

**Lao People's Democratic Republic**

**Rural Livelihoods Improvement Programme in  
Attapeu and Sayabouri**

**PROJECT PERFORMANCE ASSESSMENT**





**Lao People's Democratic Republic**  
**Rural Livelihoods Improvement Programme**  
**in Attapeu and Sayabouri**  
**Project Performance Assessment**

Photos of activities supported by Rural Livelihoods Improvement Programme in Attapeu and Sayabouri (RLIP)

Front cover: Young rural people are often faced with a range of access gaps which constrain their productive potential. These gaps include access to land, financial services, markets and technology. For young rural women, opportunities to access services are even scarcer. ©IFAD/GMB Akash.

Back cover: Credit group discussion with facilitator in Xanxai district, ©IFAD/Sarath Mananwatte (left); RLIP beneficiary is feeding chickens in his farm in Attapeu Province, Southern Laos. ©IFAD/GMB Akash (right).

This report is a product of staff of the Independent Office of Evaluation of IFAD and the findings and conclusions expressed herein do not necessarily reflect the views of IFAD Member States or the representatives to its Executive Board. The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations “developed” and “developing” countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

All rights reserved.

©2015 by the International Fund for Agricultural Development (IFAD)

## **Acknowledgements**

*This assessment was conducted by Ashwani Muthoo, IOE Deputy Director with the able support of Sarath Mananwatte, IOE consultant. The report benefits from the insightful comments of Mona Bishay, senior consultant and former IOE Deputy Director. Marisol Dragotto, Assistant to the Deputy Director, and Chabana Bagas, Evaluation Assistant, provided administrative support.*

*IOE is grateful to IFAD's Asia and the Pacific Division, the Government of Lao PDR, as well as in-country stakeholders and partners for their insightful inputs at various stages of the evaluation process and the support they provided to the mission.*



**Home gardens in RLIP areas. Many activities were initiated during the programme that focused on uplifting the poor from poverty. Some of them, such as home garden vegetable cultivation and fish rearing in large fish ponds, were contextual innovations initiated by RLIP.**

©IFAD/Martin Ploug



# Contents

<b>Currency equivalents, weights and measures</b>	<b>ii</b>
<b>Abbreviations and acronyms</b>	<b>ii</b>
<b>Map of the programme area</b>	<b>iii</b>
<b>Executive summary</b>	<b>v</b>
<b>I. Objectives, methodology and process</b>	<b>1</b>
A. Evaluation objectives	1
B. Evaluation methodology	1
C. Evaluation process	1
<b>II. The project</b>	<b>1</b>
A. Project context	1
B. Project implementation	3
<b>III. Review of findings</b>	<b>6</b>
A. Project performance	6
B. Rural poverty impact	15
C. Other performance criteria	19
D. Performance of partners	21
E. Overall project achievement	22
<b>IV. Conclusions and recommendations</b>	<b>23</b>
A. Conclusions	23
B. Recommendations	23
<b>Annexes</b>	
I. Rating comparison	26
II. Basic project data	27
III. Terms of reference	28
IV. Methodological note on project performance assessments	30
V. Definition of the evaluation criteria used by IOE	34
VI. List of key persons met	35
VII. Bibliography	36

## Currency equivalents, weights and measures

### Currency equivalent

Currency unit = Lao Kip (LAK)

October 2004 US\$1.00	=	LAK 10 850
October 2004 LAK 1.00	=	US\$0.0000921
May 2012 US\$1.00	=	LAK 8 037.5
May 2012 LAK 1.00	=	US\$0.00012
April 2014 US\$1.00	=	LAK 8 047
April 2014 LAK 1.00	=	US\$0.0001243

### Weights and measures

1 kilogram	=	1,000 g
1,000 kg	=	2.204 lb.
1 kilometre (km)	=	0.62 mile
1 metre	=	1.09 yards
1 square metre	=	10.76 square feet
1 acre	=	0.405 hectare
1 hectare	=	2.47 acres

## Abbreviations and acronyms

DPCU	District Programme Coordination Unit
EIRR	Economic Internal Rate of Return
FNML	Southern Laos Food and Nutrition Security and Market Linkages Programme
GIZ	German Agency for International Cooperation ( <i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> )
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activity
IOE	Independent Office of Evaluation of IFAD
Lao PDR	Lao People's Democratic Republic
M&E	monitoring and evaluation
MTR	mid-term review
NGPES	National Growth and Poverty Eradication Strategy
O&M	operation and maintenance
PCR	project completion report
PCR/V	project completion report validation
PPCU	Provincial Programme Coordination Unit
PPA	project performance assessment
RDMA	Rural Development in Mountainous Areas (GIZ Programme)
RIMS	Results and Impact Management System (of IFAD)
RLIP	Rural Livelihoods Improvement Programme in Attapeu and Sayabouri
VAC	village administration committee
VB	village bank
VDP	village development plan
WFP	World Food Programme

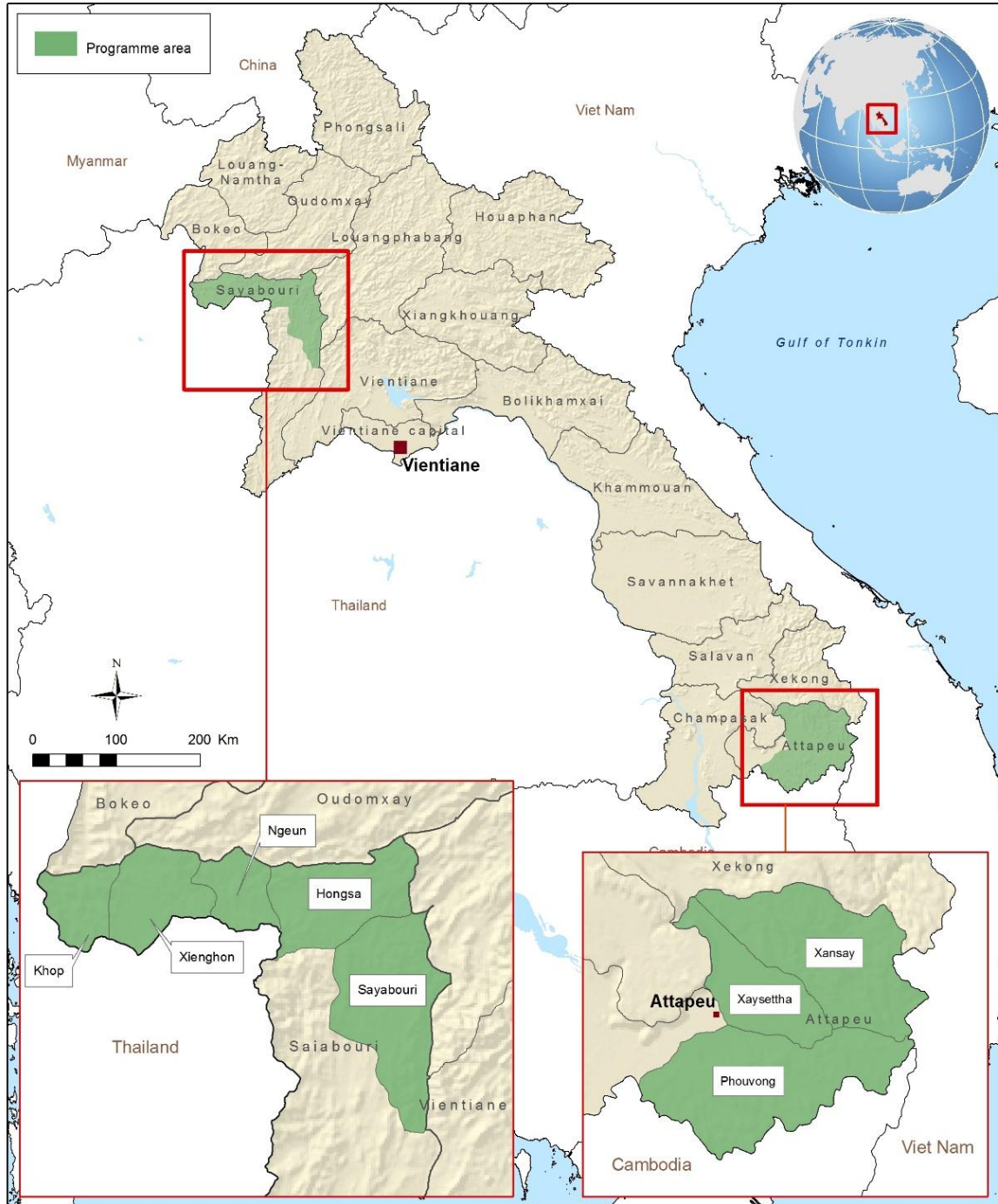


# Map of the programme area

## Lao People's Democratic Republic

### Rural Livelihoods Improvement Programme in Attapeu and Sayabouri

Programme area in Sayabouri and Attapeu provinces



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

**RLIP beneficiary is cooking rice in her kitchen, Attapeu province. To some extent, the allocation of land, building of irrigation schemes, extension of paddy fields and introduction of new rice varieties and fish ponds, as well as increasing production of cash crops, have all contributed to improving household food/nutrition security and family income.**

**©IFAD/GMB Akash**



## Executive summary

1. **Background.** The Independent Office of Evaluation (IOE) of the International Fund for Agricultural Development (IFAD) undertook a project performance assessment (PPA) of the Rural Livelihoods Improvement Programme in Attapeu and Sayabouri (RLIP) in the Lao People's Democratic Republic (Lao PDR). The data for the PPA were gathered and analysed from the desk reviews and interviews at IFAD headquarters, followed by the extensive use of the findings in the project completion report. It also benefits from fieldwork undertaken in Lao PDR in May-June 2015, which included interacting with the project staff and stakeholders, including beneficiaries.
2. **The programme.** RLIP was an eight-year programme implemented in the Attapeu and Sayabouri provinces, which have some of the poorest districts in Lao PDR. The purpose of the programme was to promote economic growth and livelihood improvements among the rural poor, including women and other vulnerable groups in the target area, such as unemployed rural youth and upland ethnic groups.
3. *Programme objectives.* The RLIP overall goal was: economic growth and livelihood improvements sustained for the rural poor, including women and other vulnerable groups, in the eight programme target districts. To achieve this goal, the programme comprised four components: (i) Social development (community development, health, education, and drug detoxification and rehabilitation only in Sayabouri Province (SP)); (ii) Economic development and natural resource management (agriculture and marketing, off-farm income generation, rural microfinance, and natural resources management); (iii) Rural infrastructure (local roads, and warehouses only in Attapeu Province (AP)); and (iv) Institutional development and capacity-building (strengthening capacity for policy analysis and management, and coordination).
4. *Programme area and target group.* RLIP was an integrated rural development programme covering 207 selected villages in 8 districts in Attapeu and Sayabouri provinces, all belonging to the list of poor or very poor areas identified by the National Growth and Poverty Eradication Strategy. In these districts, from 30-50 per cent or more of households are identified as poor, according to the following general characteristics: (i) located in remote mountainous areas at altitudes greater than 600 metres; (ii) very limited areas of paddy land; (iii) inaccessible, with poor infrastructure; and (iv) poor access to basic education and health services. The RLIP planned to directly benefit 26,200 poor and food-insecure households, of which 25 per cent were in Attapeu and 75 per cent in Sayabouri.
5. *Programme components and financing.* RLIP had four components, with an initial programme cost of US\$25.95 million, financed by an IFAD loan and grant, a World Food Programme (WFP) food aid package (only for Attapeu), grants from the German government and counterpart contributions from the Government of Lao PDR and the beneficiaries. Later, additional funds were utilized (only for Attapeu), with final total programme costs reaching US\$28.99 million
6. *Changes in context.* Keeping in line with opening of Lao PDR to a market economy, the mid-term review (MTR) recommended certain changes in the programme strategy. While RLIP-Sayabouri would focus further on sustainable agriculture and economic development, RLIP-Attapeu was to engage in existing private sector promotion activities by integrating them into a Regional Economic Development concept. This promoted the introduction of technical assistance from German Agency for International Cooperation (GIZ), and a new category of expenditure for microfinance. Changes in this new direction included providing cash for a revolving fund for livestock rearing rather than giving animals to farmers. Promotion of



private sector small-scale poultry breeding and fish breeding were major changes in Attapeu.

7. *Implementation arrangements.* RLIP was implemented through two separate autonomous sub-programme units established in Attapeu and Sayabouri provinces. The two units were headed by two experienced senior government officers as coordinators, together with staff seconded from the Ministry of Planning and Investment. The other staff were either drawn from other state organizations or recruited on contract for the programme. Each sub-programme unit had several divisions responsible for the programme components as well as for monitoring and evaluation (M&E) and for finance and administration.
8. **Performance assessment.** In terms of **relevance**, the objectives of RLIP were relevant, participatory, inclusive, pro-poor and gender-sensitive. With regard to the relevance of design, the RLIP design was based on an in-depth poverty analysis and the proposed objectives were realistic and well within the budgetary resources and implementation timeframe. However, the programme lacked operational linkages between the sub-components, as would be seen in an integrated rural development project. The programme was basically a livelihoods improvement programme, primarily promoting the improvement of food security and attempting to diminish food scarcity during the lean months. As such, there was no marketing strategy. The MTR recommended a substantial modification of programme strategy, with a focus on agricultural value chains and marketing services delivery. This was partly achieved when a harmonized approach, centred on public-private partnerships and value chain development, was introduced in both provinces. This paved the way for evolution of a marketing strategy with ensured outlets and guaranteed prices, thus offering signals for drivers of private sector development.
9. As for **effectiveness**, the social development achieved under objective 1 (which addressed social development) has strengthened bottom-up socio-economic planning processes. In addition, the participatory methods and gender awareness training have increased men's participation in domestic duties and women's participation in planning and decision-making processes. Further, the development of agriculture was important to address the food insecurity of the target areas, both in Attapeu and in Sayabouri, in order to achieve the economic development and natural resources management under objective 2. This was achieved through expansion of the land under paddy, improvement of irrigation schemes and provision of improved seeds and training. Livestock improvement was not prominent in the design of RLIP, although some attempts were made to incorporate a backyard livestock improvement package in order to enhance family income.
10. Participatory land use planning and land allocation promoted the conservation objectives of the programme, especially in Sayabouri, where slash-and-burn practices were reduced, increasing protected forest areas and natural regeneration and fish conservation areas. Microfinance played a major role in the budgets of poor rural households, especially by filling liquidity gaps, and these households have developed a culture of saving, which is a significant achievement. The investment in rural infrastructure (under objective 3) was the most salient and visible element of RLIP and accounted for 47.5 per cent of the total project cost. The roads have improved access to rural villages and facilitated easy movement for people, information flow, and circulation of goods from and to the district capital; they also promote commercial exchange with traders. Further, the design and implementation of RLIP followed a highly decentralized and participatory process for bottom-up planning and involvement of the community in the implementation of poverty alleviation actions, relating to institutional development and capacity-building under objective 4.



11. The level of **efficiency** of RLIP has been satisfactory, indicated by around 93 per cent disbursement of funds by 2012, the savings of US\$1.33 million at project completion in relation to project management costs, and a positive Net Present Value of project financials at completion, with an economic internal rate of return (EIRR) of 10 per cent at a discount rate of 12 per cent.
12. In terms of the overall **rural poverty impact**, the programme's contribution is most pronounced in terms of household income, assets, food security and agricultural productivity. The number of poor households has decreased markedly in both provinces, together with the quality of housing. In terms of food security and agricultural productivity, a significant increase in households which have not experienced a first hunger season was a key achievement. Other key achievements included increases in cash crop production, enhanced rice production due to the expansion of rice fields in the lowland areas, and the reduction of chronic malnutrition.
13. When considering the **sustainability** of the project, the absence of an exit strategy and the lack of clarity regarding the ownership of programme investments were causes for concern. Further, with regard to **innovation and scaling up**, three contextual innovations have been scaled up in other villages in the same provinces and also in other provinces in Lao PDR. When considering the project's impact on **gender equality and women's empowerment**, gender was not considered to be an isolated issue but a highly significant cross-cutting issue to be addressed by the RLIP. Although there were no widespread income generating activities (IGAs) initiated that targeted women, a few were initiated – namely, dyeing of yarn and weaving of traditional Laotian cloth and cultivation of asparagus, in partnership with a Thai entrepreneur (who should be commended).
14. **Recommendations.** The PPA makes four main recommendations.
15. **Institutionalize a participatory approach to local development planning.** In order to sustain the benefits generated by the programme, it is recommended that Government of Lao PDR take steps to: (i) further strengthen community development activities; (ii) develop a strategy and action plan to mainstream a participatory development approach in regular government planning and budgeting processes, and sensitize senior government officials and members of the legislative assembly; (iii) institutionalize provincial and district steering/coordination committees, with terms of reference and clear designations of coordinators/focal points; and (iv) devolve full decentralization and autonomy to the provincial and district departments for handling development activities.
16. **Strengthen institution-building and training.** There is a need to build long-term capacities by strengthening village community workers and management committees in order to ensure sustainable community development. There is also a need to promote farmers' organizations and strengthen their negotiating power. In the future it may be necessary to set up strong institutions with clear mandates for operation and maintenance activities. With regard to training of beneficiaries, sessions should be participatory and very practical, addressing community needs, and suitable for women with a limited level of education as well as time/family/mobility constraints.
17. **Strengthen microfinance as a means of easy access to credit.** It is important to emphasize the complementarity of instruments to ensure that the supply of financial services meets the diversified demand of the various target groups. It would be useful to consider establishing strong linkages with the formal banking sector.
18. **Facilitate knowledge management and support the development of systems to better measure results and impact:** IFAD should plan regular information and knowledge-sharing events (workshops, field visits, training

sessions, etc.) among the province/district coordination units. The Fund should coordinate programme action with other donors, and look for complementarity and synergy at grassroots level, especially for investments such as social infrastructures, which are no longer covered by IFAD financing but which have a high level of impact on the livelihoods of the target population. With regard to M&E, IFAD should pay greater attention and provide support at all stages, in collaboration with the Government – including proposing a solid basis for M&E in project design reports, providing support and guidance to project management in strengthening the M&E system and carrying out regular impact surveys.

## **IFAD Management's response<sup>1</sup>**

1. Management welcomes the project performance assessment (PPA) of the Rural Livelihoods Improvement Programme in Attapeu and Sayabouri (RLIP) in the Lao People's Democratic Republic. Management is pleased to note the positive assessment made by the PPA of the project's performance and its impact on project communities. This is especially important given the role of the project as the first externally supported development programme directly supporting the implementation of the National Growth and Poverty Eradication Strategy (NGPES), validating IFAD's role as a valuable development partner in the country.
2. The project was designed in line with IFAD's targeting policy and found to be particularly relevant, participatory, inclusive, pro-poor and gender-sensitive (para 19). Management also agrees that the logframe was too long and comprehensive (para 22) and has already initiated new logframe processes in the Programme Management Department (PMD) to ensure more streamlined, coherent logframes with clear targets and indicators that are measured across the project life (memo from AVP-PMD: Revised Guidance on LogFrames and EFA, 31-July 2015).
3. Management also agrees that assessing efficiency is a complex exercise, and not facilitated by the current sources of data and project assessments. The aforementioned memo also facilitates efficiency analysis for the future portfolio, by linking the logframe directly to economic and financial analysis conducted during project design.
4. With regard to impact, Management is pleased that IOE has validated the significant impact achieved by the project. This includes an improvement in the conditions of the poorest households (para 59), in the ownership of assets (para 61) and in food security achieved by the households (clear increases in households with increased food self-sufficiency across both Attapeu and Sayabouri, as validated in para 65).

### **Recommendations**

5. Management is in broad agreement with the recommendations. Regarding the first three recommendations- a. institutionalizing participatory approaches for local development planning, b. addressing institution-building and training, and c. strengthening microfinance as a source of easy credit- it should be noted that corresponding actions will fall mostly under the domain of the Government. While IFAD will collaborate with the Government and encourage follow-up, the specific adoption and actions will depend on Government priorities. Since the PPA response is not validated with the Government, this is an important point to note.
6. Management also notes and agrees with the fourth recommendation on facilitating knowledge management and supporting systems to better measure results and impact. Management is planning several actions at the corporate level in this regard. This includes upgrading and simplifying the Results and Impact Management System (RIMS) framework, facilitating tracking of results across the project life using uniformed templates, and organising training and capacity-building on M&E and impact evaluation methodologies. These will be implemented over 2016 and the next RMF cycle. Capacity-building on M&E and impact evaluation methodologies. These will be implemented over 2016 and the next RMF cycle.

---

<sup>1</sup> Received by email from the IFAD Management on 22 September 2015.



**Vegetables sold in local market by RLIP beneficiary, Attapeu province.**

©IFAD/GMB Akash





# **Lao People's Democratic Republic**

## **Rural Livelihoods Improvement Programme in Attapeu and Sayabouri**

### **Project Performance Assessment**

#### **I. Objectives, methodology and process**

##### **A. Evaluation objectives**

1. The Independent Office of Evaluation (IOE) of the International Fund for Agricultural Development (IFAD) undertook a project performance assessment (PPA) of the Rural Livelihoods Improvement Programme in Attapeu and Sayabouri (RLIP) in the Lao People's Democratic Republic (Lao PDR). PPAs are used to promote accountability and learning for better development effectiveness of IFAD-supported operations.
2. The main objectives of the PPA are: (i) to assess the results of the programme; and (ii) to generate findings and recommendations to inform the design or implementation of future similar projects funded by IFAD in the country.

##### **B. Evaluation methodology**

3. The PPA exercise applies the evaluation criteria outlined in the IFAD Evaluation Manual. These are: relevance; effectiveness; efficiency; rural poverty impact; sustainability; innovation and scaling up; gender equality and empowerment; and performance of partners (i.e IFAD and Government).
4. In view of the time and resources available, the PPA is generally not expected to undertake quantitative surveys. Instead, the PPA is undertaken based on a desk review and interviews at IFAD headquarters, interactions with stakeholders in the country – including project beneficiaries – and direct observations in the field.
5. The data for the PPA was gathered and analysed primarily from the desk reviews and interviews at IFAD headquarters, followed by the extensive use of the findings in the project completion report (PCR), although a separate project completion report validation (PCRv) had not been done for this project. Instead, more extensive fieldwork was undertaken in Lao PDR, which included interacting with the project staff and stakeholders, including beneficiaries. Direct observations in the field have added much-needed information to substantiate the desk reviews. Thus the first-hand information collected from the beneficiaries during the field visit helped the mission to arrive at very useful conclusions.

##### **C. Evaluation process**

6. The PPA mission visited the country in May-June 2015. The mission interacted with key government officials, local authorities, community credit and savings associations, community development facilitators, community development workers (CDWs), district coordination units, village administration committees (VACs), programme staff and beneficiaries. The mission spent eight days in the field, visiting ten villages in three districts in Attapeu province. An initial briefing was held at the Ministry of Planning and Investment and at the end of the mission, a debriefing was held in the same ministry. The IFAD Country Programme Manager also took part in the final debriefing session.

#### **II. The project**

##### **A. Project context**

7. Attapeu and Sayabouri provinces constitute the poorest provinces in Lao PDR. RLIP, a programme implemented in 207 selected villages, was designed to address

the crucial issues affecting the poor, which are inherent in these poverty-stricken areas. RLIP's design is in line with the Lao PDR's National Growth and Poverty Eradication Strategy (NGPES), adopted in October 2003, which focuses on several priority sectors, supporting particular sectors, cross-sectoral priorities and other important national programmes that are instrumental in addressing poverty. These sectoral priorities were established to achieve several goals and targets set by the government. The main targets set by NGPES were: (a) to leave the group of 25 least-developed countries by 2020; and (b) to reduce poverty by half by 2015 compared with 1990. This implies an annual target of 150,000 people moving from living below to living above the poverty line.

8. RLIP was considered to be the first externally supported development programme directly supporting the implementation of NGPES. It was also one of the first projects to support the decentralization policy. RLIP was also an integrated rural development programme covering eight districts, all belonging to the list of poor or very poor areas identified by the NGPES. In these districts, from 30 per cent to 50 per cent or more of households (households) are identified as poor, according to the following general characteristics: (i) located in remote mountainous areas at altitudes greater than 600 metres; (ii) very limited areas of paddy land; (iii) inaccessible, with poor infrastructure; and (iv) poor access to basic education and health services.
9. RLIP had four components, with an initial programme cost of US\$25.95 million, financed by an IFAD loan and grant, a World Food Programme (WFP) food aid package (only for Attapeu), grants from the German government and counterpart contributions from the Government of Lao PDR and the beneficiaries. Later additional funds were utilized (only for Attapeu) with final total programme costs reaching US\$28.99 million (see table 1 below). Keeping in line with opening of Lao PDR into a market economy, the mid-term review (MTR) recommended certain changes in the programme strategy. While RLIP-Sayabouri would focus further on sustainable agriculture and economic development, RLIP-Attapeu was to engage in existing private sector promotion activities by integrating them into a Regional Economic Development concept. This promoted the introduction of German technical assistance from the German Agency for International Cooperation (GIZ), and a new category of expenditure for microfinance.
10. Changes in this new direction included providing cash for a revolving fund for livestock rearing rather than giving animals to farmers. Promotion of private sector small-scale poultry breeding and fish breeding were major changes in Attapeu. However, due to an unsatisfactory supply chain of poultry feed, the poultry rearing project has been confined to improving backyard poultry with increased numbers. Cattle and buffalo rearing were not promoted by the project due to the high cost of the animals. Two private sector promoters were financed by RLIP to open a pharmacy and provide vaccines and other drugs to the village veterinarian and farmers.

Table 1  
**RLIP costs by financiers (US\$)**

<i>Financers</i>	<i>Amount in US dollars</i>	<i>Initial</i>	<i>Final</i>
<b>Original RLIP cost</b>			
IFAD loan	17 301 966	67%	59.7%
IFAD grant	688 551	3%	2.4%
World Food Programme (Attapeu only)	1 322 464	5%	4.6%
German Agency for International Cooperation (GIZ) (Sayabouri)	2 007 284	8%	6.9%
Government of Lao PDR	3 392 134	13%	11.7%
Beneficiaries	1 232 688	5%	4.3%
<b>Original project cost</b>		<b>25 945 087</b>	100%
<b>Additions to RLIP cost</b>			
IFAD top-up grant (Attapeu only)	2 500 000	-	8.6%
IFAD grant	200 000	-	0.7%
German Agency for International Cooperation-GIZ (Attapeu)	232 240	-	0.8%
Government of Lao PDR (top-up Attapeu)	113 118	-	0.4%
<b>Total additions</b>		<b>3 045 358</b>	-
<b>Grand total</b>		<b>28 990 445</b>	<b>100%</b>

Source: Rural Livelihoods Improvement Programme Project Completion Review.

## **B. Project implementation**

11. RLIP was an eight-year programme, covering 207 selected villages in eight districts located in Attapeu and Sayabouri provinces, which are some of the poorest districts of the country. The RLIP planned to directly benefit 26,200 poor and food-insecure households, of which 25 per cent are in Attapeu and 75 per cent in Sayabouri. The purpose of the programme was to promote economic growth and livelihoods improvement for the rural poor, including women and other vulnerable groups in the target area, such as the unemployed rural youth and upland ethnic groups. The logical framework (logframe) of the programme used several indicators to measure economic growth and livelihoods improvement. Among these, the indicators for food security and agricultural productivity and for income and household assets were the most important.
12. RLIP's overall goal was to enable the rural poor in the programme target area to overcome their poverty. To meet its goal, the programme financed four components: (i) social development; (ii) economic development and natural resources management; (iii) rural infrastructure; and (iv) institutional development and capacity-building. The programme cost was initially valued at US\$25.95 million, financed by an IFAD loan and grant, WFP food aid (only for Attapeu), German government grants, Government of Lao PDR, and beneficiaries. Additional funds have been mobilized for a final total programme cost of US\$28.99 million, including two grants from IFAD and additional GIZ and Government of Lao PDR contributions for Attapeu province. RLIP was implemented through two separate autonomous sub-programme units established in Attapeu and Sayabouri provinces. The two units were headed by two experienced senior government officers as coordinators together with staff seconded from the Ministry of Planning and Investment. The other staff were either drawn from other state organizations or recruited on contract for the programme. Each sub-programme

unit had several divisions responsible for the programme components as well as for monitoring and evaluation (M&E) and for finance and administration. Each sub-programme unit had its own regular internal review meetings.

13. Approximately 93 per cent of funds were fully disbursed by 2012 in both provinces. A supplementary, or top-up, fund was granted to Attapeu at the end of 2011 for the remaining years of programme implementation, while in Sayabouri, the sub-programme closed in June 2012 and acted as a bridge for the new IFAD-financed Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme. The sub-programme in Attapeu was completed in March 2014 and lessons learned from the RLIP exercise have been already fed into the design of the Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML). The FNML project has been in effect since September 2013 and focuses on a more limited number of commodities, including both food crops and cash crops, as well as on capacity-building and organisation of farmers. The limitation of crops was a direct result of beneficiaries' experience with RLIP.
14. The programme progress reports, supervision mission reports and the PCR found that most of the physical targets have been attained in Sayabouri province and exceeded in Attapeu. The main achievements are in rural infrastructure, including: gravity water supply schemes (337 per cent of targets in Sayabouri, 100 per cent in Attapeu); hand pumps in Attapeu (115 per cent); primary schools built/rehabilitated (119 per cent in Sayabouri and 134 per cent in Attapeu respectively); latrines (105 per cent in Sayabouri and 75 per cent in Attapeu); and roads (100 per cent in Sayabouri and 104 per cent in Attapeu). In Attapeu, eight dispensaries were built (113 per cent of original target), 13 ethnic youth, both boys and girls (117 per cent of target) benefited from scholarships for nurse training, seven nurse houses were built (117 per cent of target) and 20 ethnic youth were trained as teachers. For some of the infrastructures, such as gravity water supply schemes, the check dams were built by the beneficiaries while the sub-programme provided the required z-Lon pipes. All nurses' quarters adjoining the dispensaries were the contribution of the people, clearly demonstrating their participation. This participation is also clear in the realm of maintenance after the end of the programme.
15. For each type of infrastructure a VAC was established and trained for operation and maintenance, although some of these operate better than others. Community development activities have reached a large number of households, all VACs have been trained and village development plans (VDPs) have been elaborated in all cases. Significant achievements are also noted in terms of gender mainstreaming (staff trained, awareness campaigns conducted, etc.) and basic health care/sanitation. In contrast, little was done to improve education/literacy skills or drug detoxification and rehabilitation in Sayabouri province.
16. Irrigation schemes were built over 555 ha (139 per cent of the target) in Sayabouri and 342 ha (171 per cent of the target) in Attapeu, but the programme lacked a comprehensive agriculture extension approach to increase yields, support cash crop farming and livestock development, and provide market information. To a limited extent, improved seeds and training contributed to increased productivity; however, the number of livestock that was planned to increase has in fact decreased. This was the result of periodic outbreak of diseases. However, RLIP-Attapeu made a contribution to enhancing family nutrition by establishing 487 fish ponds, and 49 homestead gardens.
17. Very few off-farm income-generating activities (IGAs) that were promoted after the MTR have been supported (36 groups in Attapeu, of which 20 are still operational, mainly the production of handicrafts by women) and The Sayabouri Cotton Company, which is more of an individual enterprise rather than a producers' group-based entity. The IGAs lack a market-oriented and entrepreneurial approach based



on in-depth market assessments and business plans. For marketing, no comprehensive approach based on economic assessment has guided the activities. The main reason for this could have been that the markets for agricultural commodities were just evolving, with little or no surpluses to trade, while the IGAs were also in the formative stages. Through the rural microfinance subcomponent, the RLIP supported village banks (VBs) in both regions (106 VBs in Sayabouri, and 29 in Attapeu). The VBs' portfolios are characterized largely by emergency and consumption loans, while the demand for agriculture and IGA financing remains unmet and financial inclusion of the poorest segments was not achieved. The quality of financial management remains inadequate and is characterized by a high tolerance for default or delayed repayment. Internal resources are too scarce to develop the lending activity and offer longer-term products better adapted to the economic cycle. The VB network is still supported by GIZ through three apex institutions – two in Sayabouri and one in Attapeu – that provide technical support, backstopping and refinancing to the VBs. However, the credit delivery in the 29 VBs in Attapeu increased from US\$14,000 in 2008 to US\$66,000 in 2014.

18. Programmes in both Attapeu and Sayabouri lacked exit strategies. Instead, both sub-programmes undertook certain thematic studies during the final year. In Sayabouri, this was the study done on a 43.298 km road construction from Ban Huay Pheung in Nguen district to Ban Naa Mae in Xienghone district. In Attapeu, the studies were on microfinance, small and medium enterprises and IGA groups, public-private partnerships, coffee and livestock. The sub-programme in Attapeu subsequently developed a road map to prepare for the PCR mission. The PCR was conducted by IFAD for both sub-programmes in March 2014 and the inclusion of local staff in the PCR mission for both Sayabouri and Attapeu may have provided an opportunity for enrichment of their knowledge.

#### **Key points**

- One of the main objectives of the 6<sup>th</sup> National Development Plan of Lao PDR was the National Growth and Poverty Eradication Strategy (NGPES), which became operational in 2003. RLIP, which was designed in 2004, became important to the country in achieving the objectives of NGPES, as RLIP was the first donor-assisted project focused on alleviating poverty. Assessment of the Ministry of Planning and Investment on RLIP concludes that the project served to achieve the objectives of NGPES in both Attapeu and Sayabouri provinces.
- RLIP was also the first project that supported the government's decentralization policy and therefore the lessons learned from the project are important in the organizational structure of the provincial and district stakeholders. The provincial and district planning units are found to be well equipped for handling the decentralized budgets geared for regional development.
- During implementation of RLIP the country opened to the market economy. These changes included large-scale private investments in forestry, hydropower and mining. The government granted large land concessions to private companies. The PPA examined whether such concessions exerted an impact at village level and to what extent RLIP remained consistent with the needs of the rural poor during its implementation.
- RLIP design took into account the country strategic opportunities programme (COSOP) vision and all other relevant government policies (rural development, including stabilization of shifting cultivation; decentralization, including resettlement policy; eradication of opium production; and microfinance). RLIP was also consistent with IFAD strategies and policies.

### III. Review of findings

#### A. Project performance

##### Relevance

19. **Relevance of objectives.** Keeping in line with the NGPES and following its in-depth poverty analysis, RLIP design was relevant, participatory, inclusive, pro-poor and gender-sensitive.
20. The activities in the two provinces were implemented autonomously, as two sub-programmes. This was in line with the key design strategy of the project. The provincial and district steering committees consisting of programme stakeholders provided the needed guidance for the programme management units, thereby minimising the risks associated with decentralised and autonomous management. Furthermore, they provided the checks and balances for the decentralised programme management, which was new to the country. RLIP also strengthened the VAC system, which contributed to bottom-up socio-economic planning and monitoring, whereby communities contributed to the financing and to the operation and maintenance (O&M) of programme investments. The management structure from the village to the programme coordination functioned quite satisfactorily during implementation. The responsibility for identifying village priorities for development and responsibilities in O&M of social infrastructures in the village, such as dispensaries, school buildings, dormitories, water pumps and micro-irrigations, are still being handled satisfactorily by the VACs, thereby showing the effectiveness of the coordinated management structure during implementation.
21. **Relevance of design:** The RLIP design was based on an in-depth poverty analysis and the proposed objectives were realistic and well within the budgetary resources and implementation timeframe. However, the programme lacked operational linkages between the sub-components, as would be seen in an integrated rural development project. This lack of linkage was noted among agriculture, livestock, small and medium enterprise/IGA promotion and rural microfinance, which resulted in the absence of synergy among implementing agencies. As a result of escalating budgets, primarily for road development additional funds were mobilised by IFAD (mainly for Attapeu) although the sub-programme targets were achieved. Other than the linking roads connecting the districts, which were contracted out, all village-to-market roads were constructed by the villagers, with assistance of the WFP Food for Work Programme. Technical guidance was provided by the sub-programme. Although the project budget and financial system had not generated the breakdown of the unit costs for such road constructions, it has been accepted by the government that such rural infrastructures are highly cost-effective.
22. The logframe was too long because it contained the entire programme structure – i.e. the components/sub-components and activities, rather than indicating the strategic early and intermediate outcomes as preconditions to reach the ultimate goal. For this reason, the results chain was not very clear. But the follow-up of the logframe was easily understood by project staff as a means of verifying inputs, outputs and outcome, and it was widely used to check the progress of the project. The logframe also integrated Results and Impact Management System (RIMS) indicators but was focused mainly on inputs; the means of verification were not sufficiently detailed. However, the targets were established jointly by the programme coordination and the stakeholders, and were discussed and agreed by the district and provincial steering committees. Outcomes indicated in the annual work plan and budget targets are reflected in the progress reports. RLIP has conducted three rounds of mandatory RIMS surveys and the data are available in the M&E system. In Sayaboury the monitoring data and analysis undertaken by the GIZ Rural Development in Mountainous Areas (RDMA) programme were not shared, and no regular assessment or communication of the

outcomes or progress was carried out. In spite of the decision taken by the final supervision mission to try to obtain the records from GIZ/RDMA, this attempt has not been successful. Unlike in Sayabouri, RLIP-Attapeu had a much better system in which the M&E data of studies were available and were used in four impact assessments and wealth rankings. However, both sub-programmes failed to fully use the logframe as a management tool and the monitoring system has not been adequately developed to support programme management for impact.

23. Changes were made in the community development strategy after the MTR, especially in Attapeu. The visit by a team of extension staff, rather than by individuals, has brought about economies of scale. The 17 village community facilitators initially recruited to supervise/support the VACs in the implementation of their VDPs, were upgraded to 17 village extension teams. Each team consisted of one village community facilitator, two agriculture facilitators and one Lao Women's Union staff member, based at cluster level. Thus 68 community development workers (CDWs) (including 20 women) were employed and paid by RLIP. This initiative was relevant and facilitated synergy among sectors and a more integrated approach for the village development and extension system. However, with the arrival of GIZ in Attapeu in early 2009, the village extension teams were replaced by voluntary village-based facilitators. They benefited from on-the-job training supported by a district community development specialist recruited by GIZ, but were mostly based at the District Programme Coordination Unit (DPCU) and little motivated due to the absence of salary. The development planning moved from village to cluster level, which was then consolidated into a regional plan; the conception/follow-up of the latter was interrupted when GIZ departed. There has been a complete breakdown of the voluntary village-based facilitator system following the closure of the programme. Among the several reasons for the failure of this arrangement, the PPA mission observed that many of these voluntary village-based facilitators found employment elsewhere and that there was a lack of enthusiasm and motivation after the programme closed. However, the situation might have been salvaged if there had been a proper exit strategy in which these issues would have been addressed and proper solutions found.
24. The programme was basically a livelihoods improvement project, primarily promoting the improvement of food security and attempting to diminish food scarcity during the lean months. As such, there was no marketing strategy. The involvement of the private sector has been confined to limited crop diversification, particularly for coffee, based on regional development as a hub for coffee production, and also for asparagus in a very limited location in Sansai district in Attapeu. A similar situation existed for rubber in Sayabouri. Women took up weaving and dyeing of yarn to turn out traditional cloth. The PCR highlights the absence of a comprehensive market-oriented strategy. The MTR recommended a substantial modification of programme strategy, with a focus on agricultural value chains and marketing services delivery. This was partly achieved when a harmonized approach, centred on public-private partnerships and value chain development, was introduced in both provinces. This paved the way for evolution of a marketing strategy with ensured outlets and guaranteed prices, thus offering signals for drivers of private sector development. However, the supervision missions noted that the RLIP strategy paid too little attention to the likely level of poverty and food security impact, as the target group's power of negotiation with private companies was relatively weak.
25. In Sayabouri province, in order to improve the low level of achievement, the Drug Detoxification and Rehabilitation sub-component was handed over to the Lao National Committee for Drug Control, a more appropriate and specialized organisation. Similarly, in Attapeu province, following the disengagement of GIZ at the end of the agreement the land use planning and land allocation sub-component was handed over to the Sustainable Natural Resource Management and

Productivity Enhancement Project, an IFAD-financed project also involved in land use planning. Very little success has been achieved in the areas of strengthening capacity and policy analysis. The initial objectives of the policy analysis unit were not supported by adequate technical assistance and work plans. There was also a lack of clear leadership commitment from the government. Since 2008, the original focus of the policy analysis unit has shifted so as to build the coordinating role of the Ministry of Planning and Investment in the context of the Country Action Plan to implement the Vientiane Declaration for increasing aid effectiveness and donor harmonization. The policy analysis unit was thus renamed the Information Dissemination and Knowledge Management Unit; however, even under its new role it achieved limited results. For the agriculture and natural resource management sub-components there were no major design changes, but minor adaptations of implementing strategies/modalities were introduced by the Provincial Programme Coordination Unit (PPCU)-Attapeu, such as the financing of private entrepreneurs for selling vaccines to village veterinary workers instead of the District Agriculture and Forestry Office, and for producing and selling piglets, hatchlings and fingerlings to supply target groups.

26. Based on the overall relevance of the objectives and design elements to the livelihood improvement needs of the beneficiaries, the PPA mission rates the overall relevance of RLIP as satisfactory (5).

### **Effectiveness**

27. Project effectiveness is assessed by examining to what extent the intended project objectives have been achieved at the time of evaluation. The targets were mostly achieved in both Sayabouri and Attapeu sub-programmes. A closer examination of the programme objectives will reveal the actual situation in more detail. However, phasing out of the RDMA in both provinces significantly disrupted the sustainability of the community development and planning process. Sayabouri had to deal with the departure of all field staff recruited and paid by GIZ/RDMA, the incapacity of the government to integrate them as district staff, and the lack of a systematic transfer of competence to established sustainable voluntary village-based facilitators.
28. **Objective 1: Communities manage their own development, including the operation of social infrastructure, in ways that reduce poverty and are sustainable, participatory and gender-sensitive (social development).**
29. The social development achieved has strengthened bottom-up socio-economic planning processes. In addition, the participatory methods and gender awareness training have increased men's participation in domestic duties and women's participation in the planning and decision making processes. The achievement of this objective needs to be examined in terms of organizational capacity development of community organisations (Cos) to prioritize and articulate their needs in a participatory manner and drive the development process, as well as enhancement of income generating skills of beneficiaries, given substantial investment in training. Although in a family structure it is not always clear who does what tasks, it was common practice that both males and females were involved with farming activities – males doing most of the hard physical labour, such as tilling and land preparation, while females were involved with transplanting rice, weeding, etc. There were very few IGAs specifically involving the female family members; generally, they were equally shared by both wife and husband. The VACs were involved in the preparation of the VDPs and they were fully integrated into the government planning at district level. At project completion it was found that around 60 per cent of VDP priorities in Sayabouri, and around 80 per cent in Attapeu have been executed with RLIP support. Lao Women's Union was an active participant in RLIP. The PPA mission also noted that the VACs now pay more attention to gender issues than was the case before RLIP. The records show that, at the end of the programme in Attapeu, 68 per cent of leadership

positions in the VACs were held by women, compared to a 13 per cent proportion of total membership, held by women.

30. Although not institutionalized, village voluntary bodies were established to undertake O&M functions. Road maintenance committees, water users' committees and parents' associations have been established, trained and equipped with tools for each social or physical infrastructure built or rehabilitated. These are all still operating and have significantly improved the target population's livelihoods, especially the water supply schemes, dispensaries, primary schools and dormitories. These infrastructures have provided closer access to primary services. With closer access to clean water, the workload and time for women and girls that is dedicated to fetching water have been significantly reduced.
31. Latrines and sanitation awareness campaigns have also increased hygiene and reduced the cases of waterborne diseases like diarrhoea, dysentery and cholera, even though some cases were noted of latrines built but neither used nor maintained – from 79 per cent in 2008 to 33 per cent in 2014 in Attapeu. All permanent schools and dormitories are operating and striving for an increased enrolment rate of school-age children, especially girls, from remote upland villages. In Attapeu, school enrolment has significantly increased – from 67 per cent in 2005-06 to 95 per cent in 2012-13, while the dropout rate fell from 16 per cent to 11 per cent. However, poor maintenance and cleanliness of school buildings, dormitories, latrines and water supplies have been observed in some cases. A user fee system and/or voluntary contributions of labour and local materials have been established but they do not seem to be sufficient even for minor repairs and routine maintenance. Periodic major repairs will fall under the responsibility of the government and would be carried out by the district and provincial departments.
32. **Objective 2: Communities use sustainable farming and natural resource management systems and off-farm income generating activities to meet their subsistence and income needs, supported by rural micro-finance and other services (economic development and natural resources management)**
33. Development of **agriculture** was important to address the food insecurity of the target areas, both in Attapeu and in Sayabouri. This was achieved through expansion of the land under paddy, improvement of irrigation schemes and provision of improved seeds and training. These factors have contributed to increasing productivity during the programme. Although investment was made for irrigation, the irrigation intervention in Sayabouri did not achieve the expected increase in production of a second rice crop. This was because in most schemes the water availability was not sufficient for a second rice crop and land was left fallow in the dry season; dry season crop planting was more the exception than the rule. In situations where concrete weirs simply replaced previous bamboo structures and no second crop of rice was cultivated, the cost effectiveness of this intervention is questionable. In addition, beneficiaries of irrigation schemes were more likely already better off than those in upland areas. The main agricultural innovation introduced was the System of Rice Intensification but its adoption was limited. The System of Rice Intensification is overly labour-intensive and the planting of single plants with wide spacing proved counterproductive in the local conditions where snails and insects damaged many plants, resulting in empty spots and lower yield.
34. RLIP showed limited **crop diversification**, the main limitation being lack of water. The introduction of asparagus in 2010, in collaboration with the SWIFT company, was promising. The highest performing farmer succeeded in producing over 683 kg per year on 0.16 ha, earning an income of US\$854. However, significant follow-up and extension support is required to sustain and increase asparagus production. In fact, large variations in yields among farmers in the same village – ranging from 693.1 down to 36.9 kg per 0.16 ha – and within a single season for a given farmer



- from 162.5 to 8.8 to 40 kg – have been noted, and both results indicate inconsistent cropping practices. Coffee production was introduced in Attapeu in 2009. It began with an average cultivation of 0.5 ha per farmer in 10 villages, for a total of 260 ha. At the end of the project, the area under coffee reached about 1800 ha in 22 upland villages in Xansai District. This was another RLIP innovation, but it was constrained by the small scale of production and the very poor quality of access roads, leading to high transaction costs; currently one private company (Kuanchai) buys the coffee cherries at LAK 2,500/kg.
35. As underlined by the 2014 case study, the following actions are needed to increase coffee plantation productivity: strengthening crop management; providing adequate shade trees to protect the coffee trees; improving fertilizing; and planting cover crops to protect plantations from weeds and improve soil fertility. However, coffee harvesting and sales have begun to provide income and have also been included in the FNML project, which will enable the continuation of extension, inputs and value chain development in synergy with the Sustainable Natural Resource Management and Productivity Enhancement Project. Crop diversification serves as the replacement for traditional crops, such as cassava, maize and tobacco, which are gradually losing their popularity and being replaced by crops with higher economic value, such as coffee and vegetables, thereby providing enhanced income. The PPA mission during its field visits, and especially during its interaction with the beneficiaries, observed that involvement of the private sector in promotion of cash crops has had a direct beneficial effect on income.
  36. **Livestock** improvement was not prominent in the design of RLIP, although some attempts were made to incorporate a backyard livestock improvement package in order to enhance family income. Livestock remains an area that still needs attention in both provinces. With minimal attention paid to livestock development, even the planned increase in the number of livestock did not take place. This is attributable to several causes, including: (i) limited support provided to farmers for livestock production, apart from vaccination and establishment of village veterinary workers with a drug revolving fund; (ii) inability to control the outbreak of epidemics, especially with regard to poultry – fowl cholera and Newcastle disease occurred every year, pigs contracted swine fever every three to four years and cattle suffered from haemorrhagic septicaemia; (iii) problems with crop damage due to free-range grazing of big livestock, leading to conflict; (iv) animal mortality due to grazing herbicide-sprayed weeds, observed in Sayabouri; and (v) the recommendation to reduce herds in order to invest more in agriculture. Vaccination is considered ineffective by most farmers (unreliable cold chain) and not financially practical for small animals; the coverage is therefore sufficient only for buffalo and cattle, to offer some level of protection (>75per cent). The vaccination programme for large animals has proven to be effective but it is only likely to be sustainable if good management of the revolving fund (approximately LAK 1 million, equivalent to about US\$125, in Sayabouri compared with LAK 500,000 in Attapeu) by the village veterinary workers is ensured to avoid its erosion, and if its services are increased to include prevention and treatment of other common diseases, which will require a considerable increase in technical support from the District Agriculture and Forestry Office.
  37. Participatory **land use planning** and land allocation promoted the conservation objectives of the programme, especially in Sayabouri, where slash-and-burn practices were reduced, increasing protected forest areas and natural regeneration and fish conservation areas. Nevertheless, there are some doubts as to whether upland farmers have been allocated enough land to meet their needs, and an increase in unsustainable land use practices for upland agriculture has been noted. In Attapeu initial land use planning activities have not been completed.
  38. **Microfinance** played a major role in the budgets of poor rural households, especially by filling liquidity gaps, and these households have developed a culture

of saving, which is a significant achievement. Microfinance also helped to partially weed out village moneylenders who were charging exorbitant interest rates for short-term lending. (For borrowing larger amounts with quicker repayments, used especially for logging, villages are still at the mercy of the traditional moneylenders.) However, there were ongoing limitations as microfinance started to develop sustainable savings and loan systems in areas where there had been no access to any form of financial instrument prior to the programme's intervention.

39. There were two approaches to microfinance implemented in Attapeu. From 2005 to 2008, following the initial project design, the approach was the membership-based Savings and Credit Groups. Following the MTR in 2009, the approach of VBs was introduced through the GIZ/Access to Finance for the Poor technical assistance. The transition to VBs accompanied a significant drop in membership but the model paid more attention to the quality of financial management, savings and institutional sustainability, through the establishment of an apex body. In addition, several commercial banks, such as the state-owned Nayoby Bank, expanded their lending activities in rural areas with attractive products targeting the poor, which can be considered complementary to products from VBs.
40. The low capacity of villagers to accumulate savings has also reduced the lending capacity of the VBs. The preliminary conditions of minimal savings and high credit interest rate limited access for the poorest families. Thus, even if access to financial services has been significantly improved at village level, it has only contributed slightly to increasing family income and economic growth, because these loans were not directed towards achieving long-term economic stability. In a number of cases the loans had been for trading, bringing limited profits just sufficient to cover the interest. However, the financial services are at the nascent stage and will require more capacity to evolve into credit-worthy organizations. The presence of VBs has created a demand for financial services and commercial banks have started to explore the opportunities in some areas where economic activities are more developed (e.g. Nayoby Bank and Agriculture Promotion Bank are offering low-cost loans that might have an impact on the growth rate of the VBs and Network Support Organizations ).
41. Activities of **marketing and establishment of small and medium enterprises** were unsatisfactory due to the lack of a comprehensive strategy. The MTR recommended a substantial modification to the strategy, with a focus on agricultural value chains and marketing services delivery. After the MTR, several value chains were promoted – silk, coffee, asparagus in Attapeu, and Job's-tears and maize in Sayabouri. This was followed by a public-private partnership approach or direct contract farming system, with private sector companies providing inputs such as seeds, fertilizers, extension services and outlets to the farmers. RLIP supported group formation, technical training courses, study tours and other inputs. However, the limited organization of farmers, the government's market control, and limited access to market information significantly reduced the farmers' negotiating power. Farmers largely remained dependent on traders for market information, input supply and sales of produce, to the extent that they had to accept prices and in several cases were forced to pay double the price for inputs provided on credit through the farming contract system. At project completion, only 19.2 per cent of interviewed households in Attapeu and 16.8 per cent in Sayabouri declared having better bargaining power when selling – 21.1 per cent of Lao households and 19 per cent of ethnic group households in Attapeu, and 11 per cent and 18 per cent, respectively, in Sayabouri. Prior to project implementation, market information only reached the farmers through the traders' networks and the boards at the marketplaces. The free mobility to other villages and to nearby small towns using the improved rural roads, enabled beneficiaries to access market information easily.

42. The promotion of **IGAs** has yielded only limited results for the RLIP. In Attapeu, of the 36 handcraft groups created, 20 are still operational. Despite generating extra off-farm income during the dry season for poor households, especially for women, the process of supporting IGAs was not sufficiently market-driven and the spillover potential was limited. The limited success of IGAs could be attributed to the following: (i) the absence of initial in-depth market assessment by the sub-sectors to guide activities using solid overall economic logic; (ii) insufficient linkages with the agriculture sub-component for marketing and processing; and (iii) dependency on non-market oriented government agencies, to find the markets.
43. **Objective 3: Communities have access to local roads needed to support their development activities (rural infrastructure).**
44. The investment in rural infrastructure was the most salient and visible element of RLIP and accounted for 47.5 per cent of the total project cost. The roads have improved access to rural villages and facilitated easy movement for people, information flow, and circulation of goods from and to the district capital; they also promote commercial exchange with traders. In Attapeu, the contribution of WFP's food for work programme to the construction of 59.26 km of access road, or 128 per cent of the appraisal target, has been very effective, efficient and appreciated by target groups. Maintenance committees have been established for maintenance of the roads, and equipped at village level. In certain cases, however, the nature of damage is significant and in those cases the people face difficulty in undertaking routine maintenance with the limited set of tools provided, which are inadequate for the type and size of damage to be repaired. In such instances it would be more feasible to rectify the conditions with machinery, under the responsibility of districts or provincial road maintenance organizations, using government funds. The maintenance responsibility has increased the level of ownership and involvement of local maintenance groups in maintenance tasks, when they are suitably equipped.
45. **Objective 4: Decentralized and participatory rural development is managed, coordinated and supported by the borrower's government and other service providers in ways that are sustainable, accountable, gender-sensitive and pro-poor (institutional development and capacity-building).**
46. The design and implementation of RLIP followed a highly decentralized and participatory process for bottom-up planning and involvement of the community in the implementation of poverty alleviation actions. Provincial and district sector agencies and VDCs were strengthened through numerous training sessions. GIZ provided technical assistance to Sayabouri, which developed formats and other essential manuals and guidelines on village development planning in order to elaborate and assess the VDPs. These were given to all villages and to the provincial rural development department in Sayabouri. VDPs have been institutionalized by transferring responsibility for planning to villages, and VDP results have been integrated into government planning at district level, even if most of the activities prioritized could be implemented only by depending on external support/donors and financial availability. This condition is more relevant to the new proposals, as those already established under the RLIP are maintained with the provisions allocated to provincial/district institutions. In the absence of a sound and operative M&E system in Sayabouri, the information collected was sufficient only to produce the routine progressive reports. No useful information has been collected during the programme implementation and no real critical reflection has been fostered to stimulate a learning process at national level that would be capable of improving the relevance of pro-poor policy formulation. Similarly, very little information from Attapeu has been fed back to the coordination team to improve its management and adjust implementation strategies, such as training of trainers to direct farmer training, field visits and

enhancing priority activities, such as upland agriculture, extension services, and gender empowerment.

47. Based on the foregoing, the effectiveness of RLIP is rated as moderately satisfactory (4).

### **Efficiency**

48. The determination of efficiency is a more complex exercise. However, the factors highlighted below briefly describe and evaluate the operational efficiency of the programme.
49. **Time lapse.** The average time lapse between loan approval and loan effectiveness was 11.0 months, which is below the IFAD average of 12.3 months but more than the regional average of 9.0 months.
50. **Time overruns.** No time overruns were experienced in the programme, as it closed on schedule in both Attapeu and Sayabouri. It should be noted, however, that Attapeu had disbursed all its funds two years before the closing date and supplementary grant funding was made available for the last two years before the scheduled closure.
51. **Social infrastructure and cost economies.** An important factor in assessing the efficiency of social and community infrastructure activities of programme has been their fulfilment, in most cases, above the target. Community contributions were also available, especially in the form of labour. As recorded in the PCR, the significant achievements in this field were the gravity water supply schemes, hand pumps, primary schools built and rehabilitated, latrines constructed, and dispensaries and nurses' quarters built, in both Attapeu and Sayabouri provinces. Likewise, construction of irrigation schemes was also "overachieved" (i.e. above target levels) in both provinces. For each type of infrastructure a VAC was established and trained for O&M, although there were no special funds established for this process. Community development activities have reached a large number of households, all VACs have been trained and VDPs have been drawn up. Although no unit costs have been calculated for these infrastructures, the general consensus among the government and programme staff is that the unit costs of social infrastructures are relatively low compared to direct state constructions, because of the beneficiary contributions in kind and labour. However, the PPA mission could not obtain published evidence in this regard.
52. **Disbursement of funds.** Out of a total fund allocation of US\$25.94 million for both provinces at appraisal, around 93 per cent of the funds were fully disbursed by 2012. This was attributed to early completion of the rural infrastructure work, as well as to price escalations. Attapeu province obtained a supplementary fund from IFAD and other grants from GIZ and the total loan allocation for the province was US\$15.51 million, of which 98 per cent had been disbursed at completion. Sayabouri province has disbursed 82 per cent of its total allocation, thereby showing a moderately satisfactory level of fund disbursement.
53. **Cost per beneficiary.** Another indicator of efficiency is the cost per beneficiary household of the project operations. Based on a total number of 33,761 household beneficiaries of programme services, the total cost per household was US\$731, which is lower than originally projected (US\$990 per household) and lower than other IFAD-financed projects in Lao PDR (e.g. US\$1,170 per household for FNML). Investment in social infrastructure, such as education and health, is usually very cost-effective. The cost of the IFAD loan per beneficiary household was US\$510. Recurrent costs represent only 16 per cent of the cost per beneficiary (US\$116/household), which is lower than the appraisal estimates (US\$218/household).
54. **Project management costs.** Measurement of the funds used for programme management and coordination at programme completion against the budgeted



funds at appraisal is another indicator of efficiency. As reflected in the financial performance by IFAD of components in the RLIP at completion, the PCR indicated a savings of US\$1.33 million at completion from the budgeted funds of US\$2.18 at appraisal, thereby strongly indicating efficiency in the implementation of programme activities.

55. **Efficiency at farm levels.** The farm models developed at completion were based on actual data from the field, while those at appraisal were indicative and not utilized during the life of the programme. Here again, due to the lack of sufficient data, only the financial profitability of the models can be illustrated, rather than the cost/benefit ratios. In Sayabouri, the farming system for lowland cultivation has higher returns on labour compared with the upland farming system. The return is estimated at US\$4 per labourer on upland labour and US\$7 per labourer for lowland labour. The annual gross margin for family labour (at market rates) is estimated at US\$565 and US\$1,116 for upland and lowland systems, respectively. In Attapeu, the return on labour is also higher for the lowland farming system, at around US\$4-6 per labourer, compared with US\$3 per labourer for the upland system. The annual gross margin for family labour for the upland system is estimated at US\$1,186 at full development, due to incomes from coffee, whereas the lowland annual gross margin is US\$843. As a supplement to the income from crops in the Attapeu models, fish ponds represent a significant share of the income of the households. Likewise, livestock in the upland model for Sayabouri appears to be significant as a source of income.
56. Despite the differences between appraisal and completion in the models analysed, an attempt was made at comparison of overall farm benefits (in real terms), including family labour costs, by differentiating lowland and upland models. The incremental benefits for upland models range between US\$224 and US\$245 in the appraisal analysis, whereas at completion, incremental farm benefits were estimated at US\$151 in Attapeu (estimate not available for Sayabouri). For lowland models, incremental farm benefits were estimated at US\$193-268 and US\$341 for rainfed and irrigated rice, respectively, which is higher than the estimated benefits at completion, which were US\$159 and US\$192, respectively. These figures were based on the calculations made at programme completion. As cited in the PCR, the lower results found at completion might be explained mainly by the lower yields achieved for most of the commodities and for rice in particular. These lower yields might have been the result of: (i) external climate-related factors, including many serious floods and droughts in Attapeu during the period of RLIP; (ii) unrealized hypotheses from the appraisal analysis; and/or (iii) limited access to or adoption of improved inputs among targeted farmers. Similarly, the difference in farm benefits between the appraisal and completion models can be partially explained by the absence of livestock (pigs and chickens) in the farm models established at completion.
57. **Economic internal rate of return (EIRR) at project completion.** At appraisal the EIRR was estimated at 10 per cent over 20 years. This could not be evaluated for the sub-programme in Sayabouri due to non-availability of data, and either the assumptions used were not achieved during implementation or no data were collected to verify those assumptions, including data on yields and total areas cultivated per crop. Instead, based on assumptions, an attempt at economic analysis of the Attapeu sub-programme was made at programme completion. The Net Present Value was found to be positive and the EIRR was estimated to be 10 per cent, at a discount rate of 12 per cent. The primary benefits have been derived from rehabilitation of rural roads, increase in the production of rice and increased income from home gardens, fish ponds and high value cash crops, such as coffee and asparagus. Benefits from social infrastructures, such as closer availability of drinking water and availability of health facilities, have been taken into consideration. The analysis would be more useful if there were another donor-

assisted or state-funded project with which to compare the results, but this was not the case.

58. Based on the factors above, efficiency is rated as satisfactory (5).

## **B. Rural poverty impact**

59. Based on the NGPES and its in-depth poverty analysis, RLIP design was relevant, participatory, inclusive, pro-poor and gender-sensitive. According to programme statistics, 33,761 households have benefited from RLIP services, 29 per cent more than the appraisal target (9,548 or 46 per cent more in Attapeu, and 24,213 or 23 per cent more in Sayabouri), comprising about 192,438 people. According to the RIMS impact survey, the overall percentage of poorest and poor households decreased during RLIP implementation by 8.5 per cent, standing at completion around 36.7 per cent and 19 per cent, respectively. The strengthening of government human resources at provincial and district levels is a remarkable achievement of the programme. The strengthening of VACs contributed to bottom-up socio-economic planning and monitoring. The communities contributed to the financing and to O&M of programme investments.

### **Household income and net assets**

60. The total number of people who received programme services was estimated at 192,438, with 54 424 and 138 014 in Attapeu and Sayabouri provinces, respectively. The RIMS survey results are used to illustrate the impact of project services on household incomes and assets. RIMS Attapeu, conducted in 2006, 2010 and 2014 showed that the percentage of the poorest households changed from 44 per cent to 36 per cent to 37 per cent, respectively. The poor households decreased from 20.2 per cent to 19.8 per cent to 19 per cent, and the better-off households increased from 35 per cent to 44 per cent to 44.3 per cent. For Sayabouri, RIMS 2014 showed that 40 per cent of households remained in the poorest bracket, while 20 per cent were poor and 40 per cent were better-off. In 2008-09, after three years of implementation in Sayabouri, the programme reported a reduction in the number of poor households of about 42 per cent. At the same time, it was reported that the total number of households increased by 14 per cent.
61. Comparative analysis of the RIMS of 2006 and 2014 shows that the quality of housing has improved, with more houses equipped with permanent flooring – from nearly none to 23 per cent in Attapeu, and to 42 per cent in Sayabouri. household access to safe water sources stood at 69 per cent in Attapeu and 82 per cent in Sayabouri. Ownership of assets such as televisions was seen in 48.3 per cent of households in Attapeu and 57 per cent of households in Sayabouri. Motor bicycles – owned by 48 per cent of households in Attapeu and 70 per cent of households in Sayabouri – and electricity – available to 63 per cent of households in Attapeu and 64 per cent of households in Sayabouri – have contributed to a better life in rural areas. Access to sanitation is still low; 47 per cent of the households in both provinces are without proper latrines, while 99 per cent reported use of firewood for cooking. Many other common services, such as water supply schemes, primary schools, dormitories, marketplaces, and rural roads, have contributed indirectly to the enhancement of household assets. The establishment of the VBs, through which the poor gained easy access to credit for health care, education, improvement of housing and IGAs, contributed positively to standards of living. A culture of saving has arisen, with considerable amounts saved by the standards of poor rural areas, from US\$14,000 in 2008 to US\$66,000 in 2014 in 29 VBs in Attapeu. To some extent, the allocation of land, building of irrigation schemes, extension of paddy fields and introduction of new rice varieties and fish ponds, as well as increasing production of cash crops, have all contributed to improving household food/nutrition security and family income. The household literacy rate has improved, from 42 per cent to 58.6 per cent for women and from 64 per cent

to 75.7 per cent for men in Attapeu, and from 42 per cent to 77.3 per cent for women and from 58 per cent to 89.2 per cent for men in Sayabouri. The above results, interpreted according to the five village-level poverty indicators used by the government, were considered fair for RLIP. Also, the final RIMS survey has estimated that around 95 per cent of the beneficiaries in Attapeu and 94 per cent in Sayabouri have appreciated RLIP support. In the absence of any other external assistance to these two provinces at the time RLIP was implemented, either by way of state interventions or through any other donor-assisted programme, it could easily be concluded that these impacts are solely due to the intervention of RLIP.

Table 2

**Evolution of RLIP target villages and population in Sayabouri province**

<i>District</i>	<i>Year</i>	<i>Number of villages</i>	<i>Total N° of households</i>	<i>N° of poor households</i>	<i>Per cent of poor households</i>
Sayabouri	2004-05	20	1.842	1.218	66%
	2008-09		1.817	776	43%
Xaisathane	2004-05	3	N/A	N/A	-
	2008-09		216	191	88%
Hongsa	2004-05	25	1.834	1.069	58%
	2008-09		1.981	412	21%
Ngeun	2004-05	17	1.653	986	60%
	2008-09		1.944	556	29%
Xienghone	2004-05	23	1.984	1.526	77%
	2008-09		2.486	1.238	50%
Khop	2004-05	18	1.967	1.138	58%
	2008-09		2.138	274	13%
Total target districts	2004-05	106	9.280	5.937	64%
	2008-09		10.582	3.447	33%

Source: Rural Livelihoods Improvement Programme Project Completion Review Main Report.

62. The project is rated as satisfactory (5) with regard to household income and net assets.

**Human and social capital empowerment**

63. Considerable investments have been spent on reinforcing staff of sector agencies at provincial and district level in order to better support target villages. Despite some increases in human assets, the villagers still lack empowerment to translate them into tangible, long-lasting improved livelihoods. In Sayabouri, villagers have benefited from very limited training opportunities (in-room sessions, on-the-job training, study tours, etc.) to improve their production capacities (agriculture, livestock), leadership and management capacities (user committees, VBs, etc.) and literacy skills; more has been done in Attapeu, mainly in strengthening community development. However, even a community that has acquired the ability to plan, implement and monitor its own village development may become frustrated and feel abandoned in the long run if no financing is available to implement the plan and/or if the plan fails to respond to its priority needs. In addition, voluntary work has demonstrated its limitations in Attapeu. Gender awareness regarding male and female roles has improved significantly, although further economic empowerment for women needs to be supported to strengthen their economic position and leadership in the community or the household. The power balance in negotiating

prices for cash crops is still in the hands of traders and local authorities, while farmers are not yet organized. Only a few production or marketing groups have been formed in Attapeu – specifically asparagus, coffee and weaving groups – but almost none in Sayabouri. Interventions directed to input supply have been left to the private sector.

64. The project is rated as moderately satisfactory (4) with regard to human and social capital and empowerment.

### **Food security and agricultural productivity**

65. The most remarkable change in this category is the progress made by the households towards food security during the life of RLIP. The results of the final RIMS survey showed that household food security has improved during the programme. The percentage of households who had not experienced a first hunger season went from 29 per cent to 44 per cent in Attapeu and from 70 per cent to 87 per cent in Sayabouri, with a reduction in duration of the hunger season from 5 to 3.7 months in Attapeu and from 3.8 to 2.6 months in Sayabouri. This shows clear improvement from the pre-project situation. The increase in rice production was achieved through a combination of the expansion of land under rice cultivation, improved rice varieties, post-harvest technology and provision of extension services to farmers. During the project period, rice field expansion showed a 32 per cent increase in Attapeu, and a 20 per cent increase in Sayabouri. The food for work approach from the WFP was used very effectively to achieve this gain. The extension work was supported by 22 extension workers who helped to increase productivity by advocating the use of improved rice varieties and improved post-harvest technology. Improved rice varieties developed by the National Agriculture and Forestry Institute and the International Rice Research Institute were distributed to the farmers by the Department of Agriculture. Better cultural practices, such as transplanting in the case of lowlands and dropping in the case of highlands, were adopted. As a result, rice yields increased from 1.5 to 2 tonnes/ha under rainfed conditions, while under irrigation the increase was from 4 to 6 tonnes/ha.
66. The increase in cash crop production – Jobs-tears and maize in Sayabouri, and coffee, asparagus, vegetables and fish in Attapeu – has resulted in more money being available, which was used to buy the food needed to tide over households during the lean periods that had prevailed before the project. These cash crops hold promise, but production levels and yields still need a lot of improvement. This can be explained by the fact that the first harvest occurred only recently and farmers still have insufficient knowledge about how to grow these newly introduced crops. The promotion of vegetables and fish ponds in Attapeu has contributed to improving household nutrition security and diversifying household diets, even if their marketing value has begun to exceed their self-consumption benefit. In addition, the decline in soil fertility accounts for decreasing yields both for staple food and cash crops. In spite of the positive changes observed, food insecurity still exists among single-headed households, who were unable to gain much benefit from programme interventions. During the focus group discussions held by the PPA mission with the single-headed households, it was revealed that fellow community members often offered free labour for some of their requirements in the post-project scenario.
67. The prevalence of chronic malnutrition in children under five years old has been reduced (stunting: from 59 per cent to 47 per cent in Attapeu and from 43 per cent to 41.7 per cent in Sayabouri). Mixed results were seen for acute malnutrition (wasting: from 11 per cent to 10.1 per cent in Attapeu, but an increase from 3 per cent to 9.6 per cent in Sayabouri), while a drop in underweight babies was reported (from 45 per cent to 33.3 per cent in Attapeu and from 30 per cent to 26.3 per cent in Sayabouri). This is a significant achievement. However, malnutrition remains a key issue in both provinces and in Lao PDR as a whole, with



very high rates that are still above the World Health Organization emergency ceiling of 40 per cent for stunting and 30 per cent for being underweight. This situation is worse in rural and upland areas, posing a significant threat to health in general and making children more vulnerable to diseases, reducing their potential to learn, as well as causing severe consequences for pregnant women. The overall result is an important improvement in food and nutrition security that needs to be further supported to ensure that malnutrition levels fall below the World Health Organization emergency ceiling. This improvement was not foreseen in the design of RLIP, although the sub-programmes have achieved considerable progress.

68. In both Attapeu and Sayabouri, expansion of rice fields in the lowland areas and provision of inputs such as improved varieties and improved technology have contributed to enhancing rice production. In the highland areas of both provinces, where shifting cultivation had been practised extensively before RLIP, a major shift towards cash crop production was seen, with less rice cultivation during RLIP. This shift in the highland areas brought about a reduction in soil fertility, as no proper soil management practices were introduced. The result was that the yields per hectare declined. The supervision missions indicated that in some instances fertility had dropped by about 25-50 per cent compared with times when the farmers had longer fallow periods of 6-7 years. Nevertheless, this was compensated by the enhanced financial returns from the cash crops, which received support from private sector contract farming systems. Unlike rice and cash crops production, livestock development did not receive prominence in the design of RLIP. However, several attempts were made to develop production of small animals, such as poultry and goats, through IGAs targeted for women and expansion of backyard poultry. But even these changes did not exert any positive impact on household income. The M&E data show that there was a decline in livestock rearing on the whole, especially as regards large livestock, which play a more important role as an asset that can be sold in times of crisis. According to the final RIMS survey, households owning cattle dropped from 53 per cent to 39 per cent in Sayabouri and from 55 per cent to 46.5 per cent in Attapeu. The ownership of goats dropped from 11 per cent to 6 per cent in Sayabouri but increased slightly, from 4 per cent to 4.4 per cent, in Attapeu. For poultry these figures increased from 85.6 per cent to 86.1 per cent in Sayabouri but declined from 84 per cent to 63 per cent in Attapeu. Considering its positive impact on food security and agricultural productivity, this domain is rated as satisfactory (5).

### **Natural resources and environment**

69. In Sayabouri, the programme was instrumental in reducing shifting cultivation, promoting participatory land use planning, and supporting more rational community management of natural resources, forest conservation and protection of aquatic resources. On the other hand, the intensification of agriculture and shortening of fallow periods has resulted in an increased use of herbicides, with some negative impacts on the environment. Around 17 per cent of surveyed households thought that RLIP training had contributed to preventing soil erosion in Attapeu, whereas the figure was only 13 per cent in Sayabouri. In Attapeu, RLIP has delegated this activity to the Sustainable Natural Resource Management and Productivity Enhancement Project; thus RLIP targets have not been reached and no significant impact has been observed.
70. In upland areas the project contributed to climate change adaptation by using two approaches to address shifting cultivation: firstly, through land use planning to ensure that adequate lands are available for ensuring food security, and by regulating land use in restored and regenerated forest areas; and secondly, by building roads and introducing livelihood activities to improve market access and to offer alternative livelihood opportunities to reduce dependence on shifting cultivation. In Attapeu, frequent and severe floods were recorded in 2007 and 2009 and these caused wide-scale damage to roads, agriculture and irrigation systems

and had an impact on RLIP activities. Key climate-related constraints include an uncertain rainy season that affects sowing and transplanting, and late season drought that affects plant growth and development. Unfortunately, no specific measures were planned nor taken to empower local communities to mitigate and prevent the effects of such natural shocks. However, Government of Lao PDR responded to climate change adaptation challenges by developing a National Adaptation Plan of Action, which was finalized in 2009. FNML will benefit from a supplementary grant of US\$5 million, proposed by IFAD's Adaptation for Smallholder Agriculture Programme for further strengthening households, promoting ecological resilience and generating mitigation co-benefits.

71. The performance in this impact domain is rated as moderately satisfactory (4).

### **Institutions and policies**

72. The provincial and district staff of the line agencies and the members of the district development committees have been significantly strengthened by the programme. They were trained in participatory planning tools through participatory rural appraisal techniques, and in prioritizing needs to prepare the VDPs. They are better trained and better equipped to do their jobs and many of them in the line agencies have been either promoted in their own agencies or transferred out to higher positions. The members of the VDCs are elected for a fixed period of two years; having some of them re-elected to these positions enables the VDCs to continue to make use of their knowledge gained through the training provided by RLIP.
73. However, there is still a lot of room for improvement in targeting the poorer upland communities and developing a consistent gender-sensitive extension strategy that fits the needs of all poor communities. Together with more consistent follow-up and support at grassroots level, there is a need to continue improving the set-up of an operational M&E system that can offer a useful tool to support implementing agencies in better impact management and provide feedback and lessons learned to improve the quality of future interventions. Unfortunately the sub-component on strengthening capacity for policy analysis has not reached its objective.

Table 3  
**Rural Livelihoods Improvement Programme outreach**

<i>Provinces</i>	<i>Districts appraisal</i>	<i>Districts completion</i>	<i>Villages appraisal</i>	<i>Villages Completion (villages merged)</i>	<i>Households targeted appraisal</i>	<i>Households beneficiaries completion</i>	<i>Per cent outreach completion</i>	<i>People benefiting RLIP services completion</i>
Attapeu	3	3	93	60	6 550	9 548	146%	54 424
Sayabouri	5	6	114	106	19 650	24 213	123%	138 014
<b>Total target area</b>	<b>8</b>	<b>9</b>	<b>207</b>	<b>166</b>	<b>26 200</b>	<b>33 761</b>	<b>129%</b>	<b>192 438</b>

Note: Average of 5.7 people/household.

Source: Rural Livelihoods Improvement Programme Project Completion Review Main Report.

74. The project is rated moderately satisfactory (4) for its impact on institutions and policies. Taking the above-stated positive and negative impacts into consideration, on balance the overall rural poverty impact of RLIP is rated as moderately satisfactory (4).

## **C. Other performance criteria**

### **Sustainability**

75. Several issues that required solutions before the closure of the programme were not attended to. This could be attributed to the absence of an exit strategy for both Sayabouri and Attapeu sub-programmes. In place of an exit strategy, Attapeu performed four thematic studies and prepared an action plan in preparation for the

PCR. The Sayabouri sub-programme, which closed in 2012, did not even have a PCR done by the sub-programme. The final PCR for both sub-programmes was done in 2014, two years after closure of the Sayabouri sub-programme. The ownership of programme investments in Sayabouri and Attapeu was not clear, as both sub-programmes merged into other new programmes; Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme in Sayabouri and FNML in Attapeu.

76. Institutional sustainability was addressed at design and the programme was integrated within the development policies of the Government of Lao PDR and coordinated among government line agencies during implementation. This was executed through the regular functioning of the provincial and district steering committees.
77. The road network linking far distant and remotely situated districts, and other social infrastructures such as water pumps, school buildings, dormitories, dispensaries and latrines, laid a firm foundation for economic and financial sustainability. Limited sustainability exists for some household assets such as paddy fields, cash crop gardens, and other IGAs. This was due to very low production levels, scattered production and limited profitability at the time the projects closed. It was only during the final stage of the programme that the VBs were set up for the microfinance activity. Regarding social sustainability and ownership, the degree of user involvement in maintenance was not sufficient at completion to ensure sustainability of the infrastructure provided. There is a significant risk of inadequate financing for the main roads and larger infrastructure work. Proper sustainability was not established due to the fact that in Sayabouri no exit strategy was elaborated, while in Attapeu the “exit strategy” consisted mainly of an action plan in preparation for the PCR.
78. Balancing the recognition of a number of positive steps taken and at the same time some concerns and risks, the programme is rated as moderately satisfactory (4) for sustainability.

### **Innovation and scaling up**

79. **Innovation.** Many activities were initiated during the programme that focused on uplifting the poor from poverty. Some of them, such as home garden vegetable cultivation and fish rearing in large fish ponds, were contextual innovations initiated by RLIP. There were also a few such activities initiated at policy levels, such as: (i) a programme approach aiming to support the NGPES focusing on very poor and poor districts; and (ii) the transfer of good practices from programme implementation into policy development in regard to poverty relief carried out at the decentralized levels of government. Further, the introduction of cash crops such as asparagus and coffee in Attapeu, through support provided by the private sector, represented an innovation for the programme area. Other innovations were introduced, such as the System of Rice Intensification and fodder grass planting, but the results of these were not particularly encouraging.
80. **Scaling up.** The above-mentioned contextual innovations have been scaled up in other villages in the same provinces and also in other provinces in Lao PDR. Among the other upscaling activities were: (i) the use of home gardens for cultivation of herbs and other requirements for home consumption being scaled up in non-project areas; (ii) the rearing of fish in the fish ponds being scaled up in both project and non-project areas; and (iii) the establishment of parents’ associations in the schools where there were RLIP interventions being scaled up to the non-RLIP assisted schools in Attapeu. However, the difficulties in accessing safe water sources for irrigation still pose serious challenges to upscaling the initiation of asparagus cultivation. The Ministry of Agriculture and Forestry, as the line implementing ministry, was responsible for the scaling up of programme innovations.

81. Innovation and scaling up is rated moderately satisfactory (4).

### **Gender equality and women's empowerment**

82. Gender was not considered to be an isolated issue but a highly significant cross-cutting issue to be addressed by the RLIP. As such, gender-disaggregated data and analyses of activities were provided in the appraisal report. The detailed logframe carried all data disaggregated by gender. A number of specific activities, such as construction of water supply schemes and latrines, were expected to considerably reduce women's workloads. The construction of dispensaries and health education made them aware of the importance of sanitary conditions for a more healthy life. Child care, hygiene and nutrition were among many topics addressed in women's training. Rural Lao women traditionally bear equal responsibility or more in family life. Collecting firewood, fetching water from long distances and also cooking and bringing up children, in addition to helping the males in the farmyard, were among the many responsibilities borne by the women. Other than heavy physical labour, such as tilling the soil, they assisted the males in the families with farm work. Sometimes they were also responsible for upkeep of the backyard poultry and piggeries. Under RLIP they began to attend the village meetings, received training in participatory rural appraisal techniques and established habits of saving; with a reduced burden of fetching water from distant places women became equal partners in the programme. The majority of members in VBs are women.
83. In some instances, particularly in Sayabouri, the M&E data on participation of women in programme activities were insufficient to make a reliable assessment of the effective impact of RLIP on gender equality and women's empowerment. However, Attapeu maintained disaggregated data pertaining to women's participation in sub-programme activities. Lao Women's Union staff members were the main partners collaborating with staff of the implementation agencies in mainstreaming gender concerns in all programme activities. RLIP, in turn, provided support to the Lao Women's Union to implement gender mainstreaming policies in target villages and through programme and sector staff. Broad interventions related to training and awareness campaigns had a direct impact on empowering women to become equal partners of effective economic development. Although there were no widespread IGAs initiated that especially targeted women, a beginning was made to initiate a few of them – namely, dyeing of yarn and weaving of traditional Laotian cloth and cultivation of asparagus, in partnership with a Thai entrepreneur (who should be commended). There is a direct buyer for asparagus, at a guaranteed price (depending on the quality), but there have been no special arrangements made for the sale of woven traditional cloth and individuals must make their own private arrangements for sale.
84. Overall, for gender equality and women's empowerment, the project is rated as moderately satisfactory (4).

### **D. Performance of partners**

85. **International Fund for Agricultural Development (IFAD).** IFAD played a significant role, particularly in mobilizing cofinancing from GIZ and WFP, as well as providing approximately US\$3 million in additional funds for the project in Attapeu. The cooperation between the government and IFAD was positive. From 2008, IFAD directly supervised the programme. From June 2012, the IFAD country programme manager for Lao PDR was out-posted to the office in Vientiane; this increasingly improved the performance of the fund. Several technical support missions were carried out by IFAD at the level of PPCU/DPCU, mainly in M&E, RIMS and procurement/financial management. In 2011 a mission was undertaken by the Food and Agriculture Organization of the United Nations (FAO) to provide support to implementation of the irrigation and water supply sub-component. IFAD's cooperation with WFP was very successful and resulted in WFP contributing 2,429.31 tonnes of food to support construction of roads, fish ponds and bridges

and for bush clearance and the extension of paddy fields for RLIP-Attapeu. However, while good cooperation was noted at the beginning of GIZ-funded technical assistance, communication, sharing of information and knowledge transfer from GIZ to PPCU and DPCU was limited during the project, with ineffective handover upon GIZ's phasing out.

86. However, due to the large size of the overall programme area – two provinces and eight districts, with more than 1000 km between the two provinces – it was difficult for the supervision mission teams to visit all the districts and spend enough time in each of them. In light of the limited performance of the PPCU/DPCU-Sayabouri and the lack of a functioning M&E system capable of providing reliable data about programme achievements, it seems that before 2011 no timely or adequate assistance beyond the supervision missions was provided by IFAD. This was because IFAD was relying fully on GIZ for delivery of its commitments. A similar situation was seen in Attapeu, where GIZ handled microfinance after the MTR but at the end of the project there were no reports/documents left behind with the M&E pertaining to this activity. IFAD was not able to intervene in spite of the fact that the country programme manager was resident in Vientiane. It seems that IFAD had delegated a number of activities to the GIZ technical assistance network and local/international technical assistance teams. However, the flexibility of the fund, in adjusting programme funding of two loan amendments and providing additional funds based on evolution of the context and changes which occurred in the programme design, is to be commended. This helped the teams in Attapeu to adjust the sub-programme to support the Government of Lao PDR socio-economic and market reform, especially after the MTR.
87. Based on the above, on balance IFAD's performance is rated as moderately satisfactory (4).
88. **Government.** The Government of Lao PDR was fully involved in the programme design, implementation and supervision. The government contributed 116.5 per cent of the programme's initial allocation in Attapeu and 74 per cent in Sayabouri, where coordination and communication at all levels of RLIP was problematic. However, the quality of programme management in both provinces was not high. Issues were raised during programme implementation regarding the quality of financial management as well as about the financial statements and audit. Especially in Sayabouri, the provincial Department of Planning and Investment and district offices showed a limited capacity to plan and coordinate multi-sector, multi-donor-supported rural development and poverty reduction programmes. The project in Sayabouri also lacked sufficient staff to undertake planning and had a poor M&E system. No major actions were undertaken to rectify this situation. Annual supervision mission recommendations were also not completely implemented in this province. Unlike in Sayabouri, however, the Department of Planning and Investment in Attapeu played its role properly in coordinating sectors at provincial and district level. The follow-up and actions taken were more effective. However, several staff members left the programme during the period 2008-2011 after the MTR and GIZ cofinancing caused an initial slowing down of the implementation of the programme.
89. The performance of the Government of Lao PDR is rated as moderately satisfactory (4).

## **E. Overall project achievement**

90. In assessing the programme performance, it is important to bear in mind the stable position of the programme coordinators and their leadership in steering the sub-programmes in both Sayabouri and Attapeu, as well as the strong guidance of the provincial and the district steering committees. The contribution of the stakeholders to implementation of the programme was highly successful. RLIP has left behind highly trained and skilled personnel, both in the provinces and in the



districts. The VDCs are capable of continuing with formation of VDPs, prioritizing the needs of the beneficiaries. O&M of the social infrastructures are also in a satisfactory condition. Taking these factors into account, the PPA's rating for the project's overall achievement is rated moderately satisfactory (4).

## **IV. Conclusions and recommendations**

### **A. Conclusions**

91. RLIP was implemented in two of the most remote and challenging provinces in Lao PDR, with extremely limited mobility and communication with the districts and villages. Development of inter-district roads and village roads – mostly with contribution of labour from the beneficiaries – has revolutionized communication in the project areas. The overall programme approach of supporting the NGPES and working through the line agencies and mass organizations is seen to have been successful, as many outputs seem to have been achieved, especially for infrastructure-building.
92. Considerable investment was put into capacity-building at district and provincial level to improve participatory and gender-sensitive planning, implementation, assessment, and long-term management. At village level, alignment with VACs is also positive, as they are permanent administrative structures with the necessary authority and mandate to continue development activities following the end of the programme. Even if the cluster level is used for planning and centralizing the programme's human resources, competence should be transferred progressively, beginning at village level with local motivated volunteers.
93. Physical targets of the programme were met and sometimes overachieved, thereby providing maximum benefit to the beneficiaries. However, the logframe should be considered as a management tool from the beginning, first to improve understanding of the results chain and objectives targeted by the programme, then as a fundamental tool in building the M&E system to assess achievements. Special investment and support should be provided to the implementing agencies so that they can establish simple but efficient systems to collect, analyse and report data/information to all stakeholders in a regular, timely and reliable manner. The PPCU should improve the quality control of data collected by districts, and its storage system should be more accurate and better organized in order to safeguard the programme documents against viruses and allow the set-up of an organized library (including hard and soft copies). Lack of data from the GIZ co-partnership is a serious lapse.
94. Health (water, sanitation and dispensaries), education (primary school infrastructure and dormitories) and support for VBs were ranked high by villagers in terms of positive impact and contribution to improving livelihoods. For future school building, it is desirable to include water, sanitation and electricity facilities in the design planning and cost, to ensure a high quality standard. In addition, maintenance/cleaning systems remain an issue and are an essential condition for sustainability. Clear accountability and a revolving fund system should be put in place, as well as regular refresher/upgrading courses for health workers and teachers, so that they reach national standards. Poverty perception is highly linked to access to social services.

### **B. Recommendations**

95. **Institutionalize a participatory approach for local development planning.** In order to sustain the benefits generated by the programme, it is recommended that Government of Lao PDR take steps to: (i) further strengthen community development activities; (ii) develop a strategy and action plan to mainstream a participatory development approach in regular government planning and budgeting processes, and sensitize senior government officials and members of the legislative assembly; (iii) institutionalize provincial and district steering/coordination

committees, with terms of reference and clear designations of coordinators/focal points; and (iv) devolve full decentralization and autonomy to the provincial and district departments for handling development activities.

96. Address **institution-building and training**. There is a need to build long-term capacities through the strengthening of village community workers and management committees in order to ensure sustainable community development. There is also a need to promote farmers' organizations and strengthen their negotiating power. These organizations could serve to strengthen maintenance and cleanliness systems for sustainable use of all types of rural infrastructures. In the future it may be necessary to set up strong institutions with clear mandates for O&M activities. Although several committees were set up for O&M activities, they lacked statutory status, mainly because these committees functioned under the supervision of VACs and village heads. It would be useful to consider recruiting a full-time staff person to work on forming farmer groups.
97. With regard to training, sessions should be participatory and very practical, addressing community needs, and suitable for women with a limited level of education as well as time/family/mobility constraints. Training sessions should include an assessment to document training quality, beneficiaries, levels of satisfaction and outcomes of the training itself (adoption rate, increased yields, production, income, literacy rate, quality of services, etc.)
98. Strengthen **microfinance as a means of easy access to credit**. With many avenues for diversification of economic activities, demand for credit has increased. It is important to emphasize the complementarity of instruments to ensure that the supply of financial services meets the diversified demand of the various target groups. The existing VB system is unable to meet such requirements and the members still look for other avenues. It is advisable to support VBs to develop financial products which are more suitable for IGAs and agricultural activities. With private investments growing in the area and also family members working outside the area, VBs should be capable of attracting the growing family remittances. It would be useful to consider establishing strong linkages with the formal banking sector.
99. Facilitate **knowledge management and support the development of systems to better measure results and impact**. IFAD should plan regular information and knowledge-sharing events (workshops, field visits, training sessions, etc.) among the province/district coordination units. The agency should coordinate programme action with other donors, and look for complementarity and synergy at grassroots level, especially for investments such as social infrastructures, which are no longer covered by IFAD financing but which have a high level of impact on livelihoods of the target population.
100. Furthermore, with regard to M&E, IFAD should pay greater attention and provide support at all stages in this area in collaboration with the government – including proposing a solid basis for M&E in project design reports, providing support and guidance to project management in strengthening the M&E system and carrying out regular impact surveys. It is advisable to organize a learning retreat/workshop to identify RLIP lessons learned, in order to further inform FNML implementation. A practical action and learning approach for FNML implementation should be produced, and reviewed and revised annually.

## Rating comparison

<i>Criteria</i>	<i>IFAD-Programme Management Department rating<sup>a</sup></i>	<i>PPA rating<sup>a</sup></i>	<i>Rating disconnect</i>
<b>Project performance</b>			
Relevance	5	5	0
Effectiveness	4	4	0
Efficiency	4	5	+1
<b>Project performance<sup>b</sup></b>	<b>4.3</b>	<b>4.7</b>	<b>+0.4</b>
<b>Rural poverty impact</b>			
Household income and assets	4	5	+1
Human and social capital and empowerment	4	4	0
Food security and agricultural productivity	4	5	+1
Natural resources, environment and climate change	4	4	0
Institutions and policies	4	4	0
<b>Rural poverty impact<sup>c</sup></b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Other performance criteria</b>			
Sustainability	4	4	0
Innovation and scaling up	4	4	0
Gender equality and women's empowerment	4	4	0
<b>Overall project achievement<sup>d</sup></b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Performance of partners<sup>e</sup></b>			
IFAD	4	4	0
Government	4	4	0
<b>Average net disconnect</b>			<b>+0.23</b>

<sup>a</sup> Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

<sup>b</sup> Arithmetic average of ratings for relevance, effectiveness and efficiency.

<sup>c</sup> This is not an average of ratings of individual impact domains.

<sup>d</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the ratings for relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender equality.

<sup>e</sup> The rating for performance of partners is not a component of the overall assessment ratings.

### Ratings of the project completion report quality

	<i>Programme Management Department rating</i>	<i>IOE PCRV rating</i>	<i>Net disconnect</i>
Scope	6	6	0
Quality (methods, data, participatory process)	6	6	0
Lessons	5	5	0
Candour	6	6	0

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.a. = not applicable.

## Basic project data

			<i>Approval (US\$ m)</i>		<i>Actual (US\$ m)</i>	
Region	Asia and the Pacific	Total project costs	28.9		23.9	
Country	Lao People's Democratic Republic	IFAD loan and percentage of total	17.5		16.1	
Loan number	660	Borrower (Government of Lao PDR)	3.5		2.7	
Type of project (subsector)	Rural development	Cofinancier 1 (IFAD grant)	0.7		0.3	
Financing type	Highly concessional	Cofinancier 2 (IFAD grant)	0.2		0.2	
Lending terms *	40 years, 10 years grace, S.C. 0.75% per annum	Cofinancier 3 (German Agency for International Cooperation)	1.9		0.2	
Date of approval	19 April 2005	Cofinancier 4 (World Food Programme)	1.3		1.2	
Date of loan signature	13 October 2005	Beneficiaries	1.2		0.7	
Date of effectiveness	15 March 2006	Other sources (IFAD grant)	2.5		2.3	
Loan amendments	None	Number of beneficiaries (if appropriate, specify if direct or indirect)	33,761 household: 98,143 female and 94,295 male			
Loan closure extensions	None					
Country programme managers	Benoit Thierry (current)	Loan closing date	30 March 2014			
Regional director(s)	Thomas Elhaut Hoonae Kim (current)	Mid-term review	23 August - 9 September 2008			
Responsible officer for project performance assessment	Ashwani Muthoo	IFAD loan disbursement at project completion (%)	92,22%			
Project performance assessment quality control panel	Mona Bishay (IOE consultant)	Date of project completion report	June 2014			

Source: Project Completion Report, June 2014.

\* There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of ten years; (ii) loans on hardened terms, bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 20 years, including a grace period of ten years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of five years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to one hundred per cent (100%) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years.

## Terms of reference

### I. Background

1. The Rural Livelihoods Improvement Programme in Attapeu and Sayabouri (RLIP) has been selected for a project performance assessment (PPA) by the Independent Office of Evaluation (IOE) in 2015. The PPA applies the evaluation criteria outlined in the IFAD Evaluation Manual and the evaluation processes indicated in the IOE Guidelines for a PPA.
2. The PPA is a project-level evaluation aiming to: (i) provide an independent assessment of the overall results and impact of a project; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations within the country.
3. Mr Ashwani Muthoo, Deputy Director, IOE, is assigned by IOE as the lead evaluator, and is responsible for the overall PPA process and the quality of the PPA report. The evaluation team will include an experienced consultant to provide contributions to the mission and report drafting, and an evaluation assistant from IOE for administrative support.
4. IOE is ultimately responsible for the evaluation process and content of the evaluation report. In this regard, the lead evaluator, on behalf of IOE, has the right to make necessary revisions to the draft reports submitted by the consultant, in order to ensure that the presentation of analysis, conclusions and recommendations are coherent and relevant to IFAD operational context.
5. **Project description.** The Rural Livelihoods Improvement Programme in Attapeu and Sayabouri (RLIP) was an eight-year programme which was designed to support the implementation of the Northern Sayabouri Rural Development Project. Its overall goals were the economic growth and livelihoods improvement of the rural poor, including women and other vulnerable groups, in eight programme target districts. The programme was organized around four components: (i) Social Development (community development, health, education, drug detoxification and rehabilitation, only in the Sayabouri Province); (ii) Economic Development and Natural Resource Management (agriculture and marketing, off-farm income generation, rural microfinance and natural resource management); (iii) Rural Infrastructure (local roads and warehouses, only in Attapeu Province); and (iv) Institution Development and Capacity-Building (strengthening capacity for policy analysis and management, and coordination of the investment programme)
6. **Project areas.** The project took place in 207 villages located in Attapeu and Sayabouri provinces, belonging to the poorest and poor districts of the country.

#### Consultancy tasks

7. The consultant, Dr Sarath Bandara Mananwatte (hereafter referred as the "consultant") will support IOE in the above-mentioned PPA under the supervision of the lead evaluator for this PPA.
8. **Preparation.** The consultant will review the desk work relating to the programme, along with all other relevant documentation, and contribute to the design of the mission as well as to other preparatory work. In collaboration with the lead evaluator, prior to the mission, the consultant may need to collect additional information through phone interviews.
9. **Mission to Lao PDR.** The consultant will participate in the PPA mission to Lao PDR, including attending interviews and meetings with representatives of the government, project management staff, private sector partners, bi-and multi-lateral, and rural clients and other beneficiaries, as well as with other people and organizations concerned.



10. At the beginning of the mission, the consultant will attend a working session with the lead evaluator to clarify the evaluation objectives, methodology, data collection methods, mission organization and expected deliverables.
11. During the mission, the consultant is responsible for reviewing the project M&E data and, where possible, complementing with existing studies and available literature. Among others, the consultant will particularly focus on the issues identified during the review of the project documentation. In this context, it is recommended to use short and simple questionnaires and checklists for interviews.
12. Before the end of the mission, in collaboration with the lead evaluator, the consultant will prepare a draft PowerPoint presentation summarizing the preliminary evaluation findings, which is to be presented by the lead evaluator and the consultant at a wrap-up meeting with the government and other key stakeholders in the country.
13. **Report drafting.** Within two (2) working weeks after the mission, the consultant will provide a draft evaluation report in line with the proposed annotated table of Contents presented in annex I, and as agreed with the lead evaluator during the evaluation process.
14. In the framework of this exercise, the consultant will also attend a meeting in Rome with the lead evaluator to finalize the writing of the report.
15. After submitting the draft report to IOE, the consultant should also support the lead evaluator in incorporating key comments received during the internal and external review processes, and prepare a draft Executive Summary to be included in the final report.

### **Deliverables**

16. In coordination with the consultant, the lead evaluator will take the overall responsibility for the PPA content and process. For this assignment, the consultant is expected to deliver the following:
  - 1) **Preparation.** comments on the initial findings emerging from the review of the project documentation, drafting of the PPA terms of reference, and contribution to the planning of the PPA process.
  - 2) **During the mission.** write-ups for the report along the lines agreed with the lead evaluator, and draft wrap-up presentation on the mission findings and strategic issues.
  - 3) **Report drafting.** a draft report in line with the annotated table of contents and as agreed with the lead evaluator. The consultant is also expected to support the lead evaluator in addressing comments received from IOE peer reviewers, IFAD's Programme Management Department, and the Government during the review process, and to prepare the first draft Executive Summary for final publication.

## Methodological note on project performance assessments

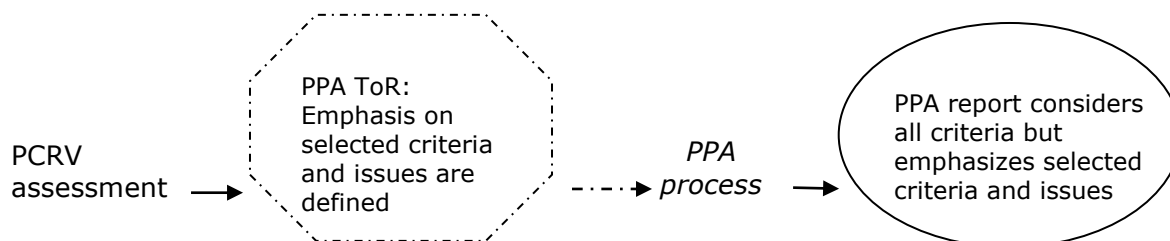
### A. What is a project performance assessment?<sup>1</sup>

1. The project performance assessment (PPA) conducted by the Independent Office of Evaluation of IFAD (IOE) entails one mission of 7-10 days<sup>2</sup> and two mission members.<sup>3</sup> PPAs are conducted on a sample of projects for which project completion reports (PCRs) have been validated by IOE, and take account of the following criteria (not mutually exclusive): (i) synergies with forthcoming or ongoing IOE evaluations (e.g. country programme or corporate level evaluations); (ii) major information gaps in PCRs; (iii) novel approaches; and (iv) geographic balance.
2. The objectives of the PPA are: (i) to assess the results and impact of the project under consideration; and (ii) to generate findings and recommendations for the design and implementation of ongoing and future operations in the country involved. When the PPA is to be used as input for a country programme evaluation, this should be reflected at the beginning of the report. The PPA is based on the project completion report validation (PCR/V) results, further desk review, interviews at IFAD headquarters, and a dedicated mission to the country, to include meetings in the capital city and field visits. The scope of the PPA is set out in the respective terms of reference.

### B. Preparing a PPA

3. Based on the results of the PCR/V, IOE prepares brief terms of reference (ToRs) for the PPA in order to sharpen the focus of the exercise.<sup>4</sup> As in the case of PCR/Vs, PPAs do not attempt to respond to each and every question contained in the Evaluation Manual. Instead, they concentrate on the most salient facets of the criteria calling for PPA analysis, especially those not adequately explained in the PCR/V.
4. When preparing a PPA, the emphasis placed on each evaluation criterion will depend both on the PCR/V assessment and on findings that emerge during the PPA process. When a criterion or issue is not identified as problematic or in need of further investigation, and no additional information or evidence emerges during the PPA process, the PPA report will re-elaborate the PCR/V findings.

#### Scope of the PPA



<sup>1</sup> Extract from the PCR/V and PPA Guidelines.

<sup>2</sup> PPAs are to be conducted within a budget ceiling of US\$25,000.

<sup>3</sup> Typically, a PPA mission would be conducted by an IOE staff member with the support of a consultant (international or national). An additional (national) consultant may be recruited if required and feasible within the evaluation budget.

<sup>4</sup> Rather than an approach paper, IOE prepares ToRs for PPAs. These ToRs ensure coverage of information gaps, areas of focus identified through PCR/Vs and comments by the country programme manager, and will concentrate the PPA on those areas. The ToRs will be included as an annex to the PPA.

### C. Evaluation criteria

5. The PPA is well suited to provide an informed summary assessment of project relevance. This includes assessing the relevance of project objectives and of design. While, at the design stage, project logical frameworks are sometimes succinct and sketchy, they do contain a number of (tacit) assumptions on mechanisms and processes expected to generate the final results. At the post-completion phase, and with the benefit of hindsight, it will be clearer to the evaluators which of these assumptions proved to be realistic, and which did not hold up during implementation and why.
6. For example, the PPA of a project with a major agricultural marketing component may consider whether the project framework incorporated key information on the value chain. Did it investigate issues relating to input and output markets (distance, information, monopolistic power)? Did it make realistic assumptions regarding post-harvest conservation and losses? In such cases, staff responsible for the PPA will not be expected to conduct extensive market analyses, but might consider the different steps involved (e.g. production, processing, transportation, distribution, retail) and conduct interviews with selected actors along the value chain.
7. An assessment of effectiveness, the extent to which a project's overall objectives have been achieved, should preferably be made at project completion, when the components are expected to have been executed and all resources fully utilized. The PPA considers the overall objectives<sup>5</sup> set out in the final project design document and as modified during implementation. At the same time, it should be flexible enough to capture good performance or under-performance in areas that were not defined as objectives in the initial design but emerged during the course of implementation.
8. The PPA mission may interview farmers regarding an extension component, the objective of which was to diffuse a certain agricultural practice (e.g. adoption of a soil nutrient conservation technique). The purpose here would be to understand whether the farmers found it useful, to what extent they applied it and their perception of the results obtained. The PPA may look into reasons for the farmers' interest in new techniques, and into adoption rates. For example, was the extension message delivered through lectures? Did extension agents use audio-visual tools? Did extension agents engage farmers in interactive and participatory modules? These type of questions help illustrate *why* certain initiatives have been conducive (or not conducive) to obtaining the desired results.
9. The Evaluation Manual suggests methods for assessing efficiency, such as calculating the EIRR,<sup>6</sup> estimating unit costs and comparing them with standards (cost-effectiveness approach), or addressing managerial aspects of efficiency (e.g. timely delivery of activities, respect for budget provisions). The documentation used in preparing the PCRV should normally provide sufficient evidence of delays and cost overruns and make it possible to explain why they happened.
10. With respect to rural poverty impact, the following domains are contemplated in the Evaluation Manual: (a) household income and assets; (b) human and social capital and empowerment; (c) food security and agricultural productivity;

---

<sup>5</sup> Overall objectives will be considered as a reference for assessing effectiveness. However, these are not always stated clearly or consistently throughout the documentation. The assessment may be made by component if objectives are defined by components; however, the evaluation will try to establish a correspondence between the overall objectives and outputs.

<sup>6</sup> Calculating an EIRR may be challenging for a PPA as it is time-consuming and the required high quality data are often not available. The PPA may help to verify whether some of the crucial assumptions for EIRR calculation are consistent with field observations. The mission may also help to shed light on the cost effectiveness aspects of efficiency – for example, in the case of an irrigation project, whether a simple upgrade of traditional seasonal flood water canalization systems might have been an option, rather than investing in a complex irrigation system, when access to markets is seriously constrained.

- (d) natural resources, the environment and climate change;<sup>7</sup> and (e) institutions and policies. As shown in past evaluations, IFAD-funded projects generally collect very little data on household or community level impact indicators. Even when impact data are available, both their quality and the methodological rigour of impact assessments are still questionable. For example, although data report significant increases in household assets, these may be due to exogenous factors (e.g. falling prices of certain commodities, general economic upturn, households receiving remittances), and not to the project.
11. PPAs may help address the "attribution issue" (i.e. establishing to what extent certain results are due to a development intervention rather than to exogenous factors) by:
    - (i) following the logical chain of the project, identifying key hypotheses and reassessing the plausibility chain; and
    - (ii) conducting interviews with non-beneficiaries sharing key characteristics (e.g. socio-economic status, livelihood, farming system), which would give the mission an idea of what would have happened without the project (counterfactual).<sup>8</sup>
  12. When sufficient resources are available, simple data collection exercises (mini-surveys) may be conducted by a local consultant prior to the PPA mission.<sup>9</sup> Another non-mutually exclusive option is to spot-check typical data ranges or patterns described in the PCR by means of case studies (e.g. do PCR claims regarding increases in average food-secure months fall within the typical ranges recorded in the field?) It should be noted that, while data collected by a PPA mission may not be representative in a statistical sense, such data often provide useful reference points and insights. It is important to exercise care in selecting sites for interviews in order to avoid blatant cases of non-beneficiaries profiting from the project. Sites for field visits are selected by IOE in consultation with the government concerned. Government staff may also accompany the PPA mission on these visits.
  13. The typical timing of the PPA (1-2 years after project closure) may be useful for identifying factors that enhance or threaten the sustainability of benefits. By that stage, the project management unit may have been disbanded and some of the support activities (technical, financial, organizational) terminated, unless a second phase is going forward or other funding has become available. Typical factors of sustainability (political support, availability of budgetary resources for maintenance, technical capacity, commitment, ownership by the beneficiaries, environmental resilience) can be better understood at the *ex post* stage.
  14. The PPA also concentrates on IFAD's role with regard to the promotion of innovations and scaling up. For example, it might be observed that some innovations are easily scaled up at low cost (e.g. simple but improved cattle rearing practices that can be disseminated with limited funding). In other cases, scaling up may involve risks: consider the case of a high-yield crop variety for which market demand is static. Broad adoption of the variety may be beneficial in terms of ensuring food security, but may also depress market prices and thereby reduce sale revenues for many households unless there are other, complementary activities for the processing of raw products.
  15. The PPA addresses gender equality and women's empowerment, a criterion recently introduced into IFAD's evaluation methodology. This relates to the emphasis placed on gender issues – i.e. whether this emphasis has been followed

<sup>7</sup> The climate change criterion will be addressed if and when pertinent in the context of the project, as most completed projects evaluated did not integrate this issue into the project design.

<sup>8</sup> See also the discussion of attribution issues in the section on PCRVs.

<sup>9</sup> If the PPA is conducted in the context of a country programme evaluation, then the PPA can piggy-back on that evaluation and dedicate more resources to primary data collection.

up during implementation, including monitoring of gender-related indicators and the results achieved.

16. Information from the PCRV may often be sufficient to assess the performance of partners – namely, IFAD and the government. The PPA mission may provide further insights, such as on IFAD’s responsiveness, if relevant, to implementation issues or problems of coordination among the project implementation unit and local and central governments. The PPA does not assess the performance of cooperating institutions, as that now has little or no learning value for IFAD.
17. Having completed the analysis, the PPA provides its own ratings in accordance with the evaluation criteria and compares them with PMD’s ratings. PPA ratings are final for evaluation reporting purposes. The PPA also rates the quality of the PCR document.
18. The PPA formulates short conclusions – a storyline, as it were, of the main findings. Thereafter, a few key recommendations are presented, with a view to following up projects, or addressing other interventions with a similar focus or components in different areas of the country.<sup>10</sup>

---

<sup>10</sup> Practices differ among multilateral development banks, including recommendations offered in PPAs. At the World Bank, there are no recommendations but “lessons learned” are presented in a typical PPA. On the other hand, PPAs prepared by Asian Development Bank include “issues and lessons” as well as “follow-up actions” although the latter tend to take the form of either generic technical guidelines for a future (hypothetical) intervention in the same sector or for an ongoing follow-up project (at Asian Development Bank, PPAs are undertaken at least three years after project closure).



## Definition of the evaluation criteria used by IOE

<i>Criteria</i>	<i>Definition<sup>a</sup></i>
<b>Project performance</b>	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
<b>Rural poverty impact<sup>b</sup></b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
Natural resources, the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
<b>Other performance criteria</b>	
Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
Innovation and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
Gender equality and women's empowerment	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
<b>Overall project achievement</b>	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
<b>Performance of partners</b>	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.
IFAD	
Government	

<sup>a</sup> These definitions have been taken from the OECD/DAC *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

<sup>b</sup> The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

## **List of key persons met**

### **Government**

Ms Sisomboune Vunavong – Director General, Director-in-Charge, Ministry of Planning and Investment

Mr Donangmala Chanthalangsy – Director-in-Charge, Ministry of Planning and Investment

Mr Bounhome Silaphet – Head of Planning Division, Department of Planning and Investment, Attapeu

Mr Phosy Thongdy – Director of Statistics, Department of Provincial Health, Attapeu

### **International and donor institutions**

Mr Ernst Hustaedt – Country Director, German Agency for International Cooperation (GIZ) Office, Vientiane

Ms Ariane Waldvogel – World Food Programme, Vientiane

### **Non-governmental organizations and associations**

Mr Bour Lay – Village Headman

Mr Bour Liove – Deputy Village Headman

Mr Boun Chan – Village Headman

Ms Sak Mai – Lao Women's Union

Ms Phou Ngon – Head, Village Dispensary

Mr Som Phet – Deputy Dispensary

Mr Sit Hon – Head, Dispensary

Ms Thid Aloy – Technical Assistant

Mr Mee Say – Village Headman

### **Beneficiaries**

Ms Am

Ms Souk

Ms Theang

Mr Tia

Mr Photsay

Mr Vanphet

Mr Boun Than

### **Other resource persons**

Ms Sivilay – Director, Department of Planning and Investment

Mr Phasit – Deputy Director, Department of Planning and Investment

Mr Korsouksai Keasa – Deputy Governor Office

## Bibliography

Indochina Research and Consulting. Development Research and Consulting, *Final RIMS survey report for RLIP Attapeu*. Vietnam.

International Fund for Agricultural Development. 2004. *Lao People's Democratic Republic – Rural Livelihoods Improvement Programme in Attapeu and Sayabouri. Design Formulation document*.

\_\_\_\_\_. 2004. *Lao People's Democratic Republic, Rural Livelihoods Improvement Programme in Attapeu and Sayabouri. Design Document Appraisal*.

\_\_\_\_\_. 2005. *Report and Recommendation of the President to the Executive Board on a Proposed Financial Assistance to Lao People's Democratic Republic for the Rural Livelihoods Improvement Programme in Attapeu and Sayabouri*.

\_\_\_\_\_. 2008. *Rural Livelihoods Improvement Programme in Attapeu and Sayabouri. Lao PDR Impact Assessment of an IFAD assisted project prior to mid-term review*.

\_\_\_\_\_. 2010. *Project Completion Report - Road from Ban Huay Pheung in Nguen district to Ban Naa Mae in Xienghone district*.

\_\_\_\_\_. 2014. *Rural Livelihoods Improvement Programme in Attapeu and Sayabouri. Project Completion Report*.

\_\_\_\_\_. 2013. *Southern Laos Food and Nutrition Security and Market Linkages Programme. Project Implementation Manual*.

\_\_\_\_\_. 2013. *Rural Livelihoods Improvement Programme in Attapeu and Sayabouri. Supervision Report*.

Provincial Programme Coordination Unit (PCU). 2014. *Rural Livelihoods Improvement Programme in Attapeu and Sayabouri. Case study "Asparagus Production public-private partnership model Attapeu"*. Attapeu.





International Fund for Agricultural Development

Via Paolo di Dono, 44 - 00142 Rome, Italy

Tel: +39 06 54591 - Fax: +39 06 5043463

E-mail: [evaluation@ifad.org](mailto:evaluation@ifad.org)

[www.ifad.org/evaluation](http://www.ifad.org/evaluation)

[www.ruralpovertyportal.org](http://www.ruralpovertyportal.org)

 [ifad-un.blogspot.com](http://ifad-un.blogspot.com)

 [www.facebook.com/ifad](http://www.facebook.com/ifad)

 [instagram.com/ifadnews](http://instagram.com/ifadnews)

 [www.twitter.com/ifadnews](http://www.twitter.com/ifadnews)

 [www.youtube.com/user/ifadTV](http://www.youtube.com/user/ifadTV)



IFAD Internal Printing Services