Kingdom of Cambodia
Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri
Project Performance Evaluation

Executive summary

Background

1. The Independent Office of Evaluation of IFAD (IOE) conducted a project performance evaluation (PPE) of the Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri (RULIP) in the Kingdom of Cambodia. The main objectives of the evaluation were to: (i) provide an independent assessment of the overall results of the project; and (ii) generate lessons and recommendations for the design and implementation of ongoing and future operations in the country.

2. This evaluation was based on a desk review of available data and project-related documents and a country mission from 27 February to 10 March 2017. Data collection methods included desk-based research and review, interviews with various stakeholders and key informants (e.g. former project staff, project implementation agencies, service providers, sub-national government officials, village chiefs, IFAD staff), focus group discussions with agricultural cooperatives and groups supported by the project (management and members), and direct observations (e.g. bookkeeping records, farming activities). The PPE team traveled in the project area and visited 13 communes in eight districts in the three project provinces. In total, the team met with 19 groups/organizations of beneficiaries (mostly agricultural cooperatives) that had varied levels of maturity and including five groups of ethnic minorities.

The project

3. The target group was defined as follows: (i) poor households with little land; (ii) landless households; (iii) woman-headed households with young children and many dependents; and (iv) indigenous/ethnic minority households. The targeting approach combined geographical targeting (selection of poor provinces, districts, communes and villages) and social targeting (wealth-ranking exercise).

4. The project objective was "to make a positive and sustainable impact on agricultural development" in the targeted communes. The expected project outputs were as follows: (i) farmers and communities adapt improved and sustainable farming and agricultural land management systems; (ii) improved services are delivered to the poor in a participatory and demand-driven manner; and (iii) increased capacity for policy analysis and pro-poor policy formulation is secured for the agriculture sector and for mainstreaming gender within the sector.

5. The project comprised two components: (i) livelihoods improvement, including support for group formation, group revolving funds (GRFs) and introduction of improved agricultural technologies; and (ii) support for decentralization and deconcentration in agriculture, involving support for project implementation and coordination at national, provincial and district levels, as well as gender mainstreaming.

6. The project was implemented between 2007 and 2014 with the cost of US$13.6 million. Major expenditure items were farmer training, in-kind and cash grants to groups to establish GRFs, and support services. Project services were provided predominantly through 634 beneficiary groups formed, through which 14,894 households were reached. Identified households were organized into three types of groups: most vulnerable family groups (very poor); livelihoods improvement groups (poor); and farming systems improvement groups (better-off).
Main evaluation findings

7. **Relevance.** The project objective and main thrusts were largely aligned with the Government’s policies and priorities for poverty reduction, agricultural development and decentralization. They were also coherent with IFAD’s strategic frameworks and country strategies. Support to decentralization and deconcentration and decentralized implementation arrangements were relevant.

8. The three broad areas of project support were overall relevant, although flawed by some shortcomings and over-assumptions. With regard to the project approach to group formation, there was lack of clarity on the purpose and role of beneficiary groups within and/or beyond the project. The approach to group formation – by design and in implementation - was rigid, in terms of the fixed size and categorization of the targeted households into groups based on poverty level. These issues affected the effectiveness and sustainability of benefits.

9. Despite the emphasis on “demand-driven” services in the project design, the approach to farmer training and extension services was largely based on standard packages, especially in the initial years. Furthermore, there was an over-assumption that when provided with training and extension services and access to loan funds, farmers would have sufficient means of production, skills and motivation to apply improved agricultural technologies.

10. **Effectiveness.** The project contributed to the adoption of improved technologies by the targeted households, but effectiveness was compromised by design and implementation issues. Adoption rates of agricultural technologies are likely to have been lower than expected and self-reported, due to, among other factors, weaknesses in the training and extension approach, especially in the initial years, as well as the lack of enabling conditions for farmers to apply the improved techniques, such as lack of access to water and sufficient labour. Adjustments made after the mid-term review in an effort to make the training modality more "demand-driven" contributed to improving the performance, but the remaining time was short, and it was also challenging to turn around some of the fundamental issues largely related to design, such as lack of clarity on the role and purpose of groups and the rigid approach to group formation.

11. GRFs helped ease the cash flow of beneficiary households, while the extent of their contribution to the adoption of improved technologies and productive activities was not substantial, also due to the context change. In earlier years, GRFs served an important source of finance for group members, but many members have increasingly taken loans from microfinance institutions, whose services in rural areas increased dramatically during the project, to finance farming activities or other needs, not least because of the limited amounts available from GRFs. Nonetheless, GRFs also contributed to increased social capital.

12. Performance of agricultural support and GRFs varied widely between the provinces owing to a combination of factors: capacity of provincial/district teams; quality of service delivery; and contextual issues. There were more challenges in Ratanakiri, with its high proportion of indigenous peoples and ethnic minorities, due to factors such as very low literacy rates, language issues, different farming systems and remoteness.

13. **Efficiency.** Despite satisfactory timeliness and disbursement performance and reasonable project management cost, there were a number of issues which negatively affected how economically resources and inputs were converted into benefits. Sub-optimal quality of implementation affected the adoption rates of improved agricultural technologies, especially in early years. This, combined with increased project costs and smaller outreach than envisaged, reduced the expected benefits mainly in terms of income increase from improved agricultural production and productivity.
14. **Rural poverty impact.** There is some consistency in reported results from the different surveys, showing an increasing trend in household incomes and assets, as well as agricultural productivity (for wet-season rice, cassava and cashew) and food security compared to non-project households. However, due to sampling problems, an absence of comparable baseline data and the general economic growth in the country, it is difficult to establish the extent or magnitude of positive impact or the attribution to the project. The survey data and the focus group discussions during the PPE field visit indicate that hunger was no longer a major issue among both project households and non-project households, but the malnutrition rate remains high in general, indicating that the quality of food, especially for small children (diversity and nutrition density) is inadequate.

15. Training and follow-up support in various areas – technical and agriculture-related, bookkeeping, gender issues, nutrition, group development and leadership skills – are likely to have improved the skills and knowledge of beneficiaries, even if not at an optimal level. Groups of beneficiaries centring around a GRF facilitated cooperation and social capital. It is probable that the project activities facilitated more interaction between commune councils and their constituencies, but the lasting effects on empowerment of organizations of the rural poor are not evident.

16. The project supported the public agricultural extension system to try, experience and appreciate demand-driven approaches, but the extent of its institutionalization is still low. The project contributed to building the capacity of public institutions and staff at provincial and district levels to conduct gender-related training and gender-sensitive monitoring. RULIP also contributed to upgrading the skills and services of village animal health workers.

17. **Sustainability of benefits.** The prospect for the continuation of collective activities by groups, including GRFs, is mixed and varies between the provinces. The transformation of groups into cooperatives with capacity-building support in the latter part of the project, which was pursued to address the issue of sustainability, was rushed. In a number of cases there was little critical reflection among the members on the rationale for becoming cooperatives. Except for Preah Vihear, agricultural cooperatives’ operations have not expanded much or gone beyond savings and credit. The agricultural cooperative law of 2013 provides a framework for the Government to provide regulatory and institutional support, but lack of staffing and funding, a physical target-driven approach to developing cooperatives and the lack of quality support can be a risk to nurturing strong and empowered member-based organizations.

18. The farmers who have adopted improved production practices are likely to continue to apply them as long as the practices are profitable, they have access to means of production, and no disaster events occur. However, they would need to access extension services regularly to remain up to date on their skills and knowledge (new varieties, disease or pest management practices, market demand). Therefore, the availability of effective agricultural support service (public or private) will be critical. At the moment, this prospect seems uncertain, while it is noted that the ongoing IFAD-financed Agricultural Services Programme for Innovations, Resilience and Extension (ASPIRE) aims to address this issue. The sustainability of agricultural extension service delivery will be challenged without additional financing (including from other projects), increased government budget allocations, built-in fee-based services or a combination of these mechanisms.

19. **Innovation.** The project’s emphasis on demand-responsive public sector agricultural service delivery was considered to be an innovation in the project completion report. However, this element has been present in earlier IFAD-financed projects, and it may be questioned how “innovative” it was. On the other hand, the efforts made to modify the training delivery modality to better suit indigenous peoples and ethnic minorities – for example, in terms of the location and the
language – may be considered innovative, particularly in the context of public
governmental extension systems. Another innovation introduced after the mid-term
review was social marketing approaches to improve early childhood nutrition at
village level. The approaches included “cooking competitions”, “champion mothers”
and “mother-to-mother social marketing activities”.

20. **Scaling up.** There is little indication that the innovative approaches/initiatives
discussed above have been scaled up. The ongoing ASPIRE may offer scope for
scaling up demand-responsive extension delivery and differentiated service delivery
to ethnic minorities, but this does not really reflect "scaling up" by other partners.

21. **Gender equality and women's empowerment.** Explicit attention to gender
issues and good collaboration with the Ministry of Women's Affairs and the
Provincial Department of Women's Affairs in each project province contributed to
good performance in this area. Related activities included awareness
campaigns/training (for staff and beneficiaries) on gender equality and women’s
rights and domestic violence, promoting women leadership in groups, and
technology transfer intended to promote income-generating activities for women.

22. With conscious effort, there was high level of women’s participation in beneficiary
groups, also in leadership position, although the level was comparably lower in
Ratanakiri, a province influenced by the social and cultural context of indigenous
peoples and ethnic minority communities. The evaluation noted that awareness
activities on gender issues led to the understanding that men and women have
equal rights to decision-making as well as to an improved division of labour at
home. The training approach of involving both husband and wife from the same
household was effective in facilitating these changes. At the same time, there was
little evidence that the project has contributed towards transformative change that
would lead to far-reaching social change in terms of gender equality and women’s
empowerment.

23. **Environment and natural resources management.** Many of the technical skills
introduced were focused on sustainable production practices and the proper use of
agro-chemicals, as well as natural inputs as part of integrated pest management,
such as manure and natural pesticides. While largely positive, these activities were
modest in terms of contributing to the environment and natural resources
management.

**Recommendations**

24. Key recommendations are provided below for consideration by IFAD and the Royal
Government of Cambodia.

25. **Recommendation 1. Design, implement and monitor differentiated
approaches grounded on target group analysis.** Some activities have already
been initiated to better integrate indigenous peoples’ issues and needs in the
context of the ASPIRE, and progress and performance should be monitored
continuously. There is also need to recognize the differences in capacity levels of
beneficiaries (as well as project implementers). Project approaches should be
adapted to maximize relevance and effectiveness, with appropriate allocation of
project investment and realistic timelines. For example, farmers who have been
less exposed to improved agricultural techniques or markets, or indigenous peoples
and ethnic minorities, may require more capacity-building support and follow-up
over a longer period of time, and such consideration needs to be reflected in
project design, budgeting and planning.

26. **Recommendation 2. Ensure farmer training and agricultural advisory
services are commensurate with farmers’ resources and conditions and
informed by market opportunities.** It is important to critically assess whether
there are sufficient enabling conditions for beneficiaries to take advantage of the
technical support package. The assessment should be context-specific and set forth
the scope, content and approach for project interventions. For example, consideration might be needed on whether it is necessary to incorporate more support for improved access to inputs/means of production (e.g. access to water), or to adjust/adapt the technical package to reflect the prevailing conditions (e.g. taking into consideration labour shortages). Projects should also support enabling farmers to make "informed" decisions on agricultural productive activities, taking into consideration key factors such as costs and benefits, inputs/labour requirements and market opportunities.

27. **Recommendation 3. Invest in capacity-building of farmer groups/organizations for their economic empowerment**, including but not limited to agricultural cooperatives. While cooperatives play an important role in building social capital, they are foremost business entities and an instrument for farmers to enhance their productive activities and incomes. Support to cooperatives may include capacity-building to strengthen internal governance and leadership development, and should be based on the principles of cooperative development, such as voluntarism, independence and autonomy, and democratic member control.

28. **Recommendation 4. Strengthen attention to nutrition in ongoing and future agricultural and rural development projects.** Despite economic growth, malnutrition is still a concern in Cambodia. Given some interesting experience in RULIP and IFAD’s stronger focus on nutrition in recent years, IFAD and the Government should explore opportunities to incorporate activities or adjust approaches with a nutrition lens in ongoing or future interventions where feasible.