



# Review of Poverty Reduction in the Doi Mae Salong Landscape Project

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MEKONG WATER DIALOGUES



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# **Review of Poverty Reduction in the Doi Mae Salong Landscape Project**

Report prepared for  
IUCN  
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## **1. Executive Summary**

This report presents the results of a review of the *Poverty Reduction in the Doi Mae Salong Landscape* focusing on the achievements of the project in contributing to poverty reduction and issues such as the sustainability and efficiency of the project.

As the review took place only over a very short time it was not possible to carry out a detailed survey of households involved in the project to assess income changes resulting from the project. The approach taken was to look at projected income (per participating household) from the various activities. The resulting estimates are indicative rather than precisely quantified impacts. The projections of incomes from specific products were complemented by a number of informal interviews with individual farmers. These interviews provided some confirmation of the projections as well as a broader picture of the mixed livelihood portfolios held by individual farmers. The information collected does not represent specific quantified impacts of project activities on individual households. However it does demonstrate that the project has stimulated the generation of significant amounts of cash income and, perhaps more importantly, has put in place the basis for significant future increases as crops grow and enterprises develop. There are also significant indirect benefits, as farmers are replicating project activities on their own initiative, based on the demonstration effect. The income generation to date has been significant. The basis for much accelerated income generation has been established for the future.

The project has emphasized mixed farming as a strategy to minimize the risk that particular activities might fail. Overall the project approach has been very cost effective.

The poverty reduction/income generation strategy of the project is likely to be highly sustainable as it is unlikely that the new activities will cease as long as they continue to be profitable and scaling up by the demonstration effect is highly probable.

## **2. Introduction**

This report presents the results of a review of the *Poverty Reduction in the Doi Mae Salong Landscape Project* (PRP). The project is funded by Petroleum Authority of Thailand Exploration and Production (PTTEP) and Total Exploration and Production (Total E&P) Thailand, each of which provides fifty per cent of the budget. It is coordinated by IUCN Thailand, which manages the budget. The three-year project period is from May 2010 until April 2013. Total budget is THB 9m over three years.

The full Terms of Reference (TOR) for the review are in Appendix C. The tasks to be undertaken in the review are:

*The general objective of the review is to support IUCN, PTTEP, Total E&P Thailand and project stakeholders in Doi Mae Salong to:*

- *Assess the feasibility of achieving the stated objective of PRP given current progress and implementation strategies.*
- *Make informed decisions for the remainder of the planned duration of PRP in terms of possible changes to activities, methods and schedules.*
- *Identify options and strategies for sustaining PRP results, and potentially scaling up the PRP and Livelihoods and Landscapes Strategy (LLS) approach to other areas in northern Thailand.*

*The review will assess the following:*

- *The results and progress to date of PRP in terms of the effectiveness and efficiency of implementation.*
- *The likely outcomes of PRP at the end of the planned project duration, given its current scope, approach and progress.*
- *Since the focus of the project is on reducing poverty, the review will address not only changes in incomes, but also how these changes are distributed among the project's target groups.*
- *The sustainability of PRP results beyond the end of the project.*
- *The relevance of the PRP and LLS approach to wider policy priorities and social, economic and environmental needs in northern Thailand.*

[from TOR, Appendix C]



Doi Mae Salong landscape

### 3. Background

IUCN activities at Doi Mae Salong between 2007 and 2010 were undertaken by IUCN Thailand under IUCN's Livelihoods and Landscapes Strategy (LLS) with some funding from the LLS budget<sup>1</sup>. One of the main innovations under LLS at Doi Mae Salong was the development of a Multi-Stakeholder Platform involving a variety of local stakeholders, including the Royal Thai Armed Forces (RTAF – then responsible for Doi Mae Salong for security reasons), IUCN, various government departments, NGOs, local government and community leaders. This multi-stakeholder group was responsible for negotiating and planning land use at Doi Mae Salong, with different institutions responsible for implementing various activities.

Since the completion of LLS the group has evolved into a working group working under the Royal Project<sup>2</sup>. This group consists of a similar group of stakeholders, including the RTAF although it has withdrawn from its wider role at Doi Mae Salong. Each of these stakeholders/institutional actors is responsible for implementing particular activities. The poverty project provides some funding and coordination to support activities which are implemented by appropriate partners. In addition, the line agencies provide some funding within their normal budgets and portfolios. The arrangements are very flexible and boundaries between various actors and their responsibilities are not at all rigid. The *modus operandi* is highly cooperative and follows the LLS approach which promoted multi-stakeholder governance. (The main partners in the working group and their roles are set out in Appendix A.)

This flexible and highly cooperative structure makes it quite difficult to separate the outcomes of the project itself from the wider activities of the various partners in the working group. For this reason this review does not attempt to arbitrarily attribute impacts to single sources, but rather treats the PTTEP/Total funded project as a contribution to and, partly, a catalyst for the impacts of the working group activities as a whole.

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<sup>1</sup> For an overview of LLS in Doi Mae Salong, see Tawatchai Rattanasorn, Bob Fisher and Carolin Kugel (2012), *Unusual partnerships: lessons for landscape and livelihoods from the Doi Mae Salong landscape, Thailand*. Gland, Switzerland: IUCN. Available at <http://data.iucn.org/dbtw-wpd/edocs/2012-052.pdf>.

<sup>2</sup> Called *Kan tamkan krongkam kayoi pon krongkam laung*. An approximate English translation of the working group title is “Working Group to Replicate the Royal Initiative in Doi Mae Salong”.

## **4. Project Outputs and Activities**

The poverty project consists of three outputs, eleven development activities and baseline collection.

The outputs are:

1. *Practical models for diversifying income generation options promoted through improving and intensifying farming practices, and marketing of agricultural, as well as agro-forestry, products.*
2. *Practices improved for off-farm income generation options, including micro-businesses and microfinance enterprises that generate income for poor families and interest groups.*
3. *Community master plan and community saving groups established for small farmers to reduce expenditure and household debt, and to increase savings for a better life.*

The main activities are:

- *Promotion of agroforestry practices for small famers.*
- *Support small farmers to develop paddy rice fields and improved small irrigation systems.*
- *Support the establishment of coffee producer groups and strengthen their management capacity for producing and marketing good quality coffee.*
- *Promotion of black-bone chicken raising for household consumption, additional income generation and animal manure for biofertilizer production.*
- *Promotion of pig raising for household consumption, additional income generation and animal manure for biofertilizer production.*
- *Strengthening capacities of existing women's weaving and men's handicraft groups, through providing training and increasing knowledge of production, marketing and financial schemes in collaboration with the Social Development and Welfare department and other agencies.*
- *Assist communities to improve small-scale tourism infrastructure for community based ecotourism.*
- *Improvement of the existing roadside market for community members to sell local products.*
- *Development of savings and credit schemes.*
- *Conduct study tour of villagers to learn about sustainable development experiences in other areas of Thailand.*
- *Provide incentives and support for villages as a group, to develop and implement innovative ideas to contribute to a sustainable village economy through conducting competitions between villages and offering small grants for their application.*
- *Conduct rapid assessment of base-line data (ecological, socio-economic, institutional, etc.) for the selected villages and prepare a report.*

[Taken, with abridgements, from progress report 2012<sup>3</sup>]

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<sup>3</sup> IUCN (2012) *Poverty Reduction in the Doi Mae Salong Landscape: Improving Local Economic Conditions Through Income Generating Opportunities. Project Report* (in Thai with English Executive Summary). Bangkok: IUCN Thailand.

## **5. Review Methodology**

The review was undertaken during the period 28 November to 6 December 2012. This included a field trip to Chiang Rai and Doi Mae Salong from 29 November to 4 December. During the field visit the consultant was accompanied by Tawatchai Rattanasorn, the project coordinator.

Stakeholders were interviewed in Chiang Rai and at Doi Mae Salong. Two formal meetings were held. One involved approximately twenty community members who provided perspectives on the project and its impacts. The second was convened by the Office of National Security (a branch of the army responsible for the Royal Initiative) and involved working group members, including some community leaders.

In addition a number of villagers were interviewed either individually or in small groups at field sites. These interviews were informal and focused on activities supported by the project and their impacts.

Although baseline data was collected for the focus villages early during project implementation, the review visit was far too brief to allow for collection of comparable survey data to assess quantitative changes. Consequently assessment of impacts was made in two ways:

- Data has been collected on project inputs for a number of activities (terrace development, number of coffee seedlings distributed and similar inputs). Based on the projected production and market prices for some of the products, it is possible to obtain a proxy estimate of project-related income for individual products. These projections are not definitive, but they are indicative.
- Interviews with individual farmers about incomes from various activities were used to “ground truth” the orders of magnitude reflected in the projections by comparison of projections with reported individual experience and to look at livelihood portfolios developed from project activities

This two-pronged approach does not produce nuanced figures of changes to household income, but it does present a strong indication of the orders of magnitude of changes to income. Importantly, the anecdotal evidence from interviews generally suggested that the projected figures were often significant underestimates of actual changes to income.

A third source of data is the comparison of activities completed against indicators in the 2012 Progress Report. This data is not repeated here, but can be examined in that report. It is important to note that the data in the report reflects achievement in terms of planned activities and does not assess actual changes of income resulting from those activities. The current report aims to assess changes to income somewhat more directly, although it remains dependent mainly on best guess estimates.

One limitation of the methodology is that the data on inputs (such as coffee seedlings distributed) are not disaggregated within the village, so it is not possible to determine to what extent the benefits were equally or equitably distributed, or, for that matter, whether they actually favoured the poorest people in the selected villages. The project activities do target the poor in the general sense that the targeted villages were selected because they were identified as being amongst the poorer villages in the original LLS Doi Mae Salong landscape. All of the people are more or less poor, but more precise targeting was not

carried out and would not have been possible with the human resources available. The results are presented as evidence that overall income increased in generally poor villages. In other words *this report analyses the project as an income generation project in generally poor villages, not as a closely focused poverty reduction project.*

## 6. Income from Project Activities

The poverty project initially focused on seven villages, but activities actually cover 16 villages now. The seven focus villages are:

1. Ang Loh<sup>4</sup>
2. Lochang Chon<sup>4</sup>
3. Paka Sakjai
4. Jabusee
5. Panasawan
6. Hae Ko
7. Lohyo



Rice fields in Doi Mae Salong

### 6.1. Projected income based on distribution of inputs

The tables in Appendix B each present data calculated from project inputs (such as number of coffee seedlings or area of terraced paddy fields established) with projected income from those inputs. The total income for the activity is averaged by dividing among households participating in the activity. Figures are presented as averages per participating household by village and overall averages per participating household for all villages. The projections take into account maturity of crops. For example the average incomes for coffee are given for 2011 and 2012 based on the number of mature trees in those years.

It is important to note that figures are not given for all project activities, but for selected examples. (For example projections of income for pig farming and medicinal plant production have not been included.) The point that needs to be emphasized is that several

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<sup>4</sup> Ang Loh and Lochang Chon are both satellite villages of Santa-Khiri.

activities have commenced that already have had an impact on income and others are in place that promise significant impact as crops mature and more farmers become involved.

In the case of coffee (Table B.1), 209 participating households in eight villages planted 233,700 trees for an average of THB 44,687 income per participating household in 2012. On a village basis the average 2012 income per participating household ranged from the lowest THB 15,120 in Ang Loh village to the highest THB 60,720 in Panasawan village. There is a very substantial difference, but even the lowest average represents a significant additional income. As mentioned, these figures are indicative. Some deduction needs to be made for costs of production: costs include fertilizer and labour, which can amount to 3-4 baht per kilogram, although family labour is often used. Differences in income between villages arise from differing start dates for planting activities and differing areas of land available and suitable for planting. Note that, in the case of coffee, the figures incorporate seedlings planted in the earlier LLS project. The impact is understated because the table deals only with seedlings supplied through project supported nurseries (including LLS). It does not include income from seedlings obtained from private sources inspired by project activity.

A major activity of the Royal Initiative has been the development of irrigation and terraces for paddy rice production. The Land Development Department, one of the working group partners, carries out this activity. Table B.2 shows that 100 households in eight project villages have benefitted from this activity. The estimated average income per participating household (2012) is THB 4,896. These figures do not include 18 rai of paddy terraces developed under LLS. It is important to note that income here represents market value, but very little paddy is actually sold. The “income” generally represents savings from rice produced and consumed domestically in the place of rice purchased to meet shortfall in annual rice required for consumption.

Grape growing is a relatively new activity which has not yet produced any product for sale. The first sales will occur in 2013. Table B.3 projects income from 212 grape vines planted so far by fourteen households. Projected income for 2013 is THB 381,600 (THB 27,257 per participating household). Projected income from the same trees as they mature is predicted to be THB 1,272,000 (THB 90,857 per participating household). These figures are, of course, about anticipated income, but *they are important because they show how the project is putting activities in place that will lead to much increased future income*. It is important to note that, as more farmers take up grape growing either under the project or independently, the actual impact will be much greater.<sup>5</sup>

Rabbit production is a relatively new activity (see Table B.4). So far only six households in two villages are involved. The activity involves provision of breeding rabbits and necessary equipment to a group of farmers. As rabbits mature some are sold and others are passed on as breeding pairs to other group members who in turn take up the activity. Costs are estimated to be about 50% of income. As Table B.4 estimates the average income per participating household in 2012 will be THB 7,467 (before costs are deducted).

Passion fruit growing has taken place in one village (Table B.5) and involves seven participating households. Average income per household for 2012 is THB 18,571.

Strawberry growing has been initiated and so far involves only seven households (Table B.6). Projected income per participating household in 2012/2013 averages THB 71,429.

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<sup>5</sup> The projections do not take into account market variations or, specifically, the possible impact of greater production on market price.

Several of these activities have only just commenced and the benefits will take some time to become evident. Although only relatively small numbers of households have been involved in these new activities so far, the numbers will likely increase as a result of the demonstration effect as others farmers see the possibilities.

## 6.2. Income based on interview data

The projections on income generation presented above are based on individual products and do not show the cumulative changes to income for individual households either from single products or multiple project-based activities. Individual households are involved in different activities, partly dependent on what is practical for their location (for example whether land suitable for irrigation and terrace paddy development is available). Different households are engaged in different combinations of activities. Some are involved in multiple activities, others in single activities.



Farmer in Doi Mae Salong

This section of the report will present examples of a small number of households with different portfolios of activities developing out of the project. They indicate the types of activity combinations different households are engaged in. While they give some indication of profits from specific activities, they do not systematically present cumulative changes of income from multiple activities.

### Taibon

Taibon is involved in a variety of activities. He is one of a number of “demonstration farmers” supported by the project. The project has provided some support for infrastructure to support the capacity to demonstrate certain activities. This includes an irrigation tank costing approximately THB 20,000. Otherwise, most of the support from the project is “technical” support. His activities can be described as mixed farming. He has some coffee, strawberries, papaya and lychees. Also member of pig raising group.

Taibon is a lead member of the rabbit production group (currently six members). For this activity the project provided the group with five pairs of rabbits for breeding. These

circulate among the group. Costs for rabbit production include the costs of wire cages (THB 160 – a fixed one-off cost) and food concentrate which costs THB 1500 for 30 rabbits for three months. He estimates costs will be about 50% of total income and aims to sell 200 rabbits per month at about THB 15,000 profit per month. Importantly, the price is guaranteed by the Royal Project.

He is also a member of a pig raising group. The project strategy for pig raising is that members of the group each receive 5-7 pigs (2 males, the rest female). Once established each group member will give the same number to another farmer and so on. This is similar to the scaling up strategy for the rabbit group and typical of the project approach of providing some subsidy for commencement of an activity with a method for upscaling the benefits once the activity becomes established.

The basic approach for both rabbit and pig raising seems to be sound, although the activities are relatively new and spread of benefits is yet to occur widely. There is obvious potential.

#### **Kamron. Lisu from Hae Ko village**

Kamron is involved in multiple activities including coffee production, sale of coffee seedlings and growing fruit trees. He is also a member of a pig farming group. He has no paddy terraces, so project activities are very important to his income. He says that all 45 households in the village are now involved in mixed farming. He has 2-3,000 coffee trees grown as forest coffee. These trees are four years old. Last year (2011) was the first year when coffee was available for sale and income was THB 28,000. This was mostly profit as there was little labour involved in forest coffee apart from some weeding. This was done with family labour anyhow.

In addition to coffee production he also grows and sells coffee seedlings as part of a group of four farmers. His share of this in 2011 was THB 28,000 (4,000 seedlings at THB 7 per seedling). In 2012 he sold two pigs for THB 9,000 and he has seven pigs at present. He is also involved in groundnut growing and expects to make THB 120,000 in 2013.<sup>6</sup> This amounts to over THB 60,000 from project initiated activities in 2012 and, assuming everything continues on track, nearly THB 200,000 in 2013.

These figures seem almost too good to be true and certainly some costs for inputs need to be subtracted, but the figures seem consistent with information from other informants.

In addition to these income producing activities Kamron has fishpond with 4-5,000 fingerlings. These will be for domestic consumption. There are six fishponds in the village. Some villagers were trained to plant legume crops.

#### **Family from Lo Chang Chon**

One family of farmers was interviewed. They have ten rai of terraces (from the Land Department as part of the project). This is mostly used for vegetable growing. There are about 1300 coffee trees and 100 macadamia, but no income from these yet. They hope to be able to start selling coffee in 2013. The main income at present is from sale of vegetables. The woman farmer says she can earn about THB 1,000 every three days during the season, amounting to about THB 40,000 per year. Total income is about double what it was before the project.

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<sup>6</sup> Hae Ko is the only village involved in groundnut production so far.

This is clearly one of the poorer families. Although the income remains limited, the potential as coffee and macadamia mature is for a substantial increase, highlighting the fact that the project has established a basis for major future increases.

#### **Wei Man (Shan-Chinese woman)**

Wei Man is a widow who is a remarkably active demonstration farmer engaged in intensive farming. She is involved in grapes, strawberries, paddy rice, pigs and vegetable growing and has set up a shed for demonstration and learning. She also grows 100 varieties of medicinal plants. She receives resources/inputs from project but no salary.

In reporting these cases, the point is not to establish specifics of increased household income, but to illustrate aspects of the project strategy and the variety of activities with income outcomes or potential outcomes. There is also some indication of the orders of magnitude of income from specific activities. The examples demonstrate the development of varied livelihood portfolios through project support. Discussion at a meeting of approximately twenty farmers involved in the project supported the general relevance of these examples. Of course, there is selection bias here as those likely to attend such a meeting will naturally tend to be farmers active in the project.

### **6.3. Overview of income generation and impacts**

The impact of the poverty project on incomes has already been substantial for many households. This is especially true of coffee, which has had time to mature as many coffee trees were planted during LLS. For many other activities (probably most) substantial income benefits are either yet to develop as crops have not yet matured. It is, however, clear that greater improvements to income are very likely in the future.

Although projections are always unreliable and such factors as market change and crop disease may lead to some activities failing to live up to expectations, the project strategy of encouraging diverse products is very sound.

It is clear that the project needs to be upscaled both in terms of involving more households in current focus villages and in terms of reaching out to other parts of Doi Mae Salong. It is difficult to assess just how many households have benefitted within the focus villages. The Tables in Appendix B show that the number of participating households is a small proportion of total households in focus villages for most activities. Coffee is the main exception with about 40% of households benefitting directly. It is, however, important to note that these tables refer to direct involvement. There are a considerable (although unquantified) number of households which have begun growing coffee and become involved in other activities through their own initiative without direct project support. Anecdotally, these indirect impacts seem to be considerable. In fact, I found this to be a striking outcome of the project.

There is one additional qualification regarding the reach of the project within the focus villages. As the project activities are very much based around intensifying agriculture the impact on villagers who have little or no land has been limited, apart from the opportunity for seasonal wage labour.

## 7. Comments on Project Strategies and Sustainability

### 7.1. Project strategies

The project strategies are essentially sound. The key elements are:

- The project focuses on encouraging and facilitating collaborative decision-making between various stakeholders at the landscape level. The multi-stakeholder governance arrangements are fundamental to the approach. This emphasis on creating new collaborative institutional arrangements was fundamental to LLS and remains fundamental to Doi Mae Salong at present.
- A second key element is the demonstration effect. The project provides inputs and also supports enthusiastic individuals to demonstrate results to others. This includes supporting “model farmers” and the encouraging individuals to start small businesses, such as nurseries to produce seedlings for sale to other farmers.

This is some room for criticism on equity grounds here. Some farmers are effectively subsidised through provision of small infrastructure (such as water tanks).<sup>7</sup> In practice activities such as pig and rabbit farming begin with a few people and, to the extent that the activities make a profit, these people benefit more than others, at least initially. However, the project has a strategy to encourage upscaling of such activities. The farmers are expected to pass on offspring of pigs and rabbits to other group members and there is great scope for expansion to much larger numbers.

The demonstration effect is widely acknowledged. Observations along the lines of “I didn’t think it was possible until I saw it” are common.

The investments from the project are very modest, but have, through the enthusiasm generated, led to significant changes in land use and also landscape condition.

- The third important strategy is the provision of multiple options for income generation. The villages differ in terms of the types of activities that are possible, due to factors such as the availability of suitable land for development of terraces. The variety of new productive activities under development allows for differing local conditions. Significantly most of the farmers interviewed were engaged in a variety of new economic activities, reducing the risk of over-dependence on single products in the case of crop disease or market failure.
- Leverage is very important. Under LLS leverage was a key strategy. The idea was that LLS investment would encourage and facilitate investment from others. The poverty reduction project is itself an example of LLS leverage as the donors invested to build upon LLS activities. The current activities in Doi Mae Salong include activities funded by individual government line agencies and NGOs. They are coordinated through the working group to complement each other. *The total is more than just a sum of the parts. This is precisely the concept of leverage.*

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<sup>7</sup> Practically the only criticism of the project (taken widely as the activities of the Working Group) was that there is not enough of it. This seemed to be in the spirit of recognition of limited resources than a critique of lack of fair play.

## **7.2. Efficiency**

The income generated for the target population so far is considerable (income from coffee alone in 2012 is in excess of the project's nine million baht budget). Given that many of the investments will bring benefits once products mature and that there seem to be many cases of people independently investing based on the examples of project success, future benefits direct and indirect are likely to be much greater.

It is also important to recognise from the point of view of efficiency, that the investment in materials and infrastructure has not been great. Most of the cost for the project has been for the cost of facilitation in terms of staff time and travel. Over the project period this itself has been quite modest.

## **7.3. Sustainability**

The question of sustainability can be understood in two ways. The first aspect is the sustainability of benefit flows. Will the gains in terms of income and livelihoods be maintained or will the income level of beneficiaries fall back? The second aspect is the sustainability of the governance arrangements (decision-making and land-use planning) that were initiated under LLS and which have further evolved under the poverty project: will they continue after the project ends and if IUCN withdraws?

Regarding the sustainability of benefit flows, it seems unlikely that people will stop what they are doing if the various enterprises continue to be profitable. On the contrary, following the current trend, more people are likely to replicate successful activities as benefits become apparent. The costs of replication are not great, so they are not dependent on project financial support.

Nevertheless, there is no guarantee that all the project activities will be as successful as coffee has been so far. Things could go wrong (such as disease spreading among rabbits), but the diversity of new economic activities spreads the risks of one or other enterprise not living up to expectations. One note of caution relates to coffee. Coffee has been easily the single most successful intervention in terms of income generation so far. However global coffee prices are notoriously unstable and there is no guarantee that coffee will continue to be so profitable. Against this concern, there is the increasing domestic demand for coffee in Thailand and, perhaps most importantly, the costs of coffee production in Doi Mae Salong remain fairly low, so even a fairly significant decrease in price would probably leave reasonable profit margins.

In terms of the sustainability of the multi-stakeholder governance arrangements, it is not possible to assess with certainty how institutionalized they have become or to predict with certainty how long they will persist. The answer to this challenge lies partly in the commitment and influence of the convenor. It is important to realize that IUCN has never undertaken the role of convenor, although it has provided advice and some careful facilitation. During LLS the RTAF convened the multi-stakeholder platform and it obviously had considerable convening power. More recently the Royal Initiative has convened the working group. Again the Royal Initiative has a great deal of influence and capacity to convene. In my view this is not likely to change in the foreseeable future.

There is one new element that emerged during the field visit for this review. On the last day of the review field visit, a meeting was convened at Doi Mae Salong which was attended by senior officers from the Office of National Security of the Army (including Major-General Chaluay Yamphochai, the former RTAF commander at Doi Mae Salong). The meeting

brought together the working group members with the army officials and was chaired by another senior general. The discussions revolved around the need to consolidate and extend activities at Doi Mae Salong. It was proposed that the Office of National Security would be the coordinating agency. There was discussion of boundaries for future activities. One proposal was to use river basin boundaries, but there seemed, ultimately, to be agreement that the concentration should be on the upper watershed. This would extend focus beyond the core area of the Doi Mae Salong project.

The implications of this development are not clear. It is hard to assess whether new coordination arrangements would entirely supersede the Doi Mae Salong working group or whether the various stakeholders would work together as easily under new arrangements. This would not simply be a return to the earlier situation in which the RTAF, under a very sympathetic local commander, played an active role demonstrating great flexibility. The Office of National Security would probably not be represented locally and has a quite different role to that of the RTAF.

## 8. Conclusion

The poverty reduction project (and its predecessor LLS) and the associated working group have been very successful at Doi Mae Salong. For very modest costs they have made significant improvements to the landscape and to livelihoods. From the point of view of livelihoods they have put in place a number of farm-based enterprises that have already increased incomes for many farmers and that are likely to lead to even greater impact in the future.

The project strategy and approach (discussed above) are sound and provide an excellent model for testing (and, probably, modification elsewhere). It is difficult to suggest any changes in the approach for the remainder of the project period, which is, in any case, rather brief.

### *The Future?*<sup>8</sup>

The impacts at Doi Mae Salong have been impressive, but nevertheless have directly reached only a relatively small part of the population. It would be very useful to have continued project presence, mainly in the form of facilitation with some modest funds for innovation, in Doi Mae Salong to ensure that the project approach is fully institutionalized. Expansion to more villages in Doi Mae Salong would also be desirable.

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<sup>8</sup> A separate paper is being prepared as a concept note for an extension and expansion of the Doi Mae Salong poverty project. That paper builds on this report.

## **9. Recommendations**

1. IUCN and the donors should consider continued funding for the poverty reduction project at Doi Mae Salong, focusing on consolidation of the project approach in the current focus villages and expansion to other villages within Doi Mae Salong.
2. IUCN and the donors should consider an extension of the project to test the approach elsewhere in Northern Thailand and possibly in other parts of Thailand, such as the Andaman region where LLS previously worked applying the landscape approach.
3. The approach should continue to apply the strategy focusing on governance and small strategic changes, which is the essence of the landscape approach.
4. Regardless of whether the project is extended at Doi Mae Salong, IUCN and/or the donors should commission an impact study 3-5 years after the current phase ends. This would enable an assessment of the longer term impacts on poverty, the extent to which the project approach has been institutionalized and would also provide an opportunity to assess the effectiveness of the landscape approach in the longer term. Lessons learned would be very useful.

## **Appendix A: Main Partners in Working Group**

RTAF	Royal Thai Armed Forces After withdrawal from overall control at Doi Mae Salong and handing over to RFD, continued as chair of working group and IUCN poverty project.
IUCN	Working group member. Informal coordinating/catalyst role. Funding from poverty project.
HADF	Hill Area Development Foundation Partner since LLS. Not funded by poverty project.
LDD	Land Development Department Development of terraces for paddy. Some activities funded by project, plus some of own funds.
RFD	Royal Forestry Department Committee member/partner. No funding. Responsible for forests in Doi Mae Salong following withdrawal of RTAF.
FORRU	Forest Restoration Research Unit, Chiang Mai University Partner under LLS. Some activities funded by poverty project. Has some FAO funding.
TAO	Tambon Administration Office Partly target group and partly partner. Working group aims to integrate project activities into TAO plans.
Department of Agricultural Extension	Technical advice.
Department of Agriculture	Research advice into technical aspects of agricultural activities.
Plus community leaders.	

## Appendix B: Income tables

Abbreviations:

HH: Household

PHH: Participating Household

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**TABLE B.1 COFFEE**

**Average annual income generated from project activities**

Target Villages	Total HHs in villages	PHHs	No of Rai	No. of trees	Yield (cherry) KG (2 kg per tree)	Actual 2011 (16 Baht per Kg)	Actual 2012 (20 Baht per Kg)	Average per PHH-2012
Ang Loh	30	5	7	2,100	4,200	67,200	84,000	16,800
Lo Chang Chon Paka Suk Jai	47	5	20	6,000	12,000	192,000	240,000	48,000
Jabusee	96	25	50	15,000	30,000	480,000	600,000	24,000
Panasawan	30	5	6	1,800	3,600	57,600	72,000	14,400
Hae Ko	107	50	253	75,900	151,800	2,428,800	3,036,000	60,720
Loh Yo	45	4	10	3,000	6,000	96,000	120,000	30,000
Mae Tur	55	35	100	30,000	60,000	960,000	1,200,000	34,286
Total	160	80	333	99,900	199,800	3,196,800	3,996,000	49,950
<b>Total</b>	<b>570</b>	<b>209</b>	<b>779</b>	<b>233,700</b>	<b>467,400</b>	<b>7,478,400</b>	<b>9,348,000</b>	<b>44,727</b>

Note:

Income based on number of trees maturing (3 years or more)

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**TABLE B.2 TERRACE PADDY RICE**  
**Average annual income generated from project activities**

Target Villages	Total HHs in villages	Participating HHs	No. of Rai	Average Yield (30 Tang per Rai)	Income at 120 baht per Tang	Average income per PPH
Ang Loh	30	5	7	210	25,200	5,040
Lo Chang Chon	47	10	11	330	39,600	3,960
Paka Suk Jai	96	25	35	1,050	126,000	5,040
Jabusee	30	6	10	300	36,000	6,000
Panasawan	107	9	12	360	43,200	4,800
Hae Ko	45	5	6	180	21,600	4,320
Loh Yo	55	20	30	900	108,000	5,400
Mae Tur	160	20	25	750	90,000	4,500
<b>Total</b>	<b>570</b>	<b>100</b>	<b>136</b>	<b>4,080</b>	<b>489,600</b>	<b>4,896</b>

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**TABLE B.3 GRAPES****Average annual income generated from project activities**

<b>Target Villages</b>	<b>Total HHs in villages</b>	<b>Participating HHs</b>	<b>No. of trees</b>	<b>Projection of income-2013</b>	<b>Projection of income-2018</b>
Ang Loh	30	1	16	28,800	96,000
Lo Chang Chon	47	2	16	28,800	96,000
Paka Suk Jai	96	4	70	126,000	420,000
Jabusee	30	1	20	36,000	120,000
Panasawan	107	2	15	27,000	90,000
Hae Ko	45		- -	-	-
Loh Yo	55	3	55	99,000	330,000
Mae Tur	160	1	20	36,000	120,000
<b>Total</b>	<b>570</b>	<b>14</b>	<b>212</b>	<b>381,600</b>	<b>1,272,000</b>

Remarks:

1. Projection of income 2013, based on average yield at 15 kg per tree, price 120 baht per kg
  2. Projection of income 2018, based on average yield at 50 kg per tree, price 120 baht per kg
-

**TABLE B.4 RABBITS****Average annual income generated from project activities**

<b>Target Villages</b>	<b>Total HHs in villages</b>	<b>Participating HHs</b>	<b>No. of raised rabbit</b>	<b>Live Weight (kg)</b>	<b>Income (average 80 Baht per kg)</b>	<b>Average income per PHH 2012</b>
Ang Loh	30	4	200	400	32,000	8,000
Lo Chang Chon	47	2	80	160	12,800	6,400
<b>Total</b>	<b>570</b>	<b>6</b>			<b>44,800</b>	<b>7,467</b>

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**TABLE B.5 PASSION FRUIT****Average annual income generated from project activities**

<b>Target Villages</b>	<b>Total HHs in villages</b>	<b>Participating HHs</b>	<b>No. of Rai</b>	<b>Average Yield per Rai</b>	<b>Average Price per kg</b>	<b>Actual 2012</b>	<b>Average per HHs</b>
Hae Ko	45	7	13	400	25	130,000	18,571
<b>Total</b>	<b>570</b>	<b>7</b>					<b>18,571</b>

Note: Passion fruit growing occurred in only one village.

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**TABLE B.6 STRAWBERRIES****Average annual income generated from project activities**

<b>Target Villages</b>	<b>Total HHs in villages</b>	<b>Participating HHs</b>	<b>No. of Trees</b>	<b>Average Yield (50 kg per tree)</b>	<b>Projection of income 2012/2013</b>	<b>Average income per participating HHs in 2012/2013</b>
Ang Loh	30	1	4,000	2,000	100,000	100,000
Lo Chang Chon	47	1	3,000	1,500	75,000	75,000
Paka Suk Jai	96	-	-	-	-	-
Jabusee	30	2	4,000	2,000	100,000	50,000
Panasawan	107	1	3,000	1,500	75,000	75,000
Hae Ko	45	1	3,000	1,500	75,000	75,000
Loh Yo	55	1	3,000	1,500	75,000	75,000
Mae Tur	160	-	-	-	-	-
<b>Total</b>	<b>570</b>	<b>7</b>	<b>20,000</b>	<b>10,000</b>	<b>500,000</b>	<b>71,429</b>

## **Appendix C: Terms of Reference**

### **Review of Poverty Reduction in the Doi Mae Salong Landscape Project**

#### **Introduction**

These terms of reference detail the purpose, scope and requirements of the planned review of IUCN's *Poverty Reduction in the Doi Mae Salong Landscape Project* (PRP), a continuation of the former Livelihoods and Landscapes (LLS) initiative in Doi Mae Salong, Chiang Rai.

The PRP began in May 2010 and has a planned duration of three years. It will have been running for 31 months at the time of the planned review, which is scheduled for November–December 2012. The project is implemented by IUCN's Thailand Country Programme, with funding provided equally by PTTEP and Total E&P Thailand. Building on the foundations left by LLS, the project aims to contribute to poverty reduction in Doi Mae Salong by improving the economic situation at the village and household level through promotion of income generation and household expenditure reduction options. Three outputs have been identified to achieve this objective:

1. Practical models for diversifying income generation options promoted through improving and intensifying farming practices, and marketing of agricultural, as well as agro-forestry, products.
2. Practices improved for off-farm income generation options, including micro-businesses and microfinance enterprises that generate income for poor families and interest groups.
3. Community master plan and community saving groups established for small farmers to reduce expenditure and household debt, and to increase savings for a better life.

#### **Objectives and scope of review**

The general objective of the review is to support IUCN, PTTEP, Total E&P Thailand and project stakeholders in Doi Mae Salong to:

- Assess the feasibility of achieving the stated objective of PRP given current progress and implementation strategies.
- Make informed decisions for the remainder of the planned duration of PRP in terms of possible changes to activities, methods and schedules.
- Identify options and strategies for sustaining PRP results, and potentially scaling up the PRP and LLS approach to other areas in northern Thailand.

The review will assess the following:

- The results and progress to date of PRP in terms of the effectiveness and efficiency of implementation.
- The likely outcomes of PRP at the end of the planned project duration, given its current scope, approach and progress.

- Since the focus of the project is on reducing poverty, the review will address not only changes in incomes, but also how these changes are distributed among the project's target groups.
- The sustainability of PRP results beyond the end of the project.
- The relevance of the PRP and LLS approach to wider policy priorities and social, economic and environmental needs in northern Thailand.

The review will suggest – if any are deemed necessary – potential adjustments to the PRP scope and implementation approach. It will also provide recommendations on project management and methods to improve PRP performance, reach and effectiveness. Lastly it will propose specific sustainability strategies, and identify options and opportunities for scaling up project approaches in northern Thailand.

### **Methodology**

The review will be carried out by a consultant with extensive experience of forest landscape restoration and rural livelihoods issues in Thailand. He or she will be assisted by the PRP Project Manager, who will arrange meetings with stakeholders and informants, provide information and analysis, and translate from Thai to English as necessary. The PRP Project Manager will ensure that any quantitative data needed for the review (e.g. on changes in beneficiaries' incomes) is collected beforehand and made available to the consultant.

A detailed methodology and list of issues for the review will be developed and agreed upon jointly by the consultant, IUCN, PTTEP and Total E&P Thailand before the review begins. In outline, the review will be an open, transparent learning process for all project stakeholders and beneficiaries. It will allow for achieving a common understanding of the policy and institutional environment, the current status of the project (achievements, pitfalls, constraints), and any future opportunities or challenges.

The consultant will use a combination of methods, including document analysis, key informant interviews, focus group discussions, and field observation. He or she will review relevant documents and interview selected informants in Bangkok, before travelling to Chiang Rai to observe project activities and conduct further interviews in Doi Mae Salong and, potentially, Chiang Rai town. The consultant should allow time for discussions and debriefing with IUCN staff and donors in Bangkok after the field work has been completed.

### **Deliverables**

The main deliverables of the review will be:

1. A debriefing presentation at IUCN Asia Regional Office (ARO) for staff and donors after completion of field work to outline and gain feedback on key findings and suggested recommendations.
2. A concise review report of 15–20 pages analysing the results and progress of PRP, its likely outcomes, and the prospects for sustaining project activities and achievements. If necessary, the report will make specific, practical recommendations for adjusting implementation and management to ensure successful completion of the project.

3. A concept note of 5–10 pages for a second phase of intervention by IUCN that will scale up the PRP and LLS approach to watersheds neighbouring Doi Mae Salong or to other areas in northern Thailand. The concept note will identify and provide the rationale for a variety of potential project activities. It should be presented as a menu of interlinked modules which could be developed and implemented according to the availability of funds from a variety of donors with specific interests.

#### **Timing and duration**

The review is scheduled for November–December 2012, beginning on 26 November in Bangkok. The consultant is expected to allocate up to 12 days to complete the review: 1 day for methodology development, 2 days for travel to and from Thailand, 2 days for meetings and discussions at IUCN ARO in Bangkok, 3 days for travel and field work in Doi Mae Salong and Chiang Rai, and 4 days for drafting the report and concept note.



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