

GCP/VIE/027/ITA

**CAPACITY BUILDING, EXTENSION, DEMONSTRATION AND
SUPPORT FOR THE DEVELOPMENT OF MARKET-ORIENTED
AGROFORESTRY IN QUANG NAM PROVINCE (PHASE I)**

Report of the Evaluation Mission

**Tam Ky
April 2007**

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EXECUTIVE SUMMARY

Project GCP/VIE/027 was approved by the Government of Viet Nam on 27 October 2003 and began implementation in July 2004 for a three-year period, ending in July 2007. The project, funded under a Trust Fund arrangement with the Government of Italy, had a total budget of US\$1,661,120. The project was originally conceived as a five-year endeavour, but the donor Government was able in the first instance to fund the first three years.

At the 2006 TPR, a decision was taken to “organize and implement within the first quarter of 2007 a final Tripartite Evaluation Mission; the recommendations of the Mission shall provide the basis for the formulation of an eventual follow-up initiative”. In accordance with the decision of the TPR, a Mission was mounted from 26 March – 6 April 2007.

The project is part of reforestation initiatives of the Government of Viet Nam, intended to reverse a long-time decline in forest cover with activities that help to protect the environment while at the same time bring economic benefits to farmers who receive usufruct rights to what was formerly barren or badly degraded land. This project is intended to address the constraints of previous agroforestry projects through a market-oriented approach that includes participatory enterprise planning, development of institutional support and working initially in a restricted geographic area, in this way building up a model of how to approach market-oriented, sustainable agroforestry.

The evaluation found that the project justification was good, the objectives were appropriate and the project was in general well designed. It did find, however, that gender aspects of the project were weak, in that activities to address the specific needs of women were not formulated, nor were those needs identified. Linkages with institutions at national level were also weak; these would be important for a successful scaling-up of the project in the future.

Project implementation has for the most part been effective and the project has generated considerable interest. Numbers of participating farmers and areas reforested have been increasing annually and the types of trees being planted has become more diversified. Thus, the overall picture is encouraging. However, technical assistance support through consultancies has been uneven; the mission’s general conclusion was that more resources were devoted to consultancies in the first phase than was necessary. Plans for marketing of agroforestry products and extension training, and credit models not relying directly on project subsidies, still need to be developed.

The evaluation recommended a no-cost extension of the project until the end of 2007 and a further three-year extension, after which time conclusions should be possible about a model for market-oriented agroforestry development. The mission also made a number of other technical recommendations, relating to:

- Data collection on agroforestry systems;
- Marketing of agroforestry products;
- Credit and working with existing credit sources;
- Extension training;
- Plant nutrition;
- Determining reasons for non-participation in the project;
- Preparation of the next phase document by project staff.

I. INTRODUCTION

Project GCP/VIE/027 began implementation in July 2004, with the arrival of the first project CTA¹. It was scheduled for a three-year implementation period, ending in July 2007. The project, funded under a Trust Fund arrangement with the Government of Italy, had a total budget of US\$1,661,120. The project was originally conceived as a five-year endeavour, but the donor Government was able in the first instance to fund the first three years.

The main review mechanisms for the project were two tripartite review meetings (TPR), involving FAO, the donor and the Government of Viet Nam, on 24 November 2005 and 28 November 2006. At the 2006 TPR, a decision was taken to “organize and implement within the first quarter of 2007 a final Tripartite Evaluation Mission; the recommendations of the Mission shall provide the basis for the formulation of an eventual follow-up initiative”.

In accordance with the decision of the TPR, a Mission was mounted from 26 March – 6 April 2007. The mission included a briefing for the Team Leader at the FAO Regional Office in Bangkok and at the FAO Representation in Hanoi², four days of work in Tam Ky (capital of Quang Nam Province) and at project sites in Tien Cam and Tien Ha Communes in Tien Phuoc District and three days of report writing. Debriefing meetings were held on 4 April with provincial authorities in Tam Ky and on 5 April with FAO in Hanoi. Terms of reference for the evaluation are in Annex I, the Mission Itinerary is in Annex II and the List of Persons Met is in Annex III.

The tripartite evaluation team members were:

- Mr Robert Moore, FAO Evaluation Service (Team Leader)
- Mr Giuliano Soncini, agro-ecology consultant, representative of the Government of Italy
- Mrs Nong Thi Hong Hanh, Expert, Foreign Economic Relations Department, Ministry of Planning and Investment, representative of the Government of Viet Nam

The mission members wish to thank all the persons met by the mission, who were most helpful in answering our questions and who provided us with great courtesy and hospitality. Special thanks go to Mr Phan Van Hau, National Project Director and Vice Director of the Department of Agriculture and Rural Development (DARD), Quang Nam Province, and Mr Marcelino Dalmacio, CTA.

II. BACKGROUND AND CONTEXT

The project was intended to address several major developmental problems facing Viet Nam, both environmental and socio-economic. Viet Nam has faced large-scale deforestation over a long period, with actual forest cover having declined from 14 million hectares in 1943 to 9.3 million hectares by 1995, giving Viet Nam the lowest per capita area of forest land in Southeast Asia. However, due largely to the 5 Million Hectares Programme (see below), by the end of 2005 the total forest area had increased to an estimated 12.6 million hectares. The causes of deforestation include excessive logging, unlawful cutting, shifting cultivation,

¹ The first CTA resigned for health reasons in January 2005 and was replaced by the incumbent in June 2005.

² Due to unforeseen circumstances, the Italian Government representative could not attend the briefings in Bangkok and Hanoi, as had been planned.

warfare and clearing for plantation crop production. Deforestation has been most serious in the mountainous provinces.

National policy towards forest management changed in 1991, when responsibility for forest protection and management was transferred from State Forest Enterprises to private households, following the pattern of agricultural reform that transferred land management from collectives to private households earlier. The 1993 Land Law gave local people extensive use rights over agricultural and forest land, establishing that usufruct rights could be granted to households, groups of households and organizations. The land use rights included permission to exchange, transfer, lease, mortgage or pass on land for inheritance. According to a decree issued in 1994, land could be allocated to households for a maximum period of 50 years.

In practice, farm households are allocated rights for barren land and land with planted forests that are located away from critical watersheds, while in the latter areas the management approach focuses on protection and forest regeneration. The former are classified as “production forests”, of which at the time the project was designed there were 6.2 million ha that were either bare or severely degraded. It was in these areas that the Government of Viet Nam wished to focus attention of new reforestation efforts.

The main Government programme in this direction is the National Programme for Reforestation of Five Million Hectares, which began in 1998. The aim of the Programme is to establish 5 million hectares of forest through regeneration and reforestation, to increase national forest cover to 14.3 million hectares or 43% of the land area of Viet Nam. Of the 5 million hectares, the plan calls for 3 million hectares of production forest on areas allocated to farmers, of which one million hectares should be long-rotation cash crops and fruit trees and two million hectares of production forests for pulpwood, mining timber, non-wood products and bamboo. The plan also calls for 50 million trees to be planted around houses and beside roads and canals for local wood needs.

Thus, the environmental objectives of reforestation could be combined with efforts to improve the livelihoods of farmers who would be granted usufruct rights to production forest land.

A number of externally-supported projects had social forestry themes and from these and other projects lessons were derived, including the importance of new technology in raising forest productivity, the need to intensify dissemination of existing research and traditional knowledge to improve forest establishment and management, and the importance of capacity-building at all levels of forest management, especially among rural communities and provincial administration. An examination of constraints for smallholders of previous projects included scattering of project sites, causing dilution of project resources, limited knowledge and response to markets, lack of participatory approaches in planning and management, poor nursery and silvicultural management and a limited range of wood and non-wood species being covered. The idea behind the present project was to address these problems directly, in particular through a market-oriented approach to agroforestry, a participatory approach to enterprise planning, development of institutional support and working initially in a restricted geographic area, in an effort to build up a model of how to approach market-oriented, sustainable agroforestry.

III. PROJECT OBJECTIVES AND DESIGN

A. Justification

The project document notes that agroforestry is “a proven and viable means of concomitantly addressing the problems of rural poverty, food insecurity, environmental degradation and rural unemployment” and identifies the challenges to its successful development as “sound institutional and policy support, effective extension and dissemination of technical knowledge.., access to high-quality planting materials and other technical inputs, and good knowledge of marketing opportunities”. The project was intended to do this in a restricted area within one province of Viet Nam, Quang Nam, in order to focus attention on comprehensive solutions. Quang Nam was a suitable choice for the project, being an economically less advanced area with a higher percentage of poor farmers and large reliance on agriculture. While the province has seen good economic advancement in recent years, it has largely taken place along the narrow coastal strip and much less so in the upland communities that are highly dependent on agriculture and utilization of forests.

The project justification was very clear and based on premises that are explicitly mentioned in the project document³. These were:

a. need for increased implementation capacity

The project document correctly notes that some individual farmers had already acquired a good knowledge of agroforestry systems and how to manage them, but that this was not widespread, and furthermore capacity for implementing *market-oriented* agroforestry programmes, especially at district and provincial level, was low. There was thus an identified need to strengthen capacity at all levels from the provincial down to the farmer. The evaluation found this to be the case, even now after the first project phase, and thus a valid justification for the project.

b. need to develop improved market-oriented agroforestry technologies

The project justification recognized the need for agroforestry products to be of high quality and competitively priced, in order to compete in the marketplace and thus be sustainable. This was linked to assurance of long-term land rights so that investment would be made in land, the need for efficient management and the application of improved technologies. The evaluation also found that this was an appropriate justification.

c. need to strengthen market mechanisms and enhance linkages between enterprises and growers

The project document notes the dependency of forest-based enterprises on reliable sources of raw materials and products and the consequent need to strengthen linkages between enterprises and farmer-producers, in a manner that meets the needs of the enterprises and provides a fair return to farmers. It also notes the need to provide transparency in markets and pricing information, which was lacking at the time the project was prepared and also at present. This was also an appropriate justification for the project.

d. lack of capacity in agroforestry among women

³ Not all those cited in the project document are mentioned here, as some were essentially repetitive.

The project document notes that women provide a significant part of the labour force in forestry, as in other aspects of rural life and states that women lack knowledge that enable them to make a greater contribution to sustainable agroforestry. However, it does not state how the knowledge requirements for women are different from those of men and consequently, how these would be addressed by the project. The evaluation thus concludes that this was included in the justification for “political correctness”, rather than as a result of problem identification or strategy development (see also chapter V.D).

e. need to alleviate rural poverty and strengthen environmental values

The additional land made available to farmers for forest gardens obviously offer an additional opportunity for income generation and diversification beyond rice growing, on which most farmers are traditionally dependent. The environmental benefits from reforestation, in terms of reducing erosion, protection of wildlife, provision of shade and shelter, etc., are also well-known. The prospects for these being worthwhile, in terms of labour and capital investment, depends largely on successfully addressing the problems noted in a, b and c above.

The overall conclusion of the evaluation is that, with the exception of the gender dimension, the project justification was soundly constructed and the choice of a limited area in a single province for project implementation was appropriate.

B. Objectives

The project document describes an “end-of-project situation” focusing on three major areas (increased technical and extension capacity for market-oriented agroforestry; development and demonstration of best management practices for agroforestry systems and establishment of forest gardens; and development of marketing knowledge about wood and non-wood products grown in agroforestry systems). The stated development objective is “to enhance rural livelihoods and contribute to sustainable natural resources management in Quang Nam Province through capacity building, extension, demonstration and support for the development of high-quality, market-oriented agroforestry systems”⁴. While not inappropriate, the mission finds that this development objective is modest in that the lessons learned from this project, if successful, could and should potentially serve as a model for agroforestry development in other areas of Viet Nam. In fact, in an eventual second phase of the project, there would be a need to develop higher-level linkages with national level authorities and to document the lessons learned from this project for application elsewhere.

The project includes four immediate objectives, i.e.:

- identify the technical, economic and market constraints to, and the opportunities for, developing high-quality agroforestry systems for the production and sale by farmers of commercially profitable wood and non-wood forest products;
- increase the technical, managerial, research and extension capacity for sustainable, market-oriented agroforestry development among provincial, district and commune personnel and farmers in Quang Nam Province and selected key national-level experts;
- develop environmentally-sound and economically viable agroforestry systems for the production and sale of wood and non-wood forest products;
- establish and/or strengthen appropriate support mechanisms to facilitate sustainable management and increased profitability of agroforestry systems.

⁴ The evaluation was unsure about the intended meaning of “high quality” in the development objective; it appears that the project designers had originally anticipated a greater interest than proved to be the case in higher-value trees with longer growing periods before being harvested.

The second and fourth immediate objectives are institution-building objectives, while the first and third relate to knowledge development. The mission’s assessment is that the objectives are formulated in a satisfactory manner, as they address the constraints and strategies to be developed.

C. Project Design

The project document is well designed overall. The project implementation strategy is clearly expressed and thus provided useful guidance both for those who had to carry it out and also evaluate the project’s achievements. The agroforestry site selection guidelines were particularly valuable for deciding where to locate project activities and it appeared from field visits that they are largely being followed. Significantly, the project outputs are clearly and correctly expressed, and their linkages to activities intended to produce them are similarly clear. The project document included an original work plan; revised work plans were presented and approved at the annual tripartite review meetings.

There were two areas where the project design was not followed adequately. One was in terms of linkage with the Ministry of Agriculture and Rural Development (MARD) at central level. There was to have been a Project Steering Committee that included MARD as well as the Government Aid Coordination Agencies (GACAs) in which the Ministry of Planning and Investment (MPI) has been appointed to be focal point. This was not formed. Linkages with GACAs were stronger; GACAs participated in the TPRs. If the project is to contribute its experience and lessons to an audience outside Quang Nam Province, it would be worthwhile to involve MARD more in a subsequent phase.

The other area is involvement of women and minorities. As mentioned previously, the project design does not provide any strategy for addressing women, aside from stating that 25% of participants in farmer training should be women. Although the project document mentions the involvement of minorities, there are few in Tien Phuoc District where the project is presently located, and there are neither strategies nor activities directed at them.

IV. ASSESSMENT OF PROJECT IMPLEMENTATION

A. Project Budget and Expenditure

The total project budget has remained unaltered from the time it was approved, i.e. US\$1,661,102 and the distribution among budget lines has remained largely the same through two revisions, with a small increase in General Operating Expenses and Other, largely compensated by a corresponding decrease in technical support services, as seen from Table 1 below:

Table 1: Project budget comparison

Budget Item	Original budget (US\$)	%	Latest budget (Revision B)(US\$)	%
Personnel	699,928	42	696,277	42
Training	68,000	4	65,073	4
Equipment	117,750	7	117,730	7
Contracts	270,000	16	270,000	16
Travel	187,000	11	187,000	11
Technical Support Services	59,300	4	46,263	3
GOE & Other	68,040	4	87,675	5
Support Costs	191,102	12	191,102	12

TOTAL	1,661,120	100	1,661,120	100
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In terms of project expenditure, the Table shows expenditure to date and remaining budget for 2007:

Table 2: Project Expenditure

Budget Item	Latest budget (US\$)	Prior years' expenditure	Remaining budget (for 2007 to NTE date 11.07.07)	% remaining
Personnel	696,277	532,262	164,015	24
Training	65,073	43,143	21,930	34
Equipment	117,730	92,767	24,963	21
Contracts	270,000	142,306	127,694	47
Travel	187,000	111,427	75,573	40
Technical Support Services	46,263	5,418	40,845	88
GOE & Other	87,675	68,730	18,945	22
Support Costs	191,102	129,487	61,615	32
TOTAL	1,661,120	1,125,539	535,580	32

The major items in the remaining budget for 2007 are Personnel and Contracts. However, the Personnel component is fully committed to cover the period up to the end of the project and approximately \$110,000 from the Contracts line is already committed for seedlings and fertilizer for farmers participating in the project this year and the cost of the present evaluation (approximately US\$25,000) will be charged between Technical Support Services and Travel. The Support Costs element will also be fully used. Nonetheless, it would appear possible to approve a no-cost extension to the project until 31 December 2007. This would of course entail a shift of resources from other budget lines to Personnel. Should the donor decide to fund a Phase II to the project as recommended by this mission, a no-cost extension would provide a window of opportunity to design the Phase II document without interrupting presently on-going activities.

B. Activities and Outputs

The project document included 23 planned outputs. Some had to do with project operations (e.g. preparation of work plans, purchase of equipment) and some were similar to other outputs and need not be mentioned twice. Achievement of substantive outputs is discussed by item below:

Under Immediate Objective 1:

1. PRA: carried out for two project communes in Tien Phuoc District in January 2005 by Hue University of Agriculture and Forestry in January 2005. This was a vital activity for the project and was of good quality.
2. Market analysis for wood and non-wood forest products: a preliminary analysis was done by an international and national consultant in early 2005. While containing much useful information, the report is very long and could have been more to the point about the project area. A second component was a Market Analysis and Development (MA&D) analysis conducted by an

international consultant in three assignments between February and August 2006. Fourteen staff were trained in MA&D, a process which has been developed by FAO. Through the process, the trained staff eventually selected three products: pulpwood, turmeric and ginger, and prepared Enterprise Development Plans for these. A fourth mission of the consultant, to begin implementation of the EDPs, was cancelled by mutual agreement. Despite considerable resources being devoted to this project component, the marketing aspect of the project is still weak.

3. Identification of tree, shrub and annual crops with good potential for agroforestry systems in Quang Nam: This was done through several activities, including the PRA and agroforestry products study mentioned above, the soil survey and site assessment by the Forest Science Institute of Viet Nam, the excellent but long delayed Agroforestry, Silviculture and Forest Management Study and a forage species study done by the Rabbit and Goat Research Centre. The project now has a list of species requested by farmers for pulpwood production, fruit trees and non-wood forest products that are being made available to farmers. The mission feels that this output could have been better coordinated with the previous one and that rather more consultancies were carried out than was needed for these components. This is borne out by the amount of overlap between them.
4. Training needs assessment and annual training plan: A team of an international and national consultant prepared a training needs assessment over two months (Dec. 2005-Jan. 2006) and drafted a training plan. The project had provision for a second two-month assignment but the first international consultant was not available to undertake the second mission. Therefore, a second consultant undertook the mission (Oct.-Nov. 2006) and prepared an extension training plan and a Five Years Strategic Plan. While an assessment of training needs was a valid and necessary activity, the mission feels that an excessive amount of resources was devoted and thus it was not as cost-effective as it could have been. Furthermore, it is not clear that the capacity exists within the Province to carry out all the various types of training included within the work programme. The mission questions its overall realism. It would now be up to the project to recommend what parts of the training programme can actually be undertaken, taking into consideration the consultants' reports and also the recommendations of this evaluation.
5. Review of policy, legal, administrative and institutional constraints: This activity was carried out by a national consultant and presented to a workshop in August 2006. While the consultant fulfilled his terms of reference, it is difficult to understand the practical application of the work. It appears to be an activity that was carried out because it was programmed rather than needed.
6. Review of technical constraints to establishment and management of farmer-owned agroforestry systems: Identification of constraints and recommendations for addressing them was done particularly well in the Agroforestry, Silviculture and Forest Management report, but was also covered in other reports. This is an on-going activity of the project and documenting

its overall experience in this area will be an important task when the project is eventually completed.

Under Immediate Objective 2:

7. Overseas training on participatory research methodologies, extension for market-oriented agroforestry: Six staff attended a 6-week training course on Participatory Agroforestry at UP Los Banos, Philippines and two persons attended a one-month course on Problem Identification and On-Farm Research Management with Technology Generation for Technology Transfer” at Khon Kaen University, Thailand (one of the participants to Khon Kaen also attended the course at Los Banos). The subject matter of both courses was relevant to the goals of the project. In addition, five senior officials from Quang Nam Province, accompanied by an interpreter from the project, made two-week study tour to India and Thailand, to observe work being done in those countries on community forestry and natural resources management. The study tour was valuable from the standpoint of sensitization.

The project document had stated that long-term training would be provided to staff of FSIV, but in accordance with the decision of the first TPR, preference for external training opportunities was given to Provincial-level staff.

8. In-country training on participatory extension approaches, sustainable agroforestry methodologies and best management practices for the production of marketable forest products: The project document set a very high target for extension training which was unrealistic in that it foresaw training far more extension staff at district and commune level than exist. The project trained 22 staff over 5 days in October-November 2006 as part of the assignment of the consultants on community forestry and extension⁵.
9. Appropriate information prepared about sustainable market-oriented agroforestry technologies for extension among farmers: By the time of the evaluation, five such manuals had been produced, on propagation of *Eucalyptus urophylla* seedlings; plantation establishment and management of *Acacia* hybrid and *Aquilaria crassna*; rabbit production; bamboo for shoot production; and *Khaya senegalensis*. Also produced for information were a project brief, a translation of the Market Analysis and Development Manual and a Manual on Participatory Extension. Copies were given to all farmers who attended the orientation training.

⁵ The project is planning to undertake the following training:

- 1) Capacity Building for Cam Ha Cooperative in cooperation with Quang Nam COOPSME: business development planning, management skills training & study tour in HCMC;
- 2) Intergated Pest Management for Citrus in cooperation with Plant Protection Bureau of Tien Phuoc District for 11 weeks from 9 April.
- 3) Participatory Technology Development in mid-May.
- 4) Hands-on training for one nurseryman, on *Acacia* hybrid orchard management and propagation of cuttings, in cooperation with Tien Phuoc Nursery, starting April 13, 2007 for 1 week.

10. Farmer training in sustainable market-oriented agroforestry: The project document called for two types of farmer training: one for sensitization (through field days, study tours and farmer-to-farmer exchanges) on principles and practices of sustainable, market-oriented agroforestry systems, and the other specific targeted training on priority technical issues. The project document set a target that 25% of the farmer trainees should be women. In practice, the project has focused on the latter, with training on agroforestry garden establishment, farm planning and, to a much more limited extent, MA&D and forage and livestock disease management. Study tours have also been held on Acacia hybrids, rabbit production and agroforestry in the southern Provinces of Viet Nam. Agroforestry establishment orientation workshops were held in September-October 2006; of the total of 1190 participants, 255 were women (21.4%).
11. Farmer training in nursery technology: A one-week training course was held for 15 farmers (project document target: 30) plus four district and project staff in March-April 2006. This was followed by technical assistance and monitoring of village nursery operations and a workshop in February 2007 to discuss problems encountered in the first year of operations. Thus, although the number of nurseries established may be less than foreseen, the quality of support to them has been very high and increases the likelihood of their sustainability.
12. Agroforestry development seminar: Planned to take place before the end of the project.

Under Immediate Objective 3:

13. Consultations with farmers and establishment of forest gardens and village nurseries: The project document set a target of at least 3000 farmers participating in the project, but it is not clear if this was intended for Phase I only or by the end of all phases, since there are only slightly over 1500 households in the two communes participating in Phase I. Thus far, the project supported 299 farmers in 2005 for the establishment of 212 hectares of agroforestry gardens in their allotted lands (*Acacia* hybrid and *Aquilaria*). In 2006, the project supported 794 farmers, who planted on 564 hectares of allocated forest lands and 233 hectares of home gardens and agricultural land. Crops planted include bamboo, *Areca catechu* (betel nut), pomelo and lansium. For 2007, 1156 farmers will be supported by the project⁶. Besides forest and tree species provided previously, in response to farmers' requests, the project will also supply a limited amount of *Melia azedarach*, rattan, orange, mangosteen and durian from this year. The project supplies seeds/seedlings from high quality planting materials and an input of fertilizer on a grant basis to each participating farmer. In 2005, all fertilizer supplied was (expensive) inorganic NPK, while in 2006 half the fertilizer supplied was organic. This was wise, as it increases the likelihood that fertilizer will be applied to project

⁶ The vast majority of the farmers have participated in the project over more than one year, having received seedlings for different lands. It is not possible to state exactly how many farmers have participated in the project. It is safe to say that the total number is more than the 1156 participating in 2007, but perhaps not substantially more. The project is planning to address this by assembling a database of project participation. But it was not ready at the time of the evaluation.

provided inputs rather than on farmers' rice crops. More fertilizer is supplied for fruit trees than for forest trees. Fertilizer is supplied only for the first year of tree establishment.

The use of subsidies for agroforestry garden establishment may be considered necessary in the early phases of a pilot project, but it is not sustainable in the long run and indeed would not be in keeping with the philosophy of a market-oriented agroforestry programme. In the long run, farmer credit, making use of existing institutions, is a better choice for the initial investment capital.

The project document called for the establishment of 15 village nurseries and this target has been met. Contracted seedlings have been delivered with the exception of *Eucalyptus urophylla*, due to heavy infestation of damping off.

Table 3: Summary of Agroforestry Activities

	2005	2006	2007 (planned)	Total
Total agroforestry area (ha)	213	797	1324	2.334
Seedlings home/forest-gardens (n)	359.505	1.258.695	1.824.587	3.442.787
Fertilizers (t)	49	134	188	372

The total area afforested under the project cannot be given accurately, as the figures above do not reflect the increased density of plants in home-gardens, nor the replanting of dead seedlings.

14. Monitoring of agroforestry plans: Farm level plans have been compiled and farm visits are carried out by project and district staff (including young agroforestry assistants in the two Communes, paid by the project) as an on-going activity. However, the project is not collecting any information about costs and eventual benefits of agroforestry production. This would be an important part of any model to be applied elsewhere.

Under Immediate Objective 4:

15. Established agroforestry farmer associations and/or village self-help groups: The project document states that such associations/groups should be established in 10 villages in the two Communes. In fact, a farmers' cooperative (Cam Ha Cooperative) was organized with the assistance from the Quang Nam Cooperative and Small and Medium Enterprises (COOPSME). It was registered in December 2006, and COOPSME have agreed to provide support to Cam Ha Cooperative in capacity building and business development. A first training began during the evaluation mission. The Cooperative faces serious challenges in its establishment. Its original business plan is very ambitious. Farmer interest in the Cooperative can be expected to grow only slowly as many will take a "wait-and-see" attitude. While 54 farmers registered as members in August 2006, only 8 persons in the project area have actually paid the membership fee of 2 million VND thus far. The Cooperative is exploring products, rather than cash, as alternative means of collecting membership fees.

Marketing should be an important part of the project and indeed has been a key focus from the standpoint of resources used. In a future phase, it is a question to which extent the project should use its resources to support an activity that involves only a small fraction of project beneficiaries, even if this is seen as an investment in an enterprise that should grow over time.

16. Develop linkages between farmer producers and local forest industries: The project is not likely to be extensively involved in this. Cam Ha Cooperative has made some initial contacts and members of the Cooperative will be making a study tour to Ho Chi Minh City to develop these further. This is an activity that would be further developed in a next project phase.
17. Exchange of experience with other agroforestry and rural development projects in Viet Nam and abroad: Some exchanges have taken place with local institutions and other projects, most notably a two-week visit from project GCP/INT/938/ITA “Facility for Sustainable Development and Policy Implementation Assistance”, which was meant to identify best practices, constraints and factors influencing sustainability of results. Exchanges have also been made with the Helvetas-sponsored Extension Training and Support Project in Hue, World Vision in Tien Phuoc, and others. FAO backstopping should continue to facilitate this information exchange.
18. Certification as sustainably managed forests: It is too early for this but should be approached in a second phase.

In summary, the project has made reasonable progress in implementing the foreseen activities and producing outputs, especially considering that there was an inevitable slowdown during the period in which there was no CTA in post. The evaluation feels that the consultancy funds could have been used more judiciously to address identified needs; indeed one of the most useful reports, on rural finance, was one of those not originally scheduled. The major areas where work is still required are marketing and the credit/subsidy system. The technical and production aspects of the project are addressed well.

C. Government Support

The Government has provided all support required in the project document. The NPD has been assigned full-time and very good office accommodations have been provided for the project. Issuance of land use certificates (“red book”) was raised as an issue at the first TPR in November 2005, but this was overcome by the second TPR one year later as all farmers scheduled to participate in the project in 2007 had already received their land allocation. The Vice Chairman of the Quang Nam People’s Committee has provided valuable assistance in the project implementation. At Commune, District and Provincial level, support has been good.

As mentioned elsewhere, the project has a lesser profile at national level, particularly within MARD. DARD at provincial level has horizontal linkage with MARD, however, because of decentralization, the participation of MARD has not been strong enough. This should be addressed more proactively in any Phase II. A Phase II would be a transition to Government assuming full responsibility for the project and using the lessons in other agroforestry efforts. In particular, it would be desirable to have greater support – both material and policy – from

Government institutions, especially those involved with the provision of credit to small farmers. This is important for sustainability of the project when the next phase will end.

D. Project Management

Day-to-day project management is provided by the international CTA. The NPD has been appointed to work part-time as a Government contribution to the project. The project also has a full-time Administrative Assistant/interpreter and driver/office assistant. Other project staff serve under Personal Service Agreements. Project reporting (six-monthly progress reports, Project Performance Evaluation Reports for TPR meetings) has been adequate.

As was noted previously, a Project Steering Committee was not constituted. The First TPR meeting was held after 1 1/2 years of implementation and the second one year later. It appears that more substantive discussion and decision-making was taken at the first TPR, perhaps not surprising since a longer period of project implementation remained at the time of the first TPR. Although a formal TPR may not be necessary, there will be a need for tripartite discussions about the shape and form of an eventual Phase II. Project management and reporting mechanisms of Phase I, however, were adequate.

E. Technical and Operational Backstopping

Being located in a province that is a long distance from the national capital can be challenging for a project, but there do not appear to be any major operational problems for GCP/VIE/027/ITA. There were some issues regarding the selection and remuneration of one national consultant, but other difficulties were neither noticed by the evaluation nor brought to its attention.

Primary technical backstopping was provided by the Senior Forestry Officer in RAP, Bangkok. He is well informed about the project and engages in regular correspondence with the CTA in particular. The project Task Force includes three officers from FAO Headquarters. None of them has visited the project, but the officer who backstopped the Market Analysis and Development component took particular interest in this aspect of the project because of its connection with normative work for which she is responsible.

VI. ASSESSMENT OF RESULTS AND EFFECTIVENESS

A. Effects and Impacts

As indicated previously, the four immediate objectives of the project are related to: 1) the identification of constraints and opportunities for the development of market-oriented agroforestry; 2) capacity building of farmers and local government staff; 3) the establishment and/or improvement of agroforestry systems and 4) the establishment/strengthening of support mechanisms for sustainability of agroforestry systems. The progress achieved in the four areas has been on the whole good, and not surprisingly – especially for a project that is midway in its intended implementation period - has been stronger in some areas than in others.

With respect to the first area, the identification of constraints and opportunities have been carried out in the initial project areas. As this was being done for the first time in the two project Communes, the process was rather more lengthy than it would have to be if the project moves into new geographic areas. PRAs, soil surveys and site quality assessments would still need to be done, but the rest of the process could be shortened, particularly if the expansion areas are adjacent to the existing ones.

The following observations are offered with respect to Immediate Objectives 2 and 3:

- 1) The training of villagers in agroforestry principles and techniques has led to integrating new approaches in already existing systems (e.g. the introduction of forage species and trials with new plant and animal species).
- 2) The establishment of nurseries to provide the project farmers with seedlings; several nurseries established orchards of a fast growing selected variety of *Acacia* hybrid to provide cuttings for vegetative propagation. Some nurseries are also producing seedlings for sale to private individuals, generating extra benefits. Agroforestry systems are to be considered as both short and long term productive systems. Once mature, they can be harvested in rotation and require yearly planting of new seedlings, thus absorbing the nurseries production over the long term.
- 3) The introduction of intercropping and cash crops to maximise the surface utilisation and income per year.
- 4) The introduction of fast growing species and hybrids to maximise income per hectare over the medium term.
- 5) The introduction of high value species (*Khaya senegalensis*, a mahogany) to provide long-term additional income.
- 6) The capacity building activities of the project and follow up of field operations are advancing. The principles of planting trees and intercropping, introducing several species to diversify production and decrease risk due to price fluctuations, seem to be well understood by both officials and farmers.

One measure of the success of the project is the high interest shown in the project areas in participation. In Tien Ha Commune over a total of 864 households⁷, 205 joined the project in 2005 (24 %). In 2006 at least another 299 HH joined⁸ (35 %), in 2007 a further 199 HH (23 %). The total participation is now 703 HH (81 %), which is very high.

A similar situation is found in Tien Cam Commune, where there are in total 683 HH⁹; in 2005: 94 HH joined (14 %), in 2006: a further 196 HH (29 %), in 2007 a further 163 HH (24 %). The total participation is now 453 HH (66 %).

This high level of participation leads to two conclusions:

- a) A precondition for project participation was the possession of the “red book”¹⁰. The rapid increase in the number of titles given to farmers by the District, Government and through arrangements with communal authorities evidences greater commitment by the authorities to implementing policy decisions about reforestation through private initiatives.
- b) The keen interest of farmers in participating shows an expectation of enhanced earnings and livelihood improvement compared to their previous farming systems.

According to information received, those not participating in the project tend to be elderly, lacking labour and/or not interested. A number of the poorest people likely fall into this group. This should be confirmed by research and if it is the case, means for addressing the most vulnerable need to be considered.

⁷ Number of households provided by Commune chairman, which is lower than that in the PRA done by the project in 2005

⁸ As mentioned previously, it is not yet known how many farmers participated in each year but the assumption here is that all farmers participating in one year continued thereafter.

⁹ *ibid*

¹⁰ In Viet Nam, the “Right of using land certification” is called the “Red Book”.

The activities related to Immediate Objective 4 are the less developed up to now. Marketing, including knowledge about potential markets, becomes a major issue as production will increase. The project has dedicated resources to this but it is still an area where work remains to be done. The new Cam Ha co-operative has been formed with the assistance of the Quang Nam Co-operative - Small and Medium Enterprises Alliance. The main reasons for its creation are to access credit and to market agroforestry products without middlemen, thus increasing the margins on sales.

The evaluation's observations about the Cooperative at the present time are:

1. It is at a very initial stage and has not yet conducted any marketing activities.
2. It will be difficult to raise funds quickly in a rural context where money is scarce. Only 8 farmers have paid the VND 2 million initial share cost.
3. The short-term plan is to wait for the harvest of turmeric and ginger and then start looking for possible markets through relatives and acquaintances in Tam Ky and Da Nang (again the importance of markets knowledge is emerging as a priority).
4. The bypassing of middlemen has a cost. In assessing potential profit margins, the Cooperative must take into account the costs incurred by the middlemen (e.g.: for pulpwood trees middlemen were providing labour for cutting and transporting logs).
5. Currently, work done for the Cooperative is done on a voluntary basis. The time required to run operations is unknown.

The principle of setting up some association, self-help group etc. was foreseen in the Prodoc, the Cooperative is a more formal and structured option. At this stage there is a risk of losing the initial enthusiasm if marketing activities are delayed, do not start or do not give the expected results.

B. Sustainability and Environmental Impact of Results

The prospects for continued use of results achieved up to now by beneficiaries are good but future market forces, which cannot be predicted now, lend an element of uncertainty. For example, the growth of planted seedlings is good up to now but there are still at least 3 years before the very first trees can be cut for pulpwood, even more time will be required for timber and fruit production.

However, other main conditions for success, such as farmers' skills, good choice of species and appropriate environmental and economic conditions are present. The financial side needs a deeper understanding, and there are possibilities for increasing benefits.

The receptivity and adaptation of the various stakeholders to the project is high. Most of the officials trained through the project come from the same areas where currently appointed and are likely to remain there, making the "brain drain" common to many projects less likely in this case.

Farm labour shortages are compounded by increased urbanization in Viet Nam due to better employment opportunities, however if the economic prospects and living conditions in the farms improve, it is likely that some young people who might otherwise go to cities will consider agriculture and agroforestry activities an option.

The nurseries established by the project are functioning well, as evidenced by the increasing variety of species and numbers of seedlings produced. Some nursery owners are

experimenting with techniques for vegetative propagation in rooting chambers, thus showing an increasing level of initiative. Some training and follow up still seems necessary to refine the acquired skills.

The total number of hectares afforested, the increasing number of seedlings planted in home and forest gardens, and the availability of land to allocate to agroforestry seems to point to further development in the next years.

However, the following are issues that still require attention:

1. At District, Commune and village level, economic analysis needs to be undertaken. Although forecasts are difficult in a situation of fluctuating prices and production, the establishment of models and market price monitoring can assist decision-making by the various stakeholders: individual, groups, cooperatives. Market knowledge and marketing understanding is still weak.
2. The subsidised seedlings and fertilizer are an incentive for farmers to participate in the project. Although not sustainable for any large scaling-up, subsidies are useful for introduction of agroforestry on a pilot basis. A number of poor farmers stated that, in the absence of subsidies, they would not be able to afford the required new seedlings every year in order to establish a forestry rotation system. This is not a constraint for more wealthy farmers, who can make investments and pay for labour when necessary.
3. An adapted credit system to take account of these varied circumstances has not been established; several possibilities exist and require a better understanding and definition of requirements. According to the Rural Finance consultant of the project, the existing credit programmes set up by the government for livestock production, agro-forestry and rural development are under-funded relative to demands

The impact of the Project on the environment and existing natural resources is positive. The current situation and the main points to be considered are:

- The areas of natural primary – or even secondary - forest are very limited and dispersed. Older vegetation is only present in remote areas, particularly in very steep valleys and mountain tops.
- To a great extent, land is used for forestry activities (also outside the project areas) with a traditional rotation system that foresees clear cutting of the sizeable trees and in the best case replanting of low/medium quality seedlings, otherwise farmers allow natural regeneration. These patches of cut woods are visible from any point on mountains and hillsides.
- There is still timber extraction from the more natural and older woods, although very limited.
- Firewood is the main source of energy for kitchen and family uses, traditionally only dead trees and branches are used.
- In the present situation it is highly unlikely that any part of the older vegetation would evolve towards a more natural condition leading to a true forest.

The Project activities might lead, in the near future, to a scenario where an intensive use of the more accessible areas will reduce pressure on the less reachable ones, like very steep slopes, mountain and hill tops. Any disturbance reduction is definitely favourable to flora and fauna and would enhance survival prospects of animals that are now hunted.

The maintenance and regeneration of the currently exploited and degraded natural resources is likely to benefit as the biomass (timber, pulpwood and firewood) produced through

agroforestry is no longer extracted from natural vegetation cover. The better soil cover also has a direct, favourable influence on water infiltration and in limiting soil erosion. Finally the high agricultural species diversity (over 30 plant and 9 animal species) visible in home-gardens, forest-gardens and ricefields minimises risks of diseases and parasites.

C. Gender Equity in Project Implementation and Results

For what has been observed in the field visits, the discussions held and the PRA reports, there is a great integration of work done by men and women in the project areas. Forestry is a predominantly male activity, while animal husbandry is mostly done by women. While gender is cited several times as a special concern, to date the project has not carried out any specific activities targeting women. Furthermore, women have accounted for a distinct minority in training activities; of the 23 training activities reported by the project since March 2006 with gender-differentiated statistics, seven had no female participants and only eight had at least 25% female participants.

According to PRAs there are 3 months per year (August, September, October) where female labour requirements are low. There is thus a window where some activity can be foreseen. Given the availability of credit programmes for women and prospects for them working together in self-help groups, the project will need to pay considerably more attention to gender aspects in a future phase, including defining ways and methods to reach this particular target group.

D. Cost effectiveness

The project has been implemented within budget and without any major budget shifts so far. The mission recommends a no-cost budget extension which will have the effect of increasing the overall percentage of the project spent on Personnel (the CTA and local project staff), if this recommendation would be accepted.

The main factors in a discussion of cost-effectiveness of this project are the consultancies and the subsidy for seedlings and fertilizer, funded under the Contracts budget line. As was stated in chapter V.B., there was overlap between some of the consultancies in terms of coverage and some of them appeared to be long, relative to the outputs expected from them or, in some cases, produced. The project document included seven months each of specified international and national consultancies, as opposed to two months of unspecified international and three months of unspecified national consultancies. In an extension phase, it would be useful to include a consultancy component to address needs that may arise, but it would be preferable to have most of it unspecified at the outset and be used to address requirements as they arise. The danger of unspecified consultancies must, however, be acknowledged. In some cases, especially as the project would draw to a close, there may be a temptation to use such funds merely because they are available, rather than there being a technical assistance need.

In chapter V.B., it was pointed out that subsidies may be necessary for the establishment of agroforestry, particularly among poor farmers. Subsidies can be either direct or in the form of soft loans. The evaluation feels that in a second phase, the project should be looking to increase its cost-effectiveness and eventual sustainability through greater involvement of local credit sources, using project resources only in cases where justified and other sources cannot be tapped.

E. Major Factors Affecting the Project Results

Traditional forestry practices in the area were favourable to the successful implementation of this project. Farmers were already accustomed to extracting timber, fuelwood and other products from the forest, and in developing multi-species home gardens. A natural regeneration system was in place but because of increasing pressure on the environment it did not provide the services and revenues as in the past. The project has made a positive impact, introducing fast growing tree species/hybrids, long term high-value trees, new species and new techniques in a receptive environment.

Institutional

The major factor was the resignation of the first CTA after only 6 months in post, and the delay of 6 months until the present CTA arrived. This adversely affected the planning and scheduling of some project activities.

The involvement of the Government of Viet Nam at national level has been less than desirable, particularly MARD. This may negatively affect any worthwhile lessons of the project being applied in other agroforestry projects being implemented elsewhere.

Marketing and credit/subsidies are also key issues that have been discussed extensively elsewhere in the evaluation report.

Technical

In general, the project has responded appropriately and flexibly to farmers needs, including for technical support.

Trees benefit and respond very positively to fertilisation because of the poor, acidic soils in the project area. In 2005, the project supplied all farmers with NPK and in the second year, with a combination of NPK and organic fertilizer. However, resource-poor farmers in a sustainable agroforestry system are not likely to purchase fertilizer. They are much more likely to use compost, if available, which they can produce at low cost. The project has the possibility to introduce considerable improvement in compost production. However, its effective use is limited by three interlinked factors:

- The topography of the project area is extremely hilly and forest gardens are generally at a distance varying from a few hundred meters to over a kilometre from homesteads, over narrow, steep paths.
- Manure or compost production is dependent on the availability of domestic animals, which are kept close to the houses.
- Transport of organic fertilizers, and of any other biomass, can only be done with drought animals or manually. Labour and time became thus limiting factors.

The same considerations apply to industrial NPK and organic fertilizers but the mass to be moved is far less and thus the problem is reduced to more manageable proportions.

VII. CONCLUSIONS AND RECOMMENDATIONS

The project has made a valid contribution thus far to the Government's goals of natural resource protection and poverty alleviation. It is developing a model that could be applied as part of the 5 Million Hectares Programme for production forests. However, the model is not yet complete. While the technical side of the project has been implemented well, there is still a need to develop and strengthen appropriate support mechanisms for agroforestry systems,

particularly with respect to marketing and credit mechanisms. Other technical innovations could also be explored. There is a need to document the project's experience, and a convincing model will require information about costs and benefits, if it is truly to be market-oriented. These points form the core principles for the recommendations of the evaluation mission.

Recommendation 1: The project should be extended, on a no additional cost basis, until 31 December 2007.

The project was originally intended to be implemented over a five-year period, but with funding in the first instance to cover the first three years. Because of savings in a number of budget lines, there will be funds remaining to cover the staffing and running costs of the project until the end of 2007. Furthermore, many of the project's supporting operations in the field would be starting from August/September. Thus, it would be sensible to extend the present project, giving time to complete this year's field work, prepare the project document for the next phase and to complete the approval process.

Recommendation 2: A second phase of the Market-Oriented Agroforestry project should be approved, covering a period of three years and including an expansion of the project area to communes near to the existing ones.

The evaluation recommends a three-year extension as the time necessary to develop a model for further development of market-oriented agroforestry in Viet Nam. This would correspond to the time of one cycle of forest trees, from planting of seedlings to harvesting. The project should extend the area of its operations, take specific measures to increase involvement of MARD as a measure to promote eventual sustainability, give greater emphasis to collecting information related to costs and benefits of agroforestry, work more extensively on marketing and models for credit to farmers and on gender issues (see related Recommendations below). The evaluation was not tasked, nor did it have the time, to prepare a project document, but it feels that the Concept Note presented to the second TPR, as modified by the recommendations below, can serve as a basic guide for preparation of the next phase. The evaluation endorses an expansion of the project to nearby communes, as proposed in the Concept Note. It estimates that the budget for the extension phase would not be more than that for the Phase I project.

Recommendation 3: The project should collect, analyse and present data related to the costs and benefits of various agroforestry production systems. Assistance from national consultants will be required. Local staff requirements for the next phase of the project should be formulated taking this task into consideration.

In the present phase, the project has concentrated on the technical aspects of agroforestry. Thus far, it has not been collecting data related to the actual costs of establishing agroforestry systems. This should be done and started as soon as possible. Such calculations should include subsidies for seedlings and fertilizer. Data concerning eventual benefits (income) will also need to be collected. It would form an important element of any model for agroforestry development. As the project does not have the time and skills at present to advise on the data collection requirements, assistance of a qualified national consultant should be sought. The second phase project will likely have a greater requirement for field level support as more communes will be involved. At off-peak periods, field support staff can be engaged in data collection as part of their tasks.

Recommendation 4: With respect to marketing, the project should give some limited financial support to the development of the Cam Ha Cooperative, while technical

support should be provided by COOPSME. However, as the membership of the cooperative will represent only a small percentage of project beneficiaries, the project should seek to develop other avenues of support to marketing. This is likely to be most effective if done at Provincial level.

Marketing remains an important concern for the project. Although considerable time and resources were devoted in the first phase to this topic, relatively little progress was made, except for the initial establishment of the Cam Ha Cooperative. In a second phase project, given the fragile nature of the Cooperative's establishment, it be necessary to extend logistical support to it, while technical support should come from COOPSME, of which Cam Ha is a part. Additionally, a more broad form of support to marketing of agroforestry products should be undertaken, perhaps in the form of a market information system at Provincial level. Ideally, such a system would build on existing market information mechanisms. Initial inquiries by the evaluation team did not discover existing systems that could be built upon, but further research should be undertaken as part of the preparation of a second phase project.

Recommendation 5: The project should seek to develop credit support mechanisms for farmers that will be applicable elsewhere, i.e. subsidies should not be given as a matter of course. Accordingly, it is recommended that in the Phase II project, free seedlings and fertilizer should be provided only to poor farmers. The project should also work more closely with existing credit programmes (e.g. Women's Union) on ways to extend credit for agroforestry.

A sustainable credit system will need to develop along the lines of existing support mechanisms for small farmers. Thus, it is recommended that these links be strengthened in a second phase, and the policy of project subsidies for seedlings and fertilizers be phased out, as these in the long run are not appropriate for building market-oriented agroforestry. Farmers should be encouraged to seek support for agroforestry endeavours from existing programmes, and the project should only provide subsidies for farmers classified as poor (and these only for seedlings and a fertilizer package). Specifically, the project should assist farmers by identifying and describing the various credit programmes currently available and helping them in the application process.

Recommendation 6: The project (CTA, NPD) should prepare an extension training programme for the project. In a second phase, the project should define specific activities that address the needs of women. Consideration should be given to agro-processing activities and livestock.

After two, two-month consultancies, the project still does not have an agreed training plan that takes account of farmer needs, local institutional capacities and available budgets. The evaluation feels that sufficient information is now available for the project staff to define a training programme for the second phase, taking into account these factors. No further external input should be required.

Recommendation 7: The project should develop activities to improve composting to address the needs of poor farmers who cannot afford to purchase the required amounts of commercially-available fertilizers.

A pragmatic approach should be adopted: compost use is technically sound as it is adapted to prevailing climate and soil conditions and farmers commonly use manure. A combination of organic and industrial fertilizers is likely to be optimal, taking into account costs, labour, their effects on plant growth. Models should provide information to support decision-making: costs, nutrients provided, number of animals needed, distance for transport, etc.

Recommendation 8: Within the Communes presently participating, the project should carry out a study to determine reasons for non-participation by farmers.

The high percentage of farmers joining the project is a good sign. It is possible that the non-participating households are “hiding” the poorest families and those that risk to be further marginalized. The project should be certain of improving the standard of living of the widest base of farmers and if necessary provide specific support to such households. A survey could be carried out at little cost before the end of this project; its results could be useful in designing activities for a subsequent phase.

Recommendation 9: In the interests of efficiency, the draft project document for Phase II should be prepared by the present project staff and NOT by a separate formulation mission. The draft project document should clearly spell out managerial responsibilities of project staff, including the NPD and CTA.

Once the present evaluation report is considered and its recommendations accepted as deemed appropriate, the present project staff have all the necessary information to prepare a draft project document for the second phase. The draft could then be appraised by FAO, Italy as the donor Government and Viet Nam as the recipient Government. A separate formulation mission is not recommended, as this would be costly and require a steep learning curve on the part of participants. Furthermore, sound management practice would require in any case an independent appraisal. The evaluation feels that the suggested course of action is less likely to result in undesirable disruptions in project implementation activity. The new document should also include clear designation of management responsibilities.

**MARKET-ORIENTED AGRO-FORESTRY DEVELOPMENT PROJECT
IN QUANG NAM PROVINCE (PHASE 1)
GCP/VIE/027/ITA**

**Project Evaluation
Terms of Reference**

1. Background

1.1 Basic information

This Project entitled " Capacity Building, Extension, Demonstration and Support for the Development of Market-Oriented Agroforestry in Quang Nam Province, Viet Nam is a three (3) year project which started on July 11, 2004 and will end on July 10, 2007. It has a total budget of US\$1,661,120 donated by the Government of Italy, and implemented by FAO and the Department of Agriculture and Rural Development (DARD) of Quang Nam Province. The funds from the donor are to support a Chief Technical Adviser (CTA), consultants, travel, training, vehicles and office equipment, participatory rural appraisals and studies, the establishment of forest gardens and village nurseries, and for services in conjunction with project implementation. Inputs from the Government, particularly DARD, are "in kind", mainly salaries of staff participating in the project and office spaces.

1.2 Project objectives

The Project aims to enhance rural livelihoods and contribute towards sustainable management of natural resources in Quang Nam Province through capacity building, extension, demonstration and support of high quality market- oriented agro-forestry systems. This goal will be achieved through the following immediate objectives:

- 1) To identify the technical, economic, and market constraints to, and opportunities for, developing high-quality agro-forestry systems for the production and sale by farmers of commercially profitable wood and non-wood forest products.
- 2) To increase the technical, managerial, research and extension capacity for sustainable market-oriented agro-forestry development among provincial, district and commune personnel and farmers in Quang Nam Province and selected key national-level experts.
- 3) To develop environmentally sound and economically viable agro-forestry systems for the production and sale of wood and non-wood forest products.
- 4) To establish and/or strengthen appropriate support mechanisms to facilitate sustainable management and increased profitability of agro-forestry systems.

1.3 Major activities and outputs to date

The important activities of the project and outputs to date are summarized in the table below.

Major activities	Outputs to date
1. Identification of constraints to and opportunities for developing market-oriented agro-forestry systems.	<p>1.1 PRA of two (2) communes carried out on Jan 6-20, 2005.</p> <p>1.2 Market and Marketing of agro-forestry products study conducted on 11 January to 11 March 2005.</p> <p>1.3 Silviculture, Forest Management and Agro-forestry study carried out in Tien Phuoc District</p> <p>1.4 Community forestry and extension review</p> <p>1.5 Policy review</p> <p>1.6 Soil survey and site quality assessment</p>
2. Capacity building of farmers and local government staff in managing market-oriented agro-forestry systems	<p>2.1 Study tour to Thailand and India for 6 senior project partners;</p> <p>2.2 Fellowship training in UPLB, Philippines for six, and in Khon Kaen University for 2</p> <p>2.3 Site Quality assessment and Land use Planning</p> <p>2.4 Village nursery management and plant propagation</p> <p>2.5 Improved forage production and livestock disease management</p> <p>2.6 MA & D facilitators' training</p> <p>2.7 Plantation establishment of Acacia hybrid & Aquilaria</p> <p>2.8 Establishment and management of pomelo and lansium</p> <p>2.9 Establishment and management of bamboo for shoot production.</p> <p>2.10 Participatory Extension Approaches</p> <p>2.11 Study tours in Acacia hybrid plantations & rabbit farms for selected commune officials and farmers.</p> <p>2.12 Procurement of the following vehicles and equipment: - vehicles (2); motorcycles (4); GPS (3), camera (1), handy camera (1), projector (1), computers, laptop (1), other office furniture.</p>
3. Establishment and/or improvement of commercially profitable and environmentally sound agro-forestry systems and village nurseries	<p>3.1 Established 15 village nurseries; these nurseries were contracted & supplied some seedlings in 2006.</p> <p>3.2 Provided seedlings and fertilizer inputs to 299 farmers in 2005, and 794 farmers in 2006 to establish 212 ha and 564 ha of forest gardens, respectively and to improve 233 ha of home gardens.</p>
4. Establishing/strengthening support mechanisms for sustainability of agro-forestry systems	<p>4.1 EDP for ginger, turmeric and pulpwood;</p> <p>4.2 Helped organize the Cam Ha Cooperative</p> <p>4.3 Provided continuing technical assistance and extension services.</p> <p>4.4 Close monitoring of field activities</p>

1.4 Important problems met

- i. "Labor problem" in agro-forestry development
Lack of labor for site preparation, planting and maintenance is often cited by poor farmers as the main constraint for not joining the project, and for not intercropping agricultural crops. Consequently, they have been requesting for financial support for labor. The Project Document has categorically provided that labor shall form part of the farmers' contribution to the project.

Actions taken:

- a) The Project and Tien Phuoc District Project Management Board explained to the farmers the relevant provision of the Project Document, and emphasizing that project assistance can only be provided to those willing to shoulder the necessary labor requirements. Two hundred ninety nine (299) farmers signed contracts with the district authorities and joined the project in 2005; 794 farmers in 2006.
- b) The issue was discussed in the TPR meeting on November 24, 2005. It was decided that Provincial and District People's Committees will find sustainable solution to the problem.

- ii. Delayed issuance of the land certificates inhibited some farmers to participate in the project

Some farmers complained that they have not received their "land certificates" and therefore, can not participate in the project.

Action taken:

The TPR directed the District authorities to complete land allocation and distribution of land certificates to the farmers in the two communes. As a follow-up, the District People's Committee convened a meeting among concerned parties on January 9, 2006, to resolve the problem. The meeting resolved to form 2 task forces that will complete the survey and land allocation in the two communes by end of May, 2006. The Project was requested to provide GPS for the survey.

The CTA requested the FAOR - Hanoi for the issuance of Purchase Order for three (3) GPS.

- iii. Lack of technical staff

Technical support is needed in livestock production and marketing.

Actions taken:

- a) Upon the request of the CTA, Mr. Markku Skytta, UNV at FAO Hanoi, visited the project sites on December 11 - 15, 2005 to assess forage production and recommend possible integration into the agro-forestry system(s). The National Institute of Animal Health in Hanoi has been contacted for assistance in conducting training and in planting materials of suitable forage species.
- b) The Project recommended and the TPR approved the recruitment of an international consultant to undertake a Market Analysis and Development process and establish a community-based marketing system for selected agro-forestry products. The MA & D consultant has been engaged, and has already completed the 1st Mission from February 12 - 27, 2006. Fourteen (14) facilitators were trained on the job, consisting of 9 from the communes, 2 from the district and 3 from the project.

- iv. "Disease" caused high mortality of seedlings in Tai Thanh Village, Tien Ha Commune.

About 75 % of Acacia hybrid seedlings delivered to Tai Thanh village, Tien Ha commune were killed by an unknown root and stem rot, after they were exposed to incessant rain for one week in early October, 2005.

Actions taken:

The Project requested District nursery that supplied the seedlings, to replace the dead seedlings. The District nursery complied and delivered 25,000 seedlings as replacement. The Project shouldered transportation costs.

v. Termite attacks of planted Acacia hybrid seedlings

A number of seedlings planted in 2005 were cut down by termites, causing serious concern among the farmers.

Actions taken:

Reports of termite infestations were visited in the field and number of attacked seedlings noted. Fortunately, no more than 10 % of the mortality can actually be attributed to this problem. This was explained to the farmers. The farmers were likewise advised to select other species found to be more resistant to termite attack, e.g. Acacia mangium.

2. Purpose of the evaluation

The technical evaluation will review the degree by which the objectives and development goals are achieved, strategies of implementation, impacts and sustainability of initiatives. As directed by the 2nd and Final TPR Meeting, the evaluation will provide recommendations to the Vietnamese Government, FAO and the Government of Italy on the further steps necessary to consolidate progress, ensure achievement of objectives for the remaining time of the project, and the follow-up actions after project completion in 10 July, 2007.

3. Scope of the Evaluation

The evaluation mission will assess the:

- a) Relevance of the project to development priorities and needs.
- b) Clarity, and realism of the project's development and immediate objectives, including specification of targets and identification of beneficiaries and prospects for sustainability.
- c) Quality, clarity and adequacy of project design including:
 - clarity and logical consistency between, inputs, activities, outputs and progress towards achievement of objectives (quality, quantity and time-frame);
 - realism and clarity in the specification of prior obligations and prerequisites (assumptions and risks);
 - realism and clarity of external institutional relationships, and in the managerial and institutional framework for implementation and the work plan;

- likely cost-effectiveness of the project design.
- d) Efficiency and adequacy of project implementation including: availability of funds as compared with budget for both the donor and national component; the quality and timeliness of input delivery by both FAO and the Government; managerial and work efficiency; implementation difficulties; adequacy of monitoring and reporting; the extent of national support and commitment and the quality and quantity of administrative and technical support by FAO.
- e) Project results, including a full and systematic assessment of outputs produced to date (quantity and quality as compared with work plan and progress towards achieving the immediate objectives). The mission will especially review, the status and quality of work on:
- Capacity building of farmers and local government staff on or related to market-oriented agro-forestry development and management;
 - Village nursery establishment
 - Forest garden establishment & home garden improvement
 - Marketing of agro-forestry products
 - Participation of women in agro-forestry development and marketing of agroforestry products;
 - Selection procedures of farmers participating in project activities;
 - Assessment of environmental sustainability of agro-forestry practices;
 - Any other issue the evaluation team will consider pertinent.
- f) The prospects for sustaining the project's results by the beneficiaries and the host institutions after the termination of the project. The mission should examine in particular
- Cooperative development
 - Extension support (by local government)
 - Rural credit facility
- g) The cost-effectiveness of the project (see definition in Annex 1).

“Based on the above analysis the mission will draw specific conclusions and make proposals for any necessary further action by Government and/or FAO/donor to ensure sustainable development, including any need for additional assistance and activities of the project prior to its completion. The mission will draw attention to any lessons of general interest”. Any proposal for further assistance should include precise specification of objectives and the major suggested outputs.

4. Composition of the Mission

The mission will comprise of three (3) members as follows:

- A Representative of FAO, an evaluation specialist, who shall also serve as Team Leader;
- A Representative of the Government of Viet Nam;
- A Representative of Donor, the Government of Italy, a specialist in agro-forestry.

Mission members should be independent and thus have no previous direct involvement with the project either with regard to its formulation, implementation or backstopping. They should preferably have experience of project evaluation.

5. Timetable and Itinerary of the Mission

The mission will assemble in FAO Representative Office in Hanoi Viet Nam, before proceeding to the Project Office in Tam Ky, Quang Nam Province. The mission will be for 2 weeks with the following tentative itinerary:

Time	Places to be visited	Activities
Day 1)	FAORAP, Bangkok	Briefing at RAP; late afternoon flight to Hanoi
Day 2	Hanoi	Briefing at FAOR; late afternoon flight to Danang and on to Tam Ky
Day 3 -6	Tam Ky & Project areas	Field visits to project areas, meetings with farmers, government officials, others
Day 7- 9	Hoi An	Preparation of draft report
Day 10	Tam Ky	Debriefing for local authorities in Quang Nam Province; evening flight to Hanoi
Day 11	Hanoi	Debriefing with FAOR, Italian Ambassador, & concerned officials of Viet Nam Government; depart for home

Tentative schedule: 26 March to 5 April, 2007-01-09.

The mission should normally be briefed and debriefed by the responsible FAO operations and technical officers.

6. Consultations

The mission will maintain close liaison with the Representatives of the donor and FAO and the concerned national agencies, as well as with national and international project staff. Although the mission should feel free to discuss with the authorities concerned anything relevant to its assignment, it is not authorized to make any commitments on behalf of the Government, the donor, or FAO.

7. Reporting

The mission is fully responsible for its independent report which may not necessarily reflect the views of the Government, the donor or FAO. The report will be written in conformity with the headings shown in Annex 3.

The report will be completed, to the extent possible, in the country and the findings and recommendations fully discussed with all concerned parties and wherever possible consensus achieved.

The mission will also complete the FAO Project Evaluation Questionnaire.

The mission leader bears responsibility for finalization of the report, which will be submitted to FAO within two weeks of mission completion. FAO will submit the report to Government(s) and donor together with its comments.

Mission Itinerary

- 26 March: Briefing of Team Leader at RAP, Bangkok
p.m. departure for Hanoi
- 27 March: Briefing of Team Leader at FAOR, Hanoi
p.m. departure for Tam Ky via Danang
other team members arrive in Tam Ky
- 28 March: Meeting with Quang Nam People's Committee
briefing by project staff of GCP/VIE/027/ITA
meeting with Tien Phuoc District People's Committee and District
Board of Management
- 29 March: field visit to Tien Cam Commune
meeting with Quang Nam Cooperative Association
- 30 March: field visit to Tien Ha Commune
- 31 March: meeting with Cam Ha Cooperative
team meeting on report
- 1-3 April: report writing
- 4 April: report writing and discussions with CTA
debriefing meeting with Provincial and District authorities in Tam Ky
p.m. departure for Hanoi
- 5 April: debriefing at FAOR, Hanoi for FAO and Italian Embassy
departure

List of persons met by the Evaluation Team

Inception phase

Date	Name	Organisation	Position
26 March	Mr. Patrick Durst	FAO	Senior Forestry Officer, RAP, Bangkok
27 March	Mr. Andrew Speedy	FAO	FAO Representative in Viet Nam, Hanoi
	Mr Vu Ngoc Tien	FAO	National Programme Officer, FAO Representation, Hanoi
28 March AM	Mr. Nguyen Ngoc Quang	Quang Nam Provincial People's Committee	Vice – Chairman
	Mr. Phan Van Hau	GCP/VIE/027/ITA Project Department of Agriculture and Rural Development (DARD)	National Project Director – Deputy Director
	Mr. Marcelino V. Dalmacio	CGP/VIE/027/ITA Project – Management Office	Chief technical Adviser
	Mr Pham Sy Hung	Sub – Forestry Division - DARD	Director
	Mr. Tran Thanh Binh	Sub – Forestry Division - DARD	Specialist
	Mr. Nguyen Van A	Economic Bureau	Specialist
	Mr. Nguyen Thanh Cong	Department of Planning and Investment	Deputy Director
	Mr. Tran Van Tuong	Agriculture and Extension Center	Director
	Mr. Nguyen Dung Nam	CGP/VIE/027/ITA Project – Management Office	Administrative Assistant cum Interpreter
	Mr. Nguyen Huu Linh	CGP/VIE/027/ITA Project – Management Office	Training and Field Assistant
PM	Mr. Vu Xuan Son	Tien Phuoc District People's Committee	Chairman
	Mr. Nguyen Van Hung	District Economic Bureau - Tien Phuoc District People's Committee - District Management Board of the Project	Head of Bureau – Director of District Project Management Board
	Mr. Doan Van Song	Tien Ha Commune People's Committee	Chairman
	Mr. Nguyen Kim Van	Tien Cam Commune People's Committee	Chairman
	Mr. Duong Thai Xuan	District Economic Bureau - Tien	Staff

	Tuan	Phuoc District People's Committee	
	Mr. Le Truong Trinh	Land Bureau - Tien Phuoc District People's Committee	Head of Bureau

Field visit

1. Tien Cam Commune - Tien Phuoc District

Date	Name	Organisation	Position
29 March	Mr. Dinh Van Phuc	Frontier Father Land Association	Chairman
	Mr. Nguyen Kim Van	Commune People Committee	Chairman
	Ms. Phan Thi Hoa Le	Commune Women Union	Vice- Chairperson
	Mr. Bui Ngoc Cam	Commune People Committee	Vice-Chairman
	Mr. Ho Viet Hung	Community Forestry Extension	Staff
	Mr. Tran Kim Hoang	Land Division	Staff
	Mrs. Dau Cam Le	Cam Pho Village	Farmer
	Mr. Nguyen Minh Dung	Cam Pho Village	Farmer
	Mrs. Nguyen Thi Vuong	Cam Tay Village	Farmer
	Mr. Tran Van Dien	Cam Trung Village	Farmer
	Mr. Truong Cong Thanh	Cam Lanh Village	Farmer
	Mr. Huynh Ngoc Ly	Cam Lanh Village	Farmer
	Ms. Le Thi Bich Dao	CGP/VIE/027/ITA Project	Field supporting Staff

2. Quang Nam Cooperative - Medium and Small Enterprise Alliance (Quang Nam Coopsme)

Date	Name	Organisation	Position
29 March 5pm-7pm	Mr. Nguyen Do Chien	Quang Nam Coopsme	Vice - Chairman
	Mr. Nguyen Huu Ngo	Consultant and Support for cooperative and SMEs Centre	Director
	Mr. Tran Dac Tuan	Consultant and Support for cooperative and SMEs Centre	Deputy Director
	Ms. Nguyen Thi Thuy Ha	Consultant and Support for cooperative and SMEs Centre	Deputy Director
	Mr. Richard Bahlke	German Development Service - Vocational Training	Expert

3. Tien Ha Commune

Date	Name	Organisation	Position
30 March	Mr. Doan Van Cong	Community People's Committee	Chairman
	Mr. Le Hong Son	Community Communist Party	General Secretary
	Mr. Nguyen Van Bay	Farmer Division	Staff
	Mr. Phan Tan Dung	Agriculture Division	Staff
	Mr. Nguyen Van Thuong	Land Division	Staff
	Mrs. Tran Thi Kim Anh	Community Women Union	Chairperson

	Mr. Ung Ngoc Cho	CGP/VIE/027/ITA Project	Field supporting Staff
	Mr. Luu Than Quan	Tien Trang Village	Farmer
	Mr. Phan Dinh Nhon	Tien Trang Village	Farmer
	Mr. Nguyen Hong Son	Tien Trang Village	Nursery Owner
	Mr. Tran Nam	Tai Thanh Village	Farmer
	Mrs. Nguyen Thi Hoi	Tai Thanh Village	Farmer
	Mr. Thai Minh	Tai Thanh Village	Farmer
	Mr. Nguyen Van Vinh	Tai Thanh Village	Farmer
	Mr. Tran Van Ba	Tai Thanh Village	Farmer

4. Cam Ha Co-operative

Date	Name	Organisation	Position
31 March	Mr. Do Quang Can	Tung An Village	Manager
	Mr. Phan Dinh Nhon	Tien Trang Village	Vice-manager
	Mr. Nguyen Hong Duang	Dai Trang Village	Member
	Mr. Phan Van Nguyen	Dai Trang Village	Member
	Mr. Ho Van Hung	Cam Pho Village	Member
	Mrs. Cao Van Thong	Cam Trung Village	Member
	Mr. Truong Zong Thanh	Cam Lanh Village	Member
	Mr. Dung Thai Xuan Tuan	District Management Board of the Project	Staff

5. Debriefing in Hanoi

Date	Name	Organisation	Position
5 April	Mr. Andrew W. Speedy	FAO	Representative
	Mr. Vu Ngoc Tien	FAO	Programme Assistant
	Mr. Simone Landini	Italian Embassy	First Secretary, Head of Economic and Commercial Section
	Ms. Iride Boffardi	Italian Embassy	Assistant