

## FINAL EVALUATION

**LAO/030**

Local Development Programme for Bokeo,  
Bolikhamxay, Khammouane and Vientiane  
Province

### PROJECT SUMMARY DATA

Country	Lao People's Democratic Republic
Long project title	Local Development Programme for Bokeo, Bolikhamxay, Khammouane and Vientiane Province
Short project title	LDP 2017-2022
LuxDev Code	LAO/030
Version of the Report	January 2023

### RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	<b>2</b> On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: <b>2</b> Coherence: <b>2</b> Efficiency: <b>1.5</b> Impact: <b>2</b> Sustainability: <b>2.5</b>

## EXECUTIVE SUMMARY

For the final evaluation of the programme LAO/030, the selected contractor Eurecna SpA has fielded two international and two national experts. The final evaluation was preceded by an intermediate evaluation carried out from October 2018 to early 2019. The intermediate evaluation had taken place at a period when activities were in starting phase and few results secured, so the intermediate evaluation report could not substantially assess results. Therefore, the main objectives of the final evaluation were to provide a summative (quantitative and qualitative) appraisal of the results achieved within the framework of the projects/programmes LAO/029 and LAO/030, and identify findings and lessons learned that can feed into the next phases of the programmes under Indicative Cooperation Programme V.

The objectives of the assignment were to analyse the results and the specific objectives reached with particular focus on the capacity strengthening; to analyse the implementation modalities deployed by the programme, as well as the management and monitoring; to provide an assessment according to the evaluation criteria and finally, to derive lessons learnt and recommendations.

The LAO/030 has successfully met the targets for results in the two areas of community-led development and socio-economic infrastructure development, whereas targets were not met for the governance for development result area. The combination of these results has contributed very well to the Specific Objective, as attested by the indicator's values at this level, all exceeding targets at the end of the implementation phase. While values were unavailable for the indicators of Overall Objectives, which are entries in the National Socio-Economic Development Plan, the Evaluation Team is confident that the combined contribution of the outcome have generated a significant and positive impact on poverty reduction. This is confirmed by evidence gathered from villagers and officials in the sample of 34 villages visited. By contrast, the LAO/030 impact might have been low for the Overall Objective on sustainable management of natural resources, and moderate or less perceptible for the Overall Objective on nutrition.

The Evaluation Team has rated the global effectiveness of the LAO/030 at 2, considering it overall successful in achieving results (task level), and transforming these into the expected outcomes (Specific Objectives). In the Evaluation Team opinion, the good effectiveness owes much to great ownership of the programme activities, and in turn this would have not been possible without the participative bottom-up approach in villages, allied to a delegation of funds and the delivery of activities through the main channel of Ministry of Planning and Investment.

The programme relevance, previously rated at 1.5 by the intermediate evaluation, has been reduced to 2 considering that the conditions for success and the risks related to alignment and partnership with Lao Government had not been sufficiently appraised or mutually discussed between stakeholders during the formulation, constraining the governance outcome and limiting its outcome.

Coherence is rated at 2 and on efficiency, the Evaluation Team considers the programme has been very efficient (rating 1.5): despite the impact of COVID-19 and the related deterioration of the Lao economic conditions, the LAO/030 has been able to use almost the budget resources, transforming the funds into high quality activities and outputs. The LAO/030 has reached such a high efficiency because its implementation strategy had been aligned with Government policies, and because of the close partnership between officials and the programme team during implementation. Nonetheless, the LAO/030 might have been even more efficient with the adoption by government partners of the performance management tools and enhanced coordination between Implementing Partners (province level) and between central Ministry of Planning and Investment level and provinces (strategic drive).

Impact is rate at 2. This rating is to a large extent based on qualitative data gathered during the field missions, due to the absence of solid quantitative data for the monitoring indicators.

Finally, the sustainability of the programme has been rated at 2.5, noting that in the areas of sustainable management of natural resources and governance, the programme had not been successful in determining the levels of ownership and adoption, which would have enabled the Government to finalize the national systems required. The Evaluation Team's concern is that if such systems were not improved, the negative environmental effects of economic development in certain areas (e.g., cassava crop or banana plantations) would quickly jeopardize the positive effect of the programme.

The most impactful strategies of the LAO/030 have been the use of the participatory, bottom-up approach to village development, and the allocation of two-thirds of the programme funds towards practical development at village level, thus ensuring a meaningful impact on living standards in the target communities. These are seen as success factors both to future poverty reduction programmes, and to furthering the decentralization policy: the Evaluation Team recommends their continuation, and their extension to other Indicative Cooperation Programme V programmes.

In respect with the village credit scheme, the villages have proven capable of managing their Village Fund. Most village credit scheme have not yet reached the stage where they could be sustainable and evolve into microfinance, at the exception of a few contenders capable of further development within the National Support Organization / Savings and Credit Union structure. The consolidation of village credit scheme experience would require additional capital dotation to offset the increased costs, and more training and mentoring to village committees on all aspects of village credit scheme operations. It is recommended to continue the unrolling and strengthening of village credit scheme, including ensuring that more poor villagers may access the scheme.

The delegation mechanisms, namely Delegation Agreement for Finance and Implementation and Executive Agreements, entrusting about 70% of the budget to government partners, communities, and civil society organizations has ensured ownership, effectiveness, and efficiency in the implementation. is seen as the best proof of central/provincial Government commitment to the development agenda. There might be room to consider piloting Delegation Agreement for Finance and Implementation and funds devolution at district level; as this might open the ways to synergies within the district (balancing infrastructure needs, economic development opportunities, and outreach to the poorest).

The LAO/030 monitoring indicators did not allow to reflect well the effect of the programme at task and result level. This illustrates the difficulty of using national-level Socio-Economic Development Plan indicators to characterize the effects of the programme. Besides, the planning and monitoring systems of Socio-Economic Development Plan do not reflect the real needs and achievements of village-level development. The LAO/030 has unearthed these limitations, without being able to improve the National Socio-Economic Development Plan into a fully integrated system reflecting district reality. The programme nevertheless, has provided solid inputs towards this and if the Ministry of Planning and Investment prioritizes this strategy in the next phase, it would result in a much more effective tool for planning and monitoring socio-economic development in the next National Socio-Economic Development Plan preparation if this were prioritised in the Indicative Cooperation Programme V.

The overall coordination by Ministry of Planning and Investment at central and local level helped avoid bias and competition between Departments and ensured transparency in decision-making. The programme success owes a lot to this alignment with the Government's Sam Sang (decentralisation) strategy, with the implementation supervised by the Department of Planning and Investment and relying on the technical mandates of relevant Departments. It is recommended that the same institutional arrangements be used in the Indicative Cooperation Programme V programmes. Nevertheless, the Government would need to clarify the expected degree of institutional changes and depth of alignment, in particular in respect to sustainable management of natural resources, and performance management of the implementation teams.

Another success factor of the LAO/030 was the comprehensive capacity strengthening effort. The provincial and district level officials have greatly benefitted from this yet may still require more on-the-job /coaching support. In addition, developing institutional capacity of Department of Planning and Investment in provinces (for data integration and National Socio-Economic Development Plan management) may require specific attention for Government and Partners to agree on end results, milestones, and resources.

Globally, the LAO/030 has been successful in tackling the challenges of a large development programme and in delivery poverty reduction effects at the grassroots. The main success factors have been the strategies and principles used, in particular embedding the programme delivery in Government systems, aligning management procedures, and concentrating thematic streams into the single responsibility of Ministry of Planning and Investment. The province and district officials have become familiar and efficient working within this framework; therefore, it should be considered as the preferred strategy for implementing the Indicative Cooperation Programme V. LuxDev, the Swiss Development Cooperation, and the Government should yet pay specific attention to precisely define the expected level of change in systems, and to assess and agree on the conditions for this change to be successfully implemented at central, provincial and district levels.

The Evaluation Team attributes an **overall rating of 2 for the LAO/030**, with detail for the evaluation criteria shown on the table below.

Criteria	Scoring
Relevance	2
Coherence	2
Effectiveness	2
Efficiency	1.5
Impact	2
Sustainability	2.5
<b>Overall Scoring</b>	<b>2</b>

