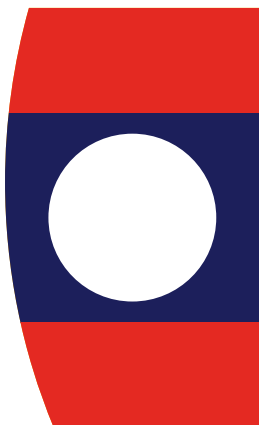


EVALUATION REPORT

MID-TERM EVALUATION •

2025 • — • LAOS



Local development programme



PROGRAMME RATING BY THE ASSESSMENT MISSION

Evaluation criteria		Scoring
Effectiveness		2
Relevance		2
Coherence		4
Efficiency		4
Sustainability		4
Impact		N/A
LuxDev project code		LAO/338
Report version		12.2025

Note: Scale from 1 (excellent results, significantly exceeding expectations) to 6 (development action unsuccessful or situation rather worse).

EXECUTIVE SUMMARY

The Mid-Term Evaluation (MTE) of the Local Development Programme (LDP, LAO338), commissioned by LuxDev, assesses the progress and effectiveness of the programme targeting the poorest villages in four Lao People's Democratic Republic (Lao PDR) provinces: Bokeo, Bolikhamxay, Khammouane, and Vientiane. Benefiting approximately 181,000 people directly and 831,000 indirectly, the LDP aligns with the Lao Government's Ninth National Socio-Economic Development Plan (NSED) 2021-2025 and Luxembourg's development cooperation strategy. The programme focuses on **creating sustainable livelihoods, improving public and village-level services, and strengthening governance through participatory planning, capacity development, and decentralised financial management**, with cross-cutting themes including gender equality, environmental sustainability, and digital inclusion.

The MTE functions as a **learning and ongoing improvement exercise**, offering an independent assessment of the programme's first two and a half years, pinpointing areas for enhancement, and shaping future work plans. It assesses programme relevance, coherence, efficiency, effectiveness, impact, and sustainability, with an added emphasis on capacity building. The evaluation spans from national to village levels, engaging diverse stakeholders and addressing cross-cutting priorities such as Rights-Based Approaches (RBA) and Leave No One Behind (LNOB).

Methodologically, the MTE employed a **participatory, mixed-methods approach** that combined both qualitative and quantitative data, involving **529 participants** at various levels. Data collection included interviews, focus groups, and case studies, with careful attention to ethical standards, inclusivity, and triangulation to ensure reliability. Challenges included variability in data quality, logistical constraints, and cultural barriers. The evaluation matrix (see [Appendix G](#)) guided the assessment against Organisation for Economic Co-operation and Development (OECD) Donor Assistance Committee (DAC) criteria and incorporated cross-cutting issues, aiming to support evidence-based decision-making and programme adaptation.

This report is structured into seven chapters covering programme background, evaluation context, methodology, findings, conclusions, lessons learned, and recommendations, providing a **comprehensive basis for strategic reflection and operational improvement** of the LDP LAO338.

Conclusions

The evaluation's main conclusions are as follows:

Relevance

LDP **aligns well with Laos' national socio-economic priorities**, particularly poverty reduction and decentralisation policies. However, the programme's **theory of change is viewed as too complex** and disconnected from past experiences. Village Development Planning (VDP) often follows a **top-down approach** with limited genuine local prioritisation, and inclusiveness, especially concerning gender and marginalised groups, remains inadequate. There is no clear strategy for **scaling or replication**, and **environmental and climate change issues are not sufficiently integrated**.

Coherence

The programme demonstrates strong internal coherence with other Luxembourg Indicative Cooperation Programme V (ICP-V) programmes, with improved coordination compared to its predecessor. Institutional embedding within government structures enhances alignment with national policies. External coherence with donors like the Swiss Agency for Development and Cooperation (SDC) is also positive, focusing on complementary roles and avoiding duplication. However, while operational coordination is effective, there is limited engagement in broader policy dialogue.

Efficiency

While decentralised implementation through International Provincial Advisers (IPAs) fosters strong local relationships and coordination, it is hindered by lengthy approval and procurement procedures, complex administrative requirements, and a heavy reliance on high-level approvals. The programme's governance and quality assurance systems are reliable, although they sometimes cause delays. The Monitoring and Evaluation (M&E) framework is well-designed but has only recently become operational and is underused for adaptive management. Digital For Development (D4D) initiatives experience delays and limited adoption.

Effectiveness

The programme is not on track to achieve its intended outputs and outcomes within the planned timeframe, largely due to delayed starts and slow implementation. Progress is evident in VDP and improved public infrastructure services, but socio-economic opportunities, especially income generation and market access, are lagging. Capacity building and governance strengthening show promise but are challenged by complex procedures and high staff turnover.

Impact

LAO338 builds on positive outcomes from its predecessor, “Local Development Programme (2016-2022)” (LAO030), particularly in governance strengthening and poverty reduction. Village Credit Scheme (VCS) have improved local livelihoods, though challenges with access and financial management remain. Behavioural and practice changes among government staff and communities are evident, yet stronger documentation and learning are needed to support future programming and scaling.

Sustainability

The programme lacks a clear sustainability or exit strategy, with insufficient planning for long-term infrastructure maintenance and funding. While capacity has improved at provincial and district levels, village-level governance and maintenance capacities remain weak. VCSs face sustainability challenges due to financial constraints and governance issues. Environmental sustainability and climate resilience are being mainstreamed, but they require further strengthening.

Cross-cutting themes such as human rights, gender equality, environment, climate change, and D4D require stronger integration. Gender mainstreaming efforts have been slow and inconsistent, environmental and climate change considerations are insufficiently mainstreamed, and digital tools are underutilised due to delays and limited capacity.

The evaluation concludes that the LDP is relevant and strategically important within the framework of the Lao PDR’s decentralisation policy and its poverty reduction efforts. Its coherence within the ICP-V is high, as is its coordination and collaboration with other donor and development agencies. However, while the programme provides valuable financial and capacity-building support to the government and other partners, it does not contribute to policy dialogue or improvements in how local development is conducted. The programme has experienced significant delays, creating challenges in achieving its desired results on time, and there are concerns that it has insufficiently planned for scaling, replication, or sustainability. Moreover, gender and social inclusion remain challenges that the programme needs to address.

DAC Criteria	Rating	Summary conclusion
 Relevance	2	Above-average results, with better-than-expected performance in some areas.
 Coherence	2	Above-average results, with better-than-expected performance in some areas.
 Efficiency	4	Results not achieved, clear need for improvement.
 Effectiveness	4	Results not achieved, clear need for improvement.
 Impact	N/A	No score provided as this is a midterm review and it is premature to score impact.
 Sustainability	4	Results not achieved, clear need for improvement

Note: The scale ranges from 1 (excellent results, significantly better than expected) to 6 (the programme has failed, or the situation has deteriorated).

Lessons learned include the need for a clearer and locally owned theory of change, contextual gender mainstreaming, thorough community participation with ongoing support, adaptation and governance of VCS, simplification of delegated funding, robust sustainability and exit planning, mainstreaming climate and environmental protection, early investment in digital tools, strategic partnerships for policy dialogue, and practical inclusive capacity development approaches.

Recommendations focus on addressing these findings to improve the programme's performance in the remaining period. They emphasise strengthening gender inclusion, improving efficiency, enhancing sustainability planning, and fostering greater community participation.

Recommendations

1	Formally revise the programme theory of change.
2	Consideration of a programme extension.
3	Improve gender and social inclusion and LNOB.
4	Appoint a full-time Monitoring, Evaluation and Learning Officer.
5	Develop a strategy for increased national and provincial policy dialogue
6	Invest in local economic analysis to inform local decisions and socio-economic development.
7	Review of village credit and savings strategies.
8	Integrate environmental and social safeguards.



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