

MID-TERM EVALUATION

LAO/021

Bolikhamxay Livelihood Improvement
and Governance Programme

PROJECT SUMMARY DATA

Country	Lao PDR
Long project title	Bolikhamxay Livelihood Improvement and Governance Programme
Short project title	Bolikhamxay Programme / BOLIGO
LuxDev Code	LAO/021
Version of the report	June 2013

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	1.6 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: 1.3 Efficiency: 1.5 Sustainability: 2.1

EXECUTIVE SUMMARY

The mid-term evaluation of LAO/021 - Bolikhamxay Livelihood Improvement and Governance Programme was carried out in February and March 2013 by a team provided by AFC Consultants International GmbH, Germany and Enterprise & Development Consultants Co., Ltd., Lao People's Democratic Republic. Team members were Mr Johannes Geisen (team leader), Ms Somchay Soulitham and Dr Vivath Sauvaly. The evaluation objective was assessing the achievement of the specific project objectives and project results, the assessment of the management model, evaluating against the evaluation criteria (relevance, effectiveness, efficiency and sustainability), assessing consideration of cross-cutting themes (governance for development, gender equity and aid to the environment) and formulating recommendations for the remaining implementation period. The mission was split into three phases, namely preparation at the home office, a field mission from 18 February to 7 March 2013, followed by the report preparation. The evaluation was done in a participatory manner, involving representatives of all stakeholders. The team used interviews, group discussions and a questionnaire to gather information. The project support office and the provincial planning and investment department representatives were provided the opportunity to attend all sessions. The team found that the stakeholders were very interested to share their experience and views and was impressed by the openness displayed by all sides.

The implementation of LAO/021 started on 15 February 2010 with an inception phase, which ended on 15 November 2010. The inception period was used to review the strategies, plans and implementation mechanisms provided in the project document, to better represent the principles of the Vientiane Declaration and to align LAO/021 with the socio-economic development plan 2011-15 and the respective provincial and district investment plans and targets. LAO/021 is designed as a four-year programme; the implementation phase is expected to end on 14 February 2014.

The programme's overall objective is : "to contribute towards Bolikhamxay Province meeting priority national socioeconomic targets and Millennium Development Goals for sustained poverty reduction". The specific objective is : "to improve the rural livelihoods in Bolikhamxay Province based on a client responsive local authority-lead planning and implementation process, on investments in social and productive infrastructure, and on the promotion of income generating activities". This is to be achieved through three components or results : (1) improved governance at province, district and village level for an efficient and effective poverty reduction ; (2) social and production infrastructure established and efficiently managed in support of poverty reduction in three priority districts and 60 villages ; and (3) increased household income and living standards through micro-credit and village development grants for primary production, non-farm, and small and medium enterprises. While result 1 covers the entire province, the results 2 and 3 are targeting 60 poor villages in the three districts in the province that are officially classified as poor: Khamkeut, Viengthong and Xaychamphone.

The programme is managed by a project support office, located at the provincial planning and investment department, which under the Ministry of Planning and Investment serves as the local executing agency of LAO/021. The project support office is headed by a national project director, assisted by a national project coordinator, the chief technical adviser and technical and administrative staff. Implementation partners are the provincial planning and investment department and several line agencies in the province and the districts. Implementation places a very strong emphasis on the principles underlying the Vientiane Declaration on Aid Effectiveness, namely ownership, alignment, harmonisation, result-based management and mutual accountability, and uses whenever possible existing government structures and rules. This emphasis has resulted in significant capacity building on the different government levels involved; it has however also meant that consultation and coaching require a lot of time and progress is sometimes slower than expected.

Looking at the different components, it was found that for result 1, some activities are delayed compared to the plan. However, it was found that with the support of the LAO/021, the provincial planning and investment department has been able to strengthen many of its regular functions, and the statistics section supported in complete data collection and analysis in all 320 villages of the province in 2011 and 2012, which is a major achievement nowhere else found in the country. The coordination and management of the official development assistance is improved through systematic data management and agreements with all concerned departments on information sharing, and information material on investment promotion has been developed. A government investment database and investment monitoring has been established for the entire province and is field-tested in Xaychamphone district.

Exemplary is the strategy development by the provincial education sector to help push for attaining the Millennium Development Goals target by 2015, which was supported by LAO/021, and may serve as an example for other departments, as the lack of strategy or implementable plans have caused the delay especially of activities under LAO/021 Task 3 (T3): Improved quality, efficiency, access and poverty orientation of government support services in rural development. Still not online was the provincial website which has been initiated, it is to go online soon.

The achievements under result 2 include 34 constructions (almost) completed under the operational partnership agreement and six under the district development fund. Infrastructure build was generally found to be of high standard and good quality, with not more than 10% of constructions estimated to need minor improvements before handover or within the warranty period. The construction projects provide socio-economic benefit to the beneficiaries, especially women and children, and greatly strengthen local participation, governance and capacity building at all level by instituting effective mechanisms for delegation, management, transparency in decision making and quality assurance and monitoring. An issue was the slow approvals first by LuxDev and then the Government of Lao, which cause construction-taking place in rainy season, with possible negative consequences that come with this. Also an issue is the unresolved value added tax payment, which should be avoided so the funds can be used for additional infrastructure. The amount in question would allow LAO/021 to build four schools or even more water supply systems. A risk is that mechanisms for maintaining the LAO/021 infrastructure projects are not sufficiently in place or secured by the government at the different levels.

At the time of the evaluation, under 3, participatory village development plans have been developed in 43 target villages. This has been a highly participatory, democratic and gender sensitive exercise. In all 43 villages, a Village Development Fund has been established; 20 of these villages opted to implement a village credit scheme. Few women participate in the village credit scheme management committee. The committees were trained and basically manage the village development activities, but further training is required. Training activities were delayed for several reasons and need improvement. For the credit schemes, a few cases of un-borrowed funds were reported; while many village credit scheme members who took a loan used the loan and started small production activities, others hold the money and waited for the right production season. The loan takers expressed the need for the extension of services. In a few cases, the development priorities set by the villagers were questioned by the district authorities, either because villager's priorities were not eligible for the district development fund funding or due to different development priorities set at the district level.

The ratings of the evaluation criteria for the observed interventions are all very good. The mid-term evaluation assigns the exceptionally good overall rating of 1.3 for relevance, as it finds that the LAO/021 activities are highly relevant to the needs of the beneficiaries as well as the stakeholders involved, and aim to contribute to poverty reduction. The overall rating of the effectiveness of the LAO/021 interventions is given at 1.6. While the governance and to a lesser extend the Village Development Fund component face some delays, the infrastructure component with the 17 step approach under the operational partnership agreement proves to be very effective. The overall rating of the efficiency of the LAO/021 interventions is assigned a 1.5. In this instance, the evaluation team finds that due to the implementation approach chosen, LAO/021 proves highly cost efficient and sets an example for other projects. The overall rating for sustainability is 2.1, with the risk that sustainability may suffer in the future if the governance priorities change, the required maintenance funds for infrastructure upkeep are not provided by the Lao Government or the support is withdrawn too early by the LAO/021 to the credit and grant schemes. On cross-cutting issues, it was found that governance for development is supported well through the focus on improved systems and capacity in planning, budgeting, reporting, information management, monitoring and evaluation as well as the support to decentralisation of decision-making. The LAO/021 significantly contributes to the capacity development in the province. While the Development Aid Committee Marker for "Participatory Development/Good Governance" was set at "1", the evaluation team concludes that a marking of "2" would have been justified. The programme is found to promote gender equality on the village level by using a participatory, democratic and demand-driven approach. As activities under result 1 and at least in part under result 2 are also found to promote gender equality at the village level, a rating of "1" for all three results would have been more coherent. While the LAO/021 also claims some contributions to improved environment and climate change issues, the evaluation team finds that those implemented are mostly negligible and on this assessment the marking "1" for the Development Aid Committee Marker "Aid to environment" for result 2 and project actions undertaken are not coherent.

As under result 2 the Rio - Climate change mitigation and also the desertification are not a political objective of the project, the action and the marking are coherent. As for the marker for Rio - Biodiversity, this absence of real actions and benefits realised is coherent with the DAC marking "0" for biodiversity enhancement, even though small activities are planned.

Finally Rio - Climate change adaptation: LAO/021 argues that programme support to livelihood improvements will also help farmers become more resilient and be better able to adapt to climate change by improving their technical, financial and organisational capacity. The evaluation team argues that the Development Aid Committee marking "1" for 2 has not been transposed in specific, measurable, timely outputs.

The lessons learned and recommendations focus several issues. The project management should try to address the issue of late budget approval for the operational partnership agreement and the district development fund if possible. The project steering committee should meet regularly to keep track of this programme and its interesting intervention approach. Capacity development should take a more systematic approach to training, on-the-job learning, and coaching for government staff, and improved training on Village Development Fund issues, particularly the credit schemes. The monitoring shows some limitations; several line agencies are involved, and data seems not always compatible. The provincial website is scheduled to finally go online soon, this should be prioritised. The governance component is partly behind schedule. It should be carefully considered if certain activities planned under task 3 should still be followed given the lack of clear departmental strategies, or if the funds should be better reallocated to support the Village Development Fund activities and benefit villagers directly. Under the infrastructure component, the most pressing issue needing solution is the 10% value added tax payment issue for past constructions. The questions concerning the procedures for managing the infrastructure design and administration funds should be resolved, to ensure that the frequency of supervision by the responsible line departments is not affected by a lack of funds. The evaluation team feels that villagers and district staff need to be strengthened versus the contractors; and efforts should be undertaken to ensure mechanisms are in place at the district and village level for sustainable operation and maintenance and that the funds required will indeed be made available. Under the Village Development Fund component, the roles and institutional responsibilities of different government agencies for the activities need to be clarified further, and the Lao Women's Union should be assigned a stronger role both in training improvement and in the mobilisation of women and young adults. Ways should be sought to increase the tie-up between loan takers and professionally sound extension, e.g. by attaching extension vouchers to the loans. This may however also require a prior improvement of the technical capacities of the respective extension workers. As the Village Development Fund grant scheme is a major innovation, it is recommended that this approach is documented and disseminated in greater detail, to facilitate up scaling and replication in other poor villages of the country.

LAO/021 was found to actively liaise with other development projects. During the mission, reference was made in several group discussions to the implementation of LAO/017 in the health sector. It appears to the mid-term evaluation team that there is some unused potential for cooperation, which should be sought to make both projects "more complete".

The evaluation team learned during the mission that a 19 months extension is being discussed. Given the findings, this is strongly supported, as the sustainability of a part of the achievements under all three results will benefit significantly from an extended presence of the project and its staff. It will also allow the LAO/021 to assist the province in the preparation of the socio economic development plan 2016-20 and to deeply embed its achievements in the plan and its future implementation. An extension should however be accompanied by a respective budget increase, and include a clear and concise exit strategy.

The team is very thankful for the excellent support and the open sharing of information and experience by the chief technical adviser, the national coordinator, the project support office staff, the counterpart staff in the district and provincial offices who actively participated in the field visits and the group discussions, and the participants to the debriefings held on 4 March 2013 in Pakxan and on 5 March 2013 in Vientiane at the Ministry of Planning and Investment's premises. Many thanks also go to the beneficiaries who shared their time and patiently explained about the different project activities and implementation modalities in the 15 villages visited. The active participation and the contributions from all sides are very much appreciated and enabled the evaluation team to develop a good insight and understanding of the project with the very limited time available - and were thus an indispensable contribution to the evaluation and its report.