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THE SOCIALIST REPUBLIC OF VIET NAM
COUNTRY PROGRAMME REVIEW AND EVALUATION

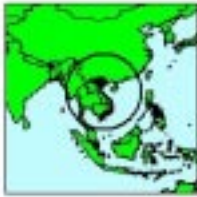
EXECUTIVE SUMMARY





ACRONYMS AND ABBREVIATIONS

ARCPD	Agricultural Resources Conservation and Development Project (Quang Binh Province)
CPRE	Country Programme Review and Evaluation
COSOP	Country Strategic Opportunities Paper
HEPR	Hunger Eradication and Poverty Reduction
HGDPEM	Ha Giang Development Project for Ethnic Minorities
HTRDP	Ha Tinh Rural Development Project
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
OE	Office of Evaluation and Studies
PCU	Project Coordination Unit
PI	Asia and Pacific Division
PMU	Project Management Unit
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
PRMP	Participatory Resource Management Project in Tuyen Quang Province
STA	Senior Technical Adviser
UNOPS	United Nations Office for Project Services
VBA	Viet Nam Bank for Agriculture
VBP	Viet Nam Bank for the Poor
VWU	Viet Nam Women's Union



SOCIALIST REPUBLIC OF VIETNAM



The designations employed, boundaries and presentation on this map do not imply on the part of IFAD any judgement on the legal status of any territory.



COUNTRY PROGRAMME REVIEW AND EVALUATION

VIET NAM

EXECUTIVE SUMMARY

I. INTRODUCTION

1. **Background.** To date, IFAD has funded four area-development projects in Viet Nam: the Participatory Resource Management Project (PRMP) in Tuyen Quang Province; Agricultural Resources Conservation and Development Project (ARCDP) in Quang Binh Province; Ha Giang Development Project for Ethnic Minorities (HGDPEM); and Ha Tinh Rural Development Project (HTRDP). Total IFAD lending in Viet Nam amounts to USD 60.7 million. The United Nations Office for Project Services (UNOPS) is the cooperating institution for all four projects.

2. **IFAD strategy in Viet Nam.** The Fund's strategy in Viet Nam is to support the Government's poverty alleviation drive and programmes for improving the living conditions and welfare of rural people. Its assistance is particularly directed to the Northern Uplands, North Central Highlands and Central Highlands Regions (identified as the poorest areas) and ethnic minorities, upland farmers and women-headed households (identified as the most vulnerable target groups). IFAD's strategy focuses on: (i) building local institutional and managerial capacities; (ii) enhancing the participation of local stakeholders in project design and implementation; (iii) giving priority to rural employment and income-generating activities; (iv) investing in the construction and rehabilitation of rural infrastructure; (v) providing support to ethnic minorities while protecting their cultural identity; (vi) supporting the rehabilitation and diversification of agriculture in areas hitherto neglected or prone to natural disasters; (vii) directing the Fund's resources to the poorest provinces; and (viii) helping the country to develop sustainable financial mechanisms for lending to the poor.

3. **Project design and objectives.** The primary objectives of all the IFAD-supported projects are to improve the incomes and living standards of poor rural households and to increase their participation in the development process. Project activities have focused on agricultural production; rehabilitation of essential infrastructure, such as roads, bridges and irrigation schemes; environmental conservation and management; agricultural extension; animal health services; aquaculture development; the provision of microfinance; and support for income diversification. Health and education activities are also being undertaken under HGDPEM.

4. **Implementation.** Projects have been implemented under the overall responsibility of provincial people's committees (PPCs). The implementation arrangement envisaged for PRMP differed somewhat from that of the other three IFAD-financed projects in that a project management unit (PMU) was established for this purpose. The PMU was to be supported by a working group at the provincial level, comprising representatives of various provincial technical departments. In the other three projects, project coordination units (PCUs) were created to coordinate implementation at the provincial level. Actual implementation is the responsibility of provincial technical departments, which operate through district-level structures. However, during implementation, IFAD altered the management structure of the PRMP by transferring implementation responsibility from the PMU to provincial implementation agencies.

5. **Country programme review and evaluation (CPRE).** In close consultation with the Government, the Asia and the Pacific Division (PI) and the Office of Evaluation and Studies (OE) of IFAD undertook a joint CPRE in Viet Nam in 2000. The aim was to: (i) develop a series of lessons learned and recommendations for improving IFAD's present and future programmes in the country; (ii) identify policy issues to be raised with the Government for its consideration; and (iii) provide



inputs for reviewing, as appropriate, IFAD's country strategic opportunities paper (COSOP) for Viet Nam.

6. The CPRE was conducted in a highly participatory manner, in line with the Fund's new approach to evaluation, and was the first PI/OE exercise of this nature. The rationale for the joint approach was based on the consideration that since all four projects financed by IFAD in the country were still ongoing, the undertaking of a CPRE by OE alone would not appropriately address some of the implementation-oriented issues requiring immediate follow-up to ensure better execution, impact and sustainability of activities. In short, a joint CPRE was deemed more suitable as it would not only draw lessons from experience to provide inputs for updating the COSOP and improve the design and performance of future activities, but also support the streamlining and amelioration of current operations.

7. The exercise was planned and implemented to promote maximum local participation and ownership. To start off the process, a brief reconnaissance mission was undertaken to Viet Nam in May 2000 to assess the expectations and priorities of the counterparts vis-à-vis the CPRE. That was followed by the commissioning (in June 2000) of internal self-evaluation implementation assessment studies by each project, offering project staff the opportunity to express their perceptions about the opportunities and constraints of the Fund's intervention. The results of these studies were discussed with the CPRE mission during a stakeholders' workshop organized at the outset of the mission's fieldwork (July 2000). The World Bank's recently established Global Distance Learning Network was utilized to organize a video conference (Rome-Hanoi) in mid-September 2000 to provide interim feedback to stakeholders and discuss the first draft CPRE report and lessons learned. The video conference brought together in Hanoi some 25 persons from the four provinces, including representatives of mass organizations (Viet Nam Women's Union (VWU) and farmers' associations), government staff, provincial district authorities, other donors, cofinanciers and project staff. It also provided a unique opportunity for IFAD to listen to the comments and suggestions of a range of stakeholders prior to finalizing the CPRE report. A policy dialogue workshop to conclude the CPRE process is being planned for early 2001.

II. IMPLEMENTATION PERFORMANCE

8. **Financial matters.** In all four projects, delays in disbursement have been common, resulting occasionally in a shortage of funds to meet payments for goods and services and thereby delaying implementation. The main cause of the delays are the complex and lengthy disbursement procedures.

9. **Infrastructure.** Progress in the construction of roads and small-scale irrigation schemes has been good, despite constraints attributed to the remote location of construction sites and cumbersome administrative and procurement processes. In PRMP, supervision and review of construction are contracted out. District implementation units and commune technical workers are responsible for the supervision and assessment of construction in Quang Binh and Ha Giang provinces. In general, there have been problems with cumbersome bidding procedures and with the overloading of technical units.

10. **Crops and extension.** The PRMP was the first province-wide project to use the participatory rural appraisal (PRA) tool to determine the appropriate contents of extension activities in each commune. The same approach was later extended to the projects in Quang Binh, Ha Giang and Ha Tinh. Previously, however, top-down 'technology transfer' programmes dominated most extension activities and there was little funding for adaptive research.



Agriculture Resources Conservation and Development Project in Quang Binh Province
Rehabilitation of rural road.

11. **Livestock.** In PRMP, the Mong Cai pig breeding programme has been particularly successful, with 1 264 households provided with breeding animals; and the training and equipping of commune animal health auxiliaries has meant much wider coverage of preventive veterinary vaccinations. A poultry model for poor households has been successfully promoted by the provincial extension service, but more needs to be done in maintaining the on-farm, pro-poor and participatory perspectives of the model. In Ha Giang, the increasing number of cattle and pigs has put extra pressure on fragile environments. None of the reports on implementation in Ha Giang demonstrate any clear understanding of the integrated nature of the problem or address the related question of fuel supply. The main achievement in the Quang Binh livestock sector has been the establishment of two artificial insemination stations and one pig breeding station. A team from Hue University of Agriculture and Forestry has assessed the status of livestock at the household level and made a number of recommendations with regard to on-farm trials and demonstrations.

12. **Aquaculture.** In Quang Binh, five hatcheries for shrimp and fish have been rehabilitated for local production of juveniles and fingerlings, with 1999 production meeting 70% of demand in the province. Ten tiger prawn model demonstrations and ten for fish cage-rearing have been implemented, with training programmes for key staff and beneficiaries in 75 communes.

13. **Forestry.** The forestry component of HGDPEM aims to support existing forest programmes in critical watershed areas, principally by developing participatory protection models and the issuance of forest protection contracts for a planned 20 000 ha of critical forests. Main activities to date have been the procurement of vehicles and equipment, staff training and the preparation of an environmental impact assessment study. Protection contracts for 11 000 ha of forest have been issued, and 200 ha of new forest have been planted, the latter activity having been added in 1999. Under the sand-dune fixation component of ARCDP, 2 700 ha of casuarina have been planted in 12 southern communes in the dune area, where all planting and maintenance were carried out by farmers. About 70% of local



farmers, most of them women, benefited from employment opportunities. Seedlings are being produced by the farmers themselves, and a self-management board for maintenance and protection has been set up in each commune.



Participatory Resource Management Project in Tuyen Quang Province
View of reforested hillside with rice paddies in foreground.

14. **Credit.** All credit programmes are implemented with the close support of the VWU, although the actual flow of credit is through the Viet Nam Bank for Agriculture (VBA) or the Viet Nam Bank for the Poor (VBP). The credit programme aims to respond to the credit needs of rural people and to build up the capacities of different institutions involved in the programme. However, microcredit activities have not been sufficiently successful, with the exception of the PRMP in Tuyen Quang, where the credit component started before the operation of the Government's preferential credits through VBP and VBA. The VBP (VBA branch) that implements the government-sponsored credit programmes has not been very successful in reaching the poor or in developing economically viable programmes with a significant and sustainable impact on the poor. Some of the main reasons are: frequently the targeting procedures have been poorly applied through mass organizations, particularly the VWU; poor planning and lack of technical support for activities financed through loan funds; and inadequate institutional capacity to sustain microfinance operations for the poorest.

15. In Quang Binh, the VBA is reluctant to channel credit to the poor, in particular to those without land titles. In Ha Giang, administrative problems initially delayed the flow of credit, but the VBA has now agreed to channel credit from its own resources. Even in Tuyen Quang, where the flow of credit to the poor from VBA has been good, group capital is not enough to meet short-term consumption needs or the medium-term production and consumption credit needs of members on a sustained basis. Very few group members have obtained repeat loans either from the groups or from the banks. Finally, institutional capacity strengthening with regard to credit has been achieved only partially in all four projects, mainly due to delays in technical assistance.

16. **Decentralization.** Provincial and district authorities have budgetary and administrative responsibilities, but communes are not directly included in the consolidated budget and almost all public services are delivered through the formal government administrative system. The Central Government negotiates with each province annually to determine levels of expenditure and subsequent revenue transfers for poor provinces. District and commune revenues are also based on approved expenditure, but there is no standard system for assigning revenues to districts and communes. For delivery of public services at the commune level, revenue allocations reaching the communes are barely adequate to meet their administrative costs. Local contributions, with the help of national programmes, must finance virtually all non-salary recurrent costs of public services, such as



agricultural extension, animal health services, education and health. Project provinces are practising certain innovative approaches to decentralization, with mass organizations forming an important link between the local people and implementing agencies through the formation of user groups and self-help groups (e.g. for irrigation management, drinking water management, forestry protection, health and education, etc.). However, participatory decision-making does not sufficiently involve key stakeholders, such as poor farmers and women.

III. IMPACT AND SUSTAINABILITY

A. Impact

17. **Overall poverty impact.** As all four projects are still operational, any assessment of impact would be premature. However, the CPRE was able to obtain some indication of expected impact. For instance, the second round of PRA in Tuyen Quang indicates that in 51 selected communes the number of better-off households has increased by 10.5% and poor and very poor households have decreased by 12%. However, microlevel analysis suggests that the very poor derived less benefit from the project than the poor, particularly with regard to the irrigation and infrastructure components. A participatory evaluation in Le Thuy district of Quang Binh revealed a 10% decline in poverty as a result of the rice-regeneration interventions over a period of two years, but the impact was higher among those with larger landholdings and has excluded the handful of very poor landless people. In the sand dune area, employment in project activities has helped the poor to increase their livestock base, meet agricultural credit requirements and repair their houses. In Ha Giang, meetings with participants in the farmer field schools indicated that yields were likely to increase as a result of the introduction of high-yielding varieties of seed and improved broadcasting methods. Monetary gains to the poor have also been noted in the case of forest protection activities. Incremental income has largely been invested in livestock, particularly in pigs.

18. **Capacity building.** The capacity, expertise and awareness of project staff have discernibly improved in Tuyen Quang and Quang Binh during project implementation. In Ha Giang, there is now a better understanding thanks to intensive training in participatory approaches, monitoring and evaluation (M&E) and management of rural development projects, and also to the presence of international and national advisers. The quality of planning, implementation, coordination, supervision and reporting has improved considerably and there is a better appreciation of the need for transparent procurement procedures and record-keeping for foreign assistance projects. The selection of village health workers and commune veterinary workers for HGDPEM during 1999/2000 followed a much more rigorous selection procedure and the new staff proved to be excellent.

19. **Targeting.** The targeting of the provinces has been good. More than 12% of the poorest communes, as identified by the Government's Hunger Eradication and Poverty Reduction (HEPR) programme, fall within the four project provinces. Within provinces, the targeting of poor districts has been fairly good in Tuyen Quang and Ha Giang, but needs better focus in the poorest districts of Quang Binh. In Ha Giang, the targeting of poorest communes has been most effective, not just because there is a greater number of poor communes but also because of the conscious effort made to reach them. In Tuyen Quang, targeting of poorest communes is strong with the exception of animal husbandry and irrigation. In Quang Binh, such targeting needs to be strengthened in all programmes, in particular microcredit, irrigation and animal husbandry. As far as individual households are concerned, in Tuyen Quang only members of poor and very poor households can derive benefits from the credit programme; in Quang Binh, considerable leakage to non-poor was noted.



Ha Giang Development Project for Ethnic Minorities
Hmong minority farmers at the Yen Minh market. Ethnic minorities come from around the district to buy, sell, eat and socialize.

20. **Beneficiary participation.** While different groups living in poverty are consulted during appraisal, there is still little active participation of the poor in identifying needs and shaping project design. This is particularly true for the irrigation and road components, which are often pre-targeted. IFAD's main contribution has been the promotion of PRA as a tool for operational planning, for which the multi-component PRA conducted in Tuyen Quang proved more effective than the sectoral PRA used in other projects. With respect to evaluation, integrated participatory evaluation exercises have been institutionalized in Tuyen Quang, with monitoring of poverty status and village workplans.

21. **Gender mainstreaming.** An explicit commitment to address gender-specific causes of women's poverty and to mainstream gender concerns is absent from project objectives. However, the key role of women in agriculture, livestock and rural marketing is recognized, and gender concerns are mainstreamed to some extent in the credit/income diversification components, especially in the case of Ha Tinh. Between 40 and 50% of women participated in PRA exercises. The degree of access of poor women to project resources has been higher for credit and income diversification, followed by agricultural extension and

sand-dune fixation, and lower for other programmes. A broader implementation issue is the gender and ethnic composition of staff and workers. Women's representation in the PPC/PCU ranges from 18% in Ha Giang to 26% in Quang Binh, with more representation in administration and accounting than in project management. In all projects, representation is lower at the district level than it is at provincial level. The Tuyen Quang project has been the most successful in terms of expanding the independent asset base of poor women, increasing their status within the family and strengthening their ability to cope with poverty through the credit and savings programme. The Ha Giang project has contributed to the reduction of women's workload by improving access to drinking water, promoting the use of coal instead of wood fuel, and introducing improved technologies for seed broadcasting and the preparation of animal feed. The unique contribution of Quang Binh has been in creating channels for allowing women's voices to be heard in village-level decision-making with respect to project activities.



Ha Giang Development Project for Ethnic Minorities
Construction workers build the project-funded district health centre in Yen Minh.

22. **Economic impact of infra-structural improvements.** The anticipated impact of project road components has generally been achieved, with focus on inter-commune roads where improvements have a high economic return. For irrigation schemes, cultivated areas and yields have increased as expected, with a conspicuous rise in crop production observed in Tuyen Quang. Construction work in Quang Binh has provided a significant incremental income to



some beneficiaries, most of them poor women. Better access to natural resources with the help of rural infrastructures built by the project is contributing to diversification of rural production and narrowing the gap between the poor and the well-off in some localities.

23. **Crops and livestock.** Training for technology transfer and the presence of trained commune extension agents have had a good initial impact in each province. Thus, forest cover has increased, with more forest areas remaining intact thanks to extension programmes that help people produce more food for themselves. Extension activities have also contributed to increased agricultural production. In Tuyen Quang, total food production rose from 174 000 t in 1994 to 227 000 t in 1999, while average yields of maize and paddy increased from 2.15 to 3.01 t/ha and from 3.12 to 4.2 t/ha, respectively. The total area under cultivation has also increased, notably for sugar cane (1 185 to 7 219 ha) and fruit trees (965 to 3 266 ha).

24. Between 1993 and 1999, the number of animals in Tuyen Quang increased by 43% for cattle, 16% for buffaloes, 26% for pigs and 46% for poultry. Establishing how far this has been due to the project is difficult, but one interpretation could be that the improved veterinary outreach has reduced mortality in pigs and poultry and led to improved growth rates. The 62 000 loans sanctioned by VBP in Tuyen Quang are also likely to have supported an increase in animal numbers, especially pigs. Between 1990 and 1999 in Ha Giang, the numbers of buffalo increased by 32%, of cattle by 56%, of goats by around 60% and of poultry by over 25%.

25. **Aquaculture.** ARCDP aquaculture activities are at an early stage but the initial environmental impact is positive. Close attention is being given to appropriate and efficient feeding of shrimps, thus limiting the build-up of unwanted nutrients in the ecosystem. The incidence of disease has also been reduced through training and demonstrations on prevention and treatment. Regarding economic impact, only better-off households have the necessary capital and labour for shrimp culture. Fish culture, in contrast, offers opportunities and benefits for all farming households and complements traditional agricultural activities.



Participatory Resource Management Project in Tuyen Quang Province
A farmer working in an irrigation canal

26. **Environmental impact.** There is no forestry component as such in the Tuyen Quang project, but its work complemented and aided the process of re-greening by contributing to food security and thus reducing pressure on the forests. The process of forest allocation is well advanced in most districts and farmers are able to meet their fuelwood demands from their own forest plots, allocated on a 50-year lease basis. Improved security of tenure has stimulated widespread planting of fruit trees. In Ha Giang, conditions in the mountainous regions of the east and northwest require urgent attention on the part of both the Government and international donors. However, the ambitious afforestation targets, to which part of project activity has been attached, mean that it is more important to be seen to be expanding the area of forest (in whatever district) than to address the crux of the matter. In parts of Xan Min (in the west), the erosion of steep slopes is serious enough to cause repeated landslides on newly-constructed roads (not IFAD-funded), which it is beyond local capacity to repair. In Quang Binh, efforts to use tree planting to counter the intrusion of sand

dunes have been made by various international agencies in recent decades, but many of the earlier attempts have been



unsuccessful, with survival rates of 10% or less. The IFAD project has tried to avoid earlier errors: casuarina saplings have been correctly and more densely planted, and early indications are that the active participation of the farmers in site selection and seedling production, as well as in planting and maintenance, promotes better husbandry.

B. Sustainability

27. **Project design.** The IFAD-supported projects are generally cost-effective, the technical designs are appropriate and additional unsustainable institutional layers have not been created. However, in conjunction with the beneficiaries, it may be worthwhile for the implementing agencies to elaborate a detailed component-wise plan incorporating expected financial and human resource allocations for operations and maintenance. These should be accounted for in the final project documents. The opportunities for actively involving representatives of grass-roots institutions, cooperating institutions and cofinanciers in project design should be considered.

28. **Beneficiary organizations.** The project strategies presume a high level of beneficiary participation through capacity-building support to primary-level beneficiary organizations, such as self-help groups, development boards and user groups. This is important, as it will improve the chances of sustainability of project interventions and investments.

29. **Rural civil works.** In the case of labour-intensive rural works, the beneficiary groups must be involved in devising strategies to ensure post-project continuation of benefits. There must be self-reliant and well-trained labour crews to operate and maintain project schemes. In places where beneficiary groups have not emerged, it is important to devise an alternative arrangement to ensure sustainability. For most water user groups, 60% of the irrigation fee has been set aside for major repairs and future development, and 40% for recurring costs. Increasing the former would be beneficial for long-term sustainability. In regions where beneficiaries live in notably disadvantageous conditions, such as in Ha Giang, the granting of even partial ownership to the villagers would serve to increase their experience of self-management. Another factor is simplicity of structure. For example, water points without faucets, ideal for minimizing maintenance and repair, have been installed in Ha Giang.

30. **Sustainability of poverty and gender impact.** The sustainability of the favourable poverty impact of the projects depends both on the sustained flow of credit to the poor and on social security measures being put in place to help the poor cope with contingencies like ill health, death and disaster. These mechanisms are lacking in the credit component of ARCDP, and need to be strengthened in the other projects as well. Joint titles to land and houses are particularly important for the sustainability of gender impact, and this needs to be pursued at the central government level. Participatory processes can be sustained beyond the project period only if they are institutionalized within existing structures.

31. **Environmental sustainability.** The destruction of the young casuarina plantations in the sand dune areas of Quang Binh was caused mainly by de-branching for fuelwood. Such is the shortage of combustible material in the coastal region that unless alternative sources of cheap fuel are made available, the depredations will certainly continue in all areas except where existing trees are understood by local villagers to be performing a vital role as a physical barrier against sand. Thus, if the fuel situation is not addressed as a matter of urgency, the new plantations will suffer the same fate as earlier ones.

IV. LESSONS LEARNED

32. **Targeting.** Unless there is a clear commitment to working towards household-level food and nutritional security, the poorest may derive less benefit from the projects than the poor in general. Spreading project resources across entire provinces may not be the best strategy to improve the food



and nutritional security of the poorest households. IFAD should therefore sharpen the focus of its activities in Viet Nam so as to effectively reach the poorest, the hungry and malnourished, and to strengthen food and nutritional security at the household level. This should be complemented by enhanced emphasis on ‘software’ development aspects in the Government’s HEPR programmes in the targeted provinces, and on augmenting government and other donor resources at the provincial level. Careful design should integrate national or provincial plans with IFAD project aims in order to avoid duplication of effort, particularly for infrastructure and research and extension.

33. Participatory Rural Appraisal (PRA). The introduction of the PRA tool for systematic planning, implementation, supervision and evaluation has been successful and effective in Viet Nam. However, proper implementation of the PRA concept requires the presence of personnel trained in PRA techniques and various major relevant subject matters. This is somewhat lacking in all four provinces and projects in Viet Nam. Further, IFAD’s experience confirms the benefits of an integrated approach to PRA, rather than a sectoral one. An integrated approach enables one to perceive why certain households face food shortages and malnutrition, and such analysis can facilitate the preparation of both village development plans and nutritional security plans for poor households. Another important lesson is that the PRA should not be seen as a one-off stand-alone exercise but more as a continuous process for participatory learning and appraisal (PLA), which is built in at different stages throughout the project life cycle. The PLA concept not only assists in identifying challenges and opportunities and in the preparation of development plans, but it also promotes joint reflection, learning and problem-solving driven by the grass-roots communities themselves.

34. Participatory research and extension. Commune-level PRA identified a need for research into: varieties of potatoes, maize, soybean and fruit trees; use of hybrid rice; and poultry production by very poor households. Provincial governments should aim to instal a truly participatory agricultural research and extension system reflecting the priorities of poor people and ethnic minorities, who often live under conditions that require the practise of forms of agriculture to which the technologies of lowland agriculture cannot be applied. Participatory research and extension also enables development interventions to identify, benefit from and build upon local knowledge systems and innovations. This is highly important in orienting research and extension activities, which will enhance the chances of impact and sustainability and lead to development activities that are more relevant and acceptable to people living at the grass-roots level.



Ha Giang Development Project for Ethnic Minorities
Hmong minority workers unload and examine water tanks.

35. User groups. The IFAD programme has significantly strengthened the notion that user groups (e.g. water user groups, road user groups, women’s self-help groups, etc.) can be important instruments to support development activities in Viet Nam. User groups are instruments that can facilitate the active participation of rural people in development initiatives, providing them an opportunity to be trained, to gain confidence and to be the owners of their decisions and advancement. However, more needs to be achieved for user groups to function efficiently. For

example, water user groups have generally operated well in terms of construction, operation and maintenance of small-scale irrigation schemes and related activities, whereas road user groups have



yet to become operational. Capacity-building for group formation and their technical issues has been effective, but there is a need to develop capability for cost-estimation and for better planning so that simple activities such as micro-irrigation schemes can be constructed by the water user groups themselves. Genuine participation needs to be further encouraged, for example, by handing over ownership of small structures attached to roads or gravity water supply systems to the user groups.

36. **Gender mainstreaming.** Gender mainstreaming is essential if poor women's food and nutritional security is to be addressed by IFAD in a sustainable manner. Gender concerns should be explicitly woven into all aspects of IFAD's strategy, and the gender-specific causes of women's poverty should be identified. A combination of two strategies may be considered for mainstreaming gender in the Viet Nam context, including: (i) the formulation of gender-focused activities; and (ii) mainstreaming of gender concerns into VWU proposals that all land and housing titles should be issued in the joint names of men and women. Experience shows that in households where land and house titles are held jointly, the role, decision-making capacity and overall well-being and status of women is much better.

37. **Decentralization.** The Fund's programme in Viet Nam has contributed to changing attitudes and approaches to development planning, budgeting, implementation and monitoring. Decentralization has been a key feature introduced in all four IFAD-funded projects. Experience accumulated to date illustrates that better results are achieved when implementation responsibility is handed over to the operational level, using departmental activity managers and task supervisors, mainly at the district level. Concurrently, decentralization is more effective when authority for budget allocation, expenditure and operations are also delegated to the concerned activity manager. This results in ownership, commitment and accountability at the lowest levels. Furthermore, as a general rule, greater autonomy in terms of planning and financial management is desirable at the district and commune levels to facilitate and improve the development process.

38. **Environmental issues.** If linked to ambitious national or provincial targets, reforestation activities may not be sustainable. The location of new plantations will also tend to be guided by such factors as ease of access and cost of planting. What is required for Quang Binh is a commune-based plan with greater investment per hectare and the planting of mixed forests that stand a chance of long-term survival. This will facilitate the emergence of microclimates suitable for cultivation and settlement and serve to identify local communities more directly with the survival of natural barriers and cultivable enclaves. In Ha Giang, urgent measures are needed to reverse the deforestation of the upper slopes in the highland areas. In certain areas of the northernmost districts, the pernicious cycle of deforestation, flash floods and drought is already far advanced. In the absence of drastic measures, the Government's aim of preventing the expansion of shifting cultivation and further migration stands little chance of being achieved, and large populations of H'mong farmers will effectively become environmental refugees. The CPRE suggests that the Government should enforce a strict ban on the cultivation of the upper slopes of threatened areas. Extra rice rations may be necessary as a temporary measure, and could be made as payment for reforestation activities driven by the communities. The cost of this should be set against the direct cost of the accelerating cycle of flooding and drought in the region. The CPRE recommends that the system of forest protection contracts be seen as an initial step to returning the care and management of forest protection to the local communities, which in many cases successfully acted as the guardians of these forests and other common property resources over many centuries. The vast local knowledge accumulated by rural people can play a significant role in sustainable forest management and conservation, with technical assistance and expertise made available where appropriate.

39. **Technical assistance.** Technical assistance cofinanced with the United Nations Development Programme and the Swedish International Development Authority has been generally effective although more could be achieved in some areas. There is a need to: (i) ensure more effective coordination among the donors involved to ensure streamlined planning and operations; (ii) develop a



common framework for national staff and consultant salaries, incentives and related allowances; and (iii) harmonize M&E systems and activities, so that projects and counterparts are not overwhelmed by having to prepare different reports for various donor agencies on the same activity. Further, the appointment of full-time professional senior technical advisers (STAs) does not justify the disproportionately high cost involved. Such appointments make sense only if the STAs are located in the PPCs as advisers on a range of issues affecting individual provinces. Short-term sectoral or subject matter specialists are a more cost-effective and efficient option.

40. **Microfinance.** Investigation of reports of households experiencing seasonal hunger revealed that the problem was not lack of food in the markets, but the lack of means to acquire food. It was observed that beneficiaries who had had access to microfinance were not only able to satisfy their emergency and consumption needs but had also performed better in terms of building assets. Special emphasis should be placed on providing credit for women, and consideration should be given to involving more actively the provincial-level VWUs in the implementation of microfinance activities.

41. **Livestock.** In terms of their livestock base, the poorest households possess only chickens. Smallholder poultry production should therefore become part of all IFAD projects in Viet Nam that include livestock development activities, instead of continuing with the current over-emphasis on pig or cattle breeding. In addition, IFAD-funded projects have demonstrated that microcredit can play an important role in reducing hunger and eradicating poverty, inasmuch as it provides resources for purchases of livestock and inputs that can contribute to a household's overall well-being and income-generating opportunities.

42. The improvement of traditional feeding systems is an area deserving of more attention, with greater focus on local feed resources and collaboration with research institutions over extended periods. In Ha Giang, there is strong focus on the potential of crop residues as a source of feed for cattle, buffaloes and goats. Some work is being done on the introduction of legumes and grasses, but the fodder question goes much deeper because crop residues and other organic materials are also used as fuel in areas of denuded hillsides. Large areas are left uncultivated during the winter season due to lack of water for irrigation although it is reported that Chinese cabbage and kohlrabi thrive on soil moisture and night dew alone. In terms of the conflict between fodder requirements and vegetation cover, the evidence from Tuyen Quang shows that increases in livestock numbers and forest cover can be compatible, provided the environmental and climatic conditions allow it.

43. **Infrastructure.** The important question of integrating national or provincial plans with IFAD project aims needs to be addressed by both the Government and IFAD in a spirit of cooperation and compromise. In certain activities, such as road building, the advantages for IFAD to improve intra-commune or intra-village roads and tracks will be fully realized only if the main roads are improved as well. Therefore, the Government should concentrate on improving key main roads that lead to small target roads in project areas. Similarly, in districts where the irrigation infrastructure is weak, targeting only the smaller schemes will not achieve the desired economic impact unless the larger irrigation systems are upgraded. Furthermore, targets and site selection for infrastructure development activities should be based on the findings of PRAs conducted periodically during implementation rather than pre-targeted as defined during the project design process. Greater resources and efforts need to be expended in social mobilization and user group formation to support infrastructure construction, supervision and maintenance. Finally, detailed data about infrastructural development, such as the total length of roads of each category and their rate of improvement, are not available in most of the provinces although a database for rural infrastructure is being developed in Ha Giang. This kind of database would be useful to identify infrastructure development needs and coordinate interventions.

44. **Monitoring and evaluation.** The lessons learned from the first three projects were incorporated into the design of HTRDP, by which the process of participatory feedback from



beneficiaries will be initiated by community facilitators, channelled through the commune people's committee and submitted to the district project management on a six-monthly basis. However, for M&E to play a more effective role in terms of learning and accountability in Viet Nam, M&E systems require streamlining, with greater emphasis placed on impact monitoring, participation, technical assistance and capacity-building. Furthermore, the development of a country-level integrated monitoring and supervision system is considered necessary, in order to keep different levels of the administration informed of overall progress made and corrective measures required. IFAD might wish to consider facilitating the development of such a system, that could be adapted to the needs of other donors on a case-by-case basis.

45. **Disbursement and procurement.** Disbursement delays are caused by lengthy procedures for withdrawal applications and their processing by two different sections of the Ministry of Finance (MOF), as well as by UNOPS and IFAD, and disbursement of funds to the project account through VietcomBank, MOF and the Provincial Treasury. Urgent attention should be given to the problem of the release of funds, some of which have been held up for long periods of time at various levels. To address the problem, the initial deposit to the Special Account could be increased and disbursement procedures simplified. Procedures for the procurement of goods and services, particularly civil works, are also excessively elaborate. The PCU/PMU need be involved only at the final stage, when UNOPS approval is to be obtained; the second technical scrutiny by the PPC could be eliminated. Smooth, timely financial and physical progress of development interventions is a means to achieving results and impact, and therefore the administrative procedures involved should be simplified to ameliorate performance.

V. POLICY ISSUES



Ha Giang Development Project for Ethnic Minorities
H'mong minority farmers at the Yen Minh market.

46. The conclusions of the CPRE broadly confirm the continued validity of IFAD's strategy in Viet Nam, as outlined in the COSOP of December 1996 with its clear emphasis on the targeting of the poorest communes and the development of participatory processes. The focus on integrated area-based development projects continues to be appropriate. However, five key policy issues require joint consideration by IFAD and the Government:

- the need for further decentralization of government functions to match the degree of participation envisaged by IFAD projects;
- the development of an agricultural extension system able to respond to the specific needs of farmers in remote highland areas;
- the need for more effective and efficient delivery of microcredit to the poor;
- the full utilization of mass organizations for grass-roots mobilization and development; and
- the streamlining of administrative and organizational procedures.