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CAPEX Study 2: Capitalisation of Experiences: Public Services for Agriculture and Rural Development Project; Vietnam: 2007 – 2015

A study to capitalise experiences in SDC financed rural advisory services programmes in Asian countries



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Summary

This desk study capitalises the experiences of the Public Service for Agriculture Rural Development Programme (PS-ARD) with the goal to derive learning from the project's successes and challenges. The study offers an overview of the rural advisory service (RAS) system before, during and after the project intervention and analyses in what way PS-ARD contributed to the current public RAS system.

The bilateral project was funded by the Swiss Agency for Development and Cooperation (SDC) with USD 11 million (respectively USD 101 CHF per benefitting household) and implemented from 2007 to 2015 in the two provinces Hoa Binh and Cao Bang by HELVETAS Swiss Intercooperation.

Major achievements of PS-ARD

- **Decentralisation of government finances** through a commune development fund (CDF): The provinces Hoa Binh and Cao Bang contribute around 50% to commune development funds.
- Establishment of **province wide networks** of local extension and veterinary service providers.
- **Adoption of the farmer field school approach as major extension approach and introduction of standards for financial management in government institutions.**
- **Building capacities of government staff** at province, district and commune level on participatory development planning, RAS delivery and financial management.
- **180,000 households** benefitted from the project: at least 30% women, around 46% poor households, and a high share of ethnic minorities.
- Institutionalisation of a tool (participatory social economic development plans (SEDP)) and its financing mechanism (CDF) to **investigate on farmers' training need** and accordingly adapt and provide RAS.

Derived learning: Successful approaches

- **Address the demand, the supply, and the policy side of the RAS system comprehensively:** PS-ARD approaches RAS through increased participation in governance and decentralisation of finances: it empowers rural citizens to express their needs and priorities, it capacitates local authorities to manage and allocate funds in order to respond to citizens' needs, and anchors this new system in the government procedures.
- Only the **combination of participatory planning with an adequate financing mechanism** of activities makes participatory plans a tool with a real impact.
- From the very beginning, the project aimed at a **government contribution to the CDF** in order to create ownership and to strengthen sustainable finance flows.
- Successful intervention: **Pilot first, create evidence, and then work towards institutionalisation**
- **Existing policies serve as a rational** for all project interventions: PS-ARD based all its contributions on the idea to translate existing policies into action.
- **Use of existing funding structures:** PS-ARD allocated project finances through the same channels as finances are expected to be allocated after the project's phasing out.
- **Satisfaction survey** with statistic significant samples and comparative groups is a monitoring tool with the potential to create qualitative and quantitative data.

Major challenges

- Difficulty to recruit and maintain skilled RAS staff due to limited capacity building opportunities and fluctuations of staff.
- Villagers prefer using funds for infrastructure rather than for RAS. Thus, decentralisation of funds and decision power bear the risk to weaken finances for RAS delivery.
- Participation of women and ethnic upland minorities is limited in government structures.
- Dovetailing national SEDP with participatory SEDPs was and still remains a major challenge.

Acknowledgement

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Abbreviations

ARD	Agriculture and Rural Development
CB GEM	Community Based Governance – Extension – Market Project
CDF	Commune Development Fund
DARD	Department of Agriculture and Rural Development (Province)
DoF	Department of Finance (Province)
DPC	District People's Committee
DPI	Department of Planning and Investment (Province)
ETSP	Extension and Training Support for Forestry and Agriculture in the Uplands
GoV	Government of Vietnam
GRDD	Grassroot Democracy Decree
HB	Hoa Binh Province
MARD	Ministry of Agriculture and Rural Development
MoF	Ministry of Finance
MPI	Ministry of Planning and Investment
NAEC	National Agriculture Extension Centre
ODA	Official Development Assistance
P135	Programme 135
PAR	Public Administrative Reform
PPC	Provincial People's Committee
PPMU	Provincial Project Management Unit
PPSC	Provincial Project Steering Committee
PPSP	Plant Protection Service Points
RAS	Rural Advisory Services
SEDP	Socio-Economic Development Plan
SPAR-CB	Supporting Public Administrative Reform in Cao Bang Project
SDC	Swiss Agency for Development and Cooperation
VSP	Veterinary Service Points

1. Country context of the project intervention

In the last two decades, Vietnam has experienced remarkable economic growth and reached middle-income country status in 2010. The country reduced its poverty rate from nearly 30% in 2002 to 11.3% in 2013³. Vietnam's economic development seems unbeaten in comparison to neighbouring countries. In the last five years, Vietnam's GDP doubled and analysts forecast the annual GDP to accelerate to an average of 8% in the period from 2012 to 2015. Vietnam has already attained five of its ten original Millennium Development Goal targets and is well on the way to reach two more by 2015.

However, considerable shortcomings remain. Poverty rates are much higher in rural than in urban areas, particularly in mountainous regions with a high proportion of ethnic minority groups. Among the ethnic minority population, food insecurity and hunger are widespread, with nearly 30% considered "food poor"⁴. The North-western mountain region has the highest poverty incidence; it stands at 43.8%, compared with the national average of 18% for rural areas⁵.

Integration in the global market – Vietnam acceded to the World Trade Organization (WTO) in 2007 – made the country more susceptible to phenomena like the recent global financial crisis and the consecutive economic recession. Because of attaining lower middle-income country status, Vietnam's official development assistance (ODA) profile has changed. Some donors have expressed to either phase out their traditional ODA or shift to concessional loans. Decreasing ODA, less demand for Vietnamese products, large trade deficits are factors with a disproportionate impact on the poor. In addition, one of the impacts of the global economic crisis has been a decrease in government budgets for vulnerable groups in less advantaged areas. The risk to fall back into poverty is high in the event of crises caused by unemployment, extreme disasters due to climate change, or price fluctuations.

In the last 20 years, Vietnam's politics and society have gradually evolved towards greater openness and space for civil participation. Despite this progress, equitable opportunities for citizens to participate in governance are still limited. (Quote from Annual Report Helvetas Swiss Intercooperation Vietnam: 2013)

Politically, Vietnam remains stable. In 2011, the Communist Party of Vietnam held its 11th national congress. The new government will implement the National Socio-Economic Development Plan for the Period of 2011 to 2015, which has a strong focus on stability and sustaining growth.

³ Source: World Bank, 2013

⁴ In Vietnam, the food poverty line is customarily set as the cost of a food basket allowing a daily intake of 2,100 calories.

⁵ Poverty incidence is the percentage of people living below the poverty line.

2. The public RAS system in the two provinces Hoa Binh and Cao Bang before PS-ARD

2.1. Stakeholders of the public RAS system

Vietnam has a four-tier government structure: Provinces, districts and communes, while each commune consists of 4-20 villages. Governmental bodies from province to district level were the main implementers of the public extension system. Knowledge and fund transfer for extension services followed a cascade system, beginning at the provinces level. Before the project intervention, the following actors were involved in the public extension system of the provinces Hoa Binh (HB) and Cao Bang (CB).

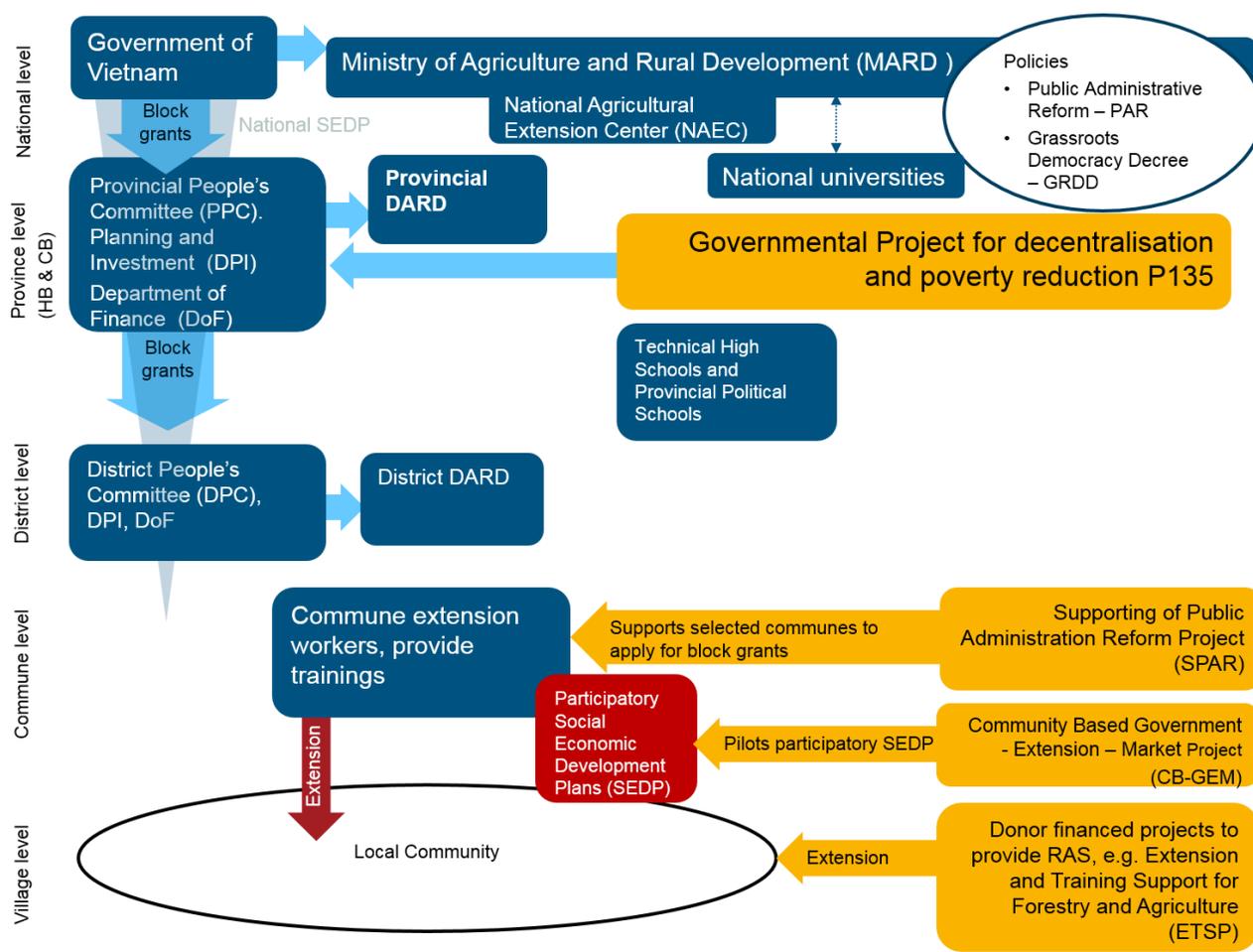


Figure 8: Stakeholders and fund flows of the public extension system before PS-ARD intervention. Blue – public institutions, funds and actors; yellow and red – project interventions of precedent projects. (Source: author's own figure)

- The central government provides grants for rural development to the provinces and decides about national agricultural development plans and strategies. The provinces decide about further transmittance of these grants.
- The Province and District People's Committees take the lead and decide over all activities within their provinces or districts. The Province People's Committee sets priorities for Social Economic Development plans (SEDP) that are then implemented by the communes.
- The Department of Agriculture Rural Development (DARD), the Department of Planning and Investment (DPI) and the Department of Finance (DoF) are situated at province level. These departments get funds from national and provincial administrative level. Further, the government project P135 for decentralisation and poverty reduction channels its finances for extension through the province departments to the districts.

- The district branches of the Provincial Departments receive government block grants for rural development, including extension services. The district extension officers provide extension to the communes, mainly in form of mass information events. These district extension workers are few, compared to the number of farmers interested in extension. Districts and provinces were reluctant to further provide block grants to the communes, since they considered the communes not able to manage such funds. In some pilot districts of CB, the SDC “Supporting of Public Administration Reform Project” (SPAR) piloted activities to support decentralisation of government funds.
- The communes were weak governmental structures regarding to extension provision and financial management. Some pilot communes already got support from SPAR programme and the Community-based Government-Extension-Market (CB-GEM) project to apply for block grants from higher administrative levels.
- The national and provincial technical schools were not part of the RAS system.
- Universities played a role at national level with a relatively weak link via MARD to the provincial DARD.
- The National Agricultural Extension Center (NAEC) was/is located within the MARD and approves new extension approaches and methods. Since only approved methods may be included into the provincial or district budget, the NAEC plays a powerful role in the national extension system.

2.2. Policies and the P135 Government Programme for Rural Development

The following programmes and policies served as a basis for the public administration and thus public extension provision.

Public Administration Reform (PAR)

A key component of the PAR is increased decentralisation of public expenditure and management to provincial, district and commune levels. While PAR enhanced efficiency through leaner organisations and simplification of administrative procedures in public institutions, little attention was paid to the opinion and perception of the service users, the citizens, especially the farmers (ProDoc II: 2011).

Grassroot Democracy Decree (GRDD)

The GRDD promotes decentralisation of administration and finances, which is constrained by complex procedures and low capacity of commune level administration. Hence, despite the GRDD, the people were further denied their - in theory guaranteed – rights to participate in planning, implementing and evaluating activities of their concern and in their locality. (PS-ARD 1: 2011)

Programme 135 (P135)

P135 is a large poverty reduction programmes of the GoV that was designed in 1997 by the GoV with technical support from the UN and World Bank. Most of the funding for P135 sources from GoV, while some donors have provided budget support in the past and currently provide technical assistance. The overall objectives in both phases are: i) to radically accelerate production and promote market-oriented agricultural development; ii) to improve the sociocultural life of ethnic groups iii) to eradicate hunger in the targeted areas and reduce the poverty rate to below 30%. (UN: 2008)

3. SDC contributions to the public RAS system

3.1. Background of the PS-ARD programme

The Swiss Agency for Development and Cooperation (SDC) has supported natural resource management and rural livelihoods in Vietnam since 1994. First, the Social Forestry Support Programme (1994 – 2002) successfully introduced social forestry as a subject in the Vietnamese universities education system. In 2002, SDC decided to shift the focus from academia to agricultural extension through the Extension and Training Support Project (ETSP; 2002-2007). PS-ARD is the follow-up project of ETSP, which was combined with two other precedent projects. With this combination SDC/Helvetas aimed at increased effectiveness of the interventions. Compared to ETSP, which focused on extension delivery, PS-ARD intervened with the aim to improve local good governance.

The three precedent projects all developed and piloted community-based approaches to support the decentralisation process as proposed by the PAR, and aimed at strengthening rural advisory services:

- 1) **The Extension and Training Support for Forestry and Agriculture in the Uplands (ETSP)** developed and piloted comprehensive training modules for adult learning on natural resource management in the Provinces Dak Lak, Thua Thien Hue, and Hoa Binh. (ETSP ProDoc: 2002)
- 2) **The Supporting of Public Administration Reform Project (SPAR)** focused on supporting local government structures in CB to apply for and implement block grants for commune development (SPAR ProDoc: 2004)
- 3) **The Community Based Governance – Extension – Market Project (CB GEM)** strengthened the capacities of 24 communes in CB with focus on participatory development and management of community plans. (CB GEM ProDoc)

3.2. The PS-ARD programme

In its first phase, PS-ARD tested the approaches piloted by the precedent projects in selected districts of the Provinces Hoa Binh (HB) and Cao Bang (CB). In its second phase, PS-ARD aimed at mainstreaming the approaches in all districts of HB and CB. It is expected that in a post programme phase, the government departments will fully apply the approaches as standard in the entire provinces based on annual allocation of provincial budgets. (ProDoc II: 2011) With this, PS-ARD aimed to pass the long-term partnerships between SDC and the provinces through the full cycle from piloting to mainstreaming as shown in the subsequent figure.

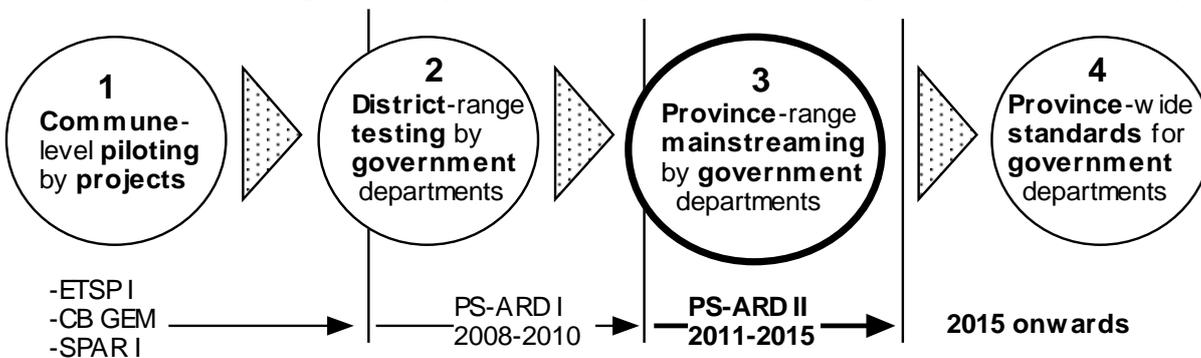


Figure 9 PS-ARD plan to mainstream approaches piloted by ETSP, CB GEM and SPAR projects. (ProDoc: II: 2011)

The **PS-ARD project goal** is “to contribute to province- and district-wide mainstreaming of participatory local planning, financial decentralisation and improved public service delivery in agriculture, in order to reduce poverty and improve livelihoods in disadvantaged areas of Hoa Binh and Cao Bang provinces” (ProDoc II).

The project was designed to address the demand and supply side of services in a comprehensive manner. It built on three pillars:

- 1) To strengthen communes in participatory planning (Socio Economic Development Planning (SEDP)) and financial management.
- 2) To develop capacities of the public service delivery system in agriculture and rural development to become more effective and responsive to the requirements of farmers.
- 3) To foster a system of decentralised financing through a commune development fund (CDF) and by building communes capacities for financial management.

Learning: PS-ARD combined contributions to demand-side planning, supply of RAS, and allocation of fund flows. It thus included the fundamental factors of an extension system.

The programme was implemented from 2008-2015 by the Provinces HB and CB, as well as by the Organisational and Personnel Department (OPD) under the Ministry of Agriculture and Rural Development (MARD). While the OPD acted as national owner of the programme, SDC through Helvetas provided technical assistance and finances to the provinces, districts and communes.

3.3. Relevance of the PS-ARD programme

Despite Vietnam having achieved the status of a middle-income country at the end of 2010, the agricultural sector (including forestry and fishery) still accounts for 20% of the GDP and employs more than 60% of the labour force.

The early years of Doi Moi left a massive surge in agricultural growth. Smallholders with less than two hectares of arable land, which are the predominant production systems in remote and mountainous areas, face particular challenges regarding to agricultural efficiency. For these farmers, access to information, services and markets is still limited and subsistence farming prevails among many poor households.

Farmers' expectations to be provided with subsidies remain. While changes towards a farmers based approach can be observed in most public service agencies in the rural areas, a strong tendency prevails for achieving production targets and providing top down messages to influence rather than to advice farmers. The concept of providing farmers with specific information on new technologies, new seed varieties, and market developments allowing them to weigh advantages and shortcomings of different production strategies, has not yet taken root among government service providers, particularly in the remote and mountainous regions of Northern Vietnam." (Cited from ProDoc II).

The project thus saw a need to change, on the one hand, farmers attitude towards RAS beyond the expectations for subsidised input supply, and on the other hand, the mind-set of service providers to go beyond the mere dissemination of production targets. This required better and technical skills of government staff with regard to extension delivery approaches, agricultural technologies, and household economics, to enable them to provide farmers with appropriate information and advice (ProDoc II). The objectives of PS-ARD to strengthen the communes and the public services in decentralised planning and financing of rural development are thus considered relevant.

4. PS-ARD contributions to the public extension system

This chapter describes the project's contributions to the public RAS system. The interventions took place in the Provinces HB and CB, which are both mountainous areas with a considerable share of ethnic minorities, high incidence of poverty and limited private sector involvement. Analysing PS-ARD's contributions to the extension system, one has to consider that PS-ARD is not like its precedent ETSP project, a RAS project, but a governance project. PS-ARD has the objectives to empower rural citizens to express their needs and priorities, to capacitate local authorities to manage development funds in order to respond to citizens' needs (including the provision of RAS), and to anchor this new system in government procedures. It thus approaches RAS not from a service delivery perspective, but strengthens the anchoring of RAS in government procedures and within local communities.

The following actors are involved in PS-ARD project activities:

Learning: The project approaches RAS through increased participation in governance: PS-ARD empowers rural citizens to express their needs and priorities, it capacitates local authorities to manage development funds in order to respond to citizens' needs (including the provision of RAS) and anchor this new system in the government procedures.

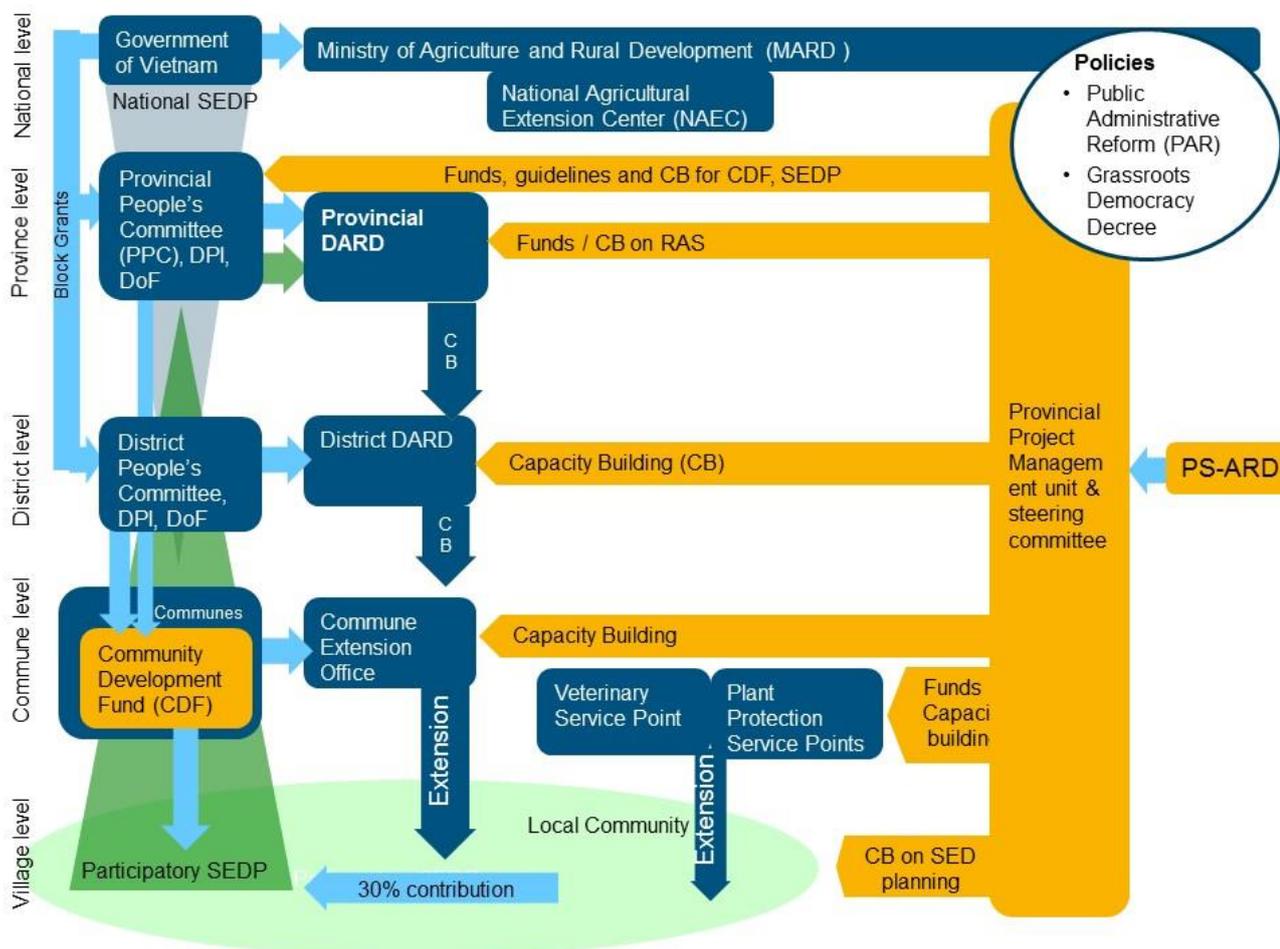


Figure 10: PS-ARD contributions to the public RAS systems. Blue = government institutions, green = local community and their activities, yellow = project contributions, turquoise = fund flows. (Author's own figure).

- The Provincial People's Committees (PPSC) are official owner of the PS-ARD project activities and are involved in all project related decisions.
- The Department of Agriculture Rural Development (DARD) is responsible for RAS delivery and capacity building of RAS actors. PS-ARD trained master trainers for agricultural extension which are located at the provincial DARD. These master trainers train staff at district level, who then train commune extension staff.
- The Department of Planning and Investment (DPI) and the Department of Finance (DoF) approve development plans including RAS delivery and manage the respective budgets.
- The Provincial Steering Committees and the Provincial Project Management Unit (PPMU) provide technical assistance to the administrative bodies from commune to province level. Both units will be dissolved with the project ending.
- In order to allow hands-on training for financial management, SDC introduced a Commune Development Fund (CDF), which communes use according to their Social Economic Development Plans (SEDP). The CDFs are channelled from the provinces via districts to the communes. Communes have the opportunity to use the CDF as to their preferences. Interestingly, communes use the CDF mainly if not exclusively to finance infrastructural project, and do not allocate the CDF for agricultural extension. (Smith: 2015)
- The provincial bodies complete the CDF with their own funds and with grants provided from the central GoV, including P135 funds.
- The project strengthened the communes and villages in participatory SED planning, CDF investment and RAS provision. Since communes consist of several villages that each set preferences for commune SEDPs, the communes (CDF) cannot finance all activities proposed through participatory SEDP processes. It is up to the communes to set priorities regarding the CDF investments. PS-ARD also supported the communes to ensure that beneficiaries contribute 30% of the CDF investments for infrastructural projects. These contributions are provided mainly in form of labour or local materials.
- The national and provincial technical schools were included into the RAS system in the beginning of the project. Technical schools were mandated to build capacities of province and district officials on participatory SEDP, CDF, and marginally also on the farmer field school (FFS) approach. Today, there are enough trained officials working in the government departments. These officials now work as master trainers to build capacities of province and district officials.
- The public extension offices are the main extension provider in the country. The public extension system consists of provincial and district extension offices under the DARD, as well as of extension workers at commune level. The commune extension workers sell agricultural inputs and provide related advice, whereas the district extension centre leads trainings for farmers.
- Semi-governmental Plant Protection Service Points/Groups (PPSP/PPSG) and Veterinary Service Points (VSP) are other relevant public RAS actors. These service points are situated at district level and provide specific individual services on request. The project supported both, the extension network and the PPSP and VSP with capacity building and finances.

Learning: if the decision is left to the communes how to use public finances, they prefer investing it in infrastructures rather than in extension services or capacity building.

Learning: PS-ARD based all its contributions on the idea to translate the existing policies into action – an effective contribution regarding to institutionalisation.

4.1. Contributions to policies and institutional development

PS-ARD programme acts in the policy framework of PAR and GRDD, which both support decentralisation of administration and finances to the commune level. PS-ARD did not directly advocate for new policies, but it invested heavily in translating the existing policies into action. E.g. it translated the GRDD in ethnic minority languages and spread it with innovative means („gender caravans“, village theatres etc.).

PS-ARD supported the elaboration and institutionalisation of participatory planning procedures (SEDP), guidelines for financial management of CDF and methodologies extension provision, such as Farmer Field Schools (FFS). Further, PS-ARD conducted training courses on the elaborated procedures and offered a complementing on-the-job training for government officials. These programme activities were all carried out by

government officials with the ultimate goal to develop “products” that become part of the standard governmental system.

In order to mainstream the piloted models (CDF, FFS, participatory SEDP), PS-ARD contributed to their institutionalisation at province and national level as follows:

- In CB and HB Province, PS-ARD made sufficient resources available for a Support Unit that technically supports provincial government structures to implement the CDF, FFS and SEDP and train the respective district and commune structures.
- PS-ARD developed communication and information material on the approaches to support national policy dialogue of SDC with evidence from the field.
- PS-ARD programme staff participated in national level PAR working groups and brought in lessons learnt from the field to advocate for local planning models at national level.
- PS-ARD supported organisational reforms in the DARD, resulting in clearer roles and responsibilities between province and national level agencies. (ProDoc II: 2011)

Learning: All contributions to national policy dialogue were based on field experiences in the frame of pilot projects.

4.2. Financial Contributions

SDC financed PS-ARD with around USD 11 million. A core objective of the PS-ARD programme was to establish minimum financial management standards in order to allow for the envisaged decentralisation of finances for commune development. To this end, PS-ARD provided a great part of its budget to the establishment of a Commune Development Fund (CDF) that allows investments in infrastructure and RAS as proposed by Social Economic Development Plans (SEDP). 74% (~\$ 8.5 Mio) of the total programme budget was spent to the CDF.

Learning: Hands-on training for financial management, combined with participatory SEDP allowed for mainstreaming commune development funds.

A condition to receive SDC support to the CDF was that beneficiaries provide minimum 30% to the CDF themselves (generally in form of labour and local materials). Further, the project aimed at a continuously increasing the contribution of the provinces to the CDF, up to a decentralisation of 40% resp. 30% of provincial funds in HB resp. CB (MTR: 2013).

HB has own provincial funds to sustain its support to the CDF. The situation is different in CB, where the main source of government contributions to the CDF is P135. During the project, the province itself supported CDF with its own funds. However, in CB, it now proves difficult for communes to stay owner of funds. It seems that there is little interest of provinces and districts to decentralise their funds through the CDF, and finances are often kept at district or province level. That is why, PS-ARD currently only works in target villages of P135 support and there strengthens the communes to effectively allocate P135 funds. In areas outside P135 area, the project currently sees little chance for communes to allocate funds for the CDF.

Learning: Continuously decreasing donor funds and increasing government funds ensures the GoV interest in the proposed methodologies.

Compared to the contributions to the CDF, the programme spent with 3% of the total programme budget relatively little to capacity building on commune financial management (CFM). However, in combination with the hands-on training that became possible through the CDF, this contribution could improve the financial management capacities of the communes.

14% (~\$ 1.5 Mio) of the programme budget accounted for capacity building and mainstreaming of RAS methodologies, mainly the FFS approach and for RAS provision. While the project covers 100% of the costs for capacity building (trainings for trainers) on RAS methodologies, the government considerable contributes to FFS. In 2014, HB province paid VND 1,007,292,000 and SDC contributed VND 1,337,460,000. The province thus covered 42% of total FFS costs. In 2014, the Province CB contributed USD 39,806, while SDC covered USD 165,459 of the FFS costs. This results in a province contribution of 19%. In the extension phase, the project fully phases out its support to RAS capacity-building activities.

Over all phases, PS-ARD spent around 9% (~\$ 1 Mio) of its budget for capacity building and for the implementation of local SEDP. In phase II, the provinces contributed 51% in HB, respectively 17% in CB to the SEDP, what reflects the provinces' interest and financial capacities in implementing such planning tools.

Aspects of contributions	Phase I		Phase II			Extension 2015 (assumption)		
	SDC & GoV	SDC %	SDC & GoV	SDC %	GoV %	SDC & GoV	SDC %	Gov %
SEDP	261'601	100%	1'136'492	59%	41%	215'870	34%	66%
<i>Cao Bang</i>	163'463	100%	322'140	83%	17%	95'218	30%	70%
<i>Hoa Binh</i>	98'138	100%	814'352	49%	51%	120'652	38%	62%
CDF *	2'193'523	100%	7'695'105	71%	29%	3'196'996	20%	80%
<i>Cao Bang **</i>	954'266	100%	3'192'400	88%	12%	2'354'567	17%	83%
<i>Hoa Binh</i>	1'239'257	100%	4'502'705	60%	40%	842'429	27%	73%
CFM	45'149	100%	430'049	74%	26%			
<i>Cao Bang</i>			112'112	100%				
<i>Hoa Binh</i>	45'149	100%	317'937	65%	35%			
RAS Services	316'208	100%	1'493'857	81%	19%			
<i>Cao Bang</i>	200'964	100%	618'616	86%	14%			
<i>Hoa Binh</i>	115'244	100%	875'241	78%	22%			
Total	2'816'481	100%	10'755'503	72%	28%	3'412'866	21%	79%

Table 6: The real SDC and Government contributions in phase 1 and phase 2 and the assumed contributions in the extension phase. (Adapted from project budget 2014)

Effects: By establishing the CDF and by capacitating commune cadres to manage the CDF, the project created an opportunity to develop and pilot financial planning and management standards in the supported communes. These standards later were harmonised with the standard governmental system, and finally mainstreamed in the entire provinces. With that, the government contribution to the CDF continuously grew from zero in the first phase, to 40% (~ \$ 2 Mio) in Hoa Binh respectively to 12% (~\$ 310'000) in Cao Bang in the second phase. An increasing contribution is expected in the extension phase. According to the MTR (2013), in HB a total of 27.677 households (hh) (8532 poor hh) and in CB a total of 4746 hh (39% poor) directly benefitted from CDF investments.

The provinces contribute 41% of the costs for local SEDP and 19% of the costs for RAS. Although these financial contributions are small compared to other ODA programmes, PS-ARD succeeded to enhance the financial management capacities in a hands-on manner, and to increase ownership and autonomy of the communes through the CDF and SEDP. With its strong focus on government financial contributions to all activities, the project strengthened sustainability of financial planning and management at commune level. (ProDoc II: 2011)

The CDF investments had further direct positive impacts on livelihoods of most of over 80% of the villagers through improved infrastructure and RAS (MTR: 2013).

4.3. Contributions to advocacy capacities

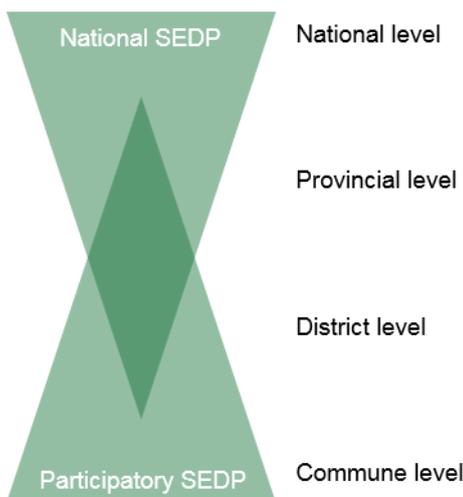
9% (~USD 1 Mio) of the total project budget was allocated for participatory commune planning and related capacity building activities in order to increase voice of the citizens on commune level. In total, the project supported participatory SEDP development in all 210 communes in HB, and in 62 communes in CB (additional 50 communes in CB were supported by an IFAD project in collaboration with PS-ARD) (MTR: 2013). From 2014 onwards, PSARD supported participatory SEDP development in all 199 communes in Cao Bang.

Learning: Only the combination of SEDP with and adequate financing mechanism – here CDF - made the SEDP a tool with a real impact.

With these funds, the project introduced participatory SEDPs at commune and district level and integrated planning processes of six government sectors into one community SEDP. The challenge but also one of the main achievements was the dovetailing of national plans (with production targets in a communist system) with participatory bottom-up planning where rural citizens including the most disadvantaged can express their needs and priorities; also regarding the provision of RAS.

Learning: Dovetailing national action plan with participatory SEDP was a challenge, but considerably provides voice to citizens and fosters the system's capacity of being demand-driven.

Effects: Through the CDF the communities got the opportunity to carry out small-scale investments as decided by the SEDP. With the introduction of the SEDP and the CDF the project strengthened advocacy capacities of villages to implement activities as to their preferences. Currently, in Hoa Binh and Cao Bang the SEDP process is funded from the Government's own budget, not through donor funds and this has a high chance of being sustained beyond the life of PS-ARD.



While the participatory SEDP is a good tool to raise initiative at commune level, the long-term sustainability of such participatory SEDP will depend on the commitment of higher administrative levels to respond (financially and ideologically) to these plans, either through dovetailing of the participatory SEDP with national SEDPs or through decentralisation of funds to commune level. A fundamental contribution of PS-ARD to the sustainability of the participatory SEDP is the putting in place of relevant legal documents for such continuous dovetailing of national and participatory SEDPs.

A main strength of the SEDP is the integration of several spheres into one comprehensive plan and thus the ultimate simplification of planning process. However, “considerations regarding financial feasibility reduced the planning exercises and reduced the costs of in depth problem analysis and identification of

appropriate solutions. The result is that commune SEDPs do reflect the needs of their citizens as to their best knowledge, and because of this, commonly are a summary of little differentiated activities mainly aiming at increased production (less at economic viability) which are known to be supported by the government.” (MTR: 2013). A respective answer would be the introduction of trainings that strengthens the villagers understanding of economic feasibility and Rapid Market Appraisals in order to understand market potentials of specific interventions. Such trainings have not yet taken place.

Learning: Simplification of participatory planning processes through the integration of several thematic spheres into one plan, in this case strengthened the power of the planning tool and thus voice of citizens.

4.4. Contributions to the RAS design

The main contribution to the RAS design, is the integration of RAS into the participatory SEDP mechanism. With that, PS-ARD succeeded in establishing a tool that empowers villagers to take part in RAS planning and thus renders the system demand-driven.

By fostering decentralisation of funds through the CDF, PS-ARD supported the implementation of the participatory SEDPs thus strengthens the system's potential to react on farmers' needs.

Effects: In average, 70% hh in a village contribute to the participatory SEDP and thus have the opportunity to articulate their needs for RAS and rural investments (MTR: 2013).

A relatively minor project contribution in terms of finances (total USD 50'000) is the support of RAS service delivery through Veterinary Service Points (VSP) and Plant Protection Service Points/Groups (PPSP/PPSG). The project has supported some initial setup costs including equipment, medicines, and training of staff. Currently, the government is supporting some ongoing costs. However, only some PPSPs and VSPs have managed to generate revenues, and not all are self-sustaining at present. Since the government aims at privatisation of these

service centres, the centres more and more rely paying clients or project contributions. In particular, in HB, service centres have difficulties to gain paying clients, seeing the growing private sector input supply for crops and animal husbandry, and the Districts providing free advice to farmers. In CB service centres face less competition and people are rather ready to pay for such services.

Effects: Currently, 139 VSPs and 159 PPSPs are in place (MTR: 2013). These centres have enabled important disease protection services to be delivered directly to farmers in a timely manner.

4.5. Contributions to capacity building of extension staff

Trainings and training cascade

One of the biggest challenge for RAS delivery remains the availability of qualified field workers, able to provide comprehensive and need-based extension services. According to GFRAS (2014), one field worker covers in average 280 farmers throughout Vietnam. In order to increase capacities of these field workers, PS-ARD assessed the needs for training and developed and implemented capacity building plans for extension staff. As result, 90 district and provincial staff and 628 staff of 199 communes have been trained on participatory SEDP, its monitoring and evaluation (PS-ARD D: 2014). About 40% of all service providers at commune level (FFS trainers and VSP/PPSP staff) have been trained by the provinces with support of the project and increased their technical knowledge and methodological. However, the commune extension workers' capacities are still limited in particular due to high fluctuation of staff and lack of continuous training opportunities. Although the provincial DARD and district extension centres are expected to provide and facilitate such continuous training in the future, there are yet no plans for its implementation (Kaegi: 2015).

Contributions to the agricultural knowledge system

The agricultural knowledge system is based on a top-down knowledge dissemination cascade. The national governmental bodies have functioning linkages to agricultural schools, universities and districts extension bodies and advise them to disseminate (selected) knowledge and innovation. National and provincial agriculture extension centres train district extension workers, which further transmit their knowledge to commune extension and veterinary workers. There are no direct linkages between research institutions and the district or commune level. Newly emerging private companies bring in additional knowledge and innovation into the agricultural knowledge and innovation system. However, these companies focus on better off farmers in productive areas, which are relatively rare in the PS-ARD focus provinces (Ngo: 2014). Further, private companies are yet not significantly involved in trainings but focus on input provision only (Smith: 2015).

In order to strengthen the agricultural knowledge system, the project built capacities of provincial schools to further train staff of the DPI, DoF and DARD on FFS, CDF management and SEDP.

Effects:

- At provincial level, the two Technical and Economic High Schools and the two Provincial Political Schools are now better equipped to fulfil their role in building capacities of future civil extension workers.
- Technical schools in CB improved their internal structures and client orientation resulting in an increased enrolment rate by 60%.
- Learner centred teaching methods are now applied by 80% of the teachers in about 50% of the teaching period.
- New training modules, subjects and topics have been developed for more than 50 topics / subjects in short and long-term training courses using participatory curriculum development.
- The topics SEDP, Commune Financial Management, Marketing-Extension, FFS and PTD have been integrated into the curricula of the schools, ensuring sustainability in the capacity building of future civil servants.

Despite these successes, the absorption capacity of some provincial schools to apply new educational contents and methods remained low.

Agricultural Knowledge System in PS-ARD

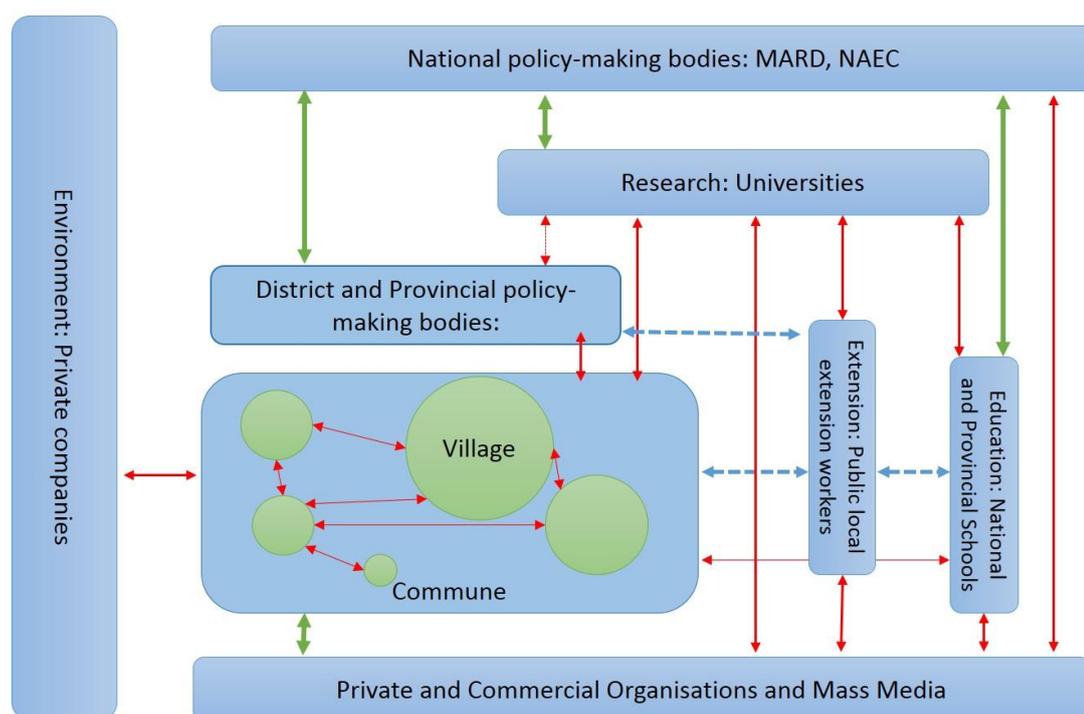


Figure 11: The Agricultural Knowledge System after the project intervention. Lively linkages are green/fat, weak or absent linkages are red/thin, linkages supported by the project are blue/broken lines. (Author's own figure, based on Agridea (2006)).

4.6. Contributions to RAS contents and methods

The project supported decentralised public RAS delivery on the basis of Farmer Field Schools (FFS). The innovation regarding to advisory methods is definitely the mainstreaming of the FFS. Considering the top-down and production driven approach of public extension services that bases on mass instructions, rather than on advice to farmers, the FFS method signifies a fundamental change in the public extension system. Through FFS, extension staff is encouraged to actually provide advice instead of disseminating top-down propagation messages or simply collect statistical information, as has been the case for long time. (ProDoc II: 2011)

Already the previous SDC/Helvetas project ETSP piloted and tested best practices, such as FFS and Participatory Technology Development (PTD). With that, ETSP succeeded to get the approval of the National Agricultural Extension Center for these technologies. On the basis of that, PS-ARD still works towards institutionalisation of the FFS extension approach in the two Provinces HB and CB. In the project's last phase, an extension policy regulating FFS as main methodology for public extension provision has been approved by provincial structures (PS-ARD C: 2014). In these terms, the project brought the wide scale application of the FFS approach a considerable step further.

Learning: The combination of SEDP with FFS serves as a tool to investigate on farmers' training need and accordingly adapt the extension contents.

Advisory contents are defined through the participatory SEDP. The project did not directly train extension staff. It is the responsibility of provincial extension staff to build capacities of district and communal extension workers to deliver the required service.

However, the project collaborated with provincial and national technical schools in order to participatory develop (over 50) modules on CDF management, SEDP and marginally also on FFS and participatory technology development (PTD). The project strengthened the teachers' capacities in providing courses on these new topics and successfully worked towards integration of these topics into the curricula of Technical High Schools and Provincial Political Schools. (PS-ARD B: 2011; ProDoc II: 2011)

Effects: The FFS approach has been acknowledged at province level as the main approach for public extension provision. Through the combination of SEDP and FFS, training demands are now reflected in the commune SEDPs, and SEDPs are used by the extension services develop training plans for villagers. Extension staff appreciate the FFS approach as a practical and easy way to introduce new farming approaches.

Despite this success from an institutionalisation perspective, one have to note that the Vietnamese implementation of FFS differs from the original idea of participatory FFS that include agro-ecology, adult learning and empowerment. Furthermore, FFS require finances either from the village development fund, from district or province level. For the moment, the future availability of finances for FFS is uncertain.

4.7. Contributions to networking and coordination among RAS actors

PS-ARD decided to work exclusively through government agencies as implementing partners. With this, it strengthened government institutions to plan and provide RAS, and to coordinate public RAS actors. Yet, private sector is largely absent in remote areas, civil society is only slowly emerging, and the overall RAS system bases on the government extension staff, agricultural schools and some development project actors. Due to this limited pluralistic dimension of the RAS system the project did not focus on networking and activities.

Table 7: Pluralistic Dimension of the extension system supported by PS-ARD. (adapted from Anderson and Feder:(2014)

Source of finances for services	Service Providers		
	Public sector	Private Sector	Civil Society
Public	VET and PPSC/G Public extension service	VET and PPSC/PPSG	
SDC/other donors	Public extension service		
Private companies			
Farmers	Input supply of public institutions	Input supply of private companies	
Farmer Org.			

5. Effectiveness of the contributions: Up-take of the contributions by state actors, civil society and private sector

The project has been effective in **mainstreaming the approach of participatory SEDP** at province level. By mid-2014, 100% communes in Hoa Binh (210 communes) and Cao Bang (199 communes) applied participatory SEDP with budgets that the communes allocated from district and province structures, and form the project (PS-ARD: 2014). That high effectiveness is explained with the fact that SEDP was already institutionalised in province structures before the project intervention, but was managed in a top-down manner. Hence, the project did not introduce a new system, but focused on redesigning SEDPs in order to strengthen participation of the communes. The GDRR served as a basis and justification for this intervention.

In both provinces, the project was effective in **convincing the province and district governmental bodies to contribute to the CDF**. This was reached through conditional project financing that defined a minimum financial contribution of the provinces to the CDF.

In 2014, the province HB provided USD 2,446,760 and SDC provided USD 4,206,760 to local CDFs (Smith: 2015). This is 36% government contribution to the CDF. Currently, 87 communes of HB (out of 195⁶) allocate USD 10'000/commune/year for the CDF (see chapter 4.2).

In 2014, CB province contributed USD 490,440, and SDC contributed USD 3,885,812 to the CDF. Thus province contribution remained with 11% low. The reason for that is seen in the fact that CB has low potential to create own finances and thus depend on national finances. Since national finances vary frin year to year, the province CB is reluctant to promise finances for the CDF.

⁶ Source: <http://www.socongthuonghoabinh.gov.vn/default.aspx?ZoneID=355>

For the upcoming extension phase, the project sees difficulties to stimulate government finances for the CDF in CB. For the above-mentioned difficulties, PS-ARD decided to reduce contributions to CDFs and capacity building of communal staff to communes (total 62) that are situated in the P135 programme area. There, PS-ARD will strengthen communes' capacities to allocate P135 funds. However, there is a great risk P135 funds will be captured at province and district level and government structures show little interest to forward government funds to the communes (NGO: 2014B). This may constrain communal budget allocation in future.

Despite difficulties for fund allocation, until 2014, CDFs have directly benefited to a about 176,284 hh in HB (150,015hh) and in CB (26,269hh) mainly through small scale infrastructure investments and training activities (Ngo: 2015; MTR: 2013). Decentralising of funds increased local ownership of commune development plans and fostered local contribution to infrastructure projects: Beneficiaries contribute 30% – 35% mainly in form of work and local material. On the other hand, such increased ownership of the CDF and SEDP, also meant a challenge for the project that had to ensure quality and accountability towards donors, while in the same time lost its sphere of influence regarding quality standards and financial reporting of the administrative bodies.

The mainly successful introduction of the CDF system bases on three crucial project contributions:

1. The project strengthened the commune staff's capacities in financial management through trainings that were combined with hands-on exercises in managing small-scale CDFs.
2. The project first fully financed CDFs in selected villages in order the proof its effectiveness and feasibility to higher administrative levels.
3. The project combined the establishment of CDFs with SEDP, thus strengthened a demand-based use of the funds, and fostered transparency as proposed in the GRDD of the GoV.

Regarding to RAS , the project was effective in mainstreaming the FFS approach: In 2014, local extension workers conducted a total of 3004 / 1349 FFS covering a wide range of topics and reaching more than 75,000 / 33'500 farmers, respectively 9% / 6% of the population in the districts in Hoa Binh / Cao Bang (PS-ARD C: 2014). Many of these farmers benefitted through the FFS by increasing production/productivity (87%), decreasing diseases (85%), increasing product quality (84%) and easier sales of products (72%). (PS-ARD C: 2014) More than half of the FFS participants are women and almost all FFS participants are from ethnic minorities. 59%/15% of local people used services of VSP and PPSPs in HB/CB (MTR: 2013).

In the first phase of PS-ARD, the project obliged the communes to allocate a certain amount of the CDF to RAS provision. After the decision to let the communes set their own priorities of how to use the CDF, villagers, respectively village decision makers have clearly shown that they prioritise investments into infrastructure rather than extension. This may either be a sign of limited client-orientation of the public extension services or of the great need for infrastructure projects (Smith: 2014). The project was less effective in what concerns a result based payment system for RAS services. The government officers were reluctant to include financial incentives for extension workers to strengthen continuous adaptation of RAS to farmers' requirements.

Another challenge regarding RAS remains the definition of specific FFS topics. Defining FFS topics is part of the SED planning and thus integral part of the project activities. Since SED plans integrate several thematic subjects and do not exclusively focus on agricultural development, the FFS topics are often only briefly discussed in SEDP meetings. Thus, it finally turns out difficult to the extension departments to exactly understand the demand of villagers for FFS topics.

6. Efficiency of the contributions

This study calculates efficiency based on a very rough calculation dividing the total project costs (plus additional funds) by the number of farmers reached with RAS.

The project contributed a total of USD 11'217445 to the whole system and reached minimum 110'000 farmers directly with extension through FFS. This results in an efficiency of USD 101 / farmer.

11'217'445 USD / 110'000 farmers = USD 101 / farmer

Since the project's focus was participatory planning and decentralised investments of funds, it makes sense to count only the project's contributions RAS and not the overall project costs. This results in USD 15 per farmer provided with RAS.

1'528'199 / 110'000 farmers = USD 15 / farmer

Since the project was successful in leveraging government funds for RAS delivery, the efficiency calculation should include also the government finances. This results in US 16 per farmer provided with RAS.

1'810'065/ 110'000 farmers = USD 16 / farmer

Table 8: Total SDC and GoV funds for the various aspects of the project implementation in the three project phases. (Source: own table based on Kim Yen Ngo PS-ARD 2014)

	Total SDC (USD)	Total GoV (USD)	SDC and GOV (USD)
SEDP	1'005'603	608'360	1'613'963
<i>Cao Bang</i>	461'308	119'513	580'821
<i>Hoa Binh</i>	544'295	488'847	1'033'142
CDF *	8'318'470	4'767'154	13'085'624
<i>Cao Bang **</i>	4'169'365	2'331'868	6'501'233
<i>Hoa Binh</i>	4'149'105	2'435'286	6'584'391
CFM	365'173	110'025	475'198
<i>Cao Bang</i>	112'112	-	112'112
<i>Hoa Binh</i>	253'061	110'025	363'086
ARD Services	1'528'199	281'866	1'810'065
<i>Cao Bang</i>	733'336	86'244	819'580
<i>Hoa Binh</i>	794'863	195'622	990'485
Total	11'217'445	5'767'405	16'984'850

7. The sustainability and effectiveness of the public RAS system after the project contributions

7.1. Sustainability of the RAS system

Two facts strengthen the sustainability of the RAS system:

- 1) The **FFS approach is institutionalised** at province level because it is considered the most effective method to provide public extension in the two provinces – although FFS are more expensive than the former information provision in the form of mass teachings.
- 2) The government provided public extension already for long time and is expected to continue doing so, but now through FFS.

Against this backdrop, the sustainability of the RAS system relies mainly on **RAS providers' capacity to react on farmers' demand** and on the **availability of finances**.

The combination of RAS with participatory SEDP and CDF increases the government's capacity to get to know farmers' demand and to invest accordingly. Regarding to financing, the allocation of government funds for participatory SEDP is a sign that the government has a genuine interest in participatory SEDP: Currently, the Government of HB finances 40% of the CDF, and in CB, P135 foresees that 30% of P135 funds are decentralised to commune level for production improvement activities. However, up to now, there has been little progress in implementing this decentralisation in CB.

Without a financial backing for participatory SEDP, these plans and their implementation are not more than an administrative burden. Thus, the sustainability of the SEDP and CDF that are the basis for the RAS system depends on government's efforts to implement the foreseen decentralisation of P135 and other government funds. And finally, if funds are made available, it is up to the villagers how to invest these funds: as shown above, many villages prefer investing local funds for infrastructure rather than for RAS.

Learning: From the very beginning, the project aimed at a relatively high government contribution to the CDF and in the same time strengthened the capacities of communes to allocate and manage these funds.

8. Effectiveness of the RAS system and the project's contributions

This study defines effectiveness of the RAS system as the sum of all effects that the extension services have on producers.

This chapter mainly bases on the PS-ARD satisfaction survey that has been conducted in the two provinces HB and CB in 2008 and 2010 (PS-ARD: 2010). The satisfaction survey as such is a unique approach to assess effectiveness of the project contributions. The survey worked with comparative groups to assess farmers' access to and their satisfaction with public RAS providers, as well as their participation and satisfaction with participatory SEDP and use of finances.

Learning: The satisfaction survey with statistic significant samples and comparative groups is a strong and innovative tool to assess effectiveness of project contributions.

Economic effects

Only few statements can be made with regard to the system's impact on household economy. In the satisfaction survey (2010), 50-80% of the interrogated farmers state that the quality of the RAS has increased. This is due to increased input supply, such as new seed varieties, fertiliser and animal breed, and thanks to improved technical guidance. One may conclude that if farmers are more satisfied with the services, they also have an economic benefit of these services.

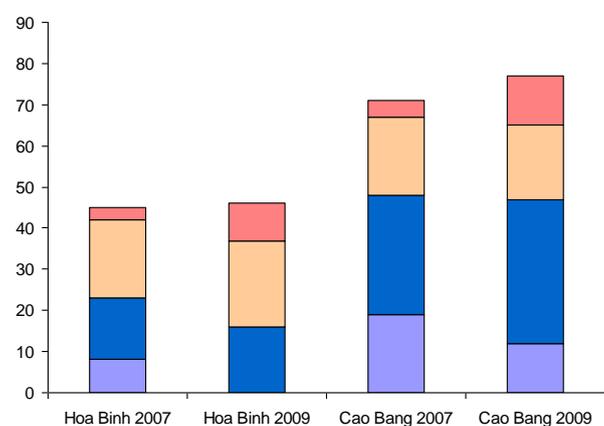


Figure 12: Number of sampled households suffering food insecurity in Cao Bang and Hoa Binh Province, in 2007 and 2009 (sample size 200hh in each province). Source:

200hh). This demonstrates that the current approach is a mainstream approach and risk to not target sufficiently marginalised groups.

With regard to the programme's impact on poverty reduction, it was observed that the poverty rate of the two districts reduced over the last two years, however the percentage of poor households in the sample for the satisfaction survey (2011) did not.

It is difficult to attribute observed changes in food security to the improved extension system. The survey of satisfaction (2010) assessed food security at household level with the result that the problem of food insecurity has not been addressed successfully with RAS, CDF and SEDP. In Hoa Binh, a total of 45/46 hh out of 200 sampled hh in 2007 and 2009, respectively, stated that they lack one or more months food, with an increase of those hh with food shortage of three months and more. In CB, the number of food insecure hh increased from 71 hh in 2007 to 77 in 2009 (out of

Ecological effects

The project has not directly targeted and monitored ecological aspects of the promoted agricultural production. There is a chance that the demand of farmers for services emphasizes intensified production rather than improved ecology of the production system. Further, the extension system strives to foster access to and adequate use of chemicals. However, it would be ignorant to state that this resulted in negative or positive ecological effects.

Social effects

The introduction of CDFs and participatory SEDPs had fundamental social effects in terms of giving voice to citizens at village and commune level: With the SEDP citizens are given a framework to define RAS contents. In 2011, over 50% of hh found their proposals for infrastructure and RAS projects reflected in the SEDPs. By complementing the SEDP with the CDF, the system has a tool to include citizens into decision making processes related to socio-economic development. If CDF investments reflect SEDPs, both tools foster ownership and thus contribution of local citizen to investments – a social effect caused by greater participation.

Participation in SEDP and satisfaction with services

In HB, participation in SEDP planning meeting increased distinctly from 14 % hh of the sample in 2007 to 99% hh in 2009. In CB, the participation in such meetings also increased from 88% to 100%. In 2009 in HB, the majority of hh participating in the planning meetings claim that the resulting activities reflect their demand in contrast to only 70% in 2007. 10% of the sampled hh claim that activities reflect their demand in 2007, while this increased to nearly 60% in 2009. In CB, the percentage of sampled hh claiming that the activities reflect their demand increased from 20% to 70% between 2007 and 2009 (see Figure 6) (PS-ARD: 2010). In districts without programme support, participation in planning meeting remained low (19% of sampled hh) (PS-ARD: 2011A).

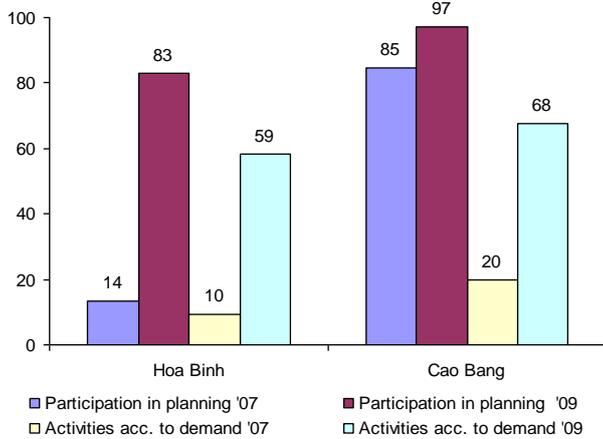


Figure 13: Participation in planning and demand orientation of extension activities in both provinces, 2007 and 2009 (% of the total no of hh in the sample) Source: PS-ARD: 2010

The RAS systems social effect on higher administrative levels is seen in the fact that district and provincial administrative structures now integrate preferences of villagers into their planning. No significant changes were observed regarding the position of women or ethnic minorities in government structures.

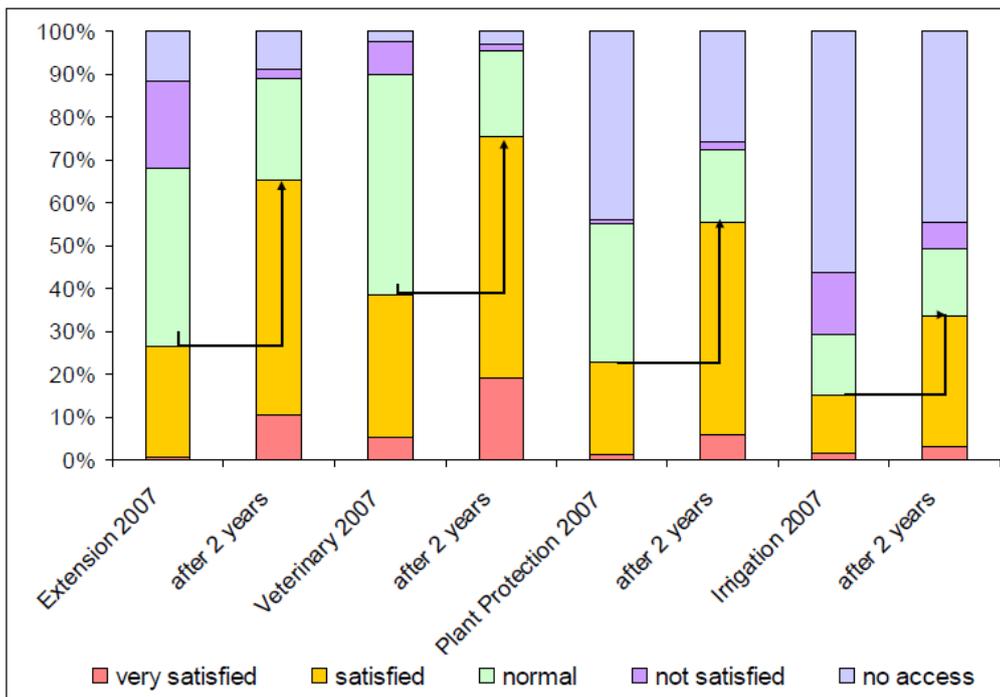


Figure 14: Satisfaction with the services before and after the project intervention. Source: PS-ARD: 2010A

Inclusiveness related to poor households

CDF guidelines enforce a pro-poor approach aiming at 50% poor hh benefitting from CDF activities, SED planning and FFS. Up to date, around 42% poor hh directly benefitting from CDF, with lowest percentage of poor hh benefitting in districts with low poverty rates. In 2010, participation of poor hh in SEDP was 46%, and in FFS almost 50% (PS-ARD: 2011; PS-ARD 2014C).

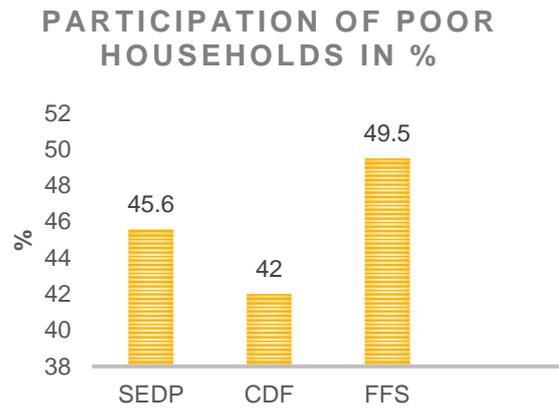


Figure 15: Participation of poor households in each Intervention (PS-ARD: 2010A)

Inclusiveness related to gender

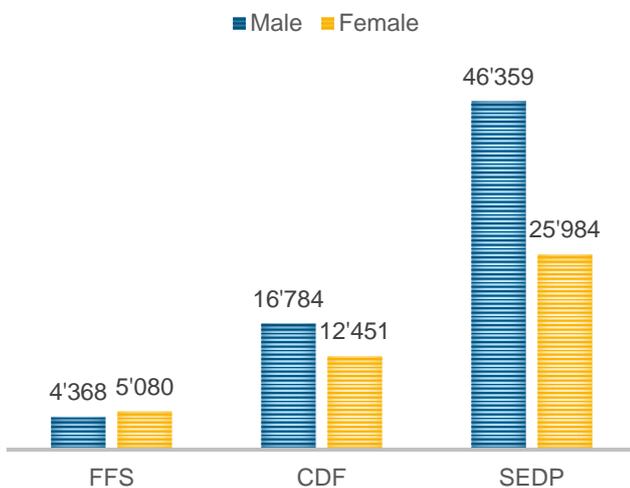


Figure 16: Participation of women in each Intervention (adapted from PS-ARD C: 2014)

To foster gender equality, equal participation of men and women in PS-ARD capacity building activities at all levels was promoted, reaching on average of 29% women participation. This number need to be considered against the backdrop that trained positions e.g. in the provincial people committee are hardly occupied by women (MTR: 2011). PS-ARD aimed at building awareness about gender issues of future cadres government officials by supporting participation of women in the two schools in HB.

The participation of female producers in FFS is over 50% (PS-ARD C: 2014). Women in CB are better targeted than women in HB: In CB, 55% of participants in FFS are women, in contrast to 25% in HB in 2010 (PS-ARD: 2011).

There is no quota for women participation in SED planning. Women participation remained with an average of 25% low. In HB, women participation is

considerably low with only 20%, compared to about 40% in CB. (PS-ARD: 2011).

Regarding the benefits of the participatory SEDPs and its implementation, PS-ARD assumes that women benefit in the same way as men from small-scale infrastructure measures, e.g. irrigation schemes and improved road access. This has not yet been further assessed.

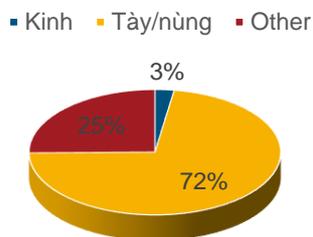
Inclusiveness related to ethnic minorities

The analysed RAS system operated in two provinces with a high share of ethnic minorities: In CB, ethnic minorities (Tay/Nung) constitute with 72% the majority, and the Kinh (Vietnam's ethnic majority) make only 3% of the population. Hence, inclusion of ethnic minorities is secured already with the selection of the working area.

The main contribution of the RAS system to gender and social equity is its location in remote and mountainous areas, where ethnic minority groups constitute the majority and where newly emerging private RAS actors have little interest to invest. From a point of view of public and private interest, it makes sense that the government with its public extension system is strengthened to provide extension where there is little interest for the private sector to do so.

By introducing participatory SED planning at village level, the project and later the RAS system fosters integration of poor households and women’s preferences into the SEDP. However, decision taking on SEDP implementation still relies on government cadres where ethnic minorities and women are underrepresented. This situation limits the system’s potential to ensure decision taking according to the preferences of poor households or ethnic minorities.

RATIO OF ETHNIC MINORITY GROUPS



RATIO OF ETHNIC MINORITY GROUPS IN EACH OUTCOME

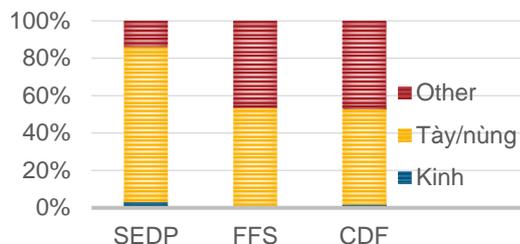


Figure 17: Ratio of ethnic minority groups in Cao Bang, and participation of ethnic minority in the divers RAS interventions (adapted from PS-ARD: 2014C).

Institutional effects

Successful implementation of CDFs and SEDPs in some villages serves as an example for further institutional change in the provinces or country. The extension system - as a governmental system – includes a strong advocacy component through the SEDP, which can foster further decentralisation of funds. Therefore, the increasing capacities and experiences of communes in financial management may be considered as the greatest potential to foster decentralisation of governmental funds.

9. Conclusions: Learnings and innovations from PS-ARD on how to reach large numbers of farmers with RAS

PS-ARD contributed to the establishment of a RAS design that has a real potential to react on farmers' demand and to be sustainably managed by the governmental structures of Vietnam.

The study crystallised several innovations regarding the project contributions and the design of the public RAS system, which supported the system becoming demand-driven and sustainable.

1.) Comprehensive contributions to the fundamental elements of RAS

PS-ARD worked on three levels: A) it empowered rural citizens to express their needs and priorities through participatory SEDPs, B) it capacitated local authorities to manage funds according to the participatory SEDP (including the provision of RAS), and C) it established a sustainably available fund (CDF) to finance the SEDP.

Further, PS-ARD strived to anchor these contributions at all levels in the government procedures through guidelines, approvals and finally RAS policies. In particular, the inclusion of FFS into participatory SEDP makes it possible to institutionalise the investigation on farmers' need for training.

With such comprehensive contributions and their strong focus on local governance and decentralised finances, PS-ARD succeeded to adapt the existing system in a way it became demand-driven and nonetheless sustainably financed.

2.) Existing policies as rational for all project interventions

PS-ARD aimed to align all its contributions with the government system and with existing policies. It formulated its project objectives according to the existing policies (GRDD, PAR) with the aim to translate these policies into action. With this, PS-ARD made use of and strengthened the existing innovative goals at policy level. The fact that decentralised financial management and participatory SEDP were foreseen in the official country policies only made it possible for PS-ARD to successfully translate such ideas into the real political procedures. This is considered a major achievement of PS-ARD – based on innovative intention of existing policies.

3.) Dovetailing the national SEDP with participatory SEDPs

One of the main challenge was, and remains the dovetailing of the national SEDP with participatory SEDPs of the communes. PS-ARD considerably worked towards an institutionalisation of participatory SEDPs. It created guidelines and standard procedures to dovetail the top-down national SEDP with the bottom up participatory SEDP in order to avoid a parallel system that risks to be omitted. A considerably innovation to dovetail the two SEDPs is the integration of several thematic spheres into one participatory SEDP. This simplified the participatory planning procedure and rendered the SEDP comprehensive, thus better answering to the national SEDP.

With its contributions to the participatory SEDPs, PS-ARD considerably provided voice to citizens and fostered the system's capacity of integrating the demand of the citizens. However innovative this approach has been, future has to show, whether the established mechanism for creating participatory SEDPs will sustain or whether the political interests at province and national level will ultimately constrain the influence of participatory SEDP.

4.) From piloting and hands-on training in precedent projects to institutionalisation of most promising approaches

PS-ARD was designed in a way to effectively use the pilot experience of the precedent projects to institutionalise the most promising methodologies. Accordingly the project consequently followed the approach of **piloting first and then work towards and institutionalisation** and standardisation of methodologies. By following such an approach, PS-ARD could benefit most from the precedent projects that developed and tested methodologies in all spheres of PS-ARD intervention.

Piloting new extension or planning approaches alone is not considered an innovation. However, **backing up such pilot activities with a financing mechanism (CDF)**, which is integrated and partly financed by the

government system has paved the way for institutionalising these approaches and has fostered their sustainable financing.

Further, the CDF served not only as a tool to integrate finances for participatory SEDP activities into the government system, but also allowed for hands-on trainings in financial management for commune staff. The **CDF was thus itself a hands-on activity to** foster the financial management capacities of commune staff and with that decentralisation of funds.

Institutionalising, however, also meant loss of project control, mainstreaming and up-scaling of methodologies, and with that possibly loss of quality of the services and planning sessions.

5.) Allocation of project finances through the same channels as finances are expected to be allocated after the project's phasing out

From the very beginning, the project aimed at a relatively high government contribution (50%) to the CDF. Since the GoV was and still is expected to ultimately finance the CDF, PS-ARD planned continuous decrease of donor funds and increase if GoV funds. To allow a smooth transition of the funding sources, the project transmitted its fund through the same channel as the GoV: the CDF.

In the same time, PS-ARD strengthened the capacities of communes to allocate and manage these funds, also after the project's phasing out. This twofold strategy allows for a smooth phasing out of the project's finances, since the flow of finances and their management is anchored in the governmental system.

6.) Innovative monitoring approach of SEDP and CDF implementation

Finally, with the satisfaction survey, the project introduced an innovative and meaningful monitoring tool. PS-ARD used a statistic significant sample of 200 hh and comparative groups in regions without or before PS-ARD interventions. The satisfaction survey is a strong and innovative tool to measure the socio economic effectiveness of the project contributions and of the RAS system. However, there are also critical voices about the satisfaction report, claiming that information might be biased because people are reluctant to criticise one part of the project/system, while appreciating another part. This is particularly the case for PS-ARD where most of the people may appreciate CDF investments in infrastructure or agricultural inputs, but possibly might be not satisfied with decision making procedures or the quality of services. Nevertheless, such tool has compared to other monitoring tool that are often biased towards economic indicators only, the potential to reflect the socio economic impact of a such large programme, respectively RAS system.

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