



## Final evaluation 2013 – Brief Report

Poverty Alleviation in Rural Areas (PARA), Vietnam

As a federally owned enterprise, we support the German Government in achieving its objectives in the field of international cooperation for sustainable development. This publication presents former GTZ/DED/InWEnt activities; due to the change of the company's name, these will be referred to in the following as GIZ activities. Items from named contributors do not necessarily reflect the views of the publisher.

**Published by**

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

**Registered offices**

Bonn and Eschborn, Germany  
T +49 228 44 60-0 (Bonn)  
T +49 61 96 79-0 (Eschborn)  
Friedrich-Ebert-Allee 40

53113 Bonn, Germany  
T +49 228 44 60-0  
F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn, Germany

T +49 61 96 79-0  
F +49 61 96 79-11 15  
E [info@giz.de](mailto:info@giz.de)  
I [www.giz.de](http://www.giz.de)

**Responsible for publication**

Martina Vahlhaus, GIZ

**Dr. Gerlind Melsbach, AGEG Consultants eG**

**Place and year of publication**

Eschborn and Bonn 2014

## Tabular overview

### The evaluation mission

Evaluation period	08/2013 – 04/2014
Evaluating institute / consulting firm	AGEG Consultants eG, Kirchheim/Teck
Evaluation team	Dr. Gerlind Melsbach Dr. Thai Thi Minh

### The development measure

Title according to the offer	Poverty Alleviation in Rural Areas (PARA) (Armutsminderung im ländlichen Raum)
Number	Phase 1: 2006.2051.8 Phase 2: 2010.2139.3
Overall term broken down by phases	Overall term: 09/2007 – 06/2013 Phase 1: 09/2007 – 12/2010 Phase 2: 01/2011 – 06/2013
Total costs	Total German contribution: EUR 4.4 million Phase 1: EUR 2.000.000 Phase 2: EUR 2.400.000 Partner contribution for IMPP and PARA for phase 1 and 2: USD 3.900.000 (according to offer of 2006 (differentiated data for phase 1 and 2 not available))
Overall objective as per the offer, for ongoing development measures also the objective for the current phase	The participation of poor rural people in a range of markets has improved (Offer 2010)
Lead executing agency	Provincial People's Committees of Tra Vinh and Ha Tinh provinces.
Implementing organisations (in the partner country)	Originally: Provincial Programme Management Advisory Committees (PPMAC); Provincial Coordination Units (PCU); Provincial Departments for Planning and Investment (DPI); District and Commune Programme Support Teams (DPST and CPST), to a limited extent other

	Government line agencies (e.g. Department of Agriculture and Rural Development) and parastatal organisations (e.g. Cooperative Alliance).
Other participating development organisations	International Fund for Agricultural Development (IFAD)
Target groups as per the offer	<p>The total population of 80 selected communes in the provinces of Ha Thin and Tra Vinh, which have been selected according to poverty criteria, which is: 40-50% of the population live below the poverty line, and another 30-40% are endangered to fall below the poverty line, in particular poor households, women and Khmer (only Tra Vinh).</p> <p>Intermediaries such as professional staff, managers, temporary staff financed by IFAD of the planning and sectoral departments on provincial and district level, communal administration, private service providers (Business development services), vocational schools and non-governmental organisations (e.g. farmers' associations and women's unions).</p>

### The rating

<p>Overall rating</p> <p><i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i></p>	2
Individual rating	Relevance: 2; Effectiveness: 2; Impact: 2; Efficiency: 3; Sustainability: 3

## Executive summary

The evaluation of the programme “Poverty Alleviation in Rural Areas” (PARA) was conducted between September 2013 and April 2014. Field work in Vietnam was carried out from November to December 2013. The team was composed of Dr. Gerlind Melsbach from Germany and Dr. Thai Ti Minh from Denmark.

Since the beginning of the public reform programme “Doi Moi” (renewal) which opened Vietnam to a market economy in the 1980s Vietnam’s economic growth has been impressive, with an average growth rate of 7.5 per cent per annum (% p.a.) between 1995 and 2005 which dropped to 6.3% p.a. between 2006 and 2013. Economic growth in Vietnam is assessed as comparatively pro-poor as indicated in substantial poverty reduction rates. However, some provinces still maintained comparatively high poverty rates, among them the two provinces where the programme was implemented, i.e. Ha Tinh in the North Central Coast Region with a poverty rate of 39% and Tra Vinh in the Mekong Delta Region with 33% in 2006. The general reform agenda was supported by several specific sector reforms. Particularly noteworthy are the decentralisation reforms and those related to the private economic sector. The latter included the transformation of the collective agricultural production towards family farm based agriculture accompanied by legal reforms regarding cooperatives.

PARA was implemented in two phases from 9/2007 to 6/2013 in the provinces of Ha Tinh and Tra Vinh in Vietnam. PARA was carried out in cooperation with the programme “Improving Market Participation of the Poor” (IMPP), a financial assistance programme funded by the International Fund for Agricultural Development (IFAD). In the IMPP-PARA cooperation framework, PARA functioned as the technical cooperation component. The cooperation was designed in such a way that the two development measures were complementary to each other. The programme objective could only be achieved jointly by IMPP and PARA. Thus, project objective and indicators were also shared by the two measures. The programme objective is: "The participation of the rural poor people in a range of markets has improved." The programme was conceptualised as a poverty reduction programme in rural areas. Its approach was based on an appraisal in 2006 which identified limited market access, e.g. commodity, labour, land and financial markets of the rural population as a major cause of persisting rural poverty. The programme sought to increase rural people’s market integration by a comprehensive approach. Of the five components of IMPP, PARA was involved in two areas, namely:

- i. Communal market opportunity planning and
- ii. Labour market integration, business services and improvement of the investment climate.

It was intended to strengthen the local government through the implementation of participatory, market oriented, communal socio-economic development planning (MoSEDP). Adaptation to markets was promoted by supporting farmers to shift from subsistence oriented to market production. The main vehicle for this was the strengthening of the Collective Economy (CE) which is based on cooperatives with voluntary membership. With its vocational training and skills development component IMPP-PARA aimed in particular to integrate mainly the landless poor and women in the labour market thereby supporting Vietnam's mid-term development strategy of industrialising the country. PARA's contributions mainly consisted in capacity development related to the conceptual approaches of the programme, capacity building of the participating government agencies, private associations and the Project Coordination Units in the two provinces.

IMPP-PARA aimed to facilitate women's participation in the local planning processes and consciously targeted them in all measures, but particularly in vocational trainings for the poorer target groups and through Women's saving and credit groups. The latter one was not planned as an area of support by PARA. Measures related to the enhancement of gender equality were carried out by IMPP. PARA was not specifically involved in supporting IMPP in developing its gender approach and concept.

The development measures of IMPP-PARA were implemented in 50 poor communes in 8 districts of Ha Tinh and 30 communes in 7 districts in Tra Vinh.

**Capacity development (CD):** In the specific set-up of technical cooperation (TC) with financial assistance (FA) PARA's primary function was that of providing support to CD. PARA approached human resources development in a systematic way by (i) assessing needs and (ii) develop measures (e.g. training and training of trainers, study tours, exchange visits). However, capacity building focused mostly on the level of individuals. Still remarkable changes on organisational level occurred partly. MoSEDP is a good example of organisational development through human resources development related to the Department of Planning and Investment (DPI) and local government (LG). These changes which took place on the level of the organisation and in the case of local planning also on the level of the system up to provincial level were, however, not systematically approached with a strategically oriented capacity development concept according to the requirements of the GIZ management model "Capacity Works". A specific strategy for strengthening coordination and cooperation mechanisms necessary for value chain development in a sustainable way could not be identified.

A clearer strategic approach was adopted in the second phase of the programme, which particularly expressed itself in the area of the development of cooperatives and agriculture

based value chains. CD with the Cooperative Alliance (CA) and the Department of Agriculture and Rural Development (DARD) in Tra Vinh effected changes on organisational and policy levels. With regard to the value chain approach PARA supported the strengthening and networking among several agencies in phase 2 through a demonstration approach with cooperatives in Ha Tinh and Tra Vinh. Networks were partly developed and cooperation among some agencies became easier as a result of programme implementation. Organisational changes that occurred in particular in DPI and Local Government can be attributed to a great part to the specific organisational set-up of TC with FA. The implementation of the latter under sole responsibility of the Vietnamese is certainly a key factor that enhanced the ownership of the innovations introduced.

**Relevance:** As a programme by the Vietnamese Government IMPP is per se well aligned with the national policies. The programme is specifically relevant for the decentralisation policies and the transition from a centrally planned economy to a market economy. By specifically aiming to improve the livelihood of the poor and encouraging women's participation the programme complements the country's poverty reduction programmes and makes a contribution to MDGs 1 (reducing extreme poverty and hunger) and 3 (achieving gender equality).

**Relevance** is thus rated as **good (2), no significant defects**.

**Effectiveness:** The project objectives and expected results as measured by the indicators have been achieved to a great extent. The introduction of the new communal planning system MoSEDP fully succeeded, even beyond the planned target. Instead of applying the system in 12 non-project communes (indicator target), MoSEDP was adopted as the official planning system in Ha Tinh and Tra Vinh and applied in all communes of the province by the end of the programme. The rural people of the poor communes expressed a high degree of satisfaction about the outcomes of the new participatory planning process. More than 80 per cent (target value) in both provinces stated that the investments planned through MoSEDP met their needs. PARA has been instrumental for developing the concept as well as the capacity building for implementing the planning. Along with the planning tools, awareness raising and knowledge transfer of how to integrate market related economic factors in the planning process were introduced. For the latter the conceptual approach of pro-poor value chain development (VCD) was crucial. Yet, respondents from villages and local government stated that there were still limitations in comprehending the approach and its application. Furthermore, a lack of clarity of roles assigned to local government and the private sector was expressed. The major focus in the framework of the value chain approach was limited to developing market linkages and during phase 2 also agricultural production.

The intended participation of women, Khmer and poor people in the planning process differed. In Tra Vinh women's participation as well as the Khmer's participation in local planning teams was around 30% (indicator target). For Ha Tinh the same type of data was not available, but data of the participation in planning trainings show an average participation rate of 32% of poor and 63% of women. All in all more than 80% (indicator target) of poor men and women in the programme communes in both provinces found that the investments (infrastructure and training) financed through the MoSEDP process met their needs.

The level of achievement of labour market integration could be seen in increased employment rates of the trained poor target groups. More than 60% (target value of the respective indicator) of the trainees of vocational training had found a steady job 6 months after the training. PARA in particular supported the capacity development of the Department of Labour, Invalids and Social Affairs (DoLISA) by (i) improving the system of training needs assessments by a stronger focus on the private sector, and (ii) by improving the job-linking approach by focusing on the communal level and introducing new instruments like the development and installation of an IT-system for job placement. Based on the labour needs assessment new trainings were offered. The quality of vocational training was improved by reviewing curricula and training approaches. Training institutions were supported to improve their training methodologies. This combination of measures was effectively contributing to people finding jobs or taking up additional income generating activities

The achievements of the programme's expected results regarding support to the collective economy and promoting business were indicated by a higher contribution margin achieved by farmers organised in a cooperative group against farmers working individually. For five of the six agricultural products the contribution margins increased by more than the targeted 10 per cent (indicator target). Only for one product it was 9 per cent, i.e. slightly below the target. Main reasons for the higher profit in the collective groups were intensive training, lower input prices because of collective bulk purchase, and partially higher selling prices because of better market linkages.

PARA's specific contribution in this area was the support to the collective economy, e.g. in formation and capacity development of the collective groups, in facilitating the provision of Business Development Services (BDS) and in strengthening the extension and advisory services of line agencies. Institutional strengthening for the value chain approach specifically addressed the supporting services of the provincial Cooperative Alliances (CA) and the Departments of Agriculture and Rural Development (DARD). PARA's support contributed to the organisational development of the two institutions and their capability to deliver more effective and need based services to their clients. In Tra Vinh the systematic and comprehensive

support strategy of PARA to these two organisations considerably enhanced their capacities and influenced their organisational strategies. A number of innovations initiated by PARA were incorporated in policies and practise, e.g. the adoption of the system of rice intensification for province wide promotion and the orientation towards “climate smart agriculture”. Because the expected results as expressed in the 5 indicators for effectiveness were mainly achieved **effectiveness** is rated as **good (2), no significant defects**.

**Impact:** As a poverty reduction programme IMPP-PARA contributed to the reduction of poverty as an indirect result. While Ha Tinh’s poverty rate in project communes decreased between 2006 and 2011 from 43% to 22% (target value = 28%) it decreased from 40% to 24% in Tra Vinh (target value 22%). Support data indicate that poverty reduction in the 80 project communes in both provinces is considerably higher than in non-project communes. Vocational training and job placement services benefitted in particular the poor, women and Khmer (only Tra Vinh). Women participants in vocational training and job-linking measures made up 55% in Tra Vinh and 70% in Ha Tinh. Income increase achieved through the various measures in these areas amounted to 50% in Tra Vinh and 26% in Ha Tinh (target value 10%), measured 6 months after training completion. The use and institutionalisation of the communal planning system MoSEDP improved the relationship between local government and people because decisions by higher levels had to be justified and accounted for. Also some unplanned or not specifically anticipated impacts were observed. The participation of the people in implementing the planned investments increased, and additional voluntary financial contributions by the people were raised. The improved planning capacities on all levels also resulted in attracting additional investments from other programmes. Women stated an empowering effect by their participation in planning and trainings.

Although the primarily targeted poor and women felt the empowering impact of participation, limitations regarding the knowledge about market processes and mechanisms and how to deal with them were identified as well, particularly in the planning process. Nevertheless, in total, **impact** is rated as **good (2), no significant defects**.

**Efficiency:** The joint programme implementation by technical cooperation, i.e. PARA, and financial assistance, i.e. IMPP, led to an increased efficiency as compared to a standalone technical cooperation project. A larger target group of intermediaries as well as the rural population is reached with the same personnel capacities as would be necessary in a TC programme alone. The mode of delivery to employ long-term experts and the continued cooperation process between PARA and IMPP was absolutely necessary for achieving the results. The fact that the programme was implemented in two provinces 1200 km distant to each other was an extremely inefficient arrangement. The differing expertise of the long-term

experts could not be used as efficiently in a division of labour as it would be the case if the programme had been implemented in two provinces close to each other. Additional time and efforts were needed to coordinate measures and to transfer expertise. The complete set of capacity building measures had to be delivered by each of the PARA teams while in two neighbouring provinces many of the capacity building measures could have been conducted jointly, and expatriate as well as local expertise could have been used more efficiently. Cooperation between PARA and IMPP in both provinces was difficult and problematic, in particular during the first years, as a cooperation agreement by GIZ and IFAD for IMPP and PARA was drafted and signed only in 2011. These constellations can be said to have negatively affected both the efficiency and the effectiveness of PARA. This implies an inefficient use of financial and human resources. In total, **efficiency** is rated as **satisfactory (3)**, **positive results predominate**.

**Sustainability:** The adoption of MoSEDP as official planning system in the two provinces speaks per se for the sustainability of a main programme component. A training system integrated into the planning system strengthens the planning capacities on all levels. A budget is provided by the provincial governments for covering the costs of MoSEDP although it is lower than at the time of IMPP-PARA. However, after the closing of IMPP in 2012, DPI in both provinces has to cope with the challenge of limited training capacities and partly limited implementation capacities, in particular on communal level. MoSEDP needs to be seen as a first step in a reform process which needs adjustments of government planning and budgeting on the higher levels to become fully functional. The innovations and changes in the participating institutions will be continued to a great part. However, reduced financial means after the closing of IMPP in 2012 already led to a decreasing intensity of the use of new practices e.g. in training or participation in local planning. The value chain as a complex and very demanding multi-sector approach is appreciated very much as concept for local development but only partially operationalised and institutionalised. **Sustainability** is rated as **satisfactory sustainability (3)**.

#### **Main recommendations to GIZ and IFAD in their different functions**

- The cooperation between financial assistance and technical cooperation proved very effective and efficient for all involved parties. In particular the combination of technical cooperation and a considerable operational budget coming from the IFAD loan can prove the effectiveness of innovative strategies and instruments for larger scale poverty alleviation. Replication of this kind of cooperation in more such cooperative ventures is strongly recommended.

- However, the different systems of implementation need harmonisation on the specific level of the development measure as well as on higher levels where the different project management systems are designed and decided upon.
- Similarly, the strategy of the TC measure should be specified and elaborated at the beginning of the measure. A TC-specific results framework and strategy should be clearly recognisable but be incorporated in the results framework of the overall programme.
- The cooperation modalities between FA and TC should be negotiated before the start of the programme and be documented in a formal agreement.

**Annex 1: Comparison of target and actual situation with respect to achievement of the objective, on the basis of the indicators laid out in the commission (or the subsequently modified indicators) in an overview diagram, including the status of BMZ markers**

Vietnam - Poverty Alleviation in Rural Areas (PN 2005.1961.1) PN 2005.2085.8

Module Objective The participation of the poor in a range of markets is increased	Cross-cutting Issues					
	Contribution to gender equality (G1)	Participatory Development/Good Governance (PD/GG 1)	Climate change/reduction of greenhouse emissions (KLM 1)	Adaptation to climate change (KLA 1)	Rural Development (LE 2)	Programme Based Approach (2)
	The DM contributed to women's empowerment a) through participation quota in MoSEDP and b) through training and micro-credit support	Key element in this was MoSEDP which rendered budget allocations and spending more transparent; the process also improved effectiveness of government spending	In particular from SRI positive contributions expected; measurements of methane and nitrous oxide in rice fields (research project)	Climate proofing introduced in communal planning to a limited extent in Tra Vinh; Next IFAD-loan for TV will centrally address climate change issues	The DM is supported productivity increases in agricultural production through value, chain, market linkages approach, post-harvest measures, irrigation and training.	The DM does not comply with all PBA 2 criteria
Impact	<p><b>Module Indicator 4 (MI 4):</b> The improved planning process and tested interventions for promotion of economic development are applied in 12 non-programme communes (6 each in Ha Tinh and Tra Vinh) while the programme is still on-going.</p>					
<p>The proportion of poor households in the pro-programme communes decreases from 40% (2006) to 22% (2011) in Tra Vinh, and from 43% (2006) to 28% (2011) in Ha Tinh. Tra Vinh: The proportion of ethnic minorities involved in project measures is equivalent to the proportion in the population: 30%.</p>	<p><b>Module Indicator (MI 2):</b> The contribution margin for at least three key agricultural products is 10% higher in CGs or cooperatives supported by the programme than in farm households, which operate individually</p>	<p><b>AI 1 (Additional indicator by evaluator)</b> Tra Vinh: Participation of Women and Khmer in MoSEDP planning teams is at least 30%:  Ha Tinh: Participation of poor and women in MoSEDP planning training (accumulated) in 2012 is at least 30%. women</p>	<p><b>AI 2 (Additional indicator by evaluator)</b> At least 80% of poor female and male respondents in the 80 project communes say that the investments planned with MoSEDP meet their needs.</p>	<p><b>AI 3 (Additional indicator by evaluator)</b> 60% of female and male trainees of vocational courses found a steady job 6 months after the training.</p>		
<p><b>Changes of the poverty rates:</b> <u>Ha Tinh:</u> Base value: 43 %;Target value: 28% Achievement 2011: 22%; 2011: 22% (-21%)  <u>Tra Vinh:</u> Base value: 40 %;Target value: 22% Achievement 2011 = 27%; 2012 =</p>	<p><b>Results:</b> The improved planning process has been adopted by the provinces for all communes in the Provinces and is already practised there since 2012.</p>	<p><b>Results:</b> Changes in contribution margins: Tra Vinh (2012): +21%, +32%, +73%; Ha Tinh (2011): +9%, +9%, +20%</p>	<p><b>Results:</b> <b>Tra Vinh:</b> <b>Women: 27%</b> <b>Khmer: 35%</b> <b>(Bauer &amp; Do 2012, 22)</b> <b>Ha Tinh</b> <b>Poor: 32%</b> <b>Women: 63%</b></p>	<p><b>Results:</b> <b>Tra Vinh:</b> <b>92% agree (RIMS 2012)</b> <b>Ha Tinh</b> <b>80% agree (IFAD 2012 d, 22)</b></p>	<p><b>Results:</b> <u>Ha Tinh and Tra Vinh:</u> The percentage who found a steady job 6 months after the training is in both provinces more than 60%</p>	

24% (= - 16%)
<b>Indicator1:</b> At least 60% of the total number of trained poor (at least 30% women) achieve an at least 10% higher income 6 months after the training compared to before the training.
<b>Income increase:</b> Tra Vinh (2011): 50% Ha Tinh (2012): 26%


Green – achieved/ fulfilled   Yellow – partly achieved   Red – not achieved   Blue – not assessed

DÉVELOPPEMENT RURAL DESENVOLVIMENTO RURAL  
DESENVOLVIMENTO RURAL  
LÄNDLICHE ENTWICKLUNG RURAL DEVELOPMENT  
RURAL DEVELOPMENT  
DESARROLLO RURAL DÉVELOPPEMENT RURAL  
LÄNDLICHE ENTWICKLUNG

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Friedrich-Ebert-Allee 40  
53113 Bonn, Deutschland  
T +49 228 44 60-1877  
F +49 228 44 60-2877

Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn, Deutschland  
T +49 61 96 79-14 08  
F +49 61 96 79-80 14 08

E [evaluierung@giz.de](mailto:evaluierung@giz.de)  
I [www.giz.de](http://www.giz.de)