

Vietnam – Afforestation I (Lang Son and Bac Giang)

Ex post evaluation report

OECD sector	31220 Forestry development	
BMZ project ID	1995 65 177 (investment); 1995 70 169 (supplementary measures); and 2003 278 (training measures)	
Project executing agency	Ministry of Agriculture and Rural Development (MARD)	
Consultant	GfA, Hamburg	
Year of ex post evaluation	2010	
	Project appraisal (planned)	Ex post evaluation (actual)
Start of implementation	6 / 1995	11 / 1995
Period of implementation	48 months	61 months
Investment costs	EUR 6.89 million	EUR 6.8 million
Counterpart contribution	EUR 0.83 million	EUR 0.7 million
Financing, of which FC funds	EUR 6.06 million	EUR 6.1 million
Other institutions/donors involved		
Performance rating	2	
• Relevance	2	
• Effectiveness	3	
• Efficiency	1	
• Overarching developmental impact	2	
• Sustainability	3	

Brief description, overall objective and project objectives with indicators

The overall objective of the project was to make a sustainable contribution to combating erosion and conserving resources in the provinces of Lang Son and Bac Giang in north-east Vietnam (indicator: at least 10,000 hectares of the afforested areas to be tree-covered seven years after project commencement). The project objective comprised the reforestation and sustainable management of 12,600 hectares of hill country that had been designated as forest areas in the six districts of the project region (indicator: at least 80% of the young forest plants to be healthy and properly managed three years after completion of afforestation). The project's target group comprised some 10,000 families involved in small-scale farming. The project executing agency was the Ministry of Agriculture and Rural Development (MARD).

Total costs for the project, inclusive of supplementary measures and training initiatives, amounted to EUR 6.8 million. This comprised EUR 5.1 million for the main programme (including the FC implementation consultant), EUR 0.56 million for supplementary measures and EUR 0.9 million for training initiatives. The FC-financed portion amounted in total to approx. EUR 6.1 million (90%).

Project design / major deviations from original planning and their main causes

The major elements of the project – which comprised the participatory planning and organising of afforestation, financial assistance grants to the target group for afforestation activities, advice to the executing agency during implementation (from the FC consultant), together with technical support and education for the forestry consultants working on the project (a supplementary measure) – were implemented without any noteworthy deviations from the plan established at project appraisal. Project implementation lasted a total of five years (from late 1995 to late 2000).

Supplementary to this was a training initiative, which aimed to further the education of participating forestry consultants from the provincial, district and local levels, and of representatives from the affected communities which used the forest. This was delivered successfully between the beginning of 2005 and the end of 2007.

Key results of the impact analysis and performance rating

From the target group's perspective, the project, by means of financial assistance grants for afforestation (including amounts credited as interest), led to an increase in income over the total duration averaging EUR 230 per participating household. In view of widespread underemployment and the minimal levels of cash income prevailing, this income was highly valued by the target group, especially during the initial phase when higher amounts were paid. However, to date the earnings planned from thinning pine stands have only been achieved to a limited extent, since, due to low financial incentives and difficult conditions, hardly any of the scheduled thinning has so far taken place.

The project's main objective was to conserve resources by reducing erosion, maintaining soil fertility and improving the water balance in the project region, these being the core effects that were targeted. Despite the lack of project-specific empirical data, it is possible in principle to substantiate the positive impact of afforestation in the areas stated above. No environmental pollution (for example, from the use of chemical plant protection products) has been detected.

Poor, small-scale farming families form the majority of the target group in the project region; both the creation of earned income and the safeguarding of the natural resource base served to improve their living conditions. A significant degree of collaboration and identification with the project was evident.

Women's involvement was specifically targeted in the afforestation planning and decision-making processes. Particular care was taken that women were registered as legitimate users when land-use permits were issued and as joint account holders when savings accounts were opened. So the financial assistance provided was also of specific benefited to women. In addition, the project created new workplace opportunities for women (i.e. tree nurseries and forest consultancy).

The direct involvement of the target group in the planning, implementation and management of the plantations (participatory land-use planning, establishment of tree nurseries, afforestation, training, organisation of Village Forest Management Units) was a key aspect in project implementation. The sustainability of the plantations is expressly dependent on the principle of collective responsibility within the target group. Moreover, the legal position of ethnic minorities in particular was improved in this respect by the issue of legal land-use permits.

The potential conflicts over land use between forestry and agriculture (resulting from shortages of agricultural and pasture land caused by afforestation), which were declared a significant risk at project appraisal, did not materialise. The uncertain long-term sustainability of afforestation was first identified as a significant risk during the final follow-up. This is predominantly due to the risk of insufficient forest consultancy services (due to staff

shortages at the executing agency) and by the silvicultural and market-related risks in pure crops of pine. The subsequent training programmes should have contained these risks; however, despite this they have substantially materialised, in the form of pest infestations and shortages of consultancy services. The long-term sustainability of the plantations must therefore be seen as dependent upon the target group's own initiative.

The substantial relevance of the project was just as evident at the time of project appraisal as it is today. Vietnam's current developmental objectives give high priority to the forestry sector (particularly for afforestation), to funding rural development in disadvantaged areas, and to the improvement of living conditions for ethnic minorities. Since their living conditions were under threat from increasing degradation and the loss of land and water resources, resource conservation continues to be highly relevant for the target group as well. Furthermore, by preventing deforestation the project now has an additional global relevance in the context of climate change.

At the target group level, certain limitations have emerged during the selection of tree species. In the participatory planning process, pine afforestation was established as the farmers' preference; they were familiar with the species, and were predominantly interested in the traditional annual resin yield. However, given the objective is to use the plantations for timber, the lengthy rotation period for pine plantations conflicts with the need to generate short-term income for the target group of small-scale farmers. Nor could these conflicting objectives be resolved through the savings account model. For example, acacia plantations are currently very popular with the farmers, predominantly because of their comparatively short rotation periods, higher market prices and good ground cover; however, in the context of this project, in terms of area they are of only minor significance (Relevance: rating 2).

Measured against the indicators previously defined, the project objective was substantially achieved. With an area of 15,800 hectares afforested, the project appraisal target figure was exceeded by some 25%. The project objective survival rate indicator was not only fully attained, but exceeded (currently 99% of the total area afforested of 15,800 hectares). The overall objective indicator was likewise surpassed: at 99%, the proportion of tree-covered plantation areas today stands clearly above the level targeted at project appraisal (80% after seven years). However, more significant shortcomings are apparent regarding plantation care and management. No thinning has yet taken place in the majority of areas, and extensive pure crop stands of pine are suffering from severe pest infestations and complete defoliation by pine tree lappet moths. This significantly increases the threat to stable, healthy forest development, and the risks of stock loss and forest fires. The generally low economic appeal of thinning, the heavy nature of the work, the lack of plantation paths and low demand are the main reasons for the current management problems. This brings into question economic success in the future and the plantations' contribution to resource conservation. The forestry service, together with the target group, has only recently (and then only to a limited extent) arranged the necessary thinning (Effectiveness: rating 3).

The actual costs of these afforestation measures were very low compared to other projects; they fall roughly 20% below project appraisal estimates and substantially below MARD's reference values. The project was completed within the timescale envisaged, and cost savings allowed the afforestation of an additional area of over 3,000 hectares (Efficiency: rating 1).

The project had significant structural effects in the development of national afforestation policy, and paved the way for the extensive involvement of other donors in the sector (World Bank, ADB, EU, and Japan) that followed. Their afforestation projects have been aligned to a large extent with reference to the target group-oriented design and experiences of this project.

The project has led to an improved understanding – not only in the directly affected target group, but throughout the entire region – with regard to the sustainable use of natural resources (and forest resources in particular), including erosion prevention, soil conservation, and the availability of water supplies for essential rice production.

Secure land-use permits, comparable to titles to land, were issued to a total of 12,500 small-scale farmers for the afforestation of an area of 15,800 hectares. These permits also serve as collateral for bank loans and can be freely traded. This has had significant developmental impact. Ethnic minorities in particular have also profited from this, to a considerable extent. This served as an example for the overall policy on the issuing of land rights, not only in the provinces affected, but throughout Vietnam. In contrast, the 'savings account model', which was introduced for the first time in this project, had only limited developmental impact with regard to improving the integration of the target group into the finance sector; however, this was not explicitly targeted at project appraisal (Overarching developmental impact: rating 2).

The sustainability of the project predominantly depends on proper plantation management, particularly on thinning, infestation control and fire prevention in the short term, and moving to more stable mixed forests in the medium term. This is crucial to achieve the medium and long-term forestry income objectives, as well as to secure the plantations' function in resource conservation. If this cannot be guaranteed, then 1) both the planned timber yields and income from the interim and final use of the plantations are brought into question; and 2) the preservation of the plantations in the long term is itself endangered by stock loss, the risk of forest fire, and changes in use (Sustainability: rating 3).

Based on the above sub-ratings, the overall evaluation of the project indicates a good standard of developmental efficacy (rating: 2).

General conclusions and recommendations

In view of the frequent similarity of operational challenges and problems with plantations in farming areas, we recommend that this area receives significantly greater attention, and special consideration given in afforestation projects to the circumstances and priorities of small-scale farmers, both at the project planning stage and during the selection of tree species. Experience has shown that the assumption that following project completion the project executing agency will, on its own initiative and with its usual resources, look after the care and management of plantations in farming areas to whatever extent required, is not tenable. In the context of FC afforestation programmes, this points to the need, wherever appropriate, for an independent FC measure to support and ensure proper plantation management beyond the afforestation period, and for considering selective TC involvement during the operating phase.

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness (outcome), "overarching developmental impact" and efficiency. The ratings are also used to arrive at a final assessment of a project's overall developmental efficacy. The scale is as follows:

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| 1 | Very good rating that clearly exceeds expectations |
| 2 | Good rating fully in line with expectations and without any significant shortcomings |
| 3 | Satisfactory rating – project falls short of expectations but the positive results dominate |
| 4 | Unsatisfactory rating – significantly below expectations, with negative results dominating despite discernible positive results |
| 5 | Clearly inadequate rating – despite some positive partial results the negative results clearly dominate |
| 6 | The project has no positive results or the situation has actually deteriorated |

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates a project which has no sufficiently positive results.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and an improvement is very unlikely. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a "successful" project while a rating of 4 to 6 indicates an "unsuccessful" project. In using (with a project-specific weighting) the five key factors to form an overall rating, it should be noted that a project can generally only be considered developmentally "successful" if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are considered at least "satisfactory" (rating 3).