

Independent Office  
of Evaluation



Socialist Republic of Viet Nam

## Pro-Poor Partnerships for Agroforestry Development Project

PROJECT PERFORMANCE EVALUATION





Independent Office  
of Evaluation



**Socialist Republic of Viet Nam**

**Pro-Poor Partnerships for Agroforestry Development Project**

**Project Performance Evaluation**

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Photos of activities supported by the Pro-Poor Partnerships for Agroforestry Development Project

Front cover: Nhat Thien Canna processing facility, producing noodles from canna tubers, a beneficiary household business supported by the project's Agricultural Promotion Investment Fund (APIF). Ba Be District, Bac Kan Province.

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Back cover (right): Agroforestry landscape following land allocation in 3PAD project area: High hills to protect and restore natural forests, below forestland allocation for afforestation and low-lying areas for agricultural crops. Bac Kan Province.

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Back cover (left): Minh Be Ginger Exporting and Processing Company, a beneficiary enterprise supported by the project's Agricultural Promotion Investment Fund. Bac Kan City, Bac Kan Province.

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## **Preface**

*This report presents the findings of the project performance evaluation of the Pro-Poor Partnerships for Agroforestry Development project in the Socialist Republic of Viet Nam, undertaken by the Independent Office of Evaluation of IFAD (IOE). The project was implemented between 2009 and 2015 and aimed to achieve sustainable and equitable poverty reduction and improved livelihoods for poor rural people in Bac Kan Province through enhanced forestland management. The project was designed to engage ethnic groups in agroforestry production, agriculture, eco-tourism and agribusiness enterprises, and was intended to lead to the development of public-private partnerships for sustainable forestland use.*

*Some of the project's notable achievements were the participatory and accurate re-allocation of forestland titles and its substantial contributions to ensure the sustainable management of sloped land, the improvement of forest cover and the reduction of the environmental vulnerability of communities. The easy-to-understand procedures of the Community Development Fund were appreciated, managed in a decentralized and participatory manner, and promoted funding for small-scale infrastructure, small loans for women, and capacity-building through farmer groups. In fact, decentralization of project activities to district and commune levels allowed a high coverage in an efficient manner, while building skills among local government agencies.*

*However, the project was also over-ambitious and initially difficult to implement. The various rounds of revisions to the design and logical framework, as well as the necessary focus on food security and technical development in its first phase, resulted in the delay (and modest scale) of market-based value chain development. Furthermore, the social complexity of the target groups and the different needs between the poor and the near-poor influenced the level of impact that could be reached. The participation of women was encouraged in all project activities. However, gender equality and women's empowerment remain a long-term challenge, particularly with respect to the sharing of the workload and responsibilities. There was insufficient attention to climate change adaptation, and the sustainability of project benefits were fragile at project completion. These deserve further attention in the follow-up phase.*

*This project performance evaluation was conducted by Renate Roels, Evaluation Research Analyst, IOE, under the overall guidance of Michael Carbon, Senior Evaluation Officer, IOE, with contributions from Claude Saint-Pierre, rural development and institutions expert and international consultant, and Professor Bao Huy, agroforestry expert and national consultant. Internal peer reviewers from IOE (Fabrizio Felloni, Deputy Director, and Kouessi Maximin Kodio, Lead Evaluation Officer) provided comments on the draft report. Laure Vidaud, IOE Evaluation Assistant, provided administrative support throughout the evaluation process.*

*IOE is grateful to IFAD's Asia and the Pacific Division, the Government of Viet Nam, in particular the Ministry of Planning and Investment and Bac Kan's Provincial People's Committee, and the in-country stakeholders and partners for their insightful inputs at various stages of the evaluation process and the support they provided to the mission. I hope the results generated will be of use to help improve IFAD operations and development activities in the Socialist Republic of Viet Nam.*



Oscar A. Garcia  
Director  
Independent Office of Evaluation of IFAD

**The introduction of (elephant) grass contributed to buffalo and cow fattening and is much appreciated by farmers holding livestock. Bac Kan Province.**

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# Currency equivalent, weights and measures

## Currency equivalent

Currency unit = Viet Nam Dong (VND)

US\$1.00 = VND 22,695 (September 2017)

US\$1.00 = VND 16,500 (at appraisal, 2008)

## Weights and measures

Metric system

## Abbreviations and acronyms

3PAD	Pro-Poor Partnerships for Agroforestry Development Project
APIF	agricultural promotion investment fund
CDF	community development fund
CIG	common interest group
COSOP	country strategic opportunities programme
CSSP	Commercial Smallholder Support Project
DARD	Department of Agriculture and Rural Development
DONRE	Department of Natural Resources and Environment
FGD	focus group discussion
GEF	Global Environment Fund
GPS	Global Positioning System
ICRAF	International Centre for Research in Agroforestry / World Agroforestry Centre
IOE	Independent Office of Evaluation of IFAD
IRR	internal rate of return
LURC	land use rights certificate
MARD	Ministry of Agriculture and Rural Development
M&E	monitoring and evaluation
MTR	mid-term review
NTP-NRD	National Target Programme on New Rural Development
PCR	project completion report
PES	payment for environmental services
PMD	Programme Management Department of IFAD
PPC	Provincial People's Committee
PPE	project performance evaluation
PMU	project management unit
RIMS	Results and Impact Management System
ToC	theory of change
VND	Viet Nam Dong



# Map of the project area

## Socialist Republic of Viet Nam

### Pro-Poor Partnerships for Agroforestry Development Project

*Project performance evaluation*



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

Map compiled by IFAD | 17-07-2017

## Executive summary

### Background

1. The Independent Office of Evaluation of IFAD undertook a project performance evaluation of the Pro-Poor Partnerships for Agroforestry Development (3PAD) project in Viet Nam in 2017. The main objectives of this evaluation were to: (i) provide an independent assessment of the results and impact of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Viet Nam; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.

### The project

2. 3PAD (2008-2015) was implemented in Bac Kan, an upland province in northern Viet Nam, with a mostly indigenous population and the highest incidence of poverty in the country. The project covered three of the five districts, namely Ba Be, Pac Nam and Na Ri districts and all of their 48 communes. The goal of the project was to achieve sustainable and equitable poverty reduction and improved livelihoods for poor rural people in Bac Kan Province through enhanced forestland management. The purpose of the project was to establish a framework for sustainable and profitable agroforestry development in Bac Kan Province that targets poor rural households. The beneficiaries included both poor and near-poor communities.
3. The project comprised four components: (i) sustainable and equitable forestland management; (ii) generating income opportunities for the rural poor; (iii) innovative environmental opportunities; and (iv) project management. Three main categories of activities were implemented: (i) issuance of land use rights certificates (LURCs) to households on forestland; (ii) a community development fund (CDF) supporting small infrastructure, small loans for women and capacity building through farmer groups; and (iii) investment grants through an agricultural promotion investment fund (APIF) for agribusinesses committing to source some of their supply from project-supported farmer groups. In parallel, a range of technical assistance and capacity-building activities took place. New initiatives were piloted in eco-tourism in a national park, as well as payment of environmental services and the introduction of fodder grass in farming systems.
4. Analysis in this evaluation is supported by an ex-post reconstructed theory of change. This allowed the evaluation team to better understand and capture the various impact pathways and the implementation process, and to assess the extent to which the project's goal and objectives were effectively achieved.

### Main evaluation findings

5. **Relevance.** The project's objectives and components were in line with national policies and strategies, local needs and the IFAD Country Strategic Opportunities Programme of 2008 and 2012. The original design was ambitious and complex, and the logical framework had multiple flaws, making it hard to operationalize the design in practice. Three rounds of revisions provided significant improvements, yet monitoring and evaluation (M&E) remained an issue throughout the project. Moreover, the coordination, synergies and sequencing of activities were assessed as challenging and the approach and interventions adopted for developing pro-poor partnerships were inadequate. These factors, together with the necessary focus on food security and technical development in its first phase, resulted in the delay of market-based value chain development.
6. While the design allowed the project to apply a more equitable targeting strategy, the social complexity of the target groups and the different needs between the poor and the near-poor could not always be addressed and influenced the level of

impact that could be reached. The revision of the design also brought important adjustments that raised effectiveness and impact to the extent possible, among which: (i) the participatory and simplified activities and guidelines; (ii) the decentralization of activities, which encouraged bottom-up approaches; (iii) an improved method to re-issue LURCs; and (iv) the participation of agribusinesses in upland areas.

7. **Effectiveness.** The project objectives and expected outcomes were achieved, with the LURCs and CDF development paths being the most effective ones. A high share of rural households in the three project districts, in one of the most difficult provinces in Viet Nam's northern uplands, now have secure rights on their sloped land, have built individual and collective skills through farmer groups, raised their environmental awareness, invested in small-scale infrastructure and/or have started accessing small loans for simple crop and animal production.
8. Decentralization to district and commune levels allowed a high coverage in an efficient manner, while building skills among local government agencies. Yet due to the fragmented approach, the synergy between LURCs issuance, common interest groups (CIGs) and small loans from the CDF was only partially achieved, and only a small portion of respondents have benefitted all three activities. Business management skills and access to market information require further attention.
9. The APIF has made initial progress despite a short implementation period. It tested the option to connect business enterprises with farmers through contracts and highlighted the potential for upland products with higher environmental quality. The scale is modest. Much remains to be done to actually create value for a larger number of households, including poorer ones. The outcome of the environmental pilots – payment for environmental services (PES) and eco-tourism – are very modest.
10. **Efficiency.** The process from loan approval to effectiveness was fast and the project closed on schedule. This is noteworthy for a project that faced various redesigning phases and delays in the implementation of activities and disbursements. The latter were overcome through the revision of the Annual Work Plan and Budget. The project management costs remained at a reasonable level (14 per cent), and the individual activities generated high internal rates of return.
11. **Rural poverty impact.** There is visible contribution to two impact domains, "human and social capital and empowerment" and "institutions and policies". The capacity-building activities took place at all levels and were repeated over a sufficient number of years in order to generate visible impact. The shift towards decentralized and more participatory planning resulted in a better balance between the forestry and agriculture sectors, and more accessible services were supported.
12. Impact on improved incomes and assets, agricultural productivity, food security and reduced malnutrition are modest, lack hard data or have conflicting data. Moreover, it is not easy to attribute changes to 3PAD, since several government programmes were implemented in parallel with 3PAD. For food security and malnutrition, the difference between project area and non-project area results is marginal and it is unclear if this difference is statistically significant.
13. **Sustainability of benefits.** The government is committed to continue its support in maintaining and further improving 3PAD's benefits, inter alia through a well-formulated exit strategy and the continuity of the same implementation team, project partners and microfinance fund in the follow-up Commercial Smallholder Support Project (CSSP). Even if the new phase is about to kick-off implementation, 3PAD's sustainability of benefits is currently fragile. The level of farmer-to-farmer training activities is now reduced and many CIGs are not performing well. This

particularly counts for the groups – often located in remote upland areas – that don't function well and lack (institutionalized) support, business skills and good market connection. Mechanisms to maintain and develop CIGs are therefore still needed, as is the allocation of timber stand rights to ensure long-term environmental sustainability and the insurance of benefits from timber harvest.

14. A number of constraints prevent the sustainability and the expansion of eco-tourism services. The association of tourism operators has ceased, there is no formal partner, and there is competition with the Ba Be national park. While the PES for upstream was discontinued, the "landscape beauty" scheme, equivalent to a tourism tax, is very promising. However, no budget is currently available for such support.
15. **Innovation.** Many 3PAD approaches were new in Bac Kan Province even if they had already been successfully tested in neighbouring provinces. Among the ideas that were tested and new to the province and/or to IFAD in Viet Nam, two have the status of non-technical innovation: (i) the creation of a network of farmer-to-farmer trainers for demand-driven agricultural extension; and (ii) integrated management of an IFAD project and a government programme.
16. The piloting of innovative environmental options for PES and community-based eco-tourism as well as the testing of APIF were relevant and appreciated, but also ambitious. The flawed design, insufficient financial support and short implementation time limited the scope and impact. APIF in 3PAD was a useful first step that will continue further under the follow-up project.
17. **Scaling up.** Three processes for scaling up were established: (i) several technical packages tested under 3PAD have been officially recognized and deemed eligible for inclusion in the provincial programmes. A successful example is the farmer-to-farmer training approach, which already has been expanded throughout the project area and elsewhere in Viet Nam; (ii) the participatory allocation of LURCs, APIF and 3PAD's bottom-up planning processes are being scaled up through ongoing government programmes; and (iii) IFAD and the Government approved a follow-up project, CSSP, that will build on 3PAD. Even though CSSP will cover two provinces in a larger project area in Bac Kan, IFAD still covers the largest share of the total funding, and no funding from bilateral or multilateral donors has been attracted.
18. **Gender equality and women's empowerment.** The 3PAD gender activities were relevant and appreciated, and participation of women was strongly encouraged in all project activities. Although the absence of specific gender targets for the various project activities inhibit the comparison of actual achievements versus baselines, three means of promoting women's empowerment appear to have been effective: the CIGs; the emergence of male and female farmer-to-farmer trainers; and the provision of small loans. As the latter was only implemented towards project completion, its scale has been relatively small and the capacity of the Women's Union to manage the fund is still weak.
19. Despite the significant efforts, gender equality and women's empowerment remain a long-term challenge. Obstacles that poor women and women-headed households are still facing are, among others, difficulties in the final decision-making over important affairs, hard workload and gender disparity in access to and control over resources. These constraints have been taken up in the design of the follow-up project.
20. **Environment and natural resources management.** 3PAD has made a substantial contribution to the sustainable management of sloped land zoned for timber plantations. Capacity is built, poor communities from the various ethnic groups take responsibility to protect forestland, and they are supported to improve

their crops, animals and timber plantations. In upper watersheds, farmers are more aware of their contribution to the protection of forest and water resources, even if the limited payments for PES from hydropower in Bac Kan are a limiting factor to build this awareness. The project also contributed to improve the forest coverage in the targeted districts through various activities.

21. **Adaptation to climate change.** There was no indication of contribution to climate change adaptation at design or over the life of 3PAD. Training and extension under 3PAD have nevertheless introduced some activities that increased environmental awareness and will indirectly help the project beneficiaries to become more resilient. As the effects of climate change are becoming more visible, there is need to shift attention from climate change mitigation through the forestry sector to mainstreaming climate change adaptation in agriculture and rural development to improve resilience of poor farmers and communities.

### **Recommendations**

22. **Recommendation 1. The forestry sector should be fully mobilized for poverty reduction in ethnic minority areas.** In areas where allocation of secure rights on sloped land has not yet been finalized, 3PAD provides best-practices to implement this activity. In all upland areas, including Bac Kan, an immediate next step is to carry out allocation of rights on plantation timber to households. This should rely on community participation rather than on external consultants, using simplified forest inventory techniques in order to reduce costs and ensure that community members gain full knowledge on the status of their timber resources. Natural timber should be allocated to communities, not individual households. Pro-poor productive partnerships should cover not only cash crops but also smallholder timber plantations. This will require inviting enterprises from the wood-processing sector to engage with farmer groups. Since household timber plantations are small and low-intensity managed forests, forest stewardship council certification for sustainable timber is an opportunity to create value in Bac Kan Province. It deserves being piloted in CSSP.
23. **Recommendation 2. Improved transportation, irrigation, sustained capacity-building efforts and a differentiated approach are needed to build value chains in Viet Nam's upland areas.** Investment in small infrastructure, improved transportation means and irrigation should receive continued attention in upcoming projects in upland areas. There is now a well-established community development fund mechanism that deserves to continue to be supported through IFAD projects in parallel with the construction of upland value chains. Furthermore, ensuring that both poor and near-poor households benefit, in a context of diversified ethnic cultures with a number of remote communities, deserves a careful and differentiated approach, centred around the development of individual and collective capacities. The social risks associated with the entry of vulnerable communities into commercial relationships – such as sales of land use rights by the poor, or elite capture in farmer groups – need to be monitored as part of IFAD's Social, Environmental and Climate Assessment Procedures.
24. **Recommendation 3. Innovation in a project should mobilize formal partners around one well-defined challenge.** This will require, just as during 3PAD, a flexible approach during project implementation: opportunities for innovation identified at design stage may or may not prove to be relevant or feasible. Spreading efforts on several distinct challenges should be prevented. Innovation does not have to be technical, although technical innovation may also be needed. What is required is an appropriate mix between ideas coming from outside, especially from enterprises, and ideas identified by local partners through

project implementation. The tourism sector should only be included if tourism stakeholders are formal project partners.

25. **Recommendation 4. More attention to the building blocks of a project is needed at design stage.** The design stage deserves being managed as a critical process to ensure quality of the project. The formulation of a small number of outcomes deserves attention. A full M&E system must be ready before project launch and provide full information on coverage. Appropriate context indicators (land use, productive assets of the poor, and implementation of the national programme serving as the framework for the IFAD project) also deserve careful monitoring.

## IFAD Management's response<sup>1</sup>

1. Management welcomes the project performance evaluation (PPE) of the Pro-Poor Partnerships for Agroforestry Development Project (3PAD) in Viet Nam and appreciates the high quality of the report. The findings, lessons learned and recommendations will contribute positively to inform the future country strategic opportunities programme, its consequent projects and non-lending activities.
2. Management notes that the PPE confirms the project's relevance to the context, while recognizing the ambitious design and some design flaws, such as the lack of elaborated value chains. In fact, the project reached or exceeded many of its ambitious targets set at design, for example by 251 per cent in terms of allocating forestland to poor households. The evaluation also commends IFAD for adjusting the design as required in the course of project implementation, for example in terms of the value chain implementation guidelines, to raise the effectiveness to the extent possible.
3. Management is also pleased to note that the Independent Office of Evaluation of IFAD confirms the overall effectiveness of 3PAD and particularly that of Land Use Rights Certificates and the Community Development Fund (CDF).
4. Management appreciates the PPE recommendations and wishes to respond as below:
  - a) **Recommendation 1. The forestry sector should be fully mobilized for poverty reduction in ethnic minority areas.** In areas where allocation of secure rights on sloped land has not yet been finalized, 3PAD provides best-practices to implement this activity. In all upland areas, including Bac Kan, an immediate next step is to carry out allocation of rights on plantation timber to households. This should rely on community participation rather than on external consultants, using simplified forest inventory techniques in order to reduce costs and ensure that community members gain full knowledge on the status of their timber resources. Natural timber should be allocated to communities, not individual households. Pro-poor productive partnerships should cover not only cash crops but also smallholder timber plantations. This will require inviting enterprises from the wood-processing sector to engage with farmer groups. Since household timber plantations are small and low-intensity managed forests, forest stewardship council certification for sustainable timber is an opportunity to create value in Bac Kan Province. It deserves being piloted in the Commercial Smallholder Support Project (CSSP).
  - b) **Response from Management: Agreed.** Management would like to highlight that the government policy has not yet regulated the use of timber and non-timber forest products in *protection forestland*. The 3PAD project mostly allocated *production forestland* to ethnic minorities. It also enabled poor households of different ethnic groups to plant trees in the *production forest areas*, following various preparatory steps including land entitlement, training on plantation techniques and access to financial services, and procurement of seedlings and other agricultural inputs.

The new IFAD-funded CSSP in Bac Kan and Cao Bằng provinces will pilot the use of non-timber forest products by poor households inside *protection forest land*. CSSP has been designed based on the lessons learned from the 3PAD project. It is integrated in the Government's National Targeted Programme for New Rural Development, which promotes a participatory planning approach for

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<sup>1</sup> The Programme Management Department sent the final Management's response to the Independent Office of Evaluation of IFAD on 9 May 2018.

the market-oriented socio-economic development plans at commune levels and capacity-building for related public services and agencies. As regards to the forestry sector, CSSP will assist the provincial Department of Natural Resources and Environment, the Department of Agriculture and Rural Development and rural communities in the implementation of a participatory planning process for forestland and forest allocation and use. This will lead to the equitable transfer of forestland and forest use rights (Pink Book) for 17,000 hectares of forests to poor households, and the development of medium-term forest development plans. The proposed pilot for community investment in commercial smallholder timber plantation could be piloted through the Common Interest Group approach and the co-investment approach with the private sector under the proposed Agribusiness Promotion Investment Fund.

- c) **Recommendation 2. Improved transportation, irrigation, sustained capacity-building efforts and a differentiated approach are needed to build value chains in Viet Nam's upland areas.** Investment in small infrastructure, improved transportation means and irrigation should receive continued attention in upcoming projects in upland areas. There is now a well-established community development fund mechanism that deserves to continue to be supported through IFAD projects in parallel with the construction of upland value chains. Furthermore, ensuring that both poor and near-poor households benefit, in a context of diversified ethnic cultures with a number of remote communities, deserves a careful and differentiated approach, centred around the development of individual and collective capacities. The social risks associated with the entry of vulnerable communities into commercial relationships – such as sales of land use rights by the poor, or elite capture in farmer groups – need to be monitored as part of IFAD's Social, Environmental and Climate Assessment Procedures.
- d) **Response from Management: Agreed.** The new CSSP will continue investing in small infrastructure through the well-functioning CDF. It has learned from its precursor as regards to its targeting strategy. The project, to a considerable degree, is self-targeting for the poor. The main groups of rural people targeted for support under the project will be: (i) poor rural households with land and labour, including household enterprises; (ii) unskilled, employed rural people; (iii) rural people lacking production land but having business acumen and desire; and; (iv) key farmers who have the skills to promote commercial agricultural production.

The market-orientated socio-economic development planning process supports the devolvement of participatory governance to the commune/village level, where the poorest live. Specific measures include: (i) gender analysis of the farming systems and value chain development in the project area is conducted through the strategic investment plans; (ii) gender awareness-raising will be conducted at village level and among all project stakeholders at all administrative levels; (iii) all committee members (women and men) will be trained in group formation and capacity-strengthening training in participatory decision-making and facilitation techniques, leadership skills, public speaking and confidence-building; and (iv) women's participation in the underlying MOP-SEDP planning process will be ensured through a minimum 30 per cent women's representation. Social risks as mentioned will be included in the project monitoring and evaluation (M&E) framework.

- e) **Recommendation 3. Innovation in a project should mobilize formal partners around one well-defined challenge.** This will require, just as during 3PAD, a flexible approach during project implementation: opportunities for innovation identified at design stage may or may not prove to be relevant or



feasible. Spreading efforts on several distinct challenges should be prevented. Innovation does not have to be technical, although technical innovation may also be needed. What is required is an appropriate mix between ideas coming from outside, especially from enterprises, and ideas identified by local partners through project implementation. The tourism sector should only be included if tourism stakeholders are formal project partners.

- f) **Response from Management: Agreed.** The CSSP will promote an inclusive value chain approach through the CDF and common interest groups, and co-investment approaches will ensure the promotion of innovations that render investments remunerative. The market-orientated socio-economic development plans and Strategic Investment Plans will identify the potential for production and enterprises that are interested in working with the project target group.
- g) **Recommendation 4. More attention to the building blocks of a project is needed at design stage.** The design stage deserves being managed as a critical process to ensure quality of the project. The formulation of a small number of outcomes deserves attention. A full M&E system must be ready before project launch and provide full information on coverage. Appropriate context indicators (land use, productive assets of the poor, and implementation of the national programme serving as the framework for the IFAD project) also deserve careful monitoring.
- h) **Response from Management: Agreed.** The project design in CSSP has taken this recommendation on board. The project has fulfilled all start-up requirements prior to receiving IFAD loan funds. Training in planning and M&E have been provided. Furthermore, at the corporate level as part of the institutional reforms, the design process is undergoing refinements to improve the quality and speed of project design. Additionally, a project preparation advance facility is also being developed to provide support to lay the foundations pre-start-up as is indicated in the recommendation above.

# Socialist Republic of Viet Nam

## Pro-Poor Partnerships for Agroforestry Development Project

### Project Performance Evaluation

#### I. Evaluation objectives, methodology and process

1. **Background.** The Pro-Poor Partnership for Agroforestry Development Project (3PAD) in Viet Nam was selected for a project performance evaluation (PPE) as it met the criteria of the Independent Office of Evaluation of IFAD (IOE) for the selection and prioritization of evaluations for inclusion in IOE's work programme of 2017.<sup>1</sup> Moreover, the 3PAD project was selected to explore the topic of agroforestry. To date, IOE has not evaluated many projects that have a focus on agroforestry.
2. **Evaluation objectives.** The main objectives of this evaluation are to: (i) provide an independent assessment of the overall results and impact of the 3PAD project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. **Methodology and process.** The PPE was undertaken in accordance with the IFAD Evaluation Policy<sup>2</sup> and the second edition of IFAD's Evaluation Manual.<sup>3</sup> The PPE adopts a set of internationally recognized evaluation criteria (see annex II) and a six-point rating system (see annex III). The evaluation was based on an in-depth desk review of available data and key project information and a two-week mission from 25 September to 6 October 2017.
4. The methods applied during the field mission consisted of focus group discussions (FGDs) with beneficiaries, interviews with key informants, direct observations, site visits (including two agribusinesses supported by the project) and the conduct of a mini-survey. The total coverage of the mini-survey was 113 participants and women accounted for 43 per cent of respondents. A summary of the mini-survey methodology can be found in annex IV.
5. The PPE also made use, where applicable, of additional monitoring and evaluation (M&E) and quantitative data made available by the project management unit (PMU).<sup>4</sup> The project areas for field visits were selected in consultation with the PMU team. However, to gain a comprehensive understanding of the project results, the PPE team applied a number of selection criteria to ensure a good balance between communes and villages. The selection criteria are: (i) included in/excluded from the second phase; (ii) did or did not benefit from the Agricultural Promotion Investment Fund (APIF); (iii) did or did not benefit from eco-tourism and payment for environmental services (PES) initiatives; and (iv) where the project team felt the project had made more or less progress. Furthermore, much attention was paid to ensure all different ethnic groups covered by the project were visited. Preliminary findings were presented at a wrap-up meeting in the provincial capital.<sup>5</sup>

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<sup>1</sup> The selection criteria for PPEs include: (i) availability of a project completion report (PCR); (ii) geographic balance; (iii) synergies with forthcoming or ongoing IOE evaluations; (iv) innovative approaches; (v) information gaps in the PCR; and (vi) learning.

<sup>2</sup> IFAD 2011: <http://www.ifad.org/pub/policy/oe.pdf>

<sup>3</sup> IFAD 2015: [https://www.ifad.org/en/evaluation/policy\\_and\\_methodology/tags/5702569](https://www.ifad.org/en/evaluation/policy_and_methodology/tags/5702569)

<sup>4</sup> The following datasets were provided by the CSSP PMU and mobilized in the analysis: district statistical data (2009 and 2015); common interest group database (2014); commune and village database; household data from the 2014 RIMS survey; and APIF enterprise monitoring. The PMU communicated with the 3PAD project communes to assemble missing information.

<sup>5</sup> The Provincial Peoples' Committee (PPC) hosted a wrap-up meeting chaired by its Deputy Chairwoman, also head of 3PAD's project steering committee. The mission also benefited from exchanges with the PPC's Chairman which took place during the end-of-mission dinner hosted by the PPC.

6. The activities related to the piloting of innovative environmental options for PES and community-based eco-tourism are covered only where relevant, as these activities were already extensively evaluated by the Global Environment Facility (GEF) in 2014,<sup>6</sup> which also funded them.

**Availability of evidence and limitations.**

7. In view of the time and resources available, a PPE is generally not expected to undertake quantitative surveys or to examine the full spectrum of project activities, achievements and drawbacks. Instead, the PPE created a mini-survey to fill in several information gaps on impact domains. Even if the scope and sample size are small, it has proven a useful additional data-collection tool to triangulate findings, give guidance during the interviews and FGDs, and provide valuable information on poverty reduction impact. Limitations to the mini-survey are described in annex IV.
8. A limitation in the information collected during the mission was that all villages visited, except two, were close to a paved road. Accessing more than two remote villages during the field visit would have been very time-consuming and would have meant omitting one or two of the three project districts. Communities from the Tay ethnic group, which predominates in the project area, were over-represented. Mission findings for the Dao and Hmong ethnic groups, which have overall higher poverty levels and are located more remotely, are therefore limited.
9. This was partly compensated by access to raw data from the final Results and Impact Management System (RIMS) survey (2014). The strength of the RIMS methodology was to produce data for a sample that was representative of poverty levels and ethnic groups, with almost fully filled questionnaires for 900 households. There are three visible weaknesses in the RIMS survey results: (i) no information is available on household productive assets; (ii) the survey data indicate that remote villages may have been under-represented in the sample; and (iii) the comparison with non-project areas could not be used since data in these areas were inconsistent. Project-area data did indicate questions for which interviewers might not have obtained candid answers (for example, a very sharp reduction in gender violence was reported in project areas compared to non-project areas). RIMS survey results are therefore mobilized only for selected variables, and with some caution.
10. The available M&E data collected during the PPE mission filled some of the information gaps, as the overall availability and quality of (statistical) data were limited. As the available data in the various M&E databases revealed inconsistencies among databases and with findings in the field, the PPE team asked the PMU team to prepare datasheets for a selected number of indicators. The mission greatly benefited from their support.
11. Lastly, the achievement of project outcomes and contribution to the project goal is based on the theory of change (ToC) which the PPE team reconstructed at the end of the mission, not on initial statements of outcome (the ToC will be further discussed in paragraph 32 of the next chapter).

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<sup>6</sup> Full report:

[https://www.thegef.org/sites/default/files/project\\_documents/3627\\_IFAD\\_TE\\_Viet%2520Nam%25202014\\_0.pdf](https://www.thegef.org/sites/default/files/project_documents/3627_IFAD_TE_Viet%2520Nam%25202014_0.pdf)

## II. The project

### A. Project context

12. **Bac Kan Province and 3PAD.** 3PAD was a province-level project, just like all IFAD projects in Viet Nam. Bac Kan is an upland province in northern Viet Nam, with a mostly indigenous population and the highest incidence of poverty in the country. The province has a widely dispersed population, little economic activity, limited agricultural land and a rugged karst mountain terrain that poses considerable logistical challenges.
13. As in most upland areas in northern Viet Nam, rural households still predominantly depend on crop production, natural resource gathering and raising large and small animals. Annual crops (mainly maize and cassava) and trees (forests, fruits and industrials) are produced on sloping lands, and wet rice in terraces and flat lands scattered in valleys or in small plains. There are also large land areas allocated for planted forests or for forest regeneration. Fruits, subtropical and temperate, are produced in home gardens or slopes near people's houses.<sup>7</sup> Agricultural production is mainly based on small fragmentary land holdings and low-technology farming methods, with limited access to new technologies and markets. The main issues threatening the local environment encompass soil erosion, lack of water conservation technologies, deforestation and deteriorating soil fertility.
14. Forestry resources were still relatively underdeveloped when the project was initiated but became a dominant feature in government plans around 2009, as forestland and forest resources are considered the most important assets for economic development. There is also a significant potential for developing the livestock industry, aquaculture and tourism, given the openness of the Government to market-led reform, as well as public and private investment in the agriculture sector. Market demand and opportunities were identified for improved productivity and value addition in the forestry, non-timber forest products, livestock, ginger, canna and fruit sub-sectors in Bac Kan.
15. Implementation of economic reforms was overall late compared to other provinces. The province ranked 61<sup>st</sup> out of 63 provinces in Viet Nam in terms of the competitiveness index in 2009, an index that describes the business environment. 3PAD was implemented during a period when Bac Kan Province attracted considerable effort from the central government in response to these difficulties. Support took the form of investment programmes as well as technical assistance from the central level. In 2015, the competitive index had improved by 12 per cent and the province ranked 59<sup>th</sup>.<sup>8</sup>
16. **Ethnic populations and poverty in Bac Kan Province.** The population of Viet Nam comprises 54 indigenous groups. Viet people, also called Kinh, form the largest group, representing over 80 per cent of the entire nation's population. There are clear differences between the Kinh majority and other indigenous peoples in their poverty status, and among the various indigenous groups, as in other upland areas in Viet Nam. They are poor and isolated from mainstream development initiatives because of the geographical terrain (difficulty of access), poor investment (e.g. infrastructure), and cultural differences (e.g. language). Twenty-eight per cent of Tay people in the province were below the poverty line in 2008, while this proportion was 43 per cent, 56 per cent and 81 per cent, respectively, for the Nung, the Dao and the Hmong ethnic groups. By contrast, the poverty rate<sup>9</sup> among the Kinh majority in the province was only 16 per cent.<sup>10</sup>

<sup>7</sup> 2015, review of agroforestry status in Viet Nam.

<sup>8</sup> Source: Viet Nam Chamber of Commerce and Industry, provincial competitiveness index website.

<sup>9</sup> Poverty rates by ethnic groups are from the 2014 household survey. Poor households are those registered as poor by the Ministry of Labour, Invalids and Social Affairs. Households were asked about their current and past registration status as poor, near-poor or average household.

<sup>10</sup> In the final survey, poverty rates in 2014 were reduced for all ethnic groups but differences between them remain. 7% of Kinh respondents are listed as poor households, 17% of the Tay, 30% of the Dao, and 51% of the Hmong.

Poverty is particularly concentrated in rural areas, and when the project started food insecurity and hunger were widespread among the indigenous population in these areas.

17. A specific feature of Bac Kan Province is its complex fabric of indigenous communities. Dao and Hmong communities may or may not have access to a paved road, grow paddy and be endowed with a larger area of forest. A second specific feature of Bac Kan is its good coverage of social services: all project communes already had a health centre and access to electricity in 2009.<sup>11</sup> This contrasts with the remaining important gap between indigenous communities and the mainstream Vietnamese society that was visible during the mission. For example, the Tay language, not the Vietnamese language, is the lingua franca for communication among different groups in the province. Poverty is mainly associated with remoteness, poor infrastructure, limited education levels, and limited access to market and related services.

## **B. Project design and implementation**

18. **Project area.** Three diversified districts were selected out of the province's six rural districts, and all the 48 communes they comprise, covering 553 villages. The weight of the project area in the whole province was therefore significant – however the total population was only 22,300 households. The project districts were: Pac Nam, the province's poorest district; Ba Be, a district where a national protected area is located; and Na Ri, a district with a lower poverty rate yet a very high proportion of ethnic minority population (80 per cent), substantial areas of land zoned for forestry and a protected area. Together, the three districts held 59 per cent of the province's natural forest zoned for productive uses and 74 per cent of forest protected for biodiversity purposes ("special use" forest). The project area included 53 per cent of households below the poverty line in the province, and 72 per cent of the Hmong population in 2009.<sup>12</sup> The large majority of project communes (37 out of 48 communes) were eligible for the national programmes targeting poor communes.
19. **Project objectives.** The goal of the project was to achieve sustainable and equitable poverty reduction and improved livelihoods for the poor rural people in Bac Kan Province through enhanced forestland management. The purpose of the project was to establish a framework for sustainable and profitable agroforestry development in Bac Kan Province that targets poor rural households.<sup>13</sup>
20. **Target group.** Poor upland farmers living in the three districts were defined as the project's target group. Within them, women farmers were to be particularly targeted as they provide the majority of the agricultural labour. Women's common interest groups (CIGs), formed out of livelihood-based groups and clubs for the promotion of rights, were expected to provide specific opportunities for women to access the community development fund. The target groups mostly belonged to the Nung, Dao, Mong and Tay indigenous communities. After the project was launched, it was clarified that the target group in 3PAD should include households registered as poor as well as those registered as near-poor.<sup>14</sup>
21. In accordance with the IFAD Policy on Targeting, the project adopted a self-targeting approach for the selected communities in upland areas, whose livelihoods depend on agriculture, forestry and livestock production on hillside slopes, limited

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<sup>11</sup> Source: statistical data provided by the PMU to the PPE.

<sup>12</sup> Derived from district statistical data collected during the field mission.

<sup>13</sup> The Presidents' report renamed that goal as a development objective, and the statement of the previous purpose as a policy and institutional objective for the project. The loan agreement reverted to the initial objective framework with the above goal and purpose statements.

<sup>14</sup> The Ministry of Labour, Invalids and Social Affairs officially defines poor and near-poor households based on annual per capita income. During the 2011-2015 period, in rural areas this threshold was VND 4.8 million per year for the poor (US\$227 as of 2014) [World Bank 2012] and VND 6.24 million for the near-poor. As of 2017, these thresholds for rural areas increased to VND 8.4 million for the poor and VND 12 million for the near-poor (PPE team). The General Statistical Office of Viet Nam uses a higher poverty line based on consumption needs (World Bank 2012).

rice production in small, partially irrigated upland valleys, and the collection of non-timber forest products on the small areas of forestland allocated to them. Greater equity in the legal access to forestland, development of more sustainable hillside farming systems, diversification of income-generating opportunities, the attraction of enterprises whose investments would benefit the poor, and the piloting of PES were expected to generate benefits for the poor communities living in the uplands of Bac Kan.

22. **Project components.** In light of the above, the 3PAD project was designed to include four components:
23. **Component 1: Sustainable and equitable forestland management (12.7 per cent of estimated project cost).** This component was designed to provide equitable allocation of forestland resources to local households, especially the poor and ethnic minorities based on defined and operational sustainable management procedures. This objective would be achieved through implementation of relevant activities under two sub-components: (i) forestland use planning and allocation; and (ii) forestland access and use. After the forestland was planned and allocated, households, individuals and private companies would receive forestland use certificates for the sustainable management and utilization of the forestland.
24. **Component 2: Generating income opportunities for the rural poor (69.3 per cent of estimated project cost).** The component aimed at developing the livelihoods of the rural poor in sustainable ways through investments in infrastructure, human capacity development, better technology and agroforestry business management practices, and effective service delivery systems. Two sub-components were financed under this component: (i) community-driven technology and service development; and (ii) investment for growth. The latter would include an APIF and a Community Development Fund (CDF). The APIF was designed to leverage private investment into potential value chains through which market opportunities for farmer households would be created. The CDF was composed of three interlinked sets of activities with separate funding mechanisms: (i) public goods investments; (ii) pro-poor agroforestry development funds; and (iii) service delivery contracts to farmers.
25. **Component 3: Innovative environmental opportunities (5.5 per cent of estimated project cost).** The objective of this component was to develop socially, environmentally and economically sustainable sloping land conservation and protection systems, through the following activities: (i) forage-based conservation and other innovative sustainable land management and sustainable forest protection programmes; (ii) PES; and (iii) pro-poor eco-tourism development.
26. **Component 4: Project management (12.5 per cent of estimated project cost).** The objective of this component was to enhance capacity to implement project interventions in an efficient and effective manner, through the establishment of a Project Steering Committee and a PMU.

27. Table 1 below summarizes the project's main activities and their delivery process:

Table 1  
**Main activities during 3PAD implementation and their delivery process**

<i>Group of activities</i>	<i>Main activities</i>	<i>Delivery process</i>
Issuance of land use rights certificates (LURCs) on forestland	<b>Issuance of LURCs</b> through an improved participatory process in selected communes. Demarcation of two protected areas including Ba Be national park.	Implemented by the Department of Natural Resources and Environment (DONRE) with participation from communes, villages, households. IFAD funded engineering costs and technical assistants. Global Environmental Facility (GEF)-funded investment in Global Positioning System (GPS) equipment.
Community development fund (CDF)	<p><b>One CDF per commune.</b> In each commune:</p> <ul style="list-style-type: none"> <li>• 55% of CDF for small roads, irrigation canals, village meeting house for women groups.</li> <li>• 24% for small loans for women through women groups (livelihoods and rights clubs) for tree planting, diversified crops and livestock.</li> <li>• 21% for technical support services through farmer groups (CIGs).</li> </ul>	<p>Each commune was allocated a budget based on population and poverty rate, managed jointly with national target programme for poverty reduction (with separate account) in poorer communes.</p> <p>Small infrastructure: co-financing of national programme; procurement by commune if capacity confirmed.</p> <p>Partners: Women's Union for 24%, Department of Agriculture and Rural Development (DARD) for 21% before 2011, Farmers' Union afterwards.</p>
Agribusiness promotion investment fund (APIF)	<p><b>Grants for agribusinesses</b> committing to maintain contracts with farmer groups</p> <p><b>Capacity-building for beneficiary enterprises</b> in marketing, facilitation for trade fairs.</p>	Implemented by provincial PMU through two calls for tenders with support from a provincial advisory group.
Innovative environmental pilots	<p><b>Forage grass:</b> introduction of diversified fodder grass species.</p> <p><b>Ecotourism development (guesthouses)</b> in one village.</p> <p><b>PES:</b> (1) PES from hydropower plant in neighbouring Tuyen Quang Province; (2) "landscape beauty" pilot PES scheme; (3) improved stoves to reduce carbon footprint.</p>	<p>One international technical assistant specialized in fodder grass. Seed multiplication and dissemination through schools and first-generation farmer groups ("fodder grass CIGs").</p> <p>Hands-on support by one national ecotourism technical assistant based in village for two years. Supply of small equipment.</p> <p>PES technical assistant from ICRAF Viet Nam.</p>
Other technical assistance	<p><b>Production of manuals</b> to guide 3PAD participatory processes (LURCs, CDF, APIF)</p> <p><b>Training of government at all levels.</b> E.g. gender, commune and village forest management plans.</p>	Various technical assistance, national and international.

28. **Project financing.** The 3PAD budget was estimated at US\$25.33 million, of which a highly concessional IFAD loan of US\$21 million provided 82.9 per cent, government counterpart funds 9.5 per cent (US\$2.4 million), and beneficiary contributions in the form of labour or cash 5 per cent (US\$1.3 million). The remaining 2.6 per cent was provided by a Global Environment Facility (GEF) grant of US\$650,000. Actual contributions by funding source at project end were close to what was foreseen at project start, as shown in table 2. Table 3 shows the project financing by component. However, it was noted that project cost estimates and actuals vary somewhat across different documents.

Table 2  
Project financing by financier as stated in the project completion report (US\$)

	<i>Approved</i>	<i>% of total</i>	<i>Actual</i>	<i>% of total</i>	<i>Disbursement rate %</i>
IFAD loan	21,000,000	82.9	21,441,984	83.3	100
GEF grant	650,000	2.6	657,723	2.6	100
Government of Viet Nam	2,415,300	9.5	2,141,801	8.3	89
Beneficiaries	1,265,000	5.0	1,490,379	5.8	100
Total	25,330,300	100	25,731,888	100	

Source: Project Completion Report (2016).

Table 3  
Project financing by component as stated in the project completion report (US\$)

	<i>Approved</i>	<i>% of total</i>	<i>Actual</i>	<i>% of total</i>	<i>Disbursement rate %</i>
1. Sustainable and equitable forest land management	3,216,910	12.7	2,416,412	9.4	75.1
2. Generating income opportunities for the rural poor	17,553,690	69.3	18,287,796	71.1	104.2
3. Innovative environmental opportunities	1,393,150	5.5	1,452,198	5.6	104.2
4. Project management	3,166,250	12.5	3,575,480	13.9	112.9
Total	25,330,000	100	25,731,888	100	101.6

Source: Project Completion Report (2016).

29. 3PAD was the first project to have mobilized grant co-financing from GEF. The GEF grant was designed as a mid-sized GEF project entitled "Promotion of Sustainable Forest and Land Management in the Viet Nam Uplands (GEF-MSP-19-VN)". Its implementation was fully integrated within 3PAD. The GEF resources primarily financed technical assistance, training, studies and services in order to supplement the planned 3PAD activities (primarily under component 3). It also financed innovative environmental pilots, community-based forest management and biodiversity conservation planning, environmental training for PMU staff, technical support on environmental aspects of the project, including environmental monitoring, as well as some PMU expenses for operational travel.
30. **Project timeframe.** The project was approved by IFAD's Executive Board in December 2008. The IFAD loan agreement was signed in February 2009 and became effective in May 2009. As initially scheduled, the project was completed on 30 June 2015, after six years of implementation. The proposal for a follow-up project came up early during implementation, just before the mid-term review.<sup>15</sup> The co-financing GEF grant was implemented from the end of 2010 to the end of 2014.
31. **Project management.** The Provincial government (Provincial People's Committee) was the lead agency. The PPC set up a multisector project steering committee, a PMU under the provincial Department of Planning and Investment and district implementation units. The project also involved other key partners at provincial level such as the Department of Agriculture and Rural Development (DARD), the Department of Natural Resources and Environment (DONRE), as well as mass grassroots organizations such as the Farmers Union and the Women's Union. They carried out specific support tasks under contract with the PMU. The PMU also

<sup>15</sup> The 2012 Country Strategic Opportunities Programme (COSOP) listed the follow-up project in its pipeline of upcoming IFAD-funded projects in Viet Nam.



targeted potential agribusinesses directly, after the originally selected business development service centre failed to launch this activity.<sup>16</sup>

32. **Theory of change (ToC).** The ToC of a project depicts the causal pathways from project outputs to project outcomes, i.e. through changes resulting from the use of those outputs made by target groups and other key stakeholders towards impact. The ToC further defines external factors that influence change along the major impact pathways. These external factors are assumptions when the project has no control over them, or drivers of impact when the project has a certain level of control.
33. The rationale for developing the ToC ex-post is rooted in the limitations of a project's logical framework. While the logical framework is an important tool for design, implementation and supervision, it has its limitations for evaluation. A ToC is able to illustrate, for each step, how various project key activities, outcomes and intermediate states are interlinked, and how they mutually reinforce each other to reach impact and achieve the overall project objectives. Furthermore, the various versions of the 3PAD logframe mix outputs and outcomes under the generic terms of component and sub-component "objectives" and under the "indicators". None of the logframes link project activities and outputs to outcomes or higher-level objectives.
34. Analysis in this evaluation was initially assisted by an ex-post "reconstructed ToC at design" (presented in the approach paper in annex V). In the course of the evaluation the ToC was further elaborated as needed, based on additional research and evidence collected during the field mission. This allowed the PPE team to understand and capture the various pathways and the implementation process, and reconstruct a "ToC at evaluation" (presented in annex VI). This final version of the ToC has been used to assess the extent to which 3PAD's goal and objectives were achieved.
35. In brief, the ToC at evaluation elaborates on four pathways required to reach (i) improved food security and reduced malnutrition, (ii) improved income and assets, and (iii) regeneration of vegetation cover, in order to ultimately reach sustainable and equitable poverty reduction. It further contains the main assumptions which needed to hold true for the project to achieve intended outcomes and impacts.
36. The first pathway starts inter alia with the participatory and accurate re-allocation of forestland and the delivery of red books (land use right certificates). This would ensure that poor upland farmers receive secure land-use rights that can be used for commune production and access to credit. Owning land and investment capacity are important preconditions that provide security, enable farmers to adopt agroforestry systems, increase productivity and eventually improve food security and income.
37. The strategy behind the second pathway is the implementation of a simple and participatory CDF that would enable the beneficiary households to receive improved infrastructure and inputs and to enhance their skills and business management capacity. Provided that the outputs of CDF are appropriate and executable, and that the communes invest a sufficient amount in irrigation,<sup>17</sup> productivity could increase and more secure crop and livestock production could be ensured. Moreover, the improved skills would allow the beneficiaries to adopt mixed and more sustainable agroforestry systems. The improved infrastructure would facilitate access to markets. The second pathway would eventually lead to the same impacts.

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<sup>16</sup> Due to complicated management and unclear reporting lines and accountability, which, among others, resulted in low reimbursement of claims to companies.

<sup>17</sup> Needed to address food security issues in the project area. See also the Relevance section.

38. Only when the project reaches the aforementioned intermediate states (see also annex VI) will it have created the right conditions to start linking farmers to enterprises. Following this third pathway, farmers could further improve market access, and with the security of established contracts with enterprises, further enhance their cash commodity systems. However, this pathway assumes that enterprises are attracted and willing to work in remote districts, that both the enterprises and farmers adhere to the contracts, and that both have sufficient business management skills and access to market (information). If these conditions are in place, income and assets could be improved.
39. In the fourth pathway the target communities are made aware of the income-generating capacity of pro-poor eco-tourism and PES, which would provide them with alternative ways to earn money and at the same time motivate them to invest in sloping-land conservation systems and activities.
40. The ToC in annex VI shows that the various pathways are not linear and that the key activities, outcomes and intermediate states contain many interlinkages in order to reach the impacts and ultimately the goal of sustainable and equitable poverty reduction.

#### **Key points**

- 3PAD (2009-2015) was the first IFAD project in Bac Kan Province, a small province in Viet Nam's northern uplands, with an almost fully indigenous rural population. It covered 48 communes with a population of 23,000 households in Pac Nam, Ba Be and Na Ri districts. Poor upland farmers living in the three districts were defined as the project's target group.
- Three main categories of activities were implemented: (i) issuance of land use rights certificates to households on forestland; (ii) a community development fund for small infrastructure, small loans for women, and capacity-building through farmer groups; and (iii) investment grants for agribusinesses committing to source some of their supply from project-supported farmer groups.
- In parallel, a range of (environmental) technical assistance and capacity-building activities took place. New initiatives were piloted in eco-tourism in a national park, as well as payment for environmental services and the introduction of fodder grass in farming systems.
- The statement of objective formulated at design stage was to develop a framework for sustainable and profitable agroforestry development in Bac Kan Province that targets poor rural households. However, since project objectives were loosely defined at the design stage, achievement of project outcomes and contribution to the project goal is based on the theory of change which the PPE team reconstructed.
- The PPC was the lead agency. A PMU under the provincial Department of Planning and Investment was set up and implementation was underpinned by other key provincial ministries and mass organizations at provincial level.

### III. Main evaluation findings

#### A. Project performance and rural poverty impact Relevance

41. This PPE assesses relevance at the initial design stage and during implementation. The scope of analysis was expanded since key decisions regarding the main project activities and implementation processes were taken during implementation.
42. **Relevance of objectives and components.** The project design report highlights a broad range of weaknesses in ongoing government interventions in the province, including lack of land use rights on sloped land, limited participation of beneficiaries and key partners in the planning process, insufficient availability of technology, limited development of value chains in upland areas, and important capacity-building needs. The ongoing reform of agricultural extension in Viet Nam was identified as a key opportunity for Bac Kan Province. The project objective and components are overall aligned to the rural sector needs and set the focus on creating an enabling business environment where farmers are encouraged to operate in a more business-like and commercial way and to attract private investments through public-private partnership. The discussions in the field confirmed how project activities were relevant to local needs.
43. The fact that the project had to focus on food security issues and prevalent hunger in the project area<sup>18</sup> during the initial couple of years was something the PPE team learned from the various interviews and was not clearly captured at design. Improved food security and reduced malnutrition were indicators under the overall goal, although without clear analysis and description of activities.
44. **Relevance to policies and programmes.** The 3PAD was in line with the Government Socio-Economic Development Plan and the two IFAD country strategic opportunities programmes (COSOPs), of 2008 and 2012. The scope of 3PAD was broader than the framework of national poverty reduction programmes but consistent with the national poverty reduction strategy.<sup>19</sup> In line with this strategy, the CDFs combined rural infrastructure in mountainous areas with income-generating opportunities, especially for ethnic minorities, through a decentralized approach at the commune level that allowed better cross-sector coordination.<sup>20</sup>
45. Launching APIF after project mid-term was late. However, it was consistent with the provincial poverty reduction strategy that, as with 3PAD, was still prioritizing food security until then. APIF takes place in the framework of the national "agricultural restructuring" and the "new cooperative development" policies. In upland areas, these policies aim to support market access for upland farmers and to ensure access to raw materials for enterprises. Allocation of land use rights to households and communities is an important strategy in the forestry sector in Viet Nam. It aims to encourage indigenous peoples to protect the forests, to make forestland available for plantation development and to improve the livelihoods of communities living close to the forests. When 3PAD started, the forestry development strategy (2006–2020) foresaw that all forestland would be allocated by 2020.
46. **Ambitious project scope.** IFAD's Quality Assurance panel already highlighted the ambitiousness and complexity of the original design and proposed numerous steps

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<sup>18</sup> Alongside forestland allocation.

<sup>19</sup> Key policy documents include: the Prime Minister's Decision No. 20/2007 / QD-TTg approving the National Targeted Program for Poverty Reduction in the 2006-2010 period; Decision No. 934 / QD-UBND of Bac Kan Province on the plan to implement sustainable poverty reduction program in Bac Kan Province in the 2013-2015 period; and Decision No. 1489 / QD-TTg of the Prime Minister approving the National Targeted Program for Sustainable Poverty Reduction 2012-2015.

<sup>20</sup> The mid-term review of the national targeted programme on poverty reduction made ten short-term recommendations. Although 3PAD was not implemented as part of this programme (Na Ri was not listed as a target district), its design was overall consistent with these recommendations.

to simplify and adjust it. Nevertheless, the project remained complex, which is clearly reflected in the ToC. Not less than six different outcomes (improved infrastructure, better farming skills, improved market access, secure land use rights, proactiveness in planting trees and improved awareness about innovative environmental services) were expected to be pursued. Moreover, two uncorrelated development paths were expected to promote “new ideas”: linking farmers to enterprises and piloting PES activities and eco-tourism. These development paths could only take place if 11 conditions were fulfilled<sup>21</sup> and if the overall capacity of the provincial government overall.

47. The project team explained how this complexity – and the necessary technical focus and unforeseen focus on food security in its first phase – resulted in the delay of market-based value chain development. The mid-term review added that the tools, approach and interventions adopted for developing pro-poor partnerships at provincial, district and commune levels were inadequate. At that stage, the approach was still more subsidy-driven and less based on participation, ownership and empowerment. Coordination, synergies and sequencing of activities, spread over three inter-linked components and under the care of five different agencies, were assessed as challenging, and reporting as such persisted until project completion.<sup>22</sup>
48. **Flaws in design.** It was not clear how to operationalize the design in practise. For example, at design, the logical framework listed dozens of outputs and very few quantified indicators. (Other logframe flaws have been mentioned in paragraph 33.) Technical assistance needs were identified for technical fields, not on cross-cutting topics such as M&E. These weaknesses, together with the lack of details on key activities, are likely to have contributed to what the PMU described as “feeling lost” during the initial years of implementation. Three rounds of revisions improved the design and the logical framework; one at the beginning, one at mid-term review (MTR) and one in the fourth year of implementation. Despite these significant efforts, the absence of operational indicators affected the project throughout implementation and limited the monitoring of the project’s outputs, outcomes and impact indicators.
49. **Relevance of targeting approach.** At design, the project was expected to target the upland poor of Pac Nam, Ba Be and Na Ri districts. However, the original design lacked an effective strategy to target the (remote) upland villages and the poorer households and landless within those villages. During the first two years, the project mainly focused on the Tay communities in the lowlands as these were deemed more reachable and approachable. Following recommendations of the MTR, the project revised the manuals and approach to focus on upland poor villages with poverty rates of more than 50 per cent. These adjustments, together with the formal classification of upland, midland and lowland areas, allowed the project to apply a more equitable targeting strategy and expand to higher lands and the more marginalized Dao and Hmong communities. Furthermore, after the design revisions, key results were reported as proportions of poor and near-poor beneficiaries in each of the main project activities. This has served as a mechanism to raise attention to the needs of poor households among all project partners as indicated during the PPE interviews.
50. Even if the targeted households had equitable access, the delivery of new techniques and an extension approach could have paid more attention to the social complexity of the target groups, as different needs between the poor and the near-poor could not always be addressed. Moreover, language, culture and context barriers for certain ethnic groups (in particular Dao and Hmong) influence/constrained the level of impact that could be reached.

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<sup>21</sup> The conditions are illustrated in the ToC (annex V).

<sup>22</sup> Up to last supervision report (2014).

51. **Improvement of design and relevance during implementation.** Remarkable adjustments by IFAD and the Government contributed to improving the design and relevance and thereby raising effectiveness and impact to the extent possible. The most important adjustments are listed below.
52. **Simplified activities and manuals.** One of the highly relevant decisions made after project launch was to simplify the set of activities (with the exception of those covered by the GEF grant), and to design each of the main activities as a participatory process, supported through a newly designed project manual. The simple design and easy-to-understand procedures of the CDF were appreciated and highlighted in all commune meetings during the PPE mission. Many participants in the village group discussions recall the “55 per cent, 24 per cent and 21 per cent”<sup>23</sup> approach of the CDF. Moreover, the procedures allowed the communities to implement and manage inter alia the small-scale infrastructure schemes by themselves.
53. **Decentralization.** CDF management was decentralized to the Commune People’s Committees. Similarly, 3PAD supported decentralization in the process of allocating forestland and issuing certificates. The process was transferred to district government in close collaboration with communes and villages. This enhanced the participation of local people and encouraged bottom-up approaches. A drawback to the approach is that the technical agency in charge of agriculture, forestry and agricultural extension – DARD in the province and the Ministry of agriculture and rural development (MARD) at national level – received limited formal feedback, especially after the 3PAD partnership shifted from DARD to the Farmers’ Union for farmer training. This was not consistent with policy development processes in Viet Nam.
54. **Mass re-issuance of LURCs on forestland.** Even if its preparation and application was discussed under sub-component 1.2 of the design, the mass registration of forestland and re-issuance of the LURCs was decided during implementation. It was a process that responded to local needs, as many of the boundaries among communes, villages and households were unclear due to inconsistencies in previous measurements and plot demarcations undertaken by Bac Kan Province before 2009, caused by the lack of specific measurement in the field and a lack of participation by local people. The re-measurement and re-issuance of LURCs produced reliable land titles at a reduced cost. An important weakness in the design of the activity was that it only covered allocation of rights of forestland (under the responsibility of DONRE), and not of existing timber stands on that land (under the responsibility of DARD).
55. **Participation of agribusinesses in upland areas.** The 2012 COSOP identified IFAD's comparative advantage in Viet Nam as being the Fund’s ability to develop innovative methods for linking poverty reduction with market-oriented agricultural and rural development. The 3PAD project served as a testing ground for this new approach in IFAD projects, and the design was updated accordingly.
56. **Other adjustments.** The project made good efforts in enhancing its relevance through inter alia: (i) the transformation of the Agroforestry Development Fund into a Women’s Saving and Credit Fund, as this responded more to local needs and serves to provide longer-term financial accessibility to the poor; (ii) the transfer of the APIF coordination role from the Business and Investment Support Centre to the 3PAD PMU to improve support to investors; and (iii) the reallocation of the project budget from inefficient biodiversity management plans to other more relevant project activities.
57. **Rating.** The PPE rates relevance of the 3PAD project as **moderately satisfactory (4)**, one rating below that given by IFAD’s Programme Management Department

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<sup>23</sup> See table 1 for the description of activities.

(PMD). There were both strengths and weaknesses in the initial project design, but weaknesses could only be partly compensated through operationalization or adjustments during implementation.

### **Effectiveness**

58. Effectiveness is analysed on the basis of the ToC that was reconstructed at the time of the PPE. Evidence of project achievements is presented for each development path, from output level to outcome level. Coverage of the target group is also taken into account.

### **Effectiveness of targeting**

59. *Project outreach.* At design, the project expected to target about 11,300 households in the three project districts – equivalent to 36 per cent of the total population in these districts. While the project target was the poor households in the project districts, all 23,400 households in the project area were expected to benefit from the project activities through better policy and investment implementation. At completion, 3PAD activities were implemented in more than 50 per cent of the 553 villages in the project area. The project completion report (PCR) reported about 8,000 direct beneficiary households, i.e. one third of total population.<sup>24</sup> Furthermore, the project reached about 11,600 indirect beneficiary households,<sup>25</sup> bringing the total number of beneficiaries reached to 19,600. The target for women was exceeded, as further discussed in the dedicated section on gender.
60. *Effectiveness in remote villages and among various ethnic groups as well as among the poor and near-poor.* The degree to which remote villages could be reached is one of the main evidence gaps in the PPE. Project partners explained how access to remote villages, especially for the Hmong ethnic group, was difficult. At the same time the final RIMS survey shows good access to project activities for all ethnic groups, with the important exception of small loans and APIF. Contracts with APIF beneficiary enterprises tended to focus on less remote villages: they were mostly for bulk cash crops and depended on good infrastructure. The proportions of Hmong and Tay respondents who joined CIGs, respectively 56 and 63 per cent, are comparable in this survey. Similarly, access to CIGs and small loans was similar for the Tay and for the Dao. Three decisions significantly facilitated access of remote villages to project activities (i) LURC issuance took place in targeted communes where they covered all villages; (ii) CDF allocation to the various villages within a commune was decided through a negotiation process among all village heads; and (iii) training for households during the second half of the project was conducted by farmer-to-farmer trainers.
61. At the same time, as discussed in the Relevance section, the synergy between the three main activities – LURCs issuance, CIG membership and small loans from the CDF – was very partially implemented. Only 18 per cent of respondents in the final RIMS survey sample benefited from all three activities, while 27 per cent joined only one activity and 31 per cent two activities. This is the result of a rather fragmented approach caused by distances and lack of clarity in the initial design.
62. With regard to the equitable engagement between poor and near-poor households, good results were reached, as illustrated in figure 1. This achievement was the result of a substantial shift in targeting lowland areas (and less poor communities) to upland and poorer areas after the first few years of implementation (see also Relevance section). Out of the 7,017 households that benefited from APIF, 1,203

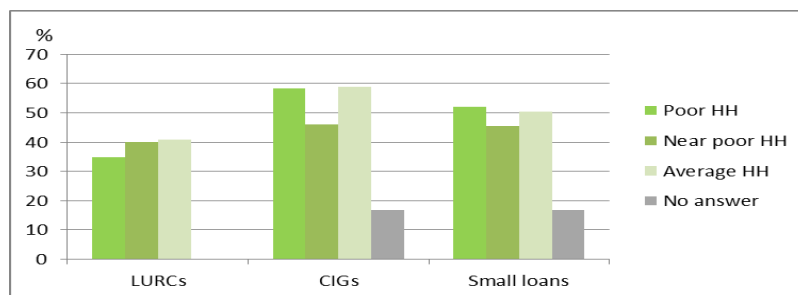
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<sup>24</sup> The PCR reports 39,298 direct beneficiaries, i.e. 8,020 beneficiary households (an average of 4.9 people per household based on provincial statistics). The PMU reports 11,567 small-loan beneficiaries but some households may have had more than one beneficiary.

<sup>25</sup> Indirect beneficiary households mainly benefited from the implemented infrastructure, but also from better policy and investment implementation.

were poor and 1,023 were near-poor. As explained above, this is the result of engaging mostly beneficiaries in less remote villages.

Figure 1  
**Access of poor and non-poor households to main project activities**



Source: PPE analysis of the 2014 RIMS survey data.

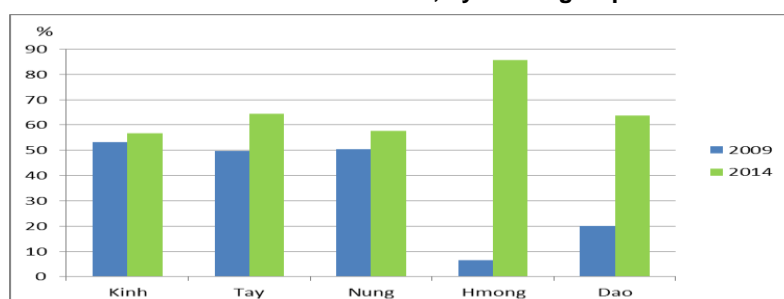
### Effectiveness according to the theory of change

63. **Overarching condition: New capacity and skills among provincial government agencies.** The first year of the project was devoted to capacity building. Training courses for government staff took place at all levels. Topics covered project implementation (forest land use and land allocation, community supervision of small infrastructure), new skills (use of participatory action research techniques, use of GIS) and government policies (the new rural development programme). Implementation of the participatory processes also helped build new skills at local levels. Almost all mini-survey respondents stated that government services improved. Interviews with government representatives confirmed the same.

### Development path 1: Allocation of land titles on sloped land

64. **Output: Participatory and accurate re-allocation of forestland titles.** LURC issuance on forestland through 3PAD has been effective: it basically covered all villages in the targeted communes (and later all households in the project area, see section on Scaling up), with an average of 3 hectares per household. The proportion of poor households exceeded the target at design and, in contrast with the pre-project period, the proportion of Hmong and Dao people in the project area with secure land titles on sloped land is now higher than for other groups.<sup>26</sup>

Figure 2  
**Households with LURCs on forestland, by ethnic group**



Source: PPE analysis of 2014 RIMS survey data.

65. Land allocation took place through an improved participatory process. The 3PAD manual on participatory forestland allocation and land use certificates built on previous projects<sup>27</sup> and incorporated updated elements in the legal framework. More importantly, this manual was designed as a logical, step-by-step sequence

<sup>26</sup> LURCs on forestry land were issued in 299 villages, i.e. in 93 per cent of the 321 villages in the targeted communes. The target was then exceeded (sources: LURC data provided by PMU, the commune & villages database and the PCR).

<sup>27</sup> There is a series of participatory forest land allocation manuals under Viet Nam's Forest Department (MARD) which started with the GTZ [Song Da Social Forestry Project in the 1990s and were improved in subsequent projects].

that was convenient to follow. It was short yet provided sufficient detail on new key points such as respective roles of consulting companies and local people (table 4 below). Consistency of the final version of the manual with the latest revision of the Land Law in 2013 was ensured.

Table 4

**Contribution of the 3PAD project to forestland allocation methods**

<i>Key points in existing manuals</i>	<i>New key points in Bac Kan manual</i>	<i>Mission points in Bac Kan manual</i>
Involvement of communes and villages Participatory forest land mapping Analysis of strong and weak points for forest land allocation to households, household groups and communities	Individual households are involved Clarification of roles: consultants are in charge of technical work (GPS, mapping land allocation); and determining where to allocate forestland to households, for whom, and on the area to be discussed and decided by the people. Description of a process to negotiate and avoid conflicts. Respecting customary forest land tenure is encouraged.	Allocation of rights on timber stands

66. **Outcome 1: Poor upland farmers have secure land-use rights and use the rights for commune production and access to credit.** In village discussions, beneficiaries explained that the main positive outcome of having LURCs on sloped land was the reduction of conflicts within the community through clear demarcation, and prevention of conflicts with outsiders. Moreover, it allowed farmers to be more confident in the adoption of agroforestry systems and to increase productivity. Households can also use these LURCs as collateral with the bank. However, FGDs confirmed that existing LURCs were mostly used on agricultural land, and that farmers also have access to credit sources that do not require collateral.

**Development path 2: Participatory CDF with demand-driven agricultural support services**

67. **Output 1: Participatory CDF implementation at commune level.** CDF implementation was effective. A total of 241 small infrastructure schemes (village roads, irrigation canals and some drinking-water systems) were built, responding to priority needs in each of the villages covered. A total of 459 farmer groups (CIGs) were established, covering a broad range of topics, and up to 20 groups in some communes. Most of these topics relate to simple crop production and animal-raising activities. Another 155 women’s groups were set up, with facilitation from the Women’s Union (they were initially called livelihoods and rights clubs, then savings and credit groups [WSGs]). Small loans have been delivered through these groups for diverse purposes and a village meeting room was built for each group. More demand-driven extension took place in all communes, resulting in effective service contracts reaching 129 per cent of original target. The target to implement five agroforestry technology models was also reached.
68. The CDFs were managed in a decentralized manner, in combination with government programmes, with separate accounts. The provincial and district PMUs provided close support and took part in all steps of the participatory process. The more able Commune Peoples’ Committees were then invited to manage the funds by themselves.
69. **Output 2: Promotion of environmental awareness, agroforestry techniques and farming systems through more demand-driven support services.** A new farmer-to-farmer extension methodology was launched: 106 local “able farmers” were selected through an examination to serve as “farmer trainers” after receiving specific training in communication skills. They worked in a coordinated manner with the district government extension. The latter was thus able to engage more in tests and demonstrations of new techniques, and less in farmer training. The FGDs described how farmer trainers came from other communes to respond to training priorities identified by each village community. Almost all households in the mini-



survey, and almost all women, joined training on agricultural techniques. The project did not set a target for trainings.

70. The research and development programme on fodder grass<sup>28</sup> took place on a substantial scale during the initial years of the project, with 17 months of technical assistance. A range of fodder species were imported, tested and disseminated through 60 schools and 173 farmer groups. After this initial period of the project, the national extension programme of Elephant grass took over in the province. According to the PCR, 3PAD supported the planting of 114 hectares of grass and exceeded the target by 14 per cent. Direct observation shows that Elephant grass has been integrated in diversified ways in the farming systems. FGDs confirmed adoption, and it is likely that the contribution of 3PAD to that adoption was substantial.
71. **Outcome 1: Improved infrastructure.** 3PAD has rehabilitated or expanded mostly irrigation canals (110), co-financed small roads serving both villages and production areas (122) and several domestic water supply schemes (9). More than half of the mini-survey respondents stated that infrastructure in the village had improved significantly in recent years. They furthermore emphasized that water supply was often selected to improve production and food security. The CDF was also an effective financial lever for government programmes funding small infrastructure.
72. **Outcome 2: Beneficiaries collectively have better farming skills and (business) management capacity.** In the mini-survey, two thirds of households said that technical trainings were easy to understand and almost all respondents stated that they learned a lot and applied the new techniques. Trainings covered a broad range of simple topics and a few new ones including the use of improved compost, which was a new technique in the project area. Farmer groups on this topic have been maintained and developed well: improved compost is perceived as improving crop yields with reduced costs. Mixing crops with trees at plantation establishment is the main agroforestry technique that is visible today in the landscape. More intensive agroforestry techniques (hedgerows) were tested but not adopted.
73. Both the final RIMS survey and the mini-survey confirmed how an absence of market information remains an obstacle in upland areas, regardless of the ethnicity of the local population. They also revealed disparities among households. In the mini-survey, about 20 per cent of respondents stated that negotiating prices was very easy,<sup>29</sup> while an equivalent proportion said it was very difficult. The project organized training courses on marketing and business but only 20 per cent of mini-survey respondents said they had taken part. The majority of the respondents found the topic difficult or did not know about it and 62 per cent replied that they do not have enough access to market information. In the final RIMS survey, 21 per cent of non-poor households access the market through enterprises or through more able farmers. This is much higher than for the poor and near-poor households.
74. **Outcome 3: More proactive communities in planting trees.** Many women in the FGDs mentioned that they used their small loan to plant trees. This is reinforced by almost all mini-survey respondents, stating they contributed to the protection of sloping land by planting trees.<sup>30</sup> A significant proportion also responded they were a member of farmer groups related to tree planting. The fact that households took loans to plant trees rather than wait for subsidized seedlings

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<sup>28</sup> This activity was budgeted as an environmental pilot but in fact relates to this third development path.

<sup>29</sup> In the final survey, the proportion of households stating that it is very easy to negotiate prices with buyers increased from 30 per cent to 44 per cent between 2009 and 2014. The mini-survey results indicate that this proportion is overestimated.

<sup>30</sup> This was the case in all villages visited except for the two villages in the core area of the Ba Be national park, where households do not have access to individual land titles on land other than residential land.

is a strong indication of how land use rights are now more secure. In the 2009-2015 period, timber plantations in Bac Kan Province increased by more than 12,000 hectares, and it is likely that a significant proportion of the new plantations took place in the project area with 3PAD support.

### **Development path 3: Pro-poor productive partnerships with enterprises**

75. **Output: Linking up farmers and enterprises.** The APIF aimed at providing the framework, protocols and financial instruments for pro-poor public-private partnerships for agribusiness growth. This was done through capacity-building for beneficiary enterprises and the provision of grants. APIF grants<sup>31</sup> have been awarded through a competitive process to (i) reduce transaction costs; (ii) shrink business risk; (iii) meet exceptional start-up costs (e.g. costs associated with partnering with large numbers of poor smallholders); and (iii) finance commercially important public or common-use infrastructure or services associated with agribusiness enterprise investment partnering or benefiting poor women and men farmers to enable better engagement in supply chains in Bac Kan Province.
76. Overall, APIF during 3PAD was of a modest scale. The project supported a total of nine beneficiary enterprises.<sup>32</sup> A total of US\$630,000, i.e. 52 per cent of the fund, was not disbursed. Setting up administrative procedures for APIF was a lengthy process that delayed actual implementation. APIF has nevertheless initiated a process that is expected to further develop under the Commercial Smallholder Support Project (CSSP).
77. The call for tenders attracted interest from small and medium enterprises, both within Bac Kan Province and outside, mostly for cash crops.<sup>33</sup> The APIF process was considered easy to follow and enterprises have signed multiyear contracts with project-supported CIGs that set up a minimum price paid to producers. The CIG leaders coordinate deliveries (e.g. seedlings) from the enterprise to the households and from households to the enterprise. Contracts have been established with all ethnic groups, even if the majority of contracts have been established with farmers in less remote villages, as explained in section on the effectiveness of targeting.
78. **Outcome: Market access is improved (and secured) in selected communities.** Initial steps for improved and secured market access were undertaken in selected communities through contracts and through a focus on environmental quality. Both farmers and enterprises explained how contracts led to better prices and market security. No evidence on the potential role of cooperatives to further secure contracts was collected through the PPE, since 3PAD has only supported one cooperative which was created just before the project. (Some of the enterprises producing noodles from canna tubers have started to incorporate environmental quality in their marketing strategy.)
79. The PPE has identified several lessons learned other than what the PCR describes. First, enterprises that have used the APIF grant to improve transportation means reached communities located further away. Second, timber and bamboo processing were surprisingly absent in 3PAD, whereas these are important products in the villages. Third, some households already had the capacity to invest in primary processing. This raises the possibility of enterprises purchasing processed products, not raw products. However, a number of households – in particular those with less developed infrastructure – clarified the urgent need for processing machines, in order to raise eligibility for contracts and to facilitate access to markets.

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<sup>31</sup> Grant amount of US\$10,000-US\$50,000, based on evaluation of detailed business plan.

<sup>32</sup> Each enterprise presented a grant application for an area comprised between 40 and 70 hectares. This was equivalent to 500 m<sup>2</sup> to 2,500 m<sup>2</sup> per household.

<sup>33</sup> Among the nine beneficiary enterprises, there was one cooperative and two individual businesses, others being enterprises. Four were based in project districts, two in the provincial capital, and three in Hanoi or a neighbouring province. Five enterprises specialized in cash crops (among which three produced canna noodles), two in meat products (chicken, rabbit). There was one potato seed project under a science and technology organization from another province.

#### **Development path 4: Innovative environmental pilots**

80. **Output: Pilot of PES activities and eco-tourism.** Bac Kan Province had been eligible for PES from a hydropower plant since it was built in 2007 in the neighbouring province, but could not access these services because the watershed is shared between two provinces. Short-term technical assistance from 3PAD determined the provincial share of the watershed.
81. The eco-tourism development operation took place in a single village in the core zone of the Ba Be national park, as foreseen at design. There was direct facilitation by a technical assistant for hands-on training in the management of guesthouses and other tourism services. An association of service providers was created. During the final years of the project, the allocation of a 2 per cent contribution from guesthouse revenues to support a very small number of upper watershed villages without guesthouses was tested. This pilot was called "voluntary PES for landscape beauty".
82. **Outcome: Improved awareness among target communities about innovative environmental services and means of monetizing them.** The outcome of these pilots is very modest. Farmers were already well aware of the possibility of receiving payments for protecting the forest, but government programmes for this purpose had phased out. The voluntary PES for upstream became effective but discontinued in some areas, as it was too difficult to maintain and too few payments were made (see also Sustainability section). In the visited Ba Be villages, the small PES earnings are collectively managed and used for forest patrolling and small works in the village. The PES for water services managed to cover 6,757 households in 26 villages in the project area. They received payments for 3 hectares of forest per household by 2015. PES is an additional positive output of LURC issuance since these titles are a precondition to access the scheme. The PES payments are limited, yet farmers have become more aware of their contribution to the protection of forest and water resources in upper watersheds.
83. The number of households managing guesthouses has grown. The outcomes are: (i) operational - better service quality; and (ii) economic – an increase of national and international tourists in one village. Another outcome is some increased sales of food from nearby villages. The village that has received funds from the tourism association, and was visited during the PPE, has indeed improved plastic waste management (which used to impact the landscape) and is using the funds for various activities in the village. The people in the village are, however, not aware of the source of this financial support.
84. **Rating and main factors for effectiveness.** The PPE rates effectiveness of the 3PAD project as **satisfactory (5)**, the same rating as PMD. The LURCs and CDF development paths have been most effective. APIF has made initial progress despite a short implementation period. The outcomes of the environmental pilots are very modest, but not fundamental to achieving poverty reduction impact.

#### **Efficiency**

85. **Process efficiency.** The IFAD loan was approved in December 2008 and became effective in May 2009. This five-month time lapse is far below IFAD's global average of 12.4 months and regional average. The IFAD loan closed on schedule in 2015, covering six years of implementation. This is noteworthy for a project that faced redesigning phases and delayed implementation of activities.
86. The co-financing GEF grant was implemented during the 2010-2014 period. However, the agreement was signed late and some of the revised activities received their approval quite late, affecting the disbursement of component 1 and implementation of activities. Component 1 has a final disbursement rate of 78.77 per cent. Funds for the remaining components were fully disbursed. Other delays, as described in the PCR were a result of: (i) the slow disbursement of APIF during the initial years due to time-consuming verification of enterprises'

reimbursement and poor quality of the applications prepared by the enterprises; and (ii) slow progress of infrastructure implementation and disbursement due to insufficient capacity of communal project staff and complicated procurement procedures between donors and the government of Viet Nam.

87. The counterpart funds were disbursed with some delays, due to complex and lengthy national procedures. Interviews confirmed that by the time the withdrawal applications had been collected and sent to the Ministry of Finance and IFAD, the project was already in need of new replenishments. This caused the Government to advance money to the project. Ultimately 89 per cent of the counterpart funds were disbursed. The beneficiary contribution was actually 17.7 per cent higher than expected.
88. The annual work plan and budget was significantly revised following a moderately unsatisfactory performance up to MTR. It was criticized for being more a disbursement and budget tool than an action-planning and strategy-defining instrument. Moreover, it was assessed as being rather ambitious, resulting in shortfalls in achievements. From 2013, the PMU requested all units to prepare quarterly work plans and budgets in order to facilitate smoother consolidation of the overall budget and the control of disbursement rates according to the approved plans. Furthermore, the annual work plans and budgets were requested to include annual outcomes to guide project planning.
89. Implementation delays were ultimately overcome, yet all main activities had a slow start. Up to MTR, the largest component, the CDF, had the least progress and a slow disbursement rate.<sup>34</sup> Eventually the CDF covered all 48 communes during the 2011-2014 period. This is more than the three years per commune that had been foreseen at project design stage. LURC issuance was delayed by late approval of the GEF grant, which took place at the end of year 2. APIF started after MTR.<sup>35</sup> A large number of CIGs were created in 2010-2011 but this was done in a mechanical manner, with ten households per group. The groups were re-established after mid-term, as shown in the table below.

Table 5

**Number of communes that started main project activities per year**

Activity	2009	2010	2011	2012	2013	2014	2015(1)
LURC issuance	-	-	5	9	18	-	25
CDF	-	11	48	48	48	48	
CIGs	1	2	4	14	28	38	
APIF	-	-	1	9	27	29	30

Source: project commune table provided by the PMU to the PPE. Note: (1) Activities reported in 2015 were funded by counterpart funding only.

90. The GEF grant and the IFAD loan have been disbursed 100 per cent through IFAD accounts. Up to MTR the disbursement rate was somewhat behind schedule (22 per cent for the loan against an expected 36 per cent<sup>36</sup>); however this was recuperated after MTR when many activities took pace.
91. **Investment ratios.** Based on the PCR's conservative estimate of one third of direct beneficiaries, the investment ratio was approximately US\$3,300 per beneficiary household, i.e. US\$680 per person. This is a reasonable figure. Project management also remained at a reasonable level, 14 per cent of total project cost, despite the intensive participatory processes. This was allowed by the

<sup>34</sup> According to the MTR, this was caused by other Government programmes that "are heavily subsidized and offer free inputs and cash incentives and directly compete with many of the activities of 3PAD in target districts and communes. This caused negative impact on 3PAD progress and disbursements". This challenge was eventually addressed.

<sup>35</sup> Reasons are explained in the Relevance chapter.

<sup>36</sup> According to the IFAD Corporate Project Disbursement Profile, based on the implementation maturity of three years.

decentralization to district level. Technical assistance was substantially reduced compared to project design (by 50 per cent overall, and by 80 per cent for international technical assistance). The substantial savings (around 15 per cent of project costs) were reallocated to training. Altogether 50 per cent of the project budget was direct investment through the CDF, 5 per cent through APIF.

92. **Economic rates of return.** The PMU commissioned a thorough economic analysis for the PCR at the scale of individual activities, not for the overall project. Economic performance of irrigation schemes and small roads was high, with an internal rate of return (IRR) of 48 per cent and 24 per cent, respectively. Five of the APIF beneficiary enterprises were assessed as efficient. Households producing ginger, potato, chicken and canna through contracts with enterprises obtained a positive return on investment. The activity with the lowest return on investment was maize (16 per cent). The project design report, on the basis of a detailed economic and financial analysis (with four typical farm models) concluded it was highly likely that the project would generate economic benefits with an overall IRR of well above 12 per cent.<sup>37</sup>
93. **Rating.** Based on the discussed process efficiency, the revision of the annual work plan and budget to control disbursement delays and adjustments at MTR to overcome implementation delays, and the good economic benefits, IOE rates efficiency as **satisfactory (5)**, the same rating as PMD.

### **Rural poverty impact**

94. Impact is defined as the changes that were already visible at the time of the PPE or are likely to occur at a later stage in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
95. **Poverty rates.** The final RIMS survey report, through a principal component analysis, found that the proportion of poorest households was the only one to have decreased, from 24 per cent to 16 per cent. The near-poor category increased from 10 per cent of households in 2009 to 17 per cent in 2014. This means that around half the households that graduated from the official "poorest household" category are now in the "near-poor category" in the sample survey. The proportion of houses with a cement floor, which is a good indicator of substantial income increases, increased only slightly. This finding from the final survey was confirmed by direct observation during the mission.
96. **Attribution.** Many changes occurred in the three project districts since the project was launched in 2009. The poverty rate fell from 46 per cent in 2009 to 25 per cent in 2014<sup>38</sup> and the gap with the provincial poverty rate closed at a regular pace. It is not easy to attribute these changes to 3PAD, since several government programmes were implemented in parallel with 3PAD. The impact of 3PAD and the impact of other government programmes are therefore closely interrelated: The large capacity-building effort of the Government that took place at all levels in Bac Kan Province thanks to 3PAD is likely to have yielded positive results beyond the scope of 3PAD.

### **Household income and assets**

97. **Changes in household incomes.** As foreseen in the financial analysis in the design report, agricultural incomes have increased but on a modest level. This is compounded by the limited scale of agriculture. According to provincial statistics, only 10 per cent of total land area is farmland, which means that households farm on average 0.9 hectares, of which only half are paddy fields. When we look at the changes in income per poverty level in the final RIMS survey, crop incomes

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<sup>37</sup> The models show that a ten-year period is needed to reach full income increases but does not specify after how many years the 12 per cent IRR would be reached.

<sup>38</sup> Provincial statistics and the final survey provide similar poverty rates.

increased for the poor (from VND 5.8 million to VND 8 million per year) and for the near poor (from VND 4.6 million to VND 6.9 million) while they remained almost stable for the non-poor at around VND 12 million. A similar trend is visible in this survey for income increases from animal-raising for the poor, although in one of the villages visited the new animal breeds introduced were reportedly too expensive for poor households.

98. Very few respondents had government wages.<sup>39</sup> There is no quantified information on income increases from off-farm work, but some interviewed households explained how young people returning to their villages are able to invest in a new house. In fact, a major event at the end of the project was the creation of a large number of jobs for young people in the lowland industrial sector. Many young people in the less remote project villages access these jobs, which are open for a limited number of years.<sup>40</sup>
99. Timber was an income source for only around 20 per cent of respondents, and non-timber forest products for around 10 per cent. As foreseen in the project design report, it will take eight to ten years for forestry incomes to become visible. In the villages visited, the timber plantations that took place through 3PAD have not been harvested yet. These plantations amount to one hectare per household on average.<sup>41</sup> PES income from hydropower will remain limited: due to the limited hydropower capacity, PES are quite low, at VND 70,000 per hectare. This is four to seven times lower than in the Central Highlands. Therefore, other payment mechanisms for forest environmental services need to be studied and developed.
100. All in all, when we look at the income data (e.g. crops, livestock) per poverty level, the gap in incomes between the poor and the non-poor seems to have been reduced. In fact, the RIMS survey shows an increase of 25 per cent of total annual incomes for poor households (from VND 22.6 million to VND 28.4 million per household), but the reliability of data is uncertain: project-end incomes are higher for poor households than for near-poor households. Furthermore, when we look at the general income trend in the final RIMS survey, without distinguishing between poverty levels, the incomes remained stable between project start and project end.
101. **Changes in (productive) household assets.** The assets of the poor remain at an extremely modest level. Twenty-seven per cent of them did not have a motorbike in the 2014 RIMS survey. Only one third of respondents said they had made savings between 2009 and 2014 (to which the project's women's savings and credit groups clearly contributed, according to the 2014 RIMS survey), but this proportion was much lower for the Dao ethnic group and close to zero for the Hmong.
102. With regard to productive assets, broad access of households to clear land use rights on forestland is one of the main contributions of the 3PAD project on this subject. There is, however, a surprising lack of information about other productive assets among project beneficiaries. This is especially the case for livestock, although keeping buffaloes and cows is an important safety net for households. The 2014 RIMS survey asked for changes in productivity, but not in animal assets.
103. Province statistics show a significant decrease in buffaloes and in cows, from 2.2 heads per household in 2009 to 1.9 heads per household in 2014. 3PAD encouraged pig-raising and buffalo-fattening instead of extensive ranging of livestock in the forests. This has only partially compensated incomes (in the final RIMS survey, 30 per cent of households reported decreased productivity for cow-

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<sup>39</sup> In both the RIMS survey and the mini-survey.

<sup>40</sup> This was highlighted in all village discussions except in the most remote district, Pac Nam. In 2014, the final RIMS survey found no increase in non-agricultural incomes in the project area. In 2017, 10 per cent of mini-survey respondents said that working outside the village was a main income source in the family.

<sup>41</sup> 22,000 hectares were planted in the three districts (2015 statistical data). It is likely that 3PAD supported most of this area.

raising, 10 per cent for buffalo-raising and pig raising, both for local and hybrid pigs). It has not compensated a decrease in assets.

### **Human and social capital and empowerment**

104. **Improvement of knowledge and skills.** One of the strengths of the project is that capacity-building took place at all levels and targeted government staff as well as individual farmers. It was repeated over a sufficient number of years in order to already generate visible impact. Skill improvements documented in the final RIMS survey relate to improved varieties (40 per cent of households said they were aware of improved varieties in 2014 compared to 10 per cent in 2009) and to animal feeding techniques (16 per cent of households said they were not aware in 2014 compared to 45 per cent in 2009). Conversely the PPE found that confidence and skills in access to the market are still a prevalent issue among all household categories including the poor (see Effectiveness). As discussed under the relevance of targeting, the social complexity of the target groups and the different needs between the poor and the near-poor influenced the level of impact that could be reached.
105. **Empowerment of the rural poor through participation.** A fair share of activities took place at village level so that local people could participate. The PCR states that the position and voice of poor people in the project area have improved: 52 per cent of respondents in the 2014 survey perceive that they have more voice; and 75 per cent of them were consulted for the selection of small infrastructure work compared to 39 per cent before the project. This was further illustrated by the FGDs that took place in the villages visited during the PPE. Moreover, about 75 per cent of respondents to the mini-survey stated they had at least some decision-making influence on forestry and public infrastructure development in their village.
106. **Social cohesion and collective capacity.** FGDs indicated strong social cohesion in the visited communities. 3PAD built on this structure, by working at village level for the CDF and at the level of farmer groups for training and for contracts with enterprises. This provided the various groups with good opportunities to support each other. Sixty-nine per cent of respondents in the final RIMS survey stated that the capacity of groups, especially their leaders, had increased. This proportion was equivalent across all ethnic groups. The final RIMS survey, as mentioned under Effectiveness, shows that better-off households in the groups are starting to be more confident in their bargaining skills and in relating to enterprises. The PPE mission sensed an inherent risk of elite capture by better-off group members. Yet the short PPE mission did not allow time for the team to assess the magnitude of this risk in the project area. As explained under Sustainability, not all CIGs are performing well, and the continuation of impact relies on the extent of continued institutional support.

### **Agricultural productivity and food security**

107. **Agricultural productivity.** The final RIMS survey observed that paddy and maize yields had increased respectively by 38 per cent and 24 per cent between 2009 and 2014. However, it is unclear to what extent this is attributable to the project. The proportion of double-cropped paddy fields was already 60 per cent before the project, and it only increased by 11 per cent according to provincial statistics. However, with improved tertiary canals, yields have reportedly become more stable, and water is available to irrigate neighbouring crops (maize, cassava, soybeans) using small pumps. Hybrid maize varieties are now present, at least in the villages that were visited during the PPE mission, with farmers wearing T-shirts advertising new varieties.
108. According to the final RIMS survey, there was significant introduction of two crops (potatoes and ginger), but only a modest increase in the area devoted to arrowroot, a key crop in the enterprise contracts that were supported under APIF.

The PPE mission observed how arrowroot is now grown on slopes and on less fertile paddy fields. As mentioned in other sections of the report, the raw arrowroot is difficult to sell without good infrastructure. The successful implementation of this cash crop highly depends on rural road development.

109. It is also worth noting that in an agroforestry project, changes in timber productivity was as much a focus of activities as changes in agricultural productivity. This was achieved through the supply of quality tree seedlings. The field mission further observed that farmer groups dealing with fruit trees are still operative and that wood plots are still being managed.
110. With regard to animals, one of the most frequently cited examples in the FGDs was the partial shift to new pig- and chicken-raising techniques, with much shorter production cycles than with traditional techniques. The introduction of Elephant grass contributed to buffalo- and cow-fattening and is much appreciated by farmers holding livestock. In certain areas<sup>42</sup> the adoption of fodder grass is leading to more market-oriented cattle-raising. However, there are insufficient data to verify impact. In one village, participants in the group discussion complained that common land was no longer available for animal-grazing after allocation of sloped land, so that households had stopped raising cows. The PPE did not have the opportunity to assess to what extent this may have occurred, and to what extent animal husbandry, forestry and agriculture have been integrated, but does highlight how such data should have been available.
111. **Food security.** Positive impact on food security is confirmed in villages where 3PAD has funded irrigation infrastructure. Forty-eight per cent of respondents to the mini-survey said that meals were better now for their family. Some villagers explained in group discussions how improved irrigation has reduced risks and improved the families' protein diet since more protein foods such as small fish are now collected from the paddy fields. However, overall project impact on food security is modest. The majority of households in the final RIMS survey (68 per cent) stated no change in food security. Only 9 per cent of Hmong respondents reported improved food security, compared to 25 per cent of respondents on average; 19 per cent of households reported that there was still a food shortage once a year, which is only slightly down from 25 per cent in 2009. The request for more irrigation construction was a recurrent request during the FGDs.
112. As highlighted in the 2014 supervision report, a challenge is the lack of information on food security impact. Moreover, there is no clear indication that development of cash crops and timber plantations is significantly affecting food security despite the fact that the main cash crops introduced under 3PAD – canna and ginger – are partly grown on paddy fields. The fact that 6 per cent of households in the final RIMS survey report a situation worse than in 2009 is a reminder of the fragile status of food security in the area. This confirms that food security, and the support of irrigation, remains as important as market access, especially in the poorer villages.
113. **Change in children's nutritional status.** The project had the objective of reducing the prevalence of under-five-year-old child malnutrition by 5 per cent at project completion. While the PCR claims that this objective has been achieved, with an underweight (weight for age) reduction of 8.1 per cent, the chronic malnutrition (height for age) and acute malnutrition (weight for height) were reduced by only 4 per cent and 1 per cent, respectively. This means that the project only reached the objective for the underweight indicator and not for all three (or an average of all three) anthropometric indicators.
114. While the PCR states in paragraph 72 that underweight is the most important indicator, it is a less reliable indicator due to its seasonal variation. Since height

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<sup>42</sup> The PPE mission particularly observed this in the villages visited in Pac Nam, which were not too distant from a livestock market.



captures long-term growth performance more specifically than weight, these two anthropometric indicators are favoured over underweight. Moreover, the results do not differ much from the non-project area. Furthermore, as highlighted in paragraph 96, it is not easy to attribute the changes to 3PAD. In this particular case, there is only between 0.7 per cent and 2.0 per cent difference between project area and non-project area results. However, as we do not know whether this difference is statistically significant, we cannot conclude that there was actually a difference.

### **Institutions and policies**

115. **Access to services in upland areas.** The project supported the development of more accessible and more responsive extension methods, and poor households had easy access to them, at least in the less remote villages. Of particular interest is the statement by the Bac Kan Farmers' Association that, as enterprises become increasingly service providers for farmers, the association's activities may shift to more difficult communities. Eighty-three per cent of the mini-survey respondents stated that access to credit was easy. More in-depth analysis, beyond the scope of the PPE, would be needed to better understand the access of the poor to financial services. FGDs confirm how improved access is not only important in terms of individual skills, collective skills and linkages with enterprises, but also in terms of basic logistics in a mountainous environment (rural roads, transportation means). 3PAD has contributed to this through the co-financing of small roads and improving planning capacity at local level.
116. **Decentralization and bottom-up approaches.** In line with what was foreseen at project design, 3PAD was both a development project and a project supporting institutional change. A shift towards decentralized and more participatory planning has been achieved, and this resulted in a better balance between the forestry sector and the agriculture sector in Government plans, according to the field interviews. The project contributed to demonstrate the importance of decentralized planning at district and commune levels, with the participation of the villages. As discussed in the Relevance section, CDF was decentralized to the commune and village levels. This enhanced the participation of local people and encouraged bottom-up approaches. Community-based organizations such as CIGs, livelihoods and rights clubs and women's savings and credit groups are important institutions established by the projects, even though their performance varies.<sup>43</sup> However, such institutions still need good local policy and strong support from the Government in order to operate more sustainably and have more impact.
117. A drawback of the decentralization approach is that the technical agency in charge of agriculture, forestry and agricultural extension (DARD in the province and MARD at national level), received limited formal feedback, especially after the 3PAD partnership shifted from DARD to the Farmers' Union for the farmer-to-farmer training approach. This was not consistent with policy development processes in Viet Nam.
118. **Informing and influencing policies.** Institutionally, the project managed to obtain good results and impact during implementation and after project completion. Among the achievements are the institutionalization of the participatory forestland allocation by the PPC and the mass-issuance of LURCs that are valid for 50 years under government law. Furthermore, both Ban Kan Province and the central government see APIF as a new cooperative model for sustainable rural development supporting commodity production, closely associating farmers with enterprises.
119. The National Target Programme for New Rural Development (NTP-NRD) served as a framework for 3PAD since not all project communes were eligible to the specific programme targeting poor communes. It has now been decided that the follow-up

<sup>43</sup> See Sustainability section for more information.

project, CSSP, will be fully integrated with the NTP-NRD, including for staffing and M&E. Good practices from 3PAD will also be scaled up through ongoing government programmes, as further discussed in the dedicated section on Scaling-up. The project has yet to substantiate other relevant policy developments that can contribute to the sustainability of benefits; for example for the promotion of market-based farmer-to-farmer extension services.

120. **Summary assessment of rural poverty and rating.** There is visible contribution to two impact domains: "human and social capital and empowerment" and "institutions and policies". Impact on improved incomes and assets and on food security and reduced malnutrition are modest, lack hard data or have conflicting data. Moreover, as highlighted in paragraph 96, it is not easy to attribute the changes to 3PAD. For food security and malnutrition, the difference between project area and non-project area results is marginal and it is unclear if this difference is statistically significant. Therefore, the PPE rates the impact of 3PAD as **moderately satisfactory (4)** compared to PMD's satisfactory (5) rating.

### **Sustainability of benefits**

121. **Exit strategy.** The exit strategy, which was prepared in 2014 and officially approved by the PPC, focused on a small number of activities since several other 3PAD activities were already expected to continue through the follow-up project. The hand-over process started in the second quarter of 2015. First, small operations and management works have been handed over to the communes. Field visits showed that infrastructure and other public investments were being well maintained in all the villages visited. Second, the unspent part of the APIF is now under the responsibility of the Women's Union, contributing to the provincial social fund that is being established under the organization. It will be available for future loans to women farmers and women entrepreneurs. Third, the enterprises have maintained their contracts with farmer groups until now. Formal monitoring of enterprise impact on farmers by the Government was discontinued after 2014, but informal contacts continue to take place, as demonstrated during the PPE's visit to two enterprises.
122. **Government commitment to continuity.** The provincial government is committed to continue its support in maintaining and further improving project benefits. As discussed under Institutions and policies, the Government has already institutionalized a number of approaches. However, it does not have the financial capacity to continue activities, except when there is an existing related national programme. This has happened, for example, for mass registration of LURCs on forestland when there was a budget to fund engineering services through reducing emissions from deforestation and forest degradation (REDD+) pilots. The approval of a follow-up phase right after 3PAD is therefore very timely, and requests for policy interventions, for example, are confirmed to continue under CSSP.
123. **Interim phase 3PAD-CSSP.** The interim period between the end of 3PAD and the start of CSSP will be three years in total. A small PMU team (led by the same project director) was maintained to prepare the follow-up project; other full-time PMU staff became redundant, while part-time staff in the districts retained their positions. The two mass organizations (the Women's Union and the Farmers' Union) will continue to be partners in the follow-up project, and a network of farmer-to-farmer trainers is supposed to be maintained under the Farmers' Union.
124. Even if the CSSP is about to kick off, the sustainability of 3PAD's benefits are fragile. Village visits showed that the level of farmer-to-farmer training activities is now reduced. Interviews revealed that the farmer trainers are currently not being paid, with the risk that trainers start seeking other employment.
125. Farmer groups whose function is to liaise with the enterprise purchasing their produce have continued after project end. However, as highlighted in the PCR, many CIGs are performing only moderately due to weak leadership and

inadequately institutionalized support from the Farmers' Union and the Women's Union. Field interviews informed the team that it is challenging to keep the CIGs together, particularly those groups that do not function well and lack support, business skills and good market access. According to the PCR, this accounts for 126 out of the 335 established CIGs.

126. Groups that were active for training and technical exchanges did not feel the need to continue over a long period of time. As explained by two group leaders in the field, "Two years were enough to learn new techniques to feed pigs." However, it is likely that poorer farmers required more time than better-off farmers in obtaining benefits.<sup>44</sup> Especially in remote upland areas, the small area of production land, the need for additional roads, and the lack of business skills and processing plants (to make products lighter for transport<sup>45</sup>) are possible barriers for farmers to continue working in groups and with certain project crops. Without one or the other it would be very difficult to reach markets or establish contracts (due to high transportation costs). Sustainable market-based development requires the joint planning of rural roads development and the introduction of cash crops.
127. CSSP plans to prioritize groups that are already well engaged in more developed value chain areas. Yet the aforementioned issues show that the benefits and mechanisms that are fundamental to maintaining and developing CIGs still need to be considered and that good local policy and strong support from the Government and CSSP are needed. The microfinance fund managed by the Women's Union was still in its embryonic stage at PCR but seemed sustainable during the PPE's field visits: the women's savings and credit groups were still receiving support and repayments being made.
128. **Long-term environmental sustainability: the issue of timber ownership.** One important point for future environmental sustainability is to ensure that households fully benefit from the timber harvest. DONRE has only allocated rights on land. Allocation of rights on timber stands is under the responsibility of DARD. Factors that have prevented the allocation of rights on timber stands include the failure to identify this need at design stage, and perception of an expensive process for the measurement of timber volume. This argument will be further explained in the section on Environment and natural resources management.
129. **Eco-tourism and PES.** The farmer guesthouses are growing in numbers in 3PAD's pilot village for eco-tourism, but the association of tourism operators has currently ceased its activities due to the lack of funds for operation. There is no formal partner. The Ba Be national park is developing its own eco-tourism services and has requested the village to stop its activities, as they are perceived as competing with its own tourism ventures. The villagers feel that too many constraints are placed on them to expand eco-tourism services. This is a negative outcome for the sustainability of the eco-tourism pilot. It leads to question whether 3PAD should have been involved in the tourism sector of a protected area, which was new for IFAD in Viet Nam, and if sufficient analysis had been conducted at design. The protected area management authorities took part in activities under the GEF grant but there was no evidence during the PPE mission that they had been formal project partners.
130. As discussed under Effectiveness, the PES for upstream was discontinued after two years, as it was too difficult to maintain and too few payments were made. However, this "landscape beauty" scheme is considered equivalent to a tourism tax and was highlighted as very promising in the GEF evaluation. Therefore, the provincial government has confirmed its intention to expand it in the future. The

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<sup>44</sup> The CIGs received an initial budget to purchase agricultural inputs such as breeding animals. The CIG database provides limited information about actual numbers of beneficiaries. All households benefited in some groups, only part of them in others.

<sup>45</sup> Particularly relevant for timber and the processing of canna to powder.

PPE team learned during the field discussions that setting up such an institution may require a long time given the governance structure in the tourism sector.

131. The development of an eco-tourism association and a voluntary PES scheme under it are activities that require facilitation and mediation over a long period of time, and no budget is currently available for such support in the province. The PPE team was informed that the eco-tourism activities will be discontinued in CSSP; however, this decision is linked to the insufficient number of poverty rates in that area, not to budget. The opportunities to continue and expand household-based eco-tourism remain unclear.
132. **Rating.** Based on the current fragile sustainability but high commitment of the Government – through a well-formulated exit strategy and follow-up phase – to sustain project benefits, the PPE rates this criterion as **moderately satisfactory (4)**, the same as PMD.

## B. Other performance criteria

### Innovation

133. **Identification of innovations during 3PAD.** IFAD defines innovation as a process that adds value or solves a problem in new ways. In order to qualify as an innovation, a product, idea or approach needs to be new to its context, useful and cost-effective in relation to a goal, and able to “stick” after pilot testing. Many 3PAD approaches were new in Bac Kan Province (as indicated in table 6 below) even if they had already been successfully tested in neighbouring provinces.
134. Other innovative outputs that were introduced during implementation entail the improvement and simplification of processes and their guidelines. Especially the guidelines for the issuance of LURCs and the CDF were praised by both beneficiaries and project partners (including the Farmers’ Union and Women’s Union) and are still used today.
135. APIF, the fund supporting linkages between enterprises and rural communities, was new to IFAD in Viet Nam and a key new activity for IFAD projects in the 2012 COSOP, but contracts between farmers and enterprises were not. What is new in APIF is, first, the commitment from enterprises to continue to collect produce from remote communities and, second, the enterprise contracts with farmer groups through their leader, not through the village heads. The follow-up project will be a period to test and further refine how these “new” elements in farmers’ access to markets will be confirmed as innovations.
136. The piloting of innovative environmental options for PES and community-based eco-tourism, as mentioned in other sections, was relevant and appreciated, yet the flawed design, insufficient financial support and short implementation time limited the scope and impact.
137. **Current status and perspectives.** The following table summarizes the innovative scope and current status of new features in 3PAD.

Table 6

**New features in 3PAD and their innovation status**

<i>New features in 3PAD</i>	<i>Innovation status</i>
Farmer-to-farmer trainer network	Yes, non-technical innovation
Integrated implementation with government programme	Yes, non-technical innovation
Compost	New in project districts, officially approved
Fodder grass (diversified species)	New in project districts, extension under national programme of single species
Mixed tree-crop planting	Indigenous knowledge, revived through project

<i>New features in 3PAD</i>	<i>Innovation status</i>
Intensive mixed agroforestry systems (sloping agricultural land technologies)	Piloted, not adopted <sup>46</sup>
“Landscape beauty” PES	Not sustained. Pilot for a tourism tax in the longer term
Participatory CDF	New in Bac Kan, improved implementation process
Participatory allocation of household LURCs in forestland	New in Bac Kan, improved implementation process, substantial scaling up after project
Allocation of community rights on protection forests	New in Bac Kan. Implementation of Viet Nam’s existing legal framework in core zone of protected areas
APIF	New in IFAD Viet Nam and a key new activity for IFAD projects in the 2012 COSOP. Will be further developed in CSSP, with more diversified approaches than cash-crop contracts
Eco-tourism	New in Bac Kan, sustainable as individual activity, only one village in the province (Ba Be district), association not sustainable

Source: PPE interviews with IFAD and IFAD partners. Number of ecotourism villages: provincial statistics.

138. **Two non-technical innovations.** Of broad relevance to upland areas in Viet Nam, the provincial government and project partners also introduced two non-technical innovations under 3PAD. Firstly, 3PAD is the only IFAD project in which the CDF was managed by the commune people’s committee staff in charge of the Government’s Programme for Socioeconomic Development in the Most Disadvantaged Communes ( “Programme 135”). Phase 2. 3PAD and this programme had different bank accounts, but one accountant (supported through 3PAD) and a coordinated planning process for infrastructure. This method was already in use in the projects of other donors, but 3PAD has refined it to the point that the follow-up IFAD project will be fully integrated with the NTP-NRD, including for staffing and M&E.
139. Secondly, a network was built with farmer-to-farmer trainers. This network did not replace public extension under DARD but added value to it by making the trainings on improved agricultural methods and techniques more accessible to local farmers and by lowering the cost of these trainings. The approach has been well accepted and appreciated by both the official extension system at provincial and commune levels and the beneficiaries.
140. **Rating.** Based on the numerous relevant innovative approaches and outputs, the PPE rates this criterion **satisfactory (5)**, the same rating given by PMD.

### Scaling up

141. Scaling up results is an overarching priority that directly supports the achievement of IFAD's mandate.<sup>47</sup> The definition of scaling up adopted in IFAD's operational framework for scaling up results is expanding, adapting and supporting successful policies, programmes and knowledge so that they can leverage resources and partners to deliver larger results for a greater number of poor rural people in a sustainable way.
142. Three processes for scaling up were established. First, state extension has officially recognized several technical packages<sup>48</sup> tested under 3PAD, and their eligibility for inclusion in the provincial public extension programme. Furthermore, as highlighted in the Innovation section, the farmer-to-farmer training approach has reportedly been expanded throughout the project area and elsewhere in Viet Nam.

<sup>46</sup> Interviews informed the team that the sloping agricultural land technologies (SALT) system was not compatible with the sustainable cultivation practises.

<sup>47</sup> Scaling up results (2014) <https://webapps.ifad.org/members/repl/10/3/docs/IFAD10-3-R-2.pdf>

<sup>48</sup> The PDR lists five techniques that were new in Bac Kan and are now approved by the State extension system for the province: system of rice improvement, compacted fertilizers, high-quality rice varieties, improved compost, and pig feed processed from cassava.

143. Second, as per IFAD's harmonization and alignment with the Government's Socio-economic Development Plan (SEDP) and MARD's Tam Nông strategy,<sup>49</sup> good practises from 3PAD<sup>50</sup> as well as more bottom-up planning processes are being scaled up through ongoing government programmes, with the NTP-NRD being the overarching umbrella programme. The NTP-NRD builds on the experience of government and donor programmes and comprises central and provincial components. The NTP-NRD is also the subject of a review supported by the World Bank and IFAD that is likely to sharpen its focus and is expected to receive substantial central government funding over the SEDP 2016-2020.
144. Third, contributing to this and building on 3PAD, IFAD and the Government approved a new project – the CSSP – which is expected to become effective at the end of 2017. This project will cover two provinces and a larger project area in Bac Kan.
145. As shown in table 7, the contribution of the Government, the beneficiaries and IFAD to CSSP is much higher compared to 3PAD. However, the latter still covers the largest share of the total funding. Moreover, no funding from bilateral or multilateral donors has been attracted at this stage for CSSP.

Table 7

**Overview of financier contributions at design (US\$ millions)**

<i>Project</i>	<i>IFAD contribution</i>	<i>Government contribution</i>	<i>Multilateral contribution</i>	<i>Beneficiary contribution</i>	<i>Total project cost</i>
3PAD	21.0	2.4	0.65 (GEF)	1.27	25.33
CSSP	42.5 loan 0.5 grant	20.6	--	10.7	74.3

Source: IFAD loans and grants administration and design documents.

146. **Rating.** Based on the aforementioned processes for scaling up, the PPE rates this criterion **satisfactory (5)**, the same rating given by PMD.

**Gender equality and women's empowerment**

147. **Participation in project activities.** Participation of women was strongly encouraged in all 3PAD activities. Indicators were disaggregated by gender and used as a lever to promote change among government staff. According to the PCR, women's participation in all project activities reached 56 per cent, exceeding the set target of 40 per cent. Women accounted for 48 per cent of participants in capacity-building activities, and over 60 per cent of the CIG members are women. With the support of the Women's Union, the project also created 155 livelihoods and rights clubs for women<sup>51</sup> with the aim to improve women's livelihoods and actively address women's rights. All LURCs were issued jointly to husband and wife, in accordance with a recent requirement of the legal framework.
148. However, even if the project design contained a gender mainstreaming strategy, it did not include specific gender targets for the various project activities. Therefore, the evaluation is unable to compare actual achievements with baselines.
149. Around 2014, the Women's Union established a Women's Saving and Credit Fund for the project<sup>52</sup> to serve as a long-term microfinance scheme and respond to the more practical needs of poor women and families, as credit from the formal

<sup>49</sup> For more information, see the COSOP (2012) <https://webapps.ifad.org/members/eb/105/docs/EB-2012-105-R-6.pdf>

<sup>50</sup> Among which the participatory allocation of household LURCs in forestry land and the participation of agribusinesses as vehicle to scale up APIF. Both Ban Kan and the central government see APIF as a new cooperative model for sustainable rural development supporting commodity production, closely associating farmers with enterprises. See also the Innovation section.

<sup>51</sup> This approach to women's groups has already been recommended and piloted by CARE in other upland areas in the country.

<sup>52</sup> Originally, the Women's Savings and Credit Fund was not part of the project design. However, as the foreseen Agroforestry Development Fund was not relevant to the farmers' needs, it was replaced with this fund in 2014.

banking sector is difficult to access for women. As the fund was only implemented towards project completion, its scale has been relatively small (VND 19.2 billion by the end of 2015 for 1868 households, including 335 poor households with VND 2.98 billion) and capacity of the Women's Union is still weak. Repayment is said to be slow but under control. Difficulties in repayment occur mostly with the poorest families.

150. **Promotion of gender equality and women's empowerment.** Three means of promoting women's empowerment appear to have been effective: the CIGs, the emergence of farmer-to-farmer trainers who are both men and women, and the provision of small loans, which were for agriculture and for forestry. The CIG database shows that 56 per cent of the CIG group leaders were women and that some of these women are now in charge of coordinating their group with an enterprise.
151. The field mission confirmed that the project's inputs were relevant and appreciated. However, as the Women's Union and 3PAD were unable to cover all areas, CSSP will need to expand efforts and address the obstacles that poor women and women-headed households are still facing in escaping poverty and enhancing empowerment.
152. For example, the FGDs and interviews highlighted how women in all ethnic groups still have difficulties in voicing their opinions, including in Tay communities. In remote Hmong communities, where gender disparities are strong, the Women's Union tested a different approach, working with both men and women, but the scope of this activity was limited. This will remain a long-term challenge, in particular due to language barriers, limited funds and cultural attitudes.
153. In the final RIMS survey, respondents stated that decision-making in the family was increasingly shared, but this may reflect enhanced awareness about the issue rather than actual change; answers in the non-project districts are much less positive. PPE field work confirmed that women are more involved in the decision-making process, but that final decisions over important affairs (e.g. on family matters and production activities) often lay with the husband. There is still gender disparity in access to and control over resources and men control most productive inputs in the farming and forestry sectors. In fact, the design document of the CSSP project highlights how cultural attitudes to women remain a major constraint to their achieving equality and parity with men. It further emphasizes the need to remove the barriers around their access to and control over relevant resources.<sup>53</sup>
154. The RIMS survey further revealed that although there is a division of labour between men and women, the women still have to take care of most of the housework as well as work on crop production and livestock-raising. In fact, some women highlighted that cash crops introduced, such as canna, results in hard work for women (as harvest happens in winter) and not all of them felt they had enough time available to participate in project activities. They are also less involved in commercial activities, business (farm) management and marketing activities.
155. Interviews with project partners emphasized that the move from women's participation to women's empowerment is a process that requires clear indicators and targets beyond participation, as well as training for implementing partners on the benefits of women's engagement. Moreover, gender equality activities should follow tailored strategies.
156. **Rating.** Significant efforts were made in an environment where issues related to gender equality and women's empowerment remain a long-term challenge. However, since the project focused more on participation and less on the sharing of

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<sup>53</sup> These include direct access to credit, land, water and other agricultural inputs, women's active participation in organizations, including decision-making bodies at all levels, access to extension information and services, access to education and training, and participation in decision-making and management (CSSP design document, page 69-71).

the workload and responsibilities, on this criterion the PPE rates 3PAD as **moderately satisfactory (4)** instead of PMD's satisfactory rating (5).

### **Environment and natural resources management**

157. **Approaches and measures for sustainable management of natural resources.** The PPE analysed the project's contribution to resilient livelihoods and ecosystems, which in turn contribute to poverty reduction. 3PAD has made a substantial contribution to the sustainable management of sloped land zoned for timber plantations ("production forestland") in two fields: the process to allocate rights to households on these lands; and the mix of tree species. Beyond this, an approach that promotes the role of upland communities as stewards of forestland has been refined under the project. 3PAD has implemented the national forestry strategy on a substantial scale. The project has supported a significant shift of approach in the province, as analysed in previous sections. Under the previous national framework, only a small number of more able individuals were contracted to assume the responsibility to protect forestland. In 3PAD, poor communities from the various ethnic groups take this responsibility and are supported to improve their crops, animals and timber plantations. 3PAD has promoted a mix of individual and community stewardship: land use rights are individual, in parallel with community involvement. Allocation of community land use rights to the whole village has taken place in a small number of villages – an existing feature in the legal framework but with limited implementation so far.
158. **Land use change.** As noted in the section on Productive assets, there is a significant lack of information on land use change in the project area. District-level statistical data accessed during the PPE show that the population density has remained relatively stable (increasing from 57 to 60 inhabitants per square km), as well as the allocation of agricultural land, which accounts for only 10 per cent of the total land area, with paddy fields accounting for around half. The survey data indicate a slow decline in the use of sloped land for cultivation: 80 per cent of respondents stated that they never practiced "shifting cultivation" in 2014, compared to 69 per cent in 2009.<sup>54</sup>
159. **Contribution to reduction of environmental vulnerability of communities.** The project built capacity in sustainable management of forestland at community (village and commune) level. Significant effort was made during the first half of the project in setting up forest management boards at commune or village level. Village regulations on the use of PES are in use, as observed in village discussions. For example, in the village visited with community land use rights on forestland, the PES proceeds are collectively managed and allocated to forest patrolling and small works in the village. Farmers have become more aware of their contribution to the protection of forest and water resources in upper watersheds. Two-thirds of mini-survey respondents stated that their contribution to the protection of forestland had increased substantially. However, the limited payments for PES from hydropower in Bac Kan are a limiting factor to build this awareness.
160. Another key contribution from the project was the provision of technical support to households to plant not only Acacia, which is by large the main species for timber plantations throughout Viet Nam, but also native timber species such as "mo" *Manglietia glauca* Blume, *Canarium sp* and *Pinus sp*. The rationale is economic – Mo timber is adapted to the demand from local wood-processing enterprises, whereas Acacia is for paper pulp-processing outside of the province – but the outcome is more resilient smallholder timber plantations.
161. **Improved forest cover.** As shown in the ToC, 3PAD promoted the expansion of household timber plantations together with technical guidance and small loans for

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<sup>54</sup> The reliability of information on "shifting cultivation" is probably limited. In technical terms, households nowadays appear to practice rotational agriculture with a variable duration of fallows. The PPE did not have the resources for direct observation of rotational agriculture.



tree seedlings, after allocation of clear land use rights. This approach visibly contributed to improve the forest coverage: 85 per cent of mini-survey respondents said that the vegetation cover had improved and interviews confirmed that the hills are "green again". The PCR data demonstrated that between 2009 and 2014 forest cover increased by 7, 11 and 22 per cent in Na Ri, Ba Be and Pac Nam districts, respectively. To guarantee future environmental sustainability, as already discussed in the Sustainability section, it will be important to allocate rights on timber stands and ensure that households can fully benefit from the timber harvest.

162. **Rating.** Based on the discussed approaches and measures for sustainable management of natural resources, and despite a lack of quantitative evidence, the PPE rates this criterion as **satisfactory (5)**, the same as PMD.

### **Adaptation to climate change**

163. **Climate change in the project area.** As climate change is becoming increasingly present, Bac Kan Province is expected to be subject to extreme climatic events, including drought, heavy rains and periods of low temperatures with snow. Poor rural communities are vulnerable to these events, both for farming activities and access to markets and services. Among others, such events pose increased risks to water scarcity, soil erosion, natural resource reduction, landslides and floods, and reduced soil fertility and productivities. Moreover, they affect livestock (e.g. increased risk of deaths<sup>55</sup>), crops/cropping patterns, food security and possibly the health of animals and humans due to the epidemic occurrence of diseases.
164. **Vulnerability awareness and analysis.** Even if the effects and implications of climate change in Viet Nam were already known at the time of project design, climate change issues were considered rather new subjects. The design documents made no mention of vulnerability to climate change or reference to the need to adapt and build resilience. There was also no indication of contribution to climate change adaptation over the life of the 3PAD project, even if the awareness and reporting<sup>56</sup> on severe weather events and the negative effects on crops and livestock increased over the 3PAD project life time. The PCR and supervision reports discussed climate change mitigation, not adaptation. One may relate this to the focus of the GEF grant on carbon sequestration.
165. In addition, as a cross-sector project 3PAD was not strongly linked to the national policy framework for adaptation in agriculture, which was launched in 2008. In recognition of this flaw, "developing upland production systems with due attention to climate change adaptation" is one of the priorities in the follow-up CSSP project that was designed in 2016. During the preparation of CSSP, the knowledge base and capacity to adapt under 3PAD were assessed as low.
166. **Knowledge and skills of poor rural people regarding adaptation.** Training and extension under 3PAD have nevertheless brought some activities that will indirectly help poor rural people to become more resilient. For example, winter cold spells are expected to increase, and the introduction of fodder grass in the land use systems will help farmers to raise the animals' resilience. Less prominent topics in 3PAD such as the extension of drought-resistant maize varieties on paddy fields are also consistent with adaptation needs, as noted in the PCR. The plantation of trees also contributes to climate change adaptation as it helps combat soil erosion on slopes and helps reduce flooding risks by improving water infiltration.
167. In the final RIMS survey, households reported that the occurrence of natural disasters had decreased compared to five years ago. However, this should be seen more as an indication of the increased environmental awareness that was also observed through the mini-survey than as the actual impact of better slope land

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<sup>55</sup> Among others due to cold spells.

<sup>56</sup> Among others by the Ministry of Agriculture and various donors in the country.

management that was reported in the PCR. In fact, interviews with beneficiaries, project staff and donors during the field mission confirmed that the effects of climate change are becoming increasingly visible. In fact, according to provincial interviews, more efforts are needed to mainstream climate change adaptation into agriculture and rural development (e.g. water management) and to improve the knowledge base and capacity among key institutional actors.

168. **Rating for climate change adaptation.** Based on the increased environmental awareness, the indirect support to help poor rural people to become more resilient, but insufficient contribution to climate change adaptation in the project design and over the life of the 3PAD project, the PPE rates climate change adaptation in 3PAD as **moderately satisfactory (4)**, one rating lower than PMD (5).

### **C. Overall project achievement**

169. 3PAD was an effective project. A high share of rural households in the three project districts in one of the most difficult provinces in Viet Nam's northern uplands now have secure rights on their sloped land, have built individual and collective skills through farmer groups, invested in small-scale infrastructure and/or have started accessing small loans for simple crop and animal production. Decentralization to district and commune levels allowed a high coverage in an efficient manner, while building skills among local government agencies.
170. Strong commitment from the implementing partners was key to the success of the project. Remarkable restructurings by IFAD and the Government contributed to improving the design and relevance and therefore achieve effectiveness and impact to the extent possible. Despite these significant efforts, the absence of operational indicators affected the project throughout implementation and limited the monitoring of the project's outputs, outcomes and impact.
171. 3PAD was also an innovative project. Among the many ideas that were tested and were new to the province and/or to IFAD in Viet Nam, two have the status of non-technical innovation: the creation of a network of farmer-to-farmer trainers for demand-driven agricultural extension; and integrated management of an IFAD project and a government programme.
172. Significant efforts were made to encourage the participation of women in all project activities. However, in an environment where gender equality and women's empowerment remain a long-term challenge, more needs to be done.
173. The APIF initiative has tested the option to connect business enterprises with farmers through contracts and highlighted the potential for upland products with higher environmental quality. Much remains to be done to actually create value for a larger number of households, including poorer ones. CIGs are a useful initiative for sharing experience among farmers. However, the benefits and mechanisms that are fundamental to maintaining and developing CIGs still need to be better understood and strengthened.
174. Substantial contributions were made to ensure the sustainable management of sloped land, the improvement of forest cover and the reduction of the environmental vulnerability of communities. Climate change adaptation is rated less positively: attention was focused on climate change mitigation through the forestry sector, not climate change adaptation to improve the resilience of poor farmers and communities.
175. The poverty reduction impact should become increasingly visible in the longer term under CSSP and the planned scaling-up of activities under ongoing government programmes. The follow-up project should also reinforce the sustainability of benefits under 3PAD, which are currently fragile in the interim phase.
176. **Overall rating.** Based on the above, the PPE rates overall performance of the 3PAD project as **satisfactory (5)**. Annex III provides a full picture of PPE ratings.

## **D. Performance of partners**

### **IFAD**

177. **Initial design and adjustments.** The Government believes IFAD to be an important development partner and that the IFAD Viet Nam country office has helped raise the profile of the institution. Close relations have been built with the Bac Kan Province and its various districts and communes. Moreover, as also highlighted in the Country Programme Evaluation, the ability to communicate with the country office in Vietnamese is an added advantage.
178. At the same time, there appears to have been insufficient oversight of the project's approval process within the institution. There was no request for a quality logical framework along IFAD's approval chain for the project. There is no evidence that a less ambitious and more relevant approach to agricultural extension had been advised, or that a reduction of the large budget initially planned for international technical assistance had been recommended. After project launch, the IFAD Viet Nam office worked jointly with the Bac Kan provincial government to make the initial design more operational, through adjustments and simplifications. These adjustments were relevant and effective but took place too late to prevent a slow pace of implementation during the first years. The project's information system was designed after project mid-term to complement IFAD's RIMS.
179. **Implementation period.** There was strong commitment from the IFAD Viet Nam office throughout implementation. IFAD provided direct supervision support during and in between the annual missions between 2010 and 2015. It did so with a view to promote scaling-up of project successes and foster policy dialogue with the Bac Kan Province government. The missions provided clear and detailed recommendations. They covered a broad range of topics from improved targeting or pushing for innovation to compliance with the covenant and timely preparation of an exit strategy. The IFAD office in Viet Nam organized access of the 3PAD PMU staff to the network of IFAD-funded projects in Viet Nam. It encouraged partnerships with the Women's Union and the Farmers' Union. Additional grants were mobilized when needed to organize technical assistance from the international research institutions and non-governmental organizations having an office in Viet Nam.
180. **Rating.** Based on discussed design revisions, the strong commitment from the country office and good supervision, the performance of IFAD during 3PAD is rated **satisfactory (5)**, the same as PMD.

### **Government**

181. **Government ownership and staffing.** Commitment at provincial and national levels and management performance during project implementation were equally strong. A project steering committee allowed establishment of a full PMU system at province, district and commune levels. The PMU director remained throughout the project. He put in place what has proven to be an effective, decentralized management system using existing capacity at district and commune levels. The Ministry of Planning and Investment monitored the project at provincial and central levels. Audits by international firms recruited by the project took place on an annual basis, and no serious problem was identified. The fact that only 89 per cent of counterpart funds could be assembled, and that they were assembled with delay, relates to difficult planning and budgeting procedures in the Government, not to a lower level of ownership over the project. There was, however, an unexplained high turnover in project staff other than key staff members.
182. **M&E.** During the initial years of the project, the PMU faced difficulties in ensuring a functional M&E system due to lack of experience in managing an IFAD-funded project. With support from local consultants, this issue was addressed after MTR through (i) reviewing and making adjustment to results, indicators and targets; (ii) improving data collection and assessing methods through annual monitoring,

Annual Outcome Survey, RIMS+ survey and evaluations; and (iii) introducing result-based reporting. Nevertheless, the M&E system was never fully built and, as highlighted in paragraph 49 of the Relevance section, the absence of operational indicators affected the project throughout implementation and limited the monitoring of the project's outputs, outcomes and impact indicators. The creation of a separate CIG database has proven useful for the purpose of process monitoring, and specifically for the implementation of APIF.

183. **Collaboration among agencies.** The shift in the main project partners was decided to improve implementation and ensure consistency with decentralization. District governments, the Farmers' Union and the Women's Union have been active project partners. The participation of the provincial agricultural department was initially important, but it mostly took the form of service contracts with the PMU. It was very limited afterwards. The provincial government knew early on that a follow-up project was likely to take place and that it would continue to take place through a provincial PMU, not through technical departments. Limited participation of DARD nevertheless meant absence of a strong formal feedback channel to MARD. This ministry is now managing the NTP-NRD so that such direct feedback has improved for the preparation of CSSP.
184. **Available knowledge in implementation.** Universities, institutes, non-governmental organizations and international technical assistants have been service providers in innovative environmental pilots as well as in training courses and additional studies. This was described as useful by project stakeholders.
185. **Rating.** Based on the above, the performance of the Government during 3PAD is rated as **satisfactory (5)**, the same as PMD.

## **E. Assessment of the quality of the project completion report**

186. **Scope.** The PCR is a well-written document with a quality format, prepared with support from a consultant team. The narrative is based on the latest indicators, and both positive and less positive results are reported. The PCR highlights outcomes in terms of coverage of the poor (and nearly poor) population. By and large, it covers all the evaluation criteria, albeit not everywhere with sufficient detail and depth, such as for the impact domains and for overall project efficiency, performance of partners and scaling-up of activities. Based on these considerations, the scope of the PCR is rated as **moderately satisfactory (4)**.
187. **Quality.** The PCR process included a full RIMS survey in 2014 and a child nutrition survey. The main report provides a very detailed economic analysis of the profitability of household and enterprise activities. Provincial and district workshops took place to validate findings. Based on these considerations, the PPE rates the quality of the PCR process as **satisfactory (5)**.
188. **Lessons.** The PCR presents many useful and informative lessons on the project and recommendations for the improvement of similar projects in the future. Therefore, the PPE rates this criterion as **satisfactory (5)**.
189. **Candour.** Even though the evaluation finds that some sections over-emphasize the achievement of results on the ground, project issues are treated transparently and candidly, and both positive and negative lessons are illustrated. Overall, the evaluation assigns a candour rating of **satisfactory (5)**.

## IV. Conclusions and recommendations

### A. Conclusions

190. This section presents the PPE findings that are of broader relevance for IFAD projects in Viet Nam uplands in general, and more specifically to the follow-up project, CSSP. They may also be of relevance to upland rural development programmes and IFAD operations in the region.
191. **3PAD activities were successful when they were implemented through a well-defined delivery mechanism, with simple guidelines for decentralization and on the basis of clear principles.** This allowed the three main activities (mass reissuance of land titles on sloped land zoned for forestry, community development funds with a simple structure, and calls for proposals for enterprises interested in linking up with upland villages) to be implemented on a broad scale and to reach poor households. The implementation processes have been approved for replication by the provincial government.
192. **An improved method for mass allocation of land use rights on forestland is a significant contribution of the 3PAD project.** The new national forestry strategy that called for making ethnic minority households and communities the stewards of forestland has been implemented successfully and at a full scale in three districts under 3PAD. This was achieved in an efficient, replicable manner, through decentralization and participation.
193. **3PAD's focus on decentralization enhanced the participation of local people and encouraged bottom-up approaches.** The project contributed to confirm the importance of decentralized planning at district and commune levels, with the participation of the villages. This decentralized approach allowed for cross-sector coordination and raised attention to the needs of poor households among all project partners. Thanks to MTR recommendations, good results have been reached for both poor and near-poor households, taking into account the diverse needs of different villages (in terms of agro-ecology, topography and distance to roads) and different households (poverty level and ethnic group).
194. **Insufficient design of the project's main building blocks, especially M&E, remained an issue throughout the project.** With earlier completion of the operational design of the project, activities would have started sooner and generated more poverty reduction impact. The M&E system was never fully built. It did not provide strategic information on project coverage or land use change. Furthermore, the monitoring of the project's outputs, outcomes and impact indicators was limited.
195. **Agroforestry in 3PAD meant equal attention to smallholder agriculture and smallholder forestry.** Both have been covered in training and agricultural extension. This was especially relevant in the context of a province with a dominant forestry sector. Agroforestry in the sense of mixed crop-animal-tree systems has been present but with a much more limited contribution. Partnerships with enterprises have focused on cash crops as a first step. There is now a need to clarify household rights on timber stands, and to invite an increasing number of processing enterprises in the forestry sector.
196. **Small roads and irrigation are pro-poor investments that remain highly relevant in ethnic minority communities and for IFAD interventions.** IFAD projects are increasingly focused on pro-poor productive partnerships. 3PAD implementation has demonstrated that improving physical access to the villages and the construction/rehabilitation of irrigation for food security are equally important and should remain part of the development activities. There is now a well-established community development fund mechanism, and IFAD has helped direct it to poorer communities.

197. **Linking ethnic minority villages to the market through farmer groups has an important social dimension and requires additional support.** Skills to interact with market operators, and confidence to do so, remains a significant obstacle for households and communities. Non-poor households in villages closer to the road are only starting to gain capacity in this field. It is also likely that remote villages have specific features that may justify a different approach. In this process, some of the more vulnerable households may not be in a position to gain from engaging in commercial agriculture. In fact, the social complexity of the target groups and the different needs between the poor and the near-poor influenced the level of impact that could be reached.
198. **Piloting environmental innovation and new approaches to agricultural extension in parallel with the development of pro-poor agricultural value chains was ambitious.** While new approaches have effectively been piloted in these three fields, innovation in the project is only confirmed for agricultural extension. Environmental pilots came too early and the absence of a formal partner in the province reduced their outcome. APiF in 3PAD was a useful first step that will develop further under the follow-up project CSSP. In CSSP and other new-generation projects supporting pro-poor productive partnerships in Asia, building value chains is likely to be the prime field for innovation. Innovation will not be about what to produce, but how to create value and how to improve access of upland communities to the market.

## **B. Recommendations**

199. **Recommendation 1. The forestry sector should be fully mobilized for poverty reduction in ethnic minority areas.** In areas where allocation of secure rights on sloped land has not yet been finalized, 3PAD provides best-practices to implement this activity. Moreover, in all upland areas including Bac Kan, an immediate next step is to carry out allocation to households of rights on plantation timber. This should rely on community participation rather than on external consultants, using simplified forest inventory techniques in order to reduce costs and ensure that community members gain full knowledge on the status of their timber resources. Natural timber should be allocated to communities, not individual households. Pro-poor productive partnerships should cover not only cash crops but also smallholder timber plantations. This will require inviting enterprises from the wood-processing sector to engage with farmer groups. Since household timber plantations are small and low-intensity managed forests, forest stewardship council certification for sustainable timber is an opportunity to create value in Bac Kan Province. It deserves being piloted in CSSP.
200. **Recommendation 2. Improved transportation, irrigation, sustained capacity-building efforts and a differentiated approach are needed to build value chains in Viet Nam's upland areas.** Investment in small infrastructure, improved transportation means and irrigation should receive continued attention in upcoming projects in upland areas. There is now a well-established community development fund mechanism that deserves to continue to be supported through IFAD projects in parallel with the construction of upland value chains. Furthermore, ensuring that both poor and near-poor households benefit, in a context of diversified ethnic cultures with a number of remote communities, deserves a careful and differentiated approach, centred around the development of individual and collective capacities. The social risks associated with the entry of vulnerable communities into commercial relationships – such as sales of land use rights by the poor, or elite capture in farmer groups – need to be monitored as part of IFAD's Social, Environmental and Climate Assessment Procedures..
201. **Recommendation 3. Innovation in a project should mobilize formal partners around one well-defined challenge.** This will require, just as during 3PAD, a flexible approach during project implementation: opportunities for innovation identified at design stage may or may not prove to be relevant or

feasible. Spreading efforts on several distinct challenges should be prevented. Innovation does not have to be technical, although technical innovation may also be needed. What is required is an appropriate mix between ideas coming from outside, especially from enterprises, and ideas identified by local partners through project implementation. The tourism sector should only be included if tourism stakeholders are formal project partners.

202. **Recommendation 4. More attention to the building blocks of a project is needed at design stage.** The design stage deserves being managed as a critical process to ensure quality of the project. The formulation of a small number of outcomes deserves attention. A full M&E system must be ready before project launch and provide full information on coverage. Appropriate context indicators (land use, productive assets of the poor, and implementation of the national programme serving as the framework for the IFAD project) also deserve careful monitoring.

## Basic project data and project financing

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia and the Pacific	Total project costs	25.3		25.7	
Country	Viet Nam	IFAD loan and percentage of total	21.0	82.9%	21.4	83.3%
Loan number	768-VN	Borrower: Government of Viet Nam	2.4	9.5%	2.1	8.3%
Grant number	GEF-MSP-19-VN					
Type of project (subsector)	Rural development	Co-financier: Global Environment Fund	0.65	2.6%	0.66	2.6%
Financing type	Loan	Beneficiaries' contribution	1.27	5.0%	1.5	5.8%
Lending terms <sup>*</sup>	Highly concessional					
Date of approval	Dec 2008					
Date of loan signature	Feb 2009					
Date of effectiveness	May 2009					
Loan amendments	(none)	Number of beneficiaries (persons)	Total: 96,280		Direct: 39,300 Indirect: 56,982	
Loan closure extensions	(none)					
Country programme managers	Atsuko Toda Henning Pedersen Thomas Rath (current)	Loan closing date	Dec 2015			
Regional director(s)	Thomas Elhaut Hoonae Kim (current)	Mid-term review	May 2012			
Lead evaluator for project performance evaluation	Renate Roels, under the direct supervision of Michael Carbon	IFAD loan disbursement at project completion (%)	100%			
Project performance evaluation quality control panel	Kouessi Maximin Kodio Fabrizio Felloni	Date of project completion report	March 2016			

Sources: Project design report (2008), President's report (2008), Project completion report (2016).

<sup>\*</sup> Lending terms: special loan on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of 10 years.



## Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
<b>Rural poverty impact</b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. <i>Four impact domains</i>	X	Yes
	<ul style="list-style-type: none"> <li>Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
<b>Overall project achievement</b>	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
<b>Performance of partners</b>			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

\* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

## Rating comparison

<i>Criteria</i>	<i>Program Management Department (PMD) rating</i>	<i>Project Performance Evaluation rating</i>	<i>Rating disconnect</i>
<b>Rural poverty impact</b>	5	4	-1
<b>Project performance</b>			
Relevance	5	4	-1
Effectiveness	5	5	0
Efficiency	5	5	0
Sustainability of benefits	4	4	0
<b>Project performance<sup>b</sup></b>	4.8	4.5	-0.3
<b>Other performance criteria</b>			
Gender equality and women's empowerment	5	4	-1
Innovation	5	5	0
Scaling up	5	5	0
Environment and natural resources management	5	5	0
Adaptation to climate change	5	4	-1
<b>Overall project achievement<sup>c</sup></b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	5	5	0
Government	5	5	0
<b>Average net disconnect</b>			<b>-0.3</b>

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

<sup>b</sup> Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

<sup>c</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

<sup>d</sup> The rating for partners' performance is not a component of the overall project achievement rating.

### Ratings of the Project Completion Report quality

	<i>PMD rating</i>	<i>IOE rating</i>	<i>Net disconnect</i>
Scope		4	
Quality (methods, data, participatory process)		5	
Lessons		5	
Candour		5	
Overall rating of the Project Completion Report		5	

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

## Summary of the mini-survey methodology

1. As described in the first chapter of the report, the PPE benefitted from a mini-survey. This data collection tool was chosen to fill in several information gaps on impact domains. Therefore, a short written questionnaire of three pages was set up with multiple choice questions covering subjects such as (i) income and assets; (ii) market access; (iii) access to credit; (iv) involvement in CIGs, agriculture and livestock; (v) food security and malnutrition; (vi) ownership of LURCs; (vii) human and social capital empowerment; and (viii) ENRM.
2. The PPE team applied a so-called convenience sampling method, which is used when there are only a limited number of available members of the target population who can become participants in the survey. In this case, an average of ten members of the target population were interviewed in each village. The mini-survey questions was piloted in two villages, then further improved, and implemented in a total of 11 villages across 9 communes in the three project districts. The total coverage was 113 participants and women accounted for 43 per cent of respondents to the mini-survey. Even if the scope and sample size are small, it has proven a useful additional data-collection tool to collect information, triangulate findings, give guidance during the interviews and FGDs and provide valuable information on poverty reduction impact.
3. The project villages were selected with the PMU team. However, to get a comprehensive understanding of the project results, the PPE team applied a number of selection criteria to ensure a good balance between communes and villages. The selection criteria are (i) are included/excluded from the second phase, (ii) did or did not benefit from the Agricultural Promotion Investment Fund (APIF); (iii) did or did not benefit from eco-tourism and Payment for Environmental Services (PES) initiatives; and (iv) where the project team felt the project had made more or less progress. Furthermore, much attention was paid to ensure all different ethnic groups covered by the project were visited and that men and women would be equally involved.
4. During the implementation of the mini-survey, more literate villagers helped less literate villagers to fill in the survey questions. Herewith, the mini-survey was possibly exposed to the response bias called social desirability, where people like to present themselves in a favourable light in front of others and to some extent reluctant to tick negative responses. Furthermore, there was a risk of respondents being influenced by answers of fellow respondents wherever they were sitting in groups. The PPE team however tried to avoid this as much as possible and stimulate people to fill in the questions individually, after explanations were provided.

## Approach paper

### A. Background

1. For completed investment projects financed by IFAD, its Independent Office of Evaluation undertakes: (i) validation of project completion reports (PCRs) for all projects, based on a desk review of PCRs and other documents; and (ii) project performance evaluations (PPEs) involving country visits for a number of selected projects (about ten in a given year).
2. A PPE is a project evaluation with a limited scope and resources. It is generally based on a desk review, followed by additional information and data collection by IOE at the country level through a short mission. In general terms, the main objectives of PPEs are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. The Pro-Poor Partnership for Agroforestry Development Project in Bac Kan (3PAD) in Viet Nam (implemented between 2008 and 2015) has been selected for a Project Performance Evaluation to be undertaken by IOE in 2017. The 3PAD project was selected, inter-alia, to explore the topic of agroforestry. Up to date, IOE has not evaluated many specialized agroforestry projects.
4. This approach paper presents the overall design of the PPE, including the evaluation objectives, methodology, processes and timeframe. The evaluation framework presented in annex II provides a summary of the evaluation criteria and key questions that will be used in conducting the evaluation.

### B. Programme overview

5. **Project area.** Bac Kan is an upland province in Northern Viet Nam, with a mostly indigenous population and the highest incidence of poverty in the country. The province has a widely dispersed population, limited agriculture land and a rugged karst mountain terrain that poses considerable logistical challenges. At the same time, the forestry resources are relatively underdeveloped and there is significant potential for developing the livestock industry, aquaculture and tourism, given the openness of the Government to market-led reform, as well as public and private investment in the agricultural sector. Forestland and forest resources are considered the most important asset for the economic development in the province.
6. The project covered three of the five districts in the province that are more remote from the provincial centre (Ba Be, Pac Nam and Na Ri districts) and all of their 48 communes. Among the three districts, Pac Nam had the highest poverty rate of 52.08 per cent in 2009.
7. Ba Be and Pac Nam districts have a more upland environment. While the BA Be national park has a potential for forestry, livestock and ecotourism development, forestry resources were subject to various threats and provided few economic returns. Na Ri district has a more favourable environment and had a potential for the development of agricultural value chains. There are clear differences between the indigenous peoples in their poverty status in the province, ranging from Tai (28 per cent in 2008) to Nung (43 per cent), Dao (56 per cent) and Hmong (81 per cent); by contrast, the poverty rate among Kinh people in the province was only 16 per cent at project start. Poverty is mainly associated with remoteness, poor infrastructure, limited education level, and limited access to market and services.
8. **Project objectives.** The project was designed at appraisal with a two-level objective framework. The **goal** of the project was to achieve sustainable and equitable poverty reduction and improved livelihoods for the rural poor in Bac Kan Province through enhanced forest land management. The **purpose** of the project

was to establish a framework for sustainable and profitable agroforestry development in Bac Kan Province that targets poor rural households.<sup>1</sup>

9. **Target group and targeting approach.** The target groups are the poor upland male and female farmers living in the three project districts of Bac Kan, particularly the women, who provide the majority of the agricultural labour. These communities mostly belong to the Nung, Dao, Mong and Tay ethnic minority groups.
10. In accordance with the IFAD Policy on Targeting, the project adopted a self-targeting approach<sup>2</sup> for poor communities in upland areas, whose livelihoods depend on agriculture, forestry and livestock production on hillside slopes, limited rice production in small, partially irrigated upland valleys and the collection of non-timber forest products on the small areas of forestland allocated to them. Greater equity in the allocation of such land, development of more sustainable hillside farming systems, diversification of income-generating opportunities, and the piloting of payments for environment services (PES) were expected to generate benefits for the poor communities living in the uplands of Bac Kan.
11. *Gender.* Within the target group, women farmers were particularly targeted in the design of the project. Especially women's common interest groups, formed out of livelihood-based groups and clubs for the promotion of rights, were expected to provide specific opportunities for women to access the community development fund.
12. **Programme components.** The 3PAD project was designed to include four components:
13. **Component 1: Sustainable and equitable forest land management.** This component was designed to provide equitable allocation of forest land resources to local households, especially the poor and ethnic minority based on defined and operational sustainable management procedures. Such objective was achieved through implementation of relevant activities under the following sub-components: (i) forest land use planning and allocation; and (ii) forest land access and use. After the forestland was planned and allocated, households, individuals and private companies would receive forestland use certificates for their sustainable management and utilization.
14. **Component 2: Generating income opportunities for the rural poor.** The component aimed at developing the livelihoods of the rural poor in sustainable ways through investments in infrastructure, human capacity development, better technology and agro-forestry business management practices and effective service delivery systems. Two sub-components were financed under this component: (i) community driven technology and service development; and (ii) investment for growth. The latter would include an Agribusiness Promotion Investment Fund (APIF) and a Community Development Fund (CDF). The APIF was designed to leverage private investment into potential value chains through which market opportunities for farmer households would be created. The CDF was composed of three interlinked sets of activities with separate funding mechanisms, including (i) public goods investments, (ii) pro-poor agro-forestry development funds, and (iii) service delivery contracts to farmers.
15. **Component 3: Innovative environmental opportunities.** The objective of this component was to develop socially, environmentally and economically sustainable sloping land conservation and protection systems, through the following activities: (i) forage-based conservation and other innovative sustainable land management

<sup>1</sup> The Presidents Report renamed that goal as a development objective, and that statement of purpose as a policy and institutional objective for the project. The loan agreement reverted to the initial objective framework with the above goal and purpose statements.

<sup>2</sup> This is described as a self-targeting approach in the appraisal report. It is actually a "pro-poor by design" approach assuming that upland activities are pro-poor.

and sustainable forest protection programmes; (ii) payment for environment services (PES); and (iii) pro-poor eco-tourism development.

16. **Component 4: Project management.** The objective of this component was to enhance capacity to implement project interventions in an efficient and effective manner, through: (a) the establishment of a Project Steering Committee; and (b) the establishment of a Project Management Unit (PMU).
17. **Project financing.** Total costs for 3PAD was estimated at US\$25.33 million, of which IFAD loan accounted for 82.9 per cent of the total project budget (US\$21,000,000); Government counterpart fund was 9.5 per cent (US\$2,415,300), GEF was 2.6 per cent (US\$650,000) and contribution from beneficiaries 5 per cent (US\$1,265,000). The project budget and actual cost are shown in table 1 by financier and in table 2 by component. However, it was noted that the project cost estimates and actuals vary somewhat among different documents.

Table 1

**Project financing by financier as stated in the project completion report (US\$)**

	<i>Approved</i>	<i>% of total</i>	<i>Actual</i>	<i>% of total</i>
IFAD loan	21,000,000	82.9	21,441,984	83.3
GEF grant	650,000	2.6	657,723	2.6
Government of Viet Nam	2,415,300	9.5	2,141,801	8.3
Beneficiaries	1,265,000	5.0	1,490,379	5.8
Total	25,330,300	100	25,731,888	100

Source: Project Completion Report (2016).

Table 2

**Project financing by component as stated in the project completion report (US\$)**

	<i>Planned</i>	<i>% of total</i>	<i>Actual</i>	<i>% of total</i>	<i>Disbursement rate %</i>
1. Sustainable and equitable forest land management	3,216,910	12.7	2,416,412	9.4	75.1
2. Generating income opportunities for the rural poor	17,553,690	69.3	18,287,796	71.1	104.2
3. Innovative environmental opportunities	1,393,150	5.5	1,452,198	5.6	104.2
4. Project management	3,166,250	12.5	3,575,480	13.9	112.9
Total	25,330,000	100	25,731,888	100	101.6

Source: Project Completion Report (2016).

18. **Timeframe.** The project was approved by IFAD's Executive board in December 2008. The IFAD loan agreement was signed in February 2009 and became effective in May 2009. As initially scheduled, the project was completed on June 30, 2015 after 6 years of implementation. A co-financing GEF grant was implemented over the 2010-2014 period.
19. **Implementation arrangements.** The project established a supporting project management unit at the province level under the provincial Department of Planning and Investment, responsible for financial and procurement management, information management, and monitoring and evaluation. The technical management of the project components and subcomponents were devolved to the responsible line agencies or district, commune or community committees, using contracted national and international skills where necessary.

20. *Key partners in project implementation.* Apart from the provincial Department of Planning and Investment, the project involved other key partners at provincial level such as the Department of Agriculture and Rural Development, the Department of Science and Technology, the Department of Natural Resources and Environment, the Department of Education and Training, the Department of Labour, Invalids and Social Affairs and district sections. Implementation was intended to be underpinned by farmers' organizations and common interest groups (CIGs) and a competitive private sector.
21. *GEF grant.* GEF was involved in the implementation of component 3 through a grant of US\$650,000. The *Promotion of Sustainable Forest and Land Management in the Viet Nam Uplands* GEF grant (GEF-MSP-19-VN) aimed to promote forest and biodiversity conservation and sustainable forest land management practices in selected districts of Bac Kan Province by enhancing capacity and improving community livelihoods. To achieve this objective, the grant was designed to be fully integrated within 3PAD project. While the 3PAD project was to create the institutional, investment, technological and sociological environment necessary to support sustainable, pro-poor growth in the Bac Kan rural economy, the grant was to strengthen the overall approach by deepening and broadening the project's focus and orientation in order to improve outcomes from the perspectives of environmental management, land degradation and biodiversity conservation.
22. The GEF resources were to be used primarily to finance technical assistance, training, studies and services in four areas, detailed below, in order to supplement the planned 3PAD activities and secure global and national benefits of relevance to GEF's Strategic Programmes. GEF resources were to:
- Provide for capacity building for forest land use planning and allocation, for participatory community-based forest management and biodiversity conservation planning and, for conservation of ecosystem services (biodiversity, watershed protection, etc.);
  - Generate environment-related inputs for extension services and piloting/testing innovative environmental options for PES, community-based ecotourism and sustainable forest and land management practices;
  - Test, pilot and promote options for sustainable management of sloping lands and forest, for PES and, strengthen capacity for development of pro-poor ecotourism options, particularly in communities living in the vicinity of the Ba Be National Park; and
  - Provide environmental training for PMU staff, technical support on environmental aspects of the project, including environmental monitoring, and expenses for operational travel.
23. **Supervision arrangements.** The project was directly supervised by IFAD from the first supervision mission that was fielded in 2010. During the implementation period from 2008 to 2015, a total of four supervision and implementation support missions were undertaken (2010, 2011, 2013 and 2014), as well as a mission for the mid-term review in 2012 and a mission for the project completion in 2015.
24. **Changes and development during implementation.** In summary, the project's logical framework remained unchanged throughout the project in terms of objectives and outcomes while implementation approach, processes and tools were adjusted gradually over project life. First, it was clarified that the target group included both the poor and the near-poor. Project guidelines were adjusted to better target these groups. Second, local biodiversity plans, designed to be integrated into sustainable forest management plans, were cancelled. Approaches to agricultural extension evolved from an initial combination of methods (farmer associations, participatory action research, farmer groups) to a structured approach with strong involvement of the provincial Farmers' Union and Women's Union. The



undisbursed budget under APIF<sup>3</sup> was redirected at project end to other components.

25. **Intervention logic.** The project's strategy was to create the institutional, investment, technological and social framework necessary to improve livelihoods for the rural poor through enhanced agroforest land management; and herewith sustainably and equitably reduce poverty in the project area. Through the introduction of agro-forestland development, agro-forestry technology and farming systems, the promotion of agro-forestry (business and public goods) investment, the development of pro-poor ecotourism and the promotion of PES, the project created three development pathways.
26. In the first pathway, the introduction of new agro-forestry technology and agro-forestry business and public goods investments, would provide the pro-poor farmers with the means to improve their productivity and increase production. This would allow the farmers to improve their food security. Furthermore, with the availability of markets access and access to chain partners, the farmers could be motivated to focus on the production of cash commodities and set up production enterprises together to improve their livelihoods.
27. In the second pathway, through the possession of commune production forest lands and the increased attention to ecosystem-friendly allocating and planning these lands, the poor upland farmers would become more involved in local decision-making processes and collectively more active in the development and protection of their commune lands.
28. In the third pathway, the target communities are made aware of the income generating capacity of pro-poor ecotourism and the payment for ecosystem services. This would provide them with alternative ways to earn money and at the same time motivate them to invest in sloping land conservation systems and activities.

### C. PPE objectives and scope

29. **PPE objectives.** The main objectives of the evaluation are to: (i) provide an independent assessment of the overall results and impact of the programme; and (ii) generate findings and recommendations to guide the Government and IFAD with regard to the ongoing and future development programmes in Viet Nam.
30. **Scope.** In view of the time and resources available, a PPE is generally not expected to undertake quantitative surveys or to examine the full spectrum of project activities, achievements and drawbacks. Rather, it will focus on selected key issues deserving further investigation (see section IV). The PPE will take account of the preliminary findings from a desk review of PCR and other key project documents and interviews at IFAD headquarters. During the PPE mission, additional evidence and data will be collected to verify available information and reach an independent assessment of performance and results.
31. **Theory of change (TOC).** The ToC of a project depicts the causal pathways from project outputs to project outcomes, i.e., through changes resulting from the use of those outputs made by target groups and other key stakeholders towards impact. The ToC further defines external factors that influence change along the major impact pathways. These external factors are assumptions when the project has no control over them, or drivers of impact when the project has certain level of control. Analysis in this evaluation will be initially assisted by ex-post reconstructed TOC at design (presented in Annex I and discussed in paragraph 24). The ToC will be further elaborated in the course of the evaluation, as needed. This will allow the PPE to understand and capture the changes that occurred during implementation

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<sup>3</sup> Exact amount to be verified during the evaluation.

and reconstruct a ToC at evaluation. This final version of the ToC will be used to assess the extent to which 3PAD's goal and objectives were effectively achieved.

#### **D. Key issues for this PPE**

32. Based on initial desk review, the PPE has identified a number of key issues to be reviewed. These may be subject to change based on emerging findings from the main evaluation mission.

- I. Project design.** The project was composed of numerous and diverse components and interventions and its design suggests that synergies between components and activities were key to achieve the project objectives, for example between the forest land allocation sub-component and the forest land use sub-component. As discussed in paragraph 23 the project's implementation approach, processes, indicators and tools were gradually adjusted over project life. The PPE would like to understand (i) to what extent project complexity may have affected project performance; and (ii) if the project managed to keep the necessary synergies between components and activities.

Furthermore, the PPE would like to better understand the evolution in the development path from a more classical agroforestry development project, based on agricultural extension services, to a focus on specific activities promoting market-oriented reforms. The PPE will among others look at the relevance, effectiveness and impact of this shift, while it further develops the ToC. During this exercise, the PPE will also seek to understand the requirements for CIGs to become sustainable farmer groups and look at the two funds. Lastly, the PPE will check how the GEF grant and the innovative environmental activities (e.g. PES and eco-tourism activities) fit on the overall project design.

- II. Indigenous peoples, targeting and gender.** 3PAD sought to improve its targeting efforts of the project, to reach poor upland villages, various times during the project. The PPE would like to understand to what extent the project used a differentiated targeting approach, given the different district contexts and the differences between the various ethnic groups that live there (location of residence, language, major livelihoods, etc.). These differences suggest that representation per ethnic group may have differed per activity and that these ethnic groups might have benefitted differently from the same type of project interventions.

The PPE would therefore also like to explore the capacity of local public services to provide support in a differentiated manner to the diverse groups of beneficiaries. Moreover, the PPE would like to understand the difference between the "poor" and the "near-poor" in the target group and (i) to what extent the "near poor" have similar conditions as the "poor", and can therefore easily be emulated (or not) by the poor; and (ii) to what extent the poor were able to adopt the technological packages and the innovative environmental activities promoted by the project.

Women played a significant role both as beneficiaries and actors in the implementation of the project activities. In fact, the project had a specific gender strategy and promoted gender equality and women's empowerment in all its activities. The PPE would like to understand to what extent the project approaches and implementation structure were adequate to support gender equality and women's empowerment goals in the different contexts and among the various ethnic groups.

- III. Agriculture productivity.** The project sought to implement a framework for sustainable and profitable agroforestry development in Bac Kan through *inter alia* the allocation and planning of land, the introduction of agro-forestry

technical models and various small infrastructure schemes. The completion report states that the project impact on agricultural productivity is reflected in the tendency moving from subsistence farming toward cash commodity. While the financial accumulation was mainly from crop cultivation and livestock production, the PCR states that changes in production scale for many crops and livestock remained more or less the same (with the exception of potato, edible canna and ginger production).

It is not clear from the project documentation what the agro-forestry project lands were intended to be used for. The documentation mostly highlights the achievements in improved food security without providing much information and data on production and productivity. Given the improved food security: Has production overall increased? Have different crops been introduced? Or has a move to non-food crops been encouraged? Has livestock rearing increased with the introduction of grass and forage activities? In this regard, the PPE will seek to gather more clarity.

#### **IV. Additional issues for analysis.**

*Collaboration and partnerships.* The project completion report highlights that good partnership with other donors and organizations during the implementation of the project have been established, among others with the International Centre for Research in Agroforestry (ICRAF) and CARE for activities covered under component 3 "innovative environment opportunities". As mentioned previously, GEF was also involved in this component through a grant of US\$650,000. The PPE will gather more information on the project's collaborations, to what extent these were foreseen from the start, what the various collaborations entailed and if these were effectively executed – as the project documentation does not contain sufficient information in this regard.

The PPE will also seek to answer (i) if there was sufficient interaction and coordination between the various project agencies throughout project implementation; (ii) how the private sector was attracted; (iii) if the public-private-project collaboration was satisfactory and sustainable; and (iv) to what extent there has been collaboration within and interaction among the various beneficiary groups (the WSCs and CIGs, farmer associations and the enterprises), and to what extent this is still present today.

*M&E.* The PPE will have a look at the performance of the M&E system as a management tool, and will seek to collect additional data to enable a full evaluation of the effectiveness and impact criteria. It will furthermore verify if segregated data is available at provincial level, and for the different ethnic groups, and perhaps even the poor and the near-poor, as these are currently not presented in the project documentation. Other observed information gaps for this PPE are summarized in Chapter IX.

The PPE will also try to understand the M&E difficulties throughout project implementation, which are said to have been only fully resolved in 2014 after qualified technical assistance was recruited.

*Enterprise development.* Value chain development runs as an implicit thread through a range of project activities and interventions in various components, though it is not as explicit in the project design. The PPE would like to understand better the project's pro-poor strategy for value chain development and which steps in the chain it was supposed to cover (e.g. production and partnership development).

## E. Methodology

33. The PPE exercise will be undertaken in accordance with the IFAD Evaluation Policy (2011) and the second edition of IFAD Evaluation Manual (2015). Analysis in the PPE will be assisted by a review of the Theory of Change of the project.
34. **Evaluation criteria.** In line with the agreement between IOE and IFAD Management on the harmonized definitions of evaluation criteria in 2017,<sup>4</sup> the key evaluation criteria applied in PPEs in principle include the following:
- (i) **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. Four impact domains are employed to generate a composite indication of rural poverty impact: (a) household income and assets; (b) human and social capital; (c) food security and agricultural productivity; and (d) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains.
  - (ii) **Relevance**, which assesses the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and policies. It also entails an assessment of project design, coherence in achieving its objectives, and relevance of targeting strategies adopted.
  - (iii) **Effectiveness**, which measures the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
  - (iv) **Efficiency**, which indicates how economically resources/inputs (e.g. funds, expertise, time, etc.) are converted into results.
  - (v) **Sustainability of benefits**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
  - (vi) **Gender equality and women's empowerment**, indicating the extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work loan balance and impact on women's incomes, nutrition and livelihoods.
  - (vii) **Innovation**, assessing the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.
  - (viii) **Scaling up**, assessing the extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies.
  - (ix) **Environment and natural resource management**, assessing the extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socioeconomic and cultural purposes, and ecosystems and biodiversity – with the goods and services they provide.
  - (x) **Adaptation to climate change**, assessing the contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.

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<sup>4</sup> IFAD (2017). Agreement between IFAD Management and the Independent Office of Evaluation of IFAD on the Harmonization of IFAD's Independent Evaluation and Self-Evaluation Methods and Systems Part I: Evaluation Criteria. EC 2017/96/W.P.4.

- (xi) **Overall project achievement**, providing an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
  - (xii) **Performance of partners (IFAD and the Government)**, assessing the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partners expected role and responsibility in the project life cycle.
35. **Rating system.** In line with the practice adopted in many other international financial institutions and UN organizations, IOE uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 being the lowest score (highly unsatisfactory).
  36. **Data collection.** Careful review, analysis and triangulation of reported project achievements will be key during the PPE process. Validation of project results will be done through bringing in and cross-checking information and evidences from multiple sources and stakeholder perspectives. Initial findings from the desk review indicated some information gaps which are summarized in chapter IX. This information will be collected during the main evaluation mission through various data collection methods. Additional data will also be collected, in particular for the rural poverty impact domains, effectiveness, gender and environment and natural resource management to enable a full assessment of these criteria.
  37. The PPE will mainly build on available quantitative (e.g., IFAD results and impact management system (RIMs), project M&E and other secondary sources) and qualitative (e.g., project documentation) data and information. Primary data will be collected during the field mission through focus group discussions with beneficiaries, interviews with key informants (e.g. implementing agencies and key partners), direct observations, and site visits.
  38. **Stakeholders' participation.** In accordance with IFAD Evaluation Policy, the main project stakeholders will be involved throughout the PPE process. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with the Asia and Pacific region Division (APR) of the Programme Management Department of IFAD and with the Government of Viet Nam. Formal and informal opportunities will be explored during the process for discussing findings, lessons and recommendations.

## F. Evaluation process

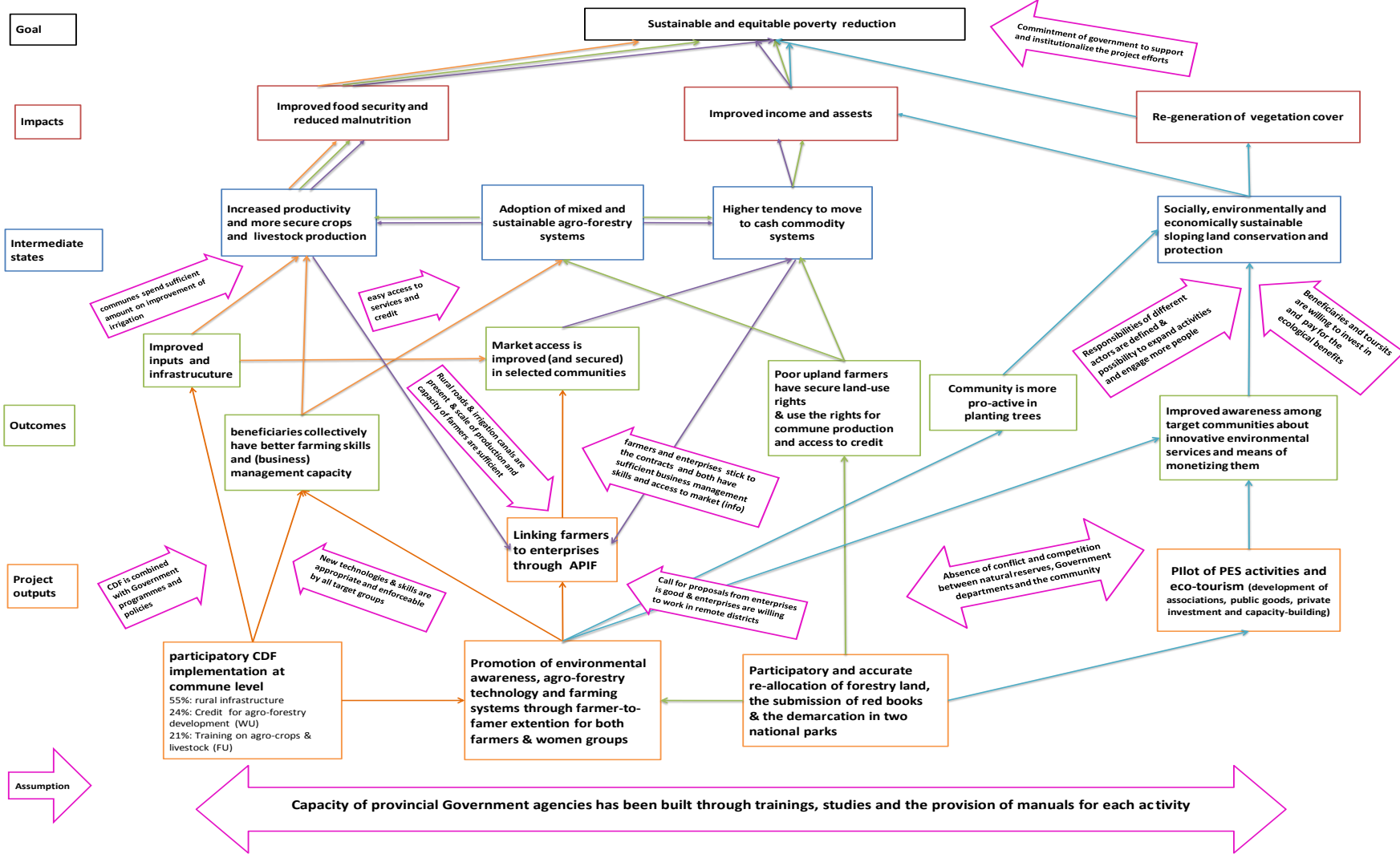
39. Following a desk review of the PCR and other key project documents, the PPE will involve the following steps:
  - **Country work.** The PPE mission is scheduled from 25 September – 6 October 2017. The mission will interact with representatives from the Government, project staff, beneficiaries and beneficiary groups established under the project and key donors and private sector partners with whom the project collaborated. The mission will include 3 days in Hanoi, and 8 days in the Bac Kan Province. In Bac Kan, the team will spend 3 days in Bac Kan city, 2 days in the Na Ri district, 2 days in the Ba Be district and 1 day in the Pac Nam district. The wrap-up meeting will be held in Bac Kan City to summarize the preliminary findings and discuss key strategic and operational issues. A tentative mission schedule can be found in annex III.
  - **Report drafting and peer review.** After the field visit, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.

- **Comments by the Programme Management Department of IFAD and the Government of Viet Nam.** The draft PPE report will be shared simultaneously with the APR division and the Government of Viet Nam for review and comment. IOE will finalize the report following receipt of comments by APR and the Government, and prepare a written response to those comments (audit trail).
- **Management response by APR.** A written management response on the final PPE report will be prepared by the Programme Management Department of IFAD. This will be included in the PPE report, when published.
- **Communication and dissemination.** The final report will be disseminated to the key stakeholders in the country and in IFAD. It will also be posted on the website of IOE.

## **G. Evaluation team**

40. Ms Renate Roels, IOE Evaluation Research Analyst has been designated as Lead Evaluator for this PPE under the direct supervision of Mr Michael Carbon, Senior Evaluation Officer. She will be assisted by Ms Claude Saint-Pierre (rural development and institutions expert and IOE international consultant) and Mr Bao Huy (agro-forestry expert & IOE national consultant). Ms Laure Vidaud, IOE Evaluation Assistant, will provide administrative support throughout the evaluation process.

# 3PAD's theory of change



## **List of key people met**

### **Department of Planning and Investment in Bac Kan**

Trần Công Hòa, Deputy Director of Department of Planning and Investment

Lương Văn Thống, Head of Foreign Economic Relations, Department of Planning and Investment

Hà Anh Tuấn, Deputy Head of Foreign Economic Relations, Department of Planning and Investment

Trần Thị Phương Thanh, Official of the General Planning Division, Department of Planning and Investment

### **Department of Agricultural and Rural Development (DARD) in Bac Kan**

Nguyễn Ngọc Cương, Deputy Director of Department of Agricultural and Rural Development

Nguyễn Mỹ Hải, Head of Planning - Finance Division, Department of Agricultural and Rural Development

Phạm Thị Thúy, Official of Planning - Finance Division, Department of Agricultural and Rural Development

Hoàng Thanh Bình, Deputy Manager of Planning and Plant Protection Sub-Department

Đỗ Xuân Việt, Director of Agriculture and Forestry Extension Center

Nguyễn Hoàng Tùng, Manager of Agro-Forestry-Fisheries Quality Assurance Sub-Department

Quách Đăng Quý, Director of Rural Development Sub-Department

Vi Văn Tuấn, Deputy Head of Forest Use and Development Division, Forest protection Sub-Department

### **Department of Natural Resources and Environment (DONRE) in Bac Kan**

Hoàng Thanh Oai, Deputy Director of Department of Natural Resources and Environment

Nông Ngọc Duyên, Deputy Head of Land Division

Tạ Minh Thư, Official of Land Division

### **Bac Kan Women's Union**

Hà Thị Liễu, Chairman of Bac Kan Women's Union

Triệu Thị Lý, Deputy Director of Economics Board, Deputy Director of WDF

### **Farmer Association**

Lưu Văn Quảng, Chairman of Farmer Association

Bế Hà Xuyên, Deputy Director of Vocational Training Center

Đỗ Đình Thủy, Deputy Director of Socio-economic Board

### **NA RI District**

Nông Quang Kế, Vice chairman Na Ri district

Nông Văn Hoạch, Head of Economics - Infrastructure Division

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**BA BE District**

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Triệu Văn Nông, Chairman of the Nam Mau commune  
Hoàng Văn Quyên, Cadastral officer  
Hoàng Văn Dẫn, Agroforestry officer  
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**PAC NAM District**

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**Project beneficiaries**

In a total of 11 villages across 10 communes in the three project districts

In the "Cho bò Nghiêן Loan" buffalo/cow market

At different project model sites (e.g. grass, trees, livestock)

## Key project outputs

**Table 1**  
**Highlights of key outputs**

<i>Output</i>	<i>Unit</i>	<i>Target</i>	<i>Target source</i>	<i>Completed</i>	<i>Completion source</i>	<i>% Completed/ target</i>
<b>Component 1 – Sustainable and equitable forest land management</b>						
<b>Subcomponent 1.1 – Forest land use planning and allocation</b>						
Participatory forestland use planning and allocation manual	number	1	a		c d	100%
Area of forestland with completed land use plans (0)	ha	164,837		131,256	c	130%
Area of forestland planned for production (1)	ha	72,000	b	89,513	c	124%
Area of forestland allocated to households (2)	ha	12,000	b	30,144	c	251%
Number of households with forestland LURCs (3)	number	18,715	a c	9,262	c d	49%
<b>Subcomponent 1.2 – Forest land management</b>						
Area with sustainable management plans (4)	ha	72,000	b	27,400	c	38%
Forest management plans – commune forest management boards	number	-		48	c	-
Village forest management plans (5)	number	-		38	c	-
<b>Component 2 – Generating income opportunities for the poor</b>						
<b>Subcomponent 2.1 – Community driven technology development and services</b>						
Households trained	Person X time	-		39,238	d	-
Technical packages assessed as successful	number	-		5	c	-
Common interest groups (6)	group	-		459	d	-
Farmer-trainers cum service providers	person	0		106	c	-
Number of livelihood and women rights clubs	group	150	b	155	c	103%
<b>Subcomponent 2.2 – Investment for growth</b>						
Communes with commune development fund	commune	48	b	48	d	100%
Small infrastructure works	work	192	b	241	c	125%
. Village roads		-		122	c	-
. Infield irrigation canals		-		110	c	-
. Domestic water supply		-		9	c	-
Enterprises funded through AFIP	Enterprises	-		9	d	-
<b>Component 3 – Innovative environmental opportunities</b>						
Schools in conservation farming	number	40	b	60	c	150%
Area with forage grass pilots	ha	100	b	114	c	114%
Village with ecotourism pilot	number	1		1	c d	100%

Sources: (a) appraisal report and logframe; (b) appraisal budget; (c) PCR; (d) M&E databases received during the PPE.

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