

**Rural Development in the Coastal
Areas of Trieu Phong District,
Quang Tri Province
(Project supported by NORAD)**

Mid-term Review May 2003

Alf Morten Jerve
Vu Hoai Minh
Ragnhild Overå
Vu Thi Ngoc Tran
Hans Warfvinge

**Commissioned by the Royal Norwegian Embassy, Hanoi
Final Report, September 2003**

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List of acronyms and abbreviations

CPC	Commune People's Committee
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CTA	Chief Technical Adviser
DARD	Department of Agriculture and Rural Development (Province)
DMZ	De-Militarized Zone
DPC	District People's Committee
DPI	Department of Planning and Investment (Province)
EGV	Ecological Garden Village
FINNIDA	Finnish International Development Agency
GoV	Government of Vietnam
LFA	Logical Framework Approach
MOLISA	Ministry of Labour, Invalids and Social Affairs
MPI	Ministry of Planning and Investment
MTR	Mid-Term Review
NOK	Norwegian Kroner
NORAD	Norwegian Agency for Development Aid
ODA	Overseas Development Aid
PAC	Project Assistant Committee
PC	People's Council
PMU	Project Management Unit
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
Sida	Swedish International Development Cooperation Agency
TA	Technical Assistance
VBP	Vietnam Bank for the Poor
VND	Vietnamese Dong

Executive Summary

1. A Mid-Term Review (MTR) of the Project (SRV 0038) “Rural Development in the Coastal Areas of Trieu Phong District, Quang Tri Province” was carried out by an international Team headed by the Chr. Michelsen Institute (CMI), Norway.
2. The Project is situated in Central Vietnam and addresses the needs of the poor in seven coastal communes in Trieu Phong District in the Quang Tri Province. Located in an area that was hard hit by the Vietnam-America War and with an environment characterized by a harsh climate and sandy and low-productive soil, these communes are among the poorest in Vietnam. The first project period is 2001-2005.
3. The project goal is *to improve the living standard of the poor people in the coastal area of Quang Tri Province*. This goal is intended to be achieved through the objectives of (1) developing the economy by improvement in aquaculture, agriculture and infrastructure, (2) improving and protecting the ecological environment, and (3) strengthening the capacity of managerial staff and beneficiaries.
4. The Team was assigned to provide the PMU and NORAD with an independent assessment of the performance of the Project. The MTR report presents the Team’s observations on project management, on environmental aspects of the Project, and on the overall achievements so far in relation to the Project’s output goals. Opinions are provided on the relevance, efficiency, impact and sustainability of all the project components. The report also gives recommendations for the remaining two years of the project period 2001-2005 and for a possible extension of the project period.
5. The Team made observations on each of the main project components and their sub-projects:
 - Economic development and income generation. *Sub-projects*: (1) Shrimp nursery and (2) Eco Garden Villages (EGV) for the resettlement of poor people.
 - Environmental rehabilitation. *Sub-projects*: (1) Protective forest plantation, (2) Sand dyke and (3) Soil improvement.
 - Rural infrastructure. *Sub-projects*: (1) Rural roads and (2) Electricity system.
 - Capacity building. *Sub-projects*: (1) Construction of primary schools and (2) Workshops, training courses and study tours.
 - Project Co-ordination. *Sub-projects*: (1) Project co-ordination and technical assistance through a functional PMU, construction and equipping the project office and short-term consultancy; and (2) Project evaluation.
6. The Team’s observations concerning the relevance, efficiency, impact and sustainability of the main sub-projects are summarized under four headings, namely creating new settlements on barren land, creating economic and social infrastructure, reclaiming land for human use, and training.
7. The main income generating sub-project is that of the *resettlement of poor households on barren land in Ecological Garden Villages (EGV)*. The positive impact of giving poor households access to land in the sandy areas appears unquestionable, both in terms of poverty reduction and environmental improvement, especially in a long-term perspective. It would be desirable that more people get this opportunity, and a district

plan aiming towards more integrated planning and better use of the new infrastructure is therefore needed. Support to future settler households should be more differentiated and flexible.

8. The *provision of basic social and economic infrastructure* is in line with the Comprehensive Poverty Reduction Strategy of the Vietnamese Government, and is of particular relevance in the flood-prone coastal sandy lands of Trieu Phong District. Despite delays, construction works in the Project have been quite efficient and will have a positive impact on the general development in the area. Solutions for future maintenance of canals, roads and buildings must however be worked out as soon as possible.
9. Building on established practices of *reclamation of land for human use* in coastal areas, the sub-projects of tree planting, cultivation of sandy soils and drainage canals are well suited to improve the environment, and to make new land available for settlement and income generating activities. It is recommended to experiment with other methods than relying only on mono-cropping of Acacia in rows. Also, plans for the maintenance of the sand dyke and canals need to be made.
10. An impressive effort has been put into the *training of farmers, PMU-staff and local leaders* in the coastal communes. The villagers have participated in the identification of training needs and a large number of people have attended courses on relevant farming techniques. The course design and teaching methods are however too theoretical. A more practical training approach and introduction of vocational training should be considered.
11. With regards to the project model, the Team observes that the Project has a typical *area development approach* with a main emphasis on upgrading the economic and social infrastructure. There are few interventions that address the overall goal of the Project by directly targeting the poorest people in the district.
12. The Team also observes that there was *little flexibility in the investment programme and planning approach*. The project agreement identified the investments, especially the infrastructure, in too detailed manner both in the budget and the location of different works, limiting the flexibility of the Project during implementation, particularly when there is a need for changing priorities and revising components.
13. The PMU is working enthusiastically, but the Team recommends that their capacity is strengthened through training activities on project planning, financial management, implementation, monitoring and evaluation. The English language skills among core PMU staff should also be improved.
14. Furthermore, the Team recommends that a *project manual* on planning procedures, monitoring procedures and financial management procedures is prepared. Common project *cost norms* need to be developed and established. The quality of *progress reports* should be improved, especially the analysis of reasons for obtaining results (both success and constraints) and of lessons learnt.
15. *Technical Assistance* through foreign and national consultants will have to be an important element in the remaining project period and also in the event of a second

phase. The Team recommends contracting a long-term advisor, with no executive functions, whose inputs are gradually reduced over the project period.

16. The model with direct support to the District level should be continued. Nevertheless, there is a need to strengthen the capacity of the Province to support, coordinate and learn from its various district level poverty alleviation projects/programmes.
17. The Team strongly recommends that a decision on Phase II is communicated at the next Annual Meeting. This decision will greatly influence work plans and priorities in the remaining period up until March 2005.
18. In conclusion, the MTR Team is of the opinion that the Project is successful in terms of achieving its output targets. The implementation of construction works (roads, schools, drainage canals) is progressing satisfactorily, and the quality of work is good. The same applies to tree planting and cultivation on sandy soils, where the initial results are encouraging with high survival rates of tree seedlings and successful trials with various crops. The settlement schemes are also developing satisfactorily and the high number of applicants shows that the EGV-package is attractive.

Map 1: Vietnam and location of the Project



1 Introduction

1.1 *The project in brief*

Project area

The NORAD-supported project Rural Development in the Coastal Area of Trieu Phong District, Quang Tri Province (SRV 0038) is implemented in seven coastal communes where the soil is poor and sandy and the climate is harsh with strong winds and heavy floods. The area is located in Central Vietnam and was in the centre of the world's attention for more than twenty years, as some of the main battles during the Vietnam-America War took place here. By 1975, almost all buildings and infrastructure were levelled with the ground. Today, the Quang Tri Province is one of the poorest in Vietnam and some of its poorest Communes are located in the coastal areas.

The main economic activity is agriculture, but unlike in many other areas of Vietnam where rice can be harvested three times a year, only one or two crops can be harvested in this area. Fishing is of course also a main activity, but on a small scale with simple technology. Labour migration to other provinces is thus a necessity for many people who come from this area.

Goals and objectives

The project goal is formulated as: "Improvement of the living standard of the poor people in the coastal area of Quang Tri Province". This goal is intended to be achieved through the objectives of (1) developing the economy by improvement in aquaculture, agriculture and infrastructure, (2) improving and protecting the ecological environment, and (3) strengthening the capacity of managerial staff and beneficiaries.

The Project's history

The Project started as an initiative from the Quang Tri Department of Planning and Investment (DPI) and the Trieu Phong District People's Committee (DPC), as they saw opportunities of financing projects with ODA opening up in Vietnam. They worked out an initial project plan which was presented to the Ministry of Planning and Investment (MPI) in Hanoi in order to get advice on which donor to approach. The co-operation with NORAD started in 1999 and in November 2000 an Agreement between the Governments of Norway and Vietnam regarding the present Project was signed.

The Government of Vietnam is represented at the provincial level through the Quang Tri PPC, but the responsibility for project implementation has been delegated to the district level through the Trieu Phong DPC. A Project Management Unit (PMU), located in Quang Tri town, has been set up as the actual implementing agency. The Project implementation started in early 2001.

Main components

As a result of a Log-frame workshop in November 2001, five main project components – each with two or three sub-projects – were worked out:

1. *Economic development and income generation.*

Sub-projects: (1) Shrimp nursery and (2) Eco Garden Villages (EGV) for the resettlement of poor people. (Shrimp farming and a revolving credit fund were first

included among the sub-projects, but were later removed after reassessment of needs, realism, and priorities with regards to the main project goal).

2. *Environmental rehabilitation.*

Sub-projects: (1) Protective forest plantation, (2) Sand dyke and (3) Soil improvement.

3. *Rural infrastructure.*

Sub-projects: (1) Rural roads and (2) Electricity system.

4. *Capacity building.*

Sub-projects: (1) Construction of primary schools and (2) Capacity building through workshops, training courses and study tours.

5. *Project co-ordination.*

Sub-projects: (1) Project co-ordination and technical assistance through a functional PMU, construction and equipping the project office and short-term consultancy; and (2) Project evaluation.

Budget and expenditures

The total project budget is NOK 45 million (or approx. 90 billion VND) of which the Norwegian Government provides NOK 36 million (80%), while the Vietnamese Government provides an equivalent of NOK 9 million (20%). The project expenditures by end of 2002 stood at 22.3 billion VND or 25% of the total approved budget.¹ The spending in 2001, the first year of implementation, was only 1.9 billion VND or 2% of the total budget, whereas during last year there was a dramatic jump in expenditures to 20.4 billion VND or 23% of the overall budget. This showed a major improvement in implementation capacity, although actual disbursement in 2002 only reached 57% of the planned target, which obviously had been set unrealistically high.

Project duration

According to present agreements the project period ends in March 2005. If the Project is to consume all its 90 million VND by then it needs to raise the average monthly level of spending by 25% compared to 2002, for the remaining period. May be this is not realistic or not desirable, and a further extension of the project period will be granted.

1.2 What are the success criteria of the Project?

Though the overall goal of the Project is to improve the living standards of the poor the project components are more directed towards *general area development* than towards *specific targeting of the poor*.

The concentration of the Project's effort on infrastructure – facilitating communication, making new land available and cultivated, electrification and general modernisation – will indeed contribute to speeding up the economic growth already observed in the area. The philosophy behind the means to achieve the goal of improving living standards for the poor thus seems to be based on the idea that, since a large proportion of the population are poor or just above the poverty line (measured by the MOLISA-criteria of a monthly household per capita income of less than 100,000 VND), the overall project goal will be reached as long as the general development of the area is improving.

¹ This figure is compiled from the Project Implementation and Finance Report July to December 2003, dated March 2003.

There is no inherent contradiction between economic growth and poverty reduction. Both processes can fruitfully enhance one another. However, the two processes are not the same and they do not necessarily always go hand in hand. In other words, economic growth can occur without reduction in poverty. In the case of the present rural development project, there are many indicators pointing in an opposite and positive direction, and statistically the poverty rates have been decreasing. Nevertheless, the Team would like to put this dilemma up front, as it is likely to represent the main challenge of the Project in view of its overall goal. This challenge has to be taken seriously in the event of a second phase of the Project.

1.3 The Mid-Term Review

Team members

The Mid-Term Review Team leader was Alf Morten Jerve (social anthropologist), Assistant Director at the Chr. Michelsen Institute (CMI) in Bergen. The other members of the Team were Ragnhild Overå (geographer) from the same institute, Vu Thi Ngoc Tran (socio-economist) from the National Institute of Agricultural Planning and Projection (NIAPP) in Hanoi, and Vu Hoai Minh (economist) and Hans Warfvinge (forestry expert) from ORGUT Consulting in Hanoi and Stockholm.

Programme of the Team

The Team spent 10 days in Trieu Phong (18-28 May). It visited 6 out of 7 communes in the project area and held meetings with the commune leadership, including members of Project Support Boards, in the 5 communes where most of the activities are concentrated (Trieu Trach, Trieu Son, Trieu Van, Trieu Lang and Trieu An). It interviewed several persons/families who had moved to settlement villages, were in the process of moving or had been selected but still living in their original home. It visited 3 schools built by the Project including interviews with school management, and looked at several sites for tree planting with project and commune staff and some beneficiaries. The Team travelled several of the project-financed roads, received a field presentation of drainage canal construction, and visited the construction site of the shrimp nursery. The team visited shrimp farms in Trieu Phuoc commune.

Besides several meetings and conversations with Project management and PMU staff, the Team met with Department of Planning and Investment (DPI) for Quang Tri Province, the Quang Tri Rural Development Programme financed by Finland, the Public Administration Reform (PAR) pilot project financed by Sweden, the Women Union of Trieu Phong District and the branch of the Vietnam Bank for Agriculture and Rural Development (VBARD) covering the project area. The Team also met with the Chairman of the neighbouring Hai Lang District and made a field trip to the two coastal communes closest to Trieu Phong District. For more details on the Team's programme, see Annex 3.

Main focus of the Mid-Term Review

The general goal of the MTR is to provide the PMU and NORAD with an independent assessment of the project performance. Based on the Team's field visits, interviews and reading of project documents, this report presents our observations on the performance of the project management, on environmental aspects of the Project, and on the overall achievements so far in relation to the Project's output goals. We provide opinions on the relevance, efficiency, impact and sustainability of all the project components and give recommendations on possible improvements that can be done in the remaining two years of

the project period 2001-2005. The MTR also makes recommendations for the future further ahead, as we strongly argue for an extension of this promising project only just commenced.

Acknowledgements

At the Norwegian Embassy in Hanoi the Team would like to thank Counsellor Marit Roti, Second Secretary Marianne Karlsen and Adviser Tran Trong Chinh, for their invitation, their facilitation of the Mission and their open exchange of information about the Project. The Chairman of Trieu Phong District People's Council and Project Director Ngo Thanh Nghi, the Project Vice-Director Doan Minh Phong and all the other staff of the PMU in Quang Tri made everything possible for an efficient and informed MTR. The Commune People's Committees and the local people in the coastal communes of Trieu Phong also welcomed the Team heartily and informed us about their situation.

2 Assessment of main activities/sub-projects – relevance, efficiency, impact, sustainability

The Project is at present described in terms of five components, each consisting of two to three sub-projects. These components are defined in terms of broader developmental objectives and do not reflect administrative or other practical reasons for grouping projects. We have chosen presenting our observations concerning the relevance, efficiency, impact and sustainability of the main sub-projects under four headings that to us summarise the main strategies of the Project, namely creating new settlements on barren land, creating economic and social infrastructure, reclaiming land for human use, and training.

2.1 New settlements on barren land – Eco Garden Villages (EGV)

The positive impact of giving poor households access to land in the sandy areas appears unquestionable, both in terms of poverty reduction and environmental improvement, especially in a long-term perspective. It would be desirable that more people get this opportunity, and a district plan aiming towards more integrated planning and better use of the new infrastructure is therefore needed. Support to future settler households should be more differentiated and flexible.

2.1.1 The EGV approach

All land available for rice cultivation in Trieu Phong district is fully utilised. Thus, in order to provide families with little or no land with a place to live and new income generating opportunities, the so-called Eco Garden Village (EGV) approach was applied as one of the main sub-projects. The idea is based on a combination of Vietnamese farmers' ancient practice of reclaiming or settling coastal sandy land and the scientific ecosystem or micro-climate model developed by Professor Tu Giay of combining a garden, a fishpond and livestock in small-scale agricultural production. This model has its origins in traditional Asian practices, and was "re-introduced" in Vietnam in the early 1980s in order to prevent malnutrition in rural areas.

Apart from the obvious benefit for landless people of getting access to new land, an important justification for the EGV approach in the coastal communes of Thrieu Phong is the purpose of transforming barren and unused sandy land into improved soil and productive areas. Though the environmental conditions in this area are harsh, the Team could already observe the results of protection planting, irrigation, addition of organic material, manure and fertilizer on the new plots. Only one or two years after the first settlers moved to the sandy areas, this looks promising.

Visual results of how cultivation increases and how the landscape changes can also be observed in areas into which ordinary farmers have moved many years ago, and in the UNDP-project where 20 households in Trieu Lang Commune were resettled in 1999. In these areas one can definitely speak of an environmental transformation of the sandy land. This gives an indication of the potential improvements that can be expected in the EGVs of the present Project as well. Though the process of moving and the first years of surviving on the sandy soil is tough, those who have been selected for the EGVs consider themselves – and are indeed considered by other poor people living in the coastal communes – as lucky.

2.1.2 Selection of beneficiaries

Five of the seven communes in Trieu Phong have now established, or are in the process of establishing, new EGV settlements. It is the Commune People's Committees (CPC) that select beneficiary households. In Trieu Trach Commune, for example, 91 households volunteered. After a number of public village meetings, a total of 51 households from all the six villages in the commune had been selected. More specifically, 30 households from two villages were selected to move into two corresponding EGVs (which they did in November 2002 and January 2003). Then 21 households from the remaining four villages were selected to move to the third EGV (by the end of 2003). Generally, it is the Team's impression that people in the communes felt that the selection process for the EGVs had been fair, but that there is a strong wish among the remaining poor people to have similar opportunities.

The main selection criteria in all the communes are as follows: Firstly, the household should be defined as poor (according to the MOLISA poverty indicator of a household per capita income of 100,000 VND per month), or as a "borderline" household (the category next above the poor). A minimum of 50% of the households should be selected from the category of the poor. Secondly, the household should have labour available, i.e. the members should be able bodied but in lack of employment. Thirdly, a large family size and/or inadequate or no land to cultivate would also qualify for selection. Box 1 shows two examples of households selected to move soon.

Box 1. Two households about to move to an EGV.

Case 1. Young couple, Trieu Son Commune

A young couple, with a daughter of 8 months, and who recently lost their 2 year old paralysed son (born with a birth defect), are going to move to the sandy lands in a few months. They live in the house of his parents, which is in relatively good condition. However, the extended family only has 400 m² of farm land (paddy), a home garden of 400 m², three pigs, ducks and chickens. Access to land through the EGV-project is thus an attractive option for the young family. The young couple is classified as poor. Apart from the payment they got through their participation in the forest planting project, the couple does not have any additional income. The husband, who is a mason, is not well at the moment. Due to heavy expenditures incurred during the sickness and death of their son (totalling 20 million VND, including hospital care in Hue City), the couple is heavily indebted and are afraid of borrowing more money, though – being poor – they are eligible for loans on favourable terms.

Case 2. Single mother, Trieu Son Commune

This household, which is classified as poor and will to move to an EGV in August 2003, consists of a woman and her 15 years old son and 11 years old daughter. The father of the children is a married man, who visits them occasionally but provides no support. Until ten years ago, the woman and the children lived with her parents and brother's family. Because she was poor, the commune then provided her with a garden of 650 m² where her family helped her set up a temporary building made of bamboo with an earth floor. She makes a meagre income from the crops she grows on this land. The family is now looking forward to getting a proper house in the EGV. The woman has participated in two other sub-projects: she has planted 1 hectare of forest (with labour input from her brother) and has benefited from the soil improvement project. Whether the commune will let her retain the land she is presently cultivating when she moves to the EGV, she does not know.

As Table 1 shows, a total of 272 households have so far been selected to move to the 11 EGVs. According to the 2003 Progress Report 119 households received their entitlements in 2002 and 91 houses were completed. According to plans another 327 will settle in 2003,

reaching the planned total of 356 households by end of the project period. The Team is not aware of the actual progress to date.

The majority of the selected households are classified as poor (67%), whereas the remaining are classified as “borderline” households. In the Team’s view, the strategy of mixing poor and borderline households in the new settlements is sensible. This creates a more varied social environment and may encourage a more dynamic development of income generating activities in the long run.

Table 1. Characteristics of households selected for settlement in EGVs from five coastal communes in Trieu Phong district.

Commune	No. of EGVs	No. of households selected	No. of poor households Selected	No. of female-headed hh	Households settled by May 2003	Households to be settled in 2003
Trieu Trach	3	51	35	5	30	21
Trieu Son	3	79	66	2	--	79
Trieu Van	2	46	23	7	25	21
Trieu Lang	2	45	31	3	30	15
Trieu An	1	51	26	6	--	51
Total	11	272	181	23	85	187

Source: The Team’s meetings with CPCs in Trieu Phong District.

In the “Work plan 2001-2005” it is stated that households headed by single women will be given preference in the allocation of EGV plots. According to the figures given by the five CPCs during the Team’s field visit a total of 25 (see Table 1), or 8%, of the households selected are headed by women (in most cases widows or single mothers). When we are informed that the phenomenon of single mother households is on the increase and that they are among the poorest in these communities, the modest number of female-headed households selected for the EGVs so far is rather surprising. One reason could be that many of these households – especially the widow households – are short of “surplus” labour, which is one of the selection criteria. This is, as we shall return to, a factor that should be taken into consideration when extension of the programme and new sub-projects targeting the poorest households are going to be designed.

2.1.3 The EGV “package”

The “package” provided by the Project for those who move to the EGVs, includes both general provision of basic infrastructure in the new settlements and individual support to each household.

Common infrastructure

Before the new settlers could move, access roads were constructed, linking the EGVs to existing road networks, and in some cases linking them to entirely new roads constructed by the Project. In addition, drainage canals were constructed to prevent flooding of the low-lying sandy areas where the EGVs are located. The construction of roads was a precondition for the movement of people to the sandy areas, otherwise transportation of building material and the marketing of produce from the new gardens would have been extremely cumbersome. In some communes we were informed that the villagers had been reluctant towards moving to the sandy areas several kilometres from their original home, but when they saw that the roads

to the new settlements were actually materialising, they were flocking to volunteer as EGV-settlers.

A considerable number of villagers – both men and women, EGV-beneficiaries and others – were employed in the construction process. This was of general benefit for the unemployed in the district, and it was of particular importance for the EGV beneficiaries, who got an opportunity to earn some cash with which they could cover some of the many expenses they faced as new settlers.

Drainage canals also had to be in place before people could move to the new areas. The risk of flood damages to both crops and the new houses during the rains would otherwise have been great. However, in two of the communes, Trieu Lang and Trieu Van, the EGVs are located in areas less prone to the risk of flooding. In these two communes, people started moving to their designated plots before any support from the Project had materialised: they could start cultivating and construct houses without risk of flooding. The commune only gave them food for seven months and seedlings. The fact that poor people move to the sandy areas (as long as they are accessible and free of risk for flooding) even without much support, is quite illustrative of how attractive it is for poor people to get access to new land and the resources they are able to mobilise on their own in order to utilise their land.

All the 11 EGVs will, according to the plans of the Project, be connected to electricity after resettlement. However, most of the now settled EGVs do not have lines yet. So far, the electricity sub-project has been delayed (see 2.2). A transformer station has been completed and the EGVs will gradually become connected. The Provincial Electricity Authority will sell electricity to each individual household.

Though infrastructure in the EGVs is necessary, the costs per beneficiary (household) are on the high side. For example, the number of households that can utilise the access roads to the EGVs could probably be doubled. On the whole, there is a need to develop an overall prospective plan (“master plan”) for the project area showing the location and layout of expanded settlement areas, including infrastructure – road network including village tracks, water supply, drainage, electricity and education and health facilities.

Support to individual households

The households that are selected for the EGVs receive a 0.5-1.0 hectare plot of land each. In May 2003, all the households that had moved to an EGV received their Land Tenure Certificate (the “Red Book”), giving them use rights over the land. The households must commit themselves to stay on the land for a minimum of ten years.

In addition to the land, each household receives construction material worth 10 million VND for the building of a house; 1 million VND for the digging of a well; 1 million VND for the digging of a fish pond and/or for seeds (optional). In addition, those of the households that are defined as poor receive food worth 1 million VND to take them through the first three months of the settlement process. Poor households thus receive a total individual “package” worth 13 million VND while borderline households receive 12 million VND each.

The Project purchased construction materials like cement and tiles in bulk (thus bargaining lower prices) and had them delivered in the EGVs. This was a great advantage for the beneficiaries. However, they must accept to build their houses according to a certain design and standard set by the Project. The houses often cost 15-17 million VND to build. Most of

the households have therefore borrowed additional money in order to complete their houses. Some have borrowed from credit institutions, such as the Vietnam Bank for Agriculture and Rural Development (VBARD), the Vietnam Bank for the Poor (VBP, now Social Policy Bank) or the Women's Union. But the majority have borrowed money from neighbours and relatives. Many settlers are therefore reluctant to take another loan to purchase agricultural production inputs.

A number of the people we interviewed in the EGVs mentioned that the cost and labour involved in constructing their new houses was out of proportions compared to the resources they had left to invest in seeds and livestock. Ideally, they would have liked to prioritise the cultivation of the land first, both in order to improve the soil and to improve their income base, and then to gradually invest labour, time and money into the construction of a proper house. This makes sense, both from an economic and an environmental point of view, and the Team recommends introducing more flexibility in the allocation and spending of the various support-components to the EGV-beneficiaries.

Before they moved, the settlers took part in training workshops, mostly in cultivation techniques, livestock rearing, pest control and gender awareness. The farmers we interviewed expressed that these courses had been useful. However, our impression is that most of the workshops were of a short duration (one or two days) and too "theoretical" for the practical farmer (see more on the training of villagers in 2.4).

2.1.3 Life in the new settlements

Box 2 presents small glimpses of the situation of households who moved to the EGVs in the fall of 2002. Many of the households have already increased their income (see for example Case 8). With the general economic growth in the area and the gradual soil improvement on the EGV-plots, the settlers' incomes are expected to increase further. After all, it takes at least three years for the sandy land to become productive.

A majority of the settlers are young couples, 25-30 years old and with a child or two, who have left their parents' house in the old village. Most of the households do not survive on the income from their plot in the EGV only. At least one household member, usually the husband, finds regular or temporary employment elsewhere, for example as a fisherman, mason, or construction worker. Some women find seasonal employment during the planting and harvesting seasons on the farms in the nearby villages. Since the settlers in most cases have to go outside the EGVs to find employment in addition to the cultivation of their gardens – in many cases to other districts and provinces – there clearly is a need to develop alternative non-agricultural income generating activities.

Box 2. Households in the new settlements

Case 3. Couple in their twenties with one child (6), Trieu Van Commune

In their old place, 2 km away, they had 900 m² of land, on which they still cultivate sweet potato. In the EGV, they have 0.5 hectares on which they can make 2 million VND per year from cultivation and pig rearing. Since the husband works as a carpenter in Lao Bao, 100 km away, bringing home over half a million VND per month, the couple took the chance to borrow 6 million VND from the Bank for the Poor. After two years of work on the land, trees planted around the home garden provide some protection against the wind and the place has a nice appearance.

Case 4. “Borderline” couple without children, Trieu Lang Commune

This couple, in their mid-thirties, was classified as a “borderline” household before they moved to the EGV in August 2002. They are now quite well off. The husband works a fisherman during the dry season and on the land during the rainy season. Before they started constructing their house, the family started working on the land, staying overnight in a simple shed. The land is now giving a decent return and the house, which they privately borrowed 3 million VND to complete, is finished and has electricity. The family even owns a motorbike.

Case 5. Old man (66) who moved with 6 of his 7 children, Trieu Lang Commune

In the old village, the household had no land and earned their living from fishing. Now (in the EGV) the family combine cultivation (poor yields yet) and paid work by four of the six children. Two are working as carpenters in Quang Tri and Dong Ha and two have occasional small jobs close to home.

Case 6. Young couple with son (2), Trieu Van Commune

The wife (25) is mostly in charge of the cultivation of their new plot and rearing of five pigs. She transports the vegetables by bicycle (with their 2 years old son on the back) to the market 18 km away. The husband is a mason and works in different places, sometimes he stays away a month at the time. They need a loan to expand in pig rearing, and high on the priority list is also a kindergarten and a health centre.

Case 7. Widow with one daughter left, Trieu Van Commune

The widow (52) has four children, but the three oldest are now working in the South, and only the youngest daughter (17) is staying with her. Previously, she stayed on 500 m² of land provided by the commune where moving sand was a problem. On her plot in the EGV she has planted acacia and pine; she is cultivating vegetables and rears two pigs, which she keeps in her kitchen. She needs a loan of 4-5 million VND to invest in a cage and 4-10 pigs. She claims that she will be able to repay within 3 years. But she will not take any loan – she has already borrowed 5 million VND from relatives and neighbours to construct her house.

Case 8. Fishing and farming household with six children, Trieu Lang Commune

The husband (42) is a fisherman and the wife (38) is a farmer. The husband has increased his time use in cultivation as compared to fishing after they moved to their EGV-plot in October 2001, and their income has increased from 2 to 3 million VND per year. They borrowed 2 million VND from the Women’s Union and 1 million VND from relatives to complete their house. The six children are in the age of 3 to 13 years, and since they go to school in two shifts, there are always older children at home who can look after the youngest. Nevertheless, a kindergarten and a health centre would make life easier.

2.1.4 The poorest households

There are also households with few possibilities of going elsewhere to work to earn extra incomes, and the agricultural produce that they are so far able to get out of their recently

established sandy plot, is meagre. For these households, it is difficult to get out of poverty, even if they have been allocated new land. In most cases, such households are either headed by single mothers or by widows. Many of them receive help from their relatives with the construction of houses, planting of trees or digging of fish ponds. However, they are vulnerable in the sense that they rely on the ability and commitment of these supporters. For example, relatives hardly have time to help their sister or aunt in the EGV during the most intensive seasons on their on land in the village. Also, when adult children get their own families to support, or move to Southern Vietnam to work, they are often not able to lend a helping hand or send money as they used to do (see Case 7).

The main constraint of single mother or widow-headed households is labour. They either have a limited capacity due to their age, or they have small children and therefore cannot spend as much time in their fields as is needed. The need for a kindergarten was voiced by many mothers in the EGVs, and not only by the single mothers. There are also women with small children, whose husbands are away working months at the time, leaving the wife in charge of the cultivation and marketing of garden produce (see Case 6). Since they have moved some distance from their original villages, single and/or young mothers both lack access to public child care and child care normally provided by relatives. In fact, the need for kindergartens was one of the components that had been suggested by many of the communes in the planning phase of the Project. These suggestions were, however, removed.

Lack of investment capital is another constraint for the poorest households. Though the majority of the population in Trieu Phong district do have access to credit (as the micro-finance report of 2002 points out), we noticed that quite a number of persons interviewed in the EGVs did not know that they could borrow money without collateral when they are classified as poor. Many were also afraid of falling into permanent debt, and therefore avoided approaching a bank. Practically all the women we interviewed wished to invest in more livestock. They thus needed capital to buy piglets or calves (see Case 7). Channelling of funds through an existing institution like the Women's Union, whose savings/credit groups are tailored to suit these types of needs, could be considered.

2.2 Economic and social infrastructure – canals, roads, electricity, primary schools and shrimp nursery

The provision of basic services like infrastructure is in line with the Comprehensive Poverty Reduction Strategy of the Vietnamese Government, and is of particular relevance in the flood-prone coastal sandy lands of Trieu Phong District. Despite delays, construction works in the Project have been quite efficient and will have a positive impact on the general development in the area. Solutions for future maintenance of canals, roads and buildings must however be worked out as soon as possible.

2.2.1 Canals

Relevance

Five project communes (Trieu Son, Trieu Lang, Trieu Trach, Trieu Van and Trieu An) are located on low land which is flooded during the rainy season. The capacity of the land is limited to only one crop per year at present. Moreover, annual flooding slows down the process of conversion of coastal sandy land into cultivable area. The poor, whose fragile houses are often destroyed by floods, are hard hit. To increase the cultivable area for local people is the first priority in the local poverty alleviation strategy, and it is therefore a correct

strategy of the Project to support the design and construction of a drainage and irrigation system in the project area.

Efficiency

According to the plans, the Project was to complete a basic survey and the design of drainage canals and sand dykes in 2001 and 7 drainage canals with the total length of 23,292 m were to be completed in 2002. By the end of 2002, the Project had constructed 2 canals with the total length of 8,185 m. No precise figures on disbursement are available for the works in this first period of implementation. In the Team's opinion, the delays in the construction of canals can be explained by several factors:

- The plan was unrealistic. When preparing the plan, the PMU did not anticipate all the (rather complicated) technical requirements of the designs. As a result, some details in the initial designs had to be adjusted and amended to meet with both official technical standards and local conditions.
- Similarly, procedures for construction work in Vietnam are complicated, requiring many steps and participation, assessment and appraisal by different administrative levels before the final approval of the competent authority. Since the drainage canals were the first construction works that the PMU implemented, they were not so experienced in handling these procedures yet.
- A number of contractors overestimated their capacity when bidding for contracts. Therefore, when they were selected, it was difficult for them to fulfil the assignment.
- Long and heavy rains in October and November 2002 caused flooding in many places. The unusual weather in the area has also delayed the construction progress in the field.

From the lessons learnt over the past two years together with some improvements made, especially in discussions among designers, constructors and experienced local people, there have been considerable progress in the first five months of 2003. By May this year, the Project had constructed 8 drainage canals with a total length of 24,506 m in the 5 communes Trieu Son, Trieu Lang, Trieu Trach, Trieu Van and Trieu An. There is also an inter-commune sandy dyke of Trieu Trach and Trieu Son with the length of 12,000m. Total spending on these works was 2.5 billion VND.

Impact

During the present dry season (May 2003) there were still many canals under construction. Therefore, it is premature to assess the impacts of the drainage canal system supported by the Project. However, according to opinions of local people and designers the canals running through these five communes will be able to contain floods, mitigating crop losses and increasing production. This will have a positive impact both in the villages where land for paddy and subsidiary crops has been cultivated for a long time, and on the coastal sandy lands where the EGVs are located.

2.2.2 Roads

Relevance

According to local people, travelling and transportation of goods in the sandy areas can only be done on foot, so the capacity is low, especially when they have to walk on hot sand or wade in water. The situation has limited people's accessibility to the outside society,

especially to the markets. Therefore, the sub-project on road building is relevant and is one of the first priorities in any growth strategy for the locality.

Efficiency

According to the plan of 2002, 5.4 km of asphalt road and 16.9 km of tarmac road with a total estimated fund of 7,123 million VND was to be constructed. However, by the end of 2002, these roads were still under construction whereas 4,717.3 million VND had been used, accounting for 66% of the planned activity.

The reasons for the slow progress in road building are similar to those of drainage canal construction. It should be noted, however, that actual disbursements do not reflect physical progress since there are outstanding payments for already completed work being delayed because of time consuming financial procedures.

However, lessons have been learnt over the past two years and local people's participation has been strengthened. By May 2003, the Project has finished three tarmac roads with the total length of 18.9 km (in Trieu Lang, Trieu Trach, Trieu Van, Trieu Son communes) and some other basic construction works with a total expenditure of 5,435 million VND.

Impact

Though it is not possible to quantify the impact of new roads, the Team got an impression through our interviews with farmer households and other stakeholders at commune and district levels:

- The roads have provided convenient access to the EGVs, especially for transportation of construction materials.
- With the roads it is easier to get access to markets for production inputs and goods which now can be transported to villages by big trucks thus reducing transportation costs. This means that goods coming into the villages from various sources may be purchased at an estimated 10% lower price on average.
- The new roads make it possible for the local producer to fetch better prices for his/her produce, especially perishable aquatic products. Local people used to sell these in small amounts at low prices, carrying them with bamboo poles to local markets. Now they can sell at higher prices to purchasers with big freezer trucks, or they can bring the produce to urban markets – e.g. Dong Ha markets 12-20 km away by bicycles or motorbikes, where they fetch a higher price. Locally, this may affect certain producers, as for example fish sauce making households, who now have to buy their inputs (fish) at higher prices.
- Secondary school pupils living far from schools can travel by bicycles, decreasing the rate of children who will quit school due to difficult access.

2.2.3 Electricity

Relevance

The Team agrees with people and the local authorities' opinion that in low sandy area with drought during the dry season and flood during the rainy season, electricity plays a key role, especially for drainage and irrigation systems for cultivation and for semi-processing of agricultural and fishery products. Besides, people also need electricity to get access to important information through mass media like radio and television, for example on production techniques, market prices, weather forecast, etc. At present, the electricity network

is weak and the provision of electricity to households in EGVs and other villages is relevant to the goal of poverty alleviation and economic improvement of the locality.

Efficiency

In 2001, a feasibility report for 12 electric lines was prepared, with 11 lines for the EGVs and one for An Loi and Ha Loc villages. According to the plan of 2002, 3.3 km of 22KV line, 2.2 km of 0.4KV line, a 50KVA transformer station and a 100KVA transformer station were to be completed. However, by the end of 2002, the above works were not yet finalised. By May 2003, the Project has accomplished the 0.4KV and 22KV lines and a transformer station worth 657.86 million VND to provide electricity to the EGVs and a number of households in Trieu Lang commune.

Apart from the complicated procedures, the limited capacity of contractors and inconvenient weather, insufficient coordination between the electric network and the EGV establishment is also a cause of slow progress. The EGV households had to settle before the electric network could be finished. According to the Pre-mid-term review (GICON AS, June 2003), where infrastructure investments and procedures in the Project are assessed, the Provincial Electricity Authority will take over, operate and maintain the transmission lines constructed by the project. The Electricity Authority will base their revenue collection on village electricity meters. Payment from each household will be based on readings of individual household meters and is to be collected by the village headman².

2.2.4 Primary schools

Relevance

Especially the primary schools in the seven communes were all in a bad conditions (easily broken, leaky and easily flooded) and were short of classrooms and basic facilities like desks, benches, light, etc. Given this situation, families, the education department and the local authorities are anxious about the safety and the quality of education. Since these are the poor communes in a poor district of a poor province, the funds for education are limited.

Efficiency

Primary school construction exceeded the plan in 2001 and 2002, and possibly also in 2003. The plan for 2001 was to study the feasibility and complete the design of 5 schools in accordance with the standards by the Ministry of Training and Education. In fact, at the end of 2001, the Project completed the plan and started to build 4 schools. For 2002, the completion of 5 schools in addition to the commencement of construction of 2 more schools was planned. By September 2002, all 5 schools (in Trieu Son, Trieu Lang, Trieu Trach, Trieu An and Trieu Van communes) were completed. All schools are 2-storey concrete buildings with 8 classrooms, an office, surrounding fences and other supporting facilities, and worth 7 billion VND. They were all taken into use with the school-year 2002-2003. The two remaining schools in Trieu Do and Trieu Phuoc communes are being built in order to be ready for the school-year 2003-2004.

The Team has made some reflections around the fact that primary school construction exceeded the plans while other sub-projects on infrastructure construction were carried out more slowly:

² It was not possible for the Team to assess the progress in setting up this organisation.

- The Ministry of Training and Education has standard designs. Therefore, it did not take much time for the Project to finalise the design and get the approval.
- The building of a school is less complicated than construction drainage canals and roads (site clearance, negotiation for compensation, etc., is not that complicated for a school building).
- Families, whose children are attending school, have been actively taking part in site selection, site preparation and other related activities, and this has contributed to the speed of the construction progress.

Impact

Teachers we talked to reported that the increased capacity of the new schools, improved physical environment and better hygiene and safety have contributed to improving the quality of education. This facilitates the development of future human resources. The location of some of the new schools has also improved the access for many families. Previously, many households (for instance those in Trieu An commune) used to travel a long distance to take their children to school, costing a lot of time, energy and affecting their economy and life. Now their children can go to the school by themselves. Moreover, in some communes, old primary schools are now used for secondary schools, thus reducing the number of secondary students who have to stop schooling because of not having bikes to travel a long distance. In the immediate period, thanks to schools with good quality, the pressure on households to contribute financially for maintenance and repairs will be less.

2.2.5 The shrimp nursery

Relevance

The coastal sandy area of Trieu Phong has similar natural conditions as a number of communes in the Southern coastal provinces like Khanh Hoa, where many households are successful in prawn cultivation for local markets and for export. Besides, the progress made by households engaging in prawn cultivation in Trieu An and Trieu Phuoc communes show relatively positive results. For example, we were made aware of one exceptional case where a 0.2 ha pond had given a yield of 700kg/season, and the shrimp farmer had made a profit of 30 million VND. Some local people and the authorities at commune and district levels therefore consider prawn cultivation a potential and strategic activity for economic development of the project communes. However, profitability of prawn cultivation depends on various factors, one of which is the price and the quality of breeding prawns. At present, local households have to buy prawn breed from other provinces, such as Khanh Hoa. The quality of breed is not strictly controlled, not easy to buy and the price is normally high.

Efficiency

The planning and design of the prawn nursery was planned to be finalised in 2001 and the station should have been established in 2002. As it turned out, the planning was done in 2001 and the design site clearance and initiation of the construction had been reached in 2002. Thus, by May 2003, the nursery in Trieu Lang commune was only in the initial stages of establishment. The main reason for the delay was that the PMU lacked experience and could not foresee technical factors of the design and incremental economic and social aspects of the site preparation when making the plan.

Impact

It is too early to assess the impact of the shrimp nursery on poverty alleviation and economic development of the coastal area. Calculations by PMU are preliminary and based on the assessment of demand for breeding prawns (75 million breeding prawns/year, the demand is calculated to increase 5 times by 2005). There will be comparative advantages, for example that the breeding prawns are cultivated in the locality (in Trieu Lang commune). The breeding prawns will be more adaptive, less affected by diseases and cheaper than breeding prawns transported from the Southern provinces. However, the result of breeding prawn production depends on many other factors, especially technical know-how. Therefore, this issue needs more time to be studied and tested.

2.2.6 Sustainability and maintenance

In accordance with Vietnamese regulations, completed infrastructure works will be given to different levels for management depending on the type of structure. The management levels will be responsible for the maintenance costs. For example, inter-village roads are managed by commune level while inter-commune roads are managed by district level.

The quality of canals for drainage, schools, stations and electric network is considered to be sufficiently high and maintenance could be done quite well by the contribution of labour by local people, local budgets and sector support. The Team is however concerned about the maintenance of the road system. In the rainy season, the rains are heavy and last long causing partial flooding (even with the canals for drainage in place), and tarmac (soil) roads are easily eroded and washed away. The amount of repairs required will exceed local people's capacity and materials and tools are costly. Already, 70-80% of the commune and district budget depends on the support from the provincial and central levels and from 2003 the State has reduced land taxes. The dependence on support from the provincial and central levels will therefore increase. In the Team's view, the PMU, the communes and the district therefore urgently need to discuss these issues of maintenance and revenue collection.

2.3 Land reclamation – tree planting, cultivation on sandy soils, and drainage canals

Building on established practices of land reclamation and soil improvement through drainage and planting of tree covers, these sub-projects are well suited to improve the environment and to make new land available for settlement and income generating activities. It is recommended to experiment with other methods than relying only on mono-cropping of Acacia in rows. Also, plans for the maintenance of the sand dyke and canals need to be made.

2.3.1 Land reclamation in coastal areas

Previous generations of fishing and farming families settled close to the shore and thus to the fishing grounds. Over a long time, they have cultivated the poor sandy soils there, gradually building up their fertility. Due to the large amount of resources required in order to make the sandy soil yield an acceptable return, the expansion into the central sandy area in five of the communes has been slow. In turn, this has resulted in decreasing areas of land for cultivation per inhabitant in the villages on both sides of the central sandy area.

The entire Project has its origin here: in the scarcity of cultivable land in the seven communes in combination with the large area of sandy soil located between the coastal dunes and the rice fields further inland. The Project can essentially be seen as a concerted effort to reclaim the

sandy soils, making them available for cultivation by households in neighbouring villages that are very short of land.

Over a long time, there has been a slow expansion of cultivation onto sandy soil, beginning in areas close to the shore where the fishing villages are now located. In more recent times, plots of cultivation have been established ever further out onto the sandy land in the middle of the project area. Because the white sand has so low fertility, this is a slow process. In order to speed it up and thus create better conditions for food production on the sands, the Project provides support in two ways. First, in the form of creation of new villages where a whole package of inputs is provided to families cultivating new land, and, second, as mere support to the cultivation of the sandy soil itself.

The first case, where project funds support a combination of activities, is the dominating one in the Project. It covers the build-up of fertility of the sandy soils, establishment of forests, and drainage of excess water during the rainy season. The settlers obtain land Tenure Certificates for plots of land covering between 0.5 and 1 hectare. In addition, roads are built to the new settlements and the settlers receive building material enabling them to construct a sturdy house.

In the second case, the Project only supports improvement of the fertility of the sandy soil. In this case, the households participating obtain smaller plots of land, on average about 0.25 hectares. The contribution from the Project comes as inputs worth 2 million dong per hectare, for example in the form of seeds or green manure which the farmers can mix into the soil, thus improving its organic contents and thus its fertility and water retention capacity.

In this section, the three main components, the building up of soil fertility, tree planting, and the drainage canals will be treated. For each component, the relevance, efficiency, impact, and sustainability will be discussed.

2.3.2. Increasing the fertility of the sandy soils

Relevance

The subsidised building up of the fertility of the soil contributes to the goal of making the sandy areas cultivable. Its relevance is thus not doubted.

Efficiency

The increased fertility of the sandy soil is achieved by increasing the amount of organic material in the sand and by the addition of fertilisers, especially in order to increase the contents of phosphorus. The Project has provided organic material (green fertilisers) to the home gardens close to the new houses and has encouraged the settlers to grow crops such as ground nuts which provide residues rich in nitrogen (in which the soil is originally very poor) and water melons which provide much green matter. The Project has also provided inputs for cultivation of sandy soils as a stand-alone project activity. For both cases, the Team is satisfied with the efficiency of this activity as a way to increase the fertility of the soil.

Impact

The impact of the project support that leads to increased fertility of the soil close to the sites of the houses in the new villages is direct. Each household obtains support from the Project that improves the value of its soil for cultivation. Without the Project, the build-up of the fertility of the soil through addition of organic matter and fertilisers would have had to be

done by the households themselves. Needless to say, this would have taken a much longer time.

In the case of soil improvement without the additional activities associated with the establishment of new settlements, the impact is equally direct, albeit weaker.

Sustainability

The support from the Project leading to increased fertility of the sandy soils should be seen as an initial investment enabling the settlers to earn a decent return from the land by their own efforts. If they remain on the land and continue to cultivate it carefully, then the fertility of the soil will continue to increase. The key methods for this kind of cultivation are known in the neighbourhood; it was after all essentially in the same way that the presently cultivated areas along the coast were established. In consequence, the initial investment is likely to be put to good use by the settlers for a long time to come.

The sustainability of cultivation of the sandy soils with support from the Project will be put to the test in the case where it is not associated with additional activities leading to the establishment of new settlements. Time will show if the new plots of land, on average 0.25 hectares each, will remain cultivated in ways that continue to build up fertility or whether they will be abandoned after a few years of cultivation.

2.3.3. Tree planting

A relatively large share of the Project budget is used for tree planting carried out for two different purposes and in two different ways. First, tree rows are planted around the new settlements in order to reduce the general wind speeds and in particular to prevent the sand from moving during the dry season. The other kind of tree planting is made as blocks of forest covering up to hundreds of hectares, for the purpose of protecting the soil (see Technical note 2). As the two kinds of tree planting are different in character, their effects are different.

Trees around the settlements

The tree planting around the new settlements are in essence a component in the improvement of soil fertility. By reducing wind speeds in the home gardens, they keep the sand particles in place and also reduce the evaporation from the ground, thus making the moisture in the soil last longer. This directly contributes to the value of the ground for cultivation. For these reasons, the conclusions with respect to relevance, efficiency, impact and sustainability are essentially the same as those for the activities directly aimed at increased fertility of the soil discussed in section 2.3.1. above.

Establishment of forests, relevance

The plantation of forest blocks on the sand is a different matter. Soil protection of an area located at some distance away from the new settlements is given as the objective for their establishment. The establishment of the forests certainly protects the soil on which they grow from erosion by wind and rain, especially as the area is quite flat. From that point of view, their relevance is not in doubt.

Further, the forests are being created with paid local labour, mainly drawn from among the new settlers who thus earn a cash income of high importance, not least in order to enable them to repay the loans many of them have taken in order to build their new houses.

Finally, the blocks of forest are divided in parcels, each of which belongs to the household that planted it (or more correctly, for each of which a household will receive the Land Tenure Certificate giving them the user rights applicable to the protection forest for a 50 year period). This can be seen as an additional bonus for the new settlers, but one which they cannot reap until the forest is mature for thinning. At that occasion, a number of some trees will be cut. This can be done in different ways, either as cutting of trees in all the rows or as cutting of entire rows.

Establishment of forests, efficiency

The forest blocks have been established using methods which demand relatively much resources. Planting ridges are made using bulldozers, seedlings used are larger than what is normally used, and they are fertilised for the first two years. In consequence, the result is excellent, at least so far. Nearby plantations established within Programme 661, where costs have been much lower, have much lower rates of survival and also of growth.

It should however be considered whether the purpose for which the forests were established, i.e. essentially keeping the sand in place, could have been reached in a different way. Two aspects are of concern here: the location of the blocks and their design.

At present, most of the sandy soil is covered by a thin mat of vegetation and does not move with the wind. In some areas, however, there is still active dune formation. It appears to the Team that the forest blocks are not located so as to prevent the continued movement of sand in those places but rather according to a general plan ultimately to cover most of the sandy area with a forest cover. This is not an efficient way to prevent the sand from moving. It would have been more efficient to give priority to the planting of trees where the wind is indeed successful in moving the sand particles, especially some distance to windward from where the sand is starting to move.

The tree plantations are designed as blocks of trees planted close to each other, forming a small forest. While this may be the best way to create a plantation yielding wood for various purposes or for protecting a steep slope against water erosion, it is not the best use of money if protection against wind is desired. For that purpose, the classical windbreak, where a few rows of trees are planted at right angles to the prevailing dry season wind is the most efficient design. In that way, reduction of wind speeds over the ground is achieved over a much greater area (see also Technical note 1).

When applying such a methodology, the land allocation procedure would have to be modified somewhat. As the blocks to be allocated should preferably be kept more or less square, each block would have a number of tree lines across it. The wind reduction effect would not be reduced if the tree lines created by the different land owners were to be joined at the boundaries of each plot.

Impact

The forest plantations have two kinds of impacts. First, they give the local people engaged to plant them with a much needed source of cash as payment for work done. Second, they will in a few years' time constitute a local source of much needed fuel-wood for cooking. (The new settlements are or will soon be connected to the electricity grid but it is unlikely that use of electricity for cooking will be widespread among rural people for quite some time. It is simply too expensive.)

Availability of fuel-wood is also of value for soil protection elsewhere, because it will enable people to leave leaves or grass to decompose on the ground, thus contributing to the build up of an increasingly dense mat of vegetation, able effectively to keep the sand particles there from moving. Ultimately, grass growing there could be cut and stall-fed to domestic livestock.

Sustainability

Once they have been established and are growing well (like the existing ones now do), the tree plantations are unlikely to experience serious problems. So far, at least, acacias have not been attacked by serious pests in the way both eucalypts and (exotic) pines have in other certain locations. On the contrary, as soon as the plantations are mature for cutting (mainly in the form of thinning because they are classified as "protection forests"), the potential income derived from such cutting is more than adequate for the replacement of the trees cut. In other words, the resource created is, at least if managed well, able to re-create itself.

2.3.4. The sand dyke and the drainage canals

The drainage canals are designed as an outlet to the sea of water flowing inland from the higher areas of the sandy soil into the seasonal lake along the sand dyke protecting the rice paddies further inland from inflow of sandy flood waters at the peak of the rainy season. The sand dyke was originally created in 1977 but has been improved by the Project. Also in the past, the water flowed into the sea from the seasonal lake along natural stream beds. Some of those streams have been further excavated while others have been newly dug, all in an attempt to reduce the time it takes for the flood water level in the seasonal lake to recede (see also Technical note 3).

Relevance

Given the high incidence of flash floods and also of severe flooding in the project area, the sand dyke and the increased capacity of the drainage canals to evacuate water to the sea, the two kinds of constriction are of high relevance to the population in the project area.

Efficiency

Lacking required technical competence, the Midterm Review Team is not in a position to judge the efficiency of the work done. It got the impression, though, that the work was of a kind familiar to the persons responsible. The efficiency of the rainwater evacuation system will be tested in the field later this year, during the heavy rains normally falling in the months September through December.

Impact

The sand dyke and the drainage canals will reduce the time land in the project area is submerged by flood water. The impact of the drainage canals on the cultivation plots belonging to the settlers in the new villages will, however, remain limited until the secondary and tertiary canals linking the settlements to the main drainage canals have been constructed. According to plans and agreements made, that work is to be carried out by the settlers themselves. They are however likely to be fully occupied with making their sandy cultivation plots provide decent returns for the next few years, and with earning cash incomes to pay for everyday necessities, the construction of the secondary and tertiary canals will probably be delayed for a few years.

Sustainability

The sand dyke and the drainage canals are infrastructural works. The initial investment is being made by the Project, but the dyke and the canals will need to be maintained, probably

annually, after the rainy period. This issue of maintenance is quite similar to what is discussed about other pieces of construction elsewhere in this report.

2.4 Training – of villagers, of local level leaders and of project staff

An impressive effort has been put into the training of farmers, PMU-staff and local leaders in the coastal communes. The villagers have participated in the identification of training needs and a large number of people have attended courses on relevant farming techniques. The course design and teaching methods are however too theoretical. A more practical training approach and introduction of vocational training should be considered.

2.4.1 The training courses

Lack of knowledge on production techniques and management skills is one of the main causes of poverty in Trieu Phong district as in rural Vietnam in general. Apart from lack of funding, inadequate knowledge on production techniques was put forward by the farmers as one of their main constraints. Likewise, local leaders in the communes and the administrative staff of the Project have a limited capacity in handling the different project components and making efficient use of ODA support. They need to learn technical skills needed in the management of the Project, and most importantly, key persons need to learn English and other skills that will enable them to communicate with the donors. Investment in human resources through the training of villagers, local leaders and project staff will therefore not only benefit the individuals who receive training but will also secure a positive impact on the Project and the district.

Since November 2001, almost 6,000 people have participated in the various training courses organised by the Project. According to data from the Financial Report prepared by the PMU in January 2003 a total of 868,388,000 VND has been spent on Capacity Building.

Table 2. Number of participants in various training activities

Type of training	No. of participants
Training of the PMU and local/district leaders	444
Foreign and domestic study-tours	50
Technical workshops	150
Technical training	5,118
Total	5,762

The staff of the PMU and of leaders at district and commune levels, courses were organised in project management, English, PRA (Participatory Rapid Appraisal) and project planning. Key persons were also trained in husbandry and veterinary skills, plant protection, and in shrimp and fish breeding.

Villagers who have benefited from sub-projects like the Eco Garden Villages, have participated in technical courses on forestry plantation, sandy soil improvement, intensive rice production, peanut cultivation, livestock and poultry breeding and ecological garden cultivation. There were also courses in “gender awareness”.

Courses in livestock breeding and gender awareness attracted more women than men. Otherwise there were more male than female participants in all courses. When going through

the lists of participants in 50 training courses for villagers in the communes, the training project monitor found out that 400 out of 1400 participants (about 28%) were women. The women we interviewed appeared to be of the opinion that more than courses in gender awareness they needed practical knowledge about farming techniques.

The topics of the training courses were identified through the initial PRA exercises in the communes. The lists of needs identified by the farmers were submitted by the village leaders to the commune, which then submitted them to the PMU. After considering these suggestions in view of their relevance to the various sub-projects, the PMU made a choice of topics and then implemented and organised the training courses.

Teachers for the various courses were invited from the Hue Agro-Forestry University, the Agricultural Division of Trieu Phong district, the Nha Trang Fishery University, etc. The PMU has one full time project officer in charge of both co-ordination and monitoring of training courses. A bus was purchased for the Project to transport the participants to the locations where the courses were held. At the end of each course, the participants filled in an "Evaluation Note", where they commented upon the contents of the teaching and demonstrations, on teaching methods and on the organisation of the course. According to the PMU, there is no systematic follow-up of these evaluations, but in some case the notes have been used in decisions on whether to re-hire teachers.

2.4.2 Valuation of the courses

It is impossible to measure exactly the efficiency of the Projects' training courses and their long-term impact. For example, many of the communes reported an increase in yields of rice, peanuts and sweet potatoes per hectare over the last years. The training courses have probably had a positive impact on the farmers' implementation of new techniques, improved use of fertilizer and pest control, etc. However, the information about improved farming techniques and the availability of inputs is generally on the increase in Vietnam, and weather conditions, quality of labour, new access roads, and so on, also play a role in explaining the increased yields.

Likewise, a number of staff members in the PMU, the district and the communes travelled to sites in Vietnam and China to study relevant projects. It is not quite clear what kind of benefit the participants gained from the study-tours, but simply to travel and see new areas appears to have served as a kind of "eye-opener" for many of them. This can have a positive effect both for them personally and for their professional work in the Project. However, it was probably a quite expensive way to gain such experiences.

The question is, then, whether the enormous effort that has been put into the organisation of training courses for thousands of people could be channelled into more relevant and efficient kinds of training in the eventual second phase of the Project. Are people getting the training they need most? Are the people who need the training most, the ones who receive it? And, do they receive the training in a manner that is suitable for the type of knowledge they are supposed to acquire?

Most course participants that the Team interviewed expressed satisfaction with the fact that they had been given the opportunity to receive training. Some could even point to a few new techniques they had learned, like increasing the seed density when planting peanuts, but in general the Team got the impression that people felt they had either learned things that they already knew or that the course had been too theoretical.

Quite obviously, it is difficult for a farmer (or any of us) to get much of practical value out of a classroom talk about how to feed and keep pigs healthy. As the Vietnamese proverb says: “Seeing is believing”. Especially in the case of farmers with a low educational level, absorption of new knowledge only “through listening” is very difficult. At least the lectures must be combined with practical demonstrations, and preferably visits to farms where new techniques have proved to be useful. A more practical training approach is resource demanding. A main recommendation of the Team is for the Project to link up with other organizations involved in demonstration of agricultural techniques, like the Agricultural Extension Center of the Provincial Division of Agriculture and Rural Development, or the Farmer Field Schools of Vietnam. This seems to be the most effective way to ensure improvements in training methods and curriculum.

2.4.3 Addressing local needs for training

There is still a need to train the staff of the PMU in planning, reporting, monitoring and financial management according to the NORAD-requirements, and in computing and English. To achieve a high quality in some sectors of the managerial training, international consultants/teachers could be invited. Costs could be saved by cooperating with other projects in the area, like the FINNIDA-project, in the organisation of courses and recruitment of international consultants.

The farmers and fishermen also need more training; not least the women should be encouraged to participate more. Apart from training in farming techniques, there could be courses in credit management, marketing and accounting, drainage system management, infrastructure maintenance (roads, schools, houses, etc.). Again, costs can be saved through inter-commune cooperation, so that every commune would not have to organise all types of courses. The Team has no reason to doubt the quality of the teachers that so far have been recruited, but one should consider to both recruit teachers with a more practical orientation and to have a more practical approach in the design and teaching methods of the courses.

Trieu Phong is a rural district which is developing fast, but still there is underemployment and seasonal unemployment, and there is a need for job creation in non-farm sectors. The need for vocational training in this area was therefore raised by many different actors in the district. In the Team’s view, this is an issue that should be looked carefully into. The purpose of vocational training would be twofold: Firstly, to create a more varied economy in the area and, secondly, to give young people without prospects in agriculture (due to lack of land) an education and alternative occupational paths.

The farmers and fishermen need extra incomes in-between the main seasons, and the unemployed and landless need to learn a trade. In some cases, the entering into new occupations would lead to labour migration. The purpose of training should of course not be to “drain” the district of human resources”, but it is a fact that labour migrants, especially skilled labourers, can feed many people in their home village. To train one member of a poor family can therefore have a very positive effect on the whole household’s economic situation. It would also be an advantage if vocational training courses could focus on skills that are in demand in the district. This would give job opportunities locally and stimulate more variation in local industries.

3 Assessment of the project model

3.1 Planning process and quality of planning

What kind of project?

In the history of development aid we find references to numerous ways of classifying aid in terms of types of strategies and mechanisms, and the Team naturally asked itself where to place this project in relation to well-known labels. It is not uncommon to find that different actors in an aid relationship may have different views on what are its main characteristics - so also in this case. The Team observes that the Project in several respects is an outlier in view of current aid rhetoric, but a successful outlier, that is to say, as we have explained in the previous chapter.

- This is a *bilateral* project, financed by only one donor. This undoubtedly simplifies matters on the part of the recipient – the District, and even more so since Norway is rather flexible in terms of aid management procedures.
- The Project is not part of a sector programme or any other programme, but does reflect government policies. It is conventional *project aid*, and maybe for that reason it was possible to respond directly to a District's initiative and demands.
- It is a *rural* development project and it is *multi-sectoral*. It does attempt to *integrate* activities in several sectors, and hence it bears the features of an integrated rural development project. This has become a much despised term in donor circles, but has proven to be an effective way of boosting area development in countries where local governments are reasonable well-functioning.
- This is partly a local *government support* project. We say partly for three reasons; management, area and issues. In terms of management, the Project is managed by the District PC, but still through a separate PMU. The project area covers only a part of the District, and a number of issues related to general functioning of the local government are not part of the Project.
- It is an *experiment*, and the model of one donor cooperating with one district is being followed with keen interest by MPI, seeing this as a genuine way of *decentralising* ODA management. There are, however, weaknesses in the project set-up with respect to recording and learning from this experiment.
- And finally, we need to mention what the Project is not – at least not yet. It is not a participatory, community driven development project. What is being implemented at present was set out in an initial five year plan largely planned from above – that is from the District leadership. While there were consultations with commune and village leaders in the early planning, during project implementation it has not been possible for local communities to actively influence content or request new sub-projects.

The project design still in the making

It took almost five years from the time when Trieu Phong District authorities in 1995 first approached MPI with the idea of securing ODA for local development activities to the signing of the Project agreement between the governments of Vietnam and Norway in November 2000. This coincided with a period of change in Vietnam's relations with the donor community, characterised by rapid growth in ODA-flows, a major shift toward poverty reduction as the main development objective, growing awareness of the need for closer

integration of ODA-financed projects with the country's regular processes for development planning and administration, and the first steps towards decentralisation of the authority to manage ODA.

The Project design in several respects was influenced by these trends, and made possible by the reform process. The *local ownership* in the Project is strong. The initiative came from local authorities, and District authorities have direct management responsibility for the Project, through the District People's Council Chairman who is the Project Director. Project funds are transferred directly to the District from NORAD, bypassing the central and the provincial level. This facilitates *coordination* with other projects and public investments in the same area. The Norwegian Project is by far the single biggest source of fund and the bulk of investment is in infrastructure. Other activities like support for production inputs, agricultural extension/training, off-farm livelihoods development, community health care etc. would be carried out in coordination with other projects funded by the Government of Vietnam or NGOs.

The initial project plan is a typical *area development approach* with a main emphasis on upgrading the economic and social infrastructure. The selection of the 7 project communes was backed by analysis of the poverty situation of the District and made with reference to backwardness and poverty, but there are few interventions by the Project that directly target the poorest people in the area.

Furthermore, the initial plan was drawn up as a *five-year blue-print*, outlining all the sub-projects to be implemented. There was no concept of process or revolving planning. Consultations were held with Commune representatives and other stakeholders at different levels (district, province and central levels), and with Norwegian representatives, but there was no attempt making participatory planning an integral part of the project design.

The project design predates the national *poverty reduction* strategy (the Comprehensive Poverty Reduction and Growth Strategy – CPRGS), but is clearly in conformity with the main elements of this policy, which are sustaining economic growth, broadening social services, and targeting disadvantaged areas. In the 7 poorest communes of the district the aim of the Project is: (i) creating opportunities for households to increase their income, especially for poor households; and (ii) improving rural infrastructure such as roads, canals for drainage, schools, electricity supply etc.

The Team wishes to raise two issues of concern with regard to the initial project design:

- There was too little emphasis on poverty alleviation with poor households as direct beneficiaries. While funds from other projects of the GoV which directly support poor households in increasing their income are limited and unstable, the Norwegian project had too much focus on infrastructure. In other words, it seems that there was a considerable bias in favour of the second of the two aims mentioned above, namely general socio-economic development of the area.
- There was too little flexibility in the investment programme and planning approach. The project agreement identified the investments, especially the infrastructure, in too detailed manner both in the budget and the location of different works, limiting the flexibility of the Project during implementation, particularly when there is a need for changing priorities and revising components.

New approaches to planning – too late

We observe that implementation which started in early 2001 by and large has followed the plan outlined in the project agreement of 2000, based on the Tentative Project Document dated May 1999 and summarised in Annex I to the Agreement:

- 36 million NOK plus the equivalent of 9 million NOK (13,000 million VND) from GoV
- Implementation over 5 years, with termination in 2004 (later extended to 2005)
- 5 components (excluding technical assistance) all with their specified budget amount down to sub-component level (called sub-projects)

Both the Project Management and NORAD acknowledge today that the initial agreement became somewhat of a straight-jacket. NORAD on its part envisaged that the Agreement outlined broad commitments and a framework within which further planning processes would take place. It considered the Agreement as containing only tentative plans, which NORAD had endorsed only “in principle”. Final approval would be given in Annual Meeting as and when final plans of sub-projects were presented. The Project Management, on its part, has regarded the Agreement as a definite plan leaving little room for alterations.

The first planning initiative was the preparation of an *overall Work Plan* for 2001-2005 and the Annual Work Plan for the first year (2001). These two plans were approved at the 2nd Annual Meeting in September 2001. The 2001-2005 Plan was prepared by the PMU with support of a short-term expatriate advisor based on the sub-projects already provided in the Project Agreement. The Annual Work Plan for 2001 was just a further specification of funds and activities.

The second planning initiative was the parallel attempt to introduce more *participatory planning* methods – such as Participatory Rural Appraisal (PRA) techniques (June to September 2001). Assistance was sought from the Center for Rural Development at the Hue University of Agriculture and Forestry. This exercise appears to have had little concrete impact on project plans and activities. Participation of local people, village and commune authorities in this period was mainly to listen to the presentation of sub-projects and to give comments to PMU on progress and arrangements for implementation of sub-projects. PMU has not been carrying out quality PRAs and used PRA results in proposing new prioritised sub-projects which directly support poor households, such as those on animal husbandry and off-farm livelihoods.

The third planning initiative was the *Logical Framework Approach* (LFA) to planning. This is part of NORAD’s planning manual, but in this case it was introduced at a stage in the Project when much had been decided already. LFA (an LFA workshop was held in November 2001) did not become an instrument for planning, rather it became an effort to organise already agreed activities into the means-end logic prescribed by LFA and identify indicators of progress/impact. It turned out that the local project staff had difficulties in relating to and seeing the usefulness of this fairly abstract way of discussing the Project. NORAD has been referring to LFA in several annual meeting, requesting the project management to use this methodology as part of their annual exercise to review progress and revise plans, and to improve impact monitoring. With the help of the CTA a LogFrame was produced in March 2003, but little is yet in place in terms of actual follow-up.

There is a need to lower the ambitions in using LogFrames as a monitoring tool. The March 2003 document identifies data requirements that cannot be complied with, partly because such data are available or too costly to collect. Hence, we recommend basing future monitoring on a simpler procedure, where one combines a few critical output indicators with assessments from beneficiaries.

Dealing with uncertainty and change – a need to develop revolving planning

There is obviously a need for the two development partners – Norwegian Embassy and the District PC – to develop a common understanding of the planning approach of the Project – at least if the Project is to be extended. A crucial issue is *the degree of flexibility in planning*, and the formal process of dealing with it. Hitherto, we have seen examples of sub-projects included in the initial plan later being cancelled (i.e. prawn cultivation and credit scheme), but there are no cases of new sub-projects being proposed. For a second phase it will be necessary to develop a short planning manual for the Project specifying procedures for the type of annual revolving planning that seems to be in the interest of both partners to develop. NORAD on its part can draw on experiences from similar projects in other countries (Sri Lanka and Tanzania).

Apart from cancelling and adding new component/sub-projects, there is also the issue of “overplanning”. Plans prepared are often too ambitious, both in scale and time needed for completion, and do not reflect actual implementation capacity. Except for the construction of primary school buildings, all other sub-projects have been carried out slower than originally planned. The main reasons are:

- PMU staff underestimated the paper work required in major infrastructure project. Most of PMU staff are young and inexperienced and did not foresee all difficulties and challenges in implementation of sub-projects, for example, procedures on approval of basic constructions, possible situations in land acquisition and site clearance, and the extent of technical complexity of some construction works (like prawn nurseries).
- PMU did not pay enough attention to training in project planning. This is the first ODA project directly managed by Trieu Phong District and no PMU-staff has ever participated in any ODA project before. Although Project staff have taken part in short term training in logical framework, planning with the participation of local people, PRA etc, they are still inexperienced in applying these methods in practice. Moreover, PMU has not prepared a manual on planning methods for PMU members and other stakeholders.

Nevertheless, delays and unexpected events are natural ingredients of development projects. No measure of sophisticated planning can remove all risks. Spending of money on time is not by itself a good indicator of success. The Project needs to find ways to revise budgets and plans on an annual basis, while keeping a focus on quality of implementation and impact rather than mere disbursement and output quantities.

3.2. Project management, coordination and financial control

A lean organisation – in some aspects too lean

The Project Management Unit is housed in a separate building constructed by the Project. Its workforce consists of 16 staff, of which 9 are full-time staff, and the remaining 7 part-time

officers who at the same time have retained their positions within the District administration. The responsibility for project supervision is given to 7 Supervisors, as they are called.

The full-time staff positions are:

- Vice National Project Director (seconded from the Provincial Department of Finance)
- Chief Technical Advisor (from a Swedish consultancy firm – SIPU International)
- Accountant
- Interpreter
- 4 assistants (secretary/cashier, driver, guard and cleaner)
- Supervisor for Capacity Building

The part-time staff members include:

- National Project Director (Chairman of District People's Committee)
- Supervisor for Schools and Electricity (from District Planning and Financial Section)
- Supervisor for Roads (from District Economic Section)
- Supervisor for EGV and Soil Improvement (from District Agriculture Section)
- Supervisor for Drainage Canals (from District Agriculture Section)
- Supervisor for Aquaculture (from District Agriculture Section)
- Supervisor for Forest Plantation (from District Project Management Board)

Although the mobilisation phase of the Project took more time than anticipated, the Team consider this personnel arrangement adequate for projects based on ready-made and standard designs and being implemented through contractors, like basic construction works. When it comes to more grassroots-level projects, however, addressing poverty alleviation for poor households, this will not be adequate. The problem seems to be two-fold. Firstly, such projects are more time consuming and will require full-time officers for long periods. Secondly, there is a need to establish multi-disciplinary teams working together in a flexible manner throughout the project cycle: initial PRA; finding out demands; sub-project preparation; implementation; monitoring; evaluation; and formulation of new initiatives. The PMU supervisors usually work independently today, and since they are also part-time this does not foster strong team work.

It took until April 2002 for the District People's Committee to issue Organisational and Working Regulations for the Project, in which duties, responsibilities and rights of all members of PMU are defined. Despite of the lateness, the Regulations have become a good management tool.

Integrated and coordinated development – much more can be done

More can be done to ensure better integration of various activities impacting the same sites. The specific activities of different sub-projects and activities of other projects have not been incorporated into a unified work plan for meeting the objectives of poverty alleviation and economic development. With assistance from the Project all communes and villages in the project area should be encouraged to prepare their own integrated plans, where all development activities are incorporated. This is an essential element of a participatory planning process, which is likely to reveal critical gaps. We note, for instance, that the demand for animal husbandry development and off-farm livelihoods training for poor households has not been supported properly.

Although the Project has discussed and shared experiences with other ODA projects carried out in Quang Tri Province, there has not been any cooperation on practical issues, such as training and use of advisors. There have been discussions with the Administrative Reform Project funded by Sida on the prospects for speeding up the process of issuing Land Use Certificates to EGV households.

Financial management – needs for improvement

The Project Agreement does not specify the type of financial management system to be used by PMU. It merely stipulates project accounts should be kept “in accordance with generally accepted accounting practices”, and that procurement should be “in accordance with Vietnam’s procurement regulations”. Therefore, subject to the Government regulation on ODA fund management, project finances are to be managed in line with Vietnamese regulations on finance and accounting. In 2001 and 2002, the Project submitted annual financial reports to Vietnamese authorities such as the District People’s Committee, Department of Planning and Investment, Department of Finance, Department of Statistics, Provincial People’s Committee, the Ministry of Planning and Investment, as well as the Norwegian Embassy. The Project is under direct financial control by the Provincial Department of Finance and the two above reports were accepted by the Department of Finance.

While these procedures formally have been accepted by Norway, concerns have been voiced with respect to informational quality of the financial reports, and also the lack of updated information on financial progress of individual sub-projects. A decision has been made to use an external consultant to upgrade the financial management system. The Team strongly recommends deferring completion of this work until a decision is made on a possible extension. What needs to be done now will greatly depend on the future scenario in terms duration, growth and complexity of the Project. If extended, we would also recommend revising the structure and terminology used for classifying activities in the Project. The financial management system, of course, needs to be tailored to any revised project structure.

Firstly, we would recommend calling the total “Project” a “Programme” – *Trieu Phong District Rural Development Programme*. This reserves the term ‘Project’ to be used for what today is labelled ‘sub-project’. The term ‘sub-project’ is then available for the next level in planning and management, namely a specific road, or school or settlement village. In some cases there may even be a need to divide sub-projects into ‘activities’. Furthermore, we recommend reviewing whether there is a need for grouping projects into ‘components’ the way it is now done. For administrative purposes and financial management there is no obvious need for this level. For analytical or statistical reasons it is not obvious that the current grouping of sub-projects is the most logical. Hence, we would recommend developing a project and financial management system using the following four levels – programme, project, sub-project and activity. This may look as follows:

- Level I: *Trieu Phong District Rural Development Programme*
- Level II: *Project – New settlements on barren lands - EGV*
- Level III: *Sub-project – EGV in Trieu Son commune*
- Level IV: *Activity – Provision of entitlements to new settlers*
Activity – Development of village infrastructure
Activity – Income generation for new settlers

In 2003, an external audit of the Project was performed. It indicated a number of financial problems which PMU have to adjust. One important outstanding issue is the cost norms for the Project and for PMU staff (e.g. field allowances). The norms for State administrative agencies are considered inadequate and not reflecting actual cost levels, but using the EU cost norms for Vietnam, as suggested by the Norwegian Embassy, leads to the opposite problem. The disparity will be too large compared with Vietnamese norms. To solve this problem, PMU has prepared and applied cost norms which PMU considers suitable (lower than the EU norms but higher than the Vietnamese norms). The Team recommends that PMU should submit its cost norm report to the Department of Finance for formal approval. However, until now, there is no objection from the Department on these cost norms.

3.3. Monitoring and progress reporting

Monitoring of project activities are done at three levels:

- Internal monitoring by PMU supervisors. They are mainly responsible for administration, including monitoring of the progress and dealing with unexpected issues arising during the project implementation.
- External monitoring by consultants hired to carry out technical monitoring of infrastructure projects.
- Local level monitoring. In all communes a project monitoring committee has been established including representatives of beneficiaries (representatives of households, of pupil's parents etc.), representatives of local authorities (leaders of villages, commune People's Committees), and representatives of mass organisations (Women's Union, Father Front, Farmer Association, Youth Union, Association of Veterans etc.).

The above approach to monitoring has enabled the sub-projects on infrastructure to obtain good results. As the Pre-Mid Term Review of June 2003 also concludes, the quality of constructions has largely been fully satisfactory. However, it is our view that there is a need for improvements in the monitoring of sub-projects on income generation and capacity building. This weakness can be seen in the low quality of some training courses and slowness in identifying and addressing other needs of and demands from the poorest households in the project area. The main reason is probably that PMU staff and leaders at commune and village levels have not been trained carefully in participatory monitoring techniques and methods. We note that PMU, as for planning, does not have a manual on monitoring (system, techniques, reporting and responsibility). This needs to be followed up.

Annual progress reports (2001, 2002) were timely prepared and submitted to the required agencies (District People's Committee, Department of Planning and Investment, Department of Finance, Department of Statistics, Ministry of Planning and Investment, and Norwegian Embassy). The reports covered necessary project issues in a clear and understandable way, but efforts should be made to make the reports more informative and useful to a broader group of project stakeholders. It is both a compliment and a challenge to PMU that the Project generates wider interest, and we recommend the following.

- That the progress reports provide analysis of reasons for the obtained results (both successes and constraints).
- That there is break down of project expenditures on individual sub-projects, and that the reports specify in some detail the reasons and justifications for any major deviations from approved budgets and time tables.

- That they provide lessons learnt and give recommendations for how to make use of these lessons in future activities.

So far, the Project has not made any attempt at analysing development impacts of its activities. This can be justified, since implementation barely is 2 years on the way, but there is a need to address the question of how this best can be done. It must be recognised that NORAD needs to be furnished with impact-type information to legitimate decisions on future support to the District. We recommend looking into the possibilities for linking the Project with a Vietnamese research-based institution that can assist in impact monitoring. We recommend, furthermore, consulting with the Finnish project and the forthcoming Swedish project to see whether there are mutual interests for cooperation on this aspect. It is also advisable to use some TA resources for quality control.

4 Findings on key cross cutting issues linked to overall objectives of the Project

It is our understanding that the Project seeks to achieve four main overall objectives. The first two, as discussed below, concerns longer-term development impacts, namely poverty reduction and environmental improvement. The other two objectives relate to operational dimensions of the Project – i.e. strengthening peoples’ participation and building local government capacity. In Chapter 2 we have seen that the Project has made a good start in terms achieving its planned output targets. The Team also sees the various sub-projects as relevant for achieving the Project’s objectives, but as our discussion below reveals, there are several important outstanding issues. These points towards needs for adjusting some of the current approaches, and adding new ones to the Project.

4.1 Improving the standard of living of poor people

Whereas the goal of the Project is “improvement of the living standard of poor people”,³ the design of the first phase represents a conventional *area development* approach. There is no doubt that when the various components of the Trieu Phong Project are completed, they will have a positive influence on the general economic growth in the district. The construction of infrastructure, improvement in educational facilities and land distribution is of benefit for all the people who live in the coastal communes. Also the poor will benefit through better communications and increased employment opportunities. It is too early to analyse the extent of this impact, but we can make an assessment of the approach adopted by the Project.

There is no inherent contradiction between general economic growth and *poverty reduction*, but as we have indicated the latter will require additional efforts that are more targeted at the special problems of the chronically poor.⁴ This will be a particular challenge in the event of a second phase of the Project.

The poorest have special needs

Some of the poor are poor because they are chronically ill or disabled, or have the caring responsibility of disabled or old members of the household. Being located in the worst hit area during the American War there is an unusually high proportion of households that are poor for the above mentioned reasons in Trieu Phong District. Other households are poor because they are headed by a single parent, usually a woman, which means that the dependency burden is heavy and the time available for income generating activities is limited. Widows and widowers also easily fall into the category of the poor because they have many dependants and/or are unable to work hard.

The majority of households selected as beneficiaries in this project (especially for the EGV-component), are young and in a situation and stage of their life cycle where they are materially poor, but cannot be considered chronically poor. They are able to work themselves out of poverty once they get the opportunity. Unlike these “resourceful poor”, we find that single-headed households and households with disabled/old members are either (1) *not*

³ Project agreement, Article 2.

⁴ By the term *chronically* poor we refer to people who have been poor and are likely to remain poor for a period of many years. The terms points towards individuals, households and families that have particular difficulties in benefiting from opportunities created by general growth in the economy.

selected as EGV-beneficiaries because they do not fulfil the criteria of having surplus labour, or (2) *are selected but lack resources* enough to get out of poverty. Since they lack sufficient labour resources (muscle power, time, skills, or money to hire labour), capital, and a socio-economic network to support them (access to credit, information, voluntary work, child care, etc.), access to a plot of land and a new house is not enough.

This is a development project and not a welfare support scheme, but we argue for a more differentiated approach in the provision of support to the beneficiaries. This means, on the one hand, to reduce the subsidy element in the “package” given to households, whose members – once they have access to new land and basic infrastructure – can work, take loans and commute to get extra incomes. On the other hand, efforts to target households unable to help themselves to the same extent should be introduced. They could for example be given extra support in kind for the construction of their houses and agricultural production, and be encouraged to join credit/savings groups funded (but not administered) through the Project. The Women’s Union at District and Commune level is already efficiently and at a low cost running such credit/savings groups with funding from, amongst others, World Vision. The Finnish Project also has good experience with the credit groups of the Women’s Union. Lastly, the need for kindergartens was voiced by many beneficiaries who wished to spend more time working on their plots and other types of income generating work. This would make it possible for more single-parent households to settle in the EGVs, participate in training courses and other activities.

The poor need to make their own priorities

If the programme is extended to a second phase, the Team recommends a continuation of new settlements on barren land. By reducing the subsidy element to the majority of beneficiaries, it should be possible to add more plots linked to the already established infrastructure in the EGVs. In addition to reducing the subsidy element, we recommend to introduce more flexibility for the beneficiaries to make it easier for them to make their own priorities between investments in housing versus investments in income generation. It is of concern that several families have taken substantial loans to complete their houses, while their income base, at least not yet, is not sufficient to repay these loans.

One of the main attractions of the EGVs is the possibility of building a proper house, which is also necessary under these climatic conditions. However, some families may choose to start cultivating their plot a year before they move to the EGV, or they may live in a temporary structure while they improve the soil and get started with agricultural production. This is a typical “settler strategy”: rather than sleeping in a beautiful house from the beginning, the household secures its income base as its first priority. To prevent the development of “slums” in the new villages, a certain housing component should be included, but the rest of the “package” should be given as a range of components amongst which the beneficiaries can choose. This approach gives the poor a possibility of securing their most precarious needs in the beginning before they gradually improve their living standards through their own effort.

4.2 Improving the environment

The project agreement states that an objective of the Project is to “improve and protect the ecological environment”. This statement obviously represents a “double-edged sword” – what is good protection from a biological point of view, may not be the same as improvement from a human settlement point of view. A sandy, salty, and frequently flooded environment may be an ideal site for a wetland nature reserve. In our case, however, the Team is not aware of whether

the project area does contain endangered habitats that are important to protect for reasons of biodiversity. We acknowledge that the Project is mainly concerned with improving the environment for human habitation, cultivation, rearing of domestic animals and aquaculture, but at the same time there is a need to keep a closer look at the potential environmental effects of the interventions being made. This area is in several respects a fragile environment. The most critical issues with respect to *potential adverse environmental impacts* are:

- Eutrophication and pollution of water bodies from intensive shrimp farming.
- Pollution of ground water, and hence drinking water, from intensified agriculture/aquaculture. Because of the sandy soil the ground water is less protected.
- Changes in groundwater table and salinisation of groundwater to due more effective drainage of flood water, more extensive extraction of groundwater and use of brackish water in shrimp farming. Lowering the water table may cause seawater to flow into fresh water sources.⁵

The Team did not have the required expertise to look into these problems. We note however that the issues above have not been properly analysed so far in available project documents.

Behind coastal sand dunes there is a low laying area, 3 to 5 km wide, with very sandy soils. Large parts of this area get temporarily inundated during the rainy season (September – December), forming a seasonal lake. It is this strip of land, running parallel with the coast, which the District has targeted for ‘environmental improvement’. There are three main challenges involved to make this area more habitable:

- How to reduce drifting of sand from wind erosion.
- How to reduce the level of flooding and its adverse impacts.
- How to improve the quality of the sandy soil.

Sand encroachment is a problem in two ways. Firstly, water with high sand/silt content flows into the cultivated area inland from the seasonal lake, and paddy fields further inland will be affected during heavy rains. The sand dykes and their evacuation canals leading the water to the sea are designed to prevent this from happening. In the project area, *prevention of floods* is a major concern and is addressed through the drainage canals, leading floodwaters out to the sea. As mentioned above, the Midterm Review Team was reasonably satisfied that the matter was dealt with in a satisfactory way, but do see the need for a broader study of water management in the area if the Project is extended and further settlement of the sandy area is planned for.

Secondly, sand can also blow onto cultivated land, making it less suitable for cultivation. This problem can be solved by establishing windbreaks consisting of lines of trees covering the area where the sand is not stabilised. We would also draw the attention to measures that directly aim at stabilising sand dunes, e.g. through the planting of suitable grass species and shrub-like plants. The current approach to establishing tree plantations obviously will have some wind-breaking effects, besides their future economic benefits. However, it seems that the Project still has to develop more effective and better targeted ways to reduce sand drift. Environmental improvement is difficult to quantify and our observations were sketchy and did not cover the entire sandy area. However, the Team passed areas of active dune formation where no interventions are made and probably could have been made at a low cost. We observed that dunes were even forming inside the yard of a school financed from project resources. It should

⁵ See Environmental Impact Assessment Development of Aquacultivation/Shrimp Cultivation, Chapter 4.

not have required much flexibility in project design or use of project funds to plant rows of trees reducing wind speeds and thus preventing the sand from moving in such places.

It appears that certain project activities leading to "environmental improvement" have not been designed or implemented with a view to maximise the benefit to humans and cultivated plants. The sand dyke and the drainage canals seem to serve the purpose of improving the conditions for habitation and cultivation, but the forest plantations seem to be more of a stand-alone sub-project, designed to improve the environment where they stand and not where people live or where they cultivate the soil. No cases of tree planting for the purpose of general environmental improvement through reduced wind speeds and thus reduced risk for moving sand was encountered in the project area.

These observations, occasional as they are, point to a lack of consolidated low-level planning in the Project or, expressed in a different way, of commune participation in planning or commune power over implementation. If the communes had been informed that they had a certain amount of funds available for "environmental improvement", it is most likely that they would have combined resources available to them in a different way.

4.3 Promoting the participation of beneficiaries in planning and implementation

The need for strengthening the involvement of beneficiaries in development planning and implementation is recognised in GoV policy. The Grassroots Democracy Decree⁶ offers a legal framework for increasing community participation at the local level, and creates an enabling environment for partnerships between government and civil society organisations. The spirit of the Decree can be summed up in the saying that the local authority must let: "The people know, the people discuss, the people do and the people test".

We have argued above (Chapter 3) that participatory planning methods were introduced in the Project at a stage when most decisions had already been made. Hence, the PRA carried out and village and commune meeting mainly served the purpose of informing people about the Project. We have also mentioned that there are features in the Project that clearly illustrates that bottom-up planning, in reality has been limited. Firstly, we see that there is a striking similarity in project components across the communes, which would not likely have been the case if the communes could make their own priorities. Secondly, at the household level we observed that people articulated other needs and problems than what had been identified as priorities by the Project. For instance, it was mentioned by several women that they wanted to develop pig rearing as a main means to improve the family economy. This is a traditional occupation in the area, but women requested support in the form of credit and some veterinary extension services.

It is important to distinguish between different forms of participation:

- Participation in the planning process, which can be anything from only being consulted and providing information to the planners, to actually being directly involved in deciding what should be done.
- Participation in implementation, which is taken to mean everything from being employed by the implementer of the Project, contributing free labour or other resources to the Project, to actually owning the Project and doing it for oneself.

⁶ Regulation of the Exercise of Democracy in Communes, Decree 29/CP.

- Participation in monitoring and control, which also will take different forms depending on who owns and implement the Project.

We note that this is a Project where all sub-projects are owned by the District and implemented by the District for the communes and the beneficiaries. The sub-projects clearly respond to locally felt needs and problems, but the approach has been top-down and supply-driven. Having said that, we need to add that this not necessarily wrong. Many development problems have to be addressed through this approach. Our concern is that the Project should develop, in addition, mechanisms that are more bottom-up and demand driven. It is not a question of either or.

We note that construction works have generated local employment and that people have participated in this sense. PMU has instructed the contractors to employ unskilled workers from the area. In addition to this, it should also be considered to offer short course to people who wants to improve their skills in construction related works. In particular, one should look into ways of providing technical training that is attractive to women. The participation of women in other technical training under the Project (e.g. fish and shrimp farming) is as low as 15%. Local farmers have also been actively involved in tree planting, but this is also on contractual terms.

Otherwise the local contribution in projects, apart from house construction in EGVs, has been minimal. All activities are fully financed by the Project, and there has been no attempt to specify and quantify contributions that beneficiaries have to mobilise to qualify for support. We are concerned that maintenance of infrastructure will become a problem (e.g. with schools, roads and canals), and beneficiaries should be required to prepare for this as a as well as an initial fund for maintenance. We note with satisfaction that the commune project committees have had a useful role in monitoring infrastructure works and keeping local people informed about project activities.

A new approach to stimulate participation and local ownership

If the Project is extended, we recommend setting up a facility (a Local Development Fund) under the Project that can effectively respond to local demands. We are referring to small-scale projects, and not major construction works that have to be handled by the District directly. The main approach is that local institutions – the commune as well as other legally recognized organizations – can formulate applications to the Fund. The Fund will have to establish clear and transparent guidelines for how it will evaluate applications and its terms and conditions for supporting projects. It must be a flexible mechanism able to receive and approve applications at any time, on first-come-first-serve principle.

There are numerous experiences with such funds worldwide. They clearly stimulate local initiative and sense of ownership, but there is also a danger that applicants present unrealistic projects hoping to get as much as possible. We therefore recommend experimenting with the following approach:

- To use the principle of result-based financing.
- The applicant will receive the agreed financial support from the Fund only after it has completed specified activities. For small projects it recommended to pay the full amount in one installment after full completion has been certified.
- The Fund will not provide advance funding. The applicant will have to secure itself the funding needed to qualify for the first payment. This can be done through using its

own financial resources, getting contributions from local people/members, or borrowing.

- The Fund will never finance 100% of costs. Its share of funding will be higher for public service projects compared to income generating.
- Once an application is approved the Fund negotiates a contract with the applicant which specifies the project, the amount to be paid by the Fund, how to verify project completion in order to effect payment, and how to affect payment in an open and transparent manner.
- There will be no further conditions linked to the payment by the Fund. The applicant is free to use the payment as it wants (e.g. for repayment of temporary loan, for saving or for starting a new project).

This Project is in an ideal situation to test such a mechanism, since it operates in an area where people are well organized and the economy is growing. People have the initiative and there are resources in the local communities. The best way to mobilize these resources and to build local capacity for problem solving is to give as much ownership as possible to the local level. Let the community-based organizations plan, finance and implement, and let the Fund reward the result. In this way we will get projects that are realistic in terms of local capacity, and there will be strong incentives to finish timely.

4.4 Setting up an effective model for utilising ODA at District and sub-district levels

District level integration – a good start

An important feature of the Project is the deliberate attempt to make it an integral part of the District's development administration. It is surely a debatable issue, within GoV as well as within the donor community, how far this should go. It is always a difficult balance between transparency and control on the one side and avoiding parallel structures, on the other. And the donor obviously has its own concerns. It is also a balance between retaining the freedom to experiment and trying out innovative ideas, and being part of the regular government machinery.

We consider it a good model to make the Chairman of the People's Council the National Project Director, and to second personnel from District sections to the PMU. In this way the capacity of district staff in ODA project management and implementation is strengthened. It also facilitates better coordination with other development projects in the district such as the Program 773 on aquaculture, local projects of the National Five Million Ha Reforestation Programme, and projects on community health care etc.

It should be considered, however, making the PMU even more firmly an integral, yet somewhat independent, part of the District administration.

- Budgeting, accounting and financial control will have to remain separate, but the Project should be clearly reflected in the District's annual plans and this picture should also be shared with the donor. Currently, the Project accounts for about one-third (35 percent) of annual public investments in the District. The District's own investment budget is less than the Project and makes up about 20 percent, while the remainder are state and provincial projects.

- If the Project is extended it should be considered to move the PMU to the premises of the District administration to facilitate closer and more flexible interaction.
- When the Project finances *conventional* projects it should be considered giving the full responsibility for implementation to the relevant District Section, and let PMU only do monitoring and financial control.
- When the Project initiates more *experimental* projects – pilots – the PMU should directly be responsible for project management, and as we have argued above, establish strong multi-disciplinary teams with staff seconded from DPC or directly recruited.

The need for deepening the partnership

A project of this nature has to be regarded as a development partnership, and it follows that NORAD will have to play a role which is more than a financier. Having an ODA project on the terms established in this project provides several new opportunities to the District PC. The Project gives new financial flexibility and increases its powers and responsibilities, it opens up for experimentation and doing things in new ways, and it is a channel to the outside world. We clearly understand that the District authorities, at least today, if not in the beginning, want to use the Project as more than a source of money. NORAD, on its part, is keen to have a local government partner that effectively can demonstrate that Norwegian money can be put into good use.

This puts special demands on both parties. NORAD must be able to function as a good discussion partner and a “gate opener” for the District in terms of getting access to useful national and international experiences. The District must be transparent and able to document results information, and willing to communicate both its wishes and its problems. We note that the initial years have been a difficult learning process for both partners in this respect, but definitely moving in the right direction.

One aspect of this is that NORAD needs to define in more definite terms the type of control mechanisms it requires, over and above the regular reporting of the DPC. The current work on financial management and accounting systems is an important step in this direction. Outstanding issues pertain to the role of international consultants (CTA) (see below), and the extent of impact monitoring needed from NORAD’s side (see Chapter 3).

The role of the international consultant

This is undoubtedly one of the most difficult issues in the Project at the moment. NORAD made its support conditional on the recruitment of a Chief Technical Adviser (CTA) to the Project. The Agreement specifies that CTA is to “advise and coordinate activities of the Project” and that CTA, jointly with the Project Director and the Accountant, shall certify accounts and approve withdrawals from the project account. Daily follow-up of the Project is to be done by the National Project Director and the CTA, according to the Agreement, but the division of roles, authority and responsibility between the Vietnamese side and the Consultant is not spelled out. What has become apparent in this initial period is that the executive role of the CTA, if any, is not properly understood and agreed upon. The signals from NORAD have been ambivalent, and the DPC, on its part, clearly do not want a CTA with executive functions.

The Team notes that the assistance from a short-term consultant in drawing up the overall Work Plan (6 months) was highly appreciated by the project management. It served a concrete purpose and helped the Project fulfil the requirements of the donor. The subsequent posting

of a long-term CTA has not been working well. The causes to this problem are complex, relating partly to the problems mentioned above, but also to personality and competence on the part of the CTA, and attitudes towards and lack of experience with foreign consultants on the Vietnamese side.

The current CTA-contract expires by end of 2003, and it is important to make the best use of this resource for the remaining period. The Team recommends that this best can be done by assigning the CTA specific tasks related to documenting aspects of the Project, and improving the informational value of progress reports and planning documents. He can also provide inputs to a Planning Manual for the Project. If a decision is made at the next Annual Meeting to extend the Project, the CTA should contribute with ideas and suggestions especially related to his main areas of expertise.

As to the question of future use of TA, the Team is of the opinion that it will be a wrong decision attempting to do without it. There are several reasons for this:

- The PMU will need further assistance on how to work in an ODA-environment. This also concerns its capacity to communicate across language and cultural barriers, and between different administrative and political traditions. TA has a role to play here.
- The District administration needs to improve its capacity to analyse development problems and formulate plans.
- The District should use TA to acquire relevant knowledge from other areas of Vietnam and internationally. It needs to improve its own capacity to receive advice.

We advise continuing with a long-term adviser, and using short-term consultants on ad hoc basis when needs arise. The benefit of a long-term term adviser (LTA) is that personal relations and detailed understanding of the local context take time to develop. The input of a LTA could be phased in the following manner:

1 st year:	Full time (this period should start with the preparation of the second phase and include the transition to the new phase)
2 nd year:	half-time (6-9 months)
3 rd year:	3 months
4 th year:	2 months
5 th year:	3 months (this period includes the winding-up)

We advise using a LTA only in an advisory function, but the job description should include the specification of responsibilities and expected outputs. It is also important to clearly identify to whom the LTA reports and who is the LTA's immediate counterpart. For the LTA to function effectively he/she should be assigned a personal assistant and interpreter with professional background in rural development.

5. Recommendations: Issues for the future

The Team concludes that the Project is successful in terms of achieving its output targets. The implementation of construction works (roads, schools, drainage canals) is progressing satisfactorily, and the quality of work is good. The same applies to tree planting and cultivation on sandy soils, where the initial results are encouraging with high survival rates of tree seedlings and successful trials with various crops. The settlement schemes are also developing satisfactorily and the high number of applicants shows that the EGV-package is attractive.

In the chapters above we have identified a number of issues that warrant attention both from DPC and NORAD, as well as the Province and MPI. In the following we shall highlight the most important issues by way of recommendations for the future.

Extension of the Project

- A decision on Phase II needs to be communicated at the next Annual Meeting. This decision will greatly influence work plans and priorities in the remaining period up until March 2005.
- The Team recommends to NORAD to continue supporting the Project, and furthermore advises to make a commitment of no less than 8 years (subject to standard reservations for ODA).
- If the Project is not extended many of the recommendations in 5.1 will have to be revised. In that event, the Team advises in general to limit investments in capacity building (training and new working methods) and focus resources on capital investments and an orderly phasing out of the Project.

5.1 The remaining of the current project period

Management

- There is a need to prepare a *project manual* (or several manuals on different topics). This includes planning procedures, monitoring procedures and financial management procedures.
- Getting approval of and start applying common project *cost norms*.
- The quality of *progress reports* should be improved, especially the analysis of reasons for obtaining results (both success and constraints) and of lessons learnt.
- If a decision is made to extend the Project, it is necessary to strengthen *training* activities on project planning, financial management, implementation, monitoring and evaluation. The English language skills among core PMU staff should also be improved.

Infrastructure

- Carry out a *maintenance* study to assess the needs for maintenance of infrastructure works for at least 5 years after the completion. The study should recommend on systems for maintenance, including manpower requirements, skills requirements and financial aspects. This applies to different categories of roads, the canals and the primary schools. The study should evaluate potentials for resource mobilisation

(including both contributions of people and provincial and central budgets) for maintenance. It should be noted not to create much burden on local people, especially on poor households. Find out specific demands for project support and incorporate them into project work plans for the remaining period.

Environment

- For stabilisation of sandy soils it is recommended to experiment with other methods than relying only on mono-cropping of Acacia in rows.
- The environmental effects of a rapid expansion of shrimp farming seems yet to be poorly understood. We also recommend looking into the possible effects on the quality and level of ground water from the intervention supported by the Project. The most important is to establish a system of regular checking of drinking water quality and availability.

Income generation

- The Project should consider adopting a more flexible and differentiated approach to supporting settlers in the *EGV villages*. In general, the approach should leave more choice to the individual beneficiary, and in particular, there is a need to find alternative ways of assisting the most disadvantaged among the beneficiaries. There is scope for reducing the grant element in the package to new settlers.
- There is a need for a proper management and business plan for the *shrimp nursery*. The 2003 Work Plan states that DARD will operate the nursery, but we are not aware of how the enterprise will be managed and who will bear the financial risk.

Training

- There is a need to focus more on quality of training and its relevance to villagers. We recommend introducing field demonstration in the agriculture training, and to develop training on alternative income generation and skills that make it possible to seek employment outside ones local area.

5.2 Beyond March 2005

- The model with direct support to DPC should be continued. This implies that if NORAD decides to respond favourably to the proposal from the neighbouring Hai Lang District, the same model should be adopted. The Team sees no justification for merging the two initiatives and creating some sort of provincial project management.
- Nevertheless, there is a need to strengthen the capacity of the Province to support, coordinate and learn from its various district level poverty alleviation projects/programmes.⁷ We recommend supporting a unit attached to the CPRGS Steering Committee of Quang Tri Province that can facilitate better communication between the various district projects. It should call for regular consultative meetings, and encourage ways of cooperating in the use of TA, arrangement of study tours, and learning from each other.
- There is a need to further develop and formalise a system for *annual revolving planning*. In Vietnam this is sometimes referred to as a framework approach. The framework clearly identifies the project objectives and establish output indicators, but

⁷ The Finnish supported *Quang Tri Rural Development Programme II* operates in Hai Lang, Cam Lo and Dakrong districts, and the forthcoming Swedish supported *Poverty alleviation project* will operate in Gio Linh and Vinh Linh districts.

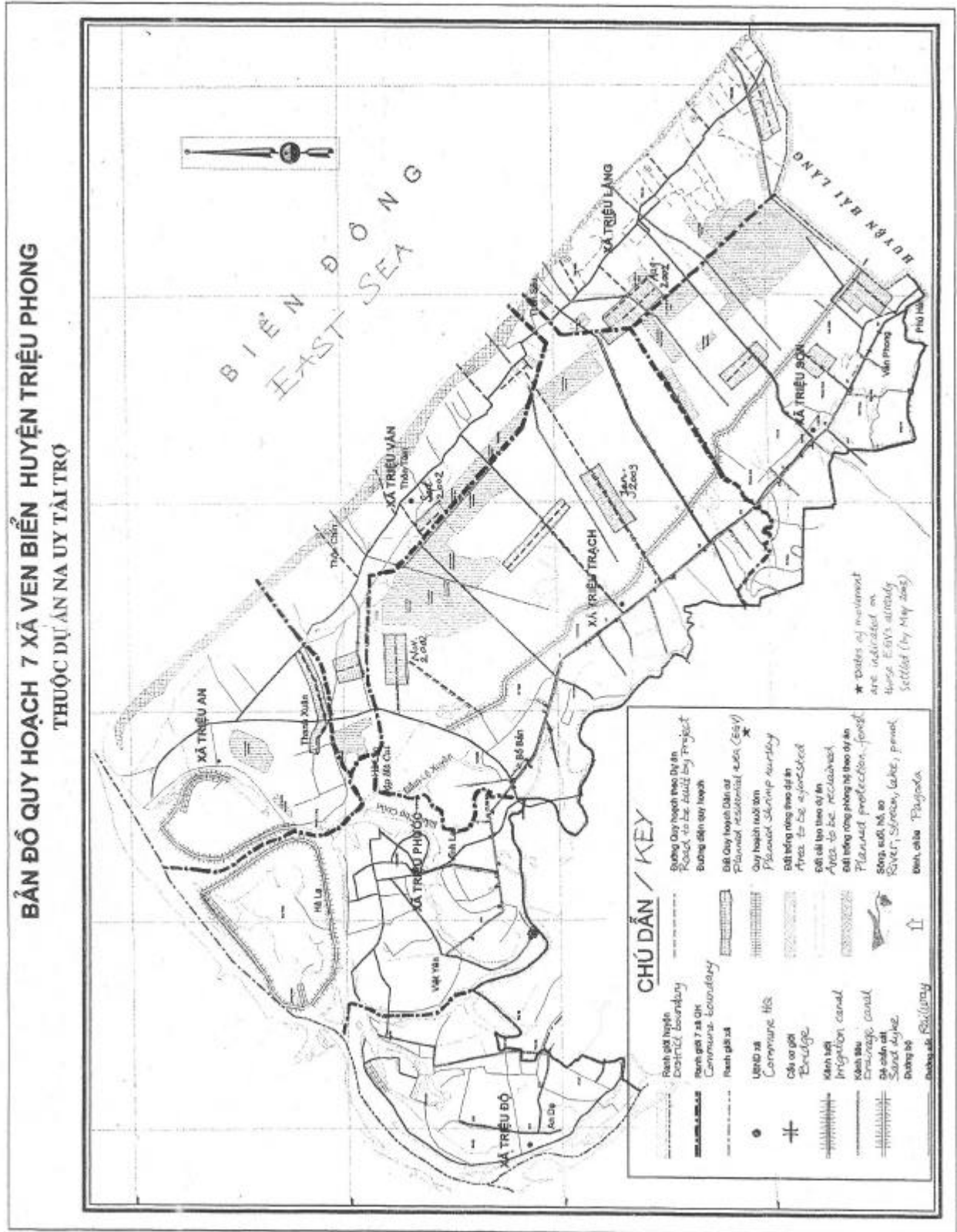
do not determine specific components or sub-projects. It leaves freedom to the Project to decide what would be suitable within the local context. Components are identified and plans made on an annual basis, and evaluated and approved in annual meetings with the donor.

- In the *new Project Agreement* it is important that planning principles are specified, and the same goes for the system of financial management and reporting. To the extent that these may deviate from standard Vietnamese regulations the Project Agreement takes precedent, according to the GoV decree on ODA-management (Decree 17).
- We also recommend revising the current *structure of the Project*, in terms how it is divided into components and the terms used for different levels. A new financial management system must incorporate these changes.
- The Project needs to improve its approach to *participatory planning*. We recommend approaching this in two ways. Firstly, the involvement of the communes in project identification should be strengthened and formalised, and the commune staff should be trained in using *PRA-type techniques* in identifying needs and prioritising interventions for which they can approach the Project. There is a need, in particular, to ensure that the *participation of women* is strengthened and gender issues discussed.
- Secondly, activities which can be managed by the commune level could be given to the communes, and similarly with the village level and community based organisations (CBOs). We recommend establishing a *Local Development Fund* for financing of projects implemented by communes and CBOs (cf. chapter 4.4) using the principle of result-based financing.
- There will be other projects that will have to be managed from the district level, and not always requested from “the bottom and up”. In particular we see the need for the District to invest in certain overall planning activities (often called *master plans* in Vietnam). Two of these needs pertain to water management in the coastal areas, and long-term plan for the settlement and further development of the barren land area.
- The Project at present has no capacity and not the instruments in place for *impact monitoring*. The likelihood of a positive impetus on economic growth is high, and there are already signs of increased agricultural yields and growth in trade and transport. The effects in terms of poverty reduction are more uncertain, especially with the chronically poor that for different reasons are constrained in making use of new economic opportunities. We recommend cooperating with a research institution in monitoring the poverty situation through both quantitative and qualitative studies.
- *Technical Assistance* through foreign and national consultants will have to be an important element also in the second phase. We recommend contracting a long-term advisor, with no executive functions, whose inputs are gradually reduced over the project period.
- NORAD’s needs for *control* and independent assessment of the Project should be satisfied through the mechanisms of external audit, project reviews, and independent impact monitoring.

Annexes

Annex 1

Map 2: Project area, Trieu Phong District



Annex 2: Technical Notes

Technical note 1. Use of vegetation to prevent sand from moving

An area of dry bare sand exposed to wind above a certain velocity will move, i.e. sand particles will move with the wind over the surface. There are two ways to prevent sand from moving in this way. One is to cover the sand surface, in effect keeping the sand particles in place. The second is to reduce the wind velocity over the ground, often by planting rows of trees as windbreaks.

The first vegetation to be established on the sand is exposed to a combination of harsh conditions. It grows on sand that normally is very poor in organic matter and thus of low fertility and with poor water retention capacity. If land in adjacent areas is covered by unstabilised sand, it will also be exposed to abrasion by sand particles blowing along the ground.

Depending on the local situation, the first ground cover can either be ground-hugging or higher, such as trees. Most tree species will have a problem as the first vegetation to be established as the young and tender seedlings may be killed by the moving sand. Certain grass species, more tolerant and able to resist the blowing sand can however be established as a kind of nurse crop. When established, the low vegetation stops the sand from moving, thus creating better conditions for the establishment of trees. When they are higher, the trees reduce wind velocities, reducing evaporation and providing shade, thus reducing ground temperatures that otherwise may damage crops.

Coastal sandy areas are normally inhabited by people who combine fishing with farming of the sandy soils. Sale of marine products gives incomes needed for purchase of other kinds of food which the people are unable to grow on the poor soil. By living in an environment short of forest and by not being self-sufficient in basic food crops yielding combustible residues (rice straw, corn cobs, etc.), the fishing-farming communities are also short of biomass with which to cook their food. This is often evidenced by cutting of grass for fuel and sweeping of the ground for leaves and twigs for the same purpose. Both these practices are detrimental from a soil protection point of view, as they prevent the vegetation from establishing a good cover over the ground. Availability of wood for cooking is in such situations of high value. Wood is, generally speaking, a better fuel than either grass or leaves, and the use of wood would leave the grass and leaves on the ground, helping other vegetation to cover the ground with an increasingly dense mat.

In Trieu Phong, the predominant winds in the dry season come from the south-west, the famous hot Lao wind. The dunes of recent origin observed on the sandy area in the project communes had been formed by that wind, blowing straight out towards the sea. In order to reduce the ability of the wind to move sand particles, tree rows should be planted at right angle to the most damaging wind direction, i.e. in lines in a northwest-southeast direction. Lines need not be very close to each other but are often spaced 20 to 50 metres apart. In the lines, however, trees are normally planted close to each other, often only a metre apart.

Technical Note 2. Protection and production forest land

All forest land in Vietnam is classified into one of three categories: special-use forest land, protection forest land, or production forest land. The special-use category comprises national parks and nature reserves but also historic or scenic sites. Protection forest land is to serve for

conservation of soil and water resources or protection against erosion in mountainous areas, against sea waves threatening to destroy dykes, or against blowing sand. Production forest land, finally, covers areas where the productive capacity of the forest is to be fully utilised. The guidelines for classification of forest land into the three categories are provided by the central forest authorities (in Hanoi). They may, however, be interpreted in somewhat varying ways in the field.

The rules governing the management and utilisation of the forests classified into the three categories are also given by the central authorities. They allow virtually no cutting in special-use forests, strictly regulate cutting in protection forests, and allow harvesting in production forests according to normal forest management practices.

The forests planted on the sandy land in Trieu Phong are classified as protection forests, protecting other vegetation, cultivated fields, residential areas and infrastructure against blowing sand. This means that the forest owners will not be free to cut the entire forest blocks at maturity, only 20% of the area of each block at a time, after the forest has reached maturity.

Technical Note 3. The sand dyke and the drainage canals

The topographical lay-out of the area of the five communes in the sand part of the project area can be characterised as a part of a long low ridge, stretching from somewhat south of the Cua Viet estuary in the northern part of Trieu Phong along the coast in that district and continuing further south into Hai Lang district. In altitude terms, the ridge begins at the sea shore at 0 metres a.s.l., rises to between 7 and 8 metres a.s.l. in the middle of the sandy area, and descends to about 5 metres a.s.l. at the inland side of the sands. Further inland, the land is again a bit higher. In that latter area, the soil is much richer and the land is used for rice cultivation.

In the rainy season, water from the sandy area drains in two directions: towards the sea and inland towards the rice fields. The rainwater flowing inland has since long collected in a long and narrow seasonal lake, occasionally over-flooding into the rice fields. In order to protect the rice against such inundation by sandy water from the coastal ridge, a dyke built mainly of sand was constructed in 1977 along the western shore of the temporary lake. From that lake, the natural evacuation of the water towards the sea is through a few temporary streams. In order to speed up the evacuation, especially in cases of floods, additional drainage canals have been dug. They begin at the lake shore some 5 metres a.s.l., cut through the sandy area and emerge at the shore about 1.6 metres above sea level, i.e. just above the highest water level recorded in the area. The drainage canals themselves are designed to hold all the water coming from the temporary lake without overflowing in 49 years out of 50.

Annex 3: Programme of the mission

Date	Activity	Key persons met
15 May	International consultants arrive in Hanoi.	
16 May	The five members of the team meet in Hanoi.	
	Briefing of the team by NORAD, Norwegian Embassy, Hanoi.	*Marit Roti (Counsellor) *Marianne Karlsen (Second Secretary) *Tran Trong Chinh (Adviser)
18 May	The team travels to Hue and to Dong Ha.	
19 May	Meetings with the PMU in Quang Tri.	*Ngo Thanh Nghi (Chairman of Trieu Phong DPC and Project Director) *Doan Minh Phong (Project Vice-director) *Roland Larsson (CTA) *Phan Thi Minh (Accountant) *Le Hien (Interpreter) *Doan Thi Minh Hai (Supervisor of the team, DPI, Quang Tri)
	Film about the Project shown. Briefing and discussion, planning of programme for the team's visit.	
20 May	Trieu Trach commune: Meeting the CPC.	*Le Quoc Thanh (Chairman, Trieu Trach CPC) *Nguyen Phieu (Project Assistant) *Le Vinh Bang (Project Assistant) *Truong Van Khanh (Deputy Director, DARD)
	Visiting households in two EGVs.	
	Interviewing member of the Poverty Alleviation Committee Board.	*Le Thi Phung (Officer in charge of poverty alleviation)
	Visiting the Trieu Trach Primary School.	*Mr. Hien (Director) *Ms. Lam (Vice Director)
	Visiting forestry plantation.	
21 May	Trieu Son commune: Meeting the CPC.	*Nguyen Huu Trung (Vice-chairman, Trieu Son CPC) *Phan Vong (Party Secretary) *Le Van Thong (Project Assistant) *Nguyen Thi Huynh (Chairman, Trieu Son Women's Union) *Nguyen Minh Dung (Farmer) *Nguyen Minh Sy (Project Assistant) *Dang Ngoc Phuong (Project Assistant)
	Visiting households in Linh Chieu village soon to move to the EGV.	*Nguyen Thi Tinh (Farmer) *Vu Phuong (Farmer) *Nguyen Van Ke (Farmer)
	Visiting the Trieu Son Primary School.	*Truong Quosc Tanh (Director)
	Meeting the co-operative of Dong Bao village and visiting their forestry project.	*Mai Van Thong (Chairman) *Dang Ngoc He (Vice-Chairman) *Le Dinh Luu (Accountant) *Le Dinh Mai (Head, Monitoring Comm.)

	Visiting forestry plantation.	*Dang Thuan (Farmer) *Nguyen Bao (Farmer) *Le Tu (Farmer)
22 May	Trieu Van commune: Meeting the CPC in a classroom in the new primary school.	*Le Van Dung (Chairman, Trieu Van CPC) *Le Van Nguong (Vice Chairman, Trieu Van CPC) *Hoang Van San (PAC) *Pham Chi Trung (PAC) *Le Thi San (PAC) *Tran Van Thanh (PAC) *Nguyen Thien Thuat (Director, Trieu Van Primary School)
	Inspecting project road, visiting coastal forestry project and one EGV.	*Bui Thi Toan (Farmer) *Hoang Thi Yen (Farmer)
23 May	Trieu Lang commune: Meeting the CPC.	*Tran Mai Son (Chairman, Trieu Lang CPC) *Dang Thanh Binh (Vice-Chairman, Trieu Lang CPC) *Dang Thanh Binh (Party Secretary) *Nguyen Quang Tu (Chairman, Farmer's Association) *Le Thi Thuong (Chairperson, Women's Union) *Vo Ngoc Luong (Officer, CPC) *Le Van Lai (Vice-Chairman, PC) *Le Thanh Duoc (Cultural Division, CPC) *Nguyen Ngoc Son (Cadastre Division, CPC) *Dang Thanh Hai (Legal Division, CPC)
	Visiting EGV sponsored by UNDP.	*Nguyen Thi Mai (Farmer)
	Visiting farm households at EGV.	*Nguyen Phung (Farmer) *Nguyen Thi Hanh (Farmer)
	Visiting fish sauce processing household living next to the new project road.	*Le Hoa and Nguyen Thi Phung (Fish sauce producers)
	Visiting shrimp nursery under construction and inspecting project drainage canal.	
24 May	Trieu Phuoc commune: Meeting the CPC.	*Truong Quang Hung (Chairman, Trieu Phuoc CPC)
	Trieu An commune: Visiting shrimp farms and being informed by the CPC chairman on a boat trip around an island.	*Pham Xuan Hiep (Chairman, CPC) *Tran Minh Canh (Vice-Chairman, Trieu An CPC) *Tran Duc Duc (Head of Ha Tay village) *Hoang Van Dong (PAC) *Tran Trong Tam (Cadastre Division, CPC) *Vo Van Trang (Youth Secretary, CPC)
25 May	Sunday trip to the DMZ guided by the Project Vice-Director and staff of the PMU.	
	Reviewing documents.	
26 May	Meeting with the Ministry of Planning and Industry, Quang Tri Province.	*Hoang an Suu (Vice-Director, DPI) *Doan Thi Minh Hai (Officer, DPI) *Nguyen Trieu Thuong (Officer, DPI)

	Meeting the PMU of the Finnish Quang Tri Rural Development Programme.	*Nguyen Duc Dung (Project Director) *Esco Ikavalko (CTA) *Le Duc Hoang (Secretary). *Nguyen Thi Thuy Hang (Interpreter) *Dang Vu Bao (Interpreter)
	Meeting the DPC in Hai Lang District.	*Tran Duc Tam (Chairman, DPC) *Pham Dinh Loi (Head of Economic Division, DPC) *Ta Sau (Head of Agriculture & Cadastre Division, DPC) *Nguyen Nhan Manh (Deputy Head, Division of Organization & Plan, DPC) *Le Quang Lam (Deputy Secretary, People's Council, Hai Lang District)
	Visiting two coastal villages in Hai Lang District.	
	Meeting the SIDA-sponsored PAR Project Implementation Unit of Quang Tri Province, Dong Ha.	*Truong Hoang Ha (Project Director). *Hoang Van Duc (Project Coordinator) *Phan Cong Binh (Project Secretary) *Ngo Xuan Hien (Project Interpreter)
27 May	Interviews with the PMU administration and project officers, Quang Tri.	
	Meeting the Trieu Phong District Women's Union.	*Tran Thi Phuoc (Vice-Chairperson) *Nguyen Thi Phuong Thao (Officer)
28 May	Meeting with the Vietnam Agricultural and Rural Development Bank, Trieu Hai area.	*Le Thi Van (Vice-Director) *Phan Ngoc Bang (Intercommune Branch Director) *Le Thi Doan (Head Accountant)
	Final meeting with the PMU, Quang Tri. Discussion and summing up of preliminary results and recommendations.	*Ngo Thanh Nghi (Project Director) *Doan Minh Phong (Project Vice-Director) *Roland Larsson (CTA) *Phan Thi Minh (Project Accountant) *Le Hien (Interpreter)
	Team travels to Hue.	
29 May	Team travels to Hanoi.	
30 May	Meeting with Ministry of Planning and Investment, Hanoi.	*Dang Huy Dong (Senior Officer)
	Meeting with NORAD, Norwegian Embassy, Hanoi.	*Marit Roti (Counsellor) *Marianne Karlsen (Second Secretary) *Tran Trong Chinh (Adviser)
	International consultants leave Hanoi.	
27 June	Draft final sent to Norwegian Embassy, Hanoi.	
3 Sept.	Final report sent to Norwegian Embassy, Hanoi.	

Annex 4: Project documents

1999-2000

- *Working contents. Project Rural Development in the coastal area in Trieu Phong District, Quang Tri Province.* Quang Tri People's Committee, Planning and Investment Department with the Norwegian Royal Embassy, April 1999.
- *Tentative project document for rural development in the coastal area. Trieu Phong District, Quang Tri Province.* The People's Committee of Quang Tri Province, May 1999.
- *Agreement between the Government of the Kingdom of Norway and the Government of the Socialist Republic of Vietnam regarding rural development in the coastal area of Trieu Phong district, Quang Tri Province.* Signed in Quang Tri, 10 November 2000.

2001

- *Agreed minutes from the first semi-annual meeting on 20th March 2001.* Signed in Quang Tri, 20 March 2003.
- *2001-2005 work plan. "Rural Development project in rural areas" project in Trieu Phong District, Quang Tri Province.* Government of the Socialist Republic of Vietnam, People's Committee of Quang Tri Province, The Government of Norway and the Norwegian Embassy, August 2001.
- *Agreed minutes from the second semi-annual meeting on 4th September 2001* Signed in Quang Tri, 4 September 2001.
- *The Assignment of short-term consultant for Quang Tri rural development project in Vietnam.* Final report by Center for Rural Development, Hue University of Agriculture and Forestry, Hue, October 2001.

2002

- *The micro-finance component of the rural development project in the coastal area of Trieu Phong District.* Mission report, Pierre Coppola and Dao Van Hung, March 2002.
- *Environment impact assessment. Sub-project: Development of aqua cultivation/shrimp cultivation.* EIA Implementing Organization, Hue University of Sciences, Hue, April 2002.
- *Agreed minutes from the third semi-annual meeting on 22nd April 2002.* Signed in Quang Tri 25 April 2002.
- *2002 Work Plan, adjusted after annual meeting 22 April 2002. Project for rural development in coastal areas of Trieu Phong District, Quang Tri Province.* Government of the Socialist Republic of Vietnam, People's Committee of Quang Tri Province, The Government of Norway and the Norwegian Embassy, June 2002.
- *Agreed minutes from the fourth semi-annual meeting on 4th October 2002.* Signed in Quang Tri, 5 October 2002.

- ***Agreed-upon procedures report. Project for rural development in the coastal area of Trieu Phong District (draft).*** Report of independent accountants, KPMG Ltd., Hanoi, 31 December 2002.
- ***Reports by Per Prestgard (Senior Adviser, NORAD, Oslo)*** after visits to the Quang Tri project and participation in the semi-annual meetings September 2001, April 2002 and October 2002 (in Norwegian).

2003

- ***2003 Work Plan. Project for rural development in coastal areas of Trieu Phong District, Quang Tri Province,*** March 2003.
- ***Logical framework 2001-2005. A tool for project development and implementation.*** Project for rural development in coastal areas of Trieu Phong District, Quang Tri Province, March 2003.
- ***Project implementation and finance. July to September 2003. Project for rural development in coastal areas of Trieu Phong District, Quang Tri Province.*** People's Committee of Quang Tri Province and Norwegian Agency for Development Cooperation, Quang Tri, March 2003.
- ***Review report of the present accounting and financial management system (draft report).*** PricewaterhouseCoopers (Vietnam), Hanoi, 9 March 2003.
- ***Rural Development in the coastal area of Trieu Phong District, Quang Tri Province. Pre-mid-term review; Assessment of infrastructure investments and procedures.*** GICON AS, June 2003.

Annex 5: Other documents

- ***Mid-term review report for Quang Tri Rural Development Programme, Central Vietnam.*** Ministry of Planning and Investment, Vietnam and Ministry of Foreign Affairs, Finland. Final review report by PEMconsult, June 1999.
- ***Programme completion report 1997-2000. Quang Tri Rural Development Programme, Central Vietnam.*** Ministry of Planning and Investment, Vietnam, Ministry of Foreign Affairs, Finland, Quang Tri People's Committee and Embassy of Finland, Vietnam.
- ***Programme document. Quang Tri Rural Development Programme. Phase II (draft).*** Ministry of Planning and Investment, Vietnam and Ministry of Foreign Affairs, Finland, June 2002.
- ***Tentative project document for rural development/poverty alleviation in 2 coastal communes, Hai Lang District, Quang Tri Province.*** Quang Tri Provincial People's Committee, Department of Planning and Investment, May 2003.
- ***Brief report. Implementation of pilot PAR project in Quang Tri Province and plan for co-ordination with Norway-funded project on coastal rural development in Trieu Phong.*** Dong Ha, May 3003.

Annex 6:

SRV 0038 Rural Development in the Coastal Area of Trieu Phong District, Quang Tri Province

Mid-Term Review of the Project

Terms of Reference

Project Title

SRV 0038 "Rural Development in the Coastal Area of Trieu Phong District, Quang Tri Province"

Project Area

Seven Communes in the coastal areas of Trieu Phong District

Project Duration

From 04/2001 to 03/2005

Implementation Institution

People's Committee of Quang Tri Province through People's Committee of Trieu Phong District

Project Budget

NOK 45 million, of which NOK 36 million (80%) contributed by Government of Norway and NOK 9 million (20%) by the Government of Vietnam.

Project Goal

Improvement of the living standard of the poor people in the coastal area of Quang Tri Province.

Project Objectives

1. Develop economy by improvement in aquaculture, agriculture and infrastructure.
2. Improve and protect the ecological environment.
3. Strengthen capacity of managerial staff and beneficiaries.

A. Background information

The Project, formulated and implemented in Trieu Phong district, is the result of cooperation efforts between the Royal Norwegian Government and the Government of the Socialist Republic of Vietnam.

The Agreement between Norway and Vietnam for support to Rural Development in the Coastal Area of Trieu Phong District (the Project) was signed on the 10th November 2000. The Project officially came into operation in early 2001. The implementing agency is the People's Committee of Quang Tri province represented by People's Committee of Trieu

Phong district, which established a project management unit (PMU) for the daily management of the Project.

The Project goal is in line with the Vietnamese government policy and strategies for hunger eradication and poverty reduction. Although not spelled out in the Agreement good experiences gained in the Project are expected to be systemised, analysed and replicated in other localities in the district and province.

The Project comprises five components. The five components was identified through a Log-frame workshop held in November 2001 and further outlined during the inception up to the first semi-annual meeting held in September 2001. The sub-projects under the five components are designed in such a way that the effects of each component will complement and promote the others. This way, the combined impact will be enhanced and maintained even after the project implementation period.

The five components are as follows:

1. **Economy development and income generation:** The component includes 2 sub-projects⁸ : (1) Shrimp farming training and nursery, (2) Eco Garden Village (EGV) for the resettlement of poor people
2. **Environmental rehabilitation:** Includes 3 sub-projects; (1) Protective forest plantation, (2) Sand dyke and (3) Soil improvement.
3. **Rural infrastructure:** Includes 2 sub-projects; (1) Rural roads and (2) Electricity system.
4. **Capacity building:** Includes 2 sub-projects; (1) Construction of primary schools and (2) Capacity building through workshops, training courses and study tours.
5. **Project coordination:** Includes 2 sub-projects; (1) Project coordination and technical assistance through a functional PMU, construction and equipping the project office and short-term consultancy; and (2) Project evaluation.

The project is innovative for several reasons. Firstly, the design of the project is based on a flexible approach leaving much room for learning-by-doing. Secondly, the Agreement was signed at province level and the PMU is located at district level, placing the management of the project very closely to the implementing area. Thirdly, the PMU staff is recruited locally and will resume to their work in the province or the district after project completion. This is meant to enhance local ownership as well as the sustainability of the capacity being built through the project.

Construction is an important part of the project and in the first two years of implementation most of the management and financial resources have been spent on construction works in the project. A challenge for the project is to translate all the construction works into poverty reduction.

It is therefore important both for the Government of Vietnam – through the provincial administration of Quang Tri – and NORAD to carefully study and evaluate the experiences gain in the first two years of implementation to ensure that the project reaches its objectives by the end of the project period.

⁸ A third sub-project : revolving credits has been removed after a feasibility study.

B. Objective of the MTR

The general goal and objective of the MTR is to provide the PMU and NORAD with an independent assessment of the project performance.

Further, the objective of the MTR is to:

- provide opinions on the relevance of the approaches and inputs in view of the objectives to be attained in the project
- advise on possible adjustments or corrections of the current plans to be made in the remaining project period

C. Scope of work

The MTR will review agreement, project document, work plan, progress report, agreed minutes and include in their assessment relevant findings in the financial audit (KPMG) and organisation and managerial audit (PWC) and the pre-mid term review study on infrastructure investments and procedures.

The specific tasks are to assess for the project as a whole and for the respective project components:

- a) **the project management**; the planning and reporting procedures, the monitoring and evaluation set-up of the project and make recommendations. More specifically, the MTR will :
 - describe the PMU, the job description of different categories of personnel,
 - assess the appropriateness/ professional capacity of the PMU to the task to be performed (planning, sequencing of activities, monitoring, budgeting, accounting and reporting) availability of personnel at different levels, qualification, strong points and shortcomings,
 - comment upon the link between the PMU and the relevant line departments in the Trieu Phong District Peoples Committee in designing and budgeting sub-projects,
 - comment on the positioning and relevance of international and national Technical Assistance (short and long term)
 - assess systems and methods in place for securing financial viability of outputs
 - assess the narrative reporting formats and contents and give advice on possible changes or additions
 - assess plans for the remaining project period, including an assessment of objectives and indicators and give advice on possible changes or additions
- b) **performance**; the achievements related to objectives so far, potential impact on target groups, efficiency and sustainability . More specifically, the MTR will:
 - assess the relevance of the project and the project components in relation to current policy and expectations of beneficiaries and local authorities ,
 - will document the procedure for the selection of beneficiaries for the EGV resettlement,
 - assess the relevance of proposed Income Generating Activities (IGA),
 - comment on the implementation strategy of the project related to the beneficiaries involvement and ownership so far (soundness of the mutual engagements between

beneficiaries and the project, existence of contracts, participation of the beneficiaries in planning of activities)

- gender aspects and women's accesses to project benefits
- assess the relevance of the training carried out to enhance capacity in the project

c) **environmental aspects;** the quality of construction works (drainage canal system, sand-dykes, roads etc.) will be assessed in a separate study prior to the MTR. However, the MTR will:

- assess the relevance, the sustainability and, when meaningful, the impact of infrastructure building on the beneficiaries. The MTR will also reflect on views expressed in the report from the pre-mid-term review on infrastructure investments and procedures that will constitute an integral part of the MTR report.
- assess possible direct and indirect adverse environmental impacts of physical development works. The MTR will also evaluate the impact of the different physical development works on each other.
- review the impact of construction works on employment for the poor in the areas where those constructions take place and the feasibility of promoting High Intensive Work techniques by contracting companies

D. Implementation of the MTR

a) Sources of information

The MTR:

- will review documentation concerning the project, baseline studies available,
- interview staffs and officials involved in the project,
- contact supervising authorities at provincial and local level;
- contact main rural development programmes in the province (Finland, ..) for information and comparison of approaches,
- make in-depth individual and/or group interviews with random samples among the beneficiaries of the project's components (components 1 and 2).

b) Division of tasks between NORAD, the Team and PMU

- The Team leader is responsible for the coordination of the team activities and the organisation of the reporting.
- The Embassy and the PMU will assist the Team in the organisation of the mission. A briefing will be organised by the Embassy for the Team. The Embassy and the PMU will make available all relevant documentation for the MTR.
- At the end of the field mission the Team will discuss the preliminary findings of the MTR with the PMU in Quang Tri, and later with the Embassy.
- The PMU will organise office facilities and assist in making contacts and appointments for the Team. A 4X4 car with driver will be put at the disposal of the Team, for all the length of the mission.

c) *Timetable*

Day	Activities
1-2	Travel day (International consultants)
3	Gathering of consultants, visit to Donor's office in Hanoi, briefing and collation of documentation
4	Travel to Quang Tri (air), accommodation arrangements, meeting with PMU, DPI participants
5	Briefing on project situation for each component by PMU Briefing on the PMU structure Various courtesy and work visits, tour of project area
6- 13	Field work – Planning to be discussed and approved between team leader and PMU
14	Debriefing with PMU in Quang Tri – Travel to Hanoi
15	Visit to Donor's office, presentation of preliminary findings and discussion.
16-17	Travel day (International consultants)
	Submission of Draft Report
	Comments on Draft report
	Submission of Final Report

d) *The Team*

The Team will have members as follows:

- 3 *International Consultants*, one Team leader specialist in project planning and evaluation and one consultant specialised in rural development (agronomy, environment, participation),
 - Alf Morten Jerve, Team leader
 - Dr. Ian Bryceson, specialist in aquaculture and environment
 - Ms. Ragnhild Overaa, main responsible for drafting the MTR report
- 2 *national consultants* with a good working knowledge of English. At least, one of them will act as interpreter. The competence of the national consultants should cover as much as possible the following fields : IGA, resettlement, environment and sociology
- 1 representative of the DPI in quality of observer. The representative will have to be fluent in English.

E. Reports

- A summary note covering preliminary conclusions and findings will be given to the embassy in Hanoi at the end of the field mission.
- The draft report (proposed format in appendix) is to be submitted, no later than two weeks after leaving the project area, in 2 copies each to the Embassy and PMU.
- The draft report will be translated into Vietnamese.
- The final report in English (format as directed in appendix) is to be submitted no later than two weeks after receiving comments on the draft in 4 copies each to the Embassy,

NORAD and PMU. The final report will also be transmitted to the Embassy, NORAD and PMU in MS WORD file.

Hanoi 28th March 2003

Marit Roti
Counsellor

Format for the report of the MTR

GENERAL

The report shall be brief and concise, maximum 50 pages, with additional material presented as appendices.

The report should be submitted both as hard copy (on paper) and on a disk (FD or CD) using MS Word (.doc) format.

FORMAT OF THE REPORT

Cover page

Executive Summary

Preferably not more than 5 pages. The executive summary will contain :

- A very brief description of the project evaluated (purpose, time frame, volume of funds, main components, geographic location).
- the purpose and the focus of the evaluation as stated in the ToR.
- the summary of findings, conclusions and recommendations (this should be the main part of the executive summary).

Table of Contents

Background information

- reference to the agreement,
- why the review was initiated and how it was planned and carried out
- The development context of the project
- The project history
- Description of the project covering the programming procedure
- LFA and the hierarchy of:
 - inputs from donor and other parties,
 - activities planned and undertaken,
 - expected outputs
 - effects and impacts.

The objectives and methodology of the evaluation

- Reasons for the evaluation, scope and focus of the evaluation as outlined in the ToR.
- Approaches and methods used (what was done, by whom, when, where and how)
- Limitations of the study

Findings

- The finding may be split into several consecutive sections according to nature of the different components
- Information, analyses and findings should be presented in clearly defined sections addressing each issue to be covered as outlined in ToR

- Conclusions should be stated clearly, supported by evidence and analyses presented
- The degree of confidence with which conclusions are drawn should be mentioned.

Conclusions and Recommendations

Conclusions and recommendations may also be written in separate chapters. It should be concise and may preferably make references to sections of the report where they are dealt with more extensively.

Recommendations have to be clearly related to conclusions. Several conclusions may conduct to one recommendation, but no recommendation should be made without a relation to one or more conclusions..

Lessons Learned

This should be a short chapter on lessons of a more general nature that the evaluation has generated, i.e. lessons and experiences that may be of importance also for other projects and programmes.

Appendices

- TOR for the evaluation
- Lists of persons interviewed, including the institution they represent and the position they hold.
- List of documentation and other references
- Tables, diagrams, statistics etc. (optional)