

gtz



OECD-DAC

Capacity Works

Impact Chain

Introduction and Methodology



Structure of the Folder

The folder has this small brochure and seven product sheets. The information presented in both has been limited for easier reading. More detailed information can be obtained from a separate report.

Brochure

The brochure provides some background information and explains the methodology, which was applied for the description of 7 products, which were generated by the 2 projects of Viet Nam-German Technical Cooperation. Those products are shown in this folder as separate product sheets. After some general information about the 2 projects in Dak Lak and Quang Binh, the products are introduced. The next chapter explains the conceptual framework, which has been used for the development of 6 models. Those 6 models serve as a guideline for the analysis and presentation of the products in the product sheets.

Product Sheets

The 2 projects in the provinces Dak Lak and Quang Binh worked in 4 components. From those components 7 products were taken for the product sheets. Each product sheet depicts briefly the component and then the particularities of the product development in the respective project and province. The products are further presented as lessons learned, for which the 6 models have been used. Mostly 3 models were used for one product.

General Information

The Vietnam-German Technical Cooperation projects “Sustainable Management of Natural Resources in Central Vietnam” (SMNR-CV) and “Rural Development Dak Lak” (RDDL) are part of the Sub-Sector: “Forestry and Integrated Rural Development”, which belongs to the Sector “Environmental Policy, Protection and Sustainable Use of Natural Resources” of Vietnam - German Technical Cooperation. Both projects pursue similar objectives and project concepts and have been supported by GTZ over the last 6 years through the GFA Consulting Group.

The components of both projects are:

- Decentralized Participatory Development Planning
- Community Forestry
- Up-land Agriculture / Participatory Agricultural Extension
- Value Chain Promotion (SMNR-CV)

The documentation of the “lessons learnt” of both projects along concepts and implementation results has a clear market orientation with an extended clientele:

- German Technical Cooperation: Contributions to knowledge management and to conceptual development of approaches to program planning and evaluation
- Public sector organizations in Viet Nam, which are involved in the larger context of NRM and Rural Development
- Other donors in Viet Nam, which support Natural Resources Management and Rural Development

The documentation does not evaluate achievements of the 2 projects in a classical sense, but describes “products”, which are in compliance with international quality standards of development cooperation, and are presented in product sheets.



RDDL in Dak Lak

The province is located in the southern part of Viet Nam's central region with a good transport network, which connects Dak Lak with other provinces in the Central Highlands and in the coastal areas and with Ho Chi Minh City and Hanoi.

The socio economic development of Dak Lak has progressed rapidly in the recent years. The economy depends largely on agriculture, particularly on large scale coffee, rubber, pepper and cashew. Today, Dak Lak is the main coffee producer in Viet Nam and a major supplier on the world markets. The economic growth was accompanied by a rapid increase in population due to Government resettlement programs and an uncontrolled in-migration from lowland Kinh-Vietnamese and other ethnic minorities from the northern regions of the country. The ethnic groups tend to move to more marginal and less productive lands on the upland slopes to practice their traditional shifting cultivation, often degrading forests and soils. The resulting extent of deforestation poses a threat to the natural resource base which in turn is a key problem of poverty particularly for rural ethnic minorities. Dak Lak has 600 ethnic minority villages with 44 ethnic minority groups. In the past they were largely disintegrated and had limited access to government services. Recently the provincial government started to integrate ethnic minorities into their general socio-economic development programs. The project RDDL has supported the integration of ethnic minorities into the economic development in Dak Lak Province. The specific consideration of the requirements and socio-cultural background of the ethnic minorities was hereby key to the anticipated adjustments of the regulatory framework for rural development and the management of natural resources in the province. RDDL was engaged in concept and model development in 2 pilot districts, and emphasized on institutionalizing developed concepts and methods into regular administration and development programs. The project is implemented by the Department of Planning and Investment (DPI) on behalf of the People's Committee of Dak Lak Province (PPC).

For further information, please visit www.rddl-daklak.org



SMNR-CV in Quang Binh

Quang Binh province is situated at the North Central coast of Viet Nam and is well connected to its neighboring provinces Ha Tinh on the north and Quang Tri on the south by the National Road 1A and the Ho Chi Minh Highway.

The provincial per capita GDP is one of the lowest of Viet Nam. Over 80% of the population lives on agricultural production. A few industries are based on abundant limestone and white clay deposits. Sea food processing and recently tourism further contribute to the economy. The provincial agriculture is largely subsistence oriented with beginning market integration. Since recent Quang Binh is no more food deficient. The forestry sector of Quang Binh has started to change from mainly forest exploiting to afforestation and natural forest conservation. The population of Quang Binh province is predominantly Kinh people. Only 10% are people of 24 ethnic groups, all of them living in mountainous areas.

The project SMNR-CV aims at contributing to a significant improvement of the living conditions of the population in the mountainous parts of the project region, while at the same time stabilizing ecological conditions. This is achieved by enabling the stakeholders in the project region to manage their natural resources in a sustainable way. The project pursues an integrated approach to natural resource management. It specifically addresses provincial priorities of local economic development, such as the need for a more efficient and sustainable use of the endowment with natural resources in the fields of agriculture and forestry by farming households and producer groups in remote rural areas. Project partners in the public and private sectors started to adopt innovations, which are being integrated into regular procedures of line departments covering all rural communes in the project area.

The People's Committee of Quang Binh is formally the "Project Owner" of the SMNR-CV.

For further information, please visit www.smnr-cv.org



The Products

Product Definition and Orientation

The undertaking of identifying and describing marketable products requires clarity on the product definition and orientation for product selection. For the product definition a few key criteria are applied:

- Partners generate and own the product and make use of it. The impact of product utilization meets development goals of partners.
- Products meet the market demands of today and tomorrow
- The process of production can be described and classified.
- Products can be communicated and transported.
- The value of a product justifies costs of production, transport and marketing.

The orientation for product selection follows four principal demands captured in the following questions:

- Does the product clearly support a key strategic area of Vietnamese partners in rural development? Is the product relevant to policy development processes?
- How is the likelihood that the product is marketable to the Vietnamese government, to the German Ministry for Economic Cooperation and Development, or to another donor in Viet Nam in the foreseeable future of development cooperation?
- Is the product development a sure business area or rather risky and complicated?
- Does the generation of the product clearly demonstrate the management competence of German Technical Cooperation?

Product Identification

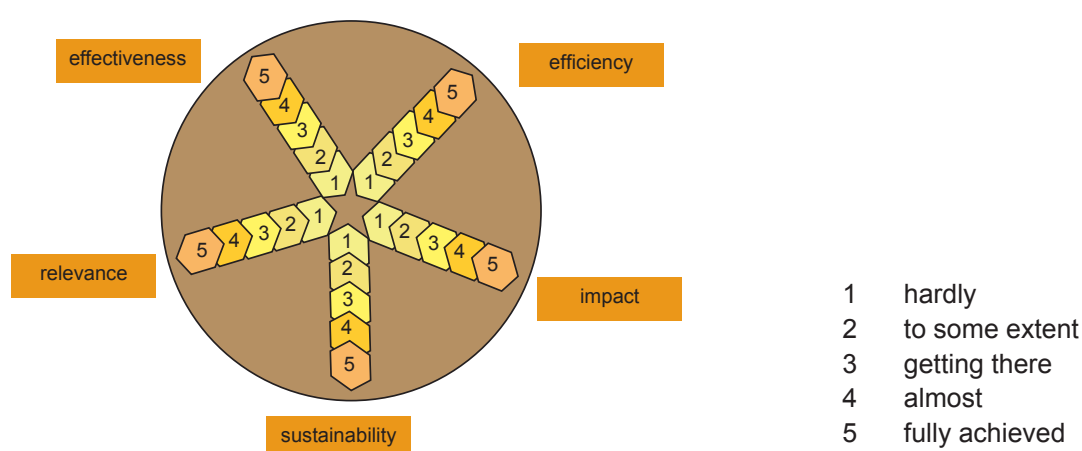
Following above product definition and orientation for selection seven products are identified from the four components of the two projects in Quang Binh and Dak Lak:

Component	Products from SMNR-CV, Quang Binh	Products from RDDL, Dak Lak
Decentralized Development Planning (<u>DDP</u>)	Product 1 Village and Commune Development Planning VDP - CDP Participatory Socio Economic Development Planning	Product 2 Integration of Village and Commune Development Planning (VDP – CDP) into Participatory Socio Economic Development Plans
Community Forestry (<u>CF</u>)	Product 3 Generating benefits (short / medium / long term) from degraded natural forests and barren forest land by forest user groups	Product 4 Benefit sharing for commercial timber use by ethnic minorities from rich / medium natural forests
Up-land Agriculture/ Participatory Agriculture Extension (<u>PAE</u>)	Product 5 PAE - integrating farmers' needs into agriculture extension services	Product 6 PAE - integrating Participatory Technology Development, modeling and extension for upland farming with ethnic minorities
Value Chain Promotion (<u>VC</u>)	Product 7 Value Chain and Cluster Promotion	

Product Evaluation: Measuring Success

Success for both projects refers primarily to the question of “institutionalization”, which is a fundamental demand of Technical Cooperation generally, particularly for the second or last phase of a project. Institutionalization is a part of product development, and usually has the dimensions of “roll-out” and “scaling-up”. The fundamental question for success (a marketable product) therefore is: “Is the product development further been institutionalized by the project partners, and are there evidences, that it carries the potential of being rolled out in the province and scaled up beyond the province, or, are those processes already under way?”

The focus on marketable products implies that internationally recognized quality standards for measuring success of ODA programs are applied to characterize these products. Such standards are defined by **OECD-DAC** with the criteria of



All seven proposed products have been scanned in a participatory way with project partners, project staff, and target groups along the OECD-DAC criteria: For each criterion achievement levels were identified on a range from “hardly” to “fully achieved”.

The result of the application of the five criteria for each product shows following distribution:

OECD-DAC criteria	DDP		CF		PAE		VC
	SMNR-CV	RDDL	SMNR-CV	RDDL	SMNR-CV	RDDL	SMNR-CV
effectiveness	5	5	5	4	5	5	5
efficiency	5	5	5	5	5	4	5
relevance	5	5	5	5	5	5	4
impact	4	5	4	4	4	5	5
sustainability	5	4	4	4	5	4	3

With those results all proposed seven products from the two projects are to be classified as being successful by international ODA standards.

Success factors

The seven products can further be analyzed, described and classified along the five success factors of the GTZ management instrument "Capacity Works".

Those "Capacity Works success factors" are applied as a useful guideline for the question as to how the program managed to get the success stories built.

strategy

What were strategic options of the measure?

Demand orientation of the measure: how is the balance with the strategic offer of TC?

Is the strategy of the measure aligned with the sector strategy of the partner country?

cooperation

Has the project strategy been developed together with key partners?

Does the project support networking between the direct partners and other organizations?

How is cooperation with other TC measures made use of? Could synergies be developed?

processes

Is the steering structure (structures and processes of communication and decision making) functional in terms of taking over responsibility, commitment and ownership, flexibility?

Are impact chains developed together with partners? How are impact chains being used?

steering structure

Are implementation processes clear and coordinated with the partners?

Have appropriate change processes been identified in the partner system?

Are those known to the project team?

learning/ innovation

How is learning in all other 4 success factors analyzed, synthesized, documented?

How are learning results made available to other important persons / organizations (counterpart, public sector, civil society, private sector)?

What are channels, instruments, processes?

Conceptual Framework

The conceptual framework for the analysis and description of the seven products is guided by a combination of the three sets of criteria:

Institutionalization, roll out and scaling up

The GTZ management instrument Capacity Works: leading to success

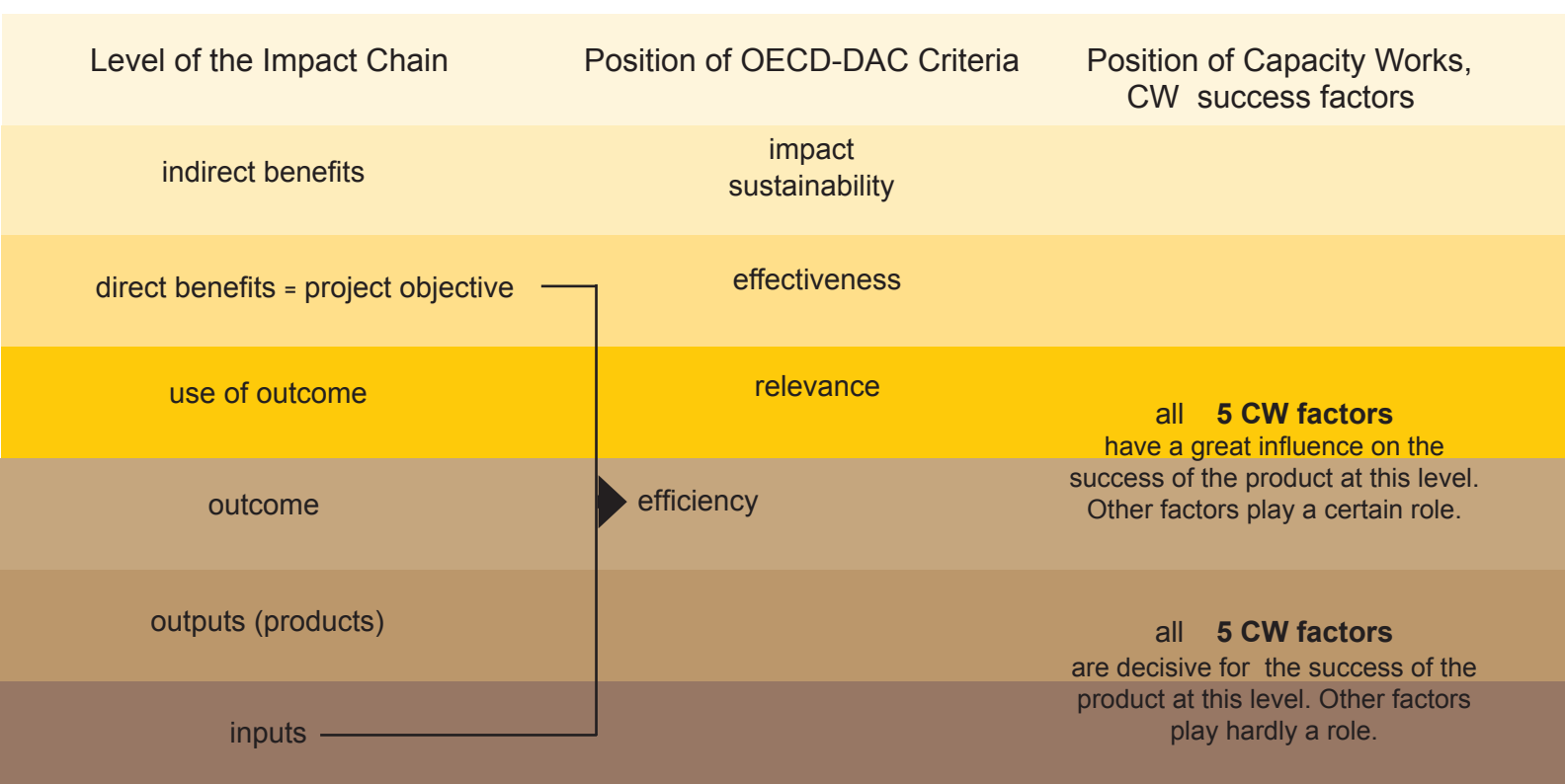
The OECD-DAC criteria: measurement of success

The relationship between Capacity Works success factors (strategy, cooperation, steering structure, processes, learning/ innovation) and the OECD-DAC criteria (effectiveness, efficiency, relevance, impact, sustainability) is determined by their respective position at the Impact Chain.

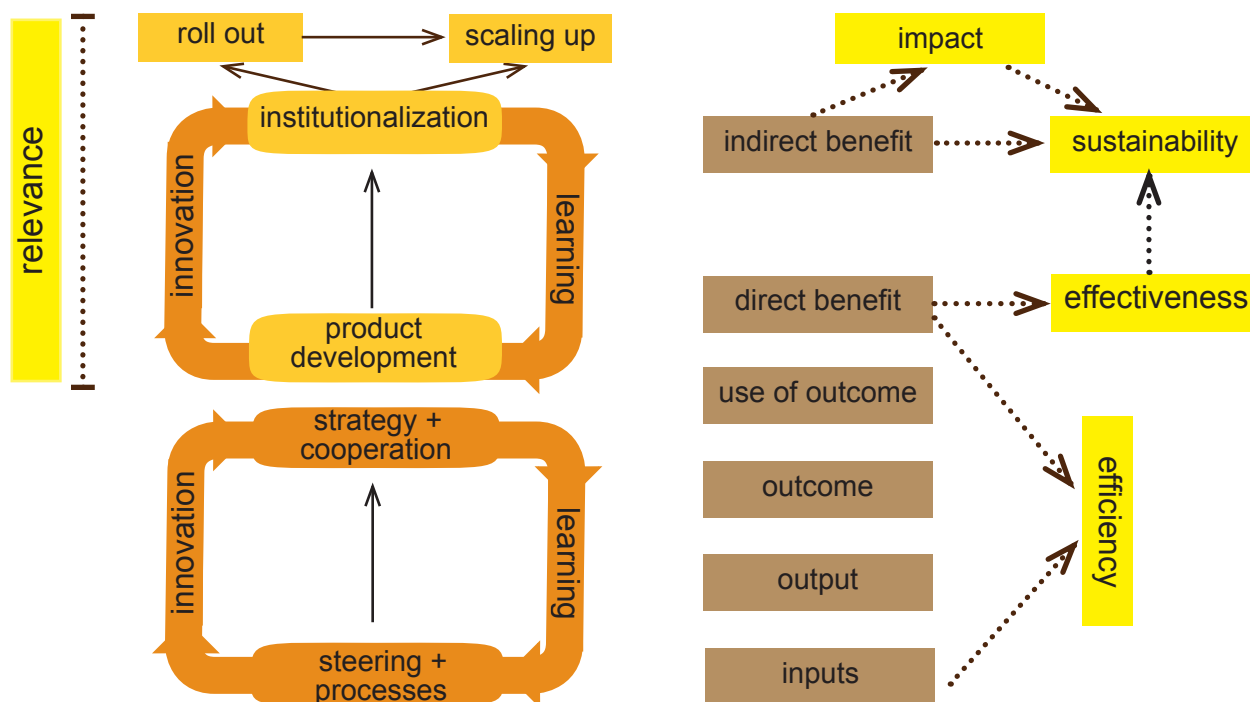
The Impact Chain starts with *inputs* at the bottom and end with *indirect benefits*. Indirect benefits are above the project objective (*direct benefits*). Outputs are usually referred to as products and services, above those is the outcome and the use of outcome.

The 5 Capacity Works (CW) success factors are clearly management tools, and therefore are positioned at the levels of *inputs*, *outputs*, and *outcome*. The level *use of outcome* is almost beyond the influence of direct project management, factors outside management play here a role as well.

The OECD DAC criteria are located at very different levels. Whereas Impact and Sustainability are both at the level of *indirect benefits*, Effectiveness measures the achievement of the project objective, and is therefore at the level of *direct benefit*. Efficiency examines the relationship between *inputs* and *direct benefit*. Relevance measures the extent to which the development measure matches the needs of the target groups and partner institutions, and is therefore mostly at the level of *use of outcome*.



The picture becomes more complex, when the Impact Chain, Capacity Works success factors, and the OECD-DAC criteria are linked to the key demands of technical cooperation, which is institutionalization, roll out, and scaling up:



The graph demonstrates that the Capacity Works success factors influence the concept of institutionalization, roll out and scaling up mostly in 3 ways:

- The factors steering and processes are located more on *output* level, the factors strategy and cooperation seem to be rather at the level of *outcome* and *use of outcome*.
- The factor learning / innovation is different in nature and keeps the various levels connected through feed back loops. Learning / innovation also directly influences the achievement of the project objective, which is the *direct benefit*.
- The factor learning / innovation is also directly essential for institutionalization and scaling up, and influences impact and sustainability at the level of *indirect benefits*.

The Models

The analysis and description of the seven products a combination of OECD-DAC criteria and Capacity Works success factors shall be used, whereby the key demands of technical cooperation: institutionalization, roll out and scaling up shall be in the centre of attention. Since the graph on opposite page is far too complex for practical use the seven products of the projects SMNR-CV and RDDDL shall be analyzed and described along six models, which reduce the complexity and concentrate on one specific aspect.

- Model 1** **Capacity Development** is the primary task of technical cooperation and as such the basis for product development and institutionalization. This model is being used because of the central importance of capacity development.
- Model 2** **Flexibility**, particularly in German technical Cooperation, is a key condition for product development and institutionalization: keeping the right balance between innovation and integration into conventional partner procedures.
- Model 3** **Effectiveness** as one of the 5 criteria of OECD-DAC is combined with the CW success factors Steering, Strategies and Learning: Effectiveness is being created when long term strategies are supported by making use of learning or opportunities leading to new decisions, which are again followed by processes of steering.
- Model 4** **Efficiency** as the second of the 5 criteria of OECD-DAC is combined with the CW success factors Strategy and Cooperation. The strategy looks here at the stages: product development, product utilization and product adaption. This describes the institutionalization process and suggests that strategy and cooperation only then have generated efficiency, when partner structures manage to use and adapt products in a changed environment.
- Model 5** **Impact** as the third of the 5 OECD-DAC criteria is combined with all CW factors: since impact describes contributions from the project to intended changes, and acknowledges, that there are many other, often more powerful forces, the whole package of project management is to be considered.
- Model 6** **Relevance and Sustainability** as the last OECD-DAC criteria are combined with the CW success factors Processes, Steering and Cooperation: the processes of institutionalization, which go from innovation to scaling up, will be then successful and lead to product adaptation under changing conditions, when the product relevance and quality is being observed, maintained, or even improved over time.

Model 1

Capacity Development

Capacity development for product development and institutionalization

Capacity Development in the context of German TC is understood as a set of interventions at the levels of individuals, offices/ institutions, networks and the sector, for raising their competences in dealing with changes, opportunities and challenges. Capacity Development aims at higher performances of people, institutions, networks and the sector.

Model 2

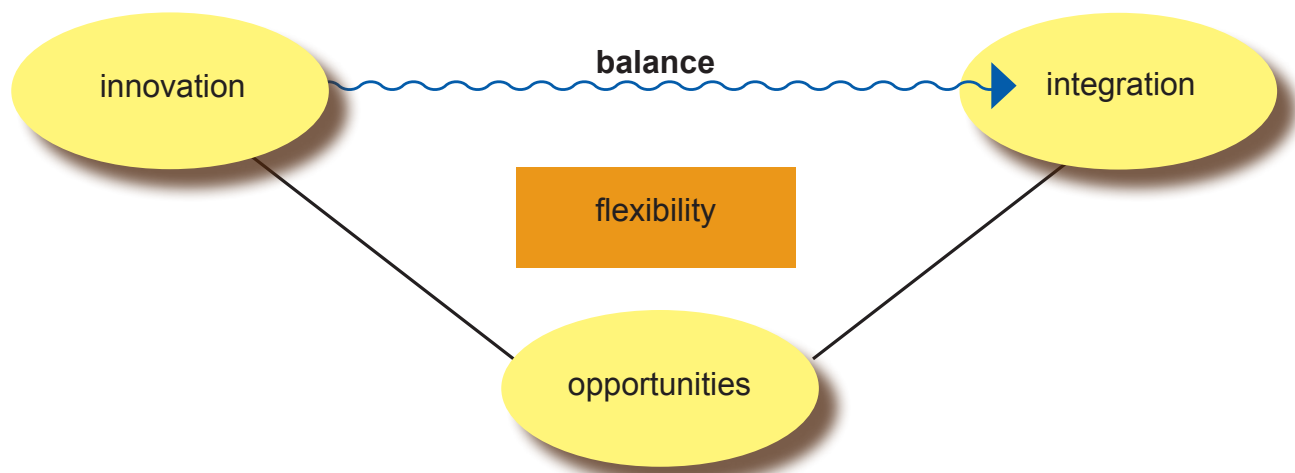
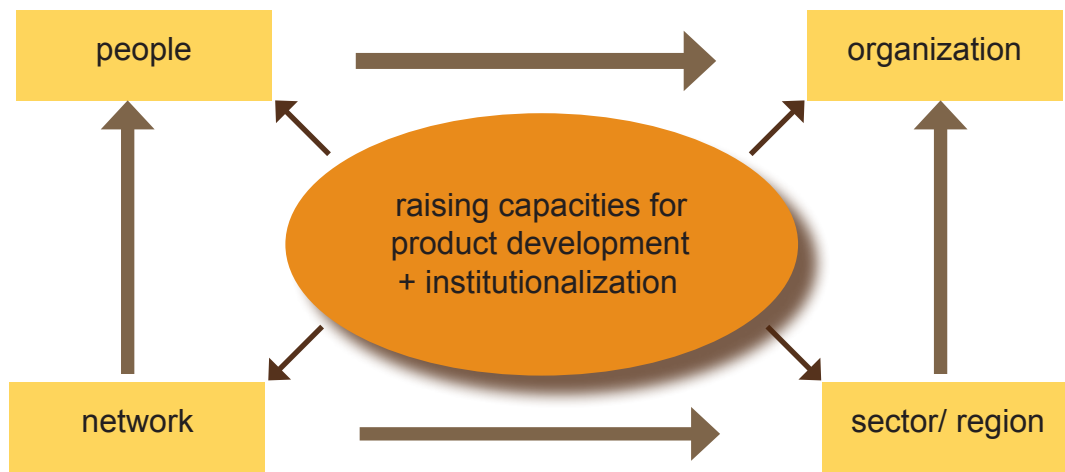
Flexibility

Keeping the right balance between innovation and integration into conventional partner procedures

German Technical Cooperation has to find the balance on the continuum between different demands:

- long term sustainability through a clear demand orientation of products and integration of product development into conventional partner procedures, and
- on the other side of the continuum: innovations in terms of technical, legal or institutional procedures

The right balance requires strategic orientation and uses upcoming opportunities during the implementation processes.



Model 3

Effectiveness

Using opportunities towards effectiveness, processes and strategies

Strategies in the context of German TC are seen as a combination of steering, goal orientated long term planning, decision making and the capacity to react flexibly to events, opportunities and results from learning. Better strategies raise the level effectiveness.

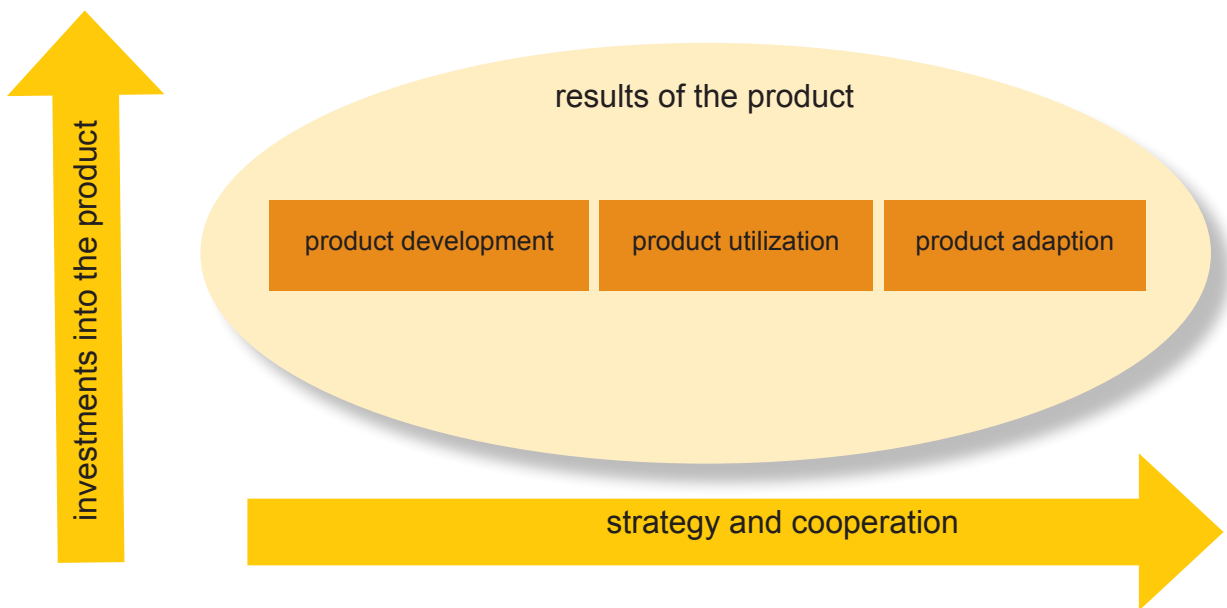
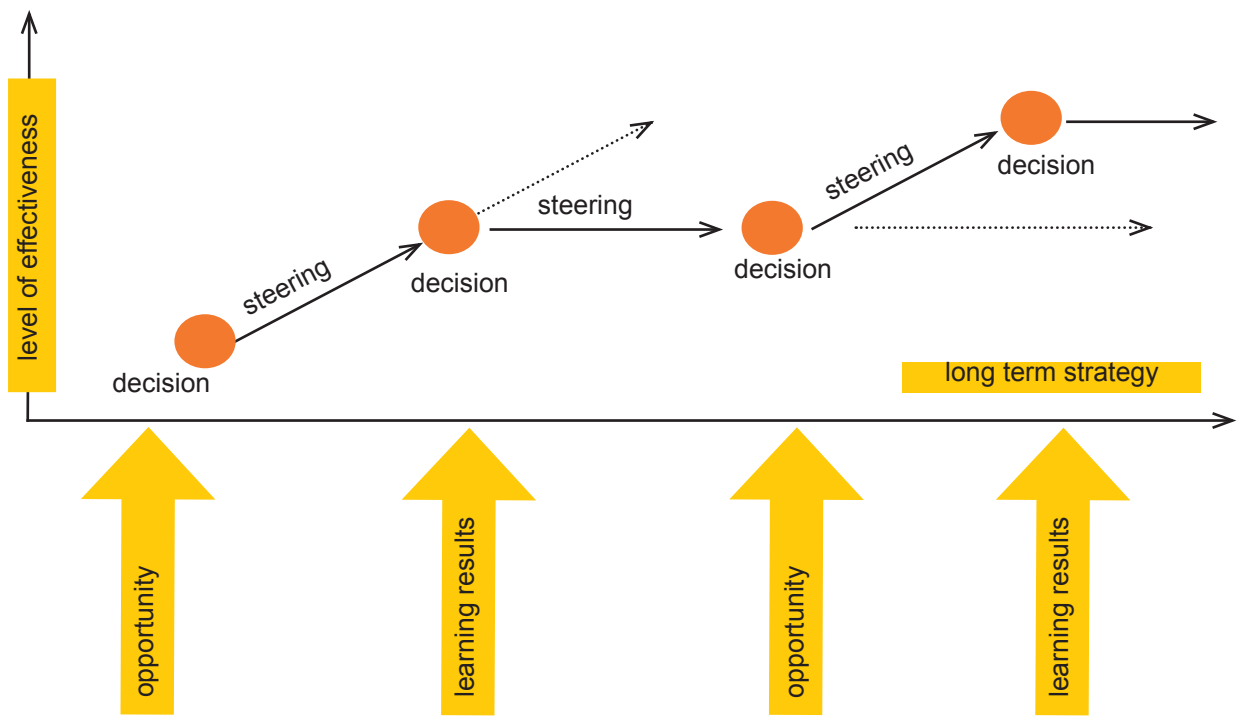
Model 4

Efficiency

Strategy and cooperation for good investments: from product development to product adaptation

Efficiency is being measured by the degree to which the resources invested in the development of a product are appropriate compared to the outputs and results achieved. Results should be looked at as a bundle of

- Technical product development (assist government to produce it)
- Institutional anchoring and roll out (government structures use it)
- Further adaptation and refinement after termination of support (government adds on quality)



Model 5

Impact

Contribution to intended changes in provinces and the sector

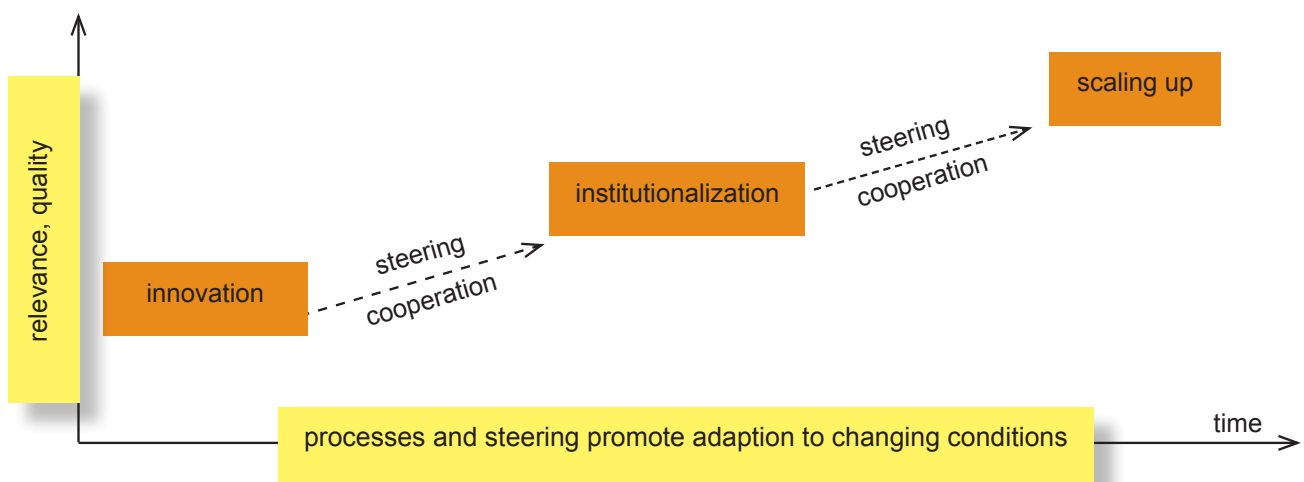
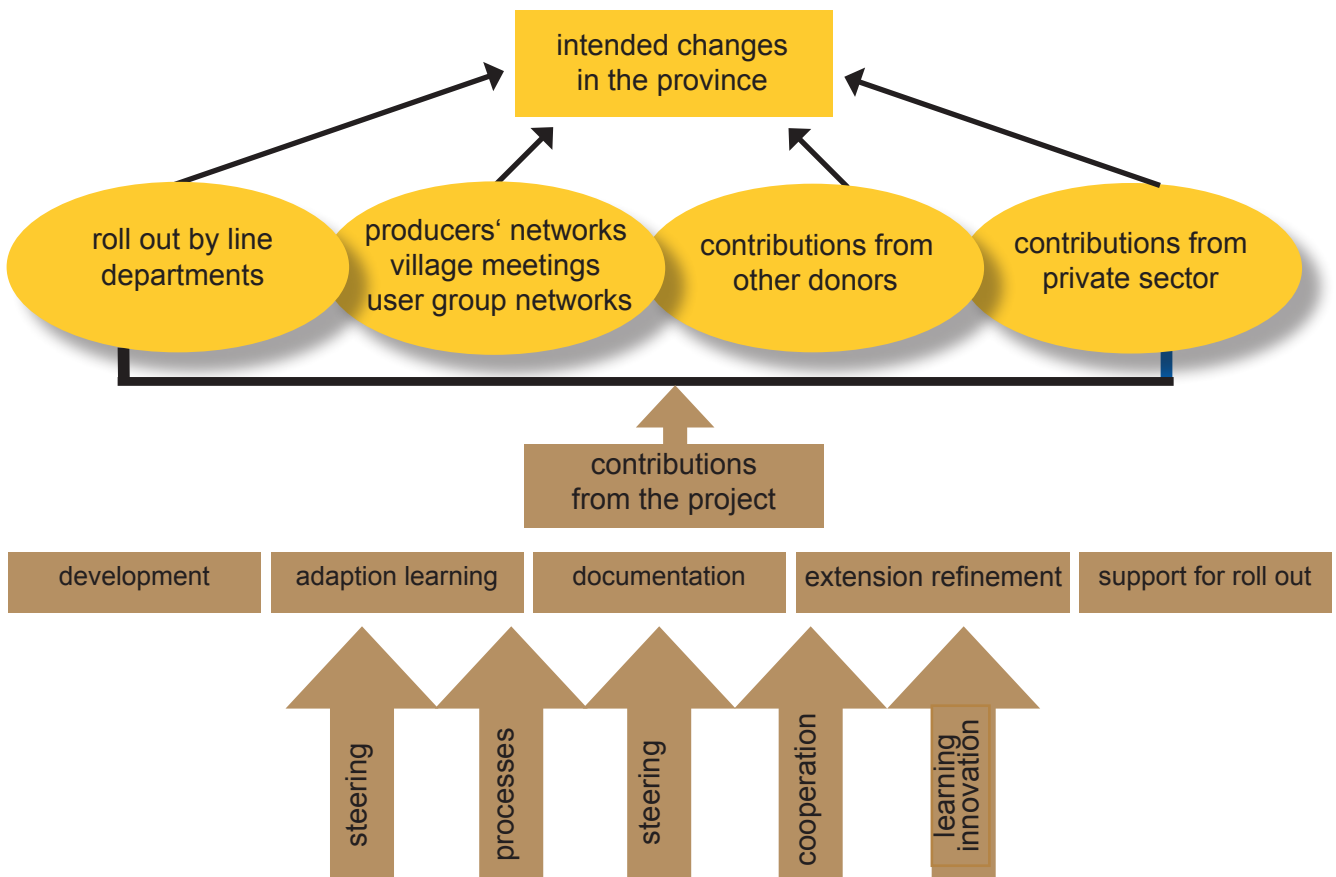
Impact is defined as the contribution of the project to intended over-arching results in the region or the sector, which are beyond the direct influence of the project management

Model 6

Relevance and Sustainability

Keeping relevance and quality for sustainability: processes and steering promote adaptation to changing conditions

Sustainability measures the probability that the positive results of the product will continue beyond the end of assistance. Sustainability is primarily a question of institutionalization, roll out and scaling up. It depends to a high degree on the continuous or increasing relevance and quality of the product.





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Publisher

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Lessons
Learned