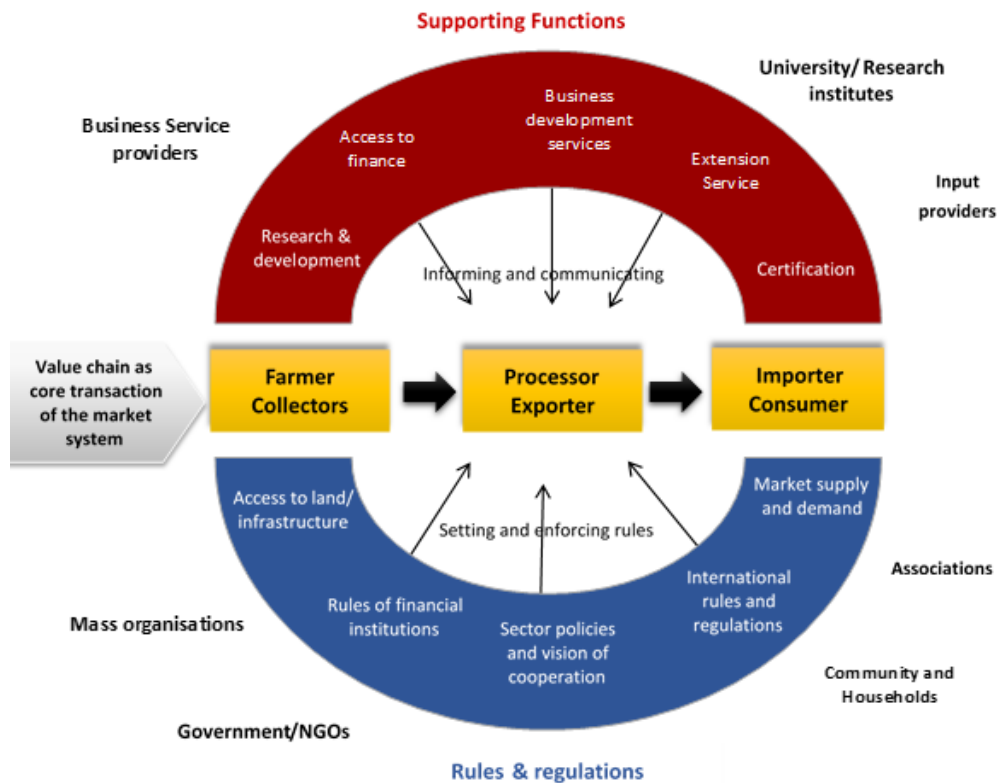
3.2.3 Market Systems of the Selected Products

Analysis of the market system of the agriculture sector in Son La includes core market functions and actors; supporting functions and stakeholders, and rules and regulations. **Figure 3** describes the market system in the sector, which are discussed below.

3.2.3.1 Core market function and actors

As highlighted in Section 3.2.2, potential products are selected as the focus of the Program interventions. This includes group 1 with high IB readiness; group 2 with low IB readiness; and a group 3 without IB readiness. These products vary in their supply chain structures and characteristics. Key actors involved in these products include farmers, collectors, processors, and consumers (see Annex 2 for more details). Of these actors, companies (processors or exporters) appear to be the most influential in the supply chains and hence could exert strong influence on the performance of the market systems. Despite having been involved in the sector for 8-15 years, most of the companies consulted are small and medium enterprises; they have difficulty with quality control, market access, or management skills.

Figure 3: Market System of the Agriculture Sector in Son La



3.2.3.2 Key supporting functions and stakeholders

Supporting Functions

The inception research studies identified some of the key supporting functions and classified them into five following areas:

Extension services

Agricultural extension services in Son La are delivered through public and private services.

The public services are based partly on a bottom-up approach, developed by government in consultation with producers and the private sector. While these extension services are relatively effective in terms of basic production techniques, they are not up to date with local research and international best practices in agricultural and collection methods, largely due to the lack of exposure of the state extension service to market realities.

Several agricultural companies/cooperatives invested in their own extension capacity to capture the added value potential from input quality improvement and sustainable supply of raw material. For example, Nafoods in Moc Chau use their own technicians to support farmers in their supply chain.

Business Development Services

A wide range of Business Development Services (BDS) are available in Vietnam, covering market research, business planning, product development and certification, post-harvest processing, marketing branding and packaging, certification of standardized systems, financing, logistics and transportation. In Son La, BDS supports input material, technical support, financial credit, logistics and branding; while other services could be mobilised from

sources outside the provinces. However, BDS are not yet a driver of agriculture sector development, and not widely used.

Research & Development

A number of scientific research institutions have been involved in genetic conservation of agro-plants, medicinal plants and forest trees. R&D is constrained by low capacity in terms of financial and technical investment qualified specialists and is not yet able to contribute to improving the competitiveness of the agricultural sector.

Certification

There are multiple certifiers and support services for certification operating in Vietnam, including Control Union, Veritas, Ecolink, IMO, Ecocert, CERES and Fairtrade Vietnam. Moreover, several national bodies provide certification services such as The National Agro-Forestry-Fisheries Quality Assurance Department (NAFIQAD) under MARD which provides GAP and GlobalGAP certification. In addition, certification services for most common standards, for example, in quality and food safety management (ISO 9001, ISO 22000), good practices (GACP, GMP) and voluntary certifications (organic or fair trade) are also available. Certification has been growing for many agriculture products in recent years.

Access to Finance

Commercial banks are the main source of financial services for companies. Other sources of funds available in the province include Vietnam Bank for Social Policy (VBSP), Vietnam Development Bank (VDB) and People's Credit Fund (PCF), micro credit schemes run by Women's Union. It was reported that access to finance is a constraint for many companies, especially for SMEs due to high interest rates, complex appraisal procedures, lack of collateral, or lack of relevant credit options (e.g. many credit incentives are mainly short term). In addition, financial management is another constraint. For many SMEs, financial management capacity is limited, making it difficult for SMEs to demonstrate their financial status to banks when applying for financial services. Lack of information on available financial products options, and the due diligence procedures required to obtain loans are also barriers to accessing credit.

Supporting Stakeholders

In addition to the key players (as above), other indirect market system actors include:

- Government agencies at both the central and provincial levels which provide public services on extension, plant protection, veterinary, quality assurance. These include Ministry of Agriculture and Rural Development (MARD), provincial Department of Agriculture and Rural Development (DARD), the extension system at all levels, Department of Industry and Trade (DoIT) etc.;
- Input suppliers and service providers: suppliers of production inputs such as fertilizers, seedlings, pesticides, packaging; or providers of other support services such as certification, technical consulting, logistics, marketing and distribution, etc.;
- Research institutions such as universities, research centres and institutes or independent scientists. Examples include Northwest University, Northern Mountainous Agriculture and Forestry Science Institute (NOMAFSI), Post-Harvest and Processing Institute; Non-Timber Products Research Centre (NTFPRC); Vietnam Society for Medicinal Materials (VIMAMES); Hanoi Agriculture University.
- Associations including sector associations (e.g. Cardamom Association), government trade promotion agencies such as VITAS, VietTrade; Vietnam association for High Quality Products

- Mass organisations such as the Vietnam Women’s Union, Farmers Association and others.

3.2.3.3 Rules and Regulations

A number of supporting policies are in place which aim to:

- Increase agricultural output to contribute 28% of the total of provincial products;
- Increase the share of cultivation and livestock in total agricultural output to 55% and 45% respectively;
- Prioritise the production of key agricultural products including industrial trees (tea, coffee, rubber and sugarcane); fruits (mango, longan, passion fruit, plum, avocado) vegetables (cabbage, kohlrabi, potatoes, tomatoes); animal husbandry (buffaloes, cows, lean pig; chickens, ducks); and aquatic products (sturgeon, tilapia, carp);
- Focus on application of technologies and enhancing product quality and management;
- Strengthen the linkage between agricultural production with processing, promote labelling and branding;
- Promote agricultural export with a target annual growth rate of 6-8%.

In addition, there are also policies that promote innovative solutions toward sustainable production, more efficient use of available land resources and increasing the value of agricultural production. There is a policy shift from providing direct support to farmers, such as basic inputs like seedlings or fertilizers, to supporting cooperatives and companies working with farmers groups, emphasising value chain development, quality management, post-harvest processing, product branding and marketing skills. This shift in policy focus is aligned with the MSD focus of Aus4Equality|GREAT.

At the community and market level, informal rules and regulations are followed, for instance the community-based cardamom management agreement to promote good practices in harvesting and post-harvest processing of cardamom.

3.3 Tourism Sector: Overview and Selection of Potential Services

3.3.1 Tourism Sector Overview

Son La is a major tourist destination in the Northwest region of Vietnam. Tourism has grown gradually in Son La city and other districts such as Moc Chau, Yen Chau, Phu Yen, Bac Yen and Muong La, with tourists particularly interested in agri-tourism, community-based tourism (CBT), local foods, hot-springs, caves and festivals. The province received 1,945,000 visitors in 2017, of which 97% were domestic. The growth rates of the sector in the past three years were 4%, 16% and 5% 2015, 2016 and 2017, respectively. The proportion of day visitors decreased from 51% of the total visitors to 42% during these years. The tourism sector remains modest in its contribution to the provincial economy. In 2017, the sector contributed to only 2.31% of the provincial GRDP (official statistics).

Moc Chau district has experienced a rapid increase in investment in tourism since 2014, when it became a National Tourism Area. Moc Chau has become an emerging tourist destination for the domestic tourist market due to the uniqueness of its highland landscape and climate. At present, it is estimated that Moc Chau has contributed to around 82% of the sector’s total revenue and has registered a growth rate of around 40-45% in recent years. Van Ho district, adjacent to Moc Chau, has also experienced a rapid growth in tourism, though it presents less potential for growth compared to Moc Chau.

Research undertaken during inception identified a significant presence of 'informal' household businesses (e.g. homestays, restaurants, small hotels) in the tourism sector in the province, representing 91.2% of the total sector revenue while the share of formal private sector companies represented only 8.8% (provincial statistics, 2016). Consultations with stakeholders indicated that private sector investment is increasing. At present, there are 6 local tour operators and 162 accommodation establishments (mostly in Moc Chau district). Hospitality facilities have recently grown with two additional 3-star and one 4-star hotel. New recreation sites include Pha Luong and Happy Land. It is estimated that the sector employs around 4,800 people, of which 1,720 employees are located in Moc Chau.

3.3.1.1 Key drivers for sector growth

The inception research study noted the following key drivers of sector growth:

Improved infrastructure for tourism: The road from Hanoi to Son La was upgraded in early 2010 and has reduced travel time by 1-2 hours. Road access to districts and many communes has also improved in recent years. The Hoa Binh to Moc Chau highway is in the pipeline for investment and once completed, will be a major improvement in road access from Hanoi and other provinces, to Son La. The completion of the Son La Hydro Power Plant – the largest hydro project in South East Asia at its completion – is also a new tourist attraction for the province. There have been recent investments in large hotels and recreation sites that offer visitors more choices.

Diverse tourism resources: Beautiful mountain and valley landscapes and cultural diversity (12 ethnic minority groups) attract domestic and international visitors to the province.

Number of policies and policy action to support the sector growth: The provincial government has instituted a number of policies and action plans to promote the tourism sector, including:

- Decision NQ19, issued on April 1, 2014 on tourism development including a provincial action plan on tourism development by the PPC.
- Decision NQ22 by Provincial People Council on CBT Development Toward 2020: this includes skills training and basic infrastructure development for CBT (i.e. subsidies for 5 sets of blankets and mattresses per home stay with a total of 30 homestays eligible year).
- Promotion of private sector investment in tourism initiatives and linking these incentives to job creation for the local labour force.
Plan 189/KH-UBND dated 07/01/2018 by Provincial People's Committee of Son La on the implementation of the Action Plan on developing tourism as a key economic sector.
- Guidelines for 547/HD-SVHTT&DL were issued on 28/3/2017 by the Department of Culture Sport and Tourism Son La and provide guidance on implementing the provincial resolution on the CBT support mechanism in Son La province up to 2020.

In addition to provincial level initiatives, the district authority of Moc Chau and Van Ho have been proactive in developing specific plans and support mechanisms for tourism activities. These include some (small) subsidies for investment in CBT models that are distinctive for each minority group; simplifying investment procedures for the private sector in investing in hotels and resorts; providing vocational training in hospitality for the local labour force; and prioritising investments in the NTPs and other resources in commune and village-level infrastructure where there is potential for tourism.

3.3.1.2 Main challenges on inclusive sector performance

There are a number of constraints which include:

Under-developed infrastructure and poor accessibility of potential CBT areas: In general, facilities such as hotels and restaurants remain under-developed despite recent improvements, which have mostly been in Moc Chau, and so struggle to meet increasing demand. In Van Ho district, the infrastructure remains poor. There are several old guest houses and restaurants, while higher-quality hotels have not been developed in this district. In both Van Ho and Moc Chau district, the road infrastructure is in poor condition. Long travel times and roads in poor physical condition are an obstacle for a number of communities, limiting their potential to attract tourists.

Maintaining cultural diversity and natural resources for sustainable community benefits: Tourism growth in Moc Chau has clearly boosted the local economy. However, it has also created unintended effects increasing pressure on community and cultural resources. Household businesses seeking to maximise the economic benefits of their investment copy service models from other areas leading to changes in authentic architecture, natural landscape of the village and the influence of modern lifestyle practices in Ban Ang Village and Dong Sang Commune of Moc Chau district. Chieng Yen, one of the most beautiful communes in Van Ho lost a significant number of international visitors after an asphalted road was upgraded, changing the local lifestyle and culture. New private investments in natural tourism in Moc Chau and Van Ho threaten the competitiveness and therefore, revenue of local communities engaged in tourism. This also represents a threat to the cultural assets and traditions which are what presently attract most tourists to these areas.

Limited access to finance to invest in tourism facilities: The homestay model is an essential element of CBT. The financial investment for upgrading or building a homestay ranges from 60 million VND to few hundred million VND. This is a significant investment for ethnic minority households who typically can't access sufficient loans from commercial banks due to limited credit worthiness or collateral. Although the province has instituted a policy to provide loans of 30 million VND for households to build or upgrade their CBT facility by subsidising the interest rate, there are few households in Moc Chau who have accessed this credit line.

Lack of quality human resources: This is an emerging issue for the sector especially with the expansion of private sector operations in Moc Chau and Van Ho districts. SME managers interviewed during the inception research revealed that the current quality and quantity of human resources in the province does not meet current nor future demand. It is a barrier that limits the quality of service and undermines competitiveness of the sector. MSMEs in the sector have to employ unskilled or semi-skilled labour and are constantly competing with each other for experienced staff. Other challenges for inclusive growth in the sector are analysed in section 3.3.3 Market Systems of Selected Services.

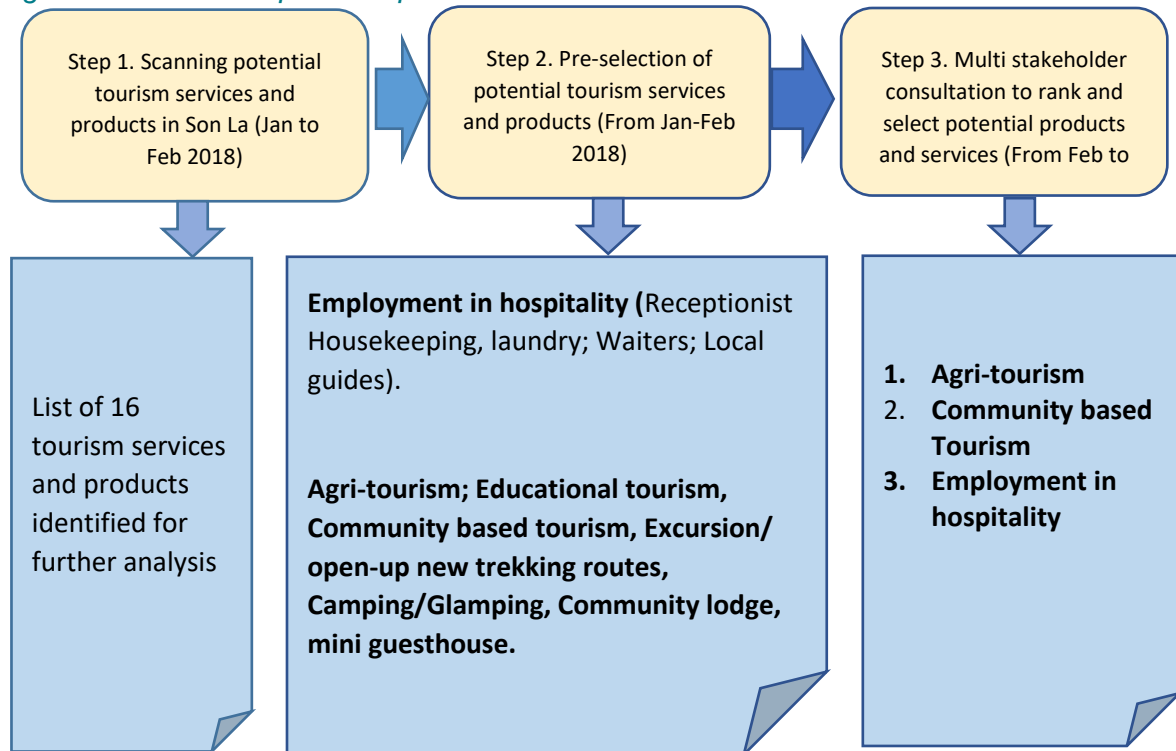
3.3.2 Selection of Services for Program Interventions

Given that the tourism sector in Son La has been growing in recent years and offers remarkable potential, there are opportunities for Aus4Equality|GREAT to contribute to the sector's development (particularly in CBT) and make the sector more inclusive for ethnic minority women. Using the same selection criteria and process applied for the agriculture sector above, three services have been selected for the Program to focus on, including agri-

tourism, CBT and employment in the hospitality industry. A summary of the selection process is provided below:

Three products have been selected for priority interventions including employment in the hospitality industry, community-based tourism services and traditional handicrafts, based on the below selection process:

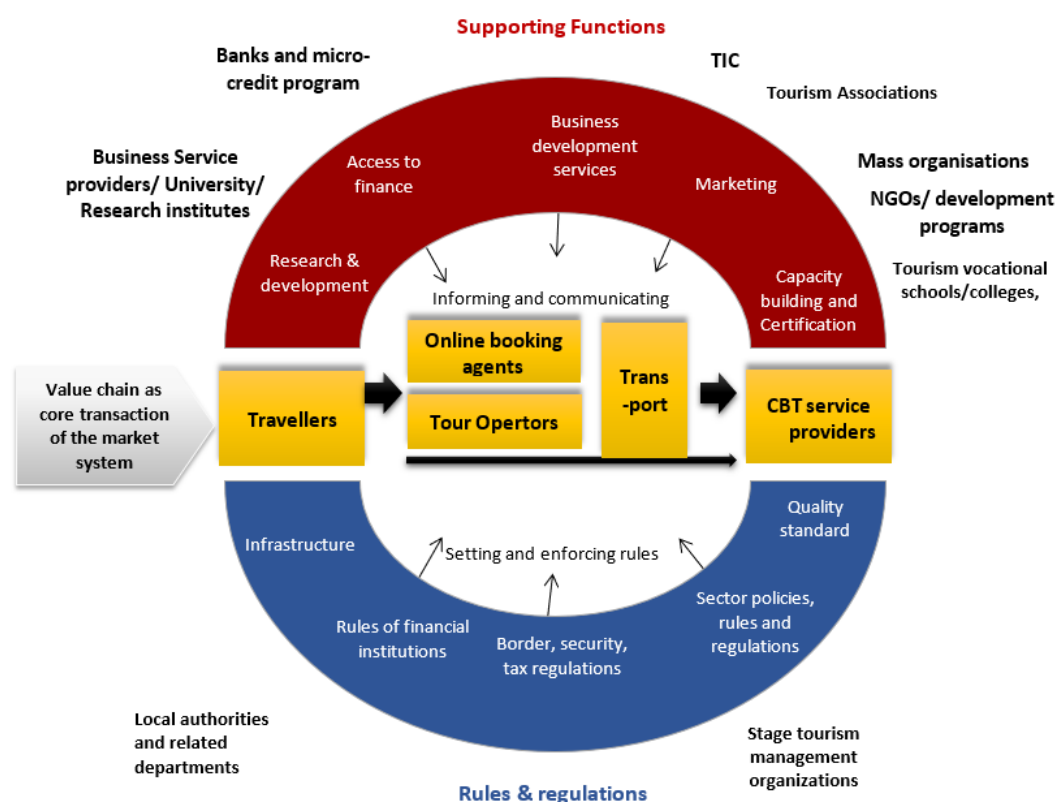
Figure 4: Process for potential product selection in the tourism sector



3.3.3 Market Systems of the Selected Services

This section analyses the market system of the three selected tourism services (sub-sectors) which represent opportunities and constraints for women’s economic empowerment. The three pillars of a market system were assessed in relation to the sector, including the core market function and actors, supporting function and stakeholders, and rules and regulations.

Figure 5: Market Systems of the Tourism Sector in Son La



The background studies revealed several key bottlenecks in the market system including:

1. Lack of access to finance, knowledge and skills to develop and deliver diverse and quality agri-tourism and CBT products;
2. Lack of business knowledge and skills to market agri-tourism and CBT services;
3. Weak linkages between local households and tour operators;
4. Shortage of skilled labour in the hospitality sub-sector; and
5. Limited interest from tour operators in investing in agri-tourism and CBT facilities.

In addition, ethnic minority women are faced with more cultural and social barriers to their participation in the hospitality labour market.

3.3.3.1 Core market function and actors

Three selected tourism services are quite different in terms of market functions. In particular:

- The CBT value chain consists of 3 stages: sourcing tourists, transportation to destinations, and service provision within CBT. Tour operators play an important role in developing and promoting products, and sourcing tourists. However, they are less interested in investing to develop or upgrade CBT facilities or providing technical capacity support to local households, due to lack of clear incentives such as return on their business investment. Local tour guides play an essential role in advising tourists on the CBT services. Local households operating CBT services rely heavily on tour operators and tour guides on the sourcing customers.
- The agri-tourism value chain is similar to the CBT value chain in term of the roles of actors. Tour operators from major cities like Hanoi and Hai Phong are key actors in bringing tourists to agri businesses in Moc Chau and Van Ho. However, there is limited coordination between agri-businesses and local households for the delivery of services. While a few farming households have proactively developed and provided

agri-tourism experiences, many other local households have not been involved in the service due to lack of business knowledge and skills.

3.3.3.2 Key supporting functions and stakeholders

Supporting functions:

Some key supporting functions for selected tourism services have been identified below:

Marketing services

A number of online booking agents such as *chudu.com*, *vietnamhomestay*, *booking.com*, *Agoda* support the marketing of tourism in the target locations. Additionally, tour operators, provincial and districts authorities, the management board of Moc Chau National Tourism Area, and the Tourism Information Centre are also involved in the promotion and marketing of agri-tourism and CBT. However, local agri-tourism and CBT households are not able to maximise the utility of these services due to their lack of business skills, information technology skills and Vietnamese and English skills.

Skill development

Each province has a public provincial vocational training college, providing local students short and long-term training courses with certification on tour guide and hospitality skills. However, the quality of the training does not meet the expectation of businesses and employers in terms of practical skills, consequently tourism businesses usually have to re-train their new employees, using experienced staff or using trainers hired by the business directly. The public vocational schools currently do not offer training on CBT operation, this is only available through NGOs, DPs or local government funded tourism training programs.

Infrastructure

Poor accessibility to potential CBT areas is a major constraint. Long travel times and roads in poor physical condition are major obstacles for a number of communities, limiting their potential to attract tourists.

The roads to and at some potential tourism sites are in poor condition, particularly in Muong Khuong, Van Lam (Van Ban), Bat Xat. Long travel time on poor roads is the obstacle for a number of communities, which could offer potential tourist attractions.

Access to finance

VBARD is major source of finance, providing loans to households and companies. The loan size for household borrowers is up to 50 million VND. VBSP also offers loans for poor and near poor households to develop CBT. In Moc Chau and Van Ho districts, through partnership between VBSP and Women's Union, poor and near poor households can access loans of 30 million for investment in CBT with a subsidised interest rate of 5% per year. Current loan size is not sufficient to invest in upgrading or building new homestay facilities. The findings from stakeholder consultations and the field survey demonstrate that the current loan size is not sufficient to invest in upgrading or building new homestays. Many local households have limited access to loans from commercial banks or VBSP due to collateral requirements. The People's Credit Fund also provides loans for household investment in homestays, but the coverage is more limited than VBARD or VBSP.

Supporting stakeholders:

- Business Associations: Son La Tourism Association, Moc Chau Tourism Sub-Association, support local tourism businesses to address their common business issues, including capacity building, products and service development, promotion and marketing and networking. The contributions of such associations in CBT development is still limited due to the lack of financial resources.
- Mass organisations, in particular the VWU can provide support related to access to finance, links to enabling environment, gender transformation and WEE.

3.3.3.3 Rules and Regulations

Several policies have been issued to promote tourism development, including CBT which has been identified as a high priority for poverty reduction and sustainable development. The Provincial authority has allocated financial resources to develop CBT and provides tax incentives for CBT service providers to encourage local participation in CBT development. Other policies to attract private sector investment in large scale tourism have also been developed and implemented but not for CBT development.

A number of villages located in the border areas have huge potential for community-based tourism development however the current requirement for international tourists to obtain travel permits to visit and stay overnight in these areas is a bottleneck to further development. Getting the permit is time consuming, costly, with uncertain outcomes. As a result, these areas receive few international visitors, and tour operators are not incentivised to invest in developing and promoting these sites.

The requirement for tour guides to be officially certified is an obstacle for current female ethnic minority “informal” tour guides. The Tourism Law 2018 simplifies conditions for licensing on-site tour guides enabling interested ethnic minority people particularly women to work as guides within a specific tourism site in one district. However, to guide visitors from one district to another within the province, they need to obtain a national tour guide license. Given the current low level of education, most Mong and Dao women find themselves locked out of formal tour guide training programmes, a condition to get the license, despite their English language skills and in-depth local knowledge.

Quality standards

The Vietnam National Administration of Tourism Associations (VNAT) has developed quality criteria for homestays based on ASEAN standards and in line with the Vietnam tourism context. It divides homestay in two categories, including traditional/simple homestay, and high-quality eco-friendly homestays. The quality standards for CBT have not been applied yet in Son La.

The Vietnam Tourism Occupation Skills Standards (VTOS) were introduced several years ago mainly through the Vocational Training School system. Hotels apply their own quality standards for staff training. VTOS is not applicable for homestays and other CBT services.

3.4 Enabling Environment

3.4.1 Policies and Programs the Central Level

3.4.1.1 Two National Target Programs

Vietnam has had several strategies, programs, and policies with a focus on ethnic minority development. The most relevant central-level initiatives for the Program to support are the two National Target Programs (NTP) on Sustainable Poverty Reduction (SPR) and on New Rural Development (NRD) for 2016-2020. It is noted that these two NTPs are the most

recent of a series of 16 NTPs in effect prior to 2015, which have since been mainstreamed into the mandate of the GoV agencies. As the designated national programs for poverty reduction and rural development, both NTPs are designed based on the principles of decentralisation, participation, and social inclusion for gender and ethnic minorities. Operationalising these principles in practice has proven to be challenging. Our consultations confirm that while these principles are embraced by all stakeholders, there is a need for specific and practical mechanisms and guidelines in order to translate these principles into concrete outcomes. In the absence of non-negotiable rules to ensure social inclusion for women and ethnic minorities, there have not been tangible changes for these groups.

There are opportunities for the Program to advocate for effective mechanisms to enhance participation of and benefits for ethnic minority women in the implementation of the NTPs in general and in the two provinces in particular. These opportunities were discussed in consultation with relevant GoV agencies at both national and provincial level, as well as with development partners.

Decision 1898/2017 on Gender Equity in Ethnic Minority Areas

In addition to the two NTPs, the National Strategy on Gender Equity 2011-2020 lays out the objectives and strategy towards achieving gender equity in Vietnam by 2020. The Ministry of Labour, War Invalids, and Social Affairs (MoLISA) further promulgated the National Action Plan 2016-2020 to accelerate the implementation of this Strategy. Most recently (and most relevant to the Program), the Prime Minister enacted Decision 1898 on Gender Equity in the Ethnic Minority Areas for 2018-2025. All of the targets of the Decision 1898 are highly relevant to Aus4Equality|GREAT, they include: 100% GoV staff responsible for ethnic minority affairs, and 50% of the GoV officials responsible for gender equity should be trained on different approaches for gender equality and women's empowerment; 100% boarding schools for ethnic minority groups should receive gender equality and empowerment campaigns, and between 30-50% of the communes in Ethnic minority areas implement various types models for women's empowerment. The Central Committee for Ethnic Minorities (CEMA) and its provincial PCEMs are mandated by the Prime Minister to develop action plans for implementation of this Decision, and Aus4Equality|GREAT has a lot to contribute to that process through our interventions at all levels. The Program will seek opportunities to partner with CEMA and PCEMs in Son La.

Policy Initiatives to Promote Business Development and Start-ups for ethnic minority women.

There have been a number of recent initiatives to support business development, including start-ups for women and ethnic minorities. The term 'start-up' is now used in most of the policy dialogue on private sector development and future economic growth of Vietnam in the "4.0 era"⁴. The recent Decision 393 of the Prime Minister on the Start-up Plan for Women 2017-2025 includes key targets for starting-up and supporting women-led enterprises, including (i) support for 20 thousand start-ups by women; (ii) assisting 1,200 cooperatives managed by women; (iii) providing access to business development services for 100,000 women-led and newly established enterprises; (iv) 90% of the VWU are trained and equipped with knowledge and approaches to support start-ups and women-led enterprises; 70% of the VWU members participate in awareness raising activities on start-ups. The CEMA Minister has established a Task Force on Start-ups in ethnic minority areas (under Decision 569/2016/QD-UBND), which is mandated to advise the CEMA Minister on the

⁴ 4.0 era refers to Vietnam's high tech, ICT application to economic growth.

development of policies for promoting start-up in ethnic minority areas and coordination with other stakeholders to advocate for start-ups in ethnic minority groups.

The synergies between these two GoV policy initiatives indicates that supporting start-ups for ethnic minority women is clearly a GoV priority, particularly for the VWU and CEMA at the central and provincial levels. This policy priority is highly relevant to the Program which aims to support the establishment and growth of women-led enterprises in ethnic minority areas, in partnership with CEMA and VWU.

3.4.2 Policies and Programs at Provincial Level

Son La has relied on the centrally allocated budget to deliver the NTP. In addition, there are many initiatives approved by the PPCs, particularly focused on the agriculture and tourism sectors. In agriculture, the provincial restructuring plans are probably the most important initiatives for sectoral development. According to these plans, engaging farmers including the poor and ethnic minority people in market systems is central (in addition to high tech agriculture, climate change adaptation).

There have been initiatives to support development of the tourism sector, with particular focus on Moc Chau, which is recognised as a National Tourism Area. CBT will be central to the Program's engagement in this sector. There are several provincial policies in support of homestays and other related CBT services.

While there are many policies and plans, these initiatives are usually under-resourced and hence the actual coverage remains very limited. There are many 'master plans' or strategies for agriculture and tourism but implementation remains a challenge due to limited resources. One example is the Decree 22/NQ-HDND in Son La on supporting CBT where in-kind contribution of 30 million VND was made available for a total of 30 homestays. Over-reliance on the limited provincial budgets as the main source of support has restricted the impact of any policies or development plans.

Another important feature of the provincial policy framework is an increasing awareness and pro-active attitude toward private sector investment. Consultations with all stakeholders in the provinces indicated the strong desire of provincial leaders and line departments to attract private investment, especially from large corporations (e.g. TH Group in Son La) and foreign direct investment. Moc Chau has recently experienced an influx of investment but this district is unique compared to the rest of the province. Private sector development remains modest, particularly for ethnic minority women.

3.4.3 Projects Supported by Development Partners

Engagement of development partners (DPs) and NGOs in the two provinces have been decreasing in recent years due to Vietnam becoming a middle-income country. The most significant DP contribution is the World Bank supported Northern Mountains Poverty Reduction Project Phase 2 (NMPPR2), which is now in the final year of the Additional Financing phase. Following a community-driven development (CDD) approach, NMPPR2 has supported women in its livelihood subcomponents and established a large number of common interest groups (CIGs). CARE is supporting Village Savings and Loans Associations (VSLA) groups which enable women to access credit on favourable conditions. In addition, ACIAR's market-oriented counter-season horticulture projects in Mộc Châu and Van Ho Districts in Son La Province, have been in place to support a number of horticulture crops that the Program could leverage, especially in terms of ACIAR's localised expertise and its

partners. For more information on potential synergies with other Strategic Partners, see Annex 12 of the 2018 Annual Work Plan.

There are a number of INGO projects that adopted for Market for the Poor (M4P) or Market Systems Development (MSD), such as SNV's Spice Value Chain Project (i.e. cardamom, cinnamon, anise star), Helvetas's value chain projects on tea and other products, that can provide useful lessons and models for engaging Ethnic Minorities in value chains and market systems, as well as EU and SNV sustainable CBT projects. One important lesson learned was the lack of sustainability of income generation activities for ethnic minority women, due to low management capacity of producer groups, limited market linkages, and lack of private sector investment.

4 Aus4Equality|GREAT Intervention Strategies

4.1 Intervention Strategies in the Agriculture Sector

4.1.1 Key Indicators

Table 4: Key Indicators for Program interventions in the Agriculture Sector in Son La

Key indicators: Over 4 years, Aus4Equality|GREAT aims to impact the lives of 10 per cent of the total adult female population in Son La. More specifically it will:

- Improve the incomes of 12,800 households (equalling to 19,200⁵ working age women) and small entrepreneurs across Son La; increase women-led and co-managed enterprises by 15%
- Contribute to the creation of 300 full time equivalent positions for women in fulfilling and safe formal waged employment; and 200 part-time jobs.
- Leverage over 2.8 Million AUD (matching 49%) in private sector investment for business opportunities that are profitable, sustainable and inclusive in agriculture and tourism

Table 5: Projected Number of Households reached by the Program in the Son La Agriculture Sector

Sub-sectors	Number of beneficiary households by types of partnership			Opportunity for women	Opportunities for interventions
	Total	IB partners	Other partners		
Product group 1	10300	7100	3200		
Tea	5000	3000	2000	High	Good
Fruits (passion fruit, avocado, longan, citrus)	3700	2700	1000	High	Good
Vegetable	600	400	200	High	Good
Specialty rice	600	600		Medium	Medium
Fish cages	400	400		Medium	Medium
Product group 2	2500		2500	Medium-high	Medium
Product group 3	1000		100	Medium-high	Medium
Total HHs	13800	7100	6700		

Source: estimated from statistics and other sources provided by relevant stakeholders.

⁵ Baseline survey shows that the average number of working age women per family is 1.5 in 5 surveyed commune, thus total women reached will be 12,800 x 156 = 19,200.

4.1.2 Opportunities and Constraints for the Selected Products

4.1.2.1 'Safe' Vegetables

Opportunities

Consumption of vegetables in Vietnam had been continuously increasing for many years. The share of vegetable consumption is about 13% of the average household income in urban areas. Average households in cities like Ha Noi or Ho Chi Minh City spend around VND 110 thousand per month on vegetables (equivalent to 12kg). The market opportunities for vegetables include:

- Increasing demand for food in general because of increased income and urbanization, and in particular demand for vegetables, especially the specialties from different areas.
- Demand from Hanoi, as well as from provinces in Red River Delta region for vegetables that cannot grow in the summer time. Moc Chau (and part of Van Ho) with their cool climate, can supply counter-seasonal vegetables from May to October to meet the demand from Hanoi, as well as from provinces in the Red River Delta (RRD) region for vegetables that are not locally available in the summer time.
- There is rising demand for vegetables that meet certified food safety standards. VietGap or organic vegetables are being sold at various outlets in Hanoi and elsewhere, but the supply cannot meet the demand. For instance, in Hanoi consumption of vegetables is estimated at about one million tons, but total supply from local safe vegetables plantation area is only equivalent to 150,000 tons.

Ethnic minority women should be integrated into interventions that support the development of certified safe vegetable value chains that provides counter-seasonal vegetables such as cabbage, chayote, mong mustard green, and broccoli. The economic added value for ethnic minority women will be generated through:

- Price premium for certified safe products in supermarkets and convenient stores is at least 10%. For instance, Mong cabbage can be sold at VND 6,000/kg to supermarket chains, but the price paid to local vendors is around 5,000 VND/kg. As a result, total premium at farm level can be in between 20-30 million VND/ha;
- Additional income from vegetable sales for ethnic minority women that have not had any income from vegetable sales previously. Using data collected from the field, it is estimated that the average income from vegetable production will be in the range of 50-70 million per hectare per year;
- Technical support could be provided to ethnic minority women producers to increase productivity in vegetable production and improved post-harvest handling. Financial benefits from such productivity growth depends on technical capacity of farmers as well as investment for production.

Considering the above, it is estimated that the Program could reach up to 1,000 ethnic minority households (organised in 10 cooperatives in vegetables) and link these households to modern trade market channels in Hanoi or elsewhere. In addition, if the investment in the Korean Shinsegae International factory is completed according to the plan, it could generate opportunities to engage more than 2,400 ethnic minority households in supplying the factory on an area of around 800 ha (or 0.3ha per household).

Constraints for participation of Ethnic Minority Women

Markets for 'safe' vegetables are mainly in supermarkets or outlets specialising in 'safe' foods. To supply these distribution channels, farmers must be organised in cooperatives or supplying through companies or agents that are linked to supermarkets or food outlet chains.

Some existing initiatives such as those supported by ACIAR have established these links. However, examples of proven business cases where vegetables are supplied by ethnic minority women and distributed by cooperatives or companies to modern trade outlets are limited. Experience from a successful vegetable cooperative in Moc Chau suggests that access to supermarket supply chains is challenging (it took 5 years for the cooperatives, which include 50 households producing between 3-5 tons per day, to enter the supply chains) but the Program can learn from this experience and fast track market access.

The most significant opportunity for engaging ethnic minority women in the safe vegetables market is to a) organise them into producer groups, and b) promote partnerships between producer groups and companies in the supermarket supply chains. It is expected that such partnerships would take time to develop and hence it would be not realistic to target more than 1,000 ethnic minority women over the next 4 years.

At the household level, production of safe vegetables requires the ability to meet technical requirements for producing safe vegetables (e.g. according to quality standards such as VietGAP or “organic”) as well as to provide a stable supply in terms of quality and volume, this could be a constraint for ethnic minority women to engage in this market. This requires technical skills, improvements in awareness of standards, and discipline to meet market requirements that could be efficiently organised through the producer groups

4.1.2.2 Tea Products

Opportunities

Vietnam’s gross national production of tea is estimated at about 160,000 tons/year, of which about 30,000 tons are absorbed by the domestic market and the rest is exported. There are three differentiated export market segments: (i) high value at small volume to Europe and North America; (ii) low or average value markets in Middle East region (mainly Pakistan and Afghanistan); and (c) medium to high price markets in Taiwan. Market opportunities for tea in Son La are:

- High value domestic market segment to serve increasing domestic demand for local speciality teas. The concept of tea marketing is to be expanded to cover not only selling tea as a product but also selling other values associated with local tea products, such as local ethnic minority culture and traditions, to Vietnamese buyers;
- High value market segment in Europe or other developed countries: production certified by accepted standards and networking with right partners can help to achieve sale premium;
- Improve productivity of commercial tea farmers to meet the increasing demand from specific buyers of local tea company.

In Son La, the potential added value initiatives are:

- Establish direct linkages between ethnic minority women’s groups and processors. This will enable ethnic minority women to develop a better understanding of technical requirements from buyers and therefore improve quality of tea leaves supply. In addition, the farmgate tea leaf price may increase up to 10% by removing local traders from the transaction.
- Improve productivity of tea in plantations where the yield is below average. For instance, the yield of Tan Lap is currently 9 tons/ha. It is believed that if production techniques were properly applied, this could increase to more than 12 tons/ha. Additional value will depend on the gap between current yield and benchmark.

- Reduce risk by establishing solid linkages with processors, so that farmers' sale of output will become more stable.

The number of ethnic minority women engaged in the tea value chain in Son La could reach at least 4,500, through partnering with two factories, each will work with more than 2,000 ethnic minority women.

Constraints for participation of women

Women dominate most of the activities in the tea value chain. Women participate in seedling growing, cultivation, harvesting, delivery of harvested tea leaves and processing. The tea value chain involves ethnic minority women to a large extent by default. However, local traders of fresh tea leaves could hinder direct linkages between producers with cooperatives or companies that could offer producers higher prices and/or technical support. The dominant role of local traders also presents obstacles for tea producers in directly accessing market information. Traders are often entrenched in the system, providing loans for tea producers for purchasing inputs. Therefore, building links between ethnic minority tea producers and their cooperatives to tea processors is a priority intervention.

In addition, the engagement of ethnic minority women eventually depends on processors in Son La securing their competitiveness and market share. In fact, most tea from Son La is exported to Middle Eastern countries, which are considered to be markets for relatively low-quality tea (compared to other market such as the EU or Japan). However, competition in the Middle East tea market has been growing and it could become more difficult for tea exporters to maintain their market share. This represents a risk for tea exports in Son La and if they lose their market share, it would affect tea producers in the province. In this regard, supporting tea exporters who source from ethnic minority women is another priority for the program.

4.1.2.3 Medicinal Plants

Opportunities

There is a large market in Vietnam for medicinal plant products. Vietnam consumes around 100,000 tons of medicinal plants per year and 70-80% were imported from China due to limited domestic supply capacity. According to DARD, Son La could produce around 100 medical plant varieties, many of these are unique to the province. In addition, there are 12 different varieties with large, naturally occurring stocks in the province. In light of this, Son La could be an attractive location for pharmaceutical company investment. The Son La PPC has approved a master plan for medicinal plants which aims to cultivate 50,000 ha. The plan is in the early stages of operation with a number of investment incentives and a number of companies have conducted feasibility studies for different investment options in recent years, however to date there are no private investments in this sub-sector. There is a potential to cultivate an additional 200ha for medical plants and benefit between 300 to 500 ethnic minority women.

Constraints for participation Women

Ethnic minority women's engagement can be constrained by two factors. First, medical plant cultivation requires technical skills. Medicinal plants are different from conventional agricultural products in terms of cultivation, harvesting, and post-harvest processing. In addition, the techniques need to be suitable to soil conditions to generate medicinal substances. Lack of understanding of these techniques could present a 'technical barrier' for

many ethnic minority women to engage in this sub-sector. In addition, producers need to engage in partnerships with pharmaceutical companies, to effectively process medical plants. Companies such as Tien Dai Phat, with an estimated investment of VND 300 billion, or Cao Nguyen Company, who plans to develop Cordyceps in Moc Chau, represent potential partners. However, these companies have not yet invested in factories in the area. Unlike other agricultural products, medicinal ingredients are not traded in large volumes (companies usually demand dozens of tons of inputs). Therefore, the potential number of ethnic minority women participating medicinal plant value chain would be modest.

4.1.2.4 Fruits - Passion Fruit, Avocado, and Citrus

Opportunities

Passion fruit

There are different varieties of passion fruit: purple passion fruits (*Passiflora edulis Sims*), yellow passion fruits (*Passiflora edulis flaviparaca*), and sweet granadilla (*Passiflora ligularis*). The variety primarily produced in Vietnam is the purple passion fruit with intense flavour, strong and naturally concentrated aroma and which can be used as valuable ingredient in the food industry. Passion fruit plantations have been on the rise in recent years. Fresh passion fruits are mainly sold to the Chinese market. So far, the demand from China has been strong, however there is a risk of market downturn from China as already experienced with many other agricultural products from Vietnam. In the domestic market, in addition to fresh passion fruits used in refreshment outlets, Nafood and Hoang Anh Gia Lai (HAGL) are the two main consumers, with plantations in Gia Lan of 1270ha and 3000ha. Son La province has cultivated 500ha of passion fruits in recent years, and supplied to Nafoods and produced for export. Nafoods is in the process of investing in a factory in Son La which will create a stable demand for passion fruit in the province. In addition, TH Group also plans to invest in a fruit beverage factory in Moc Chau that would also source from passion fruit farmers.

Fresh fruit requires a 90-day cycle and the profitability is estimated at VND 200 million per hectare using last year's prices. This is clearly more profitable than many other crops and represents a major source of income for farmers, including ethnic minority women. It is estimated that the Program could reach around 500 ethnic minority households through interventions in this value chain. This estimate was based the potential to expand plantation areas to meet increased demand from Nafoods for supplies to make passion fruit concentrates.

Avocado

Avocado supply in Vietnam remains limited with around 2,700 ha mainly in the Central Highlands that produce around 40 thousand tons per year. Motivated by high profitability (which is estimated at around VND 180 to 220 million/ha), avocado plantations have been rapidly expanding in the Central Highlands as well as other provinces including Son La. In Moc Chau and Van Ho districts, avocado has been introduced over the past 2-3 years and the area under cultivation is less than 50ha. It is estimated that avocado will continue its expansion and could become a major agricultural product in these two districts. The Program could reach to between 400-500 ethnic minority households producing avocado on around 200-250 ha during the project cycle.

Citrus

Citrus fruits from Son La are considered a local specialty, sold only in domestic markets. This has been subject to increasing competition from other specialties such as 'Cam Cao Phong' of Hoa Binh province, 'Cam sanh' Ham Yen of Ha Giang (which are also in the Northwest region) or 'Cam canh' from Hung Yen and Bac Giang provinces, and 'Cam bu' of Ha Tinh. However, citrus fruit varieties from Moc Chau and parts of Van Ho district target a niche market segment with limited volume. The fruits have differentiated qualities in terms of taste due to unique climate and soil conditions and are usually under-supplied. There is potential to link citrus farmer groups to supermarket chains in Hanoi due to relatively convenient transport conditions compared to other provinces.

Considering estimates on land availability in the two participating districts, it is projected that the Program could reach between 200-300 new ethnic minority households, in addition to the existing number of around 250-300 citrus farmers.

Constraints for participation of women

One major constraint for participation of women in these fruit value chains is the significant requirement for initial investment. Avocado and citrus require between 100 to 150 million VND per hectare in investment during the establishment period which take at least three years before producing fruit. In the case of passion fruit, the investment cost in the 90-day cycle is around 200 million VND. This high initial investment serves as a barrier for many poor ethnic minority households.

In addition, lack of local sources of quality seedlings is an issue. For citrus, seedlings come from local plantations, which usually have limited technical capacity as nurseries. For passion fruit, seedlings depend on imported sources from China or Taiwan. In the case of avocado, as a new crop in Son La, supply of seedlings is limited. Technical requirements for plant maintenance could also be a constraint for some ethnic minority women in citrus, as the trees are quite vulnerable to diseases.

4.1.2.5 Farmed (Cage) Fish

Opportunities

Domestic consumers are the primary consumers of fish from Son La. Total provincial aquaculture production of Son La is more than 5,000 tons/year and the average consumption of fish is about 10 kg per capita, which is considerably lower than the national average level of 33 kg. It indicates that there is scope for local demand to grow in the coming years. Fish farming in Son La has grown recently to commercial capacity as a result of hydropower development. In the two districts, there are 350-400 fish farms. Each farm requires an investment of around 12 million VND, which is quite affordable compared to investment in perennial crops, one cage could generate around 12-15 million VND in profit per year. An average fish farm in Moc Chau has 4 fish cages, it would mean an annual profit of between 48 to 60 million VND.

Using the existing projections in Moc Chau and Van Ho, the Program could reach about 500 households with about 1,800-2,000 cages, producing 750 to 1,000 tons per year.

Constraints for participation of women

Increasing ethnic minority women's involvement in cage fish production is undermined by market uncertainty. The sale of fish depends on access to tourist markets, which are usually unknown to ethnic minority women. Local traders play a dominant role in this sub-sector but

order volumes from traders varies. In addition, many fish cages are in remote locations with difficult road access and transport which partly explains the dominant role of local traders in the sub-sector.

4.1.2.6 *Specialty Rice*

Opportunities

Local rice varieties from Son La have special value to domestic consumers. The demand for special varieties from different regions in Vietnam is on the rise and these are currently under-supplied. Te Rau is the local special rice, which is currently concentrated in Song Khua commune, in Moc Chau, and the Song Khua cooperative is the main supplier. At present, the market price of Te Dau rice is at VND 15.000 per kg. This represents a market price premium of 100%. With the average yield reported at 5 tons per hectare, Te Dau rice farmers could earn additional income of nearly 40 million VND per ha compared to other 'normal' rice prices.

The Program could reach around 200 ethnic minority households, who could join the existing cooperative or establish new cooperatives.

Constraints for participation of women

At this stage, there are no particular constraints for participation of ethnic minority women in this product. However, the potential to replicate Te Dau rice in other communes of Moc Chau or Van Ho is not yet confirmed. Even if Te Dau rice could be expanded to other locations, the areas and number of rice farmers should be controlled to keep the product under-supplied, which is an important aspect of its uniqueness.

4.1.3 *Aus4Equality|GREAT Intervention Strategies*

4.1.3.1 *General Direction and Focus*

Key approaches to be applied in the agricultural sector strategy include Market Systems Development (MSD) and Women's Economic Empowerment to enhance integration and innovation, creativity and productivity in the domestic private sector. The Program will partner with diverse private sector and market sector players: agribusinesses, SOEs, cooperatives, social enterprises and the broader private sector (e.g. banks, business services etc.). To ensure the success of the inclusive business partnership, some prerequisite conditions and criteria will be applied by Aus4Equality|GREAT to its potential partners while scoping partnership opportunities.

While there are significant levels of ethnic minority women engaged in the selected products value chains, there is a 'skills gap' in terms of technical skills required by private sector businesses at higher levels of the value chain. In some cases, there are also gaps in attitudes to work practices and technical specifications. For instance, private sector players usually expect producers to strictly follow technical requirements and procedures applied at different stages of production to ensure quality, but some producers appear to take a relaxed approach to compliance with these requirements. Therefore, closing these gaps is essential to facilitate development of the partnership between private sector partners and producer groups.

Among the private sector players interviewed, the level of understanding and appreciation of ethnic minority women's social inclusion in doing business varies substantially. Therefore,

promoting the role of ethnic minority women in agribusiness by raising awareness on WEE will be important.

4.1.3.2 Interventions at the Sector Level

The agriculture business development context in the target districts is diverse. Within the market systems for the products selected, the level of potential partners' capacity, readiness of business partners for ethnic minority women inclusion, and the level of participation by ethnic minority women also vary. This would require comprehensive intervention strategies at the sector level as well as at product and actor levels.

This strategy is strongly aligned with and supports the implementation of the national and provincial agriculture strategies, and prioritises interventions that will contribute to systemic changes in the sector, including:

- Facilitate initiatives in building capacity of ethnic minority women producer groups to engage in commercial production and market driven production planning skills (including literacy, numeracy, planning and analytical skills) to achieve the required quality and scale of inputs, and to increase their value added.
- Promote the application of innovative approaches for technical provision and capacity building for ethnic minority women (such as Farmer Field School (FFS); Participatory Agriculture Extension Methodology (PAEM), GALS).
- Support re-scaling of production models (shifting from individual toward collective production models to reach larger economic scale).
- Support women (in cooperatives and producer groups) to access better production and business support services (financial service, storage and processing technology, extension service and market information etc.).
- Enhance capacity and quality of support services to better support ethnic minority women as producers, processors and traders and farmers in the value chains.
- Coordinate and steer public-private agriculture infrastructure investment.
- Facilitate the improvement of the enabling business environment in agriculture sector.

Potential partners are financial institutions, Women's Union, Commercial Banks, and NGOs with experience in producer group organisation, DPI, DARD, DoIT, and DPCs.

4.1.3.3 Interventions at the Product Level

Weak MSMEs in the agriculture sector represent a constraint to sector development and promoting inclusive agribusiness. The focus of this intervention strategy is suggested below:

- Promotion of private sector engagement in product value chains with high presence of ethnic minority women and for women led enterprises.
- Promote the application of innovative approaches for providing technical capacity building for ethnic minority women (such as Farmer Field School (FFS); Participatory Agriculture Extension Methodology (PAEM), GALS, RFLECT and Refocus); Support for effective engagement of ethnic minority women in value chains.
- Facilitate initiatives on building capacity for ethnic minority women producer groups to engage in commercial production and market driven production planning skills (including literacy, numeracy, planning and analytical skills).
- Support for upscaling successful ethnic minority women inclusive business models.
- Promotion of start-ups and new business ideas of ethnic minority women.
- Enhancing the leadership role of ethnic minority women in value chain and enterprises.
- Strengthen linkages between women groups and market networks.

Potential Program partners in this strategy are DARD, DOIT, DPCs, sub-sector associations, Women's Union, NGOs; district extension service; private companies.

4.1.3.4 Interventions at the Private Sector Level

Aus4Equality|GREAT will provide technical assistance and matching investments to private sector and business partners to jointly promote ethnic minority women's economic empowerment through deeper engagement in value chains. Under this strategy, interventions will focus on:

- Support the development of an Inclusive Business Partnership Model that engages with ethnic minority women.
- Enhance women's skills and capacity to meet the needs of private sector agribusiness.
- Develop skill training for women to be employed by agribusiness companies.
- Introduce innovative infrastructure solutions related to irrigation, harvest & post-harvest, processing, storage and transportation.
- Enhance access to more effective, higher value export market.
- Promote product quality management via supply chain branding and traceability;
- Facilitate linkages between ethnic minority women producer groups and affordable input supply and financial services.

Potential Program partners in this strategy are: NOMAFSI, NGOs, agribusiness companies and cooperatives, Rural Development and Cooperative Sub-department under DARD, Agriculture Extension Centre, Non-Timber Forest Product Research Institute; Women Unions.

4.1.3.5 Interventions to Identify New Opportunities

Son La's agriculture has undergone rapid structural changes in recent years and created new opportunities. In addition to the products identified in section 3.2, there is a list of 13 future potential products, however, market opportunities or potential for businesses to engage remain unclear. These products include: 1. Vermicelli; 2. Broom Grass; 3. White Corn; 4. Adlay Millet; 5. Bamboo Shoots; 6. Rattan; 7. Bamboo; 8. Indian pepper; 9. Honey and beeswax; 10. Pumpkin; 11. Poultry; 13. Medicinal plants; 13. Flowers.

The Program will contribute to promoting inclusive sector development in these products, by identifying new opportunities for ethnic minority women, in line with the adaptive management approach. The Program will work with partners to:

- Further investigate consumer and private sector demand for these products, as well as opportunities and challenges (in local, national and international markets);
- Support pilots for new business models to develop product supply chains with private sector (promotion of commercial production approach, certification, branding and marketing, market linkages etc.);
- Leverage investment from private sector to up-scale the business model;
- Crowding-in more ethnic minority women into the business model to increase production and scale.

The Program will launch an Innovation Funding Scheme to support new business ideas and innovations by and for ethnic minority women and their businesses (see Innovation Strategy for more details).

Potential innovation partners include: NOMAFSI, NGOs, agribusiness (companies/cooperatives); Rural development and cooperative sub-department under DARD; Agriculture Extension Centre; Non-Timber Forest Product Research Institute; Women Union, entrepreneurs.

Intervention Strategies for each product group at the product and company level are summarised in Figure 6 below.

Figure 6: Summary of intervention strategies by product group.

Product Groups	Group 1: Tea; Fruit tree (passion fruit, butter, longan, orange / mandarin); Seasonal vegetables; Te Dau Rice; Cage aquaculture;	Group 2: Fruit (plump, persimmon); Medicine; fines herbs; natural ingredient ; local specialties	Group 3: vermicelli, Coix lacryma-jobi, Thysanolaena latifolia, bamboo shoots, sweet potato, herbs, pumpkins, poultry ..
Main features	There are raw material areas and enterprises are willing to associate with smallholder groups. 7100 households	There are raw material areas at a certain scale, there is no business partnering with production household between production, 5200 households	Small scale production, undeveloped value chain, 1,500 households
Approach	Develop inclusive business model (objective 2), company level	Value chain development (objective 1), chain-based product level	Primary value chain development objective 1, small scale product level
Focused intervention from GREAT	Upgrading export market, domestic market Upgrading of material areas Improve product's added value, improve small infrastructure Access to input market	Market development Improving productivity and quality of raw materials Improve the added value of the product Input services market access	Market connections Organize group-based production, improve productivity Input services market access
Partners and funding levels from GREAT	Business / cooperatives, financial institutions. Funding up to 49% of investment projects	International and national development organizations, research institutes /universities, community organizations. Funding should not exceed 90% of the cost	

4.2 Intervention Strategies in the Tourism Sector

4.2.1 Key Indicators

Table 6: Key Indicators for Aus4Equality/GREAT interventions in the Son La Tourism Sector

<p>Key indicators:</p> <p>Over four years, the Program aims to impact the lives of 10 per cent of the total adult female population in Son La. More specifically in the tourism sector it will:</p> <ul style="list-style-type: none"> • Improve the incomes of 500 self-employed women who are service providers involved in CBT and agri-tourism services. • Contribute to the creation of 500 safe and fulfilling waged jobs for women. • Contribute to 15% increase number of women run and co-managed businesses in tourism.

Table 7: Projected Number of Households Impacted by the Program in the Son La Tourism Sector

Sub-sectors	Total # of HHs	# of HHs in IB partnerships	# of HHs in value chain intervention
Agri-tourism	200	50	150
CBT	300		300
Employment in hospitality	500		250
Total HH with income increased	500	50	450
Total jobs created	500		500

Source: estimated from statistics and other sources provided by relevant stakeholders.

4.2.2 Sector strategies

4.2.2.1 General Direction and Focus

As in the agriculture sector, the Market Systems Development approach will be applied to enhance business performance and women’s economic and social empowerment in the tourism market. Although there is already significant participation of ethnic minority women in the three selected services, their levels of readiness for higher level engagement vary. Furthermore, many businesses in the tourism sector in Moc Chau and Van Ho districts are still in the initial investment stage, and their interest in including local people in their supply chains is not visible. To ensure inclusive sector growth and promoting inclusive business models between private sector and ethnic minority women, Aus4Equality|GREAT and its potential partners need to address the following key bottlenecks:

Skills gap: There is a mismatch between technical and service skills of ethnic minority women and requirements of employers and businesses CBT, agri-tourism services and hospitality sub-sectors. Employees and producers are expected to meet certain expectations and standards of hotels to deliver quality services. To meet these requirements, the Program will invest in preparation for ethnic minority women to be “ready” for employment and business partnerships. Human resource development is a provincial government priority for tourism sector development. Linking training to jobs is key for improving the formal and informal waged employment opportunities.

Limited experience in working with ethnic minority women: many tourism businesses have limited experience, understanding and sensitivity towards ethnic minority women who work as service providers and employees in their business value chains. Promotion of inclusive business models is necessary to support transformative changes within the private sector partners to integrate social inclusion in business practices.

The Program will employ overall intervention strategies at sector level, sub-sector levels and company level. Specific intervention strategies for each selected sub-sector are presented in Sections 4.3, 4.4 and 4.5. These specific strategies will address the skills gap and build business capacity to work with ethnic minority women.

4.2.2.2 Intervention Strategies at sector level

Strategy 1: Strengthen provincial policy actions to promote private investment for sustainable tourism development, including agri-tourism, CBT and other related tourism models that benefit local ethnic minority women:

- Assess tourism development investment needs and match with private investors.

- Promote dialogue between private sector and communities on the need for responsible and sustainable investment, that promotes shared benefits, and natural and cultural asset management.
- Develop incentives to motivate small-medium private sector investment in sustainable tourism that benefit local households including minority women.

Strategy 2: Pilot and promote inclusive business development to create jobs and income opportunities for ethnic minority women:

- Pilot inclusive business model where appropriate.
- Document successful IB models and show case to other tourism business.
- Promote successful IB cases in mass media.
- Exchange visits to successful IB cases for interested investors.

Potential partners: Lead partners could be government, private sector, public schools who will collaborate with other partners such as NGOs, mass organisations, business associations in project implementation.

Strategy 3: Facilitate improved provincial regulation on access to CBT in the border areas for international travellers (see objective 3):

- Promote dialogue between private sector and concerned government agencies (DOCST, Frontier Department and Security) on policy mechanisms to promote private sector investment in CBT sites in bordering areas.
- Pilot models between private sector and government including reviewing the results before scaling up.

Potential partners: government, business association, CBO, NGOs.

4.2.3 Promotion of the Agri-Tourism Sub-Sector

4.2.3.1 Sub-sector Overview

Agri-tourism development in Moc Chau started with tea processing and milk cow production over the past decade. Today, it has become an “experience-based” tourist attraction that brings a significant number of visitors to Van Ho and Moc Chau. Most domestic visitors want to get involved first hand in the agricultural experience, including participating in the processing of tea, dairy milk, strawberries, flower gardens, plum and peach gardens (Na Ka, Phieng Canh, Doc Thot) and “tea farm check in” (Heart Tea Hills, Tea landscape). It is currently estimated that domestic travellers are the main market for agri-tourism in the two districts, and contribute 95% of total tourist arrivals in Moc Chau and Van Ho. They stay for 2-3 days (mainly in Moc Chau) and the majority come from Hanoi and the northern provinces.

The private sector investment in agri-tourism in the last few years has contributed significantly to diversifying available tourism experiences and has consequently helped to increase the length of stay of tourists. Considerable investments in agri-tourism have been made in tea production, dairy milk and strawberry farms (Natural Safety Vegetable Cooperative). These investments represent good models for replication. Additionally, they have generated numerous jobs for local people.

Several household-run small businesses among Hmong and Thai ethnic groups in Van Ho and Moc Chau have invested in ‘check-in’ sites: flower, plum and peach gardens, from which they collect a fee from ‘photo check-in’ visits. This is proven to be an important source of

income for these households. In addition to the photo check in fee, the owners generate income from renting traditional costumes, selling drinks and local fruits. These are good examples of business opportunities for other households, particularly for ethnic minority women.

National tour operators have incorporated agri-tourism in their tours to Moc Chau and Van Ho districts and are main source for supplying tourists. Some of tour operators have shown interest in partnering with local communities to develop agri-tourism products.

Agri-tourism is considered a priority for Moc Chau. The Moc Chau DPC has been working with the Department of Education and Training of Hanoi and Hanoi-based schools to implement initiatives such as the “Super Farm School Project” (i.e. ‘Siêu Vườn Trường’ in the Vietnamese language) to create interactive agricultural learning experiences for students. Agri-tourism has been replicated at a small scale in Van Ho in the last few years, mainly by individual ethnic minority families investing in small flower gardens along the National Road 6 (N6).

4.2.3.2 Constraints and Opportunities for the Agri-Tourism Sub-Sector

Opportunities

Key opportunities for women in the agri-tourism sector in Son La province include:

- Domestic tourists including group tours, families, and Phuot Vietnamese backpackers who interested in experiencing agri-tourism and photo check-ins (“selfie”) represent a growing market, creating more opportunities for ethnic minority women to be involved in agri-tourism.
- There is a growing demand for outdoor learning activities from urban schools, particularly for Hanoi based international, national and private schools that are seeking direct interaction experiences in rural lifestyle and agricultural cultivation for their students, creating more opportunities for women to participate in educational agri-tourism.
- High demand for local foods and drinks, and comfortable accommodation in rural villages, close to the stunning agricultural landscapes in Moc Chau.
- Demand for special local products (safe vegetables, fruits, yogurt, tea, etc) to take home for families, relatives and friends.

Constraints

Key constraints for ethnic minority women to engaging agri-tourism in Son La are **for women** summarised below:

- There are gaps in business knowledge, hospitality, interpretation skills needed to integrate educational tourism activities, and tourism packages and services into agriculture.
- Limited market access: Lack of understanding on tourist markets (travellers’ motivations, preferences and requirements) and how they function; limited knowledge and skills on marketing to attract customers.
- Limited access to financial services to develop agricultural landscapes and integrate tourism in to agriculture.
- Limited Vietnamese language skills to communicate directly with domestic visitors (for Hmong groups) and foreign languages to communicate with foreign visitors (Thai, Muong, Hmong).

4.2.3.3 Aus4Equality|GREAT Intervention Strategies

With high and growing interest from domestic tourists for agri-tourism, intervention in the sub-sector will focus on expanding economic opportunities for local households to engage in agri-tourism activities more effectively, generating higher income. Aus4Equality|GREAT will focus on the two intervention strategies below:

Strategy 1: Promoting linkages between tour operators with farming households involved in Agri-tourism

This strategy aims at promoting private sector investment to develop and improve educational agri-tourism experiences at new and current sites that effectively engage and increase incomes for ethnic minority women, by providing technical assistance and up to 49% matching program investment, in order to:

- Pilot inclusive agri-tourism and educational agri-tourism models and replicate to potential new areas.
- Develop and integrate educational tourism experiences and services into agricultural production, and outdoor educational programmes for target schools (e.g. initiatives of 'Super School Garden'/ Siêu Vườn Trường).
- Develop and promote new agri-tourism products and services to attract tourists.
- Develop safe food and other food product supply chains from local households for restaurants and hotels, and packaging "special local products" for domestic travellers to purchase.
- Strengthen business capacity for women farmer groups, cooperatives and companies to improve tourism business planning, hospitality and operational skills, communication and marketing, cooking, leadership, networking and other relevant skills for delivering quality agri-tourism services. Organise study tours to learn from successful models.
- Build or upgrade women-run small scale tourism facilities in farms, gardens, photo check in sites to attract tourists, including photography and viewing points, refreshment areas, and green transport.

Potential Program partners include tour operators, travel agents, tourism associations, agricultural cooperatives, women-owned or co-managed businesses, mass organisations.

Strategy 2: Support potential and interested women-owned/co-managed agriculture cooperatives to expand their business activities into tourism to generate higher income for their members

This strategy aims at encouraging women-owned/co-managed agricultural cooperatives to engage in agri-tourism. Proposed support includes funding and technical assistance to:

- Develop agri-tourism products and experience packages.
- Build capacity for cooperative management and members on basic tourism sector knowledge, management and hospitality skills, organise study tours to learn from successful models.
- Develop small tourism facilities to integrate in to agriculture production to attract visitors.
- Support the promotion and marketing of these initiatives.

Potential Program partners include NGOs, mass organisations, tour operators, and tourist associations.

4.2.4 Sustainable and Equitable Community-Based Tourism

4.2.4.1 Community-based Tourism Sub-Sector Overview

CBT has been developing in Phu Mau, Na Bai, Ngoc Chien and Ban Ang in Moc Chau since 2007 and is gradually being replicated in surrounding villages/communes in Moc Chau and Van Ho districts. International tourists are the primary consumers of CBT services in Son La, except in the case of Ban Ang Pine Forest, where domestic visitors are dominant. This tourist market prefers authentic local learning experiences focused on local culture and lifestyle. Domestic visitors value facilities offered by homestays, good services, convenient locations and this explains the growth of CBT in Bang Ang commune. In addition, there has been growing segment of Vietnamese independent travellers, including family groups and Vietnamese ‘Phuot’ backpackers in the CBT market.

The homestay is an essential element of CBT services and this sub-sector is mainly operated by ethnic minority women (in conjunction with their spouses and other household members). In Son La, the homestay fee ranges from 50,000 up to 100,000 VND per person per night. On average, it costs around 60-80 million VND to invest in the facilities required to establish a homestay such as toilet, bedding, and kitchen equipment. Upgraded homestay models that could offer more comforts would cost around 150-300 million VND. It is estimated that there are about 63 homestays in Moc Chau and 15 homestays in Van Ho district. Some homestay owners are involved in organising cultural performances or selling handicrafts and other souvenir products. There are a few high-quality homestays owned by Hmong households in Van Ho district which attract both international and domestic tourists, including Homestay Trang A Chu and Trang A Senh.

Cultural performances are another service provided in CBT villages. In Moc Chau, this service is in high demand and represents a sizable income source for many ethnic minority women. This service is an important part of the CBT experience for many tourists and contributes to the preservation of local culture of many ethnic minority groups. Therefore, tourists usually pay higher prices, including tips to performers. Tour operators are the drivers of the market for CBT in Son La. The big players are headquartered in Hanoi and Ho Chi Minh City such as Handspan, PSY, IOneTour, Sai Gon Tourist, Viet Travel, Khidi Tours, Footprint and Anh Duong Travel. Local tour operators, such as Moc Tour, Moc Chau Moc and TRAVITOUR MỘC CHÂU, provide direct tour services, however, they have little interest in investing in CBT facilities. Therefore, homestay and other CBT-related facilities are financed through individual household-based investments.

There are clear opportunities for rural and ethnic minority women to be on-site tour guides. The work allows them to stay close to home and balance their other household obligations.

4.2.4.2 Constraints and Opportunities for Women’s Engagement in CBT

Opportunities

Key opportunities for women’s engagement in CBT in Son La are summarised below:

- There is an increase in international travellers interested in CBT, creating more opportunities for ethnic minority women to benefit from higher value CBT.
- Domestic demand for CBT services is growing, particularly family groups who are looking for local experiences, are willing to explore new areas and stay at comfortable village homestays. There is also a growing demand for CBT from “phuot” (backpacker) travellers.

- There is a high demand for local foods, drinks and cultural shows, at CBT sites.
- Tourism apps and online booking platforms such as Agoda, booking.com, Vietnamhomestay, can directly promote CBT services to travellers.

Constraints for Women's Engagement in CBT

- Skills and knowledge gaps in business management and hospitality to develop and maintain quality of the market-responsive CBT services provided.
- Access to the market: due to limited knowledge and skills in marketing, homestay owners rely heavily on tour operators and tour guides to source customers.
- Limited ability to communicate in Vietnamese with domestic visitors (for Mong homestay) and foreign languages with foreign visitors (Mong, Thai, Muong).
- Limited access to financial services to build new or upgrade homestays and other CBT services.

4.2.4.3 Aus4Equality|GREAT Intervention Strategies

In the current CBT market, there are three areas in which the Program could intervene to improve the performance of women and girls engaged in the sub-sector. These include (i) to expand economic opportunities for more women to engage more effectively in larger CBT value chains as CBT service suppliers and increasing incomes for informal workers in current and new CBT sites; (ii) to support woman-owned homestay businesses; and (iii) to improve policy actions to attract private sector investment in the CBT value chain.

Strategy 1: Promoting for Investment in Sustainable and Women-Inclusive CBT

This strategy aims to promote private sector investment in developing and improving quality CBT models that effectively engage with women and improve their income in new and existing CBT sites by providing financial incentives to business partners in the form of matching funds of up to 49% of the investment cost, and technical assistance, in order to:

- Develop new or upgrade existing CBT products and services for domestic and international visitors (differentiated to meet market demand).
- Strengthen business capacity for groups of local households including women in business planning, marketing, CBT operations, communication and other relevant skills for delivering quality services.
- Support CBT promotion and marketing activities.
- Build or upgrade facilities at CBT.
- Develop benefit sharing mechanism between private investors and local communities.
- Support conservation of traditional culture, and the environment

Potential Program partners include tour operators and travel agents who might cooperate with other market actors and supporting institutions such as business associations, women-owned or co-managed tourist businesses, NGOs and/or mass organisations.

Strategy 2: Support to Women-Owned CBT Businesses

This intervention strategy focusses on support to NGOs and cooperative organisations to strengthen women-owned businesses involved in CBT value chains to be business partners of private sector by providing them with funding and network support to:

- Disseminate successful tourism models led by rural and ethnic minority women.

- Establish start-ups for women-led business initiatives in the CBT services and identify others that are already established.
- Strengthen their business operations and management skills including business planning, marketing, operations and service management, and customer service.
- Support women in product development and improvement.
- Connecting women-led businesses with tour operators and travel agents.
- Engage women participants in management of CBT, tourism attractions investment and management and benefit sharing mechanisms.

Potential partners for this strategy are NGOs, BDS actors with experience in CBT, mass organisations in collaboration with tourism associations and local tourism authorities.

4.2.5 Employment in the Hospitality Sub-Sector

4.2.5.1 Hospitality Sub-Sector Overview

The hospitality sub-sector in Son La consists of 162 accommodation establishments, mostly guest houses, three 3-star hotels, one 4-star hotel and several recreation businesses. Accommodation and recreation services in the hospitality industry are labour-intensive and a major source of job creation. There are also indirect jobs created by the hospitality sub-sector, through other service providers such as laundry, food and beverages. It is estimated that one direct job in the sector could generate as much as 1.5 additional indirect jobs in the related services. Recreation sites also offer significant job opportunities for local people. The Moc Chau National Tourism Plan indicates that there are presently 1,730 people engaged in this sub-sector, including those formally and informally employed. According to hotel managers in Moc Chau and Son La City, women account for 60-65% of total employment in the sector.

4.2.5.2 Constraints and Opportunities for Women's Employment in Hospitality

Opportunities

The recent expansion of this sub-sector has created demand for skilled labour and it is likely to increase in the coming years when new large tourism facilities such as the Happy Land recreation site start operating. Moc Suong resort which will start operating in September 2018 will employ between 120-150 new staff. Thao Nguyen Xanh employs between 140 staff and regularly needs to recruit between 15-20 replacement staff. The sub-sector will offer an estimated 200-300 new skilled jobs and 300 replacement jobs for local people when new pipeline hotels and tourism facilities become operational. Major opportunities for hospitality depends on the Moc Chau National Tourist Area and the progress towards building the Hoa Binh – Moc Chau highway.

Staff skills and experience matter to employers, certificates less so. Jobs in this sub-sector present strong potential for young ethnic minority women who graduate from boarding schools and who are more exposed to outside and service-related environments. Other ethnic minority women could find semi-skilled job opportunities as gardeners, housekeeping and laundry staff, as well as in more skilled jobs such as tour guides, receptionists, bar tenders, cooks and middle management in hotels. This represents potentially promising opportunities for local people as long as skill gaps (see below) are addressed to meet the employers' requirements, which requires increasing service quality and standards.

Key Constraints for Engagement of women

Difficulty in recruiting and retaining local skilled labour among big hotel establishments: high quality hotels have not been able to recruit sufficient numbers of locally-based staff with basic skills required for various positions. Many staff do not stay long in these positions, which makes it challenging for hotels to maintain service quality and incurs additional financial and transaction costs.

Lack of practical hospitality employability skills training service providers. There is only one public vocational training provider – Son La Provincial Vocational Training College – that offers some limited courses in hospitality on tour guiding and other hospitality skills for secondary school graduates. Although its trainers are VTOS-certified, only 15-20 students enrol in these courses every year. There is a perception that these courses are too theoretical and not linked to actual job opportunities. Therefore, most hotels train their staff internally by inviting trainers from Hanoi or using in-house experienced staff. There are two social enterprises, including Hanoi-based REACH with its subsidiaries in four provinces and SAPA O Chau, which offer training and coaching on leadership, self-confidence and foreign language skills, in work-based learning environments for disadvantaged youth, especially young ethnic minority women.

Low participation of ethnic minority women: Currently the rate of ethnic minority women employed in hospitality is very low, accounting for 3-4% in Muong Thanh and Thao Nguyen Xanh, the two biggest hotels in Moc Chau district. There are several barriers preventing them from entering this labour market at entry or higher levels which include:

- There are negative perceptions regarding ethnic minority women working in hotels and restaurants, particularly among their family members and communities, especially among Hmong and Dao groups. They need to convince their family members to overcome this stigma before they can apply for a hospitality job. This is less of an issue for girls who have graduated from secondary boarding schools as they already live more independently from their families. In addition, married women who work outside their home must get support from other family members to take care of their extensive housework responsibilities.
- Ability to adapt to new working environments: working in this sub-sector especially in high quality hotels is a big shift for ethnic people. Without proper on the job training and information on the new work environment to prepare them for employment, many struggle to observe the standard work discipline and manage the workload. This leads to many quitting after only a short period of employment.
- Limited information on job opportunities, workplace environment and requirements: Hotels send recruitment notices to their staff who can share information in their villages. Thus, only small a number of local people can get the information through this limited information channel while others in remote areas will not have access to this information.
- Many employers do not have a clear understanding and tolerance of ethnic minority employees' cultural practices and norms. There have been cases when direct negative feedback from employers on the performance of Hmong employees has led to their immediate resignation.

4.2.5.3 Aus4Equality|GREAT Intervention Strategies

The Program interventions in this sub-sector will focus on enhancing skills for ethnic minority women by providing access to vocational training in hospitality and supporting transformational changes in work places, encouraging equal work opportunities for ethnic minority women and in the community.

Strategy 1: Enhance the quality of hospitality skills training and employment creation opportunities

This strategy seeks to promote cooperation between employers and existing training providers to enhance the quality of hospitality and employability skills training and links to job creation for ethnic minority women. The Program will support private sector and NGO partners to develop:

- Work-based learning curricula combining hospitality, technical and employability skills targeting ethnic minority women.
- A cadre of local trainers on employability skills development for employees.
- Job counselling activities for young ethnic minority women to build their confidence in their choice of the jobs and mobility.
- Awareness raising activities for employee's family members and communities (especially Mong, Dao) on the requirements and working environment in the hospitality industry.
- Improve the recruitment process and work practices among hotels and recreation sites to attract and retain local staff.

Potential Program partners are social enterprises, NGOs, tourist associations, and other private sector businesses.

4.2.6 Other Intervention Opportunities

Agricultural tourism, community-based tourism and employment in hotels, restaurants and travel agencies are the three priority interventions of the Program. However, in order to achieve the overall objectives of the program as well as to contribute to the development of the provincial tourism sector, other opportunities such as ecotourism, adventure tourism, cultural tourism, spiritual tourism, development of food supply sources for restaurants and specialty foods for visitors, souvenir development or other tourism development initiatives will be supported by the Program on the basis of feasibility and impact. Focus will be given to those which facilitate job creation and income generation for ethnic minority women.

4.3 Intervention Strategies for Enabling Environment

4.3.1 Overview of Intervention Strategies for Enabling Environment

4.3.1.1. Key Indicators Measuring Interventions for Enabling Environment

Table 8: Key Indicators for Aus4Equality|GREAT interventions for Enabling Environment

<p>Key indicators:</p> <ul style="list-style-type: none">• 80% of the direct stakeholders (e.g. DARD, DCST, tourism associations, enterprises and organisations involved in the program, direct beneficiaries) in the two sectors assert that sectoral strategic and policy issues have been appropriately addressed to promote inclusive growth of the sector;• Contribution to significant progress in five or more Provincial policies or guidelines in the agriculture and tourism sectors at provincial level and at central level (when appropriate and necessary);• At least six policy briefs will be prepared and used• Increased women's profile and roles in policy, management, strategic decision-making, and resource allocation in the agriculture and tourism market sectors
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- At least eight policy dialogues on agriculture and tourism are organised with the participation of stakeholders to address the bottlenecks in the implementation of the projects for economic empowerment for woman and inclusive business, policies to promote centralised and market-oriented production, investment attraction and implementation of IB models in the two sectors.
- Contribution to DFAT's PAF indicators in Vietnam:
 - DFAT PAF Indicator 10: Evidence that the interests of women and girls have influenced decisions at the local level.
 - DFAT PAF Indicator 12: Number of instances where DFAT support contributed to the interests of women (including ethnic minority women) being incorporated into GoV's policies, programs and services.

4.3.1.1 The relationship between these interventions and the interventions in the agriculture and tourism sector

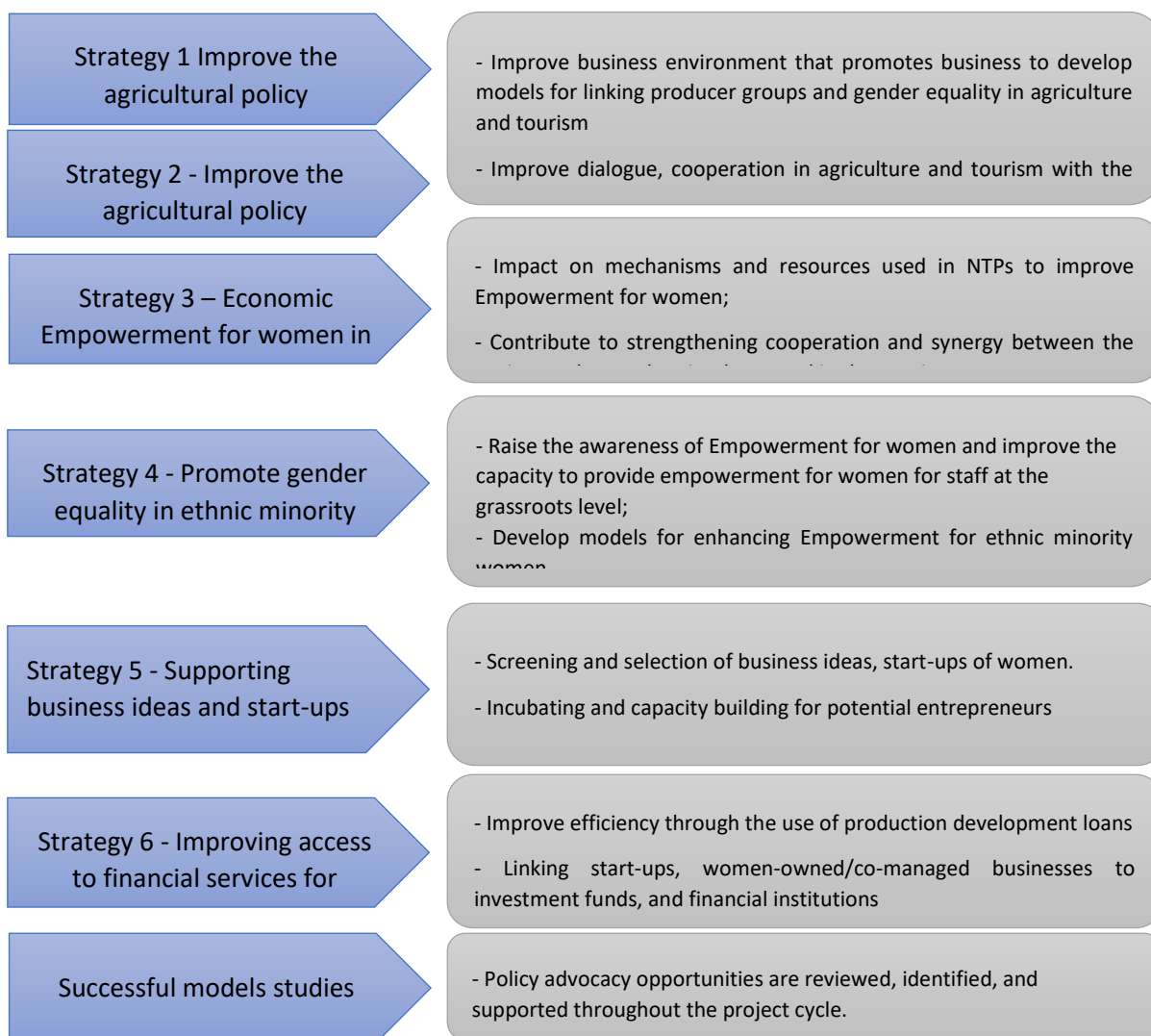
The strategy for implementing the program in the agricultural sector presented in section 4.1 and the tourism sector in section 4.2 focuses on developing the market system with specific products and services through partnerships. The implementation strategies presented in this section 4.3, in support of objective 3 of the Program, aim to provide a conducive environment for the implementation of the strategies in the agriculture and tourism sector through the following principles:

- Support the implementation of agro-tourism policies that directly or indirectly impact on market systems including value-added product chains with more effective participation of women.
- Promote the integration and harmonisation of national and provincial government programs and policies, as well as of other donors, with the Aus4Equality|GREAT Program to promote information exchange and coordination in implementation, and to improve the use of resources in economic empowerment for women in general and ethnic minority women in particular.

4.3.2 AUS4EQUALITY|GREAT Intervention Strategies

The Aus4Equality|GREAT Program has identified operational strategies to promote an enabling environment for inclusive market system development and the economic empowerment of women, summarised in the following diagram:

Figure 7: Strategies for Implementing Objective Three of the Program



4.3.2.1 Intervention Strategy 1 – Support Policy Improvement in Agriculture Sector

Entry points

The People's Council and People's Committee of Son La province have issued many important policies in the agriculture sector, including the Decision No.1252 / QĐ-UBND dated 25/6/2013 on the development of concentrated safe vegetable production area, Decision 3067 / QĐ-UBND dated 17/12/2013 on support for the application of VietGAP standards in agriculture, forestry and fishery; QD01 / QĐ-UBND dated 4/1/2016 on brand development for key products of the province; Plan No.212 / KH-UBND on promoting the export of agricultural products of the province. The province has identified four priorities for the sector: i) increasing production value, processing and exporting per hectare of cultivated land, and enhancing efficient use of land and other investment resources; ii) focus on developing key products of the province in association with the development of material zones with participation of businesses; iii) attracting private investment in agricultural production and iv) enhancing quality management; and v) high technology development. Implementation of the second and third priorities of the province provide an opportunity to help rural and ethnic minority to participate more effectively in the market. However, the lack of market information, understanding the benefits of effective business cooperation models, and appropriate policies are obstacles to the implementation of these priorities.

Expected results of the implementation of this strategy:

- i. improved coordination among units in agricultural sector; (ii) businesses have better access to market and policy information to make investment decisions, (iii) more businesses joining inclusive business models.

Interventions for Aus4Equality/GREAT

This implementation strategy focuses on the following:

- Develop a database of potential products and material zones of potential products that can attract business investment and apply inclusive business models.
- Perform market research, promote the market information system of selected products and share information with interested businesses.
- Research models of production organisation of households in concentrated and inclusive business models and provide policy recommendations to promote the replication of these models;
- Organise periodical private - public dialogue between enterprises and representatives of production groups to exchange and solve problems and obstacles in the implementation process to identify new opportunities and major improvements as well as to improve coordination in the industry
- Adjust, supplement, develop new policies in the agricultural sector when required, especially policies affect the economic empowerment for woman in agriculture.

Potential implementing partners may be a technical support organisation, research organisation together with Son La Department of Agriculture and Rural Development. Other departments, districts / communes may be involved in supporting implementation.

4.3.2.2 Intervention Strategy 2 – Support tourism sector policy improvement

Entry points

The analysis of the tourism sector in section 3.3 shows that the following policy focus areas need to be addressed to promote the development of CBT and to enhance employment opportunities for women in tourism:

- It is necessary to have a sustainable CBT management mechanism, to ensure that the CBT sites are not overloaded like some in Moc Chau are facing, to maintain cultural identity, especially for ethnic minority groups, preserving and embellishing the natural landscape so that the community can enjoy sustainable benefits from the community services.
- Develop policies for labour markets in the tourism sector.
- Capacity building for the Tourism Associations which are important units for promoting and advertising tourism in the province and have an important voice in the development and implementation of sectoral development policies.

The expected results of implementation of this strategy:

- Sustainable CBT development and labour market development policies in the hospitality industry are developed and implemented.
- The quality of tourism vocational training and the capacity of some key actors (such as the Tourism Association) are improved.
- Improved cooperation between the tourism sector stakeholders in implementing the tourism development policy.

The policy gaps in the tourism sector are addressed, taking into consideration the opinions of local communities, women and ethnic minority women.

Interventions for Aus4Equality/GREAT

The program focuses on the following focus areas:

- Develop sustainable CBT management regulations.
- Organise periodic public-private dialogue between enterprises and representatives of community groups to exchange and solve problems and obstacles in the implementation process to identify new opportunities and major improvements as well as improving coordination in the sector.
- Improve the capacity of tourism service providers to prepare skills and attitudes for young people, especially ethnic minority women, to participate in the provision of tourism services.
- Strengthen the capacity of the Association of Tourism to actively promote the role of the Association in policy dialogue (both development and implementation), as well as to contribute to tourism management for sustainable CBT management.
- Conduct market research on selected services and share information with interested enterprises, thereby developing a policy of attracting investment in harmony with sustainable development.
- Research models of innovative service delivery organisations and inclusive business models and provide policy recommendations to facilitate replication of these models in the sector.
- Adjust, supplement and develop policies in the provincial tourism industry when required, especially policies that affect the economic empowerment of women, with tourism products such as CBT.

The partners involved in this intervention could include a technical support organisation (with a lead role in technical assistance, innovation and stakeholder linkages), Son La DCST (with the role of organising the implementation), and other departments, districts / communes, as necessary.

4.3.2.3 Intervention Strategy 3 – Enhance women’s economic empowerment through NTPs

Entry points

The design of the two NTPs for the period 2016-2020 includes priority to women and ethnic minority people as a cross cutting principle (both in Decision 1722 and Decision 1600 approving two NTP-SPR and NRD). However, the implementation of this principle in practice is difficult. The background study on Enabling Environment indicates that the implementation of these two NTPs is still "as usual" and there are no concrete guidelines to ensure gender equality in the implementation of the two NTPs.

At the time of compiling the PES, a mid-term review of the NTPs was being prepared to clarify barriers to gender equality in NTP implementation and provide recommendations regarding mechanisms, policies, measures to promote woman's economic empowerment and gender equality in the implementation of the NTPs. This will be a significant result not only for Son La but also for other localities implementing the NTPs. It should be noted that the NTP-SPR and NRD are the two main policies of the Government of Vietnam focused on poverty reduction and rural development. Therefore, promoting the empowerment of women in particular and gender equality in general in the implementation of these two NTPs will be an important policy level contribution of the Program.

The National Coordination Office of the NTP is actively working with development partners to undertake the mid-term review. The departments responsible for the two NTPs in Son La are also collecting information, in preparation for the mid-term review with support from development partners including the World Bank, DFAT, the United Nations Development Program (UNDP), and international NGOs (CARE, Oxfam, SNV, etc.).

Interventions for Aus4Equality/GREAT

The program focuses on the following interventions:

- Support the implementation of the thematic gender and social inclusion assessment for the mid-term review of the two NTPs in Son La and support the advocacy process to adjust the guidelines for NTP implementation to integrate gender and social inclusion policies.
- Widely disseminate lessons learned and results from the gender and social inclusion assessment, to call on partners to implement improved mechanisms and guidelines for gender mainstreaming and social inclusion in implementing the NTPs in Son La. With this support, government partners (DPI, DARD and the Coordination Office of New Rural Development, DOLISA, CEMA, VWU) will implement new mechanisms on gender mainstreaming and social inclusion in NTPs.
- Support the independent evaluation of the implementation of mechanisms and guidelines for gender mainstreaming and social inclusion to advocate for improved women's economic empowerment (based on program evidence) into the design of the next phase of NTPs 2021-2025 (and poverty reduction policy framework in general).
- Coordinating technical assistance from potential partners (coordinating and linking related stakeholders), two NTP Coordination Offices at the national level, DOLISA from Son La i.e., the NTP II in Son La, the Provincial NTP Coordination Office, NGOs and consultancy firms.

4.3.2.4 *Intervention Strategy 4 – Promote gender equality in ethnic minority areas*

Entry points

Decision 1898/2017 of the Prime Minister stipulates the principles and objectives of promoting gender equality in ethnic minority areas and in the implementation of policies on ethnic minority groups. At the request of the Prime Minister, Provincial Committees for Ethnic Minorities should prepare and submit Provincial People's Committees Action Plans to implement Decision 1898/2017. As stated in Section 3.4, the objectives of Decision 1819 are in line with the priorities of the Aus4Equality|GREAT Program. The consultations conducted during the inception phase demonstrated that the implementation of Decision 1898 in Son La was only in its early stages. CEMA of Son La province is preparing a draft plan for the implementation of Decision 1898 to submit to the Provincial People's Committee as requested. AUS4Equality|GREAT can contribute to support the development and implementation of the 1898 implementation plan to work with the Department of Ethnic Minorities and relevant provincial departments to promote gender equality in ethnic minority areas, harmonise the use of resources of the Program and Decision 1898, as well as integration of other external resources.

Expected results:

- Develop a plan to implement Decision 1898 in Son La province.
- Establish a coordination mechanism (in terms of resources, activities, and organisation of implementation) between the Program and the Provincial DEM and other stakeholders to promote gender equality in ethnic minority areas of Son La province.
- Share lessons learned, contribute evidence to advocacy for women's economic empowerment in Son La province and at central level.

Interventions for Aus4Equality|GREAT

With this strategy, the intervention focuses on the following issues:

- Provide technical assistance to the Provincial DEM to prepare the implementation plan of Decision 1898 and consult the stakeholders (including beneficiaries) on the draft plan before submitting to the People's Committee of Son La province for approval.
- Cooperate with partners to implement the Son La Province Action Plan on implementation of Decision 1898/2017. The cooperation process in this implementation will be based on the implementation plan of Decision 1898 approved by Son La Provincial People's Committee.
- Identify issues and factors related to the change of women's empowerment through research to monitor and supervise the effectiveness of gender equality and social inclusion through interventions in agriculture and tourism.
- Mobilise and provide technical assistance to evaluate the implementation of the Action Plan of Son La Province on the implementation of Decision 1898, thereby contributing evidence to the discussion on gender equality in the ethnic minority regions in the process of designing new phases of NTPs and policy framework for poverty reduction after 2020.
- The partners of Aus4Equality | GREAT in this strategy include the DPs (which plays a leading role in technical assistance, linkages among stakeholders), the Provincial Ethnic Minorities Committee in the implementation organization and, where necessary, involving non-governmental organisations, districts / communes in the implementation process.

4.3.2.5 Intervention Strategy 5 – Promote business ideas and start-ups of women and ethnic minority women

Entry points

The Prime Minister's Decision No. 939/2017 sets out principles to support women-owned start-ups, focusing on creating a favourable environment and setting goals for women-led start-ups until 2025. This is one of the latest policies on improving women's economic empowerment. The Women's Union is responsible for organising the implementation. The Chairman of CEMA issued Decision 569/2016 / QD-UBDT on starting up businesses for ethnic minority populations and established the working group headed by the Minister as a focal point for ethnic minority start-ups.

Expected results:

- PDEM prepares and implements the plan (including resource integration), coordination mechanism between PDEM and the project, with stakeholders involved in promoting gender equality in the ethnic minority areas of Son La.
- Produce evidence and lessons learned on gender equality in the ethnic minority areas, thereby contributing to discussions and advocacy on improving the woman's economic empowerment in Son La Province and at the central level.

Interventions for Aus4Equality/GREAT

The project focuses on the following interventions:

- Identify and select start-up businesses; provide seed funding and incubation services to selected start-ups.
- Assess the challenges and opportunities for women and ethnic minority women, and propose strategies, mechanisms and measures to promote women start-ups initiatives.
- Perform independent evaluations to draw lessons learned and contribute to policy dialogue at provincial and national levels to promote business initiatives and support for start-ups for women, especially ethnic minority women.

Potential partners: qualified organisations to support business and start-up initiatives for women and coordinate with CEMA, provincial Women's Unions in policy research and recommendations.

4.3.2.6 Intervention Strategy 6 – Improve access to finance for business and business households managed by women

Entry points

The background studies identified two target groups with different capital needs for investment in production and business:

1. *Households / service providers*: Many households do not have access to credit to expand their production, especially from commercial banks due to demand for mortgage of red book if borrowing under individual household status, despite the fact that Decree 55/2015 / ND - CP policies for agricultural and rural development are being implemented in the province allowing for non-secured loans. The main source of credit for production is from the Vietnam Bank for Social Policy (VBSP) through preferential credit programs for poor and near-poor households. According to initial baseline survey data in four communes, 16% of households interviewed borrowed from commercial banks with an average loan amount of 77 million. 45% borrowed from VBSP with an average loan size of 35 million. 7% borrowed from microfinance institutions and 14% from private sources. With both sources, loans disbursed in the form of credit trust through mass organisations – the unit will manage the loan, interest and principal collection according to regulations. The ability to repay loans of borrowers who are members of borrower groups is low.
2. *Start-up businesses and enterprises including women-run cooperatives*: This group has high capital requirements and allows long-term loans to invest in businesses.

Expected results:

- Improve access to credit for women's production groups; as well as women owned or co-managed businesses.

Interventions for Aus4Equality|GREAT

The focus of this intervention is as follows:

With production household groups, the strategy aims to improve the efficiency of using loans to develop production:

- Strengthen existing production groups or credit groups ensuring that women participate and take leadership roles in the group. Building group management skills, and business planning capacity for the group.
- Promote linkages between these groups with businesses to increase market access.
- Promote linking groups with commercial banks.
- Evaluate and document pilot models. Share experience with Program partners and with banks to replicate the model to other areas of the Program.

With the start-up group and the women-owned business:

- Connect potential start-ups and businesses to investment funds and financial institutions.

Potential partners include non-government organisations in collaboration with mass organizations, and with VBSP, VBARD (and other interested commercial banks).

Pilot Intervention Strategies

4.3.3 Purposes of Pilot Interventions

The Aus4Equality|GREAT design document and the inception work plan refer to pilot communes and projects to create momentum for the Program's partnership approach and more importantly to pilot activities to test the newly developed program systems and procedures. Based on the findings of the background studies in 9 pilot communes in Son La and Lao Cai the following recommendations are suggested:

- A shift from area-based as outlined in the design document to an inclusive market system development approach which covers the entire province, and not just selected Districts and Communes.

- Pilot new approaches/models to prepare ethnic minority women, who participate in undeveloped product value chains without active engagement of the private sector, to be ready for private sector investment.
- The Inception Pilot Partnership Agreement approach will enable the Program to test systems established during inception and engage early identified partners.

Pilot partnership activities will be implemented to:

- test new approaches to inclusive market system development in selected products/services in agriculture and tourism in local contexts, including new partnership modalities;
- grasp visible opportunities for immediate intervention for quick gains; and
- build models in an early stage that can be replicated and scaled up to produce broader impacts

The first purpose is aligned with the Program's principle of learning and adaptive management. Given the complexity in women's economic empowerment, especially as the Program works with ethnic minority women in remote areas, the design emphasizes the necessity of testing and identifying early on new interventions and approaches, then learn and adapt. At the same time, risks need to clearly be understood, managed and minimised.

5 Implementation Arrangements

5.1 AUS4EQUALITY|GREAT Partnerships

5.1.1 Implementation Partners

Implementation partners need to have relevant and recognised technical and management capacity to support the achievement of their specific project outcomes related to strengthening inclusive market systems. They should be a legal entity registered with Government of Vietnam in order to sign (contribution or co-financing) and receive funding from the Program. The profile of implementation partners per objective is as follows:

5.1.1.1 Implementation Partners for Objective 1

Partners could be local or international NGOs, mass organizations, commune-based organizations (CBO), research institutions/universities who are familiar with approaches to GALS, GESI, WEE/M4P. The Program will work with them as a sole partner or a lead partner who can work with other market actors (such as cooperatives, service providers, universities, interest groups, private sector, government agencies) to:

- Increase understanding and appreciation for and promote gender equality at the household and community level, increase women's economic decision-making power at household and enterprise level.
- Develop innovative technologies and methods to enhance producer group organisation, production/services skills, business skills, market access for community groups (interest groups, collective groups) involved in under-developed agriculture product value chains
- Promote women owned or co-managed businesses (informal and formal)
- Strengthen access to skills training linked to job creation for women in tourism and agriculture
- Improve economic management and leadership skills for women
- Develop local support networks for labour and productive markets for women

5.1.1.2 Implementation Partners for Objective 2

Partners could be private companies, commercial cooperatives, social enterprises, state-owned enterprises, international businesses who have proven relevant business experience, networks, and promising business models to financially invest in the value chains for more profitable businesses and sustainable income for women. The Program will work with business partners as sole or lead partners who can work with other market players (service providers, business association, interest groups etc.) to:

In the agriculture selected products:

- Enhance ethnic minority women's capacity to ensure higher level crop quality, environmental sustainability, and productivity
- Link ethnic minority women's groups and cooperatives to affordable finance services or input supply providers;
- Introduce environmentally friendly production practices and application of technology; and
- Introduce small infrastructure solutions (such as irrigation, harvesting, storage, processing, transportation) for ethnic minority women's producer groups.

In tourism selected services:

- Introduce a package of work-based hospitality skill training and employment options for ethnic minority women and girls to enter and move up in the labour market in the hospitality and tourism industry;
- Develop skilled ethnic minority women labour supply services for MSMEs operating in the hospitality industry in the provinces;
- Expand economic activities for women involved in the CBT provision, developing and delivering diverse quality CBT products and services;
- Introduce sustainable and innovative CBT models in existing and new CBT areas and link local CBT service providers with domestic and international markets; and
- Enhance traditional handicraft production, quality, market access for female producers.

5.1.1.3 Implementation Partners for Objective 3

Partners could be sub-national government departments, mass organisations, NGOs, business associations, community-based organisations, research institutes and universities, NGOs and think tanks and other stakeholders concerned with the competitiveness and inclusive growth of the agriculture and tourism sector. The Program will encourage multi partner partnerships in order to maximise coordination and cross stakeholder dialogue in order to:

- Develop policy actions, adapt regulations that promote quality and affordable business development services for household and micro businesses; and
- Strengthen policy implementation for developing an inclusive business environment for private sector investment in the two sectors;

Partnership agreements are encouraged to cover more than one of the three objectives, and to ensure consistency and linkages with all 3 objectives.

5.1.2 Strategic Partners

Among the implementation partners, there will be smaller number of strategic partners with the interest and capacity to contribute their own resources and inputs for the implementation of the Program strategy, and coordination for the purposes of learning to ensure that the Program makes full use of all available synergies as well as leverages other resources. Aus4Equality|GREAT strategic partners will work together to steer/direct, cooperate, share knowledge, and develop coalitions for advocacy.

5.1.3 Role of Aus4Equality|GREAT

Aus4Equality|GREAT plays several roles in the partnership:

- Funding portfolio management: It will provide financial contributions (short or multi-year) to implementation partners for testing, implementing initiatives and scaling up proven solutions;
- Coordination and facilitation: The Program will coordinate and facilitate horizontal and vertical links between government partners at sub-national and national levels, with development partners (e.g. World Bank, UN Agencies, ACIAR) and NGOs, private sector and market actors for collective and evidence-based policy advocacy and service provision for inclusive social and economic development in the two sectors.
- Advisory and technical assistance: The Program will provide advice and expertise to partners, to develop partners' networks. The technical assistance will address strategic issues and be responsive to market system needs;

- Convening: bring partners together regularly for joint activities such as Partner Forum, joint monitoring missions, policy dialogues, etc, to identify strategic issues, key systemic constraints, learn and adapt.

The partnership agreements are not purely contractual relationships. Each agreement reflects a partnership between Aus4Equality|GREAT and partners that are already committed to engaging with, and serving, local communities. The partnership agreements therefore contribute directly to the sustainability of the Program's outcomes by building the capacity and relevance of long term partners. Thus, in many cases, partnership with Aus4Equality|GREAT will allow partners to expand and enhance their existing engagements:

- In the case of Government, this may be through the development of improved processes and capacity for innovative policy implementation; stakeholder consultation and policy dialogue with private sector, civil society, producer and interest groups;
- For the private sector, it may be through co-funding that reduces the investment risk and builds up the business case for inclusive market systems development, in situations characterised by inexperienced or under-resourced suppliers, or by other market failures;
- For civil society and NGOs, it may be through improvements to their reach and engagement within the target communities to promote gender equality and women's empowerment through gender awareness raising with men and women, capacity building for women's producer and common interest groups, and increasing women's leadership and decision-making opportunities.

The partner forum will consist of all Strategic and Implementing Partners and will serve as a platform for networking and forming new partnerships between partners, sharing experience and lessons, introducing new approaches, reflection, innovation, and reshaping initiatives. It will convene as a plenary at least once a year, and smaller sub-groups can be convened as needed based on interest and demand. The Program will support these meetings financially and logistically and will also propose issues to discuss, resource persons, and capacity development opportunities.

5.2 *Investment strategies*

Contribution funding is one of the instruments to be applied by Aus4Equality|GREAT to support selected implementation partners to deliver their project outcomes. Several factors have been considered for defining possible funding schemes for different implementation partners and objectives.

- Types of partners and their ability to contribute own financial resources;
- Common practices on matching fund requirements from similar Business Challenge Funds to incentivize private sector investment with women as producers or service providers;
- Innovations to test new technologies or ideas to navigate complex issues and diverse local market context;
- Cost effectiveness for Aus4Equality|GREAT to administer funding schemes given its overall role as facilitator for delivering and steering approaches.

Three funding schemes are established targeting different types of partners with different incentive structures and financing capacity and needs. Details on the funding allocation per Funding Scheme are specified in Annex 1. The funding sizes range from small to medium and large to encourage various partners of different implementation and financial capacity and ambition to undertake their solutions that respond to specific local issues within the project strategy framework.

5.2.1 Women's Economic Empowerment and Policy Funding Scheme (scheme 1)

This funding scheme targets those partners who intend to implement solutions for achieving the Objective 1 on Women Economic Empowerment and Gender Equality in two sectors and the Objective 3 on Improved sector governance and policy. This scheme will also include support for the development and growth of women's entrepreneurship.

Funding Characteristics	Description
Total funding size	6.12 million AUD
Funding size/grant	Small size grants: the funding is up to 80,000 AUD Medium size grant: the funding is between 80,000-500,000 AUD. Large size grant: the funding is between 500,000-1,000,000 AUD
Types of solutions will be supported	Initiatives to promote Gender equality and women's economic empowerment at local levels (4,400,000 AUD, 72% of the funding) Initiatives to improve sectors coordination, business investment environment (1,720,000 AUD 28% of the funding)
Own contribution	10%
Duration	12-36 months (possibility for no cost extension until June 2021)

Aus4Equality|GREAT will work with about 18 partners for Objective 1 and 10 partners for Objective 3. The Program will select partners who are best placed to collectively deliver on the strategic outcomes under Objective 1, as well as work with some small partners test local solutions. The grant funding size will depend on the outreach (how many beneficiaries will be impacted) and contribute to achieving overall program outcome targets. Given the local context and the nature of agriculture and tourism, the following minimum outreach is suggested for different funding size by sector:

Funding size	Minimum number of households in Agriculture	Minimum number of households in Tourism
Small grant	At least 100 households	At least 30 households
Medium grant	At least 500 households	At least 100 households
Large grant	At least 1000 households	At least 300 households

5.2.2 Inclusive Business Funding Scheme (Scheme 2)

This funding scheme targets business partners to deliver the Program Objective 2 on innovative inclusive business models to promote inclusive market systems that will facilitate greater and more meaningful engagement with ethnic minority women in the selected products and service value chains to become increasingly inclusive, gender sensitive, profitable and sustainable.

Funding characters	Description
Total funding size	2,7 million AUD
Funding size/grant	Small: 50,000-80,000 Medium: 80,00-200,000 AUD Large: 200,000-400,000 AUD

Activities will be covered by Aus4Equality GREAT funding	Business initiatives to improve market access and income for women in specific services, product supply chains and employment opportunities Capacity and institutional development for development for local market systems actors to ensure sustainable inclusive market systems
Private sector funding contribution	At least 51%
Duration	24-36 months

Aus4Equality/GREAT will work with approximately 12-14 business partners for Objective 2. The findings from background studies on sizes of businesses interested in investing in the IB initiatives with women and the local context of specific selected products/services in the agriculture and tourism has informed the minimum outreach suggested for different grant sizes for by sector.

Funding size	Minimum number of households in Agriculture	Number of households in Tourism
Small grant	At least 200 households	At least 50 households
Medium grant	At least 500 households	At least 100 households
Large grant	At least 1000 households	At least 300 households

5.2.3 Innovation Funding Scheme (Scheme 3)

Innovation is cross cutting theme which involves controlled and managed risk taking. Innovation is welcome at any time during the project implementation, although it will be encouraged in the first two years in order to learn from and share results and scale up successful models. This fund is open on a competitive basis for partners to develop and test innovation prototypes that can contribute to sustainable changes in the market systems the Program is working in under all 3 objectives.

Funding characters	Description
Total funding size	503,930 AUD
Funding size/grant	Up to 30,000 AUD
Types of solutions will be supported	Innovation to improve productivity, product quality, policy, gender equity, skill training for women, and reaching particularly vulnerable women (remote, with disabilities, survivors of trafficking and gender-based violence, etc)
Own funding	Up to 10%
Duration	< 12 months

5.3 Principles for partnership selection and calls for proposals

The following principles will be applied during the selection of proposals: open, transparent, competitive, value for money, to ensure a diversified portfolio of implementation partners.

The Program will issue two public calls for proposals in year 1 and year 2 (depending on the quality and quantity of the response from applicants), through mass and social media as well as information sessions for interested partners. The first call will be launched in July 2018 and the second in October/November 2018. The second call for proposals aims at seeking solutions responding to emerging opportunities for WEE, inclusive business partnership and sector governance improvement. It also focuses on solutions contributing to achievement of those project outcomes which have not yet sufficiently addressed by selected proposals from the first call.

Different processes will be applied for selecting partners for funding scheme 1 and funding scheme 2 to reflect the different objectives, as well as operational mechanism and risk associated with different types of partners. The final selection of scheme 1 implementation partners will be confirmed after the concept note review, presentation and due diligence; while for Scheme 2 the selection will be confirmed after the submission of the inclusive business plan proposals and business due diligence. The selection process and criteria are specified in the Standard Operation Procedures, see AWP Annex 3.

5.4 Risk Management

The Program will protect our investments by identifying, assessing, monitoring and taking mitigation actions against risks that could affect program performance. During the inception phase the following investment specific risks have been identified and reviewed. The risk matrix below presents key risks linked to program objectives, mitigation and rating. A full Risk Management plan and Risk Register for the entire Program is included in Annex 9.

Table 9: Summary of Key Risks

Objectives	Risks	Risk mitigation	Rating after mitigation
Attract private investment in product chains with women's participation	Insufficient interest from private sector in financing IB initiatives with ethnic minority women in selected products	Proactive identification of interested partners, information sessions to keep interested partners informed about the benefits of participating in the Program	Medium
	Shift in investment priorities of private sector partners in the course of implementation due to changes in ownership	Obtain companies' written commitment in their financial investment during the company due diligence. Closely monitor the progress	Low
Number of women with increased income and new jobs	Market risks: reduced demand for selected products (for domestic and export markets)	Ensure demand for selected products in various markets (local, national and international). Include market demand indicator in the IB companies monitoring. Ensure that involved producers' groups received sufficient support from the company to produce new products when required.	Medium

Objectives	Risks	Risk mitigation	Rating after mitigation
	Government policy changes affect the private sector investment	Ensure the products are aligned with local government priority through regular dialogue between program, business partners and local government	Low
	Slow implementation due to government approval for funding to Vietnamese NGOs, private sector	SOP indicates that partners will receive aid certificate to be arranged by PMU to avoid double approval.	Low
	Delay in program implementation and progress due to extensive consultation process with partners, PMU	Maintain a close consultation with PMU through skype, video conference.	Low
	Program focus on contractual and output-based relationship and fails to achieve dynamic partnership that drive learning and planning	Pay attention to identification of strategic partners. Allocate sufficient resources for partnership agreement facilitation (including partnership broker) to keep strategic partner focus on identifying innovative approaches, strategic steering	Low
	Program works with too many small partners, not insufficiently strategic in its selection of partners. Insufficient capacity of local-based partners to deliver needed support mainly at community level	Establish partnerships with those groups best placed to deliver strategic outcomes. Monitor the Program carefully and ensure sufficient resources are in place to address work plan. Use umbrella partners to manage smaller partners (i.e. under Objective 1, Innovation, Start up, etc) Develop capacity for local partners based on the needs to be identified as part of partner assessment and regular partner performance review.	Low

ANNEX 1: ALLOCATION OF FUNDING FOR GREAT FUND SCHEMES

Types of fund	Objective 1	Objective 2	Objective 3	Total funding
<i>Initial Funding Allocation</i>	4,661,990	1,864,796	2,797,194	9,323,980
Fund for WEE and sector governance and policy initiatives (Funding Scheme 1)	4,400,000	1,720,000		6,120,000
Business Challenge Fund (Funding Scheme 2)			2,700,000	2,700,000
Innovation Fund (Funding Scheme 3)	261,990	144,796	97,194	503,980