

Socialist Republic of Viet Nam
Ha Tinh Rural Development Project

Project Completion Report Validation

A. Basic Data

A. Basic Project Data			Approval (US\$ m)		Actual (US\$ m)	
Region/Province	Ha Tinh	Total project costs	19.1		20.0	
Country	Viet Nam	IFAD Loan and % of total	15.4	80.7%	15.4	77%
Loan Number	507-VN	Borrower	2.3	11.9%	2.3	11%
Type of project (sub-sector)	Agriculture development	Co-financier 1	UNDP	Not planned	0.9	5 %
Financing Type	F	Co-financier 2				
Lending Terms¹	HC	Co-financier 3				
Date of Approval	29 April 1999	Co-financier 4				
Date of Loan Signature	18 June 1999	From Beneficiaries	1.4	7.4%	1.4	7%
Date of Effectiveness	17 September 1999	From Other Sources:				
Loan Amendments	1	Number of beneficiaries (if appropriate, specify if direct or indirect)	64,000 households			
Loan Closure Extensions	0	Cooperating Institution	UNOPS			
Country Programme Managers	M. Prayer Galletti A. Toda	Loan Closing Date	31 March 2006		31 March 2006	
Regional Director(s)	T. Elhaut	Mid-Term Review	August 2003		August 2003	
PCR Reviewer	Anne-Marie Lambert	IFAD Loan Disbursement at project completion (%)			100% in SDR (11.4 m)	
PCR Quality Control Panel	A. Brubaker F.Felloni					
Please provide any comment if required:						

Sources of this table: *President's report, PCR, PPMS, LGS, MTR, Appraisal Report, Supervision reports.*

¹ According to IFAD's Lending Policies and Criteria, there are three types of lending terms: highly concessional (HI), intermediate (I) and ordinary (O). The conditions for these are as follows: (i) special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (ii) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50 per cent) of the variable reference interest rate, and a maturity period of twenty (20) years, including a grace period of five (5) years; (iii) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, and a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years.

B. Project Outline

Project area

1. The Project is implemented in Ha Tinh Province, a coastal province in the middle of the country. Before the intervention in 1999, poverty was pervasive in this rural province. More than one third of the population of 1.3 million lived below the poverty line, and poor households suffered frequent food insecurity. Almost all the population, 99.9 per cent, were ethnically Kinh, the majority ethnic group in the country. The average farm size in this coastal province was small, estimated at less than one third of a hectare. The project covered 137 rural communes out of the 245 in the province.

Project objectives

2. The overall goal of the project was to improve the incomes and living standards of poor rural households and increase their participation in the development process. The project aimed to achieve the following outputs: (a) establishment of a participatory development mechanism; (b) promotion and diversification of income-generating activities; (c) rehabilitation of rural roads and construction of marketing facilities; and (d) improvement of planning and management processes by each implementing agency. A key feature of the project was beneficiary participation in the selection of activities/schemes to be carried out, and in taking direct responsibility for their maintenance.

Target groups

3. The targeting focus was at village level, an estimated 64,000 poor households living in the 137 poorest communes in Ha Tinh Province. Poor communes were defined as those in which more than 40 per cent of the households were classified as poor and basic infrastructure was missing. The infrastructure component (irrigation, rural roads and marketing) and the Community Development Fund were to be implemented in the 48 poorest communes only. Savings and credit activities were mainly geared for women.

Project components and cost²

Project Component	PAR		MTR		Final Expenditure	
	Amount	%	Amount	%	Amount	%
I. Participatory Development	2,252	11.8	4,853	25.4	5,082	25.4
II. Income Generation						
- Small-scale irrigation	3,242	16.9	3,246	17.0	3,404	17.0
- Vet services support	779	4.1	571	3.0	388	1.9
- Community forestry			281	1.5	236	1.2
- Crop and livestock support	1,530	8.0	1,310	6.8	1,034	5.2
- Financial services	2,965	15.5	2,891	15.1	2,451	12.2
- Rural markets	715	3.7	1,466	7.7	1,812	9.0
- Solar energy	60	--	83	0.1	54	---
Sub-total Income Generation	9,291	48.6	9,848	51.5	9,379	46.8

2. The allocation of project funds had to be modified in the course of project implementation as the cost of the rural infrastructure implemented under the CDF increased by 65% compared with PAR estimates, largely due to increase in the government rates for various civil works activities. The problem was overcome by agreement to utilise funds from Development Initiative Fund as a supplement. Participatory planning exercises assisted the communities to assess their development needs and draw up the Community Development fund, therefore bringing flexibility to the implementation process, with budget implications.

Project Component	PAR		MTR		Final Expenditure	
	Amount	%	Amount	%	Amount	%
III. Roads and Bridges	2,903	15.2	3 075	16.1	3,461	17.3
IV. Project Management	1,231	6.4	1 355	7.1	2,105	10.5
Development Initiatives Fund	3,452	18.0				
Community Development Fund						
Total Project Cost	19,131	100.0	19,131	100.0	20,0271	100.0

Source: PCR..

Significant changes

4. The project design has been valid throughout the implementation period. To further respond to the priority needs expressed by target groups, the MTR suggested adding two new farm support components, namely: aquaculture, and plant protection. The MTR also suggested scaling down the coverage of the credit component from 137 to 97 communes to avoid overlapping with INGO's credit schemes operating in the other 40 communes. Changes were made to the loan agreement to make the credit scheme more effective and sustainable. That included allowing retention of funds by Revolving Credit Funds (RCF) for 20 years instead of requiring repayment to the central Government upon completion of the Project, and transferring the responsibility for management of RCF to the Provincial Women's Union upon Project completion.

C. Main Assessment – Review of Findings by Criterion³

Project Performance

C.1 Relevance

5. The Ha Tinh Rural Development Project (HRDP) was the fourth and last project to be implemented under the first IFAD COSOP approved in 1996. It benefited from the lessons learned in the previous three projects in terms of design and implementation approach, particularly in relation to more traditional top-down approach in government programmes and to pre-allocation of all project costs at design stage in IFAD projects. The project relevance to the local needs was enhanced through several actions : (i) a detailed socio-economic assessment was carried out prior to the formulation mission; (ii) the Province developed its own proposals based on consultations at district and commune levels; (iii) representatives from the Province visited the on-going IFAD project in Quang Binh to gain experience in project design; and, (iv) the formulation mission had extended consultations with relevant partners and the design drew on the experiences of three international NGOs supporting poverty alleviation in the Province.

6. A key feature of this project was the emphasis and corresponding investment in beneficiary participation in rural poverty appraisal, planning, implementation and operations and maintenance of infrastructures. To respond to the high level of poverty and food insecurity in this province, this project aimed at improving the living standards of poor rural households and increasing their participation in the development process. The key components of the projects included participatory development, on farm income generation and diversification, and rural roads and bridges; they proved highly relevant to the local needs. The use of secret balloting in the selection procedures for rural infrastructure and other activities ensured that the views of the poor and women were given equal weight.

³ For definition of and guidance on the criteria, please refer to the Evaluation Manual: http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf.

7. The Project was a demand-driven intervention. In 1995 when IFAD was conceiving the project in Quang Binh, a neighbouring province of Ha Tinh, the Government requested IFAD's assistance to Ha Tinh, as this province fulfilled all the selection criteria for IFAD's intervention. Furthermore, the project design highlighted decentralisation in delivering the project services. Anchored in the government framework of implementing grassroots democracy and decentralisation, this project has been forcefully promoting decentralisation to provincial, district, even to commune and village levels both in implementation and financial aspects.

8. The targeting approach was in line with IFAD's mandate and the country strategy and supported the Government's drive for poverty alleviation and its programmes for improving the living conditions and welfare of rural people. The project has made considerate efforts to target poor households and women. The project made concerted efforts to involve the poor and women in participatory planning procedures, and as beneficiaries of project activities. Women's empowerment was equally highlighted in almost all the project activities. Women constituted the majority of the beneficiaries through their participation in the participatory planning processes, as key farmers, as trainees for agricultural practices and managers of demonstrations. The PCR reports that 59 per cent of poor and 57 per cent of women participated in planning processes while around 66 per cent of the borrowers under the credit programme have been poor women. However, it seemed that the very poor were not able to benefit from the on-farm supports, as they often lacked the resource base, primarily irrigated land and livestock. The project did not envisage non-farm business and employment support for these groups.

9. Implementation was characterised by its flexibility and adaptation to the local needs. Several changes were made during implementation and were found relevant to the local context. The change made in the coverage of the credit component (paragraph 4) was justified. As well, in the course of project implementation, it was agreed to enhance the standard of the roads upgraded under the project, replacing the planned gravel surface with macadamised roads to achieve greater sustainability; this was highly relevant to the local environment and climate. These roads serviced 115 communes including the 48 poorest communes. However, as the project requested 10 per cent cost contribution from villages, this put a heavy burden on those remote and less populated villages. And the mobilisation of the community contribution proved particularly problematic for inter-commune roads and bridges.

10. IOE concurs with most of the assessment of relevance in the PCR, in line with area-based, multi-sectoral and participatory planning approach adopted by IFAD in its country programme. IOE commends the constant performance in targeting the poor and women groups in almost all the activities. However there is a concern on the lack of non-farm support for those target groups who were lacking irrigated land. IOE rating, in view of the project relevance to the needs of the poor and women and in view of the design that allowed flexibility through its participatory approach is satisfactory (5).

C.2 Effectiveness

11. The overall goal of the project was to improve the incomes and living standards of poor rural households and increase their participation in the development process. The project has succeeded to a large extent in improving the incomes and living standards of poor rural households and increasing participation of poor households in the development process. The project exceeded its targets in many subcomponents, despite a slow start the first year of implementation due to the lack of technical assistance to sensitise the project management to the participatory approach adopted by the project and facilitate the start up.

The project aimed at achieving 4 development objectives. The logframe details their respective outputs.

12. Objective 1: Establishment of a Participatory Development Mechanism. Community-based participatory planning approach was introduced into the 48 poorest communes eligible for the full range of project activities. The PCR found that the 36,099 participants in various village meetings represented around two thirds of the households in the 48 communes. This approach effectively

enabled communes and villages to assess local needs and draw up a community development plan. With the support of 12 community facilitators hired and trained by the project, village members, particularly the poor and women, were involved in design, implementation, supervision, and operations and maintenance of village level activities and infrastructure schemes. The local planning exercises also helped to strengthen the capacity of commune authorities to effectively target the poor. In the case of rural infrastructure activities, contractors were encouraged to hire wage labour from poor households⁴, therefore the poor had a chance to earn wages and build certain skills.

13. By introducing participatory planning, community participation and the creation of commune and village level mechanisms to empower people, the project also made concrete contributions in raising awareness among government officials and mainstreaming into the provincial system a series of tools, approaches and mechanisms that could be applied to other government programmes.

14. **Objective 2: Income generating activities promoted.** The income generation and diversification component focused on agriculture and livestock production, but also included investments in building new rural markets. The livestock production was backed up by a micro-credit scheme. The main subcomponents included: small-scale irrigation, vet services support, community forestry, crop and livestock support, financial services, rural markets, and solar energy demonstration. The later was installed in 65 households and 3 community halls. They have proved helpful for remote and isolated households. However, with the extension of national electricity grid, the value of these demonstrations eventually faded.

15. A total of 5,039 ha of land have been brought under improved irrigation. The PCR reports improved access to quality inputs (seeds, fertilizers and chemicals) and enhanced extension activities. Paddy yields, at completion, had increased between 15 and 50 per cent, and an estimated 20,000 tons of additional paddy was produced annually in the project areas. The increased paddy production benefited an estimated 86,250 households. The livestock disease control and credit support has resulted in a livestock increase of approximately 5 per cent per annum. Livestock production benefited 50,000 households with increased incomes. Nine hundred and three (903) ha were planted with acacia and pine on degraded forest land, against the project target of 750 ha, providing 460 poor households with the opportunity of leasing forest land and retaining 90% of the income from the wood sold.

16. The project also successfully established a micro-credit scheme managed at the village level by the Women's Union (WU) who built up 2,570 village savings and credit groups totalling 26,852 members. Around 67 per cent were from poor households. Although it was slightly short of achievement against the target of 80 per cent, the project ensured poor women were able to access similar amounts of credit as the members from better-off households. Women were increasingly interested in developing small and non-farm businesses. By completion, 82 per cent of the loans had been used for livestock production. Apart from on-farm support, the project has built or upgraded 61 rural markets, which increased local trading volume and generated jobs as well. The PCR estimated that 15,943 people were the beneficiaries of newly created jobs. The new roads and markets have allowed villagers more frequent and less costly interactions with the market, either buying or selling; and the enhanced awareness of market-oriented production has increased the return from farm production.

17. **Objective 3: Rehabilitation of rural roads and construction of market facilities.** The UNOPS supervision mission dated April 2004 (seventeen months till project completion) reports that the project had already achieved the Appraisal Report road and bridges targets, 90 km of roads and 78 bridges constructed/rehabilitated. The roads serviced 115 communes including the 48 poorest communes. The project has built/upgraded 57 rural markets plus 4 under CDF, benefiting 173 communes at completion⁵ compared to 80 at appraisal.

⁴ The PCR reports that the infrastructure schemes provided 611,756 local labour-days, of which 245,302 were women.

⁵ Annex 10 of PCR report: Summary of Project Final Performance and Impacts.

18. Objective 4: Improvement of planning and management processes by each implementing agency. Training was an important feature in building the capacity of project management staff. At completion, 940 staff members were trained in most management areas (paragraph 42).

19. IOE concurs with most of the effectiveness assessments in the PCR: at completion, the project had achieved most of the targets and the poor and women were effectively involved. However, IOE would like to raise one concern on the lack of baseline data, which made it difficult, in a few cases, to estimate the exact degree of change before and after the intervention. The IOE rated effectiveness as satisfactory (5).

C.3 Efficiency

20. The project accomplished all the planned activities and added activities within the planned six-year timeframe. Despite the delay in start-up during the first year, the project management learned and adapted fast and the project progress remained on track. The costs for infrastructures were higher than planned because the project decided to upgrade the original road standards (paragraph 9). On the other hand, the effective mobilisation of the community members in committing part of the required financial contribution, and in planning and operations and maintenance, significantly reduced the cost of infrastructures works.

21. The PCR recalculated the internal economic rate of return (EIRR) at the project completion, by taking into consideration credit finance activities, irrigation, roads and markets. The PCR states that the post project EIRR is 28 per cent, which was higher than the anticipated EIRR of 25 per cent.

22.

The project management has improved during the implementation (paragraph 18). The project significantly contributed to building the capacity of the project management staff in planning, coordination, and monitoring and evaluation. The project funds were fully disbursed and the financial management has been considered of good quality. Overall, the sound project management enhanced the efficiency of the project. IOE's own assessment on efficiency, is rated satisfactory (5).

Rural Poverty Impact

C.4 Impact

Household Income and Net Assets

23. The project made a significant contribution in increasing household income. This was achieved mainly by improving the production levels for agriculture, livestock and aquaculture. Households in the project areas increased incomes and livelihoods during the project cycle. The wages for labour provided by the project and the access to markets also diversified local incomes. As well, the long term land leases for community forestry has provided many poor households with a productive asset. The annual per capita income in the 137 communes has more than doubled from VND 1.7 million to 3.5 million or in rice equivalent from 280 kg to 625 kg. Data from the province government indicated that the poverty rate in the 48 poorest communes decreased from 52 per cent in 1999 to 18 per cent in 2004⁶. Despite the attribution problem, IOE concurs with the PCR findings and rated the contribution of the project to household income and net assets as satisfactory (5).

Human and Social Capital and Empowerment

24. Participation and decentralisation support resulted in building up local social capital and enhancing empowerment. The project took daring approaches in piloting decentralisation support by allowing villages to fully implement and manage small infrastructures works, both physically and

⁶ The official poverty rates statistical reports are impressive in the province where the project was implemented. However, it is not possible to measure the extent to which the provincial poverty rate has been attributed to the project or other factors such as economic growth.

financially. The project significantly increased the capacity of village institutions in planning and implementing village-level development activities. And villagers were trained to manage water schemes and savings and credit activities through water management groups and savings and credit groups. Through effective participation in all village investments, the poor and women were equally involved in village development activities, and benefited from some economic activities, though in some cases the poorest were left out because of lack of irrigated land. The impact on human social capital is rated as satisfactory (5).

Food Security and Agricultural Productivity

25. Food security was improved. In part, this resulted from the increased productivity in crops and livestock. The average food consumption of poor households increased from 180 kg to 300 kg per capita. The synergy of small-scale irrigation schemes improved quality of inputs and enhanced farming techniques enabled farmers to grow new varieties with better yields. The key yield crops, paddy and groundnuts, increased between 15 and 50 per cent, and an estimated production increase of 20,000 tons of additional paddy were produced annually in the project area. The increased paddy production has resulted in increased staple food supplies for an estimated 86,250 households. Food security and agriculture productivity are rated as satisfactory (5) by this validation.

Natural Resources and Environment (including climate change issues)

26. As a result of an initial IEE undertaken during project implementation, the project took into consideration the environment impact by minimizing the alteration of land use in the road buildings and other small-scale infrastructure activities, which ensured minimal impact on the environment. The project promoted forestation and rehabilitation of forest land, which increased the awareness for environmental protection. The long term land leases for community forestry provided many poor households with a productive asset and this intervention model offered great scope for replication with corresponding environmental benefits. This impact criteria was given a satisfactory rating (5) by the PCR, confirmed by this validation.

Institutions and Policies

27. The project has contributed to enhancing the awareness of participatory rural development and technical skills of government officials in the line agencies, such as in agriculture, irrigation, forestry, veterinary, etc. After implementing the HRDP, the government agencies were capable to plan and coordinate similar or even larger scale development programmes in the province.

28. The impact on policy was mainly achieved through the decentralisation support. The project piloted decentralisation activities in a poverty reduction programme in rural areas, which was considered by the government as one contribution to the practical demonstration of the Government's Decree on Grassroots Democracy. In line with the central government policy, the provincial government issued necessary legal and financial regulations in support of project activities, and these regulations had the potential to be replicated in other areas in the country. For example, the provincial government extended the regulation on strengthening the water user groups to all irrigation schemes in Ha Tinh province. IOE concurs with the assessments of the PCR and provides a satisfactory rating (5).

Other Performance Criteria

C.5 Sustainability

29. The overall sustainability of the project achievements was reasonably enhanced by the participation and community mobilisation promoted by the project, which built a sense of ownership of project investments in infrastructure and savings and credit groups. The community-based groups, including water user groups, road maintenance groups, and savings and credit groups, were capable of sustaining the project-supported activities. However, many of these organisations were still at an early development stage, and still needed further capacity building support to attain full sustainability. As the on-farm support increased yields and incomes, the on-farm activities introduced by the project

could be continued by the households. However, the sustainability of extension and veterinary support were mainly relying on the government programme. Convinced by the project performance, the government assured continued support from the government budget.

30. The PCR assessments on sustainability are considered valid by IOE. Given the burden and challenges of financing the increased counterpart contributions, it was not realistic to expect Operation and maintenance (O&M) groups to be sustainable. This is taken into consideration by IOE and is reflected in the satisfactory rating (5) given by the validation.

C.6 Pro-Poor Innovation, Replication and Scaling-Up

31. As one of the early projects in piloting decentralisation support in reducing rural poverty, HRDP highlighted the innovation feature of the participation and decentralisation in the cohort of the IFAD programmes in the country. The PCR concluded that the project had played a catalytic role in promoting decentralisation in rural infrastructure works and service delivery such as extension services, promulgating regulations, and fostering community base organisations.

32. In addition, the well-designed participatory planning approach introduced by the project proved an effective way to target the poor and women in rural poverty reduction projects (paragraph 8). In terms of scaling-up, the development model of this project convinced the government to sustain most of the project activities after completion; and the province requested a renewed IFAD assistance to enhance and up-scale the interventions in rural poverty reduction. During the Viet Nam CPE preparatory mission to Vietnam on 11-20 December 2011, the IOE lead evaluator met with the project director of the Programme for Improving Market Participation of the Poor in Ha Tinh, programme which succeeded the Ha Tinh Rural Development Project. The project director gave IFAD full credit for the innovative development model applied in the HRDP and its use by the government in other projects in the province. Also the technical assistance played a crucial role in assisting the province in institutionalising and scaling up some successful initiatives of the project, such as water user groups, savings and credit groups, etc. Both innovation in the participatory approach and its replication and scaling up are considered by IOE as satisfactory (5).

C.7 Gender Equality and Women's Empowerment

33. The project made significant progress in promoting gender equality and women's empowerment⁷. Women's participation was intensively mainstreamed in development planning, economic activities and training. Women comprised 57 per cent of the participants in the planning processes, 59 per cent of key farmers supported in agricultural activities, 55–59 per cent of the trainees, 80 per cent of managers of pig breeding demonstrations, and 52 per cent of the villages vet workers. Poor women, in particular, also gained equal opportunities in the participatory planning processes. However, the project has been less focused on addressing the different needs of men and women in production activities, e.g. to investigate women's needs for labour saving tools for agriculture, as little gender training was provided to the staff. The rating applied by IOE for gender equality and women's empowerment is moderately satisfactory (4).

C.8 Performance of Partners

IFAD's Performance

34. IFAD responded to the Government's request by designing a project exclusively focusing on the Ha Tinh province, which proved an appropriate decision, among others, in terms of geographic targeting⁸. The design of the project took lessons from previous interventions in enhancing the

⁷ It is not always clear in the PCR report how and to what extent participation of women in planning processes lead to women's empowerment.

⁸ Ha Tinh fulfilled the criteria for IFAD assistance established in the country strategy (geographic focus, target group focus and sectoral focus).

participation and decentralisation. The design was especially commendable in terms of the clearly-spelt out guidelines in targeting the poor and women in various project activities including project management, which contributed to the success of the targeting throughout the implementation. Another positive initiative from IFAD is the design of a Community Development Fund component to address the priority needs expressed by the beneficiaries; this design significantly increased the relevance of the interventions and the flexibility in allocating resources between different components. IFAD's loan was fully disbursed by the project. However, the project start-up in the first year was in a very slow pace because IFAD could not take in a grant-funded technical assistance (TA) for this project, though the project design made a provision of grant-funded TA (paragraph 11). In contrast, a grant-funded TA was approved for each of the previous three projects in the country. To fill the gap of a grant-funded TA, the Government had to seek TA grant from UNDP during the implementation. IFAD's performance is considered by IOE's validation as satisfactory (5).

Government's Performance

35. The government's ownership and legal support proved to be the key factors in the success of this project and in its replication and upscale. The central and provincial governments were effective in issuing related regulations to facilitate the project implementation. Particularly, the Government has been creating a favourable environment for implementing participatory planning and decentralisation. The project management was embedded in the government structure, and the government officials in related line agencies have been improving their capacity during the implementation. The project's management in terms of physical achievements, financial performance, work quality and other technical aspects have been highly appreciated by the Government. The provincial government has decided to sustain the project activities and they requested a new intervention to enhance and scale up the project activities. Government's performance is rated by IOE as satisfactory (5).

Cooperating Institution

36. UNOPS has been the cooperating institution for supervision and facilitating fiduciary issues between project management and IFAD. It undertook annual supervision mission in a timely and regular manner. UNOPS also participated in the 2003 MTR. The supervision mission included a range of technical expertise including both national and international consultants. The UNOPS mission generally generated helpful findings and provided appropriate and practical recommendations which were appreciated by the project management and, in most parts, followed by the project. The supervision reports were of good quality, with appropriate attention on the key issues that emerged during the implementation. In terms of fiduciary aspects, only in the initial stage, processing of the withdrawal application was slow but the situation improved markedly during the rest of implementation. UNOPS contribution is rated as satisfactory (5) by the validation.

UNDP

37. Though a grant-funded TA was envisaged in project design, this did not materialise effectively (paragraph 35). Hence Ha Tinh Provincial People's Committee approached UNDP, and UNDP approved TA support to HRDP. Through a TA support, UNDP made a major impact in providing guidance and capacity building and greatly facilitated the implementation of the project during a three-year period. This TA proved valuable in supporting initial field planning, M&E, etc, and improved the efficiency of the project management at an early stage. The support of UNDP in providing TA is rated as satisfactory (5) by this validation.

C.9 Overall Assessment of Project Performance

38. The Ha Tinh Rural Development Project was the fourth IFAD-funded project in Viet Nam. The rationale of this project was to address the pervasive poverty and food deficiency in selected areas in the country; as in the 1990s, the majority of the rural people in these areas were facing food deficiency challenges, the intervention in this non-minority area could be justified, as to explore a development model to be replicated and up-scaled for the majority of the rural poor in the country.

39. A major feature of the project design was an elaborated set of guidelines and emphasis on fostering decentralisation and beneficiary participation in all the main activities of the project. Especially for rural infrastructure activities, the commune and village-level institutions were entitled to manage both the progress and financial aspects of the infrastructure schemes, which proved a success factor in ensuring the local ownership and effective maintenance. The participatory approach was commendable as well. The equal involvement of the poor and women in planning and implementation, and priority given in wage labour works ensured the most vulnerable groups benefited socially and economically from the project intervention, which was unprecedented in the project area. Participation has also been a key factor to the successful targeting efforts of the project.

40. In terms of attaining objectives, this project made a significant contribution to improving the household incomes, food security, and living standards in the region by addressing the challenges in improving productivity and access to markets. Considering the satisfactory ratings in most evaluation criteria, i.e. relevance, effectiveness, overall rural poverty impact, sustainability, pro-poor innovation and the performance of partners, and despite the moderately satisfactory rating given for efficiency, sustainability and gender equality and women's empowerment, IOE considers the overall performance as satisfactory (5).

D. Assessment of the PCR Quality

Scope

41. The PCR covered all the key aspects of the programme design, implementation, management, and key criteria of performance and impact. The scope of this PCR is not totally congruent with what is required in the guidelines for Project Completion, because the report was prepared in November 2005, prior to the release of the Guidelines (June 2006), which include more comprehensive evaluation criteria, such as Strategy and approaches, project description and implementation arrangements. The scope is rated as satisfactory (5) by this validation.

(i) Quality (methods, data, participatory process)

42. The overall assessment methods and data applied in the PCR were valid and logic in evaluation terms. Though the baseline data were missing in some cases, e.g. irrigation schemes, roads and bridges, the overall quality of the assessments was not compromised, as the records of the project's progress were generally consistent in the PCR, MTR, supervision reports, PPMS, and LGS. The quality of the report is rated as satisfactory (5)

(ii) Lessons

43. The lessons and recommendations provided by the PCR are rated as satisfactory (5), they are comprehensive, relevant, practical and forward-looking, and some of the recommendations were taken by the follow up projects in the same province, such as enhancing coordination/synergies among components, adding non-farm employment support and developing rural enterprises.

(iii) Candour

44. The overall assessments in the PCR are logical and the reliability is corroborated by other project documents. Candour is rated as satisfactory (5).

(iv) If overall rating for PCR quality is lower than PMD's please briefly explain the main reasons. *Not applicable.*

E. Final Remarks

E.1 Lessons Learned

Participation and Targeting

45. This project enabled effective and genuine participation of the poor and women in village level planning and implementation, which is attributed to the constant emphasis and elaborated guidelines on involving the poor and women in project activities. Particularly, the project component Participatory Development, implemented from the beginning of the project, included participatory rural appraisal and sensitisation of project management and technical departments, and by doing so, the project laid down a solid base for identifying the beneficiaries' needs and building local ownership of investments in the villages, therefore ensuring that the poor and women benefited socially and economically. The project proved that effective participation is also a key success factor in targeting.

E.2 Issues for IOE Follow-up (if any)

F. Rating Comparisons

Project ratings				
Criterion	PMD Rating ⁹		IOE Rating	Net Rating Disconnect (IOE PCRV - PMD)
Relevance	Relevance 5	Design 5	5	0
Effectiveness	5		5	0
Efficiency	5		5	0
Project Performance¹⁰			5	
Rural Poverty Impact				
(a) HH Income and Net Assets	Physical assets 5	Financial assets 6	5	- 0.5
(b) Human and Social Capital Empowerment	Human assets 5	Social capital 6	5	- 0.5
(c) Food Security and Agricultural Productivity	Food security 5	Agric. Product. 6	5	- 0.5
(d) Natural Resources and Environment	5		5	0
(e) Institutions and Policies	Institutions & services 6	Markets 5	5	- 0.5
Overall rural poverty impact¹¹	5		5	0
Sustainability				
Pro-poor Innovation, Replication and Scaling Up	Innovation 5	Repl. & Scaling-up 5	5	0
Gender equality and women's empowerment	5		4	-1
Overall Assessment¹²	5		5	0
Performance of partners				
(a) IFAD	5		5	0
(b) Government	5		5	0
(c) Cooperating Institution	5		5	0
AVERAGE Net disconnect - 0.17				
Ratings of the PCR document quality	PMD rating		IOE PCRV rating	Net disconnect
(a) Scope	6		5	-1
(b) Quality (methods, data, participatory process)	6		5	-1

⁹ Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

¹⁰ Arithmetic average of ratings for relevance, effectiveness and efficiency.

¹¹ This is not an average of ratings of individual impact domains.

¹² This is not an average of ratings of individual criteria. Moreover the rating for performance of partners is not a component of overall performance rating"

(c) Lessons	6	5	-1
(d) Candour	6	5	-1
Overall rating PCR document			

G. List of Sources Used for PCR Validation

IFAD

- Report and Recommendation of the President to the Executive board on the proposed loan to the Socialist Republic of Viet Nam for the Ha Tinh rural Development Project
- Ha Tinh Rural Development Project Mid-Term Review report – Main report and Appendices – Report No. 1479 –VN
- Country Strategy Opportunities Paper – Socialist Republic of Viet Nam, Rome, 9-10 April 2003
- Appraisal Report

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- Supervision mission reports