



EPRO CONSULTING JSC



CENTRE FOR SOCIAL INITIATIVES PROMOTION

MID TERM REPORT

Completion of Pilot Investment Project
Improved Cook Stove Use in Viet Nam

Revision: 01

Submitted to: Landell Mills Ltd.

Hanoi 4 July 2014

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1. INTRODUCTION

The Consortium of EPRO Consulting JSC and Centre for Social Initiatives Promotion (CSIP), here below called Consultant, was assigned to carry out the pilot investment project on improved cook stove (ICS) use in two districts of Ung Hoa (Ha Noi) and Ha Hoa (Phu Tho), five communes each. It was designed that the pilot will be carried out in Ung Hoa with Farmer Union, and in Ha Hoa with Woman Union with objective of testing business model for future scaling-up of ICS with market based incentives.

The Consortium is implementing pre-designed pilot scaling-up program for the adoption of Improved Cook Stove Use in Ung Hoa and Ha Hoa Districts, which was developed under feasibility study phase and approved by the TA7833. The pilot scaling-up program include (1) the establishment of stove supply chain framework with farmer union in Ung Hoa and woman union in Ha Hoa through a commercial based contract between producers and distribution channel (unions) in witness of consultants, (2) support for stove producers in identifying stove performance through the laboratory test and entering the marking in the 2 pilot districts and its 5 pilot communes with business and marketing plan, ICS quality control and promotion materials and showroom and (3) aggregate communication awareness and demand in ICSs with and for the participating unions through capacity building, organizing sales campaigns, developing and implementation communication strategy as well as voucher and warrantee system for ICSs. Last but not least, the assignment includes regular monitoring and evaluation on the activities, performance, and progress of stakeholders and impacts of the pilot. The assignment includes 4 groups of activities with the progress as follows:

Table 1-1. Overview of the ICS pilot project progress

No	ACTIVITIES	Status by 30 June 2014	
1	ESTABLISHMENT OF STOVE SUPPLY CHAIN FRAMEWORK		
	1	Kick-off introductory meetings in Ung Hoa, Hanoi	Completed
	2	Kick-off Introductory meetings in Ha Hoa, Phu Tho	Completed
	3	Development of three party commercial contracts between producers, union and TA 8377	Completed
2	STOVE PRODUCER SUPPORTS		
	1	Laboratory test	Completed
	2	Show-room set up in Ung Hoa	Completed
	3	Show-room set up in Ha Hoa	Completed
	4	Development of simple ICS user manual	Completed
	5	Peer-to-peer support in business and marketing plan	On-going
	6	Per-to-peer support in quality control	Completed
3	COMMUNICATION AWARENESS & DEMAND AGREGATION		
	1	Monthly awareness/demonstration event	On-going
	2	Training in marketing, communication skills and efficient biomass use	Completed
	3	Developing communication strategy for 10 communes	Completed
	4	Follow-up with implementation of marketing and awareness strategy	On-going
	5	Development of voucher and warrantee scheme for unions	Completed
	6	Providing support in voucher and warrantee scheme of unions	On-going
4	PILOT MANAGEMENT		
	1	Quarterly monitoring and reporting	On-going
	2	Efficiency comparison between traditional and ICS	On-going
	3	Logistic (administrative support, translation)	On-going

2. ACTIVITIES, RESULTS AND STATUS

2.1. ESTABLISHMENT OF STOVE SUPPLY CHAIN FRAMEWORK (COMPLETED)

2.1.1. Activities 1.1 and 1.2: Kick-off introductory meetings

Kick off introductory meetings were conducted at Ung Hoa farmer union and Ha Hoa woman union on 25 December 2013 and 26 December 2013 with representatives of district and pilot commune unions.

Prior to this meeting, the consultant purchased ICSs from producers, and requested them to demonstrate their products for introductory purpose. Information on delivery terms, prices, commissions, warranty and other conditions for selling at the two pilot districts were also collected to share with the unions.

At the kick off meetings, consultants presented all 5 ICSs models in both districts (TK90 small were not captured in the picture of Ung Hoa, but were brought and introduced at the kick-off meeting). At the kick-off meeting, the consultants introduced one more model than those from feasibility study - 3G stove (the producer called clean cook stove 3G) upon the recommendation of the Centre for Social Initiatives Promotion (CSIP).



Picture 2-1. ICS introductory to Ung Hoa Farmer Union

Picture 2-2. ICS introductory to Ha Hoa Woman Union

At the end of the kick-off meetings, representatives in each district agreed on the types of ICSs they could sell and the terms of conditions. The following table presents selected ICSs for pilot in two districts.

Table 2-1. List of selected ICSs for pilot

Model	ICS to be promoted by Ung Hoa Farmer Unions	ICS to be promoted by Ha Hoa Woman Union
Truong Giang	<ul style="list-style-type: none"> 80,000 VND/stove, excluding VAT. Transportation and commission included Commission of 5,000 VND/stove commission 50% payment upon order and 50% payment within 3 days after receiving 2 year lifespan, 6 months warrantee 	<ul style="list-style-type: none"> 80,000 VND/stove, excluding VAT. Transportation and commission included Commission of 5,000 VND/stove commission 100% payment upon receiving 2 year lifespan, 6 months warrantee
TK-90	<ul style="list-style-type: none"> Farmer union was interested and did not select this model due to it looks too simple and needed to order large quantities per order to cut transportation cost 	<ul style="list-style-type: none"> 150,000 VND/small stove and 250,000 VND/medium stove, excluding VAT. Transportation and commission included Commission of 20,000 VND (small size) and 30,000 VND (medium size ICS)

Model	ICS to be promoted by Ung Hoa Farmer Unions	ICS to be promoted by Ha Hoa Woman Union
		<ul style="list-style-type: none"> • 100% payment upon receiving • 2 years lifespan, 6 months warrantee
3G	<ul style="list-style-type: none"> • Farmer union was not interested and did not select this model because the capacity is considered too small for cooking and too expensive 	<ul style="list-style-type: none"> • Woman union was not interested and did not select this model because the capacity is considered too small for cooking and too expensive
DK-T5	<ul style="list-style-type: none"> • 445.000 VND/stove, excluding VAT. Transportation and commission included • Commission of 31,000 VND/stove • 50% payment within 1 day of order and 50% within 3 days of receiving • 2 years lifespan, 12 months warrantee 	<ul style="list-style-type: none"> • 445.000 VND/stove, excluding VAT. Transportation and commission included • Commission of 7% (31,150 VND/stove) • 100% payment upon receiving • 2 years lifespan, 12 months warrantee

Agreements on selected ICSs, price, conditions and term of payment were incorporated into three way commercial contracts between ICS producer, unions and consultants (see 2.1.2). Pilot framework, including expected activities and outputs as well as supports to unions were also discussed and agreed by representatives of both Ung Hoa and Ha Hoa. In Ung Hoa, responses and decisions are mainly made by the head of district farmer union while that in Ha Hoa came from both district and commune levels.

2.1.2. Activity 1.3: Thee party commercial contracts

Based on the agreements made at the kick-off meetings, the consultants prepared three way commercial contracts, where the unions agree to serve as sale agencies for ICS producers under the witness and support of the consultants.

Each party agreed to participate in the pilot with the following key terms:

- Unions: being the sale agency for ICS producers, preparing and implementing communication strategy in pilot communes, organizing and reporting sales monthly.
- ICS producers: Ensure ICSs with committed quality, agreed time, price, commissions and warranty terms, including the requirement for corrective actions within maximum 10 days for faulty stoves. The ICS producers cannot distribute ICSs in pilot communes directly or indirectly through other sale agencies than the unions, ensure minimum selling price as agreed, preparing and implementing business plan at 5 pilot communes, quality control and voucher system and simplifying user manuals.
- Consultants: providing support to the unions, including financial support in setting up showrooms, implementation of sales campaigns and communication strategies, providing ICSs for promotion¹ (Ung Hoa: 25 Truong Giang and 30 DK-T5, Ha Hoa: 28 DK-T5. 2 TK90-small, 29 TK90-medium, 12 Truong Giang) as well as the development of communication strategies (details of this financial support are listed in separate contracts between consultants and unions). Consultants shall provide support to ICS producers by carrying out laboratory test for efficiency and environmental performance, developing business plan, and ICS quality control and voucher system. Consultants shall pay for accommodation and travel of ICS producers at the pilot districts.

Five contracts were signed with representatives of:

- Farmer Unions in Ung Hoa: Mr. Pham Van Hoach, Chairman of Ung Hoa farmer union
- Woman Unions in Ha Hoa: Ms. Pham Thi Binh, Chairwoman of Ha Hoa woman union
- Truong Giang stove producer: Mr. Than Xuan Truong

¹ This is a estimate at the time of construction, so that the unions have ICSs to start at the first launching in January. Consultants and unions agreed to have amendments on number of promoted ICSs based on sales and promotion campaigns.

- TK90 stove producer: Mr. Le Hong
- DK-T5 stove producer: Mr. Do Duc Khoi
- Consultants: Ms. Tang Thi Hong Loan, Director of EPRO Consulting Jsc.

Table 2-2. List of three way contracts signed

ICS model	Ung Hoa Farmer Unions	Ha Hoa Woman Unions
Truong Giang	No. 24 ICS/HD/2013, 30 December 2013	No. 30 ICS/HD/2013, 30 December 2013
TK90	n.a.	No. 28 ICS/HD/2013, 30 December 2013
DK-T5	No. 23 ICS/HD/2013, 30 December 2013	No. 27 ICS/HD/2013, 30 December 2013

2.2. STOVE PRODUCER SUPPORTS (ON-GOING)

2.2.1. Task 2.1: Laboratory test

Laboratory tests with ICSs on sales and biomass fuels in pilot districts are completed.

Since January 2014 the Institute of Heat Engineering and Refrigeration of the Hanoi University of Science and Technology has carried out laboratory tests for the following parameters.

Table 2-3. Stove testing parameters

No	Parameter	Traditional stove	ICSs
1	Moisture content		x
2	Low heat values of dry/working base biomass		x
3	Biomass consumption for boiling 2.5 liter of water		x
4	Biomass consumption for keeping water less than boiling degree by 6°C		x
5	Cold start (full power)		x
6	Cool start +simmer (low power)		x
7	Time for boiling 2.5 liter of water at full power	x	x
8	CO (high power)	x	x
9	CO (low power)	x	x
10	PM 2.5	x	x
11	Max stove body temperature		x
12	Max flame temperature		x

The following table presents the cook stoves and biomass types under the test

Table 2-4. Cook stove and biomass under testing

Pilot province	Cook stoves	Biomass type
Ung Hoa, Hanoi	Traditional cook stove	Fire wood (Thanh Hao)
		Fire wood (Thanh Hao) & rice husk
	Rice husk stove	Rice husk
	Truong Giang	Firewood (Thanh Hao)
		Firewood (Thanh Hao) & rice husk
DK-T5	Firewood (Thanh Hao) and rice husk	
Ha Hoa, Phu Tho	Traditional cook stoves	Firewood (Keo)
	Truong Giang	Firewood (Keo)
	TK90-small	Firewood (Keo)
	TK90-medium	Firewood (Keo)

Pilot province	Cook stoves	Biomass type
	DK-T5	Firewood (Keo) with rice husk
		Firewood (Keo) with saw dust and wood shaving

Report #4 presents details of the test results.

2.2.2. Task 2.2: Development of a simple ICS user manual

Simple ICS user manuals are completed and available in ready-to-print form.

The below ICS manuals were available from the producers:

- Truong Giang model: two sides A5 introduction leaflet on stove function, awards, contacts of distribution agencies and hot line. However, this leaflet included with the stove, does not provide the user with any information on operating the stove.
- TK90 model: one side A4 user manual with instructions on drying the cook stove, start up and cooking as well as maintenance. When receiving this manual, the user has sufficient information on how to operate the cook stove. Information on fuels, sale agencies and warranty are not yet available.
- DK-T5: 4 pages A4 user manual with ICS introduction, characteristics, structure, instruction on fuel preparation, start up and cooking, biochar collection and usage as well as maintenance, warning and contact. When receiving this manual, the user has sufficient information on how to operate cook stove as well as background information on how it is structured and the advantages of the model. However many households found the user manual too long and misunderstanding of obtaining biochar by cooking with all types of biomass although generation of biochar is only applicable to rice husk. Sale agencies and warranty terms are not yet available.

The consultants redesigned the above ICS user manuals incorporating 5 sections with illustrating photos:

- Fuels required & efficient use of biomass
- Preparation (before first time use or fuel preparation)
- Start up and cooking
- Maintenance
- Warrantee, local sale agency, contact

The ICS producers worked with consultants and agreed on the final simple ICS user manual on 17 April 2014 (DK-T5) and 21 April 2014 (TK-90 and Truong Giang).

Simple user manuals of TK90, Truong Giang and DK-T5 were developed in corporation with ICS producers and delivered in ready-to-print forms (pdf).

2.2.3. Task 2.3: Peer-to-peer support in business plan and marketing plan

Business and marketing plan were co-developed by consultants and ICS producers and are under implementation.

Consultants had peer-to-peer meetings with ICS producers on business and marketing plan and follow-ups with email and telephone.

Table 2-5. List of peer-to-peer meetings with ICS producers

Producer	Time	Place	Content
Truong Giang	19 February 2014	Manufacturing place, Bac Giang	Business and marketing plan
	13 March 2014	CSIP Office, Hanoi	User manual, quality control, business and marketing plan

Producer	Time	Place	Content
	17 April 2014	CSIP Office, Hanoi	User manual, business and marketing plan
	13 May 2014	CSIP Office, Hanoi	Marketing plan
	23 May 2014	CSIP Office, Hanoi	Marketing plan
TK-90	7 January 2014	Manufacturing place, Thanh Ba, Phu Tho	Product quality and quality control
	13 February 2014		Business and marketing plan
	1 March 2014		
DK-T5	12 February 2014	Population, environment and development center (PED), Hanoi	Business and marketing plan
	18 February 2014	Ha Hoa, Phu Tho	Product quality and quality control
	16 April 2014	Population, environment and development center (PED), Hanoi	Quality control and User manual

At the meetings, consultants and ICS producers discussed about sales, characteristics of pilot districts and unions and provided guidance for the development of business and marketing plan. All three producers sent their plan. However the producer of DK-T5 did not prepare for the specific pilot districts and communes as agreed, but for the whole of Vietnam. When being requested to revise, the producer did not believe the market justifies more work.

The consultants were able to complete business and marketing plan with producers of TK-90 and Truong Giang with focus on pilot districts. Final business and marketing plan for DK-T5 is not available. Consultants reported this to PMU during progress meeting on 11 June 2014 and received approval for no further support to DK-T5 producer.

Business and marketing plans of ISC producers (TK-90 and Truong Giang) were finalized by consultants and producers and being implemented from 11 June 2014. The table below presents summary of business and marketing plan of ICS producers. Consultant believed that target of Truong Giang producer is rather high and too challenging, but the producer would like to keep it as it is with additional promotion efforts.

Table 2-6. Summary of business and marketing plan

Producer	Targets in pilot	Sales January – May 2014 (before planning)	Sales target June- August 2014	Additional promotion efforts
Truong Giang	100 stoves/month	<ul style="list-style-type: none"> To union: 396 (79 per month) From union to user: 353 (71 per month) 	<ul style="list-style-type: none"> To union: 300 	<ul style="list-style-type: none"> Additional commission: every purchase of 200 stoves at once will result bonus of 10 stoves Participating in communication activities with unions
TK-90	600 stoves by the end of August 2014	<ul style="list-style-type: none"> To union: 422 (84 per month) From union to user: 363 (73 per month) 	<ul style="list-style-type: none"> To union: 178 	<ul style="list-style-type: none"> No additional commission Delivery to commune showroom instead of district's one <ul style="list-style-type: none"> Participating in communication activities with union

Consultants communicated these plans to unions and supporting the producers in implementing the plan.

2.2.4. Task 2.4: Peer-to-peer support in quality control

User feedbacks on quality issues were discussed with producers.

The Table 2-5 presents peer-to-peer meeting with producers on development of their business plan, marketing plan and product quality control. Product quality was discussed with producers based on feedback of the unions and the ICS users after three months of using ICS.

There were no negative feedback on quality of Truong Giang and TK-90, except the first delivery batch of Truong Giang with poor welding and being rejected by the union in Ha Hoa. The users found purchased cook stove worths money and met their expectation. The issue of poor welding quality of Truong Giang model did not happen again till now. The quality issue of DK-T5 was discussed with the producers as the basic for development of user manual and business plan. The issue was also reported to PMU under Report #3.

There is no quality issue in needs of support from consultants with the two on-going models of Truong Giang and TK-90.

2.2.5. Task 2.5 & 2.6: Showroom rental

12 showrooms, 2 more than expected, in both Ung Hoa and Ha Hoa are available and functioning. ICSs are displayed and stocked.

The woman and farmer unions have identified and set up 12 show rooms for ICS sales, 6 in each pilot district. They are located in the offices and shops of the commune woman unions in Ha Hoa and in shops and houses of farmer union representatives in Ung Hoa.

Table 2-7. Location of ICS's show rooms

Pilot district	Pilot commune	Location	Functioning in
Ung Hoa	Dong Tien	House of Mr, Nguyen Thanh Phong	April 2014
	Son Cong	Shop of Mr. Nguyen Minh Thoa	April 2014
	Son Cong	Shop of Mr. Nguyen Van Cu	April 2014
	Van Dinh	Shop of Mr. Nguyen Huu Bay	April 2014
	Vien An	Shop of Mr. Le Van Thang	April 2014
	Vien Noi	Shop of Mr. Bui Van Hop	April 2014
Ha Hoa	Xuan Ang	People Committee / woman union office	February 2014
	Phu Khanh	People Committee / woman union office	February 2014
	Dai Pham	People Committee / woman union office	February 2014
	Am Ha	People Committee / woman union office	February 2014
	Ha Hoa	People Committee / woman union office	February 2014
	Ha Hoa	Shop of district woman union	February 2014



Picture 2-3. Showrooms in Ha Hoa



Picture 2-4. Showrooms in Ung Hoa

Showrooms in both Ung Hoa and Ha Hoa are functioning.

2.3. COMMUNICATION AWARENESS AND DEMAND AGREGATION

2.3.1. Task 3.1: Monthly awareness/demonstration event

From January to June 2014, sales campaigns were organized monthly in each pilot commune by the farmer union (in Ung Hoa) and the woman union (in Ha Hoa). By the end of June, 900 ICSs were introduced and used with joint-efforts of the consultants, ICS producers and local unions. The sales campaign achieved much higher sales than expected, significant surpass the pilot project target of 300 ICSs. Monthly awareness/demonstration event will be continued till August 2014.

Table 2-8. Overview of achievements in ICS sales campaign

ICSs	Ung Hoa	Ha Hoa	Total
Truong Giang	292	126	418
TK90- small		215	215
TK90-medium		198	198
DK-T5	9	60	69
TOTAL	301	599	900

It was designed that the unions collected orders during and after the demonstration event and forwarded them to the producers. However, due to small quantities in order, the unions and

producers agreed to transport bigger quantities of ICS in advance to save transportation cost. ICSs are provided to users right at the event.

Sales volume is higher than target. Relations between producers and unions are good.

2.3.2. Task 3.2. Training in marketing, communication skills and efficient biomass use

Training was conducted in both Ung Hoa and Ha Hoa for representatives of unions, showrooms and even stove producer. The consultants proposed a two day training program in both districts. In Ung Hoa, however, it was shortened to one day only as the farmer union had a busy schedule.

Table 2-9. Overview of activities

Category	Ung Hoa	Ha Hoa
Date	25 February 2014	28 February - 1 March 2014
Number of participants	15 Dong Tien: 3 (1 showroom, 1 union) Son Cong: 3 (2 showroom, 1 union) Vien Noi: 2 (1 showroom, 1 union) Vien An: 2 (1 showroom, 1 union) Van Dinh town: 1 (1 showroom cum union) District union: 4	13 Dai Pham: 2 (showroom cum union) Phu Khanh: 2 (showroom cum union) Am Ha: 2 (showroom cum union) Xuan Ang: 2 (showroom cum union) Ha Hoa town: 2 (showroom cum union) District union: 2 TK90 producer: 1
Training method	Theory training (2 hours) and practice with simulation, role play (6 hours)	Theory training (8 hours) and practice with simulation and role play (8 hours)

All participants showed a good understanding of efficient use of biomass (including ICSs for sales), basic marketing and communication. Performance tests were conducted with a multiple-choice questionnaire to evaluate the understanding of the participants in the above mentioned 3 areas, efficient use of biomass, marketing and communication (5 questions each). The test results of the participants from Ha Hoa are slightly higher than that of Ung Hoa.

Table 2-10. Understanding of participants

Area of training	Ung Hoa	Ha Hoa
Efficient use of biomass	73%	92%
Marketing	53%	69%
Communication	60%	77%

90% of responses showed that the training was easy to understand in both districts. In Ung Hoa, participants believed 87% of the learning can be applied and this was 100% in Ha Hoa.



Picture 2-5. Practice by participant in Ung Hoa at demonstration event



Picture 2-6. Discussion on ICSs and sufficient biomass use in Ha Hoa

Report #1 presents details of training.

2.3.3. Task 3.3 & 3.4: Developing and follow-up on communication strategy for 10 communes

At the training in February (see 2.3.2), participants agreed that effective means of communication and marketing in the two pilot districts are radio and sales campaign for Ung Hoa and mouth-to-mouth, sales campaign and house visit for Ha Hoa. An information leaflet should be prepared and distributed by both unions to support these activities.

The theme and messages of communication are: Efficient use of biomass. Depending on the method of communication, information on ICSs (cost, operation and warrantee) will be added. The district unions believe that all pilot communes should carry out the same communication strategy as follows:

Table 2-11. Overview of communication strategy by district level

Means of communication	Description	Ung Hoa	Ha Hoa
Sales campaign	Frequency	<ul style="list-style-type: none"> Monthly, from January 	
	Method	<ul style="list-style-type: none"> Awareness/demonstration event: introduction of sufficient biomass use, demonstration of ICS cooking, providing ICS manual Conducted by showroom owner 	
	Quantity	<ul style="list-style-type: none"> 8 events, 5 more 	
Radio	Frequency	Weekly, Saturday morning news, from April	No, not using this method
	Method	Developing monthly news on efficient use of biomass and ICSs and broadcasting on commune radio	
	Quantity	16 times x 5 communes	
House visit	Frequency	No, not using this method	Once a month, from April
	Method		Visiting households of all zones in pilot commune and talk about

Means of communication	Description	Ung Hoa	Ha Hoa
			efficient biomass use and ICSs, distributing ICS manuals
	Quantity		Visiting households in all 58 zones of 5 pilot communes
Leaflet distribution	Frequency	Monthly awareness/demonstration event	<ul style="list-style-type: none"> Monthly awareness/demonstration event House visit
	Method	Copy and distribute ICS manual from project	Copy and distribute ICS manual from project
	Quantity	3000	9000

Report #2 presents details of communication strategy.

2.3.4. Task 3.5 & 3.6: Development and supporting on voucher and warrantee scheme for unions

Voucher and warrantee scheme for unions were developed and well maintained by unions.

The voucher and warrantee scheme was discussed with unions and agreed that it should motivate the unions in sales by proper recording. It was agreed that the objectives of building these scheme are:

- Voucher scheme: Both producers and unions agree on ordering and payment procedure, recognition of sales and commission
- Warranty scheme: Procedure, unions and users agree on term of warrantee and recognize the cook stove under warrantee time

The voucher scheme was initiated by framework of the three party contracts and is functioning with more details as in Table 2-12. In January, the order was made based on the order of households. Since the order is small, Truong Giang producer expressed the unsatisfactory. Consultants and unions worked with all three producers to detail the delivery scheme and payment terms. Commissions are directly reduced from each payment. The current voucher system is recognized and agreed by both unions and producers.

Table 2-12. Overview of Voucher system

Stove	Category	Ung Hoa	Ha Hoa
Truong Giang	Minimum order	<ul style="list-style-type: none"> 100 stoves 	<ul style="list-style-type: none"> 50 stoves
	Payment term	<ul style="list-style-type: none"> 75,000 VND/stove 50% upon receiving, 50% after sales Delivery to designated place (district store or commune showrooms) Additional promotion under marketing plan: 10 stoves for order of 200. 	<ul style="list-style-type: none"> 75,000 VND/stove 100% upon receiving Delivery to one place (district woman union) Additional promotion for Ha Hoa under marketing plan: delivery to showrooms
	Orders to date	<ul style="list-style-type: none"> January: 10 	<ul style="list-style-type: none"> January: 61

Stove	Category	Ung Hoa	Ha Hoa	
		<ul style="list-style-type: none"> February: 100 March: 200 April: 60 May: 54 June: 65 	<ul style="list-style-type: none"> February: 50 March: 50 April: 11 May: 5 June: 0 	
TK90	Minimum order	Not applicable		1
	Payment term			<ul style="list-style-type: none"> 130,000 VND/small stove and 220,000 VND/medium stove Showroom: 50% upon receiving, 50% after sales (15 stove per showroom) Direct sales: 100% upon receiving Delivery to designated place (showrooms)
	Orders to date			<ul style="list-style-type: none"> January: 42 (small), 56 (medium) February: 152 (small), 123 (medium) March: 34 (small), 15 (medium) April: 27 (small), 16 (medium) May: 40 (small), 10 (medium) June: 10 (small), 40 (medium)

Warranty terms were agreed and written in three party contracts and is introduced in each and every demonstration event. It was stated that the stove under technical faults of producers shall be fixed/replaced. It was defined that that the technical fault under warranty of Truong Giang is relating to clay layer and that of TK-90 is crack of the stove. Unions records product code for warranty.

The voucher and warranty scheme was completed in the corporation of unions, producers and consultants. It is well maintained between unions and producers in the witness of consultants.

2.4. PILOT MANAGEMENT

2.4.1. Task 4.1: Quarterly monitoring and reporting

After three months of sales, the following activities are carried out monthly:

- Consultants make at least one visit to pilot district/commune on demonstration day. The consultants inform PMU on this schedule when receiving from unions.
- Pilot district unions submit sale report to consultants after demonstration day (supposed to be by the 20th). Consultants forward the report to PMU
- Consortium stakeholders (EPRO and CSIP) update progress of each other by the 20th, including interaction with producers and unions

This mid-term report is prepared based on these activities.

Table 2-13. Achievements vs. performance indicator

	Indicator	Performance to date	%	Note
1	The stove supply chain from producers to unions is set up and tested on market based mechanism			
1.1	6 commercial contracts for pilot period are signed between producers, district unions and TA7833 within first quarter of pilot	5/6 contracts signed	100%	<ul style="list-style-type: none"> Ung Hoa: 2 (Truong Giang, DK-T5) Ha Hoa: 3 (Truong Giang, TK90, DK-T5) Contracts for TK90 small and medium are merged in one contract (same producer) Some models were not selected after seeing at kick-off meeting
1.2	There is continuation of at least one commercial contract between producer and union at the end of pilot phase	N/A	N/A	<ul style="list-style-type: none"> Can only be collected at the end of pilot
2	The stove producers are supported in sustainable business			
2.1	All stove producers are able to identify and provide warrantee scheme to users within first quarter of pilot	3/3	100%	<ul style="list-style-type: none"> All 3 producers provided warrantee scheme in 3 party contracts All 3 producers approved warrantee schemes in user manual, which are distributed by unions and as a part of warrantee system Late completion of warrantee system (May 2014 instead of March as expected)
2.2	All stove producers have developed ICS user manual within first quarter of pilot	3/3	67%	<ul style="list-style-type: none"> Simple user manuals are finalised in ready-to-print form
2.3	At lease one producer is successful with marketing and business plan	N/A	N/A	<ul style="list-style-type: none"> Targets and actions for producers of Truong Giang and TK-90 are identified in business and marketing plan Targets of Truong Giang may be too ambitious, but as the wish of producer
3	Increasing demand on efficient biomass use			
3.1	Number of approved ICS in pilot districts increased by 15%, ie. 300 approved ICS in pilot district	900	300%	<ul style="list-style-type: none"> Positive sales every month in both pilot district No more sales of DK-T5 Sales of Truong Giang in Ha Hoa is reducing, in which no sales in June was observed. TK-90 was more preferred due to wood savings advantages after using for a while
3.2	Number of households with traditional cook stoves reduced by the end of pilot	N/A	N/A	<ul style="list-style-type: none"> Can only be collected at the end of pilot

2.4.2. Task 4.2: Efficiency comparison between traditional and improved cook stoves

This will be carried out at the end of the pilot. Consultants and Laboratory are preparing the base for this comparison.

2.4.3. Task 4.3: Logistics

Consultants and stakeholders are provided with necessary logistics (accommodation, transportation, translation) to complete the task.

3. CONCLUSIONS AND NEXT STEPS

3.1. CONCLUSION

The progress to date is in line with plan. The implementation of this assignment successfully set up the supply chain between unions (as sales agency) and producers under market mechanism.

To date, the market in pilot districts rejected DK-T5 model. It was explained that the quality was not worth the payment. Sales of TK-90 in Ha Hoa and of Truong Giang in Ung Hoa seems to be stable (Table 2-12). However, sales of Truong Giang in Ha Hoa were significantly reduced. It was recognized by the users that after sometime of using TK-90, the wood consumption of TK-90 is much less than that of Truong Giang. Wood savings advantage seems to be the only decision factor of this market selection. This indicates some awareness on efficient use of biomass.

Business and marketing plans of both Truong Giang and TK-90 producers were completed and under implementation. Without significant effort of Truong Giang producers, the target of 300 cook stoves on sales in pilot area in the period of June-August will be hardly achieved. The target and plan of TK-90 producer is more reasonable and achievable. Consultants need to work more with Truong Giang producers.

Voucher and warrantee scheme system as well as communication strategy were completed and being implementing by unions. No issue came up thus far.

Consultants found the woman union more active and punctual than the farmer union in meeting deadlines of sales events and reporting. Woman union in Ha Hoa empowered the implementation to their commune while Farmer union centralizes activities at the district level.

3.2. NEXT STEPS

Consultants will continue:

- Supporting the ICS producers in implementing business and marketing plan, particularly Truong Giang producer.
- Participating in sales campaign, supporting unions in maintaining voucher and warrantee scheme system
- Collecting data to evaluate the impact of the pilot