



DEPARTMENT OF FORESTRY

Implementation Plan

**on agroforestry project
in Ta Hoc Commune,
Mai Son District, Son La Province**

Book 9-1: IP Son La

THE DEVELOPMENT STUDY ON CAPACITY BUILDING
FOR PREPARING FEASIBILITY STUDIES AND IMPLEMENTATION PLANS
FOR AFFORESTATION PROJECTS IN THE SOCIALIST REPUBLIC OF VIETNAM
---FICAB---

Preface

“Implementation Plan on Agroforestry Project in Ta Hoc Commune, Mai Son District, Son La Province (Book 9-1: IP Son La)” is part of the training package prepared under the development study on capacity building for preparing feasibility studies (F/S) and implementation plans (IP) for afforestation projects in the Socialist Republic of Vietnam (hereafter referred to as “FICAB”).

The immediate objective of FICAB is to strengthen capacities for the preparation of afforestation projects through practical On-the-Job-Training (OJT), seminars and workshops. Five provinces have been selected as targeted provinces for FICAB (Thai Nguyen, Son La, Quang Nam, Lam Dong and Long An Provinces).

FICAB was divided into two phases. Phase I was to prepare Model F/S and IP as well as other training materials in Thai Nguyen, a Core Province (CoP). The second phase was to implement technical training for staff members of four other provinces as Participating Provinces (PPs), i.e. Son La, Quang Nam, Lam Dong, and Long An Provinces. The training was implemented using Model F/S, IP and other training materials.

Through conducting FICAB, four forms of output are to be generated. The first is an enhanced capacity for MARD personnel. Selected staff members of MARD develop administrative and coordination capacity for supervising the quality of F/S and IP. The second is an enhanced capacity for CoP and PPs personnel. Selected staff members of CoP and PPs enhance the capacity for preparing F/Ss and IPs. The third is the development of a monitoring and evaluation method for the technical training for preparation of F/S and IP. The fourth is the development of a training package for conducting the technical training for preparing F/S and IP for afforestation projects.

The training package is prepared as one of the four above forms of output of the FICAB. The entire training package comprises the following nine (9) books:

Book 1: Training plan

Book 2: Manual for preparation of feasibility study reports for production forest / agroforestry development project in Vietnam

Book 3: Manual for preparation of implementation plans for production forest / agroforestry development projects in Vietnam

Book 4: Model F/S of Thai Nguyen Province

Book 5: Model IP of Thai Nguyen Province

Book 6: Monitoring and evaluation report on technical training of PPs

Book 7: Market trend reference book on wood-based and agroforestry products

Book 8: F/S reports of Son La, Quang Nam, Lam Dong and Long An Provinces

Book 9: IPs of Son La, Quang Nam, Lam Dong and Long An Provinces

‘Book 9-1’ was prepared by the Provincial Study Team of Son La Province under the guidance of local consultant engineers.

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Abbreviation

5MHRP	Five Million Hectare Reforestation Programme
ASEAN	Association of Southeast Asian Nations
B/C ratio	Cost-Benefit ratio
CoP	Core Province
CCM	Communal Consultation Meeting
DARD	Provincial Department of Agriculture and Rural Development
DoF	Department of Forestry
DOF	Department of Finance
DPI	Department of Planning and Investment
EIRR	Economic Internal Rate of Return
FAO	Food and Agriculture Organization of the United Nations
FICAB	The Development Study on Capacity Building for Preparing Feasibility Studies and Implementation Plans for Afforestation Projects in the Socialist Republic of Vietnam
F/S	Feasibility Study
FIPI	Forest Inventory and Planning Institute
FIRR	Financial Internal Rate of Return
FSDP	Forest Sector Development Program
GOV	Government of Vietnam
IA	Implementing Agency
IP	Implementation Plan
IRR	Internal Rate of Return
JICA	Japan International Cooperation Agency
JST	JICA Study Team
LUR	Land Use Right
LUC	Land Use Right Certificate
MARD	Ministry of Agriculture and Rural Development
MPI	Ministry of Planning and Investment
NPV	Net Present Value
PAM	WFP's Programme Alimentaire Mondial
PC	People's Committee
PFD	Production Forest Development
PFEP	Production Forest Establishment Project
PIP	Project Implementation Plan
PMB	Project Management Board
PMME	Project Management, Monitoring and Evaluation
PPs	Participating Provinces
PST	Provincial Study Team
RRA	Rapid Rural Appraisal
SFE	State Forest Enterprise
SOE	State of Environment
Sub-DoF	Sub-Department of Forestry at province level
SLFPPC	Son La Forest Product Processing Company
VBARD	Vietnam Bank for Agriculture and Rural Development

Summary

Part I Summary of the project

In this part, in order to clarify contents of the project which is targeted at implementation planning, among the content of F/S report, project location and area, project objectives, project outputs, project components, main activity plan and project cost are summarized, and PDM which shows the project framework, is attached.

Part II Implementation Plan in Respective Fields

Chapter 1 Institutional arrangement

Project Management Board is established as an implementing agency of the project. It is placed under the Mai Son DPC. PMB receives technical supports from Sub-DoF of Son La Province. PMB is staffed with eight staffs, of which a director, a vice-director/technical coordinator, an accountant and five field staffs. PMB is responsible for implementing the project and achieving the project objective. Participating farmers are organized as farmers' groups in order to increase their capacities as worker in charge of agro-forestry activities. The tasks of other stakeholders such as Son La PPC, DARD/Sub-DoF, Mai Son District PC and so on are explained as well.

Chapter 2 Implementation schedule

The assistance period of the project is five years. It covers a period from 2007 to 2011. The year 2007, which is regarded as preparation period, the preparation works for agro-forestry activities is carried out. During the operation period from 2008 to 2011, activities directly related to agro-forestry are undertaken in the field. In the preparation period, following activities are conducted: i) Selection land for agro-forestry, ii) Establishment of a loan scheme, iii) Establishment of project management and operational structure and iv) Training. During the operation period, a series of agro-forestry activities in a model rotation cycle is repeatedly carried out in the respective planting sites. In this cycle, there are 11 steps activities from step 1 of planting site selection to step 11 of monitoring and evaluation. Monthly schedule of 11 activities are also shown respectively, for example, planting is conducted in May and June, tending is from September to November and so on.

Chapter 3 Financial management arrangement

It is planned that other than the contributions by participating farmers, the project is funded with two different financial sources: loans and governmental budgets. Loan is extended for procurement of seedlings and fertilizers. Government budget is appropriated to PMB for management of the project, including employment of consultants and training. Contributions of farmers are calculated as labor costs for planting, tending and protection. As for bank loan, financial procedures is followed the existing regulations and policies of the banking sector in general and of the concerned financial institution in particular. The financial and budgetary procedures and reporting system relating to the government budgets is follow the state management budgetary system.

Chapter 4 Procurement arrangement

It is planned that various goods are procured such as seedlings, fertilizers and so on, and local consultants are employed for provision of various services. The items to be procured under respective component are listed, and lot/package for procurement,

procurement method, and organizations responsible for the procurement are described as well. As for procurement of goods, there are four stakeholders who are farmers, PMB, suppliers and Sub-DoF and these stakeholders play their role in procuring process which is conducted through six steps actions. As for services, PMB selects a consultancy company through the direct contracting. There are three stakeholders who are PMB, Consultancy Company and Sub-DoF and there are also five steps actions to be taken for conducting procurement.

Chapter 5 Sale and marketing

As for sales and marketing, following three stakeholders are identified; farmers, PMB and Son La Forest Product Processing Company. There are two stages of activities relating sales and marketing in the project. First stage is the one relating to arrangement of sales and marketing information. In this stage, collection and dissemination of market information are conducted for sharing common understandings among stakeholders on market conditions. Then concrete activities relating selling and purchasing of wood materials are started among stakeholders. This is the second stage. In this stage, site survey, negotiation of sales contract and harvesting, etc. are conducted. A total of eight steps are identified for sales and marketing activities over these two stages. As for respective steps of sales and marketing activities, examination is made on roles and functions that respective stakeholders play in connection with sales and marketing activities.

Chapter 6 Training plan

The two areas have been identified to be strengthened: i) technical skills of the participating farmers at the field level and ii) technical and managerial skills of the implementing agency.

The training plan at the field level covers agro-forestry skills such as planting of seedlings, cultivation of agricultural crops, tending and protection, and loan procedure. The targeted trainees of the training are participating farmers. Three days training is conducted four times, total 240 farmers participate. The training plan at the level of the implementing agency covers finance, planning, extension and accounting skill. This training is basically for management staffs PMB. One three days training is conducted and 60 project staffs participate.

Chapter 7 Monitoring and evaluation

Monitoring aims to examine the project progresses and take necessary actions for the project implementation. PMB is responsible monitoring and day-to-day monitoring is carried out by the extension workers of PMB. Monitoring is conducted with three steps such as collection data, aggregation and examination of data, checking progress of the project and feedback of decisions. Evaluation aims to make recommendations on the future course of the project and draw lessons for other projects. It is carried out by verifying achievement of the project objective and the overall goal. The development impact indicators are used for the evaluation of the project.

Introduction

The implementation planning report conducted based on the feasibility study report during a period from August 2006 to July 2007 in Mai Son District of Son La Province, Vietnam.

This feasibility study and implementation planning are conducted as a part of the Development Study on Capacity Building for Preparing Feasibility Studies and Implementation Plans for Agro-forestry Projects in the Socialist Republic of Vietnam which was agreed between the Government of Vietnam and Japan International Cooperation Agency (JICA) in December 2004.

The target project for the feasibility study and implementation planning is an agro-forestry establishment project in four villages in Ta Hoc commune of Mai Son district. The general outline of the project is as follows:

- The implementing agency is a Project Management Board (PMB) which is established by the Peoples' Committee of Son La Province and households conduct agro-forestry activities, which have forest land for plantation in four villages of Ta Hoc commune.
- In order to promote economic utilization of degraded forest lands, increasing efficiency of forest and forest land utilization at about 10%, it is also planned to improve livelihood of households. And the target products are wood materials, domestic wooden products, Bamboo and fire wood.
- As regarding the financial resource for agro-forestry activities, the Vietnam Bank of Agricultural and Rural development (VBARD) in Mai Son district provides loans, and the government of Vietnam provides subsidy for the smallholder through the Project Management Board (PMB).

The Forest Inventory and Planning Institute of Vietnam (FIPI) conducted the feasibility study and implementation planning under the guidance and supervision of the JICA Study Team (JST) and in process of the feasibility study and implementation planning, technology transfer from JST to FIPI on feasibility study and implementation planning is executed.

PART I. SUMMARY OF THE PROJECT

1.1 Project Location and Area

1.1.1 Location

The project area is the entire area of the four villages: Ban Hoc, Mong, Pa Dong, and Ban San of Ta Hoc commune, Mai Son District, Son La Province.

The project region is on the Song Da riverside and Ta Hoc Port and having a highway pass through villages. North, bordered to: Pac Nga commune, Mai Son District, Son La, South, bordered to: Co Noi commune, Mai Son District, Son La, East, bordered to: Muong Khoa commune, Bac Yen District, Son La, and West, bordered to: Chieng Chan commune, Mai Son District, Son La.

The project area is about 20 km far from Hat Lot Town on the North, and about 50 km far from Son La Town.

1.1.2 Area

The total land area of the Ta Hoc commune is 11,807 ha, The agricultural lands account for 10,855.11 ha. The forest lands, which fall into the category of the agricultural land, cover 8,828.30 ha, accounting for 75 % of the natural lands. The crop lands cover an area of 2,026.81 ha, accounting for 17% of the natural lands.

The total land area of the project area covers on 3,673 ha. The agricultural lands account for 3,512 ha. The forest lands, which fall into the category of the agricultural land, cover 2,966 ha, accounting for 80 % of the Project area. The crop lands cover an area of 546 ha, accounting for 15% of the Project area. The forest land distributed in the villages of project area as follows:

The forest lands in Mong village: 791.8 ha, accounting for 27.3% of the natural lands;

The forest lands in Hoc village: 1021.20 ha, accounting for 21.5% of the natural lands

The forest lands in Pa Dong village: 561.2 ha, accounting for 15.2% of the natural lands

The forest lands in San village: 591.9 ha, accounting for 16.0% of the natural lands

The inhabitation in the Ta Hoc Commune: 14.0 ha, accounting for 1% of the natural lands;

The other lands of the Ta Hoc commune: 148.80 ha, accounting for 4% of the natural lands

1.2 Project Objectives and outputs

1.2.1 Overall Goal

Overall objective of the project is improved livelihoods of local people through the application of sustainable cultivation's methods on sloping land.

 **Table 1: Size of area by land classification and villages**

Unit: ha

Items	Commune	Project area	Size of area by villages			
			Hoc village	Mong village	Pa Dong village	San village
Total area	11,807.00	3,673.00	1,270.00	1,016.00	731.00	658.10
1. Agricultural land	10,855.11	3,512.3	1,206.6	967.1	703.2	635.4
1.1 Crop land	2,026.81	546.20	185.40	175.30	142.00	43.50
1.2 Forest land	8,828.30	2,966.10	1,021.20	791.80	561.20	591.90
- Existing forest land	6,402.90	2,124.60	766.10	523.20	365.10	470.20
- Un-forested	2,425.40	841.50	255.10	268.60	196.10	121.70
%/ Natural area	88.41	80.75	80.41	77.93	76.77	89.94
2. Land tenure	120.00	14.00	5.50	3.00	2.80	2.70
3. Other land	831.89	148.80	57.90	45.90	25.00	20.00

Source: Based on the data of Sub-DoF, Son La - 2006

1.2.2 Project Objective

The project objective is to increase incomes of local people through the implementation of agro-forestry activities.

Objective of the assistance: Establishment two agro-forest models by Dendrocalamus tree and Melia azedarach tree intercrop with maize planted on the project site.

1.2.3 Project Outputs

- 1) Agro-forestry model development
 - 1-1 Agro-forestry models established in Tan Hoa commune Phu Binh district:
- 2) Project management and M&E;
 - 2-1 Tan Hoa PIU is set up
 - 2-2 Establishment of loan Scheme with a Bank
 - 2-3, Monitoring and evaluation reports
- 3) Technical service implemented successfully
 - 3-1 Plots design for models
 - 3-2 Agro-forestry models to be trained

1.2.4 Indicators

- 1-1) From 2008 to 2011, Agro-forestry area (around 415.98) is established in 2011 by 2 models;
- 1-2) From 2008 to 2011, it is expected that around 2,490 tons of maize are harvested and sold, and from 2013 to 2018, it is expected that total: 16,323 m3 (commercial wood),

4,663 steres fire wood and 1.08 million Bamboos are harvested.

- 2-1) The Mai Son 661 Project Management Board with implementing and management functions of project Supplemented;
- 2-2) Number of farmers to be guide loans procedure; and Amount of loans disbursed: VND 1.29 million;
- 2-3) Project reports of every month, quarter and half a year, at the end of the years.
- 3-1) Two agro-forestry models with 415.98 ha established in the 4 village of Ta Hoc commune
- 3-2) 300 people in 5 training courses of silviculture and marketing...Implemented;

1.3. Project Components

1.3.1 Project component

The project consists of three main components as follows:

(1) Establishment of agro-forestry model;

(1)-1 Two agro-forestry models are established in four villages of Ta Hoc Commune as follows: Model 1: It should be establish with 2 species: *Dendrocalamus* and Maize, total area is 182.79 ha, Model 2: It should be establish with 2 species: *Melia azedarach* and Maize, total area: 233.19 ha.

Total area for agro-forestry development implemented in Ta Hoc Commune: 415.98 ha, including in Hoc village: 82.52 ha, Mong village: 100.27 ha, Pa Dong village: 77.06 ha, San village: 156.13 ha.

(1)-2 From 2008 to 2018, 415.98 ha of agro-forestry harvested.

(2) Project management, monitoring and evaluation;

The project funds the administration costs of a Project Management Board (PMB) as well as the cost of monitoring and evaluation. The PMB is responsible to ensure efficient implementation of the project and carry out effective coordination with other important stakeholders. Drawing staff from and working closely with Son La DARD and Sub-DoF, the PMB is responsible in carrying out the above components as well as facilitating timely supply of seedlings and technical services to participating farmers. PMB is scheduled to operate during the assistance period up to 2011.

3) Component of technical service

This component supports development of an enabling environment for agro-forestry development through:

3-1 models Design, Selection with species are suitable at the natural and socio- economic conditions, their products need for marketing;

3-2. training and capacity building in institutions at District and Commune level to help farmers plant, manage and market their products.

1.3.2 Key project activities

There are two key project activities as follows:

- 1: Plant trees and crop in the agro-forestry models.
- 2: Harvest *Dendrocalamus*, *Melia azedarach* products

Description of key project activities is mentioned as follows:

 **Table 2: Tentative agro-forestry plan by year and by model**

Unit: ha.

Village	Total	Model- Progress							
		<i>Dendrocalamus</i> and Maize				<i>Melia azedarach</i> and Maize			
		2008	2009	2010	2011	2008	2009	2010	2011
Hoc	82.52	45.72	36.8	0	0	0	0	0	0
Mong	100.27	0	41.23	59.04	0	0	0	0	0
Pa Dong	77.06	0	0	0	0	47.16	29.9	0	0
San	156.13	0	0	0	0		37.24	41.85	77.04
Total	415.98	45.72	78.03	59.04	0	47.16	67.14	41.85	77.04

 **Table 3: Annual plan for harvesting *Dendrocalamus* and *Melia azedarach***

Year- Harvesting site	Progress				
	<i>Dendrocalamus</i>		<i>Melia azedarach</i>		
	Area (ha)	Volume (stem)	Area (ha)	Timber (m3)	Firewood (stere)
Year 2013	45.72	54,864			
Year 2014	123.75	148,500			
Year 2015	182.79	219,348	47.16	3,301.20	943.2
Year 2016	182.79	219,348	67.14	4,699.80	1,342.8
Year 2017	182.79	219,348	41.85	2,929.50	837.0
Year 2018	182.79	219,348	77.04	5,392.80	1,540.8
Products in total		1,080,56		16,323.0	4,663.0

1.4. Project cost during the Assistance Period (2007-2011)

Project costs during the assistance period have been calculated over a period of eight years in which all the planting works are scheduled to be completed. Total project cost over this period, including physical and price contingencies are estimated at VND 9.9 billion.

Total baseline cost is VND 7.9 billion, accounting for 80.3% of total project cost, physical

contingency is VND 0.39 billion, accounting for 4%, price contingency is VND 1.54 billion, accounting for 15.7%.

(1) Establishment of the agro-forestry model

Establishment of the agro-forestry model about 415.98 ha with two models: bamboo tree (*Dendrocalamus*) intercrop with maize is model (1) and Melia tree (*Melia azedarach*) intercrop with maize is model (2).

The total cost of component (1) is VND 7.2 billion, accounting for 90.9% of total baseline cost, including loans: VND 1.039 billion, State bank subsidy is VND 0.83 billion and Households is VND 5.36 billion.

Total cost per ha of model (1) is VND 23.1 million, including, base cost: 58.5%; material and seedling cost: 18.29%; other costs: 7.74%; management fee: 4.88%; physical contingency: 4.21%; price contingencies: 11.52%

Total cost per ha of model (2) is VND 21.99 million. The cost for each part in this model as the model (2), but the cost of material and labor higher model (1) about 4%.

Without physical contingency and price contingencies this model (2): costs VND 19.095 million. Model (1): costs VND 19.489 million.

(2) Project management, monitoring and evaluation

The total cost: VND 1.55 million, 7% of total project cost.

(3) Technical service

The total cost estimated: VND 0.166 million, occupied 2.1% of total cost of project, this budget comes from the state budget and for training courses, capacity building for the participants who implement project (farmers, project staff, extension workers) and agro-forestry plots design.

 **Table 4: Total cost for the Project of assistance period (2007-2011)**

Unit: VND 1,000

TT	Components	Total cost	Scale (%)	Financial resources		
				Loans	State Bank	Households
<u>1</u>	Establishment of the agro-forestry model	7,235,235	90,9	1,039,950	831,960	5,363,325
<u>2</u>	Project management, monitoring and evaluation	558,542	7,0	0	558,542	0
<u>3</u>	Technical service	166,474	2,1	0	166,474	0
<u>A</u>	Total base cost	7,960,251	80,3	1,039,950	1,556,976	5,363,325
<u>B</u>	Physical contingency	398,013	4,0	51,998	77,849	268,166
<u>C</u>	Price contingencies	1,549,656	15,7	202,452	303,103	1,044,101
-	Total cost (A+B+C)	9,907,920	0	1,294,400	1,937,928	6,675,592

1.5 Project designing matrix

Project name: Agro-forestry production development in the 4 villages of Ta Hoc Commune, Mai Son District, Son La province.		Duration: 2007-2018	
beneficiary target: Farmers in 4 villages of Ta Hoc commune, Mai Son district.			
Project area: Ta Hoc commune, Mai Son district, Son La province			
Summary	Indicators	Means of verification	Important assumptions
Overall objective: To improve livelihoods of local people through the application of sustainable cultivation's methods on sloping land.	Poverty rate is reduced. Increase in income of households in the project area.	Forest inventory report of Sub-DOF, Commune report on cultivating areas of agricultural crops; Site check; Annually statistical data; Project completion report 2007-2018; Business report of wood processing enterprises in the province.	Priority given by the State to production forest development is stable
Project objective Increase incomes of local people through the implementation of agro-forestry production on planned forest land.	Income obtained from implementation of 1 hectare of agro-forestry model increase by 10%/year since 2009.	Agricultural log, household survey, site checking, annual report on commune socio-economic development	There is no big change of price of agricultural products
Objective of the assistance <i>Dendrocalamus</i> tree and <i>Melia azedarach</i> tree intercrop with maize planted on the project site.	From 2008 to 2011, Agro-forestry area (around 415.98) is established in 2011 by 2 models;	Project progress report,	
Project outputs 1-1. Successfully established the agro-forestry model; 1-2. From 2008 to 2018 around 415.98 ha of agro-forestry harvested; 2.1. PMB established in the 2007. 2.2. a credit scheme for farmers established. 2.3. Monitoring and Evaluation reported by Project staff. 3. 1. Agro-forestry plots designed 3.2. Training program implemented.	1-1) By 2018, 415.98 ha of forest land in project area will be used properly 1-2) From 2008 to 2011: It is expected that around 2,490 tons of maize, and from 2013 to 2018. It is expected that total: 16,323 m3 (commercial wood), 4,663 steres fire wood, 1.08 million Bamboos is harvested. And By the end of 2009, 2,490 tons of maize is harvested and sold. 2-1) The Mai Son 661 Project Management Board with implementing and management functions of project Supplemented; 2-2) Number of farmers to be guide loans procedure; and Amount of loans disbursed: VND 1.29 million; 2-3 Project reports of every months, quarter and half a year, at the end of the years from 2007-2011. 3-1) two agro-forestry models with 415.98 ha	Project progress report, report on experimental model of Extension center, Report on market survey. Data of interviews and field surveys.	No hazardous havocs occur and no epidemic broke outs Financing agency will not change interest rate to worse direction

	established in the 4 village of Ta Hoc commune 3-2) 300 people in 5 training courses of silviculture and marketing...Implemented;		
<u>Activity</u> <u>Out 1-1:</u> 1.1 The agro-forestry model selection; 1-2 Establish farmers' groups to participate the project. 1.3 Prepare project site; 1-4 Promote the access to the seedlings information and assist farmers in purchasing seedling and materials. 1-5 Plant, tend, and protect the agro-forestry models. Output 1-2 1-2 Harvest and sale agro-forestry products. Output 2: 2-2 Establish a credit scheme for farmers in the project area; 2-3. Supplement to the Mai Son 661 Project Management Board with implementing and management functions of project; Output 3: 3-1 Agro-forestry plots design 3-2 Training program implementing.	<u>Input</u> Loan: VND 1.03 billion State subsidy: (Seedlings, fertilizer, market information, etc.) Human resource: Farmers will contribute 127,474 man-days and government will designate staff for project work.	<u>Precondition</u> Provincial People Committee of Son La approve the project	

PART II. IMPLEMENTATION PLAN IN RESPECTIVE FIELDS

CHAPTER 1. INSTITUTIONAL ARRANGEMENT

1.1 Overall implementation structure

The DARD of Son La Province sets a policy direction of the project, mainly in the technical field through close collaboration with the provincial government.

A Project Management Board (PMB) is established as an implementing agency of the project. It is placed under the Mai Son District People's Committee (DPC). The PMB receives technical supports from the Sub- Department of Forestry of Son La Province. The current governmental staff and facilities of the 661 Project in Mai Son District are utilized for the implementation of the project. Different consultant agencies, assistants and workers is recruited on demand by employment contacts.

The PMB does not have financial responsibilities for loan repayment from participating households to the financial institution. In cooperation with the PMB, VBARD prepare the credit contract with the involved households.

The PMB is responsible for managing all other aspects of the project and for achieving the project objective as follows: To make contract with consultancy offices to design for agro-forestry model, which have species suitable on the natural, socio-economic condition of the project area and marketing. The pre-assessment of households or agro-forestry sites are carried out in order to screen potential participants by applying the eligibility criteria, which is developed by the financial institution and PMB.

Loans to each participating households are provided by the agreed financial institution. The financial institution is responsible for managing the loan contracts and handle cash transactions.

At the commune level and four project villages, the project implementation is supported by projects staff to carry out daily field operations.

1.2 Implementation agency

1.2.1 Project Management Board (PMB)

The PMB is established by Son La PPC. Director of the PMB is the Vice Director of the Mai Son 661 PMB, and as technical, planning and financial staff are senconded staff from the 661 PMB in the district.

Responsibilities of the PMB are as follows:

- Supporting participating households to precede loan application and loan contract with the Vietnam Bank for Agriculture and Rural Development (VBARD) at the district;
- Oversee the project implementation and address issues and concerns in collaboration with the Ta Hoc commune; and
- Reviewing agro-forestry plan, investment capital and project management to submit to to the authority agencies for approval on annual basis;

- Regularly review and collaborate with the district treasury in disbursement of the Stage budget;
- Working in collaboration with technical agencies to organize trainings courses for provision of technical guidance on agro-forestry model for the participating households.
- The PMB is directly responsible to Mai Son DPC and Son La Sub-DARD for project activities and achievements.
- Working in collaboration with Farmer groups identifies a market information channel and sale of agro-forestry products and inform in large for other households and farmer groups.

1.2.2 Households (Smallholders)

Roles and responsibilities of participating households are as follows:

Implement the project on the allocated forest land in accordance with components of the project, specifically, planting of seedlings according to the annual plan under the guidance of commune and the PMB.

To make a loan note for agro-forestry development implementation follows the guideline of professional staff. (If the household needs)

Utilize loan in line with predefined objective accordingly to terms and conditions set forth in loan contract with bank.

Be entitled to use up all products attained from the participated land into project.

1.3 Other Relevant Stakeholders

1.3.1 Management group

1.3.1.1 Son La Provincial PC

Approve the Feasible study report on agro-forestry in the four villages of Ta Hoc Commune, Mai Son District, Son La Province; and approve the establishment of the PMB at the district level;

Working in coordination with the Vietnam Bank of Agriculture and Rural Development (VBARD) of Son La province to makes financial policy for loans to develop agro-forestry and fee for management, training and equipments.

Review and approve the annual plan and budget, and release annual budget for the government portion of the project costs;

Ensure effective liaison with relevant agencies and stakeholders, and directing the DARD, the treasury and VBARD of Son La Province resolve problems that may arise from the project implementation, especially those beyond control of the PMB and the district office.

1.3.1.2 DARD/Sub-DoF

Provide consultancy for the Provincial PC; collaborate with the DARD, Treasury and VBARD of Son La Province to set up credit scheme; and co-ordination with the PMB regarding the implementation of the project;

Co-ordinate with Mai Son DPC supervises the implementation of the project plan;

Appraise the annual plan and annual budget of the project before submitting to the PPC for approval;

Ensure effective liaison with relevant agencies and stakeholders, and resolve problems that may arise in project implementation, especially those beyond control of the PMB and the district office;

Provide supports and information on technical issues, marketing, credit services, and trainging during the implementation of the project;

Sub-DoF is directly responsible to Son La PPC for the use of the state budgets by 661 Program resource (support for planting the production forest), which is supported for the agro-forestry project.

1.3.1.3 Mai Son District PC

Co-ordinate with DARD of Son La province, develop a working regulation for the PMB; initiate personnel for the PMB to submit to the PPC for decision making or making decision on personnel for the PMB;

Establish the PMB if the DPC is authorized by the PPC;

Oversee the project implementation and address issues and concerns in collaboration with the Sub-DoF;

1.3.1.4 Commune PC of Ta Hoc Commune

To delegate qualify staff in the commune to participate in the implementation of the Project;

Provide administrational services for the participating households;

Coordinate with the PMB and District economic unit to prepare short-and medium-term operation plans; and provide instruction to implement the project activities;

The Communal PCs of Ta Hoc Commune is directly responsible to District PCs for project activities.

Resolve problems of lands and other problems that may arise from the project implementation (if it is possible).

1.3.2 Service group

1.3.2.1 The treasury and VBARD of Son La Province and Mai Son District

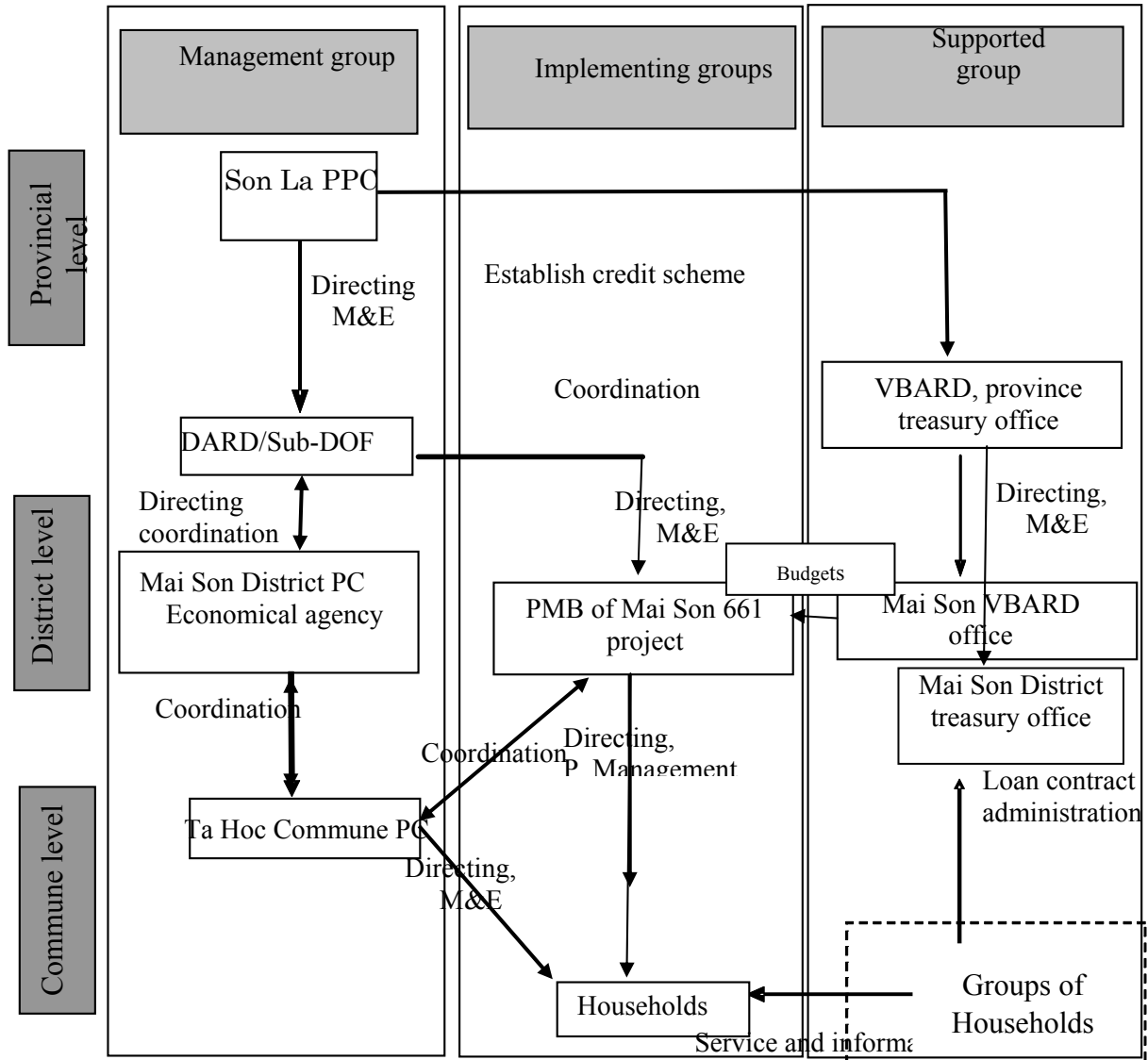
The treasury and VBARD of Son La Province, and Mai Son District consider and decide the feasibility of the agro-forestry development project, and verify pledge from the participated households. In cooperation with the PMB, VBARD will prepare the credit contract with the involved households.

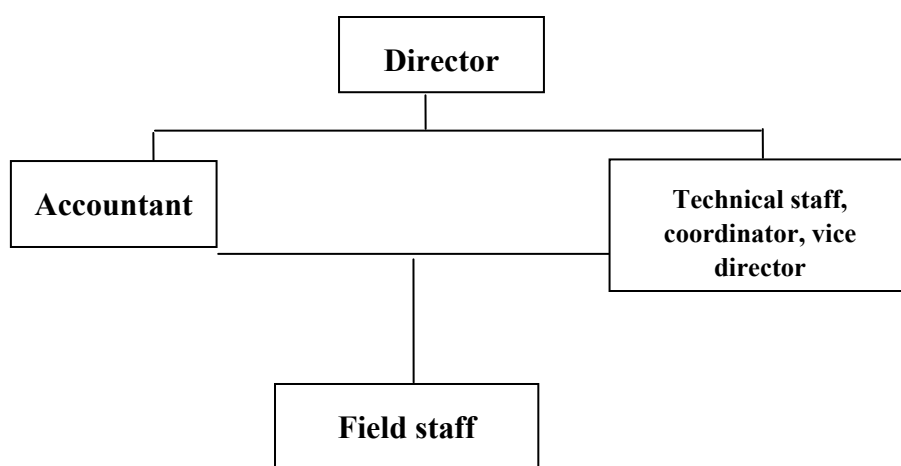
Treasury at the Mai Son District monitor the financial performance of the project at each period based on the decision, which was approved by PPC, or authorized by Sub-DARD; supply money for PMB and provides VND 2 million to households who participate in the project through PMB.

1.3.2.2 The farmer's group

The farmer's groups, which participate to the project, have a role of linking group members to aim at assisting them during project implementing process and co-ordinate with PMB to identify market of agro-forestry products, other information concern with them and inform them to other households and groups.

Figure 1. Organizational chart for project implementation





 **Table 5: Proposal for staff of PMB**

Project director	Technical staff, coordinator, vice-director	Accountant	Field staff	Total
1	1	1	5	8

1.4 Selection of Participating Households

The selection process of participating households starts with the identification of households, who have expectation to develop agro-forestry models in the project area. The general introduction of the project is distributed through information leaflets to households.

This is followed by community meetings in respective communes, where staff members of PMB give detailed explanation of the project objective, project activities, and eligibility criteria for participation.

The next step is to carry out pre-assessment of households and planting sites in order to screen potential participants by applying the eligibility criteria that is developed by the financial institution and PMB.

Then PMB of staff will convene another community meeting to provide eligible households with more detailed information on the loan scheme, application forms, agro-forestry models design, cost norms, and responsibilities of participants in respective commune.

CHAPTER 2. IMPLEMENTATION SCHEDULE

2.1 Overall Schedule of the Project Implementation

The assistance period of the project is five years. The overall schedule of the respective components and sub-components during the assistance period are summarized in the table below. It covers a period from 2007 to 2011. The overall schedule may be subject to revision over the course of the project implementation.

The year 2007, which is regarded as a preparation period, the preparation works for conducting agro-forestry activities are carried out. During the operation period from the year of 2008 to 2011, activities directly related to the agro-forestry are undertaken in the field.

 **Table 6: Overall Schedule of Project Implementation during the Assistance Period**

Calendar Year	2007	2008	2009	2010	2011
Implementing Year	1	2	3	4	5
Period	Preparation period	Operation period			
Component					
1-1. Establishment the agro-forestry model;					
1-2. From 2008 to 2018 around 415.98 ha of agro-forestry harvested;					
2.1. PMB established in the 2007.					
2.2. a credit scheme for farmers established.					
2.3. Monitoring and Evaluation reports					
3. 1. Agro-forestry plots designed					
3.2. Training program implemented.					

The three different components (Component 1 to 3) are integrated into the implementation steps of the project so that the project staffs are required to carry out multiple tasks simultaneously.

To facilitate a smooth start-up of agro-forestry activities as the project's implementing process. The three different components should be well prepared; the negotiations with the financial institution should start immediately after the endorsement of the project by the governments.

The project starts working in four villages of Ta Hoc commune. In the first year, priority is given to the village where locate close to roads and commune centers. This is a favorable demonstration effects to the rest of the participants in the project area.

2.2 Preparation period

There are four critical points in the preparation period:

- 1) Selection land for agro-forestry models and species selection for each model, that concern with agro-forestry model design which is suitable for each local area and for each of type soil;
- 2) Establishment of a financing mechanism to provide credits to participating households to develop agro-forestry;
- 3) Establishment of project management and operational structure, including
 - (i) establishment of PMB, (ii) Preparation of seven-year implementation plan and budget plan during the operation period as well as tools and manuals to be used in community mobilization and training, and (iii) establishment of strategic partnerships with other relevant stakeholders such as provincial agencies and the private sector organizations in securing political/ technical supports, supplying quality planting materials (seedlings, fertilizer), and promoting linkages with markets.
- 4) Technical training courses.



Table 7: Implementation schedule of preparation period

Step	Activities	Months											
		1	2	3	4	5	6	7	8	9	10	11	12
1	Establishment of PMB												
	Elaboration of TOR for PMB												
	Appointment of Project Director & PMB staff												
	Appointment of PMB staff												
	Procurement of Office Equipment												
	Establishment of Project Account												
	PMB Internal Meetings												
	Kick off meeting: PCs, PMB and DARD												
	Community meeting												
2	Establishment of a Loan Scheme with a Bank												
	Negotiation with Potential Financing Agencies												
	Detailed design of Loan Service Contract												
	Establishment of Agreement												
3	Staff Training												
	Overall Project Objective and Plan												
	Loan Scheme												
	Facilitation Skill												
	Site Evaluation Skill												
	Silviculture skill												
4	Agro-forestry Model Selection												
	Selection land for of agro-forestry												
	Tentative species												
	Design of agro-forestry models												

2.3 Operation period

A series of agro-forestry activities in a model rotation cycle is described in the table below. During the operation period, these activities are repeatedly carried out in the respective planting sites in order to establish agro-forestry plots. The agro-forestry activities in the cycle begin with the community mobilization in the first year of the cycle, which aims to determine participating households in the project. Planting seedlings is undertaken in the first year as part of the agro-forestry activities, tending activities from the first year to the third year, and protection activities from the first year to the seventh year. Progress monitoring of the results of the agro-forestry activities is conducted every year.



Table 8: Model Rotation Cycle of wood trees activities

Step	Activities	1 ha model rotation cycle							
		1 st year	2 nd year	3 rd year	4 th year	5 th year	6 th year	7 th year	8 th year
1	Select detail agro-forestry models								
2	Agro-forestry plot design								
3	Site preparation								
4	Delivery of seedlings and fertilizers								
5	Refilling								
6	Planting								
7	Beating up								
8	Tending								
9	Protection								
10	Wood harvesting								
11	Monitoring and Evaluation								

The focus of steps 2 to 10 agro-forestry related activities of the rotation cycle (Table 7 above) is three-fold and monthly schedule is shown in Table 9 below:

- 1) Preparation of detail agro-forestry plan
- 2) Provision of smooth planting materials (seedlings and fertilizer) and
- 3) Planting and protection agro-forestry trees



Table 9: Monthly Schedule of wood tree and Bamboo activities

Activities		Months											
		1	2	3	4	5	6	7	8	9	10	11	12
Step 1: Selection of Detail Agro-forestry models													
	Situational agro-forestry models survey.												
	Research models, to consult the ideas of agro-forestry experts												
	Research of agro-forestry products on marketing.												
	Agro-forestry plots selection.												
Step 2: Agro-forestry Plot Design													
	Placement of Planting Marking Stake												
	Placement of Orders for Seedlings and Fertilizer												
Step 3: Site Preparation													
	Other plants and shrubs cutting												
	Planting Hole Digging												
Step 4: Delivery of Seedlings and Fertilizer													
	Fertilizer												
	Seedlings												
	Refilling												
Step 5: Planting													
Step 6: Beating Up													
Step 7: Tending													
Step 8: Protection													
Step 9: Monitoring and Evaluation													



Table 10: Crop calendar

Crops	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Maize									Planting	Tending		Harvesting

Source: Databases was an Interviewed in the villages of the project area.

CHAPTER 3. FINANCIAL MANAGEMENT ARRANGEMENT

3.1 Financial sources

It is planned that other than the contributions by households, the project is funded with two different financial sources: loans and governmental budgets.

Total of project financial sources: VND 9.9 billion, including loans: VND 1.29 billion, financial sources supported by the state: VND1.937 billion, financial sources of households: VND 6.67 billion.

Loans are extended to households for agro-forestry model (to buy seedlings and fertilizers).

While governmental budgets (about VND 2 million per ha) are appropriated to the Mai Son 661 PMB for their operation and management of the project, employment of local consultants, and supporting services to the participating households.

Financial sources of households are calculated as labor costs for sites preparation, planting, tending and harvesting etc.

3.2 Loan program for project activities

During the assistance period of the project, in June to July, households who need loans present loan notes for disbursement of loans to VBARD.

It is envisaged that VBARD at Mai Son District will check their loan notes after implementing the loan program for households to develop agro-forestry plots. The loan contracts are concluded between respective households and the financial institution.

Financial reports are prepared by the financial institution as part of their routine activities on a monthly, quarterly and yearly basis.

An annual report is prepared at end of January every year. Reporting data is based on loan data recorded as of end of December in the previous year.

Reporting system and financial procedures will follow the existing regulations and policies of the banking sector in general and of the concerned financial institution in particular. Reporting procedures and tables are prepared in a uniform way applied by the banking system.

Through the existing reporting system of the financial institution, the PMB will receive information related to loan disbursement and repayment concerning the project.

3.3 Governmental budgets for project activities

It is planned that the management and operation of the implementing agency, employment of local consultants, and organization of training courses and supported VND two million per ha are funded with the Vietnamese governmental budgets at the provincial and district levels. The financial and budgetary procedures and reporting system relating to the government budgets will follow the state management budgetary system. Department of Planning and Investment (DPI) and Department of Finance (DoF) at the provincial office

and Division of Finance and Planning and Treasury Division at the district office are mainly involved in the process. Relevant governmental decrees and circulars include the followings:

- State budget law in 2002;
- Decree Nr. 60/2003/CP dated 6/6/2003 of the Government stipulated detailed regulations and guidance on implementation of the State budget law;
- Circular Nr. 59/2003/TT-BTC dated 23/6/2003 of Ministry of Finance guiding implementation of Decree Nr. 60/2003/CP, which dated 6/6/2003 of the Government stipulating detailed regulations and guidance on implementation of the State budget law; and
- Decision document from the Son La PPC on the application of the Decision Nr. 164/2006/QĐ-TTg, July, 1-2006 of the Government stipulated the communal list of special poor of afforestation on the bare land supported VND 2.0 million per ha.

These procedures permit the disbursement of funds, on the basis of an approved annual implementation plan and budget, from the provincial government to a project account through the district treasury.

It is planned that the budget for the project management component is originated from the provincial budget (partly from district budget), channeled through functional sections and agencies at various levels to PMB. The annual schedule of the budget preparation is described as follows:

Every year in June to July, the district office, based on the allocation to the project, develops and submits an annual plan including the detailed monthly plan to DPI at the provincial level. In August, DPI appraises the plan and further submits it to Provincial PC for endorsement. Subsequently in September, the district office, based on the annual plan proposed by the PMB and endorsed by Provincial PC, develops and submits detailed budget plan to DoF at the provincial level. In October, DoF appraises the budget plan and further submits it to Provincial PC for approval. In December, Provincial PC issues its decision on budget allocation for the PMB and DoF will transfer budgets to the district treasury based on this decision. The district treasury division sets up a project account for the PMB in order to administrate the project management budgets in accordance with the progress of the project implementation. All the expenditures of PMB is monitored and inspected by the financial and planning division of the district office as part of the settlement procedures of annual budget accounts during the first quarter of the year.

**Table 11: Annual Budget Cycle of PMB**

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Annual Planning												
Submission to PPC												
Development of detailed estimation												
Appraisal												
PPC's decision												
Budget release to communes												
Settlement of accounts for the previous year and submit it to DoF												

3.4 Arrangements for accounting, financial reporting and auditing

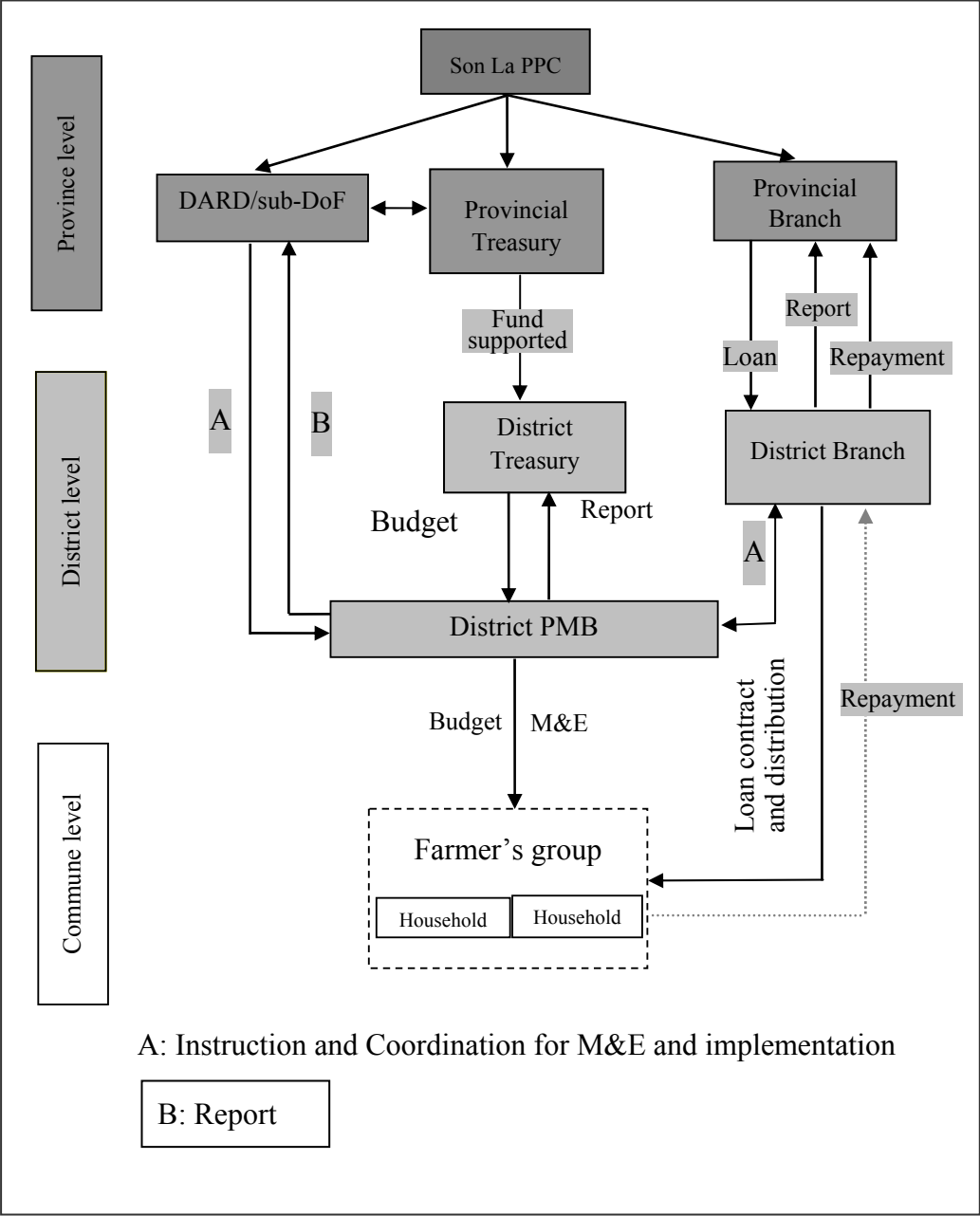
PMB prepares and sends the project implementation report on monthly, quarterly and annual basis in accordance with the existing regulations on state budget management to district and provincial governments. Annually, PMB has to prepare and submit reports on account balance to the district and provincial governments in the regulated tables and format.

PMB synthesizes and balances between financial and implementation progress reports to see if there is any issues to be supplemented for further reporting to district and provincial governments.

At the completion of the project (i.e. end of the assistance period), PMB prepares and submits the account balance to competent authorities for approval.

Similar to the general auditing procedures, the State auditing committee will audit all financially-related aspects on annual or several years basis. Depending on the necessity, unexpected auditing can be taken place at any time of the year.

Figure 2. Funds Flow for Agro-forestry in Ta Hoc Commune, Mai Son District



CHAPTER 4. PROCUREMENT ARRANGEMENTS

4.1 Identification of items to be procured

In the project, it is planned that various goods are procured. Goods include seedlings and fertilizers for the agro-forestry development, office equipment such as desks and chairs for the implementing agency, and training materials for the training courses.

Buying seedling by a seedling Supply Contract among the households and buyer, the place is introduced by PMB, and PMB also helps the households to monitor quality of seedling.

Buying fertilizer by households to buy directly at the fertilizer's offices in the Ta Hoc Commune or in the Mai Son District, the prices agree upon between the buyer and salvers.

The other consultancy service for agro-forestry plots designing, loan scheme with a bank, training courses and office equipment by direct contracting between PMB and consultancy offices.

The table 12 shows the detail:



Table 12: Procurement plan

Item Comp	Item to be procured	Lot/Package for procurement	Procurement method	Responsible organization	Remarks
Comp 1	Seedlings	One package in each year	Local shopping	PMB	
Comp 1	Fertilizer	One package in each year	Local shopping	PMB	
Comp 3	Consultancy service for planting plot designing	One package in each year	Direct contracting	PMB	
Comp 2	Consultancy services for establishing loan scheme	Individual basis	Direct contracting	PMB	
Comp 3	Teacher for training courses	Individual basis	Direct contracting	PMB	
Comp 2	Office equipment (Note)	One package	Local shopping	PMB	

Note: Materials for training are included in the office equipments

4.2 Procurement flow with approval process

4.2.1 Procurement Flow of Seedlings and Fertilizer

In the establishment of the agro-forestry model component, participating households purchase seedlings and fertilizers with the assistance of the Mai Son PMB.

PMB requests several suppliers, which have been recommended by Sub-DoF, to present price quotations together with quality and delivery schedules. Based on comparing the quotations, PMB will recommend the most appropriate supplier to households. PMB assist households in procurement, for example, by helping them prepare an order form and by examining quality of goods delivered.

As for office equipments, PMB purchases directly based on comparing quotations of several traders. The Procurement Flow of Seedlings as follow:

In August, households estimate a number of seedlings and amount of fertilizers needed and inform PMB, of the quantity for their technical review. In September and October, PMB aggregates the number of seedlings and amount of fertilizer required in the project area for the year. Based on the aggregated quantity, PMB requests several suppliers to present their price quotations together with the quality and delivery schedule. PMB selects the most appropriate supplier based on the quotations. In February to April, households and PMB confirm the quantity of seedlings and fertilizer to be procured together with the suppliers to purchase from. In May to June, the supplier informs households of delivery points and schedules through PMB in advance. It directly delivers seedlings and fertilizers to households. PMB conduct on-site inspection of the quality of seedlings and fertilizer. Households confirm quantity of seedlings and fertilizers delivered. Households sign the receipts of materials delivered and send them to suppliers through PMB. In October, households directly pay a bill for seedlings and fertilizer to respective suppliers based on their request for payment

4.2.2 Procurement procedure for consultancy service

Regarding the consultancy services for establishing a loan scheme, promoting market linkages, and building institutional capacity for the implementation, PMB will select a consultancy company through the direct contracting. Based on information of Sub-DoF, PMB selects a proper consultancy company which is able to conduct services in the project area. The Procurement procedure for consultancy service as follow:

In January and February, PMB re-examines necessary consultancy services to be procured and prepares Terms of Reference (TOR) of the services. PMB submits their plan to the Sub-DoF for approval through Mai Son PC. In March, Sub-DoF examines and approves the TOR. If they find it necessary to revise it, it holds meetings with PMB for revision. In April, after approval by Sub-DoF, PMB selects consultancy company in accordance with the procurement guidelines and request the selected consultancy company to prepare proposals for the consultancy services. In May, consultancy proposes a plan of services. PMB examines the plan. In December, PMB pays a bill for services to the consultancy company based on their request for payment as they proceed with the services.

A procurement flow of goods and services are shown in table 14 and 15.


Table 13: Procurement Flow of Seedlings and Fertilizer

Expected Schedule	Action	Households	PMB	Supplier	Sub-DOF/District PPC	Remarks
August	Calculate quantity of seedlings and fertilizer					Households estimate a number of seedlings and amount of fertilizers needed and inform PMB, of the quantity for their technical review.
September - October	Selection of suppliers					PMB aggregates the number of seedlings and amount of fertilizer required in the project area for the year. Based on the aggregated quantity, PMB requests several suppliers to present their price quotations together with the quality and delivery schedule. PMB selects the most appropriate supplier based on the quotations.
Feb-April	Confirm quality of seedlings and fertilizer					Households and PMB confirm the quantity of seedlings and fertilizer to be procured together with the suppliers to purchase from. To check a supplier's implementing.
May - June	Placing orders of seedlings and fertilizer					The supplier informs households of delivery points and schedules through PMB in advance. It directly delivers seedlings or fertilizers to households. PMB conduct on-site inspection of the quality of seedlings and fertilizer. Households confirm quantity of seedlings and fertilizers delivered. Households sign the receipts of materials delivered and send them to suppliers through PMB.
October	Delivery and inspection of seedlings and fertilizer					Smallholder directly pays a bill for seedlings and fertilizer to respective suppliers based on their request for payment.

Note: In case of the office equipment, PMB procures the equipment by direct contracting. The procurement follows PMB's internal procedures.

Note:  indicates a household who are involved in actions concerned.  Indicates a direction of actions.



Table 14: Procurement procedure for consultancy service

Expected Schedule	Action	PMB	Consultancy company	Sub-DOF/District PPC	Remarks
Jan-Feb	Preparation of service contents to be ordered agro-forestry plots.				PMB re-examines necessary consultancy services to be procured and prepares Terms of Reference (TOR) of the services. PMB submits their plan to the Sub-DOF for approval through Mai Son PC.
March	Approval of service contents by Sub-DOF				Sub-DOF examines and approves the TOR. If they find it necessary to revise it, it holds meetings with PMB for revision.
April	Selection of consultancy company and request for proposal report				After approval by Sub-DOF, PMB selects consultancy company in accordance with the procurement guidelines and request the selected consultancy company to prepare proposals for the consultancy services.
May 30	Evaluation of Consultancy company propose a plan of services				Consultancy company propose a plan of services. PMB examines the plan.
Dec	Payment for consultancy services				PMB pays a bill for services to the consultancy company based on their request for payment as they proceed with the services.

Note: Consultants provide services for a period of six months in the above case.

CHAPTER 5. SALES AND MARKETING

5.1 Overview of sales and marketing conditions

5.1.1 Demand and supply of forest products

Currently, there are only two state enterprises those deal with forest products processing namely (1) Son La forest product processing company; (2) Wood processing workshop of Phu-Bac Yen state enterprise. Besides, there are some others private workshops. According to the Strategy for development of Son La forestry sector, forest product demand of the province in the year 2010 will stand at 57,120m³ of timber and about 5,000 tons of bamboo. Among this, state enterprises need around 45,120m³ of timber and 5,000 tons of bamboo, the remaining is for private sector.

Estimated demand for forest products of Son La in 2000-2010 periods is described in the following table:

 **Table 15: Estimation of demand for forest products till 2010**

Item	Unit	2000	2005	2010
Furniture	m ³	88,138	99,000	110,000
Firewood	Ster	1,200,000	1,350,000	1,500,000
Bamboo & Dendrocalmus.	Stem	4,800,000	5,000,000	6,000,000
Wood for hydro power factory	m ³			100,000

Source: *Strategy for development of Son La Forestry sector in 2000-2010 periods*

5.1.2 Price and transportation costs of forest products

As for the price, top quality trees, which can be sold for sawn logs, is highest price class, lower quality wood materials sold for household woods and fuel wood and the price of wood materials depends on the quality and specification of them. On this basis, in the project area, average stumpage value for logs is assumed at VND 550,000 per m³ for *Melia sp.* and VND 5,000 per tree for bamboo. Transportation cost varies depending on the distance to the target market. It is assumed that Son La forest product processing company pays about VND 110,000 per m³ on average for transporting wood and VND 1,500 per bamboo tree from the project area.

5.1.3 Target markets

In terms of Son La forest product processing company (SLFPPC) and house woods of local people, besides, there are some others private workshops, among which SLFPPC is one of the major target market located closest to the project area.

Crop products can be sold for the local individual sales agents.

5.2 Sales and marketing flow

5.2.1 Basis idea for preparing sales and marketing flow

Based on the result of the F/S in Son La province, study was made on stakeholders that are involved in the sales and marketing activities of the project. The following three (3) stakeholders have been identified; households, Project Management Board and Son La Forest Product Processing Company.

Households are major actors in the project. They conduct agro-forestry activities and establish production forests in order to produce wood materials.

PMB conducts coordination works from a viewpoint of attaining the project objectives, such as exchange of information on demand and supply of wood materials.

SLFPPC is an important stakeholder in the process of sales and marketing. SLFPPC, a target market of the project, buys wood materials for construction, Bamboo and chips from households. In order to procure wood materials, SLFPPC concludes a purchasing agreement of wood materials with the stakeholders.

There are two stages of activities relating sales and marketing in the project. First stage (No.1 to No.6 in the flowchart on the following page) is the one relating to arrangement of sales and marketing information for conducting activities of selling and purchasing of wood materials. In this stage, collection and dissemination of market information are conducted for sharing common understandings among stakeholders on market conditions. The exchange of information about demand and supply of wood materials between PMB and SLFPPC is conducted at the end of 1st stage as final activities for arrangement of sales and marketing information.

Then concrete activities relating selling and purchasing of wood materials as raw materials for chips are started among stakeholders. This is the 2nd stage (No.7 to No.10 in the flowchart). In this stage, site survey, negotiation of sales contract and harvesting, etc. are conducted and as final activity of this stage, payment of bill is conducted. A total of 10 steps are identified for sales and marketing activities over these two stages.

5.2.2 Preparation of sales and marketing flow

As for respective steps of sales and marketing activities, examination is made on roles and functions that respective stakeholders play in connection with sales and marketing activities, and relationships among the stakeholders. A general description of the sales and marketing flow is given as follows;

Firstly, in order to share information on market conditions among stakeholders, PMB, as PMB that is responsible for attaining the project objectives, exchanges information with SLFPPC as user of wood materials and with households as producer of wood materials. After final exchange of market information between PMB and SLFPPC, SLFPPC and an intermediate agent agree on sales and purchasing conditions of wood materials based on information exchanged. The intermediate agents, for purchasing wood materials, start to negotiate with households who own wood materials concerned. PMB act as a coordinator, and assist households during the negotiation. Finally Households deliver wood materials to

SLFPPC and then a cycle of sales and marketing activities are completed. In the column for remarks of the table, detail description of each step is given.

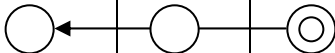
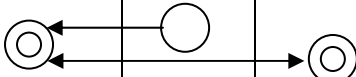
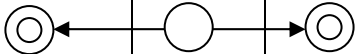
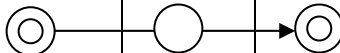
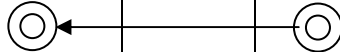
The overview of Sales and marketing flow:

- 1) In the 2007, PMB review and Households update the data and information collected, and prices of wood materials in the target markets SLFPPC and demand wood of households and others private workshops;
- 2) In the 2008- 20011, PMB requests SLFPPC to provide a plan for procurement of wood materials in terms of quantity, quality, specification and price;
- 3) In the 2012, the PMB to organize a meeting with households. On the meeting, PMB provides market information, especially local forest product processing workshops (LWPF) and SLFPPC plan for procurement;
- 4) In the 2012, the SLFPPC conducts pre-assessment of conditions of sites proposed for harvesting, especially total amount of standing volume and size of standing trees are confirmed. The result of pre-assessment is transferred to PMB and Households;
- 5) In the 2012, Based on the survey, Households and PMB who is representative of households negotiate on sales conditions such as prices, specifications, quantity, and delivery conditions of wood materials;
- 6) In the 2013, when they agree upon sales conditions, sales contract is concluded between SLFPPC and households. PMB signs the contract as witness;
- 7) In the 2013-2018, Households harvest woods and take them to SLFPC and SLFPPC under monitoring by PMB based on the contract signed;
- 8) In the 2013-2018, SLFPPC pays money to households after complement deliver goods and to take stock of this contract.



Table 16: Sales and marketing flow

No	Expected Schedule	Stakeholder Action	Households	PMB	SLFPPC	Remarks
1	2007	Review the market conditions				PMB review and Households update the data and information collected, and prices of wood materials in the target markets SLFPPC and demand wood of households and others private workshops.
2	2008 2011	Collection of procurement plan of SLFPPC and Local household wooden product requirements.				PMB and households requests SLFPPC to provide a plan for procurement of wood materials in terms of quantity, quality, specification and price.

No	Expected Schedule	Stakeholder Action	Households	PMB	SLFPPC	Remarks
3	2012	Provide market information				PMB to organize a meeting with households. On the meeting, PMB provides market information, especially local forest product processing workshops (LWPF) and SLFPPC plan for procurement.
4	2012	Pre-assessment of agro-forestry site proposed				SLFPPC conducts pre-assessment of conditions of sites proposed for harvesting, especially total amount of standing volume and size of standing trees are confirmed. The result of pre-assessment is transferred to PMB and Households.
5	2012	Agreement between SLWPC and Households				Based on the survey, households and PMB who is representative of households negotiate on sales conditions such as prices, specifications, quantity, and delivery conditions of wood materials.
6	2013	Sales contract				When they agree upon sales conditions, sales contract is concluded between SLFPPC and households. PMB signs the contract as witness.
7	2013 2018	Harvesting and delivery				Households harvest woods and take them to SLFPC and SLFPPC under monitoring by PMB based on the contract signed.
8	2013 2018	Payment				SLFPPC pays money to households after complement deliver goods and to take stock of this contract.

Note:  indicates a stakeholder who are directly involved in actions concerned.

—→ indicates a direction of actions.  indicates a stakeholder who coordinates actions among stakeholders who are directly involved in actions.

CHAPTER 6. TRAINING PLAN

As part of the preparation of the project, an assessment of the training needs was conducted for the key actors such as potential participating households in this project and district staff members as future project management staff. Based on the training needs assessment, the two areas have been identified to strengthen: (1) technical skills of the participating households at the field level and (2) technical and managerial skills of the implementing agency.

Budget for the training courses partly come from the budget line for project technical service, the total cost estimated: VND 0.166 million of Project cost during the Assistance Period (2007-2011), (As mentioned in the 1.4). Based on the results of training needs assessment, the training plan should be prepared as follows:

6.1 Training plan at the field level

The training plan at the field level is concerned with the implementation of the project activities at the field level. The plan will cover, among others, plantation of seedlings, cultivation of agricultural products, tending and protection, etc. The targeted participants of the training plan may be farmers in the project areas or employees and/or contract workers of the implementing agency.

Objective: Agro-forestry basis technique, Loans procedure;

Content: Transfer technology in planting, tending and protection in agro-forestry models, and Loan procedure in the Bank;

Method: Theory and practice on the field, Guide to loan procedure in the bank;

Participant: 240 persons (one class, 60 persons), Number of training course: 4 training courses, Duration: three days, Timing: In March in 2008, 2009;

Cost (VND million): VND 40.0 million

The main responsibility of this training program is PMB, and supported by Staff of SL Sub- DARD and Sub-DOF, Staff of Bank

6.2 Training plan at the level of the implementing agency

The training plan at the level of the implementing agency is concerned with the management and implementation of the project. The training plan will cover the project management, finance & planning skills, technical and extension skills, accounting skills, and so on. The plan is conducted basically for the management and staff members of the implementing agency.

Objective, to supply marketing information, harvesting technique and product's consumption;

Content: Harvesting technique; Agro-forestry rotation method; Marketing and product's consumption information, Loan's procedure in the Bank;

Method: Theory and practice on the field, up date to marketing and price, goods meeting fixed standards information, Guide to loan's procedure in the bank

Participants: 60 people, Participant/class: 60 people, Total of training course: 01 training courses, Duration: Total of 3 day, Timing: In October in 2011.

Cost (VND million): VND 10.0 million.

The main responsibility of this training program is PMB, and supported by Sub-DARD, Sub-DoF. (Detail see table 20)

Based on the total cost estimated: VND 0.166 million of component three of Project cost during the Assistance Period (2007-2011), (As mentioned in the 1.4). The tentative training plan as follows:

 **Table 17: Tentative training plan**

Title of training course	Objective	Content	Method	Target Participants	Number of Participant	Total of training course	Duration (month)	Timing	Cost (VND million)
1	2	3	4	5	6	7	8	9	10
Agro-forestry basis technique Loan's procedure	After training course the Participants understood agro-forestry basis technique Loan's procedure	Transfer technology in planting, tending, protection in agro-forestry models Loan's procedure in the Bank	Theory and practice on the field Guide to loan's procedure in the bank	Farmers	240	4	Total of 3 day	March	40.0
To supply marketing information, harvesting technique and product's consumption.	After training course, the Participants have been got marketing information, harvesting technique and product's consumption.	Harvesting technique; Agro-forestry rotation method; Marketing and product's consumption information	Theory and practice on the field Up date to marketing and price, goods meeting fixed standards information	Trainers (extension officers), Project staff	60	1	Total of 3 day	October	10.
Total					300	5			50.

CHAPTER 7. MONITORING AND EVALUATION

7.1 Monitoring

Monitoring aims to examine if the project progresses in accordance with the plan and take necessary actions for the project implementation, if any. The development impact indicators and the progress indicators of the project are re-examined and utilized for the monitoring of the project. Critical assumptions set for the Project Design Matrix (PDM) is also monitored.

The monitoring work aims at checking the implementation progress of the project and take actions for modification of the plan if necessary.

The overall responsibility of the project monitoring, including reporting of the results, rests with PMB. Day-to-day monitoring duties are carried out by the extension workers at the respective PIU and the duties are well integrated into a regular/routine recording and reporting system facilitated with simple reporting formats. Upon the completion of major events such as community meetings, group formation, conclusion of loan contracts, group training, delivery of planting materials, PMB is informed about the performance of the project in order to check the results in light of the plan, and then take appropriate actions if necessary.

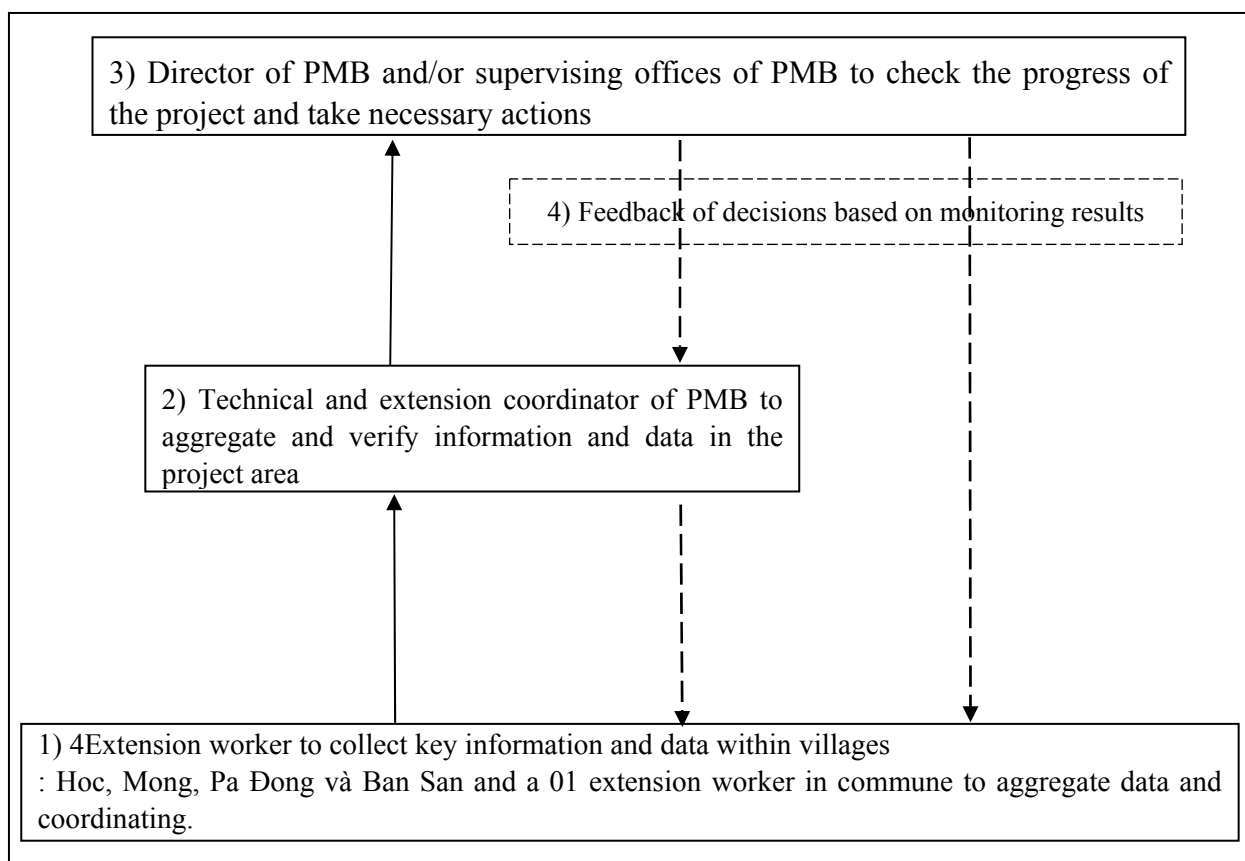
The technical and extension coordinators at PMB will carry out periodical field examination to cross-check the project performance and prepare progress reports. It is expected that PMB will swiftly respond against poor performance of the project instead of waiting the evaluation until the end of year or the preparation of next annual budget.

Tentative Monitoring Mechanism and Information Flow:

- 1) 4 Extension worker to collect key information and data within villages: Hoc, Mong, Pa Dong and Ban San and a 01 extension worker in commune to aggregate data and coordinating as follows the time of each activities: agro-forestry site design, technical services to develop agro forestry models and establish them by note books and tables;
- 2) Every month at the date 25, the extension worker report the results of monitoring for Technical and extension coordinator of PMB. After that, he to aggregate and verify information and data in the project area;
- 3) Every month at the date 27, the technical and extension coordinator of PMB reports the results of monitoring to Director of PMB and/or supervising offices of PMB. They check the progress of the project and take necessary actions;
- 4) Director of PMB and/or supervising offices of PMB feedback of decisions based on monitoring results by note.

The following figure illustrates the tentative monitoring mechanism and information flow from extension workers to the decision-making body of the project and the feedback system.

Figure 3. Tentative Monitoring Mechanism and Information Flow



The collected key information and data are called progress indicators. As shown in the Project Design Matrix, the following indicators have been set to monitor the achievement of outputs.

The monitoring in the preparation period, the annual plans, reports and data of household interviews are indicators (tools) for PMB to check the implementation of the implementation.

1-1) By 2018, 415.98 ha of forest land in project area is used properly

1-2) From 2008 to 2011: It is expected that around 2,490 tons of maize, and from 2013 - 2018. It is expected that total: 16.323 m³ (commercial wood), 4.663 fire woods, 1.08 million Bamboo is harvested. And By the end of 2009, 2,490 tons of maize shall be harvested and sold.

2-1) The Mai Son 661 Project Management Board with implementing and management functions of project Supplemented;

2-2) Number of farmers to be guide loans procedure; and Amount of loans disbursed: VND 1.29 million;

2-3) Project reports of every months, quarter and half a year, at the end of the years from 2007-2011.

3-1) Two agro-forestry models with 415.98 ha established in the 4 village of Ta Hoc commune

3-2) 300 people in 5 training courses of sivilculture and marketing...Implemented;

7.2 Evaluation

Evaluation aims to make recommendations on the future course of the project and draw lessons for other projects.

It is carried out by using all the results of the project, particularly achievement of the project objective and the overall goal.

The development impact indicators and progress indicators are used for the evaluation of the project.

As evaluation requires a more objective perspective, evaluation may be undertaken by a third party, independent from the F/S team and the implementing agency of the project. Alternatively, the management group could conduct evaluation and have comments on the results of the project from the third party. It is also important to feedback comments and suggestions of the target beneficiaries by including representatives of the target beneficiaries in the evaluation team.

As evaluation requires a more objective perspective, it is planned that an evaluation team is organized by a third party: VBARD at Mai Son District, State treasury office, Sub-DARD/Sub-DoF.

However, if it is not possible to form an independent evaluation team, the provincial government, Sub-DARD in particular, will take an initiative to evaluate the project. Representatives of the target beneficiaries will also participate in the evaluation team.

The evaluation team promptly feedbacks the evaluation results to the parties involved in the project such as the provincial, district, commune PCs, VBARD and treasury. In this case as well, the provincial government may receive comments on the project performance of the project from the third party to ensure its objectivity of the evaluation.

Evaluation work aims to make recommendations on the future course of the project and draw lessons. It is carried out during or after the assistance period of the project by using all the results of the project, particularly achievement of the objective of the assistance, the project objectives, and the overall goal. Together with the progress indicators mentioned in the above section, the following development impact indicators are used for the evaluation of the project.

(1) Development indicators to evaluate the achievement of the overall goal

Poverty rate is reduced. Increase in income of households in the project area

(2) Development indicators to evaluate the achievement of the project objectives

Income obtained from implementation of 1 hectare of agro-forestry model increase by 10%/year since 2009.

(3) Development indicators to evaluate the achievement of the objective of the assistance

From 2008 to 2011, Agro-forestry area (around 415.98) is established in 2011 by 2 models;

(4) Evaluation means:

Report of forest Statistics of Mai Son District and Son La Province, Business report of Particle Board Factory (TNPBF), Statistics of District and Province , Project progress

report, Project progress report, report on plantation results , Quarterly report of the financial Project implementing reports and Training course process reports, Project progress report, records of meetings, interviews, Approval letter issued by Provincial PC

(5) Time for information collection each depend on the time for Project monitoring or evaluation, as follows: For the overall goal: in the December, every 3 years since 2011; For the Project objective: in the December, every 3 years since 2014, For the Project objective of the assistance: in the 3 rd quarter in 2011; For the project results: 1) 3rd quarter every year since 2007 to 2011, 2) 3rd quarter every year since 2013 to 2018, 3) The first quarter every year since 2007 to 2008 and 4 rd quarter of 2011 and 3 rd quarter every year since 2007 to 2010.

(6) Method: There are some method as: Collection of data from the district and provincial statistics, Interview survey, Study existing documents and directly collect data on site, Study existing documents of the project and direct interviews with farmers on site,, Study existing documents concern with the project, Synthesis and analysis of collected data, Evaluation report, Instruction from Director of PMB (Detail sees the table 18)

**Table 18: Monitoring and Evaluation Plan**

Description n	Indicators	Evaluation means	Information collection			Aggregation of information			Decision making		Decisions sent for implementation	
			Collected by	Time	Method	Sent to	Time	Method	Person/a gency	Time	Time	Method
Overall goal	Poverty rate is reduced. Increase in income of households in the project area.	Report of forest Statistics of Mai Son District and Son La Province	Evaluation team	December, every 3 years since 2011	- Collection of data from the district and provincial statistics - Interview survey	Son La DARD	December, every 3 years since 2011	Synthesis and analysis of collected data	Provincial PC	December, every 3 years since 2011	January of the following year	Evaluation report
Project objective	10% Increase in income of households	Business report of Particle Board Factory (TNPBF), Statistics of District and Province	Evaluation team	December, every 3 years since 2014	- Collection of data from the district and provincial statistics - Interview survey	Son La DARD	December, every 3 years since 2011	Synthesis and analysis of collected data	Provincial PC	December, every 3 years since 2011	January of the following year	Evaluation report
Objective of the assistance	From 2008 to 2011, Agro-forestry area (around 415.98) is established in 2011 by 2 models;	Project progress report	Extension workers, Bank staff	3 rd quarter in 2011	Study existing documents and directly collect data on site	Technical & extension coordinator of PMB	3rd quarter in 2011	Synthesis and analysis of collected data	Director of PMB	3rd quarter in 2011	4th quarter in 2011	Instruction from Director of PMB
Output 1	1-1) By 2018, 415.98 ha of forest land in project area is used properly	Project progress report, report on plantation results	Extension workers	3rd quarter every year since 2007 to 2011	Study existing documents and directly measure on site	Technical & extension coordinator of PMB	3rd quarter every year since 2007 to 2011	Synthesis and analysis of collected data	Director of PMB	3rd quarter every year since 2007 to 2011	4th quarter of the same year	Instruction from Director of PMB

Description	Indicators	Evaluation means	Information collection			Aggregation of information			Decision making		Decisions sent for implementation	
			Collected by	Time	Method	Sent to	Time	Method	Person/agency	Time	Time	Method
Output 1	1-2) From 2008 to 2011: It is expected that around 2,490 tons of maize, and from 2013 -2018. It is expected that total: 16,323 m3 (commercial wood), 4,663 fire wood, 1.08 million Bamboos is harvested. And By the end of 2009, 2,490 tons of maize shall be harvested and sold.	Training course process reports	Extension workers	The first quarter every year since 2007 to 2008 and 4 rd quarter of 2011	Study existing documents of the project and direct interviews with farmers on site	Technical & extension coordinator of PMB	3rd quarter every year since 2003 to 2018	Synthesis and analysis of collected data	Director of PMB	3rd quarter every year since 2015 to 2018	4th quarter of the same year	Instruction from Director of PMB
Output 2	2-1) The Mai Son 661 Project Management Board with implementing and management functions of project Supplemented;	Project progress report, records of meetings, interviews	Extension workers	3 rd quarter every year since 2007 to 2010	Study existing documents concern with the project	Technical & extension coordinator of PMB	The first quarter every year since 2007 to 2008 and 4 rd quarter of 2011	Synthesis and analysis of collected data	Director of PMB	3rd quarter every year since 2007 to 2011	4th quarter of the same year	Instruction from Director of PMB
Output 2	2-3 Project reports of every months, quarter and half a year, at the end of the years from 2007-2011.	Project progress report, records of meetings, interviews	Extension workers	3 rd quarter every year since 2007 to 2010	Study existing documents concern with the project	Technical & extension coordinator of PMB	The first quarter every year since 2007 to 2008 and 4 rd quarter of 2011	Synthesis and analysis of collected data	Director of PMB	3rd quarter every year since 2007 to 2011	4th quarter of the same year	Instruction from Director of PMB
Output 3	3-1) Two agro-forestry models with 415.98 ha established in the 4 village of Ta Hoc commune	Project progress report, records of meetings, interviews	Extension workers	3 rd quarter every year since 2007 to 2010	Study existing documents concern with the project	Technical & extension coordinator of PMB	The first quarter every year since 2007 to 2008 and 4 rd quarter of 2011	Synthesis and analysis of collected data	Director of PMB	3rd quarter every year since 2007 to 2011	4th quarter of the same year	Instruction from Director of PMB
Output 3	3-2) 300 people in 5 training courses of silviculture and marketing implemented;	Project progress report, records of meetings, interviews	Extension workers	3 rd quarter every year since 2007 to 2010	Study existing documents concern with the project	Technical & extension coordinator of PMB	The first quarter every year since 2007 to 2008 and 4 rd quarter of 2011	Synthesis and analysis of collected data	Director of PMB	3rd quarter every year since 2007 to 2011	4th quarter of the same year	Instruction from Director of PMB

ANNEXES

ANNEX I: Overall Plan of the Project during the Assistance Period (2007 – 2011)

Year		2007	2008	2009	2010	2011	Main responsibility and assistance	Partnership	Notes
Implementation year		1	2	3	4	5			
Activities	Outputs	The assistance Period	The Implementation Period						
1. Establishment of the agro-forestry model	415.98 ha of agro-forestry established								
1.1. Establish of Project implementing plan	01 table of Project implementing plan established.						Farmers	PMB, consultants Sub-DOF	
1.2. Establishment of a Loan Scheme with a Bank	VND 1.294.400.000 loans by farmers from the Bank						PMB	Mai Son VBARD, Mai Son DPC; Son La PPC	
1.3. Annual models design	415.98 ha of agro-forestry designed in four years.						PMB	PMB, consultants Sub-DOF	
1.4. State budget supported	VND 1.294.400.000 loans						SL PPC	Mai Son VBARD, Mai Son DPC;	
1.5. Planting, forest tree tending and crop products harvest									
2. Project management, monitoring and evaluation							PMB	SL PPC, Mai Son La PPC, SL	

Year		2007	2008	2009	2010	2011	Main responsibility and assistance	Partnership	Notes
Implementation year		1	2	3	4	5			
								Sub-DARD, Sub-DOF	
2.1. Training of basis technical farmers.	4 training course with 240 people								
2.2. To guide a Procurement of loans	1 guide line								
3. Facilitating the implementation of the project									
3.1. To define organizational project implementation	Partnership established.								
3.2. To define roles and responsibilities of PMB staff	Define roles and responsibilities of PMB staff established.								
3.3. Establish a plan of M&E project implementation process	01 plan of M&E project implementation process established.								
4. Establishment of the agro-forestry model									
5. Establishment of PMB									
Decision of PMB established	A decision of PMB								
Appointment of Project Director & PMB staff	There are Project Director & PMB staff								
Elaboration of TOR for PMB	TOR for PMB set upped.								
6. Establish loans scheme with a bank									
Negotiation with Potential Financing Agencies							PMB		
Detailed design of Loan Service Contract							Households	PMB, Bank	
Establishment of Agreement	Agreement with a financing agency						Households	PMB, Bank	
7. Office set-up									
Establishment of Project Account	Project Account established								

Year		2007	2008	2009	2010	2011	Main responsibility and assistance	Partnership	Notes
Implementation year		1	2	3	4	5			
Procurement of Office Equipment	Office Equipment established								
8. Review of F/S, IP, Tools and Manuals							PMB	Ta Hoc Commune, SL Sub-DOF, SL Sub-DARD	
PMB Internal Meetings	PMB Internal Meetings implemented in annual year.								
Kick off meeting: PCs, PMB, and Sub-DARD									
Target setting for implementation of the project									
9. Preparation Implementation/Budget Plan and Tools and Manuals	Implementation/Budget Plan and Tools and Manuals established.						PMB	Ta Hoc Commune, SL Sub-DOF, SL Sub-DARD	
Preparation of agro-forestry implementing plan									
Preparation of Procurement Plan									
Preparation of Training Plan									
Preparation of Training Manuals									
Preparation of Formats									
10. Preliminary community mobilization							PMB	Ta Hoc Commune, SL Sub-DOF, SL Sub-DARD	
Preparation of Community Mobilizing Tools									
Community meeting									
Tentative list of participants									
11. Establishment of Strategic	Strategic Partnerships						PMB	Ta Hoc	

Year		2007	2008	2009	2010	2011	Main responsibility and assistance	Partnership	Notes
Implementation year		1	2	3	4	5			
Partnership	established							Commune, SL Sub-DOF, SL Sub-DARD	
Identification of Strategic Partners									
Negotiation with Strategic Partners and Promotion of Linkages with Markets									
Establishment of Minutes of Understanding							PMB	Ta Hoc Commune, SL Sub-DOF, SL Sub-DARD	
12. Staff training	5 training courses trained.								
Overall Project Objective and Plan									
Loan Scheme									
Facilitation Skill									
Site Evaluation Skill									
Silviculture skill									
Loan Procedure									
Marketing									
13. Activities									
Preparation of Detail Agro-forestry Plan							Smallholder		
Agro-forestry Plot Design							PMB		
Preparation of implementation plan and annual budgets							PMB		
Site Preparation							Smallholder		
Delivery of Seedlings and Fertilizer							PMB		
Refilling							Smallholder		
Planting							Smallholder		
Beating Up							Smallholder		

Year		2007	2008	2009	2010	2011	Main responsibility and assistance	Partnership	Notes
Implementation year		1	2	3	4	5			
Tending							Smallholder		
Protection							Smallholder		
Wood harvesting							Smallholder		
Monitoring and Evaluation							PMB		

ANNEX II: Plantation Plan

Unit: ha.

Location	Model – progress	
	<i>Dendrocalamus</i> and Maize	<i>Melia azedarach</i> and Maize
I. In year 2008	45.72	47.16
<i>1. Pa Dong village</i>	-	47.16
Sub Block 304C , Plot 5 , Sub-plot a		17.15
Sub Block 304C , Plot 5 , Sub-plot e		30.01
<i>2. Hoc village</i>	45.72	-
Sub Block 301B , Plot 4 , Sub-plot c	20.55	
Sub Block 301B , Plot 4 , Sub-plot	6.31	
Sub Block 301B , Plot 4 , Sub-plot e	18.86	
II. In year 2009	78.03	67.14
<i>1. Hoc village</i>	36.80	-
Sub Block 301B , Plot 5 , Sub-plot f	17.39	
Sub Block 301B , Plot 5 , Sub-plot t	10.00	
Sub Block 301B , Plot 5 , Sub-plot i	4.85	
Sub Block 301B , Plot 5 , Sub-plot e	4.56	
<i>2. Mong village</i>	41.23	-
Sub Block 323A , Plot 1 , Sub-plot a	14.26	
Sub Block 323A , Plot 1 , Sub-plot c	14.18	
Sub Block 323A , Plot 1 , Sub-plot f	3.86	
Sub Block 323A , Plot 2 , Sub-plot i	8.93	
<i>3. Pa Dong village</i>	-	29.90
Sub Block 323B , Plot 1 , Sub-plot b		7.30
Sub Block 323B , Plot 1 , Sub-plot d		16.16
Sub Block 323B , Plot 1 , Sub-plot g		6.44
<i>4. San village</i>	-	37.24
Sub Block 323B , Plot 5 , Sub-plot d1		1.84

Location	Model – progress	
	<i>Dendrocalamus</i> and Maize	<i>Melia azedarach</i> and Maize
Sub Block 323B , Plot 5 , Sub-plot d2		3.16
Sub Block 323B , Plot 5 , Sub-plot d3		2.23
Sub Block 323B , Plot 5 , Sub-plot e		11.74
Sub Block 323B , Plot 5 , Sub-plot i		18.27
III. In year 2010	59.04	41.85
<i>1. Mong village</i>	<i>59.04</i>	-
Sub Block 323A , Plot 4 , Sub-plot b	29.65	
Sub Block 323A , Plot 4 , Sub-plot e	29.39	
<i>2. San village</i>	-	<i>41.85</i>
Sub Block 323B , Plot 5 , Sub-plot h1		3.24
Sub Block 323B , Plot 5 , Sub-plot h2		4.45
Sub Block 323B , Plot 5 , Sub-plot h3		1.94
Sub Block 323B , Plot 5 , Sub-plot l		5.53
Sub Block 323B , Plot 7 , Sub-plot b		7.25
Sub Block 323B , Plot 7 , Sub-plot d		19.44
III. In year 2011	-	77.04
<i>1. San village</i>	-	<i>77.04</i>
Sub Block 323B , Plot 7 , Sub-plot c		16.11
Sub Block 323B , Plot 7 , Sub-plot f		18.84
Sub Block 323B , Plot 7 , Sub-plot g		23.73
Sub Block 323B , Plot 7 , Sub-plot h		18.36

ANNEX III: Silvicultural Guidelines

Main activities	Technical method	Detail description
I. Planting tree	1. Vegetation clearing	In the February to march (1). <i>Land site with slope < 20°</i> Vegetation clearing at all and can be burning. During the burning, if there are have goods species: Talauma gioi, vang kieng species, Phay species ... with D> 5cm, H> 1.5 m we do not cut off them. (2). <i>Land site with slope>20° and It can be made high erosion (It appear not at all, the area about < 500 m²:</i> Contour-Vegetation clearing and there is a fallow land area for soil protection: 1 m. Do not burn.
	2. Hole digging	(1) <i>Melia tree planting:</i> - Hole digging: 30 cm x 30 cm x 30 cm. - Contour – hole digging - Distance: row of tree x row of tree = 2,5 m; tree x tree = 2,0 m - Density:: 2.000 hole/ha (2) <i>Bamboo planting:</i> - Hole digging: 40 cm x 40 cm x 40 cm. - Contour- hole digging - Distance: Bamboo row x Bamboo row = 5,0m; bamboo x bamboo = 5 m - Density: 400 hole/ha (3) <i>Time hole digging: In the April and in the first of May</i>
	3. Hole filling up + fertilized	(1) <i>Hole filling up 15-20 days before the planting.</i> - Hole filling by good soil in the first cover class + 100g of NPK/hole. - Hole filling without grass and stone. (2) <i>Implementation time: In the May</i>
	4. Transport and Plant tree (Melia.)	(1) <i>Season –planting:</i> - It's from In the end of May (It is depending to wet soil percent) to the end of June and it can be makes long to the middle of July. - Do not tree planting in the first raining season. Because, there is not enough wet soil for planting. - When the under hole is wet soil and the cloud sky it is best condition for tree planting. - Do not plant in the days of strong wind. (2) <i>Transport seedlings:</i> - Before planting, It has transport seedling at least 7 days in the field, During the transporting, the seedling are still well. (3) <i>Planting:</i> - - Cut off nylon box - Softy put seedling in the middle hole. - Hole filling up land around the seedling. - To ram down the soil hardly, but do not influence of seedling.
	5. Land beating up first time (Melia.)	- After planting 10 -20 days check and land beating up.

Main activities	Technical method	Detail description
II. Tending	1. The first year	(1) Tending first time (<i>about 2 months after planting</i>): - Vegetation clearing and softy digging on the ground around the tree = 1-1.2 m. (2) <i>Tending the second time (November - December)</i> - Vegetation clearing and softy digging on the ground around the tree. Cutting off climbing trees.
	2. Second year	(1) Tending first time (<i>March - April</i>) - Vegetation clearing and softy digging on the ground around the tree = 1-1,2 m (2) <i>2nd time (October - November)</i> - Vegetation clearing and softy digging on the ground around the tree=1-1,2 m. Cutting off climbing trees
	3. 3 rd year	(1) Tending first time (<i>March - April</i>) - Vegetation clearing and softy digging on the ground around the tree = 1-1,2 m (2) <i>2nd time (October - November)</i> - Vegetation clearing and softy digging on the ground around the tree = 1-1,2 m. Cutting off climbing trees
III. protection	From the first year to the year for wood harvesting	Protection: - Regularly checking disease and insect - To gain forest fire and pasture.
IV. Harvesting	1. Harvesting	Harvesting wood implemented by the buyers. But, The households have to know how m3 wood, bamboo stamps for selling may. (1) <i>Selection for tree fall down:</i> - The tree falls down toward wood transporting easily. (2) <i>Harvesting process:</i> - Stand timber cutting - Cutting branch of tree. - Cutting the timber in to wood passages. (3) <i>Branch of tree</i> <i>Advise: it should be keep on branch of tree on the ground for soil erosion</i> <i>* Note: Bamboo can be harvested only 30% per cent of total and bamboo is in the 6 years and The Melia trees can be harvested at all and the Melia is in the 8 years</i>
	2. Transporting	Wood transported by buyers. In Mai Sown district, They use buffalos, cows and themselves for timbers, bamboo transporting. - Do not make soil erosion.

ANNEX IV: Terms of Reference for Project Staff

The PMB is responsible for managing budget allocated by the state (supporting to materials, seedlings procurement, technical designs and management cost).

The PMB prepares annual forest plantation plan of the commune, compiling technical design documents for submitting to authorize agencies for approval. The PMB works closely with the financing agency to disburse loan; supplying materials and seedlings for participating households

Project Management Board

The PMB is established by Son La PC with consensus of Mai Son District PC and Son La DARD. The PMB consists of: Chair man (or vice chair man in charge of Forestry activities) of Mai Son PC as the Head of the PMB; Director (or vice director) of 661 Project in Mai Son District as vice head of the standing PMB and as the project account holder and technical project staff; chairman (or vice chairman) of commune as member of PMB.

Area of responsibility of the PMB:

- Supporting participating households to precede loan application and loan contract with financing agency
- Reviewing forest plantation plan, investment capital and project management to submit to authority agencies for approval on annual basis.
- Steering the CPIU to carry out year- end check and hand over and working with district treasury on disbursement of state budget allocated to the project.
- Working in collaboration with technical agencies to organize trainings courses for provision of technical guidance on agro-forestry model for the CPIU and participating households.
- Expenditure for the operation of the PMB is covered by budget for project management of State channeled for production forest support.

Households

Responsibilities and rights of participated households and groups of households:

Implement the project on the allocated forest land in accordance with components of the project, specifically, planting of forest according to the annual plan under the guidance of the CPIU and the Provincial PMB.

Utilize loan inline with predefined objective accordingly to terms and conditions set forth in loan contract with bank.

Be entitled to use up all products attained from the participated land into project.

1. Staff of Project Management Board

(1) Director of Project

Role and Responsibility

- Implement, manage and monitor all project activities, coordinate with important stakeholders.
- Guide Project implementation to get the results as the plan approved and project objective;
- Regularly project implantation process and to makes Project implantation process evaluation, the middle-cycle project and the end of project cycle evaluation;
- Ensure timely access to project performance information for decision making to all levels;
- Implement the working that are assigned by the higher level authorities

Professional criteria

- Engineer, priority forest engineer;
- It has been working for at least 3 years in the other forestry projects or which is concerned to forestry;
- Knowledge of the traditional regulations in the countryside.

(2) Financial staff

Role and Responsibility

- Prepare working plan and annual financial plan;
- Prepare procedure finance, management financial documents and payment; management;
- Financial report at the month, quarter, in the middle report and final report;
- Helping the households to set up the loan contract with the Bank;
- Helping the Bank to payment for households.
- Setting up the M&E system, directing M&E activities and writing the project process;
- Management financial documents, bills, review and checking financial bills, transfer of money, cash management;
- Prepare procurement plan, procurement procedure, procurement process management, including: Fertilizers, seedling price negotiation and distribute seedlings and fertilizers to households.

Professional criteria

- Financial engineer
- Graduated the financial related colleagues;
- At least 5 years experience in financial field;
- Knowledge of rural administration is preferable;

(3) Technical- plan staff

Role and Responsibility

- Prepare an annual Project implementation plan;

- Prepare community meeting of project information, in order to help the households participating afforestation as agro-forestry;
- Supply agro-forestry technique for households
- Control procurement of goods and transfer seedlings and fertilizers;
- Implement other tasks assigned by the project director

Professional criteria

- Forestry engineer;
- There are over 5 years in working which as a forestry engineer;
- Knowledge of rural administration is preferable;

ANNEX V: Preliminary Sample Forms

1. The list of households who can be participate Project

[illegible]

2. Household and location assessment form

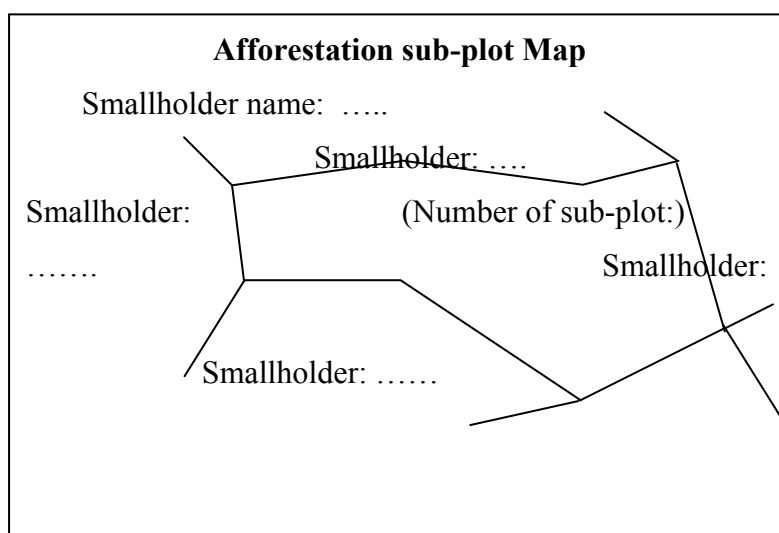
Family name		No	
Village		Location	
Forest land area	Ha	Crop land area	Ha
Present land use		Estimate wood volume	m ³
Plot		Sub-plot	
Labor		average income per year	VND
Forest land Map			
Landsite type (follows productivity level)			
I-1	I-2	II-1	II-2
ha	ha	Ha	ha
Draft of total area	ha	Draft of area in the first year	ha
Estimate labor for rent	Man/day	Draft of area in the first year	Man/day
Comment:			
Sign of households		Sign of PMB staff	
PMB	Agree	Don't agree	

3. List of households agreed by PMB

No	Family name	Address	Forest land area (ha)	Existing forest area (ha)	Red book certificate (Yes/no)	Landsite for each year (ha)		Landsite type (ha)								Labor	Income
						The first year	2 rd year	I-1	I-2	II-1	II-2	III-1	III-2	Total			

4. Table of agro-forestry sub-plot design

Sub-plot:	Plot:	Big plot:
Commune:	District:	Province:
Smallholder:	Village:	North
West:	South:	East:
<i>Sub-Plot description:</i>		
Area: ha		
Slop: degree		
Scale rock in the soil: %		
Toward of slop:		
Deep layer of land: ... cm		
Distance from the sub-plot to the road:.....m	M	
Soil type:		
Shrub:		
High of shrub: m	Vegetation:	High of vegetation: m
<i>Agro-forestry site design:</i>		
Soil preparation: Partial ☐	☐ Follows the line	☐ Whole the land
Hole size:	...cm x ... cm x ...cm	When the hole dig (month):...
When hole filling up: (month):...	NPK: ... kg/hole	Total of fertilize: kg
Species:	Density:	Planting schedule (Month):.....
Quantity of seedling:	Beating up (month):	
<i>Labor requirement (day)</i>		
Prepare the site: ...	Hole digging: ...	Hole filling up: ...
Transport seedling: ...	Planting: ...	
<i>Design date:</i>		<i>Designer::</i>



5. Bill of Species book

No	Family name	Address	Plot	Sub-plot	Quantity of species		
					Species...	Species...	Total

6. Bill of fertilizer book

No	Family name	Address	Plot	Sub-plot	Quantity of fertilizer (kg)
BD-30					

7. Sample Wood Supply Contract

(In case as the Buyer)

Vietnam

Socialist Republic of Vietnam

No.:...../HDKT-KH

Independence – Freedom - Happiness

ECONOMIC CONTRACT

Based on the Decree of economic contract dated 28-09-19XX of the Council of Government and Decision No. 17HDBT dated 10-01-19XX of the Council of Ministers (now known as the Government) regulates in detail on the implementation of the Economic Contract;

Based on the functions and rights of the 2 organizations

Based on the agreement between the 2 sides

Today/...../200..... at the

(Date should be one year to 6 months prior to the commencement of Harvesting or as per agreement between Party A and Party B)

We are

Party A:

Address;

Telephone;

Fax;.

Account No.

At (bank)...

Representative: Mr.:Position.....

Party B: Households

Address;

Telephone;

Fax;.

Account No..

At (bank)....

Representative: Mr.:Position.....

After negotiation, the 2 Parties agree to sign this Contract, relating to supply of raw material based on the following article:

Article1: Contents of the contract and time for completion

- Side B agrees to sell wood to the Particle Board Mill
- Types of products:

- Quantity:

Wood Material Specification

Wood type	Specification (L: Length)	Unit price (VND)
Grade I		
Grade II		
.....		
.....		

(Price per Ton: as of Month.... 200....)

- Quality Requirement:
- If Wood Materials is
- The legally Certified:.....
- Place of delivery:
- Duration supply:
- When the market price changes the 2 Parties shall review the price.

Article 2: Contract value and time of accounting

Total Contract Values shall be VND XXX million per year at the price of XXX with Payment in cash for Quantity actually delivered to the factory yard.

Article 3: Rights of Party A

-
-
-

Article 4: Rights of Party B

.....

.....

.....

Article 5: Mutual commitment

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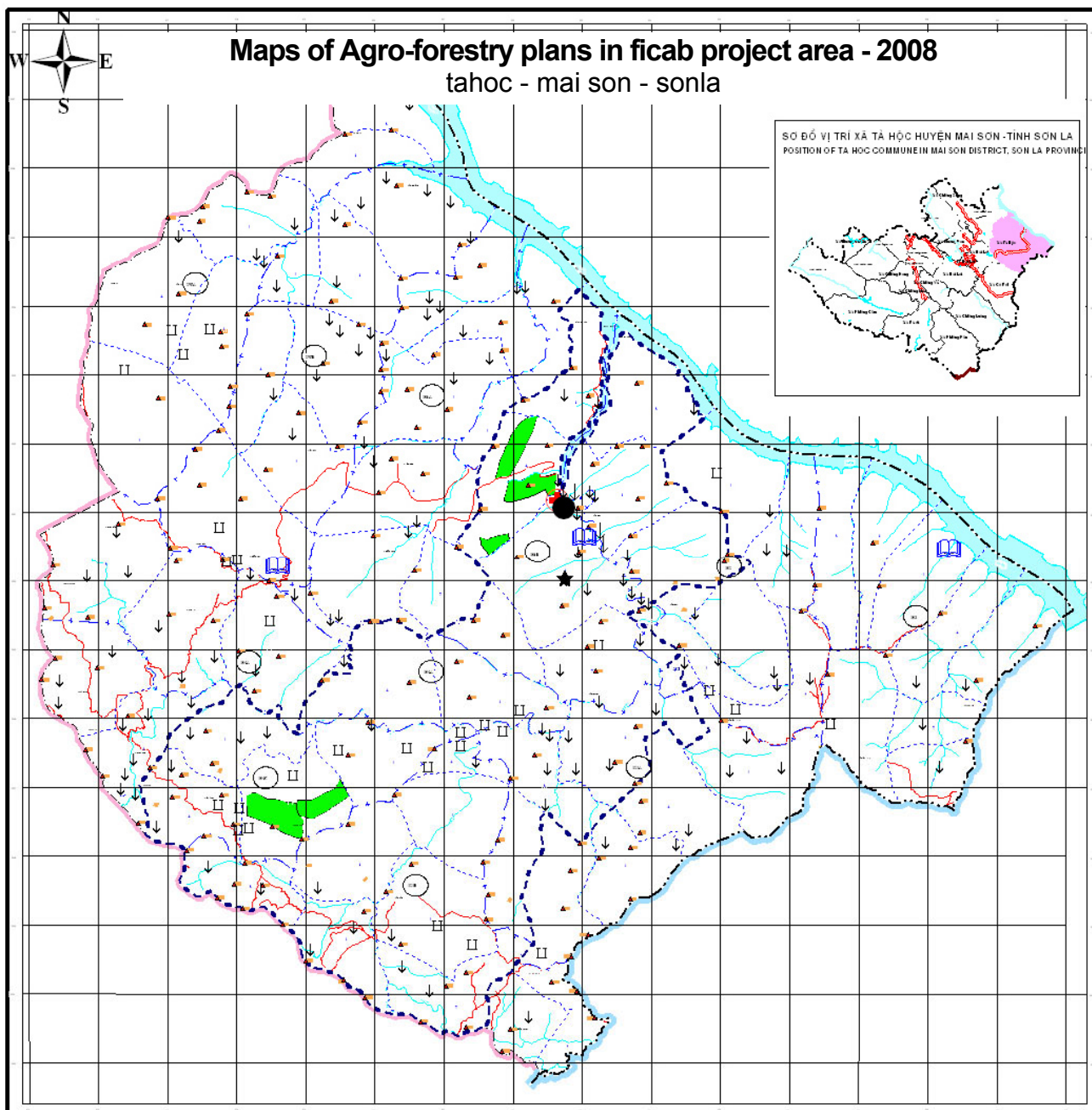
The contract consists of 06 copies of the same value, each side keeps 03 copies.

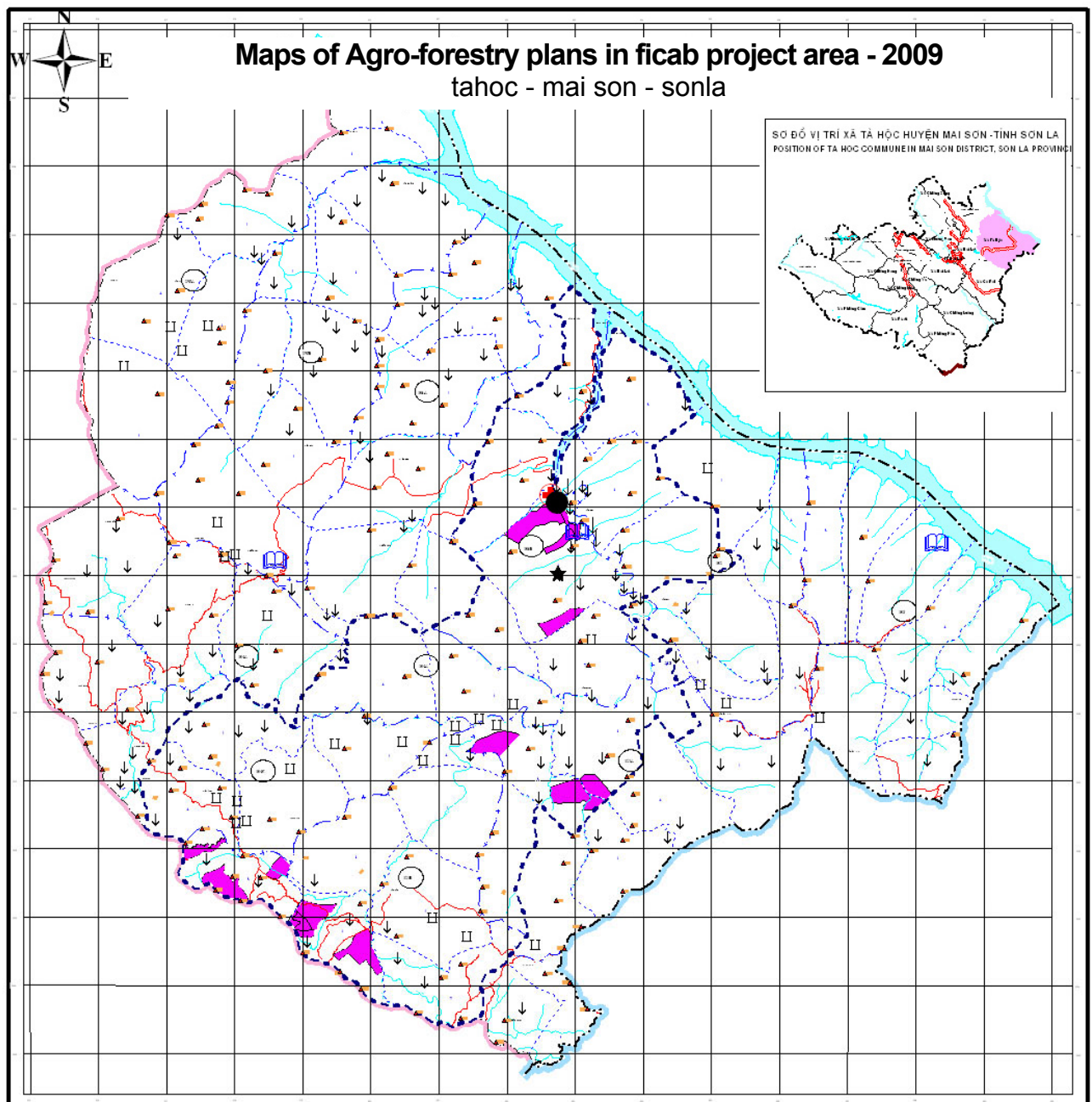
Side A Representative

(Signature and stamp)

Side B Representative

(Signature and stamp)





Training Package

Book 1:	Training Plan on Capacity Building for Preparing Feasibility Studies and Implementation Plans for Production Forest/Agroforestry Development Projects in Vietnam
Book 2:	Manual for Preparation of Feasibility Study Reports for Production Forest/Agroforestry Development Projects in Vietnam
Book 3:	Manual for Preparation of Implementation Plans for Production Forest/Agroforestry Development Projects in Vietnam
Book 4:	Model F/S of Thai Nguyen Province
	Book 4-1: Model Feasibility Study Report for Smallholder Production Forest Development Project in Thai Nguyen Province
	Book 4-2: Model Feasibility Study Report for Agroforestry Development Project in Thai Nguyen Province
Book 5:	Model IP of Thai Nguyen Province
	Book 5-1: Model Implementation Plan for Smallholder Production Forest Development Project in Thai Nguyen Province
	Book 5-2: Model Implementation Plan for Agroforestry Development Project in Thai Nguyen Province
Book 6:	Monitoring and Evaluation Report on Technical Training of Participating Provinces
Book 7:	Market Trend Reference Book on Wood-based and Agroforestry Products
Book 8:	Feasibility Study Reports of Participating Provinces
	Book 8-1: Feasibility Study Report on Agroforestry Project in Ta Hoc Commune, Mai Son District, Son La Province
	Book 8-2: Feasibility Study Report on Production Forest Establishment Project in Nui Thanh District, Quang Nam Province
	Book 8-3: Feasibility Study Report on Treatment of Exhausted Natural Forest and Production Forest Establishment Project in Da Teh District, Lam Dong Province
	Book 8-4: Feasibility Study Report on Afforestation Project for Serving Biodiversity Conservation in Long An Province
Book 9:	Implementation Plans of Participating Provinces
	Book 9-1: Implementation Plan on Agroforestry Project in Ta Hoc Commune, Mai Son District, Son La Province
	Book 9-2: Implementation Plan on Production Forest Establishment Project in Nui Thanh District, Quang Nam Province
	Book 9-3: Implementation Plan on Treatment of Exhausted Natural Forest and Production Forest Establishment Project in Da Teh District, Lam Dong Province
	Book 9-4: Implementation Plan on Afforestation Project for Serving Biodiversity Conservation in Long An Province