# Progress Report


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1 List of Project results

The project was officially signed between the Socialist Republic of Vietnam and the Federal Republic of Germany on 18 July, 1997. After the signature of the project, immediate project implementation have been seen.

1.1 Initial results of the project

1.1.1 Organisational Structure and Project Management

The organisational structure and management mechanism have been established from the national level down to commune level.

- Establishment of the National Steering Committee;
- Establishment of the National Management Committee;
- Establishment of the Provincial Management Committee;
- Establishment of the District Management Committee;
- Completion of project field staff selection;
- Completion of project extension staff selection; and
- Agreement between Department of Forestry Development (DFD) and Vietnam Bank for Agriculture and Rural Development (VBA) on opening saving accounts for project participants (farmers).

1.1.2 Training

The implementation has just started, the project staff at provincial and district level, therefore, have not fully understood how to carry out the project in a proper way. Training courses on project objectives and measures have been held with the participation of project staff from provincial, district and commune level. One study tour to the Project "Afforestation in Bac Giang, Lang Son provinces" has been organised. Up to now, project staff have been fully equipped with necessary knowledge to carry out the project in the year 1998.

Results of training courses are as follows:

01 training course on village land use planning for project managers at provincial, district, and commune level (21 - 22.08.1997);

01 study tour to the Project "Afforestation in Bac Giang, Lang Son Provinces" (25-28.08.1997);
02 training courses on communication skills for field staff (22.09.1997 - 04.10.1997);

01 training course on production of village land use planning media (11 - 15.11.1997);

02 training courses on micro land use planning:
  - course 01: 17 - 21.11.1997
  - course 02: 24 - 28.11.1997

01 training course on financial management for project managers at provincial, district, and commune level (17 - 22.12.1997); and

01 training course on basic mapping skills for field staff (16 - 20.12.1997).

1.1.3 Afforestation

The project started with a -115 ha trial plot for management in the three provinces.

<table>
<thead>
<tr>
<th>Province</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ha Tinh</td>
<td>55.3</td>
</tr>
<tr>
<td>Quang Binh</td>
<td>30.0</td>
</tr>
<tr>
<td>Quang Tri</td>
<td>30.6</td>
</tr>
</tbody>
</table>

1997 planting season is carried out from October to December with three different tree species: *Pinus merkusii*, *Acacia auriculiformis*, *Cassia siamea* of which *Pinus merkusii* - a native tree species accounts for 50%, *Cassia siamea* - 12%, *Acacia auriculiformis* - a exotic tree species: 38%.

Because time for preparation of trial plots is short and 1997 planting season is estimated to finish in December, two major steps of afforestation designing and afforestation are applied on the trial plots after land allocation process. One commune in every province with the most favourable conditions is selected for the trial plots for management. These favourable conditions can be named as follows: flat topography, thin ground vegetation, near residential area.

Some following comments on selection of area of trial plots are made:

During the land allocation to farmers, one request raised from local villagers in Quang Tri Province was that all villagers wanted to participate in the project as a result of this, an equal land area of 1.7 ha was needed to be allocated to every household (for more details please, refer to Annex 3 - C - Project participants in Quang Tri Province).

Because of the favourable topographic condition, suggestions of burning method to clear ground vegetation cover and utilisation of ploughing machines to prepare land were made by local community in Quang Tri Province.

These matters are needed to take into careful consideration in the 1998 planting season.

In Ha Tinh Province, due to sparsely populated area and large area of bare land and denuded hills, farmers wanted to have a larger afforestation area. An area of over 2 ha of land, therefore, has been allocated to farmers in 1997 planting season (for more detailed information please, refer to Annex 4 - A)

1.1.4 Seedling Supply

Together with the project implementation behind of schedule, no fund availability and non-establishment of organisational structure from national level down to grass roots level, the project is not able to establish nurseries to supply seedlings in the 1997 planting season. The provinces have decided to purchase seedlings
from private and state-run nurseries: (see Annex 1). The numbers of seedlings are as follows:

- *Pinus Merkusii*: 137,890 seedlings
- *Accacia Auriculiformis*: 130,870 seedlings
- *Cassia Siamea*: 39,780 seedlings

**1.1.5 Financial support for farm households**

Savings accounts have been opened for 73 farm households in the three provinces:

- Ha Tinh: 32 households
- Quang Binh: 23 households
- Quang Tri: 18 households

The number of female account holders are 15 households, making up 20% of the total account holders (please, see Annex 3 - A; B; C)

**1.1.6 Project Equipment Procurement**

After the first replenishment from German Bank for Construction (KfW), office equipment have been purchased for offices at national and district level including computers, photocopy machines, and facsimile.

- At provincial level: computers, telephone, and facsimile
- At district level: telephone and facsimile

These equipment are essential to the project implementation. In the first quarter of the year 1998, other equipment must be purchased. Procedures for vehicles procurement have not been completed (to be presented in the project measures).

**2 Project measures**

**2.1 Measure No.1: Project Management**

**2.1.1 Establishment of the steering committee has been seen with the following member:**

- Mr. Nguyen Quang Ha, Vice Minister (MARD), chairman
- Mr. Nguyen Hoang Trach, Vice Chairman of Ha Tinh, member
- Mr. Nguyen Van Khan, Vice Chairman of Quang Binh, member
- Mr. Van Viet Hoa, Vice Chairman of Quang Tri, member
- Mr. Nguyen Ngoc Lung, Director of DFD, Project Director, member
- Mr. Nguyen Dinh Huong, Vice Director of the International Cooperation Department (ICD), member
- Mr. Vu Van Hong, Vice Director of the Finance and Accounting Department, member
Mr. Pham Dinh Hien, Vice Director of Planning and Projection Department, member

Mr. Pham Quang Minh, Head of Silviculture Division, Secretary, member

The first meeting session of the steering committee has been organised for approval work plan for the period 01.07.97 - 31.12.97 and work plan for the first 6 months of 1998.

Overall Project Afforestation Plan:

<table>
<thead>
<tr>
<th>Year</th>
<th>Afforestation area/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>110 (trial plots in terms of management)</td>
</tr>
<tr>
<td>1998</td>
<td>2500 - 3000</td>
</tr>
<tr>
<td>1999</td>
<td>6000</td>
</tr>
<tr>
<td>2000</td>
<td>6000</td>
</tr>
<tr>
<td>2001</td>
<td>6000 - 6500</td>
</tr>
</tbody>
</table>

Work Plan for the period 01.07.97 - 31.12.97

- Establishment of the Project Management Committee from national level to district level;
- Training courses of Micro Land Use Planning (M-LUP) at village level held for project managers and field staff;
- Training course on financial management for project managers and financial staff;
- Study tour to the project “Afforestation in Bac Giang, Lang Son Provinces”;
- Afforestation on an area of 110 ha in the three provinces;
- Opening savings accounts for farmers;
- Equipment procurement for the project; and
- Preparation of procedures for vehicles procurement.

1998 Work Plan

- Completion of land allocation in 10 districts;
- Micro Land Use Planning for 10 communes (10 districts) in Ha Tinh, Quang Binh, Quang Tri provinces;
- Completion of site mapping and afforestation designing for 2500 - 3000 ha in Ha Tinh, Quang Binh, Quang Tri Provinces;
- Preparation of Seed and Nursery Establishment for afforestation area;
- Opening savings accounts for 1500 - 2000 farm households;
- Training courses on technical and financial management for staff at provincial and district levels.
- Completion of the project rules and regulations; and
- Completion of project equipment procurement including vehicles.

2.1.2 Establishment and Operation of the Project Management Committee

The Department of Forestry Development is designated to be an executing agency of this project by the Ministry of Agriculture and Rural Development (MARD).

Organisational Structure at the national level:
Two national offices have been established:

**Office Hanoi**
- I.P.O. Box 248
- 2 Ngoc Ha
- Hanoi, Vietnam
- Tel: +84-4-733 21 54 - 2263
- Fax: +84-4-733 21 54
- GFACENT@netnam.org.vn

**Office Dong Hoi**
- P.O.Box 25
- 2 A Nguyen Pham Tuan
- Dong Hoi / Quang Binh
- Tel: +84-52-82 16 54
- Fax: +84-52-82 16 52
- GFADH@netnam.org.vn

### 2.1.3 Establishment and Operation of the Provincial and District Management Committee

After the project signature, provincial and district management committees have been set up and officially come into operational (please, see Annex 2 - list of project members at provincial and district level)

**Ha Tinh Province**

Provincial Department of Forestry Development (PDFD) is nominated to carry out the project. The project office is located in the Provincial Department of Forestry Development. Vice Director of the Provincial Department of Agriculture and Rural Development, who is in charge of forestry sector, is a project director.

**Quang Binh Province**

The Provincial Management Committee is established as an independent committee with its office and director, who is Vice Director of Provincial Department of Agriculture and Rural Development in charge of forestry sector, acts as a director of the project.

**Quang Tri Province**

The Provincial Department of Agriculture and Rural Development carries out this project whose director is a project director

**At district level**

District Management Committee have been established in 10 project districts under the leadership of the District People’s Committee whose chairman is a project director.
2.1.4 Operation Co-ordination between National Management Committee and Provincial and District Committee

One of project’s major advantages is the Department of Forestry Development is designated to carry out the project. A close and good relationship between Provincial Department of Agriculture and Rural Development and Department of Forestry Development can be seen. As a result of this operation co-operation between the Project Management at the national and provincial level is timely and close to implement all project activities.

2.2 Measure No. 2: Training courses and Study Tour

The implementation of a such financial project is somewhat different from a development project funded by World Food Program (WFP) which has been carried out the provinces before. It is necessary for provincial, district staff and extension workers to participate in training courses for better and clearer understanding of project objectives and measures. A difference between a WFP-funded project carried out in the project area before and this project is that four steps must be followed by the Project "Afforestation in Ha Tinh, Quang Binh, Quang Tri Provinces".

- Village land use planning;
- Site mapping;
- Afforestation designing; and
- Afforestation with the participation of local community.

While the WFP-funded project has only two steps of afforestation designing and afforestation

2.2.1 Training courses on Village Land Use Planning

Village Land Use Planning is a new and important process in the project. Therefore, project staff especially field staff should be given an opportunity to understand how to carry out the project through the training courses. Five courses have been organised so far with the participation of the provincial and district project field staff and project managers (for more information and detailed cost please, refer to Annex 4 - list of training courses).

One study tour to the Project " Afforestation in Bac Giang, Lang Son Provinces" has been held for provincial and district project managers. This study tour have provided project staff with overview of the project implementation methodology.

Field staff is a pivotal contingence to carry out village micro land use planning. They must be trained to gain necessary knowledge to implement the project. Five different courses have been organised so far with the seek of providing field staff with necessary knowledge.

- Communication skill;
- Production of village land use planing media;
- Basic mapping skills; and
- Village land use planning.

With the knowledge provided by training courses, field staff can do village land use planning themselves in one commune. They are in charge of carrying out village land use planning in 10 communes of the three provinces.

2.2.2 Training course on project financial management
When implemented the project, financial management is an important issue which helps project how to disburse fund in a proper and efficient way. Opening savings accounts for farm households and utilisation of KfW’s fund is relatively new for the project staff.

Due to time limitation (a 5-day training course), coming financial management training courses must be supplemented with many details of financial management. Therefore, project staff are needed to be trained more.

2.3 Measure No. 3: Support and Provision equipment and materials for the project

2.3.1 Vehicles

Four-wheel-drive vehicles (Landcruiser)

A four-wheel-drive vehicle supplier has been identified. Toyota Motor Vietnam is selected to be car supplier for the project. Out of five vehicles, four are directly disbursed by KfW. The remainder is disbursed through GfA fund.

Under the Vietnam’s rules and regulations, the project is not entitled to import vehicles directly from abroad. One export and import company must be chosen to act on behalf of the project. After careful consideration, the project decided to select Mechanic CO 4 belonging to Ministry of Commerce, who has long experience of import and export activities especially vehicles import from Federal Republic of Russia, to be its authorised company.

Motorcycle

Presently, project make an effort to complete procedures and submit to KfW for approval. Vehicles are essential to the project implementation.

According to the agreed plan, 60 motocyles are imported from Federal Republic of Russia. Experience drawn from the project "Afforestation in Bac Giang and Lang Son provinces" clearly shows that there are many problems with Minsks of unreliability, heavy handling and high fuel consumption. It is more difficult since 20% of the project field staff are female. Provincial Management Committees decided to make a request to KfW for approval of purchase of Japanese - made motocyles instead of Minsks. Due to expensive price of Japanese - made motorcycles, they agreed to reduce a number of motocyles which is suitable with the project budget line (one Motocyles for two field staff):

- 20 motocyles - 90 cc
- 5 motocyles - 125 cc

Comments: A proper suggestion made by provinces is good for implementation of the project. KfW is kindly requested to take their suggestion into consideration and give consents to these changes.

2.3.2 Material support for project

Seedling supply for 110-ha afforestation in 1997.

The prices of seedlings for 1997 afforestation are as follows:

- **Pinus merkusii:** 600 VND / per seedling
- **Cassia siamea:** 550 VND / per seedling
- **Acacia auriculiformis:** 300 VND /per seedling
The aforesaid price is a little higher than some projects in the North, taking the Project "Afforestation in Bac Giang, Lang Son Provinces" as an example because of some following reasons:

Long period of time for seedling production in the nurseries:

- *Pinus merkussii*: 12 - 15 months old
- *Casia siamea*: 6 months old

While in the Project "Afforestation in Bac Giang, Lang Son Provinces", develops *Pinus massoniana* which needs only 6-moths old in nurseries.

Higher cost for materials and labour price in the project area in comparation with those in Northern provinces. Most of materials for afforestation such as seed and fertiliser are purchased in Hanoi and transported to the project site.

More difficult weather condition especially in summer time droughts happen very often. Therefore, cost for water supply is higher than other provinces.

Seedling supply for 1998 afforestation

An area of 2500 ha - 3000 ha is expected to plant in 1998 of which 30% is *Pinus merkussii*. Seedling production time for *Pinus merkussii* must be 12 months old. The nursery establishment of *Pinus merkussii* was started at the beginning of December 1997. In 1998, nurseries for *Pinus merkussii* is expected to be established in the six districts.

<table>
<thead>
<tr>
<th>Provinces</th>
<th>Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quang Binh</td>
<td>Quang Trach</td>
</tr>
<tr>
<td></td>
<td>Bo Trach</td>
</tr>
<tr>
<td></td>
<td>Le Thuy</td>
</tr>
<tr>
<td>Ha Tinh</td>
<td>Ky Anh</td>
</tr>
<tr>
<td></td>
<td>Huong Son</td>
</tr>
<tr>
<td></td>
<td>Duc Tho</td>
</tr>
</tbody>
</table>

Seed Management

One contract between the National Forest Seed Company (NFSC) and the project is signed on high-quality-seed supply. Seed will be distributed to project nurseries. Some kinds of seed of Indigenous species will be supplied on the site, however, a specific report will be submitted to the National Management Committee. In December 1997 the National Forest Seed Company provided the project with 100 kg seed of superior *Pinus merkussii* for 1998 planning season.

Fertiliser

Due to poor site condition in the project area, to improve tree species growth in the first phrase, fertilisation of 100 gram NPK per seedling will be applied. The specific and proper application for tree species will be done in trial plots in 1998 planting season.
2.4 Measure No. 4 Village Land Use Planning

This is one of new techniques of forestry sector in Vietnam. Before afforestation designing and afforestation, the process village land use planning must be completed. Right at the beginning of the project, training courses on village land use planning have been held with the participation of both project managers and field staff. Training courses supporting for village land use planning such as communication skills, production of land use planning media, basic mapping skills have been timely carried out (please, see Annex 4).

After the these trainings, field staff have been prepared to process village land use planning for 10 communes in 10 districts (three provinces).

<table>
<thead>
<tr>
<th>Province</th>
<th>District</th>
<th>Commune</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ha Tinh</td>
<td>Ky Anh</td>
<td>Ky Trinh</td>
</tr>
<tr>
<td></td>
<td>Huong Son</td>
<td>Son Mai</td>
</tr>
<tr>
<td></td>
<td>Duc Tho</td>
<td>Duc Lien</td>
</tr>
<tr>
<td>Quang Binh</td>
<td>Bo Trach</td>
<td>Bac Trach</td>
</tr>
<tr>
<td></td>
<td>Le Thuy</td>
<td>Thai Thuy</td>
</tr>
<tr>
<td></td>
<td>Quang Trach</td>
<td>Quang Lien</td>
</tr>
<tr>
<td>Quang Tri</td>
<td>Gio Linh</td>
<td>Trung son</td>
</tr>
<tr>
<td></td>
<td>Vinh Linh</td>
<td>Vinh Chap</td>
</tr>
<tr>
<td></td>
<td>Hai Lang</td>
<td>Hai Chanh</td>
</tr>
<tr>
<td></td>
<td>Cam Lo</td>
<td>Cam Chinh</td>
</tr>
</tbody>
</table>

Micro land use planning is expected to be carried out in the first quarter of the year 1998 with the estimated budget of 150,000,000 VND.

Comments: Project staff at the national level and expert micro land use planning must have a plan for helping field staff with specific steps in village land use planning because the project aims at implementing village land use planning for every commune in one district in the first quarter of 1998.

2.5 Measure No. 5: Financial support for farm households by providing savings accounts for forest tree planting and tending

This is a new measure in the project site. Members of provincial and district management committee have been trained with the good support of trainers from Vietnam Bank for Agriculture and Rural Development (VBA), Department of Finance and Accounting (MARD), and project “Afforestation in Bac Giang, Lang Son Provinces”. Saving accounts have been opened for 73 farm households for the trial plot of 110 ha in three districts of Ha Tinh, Quang Binh, Quang Tri Provinces. The 5-day survey conducted by the National Management Committee clearly shows that farmers, who are participating in the trial plot program, are happy and ready to follow rules, regulations, and utilisation of the savings accounts (please, see Annex 3 A; B; C - list of project participants).

Comments: Farmers are happy to receive savings accounts from the project. Regulations on opening accounts and the utilisation, however, is certainly discussed and adjusted in conformity with actual conditions of the
project site after the first opening saving accounts and utilisation.

### 3 Ministry of Agriculture and Rural Development (MARD) and Forestry administration Provinces

One competent contingent of staff has been selected by the Ministry of Agriculture and Rural Development to carry out the project since the project is implementing on a large scale of the three provinces:

- **Prof. Dr. Nguyen Ngoc Lung**  Project Director
- **Dr. Pham Quang Minh**  Project Coordinator
- **Mr. Nguyen Truong Thanh**  Project Technical Coordinator
- **Ms. Dang Bich Toan**  Financial Coordinator
- **Mr. Nguyen Huu Thien**  Asst. to Technical Coordinator
- **Ms. Ta Thi Tinh**  Secretary, Cashier

Staff of the provincial management committee (see Annex 4)

### 4 Impacts of the afforestation activities

The project has just been carried out on a small scale, farmers in the project site are happy and proud of participating into the project. They hope that the living standard and ecological conditions will be improved and through afforestation 21000 ha established forest plantations

### 5 Assignment of Consultants

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carl-Georg Arendt</td>
<td>Chief Technical Advisor</td>
<td>03.06.97 - 31.12.97</td>
</tr>
<tr>
<td>Luu Minh Thanh</td>
<td>Assistant to CTA</td>
<td>01.08.97 - 31.12.97</td>
</tr>
<tr>
<td>Dr. Stephan Gampe</td>
<td>Seed and Nursery Handling</td>
<td>01.07.97 - 31.07.97</td>
</tr>
<tr>
<td>Jeroen Ex</td>
<td>Expert M-LUP</td>
<td>01.07.97 - 19.12.97</td>
</tr>
<tr>
<td>Nguyen Luyen</td>
<td>Seed and Nursery Handling</td>
<td>01.07.97 - 30.09.97</td>
</tr>
<tr>
<td>Vu Tan Phuong</td>
<td>Expert M-LUP</td>
<td>01.07.97 - 31.12.97</td>
</tr>
<tr>
<td>Bui Thi Hong</td>
<td>Office Manager</td>
<td>01.07.97 - 31.12.97</td>
</tr>
<tr>
<td>Le Thi Thuy Ha</td>
<td>Secretary</td>
<td>01.07.97 - 30.11.97</td>
</tr>
<tr>
<td>Nguyen Ngoc Son</td>
<td>Interpreter</td>
<td>15.09.97 - 31.12.97</td>
</tr>
</tbody>
</table>

#### 5.1 Activities and services rendered
5.1.1 Project management:

- Support to organisational structure of the project;
- Support to the establishment of Office Hanoi, Office Quang Binh;
- Support to the documentary procedures of KfW;
- Support to training course in terms of training contents and organisation;
- Support to planning overall workplace;
- Support to co-operation in the project "Afforestation in Bac Giang, Lang Son Provinces"; and
- Support to establishment of procurement committee including procurement of vehicles and materials.

Training activities:
- Support to micro land use planning workshops and training courses and
- Support to financial management training course; and
- Study on capacity of nursery establishment and seedling supply in the project area.

6 Disbursement Statement, reporting period: 01.07.97 - 31.12.97

Disbursements made in the reporting period (01.07.97 - 31.12.97)

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>VND</th>
<th>DM</th>
<th>Remaining (DM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Afforestation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Afforestation in Ha Tinh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Initial investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fertiliser for 1997 Afforestation</td>
<td>9,401,000</td>
<td>1,378</td>
<td></td>
</tr>
<tr>
<td>- Seedlings 1997 Afforestation</td>
<td>64,701,000</td>
<td>9,362</td>
<td></td>
</tr>
<tr>
<td>b) Savings Accounts</td>
<td>104,517,000</td>
<td>15,296</td>
<td></td>
</tr>
<tr>
<td>Afforestation in Quang Binh</td>
<td>111,275,250</td>
<td>16,238</td>
<td>2,817,762</td>
</tr>
<tr>
<td>a) Initial Investment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fertiliser for 1997 afforestation</td>
<td>8,670,000</td>
<td>1,260</td>
<td></td>
</tr>
<tr>
<td>- Seedlings for 1997 Afforestation</td>
<td>45,360,000</td>
<td>6,600</td>
<td></td>
</tr>
<tr>
<td>b) Savings Accounts</td>
<td>57,245,250</td>
<td>8,378</td>
<td></td>
</tr>
<tr>
<td>Afforestation in Quang Tri</td>
<td>94,095,000</td>
<td>13,741</td>
<td>2,732,259</td>
</tr>
<tr>
<td>a) Initial Investment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fertiliser for 1997 Afforestation</td>
<td>5,202,000</td>
<td>760</td>
<td></td>
</tr>
<tr>
<td>- Seedlings for 1997 Afforestation</td>
<td>33,813,000</td>
<td>4,920</td>
<td></td>
</tr>
<tr>
<td>b) Savings Accounts</td>
<td>55,080,000</td>
<td>8,061</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>383,989,250</td>
<td>56,015</td>
<td>7,834,985</td>
</tr>
<tr>
<td>2 Micro-Land Use Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements</td>
<td>VND</td>
<td>DM</td>
<td>Remaining (DM)</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>----------------</td>
</tr>
<tr>
<td>1. Extension materials and workshops for farmers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Extension training courses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Training courses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Financial Management</td>
<td>54,505,000</td>
<td>7,775</td>
<td></td>
</tr>
<tr>
<td>- Village land use planning, basic mapping skills, Communication skills</td>
<td>154,464,000</td>
<td>22,303</td>
<td></td>
</tr>
<tr>
<td>4. Study tours</td>
<td>35,766,000</td>
<td>5,216</td>
<td>124,784</td>
</tr>
<tr>
<td>5. Contingencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand-total</td>
<td>244,735,000</td>
<td>35,294</td>
<td>1,364,706</td>
</tr>
</tbody>
</table>

2. Expected future disbursement for Fund I (Project Measures) until 30.06.1997

Afforestation: 175,875 DM
Micro-Land Use Planning: 58,626 DM
Contingencies: 29,321 DM

Grand-total 263,813 DM
2. Expected future disbursements for Fund II (Operational Assistance Measures) until 30.06.1998.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension Materials and Workshops for farmers</td>
<td>43,968 DM</td>
</tr>
<tr>
<td>Extension Training</td>
<td>21,984 DM</td>
</tr>
<tr>
<td>Training (Forest Administration) and Study tours</td>
<td>21,984 DM</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>87,936 DM</strong></td>
</tr>
</tbody>
</table>

7 Vehicles imported

At present, the project is in need of importing vehicles including four-wheel-drive vehicles and motorcycles. KfW is kindly requested to approve procedures so that the project have vehicles soonest possible. Other equipment can be purchased in Vietnam.

8 Adherence to time schedule

Set targets have been fulfilled by the project with the aim at training courses and trial plot afforestation of 110 ha in the three provinces.

9 Other matters

Plantation of production and protection forest with the participation of local community must be further discussed. Special attention should be drawn into an incentive system for the beneficiaries.