



**Document of the
International Fund for Agricultural Development**

**The Socialist Republic of Viet Nam
Agricultural Resources Conservation and Development Project in Quang Binh Province
Interim Evaluation Report**

**Report No. 1532-VN
October 2004**

Photo on cover page:

The Socialist Republic of Viet Nam

Beneficiary carrying acacia saplings to road in Ngu Thuy.

The trees are planted alongside the road to protect it from shifting sand dunes. The road was completed in May 2000 and provides 3700 villagers access to the market.

IFAD photo by Lou Dematteis

The Socialist Republic of Viet Nam

Agricultural Resources Conservation and Development Project in Quang Binh Province
Loan number: 434-VN

Interim Evaluation

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***All annexes are available from IFAD's Office of Evaluation (evaluation@ifad.org)**

CURRENCY EQUIVALENTS

Local Currency Unit	=	Vietnam Dong (VND)
USD 1.00	=	10 500 VND (<i>Appraisal</i>)
USD 1.00	=	15 800 VND (<i>Current</i>)
USD 1.00	=	SDR 0.73 (<i>Negotiation</i>)
USD 1.00	=	SDR 0.68 (<i>Current</i>)

WEIGHTS AND MEASURES

International metric system, unless specifically described in text; except:

1 sao	=	360 square metres = 0.036 hectares (ha)
1 hectare	=	27.77 saos

FISCAL YEAR

1 January - 31 December

ABBREVIATIONS AND ACRONYMS

AI	Artificial Insemination
ADB	Asian Development Bank
ARCDP	Agricultural Resources Conservation and Development Project
AWPB	Annual Work Plan and Budget
CDB	Commune Development Board
CDF	Community Development Fund
COSOP	Country Strategic Opportunities Paper
CPC	Commune Peoples Committee
CPM	Country Programme Manager
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DARD	Department of Agriculture and Rural Development
DIU	District Implementation Unit
DOLISA	Department of Labour, Invalids and Social Affairs
DPC	District Peoples Committee
DPI	Department of Planning and Investment
DSTE	Department of Science, Technology and Environment
FA	Farmers' Association
FAO	Food and Agriculture Organisation of the United Nations
HEPR	Hunger Eradication and Poverty Reduction (Programme)
HTRDP	Ha Tinh Rural Development Project
HUAC	Hue Agriculture and Forestry University
ICB	International Competitive Bidding
ICRAF	International Centre for Research in Agro-forestry
IPM	Integrated Pest Management
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MIS	Management Information System
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
MTR	Mid-Term Review
O&M	Operation and Maintenance
PAC	Partnership to Assist the Poorest Communes
PAR	Public Administrative Reform (MARD project)

PCR	Project Completion Report
PCU	Project Coordination Unit
PD	Project Director
PLA	Participatory Learning and Action
PM&E	Participatory Monitoring and Evaluation
PPB	Provincial Project Board
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
RIA	Research Institute of Agriculture
SAR	Staff Appraisal Report
SCG	Savings and Credit Group
SDR	Special Drawing Rights
SEMOT	Socio-Economic Mobilization Team
SFF	South Forestry Farm
SMB	Self-Management Board
STA	Senior Technical Advisor
TA	Technical Assistance
TIU	Technical Implementation Unit
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
VBARD	Vietnam Bank for Agriculture and Rural Development
VBP	Vietnam Bank for the Poor
VHW	Village Health Worker
VND	Vietnamese Dong
W/A	Withdrawal Application
WU	Women's Union
WUG	Water Users' Group

SOCIALIST REPUBLIC OF VIET NAM

QUANG BINH AGRICULTURAL RESOURCES CONSERVATIONS AND DEVELOPMENT PROJECT

Interim Evaluation

Project Area



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof

The Socialist Republic of Viet Nam

Quang Binh Agricultural Resources Conservation and Development Project

Interim Evaluation

Agreement at Completion Point¹

A. The Core Learning Partnership and the Users of the Evaluation

1. The Office of Evaluation (OE) of IFAD conducted an Interim Evaluation of the Quang Binh Agricultural Resources Conservation and Development Project (ARCDP) as per requirement of the IFAD Evaluation Policy prior to the initiation of a formulation process for the development of a second phase project. The evaluation mission visited Viet Nam between February 29 and March 31, 2004. The mission held the wrap-up meeting in Quang Binh province and later in Hanoi on March 31, which was also attended by the formulation mission, in order to ensure that the findings of the evaluation would be useful for the design of a second phase project. The draft evaluation report, including the draft Agreement at Completion Point (ACP) were distributed in mid-May 2004 and a final evaluation workshop was organized on June 1 to discuss the recommendations deriving from the evaluation and to finalize the ACP. The ACP illustrates the evaluation partners' understanding of the evaluation recommendations, and their proposal to adopt and implement them.

2. The Core Learning Partnership (CLP) comprises representatives of IFAD (PI and OE), the representatives of the Ministry of Planning and Investment, the Provincial People's Committee and the co-financier UNDP, the UNOPS Portfolio Manager, and the Project Director and Deputy Director. The Interim Evaluation process involved extensive interaction with these partners and others, and the findings of the IE Mission were presented and discussed at wrap-up meetings at provincial and national level, held respectively in Dong Hoi on March 22, 2004 and in Hanoi on March 31, 2004. The draft ACP was presented at a workshop in Hanoi on June 1, 2004, and thereafter finalised.

B. The main evaluation findings

3. The design and objectives of the ARCDP matched the overall strategies of IFAD as expressed in the Country Strategic Opportunities Paper (COSOP) of 1996 as well as the Government of Vietnam's poverty alleviation policies as expressed in the HEPR and CPRGS. However, a number of areas needing improvement were noted:

4. **Interlinkages between components, participation and sustainability.** the targeting of all communes in the province combined with the number of components led to rather scattered interventions which entailed a lack of physical/geographical focus and therefore the absence of a strong and recognizable project identity. The PRAs conducted by the project were mostly activity-specific in nature and each component of the project was implemented without proper linkages either with other components of the project or with other poverty alleviation programmes. This sectoral approach, and the absence of coordination mechanisms, not only resulted in the disjointed implementation of schemes but also put unwarranted pressures on the communities in terms of their time and resources. For most components, the process became stalled after the completion of activities and there were no ongoing arrangements for regular interaction with project beneficiaries. With each department responsible for planning and implementing their respective sectoral components, the participatory process did not allow any scope for integrated village development planning and implementation.

¹ The ACP reflects an understanding among the following evaluation partners: Asia and Pacific Division of IFAD, UNOPS, the Government represented by the Ministry of Planning and Investment, the Provincial People's Committee, the Project Implementation Staff and UNDP. OE facilitated the ACP process.

5. **Poverty focus.** The poverty focus of the project was weak. The main reasons for this were a lack of precision in project design, a tendency to predetermined activities in certain key components and the weakness of the credit component. The result was that only in specific instances were the poorest households targeted, for example in the plantation and maintenance of trees in the sandy areas, while in most, the impact on the poorest relied on the assumption that benefits would accrue to all households of the communities concerned, as with roads, markets, irrigation works and agricultural extension.

6. **Policy Dialogue.** The evaluation mission encountered limited knowledge of IFAD even among senior officials of donor-funded programmes, and concluded that more needs to be done in developing synergies with other poverty projects through policy dialogue and partnership building.

7. **Supervision.** The mission concluded that UNOPS carried out the supervision missions as stipulated but the infrequency of field visits, the lack of prompt follow-up and changes in personnel are serious constraints. Problematic issues such as credit, participatory processes and targeting were repeatedly highlighted in supervision reports, but remained unresolved for long periods. For more prompt and effective follow-up, enhancement of the supervision arrangements between IFAD and UNOPS are necessary.

C. Recommendations agreed upon by all partners

8. The Evaluation Mission concludes that a second phase of the ARCDP would constitute a constructive use of IFAD resources in Vietnam, on the following grounds: (a) the poverty rate in the province is still high (around 20%) and there are communities in remote inland areas and in the sandy zone of the coast suffering from food insecurity, lack of employment opportunities and basic amenities such as reliable water supplies; (b) many of the ARCDP interventions seem incomplete, especially in the sphere of capacity building and training, in which a start has been made but continuing efforts are necessary to consolidate the investments to date.

9. Modifications of project design will be necessary in Phase II in order to meet the priorities recommended in the COSOP of 2002, which can be summarised as follows: (i) project components should be linked and mutually reinforcing; (ii) designs need to be flexible enough for modification during implementation in response to changes in the operating environment; (iii) all project components and activities should be implemented across all project sites, not selectively targeted to individual districts and communes; (iv) project design should aim at simplicity, with fewer components and activities. The design of ARCDP did not fully accord with these prescriptions, particularly in regard to the successful integration of components and the desirability of the implementation of all activities across all project sites.

Strategic Issues

- (i) The recent measures enabling the issue of property titles jointly to husband and wife should be actively propagated through mass organisations such as the Women's Union. This was an issue highlighted in 2001 the then OE/PI Vietnam Country Programme Review-cum-Evaluation;
- (ii) The arrangements for supervision and loan administration need improvement and continuity so as to provide for more regular support and prompt follow-up; and
- (iii) Further resources should be allocated to promote IFAD's influence on policy dialogue, better cooperation with other development organizations and follow-up on implementation issues.

Follow up: IFAD/PI

Design Issues

- (i) Activities under Phase II should focus on a more restricted number of communes, principally those located in the disadvantaged coastal regions and in the remoter hilly regions of the interior. This would in turn facilitate better integration between activities and provide a stronger pro-poor focus in terms of targeting. *Follow up: second phase project;*
- (ii) Specific, achievable and measurable objectives need to be set for each component and activity of the project. *Follow up: second phase project;*
- (iii) Project-specific institutions should be created at grassroots level only when essential and the relations between existing institutions and the project-specific institutions should be clearly articulated. The project should aim to strengthen existing institutions and mass organisations in terms of awareness, capacity and transparency and their role in participatory processes should be formalised. *Follow up: second phase project;*
- (iv) The rural credit component requires thoroughly redesigning to take into account existing sources of credit, prevailing interest rates, and realistic incentives for the financing institutions. Special provisions may be necessary for remote communes in hilly areas. *Follow up: second phase project;*
- (v) The allocation of CDF resources should be based on clearly established criteria such as village-size and the number of poor households, and institutional capacity of the Community Development Boards. *Follow up: second phase project, Province;*
- (vi) Small enterprise and market information systems should be established to help farmers and fishermen market their products without recourse to middlemen. *Follow up: second phase project, Province; and*
- (vii) For women in rural areas, there should be support for on-farm and off-farm employment opportunities and the introduction of labour saving technologies. *Follow up: second phase project, Province;*

Management and Capacity Building

- (i) Effective M&E and Management Information Systems must be put in place, with clarification of decision-making functions and information needs at various levels, and matching reporting procedures. Reports should be disseminated electronically, and M&E systems should also be digitalized. Computer terminals should be located at each TIU/DIU office and at each commune to be served by the project, and terminals should be linked to a wide area network. A database should be designed for the PCU and the technical departments, including appropriate database access system and security mechanisms. *Follow up: second phase project, Province;*
- (ii) The second phase of the project should consider the full-time employment of technical staff from relevant departments rather than allocating project-related responsibilities to be carried out on a part-time basis. *Follow up: second phase project;*
- (iii) Field-based Community Facilitators (CFs) should be directly employed by the project. *Follow up: second phase project;*
- (iv) PRA exercises should be carried out by specially recruited and trained teams under the guidance of the CFs and should not be sectorally-based. *Follow up: second phase project;*

- (v) Further investment is required in the capacity building and outreach of the various line agencies, particularly with regard to the extension services for agriculture and aquaculture, and to equipment and skills in the new environmental department, DONRE. *Follow up: second phase project; and*
- (vi) For sustainable training and capacity building, two measures are required: the creation of archives of training manuals and other documentation for reference and re-use; the institutionalization of training within departments as an ongoing and regular activity. *Follow up: second phase project, province;*

Recommendations by component

- (i) The costs of the construction of roads and other infrastructure must be strictly monitored and controlled. The project should consider tarring inter-commune roads from the outset to avoid ongoing maintenance costs. Infrastructural improvements should be part of an overall plan and not stand-alone interventions. *Follow up: second phase project, Province;*
- (ii) Training for equitable and sustainable water management must be provided. *Follow up: Province;*
- (iii) For the establishment of an effective agricultural extension service, further training is required, as well as the careful screening of personnel in terms of motivation and suitability. Specific aims for extension services should be set and monitored to ensure that these services meet the needs of farmers. *Follow up: second phase project, Province;*
- (iv) Afforestation of the sand dunes should be community-based and the targets should match community needs not (necessarily) follow an overall ‘checkerboard’ plan. The experience of villagers in afforestation should be exploited by the project through involving the communities in setting the targets and planning the activity. New plantations should be included under existing forestry protection schemes to provide a direct incentive to villagers to protect them. *Follow up: second phase project, Province; and*
- (v) The major efforts to promote income generation in the coastal communities should concentrate on small-scale activities. In view of the initial investment costs, shrimp farming is an inappropriate activity for poor households unless sustainable group-based initiatives can be designed. *Follow-up: second phase project;*

E. Recommendations discussed but without a firm conclusion

- (i) *IFAD should develop active partnerships with ADB in general. In this regard the Fund should ensure close synergies between the new IFAD phase II project in Quang Binh Province and the ADB programme under implementation in the province.* PI was not in agreement with this recommendation, arguing that ADB provides an overwhelming input to the province and that IFAD shouldn’t work in the same communes as ADB does. However, PI agreed to share experiences with ADB on the two different programmes;
- (ii) *‘In the ‘model’ villages, financial management by the village has been permitted but only on an ad-hoc basis. If the Government is serious about encouraging/permitting village-level management of CDF funds, the necessary legislative amendments will need to be put in place.’* It was pointed out that the arrangements for the ‘model’ villages are exceptional, and that commune-level authorities will normally be the investment owner;
- (iii) *‘Technical Assistance appointments should be made on a short-term basis with very specific conditions in terms of tasks and objectives; local consultants should be preferred wherever possible.’* It was emphasised that the international TA of the second phase project provides a

significant degree of flexibility in project implementation and is necessary for the implementation of the challenging decentralized approach;

- (iv) *'The linking of savings and credit groups to credit institutions requires the building of the necessary skills and disciplines and the successful management of intra-group loans before bank loans are sought.'* Based on experiences in Ha Tinh, further problems concerning the sustainability of credit groups were highlighted, in particular the reluctance of the Social Policies Bank to take over the groups from the Womens Union after project closure; and
- (v) Regarding the overall strategy of the ARCDP (*see section 2 above*), it was pointed out that it lacked any reference to natural disaster control, an issue of particular importance in a province subject to severe cyclonic conditions.

The Socialist Republic of Viet Nam

Agricultural Resources Conservation and Development Project in Quang Binh Province

Interim Evaluation

Executive Summary¹

I. INTRODUCTION

1. The Agricultural Resources Conservation and Development Project (ARCDP) was financed by an IFAD loan of USD 12.8 million with an additional UNDP/TA grant of USD 1.4 million and a borrower contribution of USD 1.9 million. The loan became effective on 15 April 1997 and the closing date was extended by six months to 30 December 2002. The IFAD Interim Evaluation is being conducted as a mandatory exercise prior to the consideration of a second phase of the project. The evaluation follows the methodological framework set out by IFAD's Office of Evaluation. Primary data was collected through: (i) a series of participatory focus-group discussions with semi-structured questionnaires; (ii) case-studies of individual households and grassroots institutions based on interviews; (iii) open-ended interviews with key informants at all levels. Preliminary conclusions were presented at wrap-up meetings in Quang Binh and Hanoi and are due to be finalised at a workshop in Hanoi in early June.

2. Two important conditions should be noted: (i) The project had been closed for around fourteen months at the time of the Interim Evaluation Mission. Thus the technical implementation units and some of the grassroots organizations set up under the project were no longer functioning, and the project management unit consisted only of a residual presence now funded by the province. (ii) No independent impact assessment or household survey had been commissioned by the project. While the official commune-level statistics available are remarkably full, the trends that can be observed therein result from a multiplicity of interventions of which ARCDP is only one.

II. MAIN DESIGN FEATURES AND IMPLEMENTATION RESULTS

3. **Project Rationale and Strategy.** In line with IFAD's overall strategy in Vietnam, the ARCDP was founded on an area-based, multi-sectoral and single-province approach. The rationale was that the reduction of poverty in Quang Binh might best be achieved by a mix of sectoral interventions implemented through the government departments, with community priorities identified through participatory processes involving all potential beneficiaries. The design of the project sought to develop participatory processes, encourage community ownership of schemes through users groups and self-management boards, assist in the creation of effective extension services, and leave behind it government departments with enhanced capacities and awareness.

4. **Project Area and Target Group.** Some or all project activities were targeted at all communes in the seven districts of the province. Certain components, such as road rehabilitation, irrigation schemes and agricultural extension, were designed to benefit all members of the

¹ The composition of the Interim Evaluation Mission was as follows: Roger Norman, Team Leader and environmentalist; Ravi Raina, infrastructure consultant; Qaim Shah, agricultural and institutional consultant; Tran Thi Tram Anh, gender and participation consultant; Sarath Mananwatte, Economist. The Mission included as observers national counterparts from the Provincial Project Coordination Unit and District cadres. Ashwani Muthoo, IFAD Senior Evaluation Officer, joined the Mission in its final week. The National Wrap-up Meeting was chaired by the Vice Director General of the Department of Agricultural Economy, Ministry of Planning and Investment and attended by Mattia Prayer Galletti, the outgoing IFAD Country Programme Manager (CPM), Ms Atsuko Toda, the designate CPM and members of the formulation mission for the proposed follow-on project as observers, as well as key decision makers at provincial level and from the concerned ministries and partner agencies.

communities concerned, while others (sand dune fixation, credit) were to be targeted specifically at the poorer families. The total number of beneficiary households was calculated at around 65,000. The approach to targeting in project design was markedly flexible, being conceived as ‘a continuing process according to the implementation plan’, a rather imprecise indication. In terms of districts and zones, the two northerly districts of Tuyen Hoa and Minh Hoa are the districts with the highest rates of poverty. Very poor communities are also to be found in the sandy areas of the coastal belt. The bulk of project interventions were targeted to these two regions.

5. **Goals, Objectives, Components.** The goal of the ARCDP was the sustainable reduction of poverty, and the primary objectives were the increase of household incomes, improved food security and wellbeing, and reduction of isolation. Secondary objectives were a reduction in the provincial food deficit, the protection of property from shifting sand dunes and an enhancement of the capacity of technical services. The seven project components were: irrigation rehabilitation, agricultural development, aquacultural development, sand dune fixation, road rehabilitation, rural credit and institutional support. Specific objectives by component included: the expansion of the irrigated area by around 600 ha, increased agricultural and livestock production and productivity, increase in marine and freshwater products, the fixation of 4,000 ha of sand dunes as well as the provision of cash income for the communities involved in afforestation, the linking of isolated communities to each other and to markets through the rehabilitation of rural roads, and the improvement of the reach and capacity of extension services.

6. **Implementation Partners and Arrangements.** Project implementation was to be carried out by the Water Resources Department (WRD), the Department of Agriculture and Rural Development (DARD), the Department of Fisheries and Aquaculture, the Department of Transportation (DOT) and the Department for Science, Technology and Environment (DOSTE), and coordinated by a Project Coordination Unit (PCU) set up within the Department of Planning and Investment (DPI), whose parent ministry (MPI) acted as the Executing Agency for the project. Disbursement of project funds at provincial level was managed by the Department of Finance (DOF). A Sub-Loan Agreement was signed with the Vietnam Bank for Agricultural Development (VBARD) concerning the implementation of credit activities. Technical Implementing Units (TIUs) were to be set up within each implementing agency at provincial and district level to coordinate, supervise and monitor project activities. UNOPS was to act as Cooperating Institution in charge of loan administration and project supervision.

7. **Changes in Policy and Institutions.** Government policy concerning rural development has been marked by a growing commitment to poverty eradication. The Comprehensive Poverty Reduction and Growth Strategy (CPRGS), a 10-year action plan adopted in 2002, outlined a growth-based strategy for poverty reduction, with policies covering macroeconomic, structural and sectoral areas, and an identification of priority programmes designed to feed into the annual investment plan. Proposals include increased resources to improve the research and extension system, enhancing access to credit for the poor, improving security of land tenure and sustainable management of natural resources with the involvement of all stakeholders. In terms of government institutions, there has been one significant change, the creation in July 2003 of the Department of Natural Resources and Environment (DONRE) which assumed certain functions previously carried out by the Department of Science, Technology and Environment (DOSTE).

8. **Design Changes during Implementation.** The major design change was the creation of the Community Development Fund (CDF) component, approved in June 2001. Two-thirds of the CDF budget was drawn from funds of the under-performing credit sub-component and the remainder from savings in equipment procurement, training and project operation, together with a previously unallocated sum. The stated purpose of the CDF was to sharpen the poverty focus of the project and more directly to meet the priorities of communities expressed through PRA. The closing date of the project was shifted from 30 June 2002 to 31 December 2002. The proposed involvement of the World Food Programme in financing food-for-work operations, to a total of USD 2.5 million, did not materialise.

9. **Main Implementation Results.** The overall financial target of the project was met, with a full disbursement of the IFAD loan amount and the UNDP grant. The only substantial under-achievement in financial terms was under the credit component. In physical terms, the project achieved its main objectives by: (i) expanding the irrigated area by 1,306 ha and upgrading irrigation facilities for a further 2,236 ha; (ii) establishing and strengthening breeding stations and AI centres and improving the capacities of staff and beneficiaries; (iii) establishing a commune-level agricultural extension system and a network of demonstration sites; (iv) investing in shrimp hatcheries and fingerling stations together with appropriate demonstrations; (v) organising the afforestation of 5,000 ha of sand dunes by 2,600 selected households, who were remunerated in cash; (vi) building or upgrading 166.3 km of good quality rural roads and constructing a ferry and two large bridges; (vii) establishing a project management and coordination structure as designed; (viii) producing the required annual work plans AWP&Bs based on the results of PLA/ PRA; (ix) putting in place an M&E system and carrying out participatory M&E exercises; (x) following the guidelines and regulations concerning the procurement of goods, fund withdrawals and reporting systems and the submission of financial and M&E reports. In terms of training and capacity building, a full programme of courses was implemented under each component. Users groups and self-management boards were set up for the various activities to ensure the participation of communities in the implementation and maintenance of the various schemes.

10. **Problems in Implementation.** The main areas for concern were as follows. (i) The credit component was largely ineffective from the start, mainly due to weaknesses in design, which failed to take into account the availability of credit from other sources at lower interest rates, the need for suitable incentives for the lending institution (VBARD) and the lack of legal status of the savings and credit groups. Only 28% of the budget was disbursed and only around 4,000 households received loans. (ii) The average actual per km cost of the upgraded roads was about 80 percent higher than the planned per km cost. (iii) Under the aquaculture component, only 60 ha of shrimp ponds were upgraded as against the planned 400 ha, only 60 of 5,000 fish cages were constructed and an effective extension system was not put in place. (iv) Because of the weak performance of the credit component, the proposed expansion of income generating opportunities did not take place, affecting in particular the planned increases in livestock production.

III. RURAL POVERTY IMPACT

11. Overall Impact assessment. Official statistics show a reduction in the proportion of poor households in the province from 36% to 21% in the six years of project operation. Yield increases of around 5% are indicated for the land covered by upgraded irrigation schemes; the benefits of rehabilitated markets and roads are reflected in unquantifiable increases in economic activity. Afforestation in the dunes provided direct income to poor households, as did the various employment opportunities under the project. Provincial figures show an 11% increase in numbers of pigs and nearly 50% in numbers of poultry (the two kinds of livestock favoured by poorer households) between 1996 and 2002. Access to schools, health centres and markets improved as a result of roadbuilding, and the communities located close to the rehabilitated markets benefited from better provisioned and more frequent markets. On the other hand, the relative failure of the credit component entailed a dearth of the new income-generating opportunities for the poor which were envisaged in project design.

12. **Impact on physical assets.** Irrigation schemes resulted in increased agricultural production (mainly rice) for an estimated 12,000 households. In many cases, the yield increase was much greater than the reported average of 5%. The remuneration of local labour entailed considerable cash earnings, notably in the construction of irrigation works and for tree planting and maintenance in the dune areas, where the selected households were able to earn up to VND 20 million in two years. A total of VND 7 billion was paid to labourers for work on the new roads, although local labour was not always preferred by the contractors, despite requirements set out at project design. Households interviewed by the mission in six districts (including the poorest districts of Minh Hoa and Tuyen Hoa) reported an average reduction of the period of food deficiency of around three months.

13. **Communications.** The new roads have contributed significantly to socio-economic development in isolated communes in mountainous and coastal regions, directly affecting perhaps 55,000 households. The movement of vehicles has increased substantially, with estimated increases of 3,000 percent, 600 percent and 300 percent for bicycles, motor cycles and pick-ups respectively. Improved access to markets has caused reductions of up to 100% in the price of agriculture inputs as well as substantial increases in prices paid to the farmers for their produce. In some cases, new settlements have grown up along ARCDP roads.

14. **Training.** Training and capacity building constituted an important aspect of the project, and nearly 400 training courses were conducted by the project on animal husbandry, cultivation, integrated pest management (IPM), irrigation, road management and afforestation. Courses in IPM and in the raising and plantation of seedlings under the sand dune fixation component were particularly appreciated.

15. **Gender impact.** The mission found with the exception of the issue of land titles for women little evidence of discrimination against women in project activities. Women participated fully in training courses, PRA exercises and participatory M&E. The proportion of women in SMBs, WUGs and project management boards were estimated by the project at 25%, 37% and 21.5 % respectively, while 70% of all workers in the sand dune fixation activities were women. Outstanding gender issues relate to inequality within households and to problems of empowerment rather than income: while women often manage the money, the traditional dominance of husbands in decision-making is unimpaired. As mentioned above, the practice of granting of land use certificates in the husband's name prevents women from accessing formal credit, and the news of legislative changes, with titles issued jointly to husband and wife, has not filtered through to the villages. It is felt that it is the effects of traditional culture and prejudice that underlie gender discrimination in Vietnam, rather than bias in government policy.

16. **Water supply, Health, Education.** The provision of reliable and uncontaminated water supplies under CDF has had a positive effect on the incidence of diseases of the eyes and skin, as well as on dysentery and typhoid. Primary schools and kindergartens were also constructed under CDF. Schools reported a reduction in drop-out rates, an even gender balance and better health.

17. **Participatory Development.** Training in PRA was given to nearly 300 workers at district and commune level and PRA exercises were carried out for all components. However, there were weaknesses in terms of the purpose and outcome of these exercises, with PRA often conducted by line departments in order to seek approval and support for predetermined activities. Intensive social mobilisation was carried out by a handpicked team in three pilot villages, where significant advances were observed in terms of awareness, confidence and capacities, as well as of livelihood and welfare. The major breakthrough was the transfer of resources to SMBs for implementation and management of schemes.

18. **Environmental Impact.** The environmental impact of ARCDP has been neutral or positive, but there are environmental problems concerned with the spread of shrimp farming, notably the contamination of groundwater in the sandy areas. On the other hand, afforestation of the dunes has resulted not only in improvements of soil and water but in a greater understanding among villagers of the importance of tree planting and its continuation after project closure.

19. **Impact on Institutions and Policies.** In terms of institutional development, the major efforts of the project were the building of management and technical capacities within the line departments, the establishment of an agricultural extension system to commune level, and the development of grassroots institutions. Institutional support was funded by UNDP, which reported major improvements in terms of knowledge, skills and effectiveness at all levels. Under the agricultural development component, trained extension workers were appointed in each commune, an important achievement. Some farmers, however, reported the performance of commune level extension as unsatisfactory and further investment in training is essential.

20. **Sustainability.** The sustainability of infrastructural improvements was not felt by the mission to be an issue, but there are concerns in other respects, notably regarding participatory approaches, as follows: (i) line agencies are not equipped to manage the dual responsibilities of technical support and the promotion of genuine ownership of schemes by the communities; (ii) the PRA conducted by the project were activity-specific and the required linkages between different components and programmes were lacking in project design; (iii) social mobilisation was utilised principally as a means of encouraging community involvement in planning and implementation rather than as an instrument of empowerment; (iv) in the three pilot schemes, the institutional structure was over-complex and paid insufficient attention to existing channels of administrative authority; (v) some self-management boards, for example in the sand dune fixation component, disappeared after the completion of the project; (vi) in 2002, UNOPS reported that only one-quarter of the savings and credit groups were still functioning.

21. With regard to training and capacity building, the mission made the following observations: (i) the building of the capacity of the technical departments will not result in a dynamic process unless ongoing training programmes are systematized within the departments; (ii) for all training courses, an archive of courses, materials and manuals must be built up; (iii) the usefulness of courses will be enhanced if their duration is increased and the content focuses more on practical field-based instruction; (iv) the utilization of ICT should be considered, so that digitized versions of the courses can be stored in project or line agency databases; (v) agricultural or aquacultural training is much less effective when the credit programme is inoperative.

22. **Innovation and Replicability.** The most important achievement of the project in this respect was the transfer of the financial management of development funds to village level. The 'model' SMBs have already been utilised by the districts as part of their own programmes. Similarly, the Water Users Groups set up under the ARCDP irrigation have been replicated by the province for all small-scale irrigation schemes throughout the province. A further innovation of the project was the practice of carrying out separate PRA exercises for groups of men and women. The provincial initiatives to continue the employment of commune-level extension workers after project closure should also be commended.

IV. PERFORMANCE OF THE PROJECT

23. **Relevance of Objectives.** The ARCDP attempted to address the shortage of productive land by expanding the irrigated area; the remoteness of communities by building and upgrading new roads and markets, the declining income from in-shore fishing by providing alternative sources of income, the problems of under-employment by providing credit, training and expertise in relevant areas and the destructiveness of typhoons through its contribution to the afforestation of the dunes. In terms of the strategies of IFAD, the project followed the main recommendations of the 1996 Country Strategic Opportunities Paper (COSOP). The major design weaknesses related to the lack of integration between components, the formulation of the credit programme and the lack of poverty focus in the targeting of activities. Although poorer households benefited from the upgrading of roads, markets, irrigation schemes and domestic water supplies, they were not specifically targeted by the activities relating to increased agricultural production, animal husbandry and income generation.

24. **Effectiveness.** Assessment of the effectiveness of the project is bedevilled by the failure to set clear, measurable and time-oriented objectives for each component. The 'reduction of poverty' is the *overall intention* of the project but an appropriate hierarchy of objectives is required. For example: in the sand fixation component, the objective must be the degree or rate of fixation of the dunes not the number of hectares planted; for roadbuilding, the objective might be defined in terms of the reduction in the cost or time of transportation not of the total length of upgraded roads; for the irrigation component, the area irrigated or the number of households affected could be set as the specific objectives. In some project documents, the objective at the component level was taken as the delivery of the budget. If the primary objective of the various components is seen in terms of physical or financial targets, all of the components apart from the credit component were 'effective'. However,

these objectives have not been matched with the overall objective of the reduction of poverty and food insecurity.

25. **Efficiency.** The major issue raised by the mission in this respect is whether existing institutions have been sufficiently utilised in the identification of the needs of villagers and in the planning and implementation of activities. The achievements of the Social Mobilisation model in three villages were substantial, but project specific structures have no proper legal status, their functioning is dependent on the approval of the CPC and they tend to be led by the incumbent village heads and commune officials. The model was imported from northern Pakistan, where it was designed to fill an institutional vacuum at the local level, but in Vietnam an administrative system is in place down to commune and village level and powerful mass organisations exist. Strengthening the existing institutions and involving them closely in project activities would be a more efficient, cheaper and more sustainable means to the desired ends.

26. The main reasons for the poor performance and ultimate scrapping of the rural credit component were the existence of cheaper sources of credit and the lack of incentives for the participating bank. Collateral-free credit was to be an integral part of ARCDP activities and, by serving to support beneficiaries for improved livestock and crop production and other income generation enterprises, was to be the primary means of targeting the poorest households. Because of collateral requirements and cumbersome procedures, alternative sources of credit remained beyond the reach of the poorer households. These problems were repeatedly raised by UNOPS supervision missions yet no effective action was taken until 2001. The fault may have lain partly with the infrequency of supervision missions, but there must also have been shortcomings in the communications between the project, the Cooperating Institution and IFAD.

V. THE PERFORMANCE OF PARTNERS

27. **IFAD.** The choice of Quang Binh province and the selection of activities were in line with the overall country strategy of IFAD and with the stated priorities of the Government. Project design can be criticised, however, for its weak poverty focus, its failure to insist on non-sectoral and objective PRA and the faulty design of the credit component. The most important innovation created by the social mobilisation model was the transfer of the management of development funds to village level. If the necessary regulatory framework can be established, this may prove to be the most radical of project impacts in institutional terms.

28. IFAD contributions to policy development are made indirectly through partners such as UNDP as well as through IFAD's reputation for innovation in the field. The Government acknowledged its debt to IFAD experience in its formulation of the CPRGS. However, the mission encountered surprising ignorance of IFAD even among senior officials of donor-funded programmes, and more needs to be done in developing synergies with other poverty projects through policy dialogue and partnership building.

29. **The Government of Vietnam.** The Government has been consistently supportive of the ARCDP. Cumbersome procedural requirements, for example for withdrawal applications, have been simplified. A gradual process of decentralization has been underway, and what is now required is a formal regulatory framework permitting the financial management of schemes at village-level. The provincial and district level departments were responsible for the replication of project models, particularly the O&M of irrigation schemes by beneficiaries, and the PPC ensured the continuation of the new agricultural extension system through the provincial budget.

30. **UNDP.** With its close ties with the government and its strong in-country presence, has a significant influence on developments in policy and approach, and IFAD has benefited not only from the technical assistance provided by UNDP but through its presence in key fora at central level. If UNDP is to be involved in supervision of IFAD projects, a possibility supported by the Government, a detailed assessment of UNDP's operational capacities will be required.

31. **UNOPS.** Carried out the supervision missions as stipulated but the infrequency of field visits, the lack of prompt follow-up and changes in personnel are constraints. Problematic issues such as credit, participatory processes and targeting were repeatedly highlighted in supervision reports, but remained unresolved for long periods. For more prompt and effective follow-up, changes in the supervision arrangements between IFAD and UNOPS are necessary.

VI. CONCLUSIONS AND RECOMMENDATIONS

32. The province of Quang Binh had a very high rate of poverty at the start and this rate, although still unacceptably high, has fallen steeply. Given the size of the ARCDP investment (USD 14 million over six years) and the multiplicity of interventions in most communes, it may be assumed that much of this improvement is accountable to the IFAD-funded project. The multi-component, multi-sectoral approach seems correct in the circumstances, and the emphasis on agriculture, aquaculture, livestock, communications and markets was appropriate in terms of the overall objective of poverty reduction.

33. The mission concludes that a second phase of the project would constitute a constructive use of IFAD resources in Vietnam, on the following grounds: (a) the poverty rate is still high (around 20%) and there are still communities in remote inland areas and in the sandy zone of the coast suffering from food insecurity, lack of employment opportunities and basic amenities such as reliable water supplies; (b) many of the ARCDP interventions seem incomplete, especially in the sphere of capacity building and training, in which a start has been made but continuing efforts are necessary to consolidate the investments to date. The major issues requiring attention in the formulation of a second phase are listed below:

- **Greater integration between diverse activities.** In one commune, project activities may have consisted of the building of a road and the expansion of the irrigated area; in another, a bridge, shrimp ponds and tree-plantation; in a third, savings and credit groups and the rehabilitation of the local market. These activities remained sectorally based and effectively separate. As a result, the ARCDP lacked a recognisable identity. The mission recommends that schools be used as the focal points for development activities in a given area;
- **The poverty focus of the project was weak.** The main reasons for this were a lack of precision in project design, a tendency to predetermined activities in certain key components and the weakness of the credit component;
- **The objectives of the project were not clearly defined** For some components, the expenditure of the budget or the fulfilment of physical targets became the major criteria of performance; and
- **Project-specific institutions may not be sustainable.** Alternative or parallel institutions are exotic, and the revised institutional arrangements may serve only to meet the conditions of the new investment and to act as the conduit for the funds. No criticism is implied of the aims of the new arrangements, but the mission has doubts about their sustainability. One of the model SMBs was disbanded on account of an administrative change, and the others, with their present complexity, may only survive if the levels of external investment continue.

34. The mission recommends that Phase II should develop active partnerships with ADB, particularly since ADB's Central Region Livelihood Improvement Project pursues similar objectives with the same target group and in the same province. Strong collaboration is encouraged in the area of information exchange, experience sharing and policy dialogue with the Government. The mission further recommends that the resources of IFAD Phase II should concentrate on the 12 communes of the sandy zone, the coastal communities of the river estuaries and islets and the poorer communes of

the inland areas of Bo Trach, Quang Trach, Quang Ninh and Le Thuy.² The identified coastal communes should be segmented into development areas and each area should be targeted with specific objectives. All activities in the area need to be integrated so as to lead to the achievement of the area objective set. The main emphasis should be on agricultural development and income diversification, facilitated by appropriate credit arrangements.

35. **Infrastructure.** The cost of upgrading roads in Phase I exceeded the planned cost by 80% and the cost of irrigation schemes by 35%. In future, these costs must be strictly controlled. Roadbuilding as a single, stand-alone intervention should be avoided. The cost of maintenance of unpaved roads is usually high and the project may consider tarring such roads from the outset.

36. **Agricultural Extension.** The foundations for a commune-level extension service have been laid, but further training, as well as the careful screening of personnel in terms of motivation and suitability, is required. Given the diverse activities and large areas involved, specific and achievable aims must be set and monitored.

37. **Rural Credit.** The repeated recommendations made by UNOPs in this respect need to be examined and the design of the component thoroughly revised. The lessons learned from the IFAD-funded Ha Tinh project (HTRDP) can be applied. The mission recommends that there should be no haste to connect savings and credit groups with financial institutions. Financial discipline and management of intra-group loans are first necessary.

38. **Sand Dune Fixation.** In Phase II, the mission recommends that the process of afforestation be community-targeted, without the setting of an overall target in terms of hectareage. What is required is a zonal approach to match the situation and needs of each community, which would be responsible for planting and protection. It is also essential for sustainability that plantations be included under forestry protection schemes, to provide an incentive to villagers to protect the trees after project closure.

39. **Aquaculture.** The farming of shrimp has been out of reach for poor households because of the size of the initial investment. The initiatives of the DANIDA-funded programme within the Ministry of Fisheries should be examined, but aquacultural objectives should probably concentrate on small-scale processing and fish cage culture.

40. **Community Development Fund.** A key ingredient would be the setting up of genuinely flexible Community Development Funds, of which the investments would be owned and managed at village level. However, it is recommended that models of participatory development should utilize existing commune and village level organisations institutions, and the role of the CPC and other institutions should be formalized in this context. Community Facilitators (CFs) should be directly employed by the project to guide and support participatory development. A model for these CFs exists in the poorest 48 communes under the HTRDP.

41. **Project Organization.** The mission considers the design of project organization more appropriate for strategic and policy making levels than for operational management. In Phase II, it may be preferable for the project directly to employ full-time technical staff rather than make part-time use of existing departments.

42. **Management Information System.** A radical overhaul of the present arrangements is required. The management function and information needs at the various levels must be assessed, and an appropriate reporting system devised; a database for the PCU and the Technical Departments should be designed, with suitable access system and security mechanism. Reports should be digitized and electronically disseminated. A wide area network should be set up, using the existing telephone network or by establishing a private virtual network on the internet.

² This would be in line with the MPI's request – made to the mission during the initial workshop – that more be done to assist the coastal communities.

43. **Institutional Support.** Further investment is required in the capacity building and outreach of the various line agencies, particularly with regard to the extension services for agriculture and aquaculture. The new environmental department (DONRE) urgently requires investment in terms of equipment and skills.

44. **Supervision.** More prompt follow-up is required on the recommendations of missions, and some contractual changes may be necessary between IFAD and UNOPS.

45. **Technical Assistance.** Appointments under TA should be made on a short-term basis with very specific conditions in terms of tasks and objectives. Given the availability of expertise available within the country, local consultants should be preferred wherever possible.

46. **Policy Dialogue.** The Government of Vietnam and the other donors recognize IFAD experience, expertise and knowledge of poverty alleviation, but there is a clear need for IFAD directly to involve itself in the development of national policies and strategies and of synergies with other poverty alleviation programmes through the instruments of policy dialogue, coordination and partnership building. IFAD should give further consideration to the vexed issue of maintaining some form of in-country presence.

The Socialist Republic of Viet Nam

Agricultural Resources Conservation and Development Project in Quang Binh Province

Interim Evaluation

Main Report

I. INTRODUCTION

A. Background of the Evaluation

1. The IFAD Interim Evaluation of the Agricultural Resources Conservation and Development Project (ARCDP) is being conducted as a mandatory exercise prior to the consideration of a second phase of the project. The principal objective of the Interim Evaluation is to assess the project according to the main criteria set out in the IFAD Methodological Framework for Evaluations, namely: 1) the impact on rural poverty; 2) the performance of the project; 3) the performance of project partners.

2. The IFAD Mission conducted field visits in Quang Binh from March 5 to March 23, 2004 and interacted with a cross-section of stakeholders at all levels in five of the six districts as well as in Dong Hoi town. Full discussions took place with representatives of the Government of Vietnam, the implementing agencies and research institutes at central, provincial and district levels as well as with commune authorities and beneficiaries. In Hanoi, there were meetings with the cofinancier (UNDP) and other donor agencies, and in Kuala Lumpur with the Cooperating Institution, UNOPS. Wrap-up meetings were held at the provincial and central level, with the participation of the major stakeholders.

Country Background¹

3. Vietnam has a population of 77.5 million, with an annual population growth of around 1.6%. The country experienced rapid economic development as a result of the *doi moi* reforms launched in 1986. The GDP growth rate has averaged over 8% from 1992-97 and 6.7% since then. Official poverty estimates state that 28.9% of the population were living below the internationally acceptable poverty line in 2002, compared to the 1998 figure of 37.4% and 58% in 1993. The net enrolment at primary school level was 90% in 2002 and the overall literacy rate nearly 95%. The agricultural sector accounts for around 70% of the labour force and despite a reduction of its overall share in GDP from around 40% in 1991 to less than 20% currently, nevertheless continues to show a healthy growth rate (averaging 4.2% during the 1990s). Vietnam is the second largest exporter of rice after Thailand and, more surprisingly, the second largest exporter of coffee after Brazil. Almost 36% of the total land area is categorised as barren or unused and the availability of cultivated land, at only 0.13 ha per capita, represents one of the lowest levels in the world.

Policy framework

4. The fundamental policies of the Government for comprehensive renovation of the society and economy are: the shift from a centrally planned to a market-oriented economy with state management; the 'democratization of social life', and the implementation of an open door policy and the promotion of peaceful and constructive relations with all countries. The Government's major poverty alleviation programme, the National Programme on Hunger Eradication and Poverty Reduction (HEPR) encourages the delegation of implementation authority to the provincial and district/commune level. The HEPR includes: VBARD's non-collateral credit for the poor; Programme 133, the National Target

¹ Figures in this section are taken from government figures as recorded in the Joint Donor Report to the Vietnam Consultative Group Meeting, December 2003 and in the IFAD COSOP of 2002.

Programme for HEPR; Programme 135, the 1,715 Poor Communes Programme; Programme 120 for Employment Generation; Programme 327 on greening of barren hills and sedentarisation of nomadic communities; and Programme 661, the Five Million Hectare Reforestation Programme (5MHRP).

5. In May 2002, the Government approved the Country Poverty Reduction and Growth Strategy (CPRGS) a 10-year action plan adopted in May 2002, to which almost all donors have subscribed. This document includes a detailed analysis of poverty and a growth-based strategy for poverty reduction, with policies covering macroeconomic, structural and sectoral areas, and an identification of priority programmes designed to feed into the annual investment plan. Proposals include increasing resources to improve the research and extension system, enhancing access to credit for the poor, improving security of land tenure and establishing sustainable management of natural resources with the involvement of all stakeholders.

The Province of Quang Binh

6. Quang Binh Province is subdivided into four agro-ecological zones: the Sandy Coast, the Lowlands, the Barren Hills and the Mountainous areas, with a total of 7 districts and 148 communes. The total population is estimated at about 815,000. The very poor and vulnerable households constitute a higher proportion of total households in the hilly/mountainous zone. There are six districts (Minh Hoa, Tuyen Hoa, Quang Trach, Bo Trach, Quang Ninh and Le Thuy) with the administrative capital and largest town, Dong Hoi, making the seventh.² Poverty rates are highest in Minh Hoa (64%) and Tuyen Hoa (34%), with Bo Trach, Le Thuy and Quang Trach each having poverty rates of a little over 20%. Paddy rice constitutes the main agricultural output (roughly 60% of cultivated crops) and much of this is grown in the lowland areas of Bo Trach, Le Thuy and Quang Trach districts. Around one-quarter of the total land area of 805,000 ha is categorised as waste land, most of this in the mountainous regions.³

B. Methodology and Approach

7. The evaluation is based on primary and secondary data. Primary data were collected by the evaluation mission during field visits through: (i) a series of participatory focus-group discussions with semi-structured questionnaires; (ii) case-studies of individual households and grassroots institutions based on interviews; (iii) open-ended interviews with key informants at all levels. Chief among secondary sources have been: the Project Completion Report for the ARCDP, the Final Project Report for the UNDP-funded *Strengthening Capacity for Hunger Eradication and Poverty Reduction in Quang Binh*; various data compiled by the project M&E section; the yearly UNOPS supervision reports; the findings of the Country Portfolio and Review Evaluation of 2000; and the full set of IFAD project documents. Provincial, district and commune level statistics have been drawn from the most recent Quang Binh Statistical Yearbook.⁴ A Project Self Assessment was compiled by the project specifically for this evaluation and presented to a workshop held in Hanoi on March 2 under the aegis of the Ministry of Planning and Investment (MPI) and attended by representatives of the Core Learning Partnership (CLP)⁵ and donor agencies. The project self-assessment provided a very useful overview of project activities as well as serving as evidence of the energy and commitment of key project staff.⁶

² These are alluded to in most documents as 'the six districts and one town'. For the sake of brevity, this report refers to the 'seven districts'.

³ Figures from the Quang Binh Statistical Yearbook 2002.

⁴ Published by the Quang Binh Statistics Office, 2003.

⁵ For composition of the CLP, see page iv.

⁶ As the mission pointed out at the time of the presentation, the self-assessment concentrated on the achievements of the project, preferring to avoid stringent criticisms. This was perhaps due to the novelty of the exercise and an understandable desire to present the project in its best light.

8. Two important conditions should be noted: (i) the project had been closed for around fourteen months at the time of the Interim Evaluation Mission. Thus the technical implementation units and some of the grassroots organizations set up under the project were no longer functioning, and the project management unit consisted only of a residual presence now funded by the province; (ii) no independent impact assessment or household survey had been commissioned by the project. While the official commune-level statistics available are remarkably full, the trends that can be observed therein result from a multiplicity of interventions of which ARCDP is only one.



Beneficiaries on construction site of the Xuan Son rural market in Son Trach commune, Bo Trach district. The market will provide villagers a common place to sell their goods. *IFAD photo by Lou Dematteis*

II. MAIN DESIGN FEATURES

A. Project Rationale and Strategy

9. IFAD's approach in Vietnam has been based on an area-based, multi-sectoral and single-province approach. In geographical terms, the focus has been on the Northern Uplands and the North/Central Coastal Region. Since 1993, IFAD has financed five projects, with a total loan commitment of about USD 80 million, directly benefiting an estimated 1.4 million people. In addition to the ARDCP, the projects are: the Participatory Resource Management Project (PRMP) and the Rural Income Diversification Project (RIDP) in Tuyen Quang; the Development Project for Ethnic Minorities in Ha Giang (HPM); the Ha Tinh Rural Development Project (HRDP). The most recent of these is the Tuyen Quang RIDP, initiated in 2002.

10. The ARCDP loan amount was USD 12,821,472 with an additional UNDP/TA grant of USD 1,436,500 and a borrower contribution of USD 1,873,720. The loan became effective on 15 April 1997 and the closing date was extended by six months to 30 December 2002. The savings and credit sub-component did not get underway until March 1998.

11. The underlying rationale of the ARCDP was that the reduction of poverty among the most disadvantaged communities in Quang Binh might best be achieved by a mix of sectoral interventions implemented through the government departments, with community priorities identified through participatory processes involving all potential beneficiaries. The rehabilitation of infrastructure (roads, bridges and irrigation schemes) was to be accompanied by agricultural (and/or aquacultural) development based on the dissemination of skills and techniques and the provision of key inputs. The continuation of efforts to fix the shifting sand dunes of the coastal belt was seen as crucial in the ongoing struggle to protect intensively-farmed paddy land against incursion and salination. Government departments were to be provided with the necessary institutional support, and guided by grant-funded technical assistance.

12. Thus the essential design of the project was not substantially different from other multi-sectoral rural development programmes in Vietnam and elsewhere, and contained no radically innovative design features. Conceptually, it sought to build on what had been achieved in IFAD's first project in the country, the Tuyen Quang PRMP, modifying and developing participatory processes and encouraging community ownership of schemes through the users groups and self-management boards, assisting in the creation of effective agricultural and aquacultural extension services, and leaving behind it government departments with enhanced capacities and awareness.

B. Project Area and Target Group

13. Some or all project activities were targeted at all 148⁷ communes in the seven districts of the province. Certain components, such as road rehabilitation, irrigation schemes and agricultural extension, were designed to benefit all members of the communities concerned, while others (sand dune fixation, credit) were to be targeted specifically at the poorer families. The Staff Appraisal Report (SAR)⁸ calculated that the total number of beneficiary households would be around 65,000, including all of the 50,000 households categorised as 'very poor' (with annual per capita incomes of less than USD 54 p.a.), and some of the estimated 60,000 households categorised as 'vulnerable' (with annual per capita incomes of between USD 54 and 88 p.a.) The project target group was also to include a small proportion of better-off households, with average annual incomes of around USD 200 p.a. The approach to targeting in project design was markedly flexible: 'The inherent difficulty of accurately measuring poverty (or wealth), the need to include some progressive farmers in the groups (as catalysts) and the need not to create factions within small rural communities would suggest a

⁷ The total number of communes is now 151.

⁸ SAR para 139, p. 46

rational and sensible approach to beneficiary targeting and not one which reflects reliance on a spurious accuracy in the determination of poverty.’⁹

14. Certain interventions, in particular irrigation and road rehabilitation schemes, were effectively ‘pre-targeted’ on the basis of existing provincial plans and poverty profiles. The area of sand dunes to be afforested was similarly determined according to the recommendations of the department of forests and to a survey produced by the Institute of Forestry Science. It was stated in the SAR that ‘the major focus of targeting would be on the “rationing” of credit funds of finance activities for which the project provides support for the agencies providing the services and inputs’.¹⁰ Targeting was conceived as ‘a continuing process according to the implementation plan’, a rather imprecise indication. In effect, what was proposed was that the specific targeting of the poorest would depend on access to credit and employment under the various components, while the infrastructural schemes would benefit all members of the the communities concerned.

15. In terms of districts and zones, the two northerly districts of Tuyen Hoa and Minh Hoa were (and still are) the districts with the highest rates of poverty. In 1994, prior to the formulation of ARCDP, over 90 percent of households in both districts were estimated to be below the poverty line according to MOLISA figures. Very poor communities were (and are) also to be found in the sandy areas of the coastal belt. The bulk of project interventions were targeted to two regions: the hilly areas of the north and the interior, and the sand dunes of the coast.

C. Goals, Objectives and Components

16. The goal of the ARCDP was the sustainable reduction of poverty amongst the poor households of Quang Binh, and the primary objectives were given as the increase of household incomes, improved food security and wellbeing, and reduction of isolation.¹¹ Secondary objectives were a reduction in the provincial food deficit, the protection of arable land from shifting sand dunes and an enhancement of the capacity of technical services. These objectives were to be achieved mainly through an expanded and more efficient use of the available land and water resources, which in turn was to be brought about by the provision of credit funds for small enterprises, improved physical infrastructure, improved technical support services and effective participation of beneficiaries at all stages of project implementation.

17. Project activities were divided under seven components, namely: irrigation rehabilitation, agricultural development, aquacultural development, sand dune fixation, road rehabilitation, rural credit and institutional support. (In the SAR, the provision of credit appeared as a sub-component within the agricultural component.) Specific objectives by component included: the expansion of the irrigated area; increased agricultural and livestock production and productivity, increase in marine and freshwater products, the fixation of 4,000 ha of sand dunes as well as the provision of cash income for the communities involved in afforestation; the linking of isolated communities to each other and to markets through the rehabilitation of rural roads, and the improvement of the reach and capacity of extension services.

D. Implementation Partners and Arrangements

18. Project implementation was to be carried out by the relevant line agencies and coordinated by a Project Coordination Unit (PCU) set up within the Department of Planning and Investment (DPI), whose parent ministry (MPI) acted as the Executing Agency for the project. The line agencies concerned were: the Water Resources Department, the Department of Agriculture and Rural Development (DARD), the Department of Fisheries and Aquaculture, the Department of Transportation and the Department for Science, Technology and Environment (DOSTE).

⁹ SAR para 8, p. 3.

¹⁰ SAR para 25, p. 7.

¹¹ SAR para 36, p 9.

Disbursement of project funds at provincial level was managed by the Department of Finance (DOF). A Sub-Loan Agreement was signed with the Vietnam Bank for Agricultural Development (VBARD) for the implementation of credit activities. As Cooperating Institution, the UN Office for Project Services (UNOPS) was responsible for supervision and loan administration.

19. A Technical Implementing Unit (TIU) was to be set up within each implementing agency, with separate accounts at the Provincial Treasury and independent legal status. The functions of the TIUs included the preparation of AWPBs, the organisation of training programmes and study tours and the regular monitoring of activities. An activity manager appointed from the relevant technical department was to be responsible for the achievement of the targets for each component. District Implementing Units (DIUs) were established at district level, chaired by the vice-chairperson of the DPC and responsible for the coordination, supervision and monitoring of project activities at district level.



Nguyen Thi Thiet and her son Nguyen Sy Thai replant casuarina saplings blown down by the wind. They are responsible for the upkeep of the plantation, which consists of over 10000 trees..
IFAD photo by Lou Dematteis

E. Major Changes in Policy and Institutions during Implementation

20. The evolution of government policy concerning poverty alleviation and rural development was consistent during the period of project implementation (1997 – 2002), with a growing commitment to administrative decentralisation, as emphasised in the CPRGS.

21. In terms of government institutions, there has been only one significant change, and this took place after the closure of the ARCDP. This was the creation, in July 2003, of the new Department of Natural Resources and Environment (DONRE). This department took over a number of functions previously carried out by the Department of Science, Technology and Environment (DOSTE), which had been responsible for carrying out the Environmental Impact Assessment under the ARCDP. The project had invested in capacity-building in DOSTE under the heading of Institutional Support. It was noted by the Mission, which interviewed representatives of both departments that the transfer of responsibilities appears to have left some lacunae. The regular monitoring of the water quality in the Nhat Le Estuary, for example, was discontinued by DOSTE but had not been taken up by DONRE, apparently because of the lack of appropriate equipment.

F. Design Changes during Implementation

22. The major design change during project implementation was the creation of the Community Development Fund (CDF) component, which was approved by IFAD in June 2001. The bulk of the budget for the new component (SDR 2 million out of SDR 3 million) was drawn from funds allocated

to the under-performing credit sub-component. The remaining one million SDR was made up of savings in equipment procurement, training and project operation, together with SDR 200,000 previously unallocated (Table 1). The stated purpose of the CDF was to sharpen the poverty focus of the project and more directly to meet the needs and priorities of communities as expressed through PRA exercises. In other words, this move was designed to address perceived weaknesses in the original targeting and to provide an arena where participatory approaches and community ownership of schemes might be more fully realised. An amount of SDR 50,000 was also reallocated to offset over-expenditure in the category of infrastructural construction. As a result of the establishment of the CDF component, the duration of the project was extended, with the project completion date shifted from 31 December 2001 to 30 September 2002 and the closing date from 30 June 2002 to 31 December 2002.

Table 1. Allocation of Funds by Category after CDF

Category	Budget in Loan Agreement	Re-allocated to CDF	Budget after Re-allocation
Infrastructure Construction	4,290,000	0	4,340,000
Equipment Procurement	1,330,000	400,000	930,000
Training	410,000	200,000	210,000
Credit	2,750,000	2,000,000	750,000
Project Operation	600,000	200,000	400,000
Unallocated Fund	670,000	200,000	470,000
CDF		3,000,000	3,000,000
TOTALS	10,500,000		10,050,000
<i>Unit: SDR Source: PCR</i>			

23. With regard to the sand dune fixation component, it was envisaged in project design that the villagers would have had ownership titles to the new plantations. According to the PCR, 'each household was to receive one ha to plant forest and this area was to be allocated (the red book was given) so that the local people could maintain it in the long run.' In the event, the size of the unit was doubled but no title was issued, since 'this is protection forest by the sea managed by the government (the South Forestry Farm)'.

24. The proposed involvement of the World Food Programme in financing food-for-work operations in sand dune fixation, rural road construction and irrigation schemes, to a total of USD 2.5 million, did not materialise. The reasons for this were not specified in project documents or supervision reports.

III. SUMMARY IMPLEMENTATION RESULTS



Truc Ly sluice canal system outside of Ham Ninh pump station in Quang Ninh district. The canal system, located at the entrance of an irrigated rice paddy, helps regulate water levels during wet and dry seasons.

IFAD photo by Lou Dematteis

25. The overall financial target of the project was met, with a full disbursement of the IFAD loan amount and the UNDP grant, to a combined total of a little in excess of VND 254 billion. The only substantial under-achievement in financial terms was under the credit component, for which only SDR 750,000 out of the planned 2,750,000 was disbursed.

26. **Irrigation Rehabilitation.** The physical achievements of the component comfortably exceeded the original targets in all spheres. The project completed the upgrading and construction of 25 schemes (some under the CDF component), against the initial target of 11. The schemes resulted in improved irrigation facilities for 2236 ha and an additional irrigated area of 1306 ha. A total of 240 Water Users Groups (WUGs) and 27 Self-Management Boards (SMBs) representing 12,016 households, were formed and trained by the irrigation TIU. In some villages visited by the mission, the establishment of WUGs/SMB was carried out after the design phase of the schemes. Beneficiary contributions in terms of provision of labour for construction and command area development accounted for 24.7% of the total cost of the schemes. One area of concern was the important issue of water management, with some irrigation systems making less than optimum use of the available water, failing to fulfil crop-water requirements and to address the environmental hazards of excessive irrigation.

27. **Agricultural Development.** The project design provided for support to extension services, the establishment and strengthening of breeding stations and Artificial Insemination (AI) centres, and training of staff and beneficiaries. An important achievement of the component was the establishment of the district and commune level Agriculture Extension (AE) system through the provision of 156 extension workers (5 for the AE stations and one for each commune) and their training in extension methodologies, PRA approach, and animal husbandry. Other physical achievements included the rehabilitation of Duc Ninh Pig breeding station, the construction of AI stations in Tuyen Hoa and Le Thuy for production of F1 pig breeds, the rehabilitation of Le Thuy AI pig station, the establishment of an AI programme for cattle, a full programme of demonstrations and the rehabilitation of seven rural markets. In the case of demonstration sites and rural markets the output exceeded the original design targets.

28. **Rural Credit Programme.** To realise the benefits of improved support services a credit line was provided for improved small-farm livestock and crop production and other income generating enterprises. However, the credit component was largely ineffective from the commencement of the project, basically because the project design failed to take account of the ground realities in terms of:

demand for credit; existing interest rates; availability of credit from other sources; institutional capacity; and the prevailing regulatory framework. Concessional credit was available from at least six other sources, at rates of interest significantly lower than the market rate applied by VBARD under the ARCDP. At the time of project start-up, there was no regulatory framework for group lending, and the savings and credit groups formed by the project were not considered viable by VBARD, mainly because of their lack of legal status. In addition, VBARD lacked the required network of branches at local level as well as financial incentives to extend their services to the very poor.

29. As a result, only 28% of the budget envisaged at appraisal was disbursed. A total of 4,077 households received loans under the programme, a figure that can be contrasted with the 66,258 households in the province which received small loans from various sources in 1994.¹² A total of 2,697 savings and credit groups were formed, with each group comprising 8-10 members. Some 6,700 households made savings, to a total of VND 2.58 million. The credit activity was ultimately sidelined and the remaining funds reallocated to the CDF component, as described above.

30. **Aquacultural Development.** Expenditure under this component represented only a little over two percent of the total project budget, making it the smallest component in financial terms. The major activities were as follows: the training of beneficiaries and fisheries staff; a programme of demonstration for the raising of shrimp and freshwater fish; and investments in shrimp hatcheries and fingerling stations. These activities were in the main successfully carried out, with a commensurate impact on the development of aquaculture in the province.

Table 2. Aquaculture Development in Quang Binh

Item		1997	1998	1999	2000	2001	2002
1. Total yield	Ton	1126	1308	1450	1689	1994	2440
Of which: Shrimp	Ton	125	155	162	206	271	420
Crab	Ton	119	95	114	120	96	120
Fish	Ton	882	1058	1174	1363	1627	1,900
2. Area of aquaculture	Ha	1098	1160	1210	1364	1643	
Of which: freshwater	Ha	595	637	650	784	848	923
Saltwater	Ha	503	523	560	580	795	1,050
3. Number of fish cages	Cage	737	880	1471	1920	2162	1,940
4. Prawn-tiger juveniles	Million	3	3	3.2	1.8	2.8	47
5. Fingerlings	Million	40	40	40	42	40	50

Source: Quang Binh Statistical Yearbooks

31. Certain activities envisaged at appraisal, namely the upgrading of 400 ha of shrimp ponds, the construction of 5,000 fish cages and other household-level initiatives, met with little success. Only 60 ha of shrimp ponds were upgraded and only 60 fish cages were constructed. The failure of the planned increase in fish cage culture appears to have been due to the weakness of the ARCDP rural credit programme which was designed to facilitate small-scale investments in aquaculture, among other sectors. A further aim of the component was the establishment of an effective fisheries extension service, but beyond the setting-up of an office and laboratory at provincial level and some training for existing extension staff, little was achieved. The limited budget was utilised only for day-to-day operational costs and no funds were allocated for the employment of additional district and commune level staff.¹³

32. **Sand Dune Fixation.** The objectives of the component were twofold – the fixation of the dunes to prevent further encroachment of sand into the paddy area, and the improvement of the living

¹² SAR Vol. II, Annex 3, para 11

¹³ Officials at the Dept. of Fisheries considered that an effective extension network would require the employment of around 70 new extension workers in the districts and communes.

standards of the people living in the sandy coastal belt. The South Forestry Farm (SFF) housed the TIU and was responsible for implementation. The mapping, surveying and feasibility study was carried out by the Vietnam Forestry Institute. Training programmes were organised by the Hue University for Agriculture and Forestry. At appraisal, it was envisaged that 4,000 ha of *casuarina*, would be planted by 4,000 selected households at the rate of 1 ha. per h/h. In reality, 5,000 ha were planted by around 2,600 households at the rate of nearly two ha. per h/h, since the income from a single hectare was thought insufficient.

33. Forestry Self-Management Boards (SMBs) were set up in each of the 12 communes of the dune area and from 1998 also at village level. The SMBs selected the households for work in plantation and maintenance. Of the selected households, 31% were categorised as poor, a smaller percentage than the average poverty rate for these communes, but it is clear that in the initial stages of the project, the most important criteria for inclusion in the activities were those of enthusiasm and labour availability. It was only after a few years of operation, when other households could see the cash benefits, that there was competition for inclusion within the scheme, and only then could poverty levels become a criterion for selection.

34. Progress has been made since the CPRE report of 2000 in terms of preventing debranching of the young *casuarina*. This is partly due to the direct incentives offered to villagers, but also to an increase in awareness of the role of afforestation in soil improvement and water source protection. Techniques of cultivation have improved and there have been a number of trials involving mixed planting of *casuarina* and *acacia* species as well as pilot trials for cashew, drought-resistant species of *casuarina* and indigenous species. Experts at the Forest Science Institute in Hanoi now acknowledge that in most areas of the dunes mixed planting is preferable to the former practice of *casuarina* monoculture. There has been considerable success, for example, with drought-resistant species of *acacia* such as *A. difcilis*, *A. torulosa* and *A. tumida*.

35. **Road Rehabilitation.** The Rural Roads component was the largest component of the project in terms of the budget expenditure. The total cost of the rural road schemes implemented by the project was USD 4.69 million or nearly 28 percent of the total project cost. The project has built or upgraded 166.3 km of rural roads as against the 194 km planned at appraisal. The formulated project included culverts, spillways and others structures which were modified during implementation to suit the ground conditions. The appraisal plan also included construction of three ferries. Of these, only one ferry has been built and the two others were substituted by two large bridges. The project did not follow the original plan for each district, having over-built in some and under-built in others. This has been explained in part due to the technical design / plan changes necessary during implementation.

36. The quality of roads built under ARCDP appears to be good and the original design has been faithfully followed. The roads have a total width of five metres, that is a three-metre pavement with one metre side shoulders. At various places along the roads, small bridges and culverts have been built. All the roads have been verified and handed over to the community. The quality of culverts and bridges and the ferry built under the project also appear to be good.

37. At more than USD 27,000 per km, the average actual per km cost of the 164 km of upgraded roads was about 80 percent higher than the planned per km cost¹⁴ (see Table 3). The completion of the road programme was planned for the year 2000 but was delayed by nearly two years. However, the increase in the price of inputs over these two years only partially accounts for the rather large cost escalation.¹⁵ Unfortunately, IFAD and UNOPS did not follow up on this critical issue as required.

¹⁴ The UNOPS supervision report of May 2002 also observed this rather sharp increase in the per unit cost of roads built or upgraded under ARCDP.

¹⁵ The mission consulted the Asian Development Bank (ADB) on the cost of building comparable roads, and ADB provided a figure of USD 10,000 – 15,000 per km. A study undertaken by the World Bank on rural roads in Vietnam also estimated the cost at about USD 15,000 per km.

Table 3. Cost of Rural Roads Construction

	District	Road Cost \$/km (planned)	Road Cost \$/km (actual)	Actual as a % of planned	Cost Escalation %
1	Minh Hoa	16,645	19,100	119	19
2	Tuyen Hoa	18,649	33,037	177	77
3	Quang Trach	15,833	47,700	302	202
4	Bo Trach	15,976	13,800	86	-14
5	Dong Hoi	9,000	26,200	273	173
6	Quang Ninh	9,600	24,800	258	158
7	Le Thuy	14,000	46,400	326	226
8	Average	15,200	27,400	180	80

Source: Data from PCU

38. **Project Management.** The project management structure was designed according to the guidelines given in the Appraisal Report. The Provincial Project Coordination Board (PPB)¹⁶ included the Chairman and Vice Chairman of the Provincial People's Committee (PPC), directors of all line departments and chairmen of the District People's Committees (DPCs). The Project Co-ordinating Unit (PCU) was the central organizational unit responsible for the management and co-ordination of project activities. The PCU was formed directly under PPC and located in the office of DPI. The project director was also secretary of PPB. The PCU had the responsibility for executing project activities and for coordinating the work of the six TIUs formed in the technical departments. The project management made considerable efforts to fulfil its management and coordination functions, and to provide training and equipment to the relevant technical departments in order to upgrade the capacity of the TIUs and deliver technical advisory services at field level. In the opinion of the mission, what was lacking was a formal management control system for operational purposes.¹⁷

39. The primary planning tool of the project management has been the AWP&B, which was to have followed the guidelines of the provincial plans and the needs assessment results from the PLA/ PRA exercises undertaken by the project, and which was prepared by the project as required. Capacity in coordination, management and participatory planning at all levels was built through a comprehensive programme of training programmes. The project took advantage of local trainers to carry out PLA/PRA exercises for annual planning. In addition, ARCDP and other agencies, in collaboration with the PCU of the ADB-funded Central Region Livelihood Improvement Project, have carried out micro planning for all communes in Tuyen Hoa and Minh Hoa districts in preparation for the ADB project.

40. **Monitoring and Evaluation.** The PCU paid much attention to M&E activity and considered it an indispensable activity in project implementation. There were four full-time M&E staff in the PCU, and part-time M&E staff in other institutions such as the TIUs, DIUs, Women's Unions, Farmers Associations and the bank (VBARD). A total of 23 provincial and district M&E staff were trained in PRA techniques by national and international specialists. Day-to-day M&E activities, such as data collection and analysis, report-writing and regular meetings at the various levels were routinely carried out. A Participatory M&E (PM&E) system was established and one hundred PM&E exercises implemented in the seven districts, for all components. These exercises were utilised both for collecting information and assisting participants to prioritise their needs.

¹⁶ Referred to in the PCR as the PMB, or Project Management Board.

¹⁷ See paras 129 – 132.

41. **Procurements and Financial Management.** The project management has strictly followed the regulations set by the Government and the guidelines given in the appraisal report with regard to the procurement of goods, including tendering, tender evaluation, fund withdrawals and reporting systems. During implementation, ARCDP suggested ways of abbreviating the process for withdrawal applications. Independent auditing, implemented by international audit companies through bidding, was scrupulously carried out, and financial and annual M&E reports were submitted as required.



Beneficiaries on road in Ngu Thuy. The road was completed in May 2000 and provides 3700 villagers access to the market and to other villages.
IFAD photo by Lou Dematteis

IV. IMPACT ON RURAL POVERTY

A. Impact on Physical and Financial Assets

42. ARCDP irrigation schemes have resulted in increased crop yields as well as an expansion in the areas irrigated. The direct benefits of irrigation schemes affected an estimated 12,000 households. A total of 2,236 ha of land benefited from the upgrading of existing schemes and an increase in water availability, and 1,306 ha became irrigable for the first time. Substantial yield increases are indicated for the land covered by upgraded irrigation schemes. At the Khe Su irrigation scheme in the mountainous district of Minh Hoa (Table 3), villagers reported that the yield of paddy had increased from 30-50 kg/sao to 250-300kg/sao¹⁸, with a corresponding effect on income and food security. After the upgrading of the Cay Bun irrigation scheme in Tuyen Hoa, the two-crop yield increased from 4,500 kg/ha to 8,000 kg/ha. Improvements to the Hoa Sen scheme in Minh Hoa and elsewhere resulted in the replacement of a single crop by two crops. Upgrading of the Trooc Vuc scheme in Bo Trach district nearly doubled the area of two-crop rice and was said to have put an end to the out-migration caused by food insecurity.¹⁹ During construction work at the Cay Bun scheme, local labourers earned a total of VND 96 million in 1998/99, and at the Khe Su scheme they earned VND 70 million in 1999/2000.

Table 4. Khe Su Irrigation Scheme.

[Adapted from PCRC]

	Item	Unit	Quantity or quantity
1	Total payment to local laborers	Million VND	70
2	Irrigated area before scheme	ha	0
3	Non- irrigated area before scheme	ha	0
4	Fully irrigated area by scheme	ha	55 (with 2 crops)
5	Non-irrigated area after scheme	ha	10 ²⁰
6	Increase in irrigated area	ha	45
7	Coefficient of increasing crop		2
8	Yield increase	(ton/ha/crop)	4
9	Total number of beneficiary communes	Commune	2
10	Number of poor communes benefited	Commune	2
11	Total number of beneficiary households	h/h	340
12	Number of poor households benefited	h/h	325
13	Number of WUGs formulated	Group	7
14	Number of schemes handed to WUGs		(The whole scheme)
15	Crop structure before scheme	Cassava, bean, pea-nut, dry rice, maize	
16	Crop structure after scheme	Water rice	
17	Staple diet before scheme	Cassava: 95%; rice: 5%	
18	Staple diet after scheme	Cassava: 10%; rice: 90%	
19	Period of food insufficiency before scheme	Month/year	8
20	Period of food insufficiency after scheme	Month/year	(sample households) 2

¹⁸ 1 sao = 500m²

¹⁹ PCR p. 111

²⁰ This area belongs to WUGs No 6 & 7 at Tan Ly village due to the slow speed of handing Land Use Right over the beneficiaries.

43. Under the sand dune fixation component, the major immediate impact came in the form of cash income. Nearly 2,600 households were paid for the planting and tending of seedlings and were able to earn between 5 and 10 million VND per year for two years, depending on the density of plantation. Income was also generated by the raising of *casuarina* seedlings in private nurseries. In addition, as the young plantations grow up, increasing amounts of pine needles are available as fuelwood.²¹ Beneficiaries interviewed by the mission were unanimous that the income from afforestation activities had contributed substantially to poverty reduction among the communities living in the sandy zone, and it could hardly have been otherwise, with a total of between 50 and 100 billion dong paid out for labour in twelve communes over five years, quite apart from other simultaneous interventions and activities. The problem in this case is that of sustainability (*see para. 72*).

44. The roads upgraded under ARCDP are primarily inter commune roads which connect residential clusters or cultivated lands. These roads have contributed to the socio-economic development of communities, especially of isolated communes in mountainous and coastal regions. It is difficult exactly to quantify the economic and social benefit of the roads constructed under ARCDP, but a rough estimate indicates that nearly 55,000 households and 250,000 individuals in 58 communes have directly benefited from these roads. One form of benefit has been the wages available for paid labour, with an estimated total of 7 billion VND being paid to labourers on road schemes at an average rate of 15,000 VND per day. However, the mission found that local labour was not always preferred by the contractors, despite requirements set out at project design.

45. The indirect social and economic benefits of roadbuilding are many times more significant than the direct benefits. The movement of traffic in and out of the communes where these roads have been built and upgraded has significantly increased. In the communes served by these roads, there have been estimated increases of 3,000 percent, 600 percent and 300 percent in bicycle, motor cycle and pick-up truck traffic respectively.²² Improved access to markets has caused a reduction in the price of agriculture inputs as well as substantial increases in prices paid to the farmers for their produce. After the construction of the Sen Thuy – Ngu Thuy road, prices for agricultural produce increased from 30% to as much as 100%. The building of this road also resulted in the foundation of a new roadside community of 12 households, complete with grocery stores and other services. In other areas, access to schools and health centres has also improved.

46. **Credit and Livestock.** The weakness of the credit component severely affected the project's impact in terms of the creation of new income-generating opportunities. The savings made by the 2,697 Savings and Credit groups formed under the project amounted to something over 2 billion VND, and loans worth a total of VND 18.5 million were provided to a little over 4,000 households. This number represents only a fraction of the number of households expected to access credit under the ARCDP credit programme.²³ The PCU told the mission that many project beneficiaries obtained loans from the various other sources available, and this was confirmed in discussions with the WU, the FA and groups of villagers, but accurate figures were not available.

47. It was envisaged at project design that the majority of small loans would be spent on the purchase of livestock, with a corresponding impact on household nutrition and cash incomes. Of the loans that were obtained through the ARCDP credit line, 75 - 80 % were utilised for the purchase of livestock, food processing or aquaculture, with the first of these accounting for the great majority. The Quang Binh Statistical Office figures show an 11% increase in numbers of pigs and nearly 50% in

²¹ This is a rather important factor in an area suffering from a chronic shortage of fuelwood. The pine needles must be left under the young saplings for the first couple of years to assist in soil improvement. After this they may be gathered for fuel, and large bicycle-loads of them are a common sight in the sandy areas. The bicycles, too, which were very rare five years ago, are an indication of some increase in prosperity.

²² The use of bicycles is not restricted to adults; many children now travel to school by bicycle.

²³ The figure was not separately calculated in the SAR. An estimated 46,000 households were expected to participate in pig breeding and fattening, and goat and cattle production, but whether all of these households were expected to receive small loans is not clear. This figure of 46,000 represented nearly three-quarters of the anticipated total of direct beneficiaries of the project (*see SAR Vol I, p. 46*).

numbers of poultry (the two kinds of livestock favoured by poorer households) between 1996 and 2002, but it is fair to assume that these increases would have been higher if the ARCDP credit line had operated as envisaged at appraisal. Similarly, the mission talked to a number of households who had started small-scale processing businesses financed by small loans, but these loans were from sources other than ARCDP with interest rates of 0.4 or 0.5%.

48. The contribution of the project to the increase in physical and financial assets is assessed as **substantial, 3** on an ascending scale of scores from 1 (negligible), to 4 (high). The rating is based on the strong performance of the irrigation and crop component, as well as the impact arising from the sand dune fixation component and the relative failure of the credit component.

Table 5. Livestock and Poultry Numbers in Quang Binh

	Buffaloes	Cattle	Pigs	Goats	Poultry
1996	28,869	126,130	264,182	5,862	1,373,000
1997	28,407	127,968	270,130	5,667	1,467,000
1998	29,355	128,214	267,259	4,965	1,501,000
1999	29,501	130,250	273,611	4,469	1,573,000
2000	30,091	130,901	278,502	5,059	1,711,000
2001	33,621	105,144	280,973	5,360	1,868,000
2002	35,760	104,431	293,662	4,349	2,067,000

Source: Quang Binh Statistical Yearbook, 2003

B. Impact on Human Assets

49. **Training.** Training and capacity building constituted an important aspect of the project, with training programmes provided under all project components to beneficiaries, village level officials and members of the Self Management Boards, as well as to technical officers and managers in the project offices and in the various departments. In the period 1997-2002 nearly 400 training courses were conducted by the project on animal husbandry, crop cultivation, integrated pest management (IPM), irrigation, aquaculture, road management and afforestation. Fifty-four trainees participated in training courses for trainers on animal husbandry and agriculture extension, and 13 other courses were conducted for grassroots level extension workers, involving 450 people. Many participants interviewed by the mission confirmed the usefulness of the training courses. Integrated Pest Management courses, and training courses in the raising and plantation of seedlings under the sand dune fixation component were particularly appreciated. By contrast, there are some doubts over the adequacy of extension training for commune-level workers whose expertise is expected to cover diverse fields. On occasion, participants in training courses were limited to the staff of the Womens Union or Farmers Associations and sometimes a single member of the WU or FA attended a number of courses, instead of the villagers actually involved in the relevant agricultural or credit activities.

50. **Gender impact.** The project objective was to ensure gender equity in all activities and the mission found no direct evidence of discrimination against women in project initiatives. It was noted that women's participation in training courses increased and there is a Womens Union representative in SMBs. In PRA/PLA exercises as well as in participatory monitoring and evaluation, 50%

participation by women was insisted on. The proportion of women in SMBs, WUGs and project management boards were estimated by the project at 25%, 37% and 21.5 % respectively. These figures may be still low, but they were understandably considered by the project as an achievement in relation to the prevailing gender structure. Under the sand dune fixation component, women accounted for over one-third of the signatories of the plantation/protection contract and women were preferred as labourers in afforestation activities (comprising 70% of all workers in this sector), since the planting of seedlings and tending of saplings is not a strenuous job. This work is off-season as far as the crop calendar is concerned and generates a considerable income.

51. Women were involved in a number of savings and credit groups and a little over one-quarter of borrowers under the ARCDP credit programme were women-headed households (309 of 1,194). Under the irrigation and road components, women's participation was limited because infrastructural works generally required skilled labourers, most of whom were recruited from outside the locality. The number of girls attending schools has increased and one headteacher reported to the mission that in the local fishing communities it was more often the boys who were kept from going to school because of their involvement in fishing.

52. In terms of access to education and health, there is no indication of significant gender discrimination, but tradition and custom still prevail at household level. Thus the majority of outstanding gender issues relate to inequality within households and to problems of empowerment rather than income. During field visits, the mission recognized that while the women's position within the household may have improved over recent years, it is men's authority that remains dominant, especially in matters of reproduction and social relations. However, it was often reported that women manage the money and that important decisions are shared between wife and husband. In all sites visited by the mission, it was reported that thanks to project household income had increased and that there was more cash available for children's education, the purchase of fertilizer and investment in livestock activities such as pig raising. Almost all women complained, however, that men spent a significant proportion of scarce household income on tobacco and alcohol, despite their wives' objections.

53. The workload of women is still often excessive, because in addition to working in the fields, the burden of housework and child-raising falls almost entirely on their shoulders. The increase in crop frequency and yield tended inevitably to add to the workload of women, but the majority of women reported that this was more than compensated for by the increase in income. The new supply of fuelwood which will gradually become available in the newly-forested areas of the sandy zone should ultimately result in a reduction of time spent gathering firewood, also traditionally a women's task.

54. Policy issues related to gender mainstreaming include the problems over granting land titles to women, and the representation of women in institutions. In all sites visited by the mission, the existing practice of granting of land use certificates in the husband's name²⁴ prevents women from accessing formal credit. Although there have been significant legislative changes in this respect in recent years, with land and housing titles issued jointly to husband and wife, even the staff of the Womens Union in the communes visited by the mission remained unaware of these changes. With reference to the second point, it was confirmed to the mission during discussions with the Provincial Womens Union (PWU) that the representation of women in government institutions and organizations was still limited and that local authorities are reluctant to promote or recruit women to new positions. The Director of the PWU is of the opinion that it is the twin effects of traditional culture and the prejudices of society that lie at the root of gender discrimination in Vietnam today, rather than bias in government policy and legislation.

55. **Water supply, health, education.** These areas were not directly targeted as part of project design, but domestic water supply and school improvement were frequently selected to be funded

²⁴ This issue was raised by the CPRE in 2000. The problem has not been lack of legislative action but the failure effectively to disseminate the new arrangements.

under the CDF. Contamination of water supplies by salt water and alum, especially in the coastal areas, has been a major problem, and the provision of a reliable supply of uncontaminated potable water has had a positive effect on the incidence of diseases of the eyes and skin, as well as on dysentery and typhoid. The mission also visited several primary schools and kindergartens which had been built or improved through CDF, and held interviews with teachers. At the new school in Hai Thuy commune in Le Thuy district, the principal reported an increase in enrolment, a sharp reduction in the drop-out rate and, over the last 5 – 7 years, generally better health and school attendance among pupils. The gender balance among pupils was reported as even, and the academic performance of the girls as superior to that of the boys. The principal also reported that the school was entirely lacking in equipment. There was not a single television or computer (in a school of 340 students), and there were no sporting facilities, not even a net and a ball. The building itself was a grand two-storey affair, and it seems strange that the cost of certain basic educational and sporting equipment was not included in the original investment.²⁵

56. The contribution of the project to the increase in human assets is assessed as modest, 2, since the project activities did not directly address health and education issues.

C. Impact on Social Capital and Empowerment

57. **Participatory Development.** The project has been active in the formal involvement of beneficiaries through participatory approaches and PRA methodologies. In order to build capacities in this respect, an extensive programme of training courses in PLA/PRA skills was conducted by international advisors and locally-trained personnel. A team of 35 PLA/PRA master trainers were trained by international advisors and these master trainers organised 14 training courses for 294 district and commune extension workers and 17 M&E staff of the project. PLA/PRA was conducted in all project communes and villages, although the mission was informed by villagers that in some cases the process of PLA/PRA was carried out at the commune level through representatives of the villages, instead of through mass meetings of all households.

58. Village-level PRA/PLA exercises were conducted in order to identify needs and develop village development planning, especially under the CDF component and, most actively, in the three villages selected as models for social mobilization. In these cases, villagers have participated in all stages of planning, implementation and participatory monitoring and evaluation. In other cases, the participatory element has been less effective. In particular, there was a lack of real beneficiary participation at the design stage of infrastructural schemes. Villagers reported to the mission that information on the planning, designing, budgets and construction contracts was not made readily available to local people, and local labour was recruited only for certain limited activities such as bush clearing and topsoil removal. It appeared that in many cases the PRA was conducted by line departments as part of the preparation for their annual work plans. With most infrastructural activities already predetermined, there was in reality limited scope for proactive participation of target groups. The repetition of rather token PRA exercises may even have had a negative effect on the motivation of beneficiaries.

59. In the planning stage of activities under the CDF component, participatory exercises were carried out using PRA/PLA to assist villagers in defining their aspirations. This process included an analysis of the constraints and enabling factors. The number of participants was generally in the region of 30-40 villagers and the purpose was the articulation of the prioritised needs of the village. The resulting ‘village development plans’ were then brought together at commune level, in a meeting attended by representatives from the villages and a commune development plan was drawn up. This plan, which was generally confined to certain infrastructural schemes (typically domestic water supply or school construction), was then submitted to the PMU which, in line with the available budget, determined what could and what could not be financed and decided the allocation of the fund.

²⁵ This tendency for ‘investment in schools’ to be restricted to the bricks and mortar has been observed elsewhere. A ‘school’ consists also of its yard, grounds, library, amenities and facilities, not just its classrooms and offices (*see also para. 110*).

60. Participatory monitoring and evaluation (PM&E) was applied from 2000 and further developed during the course of project implementation. Ample evidence for the energy with which the PM&E approach was pursued can be found in the number of such exercises that were carried out. However, the verdict of the UNOPS supervision report of 2002 was that PM&E in some cases consisted of no more than ‘collecting information on impact from individual households with the help of a questionnaire’.²⁶

61. **Decentralized Models:** The UNOPS Supervision Mission of 1998 identified weaknesses in terms of participatory development, and recommended constant monitoring and follow-up of PLA processes with the ultimate objective of capacity building and sustainable development. In the year 2000, an international consultant was engaged for the development and testing of a suitable model of socio-economic mobilisation. The result of this was that principles of social mobilization adopted from the Agha Khan Rural Support programme (AKRSP) in Northern Pakistan were applied in three villages of the province (Ta Phan, Tu Hoan and Tien Gian) with the assistance of a specially established Socio-Economic Mobilisation Team (SEMOT). The process of social mobilisation involved a series of PRA exercises designed to establish the needs of the communities and lay the basis for ‘local management systems’. The PRA was implemented as a multi-sectoral exercise and the ‘apex’ SMB that was created was to coordinate all project-related activities, each of which was managed by a task-specific committee or users group. A comprehensive programme of agricultural and management training was carried out.

62. The mission visited two of the model villages – Tu Hoan village in Hoan Trach commune of Bo Trach district and Ta Phan village in Duy Ninh commune of Quang Ninh district – for discussions with stakeholders and an assessment of what had been achieved. There were very positive outcomes in terms of the community’s understanding of its responsibilities (particularly in regard to support for the poorest households), their management capacities, the efficient and transparent utilisation of internal and external resources, and successful planning, implementation and O&M of the activities. The major breakthrough of the exercise was the transfer of resources to SMBs for implementation of identified activities such as infrastructure and credit, and the successful management of these schemes by the SMB. An important lesson that emerged from the exercise was that unlike the normal implementation arrangements whereby sectoral line agency staff were responsible for facilitating community participation in addition to their technical responsibilities, the involvement of full-time facilitators resulted in a much more committed approach to participatory development.

63. According to the PCR, the approach to CDF and the three models of social mobilisation represented the first application of such an approach in Vietnam and a significant breakthrough in terms of the decentralization of management. The ‘decentralized models’ have already been partially replicated by district authorities. Substantial improvements in livelihood have been recorded in both villages and a large number of grassroots organizations are active, but it should be emphasized that these have been the result of a very considerable expenditure of time, effort and money under direct guidance of an international social mobilization expert with a handpicked socio-economic mobilization team (SEMOT)²⁷.

64. In Ta Phan, the SMB, formed by election in May 2001, consisted of 15 members including hamlet representatives, the village head, the leader of the agricultural cooperative, the village WU head and two members of Commune People’s Committee. The project was to recognize the SMB as a local NGO representing the villagers and provide support. With the help of SEMOT, a ‘village development micro-plan’ was prepared. The SMB was responsible for mobilizing financial support within the community and from outside and was very active during project implementation. However this model of SMB ceased to exist – or continued in only a very limited form – after project closure.

²⁶ UNOPS Supervision Report of 2002, p.58.

²⁷ Since the cost of this exercise came from a number of budgets, an overall cost figure is impossible to calculate. The cost of employment of the international expert over 18 months was USD 69,500 (see Table 6).

The cause of this was an administrative bifurcation of the village unit and therefore not due to inherent shortcomings in the design.²⁸

65. The impact of the Project on social capital and people empowerment is assessed as **modest to substantial, 3-2** on the basis of the success of the SMBs and their innovative nature as weighed against the sustainability concerns raised below.

D. Impact on Food Security

65. The quantifiable evidence on this score is restricted to individual communes and schemes (see Table 3) and has not been collated in an extensive household-level survey. However, the evidence for higher yields, higher levels of production and increases in livestock numbers does exist, and in discussion with farmers and householders, the mission found considerable anecdotal evidence of sharp decreases in the duration of the annual food deficiency period, particularly in the mountainous regions. The Socio-Economic Study carried out by IFAD prior to the project (April 1995) included a survey of 564 poor households of which 16% of them lacked food for three months a year, 15% for four months, 12% for 5 months, 21% for 6 months, 18% for seven months and 18% for more than 7 months.²⁹ Households interviewed by the mission in six districts (including the poorest districts of Minh Hoa and Tuyen Hoa) reported an average reduction of food deficiency of three months, most often from around five months to around two. Although these households constituted only a random sample, it is fair to deduce a substantial increase in food security in the project area overall, given the quantified increases in agricultural production (see Table 3). However, it needs to be pointed out that periods of food deficiency continue to exist for the poorest households, which is in itself a justification for a second-phase of the project.

66. The impact of the project on food security overall is categorised as **substantial, 3** due to the enhanced productivity under the improved irrigation schemes.

E. Environmental Impact

67. In most respects, the environmental impact of ARCDP has been neutral or positive, but some wider issues may be noted here. At the provincial wrap-up meeting in Dong Hoi, the mission drew the attention of the provincial authorities to the problems of waste disposal and water pollution in the Nhat Le estuary.³⁰ A World Bank project is being prepared to address the problem of sewage treatment and disposal, but there remains the issue of effluents from the rapidly expanding shrimp pond areas. A Master Plan exists which designates certain zones for shrimp culture, but there seems to be no clear idea of what is the maximum capacity in ecological terms. The mission proposed that trees be planted on all dykes and banks to relieve the drab unsightliness of the ponds in a region where tourism is rapidly increasing.³¹ Of perhaps greater concern is the establishment of very large commercial shrimp enterprises in the sandy areas. Here the problem concerns the contamination of fresh groundwater and the gradual lowering of the water table. The size of schemes and the use of fresh water will require careful regulation.

68. The major positive environmental achievement of the project was the afforestation of 5,000 ha of the sandy zone. Equally important, the 'habit' of tree-planting and an awareness of benefits to ground-water supply and soil quality have successfully been established. The mission found various cases where villagers living in sandy areas had taken the initiative to plant *casuarina* and *acacia* species close to their homes and gardens, and even to extend the plantation of *acacia* in low-lying and well-watered areas adjacent to the villages. Trees had also been planted in some cases along new or

²⁸ This issue is further considered in paras 89ff.

²⁹ Socio-Economic Study, p. 18 para. 87

³⁰ The regular testing of water quality in the estuary areas seems to have lapsed after the redrawing of administrative duties and the creation of DONRE.

³¹ DANIDA experts in the Ministry of Fisheries pointed out that the planting of trees around shrimp ponds is only feasible if the pools are oxygenated, which at present is only the case in intensive culture.

upgraded roads and around irrigation schemes, on the initiative of the local SMBs. IPM training and implementation has reduced the use of herbicides and insecticides.

69. The environmental impact is categorized as **modest, 2**, as the impact of the afforestation is in its very early stages and environmental concerns are prevalent in the expanded shrimp farming.

F. Impact on Institutions, Policies and the Regulatory Framework

70. In terms of institutional development, the objectives of the project were the building of management and technical capacities within the line departments, the establishment of an agricultural extension system to commune level, and the development of effective grassroots institutions. Training programmes in respect of the first of these categories were funded by the UNDP-funded programme (VIE/96/00). An impressive number of training courses were carried out, and the project's own self-assessment records 'many changes gained from capacity strengthening for all involved agencies at all levels.' The PCR, similarly, states that 'the capacity of the staff and management units, obviously have been improved. Capacities have been built in coordination, management and for participatory planning at all levels.' Since the UNDP project closed in 2002 and the majority of concerned staff had returned to their posts within government departments, the present mission had to rely heavily on the final project report produced by UNDP and on interviews with UNDP staff based in Hanoi. UNDP's own assessment of activities funded by the grant was very positive, and it is certain that five years of training of, and investment in, line department staff produced major improvements in terms of knowledge, skills and effectiveness. Some questions over the sustainability of these improvements are raised below.

71. Under the agricultural development component, an extension system was set up which included the appointment of trained extension workers in all communes of the province. This was a significant achievement, underlined by the fact that the province continued the employment of commune extension workers after the closure of the ARCDP. What has been established, above all, is the required *network*, but continuing efforts in terms of training and effective screening of applicants are required. The mission found that many farmers considered the performance and skills of some extension workers inadequate. This in itself is not surprising given the very diverse skills required for extension workers in the field. The cause of the problem may in some cases have been the recruitment of unsuitable personnel, but the main problem has no doubt been one of adequate and appropriate training. A comprehensive survey carried out by the Public Administrative Reform Project under the Ministry of Agricultural and Rural Development (PAR in MARD)³² confirmed that throughout Vietnam farmers express dissatisfaction with the performance of commune-level extension workers. In other words, this is a problem by no means restricted to Quang Binh.

72. Project impact on institutions and services and on policy and regulations is classified as **modest, 2**, because of the sustainability issues concerning capacity building in the line departments and in the CBOs (see Efficiency section).

G. Sustainability

73. **Participatory Approaches and Grassroots Institutions.** The most contentious issue with regard to sustainability – and the one that gave rise to the most debate within the mission and in the wrap-up meetings in the province and in Hanoi – was the sustainability of the project specific institutions at community level. It is important from the outset to make a clear distinction between the sectorally-based users groups and self-management boards and the more ambitious and rather different functions of the self-management boards and related committees in the three 'model' villages. With regard to the first of these, the project has been markedly successful in forming effective users groups in such fields as road maintenance and irrigation; with regard to the second, there are significant questions to be asked in terms of sustainability.

³² Survey of Farmers' Needs, PAR in MARD, 2004.

74. The function of project interventions in the context of participation is to stimulate a sustainable process of grassroots institutional development. Tools such as PLA and PRA are used to gather information and to share experiences regarding communities' needs, as well as the opportunities and constraints for building an effective programme in which all members have a stake. In the case of the ARCDP, however, the trained cadres responsible for facilitating the process of participatory development often lacked understanding of the concepts and principles of the approach. PRA was treated as a one-off activity and its purpose was confined to matching community needs with the prescribed project activities in terms of the planning and implementation of sectoral interventions and the preparation of annual work plans. Each department had the dual responsibility for facilitating participatory development processes and for the provision of goods and services. In reality, these are two quite separate tasks. While line agency staff may possess excellent technical understanding and experience in their respective sectors, and were trained in PLA/PRA methodologies, they had neither the time nor the resources to facilitate and monitor the process on a continuous basis. For most components, the process became stalled after the completion of activities and there were no ongoing arrangements for regular interaction with project beneficiaries.

75. With each department responsible for planning and implementing their respective sectoral components, the participatory process did not allow any scope for integrated village development planning and implementation. The PRAs conducted by the project were mostly activity-specific in nature and each component of the project was implemented without proper linkages either with other components of the project or with other poverty alleviation programmes.³³ This sectoral approach, and the absence of coordination mechanisms, not only resulted in the disjointed implementation of schemes but also put unwarranted pressures on the communities in terms of their time and resources. Experiences from around the world have shown that participatory development and social mobilisation in a multi-sectoral project is a long term process and requires dedicated staff specifically responsible for facilitating the process and establishing linkages between departments/service providers and beneficiaries/communities.

76. The cause of these problems lies mostly in project design, and in particular in the predetermined nature of many activities, which is tantamount to a 'set menu' for development. The input of the communities was mostly confined to planning and implementation of project activities, a restriction which militates against the building of genuine self-reliance and the emergence of sustainable institutions. Social mobilisation was utilised principally as a *means* of encouraging community involvement in planning and implementation. In other words, the community was mobilised to seek access to the benefits of development, make their required contributions and achieve project targets. This must be contrasted with the concept of social mobilisation as an *end*, as an instrument of the empowerment of communities and their ownership of resources and schemes. Projects are often under pressure in terms of the prompt implementation of activities and achievement of targets but they should not lose sight of the need for a gradual process and or of the ultimate objectives of sustainable development. All project goods and services should be used as means to stimulate and promote the organisational strengths of communities for control and management of external and internal resources and promotion of participation, equity, accountability, transparency and empowerment.

77. **The Social Mobilisation Model:** The mission had two major concerns about this model: (i) its structural complexity, involving in one village 35 sub-committees and in another 25; (ii) the repercussions of creating structures that either bypassed or duplicated existing organizations and development plans.³⁴ A sustainable model needs to be simple and it needs to be able to operate in harmony with existing institutions and initiatives. In Ta Phan village in Quang Ninh district (and elsewhere), the chairman of the cooperative has been selected as the WUG chairman and the village leader is the chairman of the SMB. The question must be asked: if the composition of SMBs is

³³ PCU staff on several occasions emphasised to the mission the 'lack of integration' of component activities. The concentration of activities in CDF communes provided one solution to this problem.

³⁴ It should be noted that neither the government authorities at district and commune level, nor the village themselves, accepted these reservations.

dominated by village leaders and the staff of the WU and the FA, is there a need for new and separate institutions? Or at least, what linkages must exist between the new institutions and the existing ones?

78. **Users Groups and Self-Management Boards:** The sustainability of infrastructural investments, in the short-term at least, was guaranteed by the setting up of effective users groups and self management boards. The various groups formed by the project were task-specific in nature and (with the exception of the three 'model' villages) there was no broad-based platform at the village and commune level for discussing wider development issues. The users groups were mostly concerned with planning, implementation and operation and maintenance of the project-financed infrastructure facilities. These functions, whether concerned with irrigation, road maintenance or potable water supply were generally carried out effectively and are rightly seen as an important achievement of the project and its beneficiaries.

79. The sustainability of the afforestation SMBs is less clear and the mission found some cases where the SMB had simply disappeared after the completion of the plantation and initial period of tending the trees. These SMBs were motivated, predictably enough, by the aim of completing the tasks and collecting the remuneration. Once this had been achieved, there seemed no reason for them to continue. This problem is clearly linked with that of payments for forest protection. In some cases at least, these payments appear to have ceased, or to have been unnecessarily delayed. The modification in project design referred to earlier (*para. 23*) necessitates the continuation of protection payments if the forest is not to be ravaged by collectors of fuelwood. It would be pleasant to believe that the forests would be protected by the local people simply because of their awareness of their value in terms of water, soil and climate. Such appears to be the case in the immediate vicinity of villages, but elsewhere other inducements are necessary.



Beneficiary working at a pig-breeding station in Duc Ninh Commune. The facility was built in 1999 with funds from the project. Pure-bred Vietnamese sows and boars are raised and sold throughout Quang Binh Province.
IFAD photo by Lou Dematteis

80. **Training and Capacity Building.** The building of the capacity of the technical departments will not result in a dynamic process, and thus the continuation and development of project initiatives, unless the process is systematised within the departments. In addition, without the building of an archive of courses, materials and manuals to be re-utilized as and when required, there are problems over the sustainability of training programmes. The duration of courses was in many cases too short to make any lasting impact on the technical capacity of the recipients and no training manuals could be found at various field locations where one would expect that such documentation should exist for reference or reuse. Some of the beneficiaries also indicated that the courses that they had received were largely theoretical, with little practical content. The usefulness of these courses would be greatly enhanced if their duration could be increased and the content focused more on practical field-based instruction, with well-presented training manuals distributed to the participants for re-use at a later

date.³⁵ The utilisation of Information and Communication Technology should also be given careful consideration, so that digitized versions of the courses can be stored in project or line agency databases so that courses can be repeated whenever the need arises.

81. Agricultural and aquacultural training is much less effective when the credit programme is inoperative. Training does not constitute an end in itself, and the completion of a given number of training programmes for a given number of participants is not in itself an achievement, but the provision of means to an end. It is for this reason that the relative failure of the credit component was so significant, because of the repercussions for activities under other components (and in terms of the much-needed integration of components).

82. Credit and Savings Groups. In 2001, UNOPs reported that over a third of the households included in Savings and Credit groups had left the groups (6,183 out of 16,783), and in 2002 that only 905 out of the original 3,597 groups were still functioning. These figures speak for themselves.

83. Overall, sustainability of project activities and benefits is assessed as **modest, 2**. The sustainability of infrastructural works and agricultural production seems high, but in terms of training, institutional capacity building and participatory processes sustainability continues to be an issue to be addressed by a second phase of the project.

H. Innovation and Replicability

84. Despite the reservations expressed by the mission about the social mobilisation model, it has undoubtedly achieved one highly important goal: the transfer of the financial management of development funds to village level. Although the necessary regulatory framework still does not exist, this transfer has been permitted on an *ad hoc* basis, and if it can be effectively replicated elsewhere, it may prove to be the most radical of project impacts. The 'model' SMBs have already been utilised by the districts as part of their own programmes, but here it was functions such as O&M that were replicated rather than the model of organisations. The districts used existing commune and village level institutions as SMBs.

85. It was the opinion of the UNOPS supervision of 2001 and 2002 that the most successful aspect of the irrigation component was the establishment of the WUGs, and these have been replicated by the province for all small-scale irrigation schemes throughout the province. A further innovation of the project was the practice of carrying out separate PRA exercises for groups of men and women.³⁶ The provincial decision to continue the employment of commune-level extension workers after project closure should also be commended, even though, as noted above, there is room for improvement in terms of performance.

86. The rating for innovation and potential scope for replication of project approaches and activities is estimated to be **substantial, 3**.

I. Overall Impact Assessment

87. The incidence of poverty in the province has been substantially reduced in recent years. DOLISA³⁷ statistics show an impressive reduction in the percentage of poor households of around 15 % (from 36% to 21%) in the six years of project operation. These province-wide figures were broadly

³⁵ The PAR in MARD report has found that extension training materials are rarely pitched at a level appropriate to the capacity of farmers. They tend to be too theoretical in nature and the language too academic. The Resident Technical Advisor of PAR has invited the proposed follow-up project in Quang Binh to contribute ideas and models for replication and utilisation elsewhere.

³⁶ The priorities expressed in the separate meetings were then discussed at a plenary meeting in order to establish a consensus. Problems in this regard have been referred to in paras 54 and 55.

³⁷ Department of Labour, Invalids and Social Affairs.

confirmed by the commune-level data collected by the mission. By way of example, in Thanh Thuy Commune in Le Thuy district, where project activities included an irrigation scheme, the construction of inter-village roads, the enlargement of the market, a clean water supply scheme and sand dune forestation, the proportion of poor households fell from 36% in 1997 to 24% in 2003, while average income levels rose from VND 1.5 million to VND 2.4 million.

88. Given the various government and donor-funded poverty alleviation programmes at work, it is impossible to distinguish the separate contribution of each. Substantial yield increases are indicated for the land covered by upgraded irrigation schemes; the benefits of rehabilitated markets and roads are reflected in unquantifiable increases in economic activity; afforestation in the dunes provided direct income to poor households, as did the other employment opportunities under the project. The increase in numbers of pigs and poultry between 1996 and 2002 have been mentioned (Table 4, above)³⁸. Access to schools, health centres and markets improved as a result of roadbuilding, and the communities located close to the rehabilitated markets benefited from better provisioned and more frequent markets. On the other hand, the relative failure of the credit component entailed a dearth of the new income-generating opportunities for the poor which were envisaged in project design.

Table 6. Poverty Rate in Quang Binh, 1994 – 2002

	1994	1996	1997	1998	1999	2000	2001	2002
Le Thuy	71.5	31.7	33.0	38.2	18.9	21.1	27.7	20.4
Quang Ninh	67.4	37.9	30.7	30.7	20.2	16.5	27.5	14.7
Bo Trach	68.0	34.6	34.6	43.6	28.5	32.0	22.7	20.6
Quang Trach	74.0	32.1	30.4	27.6	20.1	17.0	27.9	20.4
Tuyen Hoa	94.0	61.6	62.0	75.5	53.8	40.4	43.6	34.5
Minh Hoa	94.0	93.4	92.6	88.5	83.6	81.3	67.6	64.2
Dong Hoi	35.0	12.5	23.5	21.6	9.8	6.1	9.9	7.0
TOTAL	69.4	36.1	36.4	39.3	26.3	24.4	27.9	21.3

Source:
PCR

89. On balance, the physical and financial achievements of the project were impressive. However, the issues related to sustainability of the impacts of training, institutional capacity building and participatory processes suggest the rating for the overall impact of the project to be between **modest and substantial, 2/3**.

³⁸ At the time of the mission's field visit, the 'bird flu' epidemic appeared to have been stabilised. Quang Binh was not among the hardest-hit provinces.

V. PERFORMANCE OF THE PROJECT

A. Relevance of Objectives

90. Are the objectives of the ARCDP relevant to the needs of the poor, the strategies of IFAD and the policies of the government? The chief causes of poverty in Quang Binh would appear to be: the relative shortage of cultivable and irrigable land together with an increasing population; the remoteness of certain communities, especially in terms of markets for agricultural produce; declining catches of in-shore fisheries caused principally by over-fishing and environmentally damaging techniques; the level of unemployment in remoter areas and the dearth of small-scale income-generating activities and home-based industries; and, finally, the incidence of violent climatic episodes, particularly typhoons. The ARCDP aimed to address the shortage of productive land by expanding the irrigated area, the remoteness of communities by building and upgrading new roads and markets, declining income from in-shore fishing by providing alternative sources of income for the poor coastal communities, and the problems of under-employment by providing credit, training and expertise in relevant areas. The last of the factors, the destructiveness of typhoons, was addressed by ARCDP, if only marginally, through its contribution to the afforestation of the dunes.

91. In terms of the strategies of IFAD, the ARCDP followed the main recommendations of the 1996 Country Strategic Opportunities Paper (COSOP).³⁹ The chief criteria proposed for IFAD operations in Vietnam were: (a) a geographical focus in one of the three poorest regions, including the North-Central coast; (b) the targeting of the most vulnerable groups, including ethnic minorities, women-headed households and farmers in remote areas with a poor natural resource base; (c) focus on increased agricultural production in terms of food and cash crops, livestock and fisheries; (d) the promotion and facilitation of off-farm income generating activities of various kinds.⁴⁰ Of the six provinces of the North-Central coast region, Quang Binh, Ha Tinh and Quang Tri were considered the most disadvantaged. Large areas of Quang Binh had been devastated during the American War, and in 1995 only an estimated 10% of the province was cultivated, almost all of this in the narrow lowland zone between the dunes and the hills.

92. The COSOP of 2002 recommended the following priorities for project design⁴¹: (i) as far as possible, project components should be linked and mutually reinforcing; (ii) designs need to be regarded as a flexible framework that can be adjusted during implementation in response to changes in the operating environment; (iii) all project components and activities should be implemented across all project sites, ie. not selectively targeted to individual districts and communes; (iv) simple project design with fewer components and activities for better implementation and higher impact. It is clear that the design of ARCDP did not fully accord with these prescriptions, particularly in regard to the successful integration of components and the desirability of the implementation of all activities across all project sites.

93. **Targeting and Poverty Focus.** In terms of the targeting of the poorest and most vulnerable groups, there were weaknesses in both the design and the implementation of ARCDP.⁴² This was partly because of the very flexible approach to targeting in the design of the project, and partly because of the number of predetermined schemes undertaken, which the PRA exercises were utilised as a 'sanction' by establishing community approval and involvement, rather than in order to identify and address the villagers' own priorities. Wealth ranking was carried out as part of PRA exercises and lists of poor households at the commune level (according to DOLISA poverty criteria) were also available, but systematic criteria for targeting were lacking and consequently the target groups for the various project activities were never defined. The mission found little evidence for the inclusion of a

³⁹ This was duly noted by the CPRE mission in 2000.

⁴⁰ COSOP 1996, p. 14/15, paras. 84 – 88.

⁴¹ COSOP 2002, para 41.

⁴² Ethnic minorities were not specifically targeted but, in contrast with many other provinces in the north and in the central highlands, they constitute an estimated two percent only of the Quang Binh population.

satisfactory proportion of poor and disadvantaged members of communities in project activities. Although poorer households did benefit from infrastructural interventions such as the upgrading of roads, markets and irrigation schemes and the provision of domestic water supplies under CDF, they were not specifically targeted by the activities relating to increased agricultural production, animal husbandry and income generation. An important contributing factor in this respect can be found in the operational problems of the credit component.

B. Effectiveness

94. In attempting to determine the ‘effectiveness’ of the project, the mission wishes to raise fundamental issues concerning the definition of objectives at various levels. The overall project objective has been given as: to increase the household income of the project beneficiaries, improve food security and general wellbeing. In other documents the overall objective is stated as the reduction of rural poverty, the elimination of hunger and increase in food security. These are noble intentions in a country where nearly 30 percent of population is still in poverty. However, for the purpose of systematic management of any organized activity it would be hard to consider these *general statements* as *objectives*. According to the best current practices in terms of ‘management by objectives’, a stated objective must meet the following conditions:

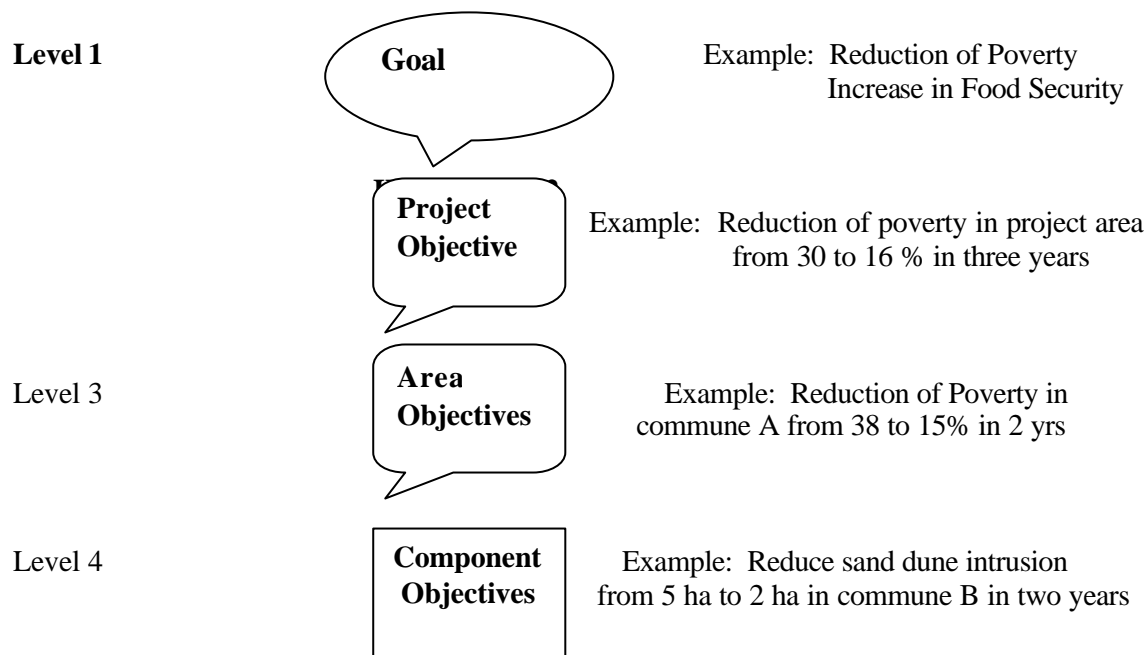
- the objective is clearly understood;
- the objective is measurable;
- the objective has a time dimension.⁴³

Xuan Son ferry on Xuan Son river. The river is located on the Ho Chi Minh Trail, which was heavily bombed during the Vietnam war. IFAD photo by Lou Dematteis



95. According to these criteria, the reduction of poverty is not an acceptable objective. It can very well be the *goal* or the *overall intention* of the project, but what is required are measurable and time-oriented objectives such as the reduction of poverty in a given commune by a given percentage in a given number of years. Similarly, it has to be understood that each group of activities under the project would have its own objectives and that these will be different from the overall project objective. This has not been the case with ARDCP during the period 1997-2002. Proceeding from the project apex to the lower-level activities of the project, an appropriate hierarchy of objectives is required. These should be set in a way that optimizes the overall project objective. The following diagram explains the concept further:

⁴³ This is in effect an abbreviated version of the well-known SMART conditions. For an objective to be both ‘understood’ and ‘measurable’, it must also be Specific, Achievable and Realistic.



96. In the above example, a four-level hierarchy of objectives has been shown. It depends on the project designer's understanding of the subject matter and the prevailing local conditions as to how many levels are chosen and how the lower level objectives are defined so as to maximize their impact on the overall project objective. In many project documents, the objective at the component level was taken simply as the delivery of the budget, in other words how much was spent. It has to be clearly emphasised that the disbursement and expenditure of project funds does not automatically mean that the intended results will be forthcoming. In the next phase of the project, this kind of mentality has to be replaced with more result-oriented conceptual understanding.

97. Objectives at various levels have to be measurable. For instance the component objective of Sand Dunes fixation would be the degree to which the sand dunes have been stabilized. The sand dune stabilization component has been confused with forestry or planting of trees. While it is true that the planting of trees might have the effect of stabilizing the sand dunes, this is only an activity of sand dunes stabilization component and not its objective. On the other hand, the area of cultivable land encroached yearly by the shifting of the dunes could constitute a measurable objective in this component. The correct setting of objectives immediately allows the consideration of other approaches and options for solving a problem. If the fixation of the dunes is set as the objective, instead of the hectareage of tree plantation, consideration could (and should) be given to other possible approaches to stabilizing the dunes. These might include the growing of shrubs, grasses and pineapples, as well as targets for tree plantation which are not based on a chequerboard design and on total hectareage, but which treat each area within the sandy zone on an individual basis. Similarly, in the roads component, the length of roads built is not an objective of the component but an activity. The objective could be defined as the reduction in the cost or time of transportation. In the case of irrigation component the area irrigated or the number of households affected could be the specific objectives.

98. The implications of correct objective-setting for the notion of 'project effectiveness' will be readily appreciated. If the primary objective of the various components is considered by project staff to be the spending of the budget, then all of the components apart from the credit component were 'effective'. Similarly, the roads component was effective in building or upgrading the targeted length of roads and the sand dune fixation component was more-than-effective in the plantation of 125% of the targeted hectareage of dunes. However, the failure to translate the general objectives of the project in terms of specific component-wise or area-based objectives makes an evaluation of the overall efficiency problematic.

99. Effectiveness of the project is rated as between **substantial and modest, 3-2** on the basis that effectiveness is very hard to estimate given the lack of specific objectives for components or areas.

C. Efficiency

100. **Project-specific Institutions.** The major issue raised by the findings of the mission in this respect is whether more careful consideration might have been given to the utilisation of existing institutions in the identification of the needs of villagers and in the planning and implementation of activities. The Social Mobilisation model has been described in the previous chapter and, broadly speaking, was successful in terms of equity, transparency and management capacity of beneficiaries. However, the mission had strong reservations as to whether the establishment of project-specific institutions is the most efficient way of achieving the stated objectives in terms of participatory processes.

101. The first problem is that the project specific structures have no legal status within the existing institutional system of the country and therefore their functioning is dependent on the approval of the CPC and village level authorities. (This was very clearly highlighted in a useful document produced by the UNDP cell working within DARD/MPI.⁴⁴) Most project-specific village and commune level institutions in actual practice are headed by the incumbent village heads and commune chairman/vice chairman with representation from householders and mass organisations. In such a case, both institutional sustainability and the potential for broadening the role and competence of these institutions beyond project activities will always be problematic. The issue of sustainability was evident in one of the model villages, where the SMB ceased functioning after an administrative bifurcation of the village. Responsibilities for operation and maintenance of project infrastructure were handed over to CPC.

102. Replication of any social mobilisation/participatory development models needs a very careful assessment of a country context and situation. The principles and practices of the Agha Khan Rural Support Programme (AKRSP) which were applied to the social mobilisation model under ARCDP rest heavily on the establishment of grassroots institutions which are conspicuously lacking in Northern Pakistan. In these areas there existed an *institutional vacuum* at the village level and as a result no outreach mechanism for the delivery of goods and services by government and donor agencies. Although the basic concepts of the AKRSP model are potentially useful in any situation, the nature of the institutions to be put in place must depend on the existing administrative structures, whether elective or 'traditional', of a specific country or region.

103. In Vietnam, an administrative system has been established right down to commune and village level, and there also exist a number of mass organisations like the Farmers Association, the Womens Union and the Veterans Association at grassroots level. Strengthening these existing institutions in terms of the principles and practices of social mobilisation and closely involving them in participatory processes is likely to result in smoother planning and implementation and greater sustainability of project interventions. It might also lead more rapidly to the institutionalisation of participatory practices for other national and provincial development programmes.

⁴⁴ *Best Practices in Integrated Rural Development Projects (Design and Implementation)*, Ministry of Planning and Investment and UNDP. See p. 24: '...project specific forums have number of inherent weaknesses. These weaknesses can be summed up as: They have no legal status in the existing institutional framework of Vietnamese system and depend on the Commune Peoples Committee and Village Heads for approval and 'red stamp' and they are viewed as a temporary aberration destined to phase out with project completion....'; and: 'Given the availability of an elaborate institutional set up in Vietnam right down to the village level, and given that the Village Heads and Commune Peoples Councils are elected institutions, it is much better to use these institutions to the maximum possible extent for establishment of participatory framework for projects.'

104. **Management Information Systems (MIS).** Very considerable efforts have been made by the project in the development of the project M&E system. The project produces the AWP&B as well as quarterly, six-monthly and yearly M&E reports, and an energetic participatory M&E system has been established. A reporting system has been established involving the distribution of ream of paper to all stakeholders. However, the project has neglected the other vital parts of MIS. The MIS expert recruited by the project under TA for this purpose appears to have contributed little in the development of a systematic project MIS. The general point to be made is that information requirements are different at various levels and there is, for example, no need to send exhaustive reports to higher levels. Whereas the Project Director may need to have details of each activity on a weekly basis, a summary report every three months may suffice at Ministry level.

105. Although there was a small budget allocation for the purchase of computers, printers and other data processing equipment, the project does not seem to have developed any databases. The mission was informed that financial data and M&E reports are being kept in Excel files, but that the project server was out of commission. The development of a project database as well as databases in the line departments should be given priority during the next phase of the project. These issues need to be considered while designing and developing the project MIS.

106. **Rural Credit.** The performance of the credit component was inefficient and negatively affected the operation of other areas such as aquaculture and livestock. Collateral-free credit was conceived as an integral part of ARCDP activities and, by serving to support beneficiaries for improved livestock and crop production and other income generation enterprises, was to be the primary means of targeting the poorest households. Because of the collateral requirements and cumbersome procedures of the cheaper sources of credit, these remained beyond the reach of the poor and disadvantaged sections of the project villages.

107. The basic reason for the under-performance and ultimate scrapping of the credit component must be sought in project design, which unaccountably failed to reckon with the availability of credit at cheaper than market rates and with the need for reasonable incentives for VBARD to be proactive in delivering loans to the poor. These problems were repeatedly raised by UNOPS supervision missions, which recommended 'urgent action' in 1997 and 1998, and in 1999 suggested an alternative credit delivery mechanism through the Womens Union. Finally, in 2001, UNOPS recommended the abandonment of the credit component and the re-allocation of funds to CDF, which was approved in June 2001. The puzzle here is why it took so long for this important realignment to take place, particularly given the appointment of an international credit advisor for nine months in 1997/98.⁴⁵ The fault may have lain partly with the infrequency of supervision missions, but there must also have been shortcomings in the communications between the project, the Cooperating Institution and IFAD itself. What is certain is that the problem had important repercussions in various spheres of project activity, handicapping in particular the crucial aim of income diversification.

108. Overall, the efficiency of the project is rated as **modest, 2** bearing in mind the issues of monitoring and reporting; the cost overrun in the road component; the relative failure of the credit component; the setting up of parallel institutions and the weaknesses of the PRA approach.

⁴⁵ At a cost of USD 137,000 (see Table 6 at the end of the following chapter).

VI. THE PERFORMANCE OF PARTNERS

A. IFAD

109. **Project Design.** A number of operational issues, particularly in terms of implementation approach and coordination, are directly related to project design, which did not lend itself to the objectives of participatory development, with most of the activities predetermined and PRA utilised primarily as a tool for matching community needs to prescribed activities. Implementation arrangements involving the dual responsibility of individual departments for the mobilisation of communities as well as the provision of goods and services did not allow for an integrated approach or for the continuation of participatory development after completion of activities. The formulation of the credit component did not take into account the ground realities in terms of demand, institutional capacity and prevailing regulatory framework, particularly in the case of group lending and legal status of saving and credit groups.

110. **Country Strategy.** As noted by the CPRE mission in 2000, the objectives of ARCDP were fully in line with the IFAD's COSOP of the time (1996). The 2002 COSOP correctly argues that project components should be linked and mutually reinforcing. As per the evaluation the ARCDP is not adequately coherent with this provision of the 2002 COSOP and there is need for improvement in the follow-up project phase. However, the present Mission does not see any important problems in terms of a second phase project in Quang Binh in terms of divergences from the basic strategies outlined in the COSOP of 2002 or from current government poverty alleviation objectives as expressed in the Comprehensive Poverty Reduction and Growth Strategy (CPRGS). However, care will be needed in selecting the most disadvantaged communes.

111. **Innovation and Replication.** The innovativeness of the SMBs, particularly in the 'model' villages has already been referred to, as has their replication by the districts. In effect, the most important contribution of this model may have been that of transferring the financial management of development funds to village level, and if this can be effectively replicated elsewhere, and the necessary regulatory framework established, it may prove to be the most radical of project impacts in institutional terms.

112. **Policy Dialogue, Donor Coordination and Partnership Building.** IFAD contributions to policy development are mostly made indirectly through the partners (in this case UNDP) and through the actual implementation of the project and its impact on project beneficiaries, government staff and steering committees. As a co-financing partner and a major stakeholder, UNDP has been actively involved in bringing project experiences and grassroots perspectives to the various policy fora of the government and donors, both directly and through the Technical Support to IFAD Programme. The Partnership to Assist the Poorest Communes (PAC) has been constituted for developing synergies between the government and donor funded programmes and projects and provides an opportunity for the review of prevailing policies and regulatory frameworks. The technical support unit for IFAD Programmes has also contributed to the management and sharing of knowledge through the documentation and dissemination of project experiences.

113. A more direct contribution to policy dialogue has been made through IFAD's intensified presence during project preparation, through interactions with partners and stakeholders, with the Country Portfolio Manager (CPM) playing the key role in this respect. At other times, IFAD's role in policy dialogue is irregular, depending on the frequency of the CPM's country visits and the need to resolve problems when they arise. Despite a good working relationship with the concerned government ministries at central and provincial level and with the project staff, the full potential for partnership building was not realised in the existing management and supervision arrangements. Partnerships are often made for the purpose of supporting a specific initiative (e.g. the co-financing arrangement with UNDP) rather than an ongoing synergistic process. Although the government and many donors recognize IFAD's unique position as a 'laboratory' for testing innovative approaches to

poverty alleviation,⁴⁶ the mission discovered a surprising ignorance of IFAD's activities even among senior officials of donor programmes. There is a clear need for IFAD directly to support the development of national policies and to develop synergies with other poverty alleviation projects through the instruments of policy dialogue, coordination and partnership building.

114. There is need to ensure close collaboration between ARCDP phase II and the ADB-programme in the two northern districts. The ADB-funded programme is based on a rural development approach targeted at the poorest communities promoting similar activities that IFAD would normally support, such as community development and income generation. In this light, intensive co-operation and coordination would seem natural. Collaboration is also recommended with DANIDA (see footnote 55), and with the PAR project within MARD.

115. The performance of IFAD is ranked as **modest, 2**. While the main interventions seem correctly chosen, and the various coordination and management arrangements resulted in implementation that was mostly smooth, limited policy dialogue, donor coordination and partnership building, as well as as lack of follow up actions on the identified cost overrun in the road component stand out. Also, there were serious weaknesses in the design, notably in terms of poverty focus, the credit arrangements and the lack of specific objectives for components or areas.

B. The Government of Vietnam

116. The Government has been consistently supportive of the ARCDP and has continued to make poverty reduction a high priority. Some of the rather cumbersome procedural requirements have been simplified, notably those connected with Withdrawal Applications. A gradual process of decentralization has been underway, and what is now required is a formal regulatory framework permitting the financial management of schemes at village-level. To date, these have been treated on an *ad hoc* basis. The provincial and district level departments and Peoples Committees were committed to the poverty alleviation efforts initiated by the project. Some of the project models, particularly O&M of irrigation schemes by beneficiaries, were replicated in schemes funded through the government's own resources. The PPC made budgetary provisions from provincial resources for salaries and other operating costs to ensure that the agricultural extension system set up by the project continued to function after project closure.

117. Overall, the government performance is assessed as satisfactory and **substantial, 3**.

C. UNDP

118. With its close and continuing ties with the government and its strong in-country presence, UNDP is in a position to keep abreast with, and to influence, developments in policy and approach. IFAD has therefore certainly benefited from its collaboration with UNDP in various projects, not only through the technical assistance provided by UNDP (for details refer to Table 6) but through its presence in key fora at central level. Both the government and UNDP itself discussed with the mission the possibility of UNDP being directly involved in the supervision and loan administration of future IFAD projects. Any such suggestion would require a detailed assessment of UNDP's capacities for supervision including technical and operation support for implementation and loan administration. Besides, if co-financing arrangements with IFAD are to continue the issue of conflict of interest would also need to be taken into account.⁴⁷

⁴⁶ The Government specifically recognised the importance of IFAD's experiences in the design of the CPRGS.

⁴⁷ This issue was the subject of considerable debate at the final wrap-up meeting, with UNDP objecting, then and at a later meeting, that the mission had cast unwarranted aspersions on its competence and professionalism. Particular exception was taken to the following sentence which appeared in the mission's aide-memoire: 'the Mission found UNDP's own completion report for its technical assistance programme to the ARCDP to be lacking in any cogent criticism, even though the quality of TA was not satisfactory in all cases'. The final clause of this sentence was apparently taken to mean that the quality of TA was unsatisfactory in *all* cases, whereas the

Table 7. UNDP International Technical Assistance: Duration and Cost.

Title	Person Months	Total Cost (USD)
Senior Technical Advisor(1997 – 99)	25	327,014
Credit Specialist (1997 – 98)	9	136,840
Monitoring and Evaluation Consultant (1997)	1	14,157
Monitoring and Evaluation Consultant (1999)	1	15,822
Participatory Approach Consultant (1997)	2	22,816
Participatory Approach Consultant (1998)	1	15,651
Participatory Approach Consultant (1999)	1	12,924
UNV/Socio- Economic Mobilizer (1998)	0.5	-
UNV/Socio- Economic Mobilizer (1999)	1	11,631
Socio-Economic Mobilizer (2000 – 02)	17	57,800
TOTAL	62.5	614,700

Source: Final Project Report of the UNDP-funded Strengthening Capacity for Hunger Eradication and Poverty Reduction in Quang Binh, Tripartite Review Meeting, Dong Hoi, June 2002.

Overall, the performance of UNDP is assessed as between **modest and substantial, 2-3**, since the effectiveness of TA was unsatisfactory in certain components.

D. UNOPS

119. UNOPS carried out six supervision missions in addition to the start up mission. Though the quality of supervision varied⁴⁸, the missions have been able to identify and make recommendations on all the relevant policy and operational issues. Technical support/consultants were provided as part of the missions in various fields. However, important issues such as credit, participatory development, participation and targeting, which were repeatedly highlighted in supervision reports, remained unresolved for long periods, at least partly because of a lack of timely follow-up. The issue of inadequate follow-up by UNOPS is basically due the nature of supervision arrangements between IFAD and UNOPS, and the improvement of the quality of supervision and loan administration would therefore require changes to the terms of the existing contract.⁴⁹ The project authorities reported delays in processing of withdrawal application during the initial stages of implementation. One of the reasons for this was the lengthy procedures for submission of withdrawal application to UNOPS. The problem was resolved to a considerable extent through shortening the submission period and increasing the advance amount for the Special Fund. It should also be noted that the Government was not satisfied with UNOPS' performance, mainly due to the lack of consultation during Supervision Missions. Furthermore, a better synchronisation and inter-actions between IFAD-led implementation support missions and UNOPS' Supervision Missions would have been desirable.

120. The performance of UNOPS in supervision is assessed in the round as **adequate - a score of between 2 and 3**.

intended meaning was that it was unsatisfactory in some cases ('not in all'). This was an unfortunate misunderstanding, but the fact remains that the mission found good cause to question the effectiveness of international TA in at least three cases (M&E, MIS and Credit, all alluded to previously in this report) and that the UNDP Final Project Report (Tripartite Review) drew no attention to any weaknesses at all in TA. This is closely connected to the other point of contention, which was that UNDP felt its professional objectivity was being questioned by the mission's comment concerning a possible conflict of interest in terms of supervision. This comment was not intended as a criticism of UNDP in particular, but as a *sui generis* warning, equally applicable to cases where IFAD undertakes supervision of its own projects. Regarding the issue of experience in the field, the mission takes the point that this can be addressed by appropriate training and recruitment.

⁴⁸ During the life of the project three different portfolio managers were responsible for supervision.

⁴⁹ These and other issues relating to supervision were fully discussed by an IE team member at a meeting in Kuala Lumpur in early March 2004.

VII. OVERALL ASSESSMENT AND CONCLUSIONS

121. There seems little to argue with in the overall concept and objectives of the Agricultural Resources Conservation and Development Project. The province of Quang Binh had a very high rate of poverty at the start and this rate, although still unacceptably high, has fallen steeply. Given the size of the ARCDP investment (USD 14 million over six years), it is logical to assume that much of this improvement is accountable to the IFAD-funded project.⁵⁰ The multi-component, multi-sectoral approach seems correct in the circumstances, and the emphasis on agriculture, aquaculture, livestock, communications and markets was appropriate in terms of the overall objective of poverty reduction.

122. The main task of the mission was to determine whether the present situation in the province and the performance of the ARCDP over six years merited the initiation of a second-phase project. The mission's conclusion in this respect is that a second phase would indeed constitute a constructive use of IFAD resources in Vietnam, on the following grounds: (a) the poverty rate is still high (around 20%) and there are still communities in remote inland areas and in the sandy zone of the coast suffering from food insecurity, lack of employment opportunities and basic amenities such as reliable water supplies; (b) many of the ARCDP interventions seem incomplete, especially in the sphere of capacity building, training and the participatory process, in which a start has been made but continuing efforts are necessary to consolidate the investments to date.

123. What follows in this chapter is the discussion of five issues which the mission considers to have been inadequately addressed during the operation of ARCDP. These are matched with certain broad proposals designed to instigate further thought and debate on the part of the formulators of future projects (not only in Quang Binh). Specific recommendations follow in the concluding chapter.

124. **More integration needed between diverse activities.** The targeting of all communes in the province combined with the number of components led to rather scattered interventions which entailed a lack of physical/geographical focus and therefore the absence of a strong and recognisable project identity.⁵¹ With the exception of the CDF communes – an initiative which came late in the project life – it was very difficult to define the main thrust and intention of the project in any given commune. In one, project activities may have consisted of the building of a road and the expansion of the irrigated area; in another, they may have included a bridge, shrimp ponds and tree-plantation; in a third, they may have been restricted to savings and credit groups and the rehabilitation of the local market. Although the key institutions may in each case have been the same, namely the CPC and the users groups or self-management boards, the activities themselves remained sectorally based and to all intents and purposes separate.

125. **Using schools.** The second phase of the project might consider making schools a focus for development activities in each commune or village. The project would benefit from a physical 'centre' with a recognisable identity. Where possible, this identity should be reflected in such amenities as running water in the kitchens and toilets, the provision of libraries, televisions and computers for use by teachers, children and villagers, the creation and equipping of sports facilities, the planting of trees and gardens around the schools and the utilisation of the 'project building' for classes and meetings concerned with literacy, savings and credit, and the other user-group interests. Perhaps the most important benefit of all would be the direct linking of development and education, with each new generation of schoolchildren growing up in an awareness of this fundamental link. To this end, the pupils should be involved in the actual planting of the trees and gardens and in maintaining the various facilities. It should be added that the investment in a new meeting room or classroom as an extension to the school would be substantially less than the building of a separate village hall (which was one of the chosen investments in the 'model' villages).

⁵⁰ This point was very strongly argued by the Project Director in the provincial wrap-up meeting.

⁵¹ See COSOP recommendations of 2002, referred to in the previous section.

126. **The poverty focus must be sharper.** The poverty focus of the project was weak. The main reasons for this have already been outlined – a lack of precision in project design, a tendency to predetermined activities in certain key components and the weakness of the credit component. The result was that only in specific instances were the poorest households targeted, for example in the plantation and maintenance of trees in the sandy areas, while in most, the impact on the poorest relied on the assumption that benefits would accrue to all households of the communities concerned, as with roads, markets, irrigation works and agricultural extension.

127. **Clearer objectives are required.** The objectives of the project at the various levels were not clearly defined, so that in some cases the expenditure of the allocated budget or the fulfilment of certain physical targets became the major criterion of achievement. This was particularly true of the sand dune fixation component, where the key aim was the plantation of a given area (4,000 ha) identified by a team of specialists from the Forestry Institute. It is important to emphasise that the forestry TIU cannot be faulted for this. The component activities were designed and implemented according to the guidelines provided by IFAD. The overall effect, however, was that the principal goal was the transformation of the land not the increased welfare of the people. While it is true that both of the goals may be (and to an extent were) achieved simultaneously, it is important that the objectives be very carefully set so that the appropriate solutions can be identified. The exact topographical conditions in terms of soils, altitudes, water availability and employment opportunities are by no means identical for each community and therefore the measures necessary for their improved welfare will be different. Although they are likely in all cases to include tree-planting, the extent and shape of the plantation and the preferred tree species will be different in each case. To take an example from another component, a road connecting communities to the market may be the most important measure in cases where surplus marketable produce exists, but in other cases the creation of income-generating opportunities may be the first essential step. If the community concerned is primarily a fishing community, its priority needs may be better boats or nets or the means of processing. In terms of marketing the produce, what may be required is a stronger basis for negotiating with the merchant before the building of a new road.⁵²

128. **Alternative institutions may not be sustainable.** The issue of new or alternative institutions has already been discussed. In view of the emphasis laid by the project on the new model of social mobilisation and the replication by the province of the self-management boards, a few more words on the matter are in order here. When new, alternative or parallel institutions are set up by a project, their reception by the local communities will be coloured by the investment that is promised. Thus in general they will be at least tolerated and perhaps welcomed, even if the need for them is not understood. These new institutions are imported and exotic. It is very rare and perhaps even unknown for a community to generate new institutions on its own unless there is a genuine institutional vacuum. The revised institutional arrangements – boards and committees with their membership and schedule of meetings – will only be established in order to meet the conditions of the new investment and to act as the conduit for the funds.

129. It would certainly be argued by the members of SEMOT that in the case of the model villages of ARCDP, considerable efforts were made to raise the awareness of the people and to consult them at each step of the planning of activities and such seems to have been the case. However, it is most unlikely that in an impartially implemented needs-identification exercise that new institutions would have been among the villagers' priorities. They are in fact a need of the project, not a need of the village. Users' groups and self-management boards whose functions are limited to one sector (water, roads, forest) do not constitute a replacement or an alternative. But when these groups form part of a

⁵² In discussions with fishermen, the mission came across many cases where it was the merchant who had put up some or all of the money for the boat and nets. The *quid pro quo* was that the fisherman was forced to sell all his produce to the merchant at knock-down prices. The buyer himself would often be waiting on the shore for the fishermen's return in order to make sure that there was no way for them to escape the terms of the agreement. In such cases, the ready availability of collateral-free credit would have been much more important to fishermen than the building of a road.

pyramidal structure under an apex organisation, what has been done is to sidestep whatever existed in the past. The new SMB Model is a four-level structure with a bottom tier consisting of Savings and Credit groups and componentwise sub-committees (agriculture, livestock, roads, irrigation, 'the social sector' and forestry), a second tier consisting of village organisations at the hamlet level, a third tier consisting of the two main committees, the Technical Advisory Committee and the Social Advisory Committee and an apex organisation called the Self-Management Board. Their collective functions are the drawing up of a village development plan and the planning, implementation and maintenance of the various schemes.

130. This new structure thus wholly or partially replaces the former village leadership (since the initiatives under the project inevitably dominate village activities) and also some or all of the development functions previously held by the commune-level authorities. The problem here is not one of principle but of practice. There is a predictable tendency for the key positions in the new hierarchy to be taken by the former leaders. The chairman of the apex SMB is normally the village leader, the heads of committees are the officials of the Womens Union, the Farmers Associations and so on and there is representation of the CPC. The mission was informed by members of Savings and Credit groups and afforestation groups that the CPC played an important role in approving the lists of participating households before they were forwarded to the bank (VBARD) or to the SFF. The mission was also assured that no important new village development planning can take place without the approval of the CPC, and the new five-year village development mirrors in most respects the existing commune development plan. To a great extent, it is the old wine in new bottles.



Casuarina saplings are planted on a sand dune in Liem Bac. The plantation's 10000 trees are maintained by Nguyen Thi Thiet and her son Nguyen Sy Thai.

IFAD photo by Lou Dematteis

131. One important claim that is made for these new arrangements is that they put an end to former tendencies to favouritism and nepotism in the planning and allocation of responsibilities and benefits.⁵³ On the basis of two days of discussions with the villagers of Ta Phan and Tu Hoan, it was not possible for the mission to test the truth of this. Certainly the goal of putting an end to corrupt or nepotistic practices is an admirable one, but the mission suggests that it might have been cheaper, simpler and more realistic to have worked to improve and reform the existing channels of authority and competence. This is the crucial point. The model villages were the focus of almost two years of

⁵³ PRC p. 161: 'One normal phenomenon in the rural backdrop is that "when one man becomes a mandarin the whole relation gets benefits" but fortunately it did not take place in the socio-economic models. SMB leaders are not in relation in terms of blood and marriage. This proved that the leadership had been selected equally, democratically, with the full participation of all segments of rural society'. Special mention is made of two poor widows who hold 'key positions' in the SMB of Ta Phan.

concentrated activity by the SEMOT team under the guidance of an international consultant. If every committee met once a month as planned, there must have been between two and three hundred committee meetings in each village, or nearly one per day. This intensive level of guidance, consultation and deliberation seems wholly impractical, in terms of time, staffing and expense, over the whole project area (even if the area is more restricted in the proposed Phase II).

132. No criticism is implied of the aims of the new arrangements, and the participatory M&E exercises carried out suggested a high degree of satisfaction among the villagers themselves. The importance of the model, however, is in its sustainability and replicability. The mission has serious doubts in both respects. One of the SMBs has already been disbanded on account of a new administrative set-up, and it is the opinion of the mission that the others, with their present complexity and the consequent demands in terms of time and effort, will only survive if the levels of external investment and guidance continue.

VIII. KEY RECOMMENDATIONS

(i) Phase II

133. The mission unanimously recommends that there should be a second phase of the IFAD-funded Quang Binh Project. In spite of the impressive reduction in the levels of poverty in the province, much remains to be done in an area hugely damaged by the war, subject to extreme cyclonic conditions and suffering from a severe shortage of arable and irrigable land. Investments made by ARCDP in such areas as capacity building and training need to be consolidated if the gains made to date are not to be lost, and the poverty focus of activities needs to be sharpened.

134. The activities of Phase II should be developed in close partnership with ADB concerning the districts of Tuyen Hoa and Minh Hoa, which are served by a USD 76 million ADB programme, of which nearly USD 17 million are to be invested in the 36 communes of these two districts. The majority of the resources of IFAD Phase II should concentrate on the 12 communes of the sandy zone, the coastal communities of the river estuaries and islets and the poorer communes of the inland areas of Bo Trach, Quang Trach, Quang Ninh and Le Thuy.⁵⁴

135. The approach to Phase II should be area-based. The identified coastal communes should be segmented into development areas and each area should be targeted with specific objectives. All activities in a given area need to be integrated so as to match the objective set for each area. The main emphasis should be on agricultural development and income diversification, facilitated by appropriate credit arrangements. Larger infrastructural interventions should be carefully considered on a case-by-case basis.

(ii) Recommendations by Component

136. **Rural Roads.** The cost of upgrading roads in Phase I – at an average of USD 27,000 per km – was very high. The reasons given to the mission were input cost escalation on account of delay in the completion of some of the road projects and necessary modifications to the original design. Although these factors might have been partly responsible, the mission still finds no justification for such a high level of cost. All the roads built are unpaved earthen roads and in all but two cases, these roads are upgraded roads built on the course of existing footpaths or bicycle paths. The mission recommends that all future roadbuilding activities should be carefully planned and implemented in order that delays in implementation and design changes in the field are avoided, and that costs should be strictly controlled. The building of roads should be included as a project activity only if there is strong economic justification for doing so and the activities are part of an area development plan. Roadbuilding as a single, stand-alone intervention should be avoided. In addition, the cost of maintenance of unpaved roads is usually high. Though the SMBs established by the project for the maintenance have been effective, in future the project may consider tarring such roads from the outset.⁵⁵

137. **Irrigation.** As with roadbuilding, the average cost of construction of irrigation projects was higher (by 35%) than was foreseen at the formulation stage. Most irrigation schemes have been implemented and maintained well and have directly benefited the rural poor, and for an investment of USD 3.7 million, the increase in food production has been nearly 10,000 tons per year. However, meticulous planning as part of an overall plan is required, and there is need for better cost control, more efficient project management in terms of implementation, and more careful training in water management issues.

⁵⁴ This would be in line with the MPI's request – made to the mission during the initial workshop – that more be done to assist the coastal communities.

⁵⁵ This last recommendation was more than once made by the PCU at the start of the project.

138. **Agricultural Extension.** This is a key area in which the efforts of the ARCDP remain incomplete. The foundations for a commune-level extension service have been laid, but further training, as well as the careful screening of personnel in terms of motivation and suitability, is required. Given the very diverse activities and large areas for which commune extension officers are responsible, it is necessary for specific and achievable aims to be set and monitored.

139. **Rural Credit.** The repeated recommendations made by UNOPs in this respect need to be examined and the design of the component thoroughly revised. The lessons learned from the IFAD-funded Ha Tinh project (HTRDP) can be applied. The crucial factors for the successful delivery of credit to the very poor are that the financial institutions concerned must have realistic incentives and that the interest rate should be competitive given the many other sources of credit that exist. The savings and credit groups formed under the project proved unsustainable. The mission recommends that there should be no haste to connect the groups with financial institutions. The first step is the establishment of the necessary disciplines in terms of regular meetings and savings, and accounting procedures. The next step is the successful management of intra-group loans. Only when these have been proven, and when a genuine sense of collective responsibility and solidarity has been established, should bank loans be sought.

140. **Sand Dune Fixation.** In Phase II, the mission recommends that the process of afforestation be community-targeted, without the setting of an overall target in terms of hectareage. What is required is a zonal approach to match the situation and needs of each community, which would be responsible for planting and protection. These communities now possess considerable experience in terms of the strategies and problems associated with planting and tending the trees, and even of the suitability of the various species in a given location. This experience should be exploited by involving the communities in setting the targets and planning the activity. It is also essential for the sustainability of the afforestation that plantations be included under existing forestry protection schemes, to provide a direct incentive to villagers to protect the trees after project closure.

141. **Aquaculture.** The farming of shrimp constitutes the growth area in this sector, but the activity has not proved appropriate for poor households because of the size of the initial investment. The findings and initiatives of other projects in this respect – notably the DANIDA-funded programme within the Ministry of Fisheries⁵⁶ – should be explored, but the major efforts to promote income generation in the coastal communities should concentrate on small-scale activities such as fish cage culture, fish-paste production and, where applicable, handicrafts. Further investments are also necessary to establish a fisheries extension service. This was an objective for the component in Phase I that was by no means realised.

142. **Community Development Funds.** A key ingredient for Phase II should be the setting up of genuinely flexible CDFs, of which the investments will be owned and managed at village level. Models of participatory development should utilize existing commune and village level organisations institutions, and the role of the CPC and other institutions should be formalized in this context. Existing institutions have both the authority and the competence to supervise the implementation of the project at this level, and the efforts of the project should go into capacity building and sensitisation of these institutions rather than into the creation of new institutions which tend to be dominated by the same individuals with new titles.

143. The allocation of CDF resources should be transparent, based on clearly established criteria such as the size of the village and the number of poor households. The delivery of credit must go hand-in-hand with training courses in agricultural extension and financial management. Small enterprise and market information systems should be established to help farmers and fishermen market their products

⁵⁶ 'Support to Brackish Water and Marine Aquaculture'. This programme has had some success with developing shrimp culture schemes based on the collective ownership/management of ponds by poor farmers. It can also provide detailed information concerning pro-poor opportunities in cage culture and crab ponds for brackish waters.

without recourse to middlemen. The creation of on-farm and off-farm employment opportunities for women in rural areas should be supported.

(iii) Cross-cutting Issues

144. **Project Organization.** The mission finds that the project organization as designed was appropriate at the higher levels (the strategic and policy making levels) but inappropriate for the management of operations at the lower levels. This might explain the delays in execution of some project activities and lack of performance in certain instances at the operational level. In the next phase of the project, it may be preferable to have full-time technical staff assigned to the project rather than work with part-time staff from technical departments.

145. Similarly, for co-ordination of the project activities at the commune level, it is desirable to have project staff assigned to work in the field on a full-time basis. These 'Community Facilitators' (CFs) should be directly employed by the project. They would normally be resident in the field, covering say 4-6 communes depending on geographical location. The recruitment and training of the CFs, as well as the setting of their TORs, would clearly be matters requiring the greatest care. A model for these CFs exists in the poorest 48 communes under the HTRDP.

146. **Management Information Systems.** The following steps are recommended for the development of an effective project MIS:

- the assessment of decision making / management function at various levels – PPB, MPI, PCU, Technical Ministries, IFAD;
- the assessment of information needs at various levels;
- the design of a reporting system for each level to meet the information needs as identified;
- the design of a database for the PCU and the Technical Departments;
- the development of a database access system and security mechanism;
- the development of digital reporting mechanisms;
- the electronic dissemination of reports; and
- the digitalization of the PM&E system.

147. It is recommended that each commune to be served by the project will have a terminal, perhaps to be located in the community hall or the commune school. A wide area network can be established to link the central server, technical departmental servers and the computer terminals in the communes and the terminals located at the project offices as well as at the offices of TIU's. This network could be established with dial up networking technology using the existing telephone network or by establishing a private virtual network using the internet network already existing in the country. This ICT infrastructure can be used both for project management and for delivery of training and extension services over the net.

148. **Institutional Support.** Further investment is required in the capacity building and outreach of the various line agencies, particularly with regard to the extension services for agriculture and aquaculture. The new environmental department (DONRE) urgently requires investment in terms of equipment and skills.

149. **Supervision.** IFAD should give serious consideration to formulating arrangements for supervision and loan administration which would provide for more prompt follow-up. The project itself has drawn attention to the weaknesses of the present system, and these problems are familiar to IFAD from their experiences in other countries. For ARDCP, the effects of the year-long gap between missions were especially felt in the under-performance of the credit component, an issue which finally took several years to address.

150. **Technical Assistance.** Appointments under TA should be made on a short-term basis with very specific conditions in terms of tasks and objectives. Given the availability of professional expertise available within the country, local consultants should be preferred wherever possible.

151. **Policy Dialogue.** The Government of Vietnam and the other donors recognize IFAD experience, expertise and knowledge of rural poverty alleviation, but there is a clear need for IFAD directly to involve itself in the development of national policies and strategies and of synergies with other parallel programmes through the instruments of policy dialogue, coordination and partnership building. Consideration should be given to the utilisation of pertinent NGO expertise and experience, with particular regard to training programmes for social mobilisation and participatory processes.

PERSONS MET AND DOCUMENTS REVIEWED

Participants at Workshops, Meetings and Interviews held during IE Mission

Start up meeting

1	Ms. Nguyen Thi Thong	Deputy Director, DARD / MPI
2	Ms. Dao Trinh Bac	Head of Division, Foreign Economic Relations Department / MPI
3	Mr. Duong	Staff of DARD / MPI
4	Mr. Phan Duy Toan	National Project Manager- TA to IFAD Programme
5	Mr. Rab Nawaz	STA, TA to IFAD Programme
6	Mr. Minh	Ministry of Foreign Affairs
7	Mr. Hung	Ministry of Foreign Affairs
8	Mr. Ngoc Anh	UNDP staff
9	Ms. Bui Thi Tuyen	Director of Quang Binh DPI
10	Mr. Hoang Hung	Project Director of ARCDP
11	Mr. Hoang Dinh Leo	Deputy Director of ARCDP
12	Mr. Mai Xuan Hap	Chief Accountant of ARCDP
13	Ms. Le Van Hong	Secretary of ARCDP
14	Mr. Hoang Van Son	Deputy Director of Ha Giang DPI; Project Director of HPM
15	Mr. Pham Quoc Hoan	Interpreter
16	Mr. Ravi Raina	IFAD consultant
17	Mr. Qaim Shah	IFAD consultant
18	Mr. Roger Norman	IFAD Team Leader Quang Binh
19	Ms. Sarah Mader	IFAD APO
20	Mr. Somer Kumar	IFAD consultant
21	Mr. Jim Semple	IFAD Team Leader Hagiang
22	Mr. Michel Sander Stricht	IFAD consultant
23	Ms. Tran Thi Tram Anh	IFAD consultant

Meeting at Quang Binh PPC

24	Ms. Pham Thi Bich Lua	Vice-Chairperson of PPC
25	Ms. Bui Thi Tuyen	Director of Quang Binh DPI
26	Mr. Ha Van Quynh	Deputy Director of Quang Binh Department of Transportation
27	Mr. Nguyen Thanh Xuan	Head of Administrative Office of Quang Binh PPC
28	Mr. Tran Van Tuan	Deputy Director of Quang Binh DARD
29	Mr. Dinh Phu Binh	Deputy Director of Quang Binh Department of Finance
30	Mr. Nguyen Trung Thuc	Deputy Director of Quang Binh Department of Foreign Affairs
31	Mr. Dang	Head of Division, Quang Binh DPI
32	Mr. Duong	Staff of DARD / MPI
33	Mr. Phan Duy Toan	National Project Manager- TA to IFAD Programme
34	Mr. Hoang Dinh Leo	Deputy Director of ARCDP
35	Mr. Mai Xuan Hap	Chief Accountant of ARCDP

**Meeting at Thanh My Village,
Thanh Thuy Commune, Le
Thuy District**

36	Mr. Linh	Irrigation Officer, Quang Binh DARD
37	Mr. Chien	Staff of Le Thuy District Division, DPI
38	Mr. Lang	Staff of Le Thuy District's DPI
39	Mr. Nguyen Nhu Binh	Chairman of Thanh Thuy Commune People's Council
40	Mr. Tran Xuan Son	Chairman of Thanh Thuy CPC
41	Mr. Le Cong Sac	Head of Thanh My Village

Women's group discussion

42	Ms. Nguyen Thi Thanh	Head of Thanh My Women's Union
43	Ms. Tran Thi Ngoc Bich	Member of WU, beneficiary
44	Ms. Hoang Thi Duan	Member of WU, beneficiary
45	Ms. Nguyen Thi Thu Hoai	Member of WU, beneficiary
46	Ms. Nguyen Thi Hue	Member of WU, beneficiary
47	Ms. Nguyen Thi Huong	Member of WU, beneficiary
48	Ms. Le Thi Nu	Member of WU, beneficiary
49	Ms. Tran Thi Huong	Member of WU, beneficiary
50	Ms. Nguyen Thi Thu	Member of WU, beneficiary
51	Ms. Tran Thi No	Member of WU, beneficiary
52	Ms. Nguyen Thi Hue	Member of WU, beneficiary
53	Ms. Nguyen Thi Hoa	Member of WU, beneficiary
54	Ms. Nguyen Thi Tam	Member of WU, beneficiary
55	Ms. Nguyen Thi Suong	Member of WU, beneficiary
56	Ms. Nguyen Thi Lien	Member of WU, beneficiary

Project Staff

57	Mr. Hoang Dinh Leo	Deputy Director of ARCDP
58	Mr. Mai Xuan Hap	Chief Accountant of ARCDP
59	Mr. Doan Trieu Thanh	Interpreter
60	Ms. Le Van Hong	Secretary of ARCDP
62	Mr. Bui Phuoc Chuong	M & E Staff
63	Mr. Truong Tan Thang	M & E Staff

**Hai Thuy Commune, Le Thuy
District**

64	Mr. Nguyen Huu Luong	Chairman of Hai Thuy CPC
65	Mr. Hoang Minh Doan	Chairman of Hai Thuy Commune People's Council

**Sand dune fixation group
discussion at Hai Thuy
Commune**

66	Mr. Ngo Minh Thom	Head of SMB
67	Mr. Ngo Minh Huan	Beneficiary
68	Mr. Nguyen Huu Hanh	Beneficiary
69	Mr. Hoang Van Doan	Beneficiary
70	Mr. Nguyen Huu Viet	Beneficiary
71	Mr. Nguyen Huu Duan	Beneficiary

72	Mr. Nguyen Huu Le	Beneficiary
73	Ms. Ngo Thi Len	Beneficiary
74	Ms. Nguyen Thi Xue	Beneficiary
75	Ms. Nguyen Thi Mung	Beneficiary
76	Ms. Ngo Thi En	Beneficiary
77	Ms. Ngo Thi Khon	Beneficiary
78	Ms. Ngo Thi Hai	Beneficiary
79	Ms. Ngo Thi Loan	Beneficiary
80	Mr. Ngo Van Tha	Beneficiary
81	Mr. Nguyen Quang Tien	Beneficiary

**Hai Thuy Commune
Secondary School**

82	Mr. Dinh Van Sat	School Headmaster
83	Mr. Vo Sy Ky	School Assistant Principal
84	Mr. Nguyen Van Hieu	Teacher
85	Mr. Vo Huy Thuat	Teacher

Quang Binh DPI

86	Ms. Bui Thi Tuyen	Director of Quang Binh DPI
87	Mr. Pho	Deputy Director of Quang Binh DPI; Project Director of ADB Project
88	Mr. Ngoc	DPI staff
89	Mr. Le The Luc	Staff of Foreign Economic Relation Division- Quang Binh DPI

Quang Binh DARD

90	Mr. Nguyen Xuan Dzung	Director of Quang Binh DARD
91	Mr. Minh	Deputy Director of DARD
92	Mr. Hoang Trong Que	Officer, Sand Dune Fixation Division, DARD
93	Mr. Nguyen Van Hien	Officer, Agricultural Development Division, DARD
94	Mr. Doan Anh Linh	Officer, Irrigation Division, DARD
95	Mr. Minh	Officer, Provincial Extension Center

Provincial Women Union

96	Ms. Hoang Ai Nhen	Chairperson of PWU
97	Ms. Hong	Vice- Chairperson of PWU
98	Ms. Yen	Head of Division

**Quang Binh Bank for
Agriculture and Rural
Development (VBARD)**

99	Mr. Hoang Xuan Mai	Director of Quang Binh VBARD
100	Ms. Diem	Head of Division, Quang Binh VBARD
101	Mr. Son	Staff of Quang Binh VBARD

**Quang Binh Department of
Labour, Invalid and Social
Affairs (DOLISA)**

102	Mr. Lanh	Deputy Director of Quang Binh DOLISA
103	Mr. Thanh	Head of Division, Quang Binh DOLISA

Bao Ninh Commune, Dong Hoi Town

104 Mr. Ha Chairman of Bao Ninh CPC

South Forestry Farm (SFF)

105 Mr. Le Ngoc Vinh Head of Technical Division, South Forest Farm (SFF)
106 Mr. Mai Xuan Dau Staff of SFF

Nhat Le Shrimp hatchery

107 Mr. Trung Center Director
108 Mr. Van Head of Nhat Le Shrimp Hatchery

Quy Hoa Commune, Minh Hoa District

109 Mr. Dinh Xuan Nam Chairman of Huy Hoa CPC
110 Mr. Hoa Chairman of Fatherland Front
111 Mr. Dinh Binh An Head of Village No 2
112 Mr. Dinh Xuan Luan Head of Village No 4
113 Mr. Nguyen Ngoc Huyen Head of SMB/WUG
114 Mr. Dinh Xuan Nghia Head of Village No 1
115 Ms. Cao Thi Truy Vice chairperson of Commune Women Union

Quang Trach District

116 Ms. Thu Vice- Chairperson of DPC- Head of DIU
117 Mr. Duong Staff of Quang Trach DPI

Tu Hoan Village, Hoan Trach Commune, Bo Trach District

118 Mr. Nguyen Huu Ly Chairman of CPC
119 Mr. Hoang Quang Trung Chairman of Hoan Trach CPC
120 Mr. Nguyen Huu Chuong Chairman of SMB

Provincial Wrap-up Meeting

121 Mr. Phan Lam Phuong Chairman of Quang Binh PPC
122 Mr. Mai Xuan Thu Vice- chairman of Quang Binh PPC
123 Ms. Bui Thi Tuyen Director Quang Binh DPI
124 Mr. Le Van Pho Deputy Director of DPI
125 Mr. Nguyen Thanh Xuan Head of Administrative Office of Quang Binh PPC
126 Mr. Dinh Phu Binh Deputy Director of Quang Binh Department of Finance
127 Mr. Nguyen Xuan Dzong Director of Quang Binh DARD
128 Mr. Pham Van Thu Head of Provincial Budget Division, Provincial People's Council
129 Mr. Cai Van Lanh Deputy Director of DOLISA
130 Mr. Phan Xuan Vinh Deputy of Provincial Department of Fishery
131 Mr. Nguyen Vinh Director of Provincial Department of Foreign Affairs
132 Mr. Hoang Hung Former Project Director of ARCDP
133 Mr. Hoang Dinh Leo Deputy Director of ARCDP
134 Mr. Phan Cong Khanh Staff of PPC

135	Mr. Mai Xuan Hap	Chief Accountant of ARCDP
136	Mr. Le The Luc	Staff of Foreign Economic Relation Division, Quang Binh DPI
137	Ms. Le Van Hong	Secretary of ARCDP

Wrap- up Meeting at MPI

138	Ms. Nguyen Thi Thong	Deputy Director DARD / MPI
139	Ms. Dao Trinh Bac	Head of Division, Foreign Economic Relations Department, MPI
140	Mr. Duong	Staff of DARD / MPI
141	Mr. Phan Duy Toan	National Project Manager, TA to IFAD Programme
142	Mr. Rab Nawaz	STA, TA to IFAD Programme
143	Mr. Minh	Ministry of Foreign Affairs
144	Ms. Yen	Ministry of Finance
145	Mr. Nguyen Tien Phong	UNDP staff
146	Mr. Ngoc Anh	UNDP staff
147	Mr. Vo Truc Dien	ADB staff
148	Ms. Bui Thi Tuyen	Director of Quang Binh DPI
149	Mr. Hoang Hung	Project Director of ARCDP
150	Mr. Hoang Dinh Leo	Deputy Director of ARCDP
151	Mr. Mai Xuan Hap	Chief Accountant of ARCDP
152	Ms. Le Van Hong	Secretary of ARCDP
153	Mr. Hoang Dinh Tram	Vice Chairman of Ha Giang PPC
154	Mr. Pham Quoc Hoan	Interpreter
155	Mr. Ravi Raina	IFAD consultant
156	Mr. Qaim Shah	IFAD consultant
157	Ms. Sarah Mader	IFAD APO
158	Mr. Somer Kumar	IFAD consultant
159	Mr. Jim Semple	IFAD Team Leader Ha Giang
160	Mr. Michel Sander Stricht	IFAD consultant
161	Ms. Tran Thi Tram Anh	IFAD consultant
162	Members of IFAD formulation Mission	

Selected Individual Interviews

163	Ms. Nguyen Thi Lien	Beneficiary, Thanh My Village, Thanh Thuy Commune, Le Thuy
164	Ms. Nguyen Thi Ngoc	Beneficiary, Thanh My Village
165	Mr. Hoang Vo	(Fisherman) Beneficiary, Bao Ninh Commune, Dong Hoi Town
166	Ms. Le Thi Lo	Beneficiary, Gia Ninh Commune, Quang Ninh
167	Ms. Le Thi Nga	Beneficiary, Dinh Muoi Village, Gia Ninh Commune
168	Ms. Cao Thi Duong	Beneficiary, Village No 3, Quy Hoa Commune, Minh Hoa
169	Ms. Dinh Thi Ha	Beneficiary, Village No 3, Quy Hoa Commune
170	Ms. Nguyen Thi Dung	Beneficiary, Thuong Thuy Village, Quang Thuy Commune, Quang Trach
171	Mr. Nguyen Tien Hao	Beneficiary, Thuong Thuy Village
172	Mr. Hoang Cao Khai	Head of Village No 8, Hoan Trach Commune, Bo Trach District
173	Mr. Hoang Van Hai	Beneficiary, Village No 8, Hoan Trach Commune
174	Ms. Hoang Thi Loi	Beneficiary, Village No 8, Hoan Trach Commune
175	Ms. Le Thi Niem	Head of Village WU, Ta Phan Village, Duy Ninh Commune, Quang Ninh
176	Ms. Tran Thi Nu	Beneficiary, Ta Phan Village, Duy Ninh Commune

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Report and Recommendation of the President to the Executive Board on a Proposed Loan to the Socialist Republic of Viet Nam for the Agricultural Resources Conservation and Development Project in Quang Binh Province, IFAD, November 1996.

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APPROACH PAPER

for the Interim Evaluations of

Quang Binh Agricultural Resources Conservation and Development Project and

Ha Giang Development Project for Ethnic Minorities

1. **The interim evaluations.** Given the intention of IFAD's Asia and Pacific Division (PI) to develop a second phase of the two above-mentioned projects and according to the IFAD Evaluation Policy⁵⁷, the Office of Evaluation (OE) is required to undertake interim evaluations of both the Quang Binh Agricultural Resources Conservation and Development Project (ARCDP) and the Ha Giang Development Project for Ethnic Minorities (HGDPEM) before PI should initiate the formulation process⁵⁸.
2. However, PI submitted a request to the Evaluation Committee of the IFAD Executive Board in December 2003 requesting for waivers to be granted for the undertaking in 2004 of the interim evaluations of the ARCDP and HGDPEM. After examining the rationale, it was decided not to grant a waiver for these interim evaluations. However, the Committee requested OE to initiate the two evaluations as early as possible in 2004, on the understanding that the formulation mission for the new project would overlap with the latter part of the interim evaluations. This would ensure that at least the provisional findings of the evaluations would be available to the formulation mission.
3. The two interim evaluations will be initiated in the first quarter of 2004 and undertaken within the overall framework of the Evaluation Policy. The evaluations will be concluded by end-June 2004.
4. **Background of the project areas.** Quang Binh Province is subdivided into 4 agro-ecological zones: the Sandy Coast, the Lowlands, the Barren Hills and the Mountainous areas with a total of 7 districts and 148 communes. The total population is estimated at about 805 000. The very poor and vulnerable households constitute a higher proportion of total households in the hilly/mountainous zone. On the other hand, Ha Giang is the northern most province of Vietnam with a population of around 557 000. It is divided into 9 districts, one township, 184 communes and 1 600 villages. Ethnic minorities represent over 90% of the population and include H'mong (27.6%), Tay (26.5%), Dzao (15%) and Nung (7%) and balance consists of smaller ethnic groups. Kinh constitute 10.5% of the population. Ha Giang is among the poorest provinces of Vietnam with 34% of the population classified as poor and very poor households. Being primarily a mountainous area, agricultural base is poor, cultivable area is small and agriculture output per capita is low. Access to markets and off-farm opportunities is constrained by lack of roads and transportation services.
5. **Policy framework.** The three fundamental policies of the Government for comprehensive renovation of the society and economies are: the shift from a centrally planned to a market-oriented economy with state management; the 'democratization of social life', with the aim of developing the rule of law in a State of the people, by the people and for the people; and the implementation of an open door policy and the promotion of peaceful and constructive relations with all countries. The Government's two major poverty alleviation programmes, the National Programme on Hunger Eradication and Poverty Reduction (HEPR) and the 1715 Poor Communes Programme, both encourage the delegation of implementation authority to the provincial and district/commune level.

⁵⁷ Approved by the IFAD Executive Board in April 2003.

⁵⁸ As per the IFAD Evaluation Policy⁵⁸, it is mandatory for the Office of Evaluation (OE) to undertake an interim evaluation before the concerned IFAD regional division can embark upon the formulation of a further phase of a project in the same region in a given country.

6. **Project data.** The Quang Binh ARCDP was appraised in May 1996, approved in December 1996 by the IFAD Executive Board and became effective on 25 March 1997. The total project cost was USD 16 million, out of which IFAD provided a loan for USD 12.8 million, UNDP provided a grant of USD 1.4 million and the Government contributed USD 1.8 million. The original project closing date was 30 June 2002 and the extended closing date 31 December 2002. The project closed with 100% disbursement of the IFAD loan. The HGDPEM was appraised in October 1997. The loan was approved by the Executive Board in and became effective in April 1998. Project closing date is 30 June 2004. Total project cost is USD 18.5 million, out of which IFAD provided a loan for USD 12.5 million, whereas UNDP provided USD 2.3 million and SIDA USD 0.7 million in grant form. The Government provided USD 3 million. UNDP and SIDA undertook to finance the technical assistance and training needs of the project. As at 3 October 2003, total disbursement of IFAD's loan was 86%.

7. The United Nations Office for Project Services (UNOPS) is the cooperating institution for both projects.

8. **Project design and objectives.** Both projects aim at the establishment of self-reliant and sustainable models of rural development, designed for replication by the Government and the stakeholders. The main objectives of ARCDP were to raise the incomes and food security of the beneficiaries, reduce provincial food deficit, protect the environment and improve the capacity of the technical services to plan and implement development interventions in the future. The project had the following components: (a) irrigation rehabilitation, (b) agricultural development, (c) aquaculture, (d) sand dune fixation, (e) rural roads rehabilitation and (f) institutional support. The key objectives of the HGDPEM are to improve the living standard of the target group, raise their incomes and improve food security, and support the development of rural and social infrastructure with the following components: (a) rural infrastructure, (b) agriculture, livestock and forestry development, (c) income diversification, (d) social development and (e) project management and co-ordination.

9. **Country Programme Review and Evaluation (CPRE).** In collaboration with PI, the Office of Evaluation (OE) of IFAD undertook a joint CPRE in Vietnam in 2000. Among other issues, the CPRE's Agreement at Completion Point contains three main recommendations that had a wider policy implication. These include: (a) the elimination of the subsidisation of the rural financial sector and the importance of extending the operations of the Vietnam Bank for Agriculture and Rural Development and the Vietnam Bank for the Poor in support of the poorest people in rural areas; (b) the need to issue land and housing titles in the names of both husband and wife and to promote increased representation of women at all levels in key decision-making positions in rural development public institutions; and (c) the need for Government to delegate greater financial authority to provincial, commune and district levels for rural development programme planning, implementation and disbursements.

10. **Evaluation Objectives and Methodology.** In both interim evaluations, the core objectives will be to: (a) assess the results and impact of the projects; and (b) generate a series of insights and recommendations that will serve as building blocks for the formulation of the second phase project⁵⁹. In particular, the evaluations will be required to provide their recommendation on the feasibility of undertaking a follow-up project in both cases (ARCDP and HGDPEM). Moreover, the evaluations will assess the coherence of the projects with the Vietnam Country Strategic Opportunities Paper (COSOP) of 1996. Although it is noted that the Regional Strategy for PI, the Strategic Framework of IFAD 2002-2006 and Vietnam COSOP of 2002 were all articulated after the ARCDP and HGDPEM were designed, the evaluations will comment on the objectives of the two projects in relation to these three strategy documents.

11. In terms of methodology, the evaluations will both use the Methodological Framework for Project Evaluation (MFE) developed by OE. The MFE includes three evaluation criteria and a series of key questions to guide the evaluations, viz: (a) rural poverty impact; (b) performance of the project,

⁵⁹ According to the inception memorandum, the intentions of PI are to finance only one follow-up project, combining the two project areas of Quang Binh and Ha Giang.

including an assessment of the relevance of project objectives, efficiency and effectiveness; and (c) performance of key partners, including IFAD, the Government of Vietnam and the relevant departments at the different administrative levels, UNOPS, UNDP, SIDA and the concerned grassroots/mass organisations involved in project operations. As a key input for the OE evaluation teams' analysis, each project will be invited to prepare a self assessment study before the evaluation missions are fielded. OE will provide guidelines to the projects for the preparation of the self assessments, which will give project authorities an opportunity to convey their perceptions and comments on project design and implementation.

12. In terms of data collection, the evaluation teams will examine a variety of documentation available on each project and hold discussions with all key stakeholders in IFAD and at the country level. In particular, the evaluation teams will visit extensively the project areas to see the activities financed and undertake discussions with the beneficiaries and representatives of their organisations. At the field level, the evaluation teams will make use of PRA techniques, including focus group discussions, one to one consultations and so on.

13. **Key questions.** The evaluation teams will respond to the questions included in the MFE matrix, fine-tuning them as require in order to meet the specific circumstances of each of the projects. This will be done by the evaluation teams at the outset of their field work. Both evaluations will also pay emphasis to assessing the contribution of the projects to IFAD's policy dialogue efforts, partnership building, and promoting innovative approaches that can be replicated and up-scaled.

14. **The evaluation process.** The lead evaluator from OE will undertake a reconnaissance mission to Vietnam in early 2004, before the evaluation missions, to discuss the approach paper with concerned partners, brief stakeholders about the evaluation methodology and process, and outline a provisional programme for the evaluation missions.

15. The draft approach paper will be shared with members of the core learning partnership (CLP, see paragraph 19) for their comments and finalised thereafter. Likewise, OE will draft the mission terms of reference (TOR) and share them with members of CLP for their comments, which will also be finalised thereafter.

16. OE will mount two evaluation missions, one each to the ARCDP and the HGDPEM. Both missions will arrive together in Hanoi and hold a joint briefing session with concerned Government authorities at the beginning of their missions. The evaluation teams will also hold discussions with other institutions in Hanoi, including concerned UN agencies, bi-lateral aid organisations and IFIs. Following the completion of their respective field work in the project areas, each mission will prepare a debriefing note, summarising their initial findings and conclusions. These will be presented at a joint ARCDP and HGDREM wrap-up meeting in Hanoi, which will include the participation of members of the PI formulation mission for the second phase of the two projects. Separate wrap-up meetings will be held by each evaluation mission at the respective provincial level before the joint wrap-up meeting in Hanoi.

17. Before fielding the missions, OE will prepare an issues paper on each project, which will include a summary of project design, implementation results and lessons learned. This will be based on a desk review of project documents and serve as background documentation for the evaluation teams, as well as contribute to identifying key issues for the evaluation exercise. In addition, project authorities will be asked to prepare self assessments studies (see paragraph 11) before the evaluation missions are fielded.

18. Upon completion of the evaluation missions, OE will provide a debriefing to PI and outline the remaining steps in the evaluation.

19. **Partnership involved.** Under the overall responsibility of the OE Evaluation Officer, a core learning partnership (CLP) will be constituted for the evaluations. The CLP will provide overall

guidance to the evaluation teams at different stages. In particular, it will be invited to review and comment on the proposed evaluation process and methodology, participate in key discussions, as well as review and comment on the various outputs from the evaluation. The CLP will prepare a proposal for the evaluation's Agreement at Completion Point (see paragraph 21). The CLP will include representatives of OE, PI, the two projects, the Ministry of Planning and Investment from the Government of Vietnam, the Quang Binh and Ha Giang provincial authorities, SIDA, UNDP and UNOPS. During the evaluation, the CLP will involve other stakeholders, as and when appropriate, including representatives of grassroots/mass organisations, various line departments and others.

20. **Bibliography.** The missions will review a series of documents, including the President's report of the two projects, their Loan Agreements and appraisal reports, Mid-Term Review Reports, progress reports prepared by the project management, UNOPS supervision reports, the CPRE report, the two Vietnam COSOPs and other documents.

21. **Communication.** Each evaluation team will prepare a separate evaluation report according to OE requirements, using the standard table of contents adopted by the division. The main text of each evaluation report will be around 30-35 pages. The reports will include an executive summary, the Agreement at Completion Point and annexes as required. A joint ACRDP and HGDPEM stakeholders' workshop will be organised at the end to conclude the evaluation process, to discuss both the draft evaluation reports and Agreements at Completion Point. As per standard OE practice, an evaluation Profile will be prepared for each evaluation at the end of the exercise.

22. **Work Plan. The proposed timeframe for the evaluation process is as follows:**

i.	Communication to partners at the country level	9 January 2004
ii.	Distribute draft Approach Paper	23 January
iii.	Reconnaissance mission	23 February
iv.	Finalise the Approach Paper and TOR	27 February
v.	Self assessments by two projects	January/February
vi.	Start of evaluation missions	1 March
vii.	Field work	1-30 March
viii.	Wrap-up meeting in Hanoi	30-31 March
ix.	Start of PI's formulation mission	30-31 March
x.	De-briefing with PI	5 April
xi.	Report writing	1-30 April
xii.	First draft report	30 April
xiii.	Stakeholders' workshop	Week of 7 June
xiv.	Agreement at Completion Point & final evaluation report	30 June

TERMS OF REFERENCE FOR IE MISSION

Terms of Reference, Mr Roger Norman, Mission Leader

The evaluation will be undertaken within the overall framework of the IFAD Evaluation Policy approved by the Executive Board in April 2003. With close reference to the evaluation's Approach Paper, the consultant will serve as mission leader of the QBP evaluation. In this role, he will be responsible for:

1. ensuring that the evaluation is undertaken following OE's Methodological Framework for Evaluation (MFE), and for filling the corresponding evaluation matrix. He will prepare the final evaluation report using the standard table of contents adopted by OE, including the agreed upon format for the evaluation Agreement at Completion Point;
2. organizing the evaluation's detailed field work and programme, as well as mission logistics at the country level;
3. leading discussions with GOVN and other partners;
4. providing guidance to and supervising the work of all mission members. Based on the draft TOR for each mission member, he will finalise their individual TOR in consultation with the lead evaluator. He will be responsible for the preparation of the evaluation's aide memoire in the field and its presentation to the government and other stakeholder at the end of the mission. He will also prepare the final report, which should be between 30-35 pages long. Annexes will be included as agreed with the lead evaluator; and
4. preparing an evaluation profile, as per OE standards on the evaluation.

More specifically, he will:

5. assess project objectives in relation to the Vietnam COSOP, the Regional Strategy and the Fund's Strategic Framework, as well as with the GOVN's key strategies for rural and agricultural development; and
6. evaluate the implementation progress and results of the aquaculture and dune fixation components, as well as the rural finance activities of the project. In addition, he will **thoroughly review the before mentioned activities with reference to the three MFE evaluation criteria.**

He will work under the supervision of Mr Ashwani Muthoo, lead evaluator, who will have the final responsibility for the evaluation process, as well as the contents of the aide memoire and evaluation report. The mission leader will undertake any additional assignment as requested by Mr Muthoo. The mission leader will submit the final formatted report electronically using MS-Word on the date agreed with Mr Muthoo.

Terms of Reference, Mr Qaim Shah

The evaluation will be undertaken within the overall framework of the IFAD Evaluation Policy approved by the Executive Board in April 2003. With close reference to the evaluation's Approach Paper, the consultant will be responsible for:

7. ensuring (together with the mission leader) that the evaluation is undertaken following OE's Methodological Framework for Evaluation (MFE), and for filling the corresponding evaluation matrix. He will prepare a working paper on the specific areas assigned to him (see paragraph 4 & 5) using the standard table of contents adopted by OE;
8. participating in the evaluation's field work and meetings, as well as holding discussions with GOVN and other partners, as requested by the mission leader; and
9. providing inputs to the mission leader for the evaluation's aide memoire, which will be prepared in the field. Support the mission leader in the presentation of the aide memoire and discussions with the government and other stakeholder at the end of the mission.

More specifically, he will:

10. evaluate the implementation progress and results of the irrigation and agricultural development components. He will **thoroughly review the before mentioned activities with reference to the criteria included in the MFE.**
11. he will be responsible for evaluating the performance of key partners, including IFAD (in terms of project design, policy dialogue, donor co-ordination and partnership building, etc.), UNOPS (project supervision and loan administration), UNDP, the Government of Vietnam and the key agencies (at central, provincial, district and commune levels) involved in project design and implementation, and the main grassroots institutions involved.

He will work under the supervision of Mr Ashwani Muthoo, lead evaluator, who will have the final responsibility for the evaluation process, as well as the contents of the aide memoire and evaluation report. The consultant will undertake any additional assignment as requested by Mr Muthoo or the mission leader.

The consultant will submit his working paper to both the mission leader and Mr Muthoo, formatted electronically using MS-Word on the last date of his contract.

Terms of Reference, Mr Ravi Raina

The evaluation will be undertaken within the overall framework of the IFAD Evaluation Policy approved by the Executive Board in April 2003. With close reference to the evaluation's Approach Paper, the consultant will be responsible for:

12. ensuring (together with the mission leader) that the evaluation is undertaken following OE's Methodological Framework for Evaluation (MFE), and for filling the corresponding evaluation matrix. He will prepare a working paper on the specific areas assigned to him (see paragraphs 4&5) using the standard table of contents adopted by OE;
13. participating in the evaluation's field work and meetings, as well as holding discussions with GOVN and other partners, as requested by the mission leader; and
14. providing inputs to the mission leader for the evaluation's aide memoire, which will be prepared in the field. Support the mission leader in the presentation of the aide memoire and discussions with the government and other stakeholder at the end of the mission.

More specifically, he will:

15. assess the implementation progress and results of the institutional support and rural roads rehabilitation components, as well as project management (including technical assistance and monitoring and evaluation) activities and the community development fund.
16. With regard to institutions, he will assess institutional choices by IFAD and pay particular attention to the involvement and development of community-level institutions.

He will **thoroughly review items 4 & 5 with reference to the three MFE evaluation criteria;** and

He will work under the supervision of Mr Ashwani Muthoo, lead evaluator, who will have the final responsibility for the evaluation process, as well as the contents of the aide memoire and evaluation report. The consultant will undertake any additional assignment as requested by Mr Muthoo or the mission leader. The consultant will submit his working paper to both the mission leader and Mr Muthoo, formatted electronically using MS-Word on the last date of his contract.

Terms of Reference, Ms. Tran Thi Tram Anh

The evaluation will be undertaken within the overall framework of the IFAD Evaluation Policy approved by the Executive Board in April 2003. With close reference to the evaluation's Approach Paper and in collaboration with the team leader the consultants will be responsible for:

17. ensuring (together with the mission leader) that the evaluation is undertaken following OE's Methodological Framework for Evaluation (MFE), and for filling the corresponding evaluation matrix. She will prepare a working paper on the specific areas assigned to her (see paragraphs 4, 5, & 6) using the standard table of contents adopted by OE;
18. participating in the evaluation's field work and meetings, as well as holding discussions with GOVN and other partners, as requested by the mission leader; and
19. providing inputs to the mission leader for the evaluation's aide memoire, which will be prepared in the field. Support the mission leader in the presentation of the aide memoire and discussions with the government and other stakeholder at the end of the mission.

More specifically, she will:

20. in collaboration with the team leader and the other team members ensure that the socio-economic information on poverty impacts of the projects is collected and analysed in a gender disaggregated manner;
21. assess the design, the performance and the effectiveness of the projects' gender mainstreaming strategy and impacts on gender equity and women's empowerment;
22. evaluate the participatory methodologies promoted by the project (in particular to ensure participation of rural poor and women) as well as the performance and the effectiveness of the poverty targeting approach pursued by the project;

She will thoroughly review items 4, 5 & 6 with reference to the three MFE evaluation criteria.

She will work under the supervision of Mr Ashwani Muthoo, lead evaluator, who will have the final responsibility for the evaluation process, as well as the contents of the aide memoire and evaluation report. The consultant will undertake any additional assignment as requested by Mr Muthoo or the mission leader. She will submit her working paper to both the mission leader and Mr Muthoo, formatted electronically using MS-Word on the last date of her contract.

EVALUATION MATRIX

MAIN DOMAINS OF IMPACT	Key Questions for Impact Assessment in Rural Communities Affected by the project (changes to which the project has contributed)	Assessment of Change (1)				Reach of Change (3)				Dynamics (4)	Sus. Pot. (5)
		Presence and Direction of Change (+) (-) (0)	What has Changed? (Indicators)	Extent of Change: How Much?	Extent of Change (Rating) 4/3/2/1	How Many (households and people)	Who (Poor/ poorest/ better off)	Who? M/F	Project contribution 4/3/2/1	4/3/2/1	4/3/2/1
I. Physical and financial assets	1.1 Did farm households physical assets change (i.e. farmland, water, livestock, trees, equipment, etc.)?	+	Water, livestock, crops	1,300 newly irrigated land; double cropping	3	Est. 20,000 hhs as direct beneficiaries	All categories	Both	3* (* = varies substantially acc. to component)	2	3*
	1.2 Did other household assets change (houses, bicycles, radios, etc.)	+	Motor vehicles, bicycles, radios	Bicycles incr. by 3000%, motor cycles by 600%	3	Ditto	Ditto	Both	3	2	3
	1.3 Did infrastructure and people access to markets change? (transport, roads, storage, communication facilities, etc.)	+	New roads, upgraded markets	58 communes directly affected by new roads	4	55,000 + hhs (est. direct and indirect beneficiaries of roads and markets)	Ditto	Both	3	3	4
	1.4 Did households' financial assets change? (savings etc)	+	Savings		2	6,700 hhs made savings under credit programme	Poor		2	1	1
	1.5 Did rural people access to financial services change? (credit, saving, insurances, etc.)		Credit		1	8,000 hhs	ditto	One quarter of borrowers women-headed hhs	3	1	1
II. Human assets	2.1 Did children nutritional status change?	+	Household income, livestock		2	20,000 hhs	All	Both	3	2	3
	2.2 Did people access to potable water change?	+	Upgraded domestic water supply under CDF		2	2,800 hhs (relevant communes)	All	Both	4	3	4
	2.3 Did access to basic health and disease prevention services change?	+	Indirectly (Road system)	See 1.3	2	55,000 (see 1.3)	All	Both	(Indirect)	3	4
	2.4 Did the incidence of HIV infection change?	N/A									
	2.5 Did maternal mortality change?	See 2.3									

	2.6 Did access to primary education change?	+	Attendance improvement in communes served by new roads	No overall incr. in enrolment	2	2.6 – 2.9 Potentially, and indirectly, all direct and indirect beneficiaries of road and components	All	Both	(Indirect)	3	4
	2.7 Did primary school enrolment for girls change?	0		Gender equity in schools visited		Ditto	Ditto	Ditto	Ditto	Ditto	Ditto
	2.8 Did women and children workload change?	+/-	Greater crop intensity; more fuelwood	Unquantifiable		Ditto	Ditto	Ditto	Ditto	Ditto	Ditto
	2.9 Did adult literacy rate and/or access to information change?	+	Greater access to radios and TVs	Unquantified. (Nat. literacy rate 95%)	2	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto
III. Social capital and people empowerment	3.1 Did rural people organisations and institutions change?	+	SMBs, Users Groups	Est for irrigation, roads, afforestation	3	20,000 hhs	All	Both (see 3.3)	3	3	1
	3.2 Did social cohesion and local self-help capacity of rural communities change?	+	Initiative and competence of SMBs and users groups	Substantial in three 'model' villages	3	20,000 hhs	All	Both	4	3	1
	3.3 Did gender equity and/or women's' conditions change?	+	Representation in grassroots fora increased, some new employment opportunities	Women on SMBs 25%, in WUGs 37%	2	Unquantifiable	All	F	3	3	3
	3.4 Did rural people feel empowered vis a vis local and national public authorities and development partners? (Do they play more effective role in decision making?)	+	Degree and regularity of consultation – PRA, SMBs	Unquantifiable	3 in model villages; 2 elsewhere	20,000 hhs (potentially)	All	Both	3	3	1
	3.5 Did rural producers feel empowered vis a vis the market place? Are they in better control of inputs supply and marketing of their products?	+	Better roads and markets reduced dependence on middlemen	Unquantifiable	2	55,000 households (potentially)	All	Both	3	3	3
IV. Food Security (Production, Income and Consumption)	4.1 Did household food security change?	+	Period of food insufficiency	Est. reduction of annual food insecurity by three months	3	12,000 + hhs (direct beneficiaries of irrigation schemes)	Poor and poorest	Both	3	3	3
	4.2 Did farming technology and practices change?	+	Two-crop rice; IPM; AI stations	Unquantifiable	3	20,000 hhs	All	Both	2	3	3
	4.3 Did the frequency of food shortage change?	See 4.2									
	4.4 Did agricultural production change (area, yield, production mix, etc.)?	+	Irrigated area, crop yield	Substantial yield increases	4 (where irrigation schemes implemented)	2,500 hhs	All	Both	3	3	4

V. Env't & common resources	5.1 Did the natural resource base status change (land, water, forest, pasture, fish stocks...)?	+	Forest and groundwater in dune area	5,000 ha afforested in dunes	2 (initial impact only)	12 communes of dune area	All	Both	3	3	3
	5.2 Did exposure to environmental risks change?	+(overall positive impact)	(i) Dune stabilisation; (ii) IPM techniques; (iii) expansion of shrimp farming	(i) see above (ii) unquantifiable (iii) area of aquaculture incr. by 50%, 1997 – 2002	(i) 2 (see above) (ii) 2 (iii) 3	(i) and (iii) Dune area communes; (ii) c.5,000 participants in IPM training.	(i) and (iii): All (ii): 30-40% women	Both	3	3	3
VI. Institutions, policies, and regulatory framework	6.1 Did rural financial institutions change?	0	No significant change								
	6.2 Did local public institutions and service provision change?	+	Capacity building of govt. departments	Unquantifiable	2 (Sustainability issues)	Whole Province	All	Both	3	2	2
	6.3 Did national/sectoral policies affecting the rural poor change?	+	CPRGS, 10-yr action plan, adopted 2002	Unquantifiable	2	Countrywide	All	Both	?	3	3
	6.4 Did the regulatory framework affecting the rural poor change?	+	Joint property titles; <i>ad hoc</i> village-level financial management	New regulation for titles not widely known)	2	Countrywide	All	Both	?	3	3

Rating: 4= High; 3= Substantial; 2= Modest; 1= Negligible *** Rating: 4= Highly likely, 3= Likely; 2= Unlikely; 1= Highly Unlikely. ** This refers to cases where even though impact achievement is modest or negligible, the project in question has set in motion dynamic positive processes that will eventually lead to substantial impact achievement. The identification of the existence of these processes is left to the evaluators' judgement on a case by case basis.

MAIN DOMAINS OF IMPACT	Key Questions for Impact Assessment in Rural Communities Affected by the project (changes to which the project has contributed)	Expectation (Project Stated Objectives)				Effectiveness Rating (Achievement Against Stated Objectives) 4/3/2/1			
		Reach Who?	Change What?	Change How Much?	Reach how Many?	Reach Who?	Change What?	Change How Much?	Reach how Many?
I. Physical and financial assets	1.1 Did farm households physical assets change (i.e. farmland, water, livestock, trees, equipment, etc.)?	Poorest, poor, some better-off	Water, livestock, crops, trees	4	22,000 hhs	As per design but credit failed to reach poor	As per design, but livestock expansion not achieved	3	16,500 hhs
	1.2 Did other household assets change (houses, bicycles, radios other durables, etc.)	Unspecified				Beneficiaries in all communes	More bicycles, radios etc.	3	N/K
	1.3 Did infrastructure and people access to markets change? (transport, roads, storage, communication facilities, etc.)	Communes for roads and markets	Upgrade 200 km of roads and 6 markets	4	22,000 hhs for roads; unspecified for markets	As per design	168 km of roads, 7 markets	4	55,000 (est.)
	1.4 Did households' financial assets change? (savings etc)		Unspecified at design			Poor	Total savings of 2.5 billion VND	2	6,700 hhs
	1.5 Did rural people access to financial services change? (credit, saving, insurances, etc.)	Poor and poorest hhs	Access to credit	4	30,000	Small proportion of poor; did not reach poorest	Credit	1	4,000 hhs
II. Human Assets	2.1 Did children nutritional status change?		2.1 – 2.9: no specific objectives at design,	... but increased income and food security for all	... and improved access to schools and health centres for c. 22,000 hhs		2.1 – 2.9: improvements noted in these areas, unquantified except as below		
	2.2 Did people's access to potable water change?					Some CDF communes			2,800 hhs under CDF
	2.4 Did access to basic health and disease prevention services change?								

	2.3 Did the incidence of HIV infection change?								
	2.5 Did maternal mortality change?								
	2.6 Did access to primary education change?								
	2.7 Did primary school enrolment for girls change?								
	2.8 Did women and children workload change?		Not expected to change				Extra work in ag. prod., less in fuelwood collection		
	2.9 Did adult literacy rate and/or access to information and knowledge change?		Ditto				More radios, TVs		
III Social capital and people empowerment	3.1 Did rural people organisations and institutions change?	All beneficiaries	WUGs, Road users groups, 'Village Management Boards'	4	65,000 hhs	SMBs in various components	Design further elaborated in social mob. Model	4	65,000 hhs
	3.2 Did social cohesion and local self-help capacity of rural communities change?		Unspecified at design						
	3.3 Did gender equity and/or women's' conditions change?	All women beneficiaries	Access to credit and employment	4	Women members of 65,000 hhs	As per design	Participation in grassroots insts., afforestation	3	As per design
	3.4 Did rural people feel empowered vis a vis local and national public authorities and development partners? (Do they play more effective role in decision making?)		Unspecified at design			All beneficiaries	Improvements noted, esp. in 'model' villages	2/3	65,000 hhs
	3.5 Did rural producers feel empowered vis a vis the market place? Are they in better control of inputs supply and marketing of their products?		Ditto			Communes affected by new roads and markets	Falling price of inputs; less dependence on middlemen	3	55,000 hhs, to varying degrees

IV. Food Security (Production, Income and Consumption)	4.1 Did household food security change?	Poorest groups	Crop yields and livestock ownership	4	55,000 hhs	As per design	Ave. reduction of 3 months; but livestock targets not met	3	12,000 hs
	4.2 Did farming technology and practices change?	All beneficiaries	Ag. training and techniques	4	65,000 hhs	As per design	Two-crop rice; AI stations IPM	3	As per design
	4.3 Did the frequency of food shortage change?	See 4.1							
	4.4 Did agricultural production change (area, yield, production mix, etc.)?	Target communities under irrig. comp.	Incr. of irrigated area by 600 ha; yield increases	4	9,000 hhs	As per design	Incr. of irrigated area by 1,306 ha; yield increases	4	12,000 hhs
V. Env't and common resources	5.1 Did the natural resource base status change (land, water, forest, pasture, fish stocks...)?	12 sandy communities	Plantation of 4,000 ha.	4	4,000 hhs	As per design	Plantation of 5,000 ha but fewer beneficiaries	3	2,500 hhs
	5.2 Did exposure to environmental risks change?	Ditto plus IPM trainees	Afforestation and IPM	4	5,000 hhs?	As per design	Some sustainability issues	3	As per design
VI. Institutions, policies, and regulatory framework	6.1 Did rural financial institutions change?	Poor and poorest	Credit delivery	4	Unspecified	Very limited reach	No credit for poor and poorest	1	4,000 hhs accessed loans
	6.2 Did local public institutions and service provision change?	Tech. line depts.	Institutional capacities	4	Selected personnel of Ag., Forest Transport, Fisheries depts.	As per design	Comprehensive training programme	2 (Sustainability issues)	No overall figure available
	6.3 Did national/sectoral policies affecting the rural poor change?	Not given as objective					IFAD contribution to CPRGS		
	6.4 Did the regulatory framework affecting the rural poor change?	Ditto					IFAD requests to govt. to issue joint property titles		

The overall rating of the project performance and impact is “substantial” (3), with substantial increases in agricultural production outweighing the failure of the credit component and the consequent lack of livestock expansion.

