

Of Trees and People...

**An Evaluation of the Vietnam-Sweden Forestry
Cooperation Programme and the Mountain Rural
Development Programme in the
Northern Uplands 1991–2000**

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Sida Evaluation 01/34

**Department for Natural
Resources and the
Environment**

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Swedish support to the development of Vietnam has been going on for more than 30 years. Part of the early support focused on developing the Paper Pulp industry Bai Bang in Northern Vietnam. Born out of this assistance, the programme Forestry Cooperation Programme (FCP) and its successor Mountain Rural Development Programme (MRDP) were supported by Sweden during the 1990s.

The two programmes focused on supporting the rural development in a number of provinces in Northern Vietnam. Many thousands of farmer households have been involved in the programmes as well as both local and central government administration.

In 2000 a comprehensive evaluation of FCP and MRDP was carried out by a team of international and national consultants. The resulting report included many interesting findings and conclusions. The consultant team's FCP and MRDP evaluation report is the main part of this Sida Evaluation Report.

However, as the report contains many interesting analysis and conclusions, Sida has decided to also in this Sida Evaluation Report, include the management response from both the Vietnam Ministry of Agriculture and Rural Development (MARD) and from Sida to complement the consultant team's report. This will provide an all-encompassing picture of the programmes for the reader.

Stockholm 28 June 2003

Jerker Thunberg
Head, Department for Natural Resources and the Environment
Sida

Table of Contents

Executive summary	1
1 Introduction	8
1.1 The purpose of the evaluation	8
1.2 Methodology	8
2 The evolution of FCP	12
2.1 The Bai Bang legacy	12
2.2 A bridge to a new style programme	12
2.3 Planning the new Forestry Co-operation Programme	13
2.4 The programme	13
2.5 Process orientation in practice	14
2.6 Feed-back mechanisms	15
2.7 Recurrent issues in implementation in FCP	16
2.8 Mid term review 1994	16
2.9 Final assessment by the Monitoring Team 1995	18
3 The mountain rural development programme	19
3.1 Planning for a new programme	19
3.2 The appraisal of the MRDP	20
3.3 The reactions to the appraisal	20
3.4 The final design of MRDP	21
3.5 Comments on the programme design	22
3.6 Sida's decision and the agreement with the Vietnamese government	23
3.7 Changing the programme during implementation	23
3.8 The Permanent Advisory Group's assessments	25
3.9 The mid-term Review 1999	25
3.10 MRDP's internal assessment of its achievements	27
3.11 Drawing conclusion from the evolution of FCP and MRDP	28
4 Forestry and land management	30
4.1 Forest management models	30
4.2 Land management, land use planning and land allocation	30
4.3 Impact of forestry related activities on human resource development	32
4.4 Institutional impact	35
4.5 Impact on method development	36
4.6 Impact on policy formulation	37
4.7 Impact on farmers' behaviour	37
4.8 Impact on the environment	38
4.9 Impact on poverty	39
4.10 Impact on Gender	40
4.11 Conclusions	40
5 Extension and applied research	42
5.1 Programme activities	42
5.2 The change process in the 1990s	43
5.3 Overall impact of FCP/MRDP	45

5.4	Impact on food security and agricultural production	45
5.5	Impact on Human Resources Development and institution building	46
5.6	Impact on method development and policy	46
5.7	Impact on farmers behaviour	47
5.8	Impact on the environment	47
5.9	Impact on Gender	47
5.10	Impact on poverty	48
5.11	Other major sources of influence	48
5.12	Who were the beneficiaries?	49
5.13	Sustainability	49
6	Rural finance system	50
6.1	Background	50
6.2	Rural Finances 1990–95	50
6.3	Background to RFS under MRDP	52
6.4	Program level strategy for RFS	52
6.5	The battle for financial sustainability	53
6.6	Flaws in SCG financial management	53
6.7	Membership, social capital, social cohesiveness and the poor	54
6.8	Phasing out of MRDP – retrieval of the principal	56
7	Business promotion and market information	58
7.1	Business development in FCP	58
7.2	Business Development in MRDP	59
7.3	Focus of the assessment	60
7.4	Summing up Province efforts	61
7.5	Assessing Business Promotion and Market Information Systems	62
7.6	Business Development Strategies in Perspective	62
7.7	Summary of the assessment	63
7.8	Impact on gender and poverty alleviation	64
7.9	A final comment	65
8	Participatory rural appraisal and decentralisation	66
8.1	Background	66
8.2	PRA in FCP	67
8.3	PRA in MRDP	69
8.4	The parameters of ‘direct funding’	72
8.5	Village Development Plans Year 2000	72
8.6	Decentralisation in national forest management	74
9	Assessing the effectiveness of fcp and MRPD	77
9.1	The approach	77
9.2	The overriding objectives	77
9.3	Institutional development	78
9.4	Systems development	80
9.5	Model development	83
9.6	Policy formulation	83
9.7	Developing a viable forest sector (FCP)	84
9.8	Re-greening of the uplands and sustainable use of natural resources	85
9.9	Development of the economic conditions in rural areas	86

9.10 Alleviating poverty	86
9.11 Gender	88
10 Assessing the programme design and management	89
10.1 The key stakeholders in programme design and management	89
10.2 The role and performance of the Swedish government	89
10.3 Process-orientation	90
10.4 Effectiveness of Sida's role in implementation	91
10.5 Phasing out	91
10.6 The role and performance of the Government of Vietnam	92
10.7 Management Information and Learning System	92
10.8 The role and performance of the international consultants	93
10.9 The Monitoring Team and Permanent Advisory Group	95
11 Lessons learned, strategic conclusions and recommendations	96
11.1 Overall conclusions	96
11.2 A successful start to a troubled present	97
11.3 The problems written on the wall... ..	98
11.4 Inherent constraints to poverty alleviation	98
11.5 Recommendations for the future	99
11.6 Lessons learned	102
 Annex 1	
Terms of reference	104
 Annex 2	
References	115
 Annex 3	
Persons met	122
 Annex 4	
The Yen Bai Study	129
 Annex 5	
Assessment of policy impact	144
 Annex 6	
An assessment of the original and revised end results in MRDP	148
 Annex 7	
Management response, Vietnam	148
 Annex 8	
Management response, Sida	148

Acronyms

APO	Annual Plan of Operation
CVDF	Commune and Village Development Funds
CP	Creative Process
DARD	Department of Agriculture and Rural Development
DCO	Development Co-operation Office
FAO	Food and Agriculture Organisation
FCP	Vietnam-Sweden Forestry Co-operation Programme
FIPI	Forestry Inventory and Planning Institute
FLFP	Farm Level Forestry project
FRC	Forest Research Centre
GDLM	General Department of Land Management
Ha	Hectare
HDR	Human Resource Development
IFAD	International Fund for Agricultural Development
IMP	National Integrated Pest Management Programme
JFM	Joint Forest Management
LFA	Logical Framework Analysis
MARD	Ministry of Agriculture and Rural Development
MILS	Management Information and Learning System
MoF	Ministry of Forest
Mpi	Management Perspectives International
MRDP	Vietnam-Sweden Mountain Rural Development Programme
MSEK	Million Swedish Crowns
MVND	Million Vietnamese Dong
NGO	Non-Governmental Organisation
PAG	Permanent Advisory Group
PB	Programme Board
PBO	Programme Board Office
PCF	People's Credit Fund
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
PSCP	Plantation and Soil Conservation Project
RFS	Rural Finance System
SALT	Sloping agricultural land technology
SCG	Savings and credit groups
Sida	Swedish International Development Agency
ToR	Terms of Reference
VBA	Vietnam Bank for Agriculture

VBP	Vietnam Bank for the Poor
VDF	Village Development Fund
VDP	Village Development Plan
VMG	Village Management Group
VND	Vietnamese Dong
VPMC	Vinh Phu Paper Raw Material Company
UNDP	United Nations Development Programme
WB	World Bank

Executive summary

The programmes evaluated

An evaluation of the Swedish funded Forestry Co-operation Programme, FCP, and the subsequent Mountain Rural Development Programme, MRDP, in Vietnam was undertaken in 2000 by a joint international and Vietnamese team. The evaluation was conducted through a series of visits by the team to Vietnam between May and July with fieldwork in the whole programme area in June–July. Part of the evaluation was also an extensive review of the very large amount of documentation available from the programmes. The method applied was partly thematic, partly area-based, the latter in the form of a crosscutting study of one of the programme provinces. A series of workshops were conducted with the Vietnamese and Swedish stakeholders between May and July. A draft report was issued in October 2000, translated to Vietnamese, and subject for comments by Swedish and Vietnamese stakeholders. A second draft report, also translated to Vietnamese was submitted in February 2001, reflecting the feedback received. This is the final report.

The programmes evaluated cover the ten-year period 1991–2000. FCP operated from 1991 to mid 1996, and MRDP, which started in mid 1996, is planned to end in 2002. The total Swedish grant allocation for the programmes is about MSEK 330 for the whole period (1991–2002). The programmes are primarily in the form of technical assistance, institution-building and training. Of the total budget, about 40% is international short and long-term consultancies.

The evolution of the programmes

The programmes have an origin in Sweden's largest and possibly most controversial development project, the Bai Bang Paper and Pulp mill in Vinh Phu in Northern Vietnam, initiated in 1970. This industrial project soon expanded also to the forestry sector, as a means of securing the raw material supply to the pulp mill. These forestry investments in the Bai Bang project, totalling MSEK 400 during 1974–1990, were in the form of plantations, support in forest research, training, harvesting techniques, forest roads, etc. The industrial forest component of Bai Bang triggered a deeper and broader Swedish involvement in the Vietnamese forest sector parallel to and beyond Bai Bang through several smaller policy oriented projects in co-operation with FAO on social forestry in the late 1980s. FCP was a hybrid project ending the Bai Bang initiated investments, and building on the social forestry development.

FCP – with a final expenditure of MSEK 177, contained seven projects, namely: 1) land use and land-management with support to Vietnam's General Department of Land Management, and Forest Inventory and Planning Institute; 2) plantation and soil conservation, a follow up of the past in the form of industrial plantations, 3) farm level forestry with a social forestry approach; 4) forestry research, with continuing support to the Forest Research Centre, FRC, established during the Bai Bang project; 5) forestry training; 6) forest machinery with support to the Machine Enterprise which was an integral part of the Bai Bang project; and 7) a Ministry project for policy and method development. FCP's overriding objective was to halt the forest destruction in Vietnam, maintain forest resources and create economic development benefiting the rural population in the programme area.

FCP introduced a series of new methods on a pilot basis towards a rural development programme. These included Participatory Rural Appraisal, PRA, creation of village level organisations such as Village Management Groups, development of an extension system, introduction of micro credits and

small business development. FCP increasingly operated as three provincial projects with certain advisers attached to the provincial governments.

FCP was envisaged for a ten-year period with a second phase after 1996. By the mid 1990s, the people-oriented rural development approach applied under FCP was formalised into a new programme, MRDP, with poverty alleviation and sustainable use of natural resources as the overriding objective. The change process from forestry to integrated rural development during FCP/MRDP was facilitated by a merger of the Ministry of Forestry – the counterpart in FCP – into the Ministry of Agriculture and Rural Development, MARD, in 1995.

MRDP, with a current budget of MSEK 150, was designed with a higher degree of decentralisation than FCP, without the vestiges of industrial forestry from Bai Bang, and without the support of central institutions such as the FRC, GDLM, and FIPI. The programme comprised of five provincial projects, one Ministry project and a separate budget for international consultancy inputs. The provincial projects had a series of common components, to a large extent reflecting piloted approaches under FCP. These were: 1) land use planning and land allocation focused on district and micro planning; 2) extension and applied research; 3) rural finance; 4) human resource development; 5) organisational development, and 6) business and market development.

Also MRDP has changed considerably during implementation, notably towards decentralisation to the commune and village level. Thus, by year 2000 a largely new-style MRDP was initiated with decentralisation of planning and resource allocations to the commune and villages as the key feature.

Systems for on-going analysis of performance

Both FCP and MRDP have from the start been subject to intensive supervision by Sida and the Vietnamese government. This included, inter alia, Annual Plans of Operations reviewed and agreed upon by Sida and the Government of Vietnam on an annual basis; external monitoring/advisory teams, which visited the programme regularly with reporting to the stakeholders; quarterly and annual progress reporting, and mid-term reviews were carried out by the stakeholders with the support of external consultants in 1994 and 1999. During the course of the programme, a very large number of studies of various aspects were also carried out by consultants or the programme advisers, often at the request by Sida. As a result, the official documentation concerning the programmes is very extensive, covering many metres of files in Stockholm and Hanoi. This official documentation has been an important source for the evaluation, both in the sense of tracking the evolution and the decision making behind the programmes, and in assessing performance over time.

In both programmes, Sida requested at the outset establishment of an internal monitoring and evaluation system, including assessment of results, effects and impact. Such a system was made a condition for MRDP. Albeit very ambitious efforts were made in this respect in both programmes, no acceptable system for result and impact assessment was ever established and is yet not in place. As a result, no baseline for any of the variables the programmes intended to impact on was established. This makes accurate *ex-post* assessment impossible.

External assessments of FCP during its implementation

The assessments of progress of FCP by FCP's Monitoring Team (1992–1995), the Midterm Review (1994), and also by other external observers such as the appraisal of MRDP (1996), conclude that FCP had been performing quite well. Thus, the achievements ascribed to FCP were:

- impressive training leading to extensive development of the human resources in the administration from central to lower levels, with much increased capacity for planning;
- building of effective institutions with unique capability in Vietnam, for example FRC, and the General Department of Land Management;
- pioneering the use of PRA in Vietnam in the extension system leading to a change process in the government's thinking towards genuine ownership of the approach;
- massive social forestry efforts, implying a creation of 35,000–40,000 ha of forests, in combination with industrial plantations. The programme was considered to have contributed to solving the wood supply to Bai Bang, besides halting the forest degradation in the programme area;
- contribution to method development for reforming the forestry sector; and
- impressive impact on policy formulation, for example concerning Vietnam's new extension system and on reforestation.

The design of MRDP

It was in the context of an on-going successful process that the new phase of FCP was planned in the mid 1990s. However, serious conflicts had emerged between Sida and the Vietnamese government on the one hand, and the implementing consultant, Jakko Pyöry, on the other, reflected in some bitter critique by the parties. This conflict led to a desire by Sida and the Government of Vietnam to change consultant group for the new phase.

MRDP was planned in a new style, both aiming at installing maximum local ownership and by a planning process in two stages in which procurement of consultants took place based on a framework document. The programme document was subject for an independent appraisal in early 1996. The appraisal team was quite critical of the presented programme design. It questioned the scope of the programme, and suggesting considerable scaling down in financial and area terms in view that the programme's stated objectives of method and policy development. The team also questioned the structure of the proposed programme, for example, the usefulness of rural finance and business development under MARD/DARD, and the proposed management structure of the organisation of the consultant inputs. However, the appraisal had no significant influence over the final design, possibly as the planning had been so extensive. The appraisal team was described as ill informed by the Vietnamese, a critique that would be expressed several times of external reporting critical of the MRDP. By mid 1996, MRDP was started largely as planned.

Assessments of MRDP during its implementation

The reporting of the performance of MRDP by the Permanent Advisory Group (1997–1999), and the consultants undertaking background studies for the Midterm Review (1999) gives a mixed picture of achievements. Thus, some important achievements were noted, for example that MRDP appeared to have had influenced a series of national policies and programmes such as the Five Million ha forest area programme. However, a large amount of critique has also been raised. Thus that MRDP was:

- not an effective poverty reducing programme;
- not targeting the poor, but mainly benefiting the better off in the mid-lands;
- supply driven, based on subsidy inputs and PRA was subjugated to this purpose;

The external critique of MRDP is also to some extent expressed by MRDP itself in its annual progress reporting and in the reporting by some of its advisers. Most notably, the internal critique concerns the

function of the decentralised planning applied under the programme (and earlier in FCP). Thus, the decentralised planning so far used, applying PRA, tended to be used as a means of facilitating the implementation of national programmes, rather than expressing local priorities and demands. In MRDP's own view, this risked perpetuating passive participation and dependency.

This internal critique led to a desire to reform the process towards a more genuine decentralisation, including decentralised budget allocations to the communes and villages. Such a process was set in motion in 1999, and by year 2000 it was tested out in over 200 villages.

Assessing programme effectiveness

The evaluation has assessed the performance of the two programmes against the objectives expressed in the respective project documents in order to judge their (cost) effectiveness. This is summarised below:

Institution building and human resource development

FCP and MRDP jointly have promoted long-term human resource development in the administration in the five provinces. Furthermore, FCP played a role in enhancing the capacity of partner organisations such as FRC and GDLM. Both villagers and staff in programme areas, i.e. communes and villages subject for programme activities, appear to have better capacity than in non-programme areas. In summary, institution building and human resource development has been the strongest achievement of FCP and MRDP, but the effectiveness has declined during period as a result of the overall transformation of the Vietnamese administration towards a more modern system over the period.

Systems development

FCP introduced and tested a range of common and emerging rural development methods at a time when Vietnam changed from central planning to a market economy. MRDP is building on these and also introducing new methods. The achievements are:

- Introduction, popularisation and modification of participatory planning methods, to extent these methods today are ingrained in Vietnam. FCP was a major pioneer in this respect.
- FCP and in particular MRDP was in the forefront introducing decentralisation principles, for example in the Village and Commune Development Fund, thereby contributing to transforming the management culture in Vietnam.
- FCP introduced an innovative extension system, which influenced the national extension programme when the latter was conceived in 1993 by Decree 13.
- FCP introduced micro credits in 1991 when such were not used in Vietnam in the government sector.

None of these systems development are without problems. Thus, for example, PRA has turned out to be to some extent 'perverted' in these sense used to push national programmes and targets rather than being truly reflecting local needs. The new Village and Commune Development Fund system appear to have negative cost-benefit ratio, and the rural finance system is plagued by institutional problems and the transfer to the Bank of the Poor is yet to be achieved.

Nevertheless, FCP/MRDP as a long-term co-operation has been fairly effective in systems development in transforming common or emerging international practices in rural development to Vietnam.

Model development

This evaluation is critical of FCP/MRDP as a programme for model development as models have not been systematically evaluated, and their performance is assessed only locally. There are poor efforts to systematically synthesise experiences at programme level. Information on trials has only rarely been

analysed and written up. This failure is a major short-coming in a donor programme focussing on systems and model development.

Policy formulation

FCP/MRDP seems to have been influencing Vietnamese policy making in extension, forestry, etc. This has been through three means: providing financial resources for visits, research, etc. undertaking tests; and being a source of information and know how. FCP and MRDP have been at 'the right place' at the time of rapid transformation of Vietnamese policy making

Re-greening of the uplands and sustainable use of natural resources

During the 1990s, the negative trend of de-forestation in the Northern uplands of Vietnam was broken and a re-greening emerged. This has had a series of positive effects according to farmers such as improved water retention, decreased soil erosion, improved biodiversity, etc. These changes are the result of many forces, but to a certain extent FCP contributed to the re-forestation through mass distribution of seedlings, industrial forestry, forestry extension and training, while MRDP promoted fruit tree distribution, etc. The programmes took place when the negative trend was reversed and played a role in this process by direct replanting, awareness creation, improving property rights, extension, and certain influences on policies and national programmes.

Alleviating poverty (MRDP)

FCP did not have poverty alleviation as an objective and should not be judged in such terms. MRDP, on the other hand, had this as its main objective. Overall, our conclusion is that MRDP has not been a strong force in enhancing rural income, nor has it contributed to basic social services with clear poverty alleviating propensities, such as health or education. Nor has MRDP targeted intra-household poverty, for example women and children in minority areas. MRDP might have had certain indirect impact on poverty alleviation by institutional development in government, and by improving the capacity to design poverty focused programmes. However, MRDP's weak targeting on the uplands and mountain areas, and its weak model development, reduces such indirect impact. MRDP has not yet developed an effective model or models to address poverty in the uplands and mountain areas, hence there is little to replicate.

In summary, in our assessment MRDP has not been effective to fulfil its overriding objective indirectly or indirectly. There are several reasons for this:

- Poverty alleviation as the overriding objective has not been fully shared by the stakeholders, but an objective largely driven by Sida in line with Sida's new policies.
- MRDP falls in between two chairs in terms of design: it is too large, decentralised and scattered to be effective as a policy/systems/model development instrument, and too small to have a significant impact as an implementation programme.
- The ineffective targeting of MRDP and neglect of market conditions has contributed to limited impact on rural income.

Assessing FCP and MRDP as development programmes

FCP and MRDP have been truly process-oriented programmes. During their course major changes have been introduced not initially envisaged in the design, which later have become mainstream and changed the orientation of the programmes. The introduction of PRA during FCP is one example; the decentralised budgets to communes and villages under MRDP another. While MRDP was designed as a process-oriented programme, envisaging such an evolution, the process of FCP was more driven by internal forces, reflecting a competent set of advisers. The long term change process from industrial

forestry under Bai Bang over FCP to MRDP is partly a result of changes in the reality of Vietnam, most notably the *Doi Moi* market reform in 1986), partly learning from past projects, but most importantly by changed policies and focus in Sida. The latter reflects changes in the ‘development doctrine’ in the aid community from the 1970/80s to the 1990/2000s. Thus, the changes from industrial forestry to social forestry and to poverty oriented rural development based on decentralisation and participation, are by all accounts driven by Sida and its international consultants, rather than by Vietnamese demands. In spite of the dramatic changes in approach, there is a ‘path dependency’ in Sida’s involvement. Thus, Sida operates in MRDP in the same geographical area as the industrial forestry of Bai Bang, with a largely unchanged organisational set up, and a substantial part of the financial allocation in international consultants. Such path dependency has in-built inefficiencies. Most notably, the current trend towards decentralised planning and budget allocations to communes and villages is not optimal in an organisation such as MARD/DARD with its narrow functional mandate.

The programmes have both had a strong degree of Vietnamese ownership, MRDP more so than FCP. This ownership is reflected in very strong defence of the programme from any external criticism; direct involvement of central government and provincial government officials in all decision making, frequent utilisation of the programmes for piloting and testing of new models and policies, etc. Fostering of local ownership has been a deliberate effort by Sida, especially in MRDP, reflected, for example, in the process of design and the role of the external consultants. It could be argued that Sida has been so successful in promoting local ownership that Sida largely lost control over the programme.

Lessons learned

A major conclusion from the evaluation is that as long-term development the co-operation is characterised by diminishing returns in terms of aid effectiveness to the extent that Sida today should consider phasing out of the co-operation. This diminishing returns are due to several factors:

- A rapidly reduced gap in Vietnamese know-how as to the functioning of markets and the ‘state of the art’ and ‘best practices’ in rural development approaches; external advisers have a declining role to play in transfer of know-how.
- The increased inflow of other donors, many with greater resources than Sida; and Vietnam’s increased domestic resources and ability to carry out their own programmes. Reduced effectiveness is also a result of change from a subject matter with considerable Swedish expertise and competence (forestry) to one with much less Swedish know-how and competence (poverty oriented rural development in tribal mountain areas).
- Several in-built inefficiencies in MRDP as a method, system and policy developing programme, e.g. due to its lack of systems for comparative analysis, its weak central office, and non-functional monitoring and evaluation systems.

Recommendations

The following options might be considered for the post MRDP scenario:

- Phase out in view of the fact of diminishing returns. Sida has played a clear catalytic role and now can leave the field to the Government and other donors with more substantial resources, for example the World Bank.
- A phase out combined with a final ‘budget support’ to MARD/DARDs in view of past commitments.

- Pursuing a multi-donor sector programme support, preferably one in support of an existing national programme. Vietnam is a country with an unusually effective ability to mobilise and undertake national programmes with specific targets. In line with Sida's poverty alleviation objectives for the support, the Programme on Hunger Eradication and Poverty Reduction might be a potential candidate.
- Institution building of MARD/DARD, building on Sida's extensive knowledge and institutional linkage of the system, for example to strengthen MARD/DARD as an agriculture and rural development service organisation. Such an approach should be placed in the context of MARD/DARD's total mandate.
- Design of a fresh programme with the objective to optimise poverty alleviating impact. Such an option requires a quite different planning process than hereto undertaken. Such an option should avoid the past 'path dependency', and be open about what sectors to include, and which organisations to co-operate with. This option would also allow an integration of several on-going Swedish development initiatives to be integrated with one another, for example the Sida supported health programme.

1 Introduction

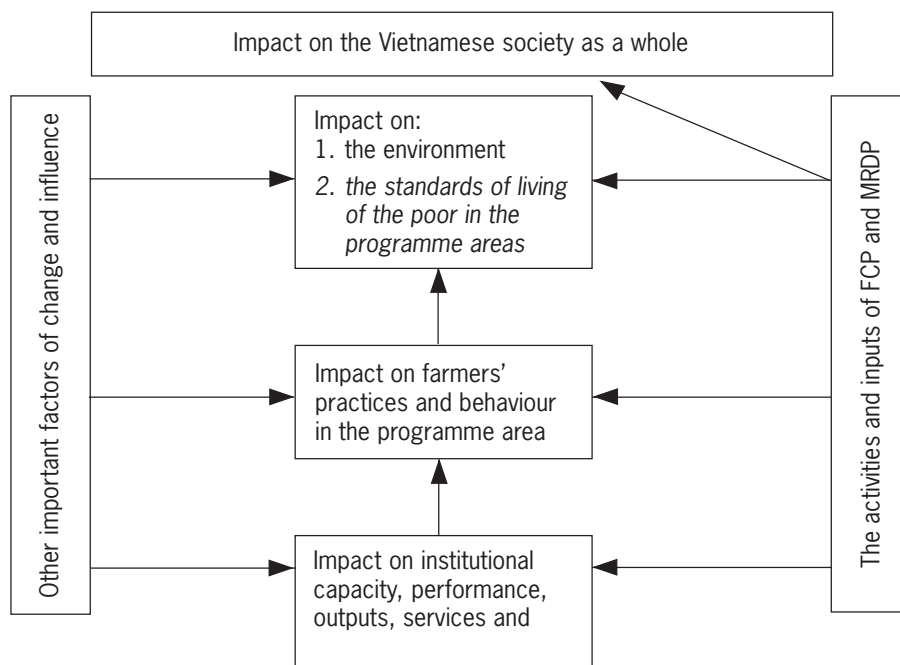
1.1 The purpose of the evaluation

This report concerns an evaluation of two Swedish supported development programmes in Vietnam focusing on forestry and rural development in five provinces in the mountain and upland areas of the northern part of the country. The Terms of Reference are given in Annex 1.¹ The first programme – the Vietnam-Sweden Forestry Co-operation Programme, FCP, was implemented between mid 1991 and mid 1996. It was followed by the Vietnam-Sweden Mountain Rural Development Programme, MRDP, starting in mid 1996 with a current end date of mid 2002. The Swedish contribution to FCP was MSEK 177 and the budget for MRDP is MSEK 150. Overall responsibility for the FCP was vested with the Ministry of Forestry, amalgamated to the Ministry of Agriculture and Rural Development, MARD, in 1995. MARD has the overall responsibility for MRDP. A Programme Board with representatives for the ministry, provincial governments and other organisations involved in the programme was established in both programmes. This Board was supported by a Programme Board Office, PBO, for day-to-day supervision in both programmes. A major element of the Swedish funding in both programmes was international advisors, accounting for about 40% of the total Swedish budget.

1.2 Methodology

Model to structure the study

The basis for the evaluation is a methodology established by Management Perspectives International, MPI, at the tendering for the evaluation. This methodology established a model for impact assessment at different levels as shown below.



¹ The Evaluation has been undertaken by a team of the following international and national consultants: Claes Lindahl, economist and management specialist, team leader; Dr Kirsten Ewers Andersen, anthropologist, joint team leader; Dr Adam Fforde, economist and Vietnam specialist; Dr Steffen Johnsen, agronomist and extension service specialist; Eivind Kofod, forester and management specialist; Dr Kjell Öström, economist and regional development specialist; Dr Hoang Sy Dong at

This model has been applied by the evaluation in the sense that assessments have been attempted for all the boxes indicated.

The sources on which the evaluation has formed its conclusions have been the following:

- An extensive review of the very large amount of documentation in the programme prepared by the programme management, Sida, programme advisers, external consultants, monitoring groups, mid-term reviews, appraisal teams, etc. Not only is a large share of this documentation official state-ments, hence should carry particular weight, but much of it is produced by respected professionals with similar objectives as those of the ToR of this evaluation. References are given as footnotes and in annex 2.
- Interviews with persons involved in the programmes, especially during MRDP. The focus of these interviews has been with those who most intimately know the programme, i.e. MARD, the PBO and the advisers. Persons interviewed are given in annex 3.
- Analysis of MRDP's financial and activity system the SCALA system with requests for special runs in order to assess comparative activity costs.
- A three-week 'cross-cutting' study of FCP and MRDP in the Yen Bai Province². The purpose of this fieldwork was an in-depth area based analysis of one province, allowing a more systematic coverage of primary and secondary target groups (farmers, rural households and staff within the state management system such as staff in the provincial authorities, districts and communes) using structured interviews. This report is provided in annex 4.
- Field-work in the remaining four provinces, undertaken by the rest of the team during June 26 to July 14, 2000, divided in four sub-teams comprising one national and one international consultant. These teams focused on different themes or subject matters, largely corresponding to the main projects during FCP and the main components during MRDP. Thus, the sub-teams covered: 1) Extension and Applied Research; 2) Forestry, Land Allocation and Land Use planning; 3) Decentra-lisation and Participatory Rural Appraisal, PRA, 4) Rural Finance and 5) Business Development. The means of information gathering was structured interviews with officials and villagers.
- A special study on policy impact by the programmes undertaken in September by a sub-team of the Evaluation. This study is based on review of the written material and interviews with Vietnamese policy makers. This study is provided in annex 5.

Selection of sites visited. The sub-team selected districts and communes to visit, including at least one non-programme district and commune in all the five provinces. The choice reflected a balance between FCP districts (also included in MRDP), and new areas (districts, communes and villages) only included in MRDP. PBO facilitated the visits by informing relevant provincial authorities, which in their turn informed the selected districts and communes. In all cases, representatives from the relevant state organisation accompanied the sub-teams in the field. While all the sub-teams had Vietnamese-speaking members, translations from minority languages were done by minority informants who spoke Vietnam-ese. While the number of sites and villages visited is limited due to the time constraints, those visited seem largely to be representative of FCP/MRDP, except that the most remote villages which are the focus of MRDP in 1999–2000 are poorly represented due to the difficulties to travel there in the short period of time for the fieldwork.

the Forest Inventory and Planning Institute, FIPI of MARD, forester and land use planning specialist, national team co-ordinator, Le Thi Thu Huong, agronomist at Asian Institute of Technology in Hanoi; Vu Thi Kim Lien, co-ordinator at PACCOM; Le Hoai Phuong, Programme Director, Quaker Services Vietnam; Nguyen Dinh Huan, sociologist and CERUDEV team leader. The team also included a team from CERUDEV, comprised of Dr Huan, Ms Nguyen Viet Hoa and Ms Tran Thi Tram Anh

² This study was conducted by CERUDEV (Huan, Anh and Hoa) in co-operation with Adam Fforde.

Primary data. It was envisaged in the Terms of Reference for the evaluation that the internal monitoring system in FCP and MRDP would provide primary data on changes in the parameters the programmes attempted to influence. Such changes would be the basis to assess possible effects and impact of the programmes. However, such monitoring has been scant and largely unsystematic throughout both the programmes. Hence, a solid information base on which the evaluation could form its opinion of achievements and impact is lacking. Such an information base cannot be created *ex-post*; hence, our assessment is by necessity based on our best possible professional judgements. We share this dilemma with every observer of FCP and MRDP, including Sida, the Government of Vietnam, the Monitoring Team and the Permanent Advisor Group, and individual consultants commissioned to look at different aspects of the programmes.

Means to validate findings. A principle for the evaluation has been to undertake the evaluation as a participatory process with the key stakeholders in Vietnam, that is MARD, PBO the relevant provincial authorities, the Swedish Embassy and the advisers. With participatory process we mean engaging the stakeholders in a dialogue through out the evaluation to get feedback on our approach and our findings. The key means for this has been:

- Discussing the approach at an initial workshop in Hanoi with the stakeholders, invite suggestions and to the extent we were able, adjust the approach based on this workshop.
- Distribution of an Inception Report inviting suggestions for change of approach.
- Undertaking several workshops during the course of the evaluation to which representatives of the stakeholders have been invited; printed working material was made available at the last workshop.
- Distributing most parts of the draft report as the writing has progressed during September and October to MRDP and the Swedish Embassy for feedback.
- Circulating a first draft in English and Vietnamese in October 2000 inviting detailed comments on our findings, conclusions and issues.

While the Vietnamese stakeholders manifested keen participation in the workshops and provided significant feedback, the response to written working papers has regrettably been meagre. We should stress that our purpose of engaging in a dialogue was to stimulate a debate on the issues and our findings. It became clear during this process that our views and the Vietnamese views differed considerably. As a result, we have invited MRDP to provide us with information that possibly could refute our conclusions. We are grateful for two of the provinces to have engaged in such a dialogue, but in general the comments received have been quite general, more focused on form and methodology than on content.

FCP and MRDP have both been subject to considerable scrutiny during their course, and – as indicated above – subject of a tremendous amount of documentation and reporting. The evaluation is not the first attempt to assess the programmes, but rather one in a long range of such efforts. We have tried to base and compare our findings as far as possible with available documentation from others observations. In terms of FCP, we have depended to a very high extent on such reporting, given that five years have lapsed since the end of the programme. Our fieldwork has thus most concerned MRDP. Nevertheless, in many respects, different observers have come to a consensus in their findings, indicating that our findings should be fairly firmly based.

Dialogue concerning the approach. The approach of the evaluation was presented at a start-up workshop in May in Hanoi, hosted by MARD in which some 60 persons participated representing *inter alia*, MARD, The Swedish Embassy, and the provincial authorities, Vietnam Bank for the Poor, researchers, and other national level stakeholders. A number of issues were identified by the workshop concerning the methodology and approach. An Inception Report was prepared based on the Workshop and requested

to be translated and circulated to the stakeholders and the provinces. The Inception Report detailed the further work by the evaluation team, including the fieldwork, outlining which areas to be visited and also encouraged PBO to comment on the work plan, suggest additional areas to visit, and candidates to strengthen the national team. Unfortunately, no such comments were received.

2 The evolution of FCP

2.1 The Bai Bang legacy

The origin of the Swedish co-operation with Vietnam in the forestry sector and in the Northern uplands can be traced back to 1970 and is intimately linked to the Swedish assisted Bai Bang paper and pulp mill, the Vinh Phu project. This has been Sweden's all-time largest development assistance project and possibly its most controversial one. It was the outcome of a political manifestation of the Swedish government's solidarity with the (North) Vietnamese at the height of the American war. While the decision to provide assistance to North Vietnam was Swedish, it was the Vietnamese government who defined its content.³ The Swedish government, initially foreseeing a programme- or open credit form of support, agreed to Vietnam's request for an industrial project. This was in line with the Swedish aid policy of *aid on the conditions of the recipient* – i.e. the donor should not dictate the content of assistance, but that the choice was basically that of the recipient government's. Already from the beginning, an issue of raw material supply to the mill emerged, with Sida and its consultant questioning the supply, and proposing a smaller pulp mill. The Vietnamese government reacted by increasing the area designed for supply and also suggested plantations of new forests. In the Vinh Phu project agreement 1974 the raw material issue was addressed by an agreement that the supply of raw material was a Vietnamese responsibility. However, a forestry component was added to the industrial project. By the end of the Bai Bang project in 1990, Sida had provided about MSEK 400 in support of forestry, about 15% of the total budget for the Vinh Phu project.

The Vinh Phu paper and pulp mill was completed in 1982, but the Swedish assistance to the mill continued for another eight years, from 1983 onwards in the form of management and operation support to the mill, and also a forestry component. As the mill was gradually increasing its capacity, broader political changes in Vietnam in the mid and late 1980s changed the conditions not only for the mill, but also for the raw material supply. In 1986, the Vietnamese government announced the *Doi Moi* reform, formally abandoning the centrally planned economic model, for a market driven one, including private use of farmland. During the first years after the *Doi Moi* reform, wood supply continued to be a problem. However, as the wood market and wood production were liberalised, the supply issue was eliminated. Ironically, the anticipated raw material supply shortage had by the end of the 1990s turned out to be one of surplus. Farmers who had planted industrial trees on their land found they had a very poor market for their wood with prices below production costs.

2.2 A bridge to a new style programme

As the Vinh Phu project was coming to its final phase in the mid 1980s, Sida indicated a five-year phase-out period for the industrial project. However, Sida also indicated a ten-year period for the forest component. In addition, the door was left open for a 'rural development' approach. The result became a phase-out project for Vinh Phu with a substantial forest component, but also a separate forest project, named the Plantation and Soil Conservation project, PSCP – a forerunner of the FCP and MRDP: PSCP ran parallel to the forest component of the last phase of the Vinh Phu project during the period 1986 to 1990 with different budgets, partly different objectives and implementing arrangements, and managed by two different divisions of Sida.

³ A Sida commissioned evaluation of the Bai Bang project (A leap of Faith – a story of Swedish aid and paper production – the Bai Bang project 1969–1996, Sida, Stockholm 1999) has in details traced the historical background of the project.

2.3 Planning the new Forestry Co-operation Programme

By the late 1980s, Vietnam had become an established ‘programme country’ in the Swedish aid portfolio. As the Vinh Phu project was being phased out, leaving considerable financial room for new Sida supported activities, new projects and programmes were designed to fill the ‘country frame’. Rural development with forestry as a base, became one of the lead sectors. Sweden was still largely alone working in the sector and in the provinces among donors, and a large number of Swedish advisers had a first hand knowledge of the development issues. Sida’s approach to forestry in development co-operation had undergone a dramatic shift since the 1970s. Industrial forestry, based on plantations, had a chequered record with many failures, and the fuel-wood crisis had become a global issue high up on the development agenda. Social forestry was a new concept emerging in the 1970s and 80s in which Sida took an active part, not least through close co-operation with FAO in the global programme *Forest, Trees and People*. Vietnam was one of the participating countries in this programme with Swedish support between 1986–89. In the mid-1980s, the *Tropical Forestry Action Plan* was another global initiative to reduce deforestation initiated by the World Bank, UNDP, FAO and World Resources Institute. Vietnam became a part of the programme from 1989 with Swedish support. The support was provided under a project called the *Forestry Sector Review*, operating between 1989 and 1992, also with FAO as the implementing agency⁴.

2.4 The programme

The planning of FCP started in 1989. According to Sida, the Vietnamese authorities had *an unusually high degree of active participation in the preparation of the programme*.⁵ Sida’s Board accepted a formal proposal in 1991. Although the programme was planned for a period of five years and expected altogether to last for *at least ten years*, Sida’s formal agreement with the Vietnamese government was a three and half years period only (July 1991–December 1994). The Swedish contribution to FCP was budgeted to MSEK 140. The programme comprised of seven sub-projects, in addition to a programme support component, as follows:

- *Land use and land management* – consisting of two parts, 1) technical support to the General Department of Land Management, GDLM, in cadastral mapping and tenure certificates, and 2) support to the Forestry Inventory and Planning Institute, FIPI, in macro land-use planning and environmental monitoring.
- *Plantation and soil conservation* – a direct continuation of the PSCP in terms of industrial plantations with the purpose of enhance the supply of wood for the market, including the Vinh Phu mill, and reforestation of degraded land. Its target was planting 5,000 ha per annum, a similar rate as under the PSCP.
- *Farm level forestry* – expansion of the activities started under the Sida/FAO programme *Forests, Trees and People* carried out in three communes in Vietnam. The main purpose of the project was to develop methods and institutional capacity for extension services in agro-forestry and farm forestry at the provincial level for an environmentally sustainable integrated farm and forest production amongst smallholders.
- *Forestry research* – continuation of institutional support to the Forest Research Centre, FRC, in Phu Ninh, which had been established in 1976 with active Swedish support under the Vinh Phu project, and thereafter supported under that project and by the PSCP until 1991. The centre was almost entirely dependent on Swedish finance. The objective under FCP was to shift FRC’s focus in industrial forestry to social forestry.

⁴ The Forest sector review project was financed jointly by Sida and UNDP.

⁵ Sida: Insatspromemoria. Stöd till skogssektorn i Vietnam, 1991/92-1994/95, Sida 1991

- *Forestry training* – a continuation of support of training of forest personnel in the three Provinces provided under the Vinh Phu project and PSCP in which an estimated 8,000 persons had been trained 1976–1989. However, the project would shift focus and be tailor-made to the needs of the new style programme.
- *Forestry machinery* – winding up of the very substantial support provided from 1974 to 1990 under the Vinh Phu project in developing a machine park for forestry harvesting, forest road building and a repair shop. The Machine Enterprise, a direct creation of the Swedish support to Bai Bang, was under reconstruction and experienced serious financial problems in the new economic environment.
- *Ministry of Forestry support* – a central level project aiming at strengthening the capacity of the ministry in policy and method development. This was a new feature as compared to the past, reflecting the ambition to impact on policy, and to have an indirect wider impact outside the Provinces.

The primary target group of FCP was defined as ‘farmer households’ and forest workers in the three provinces, which constituted the Raw Material Area, renamed the Forestry Development Area. The secondary target group was the employees in the forest administration at the provincial, district and commune levels in the three provinces. The objectives of the programme, according to the Swedish documents, were to contribute to Vietnam’s effort to halt the forest destruction, maintain the forest resource and make it a basis for economic development benefiting the rural population.

In retrospect, the design of the FCP leaves the impression of a number of discrete projects of different origin with limited internal coherence put under an administrative umbrella. From this perspective, FCP is a good illustration of the transition the Swedish support was undergoing, and also a *path dependency*, i.e. that past investments tend to determine future investments. Lumped under the new programme were some activities mopping up the past where the previous co-operation had created financial dependency of Swedish aid. (FRC, Machine enterprise and PSCP)⁶; one project reflecting the new thinking in social forestry (Farm Level Forestry), and one project which was a continuation of the past, but also fitting new demands (Forest Training, which mainly meant training in English). Finally, it had also one project at least partly in line with the new thinking, but organisationally disjointed (land-use and land management), and one project reflecting Sida’s new interest in policy formulation (the Ministry project). The amalgamation of these discrete projects triggered the complex and what many later would claim to be a rather dysfunctional management structure.

2.5 Process orientation in practice

FCP was planned as a process oriented programme, allowing flexibility and over time it also changed considerably. Thus, the Farm Level Forestry project became de facto three projects, and when Vietnam undertook an administrative reform, five provincial projects (see below). Much of the programme activities were decentralised to the provinces, and the advisers were eventually based there.⁷ The Forestry Machinery project was terminated in 1992, leaving a fund for continuous maintenance until 1994. The Plantation and Soil Conservation Project was gradually merged into the Farm Level Forestry project, first by transferring the soil conservation part. By 1994 it was ended. The Forestry Training Project developed into an independent institution, the Forest Training Centre, and eventually merged with other training organisations belonging to the Ministry.

⁶ To that should also be added a budget under FCP to maintain the Bai Bang camp, used partly for offices and staff quarters of the advisers.

⁷ In late 1992 Vietnam undertook a national provincial administrative reform. Thus, the province of Ha Tuyen was divided into Tuyen Quang and Ha Giang, and the province of Hoang Lien Son was divided into Yen Bai and Lao Cai. It was agreed by Sida and the Ministry of Forestry that FCP would cover all four of the new provinces, plus the old Vinh Phu.

The Ministry project terminated formally in 1994, but de facto much earlier. The long-term adviser placed in the Ministry left in 1992, frustrated by the difficulties to work with the ministry on policy. Sida never attempted to replace him. Instead Sida developed with the ministry a new project, called the *Project for Renovation of Strategies for Forestry Development*, in short the *Strategy Project*. The Strategy project, which had the objective to *develop improved strategies for development of the forestry sector and apply them in the field, initially on a pilot scale*, operated over four years from January 1993 to December 1996 with a Swedish budget of MSEK 8. The official agreement concerning FCP between Sweden and Vietnam ended in December 1994. However, in preparation for a new phase, Sida extended the co-operation for 1,5 years in two stages, with an additional budget of MSEK 20.

FCP was a forest-based programme, as indicated by the name of the programme. Yet, FCP would go beyond forestry by introducing various models such as PRA, rural finance and business development – features that would eventually become mainstream and carried over into MRDP. Village organisations, such as the Village Management Groups and Village Extension Groups, were introduced and became a focal point for programme activities at the village level. Rural credit, largely based on a micro-credit approach, was introduced on a pilot level in 1992. Business development was an original feature of the programme as a service to the state enterprises. By 1993 it shifted focus to private entrepreneurs and farmers.

2.6 Feed-back mechanisms

FCP was a loosely planned programme. Its projects contained only indicative budgets, and the specific activities to be carried out would *be worked out during the first months of operation*. While the project objectives were many, they were expressed in general terms. The basic management tools designed for such a loosely planned programme were Annual Plans of Operation and biannual reviews by Sida and the Ministry of Forestry. Progress would be followed by, besides the more conventional annual, semi-annual and quarterly reporting, – an in-built system to *continuous evaluate and monitor the effects and results concerning the target group, environment, economic and other factors*. FCP would also have a permanent specialist group monitoring the programme. This Monitoring Team, employed by Sida and reporting to Sida and the Ministry of Forestry, would eventually start its work in late 1992, and visit Vietnam 2–3 times per annum, until it was dissolved in late 1995 with the end of FCP.

The internal effects- and result-oriented Monitoring and Evaluation system posed serious problems to the programme. Various ambitious designs were worked out, but not operationalised until the end of the programme. The first output was delivered in 1995. The information provided at that time was, however, of a nature with little direct bearing on assessing the (short term) impact of the programme. A practical system to assess what the programme was all about – i.e. method, institutional and policy development – was never created. It is still lacking in MRDP as will be further discussed below.

As the programme progressed, the Monitoring Team was making broad statements of the successes of FCP in terms of method development, institutional development and policy impact as further discussed below. The team did not make such statements based on systematic reporting or assessment within the programme, but from its familiarity with FCP over the years. Nevertheless, as the team largely was comprised the same persons of seasoned international consultants, it represented a substantial resource in terms of management, and its reports provide possibly the best record of the progress of the programme.

2.7 Recurrent issues in implementation in FCP

Based on the reporting from FCP some issues emerged early in FCP, which were to become permanent throughout the programme. These were:

- A conflict between ‘model building’ and implementation. There were, according to the Monitoring Team, very different opinions of what the programme should be all about, from those favouring *implementation* (hardware in the form of equipment, money, vehicles) and those favouring *method development* (software, e.g. in the form of advisory services). Not even the signatories of the programme, Ministry of Forestry and Sida, had a clear position on this, but showed lack of consistency and tended to change position.⁸
- A lack of a functional programme monitoring of programme results, and the almost non-existent documentation of experiences. Thus, in 1993, the Monitoring Team noted that:

*Particularly Sida, but also parts of the Vietnamese system have asked the Consultant and the Programme Board Office to introduce a system for regular monitoring... However, in spite of all efforts, there is still no system operating. This is a major problem as there is now very little information for management purposes produced about the results of the Programme. Sida and MoF need such information – and in particular the Programme Board.*⁹

- An overly ambitious and detailed management by Sida of the programme, complicated by the fact that Sida tended to have a double, or treble line of command (Sida, Stockholm, DCO Hanoi and the Monitoring Team). Thus, according to the Monitoring Team, Sida tended in its biannual review missions, and by imposing short-term consultancies be much too involved in details, adding demands and interventions on the programme.¹⁰
- An overly bureaucratic management of the programme, with too complicated reporting and more report writing than action.
- A conflict between local level planning, as expressed in PRAs, and the centralised plans and campaigns, which the government relied on was an issue reported at an early stage of the FCP as the PRA were expanded.
- Questionable business development, which was introduced at the conceptual stage in FCP. According to repeated reports, the Vietnamese was not prepared for this part of the Programme, suggested by Sida, and it is standing a bit by the side.¹¹

As will be discussed in the next section, all these issues are also part and parcel also of MRDP. From this perspective little learning appeared to have taken place in the programme.

2.8 Mid term review 1994

A Mid Term Review of the programme was carried out in 1994 basically by the same group, which made up the Monitoring Team¹². The overall impression of achievements by the review team was very positive: Not only had FCP fulfilled its original objectives, but the team considered FCP continuously highly relevant to Vietnam’s development needs. Furthermore, as a result of FCP (and previous

⁸ B. Wallberg: The Sweden-Vietnam Forestry Co-operation Programme 1993 – Monitoring Team activity report 1992/93:

⁹ Edwards et al (1993, June, p.9)

¹⁰ Edwards et al (1993, June, p.9)

¹¹ Edwards et al (1993); Wallberg (1993)

¹² K. Edwards et al. Vietnam-Sweden Forestry Co-operation Programme. Mid term Review, April 1994

projects), Sweden was holding an exceptionally strong position in the forest sector. The Mid Term Review indicated a number of concrete achievements, for example:

- Impressive training and human resource development. Over the years, thousands of people had been trained in subjects such as English, computer application, management, etc., resulting in an extensive development so far of human resources.
- Unique capacity building of the Forest Research Centre. The result is a strong research facility with unique capabilities in Vietnam for multidisciplinary research on agro-forestry farming system.
- Innovative use of PRA. The use of PRA as a starting point for extension has opened up a whole new way of thinking, which appears to be much appreciated by both the participants and the higher government authorities. PRA was considered a truly innovative approach in Vietnam, with a potential to reform the whole extension system which, together with village level organisations (see below), constitutes a model not only for Vietnam but also for effective extension institutions elsewhere.
- Creation of village groups such as Village Management Groups, Village Extension Workers and Interest Groups, which had learned, under the guidance of the programme, how to mobilise needed resources (inputs, credit, training) to feed the development process which the PRA sets in motion.
- Solving the raw material supply to Bai Bang paper and pulp mill. FCP had continued the successful industrial plantation started under the Plantation and Soil Conservation Project. With an annual planting of 5,000 ha, the total level had reached 42,000 at the time of the mid term review, implying an annual potential production of 160,000 tons of raw material, or the equivalent of the Bai Bang's use at full capacity.
- A massive social forestry effort. A massive distribution of an estimated 100 million seedlings with a survival rate claimed to be 70–85%, implying the corresponding to 35,000–40,000 ha of wood plantings at forest gardens; home gardens, etc.
- Jointly the industrial plantations and the social forestry had contributed to a positive 'wood balance', indicating that the area perhaps could be one of the few examples of forest management in a developing country where a trend of resource depletion has been changed to a trend of resource build-up.

The Mid Term Review also claimed that FCP had an impressive impact on policy formulation for a number of policies, as FCP has been considerable these last years, and FCP has managed to present and to offer relevant inspiration at a junction in time where experiences and solutions to different problems were really demanded in Vietnam. Examples of such policies were the Decision 327 of 1992 on reforestation; the use of bare land, denude hills, forests, alluvial flats and water bodies; the Decree no 13 of 1993 on extension; The new land law of 1993; and the Government decision 525 on guidelines and measures to continue social and economic development in the mountain areas.

In addition, the Mid Term Review also notes that a number of up-coming donor programmes and projects in forestry and in the upland and mountain areas have been inspired by, or used the experiences of FCP, especially in extension, such as a GTZ project along the Song Da river and an IFAD project in Tuyen Quang

2.9 Final assessment by the Monitoring Team 1995

The last visit to FCP by the Monitoring Team took place at the end of 1995. The team reconfirmed its very positive view of the achievements of the programme along the lines of the 1994 review, while noting that progress had speeded up even more since then.¹³ There was little doubt that FCP has contributed considerably in terms of methodological development to the reform process and to the modernisation of forestry in Vietnam. It also reconfirmed its view that FCP performance is far better than its present reputation in Vietnam and in Sweden, including at Sida.¹⁴

Examples of FCP's successes, in addition those already identified in 1994, were:

- The rate of implementation was speeded up by the concept of 'lateral spread' (villages/districts copying one another). In comparison with the situation in 1992, progress is remarkable... allowing promotion of agriculture and forestry development that were virtually inconceivable only four years ago.
- The validity of the extension approach was confirmed and also its influence on the Decree 13. FCP was there at the right time and place, and was able to meet the needs for a testing device to try out organisational forms for the government's new policies in terms of extension...
- The PRA process had become owned by the Vietnamese. The recipient has moved from a hesitant but interested position to become knowledgeable, motivated and active partner, FCP has pioneered in an area where many others may follow.
- The policy and institutional influence was reconfirmed. Thus, the Monitoring Team claimed that, besides influencing Decree no 13 on extension, the 1993 Land Law, and the merger between the previous GDLA and the Department of Geodesy in the new GD Land Management were all influenced by FCP.
- There as much better capacity for planning, reflected in the APOs, which generally were considered of good or high quality. Also that the Planning Board had increased its capacity considerable and could take on many new donor projects.

¹³ K. Eduards et al: Vietnam-Sweden Forestry Co-operation Programme. Second Monitoring report 1995

¹⁴ The Swedish aid organisation changed in 1995 name and acronym from Sida to Sida.

3 The mountain rural development programme

3.1 Planning for a new programme

In June 1994 Sida and the Ministry of Forestry agreed on future co-operation after the first phase of FCP. The new programme, referred to as FCP II, should cover the same five provinces as FCP 1, but focus more on the upland areas. In addition, there should be a Ministry project combining the efforts under the Ministry project in FCP and the on-going Strategy project. The overall objective should be development of methods, institutions, human resources, strategies and policies, both at the centre and in the provinces. The programme was envisaged for 4 years (1995–1999) with an indicative budget similar to that of FCP¹⁵. The proposed second phase thus formalised the shift towards rural development, which had been initiated in FCP. This was also in line with the Vietnamese government's new policy on forestry, stressing that the forest sector must apply a people-oriented multi-sectoral approach¹⁶. It is also noteworthy that in directives for the planning of FCPII, sustainable natural resource utilisation was the lead concept rather than poverty reduction, which later would become Sida's objective for MRDP.

In the planning of the new programme the issue of national ownership played a central role. Thus, Sida applied an elaborate process of placing the planning process with the Vietnamese, providing various forms of support in terms of consultants to facilitate the process, and using a model of frequent checkpoints. The planning of the programme was carried out in two stages. In a first stage a framework document was prepared, sufficiently detailed to allow competitive bidding to select a consultant group for the proposed advisory services. The selected consultant jointly with the Vietnamese partners would prepare a more detailed programme document, which should be subject for Sida's agreement with the Government of Vietnam. After competitive bidding, Swedeforest International was selected by a joint Sida/Ministry evaluation, implying termination of Interforest/Jaakko Pyöry's work in Vietnam for a twenty-five year period.

The planning of the new programme turned out to be a prolonged process over two years. While Sida considers the planning model an innovation for local ownership,¹⁷ it was a process that also would be severely criticised by some. Thus, one key informant described it as being handled incredibly clumsily...and that it pitted one section of the Ministry against another; was very poorly timed, but most importantly, took very little notice of the experience and knowledge of the first phase¹⁸. Informally, also some key Sida officials question the model, claiming it contributed to a later unmanageable programme to some extent 'hijacked' by Vietnam. In November 1995, the government presented a draft document of a programme, comprising 6 individual projects, now called the Sweden-Vietnam Mountain Rural Development Programme. This document was subject for a Sida appraisal in January 1996, carried out by a Swedish and Vietnamese team.¹⁹

¹⁵ Sida and Government of Vietnam: Agreed minutes from Mid-term consultations June 1994

¹⁶ Government of Vietnam, MoF: Renovation Strategies for Forestry Development Until the years 2000, 1993

¹⁷ Comments on the Draft Evaluation report by D. Asplund, 2000.12.22

¹⁸ P. Bard 1996

¹⁹ Sida officially changed name to the Swedish International Development Co-operation Agency, Sida, July 1, 1995. We are using the acronyms in line with this change in the report.

3.2 The appraisal of the MRDP

The appraisal team lavished considerable praise over FCP in line with what other already had described as successes.²⁰ In view of the achievements, the appraisal team expressed concern that neither a proper evaluation of FCP as an input to the planning of MRDP had taken place, nor that the MRDP document made much reference to FCP's experiences, giving an impression that the two phases were somewhat disjointed. One of the appraisal team's main conclusions was that as a method, institutions and policy development programme, MRDP should be scaled down considerably. The team also questioned rural finance, business development and 'facilities', (rural infrastructure, government offices and vehicles). In terms of rural finance the appraisal team was critical that a non-bank organisation (the ministry line department) should manage an expanded credit programme. Thus, the team recommended this component to be run by a bank, either the Agricultural Bank or the newly established Bank for the Poor²¹. In terms of business development and market information, the appraisal team doubted the purpose of such a component, both from the point of view of demand from farmers and the government's ability to supply meaningful services. The team referred to universal experiences that business and market development/information run by government almost everywhere have been failures. In terms of rural infrastructure and other facilities, the team found that FCP had contained ample support of government offices and vehicles, and doubting further, non-specified requests. In addition to these issues, the appraisal team found a number of the other components, (or sub-components), weak or poorly developed in the programme document, including research, gender and human resource development. Furthermore, the appraisal team had some questions concerning the use of the Creative Process on which the programme was built, as it poorly reflected a logic means-end hierarchy²². It found that the Creative Process did not add anything above the Logical Framework Analysis, LFA, and that the 'visions' were much too vague, and often too unrealistic to be of any operational use.

Organisationally, the appraisal team was critical of the 'by-pass' structure in management of the programme, and of the organisation of the advisers as a pool under the PBO, arguing this was counterproductive to institution building and policy impact. The team would rather have had the advisers attached to the relevant departments in the Ministry. The appraisal team noted that a monitoring and evaluation system was not elaborated in the programme document and that the financial reporting was weak. Finally the team found the proposed budget vague, and did not fulfil reasonable demand on specification and justification. In short, the appraisal team recommended a major overhaul of both the programme and the programme document.

3.3 The reactions to the appraisal

Sida and MARD reviewed the appraisal and its comments in March 1996.²³ The parties took limited notice of the main points raised by the team, except on reporting and the presentation in the programme document. Rather, Sida confirmed the timing and the budget for the programme to MSEK 145 for July 1996–December 1999.²⁴ A major reason for this seems to be that the Vietnamese reacted

²⁰ L. Birgergård et al: An appraisal of the Vietnam Sweden Mountain Rural Development Co-operation Programme 1996–1999, 1996

²¹ The government in 1995 had established the Bank of the Poor, partly as a means to channel external funding for micro credits.

²² The Creative Process is a planning methodology, utilised by Swedeforest in its bid for the programme, and was, according to Sida's protocol from the evaluation of the bids, one of the winning points.

²³ Agreed Minutes from the Consultations between MARD and Sida regarding co-operation in the field of natural resources, March 26–30, 1996, 1996-04-03

²⁴ The programme was formally agreed for 4,5 years (July 1996–December 2000), while an additional budget, if required, would be considered for the last year towards the end of the programme.

strongly against the appraisal's recommendation. Nevertheless, some preconditions for support of MRDP were agreed upon, notably: 1) A final programme document reflecting the basic requirement of the Logical Framework Analysis. The parties also agreed that the Annual Plans of Operation in the programme would follow the LEA pattern in order to more fully relate to and comply with the final programme documents; and 2) Introduction of an adequate Management Information and Monitoring system.

In terms of a Management Information and Monitoring system, MRDP proposed eventually such a system and Sida approved it later called the Management Information and Learning System. MILS, would be subject for various revisions and criticism. Sida, as well as external reviewers would conclude that MILS never produced satisfactory reporting on achievements.

3.4 The final design of MRDP

The Government formally presented its programme document for MARD in June 1996²⁵. The programme comprised six projects, one for each of the participating provinces – called Upland- or Mountain Rural Development Project – and one Ministry Project. In addition, there was a considerable part of the overall programme budget, or over 40%, allocated outside these projects to programme management (PBO), the advisers and Sida follow up activities.

Each of the provincial projects was structured in terms of components as follows:

Land use planning and land allocation – a carry over from FCP, but without the institutional support to GDLA and FIPI, and more focused on district and micro planning using PRA, to be implemented by the provinces²⁶.

Extension and applied research – scaling up of the extension development started in FCP using PRA. It was reinforced by the Decree 13 (1993), using the Province Extension Centres and District Extension Stations as focal points.

Rural finance – scaling up of what had been started in FCP, but with continuous focus on developing different models for eventual take over by the banking system; part of the rural finance was also suggested Village Development Funds.

Human resource development – continuation and expansion of the training started in FCP, and which led to the development of a comprehensive HRD programme in 1995/96.

Organisational development – formalisation of a main activity in FCP, but not expressed as a project, or component in the latter.

Business and market development – largely a continuation of the activities on market information, technology development in small-scale agro-processing, etc. started under FCP.

The Ministry project had two components:

Creation of an advisory capacity within MARD – a means to accommodate the advisers to be employed by the programme.

Institutional strengthening of the ministerial policy formulation, programme management, information and co-ordination functions, including policy and strategy formulation, internal and external communication, human resource development, management information and financial

²⁵ Government of Vietnam (MARD) Vietnam Sweden Mountain Rural Development Programme 1996–2000, Volume 1 and II, June 1996

²⁶ It should be noted that parallel to MRDP, Sida had agreed to finance a separate programme named the Vietnam-Sweden Land Administration Co-operation Programme focusing on GDLA, to be implemented 1996–2000. The latter programme would take over many of the activities carried out under FCP

monitoring system, research and sector co-ordination. This component was largely a renewal of the failed Ministry project under FCP, combined with what had been carried out in the Strategy project.

In addition to these components, the programme document had reference to a component/strategy for *Gender balance development*.

The development objective of the programme, or Vision is the terminology of the Creative Process, was stated as:

Contributing to the re-establishment of green productive uplands that are managed in a sustainable way by healthy farmers having secure land tenure, maintaining the ecological, economical, social and cultural diversity of the area.

The programme objectives were expressed as contributions to institutional development, development and testing of methods and creation of policies, recommendations and guidelines. Overall, the focus of MRDP was mountain and upland areas, and the ultimate beneficiaries were the poorer section of the farming population in the programme area, while the primary and direct target group of the programme is the staff of the MARD, Provincial Authorities, DARD at all levels, village institutions and other involved organisations responsible for and involved in its implementation. For each of the components mentioned above, the programme document specified the End Results anticipated by year 2000. However, as each of the projects had its own set of End Results, the aggregation of the End Results was over 200 such objectives. The proposed budget for the programme in terms of Swedish contribution was MSEK 145 as agreed by the parties in March 1996. However, the period was extended from 3,5 years to 4,5 years (July 1996–December 2000). However, the MRDP document was vague of what and where the programme actually would finance. For example, the provincial budgets were given as a lump sum, with an indicative distribution in percent of the components only. The international advisers accounted for about a third of the total budget, while almost 50% of the total budget was allocated to management, Sida reviewing and advisory services.

3.5 Comments on the programme design

As noted above, the process of planning MRDP had been long, involving a large amount of consultations at different levels of the government, using the Creative Process during the latter part. There is some significant in-coherence in the programme document in terms of how the objectives are formulated, discussed more in detail below. Our conclusion is that, in spite of an unusual prolonged process of preparation, MRDP was from the beginning inconsistent in the most fundamental aspects of what it wanted to achieve. An explanation to this might be that the summary Programme document was not an original feature, but written late in the planning process on the request by Sida. Thus, it has been argued by the Adviser Team Leader that:

*The new province projects were developed in and by the province, commune and village levels and thus owned by them. On the contrary, the main programme document was and has remained a document prepared by the advisors and the special Ministry Task Force for Sida with little or no real Vietnamese ownership... This has caused difficulties with respect to e.g. revision and concretisation of Programme Vision and End Results*²⁷

²⁷ J. Thunberg: Four years with MRDP. Final report, September 1999

3.6 Sida's decision and the agreement with the Vietnamese government

Sida's Decision Memorandum, which was the basis for the approval by Sida's Board, has to a considerable extent a different focus than the Programme document²⁸. Its justification of the Programme is expressed in the context of Sweden's and the new Sida's overriding objective of poverty reduction. In the formal Agreement with the Vietnamese government, the poverty focus is also strongly stressed by adding to the Programme Vision (or Development Objective), the words: *In order to **alleviate poverty** amongst poor farmers, the MRDP should...*²⁹

During its course there would be continuous disagreements of to what extent MRDP was poverty focused or not, whether this was something that gradually was introduced or not.³⁰ Adding to this confusion might have been the fact that Sida's strong emphasis on poverty in its Decision Memorandum from Mid 1996 largely is a new feature as compared to the mid 1994 agreement between Sida and the government concerning the planning of FCPH. Within this period, the Swedish development agenda underwent a change process by the creation of the new Sida, and the establishment of Sida's Action programme for Fighting Poverty. In the latter Action Programme, MRDP was in fact used as one out of six reference projects for poverty alleviation³¹.

3.7 Changing the programme during implementation

Similar to FCP, MRDP would change considerably during the course of implementation. These changes were both conceptual and administrative. MRDP would continuously rewrite its Creative Process framework in terms of components and objectives. The original structure was criticised repeatedly by the PAG as unmanageable and un-monitorable, and the indicators established to monitor achievements as inadequate.³² The End Results would over time be reduced in number and altered in content. A review comparing the original 52 programme End Results as expressed in the programme document with the current 26 End Results³³ shows that MRDP between 1996 and 1999 changed objectives, not just by reducing the numbers, but also to a large extent in content. Thus, while maintaining its overall objectives, the 1999 MRDP is a less specific programme in what it wants to achieve, than the one agreed upon by Sweden and the Government of Vietnam in 1996, and also a less ambitious programme. While the original End Results were being criticised as un-monitorable, the new End Results were generally even more vague. It has clearly contributed to difficulties to assess what MRDP has achieved.

An even more profound structural change of the programme took place in year 2000. Thus, from this year MRDP is abandoning the component structure for an area based structure. Thus, planning, budgets, objectives (End Results), and reporting would not longer be structured along the now well-known components/strategies, but instead for each administrative level in the Programme would make a plan (Village, Commune, District and Province). Conceivably, such plans would not be restricted to

²⁸ Sida: Beslut om insats Vietnam – Sweden Mountain Rural Development Programme, MRDP, 1996-07-01 till 2000-12-31, 1996-06-27.

²⁹ Specific agreement between the Government of Sweden and the Government of the Socialist Republic of Vietnam on support to the "Vietnam-Sweden Mountain Rural Development Programme 1996–2000, August 22, 1996. The bold is in the original document.

³⁰ This debate is still lingering. For example, at the introduction of the present Evaluation in a Workshop in Hanoi May 2000, some of the Vietnamese representatives criticised the proposed approach of reviewing the programme in a context of poverty, as this was not a programme objective.

³¹ Sida: Minskad fattigdom. Sida's programme for fighting poverty, Stockholm 1997

³² M. Flint et al: Review report of the Permanent Advisory Group to Sida, Report no 2, May 1998

³³ The End Results as expressed, for example, in PBO 3 year progress report, May 2000

what earlier had been provided through the programme, nor necessarily to what is within the mandate of MARD. Linked to this change is the establishment of Village Development Funds, and re-structuring the programme along a 'Demand structure' (Village and Communal planning), and a 'Support structure' (District, Province and Ministry planning). While this change was discussed by the stakeholders, and agreed in principle, Sida and the Government of Vietnam urged a change in a cautious way, on a test basis and properly monitored before implementing at scale³⁴. However, the actual change currently undertaken by MRDP must be considered as close to full scale. We conclude that MRDP from year 2000 will be in the most fundamental way a different programme than when it started. This in effect new programme is neither presented how it will work in practice, nor appraised by any outsider, of for that matter by the stakeholders.

A basic principle of MRDP, largely inherited from FCP's pioneering efforts with PRA, was that farmers and households largely know what they need, and are willing to take responsibility for their own development if given the opportunity... MRDP would also pursue the PRA model, partly simplified to allow replicability, and in pilot villages replaced by a village based Creative Process. Thus, the programme would undertake PRAs in several cycles in the same villages as an input to the annual planning process, and also as a means to introduce participatory monitoring. The programme would eventually claim it was unique in the world as large-scale implementation of PRA in a government structure.³⁵ Nevertheless, the programme also expressed considerable self-criticism of the PRA method in the current government planning cycle. Thus,

the project is still to a large extent mobilising communities to implement government plans, rather than stimulating them to take actions and responsibility for implementing their own plans.) The MRDP is thus in many places still supporting continued dependency on Government and passive participation instead of community empowerment and active participation.³⁶

The Team Leader of the advisers would in his termination report voice a similar critique:

The FCP and MRDP have introduced PRA on a large scale as a tool for local planning and monitoring. PRA has, unfortunately, become a tool used primarily to get funding for the coming year. The PRA plans are compiled by project staff and used as their plan for delivering the inputs demanded. The planning is thus highly influenced by central production and plantation targets and the outcome is thus not reflecting local priorities and demands for development.³⁷

The experience of large-scale application of PRA and Village Development Planning in MRDP led to a desire to reform a considerable part of the programme towards a more genuine bottom-up planning process. The concept of a Village Development Fund, already discussed in FCP and in the programme document of MRDP, was revitalised. Village Development Planning aimed as such a fund was introduced in year 2000 on a fairly large scale, involving 270 villages.

MRDP, which originally was proposed to have a budget of MSEK 145 for a three and half year period, extended to 4,5 years in 1996, was further extended by another year, (July 1996 – December 2001), in 1998. In 1999 a minor addition to the original budget of MSEK 5 in terms of Swedish contribution was agreed³⁸. In 2000, a further extension of the programme was agreed, until June 2002,

³⁴ Agreed Minutes from the Annual Review between MARD and Sida regarding the MRDP, 1–2 June, 2000

³⁵ E. Shanks & Toai: Field Based Learning and Training in Participatory Approaches to Rural Development. A Decade of Experience in PRA from the Vietnam Sweden Co-operation Programme, MRDP 2000.

³⁶ PBO (1998), p. 9

³⁷ J. Thunberg (1999)

³⁸ Protocols from Annual and Semi-Annual meetings between the two parties 1998–1999.

while Sida, according to the Agreed Minutes, would be prepared to add some limited funds³⁹. An implication of these changes is that the annual Swedish allocation for MRDP had been cut from the originally suggested MSEK 41 per annum, to about MSEK 25.

3.8 The Permanent Advisory Group's assessments

The Permanent Advisory Group, comprising four international and national consultants, has so far (mid 2000) carried out only three visits to MRDP, in addition to its involvement in the Mid Term Review in late 1999. The PAG would increasingly raise a series of questions as to the effectiveness of the programme in subject matters, eventually covering most of its components, such as the Human Resource development, Extension, and the Business Development, Rural Finance, the Information and Communication, and Strategic Research. For example, while recognising that FCP/MRDP had played a significant role for the development of the national extension system,⁴⁰ the PAG was questioning the *proliferation of models for demonstrations, trials and/or applied research... and their relevance, cost-effectiveness, possibilities to manage...* especially as the programme increasingly was leaving the midlands and was moving to the uplands and the mountain areas.

A permanent feature of the PAG reporting concerned the quality of the framework in terms of objectives (End Results), the indicators for monitoring and the reporting in general. While MRDP made various efforts to satisfy the critics, the result was far from satisfactory. For example, in December 1998, PAG wrote that:

*The planning and reporting component of MILS is producing large amounts of information of doubtful utility and at a high cost. It is not working as an effective monitoring and learning system. It is not providing accurate feed back and information at all levels; and it is not significantly guiding the planning and implementation of the programme... MILS is simply not revealing the very variable performance which is known to exist within the programme*⁴¹

3.9 The mid-term Review 1999

An in-depth Mid-term Review of MRDP took place in October 1999. The purpose of the Review was to draw lessons from the first part of the programme in light of new policies by the two governments and agree on the direction of its continuation. The Mid-term Review should also agree on principles for a tentative further co-operation beyond MRDP. The Mid-term Review was preceded by five studies covering 1) extension and applied research; 2) human resource and organisational development; 3) rural finance; 4) poverty; and 5) the strategic framework of the programme. These studies were carried out by different teams of international and national consultants, partly involving the Permanent Advisory Group members. The terms of references for these studies were ambitious; including assessments to what extent MRDP effectively fulfils its original goals and objectives, the relevance and cost-effectiveness of different components. The purpose of at least some of the studies was to look deeper into the criticisms of the PAG.

The five preparatory studies provided a mixed picture of the achievements of MRDP, ranging from highly positive to quite critical. The study on Human Resource Development and Organisational

³⁹ It is noteworthy that the current start time for a post-MRDP is January 2003, while the official end of MRDP is June 2002, leaving a gap of 6 months

⁴⁰ An example of such impact was, according to PAG, manifested in a National Workshop on extension in 1998

⁴¹ M. Flint et al: Review report of the Permanent Advisory Group to Sida, Report no 3, December 1998, p. 9

Development was the most positive.⁴² For example, it reported considerable impact on policy by MRDP, quoting the Policy Department of MARD. The latter claimed that MRDP had influenced a series of national policies, for example Decree 61 (1998) concerning the organisation and implementation of the Five Million ha forest area programme; Decree 145 (1998) concerning policy for management and use of forest production; Decree 245 (1998) concerning state management of forest and forest land; and the By-law 43 (1997) on agricultural co-operatives. In addition to these, a number of draft policies under preparation were being influenced by the experiences of MRDP, for example concerning protection of natural forests; reform mechanism for state farms and forest farms; sharing of benefits from forests between the state and households; and commune management of forests.

In contrast, the studies on Extension and on Poverty contained some devastating criticism of the programme.⁴³ The Poverty study claimed, for example, *that MRDP was not an effective poverty oriented programme: it was not targeting the poor, and mainly benefiting the better off in the midlands*. Furthermore, the programme was supply, rather than demand driven. Thus, *at the village level households have been distinguished how well they fit the programme, and not how well the programme fit their different needs*. The consultants perceived MRDP largely as a subsidy input supply programme along a lingering centrally planned ideology of pursuing national targets in agriculture. PRA and village planning were being subjugated to this purpose. As a result, there is a real risk that MRDP is just contributing to reproducing established but inadequate government rural support systems.

Based on these studies and other materials an attempt was made by the PAG team leader to assess the overall performance of the programme in relation to its stated programme objectives and its relevance to the stakeholders in a Synthesis report.⁴⁴ His conclusion was that in the absence of objective and verifiable indicators of achievement – which still do not exist – any assessment is necessarily subjective. However, attempting such a subjective assessment, he concluded of the three programme objectives, MRDP was performing best in terms of policy impact. MRDP was on target to make a significant contribution in this respect. He concluded that MRDP was least successful at development and testing of new models and systems, and this objective was only likely to be achieved to a limited extent. However, he recognised that much innovative work has been done or is in progress, on land allocation, forest management, application of PRA, and devolved planning. Institutional development fell in between these, with the objective likely to be partly achieved. He concluded that notable achievements were *the expansion and development of the extension system, increased skills at all levels, and an increasing appreciation of the importance of participation*.

The Synthesis report made no attempt to assess MRDP's likely contribution to its 'Vision' (its official development objective). The author concluded that, in the absence of indicators, it is of little practical use as an objective statement. However, he concluded that the institutions, methods, systems, and policies developed by MRDP, will contribute to poverty alleviation. However, that contribution would be greater if MRDP activities were more directly guided by this objective (poverty alleviation); there was a clearer commitment to poverty alleviation; higher priority was given to analysing and disseminating the lessons of MRDP, and more thought was given to who these lessons are for, and how they will be adopted.

The official Mid-term Review between Sida and the Government of Vietnam came to no conclusive view of the overall performance of MRDP. Rather, considerable disagreement emerged between the

⁴² Hedvall & Nevala: Study report on Human Resource Development and Organisation Development in MRDP 1997–2000, SIPU, Sept. 1999

⁴³ Davies & Krantz 1999

⁴⁴ M. Flint: Mid Term Review Synthesis report, draft October 1999

Swedish party and the Vietnamese. While the Swedish delegation was 'sympathetic' towards at least some of the critique raised, the Vietnamese delegation argued that many of the critical findings and recommendations reflected in the (background) reports were not in accordance with the Vietnamese views. For example, the Vietnamese argued that the experience of the present extension work within the programme was very good and that MRDP extension models had had great influence on rural development in the country. The Vietnamese therefore concluded that MRDP should be actively involved in the preparation of such studies in the future, i.e. by providing national qualified experts.

3.10 MRDP's internal assessment of its achievements

The Annual Reports of the Programme Board Office concerning MRDP for 1997 and 1998 shy neither away from considerable self-praise, nor self-criticism. There is no doubt in this reporting that the PBO considers MRDP to be a strong force for the Vietnamese Government's policy development, as a means for institutional development at all levels of the programme, and also in method development. In terms of policy impact, PBO reported that the Programme had impacted on the Government's new Rural Development Strategy, and a number of policies in the forest sector, on co-operatives and also on irrigation, (policy on irrigation fees, policy on decentralisation of state owned irrigation schemes). The report claims MRDP has the right balance of implementation and method development for effective policy impact. (Demonstration widely in many provinces is an effective means in a policy framework building on consensus with the provinces). PBO also claimed that MRDP is no doubt contributing to a development towards the Vision.

A three-year progress report, with the requested long-term assessments of MRDP's achievements, was prepared by PBO and presented in draft in May 2000⁴⁵. The report is a mixture of a description of the programme structure, its progress in terms of activities undertaken, PBO's envisaged change for the future, and stocktaking against the most recently established End Results. The report is a first attempt to re-organise the End Results under different components to the broader objectives (policy, method and institutional development). As such it could be seen as a first attempt (after the LFA in the programme document) to establish a logical means-end hierarchy of the programme. PBO rates MRDP's achievement as mixed, at best. It considers the strength of MRDP being:

- the introduction and replication of PRA as a decentralised local level planning tool;
- local protection of forests; and
- policy development in MARD.

PBO concludes that its effort to assess the achievements is a very crude attempt of an analysis that that should be seen only as an indication giving some directions. Furthermore, PBO in its report argues that for better understanding of the achievements more in-depth evaluations and impact analysis is required.

The 1999 report was not approved by Sida in the Annual Review of the programme in June 2000, as it *did not contain sufficient analysis... statements provided were not enough supported by facts... it mainly reflected the current situation and not the organic development process within MRDP... the analysis of achievements and results had in the view of Sida not been carried out against developed indicators as agreed during the Mid Term Review and no information of the likelihood of achieving end results and objectives was contained in the report*. Sida also commented on the lack of comments on proper action to remedy problems within the MRDP...⁴⁶

⁴⁵ PBO: MRDP Three year progress report 1999, May 2000 (Second draft)

⁴⁶ Agreed Minutes from the Annual Review between MARD and Sida regarding the MRDP, 1–2 June, 2000

The parties agreed that MRDP should, based on detailed comments on the report by Sida, revise the report and submit it before the end of November 2000.

3.11 Drawing conclusion from the evolution of FCP and MRDP

In spite of a very extensive planning period, MRDP is to a very large extent building upon FCP (and the Strategy project) – not as FCP was designed, but as it emerged and eventually developed. There is little new in substance in the design of MRDP except, perhaps, gender and a re-orientation from massive re-plantation. MRDP has been portrayed as quite different from FCP, not least by the Consultant, but we disagree with that. MRDP might rather be seen as a means of scaling up and expansion within the same area, while to some extent focusing on a different target group, the poor in the up-lands. It thereby becomes a test of relevance and replicability of the already started rural development approaches, from the point of view of scale, local ownership and relevance for a different target group. The programmes should thus be assessed as one long-term involvement, rather than two discrete. However, in the most recent ventures in MRDP, the decentralised planning with a Village and Commune Fund, MRDP is implementing a new approach, discussed in FCP, but not applied. In many ways, MRDP by year 2000 is a new generation of the programmes, requiring its own independent assessment.

MRDP has applied a quite different management approach than FCP, reflected in how the programme is structured, the degree of decentralisation in implementation (and design), the role and placement of the advisers, the use of the Creative Process as a planning model, the linking to a Ministry project and the integration with MARD/DARD. From this perspective, MRDP can be assessed as a largely different entity than FCP. Again, by the radical change in year 2000, yet a third management structure is *de facto* introduced.

There is a consensus concerning some major achievements by FCP as a pioneering forestry/rural development programme in terms of:

- Introducing PRA
- Promoting village based management groups
- Introducing an extension system
- Undertaking reforestation by massive re-planting, both at farm level and industrial plantations
- Capacity building in government
- Policy impact
- Impact on the work by other donors in upland rural development

Overall, external observers and the Government of Vietnam considered FCP by the time it was ending as a highly successful development initiative. There was, however, also a consensus concerning a major weaknesses of FCP in terms no functional monitoring and evaluation system established. Thus, achievements (and weaknesses) identified are to a large extent based on informed judgement of persons, which had followed the programme over time, rather than hard facts. In spite of this, there were by the mid 1990s some lingering controversies concerning FCP:

- The management performance by various stakeholders (Sida, the Government, the Consultant, the Monitoring Team). Everyone seems to be criticising everyone, making a paradox of the success, on the one hand, and the allegedly poor management, on the other.
- The quality and sustainability of some of its activities, notably the training, thereby also the capacity building.

As shown in this chapter, the assessments by various observers and stakeholders of MRDP tend to a large extent deviate from one another, from being quite critical to generally positive. External reviewers, the Permanent Advisory Group and to some extent Sida, are voicing major concerns over some of the most fundamental aspects of the programme. The government (MARD, the provinces), on the other hand, expresses strong support of it. This might lead to the conclusion that the ‘outsiders’ do not understand the merits of MRDP, i.e. it is a lack of communication and reporting.

The critique of MRDP’s work is not of new concepts introduced, but rather the implications of scaling up and institutionalisation of concepts introduced by FCP, for example the PRA and rural finance. The critique is also concerning the ability to shift attention to the poor, including the relevance of the tools applied (or developed) to address the development problems of the poverty minority groups in the uplands. The controversies over MRDP is reinforced by – or created by – the same problem, which affected FCP: lack of an accurate feedback system of results and achievements. MRDP allows considerable controversy to flourish due to this, but also due to its highly decentralised mode of operation. If we would like to identify one aspect for which there is consensus involving seemingly everyone; that is that MRDP has failed to develop such a system in spite of repeated demands from the conception of the programme, and seen in a longer perspective, since the conception of FCP.

A summary of the controversies of MRDP as perceived by various stakeholder and external reviewers includes the following, besides the above-mentioned lack of accurate reporting and monitoring:

- PRA, while a radically different way of approach planning in Vietnam, which has led to changes in attitude, tend to become ‘perverted’ in the sense it is used as a means to implement centrally conceptualised national programmes;
- Rural credit, while demanded in rural areas (although not necessarily by the poorest), has been implemented in an institutional framework not suitable, and there are considerable difficulties to transfer it to a banking system;
- MRDP has not shifted attention to the poor and the uplands, but continued largely to work in ‘easier’ areas, and it is not the poor, which benefit from its activities.

4 Forestry and land management

4.1 Forest management models

The FCP introduced a wide array of forestry in the selected villages and communes. The array consisted of various ‘models’ satisfying different management objectives: environment, social forestry and commercial forestry. The Forest Research Project developed these models through the Forest Research Centre. The definition of forest was wide and included the use of bamboo and multipurpose species.⁴⁷ As the important issue under the MRDP is protection of the environment, the forestry definition has widened so most perennial crops seem to be accepted as forests. Fruit trees are thus in several cases accepted on forestland. The extension service was to advise the farmers on these models and to monitor the progress. The models have included instructions for land preparation; species selection; planting; initial weeding; and cutting of climbers. Advice on quality improvement through thinning and cleaning for double stems has been negligible as has models for selective cutting. The result is that a mid-rotation harvest, which ought to be a thinning, but has become a creaming under the guise of the term ‘selective cutting’.

4.2 Land management, land use planning and land allocation

The FCP/MRDP has supported land use planning within the scope of the government of Vietnam’s general zoning system, which in rural areas includes *i.a.* zoning into agricultural land, protection forest and production forest areas.⁴⁸ The programmes’ land use planning emphasises on farmers’ active participation in the planning process. This planning process is kept within the framework of the government’s zoning system. The planning concept builds on the hypothesis that farmers’ attitude to investments (funds and labour) changes dramatically if authority over the land is secured on a long-term basis. Village development plans are made at lowest level and sent for approval in the commune, the district and the province. In principle the plan is made with the active involvement of all farmers in the village, in practice some villages just approve what the village management group suggests. The plan clearly shows the areas set aside for protection forest and production forest respectively.

This zoning was planned to be based on soil and slope and should ideally also include altitude and precipitation. However, soil conditions were often not included as a major factor in the decision-making resulting in sub-optimal land use within forest areas. In social forestry, where the farmers operate with very small plots, and where land use is very sensitive to minute changes in soil suitability, this ‘site matching’ activity becomes crucial. The forestry team have thus witnessed lost opportunities when passing areas suitable for bamboo development, but which were designated for timber production or vice versa or where choice of species, species mix or silvicultural regime has been sub optimal.

The FCP was in several areas instrumental in a forestland allocation scheme that ensured farmers access to and authority over areas classified as forestland. The active forestland allocation is based on the land laws of 1993⁴⁹ and Government Decree No 02⁵⁰, introduced in 1994. Before that, only gov-

⁴⁷ These models covered *i.a.*: Natural regeneration; Eucalyptus spp. monoculture; Acacia mangium monoculture; Styrax spp. monoculture; Mangletia spp. monoculture; Bamboo in mono culture or mixed stands; and Standard mix of species.

⁴⁸ The Vietnamese system of land classification includes five main classes and several subclasses 1) Agricultural land; 2) Forest land (Production forest; Protection forest and Special use forest the latter including National parks and scientific areas); 3) Idle land; 4) Urban and residential land (includes industrial development), and 5) Special use land.

⁴⁹ The forestland allocation under the FCP was based on the land laws of 1993. These have since (1998) been revised.

⁵⁰ Government Decree No 02 permits forest land allocation to organisations (e.g. forest enterprises); households or individuals.

ernment bodies and organisations could receive forestry land. After 1994, it was possible to allocate production forestland to groups and individual households after an evaluation of the recipients' capabilities for managing the land.

As the FCP entered several communities after 1993, some of these communities had already finalised the forestland allocation process at the time of joining the programme. In short, forest is divided into three categories:

- Protection forest
- Production forest
- Special use forest (National parks and other areas of special interest). These forest areas are under the sole jurisdiction of the Forest Protection Department and never allocated to entities outside this department.

It is necessary to note that the land allocation exercise is a national programme, initiated without FCP or MRDP participation outside the programme area. Inside the programme area, the FCP/MRDP has been instrumental in assuring an orderly and planned use of the national legislation and programmes and the FCP/MRDP has by its presence given focus and priority to its execution in certain areas. In some cases, for example Tuyen Quang, the province has clearly used the MRDP to test the government procedures before implementing them on a larger scale.

Protection forest management

Under the Government of Vietnam programmes, responsibility for 'management' of protection forest may be allocated to groups only – not to individuals. Typically, 20–30 farmers form such a group or the whole community (village/commune) forms a group to which a forest area is assigned. The group will then sign a 'joint management' contract with the government authorities to the effect that the group receives a small amount of money for protection of the area from illegal cutting and forest fires and the group may have to carry out certain – subsidised – forestry activities such as enrichment planting, cutting of vines, etc. The group may also, under certain circumstances, utilise the forest products. These contractual arrangements for work in protection forest areas are governed by Government Decree 01 of 1995.⁵¹ The group does not receive any form of 'ownership' or authority over the land *de facto* rendering them as labourers with a vested interest in protection of the forest. The Department of Forest Protection regularly visits the allocated areas and is supposed to fine villagers for violation or neglect of contracts. The Department staff also advises the villagers on how to carry out their duties.

The role of the FCP has been to advocate certain 'models' for the regeneration of these natural forest areas. These models may include introduction of exotics or actions to change the natural species composition by weeding out unwanted species at an early stage. Even though joint forest management contracts have been made between villagers and DARD, the MRDP has covered the cost of subsidies (e.g. Hoang Xu Phi). Only a very rudimentary cadastral survey is carried out in connection with the allocation of protection forestland. Contracts are non-transferable.

Production forest allocation

Production forest may be allocated to individual households or groups of households.⁵² Typically, the household will get 0.2–3.0 ha, but provincial regulations may limit the maximum area to be given to each per household. There is a vast difference in the maximum area that may be given to each household. Ha

⁵¹ Decree number 01 regulates contracting land for use in agricultural, forestry and aquaculture production by state owned enterprises. The decree covers production, protection as well as special use forest areas.

⁵² Decree No 1 article 3-1

Giang has a maximum of 30 ha per household whereas Tuyen Quang has a limit of only 5 ha. Some provinces were reported not to have any upper limit. The allocation is based on the capacity for management and the availability of labour and capital within each of the households applying for land.

There are some strings attached to the allocation, as the recipients must develop the land for forestry in accordance with agreed plans. The allocation may be revoked if this prerequisite is not honoured, but the team has not seen any such revocation. The recipient of production forestland will receive a 50-year land lease, a so-called 'Red Book', which states the plot's registration number and estimated area. No detailed cadastral survey or official demarcation of plot boundaries is carried out. The role of the FCP/MRDP has been to ensure the forest land allocation process has been carried out within a participatory village development planning process, but it must be stated that neither programme has had authority to actively distribute land to anyone and have not attempted to do so either.

4.3 Impact of forestry related activities on human resource development

The human resources development impact shall be seen relative to the stated target groups of the FCP and MRDP. The human resources affected by the programmes are primarily farmers and officials at village, commune, district and province level, but includes also in the FCP to some extent staff of forest enterprises. One project of the FCP as well as of the MRDP addresses the human resources development at central level. Women are specifically mentioned under the FCP, which notes that most government cadres are men wherefore it is the duty of the programme to pay special attention to women when carrying out training activities.

The opportunities for impact differ substantial from level to level as does the institutional impact to which it is linked. The impact shall also be seen in the light of the stated priorities within the two programmes. FCP had forestry as a stated priority, whereas forestry during the MRDP, officially as well as unofficially, has lost its priority status to agricultural development and general land use planning. We here clearly distinguish between 'forest' and 'forestry', the first term concerning area and vegetation cover, the latter concerning human, decisive activities to promote or improve forests.

Village level

The programmes have since their inception attempted to bring the responsibility for development as close as possible to the individual farmers. The FCP established transient management systems (village management groups) at village level in order to reach the individual villagers, a pattern continued in MRDP. The members of these village management groups have been at focus as potential trainers and providers of information from the programme to the villagers.

Villagers affected by the projects have displayed a keen interest and a substantial amount of knowledge of the subject matter as well as of project and government activities and policies. The villagers who participate in the forestry activities all report that they have received training and extension advice, but they also make it clear that the programme is not the only source of information. The government forestry programmes and television programmes also are important sources of information. During the early days of the FCP, the programme played the major role in the dissemination of knowledge, but the role has diminished as the government extension system and the introduction of TV in the villages have improved. The villagers have received awareness information on economic opportunities; government regulations and opportunities; and ecological consequences. They have received instruction on choice of model (species); forest establishment (clearing, planting, use of fertilisers); and opportunities for subsidies. They have, however, not been instructed sufficiently in quality enhancement through silvicultural activities (thinning, pruning, weeding); selective cutting, or marketing and pricing mechanisms.

The models have seemingly been administrated rather rigidly and the farmers' ability to extrapolate and make further developments has been neglected. As a consequence of the above, the villagers have focused on selection of a model that:

- Included a satisfactory amount of subsidy;
- Promised a high economic rate of return;
- Did not require too much labour input, neither during establishment nor during tending (which is almost non-existent in the project area).

The general failure of the commercial forestry models has had some impact on the villagers' general knowledge of market mechanisms and developed a healthy scepticism towards the flow of information that come from projects and extension services.

Most farmers have attended training courses which in their own view improved their general knowledge and ability to do the immediate tasks of forest establishment, but which did not directly improve their livelihoods. They mostly explained the difference between the FCP/MRDP and the government programmes, was that the FCP/MRDP provided training that was needed in order to carry out tasks required for the subsidised activities.

The farmers' acknowledged that the FCP and the MRDP had increased not only their technical knowledge, but also their environmental understanding. They were in particular aware of the forest cover's role in the water balance equation and that the environmental gains or losses could be balanced against agricultural or business benefits or losses. It has been obvious that training activities on forestry issues mostly originate from the FCP period, whereas the MRDP has focused on mobilising the villagers to take active part in planning. If forestry training has played a role in the MRDP at all, it has been a minor one. This is regrettable as the opportunity to train the farmers in forestry observation and method adjustment (local level informal trials) has been lost.

Commune level

The human resources development has – in terms of practical forestry – reached the commune level in ways similar to those at the village level as the commune authorities are all from the village communities. In addition, commune officials have learned to look at the forest areas as an assurance for safe agricultural practices as well as a safety net under a fragile economic system. The officials have thereby undergone a transition from short-term planners seeking immediate capitalisation of the commune's resources to long-term planners that have the ability to see the complexity of the rural environment. At commune level, much depends on personalities and even though the team in general has been impressed with the technical and managerial knowledge at commune level, individual differences have been noted too. The progressive commune officials have been well informed on especially government efforts and support mechanisms and staunch supporters of forestry as integral parts of the agricultural production system.

District level

The districts show great differences in how programme ideas and activities are adopted and altogether dealt with. The differences may, however, be based on personalities within the forest service rather than efforts by the programmes. The district forestry staff have all received programme sponsored training in technical forestry matters and planning. They do not have any interaction with staff from other districts outside the project wherefore they are not in a position to compare themselves to others, who have not had the programme support. We have the impression that training and new ideas to the district forestry staff mainly came from the programme and government sponsored training activities, whereas they did not seem to be engaged in furthering their knowledge by reading much forestry

literature of any kind and they were not in a position to apply programme ideas in their government work. Training was mostly on technical issues and included very little policy/strategy/sociology contents. Some of these shortcomings have their roots in the government systems, which have been seen as effective, but inflexible.

The technical training concerned establishment of plantations, but was labelled 'silviculture'. As silvicultural training there has been a lack of understanding of the biological processes that lead to sufficient quantity and quality of forest products. In particular, 'biodiversity' seemed to be an unknown concept in many districts. The training also lacked economic consideration for management decision-making. We conclude that the programmes had had the ability to give the needed technical training, but had not managed to mobilise the forestry service in all districts or to train them significantly in fields they could readily apply elsewhere.

Provincial level

The project is anchored within the DARD at provincial level. DARD staff has been appointed as programme staff and several MRDP staff has been involved directly since the FCP times. They have all been exposed to formal as well as informal training and were all very capable of carrying out the tasks entrusted to them. However, only few were truly capable of using the training to further develop ideas and to carry such developments neither to the field nor to the central level. Where loyalty and dedication to a common course are honourable traits, rigidity is not.

The formal programme training has been extended to other government departments and these departments have occasionally been requested to act as trainers for the programmes. However, this has not had a great effect on the professional work of the provincial foresters, as they have not been mobilised to take any responsibilities for the programme activities and the training has not been directly applicable to the ordinary government duties. There is not much interaction between staff of different provinces so the staff of the programme-supported provinces have not been in a position to compare themselves with staff of non-participating provinces.

English and computer skills training has been carried out in all provinces, but the team only noted a significant benefit in Tuyen Quang where programme staff were very well able to communicate in English and were advanced with their computer skills. In general, Tuyen Quang Province showed a different picture than other provinces. The programme took part in an admirable provincial teamwork and the staff directly responsible for programme activities were to a significant level in control of programme development and progress. This may not be attributed only to the effects of the Sida/Sida sponsored activities but may as well be a result of the general management at provincial level.

One important impact on the provincial human resources development has been through the long-term association with foreign advisors. The impact has earlier been very pronounced in the participating provinces where provincial staff through the contact and through frequent study tours abroad – particularly to Sweden – have been open to change, open to dialogue. With the proliferation of foreign sponsored projects throughout the nation, the impact will still be there, but the differences will be less distinctive.

Programme staff seemed to stay with the programmes for a very long time. It was explained that this was common in the Vietnamese system and that transfers without promotion were seen as a sign of the staff member not being able to perform the duties associated with the post. This has had the negative effect that the number of staff being directly exposed to the on-the-job training of the programmes has been limited. Staff rotation would have had a very positive effect, especially at provincial level.

4.4 Institutional impact

The FCP and the MRDP have spread the resources over a large area; thereby becoming only a minor player compared to the government programmes. However, the FCP was in many ways ahead of its time and influenced institutional thinking at several levels, politically, technically and in terms of institutional co-operation. The set up of the FCP in the six projects operating in five provinces (plus the central, ministerial support project) resulting in more than 30 sub projects is history but hampered, more than induced official, institutional co-operation. The resulting set up for the MRDP, which was accentuated by the decentralisation process, made the programme management more effective, but weakened the project in terms of human resources development, institutional impact and implementation punch.

Forest Land Allocation and Land Use Planning

Forestland allocation has been carried out in some areas as a government exercise long before the FCP was initiated. The FCP and later the MRDP have been instrumental for pushing the government efforts in programme areas, but the activity has been by the government programmes. In Tuyen Quang the MRDP has been used as an agent of testing the government procedures before they were implemented on a larger scale. The province claims the experience from that exercise influenced not only the provincial, institutional *modus operandi*, but also national policy adjustment for the forestland allocation schemes. Similarly, the IFAD project in Tuyen Quang states clearly that it has based its institutional operation to implement what were the results of the FCP and MRDP system development, especially its system for participatory rural appraisal.

The FCP/MRDP focus on village participation has naturally had an impact in the pilot villages, but this has not spread to other areas as the government of Vietnam has pursued its own policies nationwide. As a whole, the FCP/MRDP cannot claim any significant institutional impact on the government programmes in relation to land use planning or land allocation. The land allocation as a policy is not a FCP/MRDP initiated idea. On the other hand, the programme may locally have devised models for pragmatic and socially acceptable approaches to field implementation.

Joint management models

Joint management models refer to 'management contracts' between individual households or groups of households on one-side and government institutions or the forest enterprises on the other. We had little success finding the FCP/MRDP's influence on these contracts as these are made under the government programmes even though the joint management issue is prominent in the FCP Programme Document. There is little 'management' in these contracts as all management responsibility, *i.e.* decision making, rests with the government authority or the forest enterprise that issues the contract. The individuals or groups of households are merely contracted as labour and the 'sharing of benefits' is bonus-pay for earlier work.

The general forestry training by the FCP/MRDP has benefited some of those holding contracts to establish and maintain forest areas in this way, but the forestry models used have almost entirely been non-project models. The programme failed to clearly state and to implement the *objective* of the joint management models wherefore their value for the participating farmers slipped. The models have been used for protection forest, semi-commercial production forest and for social forestry models without actually delegating *management authority*. The institutional impact has therefore been at best negligible, otherwise mostly negative and a source of discontent.

Institutional co-operation

The FCP was based *i.a.* on a vision of the institutional co-operation between small scale farmers, the Vietnamese forestry service, the agricultural services, the forest research institutions, the forest enter-

prises, the Bai Bang Pulp and Paper Mill and possibly also some private sector traders and the transport sector. Most of this network honoured the expectations as long as the FCP existed and most of them also during the MRDP. By design, the role of the Bai Bang Pulp and Paper Mill would only really come into effect after the FCP was completed. This design did not take into account that the Bai Bang Pulp and Paper Mill would have the free options of purchasing raw materials from elsewhere after the FCP period, and the designers of the MRDP did not include the issue in their considerations. The result is that the Bai Bang Pulp and Paper Mill has not taken the active role as a consumer of raw material from small-scale producers as expected. This may be only natural as the farmers have not been able to provide a steady supply of sufficient raw material in the qualities and quantities needed for an industrial enterprise in an increasingly competitive market place. Further, the expectations to the commercial benefits from the forests lots has bypassed the silvicultural inputs from the farmers to the extent that the raw material from the farmers became economically unattractive to the Bai Bang Pulp and Paper Mill. The government of Vietnam has reacted to this and similar situations nation-wide with a request that forest enterprises buy whatever wood is offered for sale by small-scale farmers, even if it means the enterprises shall delay planned harvests of their own.

The MRDP offered expanded opportunities for institutional co-operation and we have not seen any signs of these expectations not being honoured. The agricultural extension service includes forestry training and all institutions concerned place priority on forestry development and sustainability for environmental reasons. So, while the environmental issues have fostered a strong, institutional sense of dependency, the commercial side of it has failed to do so. The Forest Research Centre is no longer a direct partner in the programme activities and focuses on development of techniques for the forest enterprises and the Bai Bang Pulp and Paper Mill directly. The lack of research backup has hampered the credibility of the programmes.

4.5 Impact on method development

The FCP as well as the MRDP have from the programme level focused on method/model and systems development. At lower level, however, focus has been on field implementation with forestry production, poverty eradication, food security and environmental issues as objectives. The MRDP reports focus on inclusion of new communes and completion of others, rather than on further development and adjustments of methods and models. The forestry models were designed during the early stages of the FCP, but have stagnated since then. Even during the FCP period there seemed to be little method *development*. There was method *design* only.

The advisors and PBO staff state clearly that they do not see development of silvicultural models as part of the MRDP. If this is a correct interpretation of the programme document, then this is a design fault. In the field MRDP is seen as a continuation of the FCP and the programme staff are seen as having a responsibility for the continuation of the FCP developments.

Some farmers adjust the models on their own, but the programme does not seem to adopt such adjustments easily. Also, MRDP seems to work with these models secluded from the government efforts. There are no visible signs of any attempts to seriously introduce model experience into the government-designed programmes. This is not only true for silvicultural models, but does also include planning and forest land allocation models. All individuals interviewed expressed clearly that the participatory models could not be included in the government programmes, and they would certainly be phased out with the expiration of the MRDP. Not that the models were wrong seen from a Vietnamese point of view, but they were not timely.

Production Forestry

As discussed in chapter 2, the commercial plantation forestry and assistance to the forest enterprises was a central part of Sida's assistance to Vietnam long before the FCP and became a central component to this programme too. It was, however, diluted by being mixed up with social forestry, agricultural environment and supply of minor forest products.

The three types of forestry: environmental protection forestry, the social forestry and the commercial pulp wood and timber producing forestry, were not managed well as distinctive entities throughout the programmes. Institutional implications for the industrial plantation forestry sector have therefore been neither significant, nor positive. The enterprises visited by the forestry team have been inefficient, unfocused enterprises with none or little prospects in the hands of the free market forces. Labour management through management contracts that are transferable, heritable and dividable impedes any attempt to biological, technological or economical sound management. Furthermore, the effects of the Forestry Machinery Project in FCP have been totally lost for the young staff of the present-day enterprises visited by the forestry team.

4.6 Impact on policy formulation

FCP and the MRDP in the five provinces are very small programmes in comparison with the government programmes. Through geographical spread the FCP and the MRDP have, furthermore, become so diluted that they have no strong influence on neither central nor provincial policies. In Tuyen Quang the provincial authorities even went straight against the endeavours of the programme by introducing forestry regulations that forbade planting of Eucalyptus, and regulated the farmers' rights to agricultural intercropping in forest plantations and further regulated the harvest methodologies in certain areas. The MRDP had – correctly – to adjust to local policies. But where the programme should have been on the forefront with the developments and findings that resulted in the local regulations, they were taken by surprise.

At central level, the situation may be slightly more positive. Thus, the strong anchorage of the programmes within the MARD has given the programme staff direct access to the policy department of that ministry. During the FCP time, Sida was the only donor present and the influence was direct. With the arrival of a large donor community the MARD has options to choose between when all donors compete to influence Vietnamese policy making. MRDP is, however, the only programme, that participates in the Policy Department's forestry section's development of annual work programmes. Two of the section's five test provinces are MRDP provinces. In conclusion, where new policies may not *originate* from the Sida/Sida sponsored activities, there seems to be an open channel for dialogue and influence in further development and testing at ministerial level.

4.7 Impact on farmers' behaviour

All farmers interviewed by the forestry team have been extremely well versed in rules, regulations and differences among all sorts of programmes, projects, incentives, subsidies, etc. They have compared their support options and chosen the one that offered the best opportunities, mostly on short sight. There has therefore been some sort of competition on this market place of subsidies. Whereas this certainly has a positive effect on the farmers' general understanding of the society's organisation, it is not very productive seen from an environmental; forestry, agricultural or economic point of view and nationally it will be outright counterproductive. The government has taken this into account by abolishing most subsidies, but the various donor funded programmes and projects are still competing for customers and proudly reporting their 'delivery rate'. The programmes have thereby become a reactionary force in a proactive society.

The FCP/MRDP's land use planning methods have increased the farmers' general understanding of and loyalty to their inter-dependency. They are all aware of their role in the cause – effect chain and how that spreads throughout the society. The FCP/MRDP, however, cannot take the entire credit for this change, as it seems to have happened throughout the country. The FCP/MRDP farmers have, through the participatory planning processes, realised that they, as individuals or as groups, *could* assume more responsibility for their own development. Whether this is sustainable in a positive manner is not clear.

All farmers interviewed have expressed a clear understanding of the environmental consequences of forest destruction and reforestation. They have clearly expressed that the situation has to turn very bad before they will feel tempted to destroy the forest cover again and the forestry team tends to believe most of these statements. What may be argued is whether the farmers have realised the correlation on their own or through projects and programmes. To some extent this is also irrelevant.

4.8 Impact on the environment

The environmental degradation that caused the vast areas of barren hills in the programme provinces over the last decades has been attributed to several issues. In the Northernmost areas, the presence of large military forces during the war with the Chinese has been blamed for much destruction. In other areas, a combination of population pressure for agricultural areas and the temptation from timber traders has been blamed. The effect of the armed forces has disappeared when the war activities stopped; the timber traders disappeared when the forest disappeared and the pressure for land eased.

With the improved lowland agricultural systems, the need for a sustainable water supply increased and focus shifted to the environmental effect of the barren hills. Letting the barren hill slopes fallow would have had a positive effect on the water balance but the influence of the forestry projects – FCP/MRDP and the government programmes – increased this positive effect. The evapotranspiration – precipitation equation shows most years a surplus of water whatever forestry (species) model is chosen. There is thus not any serious need to consider the water consumption of the forest areas as a competitor to the agricultural needs. The important part is the distribution over the year of available water for agriculture. This distribution has been greatly improved due to the forestry programmes and all farmers have reported improved cropping patterns due to the effect on the water cycle of the forests. This effect is by far the greatest achievement from the FCP/MRDP forestry activities, but it is achieved in concert with the Vietnamese government programmes.

Different forest compositions have different water retention qualities and the positive effect of some forest models is even disputed by some authors. The FCP/MRDP has not experimented with various models to find the most optimal model.

With the decreased vegetation cover some erosion took place, but not at a dangerous rate. The forestry team has not heard any evidence from farmers that the erosion was a serious problem, except for occasional problems with water quality. The forest cover has, however, improved not only the distribution over the year of the water from the hills, but also the general quality of that water as the amount of suspended solids has decreased – a sign of decreased erosion.

Most forest establishment has also had a positive effect on the soils under the forests themselves by forming new topsoil from their litter. This development does not have much direct influence on the agricultural production system, but will enable economically important non-timber species to invade the areas. One exception is certain Eucalyptus plantations that prevent most other species – herbs as well as woody species – from germinating under the plantation trees. This effect is even present some

time after the removal of the Eucalyptus. This negative effect, combined with growth and yield considerations, has moved the Tuyen Quang province to ban Eucalyptus planting.

The definition of forest within the programme area is very flexible and the team has inspected areas of e.g. tea under the shade of trees or bamboo classified as forest. The effect of these shade trees is basically an improvement of the meso-climate (the climate below and between the trees) in terms of temperature extremes, relative humidity and access of direct light. Without the trees, the production would not have been possible. As wind is not a problem in the programme area, no other effects on the meso climate has been mentioned by the interviewed stakeholders.

The model development for forest development has not taken the issue of meso climate properly into account when selecting methods for reestablishment of the natural forest. Most valuable forest trees require shade and high humidity during the youth, but the models have focused on the light tolerant pioneer species or exotics.

With the barren hills, the programme area was very poor in biodiversity before the improvement of the vegetation cover. Most mammals and other larger fauna were hunted to local extinction and birds were scarce and still are. The regeneration of natural forest areas have improved the situation dramatically what concerns the floral diversity but much is still lacking concerning the fauna. With the improved water quality and seasonal water balance, fishes are slowly returning upstream too. There is no data available, but it may be expected insects and soil fauna is returning too, an issue that is sure to have some impact on agricultural production as well as the availability of non timber forest products. The forest and bamboo cover that regenerate naturally on the barren hills show signs of a lack of faunal biodiversity for pollination, seed dispersal and natural decomposition as well as other benefits from flora/fauna symbiosis.

4.9 Impact on poverty

The Sida sponsored forestry efforts before the FCP were targeted at providing raw material to the pulp and paper industry. That the farmers actually would be able to benefit from this was almost a positive side effect. During the FCP and even more during the MRDP, poverty alleviation and social development became the main objective: *e.g.* social improvements *through* commercial production and production of wood for local consumption during the FCP period and social improvements *i.a.* due to *greening of the hills* during the MRDP. The changing of programme priority in its design is highly visible in the field. Where forestry during the FCP was promoted as a vehicle for cash income, it is during the MRDP included mainly as a protection of the agricultural production systems.

Several plantations established with the assistance of the FCP are mature and ready for harvest by now (mid-2000), but the villagers face a reality very different from the expectations. Expected production targets did not realise. A figure that was mentioned to us several times was a target of 150 m³ per ha per rotation of Eucalyptus. Reality is 20–30 m³. The Team checked this figure with the Forest Research Centre. The Centre staff explained that the 150 m³ target was likely to have been a figure originating from Indonesia from where the original seeds were imported. The model used in the programme was not a result of trials wherefore the Indonesian figures might have been distributed. The Forest Research Centre was well aware of a yield forecast of 20–30 m³ per ha, but was not aware of the 150 m³ expectations wherefore no corrections ever reached the villagers. Whereas the FCP to some extent focused on production of raw material for the Bai Bang Pulp and Paper Mill, the programme did not ensure the mill would receive the products in a manner that would be economically attractive to the forest farmers. Neither did it ensure the supply from the farmers was in sufficient quantities, nor qualities to be attractive to the mill. This became a problem with the liberalisation of the market

forces, which on one hand allowed the Bai Bang Pulp and Paper Mill to purchase where it was most economically advantageous, and on the other hand also allowed/required the forest farmers to establish their own marketing system.

The commercial role of the plantations established by the FCP has not lived up to the expectations. This is based on two concepts. Firstly, the idea of commercial plantations on small forestry plots was conceived in a period where the linkage between the programme and the Bai Bang Pulp and Paper Mill was clear, where the government influence was strong and where the mill could be expected to include social considerations in its procurement policy. Secondly, the FCP/MRDP failed to thoroughly train the producers in the market mechanisms that concern wood products: The quality and quality demands, price fluctuations, management and labour cost, transportation cost, intermediate storage, etc. The farmers have thus been caught with a product they find increasingly difficult to sell at a price they find attractive. Neither the FCP, nor the MRDP, have played a major role in sorting out this dilemma. The plantation of exotics has as mentioned had little effect on the economic well being of the participating farmers. The plantation of local species in 'natural regeneration' areas has been slightly different. In these areas individual trees of desirable quality have been part of subsistence living as well as economic safety. Single trees have been sold during hard times. This has enabled the farmer family when a little cash was required for food or other necessities. This has especially been useful and well utilised if the forest plot has been in the vicinity of the dwelling. The trees from these plots have also been useful for local construction. Bamboo shoots have been harvested in all forest classifications but at a level that did not threaten the bamboo forests' development.

The major impact of the improved forest cover has been the effect on the agricultural production system through stabilisation of the seasonal changes of the water balance. This impact would have come even without the FCP/MRDP or the government programmes, but these have in concert speeded up the process. The improved water quality and seasonal water balance has improved the supply of water for household use. Many houses have established piped (bamboo) water systems and are thus supplied with water free of agro-chemicals or bacteria from animal or human waste. The provision of clean water to the houses has decreased the workload of women normally charged with transport of water to the houses or laundry to the washing areas.

With the increased enforcement of forest protection regulations, it has been increasingly difficult for 'new' farmers, whether immigrants from elsewhere in Vietnam or locally born, to settle and to create a livelihood without either purchasing land or breaking the law. The farmers also face difficulties if the rains fail and they need to replace some wetland crops with dry-land crops. This situation will persist until the forests represent a commercial value large enough and accessible enough to carry the farmers through one or more successive seasons of failed wetland crops.

4.10 Impact on Gender

The team interviewed both men and women on forestry issues and found no significant differences in knowledge or attitude. All claimed to discuss environmental and forestry issues in the family and that decisions in reality were joint husband/wife decisions. As noted above, the impact in terms of better access to clean water has to some extent disproportionately benefited women.

4.11 Conclusions

There is no doubt the programmes and their advisers and staff have worked relentlessly to achieve the objectives in the programme documents. However, the rapid expansion geographically has diluted the effect of the programmes. Also the development in the society as a whole and the influence from the

large government programmes such as programmes 120, 327, 661 and the 5 million ha programme has overtaken the FCP/MRDP in many ways.

The FCP's objective of establishing a system of raw material production from small farm production units for industrial use has not been achieved. The verifiable increase of respected, designated forest land has increased dramatically over the FCP/MRDP period, but this increase can only marginally be attributed to the efforts of the programme. The farmers have on their own accord abandoned shifting cultivation as agricultural production in the lowland has been intensified. This has benefited the designated forest areas as the encroachment has stopped or at least slowed down. The FCP and MRDP have in concert with the government programmes contributed to the reforestation of those areas. The reforestation has been an environmental success that in the farmers' view outweighs the unsatisfied expectations of financial income from commercial forestry activities. Agricultural production has been on the rise as the water supply from the re-forested hills has stabilised, an aspect that has added to the decrease of shifting cultivation pressure on the slopes.

The FCP/MRDP have failed to establish successful, commercial production units. For one, the units, (from a few thousand square metres to a few hectares), have been too small and uncoordinated to be properly managed for quality and quantity of industrial raw material supply. Secondly – and this is the point the farmers note – it has only been possible for very few farmers to sell their products profitably to the Bai Bang Pulp and Paper Mill or other industrial buyers. The programme has, like so many other development projects, initiated a production without including the establishment of a marketing mechanism that reaches the market as well as the remotest of the producers.

The FCP and the MRDP have introduced established 'models' at implementation scale, rather than on a pilot scale, and has not been capable of further development of these models. We have not seen any significant examples of model development (=model adjustment) based on learning and experience from its own activities.

Forestry as a focus area disappeared when transferring from FCP to MRDP. The latter programme has not seen it as an obligation to maintain initiatives from the FCP period, a point of view that is not shared by the farmers. Further, the vision embedded in the models have not been sufficiently co-ordinated with the visions promoted by the Vietnamese Government, wherefore the two systems have been running parallel rather than in an integrated, sustainable manner. The FCP/MRDP has therefore had only minimal institutional or human resources development impact on the government organisations with which they have associated. Only government staff that directly have worked with programme issues have benefited significantly. There has not been an efficient monitoring system on forest development in either of the two programmes. This has hampered the learning process and has prevented the programmes from optimising models and from realising that the original objectives could not be achieved. The Creative Process has not furthered the creation of a successful programme. There has been shortcomings in appointing national as well as international advisors with the proper educational background; national or international experience; national, institutional linkage (national advisors); and individual independence.

The team is aware that a complete picture may not be grasped during a short mission. We have, however, attempted to verify the positive results mentioned in the vast amount of programme reports. This has proved difficult.

5 Extension and applied research

5.1 Programme activities

The MRDP (and earlier the FCP to limited extent) has conducted an overwhelming amount of training courses as extension for officials and farmers. There has been limited learning from a globally recognised prime example of participatory learning in agriculture, rooted in a department⁵³ of MARD.

While the ‘training of trainers’ appears to often be quite formal and hence less efficient, the training at village level has often adopted modern methods, involving the farmers in two-way communications. In such cases the farmers find it much more useful and interesting than the usual ‘lecturing’. Participants in village-level training have often received small allowances for attending the training or received free inputs (seedlings or fertilisers), which more than likely has increased attendance. Training at more central levels has been associated with per diems, which appear reasonable in size.

The Government training system, which MRDP has been following, is top-down: Provincial officers are trained, then they train district officers, they train commune officers, these train village extensionists (if they exist) and then these train the farmers. Higher level officers frequently visit the communes and farms and especially the district officers have quite detailed knowledge about the conditions and some individual households. Likewise, the advisors from the pool in Hanoi during MRDP have been frequent visitors in communes and villages, and the people there clearly remember these occasions.

Study tours have been conducted for officials and farmers to other provinces and districts, and as always, when farming discussions and learning is based on actual experiences and physical evidence, the learning has been swift and thorough. A large number of extension materials have also been produced. Neither the training, nor the study tours are different from what Government system conducts, but the inputs from Sida/Sida certainly have added a substantial volume. The training has, on the other hand, paid very limited attention to market issues – even if market developments in the programme period increasingly have been the main forces driving changes in agriculture and the life of farming families. Training – except at village level – and training materials have been almost exclusively in Vietnamese, and not in minority languages. Some extension materials have been produced in e.g. Hmong.

MRDP has in a number of cases supported development of extension broadcasts in TV and radio, as well as collaboration with newspapers, production of leaflets and handbooks. It has conducted training in media production and provided some equipment for this purpose. This is generally found useful, but is in no way unique, as parallel developments have taken place in other provinces and even nation-wide.

The extension system developed by FCP/MRDP relies on:

- a) identification by higher levels in the systems and possibly modification of a ‘model’ (crop, husbandry variety, farming system)⁵⁴ thought to be useful in a given location;
- b) testing of that ‘model’ in a ‘pilot village’ in a ‘demonstration’ at a ‘key farmer’ under supervision of extension staff;

⁵³ The ‘National IPM (Integrated Pest Management) Programme, (later renamed to ‘Integrated Crop Management’) implemented by the Plant Protection Department of MARD, with technical support from FAO, and financial/technical support from Australia, Netherlands and Denmark.

⁵⁴ It appears this path of depending on ‘models’ was initiated by a recommendation from a Sida monitoring mission to FCP. See ‘Termination Report’ by Bardolf Paul, 1995.

- c) a training course for other farmers; and
- d) visits by other farmers who learn and adapt the 'model'. The latter is called 'lateral spread' or 'farmer to farmer training'.

This 'system' is not different, except for the formal training, from what industrious and ingenious farmers or officials do on their own.⁵⁵ It also is identical to the methods of most extension systems in the World and to promotional demonstrations set up by pesticide- or seed companies⁵⁶.

The 'models' promoted by MRDP have been uniform across the programme area, and not always adapted to local conditions. E.g. fruit tree varieties have sometimes been promoted in areas, they were not fit to grow in. The 'models' are almost exclusively identical to the ones the Government promotes with the goal of obtaining food security and increasing production of cash crops. The most common ones seem to be high yielding varieties (often hybrid) of rice and maize. Others, which occur in high numbers, are fruit trees (longan, litchi, citrus, mango, persimmon) and livestock (pigs and cattle, some chicken and ducks). A few more complicated 'models' are more like 'farming systems', e.g. the SALT ('Sloping agricultural land technology'). The number and diversity of 'models' is limited, and local species and varieties of crops, land races of husbandry and local knowledge is collected and disseminated to an almost negligible extent. In a few midland areas 'farmers interest groups' have been formed, for farmers producing specific crops.

The Government system provides very substantial subsidies to mountainous areas and poor households, by paying transport of inputs (seeds and fertiliser) and selling these inputs at subsidised prices, with larger subsidies for poor households, through the Agricultural Services Supply Company. Three provinces (not in MRDP) have pioneered a system where the subsidies are provided to the households directly, and these then chose suppliers on the open market. MRDP has added to this subsidy system, for the time it has operated in a certain area, by providing subsidies for fruit trees, and forest trees (which are not always clearly distinguished in Vietnam), crop seeds and fertilisers, as well as credit for crops or livestock. Poorer households have sometimes received higher subsidies⁵⁷, but also more wealthy ones have received, some of which openly state they did not really need it and considers the credit unimportant because of the limited amounts involved.

FCP/MRDP has in cases pioneered the position of paid village extensionist, who also acts as the anchor for the rural credit schemes. It has further provided substantial amounts in allowances for officials and farmers attending training. In general, programme staff in extension is highly motivated, energetic and knowledgeable, which is reflected in their high regard they are kept in by villagers. The applied research has been so poorly documented⁵⁸ it is hard to judge. But officers and farmers often hint to it has not always been very applied. Certainly some local testing and adaptation of 'models' has taken place.

5.2 The change process in the 1990s

In 1991 *Doi Moi* was just started, agricultural land had been allocated to private households and agricultural production was increasing rapidly. Accumulation of capital in the rural households started, frequently with the raising of pigs, for the market. Until 1993, ownership and user rights were based on the Land Law of 1987, which maintained ownership with the state but allowed user rights for 3–15

⁵⁵ See Gibbons & Yen (1999), section 4.1 to 5.3 for a more detailed description.

⁵⁶ See also report by Gibbon & Yen, section 4.2 and 4.3

⁵⁷ Davies & Krantz (1999, p. 35) show this is not always the case, sometimes more wealthy households have been favoured.

⁵⁸ See also Report by George & Hung (2000) section 7.1.2 – 7.1.5

years. These were however, not transferable and could not be used as collateral. With a new law in 1993 the period of use-rights are extended (initially to 20 years for annual crops and 50 years for perennial crops and forests), Land Use Right Certificates were introduced, user rights became transferable and the land could be used as collateral. Extension department was founded in 1993 based on a Government Decision (Decree number 13 of 1993). Vietnam became a net exporter of rice in around 1992. Each province and district had to ensure its own 'food security', meaning that self-sufficiency in rice had to be secured. In most of the areas covered by FCP/MRDP this was only partially possible and Government programmes had to provide additional rice, especially in highland rice. Shifting cultivation was quite common in the provinces here in question, especially in the highlands. This led to severe pressure on forest land and to problems with erosion.

Agricultural production is growing rapidly, food sufficiency is secured in all but the most remote areas due to new varieties and increased inputs in addition to increased irrigation. Still many villages are left 'on the fringes' with insufficient food. Staple crops (rice and maize) and other agricultural products can now be traded freely over provincial borders. There is also a rapidly increasing diversity of crops, some of which have proven successful, but many of which have either failed to grow, or more frequently failed to find a market. Many attempts are being made at intensifying meat production and introducing dairy farming, especially in highlands. There are however, very little considerations about markets in the agricultural development and limited policy attention seems to be given to this issue. Farmers learn about markets the hard way; first they produce then they discover whether the market wanted the products or not.

There is a huge agricultural producer in China, just North of the programme provinces – but it is also a huge market, already being explored in a few instances. Vietnam has joined ASEAN and committed itself to removal of import duties and taxes, has developed trade with EU, several major Asian markets and has further entered into a trade agreement with the USA. All of this increases the impact of outside forces on Vietnamese agriculture and rural development. Most communities formerly living from shifting cultivation have now settled and are producing in more intensive agricultural systems such as terraces, paddy rice, intensive maize, than the shifting cultivation. During the 1990s the 'frontier' in Vietnam, between mainstream and remote areas, has constantly been pushed further uplands and towards the 'fringes', due to development of infrastructure and markets.

Several Government policies support agricultural and rural development on the lowland and midland and some highland parts of the provinces – mainly those accessible by roads: subsidised supplies of fertilisers and seeds, extension system, in some provinces all the way to village level. There exists a well-functioning extension system that promotes technologies that suit centrally decided policy goals – which for the programme period has been food sufficiency – through a wide network, from the Government (MARD) to provinces to districts to communes and in some instances to villages. Messages are 'passed down', frequently followed by inputs that promote the policy. The system promotes a limited set of technologies (crops, varieties, livestock species and cash crops), which are found productive in mainstream areas. The extension system is linked with a wide system of applied research stations, dedicated to certain crops (maize, rice, fruit trees etc.), husbandry or to e.g. irrigation. In their work these focus on agricultural development in mainstream agricultural areas. In these areas the Government covers the need for extension and farmers even have surplus so they could possibly pay for extension.

Some remote, highland areas are not yet part of this rapid development, as their conditions (accessibility, land types, climatic conditions, education and availability of inputs and capital) calls for different technologies and approaches. They are now targeted increasingly by a number of Government programmes such as programme 135, donor-supported projects and also to limited extent by MRDP and

they receive higher-than-normal subsidies for Government supplied seeds and fertilisers. The situation in the five provinces covered by the FCP/MRDP is not much different from the general situation or the differences are impossible to detect. Differences may well exist by training levels of officials and farmers being somewhat higher and speed of introduction of 'models' being somewhat faster in the FCP/MRDP areas.

5.3 Overall impact of FCP/MRDP

Some major problems with the work of MRDP (lack of market-considerations, lack of flexibility in the technical models and their promotion, limited use of field experiences at the central level), were already pointed to in the terminal report of the FCP-extension advisor. Little seems to have changed since.

FCP/MRDP has provided a large amount of inputs and training to households in the programme areas and this is likely to have raised the incomes and well being of those households. Due to the absence of monitoring, including baseline studies and impact studies, the impact is however, very difficult to assess⁵⁹. There exist isolated records or almost anecdotes of 'models', which have been promoted in certain areas. No effort at systematic synthesis of experiences seems to have been undertaken at Programme level⁶⁰ in clear violation of the Programme Document. Individual extension staff in FCP/MRDP and the DARDs clearly have evaluated trials, but the information has only rarely been analysed and written up and thus made more generally useful. The models have not been systematically evaluated, and their performance is assessed only locally⁶¹.

It appears the models have been introduced hastily, without consideration of and training in evaluation and monitoring. The focus has been solely on 'getting them out there'. How this conforms to method development is a mystery. As the MRDP extension process is poorly documented⁶², it is impossible to discern what impact FCP/MRDP may have had over and above the spontaneous lateral spread of agricultural technology and information process, even in specific cases – as recognised in the Village Monitoring and Review form 1998. Likewise, it is in most cases impossible to separate what impacts the Government programmes have had besides or over and beyond FCP/MRDP in a given area.

5.4 Impact on food security and agricultural production

There are many clear examples of FCP/MRDP interventions having had positive effects on local food security at a given administrative level, but not necessarily at household level, or improved production of cash crops. It is however, unclear how much these cases add up to, and how soon the Government rural development efforts would have caught up in the FCP/MRDP areas, had the programmes not been there. It is evident, the Government programmes (e.g. the subsidies or Programme 135), even in FCP/MRDP areas, have often provided much more substantial inputs into increased food production than has FCP/MRDP, e.g. through building of large-scale irrigation systems. It appears FCP/MRDP has sped up, by providing funds and expertise, the general trend for intensified agricultural production and hence food security especially in areas suitable for paddy rice production or intensive maize production and less so in true highland areas and other areas difficult to reach.

⁵⁹ See also George and Hung, section 7.1.10 and Flint & Nguyen, section 3.21. The Midterm Review Report for FCP (p. 4) stated 'The understanding of the value of monitoring as a management tool for the owners of the programme is limited'

⁶⁰ Except a quite meaningless set of tables in the 'Village Monitoring and Review Study', from 1998; section 4

⁶¹ An outstanding exception is a recent study by Bui The Hung: Review of the Development of SALT models in the Vietnam-Sweden Mountain Rural Development Programme, May 2000.

⁶² See also report by George & Hung (2000) sections 7.1.10 and 7.1.11

5.5 Impact on Human Resources Development and institution building

It is evident that the volume of training must have contributed substantially to improvement of knowledge and skills among officials and farmers in the programme areas. As Vietnamese agriculture often lack information and officials and farmers are very keen to learn, this support has been very useful and is highly appreciated. It is equally clear that the process of village planning has contributed to increased skills in villages and communes. It is therefore so much more regrettable that no thorough documentation of these effects exists. It remains unknown who has benefited how much, what exactly has been taught and what impacts the trained persons and their increased knowledge have had on poverty reduction, environment, agricultural production and other key elements of the programme.

The programme's support for the village extensionists⁶³ may have helped pioneer during FCP times a viable institution at least in some areas, as the Government system is already funding the positions in several cases. The appointed persons seem willing to continue and if the Credit and Savings schemes can develop true revolving funds this seems even more likely. Likewise the Village Management Groups may prove viable institutions in some cases. Both institutions will become much more sustainable if continued support (training, allowances) will be provided by the Government and if the 'decentralisation decree (no. 29 of 1998)' is implemented to its full intent.

There is very little inter-institutional collaboration with other Government agencies at MARD-Hanoi level and in Phu Tho and Ha Giang provincial administrations. MRDP projects are almost 'project islands' in Ha Giang not even collaborating very much with the Extension Department or the IFAD project. In Tuyen Quang there is however, good inter-institutional collaboration and collaboration with the IFAD project in this province. At central levels MARD seems to cling to the programme and not let other agencies in. There is institutional infighting between e.g. Extension Department and Plant Protection Department. The latter possess a wealth of experiences in participatory training and promotion of farmer's groups, which are only used in MRDP if local agencies or officers 'break the front', which certainly does happen. Likewise, strategic analysis and development of ideas seems to be isolated from similar efforts in MPI.

5.6 Impact on method development and policy

Most likely some villages will continue to apply PRAs (in modified forms) and 'bottom-up-planning', but the extent is unknown and will depend on forces outside MRDP. The extension methods applied have been the same as in the Government system or as those used by any pesticide or seed company. The Farmers Interest Groups may in some cases develop further, but would undoubtedly had been formed and developed even without FCP/MRDP support as similar groups have formed in many other areas.

The agricultural methods ('models') are not new⁶⁴, but taken either from research institutions or from supply companies and farmers have known some for ages. But FCP/MRDP, through its inputs of advisers, has sped up the refinement and application of these 'models'. How much is impossible to say, due to the lack of records and analysis. According to the terminal report of the extension advisor in FCP a well-developed system for gathering experiences from extension and learning from these, was in place. What may have happened to this during MRDP is unclear.

⁶³ This position was pioneered by FCP. In Ha Giang and Tuyen Quang the Departments of Extension however, have deployed paid village extensionists in many villages. The Agricultural Services Supply Company mentions village extensionists as distributors/sellers of agricultural inputs. It is therefore unclear exactly what contribution the programme has provided.

⁶⁴ See also Gibbon & Yen, Section 5.1

While FCP may have had some impact on policies, MRDP has in the view of the extension sub-team had very limited impact on extension policy. On the contrary, the Government's extension policy has been executed through this Programme with little modification. MRDP reports sometimes state that the Programme has had impact on development of national and provincial extension policies. Several provincial heads of extension departments however, when asked, deny this claim. Further, the process of alleged impact seems undocumented. The so-called Farmers Interest Groups created in a few instances by FCP/MRDP are presented as a novelty. The National Integrated Pest Management Programme, IMP, however, has seen Farmers IPM Clubs arise spontaneously from the early 1990's, and in this programme they have become well established and numerous, unlike the somewhat elusive groups in MRDP.

5.7 Impact on farmers behaviour

Farmers in the programme have increased their understanding that land management influences water availability. But again, the general development of Vietnamese society may well have contributed the bulk of this change. Through the intensive training activities the programme has informed farmers about rice, maize and fruit tree cultivation and livestock management. Especially for ethnic minority communities the programme has managed to reach, this has been new and thus affected their farming methods and agricultural production systems in the direction of adopting systems that are developed in lowland areas (irrigation, paddy rice, permanent fields). The exposure to PRA has more than likely opened up for increased planning and management activities by some farmers, but – yet again – this impact is undocumented and hence difficult to assess. Farmers participating in the programme explain they have learned a lot about the difficulties of markets. Especially those who have planted cash crops have sometimes learned it the hard way by being hit by unexpected difficulties. This is however, general for Vietnamese farmers in the 90's.

5.8 Impact on the environment

Some of the 'models', especially those which include tree-planting and terracing on sloping land have improved water retention and hence increased local water availability. They have also reduced soil erosion and increased tree-coverage. The 'models' that have been promoted in most cases require increased input of chemical fertilisers and pesticides⁶⁵, which – despite currently low intensity – may lead to environmental problems. In some areas the National IPM Programme has conducted training on reduced use of pesticides and improved crop management. This has diminished the use of chemicals in those areas. The training has only rarely been initiated by MRDP, and most frequently by the IPM Programme itself or by IFAD. The 'models' have pushed out indigenous varieties and landraces. This reduces agricultural biodiversity. The genetic variability thus lost may be sorely missed in later agricultural developments.

5.9 Impact on Gender

There has been very little activity, except training sessions. During our interviews in the field, gender-issues were not mentioned by anybody, except that they had been to training about them. Participation in training varies, from 30% women to close to 50%.

⁶⁵ In Phu Tho the printed extension materials from MRDP uncritically recommends use of pesticides for pest management. These recommendations had not been cleared with the Plant Protection Department and were found to be technically faulty, even within the 'pesticide approach to pest management' itself. A study by the MRDP extensionist in Phu Tho shows a increase in fertiliser and pesticide use in project villages of about 10 times from 1990 to 2000.

5.10 Impact on poverty

There are two main groups of poor in the rural areas:

- Individuals who are disadvantaged (less ability to work, less availability of land and/or capital) but live in otherwise thriving communities
- Groups/communities who are based on poor and sloping soils, in remote areas, have less access to education and other Government services and very little access to markets. These are mainly, but not exclusively, ethnic minorities.

As FCP had not a poverty objective, our comments here concern MRDP only. In a given village the support of MRDP has not been directed towards the poorest households, as they may not be able to absorb it, but rather towards households with sufficient capacity to explore the new opportunities ⁶⁶. Thus, group 1 is mainly untouched by MRDP.

Group 2 is also only supported marginally, for several reasons: a) only in its latest development has MRDP aimed at reaching these communities, but has still left selection of Programme areas largely to the Government institutions; b) as no special incentives have been promoted for the work in remote and 'difficult' areas, they have largely been left out, sometimes with the explicit reasoning that they were too remote ⁶⁷. In some, highly disturbing, cases extension advice may well have lead to increased poverty. For example, some farmers have been encouraged to invest in cinnamon trees at a time when the price of cinnamon was good. When harvest time came, the prices were so bad it did not pay to produce any cinnamon. Similar may well happen for many of the fruit trees, when they become ready for harvest in the coming years.

5.11 Other major sources of influence

FCP/MRDP documents and reports rarely acknowledge the forces outside FCP/MRDP, which are driving the changes in the agricultural production in northern Vietnam, such as:

- Ingenuity and hard work of farmers, their ability to learn from different sources such as relatives in other places, newspapers, TV, news from friends who have travelled, training, requests to extension system etc.
- The Government extension system.
- Efforts of Government programmes, often several magnitudes larger than FCP/MRDP, or other donors.
- Changes in the market forces in Vietnam, and their influence on production.
- Presence of a very large agricultural producer and market in China, just north of the five FCP/MRDP-provinces, of which two have direct border with it.

The reports thus give an exaggerated and distorted picture of the importance of FCP/MRDP and in the informed reader leaves a feeling they been conceived and written inside a glass bowl. This is even true of some reviews and other reports by 'outsiders', with some outstanding exemptions such as the poverty study by Davies & Krantz (1999).

It is our opinion, that these other factors have had immensely much more effect than FCP/MRDP itself, and must be considered carefully in any attempt to understand FCP/MRDP and design possible

⁶⁶ Davies & Krantz (1999) puts it: 'Households needed to fit the models, not the other way around'. See also final report by the former Team Leader, Jerker Thunberg

⁶⁷ See Davies & Krantz (1999) Summary item 7.

continued support. Especially in more remote areas with difficult road access, farmers producing for the outside markets are often at the mercy of one or a few middlemen who dictate prices and conditions. The programmes seem to have done very little to address this question, except the market information system. This however, helps very little, where no alternative buyers exist.

5.12 Who were the beneficiaries?

Officials: A number of officials from central MARD over provinces, districts, communes and even villages have benefited through training and study tours. While the in-country training and study tours probably has been largely useful, it is less certain what the international study tours have contributed, other than possible 'team building'

Farmers: Farmers in project areas, who have been able to invest in the new models, have benefited. Some have also received free inputs for 'demonstrations', often villager leaders ⁶⁸.

Researchers: researchers, both at MARD and provincial levels and in Vietnamese research institutions have benefited through paid work for FCP/MRDP.

Consultants: The advisors in FCP/MRDP have produced some studies, which will benefit their academic and consulting careers.

5.13 Sustainability

In the overall picture of rural development in Northern Vietnam probably no agricultural production system as such is sustainable, unless the issues of population growth is dealt with (there are some encouraging signs this is happening). The intensification of agricultural production is more than likely approaching a ceiling, or at least a point of diminishing returns. And there is not more arable land available for all the people in the future generations. For poor farmers sustainability of the promoted kind of agriculture is questionable. They have received subsidised inputs for an input-intensive type of agricultural production system, which they may well be unable to afford when the project subsidies subside, even if the Government subsidies remain.

For wealthy farmers the Programmes are sustainable as far as the agricultural production systems being developed are sustainable. In economic terms this is probably the case, but increased use of chemical fertilisers and pesticides may become environmentally unsustainable, unless a clear policy and implementation addresses this. It is further an unresolved question whether the new cash crops being introduced will find sufficiently large and sustained markets. The reliance on few, mostly hybrid, high-yielding varieties in large areas (estimated at between 20–40% of e.g. rice area in the different provinces) of crop production is a high-risk undertaking. The supply chain is single-stranded for any given variety and thus potentially vulnerable and the reduced genetic variability invites potentially disastrous pest- or disease-outbreaks, even if there currently are few problems. But FCP/MRDP has had negligible effects on these issues, at it has been following the Government's general policies and market trends quite passively.

⁶⁸ See final report by Jerker Thunberg, p. 7.

6 Rural finance system

6.1 Background

Credit was introduced in FCP as part of the extension package disseminated from the provincial and district Agricultural and Forestry Departments⁶⁹. Since then these Extension Departments have been the managers of the credit programs, also in MRDP. Disbursement took place through the formation of saving and credit groups, SCG, in the villages. Member of the groups were those who were involved in or benefited from the extension activities and its models. Starting with an average 50 million VND per village, the credit funds enabled the program to demonstrate outputs from a combination of training, landed assets and capital. The credit was used mostly for pig rearing, fish-ponds and short term investment to tie over the deferred envisaged income from the long term investment in tree-planting. Credit effectiveness was assumed enhanced by being coupled to an integrated farming system approach. Credit disbursement under the FLFP project became linked to the outcome of a Participatory Rural Appraisal in each village. The PRA resulted in the establishment of a Village Management Group, consisting of three people selected in the village during the time of the PRA.⁷⁰ This VMG became the nodal point for extension and for monitoring the revolving loan fund along with the province or district government officers responsible for the project. The VMG remained an informal institution that was carried over into the MRDP. The money was lent to the VMG, which in turn lent it on to the individual farmers. No interest was charged to the village, while the VMG is said to have charged a certain percentage to the farmer, normally 0.5%/month.

6.2 Rural Finances 1990–95

After three years of operation (June 1995) the total FCP credit volume for farmers surpassed 2.5 billion VND or 250,000 USD⁷¹ and with interest and savings the total amount in circulation was estimated at 2.8 billion VND. 79 villages had entered FCP credit schemes with 6,000 households (assessed to be 65% male headed and 35% female headed), i.e. half of the present day number. More than two-thirds of credit had been invested in animal husbandry and slightly less than one-third in tree and crop

⁶⁹ The assessment of the RFS is based on 1/own field observations and interviews, as well as 2/the following reports which are *not* brought into the text for constant reference: FCP Midterm Review April 1994; FCP Monitoring Reports 1994 and 1995; Main Program Document for MRDP, June 1996 as well as provincial project documents; MRDP Annual Programme Progress Report 1997; MRDP Annual Progress Report with a Mid -Term Perspective 1998 (pub. May 1999); MRDP 3 Year Progress Report, draft May 1999; Review Report of the PAG Dec.1998; Accounting and Financial Reporting Study of the Rural Finance Component of the MRDP – Village SCG, April 1999 by Price Waterhouse; Agreed Minutes from the Semi-Annual Review between MARD and Sida re MRDP, December 1998; Agreed Minutes from the Annual Review between MARD and Sida re MRDP, June 1999; Memorandum of Understanding MRDP/Sida Oct. 1999; Strategy for RFS, 1998 Policy Binder of MRDP; Final Report by Alan Johnson, RFS advisor, May 1999; Review of Objectives, Monitoring and Policies by Michael Flint and Nguyen Xuan Nguyen, Sept.1999; A Study of perceptions and responses to poverty within the MRDP, by Rick Davies and Lasse Krantz, August 1999; Assessment of the Rural Financial Services Component of the MRDP, Final Report, August 1999; Sustainability of saving and credit groups in Phu Tho MRDP, Feb. 2000 by William Smith, RFS advisor; Sustainability of saving and credit groups in Lao Cai, March 2000 by William Smith, RFS advisor; Perspectives on Saving in MRDP, April 2000, by William Smith, RFS Advisor; Sustainable Interest Rates for MRDP savings and credit groups, April 2000, by William Smith, RFS Advisor; Rural financial Services in a new phase of MRDP: a technical perspective, by William Smith, RFS Advisor; Towards Sustainability of Financial Services in the MRDP, Final Report June 2000 (by Poul Ojemark and Le Huy Du); A Strategic Study on Current Perceptions, Plans, Policies and Ongoing Activities related to Upland Development in Vietnam, June 2000 (Sida report by Thorsten Celander);

⁷⁰ See chapter on PRA and Decentralisation

⁷¹ Measured by the exchange rate of 1 USD = 10,000 VND in the early 1990s

plantation. Only 2% of investment were said to have failed and repayment was recorded as high, with a small overdue of VND 20 million. Repayment took place to VMG that immediately sent the money in circulation again, to the same person or to the neighbour.⁷²

By 1995, when the FCP was fading out the Vietnam Bank for the Poor, VBP, under Vietnam Bank for Agriculture, VBA, came into the picture in rural Vietnam with provision for much broader coverage. Thus, for instance to compare, in Lao Cai province the VBP had 10 billion VND outstanding but the FCP only 160 MVND. This highlights a common feature of the FCP and later of the MRDP that relatively small amounts of donor money actually have been available *at the village level* to implement activities, credit and others, compared to rural development inputs from the Government of Vietnam through various state mechanisms.

During the preparation of Phase II two lessons had become clear from FCP in 1995, namely that the poor had not had access to the credit, that VMG gave credit to those who had the ‘capacity’ meaning land and labour and that special endeavours were needed to reach the poor. This was learnt from many studies undertaken in Vietnam during the 1990s and from NGO work. Secondly, it was noted by end of Phase I that the future more comprehensive rural finance system should *not* be channelled through the state administration such as the DARD, that did not have the capacity, but collaboration should be sought with the rural banks from the beginning.⁷³ It had also been learnt that the really poor in the uplands were hesitant to get involved in credit and that credit for consumption might be necessary for the poor to tie over difficult periods thus allowing them to continue work in the land instead of seeking survival elsewhere.

These recommendations and knowledge generated particularly within the NGOs were not brought into the design of Phase 2, except for statements of the need to collaborate and disseminate lessons learnt (models) from MRDP to the banks. At the start of MRDP, RFS was again based on the distribution of subsidised credit to farmers and ‘interest groups’ formed by the extension services. There were no program-wide regulations and no standard bookkeeping system. Each province was responsible for their own credit models and reporting system. As a consequence it was difficult to compare models and performance across projects on how to do things, including forming groups, size of loans, production purposes, since each province had done according to its own thinking. No provincial DARD had any relation to the banking system. Selection of project villages and borrowers lacked transparency.

The vesting of credit management with the provincial extension services has meant that by 1999–2000 the MRDP is (still) battling with how to reach the poorer farmers⁷⁴, how to retrieve the principal to start afresh and with how to persuade the VBP to take over the RFS of MRDP along with the informal SCG. This take-over rests on the assumption that these groups themselves wish to be formalised under VBP. Also the Project Advisory Group (PAG) later in 1998 had raised doubt regarding the capacity of DARD to support a credit program and recommended no disbursement of new credit in 1999 and to raise interest rate to 1.2% like the VBA.

⁷² As against the figure of 2,8 billion VND quoted for the FCP, the RFS Strategy Paper of the later MRDP estimates that around 6.6 billion VND had been disbursed between 1992 and 1996 (FCP time). Precise figures on how much has been disbursed under FCP is not readily available, but the disbursed FCP capital is part of the total disbursement of 12 billion VND by end of year 2000.

⁷³ The project Monitoring Team in 1995 notes with great satisfaction the general development of extension and credit but says that when it grows (in Phase 2) it should no longer be channelled through the State Administrative Apparatus.

⁷⁴ This would not have been different had it been the VBP

6.3 Background to RFS under MRDP

The stated goal in the Program Document for MRDP was that the RFS should develop and introduce, in co-operation with professional banking organisations (e.g. VBP), a viable rural finance system for upland farmers. This system should be based on their short-term and long-term financial needs and adapted to their socio-economic situation. However, later in the document's text it turns into a wish to see the evolution of grass-root community-based credit organisations characterised by linkages to the formal system (*so that the formal banking system can learn from the grassroots experience*). In line with the emphasis on model development and policy feed back (as against implementation and investment) the MRDP “*would test a range of alternative strategies and models for financing upland development to generate field experience that could be used in the on-going refinement of national policies and strategies*”. Looking back it does resemble over-confidence in own abilities and an unawareness of the provinces' autonomy.

The justification for continuation of the RFS from FCP had been that in upland areas, the limited outreach capacity of the banking organisation meant that physical access to the banking/credit system was difficult for many farmers. Transaction procedures were and are also complicated especially for people from ethnic minorities who may not be literate in Vietnamese. In many cases the banking system has limited institutional knowledge of the requirements for credit in these areas.

The 7 End Results in the Programme Document of 1996 focus on *development of models*. This focus permeates the program and seem to have been carried out at the possible expense of differentiating between rich and poor for the benefit of the poor, and at the expense of providing sufficient funds for uptake of agricultural investment by those who are not model – farmers. The focus of the End Results in the main program document also *contrasts* with the visions in the provincial project documents formulated through the *creative processes*. These Visions are all related to livelihood and healthy environment and RFS justified by the fact that financial products otherwise available to the target villagers were limited. The Vision of provincial documents is focused on implementation and does not entail a Vision of development of models, as does the main document.

As regulations for SCG became formulated at the Ministry Project level and a growth path (level 1,2 and 3)⁷⁵ through levels of competence designed the End Results by 1998 were expressed as:

- i. 50 groups have reached level 2 in the growth path
- ii. experience disseminated to the banking system

6.4 Program level strategy for RFS

In 1997/98 a ‘strategy’ for RFS was formulated at program level. The strategy was 1) capacity development through training on regulations and accounting; 2) build linkages to financial sector including People's Credit Fund (PCF); 3) improve monitoring; and 4) reach the poorer villagers.⁷⁶ Already by 1997 the Rural Finance Working Group at the Ministry level held meetings to define more closely the RFS strategy, some regulations and conditions, an accounting system and a pilot VBP collaboration for six sites in each of the five provinces (30 sites). The first items were completed by end of 1997, while the pilot program with the VBP was submitted to PBO for approval. The year of 1998 was designated

⁷⁵ Qualification for level 2 status in the growth path requires that savings and retained earnings should reach at least 25% of loan funds (on average 5% recorded in real life by 1999). Requirements for level 3 entail 40 million VND in institutional capital. The growth path also contains social indicators such as from being a selection of individuals to become a group that has corporate status and can interact as an intermediary as such (with the formal banking system).

⁷⁶ The RFS strategy paper that is part of the MRDP ‘Policy Binder’ is an updated version of an older RFS strategy, but like other MRDP documents, it unfortunately does not carry a date for the updating

as an RFS training year (seven modules). All 250 groups were trained and those with capacity to reach level 2 got more follow up. Talks with VBP took place and a draft agreement between vice minister of MARD and VBP was drafted entailing a promise to supply additional 800 MVND by both sides. Around 23 pilot groups were meant to be formed of 466 members by 1998, but may not have come into existence until 1999. As of 1999, the number of members are around 12,000 persons in 300 groups, and the total outstanding is 10,6 Billion VND. Most loans are for livestock development.

6.5 The battle for financial sustainability

The regulation of interest rates on rural credit by the Government at policy level has not been favourable to foster financial sustainability. The Government regulations set standards for MRDP interest rates too. Many banks in Vietnam report annual profits, but unreported and doubtful debt has led to the conclusion among observers that few banks are profitable. Ceilings on interest rates do not permit a margin to cover transactions cost. Stipulated interest rates for MRDP SCG have been so low that a sustainable mechanism for financing, for instance, financial and prudential costs, in addition to group administration and management, has not been possible. There are also SBV restrictions on institutional mechanisms and control of interest rates that prevent the SCG to cover transaction costs, if they so wanted. In 1999, costs of borrowing from MRDP (project accrual interest) were 0.15% (level 1), 0.05% (pilot level 2), or 0.56% VBP pilot. In addition to project-level interest, there is interest paid by group members to the group to cover management and bookkeeping. However, while there are specific regulations for this issued by the project the impression from the field in July 2000 indicates that each group more or less operates according to its own rules on interest rates.

There have been many attempts by the project to analyse the situation and several recommendations on technical improvements necessary to reach the End Results are found. An audit by Price Waterhouse in 1999 of a sample of groups gave rise to a number of recommendations based on findings of major flaws. Analysis of the situation by the Ministry Level Working Group also emphasised that interest rates must cover operational costs, financial costs including interest paid on members' deposit, prudential costs against risk and possibly growth costs *if the groups were to become sustainable*.

6.6 Flaws in SCG financial management

In the case of the MRDP credit funds, financial management and decision-making is centralised to the provincial level. The organisational set up for RFS is a four level system of SCG, commune, district and province. One of the results has been the slow process of credit approval, including provincial approval of each (first) micro-loan to the SCG members. Some of the local MRDP/RFS credit activities, in particular those based on savings within the SCGs, have never been controlled or even adequately monitored by the provincial and district offices. The provinces and project at that level have mostly been interested in disbursement. There are discrepancies in data under MILS originating from provincial reporting. No sanctions have been taken against breach of regulations. The Ministry Project can monitor rules and regulations and policy, but it cannot enforce regulations. Provinces have autonomy and exercise this autonomy in various ways.

In the field, the provinces disbursed the credit, but districts were responsible for collecting and reallocating of funds at recommendation by VMG. Unofficially the provincial authorities have indicated that only half of the members were able to pay the loan back when due. Furthermore, repayment has often occurred through a roll-over mechanism where borrowers took informal loans from neighbours or others for a couple of days to repay the loans only on order to take it back and pay back the neighbour. This they did on the assumption that then they would qualify for new loans of the same amount

implying that the same persons in the group continue to hold the money and no new persons, be they poor or rich, could get a loan when their turn theoretically came. Regarding savings and the requirement to save prior to loan disbursement, there has been a widespread breach of MRDP/RFS regulations by the groups, which stipulate that members must save both prior to loan disbursement and subsequently regularly. Evidently many groups do save, but the rural finance team has not seen any consolidated figures on the amount of savings in the FCP/MRDP SCGs.

It was noted in the Price Waterhouse audit that farmers understand responsibility for loan repayment and loans were used for productive purposes. However the study also found that the reporting was very poor; no financial reports were submitted to districts for input to MILS; the accounting system was too complex; and that a lot of loans were rolled over combined with no information on the actual performance of individual loans reported. In Lao Cai the study found that there was no requirement on repayment except to the group itself and there is therefore no way to assess repayment rate. In Lao Cai, none of the groups visited during 2000 by the Ministry Working Group on RFS made more than a cursory use of the MRDP bookkeeping system.

The Price Waterhouse Audit in 1999 formulated a number of recommendations that were partly accepted by the project management, but in 2000 many decisions from the audit have not been implemented. Thus, a number of technical assessments, audits and conclusions on the performance or rather non-performance of the SCG have been carried out all pointing to lack of financial sustainability of the groups except for those that reach level 2.

The urge in the first project years of MRDP was to engage in fast dissemination of credits for model building and broad objectives. This has contributed to the present uncertainty about sustainability of the SCG. It happened at the expense of preceding support to the building up of social capital of SCGs. The disbursement is deemed fast in the sense of not collecting MILS data on the borrowers, not ensuring the SCG is a *group* that could develop social capital consisting of mutual trust, and low cost of assurance and transactions within the group. The peer pressure and the social capital created through supportive processes⁷⁷ are globally recognised but such support could not be rendered by the Extension Departments (as it is not really their job).

Other linkages among group members such as being a member of an interest group for tree planting or grazing land development could also develop a social capital to make up at a later stage the warranted social collateral and joint liability. Despite the many studies of RFS under MRDP, the ones which have not have been carried out are those that would have helped us understand the internal workings of the groups. This would appertain to whether social capital was built up or not, whether poor and rich could work together in the groups, and whether the MRDP should just leave them alone and forget about linking them up with the formal banking system. There are, however, structural impediments to the latter as the MRDP eventually needs to retrieve the principal.

6.7 Membership, social capital, social cohesiveness and the poor

The SCG came into being in tied association with the extension packages and models promoted under the program. Members of SCG are often those who 'became involved' in the very first instance when the first PRA took place and the first model farmers were selected along with the VMG. Through the extension service the project provided land use- and/or livestock models free of cost to the model farmers to the tune of 2–3 MVND per household, along with subsidised inputs. Additional investment

⁷⁷ Supportive actions in the Bangladesh Grameen Bank consisted of subdividing village groups into smaller groups of five each, and of conducting evening classes in literacy where the topics were linked with economising behaviour, including saving and credit.

by the farmer – and his neighbour, who did not get a model, but who was to learn, was seen to come from the credit disbursed. Credit groups with an average membership of 40–50 members emerged, some reaching to a hundred, the number determined by available credit.

A SCG was not a group prior to the start of FCP/MRDP and the programmes as such had no means to nurture a group building process since it has been lodged with the Extension System which neither has the manpower, time, transport nor sufficient training for this. With the VMG selected during PRA, this VMG group also became responsible for selecting those who could be ‘involved’. It is in this connection noted, that the rural finance team while in the field often heard about ‘those who were involved’ presumably as against the rest of the village (the poor) who were not ‘involved’. As it is, we have no studies on the internal workings of a SCG, – who they are, how they communicate, meet, deposit and revolve the funds. The vast majority of loans seem to have remained within the same group (those ‘involved’) since disbursement.

The MRDP in its SCG promotion appears to have focused on the three elected officers while normal members have not received much training. As noted in a consultant’s report, the concept of membership is not sufficiently emphasised and defined. Members may see themselves as clients of the SCG management without sense of ownership and they may or may not expand to include those villagers who were not ‘involved’ from the beginning. In the Strategy Paper for RFS in the Policy Binder reference is made to sub-groups such as ‘interest groups’ or ‘trust groups’ and brief references to sub groups are made also in the training material for SCG officers, but not in the RFS *Regulations*.

The limited capacity of MRDP/DARD to strengthen the social capital of SCG and support the development of sub-groups that could operate with joint liability is a major shortcoming. The conclusion is that the MRDP should have listened to the recommendations of the FCP monitoring team, and the Appraisal Team of MRDP 1996 that the Phase II must work with the banking system and not the DARD. We recognise that the groups, if any, under the VBP pilot credit initiatives with MRDP are similarly at risk of being void of social capital building although they at present are nurtured by visits from the VBP officers, a visit that is financially supported by the project (VBP credit officers 2 days/month at VND 45,000/day).

A technical recommendation from a Sida consultant on the RFS group sustainability has centred on the need for the groups to build up equity through retained earnings and savings. It has been suggested that the programme may subsidise transaction costs in order to provide incentives to depositors. But as it is, the SCGs do not hold many saving accounts at all and there are no rules applied on interest accrual on deposits. In Tuyen Quang province deposits made during a year were paid back to the members when the loans were recovered therefore not adding to the build-up of equity.

Planners may have a vision that savings make groups sustainable so that they can work on their own when donors withdraw. But in the MRDP none of the groups had come together to save before MRDP started, except those from FCP times. Compulsory savings are unlikely to form long-term sources of funds and will not promote ownership of the institution as group was formed to access external funds. In general, villagers, but not the really poor, like to borrow and will pay back eventually. Voluntary deposits are not implemented in SCG, except for prerequisite for borrowing, a fact, which may create a negative attitude towards saving. It was also learnt through the Price Waterhouse audit that some villagers took the credit and deducted the obligatory savings from the principal at the root, so to speak rather than adopt saving first. It was also noted by a Sida consultant that the share of interest allocated to SCG in support of self management should be increased as against the share to go to the commune and district. Further, development towards the SCG to act as *one* borrower to lower transaction costs to the lender was needed. However, it is not known how much of the transaction costs

is covered by the district at present assuming most groups just let the loans roll over within the group itself.

This has impact for the plans for the phasing out of MRDP and how to tackle the viability of these 300 groups that hold around 10 billion VND between them. The idea embedded in the second End Result for the RFS is that the groups would link up with the banking system and *teach* the banking system about sustainable community based credit groups as intermediaries for the banking system to reach out further. This is an excellent idea but the End Result is owned, it may seem, primarily by the donor and by the pilot project with VBP for 26 groups. The State Management and the banking system, be it SBV, VBA or VBP do not have an overwhelming interest at present in working with groups, except in very few instances where donor support is forthcoming. The provinces themselves have been interested primarily in disbursement along with subsidised extension inputs for productive investment and not in collecting data on models for group-based credit.

Also in the VBP pilot project with MRDP the tendency has been to include members who are not poor, and it should be noted that the pilot project with VBP appertains both to new groups and to a take-over of already existing level 2 groups. Sida and VBP form seed capital on basis of a fifty-fifty deposit respectively. We so far have seen no lessons on the pilot initiative with the VBP. It is noted that the draft agreement with VBP does not indicate how the money given by Sida will be used after the end of MRDP, but since it is a five-year initiative, it will presumably add to the capital of the from yet to be retrieved principal of 12 billion VND that is to be given to VBP by the provinces/Government. It is not known, however, how “the Program” in the future can hold a handle on this money.

6.8 Phasing out of MRDP – retrieval of the principal

A decision has been taken in 1999 to withdraw all funds. This is perceived as a test of loan portfolio quality. Funds from grant projects, such as MRDP, are recorded as income in Government Budget and as expenditures when disbursed to the Provincial People’s Committee, PPC. The 12 Billion VND thus belong to the Government that in turn has given the money to the provinces. The provinces may exercise their autonomy being corroborated by the RFS Regulations (Article 35) that stipulate that the PPC “*will decide on the settlement of the MRDP loan fund and related issues*”. This means that the recommendations forwarded from the Ministry Project with respect to the phasing out/retrieving of principal can be acted upon by the provinces at their discretion. It is also recognised that provinces are party to an agreement within the Program to withdraw the principal. At end of project it is the property of PPC to appear as ‘unspent income’. As against this scenario, the MRDP wishes to hand over the retrieved principal to the VBP for continuation of the credit management. The retrieval is meant to enforce the basic principle of a credit system, and enable groups to borrow in the long term from VBP after end of MRDP. It may, however, miss the point that the same villagers do already borrow *individually* from the VBP at very low interest rates. The ubiquity of VBP seems to contradict the stated necessity.

The plan for retrieval stipulates that 50% of outstanding loans must be repaid by end of year 2000 to the provinces and another 50% in 2001. A province such as Phu Tho decided to retrieve in 1999 the first 20%, a fact that made it able to spend the retrieved fund to make up for lack of Sida funds for the VDF. The province of Phu Tho has retrieved 20% of principal. Compared to Phu Tho other provinces have not retrieved the principal according to schedule and some provinces directly said to the evaluation mission that they did not intend to and that “*the money made more use in the hands of villagers than retrieving it back for the project*”. While the desire for retrieval is based on the structural requirements of the set-up of the project as well as seen as a test of portfolio quality, the dissemination of information from Ha Noi to the provinces seems to have been unclear and not in support of retrieval. Some provincial administrations and SCGs fear that they will definitely loose a village-based ‘revolving’ capital.

The ‘control’ of the principal is a point of concern. It has been recommended by a Sida consultant that the level 1 groups (meaning almost all groups) should be taken over by the VBP, while the few level 2 may qualify to become a People’s Credit Fund, PCFs.⁷⁸ However, there is no formal agreement on collaboration with the PCF although the PCF is an institutional development in line with MRDP visions, the PCF being a coop based on voluntary membership working for its members. To become a PCF the SCG would need to build up the equity where the minimum amount by law is 100 MVND or 7,150 USD. The average equity in SCG is around 2 MVND.

Retrieval of principal is a sensitive thing. One Sida consultant⁷⁹ wrote in 1999 that *“a smooth and rapid procedure for transferring and reissuing the funds as loans to creditworthy groups/members, and the effective communication of this arrangement to the groups, is likely to be a prerequisite for achieving an acceptable recovery rate. Otherwise, the result may be considerably and negatively influenced by borrower suspicion that the supply of credit will be discontinued, resulting in low repayments also of good loans.”*

No such ‘effective communication’ seems to have been channelled through, at least with respect to some of the provinces and districts, and they have all felt that the provinces and its villages were about to lose the money or *their* money.

The question within the last year has been whether the SCGs can continue to function both legally and financially after the programme comes to an end in the year 2002. The answer is negative with respect to the legal aspect, except perhaps for groups that keep the money in circulation within itself and not lend it to any ‘outsider’ since that would be illegal by Vietnamese law. We recognise that being a *credit program* the money must be retrieved in principle also to exact discipline and not lose face. But the rural finance team is doubtful that the 12 billion VND can be retrieved and instead of seeing what is not retrieved as wasted by the end of 2001 it may be considered an investment⁸⁰ or “seed money” for revolving funds within villages, as is the case in many other projects. Many groups are still there after eight years having accumulated some capital though interest and savings, and they only wish to continue the way they have till now deriving benefit from easily accessible loans.

The pre-occupation with models entailed the idea that through a periodic assessment of the performance of these models the program would extend the most successful approaches to new locations in each province and inspire the banking system to spread these models more widely. One way of doing this was thought to be through linkages (joint Technical Working Groups) between the banking system (VBA and VBP) and the program at central, province and district levels. As it happened, not even at ministry level did such a working group come to include members from the banking sector and only by 1999 did a draft agreement with the VBP on pilot projects for 25 groups come into being.

The MRDP has operated in an environment where formal rural financial institutions were few and incapable all at once to support selectively the models developed under the programme. Since these agricultural models were the main purpose of the Program Document, and since credit went with models, it also went with the Extension Departments. SCGs were necessary as fast programme receiving mechanisms and partners in fulfilling the goals of *greening the hills*. Financial, social, and institutional sustainability of the groups was left in the corridors by the provincial MRDP that did not have the means to follow up, nurture and monitor.

⁷⁸ This goes against the MTR MoU Oct. 1999 which states that ‘the intention is that communes should be able to take full responsibility for credit funds in the year 2001’.

⁷⁹ Assessment of the Rural Financial Services Component of the MRDP, Final Report, August 1999 by Ojermark.

⁸⁰ Not the biggest investment in the program compared to other costs

7 Business promotion and market information

7.1 Business development in FCP

The FCP programme document comprises seven sub-projects, but does not explicitly define activities to be undertaken in order to promote small-scale businesses. However, the programme was aiming at a diversification of farm output, i.e. sustainable forest production, and in line with the new economic reform policy – *Doi Moi* – focusing on individual production and economic incentives.⁸¹

Emerging Business Development Activities

The Terms of Reference for FCP was rather detailed, but already at an early stage of the programme implementation changes were called for. New tasks were added and other found obsolete and in practice suppressed or disregarded altogether. A position as Business Development Adviser was established and a Business Development Group was set up, co-operation was established with the National Economic University of Hanoi and marketing aspects were integrated with the village development planning.⁸² Over time FCP added activities (advisory services, machinery, finance, etc.), international advisers and training courses, aiming at supporting farmers and entrepreneurs, sometimes designed with a gender/women profile. But the Business Development Adviser never had a counterpart and... *“this programme component never got any real foothold at central level at MoF. This has without doubt hampered the development of this important programme component”*⁸³ The consultant argues, however, that at provincial level business development groups, which are being integrated with the extension organisation represent ... *“a sustainable result of business development activities.”*⁸⁴

A Preliminary Assessment of FCP Business Promotion Activities

Neither the ToR for the FCP consultant nor the Programme Document did explicitly point out the need for business development in general and specific competence building in market assessments in particular in an integrated (forestry-based) project. But already as work commenced this need was felt, and short term consultancy inputs were undertaken, e.g. in furniture factory development (1991), game management and hunting (1992), fruit processing and tea quality improvement (1993), rural credits, media development, (1994), and business development options (1995). However, FCP was an extension of previous Vietnam-Swedish development co-operation in the field of forestry, and the Ministry of Forestry was not geared towards business development as such. The establishment of the Ministry of Agriculture and Rural Development did not change this picture significantly.

The Monitoring Team in early 1994 discusses the urgent need for market research. The team notes that it is generally agreed that this function is necessary, but so far without much result.⁸⁵ It is concluded that there is no substitute for projection of market demand. *“This is the issue most likely to haunt the memory or the FCP in years to come if it is not dealt with decisively now.”*⁸⁶

The achievements of the FCP as regards business promotion has in 1999 been summarised as follows: *“During FCP special studies and trials were undertaken on processing and marketing of different products including fruits,*

⁸¹ Insatspromemoria Lantbruksbyrå Sida, 1991-05-03, p 9

⁸² Final Report on Consultancy Services. Jaakko Pöyry Consulting AB, January 1996, p 4–5, p 19, p 21

⁸³ *ibid*, p 21–22

⁸⁴ *ibid*, p 22

⁸⁵ Vietnam-Sweden Forestry Co-operation Programme. Monitoring Report April 1994, p 6

⁸⁶ *ibid*, p 6

*tea and medical herbs.*⁸⁷ But in spite of an acknowledgement at least in principle on project management level of the need for a radical break from a socialist, regulated economy to a “free market”, the promotion of so called cottage industries and small scale food processing, etc. was not vigorous, but half-hearted. During a transition period of this character a government has to take the responsibility both to outline the grand strategy and to see to that conditions for farmers are favourable. There is no contradiction in this two-tier approach to policy and non-intervention in entrepreneurial decision-making.

Some of the mistakes made during FCP as regards e.g. encouraging the planting of fruit trees for fruit processing is still haunting the MRDP. This is a parallel to the problems encountered in the tree plantation component – small-scale producers see no demand (or very low prices) for their trees and fruits, respectively. The mistakes made by FCP are now showing as problems related to marketing of unsellable agro-products rather than the production of the raw material for processing as such. The small-scale farmers are to face those issues, without much of relevant assistance coming from the ministries concerned. This general neglect – by both FCP and MRDP – of market aspects and brutal market forces, (e.g. open doors for cheap imports), could be an effect of the programme administratively being contained within ministries that are supposed to encourage primary agriculture and forestry production. The ministries involved have traditionally been focusing on increasing production, whether their ‘core business’ has been wood, agriculture staple crops or rural development. Promotion of new market channels or improved, consumer-friendly products is a much more complicated task than providing inputs and advice for increased agriculture production.

In the MARD Project Document the Advisory Pool in the Ministry is including only one (national) adviser – on market information – who is supposed to also cover ‘Business and Market Development’.⁸⁸ Another reason could be that the province expertise, both international and national, did not have the broad competence needed to anticipate the far-reaching effects of *Doi Moi* when encouraging and financing new business ventures. However, the need for a better information system covering local market situations and world-wide development trends on key commodities became increasingly obvious, and FCP started out on solving this issue. Discussions leading up to the formulation of ToR for the MRDP resulted in the definition of a component called “Market Information and Business Promotion”. This was based on the understanding also on the province level that it is necessary to “*establish an effective cycle of production-processing-marketing in order to increase the commodity production and marketing in the upland area.*”⁸⁹

7.2 Business Development in MRDP

The MRDP Strategy

In the Sida decision on the MRDP programme in June 1996 the Executive Summary points out some desired end results that are of particular relevance in a business development context, e.g. ... *In each commune there is a measurable contribution to the capacity building and business development for women.* The component Market Information and Business Promotion is supposed to comprise about 5% of total province programmes, by far the smallest of the six components.⁹⁰ The Programme Document states that agro-industrial production like processing of raw materials for local and domestic markets, handicraft and simple goods for domestic urban areas, and traditional farm manufacturing, e.g. furniture and house-

⁸⁷ MRDP 3 Year Progress Report, PBO May 1999, p 54, referring to the MRDP Programme Document

⁸⁸ Project Document MARD, Annex 3, June 1996

⁸⁹ Vinh Phu Upland Rural Development Project. Phase II 1996–2000. Project Framework Document, June 1996, p. 4

⁹⁰ Bedömningspromemoria Sida, Executive Summary, p xiii

hold utensils for primarily local market is feasible. This calls for basic entrepreneurial skills, and co-operation between MRDP and producers and market organisations.⁹¹

Furthermore, it is stated that the issue of marketing of village produces has emerged as a natural corollary to the farmers' need for guidance on appropriate decisions on farming investments. If information on demand and prices are provided, the farmers themselves are generally able to take their own decisions on what to produce. But access to markets as well as diffusion of small-scale technology is hampered by inadequate road network. The issue of appropriate technology must be addressed and carefully investigated.⁹²

A Revision of MRDP Priorities

The MRDP has been implemented within the very broad approach outlined in the Programme Document, and executed in line with Annual Plans of Operation. The province-based APOs progressively addresses the issue of business promotion, in spite of the programme initially lacking expertise in this field in the Advisory Pool, which was not sufficiently staffed for the implementation of this component till the beginning of 1998.⁹³ MRDP adopted a new programme focus in 1998 as follows:

“Create an environment in which poor households in Programme mountain communities (pilot areas) are able to benefit from sustainable and diversified economic activities, such as primary production, processing, services, trade and employment in the context of an emerging market economy.”⁹⁴

The revised strategy concludes that land resources will never be sufficient for the fast growing farmer population to improve their livelihood, and more diversified ways of generating incomes to the farmers must be found and developed.⁹⁵

7.3 Focus of the assessment

In ToR of the Evaluation it is stated that: “The ultimate question is the extent to which the efforts have resulted in sustainable higher standard of living for the upland population.”⁹⁶ Thus, our assessment will be made against the expected benefits of the ultimate target groups as outlined in the Programme Document, i.e. the poorer sections of the farming population who rely upon upland farming systems. Such benefits are, however, extremely complicated to calculate, as they might show on different levels in the economy and in different time perspectives. Some are direct, e.g. increased incomes from new production; others are indirect effects as a result of support to “higher” economic strata of the population, e.g. to successful entrepreneurs who provide better or cheaper products or services to poor households. This is of particular relevance as regards business promotion and market information activities.

Neither FCP nor MRDP has designed a trial and error process in business promotion which, based on stated operational goals allows for a systematic assessment of relevance, efficiency and effectiveness, which makes an accurate assessment of the process and end results almost impossible. Systematic documentation is lacking of impact of business promotion activities on different levels. The same is true as regards environment and peoples' livelihood, on village life and local development planning, on management and methods in the state administration and bureaucracy on district, province and national level, and effectiveness in donor-recipient co-operation.

⁹¹ Programme Document, Volume II, p 77

⁹² *ibid*, p 78

⁹³ MRDP 3 Year Progress Report, PBO May 1999, p 54

⁹⁴ MRDP Policy Framework, September 1998, 6th Revision

⁹⁵ MRDP Business Promotion Strategy, Revised Guidelines, September 1998, p 2

⁹⁶ Terms of Reference, p 3

What has MRDP undertaken?

By 1997 a total of nine different business development “models” (FCP and MRDP combined) had been tried of which four were discontinued and five ongoing. Tea processing (19 cases), tools for coffee processing (4) and animal feed processing (4) dominated the trials.⁹⁷ The role of the entrepreneur is now highlighted, as are gender issues. Market considerations, diversification and networking are key elements. However, the approach to business promotion and market information varies between the five provinces. In Annex, we have made an assessment of the work undertaken in each province and compare actual activities with ambitions as outlined in the Programme Document and subsequent province APOs. As activities within the framework of this component did not take off in force till 1998, we have concentrated our analysis on the last two years.

7.4 Summing up Province efforts

In all five provinces as well on the ministry level it has been difficult to mobilise interest, competence and financial resources for the widespread establishment of a market information system, and for the concrete promotion of small-scale production and marketing. When some provinces have been more active than others have, a large proportion of available economic resources have been used for small-scale public infrastructure projects. On the local level there seems to exist a bias towards supporting higher strata of the village households, as “richer” people also by MRDP staff are perceived as potentially more successful “businessmen”. This is what by definition can be expected, as good entrepreneurs see new possibilities, might have valuable networks and accumulated some capital, and have a propensity to take business risks. In an environment that rewards a network that bridges the private sector and the public sector, which often is the case in Vietnam, the economic risks are considerably reduced.

Not until 1998–99 did programme staff systematically use a standard Business Plan approach in the project identification and implementation process. The programme only at a late stage filled the post of business development expert, and the demand on province level for business development expert inputs has been small. Budgeting for the use of national consultancy expertise for short-term studies has been lacking, even if this could prove to be a very cost-effective strategy.

Summing up we conclude that the five provinces have tried, mostly with limited success, to devise a strategy for business promotion that primarily has resulted in training of MRDP staff and implementation of small infrastructure projects, rather than adequate and qualified support to private sector businesses. Staffs only have a rudimentary knowledge of the complexities of a market economy and competence in fields of relevance to emerging businesses. In spite of those shortcomings, MRDP has been able to inspire a number of farmers to set out on new business ventures. Unfortunately a number of those will be a failure and recovery of machinery or loans provided free of charge will not be possible. However, a systematic approach to “model” development and testing and evaluation of “prototypes”, as well as implementation and dissemination of test results are lacking. Provinces have not been undertaking controlled experiments and shouldering part of the entrepreneurial risks for the poorest segments of the population, but have rather opportunistically jumped upon popular product bandwagons. The results are for a not insignificant number of individual rural households rather disappointing, with products without a market and processing units being closed. In some cases the over-supply on the local market has pushed down prices, and a bitter taste of failure is lingering on.

MRDP has been entrusted with experimenting in a learning-process. But systematic reporting from local and province to central level on performance and lessons learned is almost non-existent. And it is now the individual farmers who are facing the problems emanating from extension service advice on

⁹⁷ ToR, p 4

business activities that programme expertise were not qualified to provide. There has been a willingness to experiment, but lack of competence and capacity, and an insight into how fast and devastatingly the market forces punishes misjudgements has been lacking.

7.5 Assessing Business Promotion and Market Information Systems

Both during the implementation of FCP and of MRDP it has become increasingly clear that more emphasis has to be put on efforts to understand the functioning of markets, and to disseminate factual information on prices and demand to rural farmers. Sida, as well as independent consultants, have since the early 1990's argued that competence in this field has to be built on all government levels, but only reluctantly have counterpart ministries actually embarked upon this venture. This cautious attitude is understandable: also governments in industrialised countries have been dismantling their capacity both to assess economic sector development trends, and to intervene in industry development and restructuring. The trend in those countries from tangible supports such soft loans, advice, subsidies for infrastructure, etc. to the encouragement of research and development programmes on the regional level is obvious.

A country like Vietnam, however, needs to adopt a more proactive role in order to handle both a painful restructuring processes, support economic growth in peripheral regions, and give concrete help to minority people in upland areas. Firstly, the government has to outline the overall economic development strategy, and the specific sector ministry has the responsibility to make this strategy operational. Secondly, the extension services on province and local levels have to assess the new situation from a bottom-up perspective, i.e. interpret the situation facing farmers in general and the lower economic strata of the population in particular. But instead of going into large-scale support of specific agro-based production and processing, expertise assessing future market demand should be provided. If this is the case, the individual farmer or entrepreneur is capable of making the decisions. That kind of support is, in spite of the market information system, still largely lacking in MRDP.

7.6 Business Development Strategies in Perspective

During FCP, machinery was provided to families or groups free of charge. As from 1998 MRDP started providing loans, to be repaid in 1–3 years (differs between provinces), both for investments and as working capital for small-scale traders. The issue of repayments of loans and future finance of business development projects has not yet been solved. People in contemporary Vietnam upland areas are at the mercy of international economic and political development trends, which influence cost of farm inputs and product prices: and understanding Western fashion trends can make or break a whole textile development programme. This has not been fully understood by MRDP staff. However, it has been increasingly obvious that as upland area families are to seek a decent standard of living and secure livelihood, as the sustainable carrying capacity of the land in many areas has been reached, production outside the agriculture sector has to be undertaken. Much more effort must be devoted to identification of new products and their markets.⁹⁸

One way of addressing those types of issues is emerging in recent studies for MARD. The recommendations as regards e.g. support of wood production as well as of cinnamon production, orange production and tea are, however, based on the assumption that the state systems can and should be very directly involved in practical logistics and marketing activities.⁹⁹ This *interventionist* approach is not

⁹⁸ Four Years with MRDP. Final Report. Thunberg, J. Team Leader, September 1999, p 7 and p 8

⁹⁹ Results of Implementing the Strategic Research Program for Rural Development in the North Mountain Area for 1998–1999. Kinh, N.N. March 2000, Theme 5

relevant for most product groups and markets of importance to the upland area families. A government structure like MARD/MRDP has to take on a different role, a supporting role based on true competence in relevant fields, as was discussed earlier.

A recent study analysing effects on poverty alleviation notes that MRDP officials emphasise households' capability as significant criteria for agricultural and agro-forestry inputs.¹⁰⁰ This is not in line with overall Programme ambitions. On the other hand, business promotion has targeted women, but their relevance to poorer women seems less visible.¹⁰¹ Supporting business schemes that provide employment for excess local labour, while valuable by themselves are unlikely to prevent a net out-migration to the cities.¹⁰² The study highlights the dilemma emerging as advocates of business promotion in general and support of entrepreneurship talent in particular, are inclined to channel available resources and promote activities that in effect exclude the poorest households.

7.7 Summary of the assessment

At hindsight we can conclude that business promotion, based on a well functioning market information system has shown to be a key element in establishing new production of goods and services, both for the local-regional market, and for the national and export markets. The ambition to provide information on international price trends for commodities like tea and coffee is commendable. Likewise, information to farmers on local market prices can serve as an incitement to grow products in great demand, thus creating increasing revenues. Our conclusion is that activities undertaken under this component is of relevance in a rural development perspective. On the other hand, most of the activities actually undertaken have not been relevant in a poverty eradication perspective. Resourceful entrepreneurs with a strong position on the local level and good connections have been able to secure loans. However, if the entrepreneurial spirit secures good products at a lower price than before (e.g. bricks for housing), lower strata of the population can indirectly benefit.

The programme calls individual projects "models" which is totally misleading. There is only recently an overall MRDP drive to summarise the experiences from a large number of projects supported in the five provinces. This design of a methods development process seriously hampers progress and the much-needed dissemination of (decentralised) valuable experience in business promotion. As a result of this neglect, the programme impact on national policy formulation is probably negligible. The introduction of a rural savings and finance component could not benefit from a comprehensive analysis of the state of the matter as small-scale business promotion goes. MRDP should have pursued a much more ambitious strategy in this field, and early on linked up with other actors, in line with the intentions of the original Programme Document from 1996. As regards the market information system (the credit for the design of which should rather go to the MARD Policy Division than to MRDP) the methods development as well as influences on policy is handled better. Those tasks have been undertaken in line with proven best practice.

The implementation of the Business Development component has been a task primarily for the province level, which is a favourable advantage point; observing local situations at relatively close range and at the same time have access to national and international development trends. As a result of this focus, however, the competence building on national and local level is lagging behind, which for instance shows in the relative poor interest on ministry level of allocating expertise. On all levels in the govern-

¹⁰⁰ A Study of Perceptions and Responses to Poverty Within the Vietnam-Sweden Mountain Rural Development Programme. Davies, R. And L. Krantz, August 1999, p 63.

¹⁰¹ *ibid*, p 5

¹⁰² *ibid*, p 43

ment administration agriculture or forest experts or extension staff has been trained in business promotion, but true experts have not, with a few exceptions been brought in to take up key positions. This lack of institution development has seriously handicapped the implementation of this component, and there seems as if there is no progress to be expected in the near future.

The issue of understanding the functioning of free markets is truly still here to haunt MRDP, challenging the programme to improve on competence. For instance, the effects also in upland areas of a free trade agreement with USA might still be uncertain. Overwhelming empirical evidence from other countries indicates that small-scale production far from national markets like upland areas in Vietnam could suffer considerably. This already shows on border areas with China, where imports of consumer goods as well as agriculture inputs represent a formidable challenge to regional and local manufacturing. As the government now has opted for free trade as an integral part of the new economic development strategy, the consequences on local and provincial level has to be assessed by MRDP. Good natural conditions for primary agriculture production, agro-processing and manufacturing is a necessary, but not sufficient condition for successful business development.

The promotion activities undertaken by extension service staff can be seen as a complement to their mainstream duties. Possibly also in future province and district staff will be in a position to maintain the market information system and advice and assist farmers and groups on ways ahead for business development. The problems lie with the competence of the staff, and the possibility of finding finance, possibly in future through other actors than MRDP. Our conclusion is, however, that staff competence and administrative structures built are very fragile, and the risk of collapse for the support of both market information and business development is high.

7.8 Impact on gender and poverty alleviation

The explicit programme ambition to support disadvantaged groups has on the whole not been at the forefront in the implementation of the Business Development component, except for support to women handicraft projects. We have come across a number of successful women entrepreneurs who have not been supported by MRDP, and there seems to be an untapped potential for small scale and cottage industry production that has not been exploited. Much more of positive effects could have been achieved in this component if a radical shift from an agro-forest production orientation to a support of the diversification of rural livelihoods and role of women had been embarked upon already during the final stage of the FCP. The documents defining the tasks of MRDP explicitly brought up those issues, but the implementation has been very slow.

As the programme reporting – both during FCP and MRDP – is production-oriented, there does not at present exist a strong factual base for an analysis of if the activities undertaken actually has contributed to improved livelihoods and poverty alleviation. We have, however, seen promising results of some of the market information and business promotion activities. The general lesson learned from the implementation of this component is that the policy decisions on the national level dramatically affect the situation for upland rural households, both as regards their production and their consumption. When outlining the new MRDP, market aspects were explicitly pointed out, but the actual design of the work was not in practice geared towards a systematic analysis of market changes and test of business ideas in a dynamic context. The programme approach is rather characterised by a static approach to business promotion. Furthermore, prices and availability of agriculture input, local infrastructure and national pricing principles for transport and communication, trade regulations and customs duties on producer and consumer goods, all have profound effects on livelihoods in the remotest villages. MRDP has not been able to effectively develop and test production and distribution prototypes that are of direct relevance in such a complex context.

7.9 A final comment

In the Government presentation of development ambitions to the National Assembly's 6th session the issue of people's livelihoods is of paramount interest and the eradication of hunger and reduction of poverty has the highest priority.¹⁰³ The strategy to achieve this overall ambition has to guide also concrete work in programmes like FCP and MRDP.

The Government strategy as regards the rural sectors in general and agriculture in particular is also very ambitious, and the goals are clearly defined.¹⁰⁴ It is the duty of donors and sector programmes alike to interpret those ambitions, and make them operational. It seems as if MRDP has been slow in reacting to those political manifestations and new trends. FCP and MRDP has been operating under different political, economic and programme design conditions. Also, the focus of the programmes has shifted over time, but the factual implementation has changed much slower than the change in policy and goal formulation. The lesson learned is that development co-operation programmes of this character in future has to be properly established on a level that provides easy connection to the local level, and at the same time links partners who can interpret to national and international economic trends. In that perspective the provincial level seems to be the only level for both qualified analysis, and monitoring of activity implementation.

¹⁰³ Vietnam 1999–2000. Prime Minister's Report, p 8–9, Hanoi 2000

¹⁰⁴ Resolution 009/2000/NQ-CP from the Government on Policies for Economic Structure, June 2000

8 Participatory rural appraisal and decentralisation

8.1 Background

PRA is a method to elicit people's views and wishes (often those of a particular village) and to nurture their commitment and capacity to implement a plan produced in common during the PRA. It has to do with partnership and empowerment and the production of a plan and sometimes a budget. PRAs are done primarily in the framework of a project that has funds for implementing the outcome of such PRAs. The long term goal is that 1) the village masters the PRA process on its own to make demands on the government and 2) that the government develops its capacity to support the informed demands from below.

Decentralisation as a concept appertains to a number of state government functions which become decentralised or devolved to a local body – ranging from a mandate to levy taxes and keep the income at local level to a mandate to voice an opinion, vote, have local government, and receive block allocations from the government to execute own plans, including the management of local forest and natural resources for own benefit and environmental sustainability. Thus, like the PRA, it has to do with empowerment. The PRA causes empowerment to emerge 'organically' from local level in terms of capacity building and awareness raising, while decentralisation creates empowerment in a top-down process. Both processes are seen as conducive to socio-economic development and environmental protection. And importantly, both processes require a sustainable financing mechanism to evolve.

It is recognised by most that the concepts of PRA, participation and decentralisation are Western concepts and the equivalent connotations may not be found in Vietnamese. As commonly translated into Vietnamese in the context of PRA 'participation' is given a straightforward methodological meaning of '*with the involvement of farmers*'. There is no Vietnamese term that precisely captures the particular mix of approach, method, principles and belief that is implied by the Western concept. Other Vietnamese concepts such as democracy and mobilisation are better equivalents, but do not translate back so effectively. Thus, there may be other ways of thinking about and describing what goes on in situations where government staff and villagers come together. For example, '*re-alignment*' between local authorities, services, commune and village leaders and villagers, or a '*re-negotiation*' of roles and relationships between individuals.¹⁰⁵

PRA has been part of both FCP and the MRDP, while decentralisation efforts are primarily a recent characteristic of the MRDP. In case of MRDP, decentralisation concerns have been addressed in *two contexts*. The first has taken place within decentralised, or joint forest management (JFM). Here the government and local communities enter into a joint agreement on use and protection of an existing natural forest (not an industrial plantation), often a watershed forest. The second instance has taken place within the context of decentralised budget management where Commune and Village Development Funds (CVDF) are disbursed directly to these levels. Decentralised budget management is understood as block allocations (CVDF) to the local commune and village level for villagers themselves to manage the funds and execute a Village Development Plan (VDP) produced during a PRA exercise. PRA and decentralisation being two sides of the same coin, – or perhaps two sides of a larger dice, are treated jointly here as they have been articulated within the two programs.

¹⁰⁵ Edwin Shanks and Bui Dinh Toai: Field Based Learning and Training in Participatory Approaches to Rural Development, around 1999, MRDP

8.2 PRA in FCP

The extension methods that had previously been used in social forestry were a fairly conventional set of information transfer techniques designed to back up the mass tree seedling production, distribution and planting initiative within Vietnamese social forestry. A radically different starting point began to emerge towards the end of 1991 following an internal review and reflection on the social forestry project. As emphasised in the FCP Program Document, there was an urgent need to find out “how” to reach people with development messages and to “how” to enlist peoples’ active involvement in extension given the new economic situation in the rural areas. Therefore, rather than just continuing with the tree planting campaign approach to social forestry extension, it was decided to introduce a methodology that would, first and foremost, enable government staff to get out of the office and gain a better understanding of the needs and circumstances of farmers at the time.¹⁰⁶ It therefore became part of FCP that planning was a participatory process, where those who would later be involved in program activities, such as farmers, commune and district staff, and so on, should be involved in planning for those activities. In the 1990s there was globally a widespread adoption of PRA by large donor agencies working through public sector ministries and services. In these situations PRA was promoted either as a consultative planning exercise built into otherwise more conventional project preparation strategies, or as a core approach to implementation.

The new approach in FCP based on PRA was first introduced to key representatives from the five provincial Farm Level Forestry Projects at a workshop held in October 1991. Thus, beginning in a few pilot locations in the early 1990s, PRA was introduced as a basic methodology combined with support to the evolution of informal farmer and village organisations and the government extension services. It is worth noticing that the FCP and MRDP have been working solely through local government authorities and services on the introduction of participatory approaches, an approach that is laudable as it might have been easier with program-hire staff or NGO contribution in the field for such an activity. After the first round of PRAs in 1992, it was clear that it was necessary to build up not only the government staff’s capacity, but also facilitate the formation of supportive farmer and village level organisations or groups. These groups would function as a kind of receiving mechanism and guarantee of momentum. The stipend or management fee paid to these groups is the only add-on that could be compared to project-hire staff.

There were two reasons for the need to support the development of farmer and village organisations.¹⁰⁷ Firstly, there was not enough capacity evident within the government system at province and district levels to provide the intensive, hands-on support required for the village level development initiatives. Following the demise of the old co-operative structures in this part of Vietnam in the late 1980s there was no functional local unit devoted to co-ordinating or expressing farmers’ interests. Secondly, it was recognised it would be better and more sustainable to get villagers themselves to manage their own activities as far as possible and the formation of a Management Group was seen as empowerment.

A model of semi-voluntary *Village Management Groups* was established responsible for planning and following up activities and maintaining contacts with the district. *Village Extension Workers*, who would be the functional arm of the VMG, were elected to be responsible for the practical day to day work and maintaining links with the farm households involved. These structures have continued in the MRDP. Thus, the VMG was established as a separate institution for the FCP program to get full attention at village level. The VMG was meant to develop wider consultation externally and within the community

¹⁰⁶ Vietnamese-Swedish Co-operation in the Forestry – Issues Paper, prepared by Hans Warfvinge, Consultant to the Task Force, Ministry of Forestry, 1994

¹⁰⁷ Shanks et al op.cit.

over time so that it would become an effective local extension institution. The Village Extension Workers would become local extension agents meant to become indispensable by virtue of their accessibility, quality of service and efficiency in producing tangible results.

One of FCP/MRDP's long term international advisor¹⁰⁸ judges that the introduction of these local organisational development concepts was to prove absolutely critical to the progress and achievements made under FCP-MRDP. He furthermore assesses that the actual PRA tools and methods were of secondary importance to the more consultative processes of interaction between government staff and villagers that were set in motion by the introduction of these informal groups. We share both views. The PRAs created awareness and a chance for discussion and mapping of village resources and problems. But as PRAs were carried out, a number of issues arose due to a discrepancy between the technical scope and objectives of the FCP and MRDP, and farmers' demands arising out of the PRA planning process, – and the purpose of using PRA. As it happened, a wide range of needs was identified through the PRAs, many of which could only be met to a limited extent with existing technical approaches. FCP was confined to tree related inputs. And the capacity to follow up on the complex problems identified demanded much more time, strategic planning, experience and commitment than expected. An early report on Tuyen Quang Province noted the following¹⁰⁹:

“Farmers are only too interested to pursue these other areas such as crop and livestock production, as tree related matters are generally of low priority.”

Despite this, considerable external criticism of FCP had arisen as to why it was promoting an extension approach that *was not consistent with its specific forestry related objectives*. This was part of a wider debate taking place in the early 1990s on the risk for disillusionment among local people if early enthusiasm and expectations stimulated by broad ranging PRAs in particular could not be effectively followed up. The concentration on areas peripheral to the key objectives of the FCP unduly raised expectations of target groups, confused many into thinking that everything could flow from a new ‘survey’ technique. It also took too much time of provincial staff, which otherwise “could be carrying out more useful and productive activities”.¹¹⁰

The following observation was made on the basis of the review of pilot activities in Tuyen Quang: “...the PRA outputs appear to be hardly utilised. Most of the information collection and analysis required to make plans appears to be gathered **after** the PRA.”¹¹¹

Staff at this time was also grappling with a number of practical issues concerning the linkages between the demand-based planning approach (introduced through PRA) and the target driven planning approach of the governmental tree planting programmes. As input supplies were donor funded there was in FCP, as later in MRDP, a tendency to oversupply in order to meet targets of government plans and the supply driven agenda of ‘re-greening the bare hills’. In addition there was a difficulty of accurately assessing demand as it was easily exaggerated. Furthermore, unmodified or rather uninformed village planning have resulted situations whereby production began to outstrip the local market absorption capacity, a fact, which repeated again in year 2000 in the new planning approach (see below). In fact, this turned out to be the case already in FCP times, especially with some introduced fruit tree species and new varieties such as apricot and plum.

¹⁰⁸ Shanks et al op cit.

¹⁰⁹ Tuyen Quang Farm Level Forestry Project (1993), Internal report.

¹¹⁰ Shanks et al op cit.

¹¹¹ Shanks et al op cit.

“...the case of plums in Bac Ha District [Lao Cai Province] illustrates the shortcomings of the PRA-based planning methodology: if an individual farmer decides to plant fruit trees, his decision can be assumed to have little influence on market prices or on the demand for fruit. However, the Village Development Plans are largely formed through a simple aggregation of individual plans, and the outcome may well influence market conditions. Farmer-based plans alone can therefore produce undesirable outcomes when aggregated, and this case illustrates the need for extension services to exert a moderating influence on the development of overall Village Plans.”¹¹²

This observation done during the FCP times is still valid in year 2000 as *the same district* presents by year 2000 a large number of village plans all saturated by wishes for thousands of fruit tree seedlings. This time not a flaw in aggregation but a skewed expression of holistic planning that reflects what the district thinks that it can provide. The influence of the Government’s target oriented planning system seems to have influenced the village plans under FCP as well as later under MRDP. Extension organisations tend to concentrate their efforts on implementing the government programs in order to have a budget for their activities. Government programs give high priority given to transfer of techniques. They may under-emphasise adoption and sustainability aspects. In technique transfer, a single new technique on one crop or animal is commonly offered instead of various alternatives for a production system as a whole. The extension activities in the program area, despite being model-based, have taken the shape of supplying the assumed ‘advanced’ technologies and advising farmers to follow certain examples.

8.3 PRA in MRDP

The MRDP took over many approaches introduced under FCP. The use of PRA for facilitating the selection of Village Management Groups, extension agents, and preparing Village Development Plans, or rather village land use plans, was one of them. FCP-MRDP has no doubt been one of the most concerted initiatives to introduce, scale up and attempt to integrate PRA approaches within government services.¹¹³ The PRA process in MRDP has been carried out by trained district and provincial staff assisted by program trainers. A critical issue, however, has been the sustainability, replicability and cost effectiveness of the approach.¹¹⁴ Wider geographical coverage has necessarily resulted in a watering down and simplification of the planning exercises in new villages. While greater integration within government services may have improved these services’ ability to listen to farmers, they may have resulted in less flexibility for the villages as a trade-off. It is the view of the evaluation – in line with that of the MRDP advisor – that ‘scaling up’ is easily watered down and that PRAs are better handled through *topical* PRAs such as PRAs *focused* on one thing, be it JFM planning, integrated pest management or health measures. The non-topical and quick PRAs have often resulted in broad shopping lists from villagers that the programme was unable to meet.

In MRDP, the PRA became an event rather than a process. And furthermore, an event that created unrealistic expectations and demands from villages for all kinds of things, which the MRDP and earlier the FCP and the MARD could not meet. At worst, it created in some villages – and in perception of district extension staff – a schism between ‘those involved’ *vis a vis* those ‘not involved’. Those ‘involved’ were those who had come forward the day the PRA took place, it was the VMG and forty-fifty other capable persons, while the poorer households tended to be among those ‘not-involved’ as they had not

¹¹² Farrington, J. et al (1994), Study on the Extension Component of the Vietnam Sweden Forestry Co-operation Programme, report prepared for Sida and quoted in Shanks et al 1999

¹¹³ Shanks et al, 1999

¹¹⁴ Stockholm Group (1994), Mid Term Review Report on the Forestry Co-operation Programme, report for Sida and the Ministry of Forestry.

come forward. Some of 'those involved', especially the VMG, got 'models' for free (worth 3–4 MVND), got training and had access to credit with the aim that they would teach the rest. As monitoring has not taken place it is difficult to assess the impact and penetration of this local level capacity building. As a corollary there has been no monitoring of the fate of non-participants or 'those not involved'. One village visited had 74 households but only 39 were 'involved' as "the province had said that they should not include more".

The team unfortunately has not been able to see, except for one place quoted below, either at village or district level a copy of plans produced during a village PRA in earlier years, but only the plans produced this year 2000 under new CVDF decentralised budget management goals. The lack of such physical evidence may be linked to the random selection of 'involved' program villages as such. It was in the field sometimes difficult to know which village had already been 'involved' and part of the program and which had not. Thus, one province in year 2000 phased out 66 villages because they were allowed to participate for a maximum of three years and they may no longer be identified in the APO. This process of fast and mechanical 'phasing out' of villages after a maximum of three years has impeded the formation of an institutional memory at district and province level and it plays havoc with concerns for 'sustainability of outcome' and monitoring of lessons learned. Only the SCGs are followed for more than three years. Occasionally it seems as if the planning process functions primarily to meet the needs of MRDP/DARD and Sida to have a receiving mechanism when the supply of inputs are ready, i.e. when the funds from Sida finally have arrived. Or to cater to new policy concerns such as the shift in focus to the poor communes in year 2000 without any concerns for what goes on in the villages that are left behind and where the program has been present for two-three years only.

The MRDP is judged to have been aware of these shortcomings of PRAs, causes of which are many. In line with this awareness the MRDP supported the Department of Extension of MARD to test the use of PRA in several non-program situations. This revealed some critical institutional constraints that have prohibited effective uptake of the approach by the government services and which will prevail once the program is over.¹¹⁵ These constraints lie in the inability of government organisations to respond to the village-generated development process *due to structural and budgetary conditions*. This was evident during the fieldwork of the Evaluation Mission and it is very important to keep in mind as it has impact on sustainability of what the MRDP sets in motion. It is a somewhat vain process to set in motion village development plans (for what the 'villagers truly want') knowing that when the project is over, villages will not make such plans again as there will be no funds to pay for the plans. All funds are tied in APO budgets derived ultimately from a donor.

The regular operational budgets of government services in Vietnam are usually tied to specific promotion programs. For instance, the operational budgets of the District Extension Stations in upland areas are commonly made up of three types of budgets such as the National crop/livestock promotion programs, the Provincial targeted programs (often on cash crops such as tea, fruit trees etc.) and the national targeted programs (such as on opium eradication or 327 or the Hunger Eradication Program). The District Extension Stations have almost no flexible operational budgets that can be used to follow up areas of demand outside these core programs. This is also true in the health and other sectors. It also impacts on the time district and province staff has available for MRDP. Furthermore, local government services also have few resources of their own that can be specifically assigned to undertake local consultations and appraisals. Under more participatory systems the planning linkages become more numerous and convoluted, communication needs to be more regular and intense, with a larger

¹¹⁵ Ministry of Agriculture and Rural Development (1998), Participatory Rural Appraisal Methods for Agriculture and Forestry Extension, Department of Extension and MRDP. Agriculture Publishing House, p112. (quoted in Shanks et al. 1999)

number of forums in which different options need to be aired and discussed, all of which results in a slower and extended planning process.¹¹⁶

There are therefore many basic structural and budgetary constraints that prohibit full adoption and promotion of more consultative and participatory approaches. While PRA may have a strong role in facilitating village people to articulate their demands, villagers are still limited in their ability to directly implement local projects as they have little direct access to additional funding. There are no flexible budget lines in ‘targeted’ government programs to respond to diverse demands from villagers. *This is the main hurdle in the sustainability aspects of what MRDP has set in motion.*

Because what the MRDP by year 2000 has set in motion is a wish to support the village and commune levels with “what they truly want” through direct funding, instead of supporting a more supply driven approach of providing subsidised inputs from the provinces and districts. This is embodied in the idea of Village Development Funds (VDF). These are block allocations to be made available directly to the villages to avoid “dependence on plans developed within the district and province levels”¹¹⁷ which aim at meeting governmental production targets. The concept of introducing the VDF in 2000 to directly fund and implement a village and commune plan formulated through PRA was seen as the panacea. Here social equity and explicit identification of poor households was a must. It was seen by various parties, including external consultants to Sida, as the panacea for finally reaching the poor and for allowing villagers to ‘choose for themselves’.

In terms of programme structure the concept also meant the discarding of the ‘component’ structure of MRDP (upsetting the accounting system of SCALA) and replacing it with an area based or ‘horizontal’ system. Each geographical unit in the program area – village, commune, and district was to receive a separate budget and to plan for this accordingly. No more models it seems, except for the RFS. The concept also sees itself in line with the recent Decree No.29 (1998) on the exercise of local democracy that outlines the consultations and process and types of decision making on development that local people should be involved in. The planning sequence (PRA) used in the VDF approach is seen in line with the stipulations in this Decree. Also other international agencies (WB, IFAD) collaborating with the GOV support various modalities for direct funding and decentralised budget management.

In the thinking of MRDP directly funded VDPs would lead to a more *effective* demand structure at the local level, which could create more *coherent demands* on the *support* structure consisting of district and province services as well as from other private sector agencies. Finally, it would be possible for villagers to spend their allocated budget on activities not directly related to NRM, such as improving facilities within a village school. This concept was to cover a total of 215 villages in 66 upland and remote communes and – as this was set in motion by early 2000 – the team had a very good opportunity to assess the results in the field. In total around 30 VDPs have been discussed in the field covering all districts, communes and villages visited. An assessment follows after a short exposition of the characteristics of direct funding under VDF. It is treated at some length since the approach of area-based implementation and direct funding is new – and being part of a trend, it may inform the future directions of Sida assistance. *It also does away with the focus on model building in MRDP unless ‘direct funding’ now is to be considered a model too, but it keeps a bearing on policy formulation and it puts its signature on the villagers’ need for implementation (versus models and policy focus).*

It should be noted that along with the direct funding at village and commune level relatively large amounts of money under MRDP are made available to provinces and districts, far more than the

¹¹⁶ See Shanks et al. 1999

¹¹⁷ Commune and Village Development Funds – A Model for Direct Funding, MRDP 1999 or 2000 (no date)

villages get. This money is spent in order for these higher level bodies to 1) increase their *capacity* (through study tours) and to 2) provide *support* in response to demands from below.

8.4 The parameters of ‘direct funding’

The PBO and Sida have discussed this change towards an area-based approach and direct funding during 1999 and various indicative figures for the direct funding have been proposed. A sensitive issue seems to have been how much money out of total Sida commitment should remain with the provinces for two very different purposes namely for A. “support to be rendered those below” and for B. own “capacity development” and how much should go directly to lower levels.

Prior to the PRAs in 215 villages indicative budgets were set for each village and commune and varied from place to place ranging from 10 MVND in some older project villages to up to 40 MVND in the new and poor communes. Villagers were told how much they would get and made to feel certain that they would in fact get it – and not more. The idea was to cater in particular to remote and poor upland areas primarily (Zone III) commune and villages. Transfer of funds for implementation of village development plans was to take place through contract agreements between the commune and village leaders for activities linked directly to ‘End Results’. Guidelines for plan preparation and routine *monitoring* linked to the End Results and contracts were drafted by the MRDP and handed to villagers. Around 215 PRA were carried out in five provinces very quickly by the end of 1999 and primo 2000 for the formulation of plans in the order of 10–30 MVND/village and 10 MVND/commune. All VDPs for year 2000 were to be prepared according to given MRDP guidelines where the *Creative Process methodology’s terms* ‘Current Reality’ and ‘End Results’ had to be stated¹¹⁸ and names poor households indicated as beneficiaries. Names of all households present during plan preparation must be listed by signature.¹¹⁹

Plans reviewed by the team in the field, – when done according to the Guidelines, made up more than 20 pages and prepared in 4 copies, for own use, for commune, for district and for province. Combined with the sheets of paper needed for monitoring of *each* Activity and *each* End Result in the VDP a village may easily need to cope with more than 200 sheets of paper, also in the remote ones with few literate people. The VDP, despite being a *village* plan and subject to ‘direct funding’, needs the sanction of the commune before further submission to district and provinces in order to release the funds.

8.5 Village Development Plans Year 2000

The main goals of channelling funds directly to the village and commune level have been to allow the investments at village level to be de-linked from the target oriented provincial development planning. Villagers will get what they ‘truly want’, encompassing a planning presumably more sensitive to needs and to poor households than before. The observations made below tend to indicate that while a good deal of work has gone into the preparation of the new approach, the districts (and provinces) do have problems implementing it in spirit. This is recognised as being part of an ongoing process of learning, but may be too little attention has been paid to the existing Vietnamese planning and budgeting system. Furthermore, too small funds are made available at village level by MRDP to make any difference, and too many direct wants in the villages for free or subsidised inputs of HYV seeds and fertilisers against the more lofty imperatives of holistic planning.

¹¹⁸ This vocabulary is part of the terminology characterising the ‘creative process’ that has formed the foundation for project formulation in MRDP replacing the LFA.

¹¹⁹ As it is difficult for all households to be present at a given time and as there are opportunity costs involved the figures may not always tally.

The team found during fieldwork that plans had been prepared in all villages, some few plans truly variable by village (Phu Tho), others very similar within the same district. The plans in four copies, one for each level, had consumed a lot of paper, but villages had seldom themselves kept a copy and many could not remember what went into the plan. Villagers said they had undertaken this special kind of PRA planning with the tedious paperwork because they were told they would get funds in return. When the project was over they would not repeat it, – for what purpose? The Vietnamese planning system cannot cater to that kind of planning, primarily because it does not have the money and because normally plans/requests are sector-specific. In addition, the paper work was just too much. Article 4 of the VDP indicated “after *each activity* there must be an evaluation note signed by members of VMG and representative of commune to show that it has been completed according to the ‘model’ or format (*theo mau*) and sent to the Commune Management. Board for final accounting”. In most VDP budgets the contribution of the GOV was mentioned also, thus out of a VDP budget of 30 MVND, the 20 million may come from Sida and the 10 million from the Government.

Most VDPs were not plans but shopping lists of otherwise subsidised agricultural inputs. The amount of paper work makes a village dependent on the district that may present and write according to a menu. It seemed, on one hand, that villagers had been given a menu by the district and province on what could be had, and on the other hand, that villagers also within the given amount of money had found the best way to spend the funds. While the MRDP or Sida wish to see villages have the liberty to spend the funds to purchase from the private sector this cannot materialise as seed supply is handled by the rice companies (guaranteeing quality, it is said as against the private merchants) and there is seldom a private sector to be found. Most ‘plans’ spent more than half on (free) HYV rice and corn seeds. In no place, except Phu Tho province, had the villagers actually been able to implement the plan, i.e. get the seeds in time. By July 2000 no village had yet received funds (from Sida) creating a strong anti-climax.¹²⁰

The choice of villages to receive funds was not always transparent, in some districts new and poor villages did not get, while old ones from the start of MRDP had been allocated in the APO. Many plans did not mention poor people as a particular beneficiary of the plan. We assess that the APO entries in the ‘capacity development’ and especially the ‘support’ budgets of the districts not clearly matched with the VDP of program villages. Commune budgets were used to benefit non-program villages exclusively for the sake of equity within the commune. Whether the program’s emphasis on model building was part of district and province support (+ capacity) budgets or model building had been given up as an objective. No Village Development Plan asks for ‘models’, except for Lao Cai Province, where VDPs seem to have uniform entries. The team judges that the expansion by year 2000 into the poorer communes and villages accompanied by new direct funding and decentralised management may create anti-climax. There is no guarantee that the village receives support the following year, let alone receive support this year due to lack of forthcoming funds from Sweden.

The team did not see any deliberations in MRDP papers informing the approach in the program of the direct funding models as applied in the WB project and to be introduced in the IFAD project in Ha Giang. The IFAD project operates with 50,000 USD to commune and 5,000 USD to village level. Here the direct funding to communes is handled at provincial level by the DPI. In comparison, the amount of money communes and villages under MRDP receive, namely 10 million VND (about 700 USD) and 10–30 million VND (700–2,100 USD) respectively is relatively small and allow only for plans and requests for HYV seeds and fertilisers. The team observes that there is no *programmatic* built-

¹²⁰ Only in Phu Tho province did villages receive some funds as Phu Tho used the retrieved principal on the loans under RFS to advance to villages not to let them down. Other places the district extension staff has ‘signed’ at the government supplier’s shop to get fertiliser out in time

in monitoring of this new area-based direct funding approach by year 2000 that will allow the MARD and Sida and others to design the future phase of the program beyond 2001 and still less inform the government programs of lessons learnt.

8.6 Decentralisation in national forest management

The present chapter treats *decentralisation* as encompassing both the introduction of block allocations and direct funding approaches for decentralised budget management and devolution of government management functions as well. The former has been dealt with above under the VDP, VDF and the area-based approach. The latter understood as devolution of management of government functions, assets and property such as national forests to the lowest appropriate level is dealt with below as one of the important aspects of decentralisation within the purview of MRDP.

Forests understood as old multi-species forests (as against mono-cultural plantations) have formed part of villagers' life for centuries and also for present villagers' life for decades. Any elderly person asked can tell how the forest started just outside the village. Population pressure due to high birth and migration of lowland people to the uplands have caused deforestation, a trend now halted partly by the government programs of mono-cultural (industrial) plantations, which cover the landscape widely as one travels in the mountains, and partly by the increase in production of food crops based on HYV of rice and corn which does away with the need to clear more land for food production.

The remaining old forests, be they classified as watershed forests or special use forests, are in need of protection to safeguard the (semi-unofficial) inputs to local livelihood (non-timber forest products providing food, fibre, fodder, fuel and medicinal plants) and to save biodiversity and other tangible and intangible assets for the government. The normal procedure till now has been for the government's Forest Inspectorate at district level to enter into contract with a commune or with individual households to protect the forest against a payment of 40–50,000 VND/ha for a period of five years. This arrangement corresponds to one of hired labour, as villagers gain no rights in the forest under this arrangement. The forest belongs to the government and if something happens to the forest the contract-holding commune/households will be made responsible by the government.

In line with global trends and based on experience of community forestry in Nepal, a new approach to Commune & Village Forest Management and Protection under MRDP began to take shape through an intensive study of the existing situation carried out in early 1998¹²¹. This new approach is based on the following principles:

- Combining forest protection with production, i.e. not only conservation forests, but also government-made 'forest' plantations were in focus
- Long term allocation of national forest land to communes and villages
- Sub-contracts (partitioning of rights and obligations) to households, groups of households or hamlets as appropriate
- Preparation of village-based Forest Management and Protection Plans
- Improved silviculture techniques of forest management for production and protection
- Income/benefit sharing arrangements between households, community and the government
- Establishment of funds for forest management and protection activities
- Delegating responsibility for regulation and monitoring to commune level.

¹²¹ Hobley, M. et al (1998), From Protection To Protection Through Production: a process for forest management planning in Ha Giang and Yen Bai Provinces, consultancy study carried out for MRDP

The new approach rests on the axiom that Joint Forest Management is conducive to ecological and social sustainability. It implies that the state and the local community jointly – for mutual benefit – will manage natural resources such as forests under the condition that the village will have rights to appropriate products for own consumption and obligations to protect the resource. This arrangement is seen to create a win-win situation where everyone is a stakeholder and to lower the cost to the government for protection.

The MRDP is not the only programme in Vietnam to try put this concept in operation. There are many lessons learned already and a new government draft regulation is supportive. Unfortunately the Evaluation Team did not have chance to see the MRDP initiated JFM during fieldwork. It seems that, despite the claim by the project that JFM had been piloted in many places, including Lao Cai and Ha Giang provinces – over and above the much studied case of Giang Cai in Yen Bai province, which was not visited – this was not so. What in fact was observed in the field in Ha Giang and Lao Cai provinces was not JFM, but still the usual contracts with local corporate entities (the commune that then would sub-contract to individual named households or individual households themselves). It was not the ‘community’ understood as the whole village where every household is a stakeholder and where rights of use were vested in them. The explanation by the authorities was that ‘the community’ was too loose a concept to operate for the Forest Inspectorate. It needed to know who was responsible and who could be blamed if something happened to government property, - this in spite of the request by the village to manage the forest as a community.¹²²

It seems to the team that the only real initiative in decentralisation of forest management takes place in Yen Bai where heavy project support has been provided since 1996. However, we can assess the Giang Cai example based on written project documentation only¹²³, but based on familiarity with the generic issues of JFM, the team shall comment on the analyses made by the MRDP.

MRDP works primarily with Giang Cai village, Nam Lanh commune, which recently has formed a long-term agreement with the Van Chan District authorities to protect and manage over 1000 ha of comparatively rich mountain forest. While JFM in India and Nepal normally keeps a low profile on the production aspects, the strategy of MRDP is called ‘protection through production’. It implies that some of the income gained by farmers from forest production should be put back into forest protection at the local level.

In community forestry initiatives, especially with JFM, it is the decentralised institutional development and the authorising of the rules for who has rights to what, when, where, and how which are decisive elements of social and ecological sustainability. The framework for *enforcement* of rights comes up as a key practical issue all the time as does the internal benefit sharing arrangements. While the nature of the *induced* institutional development of decentralised management is critical, so is the demarcation of boundaries both for resources and the rightholders. Institutional entry and exit rules and sanctions against non-compliance (that can be enforced at the local level) are elements that help guarantee *social equity* in benefit sharing. The villagers of Giang Cai hope that the official nature of their allocation will reduce any conflicts with other communities.

We believe that the Giang Cai example and the analysis undertaken by MRDP is sound and that it is important for policy feed back into the draft government regulation. We are fully aware that the

¹²² This goes for the “JFM” model in Lao Cai where a large blue-yellow cement signpost along the road indicates that here is found a model of JFM under Sida-GoV programme. This is not so.

¹²³ Linking Government and Local Forest Management Systems – A new approach to community forest management and protection from a Dao Village in Yen Bai. – A CASE STUDY FROM GIANG CAI VILLAGE by Bui Dinh Toai, Nguyen Phuc Cuong, Vo Thanh Son, Edwin Shanks, and Sheelagh O’Reilly, MRDP study, March 2000.

driving force is the village of Giang Cai itself. A few points need attention. One is the establishment of a sustainable financing mechanism for decentralised management. Like the VDP needs money, so does JFM. The analysis prepared by MRDP on Giang Cai does not specify whether Sida pays the envisaged Village Forest Fund – as was the case in the Nam Ty village of Ha Giang province (but where no comprehensive institutional development has taken place). No calculations are seen of future possible income from forest management assuming the income to Giang Cai is from marketing of products. In this connection another point in need of attention is the fact that many local needs, especially of the poor, are livelihood needs and not production needs. These needs can only be met by the goods and services provided by the ecosystem. The Giang Cai system of letting labour days form the basis for the benefit sharing quota does not cater to allocation of rights in products of use value only, – products which may be accessed primarily by the poor. Finally, – as the MRDP analysis does highlight – different claims and relations of production may arise once the timber forest regenerates and increases in value. Safeguarding of decentralised management and rights of appropriation might then need corroborative action from the Government.

9 Assessing the effectiveness of FCP and MRDP

9.1 The approach

In this chapter we assess the achievements of FCP and MRDP as a long-term co-operation in rural development in Vietnam in the context of the overriding objectives of the programmes¹²⁴. This forms the basis for an assessment of the effectiveness of the programmes, i.e. their results as compared to their objectives. Finally we make a brief analysis of the cost-effectiveness in relation to these objectives. Cost-effectiveness is a relative term, i.e. must be judged by the costs involved using an alternative method of reaching the same objective.

The assessment in these terms is difficult due to a number of reasons: First, the objectives are broad with no clear benchmarks, i.e. what specifically is expected to be achieved to fulfil the objective. However, MRDP's original end results are of some guidance. Second, as discussed earlier, both FCP and MRDP have failed to systematically assess changes over time, and especially to try to attribute the contribution of the programmes to changes. This is impossible to re-construct *ex-post*. Third, the accounting system of the programmes is such that it is difficult or impossible to assess the associated cost with a particular objective for the purpose of a cost-effectiveness analysis. Notably, the largest single expense under both programmes – the international advisers – are not allocated on activities, nor is the accounting system set up for comparative analysis.

9.2 The overriding objectives

The assessment is made of the results in comparison to the *overriding objectives* (in the LFA terminology, the 'development and programme objectives'). These are the objectives expressed in the formal agreements between the two governments. In annex 4 we make an assessment of achievements of the objectives for MRDP at a lower level of aggregation, i.e. the end results for the components constituting the programme, both the original end results expressed in the Programme Document 1996, and the most recent revised programme end results as of year 2000.

FCP's overriding objectives, as formulated in the Agreement between the two governments, were:

1. promote a fair, efficient and adequate utilisation of the land and forest resources in Vietnam;
2. support and contribute to the development of a viable forestry sector in Vietnam based on sustainable use and environmentally sound principles; and
3. contribute to the economic development of the rural areas by introduction of sustainable and replicable forestry practices on both large and small scale.

The FCP also had the 'specific goal' to:

*contribute to the development of technical and organisational competence and abilities to promote these objectives at national, provincial and local levels, to increase environmental awareness and to generate models, results and experiences for national replicability.*¹²⁵

¹²⁴ It is important to keep in mind that MRDP is a still on-going programme with almost two years to go as of mid 2000 when the fieldwork of this Evaluation took place. Thus, our assessment is partly based on performance so far, partly on the anticipated achievements by the end of the programme.

¹²⁵ Sida: Insatspromemoria, Stöd till skogssektorn i Vietnam 1991/92 – 1994/95, and Specific Agreement of Swedish support to a Forestry programme in Vietnam 1991–1996; Stockholm 03.05.1991

MRDP's overriding objective, as formulated in the agreement between the two governments was:

*In order to **alleviate poverty** amongst poor farmers, the MRDP should contribute to the re-establishment of green productive uplands that are managed in a sustainable way by healthy farmers having secure land tenure, maintaining the ecological, economical, social and cultural diversity of the area.*

In addition, also the following 'Main Objectives':

Institutional Development in the whole support structure from central to province, district, commune and villages levels of five participating provinces, to enable farmer households to achieve what they truly want as expressed in their 'visions' and 'end results';

Development and testing of *Methods and Systems* to sustainably (from both economical, ecological, social and cultural point of view) convert the barren uplands and mountains in the five provinces to productive land use.

Create Policies, recommendations and guidelines for sustainable upland and mountain development based on learning from the institutional and model development in the five provinces.¹²⁶

These objectives have been maintained unchanged throughout the implementation of both FCP and MRDP. However, in MRDP the end results referred to above, have been considerably altered over time, in some cases followed by a formal agreement by the two governments at the annual and semi-annual reviews of the programme. This process of change has resulted in: 1) an overall reduction in number of end results over time as compared to the original number; 2) generally a less ambitious goal setting over time than implied by the initial end results; 3) a more ambiguous formulation of the revised end results as compared to the original, making them more difficult to assess. In addition, new end results for the overriding objectives, which were not part of the original programme, have been established.

The visions (development objectives) expressed in the MRDP *projects* are substantially different from the overall vision for the *programme*. The programme vision is ambiguous in the sense of using concepts such as *healthy farmers*, and *maintaining ecological, economical, social and cultural diversity*. In view both of the ambiguity of the programme objective and the discrepancy between them and the objectives of the provincial projects, we also use a summary of the latter in our assessment.

The overriding objectives for the FCP and MRDP have much in common: protection of the environment; promotion of sustainable use of natural resources; and institutional development and method development. However, there are also significant differences. Thus, FCP was not an explicitly poverty oriented programme, which MRDP is, at least at the programme level. Furthermore, FCP was clearly a forestry programme, which MRDP is not.

9.3 Institutional development

At the end of FCP impressive results within the government system and at village level based on massive training efforts was reported¹²⁷. This had, inter alia, led to better capacity for planning, management, administration and for staff to operate on their own, particularly at the provincial level and

¹²⁶ Specific Agreement between the Government of Sweden and the Government of the Socialist Republic of Vietnam on Support to the Vietnam-Sweden Mountain Rural Development Programme 1996–2000, Hanoi 1996. The highlighting is in the original text.

¹²⁷ As indicated in chapter 2 this view was expressed by the Monitoring Team in various reports, notably in 1995, by the mid-term Review in 1994, the appraisal team of MRDP in 1996, and the Government of Vietnam and Sida

established village institutions such as the Village Management Groups. Also MRDP has pursued a major human resource development effort, largely along similar lines of methodology. A substantial part of MRDP in terms of costs has been allocated to training, defined in broad terms. Our overall conclusion is that FCP and MRDP jointly have promoted a long-term human resource development in the administration in the five provinces and, perhaps to a lesser extent, in MARD, and also in targeted villages. Furthermore, FCP played also a role in enhancing the capacity of partner organisations such as FRC and GDLM.

There are indications from our various field works that both villagers and staff in ‘programme areas’ – i.e. communes and districts, which have been subject to direct programme activities – have a better capacity, than in non-programme areas. Overall, the long-term exposure to a Western development programme supported by technical assistance seemingly has left considerable imprints both on the staff, which has been exposed, and at the villages.

In spite of a good overall record, the human resource development is not without flaws. First, the training (for example related to extension) has to a large extent been top-down and formal. Furthermore, it has for some reasons not utilised relevant and important experiences in other departments of MARD. Second, technical training has often been narrow, thus not setting technical issues in a social, political and particularly not in a market economy context. The shortcomings in terms of neglect of market conditions runs as a thread through the assessment of the programmes. Third, some of the most expensive ‘training’ efforts in the former of study tours abroad often are rather unfocused, involving the ‘wrong’ officials from a technical point of view. Fourth, there are some inherent inefficiencies in the Vietnamese system in terms of human resource development in the sense that: a) there is little mobility of trained staff, hence little spread of training effects; and 2) very little interdepartmental interaction allowing comparisons and cross-fertilisation. The latter are structural issues the programmes have not been able, or tried, to address.

The issue of poor sustainability of some training as reported in mid 1990s appears still be the case. Trained people often are not in a position to practice their new skills, nor show much interest in continue education on their own. Thus, there are fairly coherent views that, for example, much of the training in English – however needed this is in Vietnam – has low sustainability as most staff in the provinces are not in positions to practice their skills.

The human resource and institution building in FCP and MRDP is likely to have had diminishing returns over time. External support to the provinces, Ministry of Forestry and the specialised institutions, was initially very limited by other donors, hence the Swedish support was a main, if not the only, external force in promoting change and capacity building. The Swedish support also exposed the Vietnamese system to Western models and perceptions at a stage when there was little similar influence. Over time, the impact of these inputs have gradually decreased, not necessarily due to the faults of the programmes, but as a result of the fact that Vietnam is integrating into the world community in its transformation from a centrally planned state to a market economy. Vietnam is fast catching up in international ‘best practices’ in rural development, modern administration and management principles, not least by a multitude of donor programmes since the mid 1990s.

The effectiveness of the programmes as means for institutional development in the state management system – i.e. results as compared to objectives – appears good. However, if the planned end results of MRDP are taken as benchmarks, the institution building results are falling short, sometimes very short of the objectives, especially if we apply the original, more precise and often more ambitious end results.

Could the same achievements have been accomplished more cost-effectively? From what is said above, we believe so as regards HRD of the state management functions. An important lesson for the future is to establish a system which provides feedback on HRD results and which allows comparative (cost)-analysis of different methods. Such methods are available internationally, but would in the context of MRDP require a much stronger effort by the centre to monitor the application of learnt skills.

9.4 Systems development

The objectives of FCP and MRDP contain terms such as model-, systems- and method- development. We have applied the following terminology in defining these terms: Systems concern broader methods, such as extension services, micro credit and savings, business development, PRA, decentralised planning and budgetary systems, joint forest management, etc. Models refer to more technical methods, for example within these systems (such as SALT). This section concerns systems development in the programme, while the next section concerns model development. Both FCP and MRDP have been ambitious in introducing systems and played a pioneering role by transferring international practices to Vietnam. The most important of these are discussed below.

Participatory planning

FCP was considered by the mid 1990s to have provided a truly innovative approach to rural development through PRA in Vietnam and to have opened up a new way of thinking, with a potential to reform the whole extension system. Participatory Rural Appraisal has, with modifications, become mainstreamed in MRDP, to the extent that the method by year 2000 is the foundation of the programme. The shift in attitude in government from a 'hesitant' to an 'active, interested participant' is sustained and further reinforced as discussed in several chapters in this report. Participatory planning methods are today ingrained in Vietnam, albeit the efforts still largely are in the context of donor funded programmes. FCP cannot claim sole responsibility for this transfer – several NGOs and donor projects were experimenting with this technique at the same time in Vietnam. Nevertheless, FCP was one of the major, if not the major, pioneer in the public sector. This introduction must be considered a distinct achievement of FCP.

However, the scaling up and linking PRA to a donor funded supply programme have entailed some serious shortcomings of the method. There is a commonly shared view today that PRA to some extent has been used as a means for implementation of centrally determined programmes/targets. Thus, like in many other countries and other donor funded projects where PRA has been introduced, the method often becomes 'perverted' in the sense that it is used by an implementing system, (a government or an external funding agency) to transfer some pre-determined goods or services.

Decentralised planning and budgeting

Decentralised planning is now a widely accepted concept inside and outside programme areas at the provincial, district and commune levels. This conceptual change is a broader trend in Vietnam driven by stronger forces than the Swedish development programmes during the 1990s. Vietnam follows largely the international experience. The contribution by FCP/MRDP might have been some practical models (such as PRA), but also in pursuing a consistent development philosophy from the beginning of FCP, thus transfer of a 'management culture' alien to Vietnam in the 1980s.

MRDP is currently undergoing a major change by introducing a decentralised planning and funding model, based on PRA with a Village and Commune Development Fund. While the planning process has been carried out in over 200 villages, and plans have been prepared, the results of the investments under these plans have yet to materialise, especially since villages did not receive any funds in time,

hence our assessment is limited to the planning, its process and immediate outcome. As indicated earlier, we are quite critical of the model so far applied by MRDP. The critiques are in short:

- The funds are too limited to allow for a real village plan. They suffice as additional subsidies for agricultural inputs.
- It is implemented on a large scale, when testing in a smaller scale (and with more money per village) would have been more appropriate;
- It is very questionable if a line department with a limited scope of services should conduct it, while assuming that it is not a menu operation¹²⁸.
- It is a question how much of decentralisation in effect will take place as the pressure to adjust to centrally funded programmes (such as supply schemes) still play a considerable role. Thus from the cases studies, the 'demands' seems largely be free seeds and seedlings, and payment of VMG salaries.

Furthermore, it requires considerable administrative efforts of both villagers and officials for very marginal resources; It is subject for a considerable degree of bureaucratisation (for example in the sheer amount of paperwork it requires).

Extension

In the opinion of the reporting in the 1990s, FCP had pioneered a new, innovative extension system, with a remarkable ability to promote forestry and agriculture development. The experience, knowledge, and methodology of the extension system in FCP was accepted as a base for the national extension programme when this was conceived in 1993 by Decree 13 according to the Government (PBO). FPC, and to some extent MRDP, have tended to see this organisational and policy development as one of its most important achievements. For this purpose Decree 13 was subject to a special study in the context of this Evaluation as reported in chapter 10. While acknowledging the pioneering role of FCP in this context, the influence of FCP on Decree 13 might be somewhat exaggerated. A national extension system was in the making in the Ministry of Agriculture in the early 1990s and was introduced parallel to the FCP model. MRDP's continued contribution in building the capacity of the national extension system is less clear. The problems identified at the end of FCP, such as lack of market-considerations, lack of flexibility in the technical 'models' and their promotion, limited use of field experiences at the central level are still present. There has also been poor learning from other 'in-house' experiences in MARD.

As extension is institutionalised in Vietnam, the ability of one, in relative terms, small programme, to significantly contribute to further systems development declines. A critical issue is the utilisation of the limited number of staff available. There has been a tendency in both FCP and MRDP to load auxiliary tasks to the system, such as rural credit and business development, and in MRDP also to re-focus towards marginalised and poorer communes. While understandable in a donor-funded programme context, there is a risk that the net-effect of such efforts might be counterproductive by diluting the 'core functions' of the system, particularly under budget cutting on-going public sector reforms.

Rural finance

MRDP has pursued rural finance along the same principles as in FCP with a doubling of number of households with the ultimate objective to provide examples the banking system of community-based and group managed credit for eventual transfer of its system and experience to a banking institution. However, rural finance has become a liability in the programme, much in line with the appraisal's

¹²⁸ Development agencies, such as the World Bank and IFAD, which are undertake similar decentralised fund projects have opted to operate through DPI, rather than a line department

anticipation in 1996, notably because it is operated by a line department, rather than a specialised bank or a micro finance organisation. The line department is not organised to undertake the necessary supervision, control and management of a credit and saving system, (with its other duties), nor of developing the client groups as functional savings and credit groups. Furthermore, MRDP's efforts to transfer the current operation and the experiences to the Vietnam Bank of the Poor are only gradually gaining ground. The financial sustainability of many SCGs - if the principal is withdrawn as planned - is doubtful. Furthermore, the financial viability of the various investments promoted through credit is uncertain. While credit to a very large extent has been used for livestock – a common economic diversification strategy amongst farmers – there are indications that the prevalence of rolling over loans (by short term borrowing from money lenders or friends) is very common, and that as much as half of the investments may not be financially viable. Saving ratios are very low, and the book keeping at the credit and saving group level is rudimentary. Not unexpectedly, the ability of the rural finance system to reach the poor is also limited. Comparing the rural finance system in FCP/MRDP to 'best practices' internationally in micro credit, the programmes have not been a successful agent of transfer of experiences.

Business development

Business development was the least successful activity of FCP. It was described as an activity trying to find its role in the programme. MRDP continued with Business Development along similar lines as FCP. The results are, in spite of considerable efforts and increased attention, disappointing. Both the programmes have tended to work with a credit and fund supply oriented technical assistance inputs, stimulating development of simple processing technologies for agro products, but almost no concern for market conditions. There are exceptions, but many of these efforts have failed. This should come as no surprise: the international experience in this type of business development support in donor programmes since the 1970s overall is poor. Effective means of stimulating such development tends not to be through government driven technical assistance. Business development is better promoted by addressing structural constraints in the rural economy, which prevent entrepreneurial activities. Such constraints might be found in the policy or legal framework – for example, rules concerning marketing of products; very commonly in infrastructure such as roads, supply of energy and telecommunication, etc. and overall in the human capital formation (language skills, vocational skills, etc.). Neither FCP, nor MRDP has applied such an analysis, but rather utilised conventional technical assistance services. The exception to this is recent efforts to create market information systems, using media for dissemination of prices, etc.

Effectiveness in systems development

It is difficult to aggregate the results of the many different attempts for 'systems' development and relate this to the stated objectives of FCP and MRDP. None of the systems promoted by FCP/MRDP is a clear success, and some of them seemingly have questionable sustainability, yet others have not yet matured, but are in an initial stage. Yet, both programmes have had a high level of ambition of stimulate change, pioneering new approaches in Vietnam by stimulating transfer from outside. There has been an influence on the Government system notably in the application of PRA and extension. Looking at FCP/MRDP as a long-term co-operation we might conclude that it has – as a systems development effort – been fairly effective although the benchmarks we have are stated in very vague terms, with question marks for sustainability. However, placing the achievements in the context of the relevant End Results in MRDP, the programme is falling short up to now.

There is a diminishing return on systems development by the programmes over time as Vietnam is catching up, its administration becomes more professional and there is a rapid increase in competing sources for systems development, not least by the inflow of donors. Furthermore, as discussed in chapter 9, with the new programme structure and approach applied by MRDP from year 2000, it is seemingly giving up any pretence of systems (and model) development.

9.5 Model development

FCP was seen by observers in the mid 1990s to have been innovative in working out new methods in agro-forestry, extension, credit, land-use planning and land allocation. The programme was claimed to have developed some 900 ‘models’. Specific examples were models for forest enrichment, which had impacted on the Government’s 327 programme, according to the Government.

Running through the past chapters of this report as a recurrent theme is the team’s critical view of the model development, which has taken place (or not taken place) in the programmes, with emphasis on MRDP. The following deficiencies are identified in the thematic chapters:

- Models have not been systematically evaluated, and their performance is assessed only locally,
- Evaluation is hampered by the fact that the parameters of the model are never given – whether they be related to land capacity, to mixture or sequence of crops plus or minus animal husbandry, to labour availability in the household, or to wealth and capacity to sustain the inputs;
- No effort at systematic synthesis of experiences at programme level;
- Information on ‘trials’ has only rarely been analysed and written up and thus made more generally useful;
- Introducing established ‘models’ at implementation scale rather than on a pilot scale without prior testing;
- Models have been introduced hastily, without consideration of and training in evaluation and monitoring. The focus has been on ‘getting them out there’;
- Models to the tune of 2–3 million VND have been provided free to the more well to do households in the midlands while models for the poorer farmers and farmers on rocky mountain lands were never developed

While not ruling out the informal processes of learning taking place in the Vietnamese system and at lower levels of the system, the failure at the centre is a major shortcoming in a donor programme focusing on systems and model development for larger scale replicability. Thus, the effectiveness of the programmes must be considered low, especially as compared to the original End Results established for MRDP.

9.6 Policy formulation

The reporting in the mid-1990s claimed a considerable impact on policy formulation by FCP. Thus, it was argued that FCP was implemented at a time when experiences and solutions to different problems were demanded in Vietnam. Specific policies considered influenced by FCP were: Decision 327 of 1992 on reforestation and Decree no 13 of 1993 on extension; the new Land Law of 1993; the Government decision 525 on guidelines and measures to continue social and economic development in the mountain areas, and finally the merger between the previous GDLA and the Department of Geodesy in the new General Department of Land Management. Policy development and influence was made an even more pronounced objective of MRDP than of FCP, and the programme was specifically designed by promoting the enabling conditions for such influence, for example through a Ministry Project linked to the Policy Department. MRDP – in its reporting – has also made strong claims that the programme has contributed to and influenced national policies and programmes, identifying a number of such policies, guidelines and programmes. Our assessment is, on the one hand, that FCP/MRDP seems to have been influencing the policy making, but on the other hand, the reporting of such influences tend to be (highly) exaggerated, and not account for the many other factors at work. FCP/MRDP influence is through three basic means: providing financial resources for visits, research and

trials by policy makers; undertaking interesting cases and models; acting as a source of information and know how (for example, through workshops or on a personal basis).

FCP and MRDP have been 'at the right place' in terms of policy influence. FCP more so than MRDP due to the dramatic changes taking place in Vietnam's policy formulation in the early 1990s, and also that there were fewer external actors at that time trying to influence policy. Especially MRDP has been close to the key decision makers in the respective ministries, hence have had great opportunities to interact in policy formulation. In short, the programmes have been instrumental in Vietnam's policy making, but the impact is probably declining. However, the cost-effectiveness of this is a different matter. Policy influence is by no means positively correlated with the level of funding. Smaller, more specialised projects financed by Sida in the forestry sector possibly had an equal or better chance of impacting on policy¹²⁹. Following this argument, the cost-effectiveness in policy development is low in both FCP and MRDP (in the meaning that similar influence most likely could have been achieved with much less resources).

9.7 Developing a viable forest sector (FCP)

The reporting in the mid 1990s noted that FCP had provided 18,000 ha of industrial plantation and that farmers in the five provinces through the programme had planted over 60 million trees. Together with the previous Soil Conservation and Plantation project the industrial planted area had been expanded to meet the equivalent of Bai Bang Paper and Pulp mill's annual raw material demand, in addition to the corresponding to 35,000–40,000 ha of wood plantings at forest gardens; home gardens, etc. MRDP has not continued industrial plantations, and overall has had a marginal contribution to industrial wood at the farm level. The concern of supplying the Bai Bang paper and pulp mill, which in many ways is the origin for FCP has ceased as an issue. Rather than the feared and actual shortage of pulp wood of the 1970s and 1980s – the current situation is an oversupply of wood with depressed prices for the farmers and the forest enterprises. This has been triggered mainly by the market reforms and government reforestation programmes, including the long-term Swedish support to forestry plantations since the 1970s up to the mid 1990s.

While the farm level forestry activities were expected to cater for the main industrial user, at least in FCP, this has materialised to a very minor extent. For various reasons farmers have not had the enabling conditions to engage profitably in a steady supply of sufficient raw material in the qualities and quantities needed for an industrial enterprise in an increasingly competitive market place as discussed in Chapter 5. Other structural factors impeding the farmers' access to, for instance, the Bai Bang market are also at work and provincial authorities have tried to tackle this by setting up local centres for the farmers to sell the wood. Both FCP and MRDP failed to train the producers in the market mechanisms that concern wood products and fruits, which may have helped the situation, namely: the quality and quality demands, price fluctuations, management and labour cost, transportation cost, intermediate storage, etc. Thus, the programmes have, like so many other development projects, initiated a production without including the establishment of a marketing mechanism that reaches the market as well as the remotest of the producers.

FCP had an ambitious objective in terms of developing the forestry sector in Vietnam, terms such as *viable, fair, efficient and environmentally sound*. While the programme had some good contributions, the forest sector in the country can hardly be described with the terms used above. It is from this perspective

¹²⁹ Both the FAO Social forestry project and the Strategy project, which were much smaller in financial terms, seem to have had a direct impact on the government's policy. In the case of the Strategy project, the Tu Ne methodology in land allocation influenced the government policy based on a few pilot cases.

unfortunate, that the Swedish co-operation changed direction in 1996 as it eliminated the possibility of a contribution to the creation of a well functioning forest sector in Vietnam. As a result, the effectiveness of the co-operation must be judged as low against the stated objective in FCP.

9.8 Re-greening of the uplands and sustainable use of natural resources

During the 1990s, the negative trend of de-forestation in the Northern uplands of Vietnam was broken, and there is for most of the decade an on-going process of re-greening and forestation, confirmed in environmental monitoring, statistical data from the districts and various studies by FIPI. This 're-greening' includes both programme areas and non-programme areas of the five provinces (and other provinces). As discussed in chapter 5, the apparent impact of this development is multiple: the forest/plantation cover and other forms of re-greening has, according to interviews in the field, improved the water retention, the distribution over the year of the water from the hills, and also the general quality of that water; it has decreased the erosion, formed new topsoil (except under Eucalyptus), an improved meso-climate, the biodiversity, and – at least as perceived by farmers – had a positive impact on agriculture.

FCP contributed to this reforestation through mass distribution of seedlings, industrial plantations, building a forestry extension and training. MRDP has more indirectly promoted fruit tree distribution, and possibly contribution to an increased productivity in agriculture (see below). However, the attribution of the programmes is more difficult to assess than implied in the reporting in the mid 1990s, i.e. tracing the changes to the impact of FCP (and MRDP) as compared to other forces. Thus, obviously these major changes in Vietnam are not a result of a particular programme, but the effect of many interacting forces, the most important being:

- the government's programme 327 on reforestation;
- the general productivity gains in agriculture, most notably HYV rice and corn, reducing the pressure on land and the need for shifting cultivation;
- the overall rapid economic growth Vietnam experienced in the 1990s, triggering diversification and a pull out from low productivity primary production.

FCP/MRDP represents a small, and decreasing share of the investments going into the uplands and mountains, hence attributing the changes to that of the programme would clearly be incorrect. Nevertheless, the programmes have taken place at the time when the negative trend was broken, and played a role in this process. Such impact is likely to have acted at different levels: in direct replanting and reforestation (mainly in FCP); by building awareness amongst farmers and officials by training; by contributions to more secure property rights, by development of the extension system, and finally through certain influences on national policies and programmes.

Has the support been a cost-effective programme in relation to this objective? This is a question, which is very difficult to respond to, but to the extent FCP/MRDP have contributed to this dramatic change process in Vietnam, a price tag of MSEK 320 would not be out of order. Especially FCP seems to have directed its resources in a reasonable efficient way to the objective. Like other aspects of the programmes, there are diminishing returns from FCP to MRDP due to a series of factors, but mainly due to a less clear focus as MRDP gave up forestry; and less contribution due to a more 'competitive' donor environment and a more qualified Vietnamese administration.

9.9 Development of the economic conditions in rural areas

Both FCP and MRDP have the overriding objective to improve the economic conditions in the programme areas. The expressions of this objective are reflected in concepts used by the MRDP projects' visions such as enhanced employment opportunities, improved market conditions, better cash income, etc. Most of the direct programme interventions are also geared towards stimulating production. Various studies and data indicate the overall improved economic conditions in the mountain and upland areas of the provinces during the 1990s, including the programme's communes and districts. As earlier indicated, the overall economic change process in Vietnam in the 1990s is so profound that from a methodological point of view is impossible to discern the impact of a – in relative terms – small external funded programme, from these broader change processes.

The programmes have clearly had a much more limited impact on income than anticipated in wood and fruit tree production due to the reality of the market conditions. Possible these programme inputs might even have had a negative return on labour, taken the opportunity cost of labour into account. In other respects, the programmes have reached new categories of households, in more remote areas, and had a positive impact in farm practices, notably introducing approaches for higher productivity as discussed in chapter 6. While the credit component largely has been utilised for livestock the number of households involved, and the credit volumes, are too small to impact on the rural economy as such. There are also indications that a considerable number of credit operations have not been viable. A forceful recalling of the loans might eventually lead to a largely negative impact also at the household level. Business development has, due to its inability to take market consideration into account, had an extremely marginal effect as noted in chapter 8, if any impact at all (and even possibly a negative impact), besides affecting a very small number of people. The land allocation in general should be in clear support of improved household income by assuring property rights, but the contribution by FCP/MRDP is difficult to distinguish apart from the on-going land allocation during this period, especially during MRDP.

9.10 Alleviating poverty

The formulation of the objective

FCP did not have poverty alleviation as an objective, and should therefore not be judged in such terms. MRDP, on the other hand, had *alleviation of poverty amongst poor farmers* as its overriding objective. While the MRDP documents have no explicit definition of what is considered poverty, there are, nevertheless, concepts used similar to those currently being used by the donor community – including Sida – i.e. a focus on *health, improved income, food security, secure land tenures, improved environment*.

Achieving the poverty objective – the direct impact

There are three basic strategies in addressing poverty directly: 1) targeting poor areas, for example communes; 2) targeting poor households; and 3) targeting poorer members of the household i.e. generally women and children. MRDP has, as discussed in chapter 9, not attempted targeting intra-village poor households, but rather worked with the better off. Neither has MRDP been good at targeting the poorer areas, i.e. the upland and mountain areas, but has to a large extent continued the work from FCP in the midlands. MRDP has gradually shifted target to areas by phasing in new communes/villages in the uplands/mountains and phasing out 'old' midland areas. However, this process is even today not complete. MRDP has not attempted targeting intra-household poverty, for example women and children in minority areas.

The reasons for this imprecise targeting might be several:

- While MRDP as a programme is explicit in its poverty orientation, the MRDP projects have never had an explicit poverty focus, hence little motivation to redirect the efforts from FCP. For example, MRDP's reporting rarely discusses poverty, nor is poverty a part of MRDP's Policy Binder.
- MRDP is a model building project and in order to show successful models it needs farmers who can be trusted to perform and who are not vulnerable to risk.
- The poverty focus has been a construction on MRDP by Sida, but as such poorly internalised and operationalised
- The remote upland and mountain areas are considerably more difficult to work in due to language problems, remoteness, weak infrastructure, lack of proven agricultural technologies and possibly cultural barriers.
- There might be good institutional reasons not to be too poverty focused in the provinces. Thus, there are clearly rapidly diminishing returns on, for example, extension workers time, trying to work with remote villages, rather than focus on the more accessible mainstream for which technical packages exist.

The key determinants of poverty reduction can be defined as: *income* – the strongest determinant of all; *security*, especially food security, but also security to property rights; access to key *social services* such as health and education, a *sustained natural environment*; and *empowerment* in a wide sense, including democratic values, respect for human rights and self-determination. Our assessment of MRDP along these parameters is the following:

- MRDP has likely not been a strong force in enhancing rural income in general, and the income of the poor in particular (see the discussion above);
- MRDP has possibly marginally contributed to improved food security, as being a factor in the overall productivity increase in agriculture, especially through HYV rice and corn; MRDP has also on the margin contributed to secure property rights; the impact has been less on the poor, than on the better off;
- MRDP has no intervention in basic social services with strong poverty reducing propensities, such as health and education;
- MRDP has had a certain contribution to empowerment, largely as a result of pursuing PRA on a rather wide scale, albeit with caveat that PRA has been anti-climaxed by a central implementation tool as earlier discussed.

In the context of what constitute poverty in Vietnam and what in the international experience is recognised as effective means of addressing poverty, our overall conclusion is that MRDP has been ineffective in reducing poverty.

Achieving the poverty objective – the indirect impact

MRDP (largely building on FCP), has contributed to an improved capacity in the state management system in the five programme provinces, exposed the various levels of governments to modern concepts of (poverty oriented) rural development, such as PRA, decentralised planning, micro credit, village development funds, modern extension services, etc.; possibly sensitised the system to poverty and gender. The programme has also undertaken a considerable number of studies focusing on poverty (for example the Lao Cai Poverty Assessment jointly with the World Bank, CRES studies on the Mountain and upland areas, and a study in the context of the Mid Term Review 1999, etc.). These may also lay the foundation for better understanding of poverty, its causes and manifestations. Taken together, this should in a longer-term perspective improve the capacity of the system to design effective

support services to the poor and the poorer areas. In this respect MRDP has interacted with many other forces in Vietnam, not least the Government's own efforts to deal with poverty, but also the strong efforts by the donor community, reflected in work by, *inter alia*, the World Bank and the UN on poverty focused rural development. On the negative side, MRDP's weak targeting on the uplands and mountain areas and its weak method development fitting the development issues in these areas, reduce the potential indirect impact on poverty. MRDP has not yet developed an effective model (or models) to address poverty in the uplands and mountain areas, hence there is little to replicate.

In terms of poverty alleviation as 'trickle down', we refer to the discussion above concerning effectiveness in addressing rural economic growth. Our general conclusion, shared with the poverty study in the context of the mid-term review, is that MRDP so far neither been effective directly, nor indirectly in terms of its main indirect objective: poverty alleviation.

9.11 Gender

The international experiences purport that there may be considerable intra-household poverty in the sense that women and children tend to be worse off than men. Poverty assessments in Vietnam, notably the World Bank Poverty Assessment in Lao Cai, strongly confirm this view. Especially in minority areas, not only are women poorer than men, even in the same household as seen in power over decision-making, working hours, income, access to social services, etc., – they are also often having a disproportionate burden for the family economy. MRDP has *gender balance* as one of its components, and one of its objectives. Our impression is that this aspect of addressing poverty has been particularly neglected. It is true that various gender awareness training has taken place, but gender is still treated as *women in development* in a stereotype fashion. For example, MRDP has not effectively utilised well proven practices for empowering women such as micro credit.

10 Assessing the programme design and management

10.1 The key stakeholders in programme design and management

The Terms of Reference for the Evaluation request an analysis of the *process* of the programmes. With process is understood the design of the programmes, their implementation and the phasing out. Standards to assess the process against should be according to the ToR: 1) the ability of the programmes to adjust to changing circumstances in Vietnam, specifically macro economic and policy changes, and to learn from their own experiences; 2) relevance, 3) flexibility, and 4) local ownership. The ToR request an assessment of the roles and the performance of the key stakeholders in these respects.

10.2 The role and performance of the Swedish government

Increased focus on strategy

Sida has had a decisive impact over the programme design and implementation both in FCP and MRDP. It has largely been Sida's current thinking and policy, which has determined the focus, scope and orientation of the two programmes. The shift from industrial plantations in the Vinh Phu/PSCP to social forestry in FCP, and the shift from social forestry to a poverty oriented, integrated upland and mountain area development in MRDP, were primarily driven by changes in Sida policies. Sida has executed its influence in the programme design by setting the parameters, for example, volume of funds available, expressed the broad objectives of the Swedish assistance, established the principles for how the programme should be worked out and to a certain extent also indicated components to be included. As process style programmes Sida has also had the opportunity to continuously influence the re-design of the programmes during the implementation. As further discussed below, in the latter respect Sida has mainly been reactive, with a rather limited influence.

In a longer-term time perspective of the Swedish co-operation with Vietnam Sida/Sida's strategic influence has increased over the programme design, rather than decreased. As discussed in chapter 2, the historical background to FCP and MRDP, the Bai Bang project, was entirely a Vietnamese decision, in many ways contrary to the Swedish thinking at the time, but which Sida tried to make the best of, given the parameters laid down by the Vietnamese. In FCP, and even more so in MRDP, Sida has made the strategic decisions, while the Vietnamese authorities have operationalised the strategy. However, it should also be noted that in terms of implementation, the ownership has radically shifted from the Swedes to Vietnam. The Bai Bang project and the followers to this were by all accounts driven by Sweden, while MRDP is clearly a Vietnamese owned programme, implemented by the Vietnamese with a rather limited role for Sida and the consultants.

The increasingly stronger role played by Sida in setting the parameters for the development assistance, and linking this to Sida's own policy framework has had some noticeable consequences, particularly in MRDP. First, there has been a discrepancy between Sida's objectives for the programme and those of the Government of Vietnam. Thus, the donor and the recipient have to some extent unresolved differences in what the ultimate objectives of MRDP are. The different perceptions of the ultimate objective, has led to different perceptions of the performance of the programme. It may be one reason why the Government of Vietnam, and in particular the provincial authorities, today expresses satisfaction with the performance of MRDP, while Sida, PAG, consultants used by the mid-term Review and this Evaluation, tend to express considerable dissatisfaction. Second, Sida's shift in focus of the programmes between FCP and MRDP driven by its own policy framework contributed to make the

development initiated under FCP less than effective in terms of forestry as discussed in the last chapter. Third, there is a risk that a donor-driven programme becomes too complex, involving too many elements, given the locally available resources for implementation, once the donor support is over. Both FCP and MRDP tend to be examples of such complexities.

The thesis of an increasingly stronger role played by Sida is paradoxical in an era in which ownership is an honorary word. In MRDP, Sida went to a considerable length to install ownership and was also quite successful in this as discussed in chapter 3. However, ownership is not, or should not be, an end in itself, but a means towards more effective development assistance. Ownership is important only as far as it contributes to fulfilling the objectives of a programme.

10.3 Process-orientation

Both FCP and MRDP are clearly process-style programme in the sense that: 1) the initial design was not blue printed, especially not in terms of budgeting; and 2) both programmes have undergone considerable changes during the implementation. FCP and MRDP have shown a great degree of flexibility in re-design, with Sida/Sida generally accommodating considerable changes in the process of implementation. While to some extent these changes have been triggered by policy changes in Vietnam, for example accommodating policy on extension, reforestation, and land allocation, the introduced changes seem mostly driven by programme learning and by influence of advisers (introducing micro credits; introducing PRA, introducing village development funds), indicating that the programmes have been active learning systems in transferring international approaches to Vietnam. In some respect, the programmes have been utilised by the Vietnamese government to test new ideas and concepts.

However, there are some weaknesses in the way the FCP and MRDP have been carried out as process-style programmes. First, a process-oriented programme assumes a fairly limited input into the initial design on the assumption that too detailed planning is counterproductive to complex soft ware programmes such as rural development, especially if they take place in rapidly changing environments. However, the planning of both FCP and MRDP was drawn out over time, and in MRDP requiring over two years and considerable manpower inputs by government and consultants. In retrospect, the value of this planning is questionable due to the changes later introduced. Furthermore, the long-drawn out planning made the appraisal of MRDP ineffective. The current planning of a post MRDP indicates a risk of reinforcing this dysfunctional model.

Second, there appears to be little sense of economics and cost-consciousness in both the programmes. Both FCP and MRDP seem to be more driven by a spirit of innovation and new thinking, than what might be replicable, sustainable and cost-effective interventions in Vietnam, without donor funding. The PRA in FCP was an intensive and resource demanding exercise, difficult to replicate. Similarly, the new concept of Village Development Funds in MRDP is introduced seemingly without an analysis of cost-benefits. As discussed in chapter 7, the planning effort both by villagers and by government staff seem to be out of proportion to the potential benefits. Micro credit, which lends itself for analysis of cost-benefits, has not been subject for such screenings. The accounting system in MRDP does not lend itself to cost-analysis, and no such analysis has been attempted.

Third, the spirit of innovation in a donor programme context risk easily introducing structural inefficiencies in the government system. New concepts are introduced without a proper appraisal. Both rural finance and business development in FCP/MRDP are examples. These services are very questionable from an organisational efficiency point of view if they should be conducted by the extension services of MARD/DARD. The village development fund might become yet another example, as it is very questionable if this is feasible in a line agency.

10.4 Effectiveness of Sida's role in implementation

As process style programmes, Sida institutionalised an ambitious donor supervisory system in FCP and even more so in MRDP. This should allow an active part in the continuous re-design of the programmes, besides a hands-on management control of performance¹³⁰. Overall, the conclusion from a review of the protocols from the programme is that Sida's management of the implementation has been very resource demanding, but not effective. The discussion below concerns MRDP only. First, the inability of MRDP to satisfy the demand of accurate reporting based on a systematic monitoring of results throughout MRDP, has not led to any concrete action by Sida. As a result, the donor has after four years of implementation a very vague idea of what MRDP is achieving and how (cost)-effective the programme is as a whole or in its parts. The donor has undertaken a series of *ad hoc* studies to compensate for this poor reporting and monitoring. However, the results of these are not conclusive, but rather leading in different directions (the studies being affected by the poor internal reporting in MRDP). They have not reduced the uncertainty.

Second, while dealing with often critical issues, the bi annual reviews tend to be *rubber-stamping* of changes driven by the programme, even when such changes de facto alter the whole programme approach. Third, Sida is involved in a basically un-manageable ex-post approval process of the Annual Plans of Operation for the eight projects and quasi projects currently comprising MRDP. These plans, not aggregated by PBO, but presented in one thick binder of some 200–300 pages of text, and an equal amount of detailed budgets for the year, is not possible for a donor to assess in a meaningful way, hence the approval becomes rubber-stamping, rather strategic decision making. In conclusion, Sida spends considerable resources and has a high level of ambition to partake in the on-going strategic decision-making in the process style programmes, but the result is largely ineffective.

10.5 Phasing out

FCP was designed with an indicative minimum ten-year planning horizon in terms of Sida support, albeit with a concrete period of agreement over first 4 years, and extended to 5 years. MRDP was planned as a FCP II, albeit changed considerably and renamed to MRDP. Also MRDP was envisaged for a ten-year period, but designed for 3,5 years, later extended to 6 years. Sida indicated already at the design stage of MRDP that the organisation saw a longer-term co-operation beyond MRDP, indicated to ten years. This has been repeated as a commitment annually since MRDP started, and the preparation of a new upland and mountain rural development programme is already ongoing. No indicative date is set for 'MRDP II', but the assumption is another 4–5 year co-operation. Furthermore, there is no indication given by Sida that MRDP II is the last phase. Hence, the co-operation might continue even beyond the mid 2000s, thus approaching 15–20 years of Swedish support for upland rural development. We can conclude that *phasing out* is neither an issue at present, nor one being discussed in a longer-term perspective.

¹³⁰ This system included a process of bi-Annual Review Meetings by Sida and the government; various types of progress reports and financial reports required from the programmes; a system of approval of Annual Plans of Operation and budgets, a permanent monitoring team/advisory group of international consultants following the programmes by visits several times per annum, Mid-Terms Reviews in the form of special studies by consultants, and – especially during MRDP a number of added other ad-hoc studies by consultants and organisations

10.6 The role and performance of the Government of Vietnam

Ownership

FCP, and even to a greater extent, MRDP are programmes clearly owned by the Vietnamese. There are many manifestations of this: First, any external criticism of any aspect of the programmes has tended to be vocally and forcefully refuted by Vietnamese stakeholders, often claiming that the external reviewers have not understood, underestimated the capacity of the Vietnamese, used incompetent or uninformed consultants, etc. This sentiment is also very much affecting the current Evaluation as indicated in workshops and comments on the draft report. Second, the day-to-day management of MRDP is clearly Vietnamese with no de facto, nor any de jure management roles played by the international advisors. Third, the Annual Plans of Operation prepared by the provinces and the Ministry are locally produced, hence with no shadow management by the centre, or the advisers.

This strong sense of ownership is not necessarily a result of the design of FCP/MRDP, but more an inherent quality in the Vietnamese administration. FCP – and particularly MRDP – were designed with local ownership in mind – for example the position of the advisors – but ownership and strong belief in their own capacity runs as a thread throughout the Vietnam-Swedish co-operation since Bai Bang. If local ownership is seen as a parameter to judge the development assistance, FCP and even more so MRDP, score very high. It could be argued that the local ownership in MRDP has in fact been so successful that the donor has ‘lost control’ over the programme. Thus, it is ownership, but not partnership in the common language of aid.

Decentralisation

MRDP is by design a highly decentralised programme and the ownership is mainly at the provincial level. The former Chief Adviser even characterised MRDP as a programme with strong local ownership of the projects, but no ownership of the programme. The decentralisation has made the programme seemingly highly relevant to the provinces. The decentralisation process, the capacity built at the provincial level and the ownership at the province level are clear achievements by MRDP. However, decentralisation and ownership are not formulated as objectives in their own rights in MRDP or FCP.

Decentralisation has been made a word of honour by the PBO in MRDP to the extent that the programme has relinquished a considerable part of its central management role. Thus, PBO has not attempted, or been able to aggregate the various activities and results in the provincial projects to a meaningful programme reporting, and even less using the differences in the projects to assess different models and approaches. Paradoxically, the Vietnamese system appears to perceive MRDP as a well functioning programme with sufficient flows of information sufficiently transparent and sufficiently analytical to provide inputs for policy. We have no answer to this paradox except guessing it is perhaps accomplished by informal contacts and information flows between various decision makers.

10.7 Management Information and Learning System

MILS is the umbrella name for various types of planning-, reporting- and information sharing- activities undertaken by MRDP, i.e. it includes the Annual Plans of Operation, the financial and activity accounting used in quarterly reporting, all the ad hoc studies produced by the programme, the annual and semi annual reviews of the programme by the stakeholders, all the workshops carried out by the programme, media production, publishing of news letters, etc. Below, a description of the various elements making up MILS, both the ‘old’ system up 1999, and the ‘new’ is given.

Taken individually, the elements of MILS are generally satisfactory for their own purposes. The weakness of the system is not the quality of what is produced, but a) what is *not* produced, b) the lack of integration of the various types of information produced, and c) the massive amount of redundant information produced. There is no coincidence that PBO has had difficulties to report its results over the years, most notably evident in the 1999 Annual Progress Report, which had the objective to summarise three years of experience. Some key features for such reporting do not exist, and what exists is not, or cannot, be aggregated. Furthermore, what exists is so much redundant information from the point of view of *management and learning* that it is very difficult to synthesise and utilise, even for PBO itself.

MILS has failed to develop systems to monitor changes, results and effectiveness in the key parameters MRDP is working with, i.e. human resource development, institutional development, systems and method development and policy impact. It has attempted to assess ecological, and socio-economic changes, but done this in a way, which leads to no conclusion of programme contribution. Only in terms of outputs (training conducted, etc.) has the system a sufficient base. The decentralisation of MRDP has gone so far that the individual Projects are using different coding in SCALA for the same type of activities. Thus, aggregation across projects is not possible except with a very time consuming process by hand, which neither PBO, nor we have undertaken.

We can only speculate why FCP and MRDP have failed to develop effective monitoring and evaluation in spite of all the external demands for it. One reason might be that Monitoring and Evaluation of effects and impact (different from outputs), is difficult with limited international expertise available. Systems tend to be too complicated when set up, and hence non-operative (FCP). Another contributing reason appears to be that there has not been a genuine Vietnamese demand for such a system.

10.8 The role and performance of the international consultants

The international consultants have played a very significant role in FCP and MRDP¹³¹. Not only do they account for 30–40 percent of the total Swedish contribution and constitute as such the most important ‘programme investment’, they have also the key instrument for transfer of international experiences and ‘best practices’ in rural development to Vietnam. Both in FCP and MRDP the consultants played a dominant role in the detailed design of the programmes. We have no reason to argue that any of the consultancy groups performed less than satisfactory. On the contrary, there have been some outstanding advisers involved in both programmes. A sign of Vietnamese appreciation of the advisers is also that FCP and MRDP have had closer and more intimate contacts with the Vietnamese authorities than most other donor projects.

A new organisational model was tried in MRDP in terms of implementation. Thus, the Consultant was recruited by the Vietnamese government, not by Sida; and the advisers were stationed in Hanoi in the form of a ‘pool’ to be drawn upon by the provinces (or the Ministry), rather than located in the provinces, or in Vietnamese line agencies as in FCP. The first principle was a reflection of the new Sida policy in the mid 1990s of the division of roles between the donor and the recipient promoted by Sida for the purpose of promoting local ownership.¹³² The second principle was a matter of trying to install better efficiency.

¹³¹ We limit this discussion to the international consultants as the local advisers account of a small share of the budget, and also tend to be perceived as of little influence with a few exceptions.

¹³² MRDP was an early test case of this model

The new organisational model of the advisory team in MRDP has led to some negative unforeseen consequences. First, the advisers in MRDP are to a much greater extent plagued by inefficiencies in the Vietnamese administrative structure, than they were in FCP. Thus, broken copy machines, no stationary, no fuel for vehicles, long delays in decision-making in MARD or PBO, etc., hit the advisers' work largely in the same way as it affects the ordinary staff of the administration. The international advisers are an extremely expensive resource relative to the Vietnamese staff – justified only by the fact that they have exclusive competencies to provide in limited time-span, not available in the Vietnamese administration. Hence such trivial constraints to their work have considerable efficiency and effectiveness consequences. Second, the advisers have become largely anonymous. While the advisers and the Consultant under FCP was constantly debated and criticised by various parties, very little is said about the role of SCC/Natura in MRDP.

The performance of the Consultants

Neither of the programmes has had a systematic internal monitoring system to assess the effectiveness of the individual advisers. Our assessment cannot substitute for such a system; hence the evidence is largely based on interviews by various stakeholders in the programmes. Interviews in the field by the team indicate that the international advisers under FCP were appreciated. Some of them have become well known in the Vietnamese system. At least some of the advisers in FCP were clearly instrumental in the transfer of international know how and practices to Vietnam, for example in land survey techniques, PRA, extension, micro credit and village based organisations. Our interviews give a somewhat different view of the advisers under MRDP. They are perceived as more theoretical, spending considerable time writing reports, which rarely disseminate down to the provinces and even less to the field. The more positive assessment of the FCP advisers at the field level, might be explained by the fact that role of an international adviser in the early 1990s as compared to the late 1990s, is different. Vietnam is catching up; the gap between the international experience and best practices to that of Vietnam in rural development, natural resource management etc. is diminishing. Hence, it is more difficult to contribute significantly by an international adviser in year 2000, than in was 1991–92 due to changes in Vietnam. There are also many more advisers around, hence the cultural and professional impact of each one of them is reduced. Overall, the need for international long-term advisers on ministry level in Vietnam is rapidly diminishing.

There is a paradox that in FCP many problems were reported in respect of the utilisation and function of the advisers and of the quality and performance of the Chief Adviser in particular, while in MRDP there is no reporting to our knowledge of criticism of the advisers, or even comments on their work.¹³³ Without judging the quality of the advisers and their performance, the reason for the strong criticism of the Consultant in FCP versus the silence in MRDP has, in our view, to do with accountability. Thus, the anonymity of the Consultant is a disturbing feature of MRDP. On the one hand, it is clear that the Consultant plays a significant role in progress reporting in a set up where English is poorly used by the PBO. On the other hand, it is difficult to blame the Consultant as its only acts as an adviser to the Vietnamese government. The Vietnamese government, on the other hand, is likely to see the Consultant as a form of tied aid – i.e. it comes with the package. Thus, the recipient country has not a free choice – for example choosing between one international adviser or two land cruisers. International advisers and consultants, which from a developing country perspective must appear as absurdly expensive, tend to be accepted on the 'tacit' understanding that without them, no funds. Donors, including

¹³³ Sida, the MT, the Mid Term Review and PBO report various problems such as communication problems due to language, difficulties for the advisers to find the right balance between support for implementation and 'method development', low utilisation of their capacity, difficulties to influence the Vietnamese system and 'being allowed in'. The Consultant /Chief Adviser, was also subject for severe criticism, not least by the mid-term Review 1994, triggering several changes in this position, and in effect discrediting the Jaakko Pyöry group for further work beyond FCP.

Sida, tend to see them as necessary tools even in subject matters such as rural development aiming at poor ethnic minorities, participatory planning, etc. for which Swedish, or for that matter any Western adviser, has no Western knowledge base for his or her expertise.

10.9 The Monitoring Team and Permanent Advisory Group

In our judgement, both the Monitoring Team and the Permanent Advisory Group became too heavily involved in Sida/Sida's supervision of the programme, and such acted as a extension of Sida's/ Swedish Embassy's role. The notorious administrative capacity problem in Sida might have reinforced this. A review of the Monitoring Team/PAG's terms of references, indicate that Sida tended to load too many tasks on these teams, diluting their duties to near impossible tasks. As indicated in chapter 2, however, a sufficiently independent Monitoring Team can play a critical role in a complex programme as an outside observer with a broader view than the stakeholders tend to have, after having been involved in a programme for a while. From this perspective, it can become a valuable source of professional knowledge of performance. The Monitoring Team of FCP played that role at least to some extent, while PAG has failed to do so, probably due to limited number of visits to the programme.

11 Lessons learned, strategic conclusions and recommendations

11.1 Overall conclusions

Developments in Vietnam, which the Swedish support from the 1980s have tried to support, are:

- Creation of a viable forestry sector, especially assuring the raw material supply to the Bai Bang paper and pulp mill;
- Strengthening the Vietnamese administration;
- Breaking the negative trend of deforestation in the Northern uplands (re-greening) and development of sustainable methods of use of natural resources;
- Promoting the rural economy in the Northern uplands;
- Alleviating poverty in the Northern uplands.

Remarkable progress has taken place in all these developments over the last 15–20 years. Vietnam is expanding the capacity of the Bai Bang pulp mill to 60,000 tons, and anticipates no problem in supply of raw material. Rather, wood is in abundance. Vietnam is one of the more successful countries in the world in breaking a destructive use of natural resources and deforestation in spite of great population pressure, and a steady trend of reforestation is taking place in the Northern uplands. Vietnam has also been one of the most rapidly growing economies in the world since the late 1980s, with an annual growth of over 8%, surpassed only by neighbour China. It is a growth mainly accounted for by a well-conducted economic reform programme. While the growth is not evenly spread over the country, it has also taken place in the Northern provinces. Vietnam has also been one of the most successful countries in reducing (absolute) poverty in the world over the same period. Also the living conditions in the Northern uplands have improved considerably, with major reductions in poverty according to available data¹³⁴. Finally, the Vietnamese administration is, in relative terms, an efficient one, able to undertake national programmes in often a remarkably effective way and with unquestionable ownership.

We can thus conclude that the Swedish development initiatives of FCP and MRDP have taken place in a very successful environment. Our conclusion is that the Swedish support to a varying extent has contributed to these developments. Given the complexity of the forces behind these ecological and socio-economic processes, no exact attributions of the Swedish development assistance can be made. However, we can with a fair degree of certainty say that the influence has been greater in the first three objectives, than in the latter two. In terms of poverty alleviation, the support has probably had a negligible impact, at least as a direct effort under MRDP. From the Vietnamese point of view, such attributions are likely to be of limited interest. What matters for Vietnam is that the country is moving in the right track, using the available resources and institutions reasonably efficient. From a Swedish point of view, on the other hand, such attributions are of great importance. If Sweden is providing funds for development co-operation in the context of a successful development process, but with no impact on it, the Swedish resources are wasted, and Sweden should withdraw its support. If, on the other hand, the Swedish support has been catalytic for change, the return on the taxpayers' money might be considered high.

¹³⁴ Vietnam: Attacking Poverty. Vietnam Development Report 2000, joint report of the government of Vietnam, donor and NGO Poverty working group, 1999

11.2 A successful start to a troubled present

We have come to the basic conclusion that there is a diminishing return on the Swedish development assistance from the 1970s to the present. FCP, and possibly even more its predecessors in the forestry sector in the late 1980s and the Strategy project, have by all accounts played a significant role as change agents in Vietnam. They introduced new concepts and thinking, acting as brokers between contemporary rural development practices internationally and Vietnam, thereby impacting on institutions and policies, besides financing some major reforestation. They were pro-active agents of modernisation and change.

MRDP has not had such an impact and the programme can even be described as one in trouble, now looking for a dramatic change in approach. We are not alone in this view of MRDP: most external reviewers have come to similar conclusions.

One main reason for the diminishing returns is that there was a window of opportunity for Swedish assistance in the late 1980s and early 90s, largely closed by now. The gap between Vietnamese practices and international was large, the learning curve in Vietnam steep, and Sweden largely alone in the sector and the area as an external player. The Swedish assistance, furthermore, built on a long, pioneering process of development assistance in Vietnam, started already during the Vietnam War with Bai Bang. This process had created a considerable degree of goodwill on both parties, which FCP could exploit, utilising a consultant firm, which had been present for this whole period and knew Vietnam well. The scene had dramatically changed by the late 1990s: Vietnam has learned fast, the gap between Vietnamese practices and best international is narrowing or filled, the number of external players wanting to influence in rural development, forestry and in the Northern uplands is considerable, and the external resources abundant. It was a considerably more thankful role to act as a pioneer, trying out new concepts and participate in the change from a centrally planned socialist economy to a market driven one as happened in FCP, than scaling the ideas up and making them work in 'donor competitive environment' and a maturing market economy, as MRDP has been doing. Furthermore, if the local system is set on change, it is inherently more effective undertaking change than an externally funded programme with its higher demand on controls, supervision and ex-ante approvals.

However, we should qualify the view of the achievements by FCP. While described as a clear success by all observers in the mid-1990s, the programme had in fact introduced some major structural problems, not paid much attention to in the pioneering spirit of FCP. These problems became increasingly visible when MRDP tried to scale them up and integrate them in the Vietnamese administration for larger scale replication. These structural problems existed in farm level forestry (no account taken of market conditions and future price conditions at the promotional stage), in rural finance (introducing and scaling up such services in a line department with no inherent competence for such a specialised operation), in PRA (largely utilised as a system for implementation of national, supply driven programmes with limited ability to respond to bottom-up demands); and in business development (a service of questionable suitability for a government agricultural extension system). Thus, MRDP had the ungrateful role to 'discover' these structural problems and, to its best ability, try to rectify them.

A second factor explaining the diminishing returns is related to programme management. MRDP has a management structure, which is diluting accountability for the main external force of change, the international advisors, also accounting for almost half of the Swedish budget. There is a paradox that FCP was heralded as a successful programme in achievements, but subject for considerable criticism in terms of its management, while MRDP – a troubled programme with questionable achievements – is largely void of criticism of its management.¹³⁵ This paradox has a logic explanation: MRDP's manage-

¹³⁵ Except, perhaps, indirectly in terms of MRDP's inability of producing accurate reporting and monitoring.

ment accountability is diluted by decentralisation and the efforts to create ownership. It has lost its role as a change agent in ‘fence breaking’.

A third factor behind the diminishing returns is that MRDP missed opportunities in an effort to distance itself from FCP. Such a missed opportunity existed in the forestry sector where Sida had developed a strong comparative advantage in Vietnam – a strength that possibly could have been further exploited in support of Government programmes in the sector, such as the 5 million ha programme. The reason for this was partly Sida’s shift of focus towards poverty alleviation due to internal policies and organisational changes, partly driven by the competition between Swedish consultant groups, wanting to do ‘new things’.

11.3 The problems written on the wall...

In retrospect, we must pay tribute to the Appraisal Team of MRDP, which in early 1996 identified most of the problems, which later emerged in the programme, and also suggested alternative approaches. However, the Appraisal Team’s views were dismissed of two basic reasons:

- the development co-operation was (and continues to be) supply driven. The driving force is an initial budget allocation for a particular programme by the Swedish government, determined by an administrative decision. Thus, both FCP and MRDP had an indicative budget figure before there even was a programme. The budget determined the scope of the programme, not the reverse¹³⁶. The Appraisal Team’s suggestion to scale down MRDP to make it more suitable for model building and policy influence fell on deaf ears.
- While Sida has adhered to a process style of development co-operation in both FCP and MRDP, the detailed preparation and the extended time of the preparation of MRDP over more than a two year period made it finally immune for any changes when it was time to be appraised.

These dysfunctional features of the Swedish development co-operation should be taken into account in the future planning. Thus, if the future Swedish support is based on an indicative budget figure, this support is better to be provided as a sector budget support, reinforcing existing or new *government* programmes, than as a specific donor programme. If, on the other hand, there is a wish to undertake a donor programme with specific (Swedish) objectives, the resources for this should be determined based on costing of the various elements of such a programme. Second, if Sida pursues the process-style programme (which is inherently better than ‘blue-prints’), a prolonged detailed programming over 2–3 should be avoided as it: a) locks the programme into certain administrative structures and b) anyway is wasted, as the programmes tend to change radically.

11.4 Inherent constraints to poverty alleviation

In our judgement the current Swedish development co-operation, which had poverty alleviation as its overriding objective, has – at least so far – not been effective. The main reasons for this are:

- The stakeholders did not equally share the overriding poverty objective; it was more a Swedish addition, than a concern in Vietnam and in MRDP’s management. It has therefore only slowly penetrated the implementation process. It is hard for a programme to be successful in something, which is only half-heartedly attempted.

¹³⁶ It is interesting to note that the Bai Bang project was the other way around. It was the project, which determined the budget, and the reality, which eventually made the final allocation many times above the initial budget.

- MRDP is largely perceived at the provincial level as an implementation programme, contradicting a poverty focus on either vulnerable groups or poor communities as suitable models and approaches still are lacking;

In a broader perspective, the issue is, however, whether MRDP even has the potential of being an effective poverty oriented programme. Undertaken in a line ministry/departments with a broad, but still limited mandate and institutional capacity, MRDP has no access to key poverty reducing interventions such as health services, primary education, infrastructure investments in roads, water supply, energy and telecommunication, or macro economic policy and trade policies – all interventions with well-known potential major influence on poverty. MRDP has only indirect access to mass organisations, which play such an important role in the Vietnamese society and even less access to an emerging civil society. MRDP can at best be one of many players in addressing poverty, and possibly not one of the most influential. From a government perspective this is of limited importance, as the Government has the full set of tools at its disposal. Thus, the Government's concern is, or should be, that MARD/DARD's services are as cost-effective as possible within the mandate of the institution, and the institution operates in co-ordination with other public services. A donor with fighting poverty as its overriding objective, on the other hand, might find this a serious constraint. There has been, and continues to be, a strong 'path dependency' in Sida's development co-operation in the sense that past institutional linkages and investments determine the future, even if Sida's overriding objectives with the support changes radically. Such 'path dependency' can eventually lead to counterproductive development assistance in the sense that 1) the best investment/institutional options are not chosen for the new objective; 2) using traditional co-operation partners to new objectives might make these partners ineffective in their core activities.

11.5 Recommendations for the future

The Swedish government has committed itself for a post-MRDP support in poverty oriented rural development in the upland and mountain areas of Vietnam. The planning of a support is already ongoing. This Evaluation is expected to contribute to such a planning process. For that reason, we shall outline a number of options, and some key lessons from the past co-operation for such a planning.

Phasing out

One option for Sida would be phasing out of rural development due to the diminishing returns on the co-operation. It could be argued that Sida has played its role and now can leave the field to the Government and other donors with more substantial resources. The capacity in Vietnam is today good enough so that further technical assistance is only marginally useful. The further transfer of technologies in 'best practices' from the international scene can as well be taken care of Vietnam itself, requiring no external broker, and if the Government is not prepared to do it, there are plenty of donors more than willing to assist. Furthermore, the Swedish financial resources are increasingly marginal to those of the government and other agencies, such as the World Bank, EU and ADB. As noted in one of the studies commissioned by Sida for the preparation of future co-operation, the *number of donor funded projects in e.g. rural development is somehow overwhelming both in the provinces as well as in many of the ministries... and has now reached critical levels.*¹³⁷ Sida could contribute to a reduction of the pressure on the Government to co-ordinate and accommodate all these projects and funds by withdrawing. Furthermore, as the World Bank funded Northern Mountain Region Poverty Reduction Programme is begin-

¹³⁷ The study identified some 100–200 on-going donor funded projects. Cellander; T. A Strategic Study on Current Perceptions, Plans, Policies and On-going Activities related to Upland Development in Vietnam. 2000

ning 2001, with a budget in the order of USD 100 million for partly the same provinces as those covered by MRDP, there is likely to be absorption problems. As the Bank project is a test case of the World Bank's new Comprehensive Development Framework for integrating donor assistance with government policies, strategies and programme, the space left for a continuous Sida programme with focus on method and policy development appears slim, indeed.

Phase out with a final budget support

As Sweden already has made a certain financial commitment, a phase out could be combined with a 'budget support' to MARD/DARDs. This would require limited supervisory role for Sida and limited planning. The government might then use these budget resources as it finds fit, not locked into, for example, a major international advisory input, if this is not desired by the Government. It might be a budget support at the provincial level or at the centre, limited to the same geographical area as FCP/MRDP or broader, again based on Vietnam's desire. There might be Sida strings attached to the support, for example only to be used for certain specific objectives. The burden to assure this should in such case entirely fall on Vietnam. It could be argued that a phase out of MRDP by mid 2002 would risk the sustainability of some of the new (and old) initiatives of the programme, such as decentralisation, joint forest management, business development and rural finance. Against this could be argued that the programme has 1,5 more years to go, i.e. these efforts would have had between 10 and 3 years of 'test'. If MRDP not by then has provided convincing arguments for integration of the approach in the government's regular budget – or convinced another donors of the merit to include the initiatives in their funding – MRDP will probably never convince anyone.

The pros of the phase out option are: 1) it is difficult to gain influence once lost, i.e. to renew the pioneering spirit of FCP, particularly as the World Bank from year 2001 will play such a (financially) dominating role; 2) Vietnam's rural development scene is becoming 'donor-ridden' with possible more donor funds and eager donors than the government prudently can handle. 'Donor distortions' is a considerable risk with well known dysfunctional effects. It would be a pity if contribution to this would become the legacy of Swedish support in Vietnam. The cons, on the other hand, that both Sida and the Government are likely to dislike an option of phase out due to programming reasons and already started planning.

Sector programme support

One option falling between phase out and a new initiative is a sector programme support. While most donors in their rhetoric strongly favour sector programmes, few are willing to let their flags disappear into a pool of resources. However, Sida might take the initiative to a 'single donor sector programme support' along the same principles as above, but with a slightly more pro-active role (such as focus of on certain objectives, conditionalities on reporting, monitoring etc.). As Sida has already indicated its willingness to work towards a sector programme support, this approach would fulfil this commitment.

Support of a national programme

A better and more practical variant of this is a Swedish budget support to one of the Government's national programmes. Vietnam is a country with an unusually effective ability to mobilise and undertake national programmes with specific targets, perhaps reflecting its militant history, or its socialist politics. An option is that Sida, as a post-MRDP option, supports such a programme or part thereof, either already ongoing, or in planning. In line with Sida's poverty alleviation objectives for the support, the Programme on Hunger Eradication and Poverty Reduction might be a potential candidate. Another programme – if Sida would revert back to its forestry approach – would be the 5 million ha Reforestation Programme of 1998. In both cases Sida would support on-going programmes, in which several donors are active. However, we have not investigated new initiatives in Vietnam in the form of Government programmes under preparation, which might be of greater interest.

The pros of the programme support option are many: clear ownership, no distortions by donors of Government's resource allocation, more or less assured sustainability, national approach and in-built replicability, and limited demands on Sida administration. The cons are that Sida's loses identity; there are great difficulties to attribute Sida's inputs; and the support will be subject to inherent inefficiencies and idiosyncrasies of the Vietnamese administration.

Support of MARD/DARD's institutional development

Swedish development co-operation has been working with the same administrative structure in Vietnam for a very long period of time, embedded today in MARD and the provincial DARDs. There is an extensive institutional know how on both parties, and – hopefully – mutual trust. One option for a more pro-active Swedish support post-MRDP would be to build on this knowledge and institutional linkage. Thus, an option would be to develop a programme/project with the specific objective to strengthen MARD/DARD as an agriculture and rural development service organisation. The scope of such support, for example limited to certain provinces, certain subject matters, etc. are matters to be mutually determined by the parties. However, such a support should have a very clear focus on making MARD/DARD an effective organisation in the wider context of the Vietnamese government (and other non-governmental organisations). Thus, it should focus on what is – or should be – MARD/DARD's 'core' functions; what should the organisation *not* do; how MARD/DARD can utilise its resources most cost-effectively, etc., hence genuine institution building support. Such an approach should be placed in the context of MARD/DARD's total mandate, not as a narrow donor-driven perspective on a specific objective with its inherent risks of distorting Vietnamese resource utilisation.

An interesting 'modern' option of such a support could be to make the institution fully adapted to the electronic era, for example by utilising the full force of Internet as a means of learning, communicating and develop capacity in rural development. Sida has supported human resource development in a large way in the form of English and computer application, but somehow the results so far are bleak to what the potentially could be by a focused effort.

The pros of the MARD/DARD institution development options are: building on a long-term relationship and mutual know how; no institutional break with the past, likely high sustainability, ownership and replicability. The con is mainly that it might fit less well Sida's current overriding objectives.

A truly poverty oriented approach for the Northern uplands and mountains

A fifth option would be that the Swedish support sheds its 'path dependency' and institutional ties with MARD and – jointly with relevant organisations, government and non-government – designs a fresh programme with the objective to optimise poverty alleviating impact. Such an option requires a quite different planning process than hereto undertaken. It might take its stand in the excellent poverty assessments by the World Bank in Vietnam, for example the Lao Cai PPA, in which MRDP contributed and played an essential role, but also other base studies initiated by Sida. Such a programme needs to carefully determine what the most effective means are in addressing poverty in the Uplands and Mountains in general, and amongst the minorities specifically. Is it infrastructure, health or education, or – perhaps – agriculture extension and decentralised planning? Is it through MARD/DARD, MPI/DPI or perhaps through mass organisations, or combinations thereof? An indication of the outcome of such an approach is the direction both the World Bank and IFAD are going in terms of investments and institutional set up. However, these organisations have their rigidities, and Sida – with more in-built flexibility – might develop something radically new, for example much more strongly addressing the development issues of the minorities, than the rather conventional approaches applied so far.

Exploiting Sida's comparative advantage as a donor agency, such an option should build on genuine innovation, in small scale, possibly utilising the experiences of NGOs, which can feed into other

government and donor programmes with more resources if successful. This option would also allow an integration of several on-going Swedish development initiatives to be integrated with one another, for example the Sida supported health programme. It might also fit into regional initiatives, not as a regional programme per se, but drawing upon experiences from Sida supported activities in similar areas in South East Asia and feeding into such programmes.

The pros of this approach is that it is the most ‘exciting’ and challenging donor input, with potential high returns on donor funds, can be made fit very well with Sida’s objectives, important for donor learning and replicability beyond Vietnam, and giving Sida – if successful – a high profile. The cons are high risk, demanding on donor administration, possibly requiring limited funds (making filling the country programme difficult), less in-built chances for sustainability, replicability and ownership.

A new style decentralised area based MRDP

The most obvious option for a ‘post MRDP’ is a MRDP^{II} based on the new area approach being applied by MRDP from year 2000. The programme has in fact phased and scaled its activities so that it might be difficult for the stakeholders *not* to pursue this line. In our opinion, MRDP 2000 is radical enough to have warranted a separate appraisal, before it was agreed on and embarked on. The awkward situation might emerge that at the time of the official end of MRDP, the programme is in the midst of introducing a new style approach in full scale throughout the programme area. Sida, and the Government, will be faced with the option of closing down what might be a promising venture, or commit themselves to something even more elusive than the pre-2000 MRDP. This, in effect, might by itself rule out any other serious options for Sida support, hence yet another example of path dependency in the making.

11.6 Lessons learned

The following are some recommendations for the design and management of a future Sida support of rural development in Vietnam, drawn from the evaluation of FCP and MRDP. It follows that some of these are more or less relevant dependent on what type of assistance the future support would entail.

- Keeping the model of process-style programme, Sida should be less ambitious at the stage of design in terms of resources and time inputs. Sida should trigger a much more strategic-conceptual approach to the programming, rather than the detailed programming activities carried out in, for example MRDP. Instead of a 2–3 year programming, the process style operation should be possible to design in less than half a year.
- Sida should place a much stronger burden on the government of Vietnam in programme design, than was the case in FCP and MRDP. The capacity for this is clearly at hand in Vietnam today.
- The formulation of the overriding objectives of the support must be highly transparent, consistent, and the trade-offs between Swedish interests and Vietnamese interests spelled out and analysed. As these programmes take up considerable Vietnamese resources, especially in manpower, Sida must be sensitive to the efficiency and effectiveness considerations of the Government in a broader perspective.
- Sida must insist on a well functioning result monitoring and reporting system from the start of new support, (except for budget support), and if such a system is not established and providing accurate and reliable information for donor supervision, impose sanctions, for example, defer further disbursements until the system functions.
- Sida should not try to compensate the lack of accurate feedback from a programme, by undertaking its own ad-hoc studies. Such studies tend to be unable to produce valid and reliable information as they are short time inputs and depend on the programme’s own insufficient reporting system. While

there is a need for periodic independent audits, the burden on monitoring, data collection and reporting must be with the Government and the programme.

- Sida should shift its attention from ex-ante approvals of plans in a process style programme to ex-post reviews of performance. Thus, past performance should determine future allocations, rather than presentations of detailed budgets, as has been the case in FCP and MRDP.
- While keeping the principle of considerable flexibility in a process style programme, Sida should introduce a formal system of appraisal, reviewing technical, organisational and economic feasibility of major changes or new concepts introduced during implementation, rather than making these solely subject for decision making by annual reviews
- In programme implementation, Sida should limit its involvement to clear strategic issues and leave aside technical issues to the programme. Neither Sida, nor its support groups such as Monitoring Team/PAGs, are using its resources well by trying to shadow manage a complex development programme, which is taking place in a general competent environment. On the other hand, for these selected strategic issues, Sida should not shy away for strong actions.
- Sida should as early as possible, preferably in the current design of the 'post MRDP, indicate an ultimate phased out time and already at this stage jointly with the government work out the 'take over' mechanisms would be.
- There is a rapidly diminishing return on international long-term advisers in Vietnam. Sida should be restrictive with financing international advisers, especially long-term. Vietnam needs such expertise much less today than when FCP was initiated.

Annex 1

Terms of Reference

TERMS OF REFERENCE

EVALUATION OF THE MOUNTAIN RURAL DEVELOPMENT AND FORESTRY COOPERATION PROGRAMMES, VIETNAM

1 Background

1.1 MRDP

The Mountain Rural Development Programme (MRDP) is a major Swedish cooperation programme in the field of natural resources management in Vietnam. After a comprehensive 2-year planning period the programme was launched in 1996. The long-term objective of the programme is formulated to "re-establish green productive uplands, secure land tenure for farmers while maintaining ecological, economic, social and cultural diversity". The programme will achieve this through methodological and institutional development as well as policy changes in government structures and national bodies. At present the thrust of the programme is to increase the capacity of government staff and organisations to work with poverty alleviation among the minority nationalities in the peripheral upland areas of five upland provinces in the northern part of the country. It is foreseen that this should be achieved through increased, sustainable use of national resources.

MRDP falls under the overall jurisdiction of the newly (1996) established Ministry of Agriculture and Rural Development (MARD). It is guided by a Programme Board chaired by the First Vice Minister, with representation by the Vice Chairmen of the Peoples Committees of the provinces. Daily management of the programme is from the Programme Board Office by the Executive Director of MRDP who is also in charge of the PBO with assistance from Chief Advisor. Also at the Ministry is the Ministry Capacity Building Project, and the supporting Advisory Pool. In contrast to previous programmes, the supporting consultancy company has been contracted directly by Vietnam (MARD).

The Department of Agriculture and Rural Development (DARD) executes the five Provincial Projects of MRD. Provincial Project Director, is the Director of DARD who heads each project and prepares annual plans and budgets. The provincial projects have responsibility for budget, planning and execution of the activities in the respective provinces.

Several projects operate under the umbrella of MRDP, with which the programme is expected to cooperate in various ways, such as; the International Support Group and the Strategy Project, both financed by Sweden and located at the MARD; the Ha Giang Ethnic Minority Project, (HGEMP), co-financed by IFAD and Sweden and operating in the Ha Giang Province.

The total budget for MRDP is 145 MSEK, committed for the period mid-1996 up until year 2000. Originally to run in a first phase until year 2000, it is now foreseen that a one-year extension of the programme will be agreed upon with a smaller expansion of the budget. The Mid Term Review of the Programme took place in October 1999.

1.2 FCP

The MRDP is the latest in a long succession of efforts, dating back as far as the mid 1970's, when Sweden responded to the request from the SRVN to support post-war reconstruction by contributing a pulp and paper mill. This facility is now known as the Bai Bang Pulp and Paper Mill. In conjunction with this project, an industrial forestry project was designed with a direct objective to support the raw material needs of the mill through investments in harvesting and transport capacity, in silviculture and other related fields. The forestry project developed considerably in the years following the inauguration of the Mill in 1982, in both geographical coverage and organizational changes. By the end of the 1980's, the forestry project had extended into five provinces and was managed through the Vinh Phu Service Union (VPSU). Geographical expansion was seen as the only possible way to solve the persistent deficiencies of raw materials in the quality and quantity needed for the mill.

The profound economic changes in the country initiated in 1988 made it possible for private people to engage in economic activities in new areas and at a much larger scale than before. Land allocation started with agricultural land and was followed by allocation of forest land to households and private people. Privatization and land allocation in combination with the demand from the Bai Bang Mill for raw material, emerged as a major economic opportunity for the farmers and forest workers in the raw material area. This became the foundations for the planning of the next phase of cooperation, and resulted in the Vietnam-Sweden Forestry Cooperation Programme (FCP), which started in 1991.

Sprung out of industrial forestry cooperation, this programme initially retained a focus on economic development through forestry-related activities. Specific attention was given to the development of models and methods for land allocation, government organized extension capacity and to restructuring of State Operated Enterprise (SOE's) in the project area. The immediate target group was the farming families and forestry workers.

The Ministry of Forestry implemented the programme, with an initial but diminishing involvement by VPSU. FCP attempted to reconnect to Vietnamese organisational models, basing itself inside the Ministry of Forestry and working through the provincial structures.

Total Swedish financial contribution for the FCP was 145 MSEK for the period 1991 to 1995/96.

2 Reasons for the evaluation

Sida, and MARD have agreed to undertake an overall evaluation of the FCP and MRDP programmes at the Midterm Review of MRDP in October 1999. An independent or extended evaluation of the MRDP programme was originally foreseen in the in-depth assessment memo from Sida, as well as proposed by the PAG 1998. The undertaking of an overall evaluation of the cooperation in the field of rural development of northern upland areas during the 90-ties is considered necessary for summarizing the various experiences and lessons to be learnt from a decade of cooperation in this field.

The proposed evaluation will also be an important instrument in contributing to a continued dialogue on the scope and direction and of a possible new development cooperation programme focusing on poverty alleviation in mountain and upland areas of Vietnam.

Swedish forestry cooperation with SRVN has a long and significant history. The experiences gained over two decades of joint efforts are still of interest to the parties and to other actors in the sector. Initially tied to the Bai Bang Pulp and Paper Mill Project and in particular to the forestry activities supporting wood supply to the mill, the cooperation has gradually shifted towards an integrated approach to natural resource management, upland development and poverty alleviation. The cooperation efforts have also shifted from a focus on implementation towards the development of national and local institutions.

The rapid and profound changes in Vietnam over the last 10 years which paved the way for the shifting focus, first manifested in the Forestry Cooperation Programme, has presented any development effort with an unprecedented array of challenges and opportunities. While donor activity in the 1980's was restricted, many new actors have entered during the past decade in the sector of rural development. In the late 90-ties the Government of Vietnam also initiated two new national programmes for poverty alleviation. Without doubt this influx of new donors and programmes focusing their attention on rural development and poverty alleviation has strained the capacity at all levels and made issues like institution and human resources development, policy and method development, as well as donor coordination of highest priority.

The FCP attempted to realise some of the possibilities afforded by the new policies of 1988. Notably, its concern for the primary producers, for example through the introduction of participatory methods, represented a qualitative innovation. These methodological efforts were carried further in the planning and design of MRDP. The present cooperation programme has attempted to transfer planning, management and financial responsibilities to local levels, in addition to continued development of participatory methods at field level. Project designs attempts to incorporate possibilities of continuous change in the programme.

3 Scope and focus of the evaluation

In order to provide a long-term and macro perspective on the cooperation in the sectors, the evaluation team should include both a look backwards through the preceding FCP as well as to the present MRDP.

The evaluation should be broad and comprehensive, and cover an overall assessment of the quantitative and qualitative results during FCP and MRDP.

The **main purpose** of the evaluation is to study the various social, economic and institutional impacts of the two latest and successive development programmes of more than 10 years of Swedish support. The overall and qualitative achievements of the FCP and MRDP should be addressed, **focusing on methodological progress, institutional development, policy and structural changes resulting from the programmes**. The achievement of the programmes in relation to their original objectives, as well as to GoV development objectives of the sector/s should particularly be addressed. It is important that the shifting policy environments in which the programmes were designed and operated are taken into account.

The ultimate question is the extent to which the efforts have resulted in sustainable higher standard of living for the upland population.

Secondly, the process in which the programmes were selected, designed, implemented, adjusted and proposed to halt, should be analysed. The process evaluation will specifically deal with the ambition of the programmes to incorporate flexibility, local ownership and linking with upland development research initiatives. This part of the evaluation shall also address topics such as coordination, capacity building and competence development within the GoV institutions involved in the cooperation at all levels. Beside relating this analysis to the overall objectives of the programme, the evaluation should also assess the ability of the programmes to adapt to changing conditions of the macro-economic and political environment in Vietnam since the late 80-ties.

Thirdly, major lessons learned of importance for the planning of a future Swedish poverty oriented development cooperation programme in the the upland and mountain areas of Vietnam should be identified and analysed.

Finally, the evaluation should provide an analysis of the results achieved, positive as well as well as

negative. What has given results and why? What has failed and why?

The evaluation should be undertaken as an independent exercise with representation of both international and national expertise. Sida, through the Embassy of Sweden in Hanoi and Department of Natural Resources and the Environment, is responsible for the preparation of the Terms of Reference for the evaluation. The Department of Natural Resources and the Environment (NATUR) will carry the responsibility for the engagement of a consultancy team for the assignment. The Embassy will be responsible for all contacts and co-ordination with Vietnamese authorities concerning the mission.

Regular consultations will be held between MARD, the Embassy of Sweden in Hanoi and NATUR concerning the Terms of References for the evaluation, the recruitment of a consultancy team for the assignment, the preparations for the work of the mission in Vietnam, the presentation of the findings and the publication of the report.

4 The assignment and specific tasks

4.1 The process of development of the FCP/MRDP programme(s)

The first part of the evaluation shall pay special attention to the process of development of the programme(s). The process in which the different phases of FCP/MRDP have been selected, designed and implemented shall be analysed. The following aspects of the programme should be focused upon.

4.1.1 Relevance

Discuss the relevance of the main themes, most of which have been present through both FCP as well as during MRDP. Indicate strengths and weaknesses in this particular set-up of a capacity- and policy building upland development programme in the Vietnam context, viz.;

- Method development vs implementation
- Development by proxy vs direct targeting
- Advisory pool vs provincial advisers
- Implementation mechanisms
- Learning process vs. fixed programming
- Position of consultancy company – who is hiring?
- Bypass implementation vs normal organisational set up
- National consultants – external consultants
- Merging of ministries

4.1.2 Effectiveness of project implementation

The evaluation shall contain an analysis of the mechanisms for execution and administration of the MRDP and FCP programmes, covering how the various actors (GoV, LGU's, Sida/NATUR, Swedish Embassy/DCO, the Consultancy Company, have performed their various roles during the different phases. In this analysis, the evaluation shall give special attention to the distribution of responsibilities between different GoV institutions for implementation, as well as the roles and performances of the lead-agencies and the consultancy firms engaged by Sida and the GoV for support services to the programmes.

Capacity at different levels of the Vietnamese administration shall be assessed in relation to budgets and the resources made available through the projects. Both programmes have attempted a process approach in order to build in flexibility. The positive and negative factors in such an approach should be analysed. The analysis can in this context compare the issues of management of a programme with a

sectoral approach as the FCP, in comparison with the broader RD design of the MRDP.

4.1.3 Impact on human resource development

Transfer of technological and managerial knowledge to GoV's staff at different administrative levels has been an important feature of the assistance since the beginning of the FCP. Though no benchmarks may be available for the assessment of the development of human resources, the evaluation team shall make an assessment of the progress of competence and skills among staff of the programme/projects, both at central administrative levels of the MARD and other involved government and parastatal units. In order to analyse these results, a comparison should possibly also be made with other relevant GoV institutions. The evaluation can also illustrate this development, by tracing a number of professionals trained through FCP/MRDP, and assess how their special training affect their professional situation today.

4.1.4 Institutional Development

Strengthening of institutional capacity of the GoV public administration for upland development has been a key component of both the FCP and the MRDP. Human resource development both at the ministerial level and at the provincial level has been one of the main components.

The evaluation team shall assess the institutional development at MARD and at lower levels involved in programmes. The quality and quantity of these institutions' human resource capacity today shall be analyzed. In this analysis a gender as well as a socio/cultural perspective shall be applied. The evaluation shall also discuss the relevance and impact of the management models chosen at central level as well as other levels of the programme, also in relation to co-operating GoV institutions **and parastatal organisations.**

4.1.5 Policy and method development

Particularly during MRDP much attention has been paid to policy and method development in the field of upland rural development and poverty alleviation, both in general and in respect of various technical aspects covered by the programme, i.e. land allocation, rural finance, gender awareness, business promotion. The evaluation shall assess the relevance and utilization by MRDP and other similar programmes of this work. Which results have been achieved in terms of changes of policy and methods at MARD and in the provinces following the shift of focus from mainly implementation during FCP towards policy and methods development by MRDP. The support to policy and method development, through the capacity building project within MARD should also be looked upon in view of the above points, HRD and institutional development.

4.2 Overall development and impact of the programme

The second part of the evaluation will focus on a number of aspects related to the overall development and impact of the programme, including its separate projects. The outcome of this analysis should be discussed and assessed in relation to the Swedish policy for international development cooperation (sustainable development, poverty alleviation, democracy and gender equality).

The following aspects of the FCP and MRDP programmes are to be highlighted.

4.2.1 Relevance

The relevance of the overall and immediate objectives of the FCP and the MRDP as originally formulated and changed over time shall be assessed. The expected meeting of prioritized needs of different beneficiaries by the programme shall also be discussed. Questions like, "were the correct

assessments made in the original problem analysis and programme design?", as well as "have the circumstances surrounding the programme / projects and its environment changed to a significant degree?", shall be addressed.

The relevance of the programme shall be assessed against the overall development policies of Vietnam and Sweden's policy for international development cooperation during the agreement period. This analysis will provide a general background for other themes for discussion such as appropriateness, impact and sustainability of results, both related to the ultimate beneficiaries and for services provided by the involved institutions.

4.2.2 Achievements of objectives (effectiveness)

The overall objectives of the FCP and the MRDP programme during its previous phase have basically remained the same, although the previous programme has the farming population as the primary target group. The scope and focus have however constantly changed. Thus for example the poverty components of MRDP have been expanded and considerably developed over time. Several new projects / sub-projects, with their own specific objectives, have also been added.

The evaluators shall analyse to what extent the specific objectives of the different projects were achieved, as well as to what extent the achievements of these objectives helped in realizing the overall objectives.

Donors and recipient governments tend to pursue interests and values in addition to stated development objectives when formulating and implementing projects. The evaluation team shall make an assessment of whether unstated objectives have been in force, and if so, have these objectives affected the programmes/projects.

4.2.3 Direct and indirect effects

The impact of the programmes shall be discussed both from the point of direct and indirect effects, as well as in terms of qualitative and quantitative changes promoted by the programme. Socio-economic and other improvements for the target groups of the FCP and MRDP respectively, as well as for the programmes at large shall be identified. Specific issues that can be pursued here are for example increased or decreased dependency, the emergence of special interest groups, exclusion of ethnic groups in local contexts.

4.2.4 Effects on the target groups

Assess the different impacts of the programmes and the various segments of the rural population in the programme area, especially focusing on the primary and secondary target groups of FCP and MRDP, the farmers respective poor farmers in the uplands. The evaluation should primarily base its assessment in this respect on the large quantity of socio-economic reports, studies and other material prepared over the years of implementation by the programmes. The various changes for the target groups should be verified through different types of analyses/studies, i.e. participatory poverty assessment, beneficiary assessment etc, according to the methodology proposed by the consultants.

The different methods used for empowering poor upland farmers shall also be analysed and discussed. Particular emphasis shall be paid to the results of capacity building among government staff, the introduction of participatory planning methods and the establishment of Village Management Groups in programme villages.

4.2.5 Effects on Vietnamese Society

Assess the different effects of the programme on the Vietnamese society, particularly related to the shall in this context especially analyze the capacity of personnel in Government and provincial issues surrounding socio-economic development of the northern midlands and uplands. The mission institutions not directly involved in the programmes, including mass organisations, to understand and analyze the complexities of poverty alleviation and economic development in the northern uplands.

4.2.6 Cost-effectiveness and appropriateness

The evaluators shall analyse the cost-effectiveness of the programmes. Major costs of components shall be identified and their respective cost-effectiveness assessed. The financial contributions by Sida and Vietnam shall be identified.

The evaluation team shall mainly discuss if the costs of different projects and government programmes have been reasonable in relation to achievements and benefits. A comparison with similar projects may thus be needed. The level of cost-consciousness at different levels of the programmes should also be discussed in this connection.

4.2.7 Sustainability

Based on the analysis and assessment above, the evaluators shall discuss the prospect of survival of the different project activities at local, province and at central level, if external funding was discontinued. Important factors and conditions for sustainable development shall be identified and discussed. Major weaknesses/strengths for retaining a reasonable level of quality at different levels shall be identified, as well as the main surrounding factors furthering and/or inhibiting the sustainability of the programmes.

5 Methodology

The programme has a long and shifting history, with introduction of many innovative approaches, methods, and technologies for planning of interventions, in particular related to participatory and decentralised planning. In conjunction with the programme targeting geographically remote areas containing the culturally and historically most distanced nationalities, it is imperative that a careful selection of approach and methods for the evaluation is needed.

The different purposes of the evaluation call for selection of evaluation approaches and methods adjusted to these specific aims. The methodology adopted should be able to provide a viable, just and realistic picture of the achievements of the programme. Methodologies recommended for the evaluation of broad and long term programmes such as the MRDP are often referred to as the before and after, respectively the process approach. These methodologies are usually applied in connection with projects with a complicated structure, both with regards to the objectives and to the management structure.

In order to supplement the evaluation with relevant and more systematically gathered information, contacts with resource persons in Vietnam will be necessary. It is also recommended that a number of preparatory and desk studies are undertaken in advance of the mission based on existing documentation by the programmes and interviews with stakeholders of the programme

The specific mix of field work methods, preparatory studies and analytical methods to be used will be largely suggested by the consultancy company. It will however be considered important that the fieldwork includes beneficiary assessment among the methods. Sida will pay much attention to the consultant's analysis and proposal in this respect.

5.1 Method of work

The evaluation is planned to proceed in different phases as outlined below:

- Submission of Letter of Intent (December, 1999)
- Shortlisting of Consultancy Companies (January, 2000)
- Invitation to tendering (February)
- Evaluation of tenders (March)
- Engagement of consultancy team (March)
- Planning and preparatory phase (April)
- Field work (May – July)
- Report Writing (August-October)
- Submission of draft report (November)
- Presentation of draft report (December)
- Submission of final report (January 2001)

5.2 Implementation of evaluation

During the planning and preparatory phases of the evaluation the following proposed activities could be performed. It will however be the responsibility of the engaged consultancy company/institution to prepare and present their schedule of implementation of the evaluation.

- Selection of methods and refining tools to measure the long term impacts and other poverty alleviation effects of the programme,
- Definition of methods to measure institutional change, competence development within GoV/ MARD due to MRDP,
- Decision on desk and in-depth pre-evaluation studies to be performed,
- Identification of main reports and documents by the programmes, including Sida internal documents (i.e. Decision Memos, minutes from the Project Appraisal Committee, Appraisals, PAG reports) of relevance to be scrutinized by the evaluation team,
- Visit to Vietnam by the head of the evaluation team for presentation of the team and the proposed working methods, preparation of a work-programme and starting-up of different pre-studies, etc.

During the field-work period the evaluation team will base its assessments and conclusions on:

- a review of the above mentioned pre-studies, review reports, evaluations, etc,
- an analysis and review of the existing progress reports and other documents of MRDP and FCP,
- a scrutiny of GoV policy and strategy documents for upland development, sustainable development and involvement of the different nationalities in Vietnam in development,

- briefing about the policies and plans for upland development by other main international agencies,
- field visits to the project areas and interviews with project and non-project staff, villagers of different social groups, formal and traditional leaders at village level, contractors and suppliers, mass organisations (according to methodology proposed by the consultant),
- selected interviews with key personnel of both GoV and donor agencies, consulting companies,
- selected interviews with representatives of other relevant agencies, NGO's, etc
- assessment of perceptions of participants and non-participants regarding the project, through i.a. focus group discussions,
- review of data and information

6. The Evaluation Team

The foreign part of the evaluation team will consist of a group of experts with different educational, technical, institutional and national backgrounds. The team will incorporate members with extensive field experience, especially from upland development projects in South East Asia.

The team leader shall have good knowledge of evaluation principles, approaches and methodologies, as well as documented experience from impact and/or process evaluations. It is proposed that the Team Leader is a Rural Development Specialist and that the team members share the following expertise:

- Institutional and Human Resource Development
- Social Anthropology with specialisation on upland people of mainland SE Asia,
- Upland agricultural systems and extension
- Development economics

Capacity of the consultants to speak Vietnamese and local languages, will be considered an important asset.

The engagement of Vietnamese national expertise for the mission is considered vital both for the viability of the study and for the successful assessment of the achievement and lessons learned, including changes in cultural capacity and understanding among government staff. It is also considered important for the eventual continuation or reformulation of the programme. Modalities for cooperation with national expertise, i.e. through research institutions or local consultancy firms should be suggested in the tendering documents.

Representatives of GoV could be invited to participate in the team as informants. During the planning for and implementation of the evaluation the team would also need to coordinate closely with relevant Vietnamese central and provincial authorities.

7. Time schedule and Reporting

The evaluation is divided in different phases. The planning and preparatory phase will take place during April 2000. During this period the team will both refine the tools and methodologies for the evaluation and gather further information for the assignment. The team-leader may also initiate various preparatory studies and gather relevant information at MARD/MRDP through its local partners.

The main part of the team will make an initial visit to Vietnam during May in order to consult with MARD and relevant provincial authorities/institutions and plan for the field work of the evaluation. A

first workshop will be held then with different stakeholders to present and discuss methods and approaches for the evaluation. During the first visit to Vietnam the team will also identify other relevant materials, discuss with representatives of the programme and the consultancy company team, including other local resource persons, donors, etc. An **Inception Report** outlining methods to used and a workplan for the fieldwork shall be presented to Sida and MARD by 2 June 2000.

The field work period is considered the main part of the evaluation and is scheduled for four weeks. The field work will be undertaken during June – July 2000. Before departing from Vietnam, the evaluation team will hold a de-briefing workshop in Hanoi.

The concluding phases of the evaluation are report writing, presentation of the draft report and finalisation of the report. This work will be undertaken during the period August to January 2001. A **Draft Report** in English and Vietnamese is to be presented to the parties by 3 November 2000. The Team-leader will present the main conclusions and findings of the mission for representatives of GoV and Sida at a separate workshop in Vietnam by 3 December. The **Final Report** shall be presented to Sida no later than January 10, 2001.

As for the format and structure of the report the consultant shall follow the guidelines issued by Sida's Department for Evaluation and Internal Audit. The final report shall be written in both English and Vietnamese and not extend 75 pages. Following these guidelines, the consultant shall also prepare a draft summary of the report to possibly be included in the Sida Evaluation Newsletter.

Annex 2

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ANNEX 2 DOCUMENTATION

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Annex 3

Persons met

ANNEX 3: PERSONS MET AND SCHEDULE OF WORK

Sida, Stockholm

J. Thunberg, head NATUR
P. Björkman

Swedish Embassy, Hanoi

G. Edgren, ambassador
R. Samuelsson, first secretary
P. Lundell,
Mr Ha
T. Cellander, adviser

ScandiaConsult/SCC Natura, Stockholm

Ms Lili Lundgren, technical director

ScandiaConsult/SCC Natura, Hanoi

Björn Hansson, team leader
Sheelagh O'Reilly, natural resource adviser
William Smith, rural finance adviser

Interforest/Jakko Pyory

Petter Otterstedt, former chief technical adviser FCP

Ministry of Agriculture and Rural Development

International Cooperation Department

Dr Le Van Minh

Department of Agricultural and Rural Dev Policy, -

Dr. Dang Kim Son, Dep Dir General,
Mr Nguyen Phuong Vy, Director
Ms. Phung Thi Ngan Ha, Business Promotion Adviser
Chu Thi Hao, deputy director
Mr. Nguyen Van Nghiem, economist

Forestry Development Department

Cao Vinh Hai,
Nguyen Ngoc Lung,
Dao Van Phong
Phan Trung Dien

Extension Department;

Nguyen Viet Khoa, expert

Extension Department

Mr Tuan
Mr Nguyen Viet Khoa

PBO

Dr Nguyen Duy Chuyen

Phu Tho Province

Mr. Khoi, Director of DARD, Project Director
Ms Nguyen Thi Hanh, Proj coordinator,
Mr. Ngwen Va Tac, Market Information
Mr. Han Van Khoat, project extensionist
Mr. Pham Duc Thanh, project accountant, in charge of credit

Yen Lap District,

Mr. Dinh Xuan Them, Chairman Xuan Vien Commune
Mr. Bui Quang Huy, Head of Extension,
Ms. Them, Mr. So, extension staff (Quyet Tien Commune)
Mr. Dinh Viet Bao, District chairman, the Head of District Management Board (DMB)
Mr. Cam Minh Tien, Head of District Extension Station, Vice- DMB
Ms. Hien, District extension worker who is in charge of credit
Mr. Nguyen Duy Quy: Director of Bank for the Poor in Yen Lap District
In Xuan An Commune:
Mr. Bui Dinh Duc, Commune chairman
In Thuong Long Commune:
Mr. Trieu Nhu Hiep (Dao), in charge of credit work

Doan Hung District,

- Mr. Le Van Lap, Vice-chairman of the District People's Committee, District Project Director.
Mr. Doan, Vice- executive of the district project manager, Vice-head of district forestry inspection.
Mr Chan, coordinator Minh Phu Commune
In Ngoc quan Commune
Mr. Lai Van Cu, Head of credit & extension groups in Ngoc Tan village
Phu Tho town,
Mr. Vu Van Minh, Director of the Provincial Bank for the Poor (VBP)
Mr. Le Xuan Tinh, Vice-director of the Provincial VBP
Mr. Bui Binh Minh, Head of credit section of the VBP

Ha Giang Province

Mr. Le Van Bang, Director of DPI in Ha Giang Province
Mr. Dam Van Bong, DARD Director, Project Director
Ms. Do, President of Womens' Union, Ha Giang Province,
Ms. Khanh, Vice-president, WU, Ha Giang Province
Ms. Nguyen Thi La, business development
Mr. Nguyen Chi Lap, Project Planner.
Ms. Trieu Thi Minh, Head of credit of VBP
Hoang Van Son, National Project Director, HPM Project (IFAD)
Mr. Hoang Van Thach, Head of Economic Relations
Mr. Nguiyen Van Toai: Director of the Provincial VBP

Quan Ba District;

Mr. Duong Duc Vien, Head of District DARD
In Lung Tam Commune
- Mr. Ma Mi Ho, Head of Hop Tien village
- Mr. Sung Mi Qua, Head of VMG in Hop Tien village
- Ms. Mai, member of VMG and in charge of credit
Lung Tam Commune,
- Mr. Nguyen Van Dao, Head of Quang Ba Forestry Inspection Department
- Mr. Thao Vi Sau, Chairman of Commune People's Committee
- Mr. Trang Chinh Phu, Head of Commune Land Administration
- Mr. Sung Mi Qua, Head of Management Board

- *Dong Ha Commune*
 Mr. Nguyen Minh Yen, Head of VMG in Thong Nhat village
Hoang Su Phi District,
 - Mr. Vuong Van Tho: Accountant of the District DARD, project accountant
 - Mr. Truong Viet Tho, Silvicultural member of the project
Nam Ty Commune
 - Mr. Phan Ta Khe, Head of VMG in Nam Ty village
 - Mr. Sung Chu Hoa: Chairman of the People's Committee
 - Mr. Phan Giao Va: In charge of the Commune Population
 - Mr. Vuong Chi Luc: Deputy-director of Provincial Plant Protection
- *Vi Xuyen District,*
 Mr. Trang A Pao, DARD,
 Mr. Ngoc, extension staff in Vi Xuyen Town
In Dao Duc Commune
 - Ms. Nguyen Thi Hue, Vice-head of Commune People's Committee
 - Ms. Nguyen Thi Ngo, Project Accountant
 - Mr. Nguyen Quang Thuy, Vice-head of VMG in the Cung village
 - Mr. Dang Van Chan, Head of VMG
 - Mr. Dang Van Binh: Project accountant and also Commune's cashier
 - Mr. Dang Van Chung, Vice-head of VMG, the Head of Co-operative
 - Mr. Ly Van Phuong, member of VMG
 - Mr. Dang Van Hieu, member of VMG, project cashier

Lao Cai Province

Mr. Ma Van Trung, Director of DARD, Project director
 Mr. Toan, Vice-head of Provincial DARD
 Mr. Ninh Anh Vu, in charge of extension work
 Ms. Thuy Project Interpreter
 Mr. Vu, Extension staff,
 Mr. Nguyen Manh Thanh, Extension Director,
 Mr. Phan Duy Hanh, Director of Provincial Extension Station
 Mr. Nguyen Quoc Tri, Head of Technical work of the Extension Station
 Mr. Nguyen Quang Hung, Head of the Provincial Forestry Inspection
 Mr. Pham Duc Thuan, Head of provincial Land Administration

Muong Khuong district

-Ms. Mai Thi Hoa, district veterinary
 Mr Giang Co Senh, Commune Chairman,
 Mr. Hang A Chin, Chairman,
 Mr Giang A Xes

In Ban Lau Commune

- Mr. Do Duy Phien, Chairman of Commune People's Committee, Head of MB
- Mr. Tran Luong, in charge of extension work
- Mr. Hoang Xuan Mieng, Commune Land Administration
- Ms. Ly Thi Lam, Head of Commune Women's Union

Sa Pa District

Mr. Hoang Kim Thai, District Chairman
 Ms. Do Thi Qanh, Director of Extension Department,
 Mr. Do Duc Thien, Project accountant
 Mr. Nguyen Viet Long, Project extensionist.
 Ms. Mai Thi Hoa,
 Mr. Hoang Kim Thai, Project Director and Chairman,
 Mr. Nguyen Viet Long, extension staff,
 Ms. Ma Thi Da, responsible for handicraft project, Ta Phin Commune;
 Ms. Ly May Cha, Director of handicraft project,

Ms. Chao Xu May, handicraft project accountant.
Pha Long Commune,
Mr To, Administrator Sam Sa Ho Commune, Sa Pa District;

Ta Phin Commune

- Mr. Ly Phu Hang, Chairman of Commune People's Committee, Head of MB
- Ms. Ly May Chan, in charge of project craft work
- Ms. Nguyen Thi Tien, sent by district to help with accounting of 135 project
- Mr. Chao Sanh Tinh, extensionist
- Mr. Ly Phu Xieu, in charge of Commune Land Administration

Lao Chai Commune

- Mr. Lo A Ky, chairman of Commune People's Council
- Mr. Ly A Qua, Vice-chairman of the commune
- Mr. Lo Thinh Gia; Chairman of the Commune People's Committee
- Mr. Ly A Me, Commune extensionist, vice-head of MB

Lo Lao Chai village

- Mr. Lo A Phin, Vice- head of VMG

Sa Pa Commune

- Mr. Sang, Commune Party Secretary

Bac Ha District

- Ms. Tong Ngoc Mai, Head of District Extension, Head of District MB
- Mr. Hong, project extensionist

Yen Bai Province

See below

VAC-VINA

Mr Ho Dac Song
Mr Nguyen Thanh Luu,

DFID

Edwin Shanks, former adviser FCP/MRDP

NEDWORK

S. Littooy

CRES

Terry Rambo
Mr Cuc

Phuong Lam Co

Mr Nguyen Van Nam, chief (former project coordinator FCP)

Craft Link, Hanoi

Doan Thach Chuong, Field Coordinator

Orgut

Hand Varfwinge

Work programme of the Yen Bai study

Date	Location	Activities
22.5-3.6	Hanoi	Reading documents of the Programmes and Agriculture and Rural Development policy, and regulations related to the evaluation. Designing the proposal of evaluating FCP and MRDP in Yen Bai province. Training method of the focus group interview
	Yen Bai	Forerunning to 3 communes in 3 districts of Yen Bai province. Group's discussion about field works. Preparing conditions (transport means, accommodation) for field works
4.6	Yen Bai town	Traveling from Hanoi to Yen Bai Working with Yen Bai MRDP Office
5.6	Yen Bai town	Interviewing Ms. Hiep, the coordinator of the MRDP Office in Yen Bai
	Yen Binh district	Interview leaders of Yen Binh People Committee and project managers of MRDP in Yen Binh
5.6-6.6	Phu thinh commune, Yen Binh district	Interviewing Cadres of Phu Thinh People Committee and Phu thinh project management board. Extension groups of 6 villages 25 households of 6 villages: Hop thinh, Lem, Dong tam, Dang Tho, Lang, Thanh binh
8.6	Tram Tau district	From Yen Bai town to Tram Tau Interview leaders of People Committee
9.6	Ban Cong commune, Tram Tau district	Interviewing: Cadres of the commune People Committee 25 households and old farmers of 3 villages: Ta Xua, Kho Chu and Ban Cong in Ban Cong communes of Tram Tau district.
10.6	Yen Bai town	From Tram Tau to Yen Bai town Interviewing and adding information: Mr. Huong and Ms. Hiep of Yen Bai MRDP Office
11.6	Mu Cang Chai district	Traveling from Yen Bai town to Mu Cang Chai
12.6	Mu Cang Chai	Interviewing Leaders of People Committee and project managers Cadres of the People Committee and extension group in Gie Xu Phinh commune
13.6	Gie Xu Phinh commune	Interviewing: 24 households of 3 villages: Ma Lu Thang, Hang Cuon Rua, Gie Xu Phinh of Gie Xu Phinh commune
14.6	Mu Cang Chai district	Discussion about some matters of MRDP implementation with the Chairman and the Chief Office of Mu Cang Chai People Committee to add more information From Mu Cang Chai to Yen Bai Presenting the preliminary results of field works to Mr. Huong and Ms. Hiep of Yen Bai MRDP Office
15.6	Yen Bai town	Working with Ms. Hiep, the coordinator of Yen Bai MRDP Office to collect further information From Yen Bai to Hanoi
16.6-20.6	Hanoi	Group's discussion about evaluation results (3 times) Writing preliminary report to present in the seminar of evaluation team after working in Yen Bai
21.6	Hanoi	Seminar on results of evaluating FCP and MRDP in Yen Bai
22.6-5.7	Hanoi	Interviewing leaders and specialists of the Department of Forestry Development and the Department of Rural Extension of MARD Interviewing leaders and specialists of VACVINA (Vietnam VAC Association) Writing draft report of evaluating FCP and MRDP in Yen Bai province Discussion in group (4 times) Completing the report (in Vietnamese)
6.7-13.7	Hanoi	Translating the report into English

Work schedule for the rural finance and decentralisation sub-team in the field

26 – 29.6	Phu Tho Province	
27.6		Yen Lap District Xuan An Commune, Thuong Long Commune:
28.6		Doan Hung District In Ngoc quan Commune
29.6		Phu Tho town
30.6-4.7	Ha Giang Province	Vi Xuyen District Dao Duc Commune
1.7		In Ban Bang Village (the Dao Village), in Dao Duc Commune
2.7 – 3.7		Quang Ba District Lung Tam Commune
3.7		Dong Ha Commune
4.7		Hoang Su Phi District Nam Ty Commune
5.7	Ha Giang Province	
6.7 – 12.7	Lao Cai Province	
7.7		Muong Khuong district, Ban Lau Commune
8.7 – 9.7		Sa Pa District Ta Phin Commune, Lao Chai Commune, Lo Lao Chai village, Sa Pa Commune
10.7		Bac Ha District
11.7		Lao Cai Province town,
12.7		Bao Thang district , Lot village, Ban Cam Commune,

Annex 4

The Yen Bai Study

FCP, MRDP and Yen Bai – Input to the 2000 Evaluation

Adam Fforde

Second Draft

Based upon input from:

Nguyen Manh Huan (Team Leader)

Tran Thi Tram Anh

Nguyen Viet Hoa and

as well as direct observation.¹

Field trips to:

Tram Tau, Yen Binh and Mu Cang Chai districts, Yen Bai province, June 2000

Interviews in Hanoi, June 2000

Monday, 12 August 2002

Introduction and Summary

Background

As part of the planning for the 2000 Evaluation of FCP and MRDP, it was agreed that a group of Vietnamese consultants would carry out a ‘province cut’, the results from which would provide input to the rest of the evaluation team. Yen Bai province was chosen as offering most favourable conditions. Self-reliant in terms of logistics, the group worked in three communes in each of three districts in early June. In each commune some 25 focus groups and/or individuals were interviewed. The group were joined by Adam Fforde for 4 days in the field in mid June, which provided an opportunity for internal discussion to generate preliminary conclusions. Draft reports are now coming available (in Vietnamese).

Prior to the fieldwork, members of the group spent some two weeks working on project documentation available at the MRDP office in Hanoi (this produced, inter alia, five heavy bound collections of photocopied documents). A high priority was attached to mastering the various ‘project languages’ so as to permit field research to access and assess cognitive foundations of the institutional change that was a central goal of both FCP and MRDP.

The main thrust was, of course, to examine *Vietnamese* transformations. Naturally, this process also required attention being paid to the ‘technical’ detail of the various concrete ‘bureaucratic’ elements of the cooperation – PRA, credit, extension, ‘bottom-up’ planning etc.

¹ We owe thanks to Ms Hiep, Yen Bai project coordinator, for her assistance and willingness to share with us her own development thinking on strategic issues. The opinions expressed here are my own responsibility, however.

Summary

The cooperation cannot be understood without awareness of its following characteristics:

- At root, it is to do with the interaction between different ‘doctrines’ of development. Whether Vietnamese progressives or conservatives, or foreigners, the main participants are professionals of one sort or another. As such, they are trained, socialised and work in specific ways that require them to understand and give meaning to the world. How this doctrine changes, is the central issue.
- Western development doctrine is steeped in notions of ‘comparative analysis’ that underpin a continual tendency to discuss alternatives in terms of their *relative* efficiency in attaining desired outcomes. This approach is essentially different from the ‘resourced implementation of plan outcomes’ that permeated Vietnamese administrative developmentalism up until at least the end of the 1980s. In any interaction these Western presumptions would have contrasted with existing Vietnamese orthodoxy.
- In the cooperation, the central elements of Western development orthodoxy were presented to Vietnamese development professionals rather early – both before FCP, in areas such as Forest, Trees and People (FTP), and in the early 1990s.
- In this early phase, where Vietnamese development doctrine remained unchanged, the cooperation essentially sought to create real examples to embody Western doctrine, and present them to Vietnamese. It was essentially ‘implementationist’. Whilst Vietnamese developmentalist basic assumptions remained unchanged, perhaps there was no natural alternative.
- Increasingly from the mid 1990s, Vietnamese doctrine shifted. The Yen Bai fieldwork strongly suggests that the ‘comparative analysis’ approach had become normal by the end of the decade, with increasing local intolerance of ‘resourced implementation’ (both the old Vietnamese doctrine and the natural characteristic of early cooperation).
- It follows that the fundamental doctrinal difference that had characterised the cooperation no longer did so. However, as this was not realised, there was no shift from ‘resourced implementation’ to ‘systematic comparison of trialed alternatives’. ‘Implementationism’ was not replaced by ‘comparative analysis’. Had this taken place, it would have facilitated resolution of what were now really only ‘technical’ disagreements. This is the natural direction in which the cooperation would now go. However, there are major obstacles to this. Thus the cooperation should now be seen as conservative in terms of Vietnamese change processes. This is in contrast to its progressive nature in the early 1990s.
- The Log Framework Approach (LFA) embodies the characteristic approach mentioned above – control over resourced activities seeks to distinguish various cause-effect mechanisms and so permit a ‘rational’ discussion of both effectiveness and efficiency. Acceptance by Sida of the heterodox (in Western development doctrine terms) ‘creative process’ (CP) as the central element of MRDP abandoned this discipline.² The identification of the CP’s ‘Current Reality’ with the LFA’s ‘Problem Analysis’ (Sect 2.1.2 of the Main Programme Document June 1996) is simply false.³ Rather, CP should be seen as a more extreme example of ‘implementalism’.

² That the CP is heterodox would seem uncontentious. A graduate with a respectable Masters Degree in development studies would be expected to know about PRA, community development, export-oriented growth and so forth. They would not be expected to know about CP, nor to think that it is orthodox.

³ I cannot see how the ‘Specific Agreement ..’ (1996) can easily be interpreted as consistent with an LFA approach. Perhaps this may be done by making a distinction between LFA as a tool for controlling a project from a tool for assessing project success in attaining developmental outcomes. In this sense FCP probably reflects the former only.

- As the main consequence, MRDP appears set up to ‘break through doors’ that were in fact opening. It contains almost no comparative trialing: information is created to show that embodied orthodox development doctrine can be implemented. It therefore fails to support the essential fine-tuning of the basic building-blocks of rural development introduced (and implemented as resourced models) earlier. Unlike FCP, abandonment of the orthodox means-ends framework made it harder to work with. More importantly, its essential rationality is, in Vietnamese terms as they appear at the end of the decade, deeply conservative. This can be put in another and more metaphorical language: FCP and its predecessors had to use tanks to break through and push a realisation of such ‘flowers’ as PRA. Without basic common ground, confrontation had necessarily to be used. As these ‘flowers’ came to be seen as good, both in general and specifically, confrontation would naturally shift to comparison of alternatives. But instead, MRDP appears as a commando force, granted special rules of engagement in the hope of enhancing its power. Yet this both allowed it to slip out of control and aggravated the central issue – why use tanks when the war is over?
- As a result of these characteristic elements of the cooperation, we find that it is, in normal terms, irrational. This is because it contains very little structural information about the *relative value of alternative ways of meeting stated development goals*, created as part of a process of institutional improvement.⁴ Its rationality remains essentially that of ‘implementalism’ – the resourced realisation of orthodox Western development practices in models. It is therefore anachronistic, and, furthermore and in modern Vietnamese terms, too reminiscent of what they are abandoning.
- In contrast, however, we can see various project activities interacting with ongoing Vietnamese change processes in a positive manner.
- Shift in Vietnamese Communist Party thinking appears profound; evidence for this can be found in the commune-focus and relative decentralisation of current rural development efforts; and also in the view that Mass Organisations, both ‘political’ and ‘non-political’ should play an enhanced role in rural development.⁵

Some additional considerations relating the context of the cooperation

It is useful to bear in mind the following contextual matters.

- Developmental resource flows into the program area are now large. This reflects a combination of issues, of which the following are probably relevant:
 - Vietnam’s fiscal logic, with perhaps 50% of tax revenues collected in Ho Chi Minh City, which is not the capital, means that it is feasible for the great majority of rural provinces to secure rather large funds from central government. Thus a Hmong commune with under 300 households has just over 20 state financed jobs available as part of the normal system, with, for example, the President of the Women’s Union getting 300,000 dong a month (over US\$ 20). To this can be added the now large number of aid projects of various types.
 - FCP and MRDP, increasingly do with MRDP, are *thus only supply rather small volumes of resources compared to the general rural development ‘effort’*.

⁴ Thus the text by Shanks and Toai (Field Based Learning ...), which is valued internally as an important if not classic document. ‘Success’ is understood in terms of implementation of what is pre-existing, and understood by Western and other development professionals, not in terms of relative efficiency in meeting stated development goals (whatever they might be ...).

⁵ The Vietnam Fatherland Front groups both the ‘political’ mass organisations (Women’s Union, Farmers’ Union etc) and the ‘non-political’ – associations such as the Red Cross, VAC-VINA etc.

- The rural unrest of 1997 and after, which, combined with the pattern of growth prior to that date, is consistent with the greatly increased attention paid to rural development thereafter.
- It is extremely common for analyses to ignore underlying incentive issues in favour of ‘post hoc ergo propter hoc’ arguments (ie attributing desired change to policy change). Thomas Sikor, for example, argues that reduction in swidden and increased forest cover in his study area resulted from both technical change in wet rice that improved its relative profitability compared with dry-rice, and increased demand for maize for livestock in lower areas. Yet this remains an unorthodox position.⁶ It therefore remains contentious as to just why farming practice has changed in the ways that it has, but the overall macro price/technology context tends to be ignored since the policy issues are where competing doctrines confront each other.
- Since the cooperation has (until the CP) introduced quite orthodox ideas, there is nothing essentially unique to FCP/MRDP in terms of this content. NGOs and others stressed PRA early on, as well as issues such as mutual guarantee groups in credit.⁷ FCP and MRDP have therefore also to be judged in terms of their relative success in easing and improving the overall process of change in Vietnamese development doctrine.
- There is a tangible ‘hesitation’ for Western professionals in accepting the essentially Leninist nature of Vietnamese rural developmentalism. Thus we can see the desire to work with elements stated to be outside the formal party-state structures (such as the ‘village’) labelled as the ‘community’. Village leaders are, of course, recipients of state allowances and are part of the formal system. This creates interesting tensions.
- Clearly, in many parts of Vietnam there are major political issues to do with the confidence of the population in the Party and in local officials. As a generalisation, we observe that in the areas we have visited confidence remains rather high, first because the local state is clearly developmental, even if still relatively unsuccessful in economic terms, and second because there are no real points of severe conflicts of interest.

Core project elements

The fieldwork suggests that the elements of the cooperation be construed at two levels. First, ‘general cognitive’ – the tension between ‘resourced implementation’ and ‘trialing of alternatives based upon *comparative analysis*’. Second, a series of activities that make up orthodox Western rural developmentalism as it was from perhaps the 1970s until now. In addition, certain categories, especially that of the ‘market’, and the ‘farm’ have been important (especially the latter).

At the local level, especially the village, the basic building blocks of the cooperation are quite clearly – and rightly – those of orthodox development doctrine.

PRA

This is now seen as the central element, with pervasive impact and widely discussed and appreciated.

Farm-based rural development

Under FCP, this was an important issue. It was accepted that farm-based development was central. Strange as this may now seem, at that time this issue was related to the move away from cooperative-based rural development.

⁶ Thomas Sikor – The allocation of forestry land in Vietnam: did it cause the expansion of forests in the northwest? Hanoi: CNRES ? 2000.

⁷ For example, Vietnamese research showed how these were active in the Mekong delta in the early 1990s.

Extension

This is seen as the second most important element, not least because the local village extension worker is the main entry point for project activities. However, results are widely seen as poor.

Rural credit

In the villages studied, there was only new activity here, with little history. However, its use of the village level extension group as a basis shows the underlying strategy.

Land management and allocation

In the villages studied, this was mainly associated with wider Vietnamese state practice, rather than the project.

Bottom-up participatory planning

This was seen as an important issue, widely discussed.

Cognitive changes and participants' assessments

It is, for reasons I do not fully understand, normal for Vietnamese to approach the question of change in terms of cognition or realisation (nhân thức ra) by the people involved. Failure to realise the meaning of central ideas leads to practice (thực hành) that is but formal or superficial (hình thức).

Overall cognitive change (assessing the overall impact upon practices and behaviour on the ground)

- Overall cognitive change has occurred in the cooperation area, with a shift from traditional 'dualistic'⁸ thinking towards 'analysis'. This can be understood as a shift towards Western ways of seeing and understanding. It is pervasive and generally seen at all levels as positive and a great success of the cooperation. It is most important in the nature the ideas and doctrines that order state practice, and is essentially comparative. An example is the ways in which land use is construed - rather than seeking resources to implement a model articulated by higher intellects, resources are increasingly sought to finance alternatives seen as relatively profitable or advantageous.⁹
- Thus, throughout the 3 regions of the cooperation area can be seen a shift to more intensive cultivation. This can be expressed in terms of a move from the traditional – 'first water, second fertiliser, third work, fourth seeds' to 'first seeds, second fertiliser, third water, fourth work'. There is a shift in outlook from work based upon and guided by experience to one based upon technique and method. This is associated with sedentarisation.

But does it increase incomes?

- *The important program goal of increasing incomes and attaining sustainable landuse patterns accompanied by staples adequacy and rising incomes is central. We observe significant increases in welfare, but we do not yet see major increases in cash incomes from successful development of marketable products.*
- It is extremely hard to separate out general changes from those that are project-related. Many conditions have improved through the 1990s, but that does not permit us to conclude that the project did more than contribute to them. Nor to what extent. Yet we can clearly report farmers' opinions that extension has not provided them with major new income generating activities. This is a disappointment.

⁸ Such as, for example, the dichotomous approach seen in the yin-yang of Daoism or the often heard (in the 1970s and 1980s) push to 'integrate' dualisms such as 'management by branch and by territory' ...

⁹ The party secretary of Yen Binh, for example, is said to have thought much about what he read in various documents emerging from the project activities in the district, accepting the notion that profit and exploitation were different things.

- An important element of commune-level assessment of the project (Phu Thinh and Gie Xu Phinh) is that whilst it has assisted with forestation, *it has not yet had good results in generating economic potential from forestry or gardens*. For whatever reasons, they are not experiencing what they see as rapid incomes growth from marketed products, and see no decent market outlets. They start to lose confidence in the economic potential of food crops.

Assessing the ultimate impact on policy and Vietnamese society as a whole

- The general cognitive changes, and the more specific change related to project issues discussed below, have had a wide impact upon state practice in the region, and at all levels down to the village.
- However, results have been limited, mainly due to the relative failure to find profitable marketed products. Success has been more in forest protection and staples production.
- In FCP, local state practice changed little, for two reasons. For example, commune land use planning was still based upon higher levels, and not upon local participatory methods. First, people were still very confused about methods. Second, officials at all levels did not yet adopt the projects implementation methods. In MRDP, the provincial projects recognised the mistake of not bringing the commune level in, and did so, although not directly. This permitted officials at commune level to study and understand the basic ideas, and so used them in other commune level activities, such as programs 06, 133, 135, 327 and 661.
- There is a clear change in the state administrative culture in Yen Bai. This is reflected in steps to professionalise the administration. It is also reflected in ongoing policy debates, currently one example being to do with the desire to push the Bank for the Poor into supporting emergence of credit markets (rather than directed allocations) in the province, *which is seen as intellectually linked to FCP and MRDP thinking*.

Cognitive change and various opinions related to specific project issues

General issues

There is a widespread sense that the language used in the project is too sophisticated and ‘academic’, and that procedures have been made too complicated.

Overall project management

- According to project staff, the project is managed according to serious administrative procedures. However, according to project officials, quality control is not carried out properly. The quality of *inputs* is not seriously managed (personnel, plants, seedlings, fertiliser ...). And various *outputs* are not managed or evaluated properly (economic and social results, environmental impacts, and the lessons to be drawn from the project). This is partly due to the way the project is managed, and partly because the experience of managers is still limited.
- According to the local population, the commune is largely excluded from project management. As a result, its activities are not integrated into other local development programs such as credit, extension etc. Thus if the project stopped its extension activities would also. And credit activities would also suffer ‘as village level project staff do not have the capacity to organise the credit activities of their members’. Yet the commune has been brought into organisation of the credit activities (the People’s Committee Chairman is Head of the Savings and Credit Association), and from 2000 there is a commune-level village-development fund and commune project board.
- Regarding training activities, a system has certainly been set up, involving staff at all levels, with province and district level staff responsible for training at village level, and the village extension worker responsible for transferring knowledge to farmers. However, the goals of using a ‘two-directional’ knowledge transfer method within villages has not been met. *Farmers’ and commune and village officials comments suggest that*

- Training is the most important part of the project, and especially so in ideas on local-level planning.
- PRA methods and techniques have been indigenised so make them cheaper and simpler.
- Participatory training methods have real value, are easy to understand and use.
- A very important part of the training process has been its impact upon wider cognitive aspects, especially a shift to market-oriented farming and involving inter-farmer and inter-community exchanges.
- Extension activities at the level of the community, carried out by the extension workers, are not yet giving high results. There have been many courses, but the farmers do not recall what they were about or know properly what they were taught. They do not know why the plants they were given die, or why they do not deliver what was promised, or why their land deteriorates.
- *The basic conclusion is that whilst village-level training is seen as important, and has helped produce major changes in attitudes to fundamental issues such as planning and the value of market-oriented farms, the particular things it can offer are both very limited and not seen by the population as having significant value. Thus they are not sustainable.*

Decentralised planning

- The need for this is now well understood and very few people still remain unconvinced. This is the case at province, district and commune levels. It is the case both within and outside the cooperation.
- According to ordinary people and village level officials, local plans have to operate within rather tight constraints. The population is, when participating with the project, offered a free choice of what is a rather limited range of options, defined by what is known to project officials, or what is actually available. Consequently what they chose can be unsuitable. And the plan is only set up to comply with the program's assistance.
- The planning methodology bypasses the commune, and also tends to be ineffective in assessing local potential when setting up the program plan. Approval of that plan is then seen as being 'slow', and fund disbursement is also 'slow'.
- Whilst project officials argue that plans are constructed at the base, they also point out that village plans ask for resources greater than those available, and include activities that the project cannot fund. Like those of the district, they must therefore be adjusted by the provincial project office, or sent back for adjustment. The plan then ends up as being rather a small part of the village plan, and villagers are less enthusiastic, if not fed up.
- Villagers argue that the plan is set up according to the guidance and advice of project staff. They also advise on selection of seedlings, livestock and so on. In discussions and approval of the village plan, many people do not understand why these plants are chosen rather than others; without outside assistance, therefore, they could not make a plan that could be approved by the project.
- Village plans do not involve full decentralisation of funds, which remain at district level. Thus at village meetings there are officials from the project and the district present.

Participatory methods

- There is general acceptance that some sort of participatory methods are essential. This is largely due to FCP and MRDP. As in other areas, the basic ideas have been accepted. This conclusion takes into account the fact that most officials in the project now 'know how to sing' in the PRA manner.
- In the early years, participation was seen as being distinct from decentralisation. Now, it is not so clear, nor is it clear on how to continue. PRA is being indigenised outside of the project whilst becoming formalised (because of the resource inputs) inside the project.

- In practice, interviews with the population suggest that village-level participatory planning within the project is still very limited and formalistic. Simply, people often do no more than register with the village extension worker their desire for certain inputs that he or she can supply.
- The contrast between general belief and weakness in reality, after 10 years of participatory work, is striking. The issue it seems is the indigenisation of the ideas under replicable conditions.

Community development

This is a more general issue than that of participatory methods.

The general conclusion seems to be that the projects (FCP and MRDP) have tended greatly to stimulate community level participation via formal methods such as extension, the project itself, forest protection).

Extension, and clearly other activities, are conventionally supported by project funds. Thus people who come to meetings to disseminate information from the district get 3,500 dong, perhaps lunch, and access to plants, fertiliser and planting methods. Attendance of foreigners is a great attraction, and a source of memories and emotion.

Investment in the 'Extension House' has created a place for meetings that often did not exist before.

There is some evidence that there is greater interest in education, and openness to the wider world, in project areas.

There is also some evidence that farmers in the high areas of the project are more capable of managing their affairs than in non-project areas.

Extension

- A village-level extension system, financed by the project and outside the standard Vietnamese system, has been created.
- This has been a central part of the wider cognitive shifts towards more Western thinking.
- The number of extension workers at village level was around 6–7 people under FCP and was reduced to 3 under MRDP. This group (containing accountant and bookkeeper) seems identifiable as the village development unit. It receives funds from the district, not the commune.
- However, there remains a wide gap between what is taught to extension workers and what then moves on to the population. The most acceptable hypothesis is that whilst the basic methods are understood and accepted, *the inputs (ideas) are not particularly useful*. In addition, the local extension workers still 'need assistance' in their work.
- Extension is thus mainly being driven by supply of subsidised resources to the population. Without the resources, often the population 'would not come'. This is mainly due to the lack of profitability of the extension ideas of themselves. By contrast, extension work in veterinary activities is sustainable, as extension workers get paid to inject drugs and maintain knowledge relevant to that. Thus the central issue is that the *input* to extension is very poor.
- According to some people interviewed (ordinary people and village-level officials), the selection and election of extension staff at the village level lacked proper criteria, so that extension workers were too old or unqualified.
- A central conclusion is that very often extension workers are still not capable of independently transferring knowledge to farmers. However, a general judgment is that the project's methods are very good, and there has been a fundamental shift in standards applied to such activities (even if they often cannot yet be met).

Land allocation and allocation of the 'red book'

Land allocation in Yen Bai was carried out early and in some places before implementation of the project.

- Land use planning in Yen Bai is still only participatory in the project areas. It is still seen as an experiment and has not yet been subject to formal analysis and review (tong ket) for wider replication in the province.
- Farmers' were generally *not clear* about their duties regarding land they were allocated. They had usually not received any guidance in how to use it, and in general they were not monitored or managed in this respect by any recognisable authority.
- Often, farmers were not clear about how much land they had received (in one village none of them did).

In this area there was little evidence of any project impact, or indeed much external impact in any case.

Credit

These activities are rather new.

- Initial steps appear to have been to use the village extension group as a way in to development credit groups. This appears to be legally acceptable. The group works with the community and then presents plans to the district, as usual formally bypassing the commune.
- It has rapidly led to worries about sustainability.
- Interest rates appear higher than other credit sources, but are not a constraint on borrowing. Perhaps they encourage local savings. There are more concerns about the very short loan periods.
- Some credit groups have developed their own regulations as variants of those laid down by the project.
- There is a clear need for formalisation of the situation, and the province appears to be pushing the local Bank for the Poor to introduce procedures that will allow the project activities to be integrated into ongoing wider state rural credit delivery.

Selection of villages for participation

This was generally understood by the local officials and population as being based upon a need to secure a wide range of conditions so as to make subsequent replication easier. I note here a tangible Vietnamese shift to comparative trialing at province level that is not reflected in information feedback systems at program level.

Selection of beneficiaries

Project officials as well as local staff and farmers all tended to argue that beneficiaries were chosen openly and properly (apart from participation of some senior staff in study trips).

Project and other management structures

- At province and district the Project Management Boards under MRDP were too large, and contained many officials appointed ex officio and with little relevance. This led to them enjoying benefits (eg study trips) that created little benefit for the cooperation. This management system is therefore 'formal' and real management authority rests with the project coordinators, the districts, and the extension groups leaders.

- The level of integration (long ghep) of incoming projects using purely Vietnamese funding is now higher at commune level than it is with MRDP funds. This is mainly due to the projects' focus upon the village.
- The project by-passes the commune level to work with the village. Under FCP problems arising from this were already clear. The commune is meant to act as a training level for extension workers and a recipient of issues arising from the local population brought to them by the extension workers. Since the commune is the recipient of (now significant) state resources for local development, this means that were the program to withdraw either the commune would have to take over funding or the village population would. Commune officials note this issue, and argue that they will not take responsibility for funding under such circumstances. The project's activities are not thus linked into ongoing local developmental activities. *However, under MRDP this issue has been eased, although not yet fully solved.*

Specific comparisons between project and non-project districts

The sample here is small, as the group visited only three districts (Tram Tau, Mu Cang Chai and Yen Binh), of which one (Tram Tau) was outside the project. Yet the results are suggestive.

- Tram Tau district organises and manages dissemination of information to the local population faster than the other two. They work through the commune, and probably existing community structures. For example, they knew to use the local population in Ban Cong commune by bringing together the older inhabitants to ask their opinion. In this commune the local leadership was far younger and more dynamic, speaking Vietnamese better and understanding issues faster than in Mu Cang Chai.
- There is also some evidence that the take-up of participatory planning methods is also an 'indigenisation' made easier when project resources, aimed at securing implementation, are absent.
- However, Tam Tau appeared in many ways less democratic, and lacking the village-level extension capacity, faced various problems. The local population lacks formal rights to check or participate in local planning at commune level.
- In Tram Tau the commune manages the village, which therefore does not have formal direct relations with the district (as it does in the project).
- Thus outside the project areas the village head has a far less significant developmental role.
- Local credit activities in Tram Tau, by comparison, are far less feasible: in a commune there attempts to expand credit faced an inability of the farmers to select investments. They bought alcohol instead.
- *The reason for this relative success compared with the two project districts was probably that local officials, well aware of the basic ideas of modern rural development, were applying them through a reformed – more 'Vietnamese' – system than in the projects' activities in the other two districts.*

Specific comparisons between FCP and MRDP¹⁰

- FCP advisers tended to be better than MRDP: they were more focussed upon 'community' and more 'realistic'. MRDP advisers tended to be too theoretical and academic.
- Training of officials was done far better under FCP than MRDP. This is in part due to the large ex officio membership of the project management boards, and the tendency to train without attention to needs.

¹⁰ It is clear from the above analysis that FCP was more appropriate to Vietnamese conditions at the time than MRDP has become. Further, the CP element of MRDP, and its more theoretical and dogmatic approach, has aggravated the 'implementalism' inherent in both FCP and MRDP but kept in FCP within limits by the LFA and better goal-focussed management.

- Under FCP, project activities were usually paid for in cash from the central project office; under MRDP, it was paid quarterly into an account at the local bank. Funds were then advanced to districts to finance local activities.

Comparisons between FCP/MRDP activities and other state rural development activities

In Yen Binh, there was some sense that normal state development projects had only very limited results.

In general, FCP and MRDP differ greatly from normal state activities in terms of ideas and implementation methodology.

Comments on advisers

- Advisers tended to do too much research, creating long reports that went to Hanoi and had little relevance to the provinces (one can note that consultancy budgets are controlled by MRDP at MARD).
- The various Vietnamese advisers (Mssrs Hung, Son, Dung and Mrs Ha) were said to have very limited effect upon province activities. According to some reports Mr Khai was a useful input. They signed contracts with MRDP at MARD, not with the province.

Wider effects on Vietnamese state policy

We are planning further work on this. However, there is some evidence that there has been a rather normal series of inputs from program experiences to the Vietnamese policy-making process. This is to be expected in a large program embodying modern developmental ideas at a time when Vietnamese doctrine has been moving closer to that of the West. However, it is clear that, in the absence of comparative trialing, inputs to state planning methodology must remain weak.

Specific areas of impact are:

- Decision # 3 on development of farm economy (province level also)
- Use of village level in extension, as well as development of support systems for local extension workers
- Rural credit (province level also)
- Use of PRA at village and commune levels, with officials present to ensure integration of project activities with others.

Based upon limited interviews in Hanoi,¹¹ some conclusions can be presented.

- Like other rural development programs embodying current orthodox development doctrine, MRDP has had tangible impact upon national policy and Vietnamese official developmentalism. It is likely that this was more important earlier on, but by the late 1990s FCP/MRDP was not apparently saying anything substantially different from NGOs, UNCDF/RIDEF et al. There is no sense of a traceable link between FCP/MRDP and specific policies. Sometimes, there is an attempt to advance 'post hoc ergo propter hoc' arguments, suggesting, based upon the sequence of events, that FCP/MRDP initiatives caused later policy changes, when in fact without any detailed analysis of the Vietnamese policy process such suggestions remain unfounded.

¹¹ Mssrs Cao Vinh Hai, Nguyen Ngoc Lung, Dao Van Phong and Phan Trung Dien, with Ms Nguyen Thi Be, at the Forestry Development Department (MARD Hanoi); Mssrs Tuan and Nguyen Viet Khoa (Extension Department MARD Hanoi); and Mssrs Ho Duc Song and Nguyen Thanh Luu, VAC-VINA Hanoi; and Mr Vy and others at the Policy Department, MARD-Hanoi.

- Questions regarding direct policy impact were answered almost entirely by reference to use of MRDP funds in drafting and research. However, the embodied ideas were not necessarily seen as new, and the drafts were often simply recycling of well-known reformist measures.
- The only non-state organisation met, VAC-VINA, a 'non-political' mass organisation or association, was clear in its opinion that MRDP like other state-focussed programs contributed to an excessive 'statisation' of rural development work.¹² Unfavourable contrast with made with the French system, which reportedly relied upon popular organisations alone below the province level. Unlike MARD organisations, VAC-VINA presented strong arguments for greater reliance upon popular organisations (naturally, including them). Others mentioned were the Farmers' Union and Association of Voluntary Extensionists. One can note that in none of the MARD discussions was there any suggestion that non-state organisations were of great importance; rather, budgetary constraints within the state sector were often blamed for difficulties. One can also note that these associations are very close to the Party, and these opinions should be treated in that light.

Conclusions: reliability of results and implications

Based upon extensive discussion, my opinion is that these results are relatively robust. I would be slightly more sceptical than my Vietnamese colleagues about the extent to which elements of modern development orthodoxy have been accepted, such as PRA, but by no means sceptical enough to deny that this has happened. Rather, basic Leninist thinking must conclude that such activities should take place within rather than outside formal political constraints. Just where these are, we will probably found out in the coming decade.

Perhaps the most striking results are:

- Evidence from the non-participating district (Tram Tau) that modern ideas work for Vietnamese officials and communities, and they work best when there are no resources from a project that confuse matters by pushing implementation of models.
- Sida's failure to realise that, in permitting MRDP unusual 'rules of engagement' it was creating a situation where, if the Vietnamese side actually did move in the desired direction, it would have created a situation where the cooperation was deeply conservative, rather than the desired opposite. And this seems to have happened.
- The sheer volume of work that remains to be done to create inputs to the emergent Vietnamese upland developmentalism that actually work – for example, inputs to extension and to improved marketability of farmers' products. These are now the central issues.

Suggestions

Strategic

- The cooperation has, for reasons discussed above, probably become – in the Vietnamese context – conservative and anachronistic. The freer 'rules of engagement' granted MRDP helped to create a program that is highly focussed and effective in terms of the general remit of 'implementation', but highly confused in terms of 'rational comparative trialing'. Major change is required.

¹² It may be useful to point out here that the Vietnamese terminology is rooted within a dualistic 'yin-tang' framework, so that 'statisation' (*tinhh quan phuong qua cao* - literally, the 'state element is too strong') is a relative concept. These mass organisations would thus be viewed in terms of their possessing a lower degree 'statisation' than the local administration or indeed Party, and having a higher degree of 'popular-isation' (these English words are clearly extremely clumsy, whilst the Vietnamese are very clear). Thus the 'non-political' mass organisations (such as VAC-VINA) would be seen as less 'statised'. And, or course, less readily funded from the state budget.

- If there is to be a stage 3, then there should be a limited range of activities, well-articulated into a drive to produce clear and empirically well-founded answers about the relative developmental impact (as agreed) of alternatives. This implies a far more orthodox institutionalising of the research process, and considerably enhanced research management capacity in the area.
- It is very important to reduce the level of 'statisation'. Ways to do so should include: decentralisation of funding to commune budgets; extensive reliance upon non-state organisations;¹³ and a strong input to two conventional but crucial areas – first, province-level development planning (perhaps integrated through research at area level); second, budgetary support to the province level orthodox training of low-level officials and others (in the province administrative schools). This expresses my view that development of popular organisations requires parallel development of the local state.

Some tactical issues

- There is a need to 'Vietnamise' the approach methodology, which in fact means a shift, radical in terms of current program practice and philosophy, to normal comparative trialing by accepting the congruence between Vietnamese and Western development doctrines in many areas, and, perhaps most importantly, treating the Vietnamese position with sufficient respect.
- It is important to bring province level development planning into the discussion, to see it as part of the solution rather than part of the problem.
- Methods of selecting communes for participation need to be made on the basis of proceduralised criteria and related to developmental goals so as to assist with comparative trialing.
- Project inputs need to be of better quality and better planned, especially in the area of extension.
- Project financial resources at the level of the commune and village need to be clearly distinguished from normal Vietnamese official funds, so comparisons of outcomes can be made.
- Ways will need to be found to ensure that local extension workers are not seen by the population as 'part of the system', which is now the case if they are, as happens, also the local policeman, chairman of one of the mass organisations etc.
- If Vietnamese developmentalism is to be taken more seriously, then the quality and volume of training of officials at commune level and below by the local province political and administrative schools must be seen as a major constraint. Resources should be made available as a matter of urgency for the provincial staff colleges.
- If bottom-up planning is to be implemented in an institutionalised manner, then it is important to:
- Proceduralise ways in which local democracy is exercised: what is and is not acceptable to higher levels?
- Make clear and predictable – and institutionalised – budgetary allocations to communes, so that there is a shift away from a situation where the district has to reduce the commune project request list to fit the funds available.
- Proceduralise public and open 'acceptance' (nghiem thu) and 'accounting for' (quyet toan) projects within communes.¹⁴
- Ensure that communes or lower levels implement projects directly (ie are the 'project owners' – chu du an).

¹³ It is of course impossible to predict accurately when and how even less 'political' associations will arise. In that this may happen strongly over the next decade, project design should not lock in relations with the current 'political' mass organisations.

¹⁴ See Appendix.

- Finally, the philosophy of the cooperation must return to a normal orthodox emphasis, based now upon a shared agreement on fundamentals, on the comparison of alternatives. Absence of this suggests disagreement on fundamentals, which now seems not to be the case. Such comparison of alternatives is likely best done at province level.¹⁵

Appendix

Projects in Vietnam – a note on semantics (nb font used in ABC – Vietnamese text may not print out easily).

Project – ‘dù ,n’ or ‘c«ng tr÷ nh’ ???

Disbursement (cÊp ph,t) of Vietnamese state budgetary funds under the Vietnamese system often relies upon procedures that involve establishment of a project (dù ,n) by some official body. The project will have a ‘head’ (chñ) which is often synonymous with the body that establishes it. The ‘head’ is probably the same as the ‘project management board’ (ban chØ ®’o dù ,n).

Thus, ‘the commune is the project head’ (chñ dù ,n lụ x’) would mean that the People’s Committee of the Commune was the body that established the management board (MB) of the project. In practice, members of the People’s Committee would usually also occupy positions on the management board. Legally, however, these two positions are quite distinct.

Two separate issues are worth keeping in mind.

First, who can set up a management board? My impression is that almost anybody can, but it has to be approved by some People’s Committee.

Second, that there are a number of important elements of the project process.

- The MB should control resources, such as by maintaining a bank account, maintaining accounts, and by signing contracts with suppliers.
- The project, set up to spend money on something, is essentially temporary. The word for a ‘physical’ project, which therefore exists after the money has been spent (c«ng tr÷ nh, in the case of infrastructure) is therefore different.
- On completion of the project, it has to be ‘accepted’ (nghĩÖm thu). This is a formal procedure, involving in principle the Finance branch, the MB, the organ that set up the project and (I think) whoever will subsequently own it. The project must also carry out a ‘primary audit’ or acquittal (quyÖt to,n).
- The final stage of a project is its handing-over (bùn giao) to whatever organisation is to own it. As in the case of the criteria that apply to determine whether an organisation can establish a MB or not, I am not sure what exactly apply here. Note that if this is carried out in an unorthodox way, problems may arise (for example, budgeting for ongoing costs may be unavailable).

In English, the single word project is used in situations where Vietnamese choose between two Vietnamese words – dù ,n and c«ng tr÷ nh.

Partly for this reason, various important issues are often ignored:

- Can the chosen counterpart act as a MB, and what procedures govern this?

¹⁵ The basic resourcing implications of this set of suggestions would seem to be a series of supplements to selected province development budget lines.

- Who will receive the project at completion?
- What procedures govern such issues as mandatory participatory methods of project selection?
- To what extent is there participation in the ‘acceptance’ and ‘hand-over’ steps, which are obligatory in the official Vietnamese system? In Ho Chi Minh City, for example, small-scale infrastructure projects involving local community co-financing with the local authorities (I understand) are required by the City and custom to carry out ‘open popular acquittal’ (quyết toán công khai透明).

Some of these points may need checking; I have not looked at this for a while. Certainly the Finance Dept at any province would be able to explain them clearly.

Annex 5

Assessment of policy impact

This ANNEX concerns a special study with the purpose to trace the impact of FCP and MRDP on Government policy creation, undertaken by a sub-team of the Evaluation¹. The team has drawn together two main sources of information and analysis: first, senior officials and specialists, mainly within MARD; second, its own extensive knowledge of policy and policy formation in this area. No significant analysis is made of the role played by the Vietnamese Communist Party, since it is the Vietnamese Government that is responsible for policy formulation, in the strict sense of the term.

During the 1980s the Communist Party and the Vietnamese Government carried out major changes in land policy, aiming to create conditions for agricultural and forestry development, such as '100 contracts' (1981), the policy and land and policy allocation (1986), the 1987 Land Law. The Ministry of Forestry had a close co-operation with Sida regarding the 'Forest, Trees and People' Programme in the late 1980s, the Strategy Project and then FCP in the early 1990s and finally MRDP in the latter part of the 1990s. A series of new and more liberal policies created conditions in the form of the legal environment for implementation of these programmes. On the other hand, implementation of these Sida/Sida supported programmes, with their approach and models, made a series of contributions in the form of experience and lessons for policy makers, especially those working in agriculture, forestry and rural development.

In the 1991–2000 period a number of relevant policies were established: No 327 (1992) on land use on bare hills and mountains, and barren lands; Decree 13 (1993) on agricultural extension work; No. 02 CP (1994) on giving out forest land; No. 01 (1995) on giving and contracting out agriculture, forestry and aquaculture land; No. 661 (1998) on planting of 5 million ha of forest; and No. 187 (1999) on the reform of state forestry enterprises.

Programme 327 and the 5 million Hectares Forest Programme

Programme 327, established 1992 by the decision of the Chairman of the Councils of Ministers, is a multiple goal programme. Reasons for the programme were:

- Forest was being destroyed to a great extent, and by 1992 the level of cover remaining was around 26% compared with 45% in 1945. Particularly in the north-west the cover was down to 12%, in many areas leading to severe environmental problems such as floods and droughts.
- The Government had gradually limited the volume of timber extracted, forbidding logging of natural forest, and was shifting gradually to silviculture and banning export of logs.

The new elements of this policy were:

- Use of what had not previously existed, namely implementation of plantations and protection of natural regeneration according to specific programmes and projects.
- Use of the family as a unit to receive budget and loans, whilst shifting from tree monoculture to mixed forestry viewed as agro-forestry.

¹ The study was undertaken in September 2000 by a Vietnamese team comprising Nguyen Manh Huan and Tran Thi Tram Anh with support of Mr Adam Fforde. The focus on the study was the key policies, which had been claimed by the programmes (and some external reviewers) to have been impacted upon by FCP/MRD.

- Use of a system where the state supplied capital to families for planting, defending and protecting watersheds as well as special forests (before 1991 state budget went to state farms and forestry enterprises). For agriculture production loans were granted at zero interest.
- Concrete regulations on the structure and density of planted trees as well as the materials benefits due to families planting watershed forest.

However, this programme showed poor results, mainly because the process of implementation and management was ineffective. The goals of the programme kept changing, its coverage was too broad, and its ambition too great, with the result that resources were scattered.

In September 1995 the Government issued Decision 556 on watersheds and special forests. These types of forest were seen as of public interest and therefore financed from the budget. At the same time production forests were financed through subsidised credits (Decision 661 of 1998 by the Prime Minister). In this programme, policy can be seen clearly expressing a new view of the relationship between the population and the forest, seeing the population as the main force in planting, defending and nurturing forest regeneration, benefiting from forest activities seen as their 'profession'. At the same time, strong links were made, as a basic principle, between trade in forest products and tax concessions and zero-rating that aimed to create a healthy environment so that forestry could really contribute to the rural economy.

Despite this, this decision was still limited. For example, there was no regulation stipulating concretely the material benefits and obligations of whoever planted, defended and protected watersheds and special forests, nor exactly what would happen at the end of the contract – if the forest recipient wanted to continue, then how would they benefit? Mainly because of this, the Policy Department of MARD has drafted policy on the benefits for families and individuals participating in planting and protecting forest of this programme for presentation to the government.

Influence of FCP and MRDP on Decision 661 and the 5 Million ha Programme

After direct discussions with policy makers and specialists of a number of departments of MARD, we conclude that FCP/MRDP contributed financially to field visits by staff and specialists of the Policy Department. Interviewed staff claim that without the financial assistance of FCP and MRDP, they would still have had to carry out research in order to advise the Ministry and produce certain policies. However, the financial assistance by FCP/MRDP helped them to do this more actively and to make more visits. Hence, the programme(s) facilitated the policy-making.

A number of trials of FCP and MRDP, like those of other projects (e.g., the GTZ forestation project) were visited, studied and analysed before promulgation of policies. For example, in the preparation of Decision 661 and the 5 million hectares Programme, forestry models in nearly 40 provinces in the country were visited, including two within MRDP. Before preparing policy on family and popular benefits from participation in the 5 million hectares Programme, the Policy Department visited models in 20 provinces, including one from MRDP. Hence, FCP/MRDP was one source of influence amongst many. MRDP also provided financial assistance for construction of a community forest model so as to prepare policy regarding communities participating in forest management with the purpose to supplement and improve the Forestry Development Law.² Information from the programmes was also widely disseminated to many people, including policy-makers. To summarise, FCP and MRDP contributed by providing models and information to assist in making visits as part of the policy-making process.

² Lenh của Chủ tịch hội đồng nhà nước số 58-LCT/HDNN8 công bố Luật bảo vệ và phát triển rừng. - Luật bảo vệ và phát triển rừng (Order of the Chairman of the State Council # 58 issuing the Law on the Defence and Development of Forests), Hội đồng nhà nước (State Council), 19/08/91, CB 15/10/91.

Decree 13 and the national extension programme

Decree 13 came 'from reality', as at this time agricultural development was largely being driven by liberalising policies. The output contract policy, i.e. the system for contracting with households that came in with CT-100 in 1981, expanded with Decree NQ-10 in 1988 in agriculture had produced high results, but, at the same time, the role and functions as well as the management structure of the agricultural co-operatives no longer existed. Development of the family economy demanded agricultural services such as inputs, dissemination and transfer of knowledge on cultivation, livestock rearing, preventing and cure of disease for plants and livestock etc. Besides, a number of effective models had appeared, especially in the southern provinces. The government promulgated Decree no. 13 in 1993 on agricultural extension aiming to organise a national extension system. Its content was intended to be:

- Disseminating technical progress in cultivation and livestock, processing techniques, storage of forestry, agricultural and aquacultural products and experiences of new production models.
- Supplementing and developing farmers' economic management skills.
- Co-operating with responsible bodies to supply market and price information to farmers.

Influence of FCP/MRDP on Decree 13 agricultural extension

The clearest influence of FCP/MRDP regarding agricultural and forestry extension is that the programmes have contributed to changing the awareness (*nhân thức*) of agriculture and forestry extension workers, especially agricultural extension staff in the programme area. The state extension system usually operates according to agricultural extension programmes approved by state bodies. With this method positive results tend only to occur in the delta areas where the population is more 'advanced', and in industrial crops and livestock. In the upland and remote regions, and areas inhabited with minorities, results from this approach are very limited. The approach to agricultural extension adopted by FCP/MRDP using PRA was shown to give results in the uplands and remote mountains regions. This had positive effects on agricultural extension workers, who changed their methods of approach to basing it upon the needs/demands of the population, and using this as the basis for constructing agricultural extension programmes that were also kept appropriate to the extension methodology of FCP/MRDP, which included teaching methodology, information dissemination, monitoring and evaluation methodologies. All these were experiences that were often generalised and used in the state extension systems in the programme area.

Thus we conclude that, the FCP/MRDP with its models and methodology provided experiences and lessons to supplement the Government's extension system. An important source of influence was also that MRDP supplied financial assistance to the preparation of various research projects and financed an international conference on agriculture and forestry extension in 1997.

Impact on policy

Influence on other policies

The Ministry Project in MRDP has the objective specifically to 'increase the capacity of the Ministry'. The Policy Department controls this, hence staff involved in the Project are also those who contribute to policy creation through discussion and exchanges during the policy process. However, the contribution and/or influence of MRDP to particular policies varies. Apart from a number of regulations or guidance documents where a notable effect can be seen, such as regulations and discussions with the Bank for the Poor (relating to the MRDP, and to trials on rural credit methods), MRDP does no more than supply information and lessons drawn from its own experiences and trials of models.

Conclusions on impact on policy

We conclude that the policy influence of FCP and MRDP has been through the following means:

- Financial assistance for research and visits by policy makers to facilitate the policy making process.
- Supply of information, lessons and experience including methods of approach and management drawn from the models of the programmes.
- Contribution of opinions during discussion and exchanges in the course of policy development.

From this we draw the conclusion that FCP and MRDP contributed 'in part' to the development of policy for forestry and rural development, especially mountainous rural areas. This is not, however, to state, as has been done in a number of reports, that there was a 'notable' or 'outstanding' contribution. FCP/MRDP, like many other foreign-funded projects, made a small contribution as such. The reason being that:

- Foreign projects only operate in limited areas, whilst policies are constructed for the entire sector operating nationally.
- Whilst the strong point of these projects is their approach, their weak point is their sustainability, as they are all externally financed.

An indication of the many sources of influence, from 1993 to currently, especially in the past three years, there have been a minimum of 19 national level state projects and 8 international programmes/projects, besides hundreds of NGO projects, operating in the upland and mountain regions. Both FCP and MRDP, relative to many other programmes, have been small in terms both of funding and coverage area. It would be an exaggeration to say that FCP and MRDP have had an 'impressive impact'.

Influence on organisational reforms

The Mid Term Review of FCP 1994 argued that that, besides influencing Decree No. 13 on extension, and the 1993 Land Law, the merger of the General Department of Land Management and the Land Survey Department were mainly the result of the influence of FCP. This is not, according to our findings, in accordance with reality. The merger of these two bodies was a consequence of the processes of renovation and of administrative reform. Since the state had, in 1988, accepted contracts with households, it followed that land management had also to change. The Land Law also resulted from household contracts, not FCP and MRDP. Had FCP not existed the revised Land Law would still have been passed.

'Breakthrough' influences on policy

In Vietnam it has happened that small-scale trials have had major impact through their fence breaking 'breakthrough' effects, leading to basic change in national rural development policy. The household contract system in Vinh Phu of the 1970s is one example. The Sida supported Strategy Project on land allocation methods, the *Tu ne*, model, is another example. However, if we look at FCP and MRDP we cannot find such examples.

Annex 6

An assessment of the original and revised end results in MRDP

Original programme document (June 1996)	Current framework (May 2000)	Our assessment of achievements	Summary of status
<i>Overall vision</i>	<i>Overall vision</i>		
<i>None established</i>	Improve livelihoods and income opportunities for rural people in the programme communes and villages including equitable opportunities for poor people, women and men	<p>Selected villagers 'with capacity' (land, labour and skills) have gained improved livelihood through free or subsidized input supply attached to model building. Selected villagers have also increased their income from activities funded through micro finance.</p> <p>Women have been a minority among borrowers, and the poor have been absent.</p> <p>The Extension Component, the RFS Component and the Business Component and the focus on model development structurally prevented the poor from benefiting.</p> <p>In conclusion: Poor people have not been reached very well. Poverty reduction is probably not better in programme areas that outside.</p>	NOT YET
<i>None established</i>	Improved land use practices and natural resource management in the programme communes and villages contributing to environmental stability in the uplands	<p>This end result is difficult to assess, as any improvements in the landscape are results of many programmes, such as the 327 in particular. Agricultural land use practices have only selectively been influenced through model building support, while support to tree planting on forest lands has indirectly failed as villagers cannot sell the trees upon maturity. The changes in land use in agriculture have been towards intensified use of fixed fields. This has reduced slash and burn.</p>	TO SOME EXTENT
<i>Institutional development</i>	<i>Institutional development</i>		
<i>None established</i>	Project communes and villages, and commune and village leaders, extension workers and farmer organisations have the capacity to enable people to achieve what they truly want.	<p>Capacity development for leaders have resulted in increased skills and rendering of support to those 'involved' in the project. However, they may not be able to provide what 'people truly want' as what most villagers truly want are free or subsidized inputs of hybrid HYV of rice and corn seeds. Extension workers are still only capable of delivering what the GoVN wants.</p>	NOT YET
<i>None established</i>	Government services at province and district level have the capacity (personnel, facilities and financing) and competence, and networks of information, research and development organisations (the support structure), to respond to the demands in the village and commune development plans as well as promoting new production systems, processing techniques and business development	<p>Capacity at province and district level has increased due to programme funding of field allowances and transport. In terms of facilities and financing the capacity has not increased except as to what is supplied by the programme.</p> <p>The district and provinces do not have networks of information, and reports/studies produced by MRDP (consultants) seldom reaches the district level. The district and provinces do not seem to have any relations to the research supported under MRDP.</p> <p>The support structure do not always match demands, especially as demands are not demands on district and province skills, but demands on subsidised inputs of seeds and infrastructure.</p>	NOT YET

		There is still poor collaboration between research and administration, except in selected cases and the MRDP has hardly had any effect at all on these factors.	
<i>Method development</i>	<i>Method development</i>		
<i>None established</i>	Models of sustainable rural financial services that are appropriate to the needs of rural people, and to poor people in particular, tested and introduced through the programme	No models have been developed. However, the RFS has benefited borrowers in the sense of increasing their purchasing and investment power. Groups may continue as informal (illegal) groups as retrieval of principal by the project/government may not prove possible. No models for the banks of community based institutions as intermediaries have been created except for recent pilot projects with the VBP. No credit system matching the (subsistence) needs of the poor has been created.	NOT YET
<i>None established</i>	Participatory methods and appropriate technical models for land use planning and land allocation, community forest management and protection, water management etc. introduced through the programme	Participatory methods for land allocation have been accomplished in selected communes. Technical models for land use planning have been presented in selected communes. The results have not been monitored and the impact compared to elsewhere thus not known. One instance (heavily supported and subsidised) of Joint Forest Management created in the field. Community management mostly carried out under existing govt. arrangement with payment to households for five years per ha. Water management not seen addressed by the project.	MARGINALLY
<i>Policy formulation</i>	<i>Policy formulation</i>		
<i>None established</i>	Learning from MRDP methods development and institutional development in the five provinces analysed, documented and fed into the national policy formulation process	To a limited scale, listed only by the programme itself. Provinces not aware of such feed back. However, MRDP used to some extent as test ground by the Policy Department	TO SOME EXTENT
<i>None established</i>	MARD has the capacity to formulate consistent and clear policies and strategies on mountain rural development based on learning from the province projects as well as from other programmes.	MRDP contributing to a small extent to MARD's overall capacity in policy formulation	MARGINALLY
<i>Land use planning and land allocation</i>	<i>Land use planning and land allocation</i>		
Methods for strategic macro land use planning at district level developed, tested and evaluated	Not included in new ER	Macro land use planning takes place the Vietnamese ways as "comprehensive surveys". These are with the Land Development Department, which is not part of the project implementation set up.	MARGINALLY
Models for participatory physical micro land use planning at community level, serving both land allocation and land management (production and protection) developed, tested and evaluated	ER 1	Some models on physical micro level planning have been formulated, but they have not been tested, nor evaluated	NOT YET
Models for land allocation in upland communes with predominant ethnic population, developed, tested and evaluated	partly ER 2	No models reflecting differences between lowland and upland (minority) areas found. No tests undertaken, and nothing evaluated.	NOT YET

Models for forest contracting and joint forest management developed, tested and evaluated	ER3, but less ambitious	Only one model in Yen Bai is being tested for joint forestry management, where villagers may experience real devolution of rights in natural forest protection and use. It may be considered a test, but no regular evaluation observed	MARGINALLY
Village land use planning, based on the new participatory method carried out in all programme communes	Not reflected in new ER		NOT KNOWN
Land allocation, including use of the new revised methods completed in all programme communes	Not reflected in new ER		NOT KNOWN
<i>Less ambitious (a method, approved by MRDP provinces);</i>	ER 1. A method, approved by MRDP provinces for participatory land use planning (LUP) at community level serving as a base for both land allocation and land management in upland and minority areas, has been developed, evaluated and documented based on experience from MRDP provinces	Several methods for participatory land use planning are found, primarily developed under the separate Strategy Project. There is no documented lessons learned which have been disseminated to other provinces.	MARGINALLY
<i>Less ambitious (a method, approved by MRDP provinces)</i>	ER 2. A method for participatory land allocation suitable to upland forest and minority areas approved by the 5 MRDP provinces and documented in MARD guidelines	The programme does not work with land allocation any more. Most lands already allocated according to govt guidelines	NOT YET
<i>More ambitious – introduced, not just tested</i>	ER 3. Improved approaches to forest management and protection in the uplands developed and introduced through the programme		NOT KNOWN
<i>Extension and research</i>	<i>Extension and applied research</i>		
The provincial extension organisations consolidated and programme activities fully integrated with the government system at different levels	<i>Not included in new ER</i>	Extension organisations are consolidated – but not through intervention from MRDP. It has happened through national policy and support. Not integrated in the sense of copying MRDP activities elsewhere, as there are no funds elsewhere for the input supply	TO SOME EXTENT
Staff capacity in extension and research methods and technical skills related to upland agriculture and land use strengthened at all levels		Skills have been upgraded – to an unknown extent, due to lack of monitoring. But skills have been related to lowland, and midland agriculture. True highland agriculture has only been marginally developed.	MARGINALLY
Extension training capacity improved both in the provincial extension organisations and in regional and national training institutions	<i>Partly reflected in ER 1</i>	Has happened, but the effect of FCP/MRDP is unknown. The programmes have produced many training materials.	TO SOME EXTENT
Participatory methods of Village Development Planning further developed and consolidated, which can be scaled up to support the physical expansion of the programme and which will be replicable in other provinces and districts	<i>Partly reflected in ER 1, but scaling up</i>	Has not happened. They cannot be consolidated as villagers will not go through the motions except when ensured funding if they do. Replicable only with donor funding	NOT YET

Methods of farmer, village and commune based extension organisations established and strengthened which are suited to the socio-economic conditions in the rural areas of Vietnam today, and which will be sustainable beyond the life of the programme	<i>Not reflected in new ERs</i>	Yes, they have been established – but also outside programme areas. Their sustainability is questionable – and will depend solely on developments in GoVN.	MARGINALLY
Methods of financing extension and development activities at village level tested and evaluated, to allow villages to access external resources and organise activities according to their needs and priorities based on the principle of joint contributions from the programme and local communities	<i>Not reflected in new ER</i>	There has been no tests and no evaluations so the end result cannot be assessed. There are no means of financing extension beyond project and govt. Communities not seen asked to contribute anything such as unskilled labour (as the project does not engage in infrastructure)	NOT KNOWN
Training and advisory support provided to villages and farmers in the programme area in order to support implementation of activities in accordance with demands expressed in the Village Development Plans	<i>Reflected in ER 1</i>	Village development plans do not ask for training and support except to a minor degree.	NOT YET
Extension training materials tested, produced and disseminated through the extension network and/or in cooperation with appropriate media services at province and central levels	<i>Reflected in ER 2</i>	Yes, has happened. Only few materials in minority languages.	TO SOME EXTENT
The capacity of MARD, and in particular the Agriculture and Forestry Extension Department, strengthened in order to enable it to formulate policies and strategies for development of the national extension system	<i>Not reflected in new ER</i>	To some extent	TO SOME EXTENT
Research-extension networks created inside and outside the programme area, linking the province organisations with appropriate research and development organisations at regional, national and international levels in order to support a coordinated approach to applied research activities over the programme area	<i>Not reflected in new ER</i>	No, this is still very weak.	NOT YET
Applied on-farm research carried out and evaluated on topics related to sustainable natural resources management and farming systems in upland areas, based on demands expressed through the village land use planning process	<i>Partly reflected in ER 2</i>	There are no such demands in VDP. No research evaluated and known to the district extension stations. Some 'adaptation' has taken place but the word 'research' is too ambitious. Extremely limited evaluation. The focus has not been on true highland areas, and the link to expressed demands has been weak.	NOT YET

A number of traditional as well as new upland farming systems, including home gardening and forest management, have been identified, tested and found sustainable under different conditions	<i>Partly reflected in ER 1 & 2</i>	No truly news systems have been developed. Many have been identified and adapted. Sustainability is a question for many systems – as markets have not been considered, incentives have supported the introduction.	MARGINALLY
An overall research strategy for the upland areas of northern Vietnam developed, identifying research needs and counterpart organisations at regional, national and international levels	<i>Not reflected in new ER</i>	A strategy has been developed by CRES. The development seems quite detached from other, similar efforts in Vietnam, and is not yet combined with the needed applied research.	TO SOME EXTENT
<i>More specific on subject matters</i>	ER 1 All project / mountain communes make their own development plans, and the extension system has the capacity and competence, and access to a network of research organisations and business development institutions etc., to meet the demands of the village plans in the fields of agriculture, livestock, horticulture and water management	The communities make their own plans in the sense of a VDP only if they know that they will get funds as a consequence. Villages also make plans within the VN system in the sense of commune wish lists to districts and provinces for infrastructure. They sometimes wait many years for the plan to be implemented as funds are limited. The devolution of the extension system to communes has been supported by the programme. The extension system caters primarily to the government'	NOT YET
<i>Wider realm of activities (processing) and on market information</i>	ER 2 The extension system in MRDP provinces is actively disseminating to farming households new improved production systems and processing technologies, based on the results from applied research institutions, as well as information on markets for agro-forestry	Yes, it is disseminating this information – but so is the extension system outside MRDP areas. And the 'models' do not really fit the needs of poor highland areas.	TO SOME EXTENT
<i>Rural Finance</i>	<i>Rural Finance</i>		
A range of alternative models for the provision of financial services in upland areas designated and tested in accordance with the legal and institutional framework of the government and fully evaluated	<i>Not included in new ER</i>	No models have been developed and no tests as such have been carried out	NOT YET
Models of village based credit and savings schemes strengthened and consolidated	<i>Included and specified in ER 1</i>	No models	NOT YET
Complementary models of credit packages managed and operated by the banking system tested and developed through close collaboration between the programme, provincial projects and the VBA/VBP	<i>Not included in new ER</i>	Pilot programmes based on donor fund input tested by year 2000 with VBP in 26 cases.	TO SOME EXTENT

Models of Village Development Funds aimed at providing village institutions with the initial resources needed for carrying out development activities and obtaining external support tested and developed	<i>Not included in new ER</i>	No Village Development Funds disbursed	NOT YET
Funds provided to facilitate the development of the above models for RFS in upland areas and to enable farmers and villages participating in the programme to implement their land use and development plans	<i>Not included in new ER</i>	Funds have been provided to the tune of around 12 billion VND	TO SOME EXTENT
Capacity in the management, utilisation and monitoring of rural financial services strengthened at all levels	<i>Not included in new ER</i>	Village level capacity of credit managers strengthened. Other villagers not trained.	TO SOME EXTENT
Policies and strategies for RFS strengthened and adopted	<i>Not included in new ER</i>	No policies and strategies formulated except for a strategy on pilot work with VBP in year 2000	NOT YET
<i>A quantified version of original ER</i>	ER 1 50 community based savings and credit groups have reached level 2 on the group growth path.	This end result not be reached as very few groups have reached level 2	NOT YET
<i>Less ambitious level than the original ER</i>	ER 2. Learning from the experience of community-based Savings and Credit groups in MRDP documented and disseminated to the banking system	The learning, including the shortcomings, has been communicated during interagency meetings on prudential standards in rural finance. Agreement made with VBP about pilot activities for 26 groups where 50% of funds come from Sida. The Draft Agreement does not outline the phasing or monitoring	TO SOME EXTENT
<i>Human resource development and training</i>	<i>This component integrated with other components after 1997</i>		
A modern learning organisation at the ministerial level of the programme with highly skilled and motivated staff for management of rural development programmes	???	BIG questionmark!	NOT YET
The Human Resource Development system introduced in FCP is further improved and stabilised in the implementation at central and local (province, district and commune) level	<i>Not included in any new ER</i>	MRDP seems to have given up the planned HDR programme	NOT YET
The former TFC in Phu Ninh is transformed into a Regional Rural Development Training Centre for refresher and in-service training, mainly for extensionists and trainers from the programme, with 50% self-financing.	<i>Not included in any new ER</i>	This centre has been used by MRDP for training. Details not known	NOT KNOWN

The knowledge, skills and attitudes of the provincial project staff and the VMG members/VEWs are further improved to make them able to effectively manage the projects and implement the different project components. The number of extension staff with ethnic minority background is substantially increased.	<i>Not included in any new ER</i>	No monitoring of skills acquired means that it is difficult to measure effectiveness.	TO SOME EXTENT
A core of trainers in the programme is identified and trained to work on planning and implementation of training activities in the different projects of the programme	<i>Not included in any new ER</i>	Has probably happened	YES
The awareness and knowledge of gender and sustainable ecology are raised at all levels of the programme. Gender and sustainable ecology are increasingly included in all the programme components	<i>Partly included in new ER (gender)</i>	What is 'sustainable ecology'? Ecology is a science. The agricultural extension focuses on production maximisation – not on sustainability. Gender training part of overall training. Impact not measured	TO SOME EXTENT
A network of training institutions and individual trainers in the field of natural resources/rural development in northern Vietnam is established. Some school leaders and teachers in the network are trained by the programme in school management, teaching methodology and gender. Some natural resources vocational schools are supported and developed as models	<i>Not included in any new ER</i>	Not undertaken	NOT YET
<i>Organisational development</i>	<i>Organisational development</i>		
An organisational support structure from central levels to province, district, commune and village levels, integrated in the government structure, capable of replying to the demands from farmers and villages in respect of natural resources management and related household economics	<i>Partly included in ER 1 under extension</i>	There is already an organisational structure as part of government structure. It responds to peoples demands to the extent it has the funds to do it, but the system basically driven from the centre	NOT YET
An extension organisation capable of selling ideas, new technology etc. that the farmers are prepared to pay for. (A support organisation capable of creating a market in which the farmer is customer for its services).	<i>Not included under new ER</i>	This has happened! Not due to MRDP, but wealthier farmers are prepared to pay for an extension organisation.	TO SOME EXTENT

An organizational support structure from central levels to province, district, commune and village levels, integrated in the Government structure, capable of replying to the demands from farmers and villages in respect of natural resources management and related household economics.	Included in the new ER (institutional development)	The system continues to be centrally driven with limited ability to respond to what farmers truly want. The new system applied by MRDP from 2000 still not tested, and appeared to have many weaknesses	NOT YET
An extension organization capable of selling ideas, new technology etc. that the farmers are prepared to pay for. (A Support Organization capable of creating a market, in which the farmer is the customer, for its services).	Not included in the new ER	See above	TO SOME EXTENT
	ER 1. Villages/mountain communes make their own development plans supported by trained facilitators at district/commune level in pilot mountain commune/communes in each province.	Villagers make development plans in MRDP format as long as they are certain that they will receive funds in response. If no funds, they will not make the same kinds of plans	TO SOME EXTENT
	ER 2. Models of Village and Commune Development Funds, providing village institutions with the initial resources needed for carrying out development activities and obtaining external support, tested and developed in minimum one pilot commune in each province	This model presumably implemented in all villages in the sense of being funds to buy subsidised inputs for agricultural production	UNDER WAY
	ER 3. A clarified picture of a demand driven support structure. Initial actions taken towards a decentralized demand driven support have been taken in pilot areas	The demands on districts from villagers are primarily for assistance in buying of seeds and other inputs from state organisations	
<i>Gender balance development</i>	<i>Gender balance development</i>		
<i>No specific End Results established</i>	ER 1. Activities promoting gender equality incorporated in all aspects and components of MRDP.	Seems to be incorporated but impact not known	TO SOME EXTENT
<i>No specific End Results established</i>	ER 2. An analysis of current overriding structures producing and maintaining gender inequality documented in such a way that it is providing a basis for the identification of relevant policies, development strategies, laws and administrative practices helping and supporting women in poverty and addressing their rights and access to economic resources	Not seen by us	NOT KNOWN

<i>Market information and business development</i>	<i>Business development</i>		
Local market information systems piloted in phase 1 consolidated and expanded to new areas	<i>Not included in new ER</i>	Relevant operational model well established in a few areas but decentralisation of decision-making in 2000 means resources are becoming scarce	TO SOME EXTENT
New techniques, adopted to local circumstances, for small scale agricultural and forest based processing promoted and introduced to interested organisations at province level	Partly included in new ER 2	Very little cooperation with other organisations of relevance for business promotion, lack of imagination as regards new techniques and processes	MARGINALLY
Network and information channels created between existing organisations (research, media, extension etc) involved in agricultural information services supporting dissemination of information on agricultural and forest based products to farmers	<i>Partly included in new ER 2</i>	Good cooperation with media in some provinces, in line with Vietnamese tradition of dissemination of policy info, but the relevance in a market economy perspective still largely missing	TO SOME EXTENT
Staff competence strengthened regarding market knowledge such as terms of trade, taxation, state regulations, etc. as well as entrepreneurial skills	<i>Not included in new ER</i>	Staff interest high, but relevant training only beginning to show results and understanding of the true character of market forces lacking, causing severe problems in business promotion activities	MARGINALLY
<i>A more ambitious End Result than originally</i>	ER 1. Viable village/ community based enterprises, owned by households or groups, established following promotion and support by MRDP	Establishing of new enterprises possible through soft loans, but adequate professional advice lacking, many failures and more to come	NO
<i>Partly included in original ER</i>	ER 2. A network and a support structure of government and non-government institutions for promotion of, and training in, business development activities in upland areas is available and known to MARD as well as DARD.	Contacts taken with academia for training, but contacts with e.g. business groups and consultants not developed, the role of MRDP in business development mostly considered marginal, systematic networking neglected	NO
<i>No specific ER established</i>	<i>The Ministry project</i>		
<i>No specific ER established</i>	ER 1. Consistent and clear policy and strategy recommendations on mountain rural development are formulated based upon learning from the activities of the province projects as well as from other programmes	There may be strategies, but not policies. If policies, they may originate from the government as such and be global in nature, while strategies are MRDP strategies for implementation. As there is no monitoring of the outcome of the strategies, their effectiveness cannot be known	MARGINALLY

<i>Creation of an Advisory capacity within MRDP</i>	<i>Not included in revised framework</i>		
A pool of qualified national advisors are available in the ministry to respond, directly, to the needs for support expressed by the provinces as well as for providing necessary feedback and information to the ministry as a base for policy formulation	<i>No ER in revised framework</i>	Yes, there are good extension advisors – but MARD seems very little interested in their feedback .	MARGINALLY
<i>Internal and external communication</i>	<i>Internal and external communication</i>		
A professional unit for internal and external communication established and in operation within MARD and a strategy developed for the dissemination of new learning from rural development activities and programmes and information on new policies	<i>Not included in revised ER</i>	Seems Very weak.	NOT YET
Learning and information from the MRDP documented and disseminated in an appropriate form for training purposes, general publicity, and to support policy and strategy development	<i>Same as ER 1</i>	Not available	NOT YET
Staff capacity in media production skills strengthened at ministry and province levels	<i>Similar to ER 2</i>	Several training courses have been conducted. Effects are not well documented.	MARGINALLY
Information networks created and maintained between different projects and programmes operating under MARD and between media organisations and services at central and provincial levels.	<i>Not included in new ER</i>	Seems to be very weak	NOT YET
<i>Same as original ER (2)</i>	ER 1. Learning and information from MRDP documented and disseminated in an appropriate form for training purposes, general publicity and to support policy and strategy formulation	To some extent	TO SOME EXTENT
<i>Similar as original ER (3)</i>	ER 2. Capacity of MARD and the five program provinces strengthened concerning the dissemination of new learning from rural development activities and of information on new policies	To some extent	TO SOME EXTENT

<i>Management Information and Learning Systems</i>	<i>Excluded in revised structure</i>		
Successful introduction of a management information and learning system that provides timely and accurate feedback and information to all levels (village to ministry) and organisations involved in the programme	<i>No ER maintained</i>	No	NOT YET
A functioning project and programme reporting system, linked to the Annual Plans of Operations, that provides necessary data on programme achievements and budgetary performance needed by Programme Management and Sida	<i>No ER maintained</i>	No, definitely not as clearly evident from criticism by external reviewers including Sida and PAG	NOT YET
Mechanisms in operation for regularly reviewing and adjusting the strategy and direction of programme activities at different levels according to new circumstances and opportunities that arise from year to year and networks created to facilitate the exchange of experience and learning between management levels and organisations involved in the programme	<i>No ER maintained</i>	There might be informal systems based on meetings and workshops, but not an objective, verifiable system of reporting	NOT YET
A system designed and in operation for monitoring of the impact the programme from environmental and socio-economic perspectives	<i>No ER maintained</i>	Attempts are made but these lack any attempt to attribute noticed changes to MRDP. As such they do not fulfil the basic conditions	NOT YET
Mechanisms in operation for documenting programme experience for different purposes (training, strategy and policy formulation, general information and publicity)	<i>No ER maintained</i>	Various elements exist, but nothing on programme level	MARGINALLY
<i>(Not included in original document)</i>	<i>Strategic research</i>		
Not included in ER	ER 1. A Mountain Rural Development Research Fund, under the management of a Mountain Research Council, has been established and a number of research programmes financed (based on criteria set out in the Research Agenda) by the Fund.	Fund is established. The fund has no money – as funds from Sida are not arriving in 2000. No transparency in selection of topics and researchers.	TO SOME EXTENT

Annex 7

Management Response

Ministry of Agriculture and Rural Development, MRDP Secretariat

The Vietnam Sweden Mountain Rural development Programme (MRDP) was evaluated by a Sida-appointed evaluation team in year 2000.

These are the comments from the MRDP and Ministry of Agriculture and Rural Development, to the final version of the evaluation report.

These comments consist of 3 parts:

- Comments on methodology
- Comments on strategic conclusions
- Comments on components.

1. Comments on method and form

Methodology

A method for the evaluation is outlined by the evaluation team in the tender and the evaluation report. The actual methodology used for the evaluation is not well described and seems to deviate considerably from what was intended and what is described in the report.

In general there is a lack of presentations of data and findings from the field work. It is further difficult to follow how the views presented in the analytical chapters relate to the data and observations in the descriptive chapters. The conclusions of the evaluation report would be stronger if the process from observation to conclusion was reflected in the report.

Participatory approach

It is stated in report and tender that the evaluation should be participatory. The team note that there could be different perceptions on achievements by stakeholders.

The conclusions made in the report are those of the team and that there has been no dialogue with key stake holders to support or contradict these conclusions.

The fact that there exist different opinions by stakeholders is referred to but no attempt is made to present the different views.

This could not be described as a participatory evaluation.

Gender

Aspects of gender equity is touched on very lightly in the evaluation report. There is very limited hard data on gender and some assumptions that seems to be directly erratic.

2. Structure of the report

The report contains a wealth of information but lack firm and coherent structure. It is difficult to follow connection between observations and conclusions made by the team.

The size and language of the report makes it difficult to access and to translate to Vietnamese.

3. Comments on over-all conclusions

Poverty targeting

The evaluation team states that MRDP has been inefficient in poverty targeting. The view of the programme is that this analysis is based on a misconception of the programme objectives, and that MRDP, within the given objectives has been efficient on poverty targeting.

The overall objective (in the programme document) states that

“In order to alleviate poverty amongst poor farmers MRDP “should contribute to the re-establishment of green productive uplands... etc.”

The three major objectives are:

- Institutional development
- Test and develop methods and systems
- Create policies.

Conclusion

The programme has not (as the evaluation correctly states) contributed at large scale to increased income or social service. This has never been part of the programme objectives.

The programme has contributed considerably to institutional development.

The programme has produced a number of replicable models and methods for improved food security, for income generation and for empowerment.

The programme has had an impact on policy at provincial and national level, particularly in relation to empowerment.

The programme has clearly shifted focus from midlands (under FCP) to a clear focus on uplands by the end of MRDP.

Thus it can not be concluded that MRDP has not been effective in poverty alleviation according to programme objectives.

Process oriented approach of MRDP

The evaluation team is critical to the process oriented approach taken by MRDP and FCP.

Comment:

The process approach has been very important for the development of major innovative approaches in both FCP and MRDP and should be kept and maintained in future programme. The planning of new programmes should be allowed to take time and should involve participation of major stakeholders.

Vietnamese ownership of the MRDP

The evaluation team concludes that both FCP and particularly MRDP have a strong Vietnamese ownership. The team argues that the ownership is so strong that the “donor has lost control over the programme”.

It is the view of the programme that the strong local ownership is a condition for a high level of integration of MRDP in Vietnamese administration. This has made the programme efficient and improved implementation.

It is highly recommended to continue with a province based local ownership of future programmes

4. Comments on descriptions of components

Decentralisation and Village Development Funds

The evaluation is very critical to the new decentralised planning system and the Commune and Village Development Funds which was introduced as a tool to distribute project funds directly to target groups.

In the view of the project the decentralization has contributed to better reach the poor farmers in remote areas, it has increased transparency in planning and strengthened local influence over fund use at all administrative levels. Thus it has contributed to cost effectiveness of the programme and provided a model of interest for government and other programmes.

Rural Finance System

The evaluation team provides major criticisms to the Rural Finance support in the following areas:

- the selection of DARD as the operational part, rather than a formal bank
- the retrieval of loan funds is described as doubtful and difficult and
- the VBP programme for sustaining the loans is described as inefficient
- In stead the team suggest a large-scale writing of for outstanding loans as an investment.

The DARD as the implementing agent has advantages, above the formal development banks, in capacity to reach out to remote areas and in supporting the groups.

To write off outstanding loan funds would be very irresponsible and severely damage future credit programmes.

It is true that DARD's lack of specialisation in the field of financial services has resulted in weak supervision and management. However, to right off rural finance as a "liability in the programme" is a misjudgement.

Monitoring and MILS – including impact monitoring

The evaluation voices criticism on the programme monitoring in several places.

While some of the criticism is well founded, other is less so. The evaluation team has not made a thorough study of ongoing monitoring activities.

Several monitoring activities undertaken by the programme are not mentioned in the report.

None of the MILS (Monitoring Information and Learning System) guiding documents whatsoever have been reviewed.

Further, no person within the MILS working group has been interviewed.

Annex 8

Management Respons på utvärderingen av FCP/MRDP – Vietnam, 2001

1. Bakgrund

Vid Mid-Term Review av MRDP överenskom Sida och MARD om att genomföra en övergripande och strategisk utvärdering av samarbetet kring skogs- och naturresursbaserad landsbygdsutveckling (LUV) i norra Vietnam under 90-talet. Utvärderingen skulle, förutom att dra allmänna slutsatser och strategiska lärdomar av samarbetet under de två olika insatserna (FCP 1991–1995, MRDP 1996–2001), även bidra med råd inför planeringen av ett nytt liknande LUV samarbete.

För genomförande av utvärderingsuppdraget upphandlades det svenska konsultföretaget – Management Perspectives International. MPI genomförde, med stöd av ett internationellt konsultteam, fältdelen av arbetet under perioden april–augusti 2000. Ett första utkast till rapport presenterades i december 2001. Efter kommentarer från Sida presenterade MPI ett andra utkast i april. Detta kommenterades formellt av MARD i oktober och rapporten godkändes samtidigt av ambassaden i Hanoi. Den slutliga utvärderingsrapporten inkom till Sida i december 2001 och har tryckts upp i UTVs rapportserie som Sida Evaluation 01/34.

2. Utvärderingens slutsatser och rekommendationer

Utvärderingen visar på att de båda programmen, särskilt genom sin processorienterade uppläggning, haft stor betydelse för såväl policy-, institutions-, system- och metodutveckling, särskilt vad avser skoglig- och landsbygdsutveckling av dessa traditionellt fattiga delar av Vietnam. Medan FCP sägs ha varit framgångsrikt i flertalet av dessa avseenden, bedöms effektiviteten av MRDPs insatser dock som mera splittrad.

Båda programmen bedöms genom sin flexibilitet och förmåga att lära av vunna erfarenheter vara goda exempel på ett aktivt partnerskap. De har även bidragit till att införa en ny management modell för decentraliserad LUV i norra Vietnam. Utvärderingen konstaterar vidare att båda programmen varit starkt ägda av mottagarlandet myndigheter, vilket är en av de främsta orsakerna till att man uppnått övergripande mål som bärkraftig utveckling. Vad gäller måluppfyllnad bedöms dock skogsstödet som mera effektivt än MRDP. En av utvärderingens huvudsakliga slutsatser är att avkastningen på de svenska investeringarna minskat över tid och att Sida därför bör överväga att ompröva mål och former för sitt fortsatt stöd till LUV i norra Vietnam.

FCP konstateras genom sina tydliga mål och fokusering på skogssektorns utveckling ha aktivt bidragit till återbeskogningen av norra Vietnam. Projektet har också starkt påverkat reformprocessen i landet, dels genom att ensamt verka för ”högländsutveckling” under den tid då Vietnam utformade sin nya ekonomiska politik, dels genom att som ett av de första större LUV projekten ha experimenterat med utveckling av nya policies- och metoder inom strategiska områden som lokalt deltagande, reformering av jordägande och skoglig utbildning.

MRDP sägs i stora delar ha byggt vidare på erfarenheterna från FCP vad gäller institutions- och metodutveckling, men gavs det vidare målet att bidra till att minska fattigdomen i norra Vietnam. Projektet har fortsatt att främja utveckling av ”policies” och metoder för byskogsbruk, jordreformer, kreditgivning och decentraliserad utveckling. MRDP bedöms därigenom ha fortsatt att utveckla kapacitet inom den vietnamesiska förvaltningen för fattigdomsorienterad och decentraliserad LUV.

MRDP bedöms dock genom sin ambitiösa målsättning, decentraliserade uppläggning och beroende av tidigare delprojekt inom skogssektorn ("path-dependency") ha misslyckat med att uppnå sitt huvudmål, dvs att bekämpa den kvardröjande fattigdomen bland olika folkgrupper i norra Vietnam. Projektet sägs dock indirekt ha bidragit till att reducera fattigdomssituationen genom sitt bidrag till kapacitets- och kompetensutveckling av personal inom den vietnamesiska lokalförvaltningen, särskilt genom senare års fokus på decentraliserad planering.

Utvärderingens slutsatser är att Sverige tidigare dominerande roll i utvecklingen av norra Vietnam har gradvis minskat. Detta såväl som följd av att nya och större biståndsgivare idag är verksamma med liknande projekt i regionen, som att Vietnam genom sin ekonomiska reformpolitik snabbt själv bedöms kunna utveckla dessa delar av landet. Den minskande avkastningen på de svenska investeringarna, bedöms främst hänga samman med MRDPs ineffektivitet vad gäller metod-, system- och policyutveckling, vilket främst sägs vara resultatet av avsaknaden av system för jämförande analys, ett bristande uppföljningssystem, och en svag central ledningsfunktion.

3. Sida's slutsatser

Utvärderingen bekräftar flera av de risker som Sida/NATUR redan i sin BPM avseende stödet till MRDP pekade på, bl.a de vietnamesiska myndigheternas bristande system och kapacitet för effektiv uppföljning och analys för att kunna lära av verksamheten. Programmets decentralisering till provinserna, med dess svaga strukturer och historiska inriktning på att uppnå kvantitativa resultat bedömdes också vara en riskfaktor, särskilt för en verksamhet som främst var inriktad på policy- och metodutveckling.

Genom den interna uppföljningen av MRDP blev Sida också tidigt varse flera av de svårigheter och motsättningar i samarbetet som utvärderingen senare pekat på. Programmets särskilda funktion för uppföljning, information och lärande (MILS) kom t.ex aldrig att fungera tillfredsställande. Detta bidrog till ett osystematiskt lärande och bristande rapportering från verksamheten, vilket Sida vid genomgångar av programmet flera gånger påpekat. Verksamheten i provinserna styrdes fortsatt av nationella planer och fokuserade mera på att uppnå fysiska resultat än att utveckla metoder för alternativ och lokalt styrd utveckling. Dessa och andra problem i samarbetet under de första åren av MRDP bidrog till överenskommelsen mellan Sida och MARD att i samband med MTR genomföra ett antal studier fokuserade på olika strategiska frågor.

Då flertalet av MTR studierna var starkt kritiska till programmets möjligheter att uppfylla övergripande mål, och dess sätt att arbeta med olika tematiska frågor (bl.a fattigdom, extension, rural finance) valde Sida att stödja programmets förslag att omstrukturera delar av verksamheten till förmån för en decentraliserad planeringsprocess, inriktad på att upprätta fonder på by och kommunnivå för lokal utveckling. Vid MTR överenskoms samtidigt om att genomföra en oberoende och övergripande utvärdering av verksamheten som underlag för beslut om inriktningen av ett eventuellt framtida stöd.

Utvärderingen bekräftar många de farhågor som Sida redan vid MTR hade fått om programmet, bl.a. avtagande effektivitet, fortsatta målkonflikter, bristande lärande och därmed mindre lämpat för att effektivt bidra till utveckling av relevanta policies och metoder. Att avveckla MRDP framstod därför redan vid MTR som ett mera realistiskt alternativ för Sida, snarare än att, som MARD önskade, fortsätta samarbetet i en andra fas.

Genom att sätta in programmet i ett övergripande historiskt och samhällsekonomiskt sammanhang, och genom att systematiskt analysera programmets resultat mot uppsatta mål har utvärderingen därför tydligt visat på MRDPs svagheter och positivt bidragit till parternas senare och gemensamma beslut att avsluta programmet.

4. Åtgärder med anledning av utvärderingen

4.1 Återföring av resultat

Utvärderingen har främst diskuterats internt inom Sida och GoV under 2001. Rapporten har även lyfts fram vid årsgenomgångar av MRDP och ligger till grund för parternas beslut att avveckla MRDP efter en kortare förlängning för konsolidering och lärande från verksamheten. Rapportens slutsatser har även starkt bidragit till Sida och GoVs överenskommelse våren 2001 att inleda diskussioner om principer och former för ett nytt samarbete kring fattigdomsbekämpning.

Förslaget att arrangera ett seminarium i Vietnam med utvärderingsteamet för att dels diskutera slutsatser av studien, dels utbyta erfarenheter av värde för planeringen av ett nytt samarbete har måst inställas, då GoV uttryckt ointresse av att låta teamet medverka i en sådan diskussion. Rapporten har dock diskuterats intensivt i Vietnam, inte minst som det funnits olika uppfattningar om dess slutsatser internt, särskilt mellan provinserna och MARD.

I samband med Final Review Meeting av MRDP, f.n. planerat till maj 2002 kommer såväl MRDPs konsolideringsmaterial som utvärderingsrapporten av MRDP/FCP att presenteras. Dels internt för olika intressenter inom MARD och de provinser där MRDP verkat, dels externt för olika givare verksamma inom LUV-sektorn i Vietnam. Inför dessa olika möten kommer rapporten även att översättas till vietnamesiska och brett distribueras till olika intressenter.

4.2 Fattade beslut och uppföljning

Slutsatserna av utvärderingen, särskilt vad gäller MRDPs oklara mål- inriktning, bristande uppföljning och rapportering av resultat, samt generellt avtagande effektivitet har starkt bidragit till Sida's och GoVs principbeslut att avsluta detta samarbete, samtidigt med att verksamheten rationellt avvecklas så att vunna erfarenheter av samarbetet kan tas tillvara av Vietnam och eventuellt inkluderas i nya LUV samarbeten med Sida och andra givare.

MRDP kommer att vara helt avslutat den 30 juni 2002. Erfarenheter från verksamheten kommer att finnas samlade i ett konsolideringsmaterial, vilket kommer att distribueras brett till intressenter i Vietnam och Sverige.

Överenskommelse att fortsätta dialogen mellan GoV och Sida om strategiska frågeställningar föranledda av utvärderingen, dels genom konsolideringsfasen av MRDP, dels under beredningen av ett nytt fattigdomsprogram.

Rapporten har diskuterats internt inom GoV och bedöms ha haft viss inverkan på GoVs tänkande vad gäller policyfrågor kring LUV i allmänhet och fattigdomsbekämpning i Vietnam i synnerhet. Sida har också på olika sätt använt studien, dels i samband med interna diskussioner om inriktningen av ett framtida LUV program, dels som erfarenhetsunderlag vid diskussioner med GoV om stöd till ett nytt samarbete. Rapporten ligger därmed också till grund för beslutet att inleda en beredning om ett eventuellt svenskt stöd till ett nytt LUV samarbete, bättre samordnat med GoVs och Sida's policy för fattigdomsbekämpning.

Överenskommelse att i den påbörjade inledande beredningen av ett nytt fattigdomsinriktat LUV program bygga vidare på de positiva erfarenheter av samarbetet under MRDP/FCP som utvärderingen pekat på, bl.a. nationellt ägande och en processinriktad approach, samt stöd till reformprocessen, förbättrad givarsamordning, och policy- och metodutveckling inom strategiska områden.

Vid den inledande beredningen det nya LUV samarbetet i Vietnam har dessa erfarenheter tagits väl tillvara. Som exempel kan nämnas att beredningen följer GoVs nya fattigdomspolitik och leds av en referensgrupp med brett deltagande från GoV. Beredningen styrs av GoVs och Sida's policydokument för fattigdomsbekämpning och är i hög grad processinriktad. Det nya samarbetet kommer vidare att där så är möjligt att samordnas med dels andra givare, dels inordnas under sektorprogram-stödsliknande och nationellt ledda program (t.ex. IFAD/RDIP, respektive Forestry Sector Support Programme).

4.3 Långsiktigt lärande

Den snabba och föränderliga samhällsutvecklingen i Vietnam under 90-talet var både svår att förutse och planera för. Även processinriktade projekt som FCP/MRDP, vilka uppenbarligen haft en viss inbyggd förmåga att anpassa sig till nya realiteter, begränsas fort av sin förhistoria och parternas särintressen. Utvärderingen påpekade om ett "path-dependency" i planeringen mellan de båda projekten är till viss del riktig, men gäller både för Sida och Vietnam. Genom beslutet att avveckla MRDP och att därmed inte vara direkt beroende av denna historia vid planeringen av nya LUV insatser har förhoppningsvis en av utvärderingens viktigare lärdomar tagits tillvara.

De motsättningar och ineffektiviteter som fanns inbyggda i MRDP, vilka delvis påpekades av Sida "appraisal" borde ha bättre uppmärksamrats vid slutberedningen av programmet. Vid högriskprojekt liknande MRDP bör också mekanismer införas för att snabbt kunna ändra alternativt avbryta verksamheten, särskilt då strukturella problem i samarbetet uppenbaras.

Ett framtida LUV-samarbete inriktat på fattigdombekämpning i Vietnam bör tydligt baseras på landets nationella policy och program i dessa avseenden. Samarbetet bör fortsatt fokusera på decentraliserad planering och främst involvera implementerande administrativa nivåer (provinser- kommuner). Samarbetet bör vidgas till att även inkludera andra avdelningar än DARD och därmed främja en reformering av landets provinsadministration för LUV.

Sida, bör som resultat av den avsevärt förändrade biståndsmiljön i Vietnam verka för att främja partnerskap med andra givare och sektorprogramstöd. Principen i den nuvarande landstrategin om att främst arbeta bilateralt i Vietnam kan starkt ifrågasättas och bör utredas i samband med den kommande landstrategiprocessen.

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