

FINAL EVALUATION

VIE/029

Technical Assistance towards Programme
Support, Developing Business with the Rural
Poor in Cao Bang

PROJECT SUMMARY DATA

Country	Vietnam
Long Project Title	Technical Assistance towards Programme Support, Developing Business with the Rural Poor in Cao Bang
Short Project Title	Technical Assistance Programme Support
LuxDev Code	VIE/029
Version of the Report	June 2014

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	2 On a scale of 1 (excellent results, significantly better than expected) to 6 (the Project was unsuccessful, or the situation has deteriorated on balance).
Rating using other evaluation criteria	Relevance: 2 Efficiency: 3 Sustainability: 3

EXECUTIVE SUMMARY

Context

The project VIE/029 - **Technical Assistance towards Programme Support, Developing Business with the Rural Poor in Cao Bang** - falls under the Indicative Cooperation Programmes between the Governments of the Grand Duchy of Luxembourg and the Social Republic of Vietnam for the period 2011 to 2015. The project VIE/029 gives particular attention to “institutional capacity building and human resource development” as well as the geographic concentration. As in line with Vietnamese regulations, the Cao Bang provincial people’s committee is the ‘line agency’ for project VIE/029 and the ‘project owner’ is the Department of Planning and Investment.

The “Developing Business with the Rural Poor programme” was designed by the International Fund for Agricultural Development and is funded through a loan agreement between the International Fund and the Government of Vietnam. The Cao Bang provincial people’s committee delegated the implementation to the Provincial Project Management Unit. Progress monitoring is done by the International Fund for Agricultural Development through its annual Supervision Missions. Within this context, the VIE/029 has been designed to deliver technical assistance and capacity building to support the Cao Bang provincial people’s committee and a number of technical line ministries and departments with the implementation of the developing business with rural poor.

The project target area covers 10 (out of 12) districts and 50 (out of 188) rural communes comprising 662 villages with 23 000 households in Cao Bang province. It aims to facilitate access to the markets for particularly the poorer farmers by engaging them through a participatory planning process (socio-economic development plan) and common interest groups in agriculture based value chains.

The VIE/029 is implemented by Lux-Development acting as Executing Agency for the Luxembourg Ministry of Foreign and European Affairs. The project has been executed from 2009-2014 and has a budget of 2 480 000 EUR leveraging 25 350 000 USD of the developing business with rural poor.

The final evaluation of VIE/029 was undertaken with the purpose in particular to provide lessons i) for future technical assistance and capacity building projects whereby LuxDev is requested to provide support to the International Fund for Agricultural Development designed programmes implemented by national organisations, and ii) on capacity building for sustainable rural development in general. As VIE/029 was coming to an end by June 2014, the evaluation mission was organised from 5 to 17 May 2014, implemented by Mrs Barbara Massler, expert in monitoring and rural development/capacity building evaluations, and Ms Phung Thanh Xuan, expert in rural development and business development.

Brief description of specific objectives and results achieved

The overall development objective of VIE/029 aims to achieve sustainable and equitable poverty reduction and improve livelihoods of the rural poor in Cao Bang Province, Vietnam through improving the business and investment environment, linking the poor with market opportunities, supporting rural business development services and providing investment for commune level economic infrastructures, developing farmer groups in partnership with the private sector along agriculture value chains. Capacity building, mainly mobilised through VIE/029, was key to reach these deliverables.

The specific objective is that rural poor are empowered to benefit from improved market participation in Cao Bang province. The joint results of VIE/029 and the developing business with rural poor are:

- Result 1: Investment and business environment is improved and pro-poor ;
- Result 2: Productivity and competitiveness of poor farmers, Micro, Small and Medium Size Enterprises and other rural producers/processor groups at various stages of value chains are increased ;
- Result 3: Rural poor empowered to fully participate in markets and profit from market opportunities.

A management support component complemented these results.

Impact and outcomes

The VIE/029 project has contributed to poverty reduction. The average poverty reduction rate in 10 project districts fell from 33,2% in 2008 to 24,7% in 2013. The number of beneficiaries is 23 168, of which 14 156 were female (39%). By 2013, 13 418 households benefited directly from the developing business with rural poor activities, which accounted for 56% of households in the project area.

A selection of salient indicators at the level of specific objective is given below:

- 46.2% of households in the project area with increase in revenue from maize, 18.8% non-project households ;
- 52.9% of households in project area with increase in revenue from peanut, 33.3% of non-project households ;
- 41.8% of project households with increased number of black pig piglets, 30.4% of non-project households ;
- the percentage of households selling agricultural products increased by 14% (74% in 2008 up to 83.8% in 2013). For non-project households, it increased from 76% to 82% ;
- the increase in the proportion of households selling products to companies/enterprises is significant, from 8.1% in 2008 to 14% in 2013.

Summary of scores

The overall evaluation score is 2 ('Above average results, performance in certain area better than expected'), and is composed of the following elements:

Relevance: VIE/029 has been relevant for poverty reduction in Cao Bang Province. It contributed substantially to the achievement of the developing business with rural poor performance and of its results. The number of beneficiary households was 13 418 or 56% of targeted households. Score 2.

Effectiveness: VIE/029 with its three intervention modalities (technical assistance, consultancies, training) highly contributed to performance, results and impact of the developing business with rural poor. VIE/029 has played an effective role to the Province Programme Management Unit, line agencies, districts, and communes in terms of coordination, planning, budgeting and implementation of technical assistance services. Score 2.

Efficiency: the efficiency of VIE/029 is composed of two major elements: the external efficiency, or leverage factor, of VIE/029 is considerable. Its contribution of 2.5 MEUR mobilised a total of 25.4 MUSD. The internal efficiency, composed of considerations such as coordination and joint responsibility for results, has been somewhat more limited. Score 3.

Sustainability: VIE/029 offers a mixed picture. Fostering the Provincial Competitiveness Index has not been successful and interventions were not sustainable. Capacity building in value chain did not follow a strategic plan and was delivered late in the project. The institutionalisation of the value chain promotion unit in the department of agriculture and rural development is too recent to allow for an informed opinion on its sustainability. Amplification of market access for the rural poor (Common Interest Group, Socio-Economic Development Plan, Community Investment Fund) has been achieved and is sustainable. Score 3.

Conclusions, lessons learned and recommendations

VIE/029 offers the opportunity to distinguish several levels of Lessons Learned, or better still, to be learned. Learning lessons on strategic, institutional and operational levels is described:

Strategic Lessons Learned refers to the timing and sequencing of LuxDev engagement in new or ongoing International Fund for Agricultural Development loan operations. VIE/029 engaged two years after developing business with rural poor started when the development objectives, the management modality and delivery modes were already defined in the developing business with rural poor project implementation manual and early opportunities to pro-actively shape these conditions had passed.

Furthermore, VIE/029, by subscribing to the same logframe, engaged in the full breadth of developing business with rural poor activities and deliverables without focusing on areas of LuxDev comparative advantage such as participatory process management, monitoring and evaluation as well as capacity building.

Alignment with Official Development Assistance principles would have more strongly explored strengthening existing governmental line agencies and stakeholder institutions rather than concentrating support on a parallel autonomous, non-permanent management structure such as the Province Programme Management Unit. Modifying such pre-defined project management setting would have required intensive LuxDev policy dialogue with leadership of the political party, provincial people's committee and department of planning and Investment, as well as with the International Fund for Agricultural Development.

The terms of cooperation between VIE/029 and department of planning and investment were interpreted slightly differently by the partners where VIE/029 was more considered by the department as a service delivery facility rather than sharing management responsibilities and accountability for results.

The mix of rural poverty reduction and economic development hides the potential antagonistic nature of these goals. Poverty targeting of developing business with rural poor was not explicitly addressed in its manifold interventions geared towards economic development and the creation of a conducive business environment whence impact on the rural poor was not well pronounced (44% of the 13 418 households reached, or 26% of the targeted 23 000 households, qualified as poor according to pertinent Government of Vietnam definitions).

Recommendations:

- when engaging in rural development with multiple goal systems, i.e. poverty reduction and economic development for different types of beneficiaries, specific targeting strategies coupled to corresponding tools and capacity building interventions should be developed, implemented and monitored for change and impact ;
- when in cooperation mode, be a full partner of the International Fund for Agricultural Development right from the start of design ;
- focus on areas of comparative advantage and define deliverables ;
- engage in policy dialogue with decision-makers to better align project delivery modes with official development assistance principles, the institutional enabling policies and framework ;
- clearly define the scope of cooperation, its modalities and delivery responsibilities.

Institutional Lessons Learned relates to governance arrangements such as the steering committee. The role of the steering committee was perceived as being not sufficiently pro-active in giving strategic guidance to developing business with rural poor on institutional issues in the innovative area of value chain development in the transition from an agricultural to a market economy in Cao Bang. The participation of VIE/029 in the International Fund for Agricultural Development supervision missions was limited to voicing concerns and suggestions for the way forward without being a signatory of the corresponding *Aide Memoires*. The early identification of the programme of improving the Public Service provision for Agriculture and Rural Development as a strategic partner for institutionalisation and sustainability of socio-economic development plan was critical to its success. The design of VIE/029 and developing business with rural poor did not foresee creating space for innovations, learning and knowledge management. The monitoring and evaluation/knowledge management officer was dedicated to reporting. Communication and dissemination of information was for a general audience, not for learning on the strategic importance of the approaches to capacity building and participatory methods. Sharing lessons between the province programme management unit, line agencies and consultant service providers was not structural.

Recommendations:

- create space, possibly through dedicated task forces or technical commissions, to strengthen the steering committee in its guidance on transition from an agricultural to a market economy in Cao Bang ;
- participation in supervision missions by LuxDev executed projects requires clear prior agreements on roles and responsibilities ;
- early identification of potential partners in key areas of delivery is critical and needs to be supported and incorporated into joint annual work plan and budget and project implementation manuals ;
- learning agendas need to be made explicit in agreements between LuxDev with Government of Vietnam and partners, be mainstreamed in terms of reference of LuxDev project staff, and be fully reflected as part of the monitoring and evaluation and/or knowledge management/communication systems.

Operational Lessons Learned refer to meeting the challenges of a complex project characterised by low capacity local stakeholders yet with ambitious goals and short timelines transforming Cao Bang Province to bring 23 000 households out of poverty.

The logframe specified three ambitious results/components all centered around business development and value chain which, as early as 2006/2007, may have corresponded to people's aspirations in a new political setting allowing for private sector organisations, but did not correspond to the competencies of government institutions. The main vehicle to bridge this gap would have been capacity building of stakeholders following a strategic capacity building plan. This plan should have been based on an assessment of available and needed capacities (skills, knowledge, attitudes) in line agencies, mass organisations such as the farmers' Union and the women's Union and service providers in order to meet demand. This would have required a massive structured change programme in capacities, first and foremost on people skills and attitudes in value chain approaches rather than on production and husbandry techniques, which are closer to the traditional approaches in the line agencies.

Timing of the design and implementation of such a strategic capacity building plan with its hands-on delivery combining training, studies and technical assistance with investments would ideally have started in early stages of the project, e.g. as it did with piloting the CIG models. The capacity building support models, as a proxy to the strategic capacity building plans, were not developed till December 2012 and presented to the steering committee in January 2013. The monitoring and evaluation system for the capacity building model developed at inception (2009/2010) captured the essence of tracking indicators for capacity building, however, was never incorporated into the overall monitoring and evaluation system of the developing business with rural poor.

Recommendations:

- when improving market access for the rural poor prior and informed inclusive socio-economic development plan needs to be recognised as the core from which development of support measures to common interest group and community investment fund should then evolve ;
- allowing for early institutionalisation in the department of planning and investment and provincial people's committee budget allocation requires continuous fact-based policy engagement needing dedicated project resources and conscious attention of supervision missions and of the steering committee ;
- prior institutional operational assessment of capacities at commune levels is required in order to ensure that measures fostering appropriate level interventions through the socio-economic development plan and corresponding community investment fund-funded decentralised infrastructure, preferably through commune force account, are owned by the communes thus securing operation and maintenance and corresponding sustainability of benefit streams ;
- follow-up common interest group development and investments in their capacities and productive facilities need to be linked to well established enterprises for effective pro poor value chain ;
- space should be created for alternative learning approaches such as common interest group -to-common interest group learning exchange in order to recompense for weak attention by governmental service providers ;

- when engaging in rural business development services through pro poor value chain the pros and cons of institutional partners and arrangements for service delivery need identified and assessed leading to a corresponding structured and fully funded capacity development plan ;
- explore the legal status, mandate and competencies of existing and/or emerging agencies ; engaged in value chain development (e.g. department of agriculture and rural development) to attend the different stakeholders along the value chain and tailor capacity building programmes accordingly ;
- ensure that the focus of any value chain is on the actors around pro poor nodal opportunity points along the value chain rather than on the commodities or specific products per se.