

**Sustainable Management of Natural
Resources in Central Vietnam**



Mission Report

Local Economic Development (LED) in Quang Binh Province

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List of Abbreviations

CBFM	-	community-based forest management
CDP	-	commune development planning
CEFE	-	Competency based Economies by Formation of Entrepreneurs (a systematic business training tool)
DPI	-	Department for Planning and Investment
GTZ	-	German Agency for Technical Cooperation
IFSP	-	Integrated Food Security Program
LED	-	Local Economic Development (as a systematic work approach)
MA & D	-	Market assessment and development (a project approach for alternative income generation)
MPI	-	Ministry for Planning and Investment
NGO	-	non-government organisation
NTFP	-	non-timber forest products
OP	-	Operational Plan
PACA	-	Participatory Appraisal of Competitive Advantages
PPP	-	Private Public Partnership
SIYB	-	Start and improve your business (a systematic business training tool)
SMNR-CV	-	Sustainable Management of Natural Resources in Central Vietnam
VDP	-	Village Development Planning (a systematic approach used in the project)

Summary

How can households in rural mountainous areas of Central-Vietnam survive and earn a minimum income also in the future without destroying the basis of natural resources? To find solutions for sustainable resource management is the objective of the bilateral project SMNR-CV. The exploration of income alternatives outside agriculture and forestry, one of the four project components gains increasing importance, since land resources are almost fully occupied and population is growing at 1,7 % per year.

The mission had a twofold task: introduction of strategic Local Economic Development planning at provincial level and the preparation of a conceptual framework and a revised implementation strategy for alternative income generation.

SMNR-CV contributes to the overall provincial economic development by presenting LED as an innovative, participative planning approach. A strategic LED planning workshop was organised from 10 – 12 of March 2005. With the participation of more than 40 stakeholders, representing the political and economic key players of the Province Quang Binh, the workshop succeeded to introduce the new method and to prepare a wide range of 7 projects aiming at accelerated economic growth. Participants appreciated the new approach as a valuable complementation to the existing traditional planning processes.

SMNR-CV has chosen an approach which differs from the PACA method, as applied in small and medium enterprise development in Vietnam. The advantage lies in a more general strategy development combined with less resources for the planning process, which makes it easier to apply and to be integrated into traditional planning. It will and cannot be the task of SMNR-CV to implement the identified projects which fall under the responsibility of different government organisations. But a more participative planning has been initiated and will help to enhance economic development. The defined projects as well as the utilization of the applied participative LED approach should be integrated into ongoing five-years-planning of the Provincial Government, and the project could support authorities in going the next steps.

For the project itself the mission recommends to apply a conceptual framework with 2 components:

1. the continuation of application of MA&D for the promotion of identified specific products, and
2. the introduction of LED at district level, first in Tyuen Hoa, in order to assess the efficacy of the approach for a broader but coherent local economic development.

The existing operational plan has been reviewed and takes into consideration the above mentioned two approaches. It involves different tools at implementing level, also in order to appraise their value for further project activities.

Introduction

The project „Sustainable Management of Natural Resources in Central Vietnam“ (SMNR-CV) follows up the “Integrated Food Security Program” (IFSP) implemented from 1996 to 2002 in the pilot districts of Minh Hoa and Tuyen Hoa of Quang Binh province. In general, the project shall contribute to an improvement of the living conditions of the local population in the mountainous areas. The project purpose is:

“The stakeholders in the project region manage their natural resources in a sustainable way”.

The general implementation strategy is to consolidate the achievements of the IFSP and develop its outputs further in the fields (expected Project results) of

- i) community-based village and commune development planning (VDP),
- ii) the application of appropriate farming systems,
- iii) community-based forest management (CBFM), and
- iv) promotion of alternative income opportunities from the marketing and processing of agricultural and non-timber forest products (NTFP).

Result iv) gains an increasing importance for income generation by the target group. Agricultural and forest resources are explored. They offer neither significant new land areas nor a large potential for intensification. Taking the average Vietnamese population growth rate of 1,7% p.a. – certainly higher in the rural areas - into consideration, employment and income must increasingly be generated from non-primary sources.

The project already undertook a range of systematic efforts to identify and structure measures for alternative income generation. Yet it feels a lack of overall conceptual framework in this area. Moreover, it wants to contribute to the Province development in general by offering a strategic planning process in local economic development (LED).

Objective:

“The objective of the mission is to elaborate – in collaboration with the project staff, partners and target groups – a conceptual framework and a revised implementation strategy for Result No. 4. Depending on the initial assessment, the framework will most likely be based on a locally adapted version of LED, but will possibly integrate elements of MA&D, CEFE, PACA, Value-added chains, PPP, Village Development Planning (VDP), promotion of NTFP, and/or other tools, as appropriate. The implementation strategy has to be realistic in the way that it takes into account the actual capacities of project staff, partners and target groups. The strategy will be complemented by a detailed Operational and Training Plan.” (Terms of Reference attached in [annex 1](#))

The mission had two tasks, influencing but not directly related to each other:

- a. organisation and realisation of a LED strategic planning workshop at provincial level and
- b. elaboration of a conceptional framework and implementation strategy for result iv

Accordingly, the report falls into two parts.

The consultant wants to thank the project staff and, in particular, Mr. Pham Van Hong¹ and Mr. Trang Hieu Tuong² for their professional and hospitable collaboration during the mission.

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LED Workshop

Local economic development (LED) is a participatory process where local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a tool to help create decent jobs and improve the quality of life for everyone, including the poor and marginalized.

LED can be applied on different geographic or economic levels. The workshop in Quang Binh aimed at:

- presenting a strategic planning tool at provincial level,
- opening the floor for more participative and coordinated planning of different key stakeholders in the province, and
- conveying basic knowledge about the LED method and its value for economic development.

1.1. ***LED and Workshop Preparation***

The workshop had been thoroughly prepared by the project:

- preparation of a LED manual³, adapted to this event as orientation for the facilitators,
- preparation of a LED paper, as information and handout for the participants,
- preparation of a stakeholder analysis,
- preparation of a situation analysis,
- information and awareness workshop at Department for Planning and Investment (DPI),
- preparation of a programme layout for the participants (see [annex 2](#)), and of a detailed workshop programme for the facilitators (see [annex 3](#)),
- invitation of all key stakeholders for strategic economic development in Quang Binh Province,
- organisation of the workshop venue, and
- preparation of all workshop material.

³ The manual is available in the project. It contains 30 pages, which is considered too long for the annex.

All steps included an extensive discussion between the facilitators and with the project management by email as well as in Dong Hoi. Coordination meetings with GTZ office in Hanoi (Mrs. Corinna Kuesel) and DPI in Dong Hoi complemented preparations.

1.2. **Workshop Realisation**

The Workshop took place from March 10 until 12, 2005, in the Sunspa Resort, Dong Hoi City. The venue was an excellent choice which motivated participants to address their time despite other obligations.

The workshop counted with 40 participants from almost all local authorities, technical departments, mass organizations, NGOs, state owned companies, private companies and cooperatives (see [annex 4](#)). Many participants were high ranking with considerable decision power⁴. Even if the official planning procedure did not admit the workshop to take decisions, people gained a profound impression concerning the planning process and the outcome of a participative strategic approach. The workshop timing coincided with the next Five Year Plan which is due to be prepared until fall 2005.

The level of participants as well as their professional background (predominantly from Government) showed impact on the outcome of the workshop. Planning views were mainly taken from a political and general perspective, less from a specifically entrepreneurial or economic one. Accordingly, identified “alternatives” and projects corresponded to political intentions concerning economic development of the Province. This was taken into consideration already during the preparation phase: The workshop was designed as a planning event at high provincial level.

The programme flow has been reported in details by the facilitator Mr. Hong. This document serves as an internal paper for the analysis and preparation of subsequent LED events.

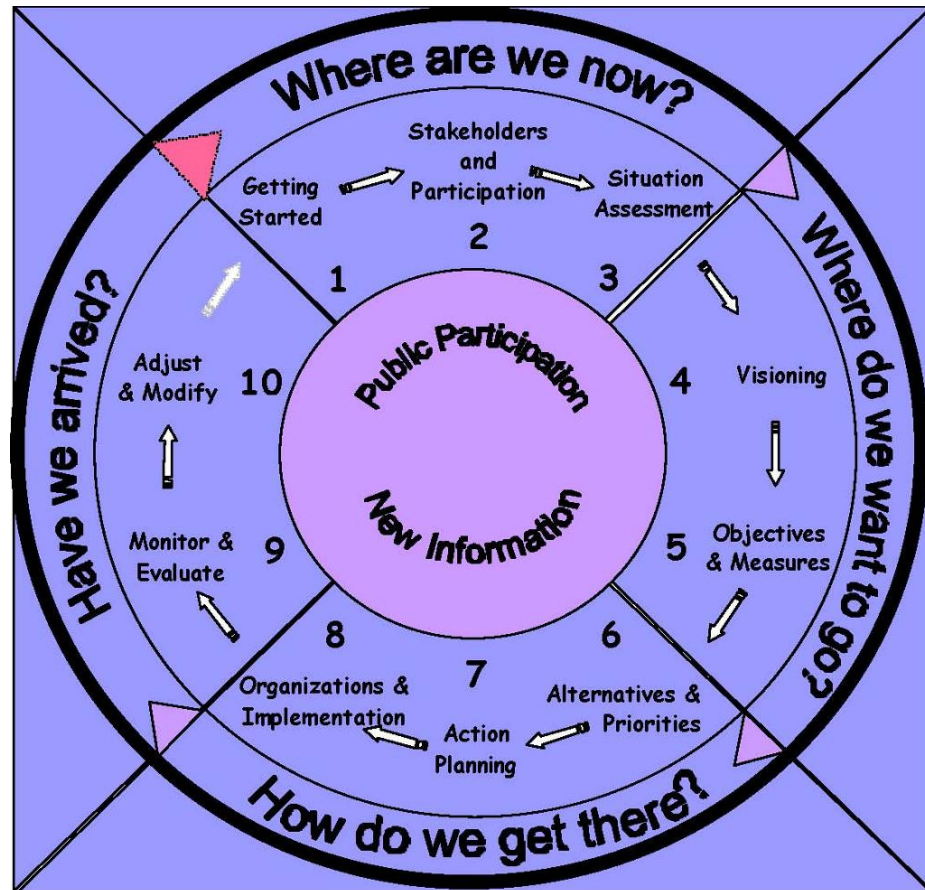
The programme content contrasts to the PACA method⁵ by having a more strategic planning approach. The workshop followed the cycle shown below and carried out the planning steps 1 to 8. This was an ambitious agenda for tight 3 days (20 hours) and 40 people participating in group work and

⁴ Participation was somehow distracted by the unexpected visit of the Minister of Planning and Investment to Quang Binh Province during the second workshop day which, to a certain degree, trussed the work force and availability of some participants.

⁵ PACA: Participatory Appraisal of Competitive Advantages: a LED tool which is being introduced to Vietnam and focuses on identification of potentials and interventions at local level

plenary discussions. Similar workshops usually involve about 20 persons and last for at least 4 days. Despite the work load, the programme was successfully completed with only few alternations in the course of the workshop.

THE STRATEGIC LED PLANNING CYCLE



1.3. *Main Steps in the Planning Process*

Lessons learnt from the steps taken during the workshop are:

- a preparatory workshop focussing on the planning method and first sequence ("Getting Started") would ease the focus on planning and the participative approach in the follow-up workshop, which then concentrates on steps 4 to 7 (see above, Planning Cycle);
- the special challenge of bringing people into a participatory planning effort requires some ice braking and unbalancing exercise in the

beginning. The “innovation exercise”⁶ served well in this function and motivated participants to open and to persevere;

- stakeholder assessment (step 2) is an essential task in getting started. It prepares the stage for active involvement and successful strategy development. The work was done beforehand, as necessary, and then presented to and reviewed by the audience (see [Annex 9](#)).
- situation assessment (step 3) requires more substantial and quantitative information to be processed into subsequent topics. The document prepared and presented to the plenary was based on information which was known to the participants (see [Annex 10](#)).
- most of the tools applied in this step were appreciated by the participants (competition and collaboration analysis, supply chain, SWOT). “Local area assessment” would benefit from an integration into the supply chain work;
- visioning (step 4) seemed to be a pointless exercise but contributed a lot to the agreement on a mutual and overall development idea, which also integrated the group work;

Vision (summary)

By 2015, Quang Binh has become a sustainable socio-economic development centre of Central Vietnam and an attractive and ideal tourism rendezvous in the country and all over the world.

- the definition of objectives and measures (step 5) was prepared by brainstorming and discussing the development “issues” of the province (see [annex 5](#)). The wide range of issues shows the need for integration into more strategic planning, also at provincial level. Nevertheless, participants fell back to rather traditional group work results when defining the objectives, and the Five Year Plan under preparation materialised. As stated before, the type of participants reflected in the results of planning. The objectives were integrated as follows:

⁶ a one hour exercise in which participants are faced with the challenge of change and the need to get personally involved in order to come to excellent development results.

Economic Development Objectives as Stated by the Workshop

Significant economic growth and modernization of Quang Binh combined with social equality and environmental sustainability until 2010.

Average 8% for GDP growth for next five year

Per capita average income up to USD 600/person/year

Economic structure	Industry	- Services	- Agriculture (2015)
	43%	42%	15%

Poverty reduced to max. 20% in all communes in next 5 years

Hungry households reduced to zero and poor households to < 10%

No poor households in 2015

Standard for environmental sustainability applied and monitored in all sectors in next 3 years

- the identification of “alternatives”⁷ (step 6) forms the cornerstone of LED. A list of action ideas had been distributed to the plenary the evening before for orientation and preparation. Due to time restrictions, alternatives had been directly defined by the participants, integrating the findings of all previous steps. As a consequence of the shortcut, the list of 19 alternatives lacked clarity and were not aggregated as a synthesis of a group of actions.

On the other hand, the wide range of identified alternatives reflects the complexity of planning when it is done at the level of an entire province.

The facilitation also avoided the use of the technical terms “alternatives” and “actions” in the sense of LED. This would have required a lengthy explanation and not served the planning process since the shortcut was intended anyhow.

The identified priority alternatives, done with the Pareto-Method, are consistent and mirror the interests of participants as well the needs for local economic development interventions.

⁷ an alternative within LED is a group of actions. Different actions are usually identified on the basis of the “issues” and “objectives”. Actions are connected to coherent groups, the alternative strategies. In this process, an action may appear as necessary component of different alternatives. Consequently, one action can contribute to the implementation of more than one alternative. The most coherent and beneficial alternatives are then identified by applying different planning techniques.

No	Projects (Alternatives)	Priority marked by participants	Ranking by participants
1.	Policies for attracting talents	6	
2.	Increased number of private enterprises	8	
3.	Improvement of the quality of products and services	3	
4.	Development of construction materials companies	14	4
5.	Finalization of master plan for tourism development in Quang Binh	12	1
6.	Streamlined administrative procedures	4	
7.	Privatization of governmental enterprises enhanced	4	
8.	Attracting investments	15	4
9.	15 small industrial zones by 2015	3	
10.	Finalize land use planning	11	1
11.	Vocational Training Program on Tourism	3	
12.	Export promotion	8	
13.	Promotion of exploitation and development of marine resources	10	3
14.	Enhance the economic cooperation with Laos and Thailand	3	
15.	Promotion of local goods and services consumption	6	
16.	Apply technologies in business	4	
17.	Human resource training	15	2
18.	Rural and remote development	15	3
19.	Promotion of self-help	12	2

- 8 alternatives, called “projects” now, were finally chosen, grouped and assigned to 4 work groups to prepare draft action plans for each project (step 7). The work groups benefited from both, existing plans and ideas with regard to the projects as well as the heterogeneity of the group.

7 of the 8 tasks had been completed (see [annex 6](#)). Taking the time of less than 2 hours into consideration, the activities suggested by the groups are highly relevant for the economic development of Quang Binh Province.

However, a more detailed and decelerated planning, also based on actions/alternatives might have resulted in more operational documents. For future workshops of similar nature, it might be considered useful, if 4 days time could be made available. Finally, this is a cost-benefit consideration and in the context of a first such joint effort the shorter version certainly was the better choice.

- In order to facilitate an implementation of the plans drafted during the workshop, a “To-Do” list finally was established in the plenary:

	<i>To do</i>	<i>Who</i>	<i>Until when</i>
1	Prepare draft documentation	SMNR-CV, Mr. Baerenz, Mr. Hong	End of 03/2005
2	Comment to Documentation	DPI GTZ	Mid of 04/2005
3	Revision / Finishing	SMNR-CV, DPI	Mid of 04/2005
4	Decision on plan	PPC	End of 05/2005
5	Implementation	As scheduled in the documentation	As scheduled in the documentation
6	Establishment of monitoring task group	People’s Councils at different levels DPI	
7	Follow up/ review workshop	GTZ / DPI	05 / 2006
8	Internal assessment of methodology		

1.4. **LED in Vietnam / GTZ SME-Programme**

The GTZ SME Programme currently implements a LED-strategy based on the PACA method (for more details see [Annex 8](#)). The value of this approach lies in more innovative ideas regarding development potentials, arising from extensive field work appraisal.

SMNR-CV has chosen the World-Bank based LED approach, due to limited resources and also in order to offer a tool to the Provincial Government which integrates easier into existing and traditional planning processes. The strategic LED planning workshop shall impact on the Five-Year-Plan, actually under preparation. Furthermore, the same approach shall be applicable for a more action-based use at district level for strategic local economic interventions. In this way, the project introduces innovative planning methods, enables more participative planning, and develops a strategic line for its own support activities.

1.5. ***Final Conclusions with regard to the LED Workshop***

Several features made the event become a highly innovative contribution of the project to the development of the Province Quang Binh:

- more than 40 representatives of a wide range of stakeholders working together for three days in strategic planning;
- a high participation of all, requiring active involvement;
- a new planning approach, quite in contrast to the traditional central planning of technical departments;
- a substantial work load under considerable time pressure;
- the concentration on economic development.

Traditional planning in Vietnam usually does neither involve heterogeneous interest groups nor participative methods, which somehow ignore hierarchies. The impact of the workshop consequently lies more in the change of views and attitudes that has been initiated than in the project action plans as an output.

DPI as the main responsible authority of the Province committed itself to the implementation of the “To-Do” List for the realisation of the actions plans. Nevertheless, it would be rather unrealistic to expect that these plans will be implemented 1:1. This would signify a dramatic change within the central planning processes which cannot be induced ad hoc and by just one workshop.

Reaction of participants and responsible politicians showed a vast appreciation of LED method and process. If the follow-up steps are implemented, the workshop will have instigated a very productive process.

Conceptual Framework and Implementation Strategy

1.6. *Introduction*

Despite enormous economic growth at national level, poverty still prevails in remote rural areas where the basis for survival is subsistent agricultural production. But land utilisation *in the district areas* suffers from population pressure, absence of major economic ventures, deficiency in exploitable raw materials and the lack of tradition in manufacturing. Although newly equipped with the Ho Chi Minh Highway and other examples of access infrastructure, the remote location does not offer very few comparative geographic advantages.

In other words, external economic investments in Tuyen Hoa and Minh Hoa districts can only be expected on a very limited scale (apart from the tourism sector). Job creation and income generation has to be largely based on local potentials and resources.

During the IFSP, several initiatives have been undertaken by the project in order to foster non-agricultural, non-forest income opportunities. Under the new project, the promotion of alternative income opportunities from the marketing and processing of agricultural and non-timber forest products (in short: result iv) gains even more importance. Sustainable management of natural resources can only succeed, if the population is not forced to exploit these resources in a self-destructive manner.

During the short field visit to Tuyen Hoa and Minh Hoa districts it became obvious that the land property of households today lies at minimum level and that the communes do not own enough land reserves to allocate new plots. The next generation cannot survive from land inherited by parents and split among the children. Quite frankly, some interview partners of the young generation admitted that they have to exploit timber from the forests for their survival. Without reforestation this solution will vanish in due time, but the answer to this was simple and understandable: “we think for today not for tomorrow”.

1.7. *Milestones in Result IV Activities*

Apart from many implementation activities, the previous and current project carried out systematic work to promoting income, not directly originating from agriculture or forestry:

- introduction of MA&D, a systematic approach to identify potential sustainable forest based and non-agricultural cash income generating activities; since Feb 1998;
- qualification of CEFE trainers and organisation of CEFE courses, during IFSP;

- Survey of Off-Farm Income Generation in the project districts, to assess the impact of related activities of the IFSP (1996 – 2002) and draw conclusions for future action, Feb. 2002;
- participation in LED workshops, including PAC ToT, to explore the potential of the method for own project purposes, since 2004;
- Socio-Economic Baseline Survey, in order to produce empirically representative baseline data on the current socio-economic conditions of the target group, Sept. 2004;
- Training Need Assessment Survey on CEFE in 8 Communes, in order to recommend suitable training courses for the target group, No. 2004;
- Survey For Assessment of Potential Products in the project districts, in order to assess market potential, present production and investment needs for selected products (as an outcome of previous surveys); Nov. 2004.

The list is far from being complete. It shows a systematic effort of the project to understand the situation (e.g. baseline survey), to learn from previous activities and evaluate impacts (e.g. Off-Farm Income Generation Survey), and to develop alternatives (e.g. Training Needs Assessment and Potential Product Assessment).

Under this perspective it can be stated that SMNR-CV is far from the self-critical analysis: “the project lacks an overall conceptual framework in the field of alternative income opportunities”. In comparison with other projects we find rather coherent management and implementation.

On the other hand, the expectation of a “magic strategy concept” that almost automatically results in significant income generation is unrealistic. In particular, an overall concept, bringing up the desired results, does not exist, although concept promoters may say the contrary. For a project like SMNR-CV, it will be wise to use different concepts and tools simultaneously in order to have a broader basis for interventions. For a strategy of project management, both have to be compatible and impact oriented.

1.8. ***Levelling Concepts and Tools***

Different terms have been discussed and levelled during an internal project workshop at the end of the mission:

- 1) Concepts:
 - a) LED: an overall and very open *planning concept* that is specialised in economic development at local level (what is needed here). The outcome of the planning may be versatile in the sense that very different tools (LED would say actions) can be identified and applied. The idea is specifically not to come to standardised solutions but the way the planning is done – under

participation of stakeholders and using a participative planning method.

- b) MA&D: a much more specific concept aiming at *identifying suitable products* and developing business solutions for them - less participative but clearer and more predictable in its outcome. It goes beyond planning (like LED) right into implementation.

The utilization of both in the project is suitable. By MA&D – complemented by additional surveys - several products have been identified and should be promoted in a consistently planned manner (coherent operation plan) using different tools (see below).

Planning can be expanded in the same time by bringing LED to district level. The expectation is that involving stakeholders results in a wider planning perspective and rears commitment. Consequently the outcome of LED is not a plan that the project would have to implement but the stakeholders involved in the plan.

2) Tools:

Remark: all tools listed below could be actions within LED, but some are more typically linked to one of the two concepts. Tool application can start before district LED workshops in order to gain experience.

Tool	Main Link to	Principal Purpose	Use in the Project
CEFE and SIYB	MA&D	a systematic business training tool	1. enhance entrepreneurial perspectives and competence of target group 2. assist in business planning
Value Chain	MA&D	increased value added in the districts	experimental application in one of the MA&D products (mushrooms), evaluation and if positive, later extension
Cluster	LED	cooperation of stakeholders of one cluster in order to promote its development	experimental application in the MA&D product with the highest level of self-organisation (bee-keeping), evaluation and if positive, later extension
PPP	LED	generation of resources from private sector and combination with public objectives	explore PPP potential for rattan and bamboo sales; further areas might be identified in LED
Credit mediation	LED	increased access to finance as a means for business development	activate cooperation with Women's Union in the district communes, in particular for information campaign and linking potential businesses with the WU

1.9. **Strategy and Operational Plan**

Based on the previous experience and considerations the project should make use of both,

- the products identified by MA&D and further analysed by different surveys (in the context of MA&D);
- the potential that a strategic LED at district level will generate.

The product focus on MA&D will thereby be extended by more open and perhaps surprising alternatives. In this context it is of utmost importance that the facilitation of the workshop will not try to simply re-plan the MA&D products by means of LED. Whatever LED brings up is to be seen as complementary. The project wants to have a second more ample approach to strategic planning.

In general, the outcome of LED is a mutual development plan of the participating stakeholders. It shall

- neither be a wish list of the workshop participants to be then handed over to others and lean back,
- nor an idea generating machine for a bilateral project that would then implement it all.

In other words, the projects (or alternatives) chosen and prepared by the workshop must fall into scope and range of the stakeholders. The project's contribution is to be seen in supporting, enabling, coordinating, following up. Only exceptionally, the project would take over implementation of one of the LED projects.

The discussions within the project led to the elaboration of a new operational plan (attached in [annex 7](#)). It is based on the above described principles.

A few remarks:

- the OP is ambitious, but not unrealistic.
- columns for internal and partner resources should be added in order to identify bottlenecks.
- the OP should be monthly monitored by the responsible result iv manager and a progress session with project management held bi-monthly.
- delays should be analysed and reported, the plan updated accordingly.

1.10. ***Draft Impact Chain of Result iv***

Within GTZ's "orientation on impact", impact analysis gains increasing importance. The following chart is meant to complement the operational plan. Since this document had not been prepared during the mission nor with project staff it shall serve as a draft for internal discussion. The chart shows the connection between interventions and impact on partner organisation as well as the target group.

After finishing it should be used as a regular instrument to assess validity of the strategy with regard to intended and accomplished impact. Wherever impact cannot be achieved, the intervention should be adapted or even replaced by other more relevant activities.

SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES IN CENTRAL VIETNAM - SMNR-CV										
Overall goal: The living conditions of the local population in the mountainous areas of the project region are improved in accordance with a stabilization of the ecology										
Project purpose: The stakeholders in the project region manage their natural resources in a sustainable way		Indicators project purpose: 1. By 03/2006, at least 50% of the stakeholders, including women and ethnic groups (Kinh and ethnic minorities) at village, commune and district level indicate that their livelihood has substantially improved. 2. Three years after completion of land use planning and land allocation, the forest cover in at least 75% of the project communes is at least 10% higher than before. 3. The poverty rate in all communes of the project area decreases steadily. 4. By 03/2005, the dissemination of selected project concepts has effectively started in the neighboring Provinces of Quang Tri and Thua Thien Hue (in short: Hue) on the basis of agreements with the relevant authorities. 5. By 03/2010, the project implementation partners (technical services on provincial, district and communal levels, mass organizations, private sector organizations, etc.) are sufficiently qualified and experienced to render efficient service target groups.								
Result 4: Income opportunities from the processing and marketing of agricultural and non-timber forest products are supported, providing equal opportunities for men and women.		Indicators result 4: 1. By 03/2007, at least 10% of the households in the project region effectively participate in income generating activities. 2. Among the participating households, the additional income increases by 10% annually. 3. The additional income is distributed about evenly among men and women. 4. By 03/2006, at least 20% of participating households have been assisted in accessing and using short and medium term credit from ADB-VBARD and other financing institutions.								
Topic / Area	Inputs	Dead Line	Costs	intended internal impact	accomplished impact	Use of Inputs by Partners	Impact on Target Group		not intended impact	lessons learnt
							direct	indirect		
LED introduction	Introduction of strategic LED planning at provincial level			Provincial Government includes participative approach in economic planning process		Provincial Government repeats LED planning with project support, implements part of project plans	participation of target group in planning	more relevant economic projects		
	Local LED Workshops			district stakeholders agree on joint economic development strategy		district authorities use LED as part of planning procedure				
M&E expansion	Beekeeping			expand beekeeping by ToT and media campaign		more extension workers of communes offer bee keeping services	increased use of services	more NTFP business activities rate alternative income		
	Mulberry and silk			introduce improved mulberry varieties and diversified silk processing		TSGs offer distribution of better seedlings, district authority accepts more middlemen				
	Mushrooms			more practical training is offered to more dedicated households		TSGs accept more critical selection of beneficiaries and include training by practitioners				
	Bamboo and rattan processing			explore more productive marketing (sales channels)		stayers association improve and diversify marketing				
New tools used in M&E	cluster development bee keeping			self organisation at larger level introduction of quality control for marketing		TSGs support self organisation and quality control system	higher potential for marketing	more honey sold		
	value chain mushrooms			introduce the tool		TSGs apply the tool	more local products	more value added		
	CEFE Training			enable CEFE training for existing businesses and start-ups		CEFE Quang Binh club provides courses	target group uses courses	better business, more start-ups		
	PPP rattan sales channels			enable professional marketing			producers use know how + sales channels	diversified products, more sales		
credit	credit mediation, Women's Union			dissemination of credit for business		Women's Union attends more businesses	use of credit for business	more + better business activities		

It was a great pleasure to cooperate in the LED workshop.



and to see the high level of participation



Annex 1: Terms of Reference

Short-term Assignment of International Consultant on

Local Economic Development (LED)

March 2005

Background

Based on the achievements of the “Integrated Food Security Program” (IFSP) which was supported by GTZ from 1996 to 2002 in the pilot districts of Minh Hoa and Tuyen Hoa of Quang Binh province, the follow-up project “Sustainable Management of Natural Resources in Central Vietnam” (SMNR-CV) pursues the overall goal of improving the living conditions of the local population in the mountains areas of the project region, in accordance with a stabilization of the ecology. The project purpose and the intended impact of the project is focused on capacity building, namely that the stakeholders in the project region are able and effectively manage their natural resources in a sustainable way.

The general implementation strategy is to consolidate the achievements of the IFSP and develop its outputs further in the fields of i) community-based village and commune development planning (VDP), ii) the application of appropriate farming systems, iii) community-based forest management (CBFM), and iv) the promotion of alternative income opportunities from the marketing and processing of agricultural and non-timber forest products (NTFP). Incorporating the lessons learnt from other donor financed projects, notably those supported by GTZ, the methods and models tested and adapted to local conditions by the SMNR-CV are to be disseminated, depending on the demand expressed by stakeholders in neighbouring provinces in Central Vietnam.

In the field of alternative “off-farm” income opportunities, the IFSP was conceptually based on the method of “*Market Analysis and Development*” (MA&D, see the summary paper attached). The process of developing, adapting and implementing this method involved several rounds of sector, product and market analysis, as well as the adaptation of the CEFÉ method to target the specific needs of the farming households and small-scale rural entrepreneurs in the remote project area. Towards the end of the IFSP in 2002, the outputs in this field consisted in a number of products successfully produced and marketed by almost 1,500 households, thus significantly improving their net incomes and living standards.

In the framework of the SMNR-CV, these activities have been again supported by the new project since April 2004. The impact and output indicators formulated in the Project Planning Matrix (PPM, see attached), Result 4, focus more specifically on increasing household incomes and – by covering a higher percentage of households and a larger area – rendering the project support more significant for the overall economic development of the area.

In the implementation strategy, MA&D, an adapted CEFE version and other tools continue to be applied. While this is seen as sufficient to formally fulfil the respective indicators, it is felt that the project lacks an overall conceptual framework in the field of alternative income opportunities. Based on the long-standing co-operation with the GTZ-supported SME project in Vietnam, the introduction of the overarching concept of “Local Economic Development” (LED) is therefore considered.

Objective

The objective of the mission is to elaborate – in collaboration with the project staff, partners and target groups – a conceptual framework and a revised implementation strategy for Result No. 4. Depending on the initial assessment, the framework will most likely be based on a locally adapted version of LED, but will possibly integrate elements of MA&D, CEFE, PACA, Value-added chains, PPP, Village Development Planning (VDP), promotion of NTFP, and/or other tools, as appropriate. The implementation strategy has to be realistic in the way that it takes into account the actual capacities of project staff, partners and target groups. The strategy will be complemented by a detailed Operational and Training Plan.

Results

The expected results of the assignment are not necessarily limited to the following points:

1. An assessment of the concepts, methods, and implementation activities currently applied by the SMNR-CV, the GTZ-SME project and – if appropriate - of other projects in the area is documented on the basis of relevant documents and discussions with key informants (see documents attached and web-sites of GTZ-SME (<http://www.sme-gtz.org.vn/>), Local Economic Development (LED, <http://www.sme-gtz.org.vn/initia.htm#eco>) and others.
2. Based on discussions with local stakeholders and a field visit in the project area, an assessment of the development potential of the area, of the capacities of local stakeholders, as well as of the appropriateness of LED and other conceptual approaches are documented.
3. An introductory workshop on LED of about 3 days is organized with key stakeholders in Quang Binh province. The workshop will cover at least, but is not limited to, the module 1 (Where are we now?) of the LED manual. The consultant will moderate and document the workshop with the assistance of a local co-moderator and support by the project staff.
4. Based on the previous steps, a conceptual framework for Results 4, including elements of LED and other approaches is discussed with the project staff and documented by the consultant.
5. Based on the key elements of the framework, the main points of a revised implementation strategy are discussed and documented.
6. Based on the above and on a 1-day workshop with the project staff, an operational and training plan is elaborated, covering the activities (including their monitoring) for the period 04/2005 to 03/2006.

Outputs

The consultants will provide a report in English not exceeding 15 pages, covering the above-mentioned results. The operational plan and training plan are parts of the Annexes. – The report will be translated into Vietnamese language by project staff.

Time Frame

In total 1 month, including 3 days of preparation, 4 days of international and domestic travel, 2 days in Hanoi for discussions with the GTZ-SME project, and 8 days of writing and final editing of the report. The field mission in Quang Binh of 14 calendar days is intended to start on March 4, 2005. Deadline for the submission (by e-mail) of the final report is April 10, 2005.

Remarks

Depending on the outcomes of the present assignment, a follow-up mission is envisaged for early 2006.

Annex 2: LED Workshop Programme Layout

Objective: Preparation of a consistent strategy for the stimulation of commercial activities in Quang Binh

Duration: March 09 until 11, 2005 – 09:00 a.m. to 05:00 p.m.

Location:

Programme Layout

Day One:

- Opening
- Introduction into LED
- Stakeholder Analysis
- Situation Assessment

Day Two:

- Visioning
- Defining Development Issues
- Setting Objectives

Day Three

- Defining Actions
- Developing Action Plan
- Final Discussion and Closing

At the end of the workshop the participants as stakeholders of the economic driving forces of the region will have developed a consistent strategy plan that shall be the basis for a joint effort in exploring the potential and developing the economic activities in Quang Binh. This plan will be implemented by the stakeholders and progress shall be reviewed in spring 2006.

Annex 3: Detailed LED Workshop Programme

Day

1

Start	End	Duration	Activity	Responsible
07:30	08:05	00:35	registration	
08:05	08:35	00:30	opening speeches	PPC; HJW
08:35	08:55	00:20	presentation of participants	Hong
08:55	09:25	00:30	LED introduction and overview	EB
09:25	09:45	00:20	integration of LED planning into Province planning procedure	Hong
09:45	10:05	00:20	workshop program and objective	EB
10:05	10:10	00:05	use of metaplan cards	EB
10:10	10:25	00:15	coffee break	
10:25	11:25	01:00	innovation exercise	EB
11:25	11:25		stakeholder analysis	
11:25	11:35	00:10	1. importance of stakeholders and participative approach	EB
11:35	11:40	00:05	2. results of stakeholder assessment	Hong
11:40	11:55	00:15	3. group work on key interests and key potential contributions	Hong
11:55	13:25	01:30	lunch break	
13:25	13:55	00:30	3. group work on key interests and key potential contributions	Hong
13:55	14:10	00:15	4. short presentation and discussion	Hong
14:10	14:25	00:15	powerfield chart; explanation and positioning by representatives of the organisations	EB
14:25	14:55	00:30	summary of LED assessment study - with discussion	Hong
14:55	16:25	01:30	situation assessment; groups:	
14:55	16:25	01:30	a. local area assessment overview	Hong
14:55	16:25	01:30	b. competition and collaboration analysis	Tuong
14:55	16:25	01:30	c. market and supply chain analysis	EB
16:25	16:40	00:15	preparation of summaries for presentation	each group
			afternoon break included in group work	.

Day

2

Start	End	Duration	Activity	Responsible
08:00	08:10	00:10	review of day 2 - getting started	Tuong
08:10	09:10	01:00	presentation of group work results and plenary discussion	each group
09:10	09:30	00:20	introduction into SWOT	EB
09:30	09:50	00:20	break	
09:50	10:30	00:40	group work	
10:30	10:30		~ strengths	Hong
10:30	10:30		~ weaknesses	Tuong
10:30	10:30		~ opportunities	EB
10:30	10:30		~ threats	Nha
10:30	11:30	01:00	presentation of group work results and plenary discussion	Hong
11:30	13:30	02:00	lunch break	
13:30	13:30		opening a vision	

13:30	13:40	00:10	1. short introduction	EB
13:40	13:45	00:05	2. individual ideas	EB
13:45	14:15	00:30	3. group work vision	Hong
14:15	14:30	00:15	4. presentation and delegation of final proposal to task group	EB
14:30	14:40	00:10	explain "issues - alternatives - actions"	EB
14:40	15:25	00:45	plenary brainstorm list of issues in LED	EB
15:25	15:45	00:20	break	
15:45	15:45		setting objectives	
15:45	16:00	00:15	1. explain "objective" and SMART	EB
16:00	16:40	00:40	2. group work on objectives	Hong
16:40	17:00	00:20	3. presentation of group work	Hong

presentation and hand-out of "action list"
homework individual lecture of "action list"

Day 3

Start	End	Duration	Activity	Responsible
07:30	08:00	00:30	4. matching objectives in plenary	all + HJW
08:00	08:05	00:05	review of day 3 - getting started	Tuong
08:05	08:20	00:15	presentation and short discussion of the "vision"	task group; EB
08:20	08:20		setting actions / sub-objectives / "projects"	
08:20	08:35	00:15	presentation of matched general objective	EB
08:35	09:50	01:15	1. plenary brainstorm of possible actions / "projects"	EB
09:50	10:00	00:10	2. Pareto: prioritization - 8 objectives / "projects"	EB
10:00	10:15	00:15	break	
10:15	10:15		action planning	
10:15	11:30	01:15	group work: preparing action packages for each "project"	EB
11:30	13:00	01:30	lunch	
13:00	13:30	00:30	group work continued: preparing action packages for each "project"	EB
13:30	14:50	01:20	workshop review; including group work presentation and final plenary discussion, finishing of plan	EB, Tuong
14:50	15:20	00:30	agreement of next Steps	EB
15:20	15:30	00:10	workshop feed back	all
15:30	15:50	00:20	closing words	PPC HJW
15:50	15:55	00:05	group photo	all

Annex 4: List of Workshop Participants

No.	Full name	Function	Organization
1	Mr. Phan Lam Phuong	Chairman	PPC of Quang Binh
2	Mr. Le Ngoc Lam	Head	General Economics Bureau, PPC Quang Binh
3	Mrs. Bui Thi Tuyen	Director	Dept. of Planning and Investment (DPI) of Quang Binh
4	Mr. Le The Luc	Head	VDP Working Group (DPI)
5	Mr. Nguyen Vinh	Director	Foreign Relations Dept. (FRD) of Quang Binh
6	Mr. Tran Tien Dung	Director	Dept. of Commerce and Tourism (DoCT) of Quang Binh
7	Mr. Nguyen Xuan Dung	Director	DARD of Quang Binh
8	Mrs. Nguyen Thi Nghia	Director	Dept. of Training and Education (DET) of Quang Binh
9	Mr. Nguyen Xuan Tuyen	Director	Dept. of Natural Resources and Environment (DONRE) of QB
10	Mr. Nguyen Van Long		Dept. of Transportation and Communication
11	Mr. Nguyen Van Phap	Chairman	People's Committee of Le Thuy district (DPC)
12	Mr. Tran Van Dam	Chairman	DPC of Quang Ninh
13	Mr. Le Van Quan	Vice Chairman	People's Committee of Dong Hoi
14	Mr. Nguyen Cam Son	Chairman	DPC of Bo Trach
15	Mr.	Chairman	DPC of Quang Trach
16	Mr. Ho Thanh Ngoc	Vice Chairman	DPC of Tuyen Hoa
17	Mr. Tran Van Minh	Head	Planning Division
18	Mrs. Vo Thi Thoai	Director	Tourism Company of Quang Binh
19	Mr. Dang Uoc	Director	Northern Industrial and Forestry Company of Quang Binh

20	Mr. Tran Manh Chau	Director	Bang Mineral Water and Tourism Company, COSERVO
21	Mr. Nguyen Van Sy	Director	Duc Thang Joint Stock Company
22	Mr. Vi Ninh Hoai	Director	Truong Thinh General Construction Joint Stock Company
23	Mrs. Phi Thi Minh Chau	Chairlady	Provincial Women's Union of Quang Binh
24	Mr. Lukas Wellen	CTA	NAPA Project / SNV Quang Binh
25	Mr. Tran Hoang Giang	Director	Union of Cooperatives' Association of Quang Binh
26	Mr. Tran Ngoc Lan	Director	Project "Sustianable Management of Natural Resources in Central Vietnam" (SMNR-CV)
27	Mr. Dr. Hans Juergen Wiemer	CTA	SMNR-CV
28	Mrs. Marianne Meijboom	Technical Advisor (DED)	SMNR-CV
29	Ms. Vo Nguyen Khanh Nha	Programme Officer	Poverty Action Program AP2015 (GTZ)
30	Mr. Nguyen Tien Lieu	Director	Co Cang Agricultural Service Cooperative
31	Mrs. Le Thi Huong	Director	Huong Son General Construction Enterprise
32	Mr. Dinh Xuan Huy	Director	Huy Hoang Construction Materials production Cooperative
33	Mr. Ding Long	Head	Bee keeping Club
34	Mr. Nguyen Minh Tan	Head	Agridultural and Cadastral Division of Tuyen Hoa district
35	Mr. Truong Anh Hung	Head	Agridultural and Cadastral Division of Minh Hoa district
36	Mr. Victor Pinga	Programme Manager	Counterpart International, Office in Quang Binh
37	Mr. Serge Berrut	Senior Advisor	Dong Hoi Urban Development Project (DUDP), SDC Quang Binh
Workshop Facilitation Team			
38	Mr. Eberhard Baerenz	LED Expert	Consultant

39	Mr. Pham Van Hong	Expert of Enterprise Support Centre	Vietnam VCCI
40	Mr. Trang Hieu Tuong	Off-farm local expert	SMNR-CV
41	Mr. Doan Ngoc Luong	Off-farm responsible staff	SMNR-CV
42	Mrs. Pham Thi Lien Hoa	Office Manager	SMNR-CV

Annex 5: Development Issues as Brainstormed in the Workshop

<p>Chính sách</p> <p>Policies</p>	<ul style="list-style-type: none"> - Cải cách hành chính - Dân chủ cơ sở - Giảm nghèo - Khoảng cách giàu nghèo - Sự tham gia của cộng đồng vào PTKTĐP - Gian lận thị trường - Buôn lậu - chảy máu chất xám - chính sách đầu tư - Hiệu quả đầu tư 	<ul style="list-style-type: none"> - PAR - Grassroots-level democracy - Poverty reduction - Poor-rich gap - Community participation in LED - Illegal business transactions - Smuggling - Brain drain - Investment policies - Investment efficiency
<p>Phát triển kinh tế tư nhân</p> <p>Development of private economy</p>	<ul style="list-style-type: none"> - Phát triển kinh tế tư nhân - Khả năng cạnh tranh của doanh nghiệp - Tìm kiếm thị trường - Nâng cao chất lượng sản phẩm - Hỗ trợ xuất khẩu - Nâng cao năng lực doanh nghiệp - Thành lập hiệp hội doanh nghiệp - Kinh tế HTX 	<ul style="list-style-type: none"> - Development of private economy - Competition capacity of enterprises - Seeking for markets - Increased product quality - Support to export - Increase of enterprise capacity - Establishment of enterprises associations - Cooperative economics
<p>Phát triển các ngành nghề tiềm năng, tạo thu nhập</p> <p>Development of potential off-farm activities, income generation</p>	<ul style="list-style-type: none"> - Du lịch - Nuôi trồng thủy sản - Tạo thu nhập - Ngành nghề phụ - Phát triển làng nghề - Hỗ trợ sản xuất - Tăng dịch vụ - Công nghiệp chế biến - Phát triển công nghiệp nặng 	<ul style="list-style-type: none"> - Tourism - Aquaculture - Income generation - Off-farm activities - Development of craft villages - Support to production - Services increased - Processing industry - Development of heavy industry
<p>TNTN môi trường</p> <p>Bảo vệ môi trường</p> <p>Natural Resources and Environment</p>	<ul style="list-style-type: none"> - Quản lý bền vững TNTN - Cơ cấu cây trồng 	<ul style="list-style-type: none"> - Sustainable management of natural resources - Cropping structure change with appropriateness
<p>Cơ sở hạ tầng nền kinh tế</p> <p>Infrastructure for economy</p>	<ul style="list-style-type: none"> - Hệ thống ngân hàng - Cơ sở hạ tầng giao thông - Tín dụng nông nghiệp 	<ul style="list-style-type: none"> - Banking system - Transporting infrastructure - Agricultural credit
<p>Phát triển kỹ năng</p> <p>Skill development</p>	<ul style="list-style-type: none"> - Đào tạo nghề - Đào tạo phổ thông - Công nghệ cho nông dân - Lao động được đào tạo 	<ul style="list-style-type: none"> - Vocational training - Basic education - Technologies for farmers - Trained laborers

Annex 6: Action Plan of the Selected Projects

Project 1: Human Resource Development

Activity	Capacity	Until when	Who will do	Cooperation with	Finance
Quang Binh University (Private)	01	2005-2009	PPC	<ul style="list-style-type: none"> - Dept. of Finance - DET - DPI 	Government Local ODA projects Others
Businessmen Training Center	01	2006-2007	Association of Cooperatives	VCCI	Province Enterprises Projects
Upgrading of College	03	2005-2007	Dept. of Education and Training (DET)	DPI Dept. of Transportation	Government Province Contributions of students
Construction of Vocational Center	06	2005-2006	District Bureau of Organization and Social Affairs	District Bureau of Planning and Finance	District Projects
Establishment of grassroots-level Community Learning Center	80	2005-2007	CPC	District Bureau of Education	District + communes
Program for talents attraction	20 persons /year	2005-2010	PPC	related institutions	Province Learning Promotion Fund
Abroad Study Program	30 persons /year	2005-2010	FRD	related institutions	Learning Promotion Fund Sponsor Selected applicants Others

Project 2: Tourism Development in Quang Binh

Major Activities	Who will do	Cooperation with	Until when	Finance
<i>Provincial tourism master plan</i>	DCT <i>Consultant</i>	DPI DoC DOST	2005-2006	Government ODA / ODA
<i>Vocational training for service staff</i>	<i>Vocational training centre and outside training centres</i>	Dept. of Commerce and Tourism Companies Association of Hotels and Tourism Services	Regular	Companies Government Association
<i>Establishment of association of hotels and tourism centres</i>	Companies (<i>Hotels/Tourism centres</i>) <i>voluntarily</i>		2005-2006	Companies
<i>Target marker research</i>	DCT Companies		regular	
<i>Diversification of tourism products and services</i>	DCT Association of Hotels and Tourism Centres Provide companies			
<i>Strengthen tourism in marketing</i>	Dept of Trade and Tourism	Related departments, companies	Regular	Authority and companies
<i>Promotion of production and marketing of souvenirs</i>	DTT, companies	Related departments and companies	Regular	Authority and companies
<i>Rural infrastructure (roads, communication, airport...)</i>	Dept. of Transportation, Post Office, DOC, DCT	PPC Related Departments		Government Governmental and local companies

Project 3: Investment Attraction

Programs	Capacity	Who will do	Cooperation with	Until when	Finance
Finalization of the investment policy		DPI	Related Departments and institutions	Q 1, 2006	Province
Elaboration of publications for advertisement of Quang Binh		DPI	Dept. of Culture and Information Dept. of Commerce and Tourism	Q 1, 2006	Province
Set up website for introduction of investment opportunities in Quang Binh		DPI	DOST	Q 1, 2006	Province
Preparation of summary of 100 major investment projects	100 projects	DPI	Related Departments and institutions	Q 1, 2006	Province
Organization of Conferences for national and international investment promotion		DPI	Related Ministries	2007	Province
Setting up of national and international investment promotion offices		FRD	DPI Dept. of Internal Affairs	Q IV, 2006	Province
Capacity building for investment promotion officers		DPI	MPI	Q II, 2006	AP2015 (GTZ)

Projects 4 and 5: Development of construction materials production industry

Programs	Capacity	Who will do	Cooperation with	Until when	Finance
Investment for construction of Clinker Grinding Factory (1 factory)	3,5 million tons/year	DPI	Dept. of Industry (DOI)	2008	FDI / DI
Investment for construction of cement production factory (2 factories)	1,5 million tons/year	DPI	DOI related Departments and institutions	2009	FDI / DI
Construction of Mangan refinement factory	1 factory	DPI	related Departments & institutions	2007	Joint-venture
Investment for construction of construction materials production factory from Silic	2 factory	DPI	DOI related Departments & institutions	2009	Joint-venture
Construction of electricity-proof porcelain items	1 factory	DPI	DOI related Departments & institutions	2008	Joint-venture

Project 6 and 7: Rural Development and Fishery Development

Program	Capacity	Who will do	Cooperation with	Until when	Finance
Rural and Agriculture Development					
Building irrigation schemes in concrete	500 km	Commune	ARD at district level	09/2008	Province District Local people
Upgrading of rural roads	700 km	Project management board at district level	Industrial Division	05/2010	Province + District + Local people WB, ADB, IFAD
Upgrading of markets in rural areas	50 markets	Project management board at district level	Dept. of Commerce and Tourism	10/2007	Province + District + Local IFAD
Application of shrimp raising in rice field	700 ha	Farmers	Provincial Fishery Extension Center (CEF)	12/2008	Local people credit
Application of intensive cultivation models of high-quality rice varieties	3000 ha	Farmers	Provincial Agriculture and Forestry Center (CAF)	12/2010	Local people + credit
Application of raising pigs with high lean	11 farms (300 pigs/farm)	owners	Provincial Agriculture and Forestry Center (CAF)	12/2007	Local people + credit
Fishery					
Building of zones aquaculture products processing for export	3 zone	Provincial Board of management	Dept. of Fishery	12/2009	Province
Elaboration and Monitoring the process of sea products catching	1	Fishery Dept	Dept. of Justice	12/2006	Central Government
Capacity Building of Off-shore fishing for teams of fishermen	40	Cooperatives	Provincial Association of Cooperatives	12/2009	Provincial Development and Support Fund
Application of sand shrimp raising models	300 ha	Households enterprises	CEF	12/2006	Loans and local people

Annex 7: Operational Plan

SMNR-CV

OPERATIONAL PLAN

Period: 04/2005 - 03/2006

Result 4: Income opportunities from processing and marketing of agricultural and non-timber forest products are supported, providing equal opportunities women

No.	Activities	Implementing agencies/ Partners													Cost estimate Budget Lines				
			2005										2006		Local grant	Training	Local consultant	International consultant	
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Euro	Euro	Person days	Person days	
4,1	Examine and support for Local Economic Development (LED)																		
4.1.1	Pursuit follow up activities of Strategic Planning for LED at provincial level																		
4.1.1.1	Draft workshop documentation	Consultants		■															
4.1.1.2	Discuss, revise and finalize documentation	Consultants		■															
4.1.1.3	Accompany DPI in monitoring LED process	DPI			■	■	■	■	■	■	■	■	■	■					
4.1.1.4	Organize provincial LED follow up workshop (Depending on demand and progress)	PPC, DPI, TSGs, consultants													→				
4.1.2	Organize district LED workshops															500		26	
4.1.2.1	Collect data and assess situation for Tuyen Hoa District	District DPI, TSGs, Consultants		■														10	

4.1.2.2	Conduct sensitisation LED workshop in Tuyen Hoa District	District DPC, DPI, consultants, District TSG																	100			3
4.1.2.3	Conduct stakeholders assessment	District DPI, Consultants																				3
4.1.2.4	Held the LED Strategic Planning workshop in Tuyen Hoa District	District DPC, DPI, District TSG of Tuyen Hoa, consultants																	400			6
4.1.2.5	Prepare, discuss and finish documentation of the LED Workshop	District DPI, District TSG of Tuyen Hoa, consultants																				4
4.1.2.6	Analyse and integrate selected LED actions into project operational plans	District DPI, District TSG of Tuyen Hoa, consultants																				
4.1.2.7	Monitor LED implementation process by stakeholders in Tuyen Hoa District	District DPI, District TSG of Tuyen Hoa, consultants																				
4.1.2.8	Evaluate LED process in Tuyen Hoa District for continuation in Minh Hoa District	District DPI, Tuyen Hoa TSGs,																				
4.2	Consolidate and expand results of MA&D process, and according to relevant actions																		10.100	0		69
4.2.1	Beekeeping																					
4.2.1.1	Conduct TOT training on Beekeeping for districts and commune staff of Agricultural Extension	District Agricultural Extension Stations, Consultants, TSGs																	1.800			44
4.2.1.2	Conduct film making of beekeeping in the two districts (for showing on local TVs and integrating as lessons at training courses)	Provincial TV station, TSGs																	500			
4.2.1.3	Launch an expansion campaign for beekeeping (make use of bees trainers of the two districts)	District bee trainers, TSGs																	3.000			

4,8	Support Project progress Evaluation Mission																		
	Total														12.850	1.700	95		

ANNEX 8: LED in Vietnam / GTZ SME-Programme

In cooperation with MPI and other partners, GTZ implements a SME-Promotion project with the overall objective “to improve the competitiveness of private small and medium enterprises in Vietnam”. It is based on four pillars:

- SME Policy & Enabling Environment
- Local Economic Development
- Competitiveness of selected Value Chains & Sectors
- Advanced Technical Services

The project focuses on four selected provinces: Hung Yen (North), Quang Nam (Centre), Dak Lak (Central Highlands), and An Giang (South) – with the intention to later disseminate the experiences to national and regional level.

LED forms a main part of the project’s activities. It adheres to generally accepted key principles of LED. Yet, the approach of implementation is slightly different from the one applied in Quang Binh province:

- LED within the SME Project is based on PACA, a participatory method that devotes a lot of efforts to appraising potentials. PACA is comprehensively elaborated and tested worldwide. It applies innovative instruments for participatory situation and potential assessment but cuts down the aspect of strategic planning, project definition within ongoing policies and implementation.
- The process starts with awareness building workshops of 1 to 5 days duration. It involves substantial fieldwork for action oriented diagnostic of local economy.
- Method and process require extensive training of appraisal staff and trainers as well as a rather large amount of human resources for both, field work / workshop experts and workshops with the local community.
- The essential outcome are practical short term initiatives with quick impact, not so much an integrated aspect of regional (or local) development.

The method of action oriented appraisal acquires its value by generating more innovative development ideas. If accepted by the participating stakeholders the impact of such initiatives can be overwhelming.

The SME, so far, project undertook the following steps:

- training of PACA facilitators,
- formation of PACA teams,
- several appreciation and mobilisation workshops,
- pilot application in one district of An Giang Province, with

- identification of 3 actions,
- one value chain analysis, and
- planning of actions for each value chain elements.

SMNR-CV has chosen the LED approach as pursued by World Bank and UN-Organisations which is compatible with PACA with regard to key principles. It has the following comparative advantages:

- Alternatives are based on a plenary discussion. This facilitates the integration into existing and ongoing development plans like for instance the 5-year-plan. Ideas may be less innovative but can be easier assimilated by traditional and centralised planning structures like the ones in Vietnam.
- The outcome mirrors existing intentions, supplements with new ideas and increases the buy-in, i.e. acceptance and follow-up by stakeholders.
- The frame of planning (see above Strategic LED Planning Cycle) tries to integrate the alternatives into a development strategy – although the term may create unrealistic expectations in the beginning.
- The approach requires fewer resources which makes it easier to apply.

It seems to be advisable in circumstances where resources for LED are quite limited, traditional planning structures are imperative, and the expected outcome aims at rather general and integrated local development than the identification of distinct ideas.

In the case of Quang Binh Province the approach furthermore serves as intervention at two different levels: the Provincial Government and stakeholders who would have required a lengthier introduction into the process on one side and the districts at the other side, where the interest rather lies in integrated, small and quick impact projects.

ANNEX 9: Stakeholder Assessment for LED

The review of who should take part in the planning process is an important but also delicate task. Within the participatory approach of LED they are not meant to be decorative elements that acknowledge and accept plans but driving forces who get actively involved in planning and implementation. Consequently they are defined and identified by several criteria:

- desired composition (mix) of the group: public sector, business sector, labour organisations, NGOs;
- stake in the issue (as a first event of this type the issue was very open, which could include almost everyone. Consequently the task was to assess how relevant their stake was for strategic economic development of the Province);
- formal position (mainly with regard to decision making);
- functional position (credibility in the public, needs and interests)
- control over relevant resources (needed for implementation of possible action; mainly human and financial resources);
- promotion power (or the contrary if excluded).

The difficulty of assessment and, then, selection mainly lies in the exclusion of potential participants. Since the workshop served very much for the introduction of the method and the initiation of participative planning as an approach which complements the traditional planning procedure at provincial level in Vietnam, it was prudent to get a high number of public organisations involved in the workshop. But it must be clear for the exercise of future SEC initiatives that the stakeholder assessment requires a more analytical and less descriptive outcome:

- criteria of assessment should be determined in coordination with project management;
- assessment of the criteria then should lead to a rating of potential participating organisations;
- conclusions regarding the invitation list should be drawn with more rigidity.

As discussed in the project and stated in the report, a one day information and appreciation workshop could serve as basis for self assessment of potential participants with a double effect: firstly, expectations related to the workshop and later involvement in follow-up would become clearer, and secondly more relevant and active organisations would get involved.

ANNEX 10: Situation Analysis for LED

The situation analysis explores business relationships and organizational networks within the and between the local area, the region and the rest of the world. It looks at economic events and economic trends. It examines the economic base and how the local economy functions. This requires an understanding of local businesses, what they produce, and where they purchase their inputs. It looks at the economic past and present of a local area and provides base data used to identify and prioritize important issues to be considered in development plans for the future.⁸

The document presented in the workshop was prepared with a very limited time budget and referred to documents that were commonly known, partially even written as marketing papers. Consequently, not much inspiration was created with this information at hand. Apart from the valuable summary of general economic and sector specific information, the document failed to give an incremental input.

PACA as alternative LED method addresses a lot of resources to this subject with the outcome of – sometimes – remarkable development issues. But, as stated before, the workshop mainly served as an introduction of LED at a high political level in order to complement ongoing five-year-planning with more participative energy. Accordingly, the focus was not to create genius ideas but to facilitate a joint effort in strategic planning during the workshop.

The chosen LED approach relies more on the group dynamic of the workshop to build up economic development ideas than on external proposals to be discussed and elaborated. Nevertheless, it is recommended for future SEC initiatives:

- to structure the report in a more condensed way (more key points, less consecutive text);
- to deduct ideas of development potentials from the basic information in a kind of internal brainstorm session;
- to use problem analysis in order to identify development constraints and opportunities in a more structured way.

⁸ also refer to LED Manual Step 3