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## Document of the International Fund for Agricultural Development



### VIET NAM COUNTRY PROGRAMME REVIEW AND EVALUATION AGREEMENT AT COMPLETION POINT AND EXECUTIVE SUMMARY

April 2001

Photo on cover page  
Villagers sell tobacco, fish, vegetables and meat at the  
local market which is generally held once a week



**VIET NAM**  
**COUNTRY PROGRAMME REVIEW AND EVALUATION**

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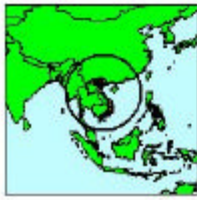
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## **ACRONYMS AND ABBREVIATIONS**

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



## SOCIALIST REPUBLIC OF VIETNAM



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



## Principal CPRE Recommendations

### A. Strategic

The CPRE broadly confirmed the validity of IFAD strategy in Vietnam with its clear emphasis on targeting the poorest of the poor through the development of participatory processes and enabling institutions. Decentralisation and empowerment, rural financing, commercialisation and marketing, gender mainstreaming, and protection of the environment have emerged during the CPRE as key policy issues that require joint consideration by IFAD and the Government. Within the policy dialogue, the Government may consider:

- Transferring to communities the responsibility for a number of services including community development projects and primary health and sanitary care i.e. schools, health centres, wells and domestic water, etc. to ensure more efficient use of resources, reduce government budgets (apart from operation and maintenance costs communities can contribute with labour and local materials to investment costs) and promote ownership, empowerment, transparency, accountability and sustainability.
- Giving greater delegation of financial powers to Commune Development Boards (CDBs) (like issue of contracts) with respect to village level micro-schemes and handing over all implementation responsibility for project components to the activity managers of the technical departments mainly at the commune level.
- Promoting the development of fee-based and self-financing extension (plant and livestock) nurseries, animal breeding, clinical and other field veterinary and ancillary services (government maintains its regulatory, control and supervisory animal and public health functions), at the commune level. Part of the investment could be made as loans to the Commune Workers as it is the case in Tuyen Quang where Commune Veterinary Workers own refrigerators, motorcycles and have stocks of medicine.
- Abandoning below-market interest rates, which prevail in much of the formal credit operations. Very poor households would still need a transparent programme for a targeted safety net support for meeting their consumption and production needs as part of a social fund type package.
- Improving access of small poor farmers and small entrepreneurs to the financial market through the development of rural finance institutions on the model of village-based Savings and Credit Associations (SCAs) promoted by IFAD in several other countries for servicing the financial inter-mediation needs of the poorer income groups through the mobilisation of savings. Strengthening of these institutions would involve appropriate incentives, accompanying measures in the field of training, institution building and development of the appropriate legislative and regulatory framework
- Reorienting public investments to address effectively those factors that limit the opportunities for the poor to participate in the benefits of market reforms, including lack of physical and institutional infrastructure (roads, credit, land and water), isolation from trade and market network, and information on price and market potentials.
- Issuing land and housing titles in the names of women or in the joint names of men and women; encouraging increased representation and greater influence of women in public institutions; and ensuring that ethnic women have equal and adequate access to education and health services.
- Enhancing efforts to develop participatory forest protection models including formation of participatory soil conservation associations and issue forest protection contracts to farmers.

### B. Project Design

Future projects should include in their design provisions for:

- Empowerment and participatory features such as the creation of community-based organisations, resource management and co-management committees, forest protection models and soil conservation associations, and user groups around specific project activities to promote



ownership, transparency, accountability and bottom-up approach to development. Enhanced community mobilisation may be facilitated through the coalition with experienced mass organisations and NGOs.

- Community-programmes to be carried out on the basis of flexible Community Development Funds to allow for the community expressed needs, as identified by Participatory Rural Appraisals, to be met.
- Strengthening the demand-driven participatory research and extension system through adequate investments in training of staff and essential infrastructure particularly roads, development of market initiatives including information on prices and market potentials and requirements, improved access to micro-credit at market interest rates, and clear land-use rights to stimulate investment and uptake of improved technology.
- Development of a comprehensive livestock strategy to cater for both feed resources and number and type of livestock used. Due emphasis to small stock, particularly smallholder poultry production.
- Development of veterinary infrastructure to ensure adequate outreach and preventive vaccinations and secure investments in livestock.
- Gender-focused components, including micro-credit, drudgery reduction, and access to fuel, and mainstreaming of gender concerns into all components.
- Assistance to entrepreneurs via credit for establishing and initial operation of private small and medium scale processing plants for agricultural produce or milk processing plants.
- Exit plan to cater for the consolidation and maintenance of achievements during the post-project period.

### **C. Operational**

Ongoing and future projects should ensure that:

- Community-based organisations and activity user groups receive significant amount of support and training including dialogue and communication amongst extension staff, credit delivery institutions, target beneficiaries and other involved institutions.
- PRAs pay greater attention to the participation of the poorest, the analysis of causes of poverty, and to the development of village plans including food security plans for poor households.
- Communes are involved in periodic participatory monitoring and impact assessment.
- The rules of the activity user groups regarding membership fees, user charges and contributions are designed in such a way that they are pro-poor.
- The research and extension service is strengthened through training of staff and adequate investments in essential infrastructure. Farmer groups or members of groups receive training in simple bookkeeping, home economics, nutrition, processing and marketing skills, etc.
- VBARD and VBP improve the lending programmes to smallholders to support technical diversification and alleviate poverty. Link the implementation of extension messages for improved agricultural and livestock practices directly to a credit package tailor-made to suit the needs and capacity of smallholders. Veterinary Health Workers could work closely with the micro-credit programmes.
- Apart from the purchase of buffaloes and pigs, credit is used for other cash and income generating activities in production and services or where the poor have a comparative advantage and for which a market exists, particularly in the uplands where there is widespread unemployment and very low income.
- Gender concerns be included in all stakeholder training and capacity building programmes, including integration of women's groups into regular extension programmes, adult literacy and education, Village Health Workers, and nutrition and other vocational training programmes.

## AGREEMENT AT COMPLETION POINT

### FIVE LESSONS LEARNED

This agreement reflects an ***understanding*** among the core partners at completion point of the Vietnam Country Programme Review and Evaluation (CPRE) process to adopt and use the lessons learned and recommendations from the CPRE in the forthcoming revision of IFAD's Country Strategy Opportunities Paper and in designing new projects and programmes aimed at rural poverty alleviation in Vietnam, as well as in ongoing operations. The core partners included: the Government of Vietnam (represented by Ministry of Planning and Investment, Ministry of Finance, and Ministry of Agriculture and Rural Development), the concerned Provincial Peoples Committees, the IFAD-supported projects, the Vietnam Bank for the Poor, Vietnam Women's Union, Farmers' Association and IFAD (represented by the Asia and Pacific Division and the Office of Evaluation and Studies).

## *Rural Financial Services*

*Thirty-two years old Nguyen Thi Hoa is a member of a self-help group in Kim Binh commune in the Chiem Hoa district of Tuyen Quang. Her husband owns a small piece of land (one-fifth of a hectare), which is worked by husband and wife together. Nguyen Thi Hoa obtained a VND 2,000,000 bank loan through the IFAD-supported self-help group and used it to purchase a buffalo. Previously, they had been obliged to borrow or loan an animal for ploughing, which often meant that they were unable to plough as and when they wished. Having their own draught animal had the effect of increasing their yield of paddy from 600 kg to one ton, putting an end to the seasonal food shortages to which the household had been liable. The buffalo is now pregnant. Nguyen Thi Hoa is not worried about repayment of the loan, and she feels that her status both within the family and in her village has improved as a result of her membership in a self-help group. Her aspiration is to educate their two young daughters, build a bigger house, install electricity, and purchase a television.*



The Country Programme Review and Evaluation (CPRE) concluded that rural credit can be a powerful tool for poverty reduction in Vietnam and the IFAD-supported projects have made important advances in the delivery of micro-credit at the community level. In each province where IFAD has been involved, a co-management credit delivery framework has been promoted, including major partners such as the Vietnam Bank for Agriculture and Rural Development (VBARD), the Vietnam Board Poor (VBP), Vietnam Women's Union (VWU), the Farmers' Associations (FA) and the projects. The VWU and FA organise savings and credit groups (SCGs) and collect interest, with the groups undertaking joint liability for defaulting members. However, the credit programme has faced serious structural and procedural problems that restricted its impact on project beneficiaries significantly. In Ha Giang, administrative problems initially delayed the flow of credit, but the VBARD has now agreed to channel credit from its own resources. In Quang Binh, the VBARD is reluctant to channel credit to the poor, in particular to those without land titles. For borrowers who are able to give security, the procedure for asset verification is time consuming, requiring certification by three agencies i.e. VWU, VBARD and Commune Peoples Committee. Even in Tuyen Quang, where the flow of credit to the poor from VBARD has been good, the group capital was not enough to meet the short term or medium term consumption/production credit needs of their members on a sustained basis. Attempts to satisfy more households have resulted in a thin spread of credit in some communes and only very few beneficiaries have been able to obtain a second loan from either the groups or the

banks. The cumbersome processing procedures, the high cost of making small loans, the collateral requirements and the perceived high risks of small loans inhibited the involvement of commercial or state banks in lending to poor farmers at a large scale. Although, VBARD has over 2600 branches throughout country and is the only bank in 20 out of the 61 Vietnam provinces, its branches are mostly positioned in the proximity to district centres. Therefore, a significant percentage of rural households depend on informal sources for credit, paying higher interest rates than those charged by formal financial institutions.

An important lesson from the CPRE is that the rural disadvantaged communities in Vietnam have accepted widely the savings and credit concept and have overcome the barriers of working jointly in groups, which they see as a valid instrument for improving their welfare. The social pressure as a guarantee for small loans is proven to be so strong that it has not only made it possible for poor households to access credit, but also provided collateral. Recovery rates are very high. The micro-credit loans were overwhelmingly invested in animals (pigs and buffaloes) that are of indigenous breed and managed according to traditional practices. The household's food supply situation improves as the profits are used to buy food, and children are sent to school. Credit also adds value through the utilisation of waste and scavenged feed by animals and contributes indirectly to the protection of the environment, because as people earn enough they limit the collection of firewood from forests for sale in the market.

The CPRE concluded that subsidised micro-credit runs the risk of being rationed and availed of largely by clients with easy access to VBARD and VBP branch network, which have a limited presence in remote rural areas. Thus, subsidised credit effectively reduces, rather than enhancing the access of the poor to micro-credit. It implies also low deposit rates that discourage savings mobilisation and investments, which are central to establishing a sustainable rural financial services. A viable solution for such remote areas lies in credit retailing by financial intermediaries, but below market interest rates do not provide the necessary spread margin to such intermediaries, to cover even their operating costs, much less the costs of social intermediation, such as group formation and training of beneficiaries.

IFAD's experience in others countries in Asia illustrates that the poor are indeed bankable, if only they are provided with appropriate services and instruments to participate in micro-finance activities. The CPRE is confident that models applied by IFAD for grassroots-based credit schemes can be fruitfully applied in Vietnam as well. More specifically, once savings and credit groups have operated successfully for a sufficient period of time in Vietnam, groups of similar operational capabilities could be merged into a larger 'federation'. Such federations can contribute to enhancing the availability of resources, lower transaction costs of credit operations, improve sustainability, and provide greater capacity to federation members to negotiate with banks and provincial and district authorities about their social and economic requirements. The formation of federations should be accompanied by training and the development of an appropriate legislative and regulatory framework.

The CPRE also shows that the coalition with the VWU and FA has generated added value in a cost-effective manner and benefited the rural poor. Mass organisations (including the youth and veterans forums) and NGOs, with hands-on experience in mobilising and empowering rural communities and women specifically, could supply technical support and provide a link between the private sector and the rural communities and facilitate the use of modern technologies with the view to optimising costs and promoting sustainability of financial services.

## **Policy Issues**

- i. The government should move towards the elimination of subsidies to the rural financial sector. The CPRE appreciates the rationale for the implementation of such a policy in the past. However, it concluded that below-market interest rates and related subsidies are not financially sustainable, and nor do they provide for an operationally effective means of reaching ethnic minorities, women and other most underprivileged people.
- ii. The government should extend operations of the VBARD and VBP in support of the poorest people in rural areas. This will entail devoting resources for infrastructure development of VBARD and VBP, *inter-alia*, for the development of additional branches in more remote areas and providing necessary transport arrangements to loan officers to facilitate credit operations. In addition, resources need to be earmarked towards the essential task of capacity building of the VBARD and VBP, including the improvement of their services, procedures and monitoring capabilities. This must be accompanied by extensive staff training and competitive recruitment, as well as developing efficient outreach and communication capabilities.
- iii. There is need to improve the access of resource poor farmers and small entrepreneurs to financial markets. One possibility is to emphasise the promotion of rural financial institutions on the model of village-based Savings and Credit Associations (SCAs) experimented by IFAD in several other countries. SCAs service the financial inter-mediation needs of the poorer income groups primarily through the mobilisation of savings.

## **Operational Recommendations**

- i. Projects and programmes need to intensify their work in the formation of cohesive grassroots-based groups for savings and credit purposes. This has to be supported by capacity building and intensive broad-based training to group members in, *inter-alia*, simple bookkeeping, group functioning, management and utilisation of credit, loan application process and calculation of production costs and interests. Opportunities for using the postal network in rural financial delivery should be explored.
- ii. Ongoing and future projects and programme should support the VBARD and VBP in simplifying procedures and improving their lending programmes oriented towards disadvantaged people and related groups. In addition to the purchase of buffaloes and pigs, smallholders should be encouraged to diversify their economic and production activities financed through loan resources. This will reduce the economic vulnerability of smallholders' and contribute to the development of a sounder rural economy.

## Gender Mainstreaming

*Thirty-six years old Truong Thi Tron comes from a Nung family of an average economic background. She lives in a two-roomed tiled house in Vinh Quang town of Houng Su Phi district in Ha Giang, and has studied up to 7th grade. She is a member of the Women's Union and of one of the four savings and credit groups established in the locality under the auspices of the IFAD supported project. She contributes VND 2,000 per month to her group and has taken out a bank loan of VND 3 million for the expansion of her rice dumpling business. She now sells 30 kg of rice dumplings daily, compared to 20 kg before, and her profits have increased. Unfortunately, she was unable to attend the training in business skills provided by the project, as the sessions clashed with her peak working hours. Her chief aspiration is to be able to provide a good education for her children.*

The Country Programme Review and Evaluation (CPRE) acknowledged the central role of women in development activities in Vietnam, in particular in agriculture, livestock development, forest management and rural marketing. The projects supported by the Fund contributed in different ways to addressing the gender-specific causes of poverty. However, the CPRE concluded that the overall livelihoods of women requires further improvement and support, as there still exists significant inequality in the distribution of power within the household in terms of decision-making, work load, nutritional status, opportunities for capacity building and training, representation in development institutions and access to productive assets, such as land, credit and education.

The CPRE established that the credit and savings programme promoted by IFAD was an important instrument in contributing to the empowerment of underprivileged women. Their participation in credit-related development planning and implementation has enabled them to increase their knowledge, asset-base and income-generating opportunities, as well as enhance their status and role within the family, and strengthen their overall ability to cope with poverty and related difficulties. Bank loans taken were used for the building of asset, such as the purchase of buffaloes, pigs and other livestock, as well as purchase of farm inputs. On the other hand, internal group loans were mainly used for family emergency and consumption purposes. Advancements were also made in the reduction of women's workload by improving access to drinking water, promoting the use of coal instead of wood fuel, and introducing improved technologies for seed broadcasting and the preparation of animal feed. A further important element has been the creation of mechanisms for allowing women's voices to be heard in village-level decision-making and recourse-allocation processes. Some of these mechanisms include the participation of women in Participatory Rural Appraisals, activity user groups and savings and credit groups, as well as Village Development Boards.

The degree of access of poor women to project resources of different components has varied. It has been higher with respect to credit (more than 90% in Tuyen Quang and 62% in Quang Binh) and income diversification, followed by agricultural extension and sand dune fixation, and lower with respect to roads and bridges, irrigation, forestry protection, animal husbandry and education programmes. The earlier project policy to lend exclusively to women's groups in the villages gave impetus to women's group formation. Statistics suggest that the proportion of women participants in all PRA exercises is between 40 and 50 percent of the total. An innovation in Quang Binh is the practice of carrying out PRA in separate men's groups and women's groups so that women's specific needs may easily surface and be clearly understood. There was a consensus at the CPRE workshop that women's priorities and requirements often differ from those of men, and there is a pressing necessity that efficient instruments be devised to enable a concise articulation of women's concerns in development plans.

The inequality between men and women remains an issue of concern. The CPRE workshop discussed the need for policy shifts to redress this situation. In this regard, one area that was considered important was the need to provide women with more secure access to assets, such as land and housing.

IFAD experience from other countries illustrates that 'asset security' contributes to the empowerment and food and nutritional security of women, and enables them to more effectively participate in development programmes, such as credit and savings activities. For example, secure land tenure would allow women to offer it as collateral for credit, which in turn would facilitate them to engage in micro-enterprise or other income-generating activities. Land security would also encourage agriculture-related investments, thereby increasing productivity and availability of food, both in terms of quality and quantity. Finally, asset security also empowers women's status within the family and society, as they would no longer be financially dependant on their spouses.

An area that the CPRE workshop considered crucial for the overall advancement of women is the participation of women in key institutions that are primarily involved in rural development activities. Currently, women's representation in the Provincial Peoples Committees and Project Co-ordination Units ranges from 18 percent in Ha Giang to 26 percent in Quang Binh, with their representation being higher in administration and accounts than in management and decision-making functions. In Tuyen Quang province, the director of the IFAD-support project and the head of the Farmers' Association are women. A woman is also the head of the Women's Union in the same province. However, women's representation at the District Implementation Units is lower than at the provincial level in all projects. Many activity managers of credit/income diversification programmes and 30-50 percent of those involved in the agricultural component of the IFAD-promoted projects are women. In Ha Giang, all education volunteers were women, but only 10 percent of human and animal health volunteers.



## **Policy Issues**

- i. The Government should encourage to introduce on a systematic and wider basis the issuance of land and housing titles jointly in the names of men and women for men-headed households, as well as in the name of women for women-headed households. Such a policy will also act as an incentive for greater household investments that will contribute to raising the overall family livelihoods, through the availability of greater income.
- ii. The Government should promote increased representation of women at all levels in key decision-making positions in rural development public institutions. In particular, the government may wish to define an appropriate minimum level of 'reservation' for women in community-based organisations, mass organisations, commune and district level institutions, as well as at the provincial level.
- iii. There is a pressing need to formulate budgets, work programmes and policies ensuring that ethnic women have equal and adequate access to education, family planning advice and health services as compared to other rural women, and that women in general are given priority in relation to men.

## **Operational Recommendations**

- i. In the initial stages of the PRA process, specific and detailed discussions should be held with groups formed exclusively of women to facilitate the articulation of their needs and priorities. This should be followed by more comprehensive PRAs involving the entire selected village or community in order to formulate plans that reflect development requirements in a holistic manner.
- ii. Gender concerns should be included in all stakeholder training and capacity building programmes, including integration of women's groups into regular extension programmes, adult literacy and education, management of resources, Village Health Workers, nutrition and other vocational training programmes. In order to ensure greater results, customised training for men need to be conducted concurrently to raise their awareness on gender-issues and promote greater acceptance towards the intensive participation of women in development activities.
- iii. The resources of Community Development Funds should be prioritised to finance the specific needs of women.
- iv. Future project and programmes should be designed in such a manner that they promote greater women involvement in activities. This could be achieved by formulating, for instance, gender-focused components, such as for micro-credit, drudgery reduction, and access to common property resources. To contribute to gender mainstreaming, the project and programme design process should include provision for gender disaggregated data and related gender analysis.



## **Decentralisation and Bottom-up Development**

*In Khuon Khoai village in the Yen Nguyen commune of Tuyen Quang Province an IFAD-funded micro-irrigation scheme was constructed and the concrete-lined irrigation channels now supply irrigation water for 34 hectares of land. A construction company had designed and supervised the work of construction but the villagers, who were organised into a water users association, had dug and lined the channels themselves, with the materials supplied by the Government. A conversation with a 50-year-old farmer involved in the construction and maintenance of the irrigation scheme revealed that, thanks to the water user association, the irrigation fee payable under the new scheme had not increased. The fee was payable in cash, although maintenance work was remunerated at the rate of VND 10,000 a day and this sum was deducted from the irrigation fee. It was the firm opinion of the farmer that the villagers would have even been capable of undertaking the design and construction, if the initial capital had been made available to them.*

A strategic focus of IFAD supported projects in Vietnam has been to promote decentralisation and a bottom-up approach to development. The Country Programme Review and Evaluation (CPRE) concluded that decentralisation and participation has led to the empowerment of rural people, providing them an opportunity to identify, plan, implement and evaluate their development works and activities. Operational decentralisation and the development and strengthening of grassroots institutions have been major determining factors in empowering local people and communities to take charge and be the prime drivers of their own development. The CPRE further established that better results have been achieved in those provinces where the capacity of local institutions is stronger, and where a more effective coalition exists among community-based organisations, mass organisations and commune, district and provincial-level institutions.

Decentralisation and devolution of authority and responsibility for local development to local governments and institutions constitutes an essential element of good governance and has the comparative advantage of responding more immediately and effectively to the priorities and needs of local people. All IFAD-supported projects have promoted a decentralised way of operations, with planning, implementation and supervision responsibilities being delegated to implementing agencies at provincial and district levels. However, the CPRE workshop discussed that further results may be achieved if delegation of such responsibility is accompanied by a concurrent devolution of financial authority. The workshop also underscored the need for adequate training at lower levels, in areas such as technical and financial management and control, prior to implementing financial devolution of authority on a wider scale. One example that was discussed was the possibility of greater delegation of financial powers to Commune Development Boards (CDBs) for issuing of contracts with respect to village level micro-schemes, provided the concerned CDBs have sufficient capability to take on such functions.

IFAD-supported projects have promoted the institutionalisation of the Participatory Rural Appraisal (PRA) approach to project formulation, planning and implementation, as well as supervision and evaluation. For example, PRAs have also been used to classify households into four or five wealth categories based on their own criteria, that has been used as the main targeting instrument in the project areas. The mass organisations, such as the Vietnam Women's Union and Farmers Associations contributed to the formation of 'activity user groups' and self-help groups, which are involved in micro-irrigation and drinking water schemes, access to credit, road programmes, sand dune fixation, forest protection and agricultural extension activities. These groups proved to be instruments that facilitated the active participation of rural people in development initiatives and provided them an opportunity to be trained, to gain confidence and be the owners of their decisions and advancement. More recently, Community Development Funds (CDF) have been introduced in IFAD-financed projects to encourage bottom-up development and to introduce flexibility in meeting the evolving

requirements of communities during implementation. However, the CPRE workshop participants highlighted that need to reflect on the post-project management modalities of CDFs.



### **Policy Issues**

- i. In order to enhance further the results of its decentralisation efforts, the Government should consider delegating greater financial authority in particular to district and commune levels for programme planning, implementation and disbursements. This will not only enhance efficiency, but also increase ownership, transparency and accountability at the lowest levels. Delegation of authority to lower levels should be accompanied by intensive supervision and monitoring from higher levels of Government.
- ii. Budget authority delegation can only be effective if authorities at the lower levels have an appropriate understanding of the legal system and financial rules and regulations. There may be a need for the simplification of administrative and financial procedures for this purpose as well. Also, the establishment of computerised accounting and monitoring systems, together with capacity building and training of district and commune levels authorities are important ingredients for effective and efficient devolution of responsibility in this area.

### **Operational Recommendations**

- i. CDFs provide a viable means to enhance bottom-up participation and empowerment. However, projects and programmes need to devise appropriate mechanisms to ensure the sustainability of the CDFs when the project support ends. For example, CDFs may be designed to mobilise community resources that could be utilised to partly finance activities supported through the CDF. This will build the necessary attitudes during implementation towards CDF operations, and contribute to CDF sustainability after the project period.
- ii. Activity user groups should be encouraged to develop their own constitution and by-laws, for instance, with regard to setting and collection of membership fees and other contributions, as well as to cover the costs of operations and maintenance. In this regard, such user groups need to be trained to design their user charges and contributions in a pro-poor manner. For example, in one of the micro-irrigation schemes in Quang Binh province, labour contributions to irrigation programmes were based on landholding, with disabled and elderly women headed households given exemptions with respect to labour contribution, and concessions with respect to water fees. Such examples of pro-poor regulations should be documented and disseminated across projects.

## Forestry and Environment Protection

*Fifty-two year old Tran Cam lives with his wife and two children in a coastal village of Le Thuy district in Quang Binh province. He has four 'sao' (in central Vietnam, each 'sao' is equivalent to 500 sq.m.) of agricultural land, a small fishpond, ten hens, and four pigs. One of these pigs was purchased with the wages that Tran Cam earned from planting and looking after two hectares of sand dunes under the IFAD-supported sand dune fixation programme. His sow gave birth to piglets. There was also something left from the wages and this went to obtaining fertiliser, which has increased the yield of Tran Cam's plot of land. He has so far received VND 3 million for the initial planting, and VND 800,000 for the first year maintenance. He feels that his family's living conditions have directly improved through his participation in the sand dune fixation programme, and considers himself lucky to have been amongst the ten families selected by the villagers for being issued with a protection contract. Although still poor in comparison with other families in the village, his household no longer faces the seasonal food shortage, which had been a regular feature of their lives. He believes that if the families involved in protection of the newly-planted casuarina carry out their job properly, the plantation will within five years provide an effective defence against sand storms and the movement of dunes.*

There was no forestry component in the Tuyen Quang project, but its work complemented and aided the process of re-greening, by contributing to food security and thus relieving the pressure on the forests. The process of forest allocation is well advanced in most districts, and farmers are able to meet their fuelwood demands from their own forest plots, allocated on a 50-year lease basis. The most obvious indication of improved security of tenure (and therefore of longer-term planning) has been the widespread planting of fruit trees (oranges, plums, logan), some of which, such as cinnamon, require ten years or more before the first harvest

Various efforts by international agencies in recent decades to use tree planting to counter the gradual intrusion of sand dunes into areas of cultivated land along the 20 km coast of Quang Binh have met with little success with survival rates of 10 % or less. Such is the shortage of combustible material in the coastal region of Quang Binh that primarily de-branching for fuel wood has destroyed the young casuarina trees. Experience shows that for as long as there is such an acute shortage of fuel, the depredations will continue in all areas except where existing trees are understood by the local villagers to be performing a vital role as a physical barrier against the sand or in the creation of micro-climatic enclaves. 'Even in areas seemingly most under threat from the movement of sand dunes in the coastal area south of Dong Noi, new houses are being constructed. The inward-facing slopes of the nearest dunes are covered with a variety of native trees and bushes, of which the species Ta Dai is the most prominent. The villagers fully recognised the importance of this vegetation and all of them reacted strongly to the suggestion that this vegetation might be under threat from fuel wood collection. It was true that fuel wood as in very short supply (and an army of small boys were on hand to grab up even tiny sticks that were unloaded with the soil brought in for the purposes of improving and extending the adjacent highway) but it was unthinkable that anyone would cut wood from the crucial barrier behind the houses. Those dunes had not moved for as long as anyone could remember, and the construction of new dwellings hard up against the dunes was proof of the villagers' confidence that this would continue to be the case. The wide-rooting native trees such as Ta Dai provide the very best protection against sand dune movement, but they are very difficult to cultivate and take many years to become established. However, these dense natural barriers do provide a model for what must be sought in other areas of the sand dunes.' (From an interview with local inhabitants conducted by the Evaluation Mission).

Guided by experience, the IFAD supported project planted 2,700 ha of *casuarina* in twelve southern communes of Quang Binh, in densities of 3,300 and 5,000 seedlings per hectare, on the basis of an agreed plan that aimed to promote the emergence of micro-climates that would allow both cultivation and settlement. Such plantations were undertaken in a participatory arrangement with people living at

the local level and their communities. That is, a self-management board within a co-management framework has been set up in each commune for promoting the sustainable utilisation, management and conservation of forests. In this context, for example, seedlings were produced by the farmers, who themselves carried out all planting and maintenance work. Early indications are that their active participation would materially add to the longer term protection of the young trees. During the CPRE workshop, it was highlight that since forest lands are owned by the state, mechanisms need to be developed to encourage farmers to continuously engage in forest protection work.

Similarly in Ha Giang, efforts are being made to develop participatory protection models and issue forest protection contracts to farmers. In certain parts of the northwest mountainous region of Ha Giang, a destructive cycle of flash flood and drought has been initiated. In parts of Xin Man (in the west), the erosion of steep slopes is serious enough to cause repeated landslides on newly constructed roads, which is beyond local capacity to repair. Conditions in these areas require urgent attention on the part of both government and international donors to reverse deforestation. ‘Foresters pointed out that the great majority of deforestation in the area had been carried out by outsiders, either for military or commercial purposes, and that up to thirty of forty years ago the forests had in fact been well cared for by local people, who fully appreciated the value of extensive and healthy forests in terms of micro-climate and the prevention of erosion. The strict measures adopted by the Government had, it was agreed, been important in the re-greening of the province but eventually the ownership and guardianship of the forests should be returned to the local communities themselves. If the forest protection contracts were seen as a step towards this, then the sustainability of the process would be ensured’. In the absence of drastic measures to address the fuel situation, the government’s intention of preventing the expansion of shifting cultivation and further migration may prove to be more difficult than anticipated, and large populations of H’mong farmers could become environmental refugees.



## **Policy Issues**

- i. Issuance of forest protection contracts to local farmers and their communities has proved to be an effective and efficient mechanism to ensuring the care and management of protection forests. This system of forest protection is an initial step to returning the care and management of protection forests to the local communities, which have successfully acted as the guardians of these forests over many centuries. Local knowledge systems and resources need to be tapped and utilised more intensively for sustainable forest management, with technical assistance and expertise made available where necessary. Therefore, the Government may want to replicate such an approach to protective forests management and conservation in other provinces.
- ii. In spite of a greater involvement of communities in the management of forest resources, the State has a central role to play in this area. The State needs to continue its constructive engagement and retain the overall responsibility for forest policies formulation, as well as regulatory and supervisory role over community forest activities.

## **Operational Recommendations**

- i. Specific provisions should be included in project and programme formulation for developing participatory protective forest protection models and soil conservation associations that can contribute to ensuring diligent management and sustainable exploitation of natural resources and conservation of the environment.
- ii. There is also need to devote attention to the sustainable production of timber and non-timber products that are central to the livelihoods of ethnic minorities and other disadvantaged groups. In this regard, private businesses should be encouraged to purchase forest products, and this should be governed and monitored by an appropriate enabling framework.
- iii. Incentives for reforestation activities should be in-built into project and programme formulation, especially as far as the participation of forest communities in such activities is concerned. Incentives may include provision of privileged access to concerned forest lands and products, as well as related non-timber forest produce. Future plans should focus on greening of bare forests, both in terms of area coverage and quality, as well as in defining optimal forest land utilisation that can lead to greater incomes and improved forest protection.

## Participatory Adaptive Research and Extension

*After leaving the army, Hiep Nguyen Duc and his wife initially opted for an urban existence but soon found that urban life was hard and unrewarding and decided to move back to the land, settling in an area where they had neither friends nor family. When Hiep Nguyen Duc first took over his small plot of land, the vegetation consisted of little more than the pernicious weed *imperata cylindrica*, which required laborious clearing by hand in order to make way for crops, mainly rice, potatoes and maize. This he planted with bamboo, mangletia and other endemic hardwoods. When mature, the bamboo is sold for pulp, fetching around VND 8,000 for a five-metre length. Over the years, and with the help and advice of the agricultural extension service supported and improved under the operation of the IFAD supported project, Hiep Nguyen Duc has diversified his production to include bananas, grapefruit, mangoes and plums. The most recent addition has been lichees, for the planting and care of which the assistance of extension officers has been invaluable. The planting of fruit trees and of hardwoods reflects the family's security of tenure and Mr. Hiep looks on the granting of the land title as the most significant moment in his life as a farmer. Hiep Nguyen Duc also possesses two buffaloes and a pig of the improved breed introduced under the auspices of the IFAD supported project. With the proceeds of their increased agricultural production, Mr. Hiep and his wife have been able to build a fine clay and timber house with high thatched roof and carved roof beams*

The IFAD supported projects, with the Tuyen Quang project playing a lead role, using participatory rural appraisals (PRAs) assessed the problems and needs of rural households for technology support and built a responsive, problem-solving and demand-driven research and extension system that has been acknowledged as being a model. This model has been replicated in other provinces of the country. Through participatory research in farmers' fields and training, the Extension Service succeeded to improve capabilities and find solutions to the problems and respond to the needs in location specific contexts. The Extension Centre became the flag bearer of decentralisation and participation and the extension staff became the key facilitators of most project activities. Excellent linkages have been established amongst research, extension and farmers through which farm households provided to both researchers and extensionists local knowledge and feedback on the effectiveness of the innovations and technologies being tested. Backed by a system of participatory adaptive research, the Extension Service has provided enormous training to members of Village Development Boards, PRA facilitators, ordinary farmers, and their own extension staff and generated appropriate technical packages and messages that had a significant impact on both agricultural production and poor rural households. Extension messages were disseminated through testing and demonstrations in farmer fields, farm visits, leaflets and provincial media.

Experience shows that changes in markets and technology have largely by-passed uplands in Vietnam as elsewhere in East Asia. Upland communities are generally settled in remote, less productive areas with difficult terrain, poor infrastructure and lower accessibility to the market economy and off-farm work. The successful integration of agro-forestry and livestock into cropping systems in the uplands by the participatory extension service, interacting with rural households, has validated the relevance of both the PRA methodology and of multi-disciplinary and farming systems approach to developing sustainable livelihoods, rather than optimising land-based production in the short-term.

Increases have been achieved in crop yields and in forest cover with more forest areas remaining intact. Similarly, improved veterinary outreach has reduced mortality in pigs and poultry and led to improved growth rates. Healthy dual purpose chicken provide a regular source of cash income to poor households and the agricultural extension department in Tuyen Quang is now promoting a poultry model that uses the Chinese Tamhoang dual-purpose breed, which produces more and heavier eggs than the local breed. The improvement of traditional feeding systems is an area that deserves more attention, with greater focus on local feed resources, because crop residues and other organic materials in areas of denuded hillsides are also used as fuel. In Quang Binh province, the extension services have also made advances in fish rearing, the establishment of fish and shrimp hatcheries and the

prevention of disease and treatment. Experience shows that from a hunger and poverty eradication perspective, access to micro-credit and preventive livestock vaccinations command very high priority for most of the poor households. Commune-level PRA has identified many development problems that need to be researched and find sustainable solutions, including varieties of potatoes, maize, soybean, hybrid rice and fruit trees.

### **Policy Issues**

- i. Based on the experiences accumulated so far, the Government may wish to replicate on a broader scale the development of fee-based and self-financing extension service at the commune level, which could include nurseries, animal breeding, clinical and other field veterinary and ancillary services. However, government should develop a strategic framework and maintain its regulatory, control and supervisory functions, as well as develop specific financial guidelines to allow for consistency and transparency in implementing the fee-based service. For example, in the case of Tuyen Quang, Commune Veterinary Workers (CVW) are already successfully operational in providing fee-based services to farmers in livestock issues. CVW own refrigerators, bicycles and have stocks of medicine. This approach is expected to generate better result and savings to the government, and the initial investments required in establishing such extension services could be raised through uptake of bank loans.

### **Operational Recommendations**

On-going and future projects and programmes should ensure that they include provisions for:

- i. Strengthening the demand-driven participatory research and extension system through adequate investments in essential infrastructure and training of staff. The latter should include appropriate opportunities for study tours and exchange visits to other IFAD-supported projects, research centres and universities, in order to contribute to upgrading the skills and know-how of research and extension staff.
- ii. Agriculture extension should provide advice on cost-effective ways to add value to agriculture output, for instance in post harvest processing techniques of products that will enable the creation of marketable goods leading to better incomes.
- iii. Development of a comprehensive livestock strategy to cater for both feed resources and number and type of livestock used. Due emphasis is needed for household poultry production giving to women appropriate training.
- iv. Development of a veterinary infrastructure that contains appropriate capacity building to ensure adequate outreach and preventive vaccinations and make investments in livestock more secure. Veterinary Health Workers could work closely with the micro-credit programmes.

## EXECUTIVE SUMMARY

### I. INTRODUCTION

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

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

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

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

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

6. The CPRE was conducted in a highly participatory manner, in line with the Fund's new approach to evaluation, and was the first PI/OE exercise of this nature. The rationale for the joint



approach was based on the consideration that since all four projects financed by IFAD in the country were still ongoing, the undertaking of a CPRE by OE alone would not appropriately address some of the implementation-oriented issues requiring immediate follow-up to ensure better execution, impact and sustainability of activities. In short, a joint CPRE was deemed more suitable as it would not only draw lessons from experience to provide inputs for updating the COSOP and improve the design and performance of future activities, but also support the streamlining and amelioration of current operations.

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

8. The Fund's New Approach to Evaluation demands that an in-country workshop be held at the end of each Country Programme Evaluation in order to finalise an 'agreement at completion point' (ACP)<sup>1</sup>. The formulation of an ACP would mark the completion of the Vietnam CPRE exercise. In this respect, a workshop was held in Hanoi on 13 March 2001. The principal objective of the workshop was to engage in a discussion with a broad range of IFAD partners in Vietnam so as to derive an understanding on the key lessons learned and recommendations from the CPRE. The Workshop was also a forum for exchange of recent experiences among the four IFAD-supported projects in Vietnam, the Government of Vietnam, as well as various other partner organisations. The workshop was held at the Ministry of Planning and Investment (MPI) and approximately forty people participated in the session, including representatives of the four IFAD-supported projects, several ministries from the Government of Vietnam, Provincial Peoples Committee, Vietnam Bank for the Poor, Farmers' Association, Vietnam Women's Union and others.

9. The methodological structure of the workshop took the form of plenary presentations and discussions, as well as deliberations in two working groups. IFAD requested the Asian Institute of Technology (AIT)<sup>2</sup> to facilitate the workshop discussions, and to prepare a summary of the main observations and suggestions. Full interpretation (English – Vietnamese – English) was necessary throughout the plenary session as well as in the working groups. The background documentation had been translated into Vietnamese by the Government, and distributed before the session together with the English version. In this regard, the workshop revealed the importance of cross-checking the quality of documents, as a number of misunderstandings on concepts and content arose during the discussions due to inaccurate translation.

10. There was a general consensus on the five lessons learned and recommendations proposed in the draft ACP. However, the ACP was revised to include the productive set of comments generated

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<sup>1</sup> The ACP contains an understanding among the main evaluation partners on the key lessons learned, recommendations and follow-up actions from the exercise.

<sup>2</sup> AIT was represented by Professor Fredric Swierczek from their School of Management in Bangkok, as well as the Deputy Director of AIT Vietnam.

during the workshop. The five lessons learned and related recommendations concern the following topics:

- Rural Financial Services
- Gender Mainstreaming
- Decentralisation and Bottom-up Development
- Forestry and Environment Protection
- Participatory Adaptive Research and Extension

11. Each lesson learned also includes a short personal case story captured by the CPRE mission. These provide the reader with an opportunity to benefit from the perceptions and opinions of the beneficiaries about the interventions supported by the Fund.

12. The CPRE's ACP contains three main recommendations that have a wider policy implication and need to be addressed to ensure more efficient and effective poverty reduction and rural development efforts. The first policy recommendation concerns the elimination of the subsidisation of the rural financial sector. The CPRE concluded that below-market interest rates and related subsidies are not financially sustainable, nor do they provide for an operationally effective means of reaching ethnic minorities, women and other most underprivileged people. Concurrently, the CPRE recommends that the government extend operations of the Vietnam Bank for Agriculture and Rural Development and of the Vietnam Bank for the Poor in support of the poorest people in rural areas. The second policy recommendation concerns the need to issue land titles in the names of both husband and wife. This will contribute to the empowerment of women and give them an incentive to make greater investments on their land and engage more actively in development initiatives, such as those related to micro-enterprise development or other income generating activities. The CPRE also recommends that the government promote increased representation of women at all levels in key decision-making positions in rural development public institutions. The third policy issue relates to the need for the government to delegate greater financial authority to provincial, district and commune levels for rural development programme planning, implementation and disbursements. This will not only enhance efficiency, but also increase ownership, transparency and accountability at the lowest levels. There are also other policy recommendations, but these are considered the most pressing ones.

## II. IMPLEMENTATION PERFORMANCE

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

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

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



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

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

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

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

produced by the farmers themselves, and a self-management board for maintenance and protection has been set up in each commune.



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

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

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

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

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

### III. IMPACT AND SUSTAINABILITY

22. **Poverty.** As all four projects are still operational, any assessment of impact would be premature. However, the CPRE was able to obtain some indication of expected impact. For instance, the second round of PRA in Tuyen Quang indicates that in 51 selected communes the number of better-off households has increased by 10.5% and poor and very poor households have decreased by 12%. However, microlevel analysis suggests that the very poor derived less benefit from the project than the poor, particularly with regard to the irrigation and infrastructure components. A participatory evaluation in Le Thuy district of Quang Binh revealed a 10% decline in poverty as a result of the rice-regeneration interventions over a period of two years, but the impact was higher among those with larger landholdings and has excluded the handful of very poor landless people. In the sand dune area, employment in project activities has helped the poor to increase their livestock base, meet agricultural credit requirements and repair their houses. Monetary gains to the poor have also been noted in the case of forest protection activities. Incremental income has largely been invested in livestock, particularly in pigs. Better access to natural resources with the help of rural infrastructure built by the project is contributing to diversification of rural production and narrowing the gap between the poor and the less poor in some localities. However, the sustainability of the favourable poverty impact of the projects depends both on the sustained flow of credit to the poor and on social security measures being put in place to help the poor cope with contingencies like ill health, death of a family member and disaster. These mechanisms need to be strengthened in all projects. Finally, poverty alleviation will be sustainable only when the poor are represented in institutions at the national level that they can use to assert their interests and to organise access to resources.



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

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

24. **Beneficiary participation.** While different groups living in poverty are consulted during project design, there is still little active participation of the poor in identifying needs and shaping project design. This is particularly true for the irrigation and road components, which are often pre-targeted. IFAD’s main contribution has been the promotion of PRA as a tool for operational planning, for which the multi-component PRA conducted in Tuyen Quang proved more effective than the



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

sectoral PRA used in other projects. Primarily, PRA methodology was used to determine the content of research and extension priorities in instituting a problem-solving and demand-driven approach to agricultural extension. PRA methodology was also employed for wealth ranking in the project area as a targeting instrument, whereby poorest households are identified by the villagers themselves through classifying households into four or five categories based on their own criteria. Integrated participatory evaluation exercises have been institutionalised in Tuyen Quang, with monitoring of poverty status and village work plans. A variety of self-help groups have been formed which are involved in planning and managing micro-irrigation and drinking water schemes, access to credit, road programmes, sand dune fixation, forest protection and agricultural extension activities. Water user groups function successfully and the sense of ownership by beneficiaries is real. There must be self-reliant and well-trained labour crews, or in their absence device an alternative arrangement, to operate and maintain project schemes to ensure post-project continuation of benefits. Participatory processes can be sustained beyond the project period only if they are institutionalised within existing structures.

25. **Gender mainstreaming.** An explicit commitment to address gender-specific causes of women’s poverty and to mainstream gender concerns is absent from project objectives. However, the key role of women in agriculture, livestock and rural marketing is recognized, and gender concerns are mainstreamed to some extent in the credit/income diversification components, especially in the case of Ha Tinh. The degree of access of poor women to project resources has been higher for credit and income diversification, followed by agricultural extension and sand-dune fixation, and lower for other programmes. A broader implementation issue is the gender and ethnic composition of staff and workers. Women’s representation in the PPC/PCU ranges from 18% in Ha Giang to 26% in Quang Binh, with more representation in administration and accounting than in project management.

In all projects, representation is lower at the district level than it is at provincial level. The Tuyen Quang project has been the most successful in terms of expanding the independent asset base of poor women, increasing their status within the family and strengthening their ability to cope with poverty through the credit and savings programme. Joint titles to land and houses are particularly important for the sustainability of gender impact, and this needs to be pursued at the central government level.

26. **Financial Services.** The credit programme faced serious structural and procedural problems that restricted its impact on project beneficiaries significantly. The cumbersome processing procedures, the high cost of making small loans, the collateral requirements and the perceived high risks of small loans inhibited the involvement of commercial or state banks in lending to poor farmers at a large scale. Even in Tuyen Quang, where the flow of credit to the poor from VBARD has been good, the group capital was not enough to meet the short term or medium term consumption/production credit needs of their members on a sustained basis. Attempts to satisfy more households have resulted in a thin spread of credit and only very few beneficiaries have been able to obtain a second loan. Despite high repayment rates, there was very little mobilisation of savings and very little in the diversification of investments, most credit being used to purchase pigs and/or buffaloes. Over 70 percent of rural households depend on informal sources for credit, paying interest rates that are two to three times higher than those charged by formal financial institutions. Apart from limited presence of formal banking institutions in rural areas, inability to offer collateral explains limited access to formal finance by the rural poor. There is a widely acknowledged need to build up a basic structure of rural financial services responsive to needs of local communities.



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

27. **Participatory adaptive research and extension.** Based on PRA and training of extension staff, the IFAD supported project in the Tuyen Quang province developed the most comprehensive extension system in the country that provided a model for other provinces. The other projects are pursuing the PRA methodology to give concrete research and extension agenda to extension services that are still in the process of being organised. Extension activities have contributed to increased agricultural production and forest cover with more forest areas remaining intact. In Tuyen Quang, average yields of maize and paddy increased from 2.15 to 3.01 ton/ha and from 3.12 to 4.2 ton/ha, respectively. The total area under cultivation has also increased, notably for sugar cane (1 185 to 7 219 ha) and fruit trees (965 to 3 266 ha). Improved veterinary outreach has reduced mortality in pigs and poultry and led to improved growth rates. The 62 000 loans sanctioned by VBP in Tuyen Quang are also likely to have supported an increase in animal numbers, especially pigs. Under ARCDP close attention is being given to appropriate and efficient feeding of shrimps, thus limiting the build-up of unwanted nutrients in the ecosystem. However, only better-off households have the necessary capital and labour for shrimp culture. Fish culture, in contrast, offers opportunities and benefits for all farming

households and complements traditional agricultural activities. Strengthening of the demand-driven research and extension system requires: additional investments in training of staff and essential infrastructure, improved access to micro-credit at market related interest rates, and provide clear land-use rights to stimulate investment and uptake of improved technology.

28. **Environment.** There is no forestry component as such in the Tuyen Quang project, but its work complemented and aided the process of re-greening by contributing to food security and thus reducing pressure on the forests. In Ha Giang, conditions in the mountainous regions of the east and northwest

require urgent attention on the part of both the Government and international donors. However, the ambitious afforestation targets, to which part of project activity has been attached, mean that it is more important to be seen to be expanding the area of forest (in whatever district) than to address the crux of the matter i.e. the acute shortage of combustible material. In Quang Binh, the destruction of the young casuarina plantations in the sand dune areas was caused mainly by de-branching for fuelwood. Such is the shortage of combustible material in the coastal region that unless alternative sources of cheap fuel are made available, the depredations will certainly continue in all areas except where existing trees are understood by local villagers to be performing a vital role as a physical barrier against sand. Thus, for the new plantations to survive, it is imperative to address, as a matter of urgency, the fuel situation. The anticipated impact of project road components has generally been achieved, with focus on inter-commune roads where improvements have a high economic return.

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

30. **Project design.** The IFAD-supported projects are generally cost-effective, the technical designs are appropriate and additional unsustainable institutional layers have not been created. There is need for the implementing agencies to elaborate detailed project exit plans incorporating expected financial and human resource allocations for operations and maintenance for the post-project period. In future, specific provisions for exit plans should be included in the project design.

#### IV. LESSONS LEARNED

31. **Targeting.** Unless there is a clear focus and provisions in project design to working towards household-level food and nutritional security, the poorest may derive less benefit from the projects than the poor in general. For poverty alleviation, rural development projects should aim to improve the livelihood prospects and living standards of targeted groups of poor people through social mobilisation, improving access to productive resources, services, and markets needs. The ultimate objective should be sustainable livelihoods rather than optimising land-based production in a short-term time horizon. Targeting instrumentalities need to be conceived as being part of an "inclusive" approach to fostering of local institutions. The poor clientele can not be reached through narrowly targeted interventions which view such households as "enclaves" rather than as an integral part of rural communities. In the context of Vietnam, poverty eradication strategies can best succeed with the full involvement of the Peoples' Committees and Peoples' Councils. Within each province, the focus should be on the HEPR districts and communes, and the poorest villages and households should be identified through a combination of Ministry of Labour, Invalids and Social Affairs (MOLISA) and PRA criteria. Due attention should be given to women headed households and young farming families.



32. **Social Mobilisation and Capacity Building.** The IFAD supported projects have been particularly successful in involving the poor communities through PRA methodology to determine the content of research and extension priorities and in classifying households into wealth categories that provided the main targeting instrument in the project areas. The Projects have also been successful in forming a variety of self-help groups, which apart from promoting efficient and sustainable management of resources have created opportunities for the poor to participate in decision making processes. The establishment of Community Development Funds to meet the communities' expressed needs gives flexibility in the area of poverty reduction and nutritional security, empowers local communities and provides an effective instrument for decentralised allocation and participatory control mechanism. A very important lesson learned is that unless mechanisms for the participation of the poor are in place at the project appraisal and design stage, participation will be merely token in nature. Similarly, PRA can be an important tool for strengthening the participation of the poor in the planning, monitoring and evaluation of poverty alleviation projects only when capacities, will and resources are made available and Government institutionalises PRA methods within the overall provincial, district and commune level planning. Given that the most vulnerable groups do not as yet occupy decision making positions in existing organisations, it is important to continue the present strategy of empowerment through the creation of self-help groups around specific sectors. However, it is important that both the traditional and new forms of popular organisation come together through the VDBs and CDBs for participatory planning, monitoring and evaluation.



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

33. **Participatory research and extension.** The successful integration of agro-forestry and livestock into cropping systems in the uplands by the participatory extension service has validated the relevance of both the PRA methodology and multi-disciplinary and farming systems approach to developing sustainable livelihoods, rather than optimising land-based production in the short-term. Experience shows that the extension system, backed by a system of applied and adaptive research, has been effective in generating appropriate technical packages and messages and in interacting closely with farm households that provide to both researchers and extension workers local knowledge and feedback on the effectiveness of the innovations and technologies being tested. This is highly important in orienting research and extension to development activities that are relevant and acceptable to people living at the grass-roots level. It is recommended that Projects press for the strengthening of the demand-driven participatory research and extension system through additional investments in training of staff and essential infrastructure, improved access to micro-credit at market

related interest rates, and clear land-use rights to stimulate investment and uptake of improved technology. The improvement of traditional feeding systems is an area that deserves more attention, with greater focus on local feed resources and collaboration over extended periods with research institutions. There is need for the development of a comprehensive livestock strategy to cater for both feed resources and number and type of livestock used.

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

35. **Financial Services.** Rural poor communities in Vietnam have accepted widely the savings and credit concept and have overcome the barriers of working jointly in-groups of trust for mutual financial benefit. The social pressure as a guarantee for small loans is proven to be so strong that it has not only made it possible for poor households to access credit but also provided collateral and, practically, a hundred percent loan recovery. However, credit in Vietnam to the poor is conceived as a kind of social safety net and is provided at subsidised rates of interest. Experience has shown that cheaper micro-credit runs the risk of being rationed and availed of largely by clients with easy access to VBARD and VBP branch network that does not always extend into remote areas. The solution for such remote areas lies in credit retailing by financial intermediaries, but below market interest rates do not provide the necessary spread margin to such intermediaries to cover even their operating costs, much less the costs of social intermediation, such as group formation and training of beneficiaries. Thus, subsidised credit effectively reduces, rather than enhancing the access of the poor to micro-credit. It implies also low deposit rates that discourage savings mobilisation and promotion of sustainable rural financial services. The financial autonomy of micro-finance organisations and financial intermediaries, i.e. their independence from external subsidies, constitutes a key ingredient for broad-based poverty reduction. It is recommended that Government improves access of small poor farmers and small entrepreneurs to the financial market. Emphasis should be given to the promotion of rural finance institutions on the model of village-based Savings and Credit Associations (SCAs) for servicing the financial inter-mediation needs of the poorer income groups through the mobilisation of savings. Strengthening of these institutions should involve appropriate incentives, accompanying measures in the field of training, institution building and development of the appropriate legislative and regulatory framework. It is also recommended that apart from the purchase of buffaloes and pigs, projects promote the use of credit for other cash and income generating activities in production and services or where the poor have a comparative advantage and for which a market exists, particularly in the uplands where there is widespread unemployment and very low income.

36. **Infrastructure.** The rehabilitation/construction of roads and irrigation schemes had a positive impact on the development of both poor households and rural communities. Lack of inter-commune and district roads would affect provision of health services linked to medical centres, inaccessibility of communities to centres of education and an overall reduction of the exchange economy's performance due to reduce access to traded commodities. However, improvement of intra-commune or intra-village roads without prior improvement of inter-commune or district roads is uneconomic. Main roads should be constructed/rehabilitated by Government and their maintenance be institutionally guaranteed and be carried out by the central or provincial authorities. Targets and site selection for infrastructure development activities should be based on the findings of PRAs conducted periodically during implementation rather than pre-targeted as defined during the project design process. Greater resources and efforts need to be expended in social mobilisation and user group formation to support infrastructure construction, supervision and maintenance.

37. **Forestry and Environment Protection.** Efforts in recent decades to use tree planting to counter the intrusion of sand dunes into areas of cultivated land in Quang Binh have met with little success because young trees have been destroyed primarily by de-branching for fuel wood. A lesson learned is that for as long as there is such an acute shortage of fuel, the depredations will continue in all areas except where existing trees are understood by the local villagers to be performing a vital role as a physical barrier against the sand or in the creation of micro-climatic enclaves. Guided by experience, *Casuarina* saplings under the IFAD supported project have been planted in a partnership arrangement with the communities on the basis of a plan aiming to enable the emergence of micro-climates that would allow both cultivation and settlement. In Ha Giang, urgent measures are required to reverse the deforestation of the upper slopes in the highland areas, where the pernicious cycle of deforestation, flash floods and drought is already far advanced. It is recommended that the Government enhances its efforts to develop participatory forest protection models including formation of participatory soil conservation associations and issue forest protection contracts to farmers. Specific provisions for such participatory forest protection models and soil conservation associations should be included in the design of all future development interventions. Incentives may be necessary for reforestation activities, against the direct cost of the accelerating cycle of flooding and drought in the region.

38. **Project Management.** For reasons of efficient use of limited trained manpower and financial resources, and for the sustainability of project services in the post project era, the use of in-line Government institutions for project implementation has proved valid and sound. The capacity, expertise and awareness of project staff have discernibly improved with time in all projects. For most technical training, local institutions, such as Hue University for ARCD and HTRDP and Hanoi University for HGDPEM and PRMP, can provide a team of experts in various disciplines. Also, the staff of on-going projects can be used for the training of trainers in PRA, social mobilisation, management, and monitoring and evaluation for other projects. It is recommended that the Government: (i) promotes effective co-ordination among the donors involved to ensure streamlined planning and operations, and (ii) develops a common framework for national staff and consultant salaries, incentives and related allowances. It is also recommended that projects urgently develop more focused M&E indicators for monitoring and impact assessment and introduce further improvements in the feedback mechanism from communes and villages to the district, provincial and central levels. A pressing challenge for IFAD is the need to assist the Government to prepare project exit plans to cater for the consolidation and maintenance of achievements during the post-project period. In future, specific provisions for exit plans should be included in the project design.

39. **Decentralisation and Project Implementation.** IFAD's programme in Viet Nam has contributed to changing attitudes and approaches to development planning, budgeting, implementation and monitoring. Decentralisation has been a key feature introduced in all four IFAD-funded projects. Experience accumulated to date illustrates that better results are achieved when implementation responsibility is handed over to the operational level using activity managers of the technical departments, mainly at the commune level. This results in ownership, commitment and accountability at the lowest levels. As a general rule, greater autonomy in terms of planning and financial management is desirable at the district and commune levels to facilitate and improve the development process.

40. **Area-based Rural Development Projects and Local-level Institutional Development.** A participatory approach was adopted during project formulation that culminated into designing integrated, area-based, rural development projects with a strategic focus towards institutional development. By creating institutional structures and targeting concurrently social and technical components, the IFAD supported projects have validated the modern view that in poverty alleviation the major problem is not the scarcity of resources but access to resources. In addition to asset formation, supply of inputs, provision of credit, development of infrastructure, extension of forests and protection of the environment, tangible benefits included formation and strengthening the capacity of community-based organisations as a medium for self-mobilisation for development purposes, and emphasis on decentralisation and bottom-up approach that provided development models to other

poverty alleviation programmes. A lesson learnt is the centrality of developing the participatory processes and institutions that empower the poor to take part in defining the rules that determine their lives. Unorganised poor are powerless and remain excluded from the political and economic system.

## V. KEY POLICY ISSUES

41. The CPRE broadly confirms the validity of IFAD strategy in Vietnam with its clear emphasis on targeting the poorest of the poor through the development of participatory processes and enabling institutions. Given the profile and the nature of rural poverty in Vietnam, there is need for an enhanced focus in development co-operation towards institutional development. A number of key policy issues that have emerged during the CPRE require joint consideration by IFAD and the Government. These include:

42. **Decentralisation, Participation and Empowerment.** Under the IFAD supported projects, decentralisation and participation have emerged as crucial issues in developing local ownership and capacity. IFAD experiences and insights have led to completely new approaches. IFAD is already providing support to strengthen the capacity and authority of sub-provincial level i.e. commune and village based institutions and their relations with the rural private sector, and it will continue to do so, both within the context of the ongoing projects and under any new intervention. Participation and empowerment are of importance both to communities, to enable them to identify, plan and manage their development works and activities; and to small-scale producers, to assist them to more effectively manage their resources, interact with markets and influence policy towards the sector. The bottom line must be the local institutions that empower the poor to take part in defining the rules that determine their lives. Yet, local empowerment and the development of institutions of the poor alone will not be sufficient. Only when the poor and their interests are represented in institutions at the national level will there be a policy for the poor.

43. **Financial Services.** It has been widely recognised that the main problem for rural development is not the lack of credit funds or the level of interest rates. It is rather one of organising access to financial resources, and establishing conditions of production that allow savings and make investments profitable. The conventional approach usually implied the design of credit-line projects, executed by state banks that generally dictated to the borrower the conditions and purposes and the use of funds, often incorporating obligatory input packages into the terms. The new way paved by the institutional development approach aims at helping the poor mobilise their own resources and establish local savings and credit systems. It empowers the poor to take their own decisions concerning the terms and designated use of credits, and it facilitates their link with commercial financial institutions. Issues for policy dialogue include: (i) support and consolidation of the existing SCG network and its further development into village-based finance institutions for servicing the financial inter-mediation needs of the poorer income groups; (ii) strengthening of these institutions through accompanying measures in the field of training, institution building and development of the appropriate legislative and regulatory framework; (iii) vision for the development and consolidation of a long term sustainable micro-finance system, capable of extending financial services to the poorest target groups in the country; and (iv) elimination of below-market interest rates which prevail in much of the formal credit operations.

44. **Gender mainstreaming.** There still exists in Vietnam significant inequality in the distribution of power within the household in terms of decision-making, work load, representation in institutions, access to productive assets, such as land and credit and education for some ethnic women. Gender mainstreaming is essential if poor women's food and nutritional security is to be addressed by the project on a sustainable basis. Gender concerns should be explicitly woven into all aspects of project design and the gender-specific causes of women's poverty be identified. Issues for policy dialogue include: issuance of house and land titles to women; increased presence of women and greater influence in public institutions; improve welfare of ethnic women, who have unequal and inadequate access to education and health services.

45. **Marketing and commercialisation.** An area of great strategic importance is commercialisation of production systems and the development of enhanced commercial linkages between small-scale producers and private markets for inputs, produce and production support services. Starting point is the recognition that continued exclusive emphasis on food crop and livestock production will not have a major impact in reducing rural poverty. Rather, increased rural incomes and broad-based economic growth depend upon the ability of smallholder producers to participate better in the rapidly expanding market complex. They are constrained from doing so by a number of factors, including their lack of relevant skills; weak infrastructure, particularly roads; low production levels; the lack of an intermediary level rural trade network; and inadequate services and information on price and market potentials and requirements. All these elements are essential constituents of an enabling economic environment for rural producers and can be created and influenced mostly by the work of institutions. Appropriate policies need to be developed and implemented to allow both the smallholders and the private sector to develop together in a manner that is efficient and equitable. In the age of economic globalisation, the vision and primary task of public investment in poverty alleviation, including development aid, is to create conditions that guarantee the poor access to the formal private sector. This intermediary and linking function should enable not only the access to the national and international markets, but mainly the creation of an institutional and environmental framework allowing the poor to exploit the development potentials of the private sector.

46. **Role of mass organisations and NGOs.** Mass organisations, such as the VWU and the FA, have developed strong implementation capacity and have been closely associated with IFAD projects



providing assistance in training and group formation of rural women and men. Essentially, the relationship has been one of perceiving the Women’s Union or the Farmers Association as "service providers". Mass organisations, which originated in the centrally planned era as front organisations, have the infrastructure and outreach to transform themselves into genuine NGOs. An important area of policy dialogue is the promotion of a greater role for civil society in the development process through formation of community-based groups/organisations that would operate in remote upland areas in close association with mass organisations and with capacity building support from local or international NGOs. The coalition with mass organisations and suitable NGO’s, with hands-on experience in mobilising and empowering rural communities and women specifically, could generate added value in a cost-effective manner, for the benefit of rural poor. Experienced NGOs could supply technical support and provide a link between the private sector and the rural communities in terms of inputs and marketing opportunities and facilitate the use of modern technologies with the view to optimising costs and promoting sustainability of services.

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