

## Project Completion Report Validation

**Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme**  
**Lao People's Democratic Republic**  
**Date of validation by IOE: March 2019**

### I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia and the Pacific	Total project costs	19.335*		15.837~	
Country	Lao People's Democratic Republic	IFAD grant and percentage of total	13.963	72.2%	11.940~~	75.4%
Grant number	8089 - LA	Grant recipient (Gambian Government)	0.834	4.3%	0.562	3.5%
Type of project (subsector)	Food Security and Livelihoods	Cofinancier 1 (WFP)	3.745**	19.4%	0.962	6.1%
Financing type	Grant	Cofinancier 1 (LuxDev) <sup>+</sup>	N/A	-	2.132	13.5%
Financing terms	N/A	Cofinancier 1 (GIZ) <sup>++</sup>	0.435	2.2%	Withdrawn	-
Date of approval	13/12/2011	-----				
Date of grant signature	13/12/2011	Beneficiaries	0.358	1.9%	0.241	1.5%
Date of effectiveness	22/12/2011	Other sources (N/A)				
Financing amendments	N/A	Number of beneficiaries	Direct: 164 310 Indirect: <i>not provided</i>		Direct: 105 405 Indirect: 66 942	
Financing closure extensions	N/A	Project completion date	31/12/2017		30/06/2018	
Country programme managers		Financing closing date	31/12/2017		30/06/2018	
Regional director(s)	Nigel Brett Hoonae Kim	Mid-term review	06/11/2014			
Project completion report reviewer	Nuri Niyazi	IFAD grant disbursement at project completion (%)	94%			
PCR quality control panel	Catrina Perch Fumiko Nakai	Date of the project completion report	01/03/2018			

Sources: Project Completion Report (PCR) (2018), Design Completion Report (2011), Operational Results Management System (ORMS).

\* The approved total project costs were indicated in the PCR as US\$12.091 million, owing to adjustments in the amounts expected from the World Food Programme (WFP) and the Luxembourg Development Cooperation Agency (LuxDev). The figure indicated here, US\$19.335 million, is in agreement with the Design Completion Report and ORMS.

\*\* According to the PCR, the initially expected amount from WFP, US\$3.745 million, was revised to US\$1.200 million during project implementation, wherefore the PCR indicates the latter figure.

<sup>+</sup> The co-financing contribution from LuxDev was not included in the initial Design Completion Report and materialised only during project implementation.

<sup>++</sup> According to the PCR, the initial co-financing proposition by GIZ (German Agency for International Cooperation) was withdrawn during project implementation.

~ The actual total project costs would read US\$16.488 million, if the higher actual IFAD grant amount indicated in ORMS were considered, rather than the amount reported in the PCR (see annotation ~~ below).

~~ The actual IFAD grant amount disbursed is indicated in ORMS as US\$12.591 million. The discrepancy with the amount indicated in the PCR and listed here, US\$11.940 million, can be understood to have resulted from factoring in exchange rate losses.

## II. Project outline

1. **Introduction.** A grant for the *Soum Son Seun Jai* – Community-based Food Security and Economic Opportunities Programme (SSSJ) in the Lao People’s Democratic Republic was approved by the IFAD Executive Board on 13 December 2011 and became effective on 22 December 2011, with an expected duration of five years. The project was completed on 31 December 2017 and the grant closed on 30 June 2018, six months after the scheduled completion and closure date, respectively. SSSJ was a continuation of previous IFAD commitment to rural development in northern Laos, namely the Rural Livelihood Improvement Program in Xayabouly and the Community Initiatives Support Project in Oudomxay (OCISP).
2. **Project area.** The programme focused on the provinces of Xayabouly and Oudomxay in the northwest of the country, in four and five districts, respectively. The population of these mountainous districts comprised a wide range of ethnic groups. Upland areas were characterized by gently sloping land, with the midlands featuring steep slopes and generally poor soil fertility. Climate change was reported to have affected the project area by an increase in the intensity of rain showers, while at the same time having caused a reduction in the total annual rainfall.
3. At the time of project design, local farming systems relied on intensive land use, with yields reported to be in decline, thus significantly impinging on household food security. Some villages cultivated lowland paddy, including upland villages with access to small valleys. Livestock was an integral part of the farming system and provided for about half of the average income of farmers. The programme areas contained sizeable zones of natural and degraded forest, providing important resources for rural livelihoods. As such, much of the cash income earned by upland communities was derived from non-timber forest products (NTFPs), unsustainable harvesting of which was a significant issue. In both provinces, investments and cross-border trade in NTFPs and cash crops was increasing. Contract farming and the presence of foreign traders thus pushed the production of certain crops and non-timber plants, but provided limited market opportunities for vulnerable groups living in the more remote and mountainous areas.
4. **Project goal, objectives and components.** The goal of SSSJ was to contribute to the reduction of extreme poverty and hunger in the provinces of Xayabouly and Oudomxay. This was to be achieved through the project objective of ensuring sustainable food security and income generation for the rural poor in the target villages. The intended outcomes were: (i) for targeted farmers in the uplands to use improved and sustainable integrated production and conservation systems; and (ii) for links to markets to function effectively and for farmers to enjoy sustainable access to markets.
5. The project had three main components: **Component 1 – Integrated farming systems (US\$10.391 million, 54.5 per cent of total project cost):** this component focused on improving upland conservation and production systems, livestock development and water management, specifically micro-irrigation and village water supply. **Component 2 – Market linkages (US\$6.474 million, 34.0 per cent of total project cost):** this component was to undertake construction of village access roads and improve the target communities’ access to markets. **Component 3 – Project coordination and knowledge management (US\$2.193 million, 11.5 per cent of total project cost):** this component focused on the delivery of project coordination and knowledge management services at national, provincial and district level.
6. **Target group.** The main target group comprised ethnically diverse, poor rural households, falling into two primary sub-groups: (i) highly vulnerable, food-insecure households with limited capacity to enter into the market; and (ii) poor households that were rated as moderately food-secure and with a greater potential to enter into the market. Both categories shared a common livelihoods system

based on crop production, livestock rearing, collecting forest products and performing limited wage labour. Many households tended to move between these categories on a regular basis, and therefore many of SSSJ's activities were intended to cater to both sub-groups. The target communities lacked land security, with few having received permanent or temporary land titles, as well as services promoting enhanced subsistence farming or marketing of cash crops.

7. The targeting strategy was three-pronged, comprising: (i) geographical targeting based on poverty ratios; (ii) self-targeting based on the types of activities that were to be implemented under the programme; and (iii) the potential of farmers' organizations for enhanced production and market linkage. Non Lao-Tai ethnic groups comprised an estimated 90 per cent of the target population, as ethnicity was found to be significantly correlated with poverty levels. This held true particularly for the Mon-Khmer (a non Lao-Tai ethnic group), which was strongly represented within the programme area.
8. **Financing.** The total project cost was US\$15.837 million, constituting 81.9 per cent of the total project budget. IFAD grant disbursement was US\$11.94 million, corresponding to 75.4 per cent of the actual total cost. Financier contributions are shown in Table 1 and planned (approved) *versus* actual (disbursed) costs per component with disbursement rates are presented in Table 2. It should be noted that Component 3 (Project coordination and knowledge management) was apportioned 44.9 per cent of the actual total cost, constituting a considerable increase from the planned 11.5 per cent of total budget.

Table 1  
Project costs (in US\$ million)

	Approval (1)	% of total	Actual (2)	% of total	Disbursement rate (2/1)
IFAD grant	13.963	72.2%	11.940	75.4%	85.5%
WFP *	3.745	19.4%	0.962	6.1%	25.7%
LuxDev **	-	-	2.132	13.5%	N/A
GIZ ***	0.435	2.2%	-	-	0.0%
Government	0.834	4.3%	0.562	3.5%	67.4%
Beneficiaries	0.358	1.9%	0.241	1.5%	67.3%
<b>Total</b>	<b>19.335</b>		<b>15.837</b>		<b>81.9%</b>

Sources: PCR (2018), Design Completion Report (2011), ORMS.

\* According to the PCR, the initially expected amount from WFP, US\$3.745 million, was revised to US\$1.200 million during project implementation.

\*\* The co-financing contribution from LuxDev was not included in the initial Design Completion Report and materialised only during project implementation.

\*\*\* According to the PCR, the initial co-financing proposition by GIZ was withdrawn during project implementation.

Table 2

**Component costs (in US\$ million)**

	<i>Approval (1) *</i>	<i>% of total</i>	<i>Actual (2)</i>	<i>% of total</i>	<i>Disbursement rate (2/1)</i>
Component 1 – Integrated farming systems	10.391	54.5%	5.623	35.5%	54.1%
Component 2 – Market linkages	6.474	34.0%	3.110	19.6%	48.0%
Component 3 – Project coordination and knowledge management	2.193	11.5%	7.103	44.9%	323.9%
<b>Total</b>	<b>19.335</b>		<b>15.837</b>		<b>81.9%</b>

Sources: PCR (2018), Design Completion Report (2011).

\* The PCR indicates approved components costs that differ from the ones listed in the Design Completion Report: US\$7.251 million for Component 1, US\$5.550 million for Component 2 and US\$4.748 million for Component 3, totalling US\$18.749 million.

9. **Implementation arrangements.** The Ministry of Agriculture and Forestry (MAF) was the lead implementing agency for the project, through its Department of Planning and Cooperation. The PCR notes that SSSJ was implemented through a multi-stakeholder implementation modality, with almost all main field-level project activities implemented by the district technical offices of Government, including District Agriculture and Forestry Offices, District Public Works and Transport Offices, District Offices for Public Health and District Lao Women’s Unions. This was reportedly consistent with the *Sam Sang* devolution policy of Government and considered important for strengthening local ownership. Implementing partners from the non-governmental organization and civil society sectors included Cord U.K., CARE International and the Oudomxay Beekeepers’ Association.
10. **Changes during implementation.** Several adjustments were made during implementation to the project design, including: (i) the launch of a nutrition initiative with a strong gender focus; (ii) the abandonment at mid-term review (MTR) stage of a number of programme design features, including leasehold forestry development, land tenure rights, warehouse receipt systems, village banking and public-private partnerships (PPPs); (iii) the establishment of in-kind revolving funds, including community rice banks and goat banks; and (iv) the mainstreaming of the Village Development Fund (VDF) as a key intervention modality of the programme after its successful introduction under the LuxDev component. The below section titled “Relevance” provides further details regarding these changes.
11. **Intervention logic.** The SSSJ was a rural development initiative in two provinces in northern Laos, aimed at contributing to rural poverty alleviation by enhancing income generation and agricultural production and productivity through investment interventions for improved and sustainable farming practices and market access.
12. The intervention logic was built around an effective strategy for engaging poor households in a range of diversified productive activities both on and off the farm to minimize the vulnerability of households during lean periods. At the same time, income-generating opportunities were to be expanded so as to assist in increasing the households’ asset bases. In order to achieve this, the programme’s interventions were designed to: (i) introduce more diversified cropping options and climate-resilient, integrated farming systems with more climate-smart agricultural practices; (ii) integrate NTFPs and livestock husbandry into household income-generating activities; and (iii) enhance food and nutrition security.
13. Activities resulting from improved access to markets were expected, firstly, to provide incomes supplemental to poor households’ farming activities, thus

improving their food security status, and, secondly, to generate greater economic and financial opportunities for target communities. Strengthening of the farmers' organizations was considered an important programme design element that would allow for sustainable community-based management of natural resources and enable adoption of the enhanced technologies and improved access to water.

14. **Delivery of outputs.** A detailed table summarising SSSJ's output delivery by component is presented in Annex III. The outputs enumerated in the PCR were achieved to completion rates meeting or indeed, for most outputs, exceeding their respective appraisal targets, in some cases by a considerable margin. In view of the significant delay in implementing the programme interventions and the eventual reduction in the budget allocation for Components 1 and 2, the overall over-achievement in output delivery might indicate an underestimation of targets at appraisal. The only output with a conspicuously low achievement rate (3.2 per cent) was the creation of PPPs, which was one of the interventions that were discontinued at MTR stage (see below section "Relevance").

### III. Review of findings

#### A. Core criteria

##### Relevance

15. **Relevance of goals and objectives.** SSSJ's goal of contributing to the reduction of extreme poverty and hunger in the two target provinces was aligned with the development objectives of the Government of Laos, as outlined in its seventh and eighth National Socio-Economic Development Plans (2011-15 and 2016-20, respectively). These Plans set out a strategy to meet the Millennium Development Goals of eradicating hunger and extreme poverty. Further, SSSJ's focus on the enhancement of food security and nutrition through agricultural development and income generation was deemed highly relevant to the National Strategy and Action Plan on Food Security and Nutrition.
16. The programme objective of ensuring sustainable food security and income generation through integrated production systems and market linkages directly addressed the target communities' important needs for creating productive and sustainable livelihood systems that would ensure food and nutrition security and boost rural incomes.
17. **Adequacy of project design.** The intended technical interventions centred on improving upland conservation and production systems, promoting livestock development and sustainable water management, and improving road connectivity and access to markets. However, the PCR described a number of weaknesses in the programme design, as follows: (i) the range of technologies that were to be disseminated proved too diverse, rendering the programme overly complex and ambitious in the remote upland context, particularly given the limited technical and institutional support capacities of the implementing government agencies; (ii) capacity development of these agencies was not sufficiently considered; (iii) SSSJ's institutional set-up notably did not include institutionalized community focal points, resulting in unsystematic, inconsistent and ineffective management of implementation activities at the community level; (iv) a number of programme design features emerged to be too complicated to be technically sustained and were discontinued after the MTR, including leasehold forestry development, land tenure rights, warehouse receipt systems, village banking and PPPs;<sup>1</sup> (v) other important initiatives, notably conservation farming, farmer field schools (FFS) and NTFPs, did not gain traction, as technical assistance was inadequate and other

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<sup>1</sup> While these design features were described in the PCR as innovative, they had not been explicitly conceived as such in the Design Completion Report, where three of these activities (leasehold forestry, land tenure and PPPs) were nonetheless indicated as pilot interventions. These activities were not listed in the "physical progress table" of the PCR and did therefore not affect the output delivery rates determined in that section.

avenues for livelihood improvements had to be introduced in their stead, namely in-kind revolving funds such as community rice banks and goat banks; these adaptations improved project results but occurred with a delay and were insufficient to meet appraisal targets according to the PCR; and (vi) for construction activities, inappropriate infrastructure design was noted in the PCR, as well as insufficient arrangements for operations and maintenance.

18. This PRCV considers that all of the above-mentioned design weaknesses could have been avoided, or risks of failure of project interventions mitigated or minimized, if the lessons learnt and recommendations produced in several highly-relevant strategy documents and evaluation products had been duly considered in the design of SSSJ. Notably, the Completion Evaluation of OCISP (2011), one of the two precursory projects to SSSJ (see section titled "Introduction"), made the following recommendations, *inter alia*, based on an assessment of the performance and the experiences made in implementing the project: (i) future projects focused on agriculture and natural resources management (NRM) would have to address the deficiencies of the agricultural extension system and institutional management and commitment; (ii) given that the resources and training provided by OCISP proved insufficient to effectively address the weak institutional capacity of implementing agencies, any new project formulation process should include extensive discussion and analysis with provincial agriculture offices in particular, so as to understand what problems underlay the weak management and commitment and how these could be effectively resolved; (iii) a broad-based community development approach with a proliferation of activities was cautioned not to be cost-effective in the more remote areas of the northern provinces and careful consideration of the range of implementation activities was recommended for future project designs; and lastly, (iv) OCISP's experience was highlighted that access and transport had proved challenging and staff with knowledge of ethnic languages were not readily available.
19. By the same token, the IFAD Country Strategic Opportunities Programme for Laos (2011) presented several lessons for future programming that are directly relevant to the design inadequacies discussed above: (i) decentralized decision-making systems should be supported and more accountability given to district levels and grass-roots participation in the planning and implementation of activities should be a priority; and (ii) the operation and maintenance of infrastructure investments should be a strong focus from the beginning of each future project.
20. **Project adjustments during implementation.** Several adjustments were made during implementation to the project design in an effort to ensure continued high levels of relevance of project interventions. Firstly, SSSJ piloted a nutrition initiative as part of its interventions in response to the government's launching of its National Strategy and Action Plan on Food Security and Nutrition in the early stages of programme implementation. This initiative featured a strong gender focus and a methodology for participatory planning and implementation. Secondly, the programmatic mainstreaming of the VDF after its successful introduction under the LuxDev component ensured an effective financing and delivery modality for locally-formulated village investment plans.
21. In summary, on the one hand, SSSJ's goals and objectives were well-aligned with government development objectives and the communities' needs, and several appropriate design adjustments were made during implementation so as to accommodate additional emerging government priorities for rural development and build on effective modalities for the financing of village-level investment plans. On the other hand, a number of substantive inadequacies in the programme design were apparent, leading to the abandonment of several important interventions in the absence of sufficient technical support. *This PRCV therefore rates the relevance of SSSJ as moderately satisfactory (rating 4)*, in agreement with the rating provided by the Programme Management Department (PMD).

## Effectiveness

22. The total number of beneficiaries reported in the PCR to have been reached during SSSJ implementation were 24,565 households, translating to around 124,054 individuals. Against an appraisal target of 17,000 households, this represents a success rate of 144.5 per cent, constituting a considerable achievement on the part of the project. The PCR stated that 70 per cent of the beneficiaries belonged to the category of poor households at the time they engaged with the programme and that 48 per cent of participants were female, with 90 per cent of all beneficiaries belonging to non Lao-Tai ethnic groups.
23. As indicated in the above section titled "Delivery of outputs", physical outputs and indicator targets across all three project components were delivered or met with high completion rates in almost all cases, many targets having been exceeded by considerable margins by the time of project completion. This assessment excludes leasehold forestry development, land tenure rights, warehouse receipt systems, village banking and PPPs, which were noted in the PCR as having been discontinued following the MTR and were not listed in the PCR's "physical progress table" (see sections "Adequacy of project design" and "Changes during implementation"). Notwithstanding, given that three of these activities (leasehold forestry, land tenure and PPPs) were designed as pilot activities on a limited scale and that the project had envisioned to merely facilitate the use of warehouse receipting and village banking, the cancellation of these activities can be assumed not have had any significant bearing on SSSJ's overall output delivery against appraisal targets.
24. **Objective 1: Use of improved and sustainable integrated production and conservation systems.** According to the Design Completion Report, the main expected outputs under Component 1 related to additional land cultivated during the dry season (including with forage crops), sustainable harvesting of NFTP, additional land under irrigation and promotion of small livestock husbandry. The expected outcomes included strengthening of farmers' organizations with regard to community-based management of natural resources, adoption of the promoted enhanced technologies and improved access to water.
25. The PCR narrative section on the effectiveness of Component 1 provided an overview of the implemented activities, as well as several output figures, notably for capacity building activities. As such, 8,077 farming households received training in best practices for cultivating main crops, cash crops and vegetables, intercropping, tree plantations, livestock raising (feed, health and husbandry) and fish farming, optimized use of fertilizers and pesticides, and sustainable use of land and water resources. Practical skills transfer was reportedly ensured via the use of FFS, with a total of 189 sessions held (against a target of 220) for 2,367 participants (among whom 24 per cent were women), focusing on home gardening, greenhouse crop production and integrated pest management, *inter alia*. With regard to the latter's effectiveness, however, the PCR conceded that their quality varied greatly between programme locations, mainly depending upon the commitment of trainers and lead farmers. Dropout rates were reported to be significant, indicating inadequacies of the promoted approaches for local conditions, including overly lengthy curricula and cropping seasons overlapping with upland rice. In other sections of the PCR narrative the lack of traction of FFS was pointed out, to the extent that alternative interventions were introduced, thus further highlighting the ineffectiveness of FFS activities.
26. The physical outputs delivered under the water management interventions<sup>2</sup> lacked sustainability provisions, thereby limiting their effectiveness in terms of continued operationalization and management (see section "Sustainability"). The PCR further

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<sup>2</sup> Outputs of the water management interventions included the construction of 70 small irrigation schemes, with a command area of 543 ha and benefiting 1,548 households, as well as 79 drinking water supply schemes for a total 7,340 households.

noted that new value chains (e.g., tea and cardamom), introduced at a limited scale, were taken up by farmers.

27. Apart from the PCR narrative, further data in support of an assessment of the programme's achievement of Objective 1 were found in the appended logical framework, where actual achievement rates for the various indicators were presented. As such, 12.4 per cent of participating households were reported to have adopted conservation technology practices (against a target of 30 per cent), and 38.5 per cent improved poultry, pig or goat raising models (target of 43.7 per cent). Targets for land tenure rights were not achieved, as this activity was not implemented. This PCRV considers that the sources for the above data were not indicated in the PCR and that these results should be described in the PCR narrative, given their importance in the context of effectiveness evidence.
28. **Objective 2: Effective market linkages and sustainable market access.** The main outputs subservient to the objective of enhanced market access and linkages were listed in the PCR narrative to be 190 kilometres of constructed village access roads (against a target of 220 kilometres), as well as the formation of 974 interest groups (against a target of 744), with 378 focused on crop cultivation and 596 on livestock raising. Notwithstanding these outputs, the PCR conceded that only a limited effect was achieved on farmers' access to markets, citing inappropriate design of access roads and inadequate quality control and operations and maintenance arrangements as disabling factors.
29. The PCR noted that the sub-component on market access delivered only few of its planned outputs, with several of the original intervention elements having been discontinued after the MTR, as they proved too complicated to be technically sustained (see sections "Adequacy of project design" and "Changes during implementation"); the included leasehold forestry development, land tenure rights, warehouse receipt systems, village banking and PPPs. Rice banks were introduced as a type of in-kind revolving fund in the last two years of the project, with 90 such banks set up, each serving around 43 households.
30. With regard to the indicators intended in the logical framework for Component 2 – (i) households reporting improved road accessibility, (ii) villages benefitting from improved marketing, storage or processing; and (iii) percentage household income increase from marketing support – this PCRV considers that the achievement rates were not adequately reported on.
31. **Project design and implementation factors.** In addition to the project design issues mentioned in the section titled "Adequacy of project design", a further factor impinging on the effective delivery of SSSJ related to the implementation of the programme. Namely, appropriate service to the target communities was not achieved by the project with specific regard to effective communication with women beneficiaries from ethnic groups in particular, with language barriers remaining insurmountable (see below section "Gender equality and empowerment"). While the programme design, based on the earlier experiences, had discussed the importance of cultural sensitivity and the use of languages of the target ethnic groups, and the need to hire suitable bilingual staff, the programme evidently did not succeed to implement these provisions, relying on male technicians unversed in the local languages.
32. Notwithstanding the rather scant effectiveness evidence provided in the PCR overall, in view of the considerable achievements with regard to output delivery particularly for the integrated production systems component, which did translate to positive economic impacts (see below section "Rural poverty impact"), *this PCRV rates the effectiveness of SSSJ as moderately satisfactory (rating 4)*, in agreement with the rating provided by PMD.



## Efficiency

33. Despite the immediate start of programme implementation, the PCR noted that SSSJ experienced a difficult operational roll-out and struggled during the first half of its implementation without achieving significant results. Important design changes introduced at MTR (see section "Changes during implementation") helped the programme speed up implementation progress and recover its overall performance. Although achievements in terms of outputs at completion were satisfactory, the PCR noted that efficiency in its delivery was negatively affected by cumbersome and inefficient procurement procedures.
34. **Project management costs.** The project management costs proved to be significantly higher than budgeted, with actual disbursements for Component 3 (Project coordination and knowledge management), constituting 44.9 per cent of the actual project cost. This caused a commensurate reduction in funding available for the two technical components. Several reasons were provided in the PCR for this dramatic increase in actual operating costs *versus* budgeted ones: (i) the complexity of institutional structures involved in programme implementation, including the sizeable coordination teams put in place at national, district and local levels, and (ii) the difficult access to the remote target communities. As outlined in the above section titled "Adequacy of project design", these issues could have been anticipated in the project design if the lessons learned had been considered in the design of SSSJ.
35. **Economic rate of return.** The economic rate of return with a 20-year horizon at completion was calculated in the PCR to be 13 per cent with a positive net present value and a benefit-to-cost ratio of 1.2. The main factors contributing to the higher economic rate of return compared to the appraisal projection (11 per cent) were indicated in the PCR to be: (i) outreach to a greater number of beneficiary households than planned; (ii) the introduction of successful activities, such as fish-farming and rice banks, that had a high rate of uptake by beneficiaries; (iii) stronger market forces in the project area as a result of increased road connectivity. It is questionable, however, whether the strengthened market forces were attributable to SSSJ, given the PCR's assessment that the project's effect on market access and road connectivity were limited; indeed, national surveys showcased a general upward trend in economic status in the two provinces (see below section "Household assets and incomes"), and the PCR, elsewhere in its narrative, pointed towards a strong trading presence of Chinese companies. Conversely, the factors hampering economic impact were described as: (a) delays in engaging beneficiaries in the first half of programme implementation, resulting in high disbursements and few benefits to target communities during that period; (b) a lag in realization of positive net benefits from most productive activities of two to three years, wherefore such benefits only commenced in the last year of the programme.
36. In view of the significant implementation delays occurring through the first half of the programme period, with target communities receiving project support only during the last two years of implementation, as well as the exceedingly high management expenditures ratio, *this PCR rates the efficiency of SSSJ as unsatisfactory (rating 2)*, lower than the moderately unsatisfactory rating (3) provided by PMD.

## Rural poverty impact

37. Data showcased in the PCR in support of the project's claims of rural poverty impact were derived primarily from the baseline and endline surveys of the Result and Impact Management System (RIMS). These surveys did not include

comparisons with households without-intervention. This limits the strength of the impact evidence.<sup>3</sup>

38. Data on nutrition impacts were collected by the district-level Department of Health staff as part of their regular monitoring of malnutrition levels, as measured by way of the standard anthropometric indicators.<sup>4</sup>
39. **Food security and agricultural productivity.** The PCR described SSSJ's contribution to agricultural productivity to lie mostly in the introduction and promotion of high-value crops, including vegetables and cash crops, such as tea and cardamom, and in the intensification of livestock production through improved animal rearing practices. In this vein, the evidence provided for productivity impacts was limited to the level of outputs and outreach, as well as indications of crop diversification in terms of the number or percentage of households: (i) growing vegetables (increasing from 2 to over 15 per cent of households during the programme implementation period); and (ii) taking up tea or cardamom cultivation (numbering 272 and 6,103 farmers, respectively, which corresponds to 1.1 and 24.9 per cent of participating households). Actual productivity increases of staple crops, i.e., rice and maize, were described to be moderate, with the average rice yield reportedly increasing from 3.5 to 4 tonnes per hectare during the wet season as a result of improved water infrastructure, which also enabled farmers to produce a second crop or dry-season vegetable cultivation.
40. Improving food security and nutrition status was the second outcome-level change intended by the programme. The target for the food-security outcome indicator was reported to have been exceeded, as RIMS data revealed a reduction in target households experiencing one hunger season per year<sup>5</sup> by 41 per cent, against a target of 35 per cent. With regard to child nutrition impacts (with an appraisal target of a 20-per-cent reduction in malnutrition), there were inconsistencies in the presented impact data between the PCR narrative and the appended logical framework. The narrative outlined a reduction of stunted, underweight and wasted children by 7, 3 and 10 percentage points, respectively, whereas the indicator achievement rates in the logical framework indicated 19, 42, 32 and 12 per cent reductions in stunting, severe stunting, wasting and being underweight. The level of programme impact on nutrition therefore remains unclear, and it is not clear that the nutritional changes in children, as well as enhanced food security levels, during the implementation period may be attributed to the programme activities, given that these only commenced two years before programme closure.
41. **Household incomes and assets.** The RIMS survey results showed that direct beneficiary households experienced an overall growth in income<sup>6</sup> in the order of 57 per cent during the programme implementation period (2011-2017), which greatly exceeded the stated target of a 20-per-cent increase. Further, the RIMS household asset ownership index indicated that the number of poorest households was reduced by 9 percentage points and the number of "medium-poor" by three points. The PCR determined that SSSJ had contributed to lifting 2,947 households out of poverty, corresponding to 4.97 per cent of the total population in the two target provinces (59,261 households). SSSJ thus succeeded in attaining its numerical goal

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<sup>3</sup> The PCR noted that certain analyses produced from the RIMS data, notably the RIMS household asset ownership index, were to be treated with caution, as the PCR team could not assess all calculations in depth. On the other hand, the PCR assured that the RIMS survey results themselves were validated by the PCR mission by triangulating these with other data sources, namely the LuxDev mid-term evaluation, IFAD supervision reports, project monitoring and evaluation (M&E) reports and interviews with programme stakeholders. The PCR also drew on secondary data from national household surveys – the Laos Expenditure and Consumption Surveys 2012-13 and the Lao PDR 2015 Census-Based Poverty Map 2016 – to assess general trends of poverty reduction in the two target provinces. It was reportedly not possible to disaggregate the data at the district level so as to allow correlation with the results of the programme surveys.

<sup>4</sup> The standard under-five anthropomorphic indicators used were stunting (height for age), wasting (weight for height) and being underweight (weight for age).

<sup>5</sup> The average duration of hunger periods experienced by farming households was three months.

<sup>6</sup> Income levels were adjusted using the Consumer Price Index.

of reducing the poverty rate in Xayabouly and Oudomxay Provinces by five per cent.

42. The PCR conceded, however, that the observed economic impacts could not be fully attributed to the programme activities in view of the aforementioned national surveys (see beginning of the section "Rural poverty impact") indicating a significant general reduction in the prevalence of poverty and extreme poverty<sup>7</sup> and hence more favourable economic conditions of households in the two target provinces. Notwithstanding, the PCR argued that the programme households' involvement in SSSJ provided opportunities for increased production and productivity that would not have been available otherwise; these, in turn, were reflected in increased revenue from crop and livestock sales as well as other income-generating activities. Furthermore, most households were able to diversify their income streams by producing more than one crop or rearing more than one type of livestock. As such, the proportion of households generating income from more than one source increased from 65 per cent at baseline to 80 per cent at endline stage.
43. SSSJ's qualitative impact analysis, as well as monitoring and evaluation (M&E) reports and IFAD supervision reports, were described in the PCR as confirming that the programme outputs directly led to an increase in income and assets and a reduction in poverty; this reportedly occurred through enhanced production and productivity, as well as premium selling prices achieved for higher quality crops and livestock products. Further, the programme's economic and financial analysis indicated positive impacts on the return on labour, which, for the most profitable activities, such as fish farming, increased six-fold compared to the average unskilled daily wage. The increased returns were thought to act as a financial incentive for households to avoid out-migration from upland areas.
44. Lastly, given the delayed onset of programme interventions and receipt of programme services by beneficiaries, as well as the fact that economic benefits were seen to start accruing after ca. two years, the PCR highlighted that the endline survey would only have captured the SSSJ's impact for around 40 per cent of total beneficiaries; therefore, development impact on poverty reduction was deemed to be plausibly expected to continue and reach beyond 5 per cent around two years after programme completion.
45. Assessing the overall evidence of impact on household incomes and assets, while substantive gains in incomes and asset ownership were documented and poverty rates in the target communities were assessed to have been reduced beyond the appraisal target, these economic impacts can not be fully attributed to the programme and must thus be viewed with caution, as also indicated in the PCR. Notwithstanding, the PCR credibly showcased several additional impacts, including a 15-per-cent increase in household diversification of income streams and confirmation by several analyses and reports that programme outputs led to increases in income, assets and returns to labour and a trend of declining labour out-migration. These findings thus highlight an overall positive programme impact on household economies, albeit somewhat limited.
46. **Human and social capital and empowerment.** The PCR emphasized that empowerment of the poor, women and non-Lao Tai vulnerable households was a cross-cutting issue of SSSJ and that geographic targeting ensured the inclusion of vulnerable groups and poor villages. The specific impact evidence provided with regard to human and social capital and empowerment was largely anecdotal and limited to the formation of, and beneficiary household members' participation in, community groups, including operation and maintenance groups for water

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<sup>7</sup> The national household surveys indicated that poverty prevalence in the two target provinces of Xayabouly and Oudomxay decreased from 57 per cent in 2012 to 27 per cent in 2016, with extreme poverty being reduced from 32 to 23 per cent.

infrastructure, learning and support groups for livestock and crop production, rice bank groups and village groups for the implementation of the VDFs.<sup>8</sup> The PCR noted that these groups served to strengthen social capital, although more detailed information as to the particular mechanisms was not provided, other than for VDFs. As such, VDF group members were involved in participatory identification of priorities and implementation of the agreed investments, including operations and maintenance and handling of procurement of programme inputs. This control over resources as a new model for rural development was reported to have been highly beneficial for the target communities and effective in building increased community cohesion and empowerment.

47. In terms of human capital, capacity building and skills transfer activities for enhanced production methods did not appear effective, as discussed in the above section titled "Effectiveness".
48. **Institutions and policies.** The PCR explained that the programme, in its early stages, provided technical assistance to several policy processes in the agricultural and development sectors, with the aim of informing relevant policy dialogues with the experiences gained from implementation on the ground; these included the Sector Working Group on Agriculture and Rural Development, the Policy Think Tank of the National Agriculture and Forestry Research Institute and MAF's "ProMIS" monitoring system. However, these intended inputs to national policy processes were abandoned during the implementation of SSSJ in view of the changes made to the interventions and programme design, resulting in limited policy impact according to the PCR.
49. The PCR also pointed to the following achievements in the context of institutional and policy impact: the removal of the monopoly on tea purchasing in the province of Xayabouly (reportedly held by a number of Chinese companies) and the VDF-centred approach for implementing development activities at the village level. Further information on the programme's effect on the tea trade and on whether the VDF-centred approach was institutionalized or taken up by local governments would be required to be able to assess their policy or institutional relevance.
50. In view of, on the one hand: (i) the reported reduction in periods of food insecurity beyond the appraisal target (albeit with questionable attribution to the programme); (ii) the substantive gains made for incomes and asset ownership, as well as the attainment of the overall programme goal of poverty reduction in the two target provinces (again with questionable attribution); and (iii) the reported enhancement of social cohesion and empowerment of communities through participatory planning and implementation of VDF investments; and, on the other hand: (a) reported productivity impacts being limited to farmers' adoption levels of diversified cash crops and marginal yield increases for rice; (b) the unclear level of impact on child malnutrition (again, with questionable attribution); (c) the anecdotal and weak general evidence for human and social capital and empowerment through the establishment of community groups; (d) the compromised effectiveness of capacity building and skills transfer activities; and (e) the limited and unclear impact on institutions and policies, *this PCR rates the overall rural poverty impact of SSSJ as moderately satisfactory (rating 4)*. This is in agreement with the rating provided by PMD.

### **Sustainability of benefits**

51. **Community engagement, participation and ownership.** High levels of the sustainability drivers of ownership and community participation were indicated the PCR for VDF activities in particular, owing to their participatory nature with regard to the identification of community priorities and implementing according

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<sup>8</sup> Overall the programme directly contributed to the establishment and support of 685 farmers groups, with a total of 19,656 beneficiary members. <sup>[1]</sup><sub>[2]</sub>

investments. For this reason, infrastructure established under the VDF financing mechanism was expected to be maintained sustainably beyond the programme duration. Conversely, a sense of community ownership of other infrastructure projects undertaken outside of the VDF mechanism, notably road construction, were deemed to be low, as was the consequent likelihood of community-based operations and maintenance arrangements or commitment of institutional service support. Compounding these maintenance concerns, all civil works, particularly roads and small-scale irrigation schemes, were considered in the PCR to be highly vulnerable to extreme weather events associated with climate change.

52. The sustainability prospects of community in-kind banks, notably rice banks and goat banks, were considered favourable in view of the positive results achieved during the second half of the programme with regard to revolving productive assets and the scale of these activities. The PCR also referred to the participants' expressed intentions to continue the community bank operations beyond the programme, as well as to maintain their uptake of the new knowledge, skills and practices imparted by SSSJ, while further information was not provided as to how these beneficiary views were garnered and to what extent they were prevalent.
53. The PCR further postulated that the social capital acquired through SSSJ, including community solidarity, partnership-building and networking, would persist after programme closure. Yet, again, no rationale or evidence were provided to substantiate this assessment. Lastly, the PCR also expected the investments in nutrition-sensitive agriculture (vegetable gardens, greenhouses and fishponds) to be sustained by the community organizations, given their alignment with national strategies (see above section "Relevance"). However, the continuation of these policy-relevant interventions will require sustained institutional support, not just beneficiary interest.
54. **Government commitment towards sustainability.** With regard to government commitment towards sustaining the programme benefits, seemingly contradictory views were presented in the PCR: on the one hand, the established and strengthened relationships between the communities and public service providers lending technical assistance to communities at district-level were deemed to be sustainable beyond the programme duration; while, on the other hand, in the same narrative section on sustainability, the operationalization of continued government technical support to communities was considered unviable in the absence of provisions for maintaining the operational budgets required for effective service delivery beyond the duration of SSSJ. As a matter of fact, this issue was flagged as a major sustainability threat for the programme, as it was seen to compromise the continuity of technical extension services.
55. In view of, on the one hand, high levels of ownership and consequent sustainability prospects for VDF infrastructure investments and community in-kind banks; and, on the other: (a) inadequate community-based operations and maintenance arrangements for other infrastructure, notably roads; (b) the vulnerability of all civil works to damage from climate change events; and (c) the negative outlook for continued operationalization of government technical support to communities, *this PCR rates the sustainability of the benefits of SSSJ as moderately unsatisfactory (3), lower than the rating (4) provided by PMD.*

## **B. Other performance criteria**

### **Innovation**

56. SSSJ successfully piloted several innovative approaches under the LuxDev funding component, which were mainstreamed as key programme interventions following the MTR, in lieu of activities that had proven ineffective (see above section "Changes during implementation"); these approaches, which were deemed effective mechanisms for decentralized, village-level programme implementation, comprised "Agricultural Producer Group" block-grant support for group business

planning and investment, VDFs for village development planning, rice banks and the nutrition initiatives (see above sections "Relevance of goals and objectives" and "Project adjustments during implementation" for further information on the latter approaches). In addition, the PCR indicated that SSSJ had introduced innovative technologies, but did not provide any further information on these.

57. In view of the successful innovative rural development approaches introduced under the project, *this PCR rates SSSJ innovation as moderately satisfactory (4)*, in agreement with the rating provided by PMD.

### **Scaling up**

58. The PCR indicated that IFAD-assisted projects in Laos replicated village-level development planning and funding approaches based on SSSJ's experience with VDFs and Agricultural Producer Groups, although the names of these projects were not specified. Replication of successful interventions in IFAD-financed projects does not constitute, *per se*, scaling up in alignment with the according IFAD definition. The PCR further indicated that the nutrition initiatives and VDFs had proven to be "leading approaches" for other donors and the government, with the VDF financing and delivery modality generating particular interest, while, again, no further information was provided to substantiate these statements.
59. In view of the very limited and vaguely-stated results reported in the context of scaling-up the programme's interventions, *this PCR rates the scaling-up criterion for SSSJ as moderately unsatisfactory (3)*, in contrast with the moderately satisfactory rating (4) provided by PMD.

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

60. **Women's access to resources, assets and services.** According to the Design Completion Report, SSSJ set out to target women for the livestock enterprise activities, pilot women's forestry leasehold groups and provide specifically women from ethnic groups access to market information. The PCR did not, however, report impacts to women specifically in relation to these targets. Rather, the PCR narrative was found to emphasize at length the relevance of targeting women and women-headed households in general terms, given their disadvantaged access to assets, resources and services, levels of literacy and exposure to the wider community. The report also described the launch of a nutrition initiative supposedly with a strong gender focus. Notwithstanding, as explained in the PCR, the programme lacked a consistent gender strategy and dedicated programme personnel (such as a professional with gender expertise), resulting in a missed opportunity to achieve meaningful results in this aspect. At the level of appropriate service-delivery to the target communities, it was noted that the challenges of effective communication with women beneficiaries from ethnic minorities were not addressed or overcome by the programme, which continued to rely on male technicians unversed in the local languages (see above section "Project design and implementation factors").
61. In terms of outreach, the PCR noted that at least 48 per cent of all programme participants were women and argued that, to a certain extent, gender-specific needs would have been addressed by default given the high rate of female participation.
62. **Women's influence in decision-making.** The PCR indicated that 41 per cent of the 11,639 households participating in the VDFs were female-headed, with the latter fully involved in participatory identification of village development priorities and implementation of the agreed investments, thereby contributing to their empowerment.
63. **Women's health, skills, income and nutritional levels.** Programme impacts on women's health, skills, income and nutritional levels were not described in the PCR, other than a reference to increased revenues from crop and livestock sales and

other income-generating activities having been achieved, with female-headed households enjoying a relatively higher share of the benefits than male-headed ones. These economic gains remained unquantified, however. No nutritional impacts were reported in the PCR, notwithstanding the programme's introduction of dedicated nutrition initiatives (see above section "Project adjustments during implementation").

64. **Other aspects.** With regard to sex-disaggregated project results monitoring, the PCR noted that the programme's baseline and endline RIMS surveys succeeded in collecting household data that were disaggregated by sex (as well as ethnic groups). However, these data could have been better exploited to describe rural poverty impacts specifically for women (whereas these were largely reported at the overall beneficiary community level; see above section "Rural poverty impacts"). No information was provided in the PCR on the aspects of workload distribution among household members and gender relations within households, groups and communities in the programme area.
65. In summary, on the one hand SSSJ succeeded in: (i) engaging considerable proportions of women and women-headed households in programme activities and, specifically, in participatory village-based development planning and implementation; (ii) reportedly enhancing revenues from agriculture for female-headed households (which was not quantified or substantiated by evidence); and (iii) generating sex-disaggregated data (which notably remained largely unused for quantifying outcomes and impact, however), while, on the other hand: (a) the programme lacked a consistent gender strategy and specialized programme personnel; (b) effective service delivery for women from ethnic minorities was hampered by language and cultural barriers not overcome by the programme; and (c) no outcomes were reported for nutrition, intra-household workload distribution or gender relationships. *This PCR thus rates SSSJ performance with regard to gender equality and women's empowerment as moderately unsatisfactory (rating 3), lower than the moderately satisfactory rating (4) provided by PMD.*

### **Environment and natural resources management**

66. The PCR noted that the programme introduced sustainable, adaptive and integrated farming methods, as well as concepts and techniques for environmental protection and sustainable NRM, to both extensionists and beneficiary farmers. Further, sustainable irrigation schemes were implemented and the slash-and-burn practices were reportedly reduced in the programme area according to the PCR, while conceding that the pressure on the natural resource base remained high. However, the PCR does not provide a more detailed description of the farming methods and NRM practices mentioned, nor data on their level of uptake by farmers and any observed outcomes resulting from them.
67. In view of the limited and vague information provided in the PCR in support of environmental outcomes from the programme, which nonetheless pointed to certain positive results, *this PCR rates SSSJ performance with regard to the environment and NRM criterion as moderately successful (rating 4), in agreement with the rating assigned by PMD.*

### **Adaptation to climate change**

68. The PCR stated that the resilience of local communities to climate-related shocks and stresses increased as a result of the programme's introduction of adaptive farming techniques (while it is not clear whether the term 'adaptive' refers to climate change), diversified household farming models and solidarity investment tools, such as VDFs and rice banks. The RIMS surveys thus reportedly indicated increasing levels of income diversification, with around 80 per cent of households cultivating at least two crops and raising at least two types of livestock (compared to 65 per cent of farmers at baseline).

69. As noted in the above section titled "Sustainability of benefits", civil works, particularly roads and small-scale irrigation schemes, were considered to be highly vulnerable to extreme weather events associated with climate change, such as flash floods. This risk factor was expected in the PCR to increase future maintenance and repair costs, which were, however, to be mitigated by the effective operations and maintenance arrangements in place. It is noted that the latter statement is not consistent with the PCR's assessment in other sections that community ownership, commitment to operations and maintenance arrangements and prospects for institutional service support for many of the civil works (in particular roads) were low.
70. In view of the inadequate maintenance provisions for infrastructure expressly prone to risks of damage in the context of climate change, and notwithstanding the results achieved for farming systems diversification, *this PCR rates SSSJ performance with regard to adaptation to climate change as moderately unsatisfactory (3), lower than the moderately satisfactory rating (4) provided by PMD.*

### **C. Overall project achievement**

71. SSSJ's goals and objectives were well-aligned with government development objectives, and several appropriate design adjustments were made during implementation so as to accommodate additional emerging government priorities and build on effective modalities for village-level investments. Output delivery was considerable, particularly for integrated production systems, given implementation delays and ineffective interventions in the first half of programme execution. Rural poverty impacts reportedly included income and asset ownership gains, reduction in periods of food insecurity, attainment of the overall programme goal of poverty reduction (with questionable attribution of the latter two outcomes to SSSJ) and enhancement of social cohesion and community empowerment through participatory investment implementation. Levels of ownership and sustainability prospects for VDF infrastructure investments and community in-kind banks were observed to be high. Innovative rural development approaches were successfully introduced, including block-grant support for group business planning and investments, VDFs, rice banks and nutrition initiatives. Considerable proportions of women engaged in programme activities and, specifically, participatory village-based development planning and implementation, enhancing revenues from agriculture for female-headed households.
72. On the other hand, a number of substantive inadequacies in the programme design led to the abandonment of several key interventions in the absence of sufficient technical support. Water and road infrastructure lacked adequate quality or operations and maintenance provisions, management expenditures were exceedingly high and significant implementation delays meant that target communities received programme support only during SSSJ's last two years. Reported productivity impacts were limited to marginal rice yield increases and farmers' adoption levels of diversified cash crops; the level of impact on child malnutrition and its attributability to SSSJ were unclear; the general evidence for human and social capital and empowerment was anecdotal and weak; capacity building and skills transfer activities were largely ineffective; and impacts on institutions and policies remained limited and lacked clarity. All civil works were deemed vulnerable to damage from climate change events, and continued operationalization of government technical support to communities was perceived unlikely. Results reported in the context of scaling-up of SSSJ interventions were rather limited and unclear. The programme lacked a consistent gender strategy and service delivery for women from ethnic minorities remained ineffective owing to language and cultural barriers. Environmental outcomes from the programme were not well described and appeared to be limited.



73. *This PCR rates the overall project achievement of SSSJ as moderately unsatisfactory (3), in contrast with the moderately satisfactory (4) rating provided by PMD.*

## **D. Performance of partners**

### **IFAD**

74. The PCR noted that IFAD responded promptly to the request of the government to prepare this grant-financed programme. Guidance from IFAD headquarters regarding financial management and fiduciary aspects was deemed adequate and useful. IFAD was viewed to be flexible and responsive to the required design changes resulting from the implementation context on the ground and to grant budget reallocations to enable recovery of effective project implementation in the second programme half. IFAD follow-up on withdrawal applications was deemed reasonably prompt.
75. On the other hand, the PCR pointed out the high turn-over of IFAD Country Programme Managers, with SSSJ dealing with four such Managers during its 6-year implementation period. These changes meant inconsistencies in management styles and views as to the effective implementation of SSSJ and limited meaningful policy engagement at the central government level, which was viewed as a missed opportunity for delivering potentially far-reaching impacts at that level.
76. Between 2011 until project completion in 2018, IFAD fielded eight supervision and implementation support and review missions and a MTR at the project mid-point (2014). The quality of direct supervision missions was deemed to have suffered from changes in team composition and consequent inconsistencies in leadership and technical substance. Further, conflicting opinions in supervision missions of different years were noted in the PCR, as well as lengthy recommendations by supervision reports that lacked specification of hands-on measures and actions for implementation.
77. In view of the adequate administrative support as well as flexibility and responsiveness overall on the one hand, but some inconsistencies and weaknesses in supervision and implementation support extended to the programme, on the other, as reported in the PCR, *this PCR rates IFAD's performance on SSSJ as moderately satisfactory (4), in line with the rating (4) provided by PMD.*

### **Government**

78. **Baseline survey and M&E systems.** A baseline survey was undertaken by SSSJ in the first year of the project (2012). The overall M&E system was assessed in the PCR to have been inadequate, affecting the overall programme efficiency in terms of the lack of timely production of accurate data to assist operational decision-making. Technical assistance fielded by LuxDev in 2013 to specifically address this issue resulted in an improved system; however, inadequate technical capacity of programme staff at national and provincial levels meant that the data could not be consistently compiled following the intervention. While the system improved in the last year of implementation with the recruitment of a higher-calibre M&E specialist, data quality remained a challenge until project completion in view of inadequate capacity building of field-level staff, and validation of collected data through field visits remained limited. In consequence, the programme made limited use of the information collected by the M&E system to inform decision-making and targeting.
79. **Counterpart resources.** The Government contributed counterpart funding below the level foreseen in the project financing agreement (ca. US\$0.562 million, or 67.4 per cent of the planned commitment; see section "Financing"). A reason for this under-disbursement was not provided in the PCR. It should be noted, however, that the total actual programme costs were lower overall than the budgeted amounts, and thus the Government's contribution in relative terms amounted to 3.5 per cent of total actual costs, against a budgeted 4.3 per cent at design stage.

80. **Audit reports.** No information was provided in the PCR regarding SSSJ's financial audit arrangements or compliance with the provisions set out in the financial agreement.
81. **Funding flow and procurement procedures.** The PCR noted that in the early stages of implementation, the programme encountered difficulties with the flow of funds, but that this was resolved in 2015 by increasing threshold balance limits per programme location for provinces and districts, as well as at national level. Although replenishments typically took about four months, district programme offices reported not to have faced financial problems in the interim periods given remaining balances that were adequate for their levels of activity.
82. Early procurement activities were noted in the PCR to have been affected by delays in fund transfer and reporting. Following the MTR, procurement sped up significantly, matching the increased pace of implementation activities, with decentralized procedures under the VDF framework accounting for a substantial part of programme procurement.
83. Procurement was largely compliant with the government's and IFAD's procurement requirements. However, the programme was found not to track payments on its contracts on a consistent basis, and remedial measures were recommended by supervision missions, such as establishing a contract register, which was later duly implemented by the programme.
84. **Project implementation capacity.** MAF was the lead implementing agency for SSSJ, with their provincial and district-level offices overseeing implementation activities at decentralized levels. The capacity for programme delivery by these agencies was deemed in the PCR to be extremely low, particularly in the areas of financial management, M&E and value chain development. A compounding factor was described to be low staff morale, brought about by a lack of incentives to engage in the work of SSSJ, as well as frustrations with inadequate travel and daily allowances and the divergent salaries paid to technical officers. SSSJ largely meant an additional workload for involved staff already heavily burdened with their regular duties and tasks. To fill the gap, the PCR described how the technical assistance provided largely focused on extending routine operational support, such as exercises of planning, budgeting, implementation support, monitoring and reporting, coordination with line agencies, assistance in village training and group formation, thus taking over a substantial part of the daily operational management. Further, as noted in the above section titled "Adequacy of project design", the PCR highlighted the absence of community focal points as part of SSSJ's institutional set-up, resulting in inadequate management of implementation activities at the community level.
85. In view, on the one hand, of the successful conduct of results baselining and acceptable levels of counterpart contributions, and, on the other hand, the inadequate M&E system, and low implementation capacity and very high project management cost (as discussed in "Efficiency" section), *this PCR rates government performance on SSSJ as moderately unsatisfactory (rating 3), lower than the rating (4) provided by PMD.*

## **IV. Assessment of PCR quality**

### **Scope**

86. The PCR contained all chapters, sections, and annexes as per the Guidelines for Project Completion Review (2015) and provided substantive and relevant content. *This PCR rates the scope of the PCR as satisfactory (rating 5).*

### **Quality**

87. The PCR was produced in a timely manner in March 2018 and was found to be satisfactorily detailed and informative and of high quality.

88. **Inclusiveness of PCR process.** The PCR process was inclusive of a variety of stakeholder groups, in that a stakeholders' workshop was held in October 2017 to discuss the draft PCR for SSSJ and garner views and recommendations for its improvement, as well as strategies to enhance the sustainability of the results achieved by the programme beyond its closure date.
89. **Data robustness, reliability, and adequacy.** As outlined in the above section "Baseline survey and M&E systems", the overall M&E system proved inadequate to systematically and effectively track implementation progress and capture programme results, and the data collected remained of limited use in informing programme decision-making and targeting. RIMS baseline and endline surveys were conducted in an effort to capture outcomes and impacts of the programme. Certain methodological constraints of the surveys were noted in this review that, to a certain degree, impinged on the strength of the impact evidence presented (see above section "Rural poverty impact"). On the other hand, the RIMS survey results were validated by the PCR mission by way of triangulation and ground-truthing.
90. *This PCRV rates the quality criterion for the PCR as moderately satisfactory (rating 4).*

### **Lessons**

91. A set of five lessons was indicated in the PCR to have been learned from the performance of SSSJ (see below section "Lessons learned"); these were deemed adequate and were derived from project design and implementation considerations.
92. *This PCRV rates the lessons criterion for the PCR as satisfactory (rating 5).*

### **Candour**

93. The PCR narrative was considered to be generally objective and to have struck an appropriate balance between showcasing achievements and describing shortfalls.
94. *This PCRV rates the candour criterion for the PCR as satisfactory (rating 5).*
95. ***The overall quality of the PCR is rated as satisfactory (rating 5).***

## **V. Final remarks and lessons learned**

### **Lessons learned**

96. Key lessons extracted from the PCR comprise the following:
- a) The introduction of innovative design features requires careful assessment of its operational and technical feasibility, in particular in the context of remote locations and targeting the most disadvantaged population segments lacking assets and resources.
  - b) Institutional capacity-building as part of development project interventions should include a strategically-tailored action plan for strengthening specific institutional and/or operational capacities of the recipient agency.
  - c) Effective programme managements systems, including M&E and accounting systems, require setting up at programme inception or an early stage of programme implementation.
  - d) Corrective measures to substitute non-implementable design elements and re-orient programmatic interventions in an effort to meet programme goals and objectives need to be addressed through early progress reviews, and responsive adjustments must be made expeditiously.
  - e) In order to retain a stable cadre of motivated management and coordination staff and thus ensure consistency and efficiency in programme delivery, a performance-based incentive system should be applied to government-assigned staff to elicit high levels of morale and motivation.

## Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
<b>Rural poverty impact</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.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> <li>Household income and net 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. The analysis must include an assessment of trends in equality over time.</li> </ul>		No
	<ul style="list-style-type: none"> <li>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 grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> </ul>		No
	<ul style="list-style-type: none"> <li>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.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
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 and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	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.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
<b>Overall project achievement</b>	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
<b>Performance of partners</b>			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

\* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

## Rating comparison<sup>a</sup>

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
<b>Rural poverty impact</b>	4	4	0
<b>Project performance</b>			
Relevance	4	4	0
Effectiveness	4	4	0
Efficiency	3	2	-1
Sustainability of benefits	4	3	-1
<b>Project performance<sup>b</sup></b>	3.75 <sup>1</sup>	3.25	-0.50
<b>Other performance criteria</b>			
Gender equality and women's empowerment	4	3	-1
Innovation	4	4	0
Scaling up <sup>2</sup>	4	3	-1
Environment and natural resources management	4	4	0
Adaptation to climate change	4	3	-1
<b>Overall project achievement<sup>c</sup></b>	<b>4</b>	<b>3</b>	<b>-1</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	4	4	0
Government	4	3	-1
<b>Average net disconnect</b>			<b>-0.5</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, efficiency and sustainability of benefits.

<sup>c</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

<sup>d</sup> The rating for partners' performance is not a component of the overall project achievement rating.

<sup>1</sup> An overall project performance rating was not provided by the PMD; the arithmetic average across the four components was computed by the PCRVR evaluator.

<sup>2</sup> This criterion read as "Potential for scaling up" in the PMD rating matrix.

### Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCRVR rating</i>	<i>Net disconnect</i>
Candour		5	
Lessons		5	
Quality (methods, data, participatory process)		4	
Scope		5	
Overall rating of the project completion report		5	

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.

## Output Delivery

<b>Output</b>	<b>Unit</b>	<b>Target</b>	<b>Actual</b>	<b>% Delivery</b>
<b>Component 1: Integrated farming systems</b>				
<i>Improving upland conservation and production systems</i>				
Families receiving technical advisory services on agriculture	Number	3,400	8,077	237.6%
Families having at least one member trained in conservation technology practices	Number	5,100	2,100	41.2%
Female-headed families having at least one member trained in conservation technology practices	Number	1,700	413	24.3%
Farmers' Field Schools (FFS) held, with specialized training devoted to women and ethnic groups	Number	225	189	84.0%
Number of agricultural farmers' organisations (AFO) operational/functional	Number	225	378	168.0%
Percentage of families provided with long term tenure / security of natural resources	Number	3,400	2,268	66.7%
Number of families that have received nutrition training	Number	8,500	5,482	64.5%
Number of children that have received benefit from supplementary feeding programmes	Number	1,850	871	47.1%
Number of families that have received homegarden starter kits	Number	2,800	1,680	60.0%
<i>Livestock development</i>				
Number of families that have received training on livestock raising	Number	3,400	9,603	282.4%
Poultry and pigs vaccinated	Number	68	372	547.1%
Number of village veterinary workers trained	Number	75	544	725.3%
Number of livestock farmers' organisations (LFO) operational/functional	Number	225	596	264.9%
Number of families that have received livestock	Number	3,200	5,240	163.8%
<i>Water management</i>				
Irrigation schemes (IS) rehabilitated/constructed and area rehabilitated/constructed	Number	40	70	175.0%
Land area under irrigation from rehabilitated/constructed irrigation schemes (IS)	Hectares	400	543	135.8%
Drinking water supply schemes (DWSS), including 30 also serving irrigation for home gardening, of which 1/3 benefit female headed families	Number	40	79	197.5%
Drinking water supply schemes (DWSS) serving irrigation for home gardening	Number	30	7	23.3%
Female-headed households benefitting from drinking water supply schemes (DWSS) serving irrigation for home gardening	Number	10	38	380.0%
<b>Component 2: Links to markets</b>				
<i>Road construction</i>				
Length of road constructed and/or upgraded	Kilometers	220	190	86.4%
Number of roads constructed and/or upgraded	Number	45	40	88.9%
Villages establishing road maintenance groups	Number	50	54	108.0%

<b>Output</b>	<b>Unit</b>	<b>Target</b>	<b>Actual</b>	<b>% Delivery</b>
<i>Improving access to markets</i>				
Families participating in at least two separate training events each year, with separate sub-training for women and ethnic groups	Number	5,100	11,993	235.2%
Families joining at least one interest group and staying with the same group for the duration of the programme	Number	5,100	1,737	34.1%
Families participating in a Public-Private Partnership	Number	5,100	165	3.2%
Villages receiving market information	Number	90	112	124.4%



## Abbreviations and Acronyms

FFS	Farmer field school
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> German Agency for International Cooperation
IFAD	International Fund for Agricultural Development
LuxDev	Luxembourg Development Cooperation Agency
MAF	Ministry of Agriculture and Forestry
MTR	Mid-term review
M&E	Monitoring and evaluation
NTFP	Non-timber forest product
NRM	Natural resource management
OCISP	Oudomxay Community Initiatives Support Project
ORMS	Operational Results Management System
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PMD	Programme Management Department (IFAD)
PPP	Public-private partnership
RIMS	Results and Impact Management System
SSSJ	<i>Soum Son Seun Jai</i> – Community-based Food Security and Economic Opportunities Programme
VDF	Village Development Fund
WFP	World Food Programme

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