



Evaluation Summary



International
Labour
Office

Evaluation Unit

Green production and trade to increase income and employment opportunities- Final Joint Evaluation

Quick Facts

Countries: Viet Nam

Final Evaluation: June 2013

Mode of Evaluation: Independent

ILO Administrative responsibility: ILO Country Office, Hanoi

Technical Area: EMP/ENTERPRISE

Evaluation Management: ITC lead agency

Evaluation Team: Daniel Paul Keller, team leader, Nguyen Thi Thu Que, National Consultant

Project Code: VIE/09/53/UND

Donor: MDG Achievement Fund, 4 million

ITC (lead): 1,515,888 UNIDO: 774,680

UNCTAD: 417,835 ILO: 683,730

FAO: 607,867

Keywords: Green production, employment creation, economic development

Extracted from the Executive Summary of the Joint Report

A. Background

This project was jointly executed by five UN Agencies: the Food and Agriculture Organization (FAO), the International Labour Organization (ILO), the International Trade Center (ITC), the United Nations Conference for Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO). ITC is the coordinating agency. With the National Trade Promotion Agency of Vietnam (VIETRADE) as official counterpart and the Viet Nam Handicraft Export Association (VIETCRAFT) as national

implementing partner, the JP supports Viet Nam's handicrafts sector. Its overall development objective is to create sustainable income and employment opportunities, targeting about 4,500 poor farming and crafts producing households and 50 companies (buyers). Within the handicraft sector, the JP focuses on seven value chains in four Northern provinces: Bamboo, rattan, sea grass, sericulture (two value chains), lacquer and hand-made paper. It aims at developing better integrated, pro-poor and environmentally sustainable "green" value chains, enabling poor growers, collectors and producers to improve their products and linking them to more profitable markets. The key feature of the JP is a comprehensive, holistic approach to strengthen all stages of the value chains, using the "value link" methodology and ensuring a broad stakeholder involvement.

B. Purpose, methodology and limitations of this evaluation

The purpose of this independent final evaluation commissioned by the ITC was to assess whether the JP provided the right type of support, to the right beneficiaries, in the right way and whether it achieved its objectives. The emphasis was on organizational learning of the MDG-F Secretariat, the participating UN agencies and the Government of Viet Nam (GoV). The evaluation team consisting of one National and an international evaluator applied the Evaluation Norms of the United Nations Evaluation Group (UNEG). In evaluating the JP according to the criteria of relevance, efficiency, effectiveness and the likelihood of sustainability, different evaluation tools were combined to ensure an evidence-based qualitative and quantitative assessment. Particular emphasis was given to crossvalidation of data and the plausibility of evaluation results obtained. The methodological mix included desk studies, semi-structured interviews – both individual and with focus groups; and direct observation. The

evaluators applied a participatory learning approach. The process itself was designed to contribute to continuous improvement of the organizations involved. Recommendations and lessons learned are mainly aimed at enhancing future similar programmes. The short term available for preparation, the fact that some outputs are still being delivered and the lack of an updated implementation report beyond January 2013 limited the depth and the extent of the evaluation. Nevertheless, the evaluators were able to gather sufficient factual information for a well substantiated assessment.

C. Key findings

(1) Programme identification: The JP was timely and an appropriate response to emergent and important development challenges. These challenges include improving livelihoods of the disadvantaged segments of the rural population (including ethnic minorities), address environmental issues of handicraft production, diversification and value addition to Vietnamese exports in order to spur economic growth. The JP identified a good opportunity to capitalize on the combined strengths of five participating UN agencies to contribute towards one objective using a single methodology. Unlike many similar projects, the JP covered the entire value chain and strengthened the supply and demand sides in parallel. Also innovative was the adoption of some of the capacity building tools that were primarily developed for larger scale production (e.g. Cleaner Production) of rural enterprises.

(2) Preparation and management: The JP was designed based on a careful strategic needs assessment. Although national and local authorities were consulted, preparation was rather “top down” and driven by the participating UN agencies. The programme document includes a logical framework with clear, mostly objectively verifiable indicators, which was applied for monitoring.

Budgets for base-line and end-line studies were made available, which is a good practice. Considering the scope and scale of the JP, its planned duration, which was limited by the lifespan of the MDG Fund, was not adequate and did not allow for sufficient follow-up on technical capacity building. An exit strategy was not spelt out in the programme document, but developed at a later stage through a sustainability plan. The organizational structure was complex and responsibilities did not match competencies to make decisions. In line with the “agency execution mode” applied, operational decision making in all important matters remained centralized at headquarters level of UN agencies. The PMU

played a crucial role in coordinating agency inputs and moving implementation forward. Furthermore, the PMU was effective as a bridge between the JP, participating UN agencies, suppliers and the provinces. Strong support by the PMU significantly mitigated the difficulties of non-resident agencies to implement project activities. On the other hand, while physically based at VIETRADE, the PMU operated largely as a parallel structure and was not fully integrated into VIETRADE. The Deputy Director General of VIETRADE acted as the National Programme Director (NPD). He was responsible to “lead the PMU”, but de facto not closely involved in daily operations. The NPD did however chair the periodic Project Management Committee (PCM) Meetings. By virtue of his domain knowledge, the Vice-Chairman of VIETCRAFT who acted as the Deputy National Programme Director (DNPD) provided valuable advice to the PMU and the PMC, which was sometimes taken up. Moreover, VIETRADE and VIETCRAFT contributed to and benefited from a number of selected activities. The governance mechanism provided by the Programme Document was generally applied in practice. Meetings of the Project Management Committee (PCM) took place, although not always regularly. Due to their lack of field presence in Vietnam, some agencies were not always able to participate. Many of the tasks for which the PCM would have been responsible were in practice assumed by the PMU.

Using the “National Steering Committee” shared with all other Joint Programmes in Viet Nam for governance ensured overall coordination and exchange of experience within the UN system and with the GoV. On the other hand, little time was available to discuss JP-specific strategic issues in depth. Therefore, the PMC also discussed matters that would be typically the tasks of a Steering Committee. To a large degree, participating agencies continued to work in parallel, although harmonizing and coordinating their inputs. While the JP was jointly formulated, it was not really jointly implemented. During practical implementation, communication flows and reporting lines remained unclear, which led to significant coordination challenges and sometimes delays. In practice, the counterparts at national and provincial levels still had to liaise with five agencies separately, depending on who was responsible for a certain activity. Coordination at and involvement of the provincial level was initially very weak, but improved substantially after the appointment of provincial coordinators. Management was responsive and actively addressed implementation challenges, e.g. through a systematic follow-up on the recommendations of the Mid-Term Review (MTR).

(3) Relevance: Generally, all objectives are highly relevant to all target beneficiaries. The JP was further highly relevant to international and national priorities, including the Millennium Development Goals (MDGs), the “Aid for Trade” agenda and Viet Nam’s Comprehensive Growth and Poverty Reduction Strategy. Objectives are consistent with the GoV’s sector-specific policies, in particular the plan to develop the handicraft sector as a source of additional incomes. The JP complements well a number of the GoV’s National Target Programmes. While responding to the “harmonization” and “alignment” objectives of the Paris Declaration on Aid Effectiveness, the JP was clearly “donor”- rather than “partner-led”. Promoting the use of intellectual property rights (in particular trademarks, geographical indications) as a powerful tool to add value to Vietnamese handicrafts would further increase the relevance of value chain projects.

(4) Effectiveness: Most outputs were delivered as planned. The evaluators generally endorse the results reported by the JP, based on a selective validation and triangulation of data. Direct observation revealed an insufficient follow-up on trainings. At some production facilities, serious environmental problems remain and elementary principles of labor safety are still disregarded. The JP contributed to different degrees to income creation and poverty reduction of the target population. However, results at outcome and impact levels are clearly not fully attributable to the JP alone, but strongly influenced by other factors, including existing support by the GoV.

(5) Efficiency: Most outputs were delivered in good quality. Beneficiaries expressed satisfaction with the content of support received. The Vietnamese experts and partner organizations were closely involved in trainings and there is evidence of skills transfer. Standard “training packages” were being adapted to the particular context. The evaluators noted a gradual shift from an initially rather supply- to a more demand-driven service approach, especially after provincial coordinators were appointed. Some of the machines provided are however not complete, not fit for use or not suitable for the purpose they were aimed at. The fact that most of them were only procured towards the end did not allow for sufficient training and follow-up on technical problems. Apart from sharing a PMU and some mutual learning, economies of scale and scope remained limited. Efficiency gains were partially offset by coordination challenges, which absorbed significant management time and led to delays as well as sequencing problems.

(6) Potential sustainability of results:

Perspectives are mixed. Not all technical and organizational changes within beneficiary organizations (household businesses, SMEs) are likely to be maintained without the availability of further follow-up support. A number of local institutions seem to continue to provide trainings (e.g. the Vietnam Chamber of Commerce and Industry for different training packages provided by the ILO; VIETRADE for EMPRETEC). The evaluators further noted follow-up investments by a few enterprises. At least one village is in the process to establish a dedicated “handicraft zone”, partially using input provided. Furthermore, some key elements promoted by the JP are being mainstreamed into different national and provincial policies. Last but not least, the existing and planned support of other donors (Switzerland, JICA, OXFAM, and CBI) is likely to expand and deepen some of the JP’s results.

D. Conclusions

(1) Careful preparation led to a high degree of relevance in regards to national policies, government strategies, international priorities and the needs of key target beneficiaries.

(2) RBM principles were consistently applied during the whole programme cycle, except in financial planning and reporting.

(3) Bundling services of UN Agencies in areas of their core competencies within one framework is an effective way to address poverty reduction, gender and environmental objectives of the MDGs. The application of a single mutually agreed methodology and a common programme identity were essential to align the five participating UN Agencies towards common objectives.

(4) The holistic value chain strengthening approach was effective and led to tangible results. Important features were (a) the inclusion of all relevant stakeholders, (b) support along the entire value chain, (c) strengthening the supply and demand sides and (d) contributing to enabling external conditions, such as the policy framework, access to credit and community building.

(5) “Joint-programming” was a particular strength, but “joint-implementation” has not fully materialized. “Joint-programming” contributed to the harmonization of UN support in the sense that UN input was well coordinated. The clear separation of tasks at the design stage prevented overlaps, but also did not encourage joint activities. While inputs converged at the beneficiary level, agencies still worked rather in parallel than jointly. Apart from sharing a PMU and some mutual learning, economies of scale and scope remained

limited. Efficiency gains were partially offset by coordination challenges. Those absorbed significant management time and led to delays and sequencing problems.

(6) While the PMU worked well and was pivotal for successful programme implementation, it operated to a large degree as a parallel structure. This resulted in weak ownership from counterparts.

(7) The agency execution modalities applied, implying centralized decision making at every UN agency's headquarter separately, is not in line with the spirit of the Paris Declaration and no longer adequate for Viet Nam. Applying full-fledged national execution modalities in technically complex fields requiring highly specialized expertise might however negatively affect aid effectiveness. Identifying and engaging the right experts would for instance be challenging for the GoV. Joint implementation as an alternative model might ensure both aid effectiveness and ownership. It is essential to strike a good balance and craft the execution modalities in a way that allows both local counterparts and the UN to capitalize on their particular strengths. While the UN might add most value in sourcing international expertise and ensuring quality control, the role of the Vietnamese counterparts could be to ensure overall management through a national PMU and local procurement of services. From both the UN and the GoV's sides, "joint-delivery" would require a single programme manager who is empowered to make day-to-day management decisions. Delegating day-to-day management decision making to one single UN focal point in the field would reduce the risks of delays caused by overloaded programme managers at headquarters. It would also free capacities to focus on strategic matters and backstopping.

(8) The appointment of provincial coordinators was a step into the right direction to anchor the programme in the target regions. Mobilizing provincial resources would require an official registration of the programme at the local level.

(9) While generally, the JP provided the right type of support to the right target groups in good quality, sustainability of some of the results achieved will require sustained, long-term, support. Maintaining results achieved over long-term requires follow-up by the GoV through establishing an enabling policy framework, and institutionalizing support to stakeholders at all stages of the value chains. Towards the end, the JP thus rightly started focusing on mainstreaming results at the policy level.